

A man in a dark suit and blue tie is leaning against a large, dark grey, rectangular block. He is looking upwards and to the right. The background is a bright, cloudy sky. The block is positioned on the left side of the frame, and the man is on the right side, leaning against its edge.

Is Your Culture Working **for** You or **Against** You?

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Senior Partner, Partners In Leadership

Gain a Competitive Advantage by Managing the **Three A's in the Culture Lifecycle**

A leading Southern California grocery retailer, Bristol Farms, underwent a series of buyouts in a short span of a few years. Each investment company brought with it new priorities and business strategies. Every time the company adjusted to the changes, it was sold again. The constant change resulted in inconsistent expectations, a clash of cultures, and mixed messages. After many years with that kind of turnover, the culture was dysfunctional, dissatisfied, and weary. A culture of sarcasm had taken root. As you might expect, the grocery retailer struggled to hit sales goals.

Stories like this confirm our research that culture always produces results. The good news is, the right culture produces the results you need. Research shows that company culture impacts the bottom line. The 2014 *Happiness and Productivity* study by the Department of Economics at the University of Warwick found that happy workers are 12% more productive than the average worker, and unhappy workers are 10% less productive.

Adam Caldecott, who took over as President and COO of Bristol Farms in 2015, decided to make culture a priority. He became intentional day in and day out about managing its culture. You can read the full story of what happened to Bristol Farms as a result on page 65, but here's a preview: He set the company up for outstanding financial, cultural, and strategic results.



Executives like Adam Caldecott gain a Culture Advantage—the “Ultimate A”—by intentionally engaging in a series of advancements in the culture-shaping process. First, they build Culture Alignment. Second, they develop Culture Ability. This prepares the way for creating a Culture Advantage for accelerating the execution and delivery of their results. Organizations seeking sustainable growth advance this three phase culture lifecycle: **Alignment, Ability, and Advantage.**

Let's examine.

Culture ALIGNMENT

The first phase to building the right culture is to **align** the company around the results necessary to move the organization forward.

First, clarify the Key Results™. In the first stage of Culture Alignment, the leadership team identifies the results the organization needs to achieve that are different from the results it is getting today. These are a set of strategic, actionable results that are essential to long-term viability and competitive success, which we call Key Results. Equally important is to ensure each employee across the organization has clarity around each organizational result and can personally connect his or her actions to them.

Second, define the culture that will achieve your desired results.

Leadership must define the culture that will produce the desired results and then identify the organizational shifts necessary to create that culture. (I.e. How will people throughout the organization need to shift the way they think and act to achieve the Key Results?)

Third, identify Cultural Beliefs®. Leaders identify a set of beliefs to guide the change process. The belief set is used to guide all coaching and feedback that teams give one another throughout the organization. These Cultural Beliefs focus the change effort and keep it on target.

Fourth, employ culture-shaping tools. Leaders use simple tools to intentionally drive the culture. This begins by defining a practical, common language to help make this process efficient and transparent. Leaders seek and offer feedback, provide recognition, and tell stories around the defined culture in order to maintain focus and attention on the desired culture. These enable internal interactions to stay on target regarding the way people think and act to deliver the Key Results. (Read “Culture Tools You Need Now,” page 23.)



Culture always produces results; but the right culture produces the right results.

- Change the Culture, Change the Game

Fifth, build a Culture of Accountability®. Finally, people across the organization must take accountability for the culture needed to deliver the Key Results—individually, as teams, and as an organization.

Alignment is not a one-off event. Even if you’ve successfully brought your culture into alignment, this can quickly shift as the company grows and the marketplace changes; However, once you have systems and processes in place—and a shared language with which to communicate them—addressing misalignment becomes easier.

Culture ABILITY

Once leaders and teams are aligned around the necessary culture shifts, they enter the application and execution phase. In this stage, leadership builds and improves skills to manage culture. Leaders build this new skillset through deliberate and dedicated practice, especially in the early stages.

Leadership stays focused on culture as a visible priority. They ask questions like: Are we creating experiences that shape the desired culture? Are we delivering the desired results? What progress are we making – and where is progress yet needed? Are we using culture management tools effectively to shape the organization?

They look for examples of where systems are in and out of alignment with the defined culture, so they know what adjustments to make in a timely manner. As leaders, teams, and individual contributors become competent in applying the culture tools, the culture begins to move in the new direction.

Culture ADVANTAGE

Leaders who own the culture management of their business create profound value for their companies; what we call Culture Advantage. Culture Advantage occurs when both leaders and individual employees are aligned and actively managing culture.

Indicators of Culture MISALIGNMENT

- People remain quiet during meetings
- There's no progress in a project that should be moving forward
- Employees are complaining, blaming others, or making excuses
- There's disagreement over a decision that's already been made
- You're not getting the results you anticipated
- People keep bringing up issues you thought were already resolved
- People leave the organization

Indicators of Culture ALIGNMENT

- Conversation flows freely
- Positive recognition is abundant
- Employees are creative and engaged
- Everyone in the company has a clear vision of where they're going
- Feedback is readily and consistently given
- People have a heightened awareness of their own accountability and refuse to play the blame game
- More consistently achieving the needed results
- Glassdoor rating is excellent

Ask yourself - who is really implementing the company strategy? It's the front line employees! And it's your choice whether to have employees with a purpose or disengaged employees. **How you lead is a choice.**

As leaders and teams throughout the organization get better at managing culture, they become much more aware of where the processes, policies, and systems are misaligned or even in the way. When a company implements culture shifts at this level, the process accelerates—creating a competitive advantage over less culture-driven organizations.

The benefits flowing from the Culture Advantage phase are numerous. In this phase, organizations attract and retain superior talent, innovate in unexpected ways, gain market share, increase profit margins, and run more efficiently and effectively. This is because the brand, products, strategy, and culture are harmoniously intertwined. Your customers experience your culture every day as they interact with your sales teams, call centers, and service systems. When your culture is aligned and managed properly, it is a positive force that helps retain customers and even produces more informal brand advocates!

Every New Year Needs New Key Results

Being vigilant and intentional with all three phases of the culture lifecycle is what keeps it alive. The results you want will change from year to year, and your culture needs realignment to support your new goals.

Organizations are dynamic—an influx of new hires, an acquisition, structural reorganization, etc.—and the processes established during phases one and two need to be revisited and updated. Perhaps your organization is pivoting in response to the marketplace and needs a change in Key Results. Initially, the three phases are deployed sequentially, but ultimately, they work as a cyclical mechanism that continues to improve organizational performance and expand impact.

For your company's culture to scale alongside your strategy, you need to actively engage and re-engage the simple principles that drive effectiveness. Regularly monitor the alignment of your team. Note whether the results you're achieving are still the results you want, and examine whether your processes are accomplishing your Key Results. Most importantly, make sure that you are continually engaging in a candid feedback loop about the shifts and adjustments needed to ensure alignment and performance.

These phases are not time-based; rather, they are a continuous cycle that leaders can use to assess and leverage to ensure that positive change and

accountability for results is “the way we do business.” Building culture, like building strategy, is not a one-off effort.

Embodying the Three A’s in Everything You Do

Leaders manage culture every day, whether it’s conscious or unconscious. Employees, customers, vendors, partners, and shareholders all participate in that shared culture and contribute to the company’s performance—good or bad.

Our 30 years’ experience applying these simple, powerful models and tools to manage culture have taught us that leaders who consciously manage their culture reap tremendous benefits. Leaders who are continually examining each phase of their culture development, and who are continually engaging with it, are the ones who maintain a competitive advantage. The markets are getting more and more efficient, and the edge that culture management brings to an organization can ultimately be the difference between success and failure.



Interested in more? Ask us about our **Train, Retain, Sustain®** process.

Call 1-833-BEST-CEO

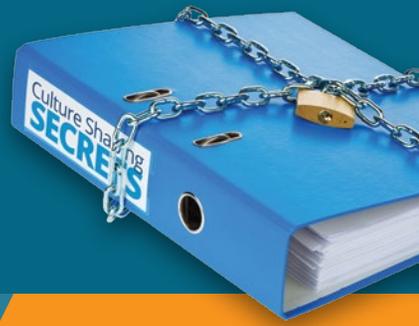
87%

of executives cite culture as an important or very important issue.*

28%

fewer than 1 in 3 executives report that they understand their organization’s culture.*

5 C-Suite Culture Shaping Secrets



Great leaders take the complex and **make it simple.**

In order to see success, focus on the most important **results** your organization needs to achieve.

Keep it simple

1

The most important job of senior leadership is to **shape the culture.**

People align behavior to what their leaders do. Leaders **can't delegate** true change.

You can't delegate change

2

Employee engagement is one of the **first indicators** that change is happening. Culture is leader-led and employee-executed. People work hard for money, harder for a good boss, but **hardest for a cause.**

Engage employees

3

To maximize training impact, follow the "train, retain, sustain" model. You can't outsource culture change. It must become an everyday practice.

Your work is never done

4

96% of Senior HR leaders agree that culture has the most impact on business results. Employee engagement has been directly tied to the successful execution of strategy.**

Culture eats strategy

5

* 2016 Deloitte *Global Human Capital Trends*
** 2015 Workforce Magazine *The State of Workplace Culture*

Excerpted from the premiere issue of *The Edge*, a new publication for c-suite executives and business leaders, from Partners In Leadership.



Explore 75 pages of disruptive insight on the art and science of shaping culture to drive organizational excellence and game-changing results.

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