

## The Road to Sustainable Culture Change

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The road to sustainable change in corporate culture is littered with the wrecks of so many valiant attempts. Studies have indicated that no matter the organizational level or type of company, change programs have very low success rates. **The fact is that 70% of change initiatives fail.**<sup>1</sup> Why are so many attempts at changing corporate culture unsuccessful?

At the heart of change failure is the same driving force that can lead to success: *people*. We find that corporate leaders are often ill-equipped to lead change. Change, like leadership, is an art form not a formula. It takes a certain set of mandatory leadership competencies in order to be successful. Most executives could use a refresher course in what makes change “stick” and how they could leverage their leadership to encourage lasting change. This article is geared toward helping leaders to effect sustainable change in their organizations by correctly identifying their own corporate culture’s characteristics and using proven principles to guide them in their change programs.

### Uncovering the Iceberg: Identifying Corporate Culture

The deep-rooted nature of corporate culture can make it especially difficult to change. Take the popular iceberg analogy—only ten percent of an iceberg is visible above water; the same percentage of a company’s culture can be physically observed. On the surface we see the mission statement, the way employees dress, the company website, the office building, etc. However, what exists “under the water line” is *really* responsible for shaping corporate culture—company history, core values and beliefs, corporate ethics and the interaction between people in the work environment. So how do you change something you can’t see? We know—it’s hard. But before you try and change your organization, you have to lower the water line and understand what defines your company’s culture.

Through efforts to assist clients in uncovering their corporate culture, we learned that the way an organization measures success is directly related to culture. This makes discovering the characteristics of corporate culture less painful because most organizations can easily identify how they measure success. Presented below are the four ways we think about success as it relates to corporate culture (and examples of high-profile companies to help you identify).

- In **Collaborative Cultures**, success is defined based on teamwork, collaboration and talent development. The organization keeps commitments to people and is generally concerned for their well-being. (Southwest Airlines)
- In **Creative Cultures**, success is defined based on innovation, creativity and having the most differentiated products on the market. The organization takes pride in being first in the marketplace with superior products. (Apple)
- In **Competitive Cultures**, success is defined based on winning in the marketplace. There is an intense focus on growing market share by beating the competition. (General Electric)
- In **Controlling Cultures**, success is defined based on tight controls and efficiency. The organization is known for consistency, operating efficiency and low-cost manufacturing. (General Motors)

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<sup>1</sup> Beer, Michael, and Nitin Nohria. "Cracking the Code of Change." *Harvard Business Review* 78.3 (2000): 133-141. *Business Source Complete*. EBSCO. Web. 29 Mar. 2010.

## Proven Principles for Sustainable Change

Understanding where your company fits into the above will help to focus and form the change program and also forecast challenges that lie ahead. There is a road to sustainable culture change and here at ArchPoint, we have identified four principles for leaders to follow, based on our experience helping companies, both large and small, engage the process of change successfully.

### Principle # 1: Embracing the time it takes

The greatest need for leaders initiating change in their organization is for them to make a solid commitment. Not only must the team assess its readiness for the change process; they must also commit to the time the change will take. In an era when 2-3 years in a corporate position is the norm, the change process can actually take longer than the duration of the leader's time with the company. For some that is disconcerting. Most people want to speed up change to suit their needs, but the critical need is for leadership to be committed to seeing the change through, regardless of the time it will take to implement. The people within the organization can tell when leaders are committed to change. Because so many change initiatives fail, employees may be jaded and unwilling based on past experiences. A change leader may need to spend extra time and effort reassuring their employees of their commitment.

### Principle #2: Player-coach: helping people make small corrections daily

Leadership must "lead" the culture change by being committed to modeling what behaviors they desire to see as people make the journey. The daily challenge during a change process is to make the small corrections that keep the change process on track. This is behavioral. Leaders must lead like they want the organization to follow. They must embrace the vision for change so deeply that they live as if it were already a reality. By placing your leadership within that framework, you help people "live there with you." Like any good coach, you teach and train by watching and giving feedback daily. For some, this will require that you become diligent in your daily work habits, but it is well worth it. It will force you to empower your people to do more of the work themselves.

### Principle #3: Focusing on what's really important

The goal of managing the change process is to observe and acknowledge measurable shifts in the culture toward the desired ends. Remember the change process can speed up or slow down depending upon the obstacles we encounter. Progress is not always linear and frustration can occur when chronological milestones are missed. Leaders should focus more on real changes taking place in their organization rather than missing a milestone date. If the successful changes taking place are recognized and celebrated, they are more likely to be repeated.

Many leaders also make the mistake of thinking you can put time restrictions on change. They set too many chronological limits on the process, causing the team members to spend too much time "watching the clock." Change is measured in time but not controlled by it. We are dealing with human nature and just like a "watched pot never boils", an impatient leader will never see the results he or she is looking for. Leaders must focus on measurable changes that can be observed rather than be consumed by the ticking of the clock on the wall.

### Principle #4: Audible clarity: communicating consistently and clearly

If you have ever watched crews racing on a river you will understand how important the timing and commands from the coxswain are. When the teams are working well, the audible instructions keep time and set the intensity level of the group. In like manner, the

communication from leadership is what motivates the team during the change process. Leaders really cannot over-communicate during a period of significant change; and their messages must remain clear and consistent. The more regularly they speak to the organization, the more confident the team becomes at “staying the course”.

The road to sustainable culture change starts with competent leaders who understand their company’s culture and how it is defined. Confident leaders, committed to long term success and willing to be “hands-on” coaches with their people can transport their organization to just about any destination.

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