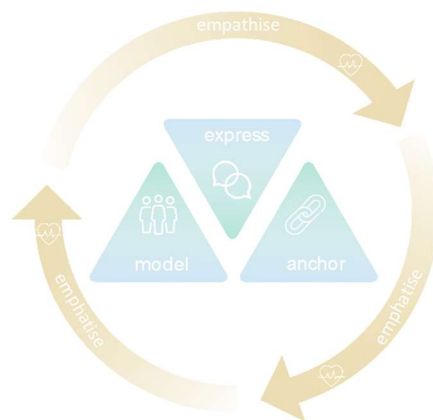# Activate the DNA
# of your organisation

Your methodological guide to an inspiring organisational culture transformation
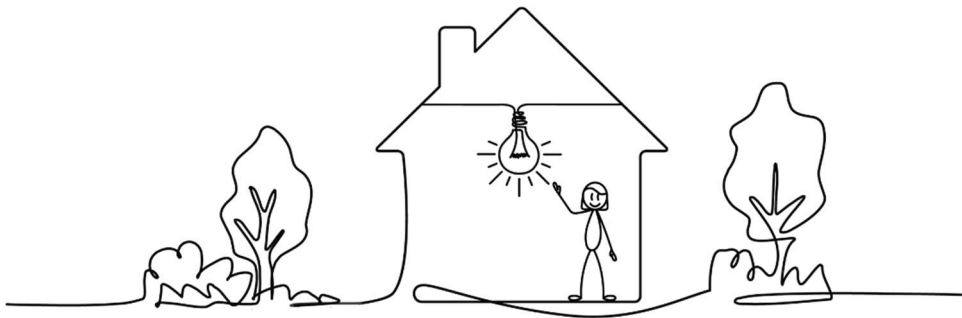

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Interview by Audrey Delbarre

CHAPTER 1: JOURNEY TO THE HEART OF CULTURE TRANSFORMATION

What is culture?

An engaging and successful organisation = House + Home

Let us take the house and the home as a metaphor for the organisation. On the one hand, to be engaging and effective, an organization must have a solid and well-built framework. Similar to a house that stands on a strong foundation that is critical for safety and sustainability. Each room must have a defined role and be organised in a way that ensures fluidity

and coherence of the entire structure. This is what strategy, structure and organisational design provide. On the other hand, organisations also need to build a deeper and sometimes more emotional bond to give themselves a "soul." They can do this by defining their purpose and culture and working on employee engagement. These elements will help them transform their house into a home, a pleasant and caring space like a place where one feels comfortable and at home. Culture is what creates this unique atmosphere.

But what exactly is the culture of an organisation?

> "Culture is the smell in the house"
> as one HRD working in the mobility sector put it

Indeed, culture is not always visible: as Gerard Seijts rightly says, culture is "what people do when no one is looking"[1]. Think back to your first day at your company: what positively surprised you? what got you concerned? As a new employee, you see culture with different eyes and notice elements that no one else notices. For example, the way people greet each other can reveal a greater or lesser degree of closeness between colleagues.

Culture is also a set of assumptions and beliefs, conscious or unconscious, shared by all members of the organisation that guide what happens in the organisation and influence the actions of each person in their daily lives.

These are a set of elements that are visible and easy to observe, but also a whole set of mechanisms and ways of doing things that are more difficult to recognise at first glance or during the first interaction. To be able to recognise a culture at the visible and invisible levels, one must think about the following three dimensions.

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[1] SEIJTS G. in interview with BHATTACHARIEE R., Culture is what people do when no one is looking, Business Standard, 2013.

Culture is[2] :

SEE	SAY	BELIEVE
What we see... and more importantly, what a new employee, consultant or visitor may notice during their first contact with the organisation	What is said and told about the way things work and why things work the way they do in the organisation	What the members of the organisation deeply believe in, their conscious or unconscious assumptions

In other words, culture is about shared ways of thinking, feeling and acting. It is the set of beliefs, values, ways of working and behaviours.

Knowing this, another question comes directly to mind: How to go about designing and implementing the ideal culture for your organisation? Join us in the various chapters of this book and find it out step by step.

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[2] Based on SHEIN E. Coming to a New Awareness of Organizational Culture, Sloan Management Review, 1984.

Importance to focus on organisational culture

In the long run, culture has the power to influence organisations, their style and strategy, and to have a real, measurable impact.

But it also has another, less glamorous side: it can get in the way and prevent the smooth execution of your strategic ambition if it is poorly managed or inappropriate.

Is culture still a conceptual subject for you? Are you more analytically inclined or are you looking for something tangible to get convinced about the importance of culture?

Below are some numbers that speak for themselves.

92% **for an increase in value**

> More than half of executives believe that corporate culture is one of the top three drivers of business value, and 92% believe that improving culture would increase the value of their company.[3]

73% **leave if the culture is no longer suitable**

> A *cultural fit* is the match between the employer and the candidate, based on shared values, vision and motivations. 73% of professionals surveyed say they have already resigned because of a poor culture fit. [4]

[3] GRAHAM J.R., HARVEY C.R., POPADAK J. & RAIGOPAL S., Corporate Culture: Evidence from the Field, National Bureau of Economic Research, Cambridge MA, 2017.
[4] Study by international recruitment firm Robert Walters, 2022.

82% for a competitive advantage

> 82% of respondents said that they believe that culture is a potential competitive advantage.[5]

4 x higher for revenue growth

Organisations with strong cultures experience four times the increase in revenue growth than those without.[6]

So, the three main reasons to seriously pay more attention to culture in your organisation, to reshape it or to evolve it are as follows:

▲ The first is to improve **performance** and **engagement** within your organisation: to adopt new ways to become more efficient, to bring purpose to everyone's role, to give everyone the opportunity to develop and feel 100% engaged. It is common knowledge that culture and engagement are closely linked. Although these two concepts may seem different at first glance, they are mutually dependent. If culture is about "how things are done here," engagement is about *"how people perceive and experience the moments of organisational life."*

▲ Second, to respond to **internal changes** in all or part of your organisation. For example, the acquisition or closure of a business unit results in the need to reshape the culture to move all employees in the same direction. Change can also be triggered by external factors, such as the pandemic, which required to rethink trust management in the context of remote working. Other external factors may include regulatory changes, such as the way a product is

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[5] DELOITTE Human Capital Trends, www2.deloitte.com, 2016.
[6] LAKER B., Culture Is A Company's Single Most Powerful Advantage. Here's Why, Forbes, 2021.

manufactured according to a country's standards. Or the emergence of new competitors in the market, the need to expand into other regions, or the diversification of your product or service offering.

◢ Finally, actively addressing the culture can be essential in the context of **correcting unethical activities**: working on culture helps ensure that values are respected in accordance with good practices, guidelines, and laws. For example, some companies still operate unethically by allowing certain employees to work excessive hours or by using aggressive sales techniques that defy the boundaries of professional ethics.

Transformation… or evolution?

The word transformation evokes a whole range of reactions. We use transformation, development, evolution, and other related terms in this book, knowing that each of these words has a special meaning and symbolic. We particularly like the concept of "culture renovation" by Kevin Oakes[7]. Rather than redesigning everything from the ground up, he invites us to take an approach similar to that of renovating a home we live in, continually adapting spaces by capitalising on the building's strengths while making it functional and attractive for the family's current needs. It is this philosophy that we promote when we talk about cultural transformation in this guide.

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[7] OAKES K., Culture Renovation: 18 leadership actions to build an unshakeable company, McGraw-Hill Education, 2021.

The place of participation

Top-down   Bottom-up   Participative
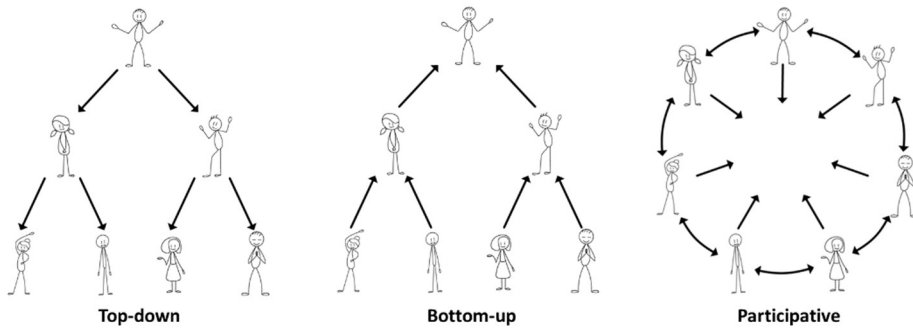
"Culture is everybody's business". Indeed, transforming the way we work requires the support of all employees.

Participation in shaping change is a key element of the change process. Bottom-up interventions are necessary to understand what is happening at all levels and what is feasible on the ground. This approach prevents management from remaining in its ivory tower and disconnected from operational reality.

However, the participatory approach must also be communicated and steered by the management team "from the top." It must ensure that the development of the culture is consistent with future strategic directions, ensure coherence with other priorities and be able to decide on proposals for approaches and actions related to cultural change. The management team also need to strongly support the process by embodying the expected ways of working.

> **Of the many changes that an organisation can go through, cultural change is the one that most requires the right combination of top-down, bottom-up and participatory approaches.**

Assumption: Theory X and Y

The business world has long been aware of the importance of beliefs. One of the reference theories, which existed as early as the 1960s, is that of Douglas McGregor, an American professor of management, who distinguishes two main types of beliefs related to the individual's relationship with work: the X-theory and the Y-theory[8]. The X theory encourages management to provide strict and controlled supervision because it assumes that people flee from work because they have a deep-seated aversion to it and act only under duress. The Y theory relates to the notion of responsibility because it assumes that workers, if motivated, will motivate themselves and control themselves at work as long as they find meaning in it.

By looking at your approach from the Y perspective, you broaden the horizon of your transformation by integrating the idea that everyone is capable of initiative, self-control, and creativity, which allows you to hold each employee accountable for change and make them *collabor-actors*!

> "COACH ME   …and I will learn
> CHALLENGE ME   …and I will grow
> BELIEVE IN ME   …and I will win".
> Dr Robert Halgren

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[8] MC GREGOR D., The human side of enterprise, Annotated Edition, 2006.

Principles for a successful cultural transformation

We have identified some key foundational principles for successful cultural change. Where do you stand on each of these principles?

1.   The leadership team actively takes on the **role of sponsor** to change the culture: leaders are deeply convinced of the need for culture change, and there is a clear mandate to do so. Their support is visible to all.

2.   Culture change is perceived by employees and all stakeholders involved as **informal and intuitive**: the first "small steps" are achievable by everyone, easy to implement, and not perceived as an unachievable effort

3.   There is a **strategy, roadmap, and action plan** for changing your culture: despite an approach that employees perceive as fluid, the strategy, action levers, and plan for culture change are methodically thought out and structured, providing the necessary clarity to those involved in the change.

4.   Plans are **adjusted** as the transformation process progresses: since the world is changing fast, you should adapt your plan step by step and continuously.

5.   Cultural change is based on both the **strategic ambition** of the organisation and the **voice of the employees**: the key is to find the right balance so that everyone feels engaged while achieving the collective business goals.

6.   The process engages employees by **touching their hearts and minds**: it is not because employees have understood what is expected, that they will be committed to the transformation. You will need to be and awake desire to change by connecting with the emotions of each and everyone

7.   To unleash positive energy, the approach **focuses on strengths and talents** rather than just weaknesses and problems: you can gain just as much, if not more, by seeing the positive rather than focusing on problems and conflicts that can lead to a negative spiral.

8.   Culture interventions are conducted at the individual, team, and organisational levels, ensuring a **holistic and systemic approach**: your organisation is a system with multiple levels. The goal is to get the whole moving by playing on the different levels, collective, team and individual.

9.   **Priorities are set**, with a good mix of long-term interventions and practical, pragmatic, and symbolic actions: to maintain the energy and passion to move the organisation forward along the way, small, easy-to-achieve successes give energy and courage to tackle larger projects. Use this list to determine a realistic order of priorities.
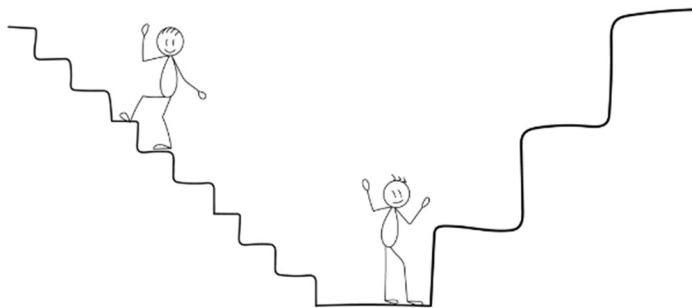
The importance of taking small steps

Cultural change cannot be imposed or improvised. Therefore, with a well-thought-out approach with foundational principles, you can bring your employees along and create a desire to adopt new ways of working.