



INTENTIONAL CULTURE MANAGEMENT

A New Systems Approach to Organizational Leadership

By Sue McKee
March 2009

Integra Leadership Inc

When you ask CEO's what their employees want, you often hear about requests such as flex-time, larger raises, on-site daycare, massages at work. Po Bronson, a Fast Company magazine contributor, asserts that this is a myth. These perks provide only temporary relief from the doldrum that many consider to be their working hours. They do little to help motivate employees and rarely improve performance or productivity.

What people want is to enjoy the work they do, day in and day out.

This may sound simple but few employers put sufficient attention to this fact. For most people, enjoying the work means that they care about what they're doing, they have found meaning or purpose in their role, and the job fulfills them. In general people want to be charged with tasks that align with their skills and interests, be valued for their contribution, and be inspired by a purpose. These desires are represented by a unique set of core values for each of your employees.

Organizational culture directly impacts the bottom line.

Companies don't produce results, people do.

The composite set of core values of your employees is the *potential* culture of your organization, and is the *single* most important asset to manage, and manage well, to optimize your business results.

When an organizational culture is monitored and managed at the *values level*, a world of possibilities opens up. As the leadership team, and the entire workforce, bridge the gap between existing and desired cultural values, work processes become more efficient, decisions are easier to make, and employees are more engaged and fulfilled. The alignment of the combined human effort of a company toward common goals only fully occurs when the collective personal values match the company values.

Organizational culture directly impacts the bottom line. The top 20 public companies in Fortune's *Best*

Companies to Work For returned an average annualized return of 16.74% over the past ten years, compared to 2.83% for the S&P 500. Firms with a *strong adaptive culture* based on shared values, generated revenue growth more than 4 times faster, stock growth that was twelve times faster, and profit that was 750 times higher than firms with rigid or weak cultures, according to Kotter and Heskett of Harvard Business School.

The first step is to measure the current cultural state. Of the few culture tools available, Integra insists on using the only one that offers 3 measurements, and therefore 3 gaps to close. The Barrett Values Centre's culture tools compare personal values to current company values to desired company values, which when combined with a systematic coaching and facilitation program, defines a roadmap for cultural transformation.

The leadership team must be willing to do their own individual work if they are to embark on a cultural transformation project for their company. Organizational culture is driven from the top, and leaders must take a good hard look at their contribution to, and desires for, that culture.

The organization then gets to define the new target organizational culture, and can use the workforce's top personal values and top organizational values to inform their choices. It is up to the leadership team how much they involve the rest of the organization in this part of the process. The more involved employees are at this stage, the easier the program rollout becomes. Coaching, facilitation and training are used to implement the integration

Values alignment creates shareholder value.

and alignment programs, using a systems approach. The progress is measured periodically using the assessment tools.

Values alignment creates shareholder value.

When an organization begins to truly live its values, the impact can be dramatic. As the target culture is defined and the implementation phase begins, a natural process occurs where employees that don't

resonate with the target culture will eventually leave while those that do will become even more engaged. Ongoing hiring becomes more values-based. Performance evaluations are developed from the value system, thus behaviour gaps are easily identified and become manageable. In time, consensus is reached more easily and decisions made more quickly. There is a greater sense of trust because employees will expect integrity in the actions of others, or *values-based behaviour*. Employees become more engaged and satisfied. There is greater collaboration, commitment and innovation, which leads to greater customer satisfaction, improved financial performance, and ultimately greater shareholder value.

A cultural transformation project such as this may take several years to complete depending on the degree of change targeted. This is no small feat and it requires boldness and vision on the part of the organization's leadership. Of course not all organizations are ready to embark on such a comprehensive process. Many organizations start with benchmarking as a first step using a cultural values assessment and next steps can be decided upon after this first step is undertaken.

Specific instances where the cultural transformation tools are quite useful:

- A new company start-up or a new business unit launch would be well informed by cultural values assessment in order to gauge the current situation without having to wait for subjective observation over time
- Mergers and acquisitions can be assessed using a unique version of the cultural transformation tools to provide insights into what each organizational entity can learn from the other, and understand possible culture differences, *before* the integration takes place.
- A new or struggling team would benefit from a cultural values assessment to provide

“Cultural capital is the new frontier of competitive advantage” Richard Barrett.

insights into values gaps and misalignments to be addressed, to improve performance.

- Individual leaders can gain valuable input from the leadership values assessment which provides 360° feedback to show the degree of alignment between their behaviour, as observed by respondents, and their personal values
- Any leadership team that wants to intentionally shift its corporate culture, can use the cultural assessment tools to inform the culture change plan.

It's simple really.

Cultural alignment makes it easier to work together, keeps everyone engaged and delivers extraordinary results. And yet, it is a courageous journey to look honestly at your own leadership and the culture you created and ask “What do I want to do about this”?

This is a time of retraction, re-assessment, and re-design. There is no better time than now to assess your organization's current culture and create a plan to more fully realize the *existing potential* within your people.

We, at Integra, invite you to contact us to discuss these tools, programs and opportunities with you.

Author:

Sue McKee, BSc, MBA, CPCC

Sue is Co- Founder and Co-Managing Director of Integra Leadership Inc

Integra Leadership Inc.

Integra Leadership was established in 2006 as a result of the market's need for a global coaching organization. With a focus on North America, Integra is a global market leader in delivering enterprise-grade coaching solutions to its clients worldwide. Integra sources the world's finest coaches and ensures seamless and effective delivery of a diverse spectrum of coaching services.

Contact:

416-488-1313

contact@integra-leadership.com

www.integra-leadership.com

