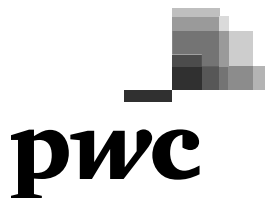


# *A Perspective on Organizational Culture*



# ***Organizational Culture – what it is and why we should care***

***What we believe to be true about culture***

***Our culture methodology***

***Client examples***

## ***Culture matters – it can make or break your company***

***“Everything I do is a reinforcement, or not, of what we want to have happen culturally. [...] You cannot delegate culture.”***

*Steve Ballmer, former Microsoft CEO*

***“If you get the culture right, most of the other stuff will just take care of itself.”***

*Tony Hsieh, Founder and CEO of Zappos.com*

***“If you don’t maintain Southwest’s culture, you don’t have anything special.”***

*Colleen Barrett, former President Southwest Airlines*

***“Fixing the culture is the most critical – and most difficult – part of a corporate transformation.”***

*Lou Gerstner, retired CEO of IBM*

Sources: Steve Ballmer speech at Stanford Business School, March 15, 2007 ([www.youtube.com/watch?v=W-BdCpZjZxU](http://www.youtube.com/watch?v=W-BdCpZjZxU)); IBS CDC case, “Designing an Organizational Culture: Tony Hsieh Wrapping Zappos’ Organisational Culture?”, (<http://www.ibscdc.org>); Adolf Haasen and Gordon F. Shea, *New Corporate Cultures that Motivate*, Westport, CT: Praeger, 2003; Willie Pietersen, *Reinventing Strategy*, New York: John Wiley and Sons, 2001

# Studies show that culture correlates with high performance

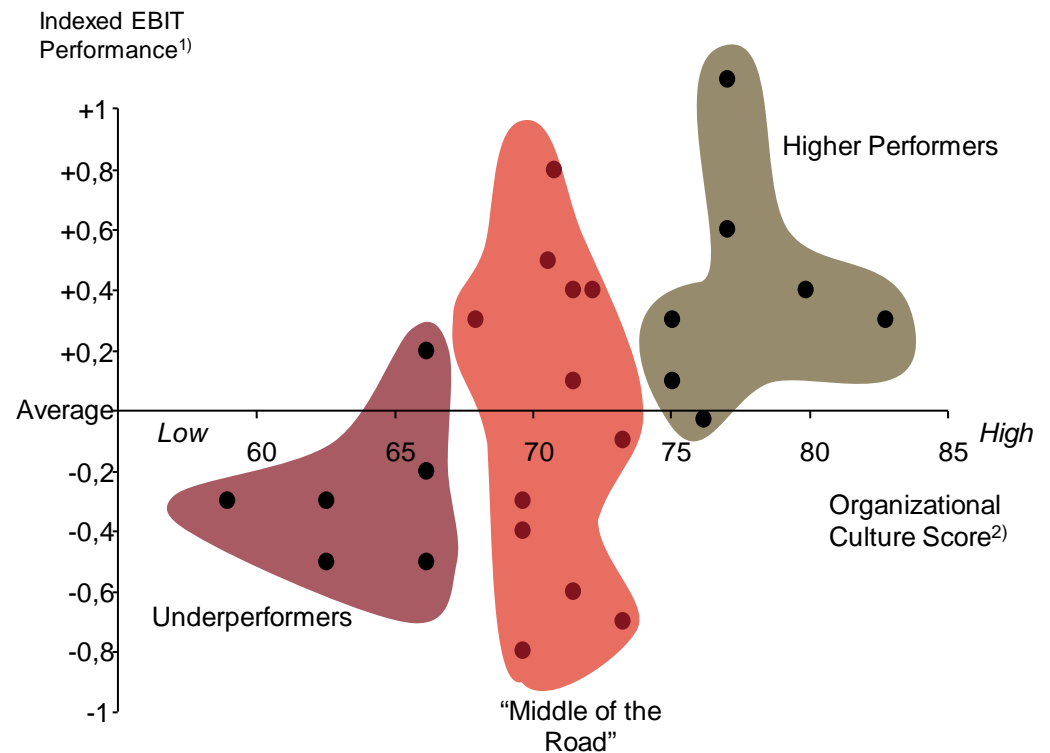
## Culture's Links to Performance

### Culture and Business Performance

Culture is a potential “asset” of all organizations. It develops whether intended or unintended, actively directed, or left to happenstance

- At best, culture can be an asset that enables, energizes, and enhances human behavior - and when wisely utilized, it can accelerate and sustain business results
- At worst, culture can be a drag on productivity and emotional commitment. It can lead to underperformance and undermine long-term success
- In either case, an organization's culture can be consciously steered and influenced to either enhance the impact it has on performance or reduce the resistance it can have on behavioral change

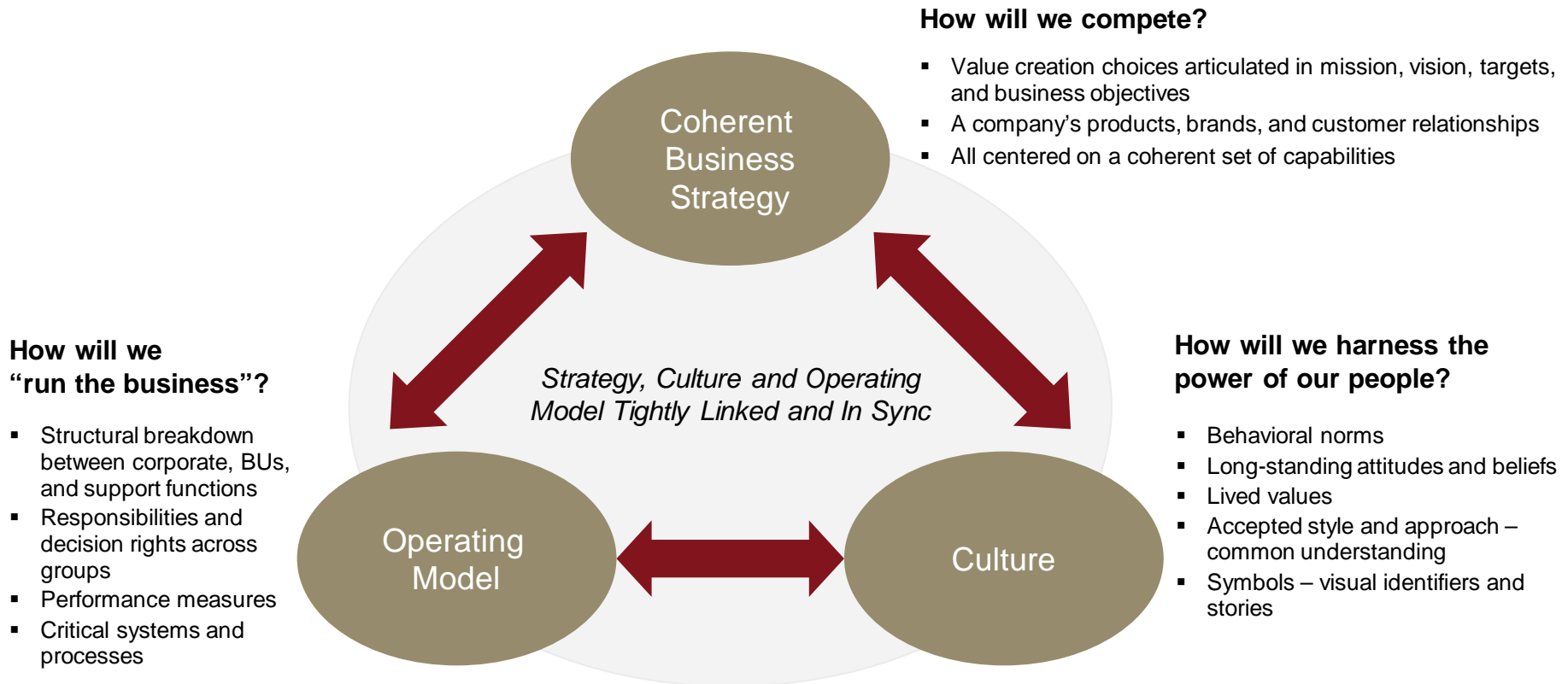
Relation Between Organizational Culture and Performance  
– 26 Companies –



- 1) Company Performance relative to EuroStoxx Sectorindex. Result >0 means outperformance. Considered time interval: 10 years
- 2) Results of an analysis of company values performance, recently researched jointly by Bertelsmann foundation and Booz & Company

# ***Culture is as critical as strategy and organization – and all three must be in sync***

## **How a Company Wins in the Market**



# ***So what is this fuzzy “culture thing,” really?***

## Strategy& Definition of Culture

**An Organization’s Culture  
is...**

...its self-sustaining  
patterns of behaving, feeling,  
thinking, and believing -- that  
determine “how we do things  
around here”

**“Self-sustaining”**  
*because culture has  
inertia — without a  
really strong and  
persistent force, it  
won’t change its  
course*

**“Feeling, thinking,  
and believing”**  
*because both the  
emotional as well  
as the rational  
side matter*

**“Patterns”** *because it is  
ingrained, repetitive  
elements that make up  
culture*

**“Behaving”** *because what  
people feel, think, and believe  
is reflected in — and shaped  
by — their daily behaviors*

# ***Fundamentally, we see three different categories of cultural issues***

## **The Appropriate “Interventions” Differ When ...**

### **Culture “lags” market realities**

- Situations where some elements of an established culture have not kept pace with changes in business priorities
- Some (but not all) elements of the culture are hindering company’s performance.
- You need to work “with and within” your existing culture to change the “critical few” behaviors.

#### **Example**

- *When in the midst of a cost-reduction exercise, you often need to make cultural changes to ensure that future behavior will sustain cost reduction*
- *When implementing a new operating model, you often have to align culture to make sure people behave in the way the new operating model requires*

### **Culture is “THE PROBLEM”**

- When your culture has become completely inappropriate for your strategic challenge or out of sync with your operating model/ organization, you need to consider drastically overhauling it
- This invariably requires the “help” of a major marketplace upheaval that serves as a catalyst
- However, even here elements of the “old culture” can be utilized to accelerate key behavior changes

#### **Example**

- *When an organization shifts from a government-owned to a privatized company with a new operating model/ organization, the culture might have become completely inappropriate*
- *When two companies with fundamentally different cultures merge, the culture might become “the problem”*

### **Culture can be “THE KEY” to competitive advantage**

- Culture can become a “secret weapon” that makes extraordinary things happen. We see this phenomenon in most peak-performing enterprises
- In those cases, the goal is not to change culture but rather to understand, activate and utilize culture by capitalizing on its perhaps latent emotional power

#### **Example**

- *In 2007, Google focused on increasing operational efficiency. The company leveraged its entrepreneurial and meritocratic culture to address behaviors that were contributing to cost excesses*

# Getting at culture is hard – and many traps must be avoided

## Typical Culture Traps and Realities

### The trap: “*The devil made me do it*”

where culture becomes the primary, all-purpose excuse for performance shortfalls

- “Our process culture makes us unresponsive and inhibits innovation”
- “Our engineering culture makes us over-analyze everything”
- “Our bureaucratic culture derails decisions and slows execution”

**The reality: Culture is rarely the only “villain,” though it is often a “partial conspirator”**

### The trap: “*Culture is the soft side of organization*”

where culture change becomes mostly about persuading people to change attitudes and beliefs

- “It’s all about how people feel and how to change those feelings”
- “Compelling and consistent communication will change individual values, beliefs, and actions”
- “Cultural efforts are the province of HR”

**The reality: You cannot delegate a cultural evolution program to HR**

### The trap: “*Blame the leader*”

where the Board assumes that replacing and getting the right top leader can make everything happen

- “We have to change the CEO”
- “Bringing in an outsider to shake things up is the only plan”
- “Culture is the primary job of the CEO”

**The reality: It takes a lot more than a clairvoyant CEO**

### The trap: “*Black cloud to white cloud*”

where changing the culture is viewed as an “all or nothing” game

- “Our culture will take at least 5 years to change”
- “We need a major crisis to make that happen”
- “Nothing significant can change until we change the culture (completely)”

**The reality: Most situations cannot wait 5 or more years for results; key changes must often happen sooner**



***Organizational Culture – what it is and why we should care***

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## ***We believe there are six imperatives when addressing culture***

- 1. The existing culture can be a powerful source of energy and influence for behavior change.** Culture is rarely “all bad,” and using elements of the existing culture can help accelerate the change
- 2. If you don’t have to overhaul or replace a culture, don’t!** A deeply imbedded culture does not change very much, very fast. Moreover, a major culture replacement requires extensive programs and structural redesign. Major culture overhaul or replacement efforts are hard to do and often fail. So, only attempt a major overhaul if really necessary; for example, in the face of a major “dislocation” event or crisis. But in most cases you don’t need – and certainly don’t want to incur the risk of – a major overhaul of your culture
- 3. Start with changing behaviors, not mindsets.** It is much easier to “act your way into new thinking” than to “think your way into new actions.” Recurring and consistent performance results from behavior change will lead to lasting changes in the way people feel, think, and believe in the long run
- 4. Focus on changing only the few critical behaviors at different levels within key populations.** This is less disruptive than attempting wholesale change -- and certainly more manageable and sustainable over time
- 5. Use viral (i.e., cross-organizational) methods to motivate behavior change, not just formal top-down programmatic methods.** Storytelling and a shared common language can be powerful. Peer-to-peer and cross-organizational interactions (networks, communities) can enable and accelerate formal change methods
- 6. Mobilize both rational and emotional forces to reinforce the new values and behavior patterns and achieve lasting change.** Rational guidelines and positive emotional support both matter. Psychological evidence here is compelling. Both the rational and the emotional elements need to “jump together” to yield sustainable change

# ***1) The existing culture can be a powerful source of energy and influence for behavior change***

- An existing culture is usually a product of good intentions and is rarely “all bad”
  - In our experience, many senior executives intuitively understand that culture matters; few understand its true power
  - Understanding “the good” about an existing culture can be a powerful accelerator of change and/or performance
- When you are about to embark on a major change or transformation effort, think first about the potential strengths in your culture today that may help you in your endeavor
  - For example, a culture rooted in a deep commitment to customer service could be leveraged during a company’s efforts to improve customer retention rates by 5 percent
- Using such cultural strengths can often have a positive effect much more quickly than programmatic change
  - For example, informal networks such as communities of common interest offer useful options for quickly spreading new behaviors

***“Always think first of culture as your source of strength”<sup>1</sup>***

Edgar Schein, MIT Professor  
and Expert on Organizational Culture

1) Edgar H. Schein, *The Corporate Culture Survival Guide*, San Francisco: Jossey-Bass, 1999

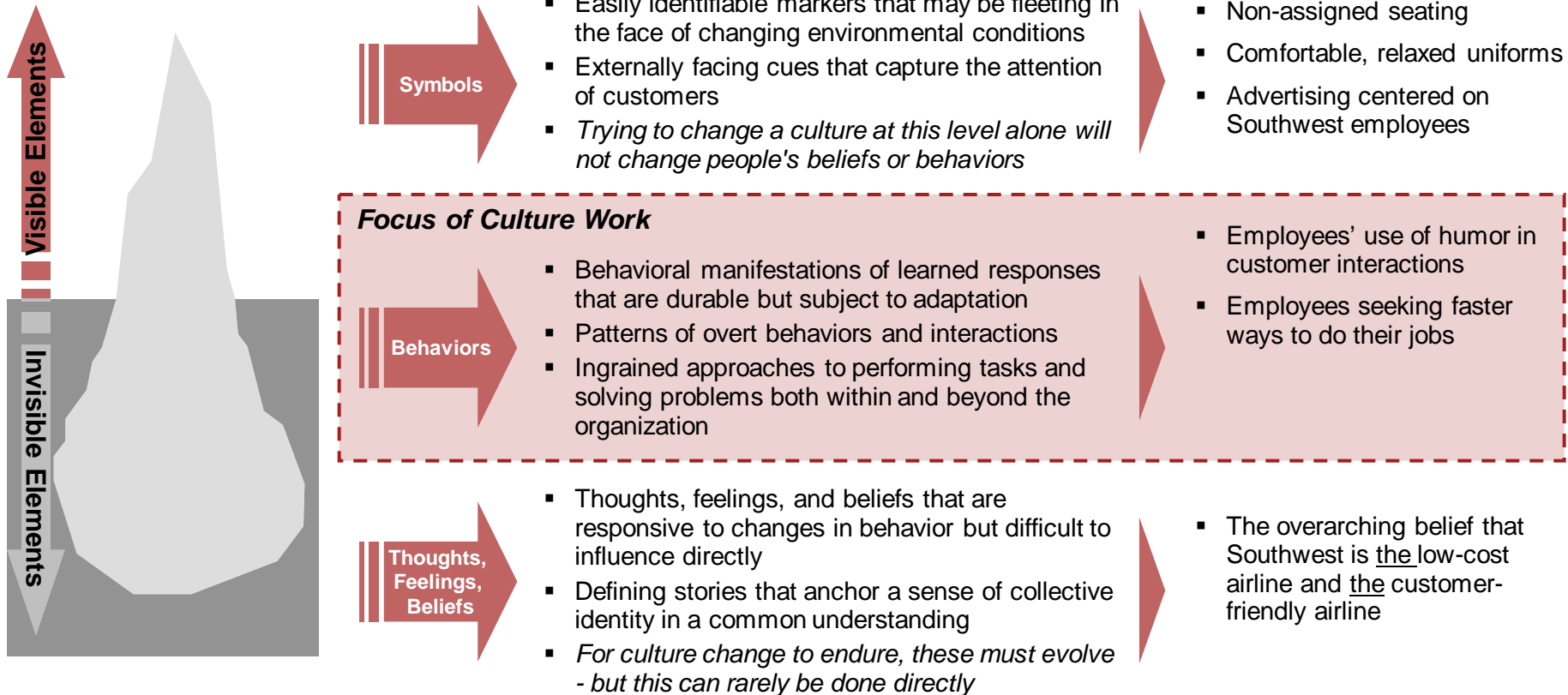
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## ***2) If you don't have to overhaul or replace a culture, don't***

- Changing an institutional culture successfully is difficult and complex, because a deeply imbedded culture tends to evolve only slowly, if at all, and changes to ingrained attitudes and beliefs are often strongly resisted
  - It is analogous to ethnic or religious cultures that change over time only as repeated behavior changes lead to results that cause deep-seated beliefs to evolve
- Research suggests that between 66% and 75% of organizational culture change efforts fail
  - Atari's attempt to shift its product development group from a team culture (where teamwork and group ideas were paramount) to a performance culture (where individual performance was rewarded) hampered innovation and performance
  - When Carly Fiorina initiated cost-cutting measures, acquisitions, and culture initiatives at HP, she ran up against HP's existing culture (known as "the HP Way"), and this deeply ingrained culture impeded Fiorina's initiatives
  - Prior to Aetna's successful turnaround between 2001 and 2005 (under John Rowe and Ron Williams), three previous programmatic efforts over the preceding decade were derailed by the so-called "Aetna-nice" culture
- Thus, complete culture changes should only be undertaken when absolutely essential and must be relevant in the context of improving overall business performance and consistent with strategic imperatives
  - When GM faced bankruptcy it had to change substantially — changes in strategy, operating model, and cost structures had to be accompanied by culture change initiatives
  - Following the oil spill disaster in the Gulf of Mexico, BP engaged in rigorous evaluation of checks and balances across all aspects of its operations — including changing the culture of how the company thinks about safety
- Situations where the culture doesn't need a full overhaul — but needs to evolve and adapt only in certain areas — occur much more frequently

### 3) Start with changing behaviors, not mindsets – it's faster and more lasting

#### Three Levels of Corporate Culture



## ***4) Focus only on a few critical behaviors at different levels within key populations***

- In most cases, you don't need to worry about the entire culture in your organization
  - Focus on those cultural elements that are most relevant to the specific performance improvement behaviors with which you are concerned
- Not all employees in your organization are likely to be in a position to influence the relevant cultural priorities
  - You must first identify which groups of individuals are “carriers” of the cultural priorities
  - These priorities are reflected in the behaviors, thoughts, feelings, and beliefs of the “carrier” group
- Thinking, feeling, and believing are hard to change but ultimately need to change
- Behaviors are also hard to change but a bit easier than the other three because
  - You can use formal and informal mechanisms to “make” people behave differently even before they “believe”
  - In doing so, people act their way to a new mindset (as opposed to the other way around)
- Culture, in its essence, is individual — it is the sum of how all individuals think, feel, and behave
  - Therefore, whenever we deal with culture, we have to break down culture to the person level
  - Once you define who needs to adopt what kind of new behaviors, you can start to build a plan

***“(Culture) is almost like having a teenager ... you have to pick your battles.”<sup>1</sup>***

Carol Bartz, former Yahoo! CEO

1) Edgar H. Schein, *The Corporate Culture Survival Guide*, San Francisco: Jossey-Bass, 1999

# 5) Use viral methods to create and reinforce behavior change

## Specific Behaviors per Culture Theme

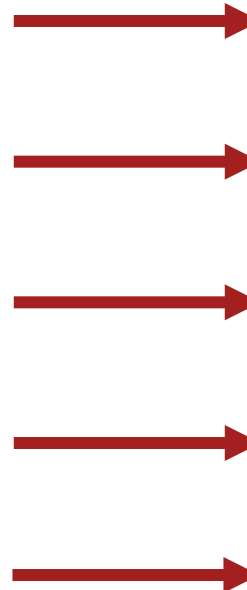
### CASE EXAMPLE

#### Culture Intervention Focus Attributes

- Customer Service Oriented
- Flexible
- ...

#### Current Cultural Behavior Realities

- Insights between customer channel departments is not shared
- Prioritize cost management over relationship management
- Capture customer data sporadically and incompletely
- Reward service expediency
- React to client account issues



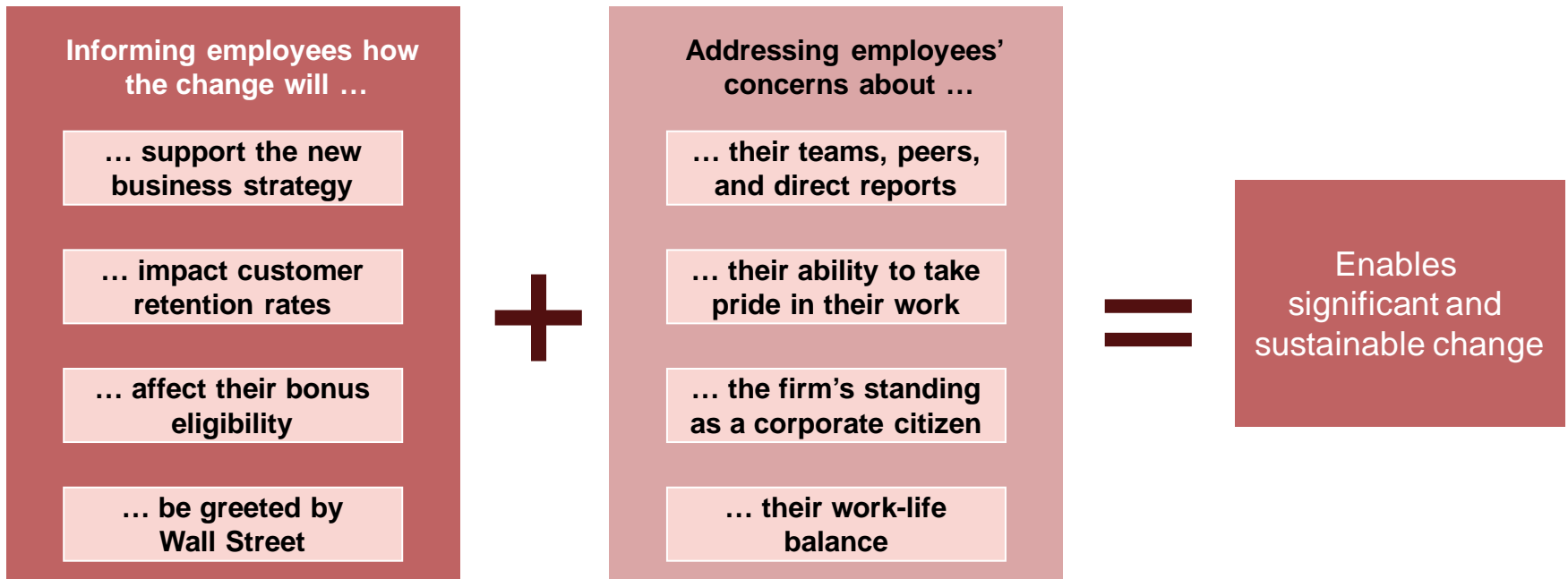
#### Future Cultural Behavior Implications

- Use regular cross-departmental insight sharing sessions
- Run all decisions through a "Client is Always Right" lens
- Capture and update CRM data at regular intervals
- Reward service excellence
- Manage client account issues proactively

Relationships
  Decision Making
  Information Sharing
  Leadership Effectiveness
  Work Execution

## ***6) Mobilize rational and emotional forces to reinforce the new behavior patterns and to achieve lasting change***

### **Formula for Reinforcing Behavior Change**



**Appeals to rational forces  
enable understanding of  
why the change is needed**

**Appeals to emotional forces  
enable acceptance of and  
support for the change**

**Understanding  
without acceptance  
will not suffice**



***Organizational Culture — what it is and why we should care***

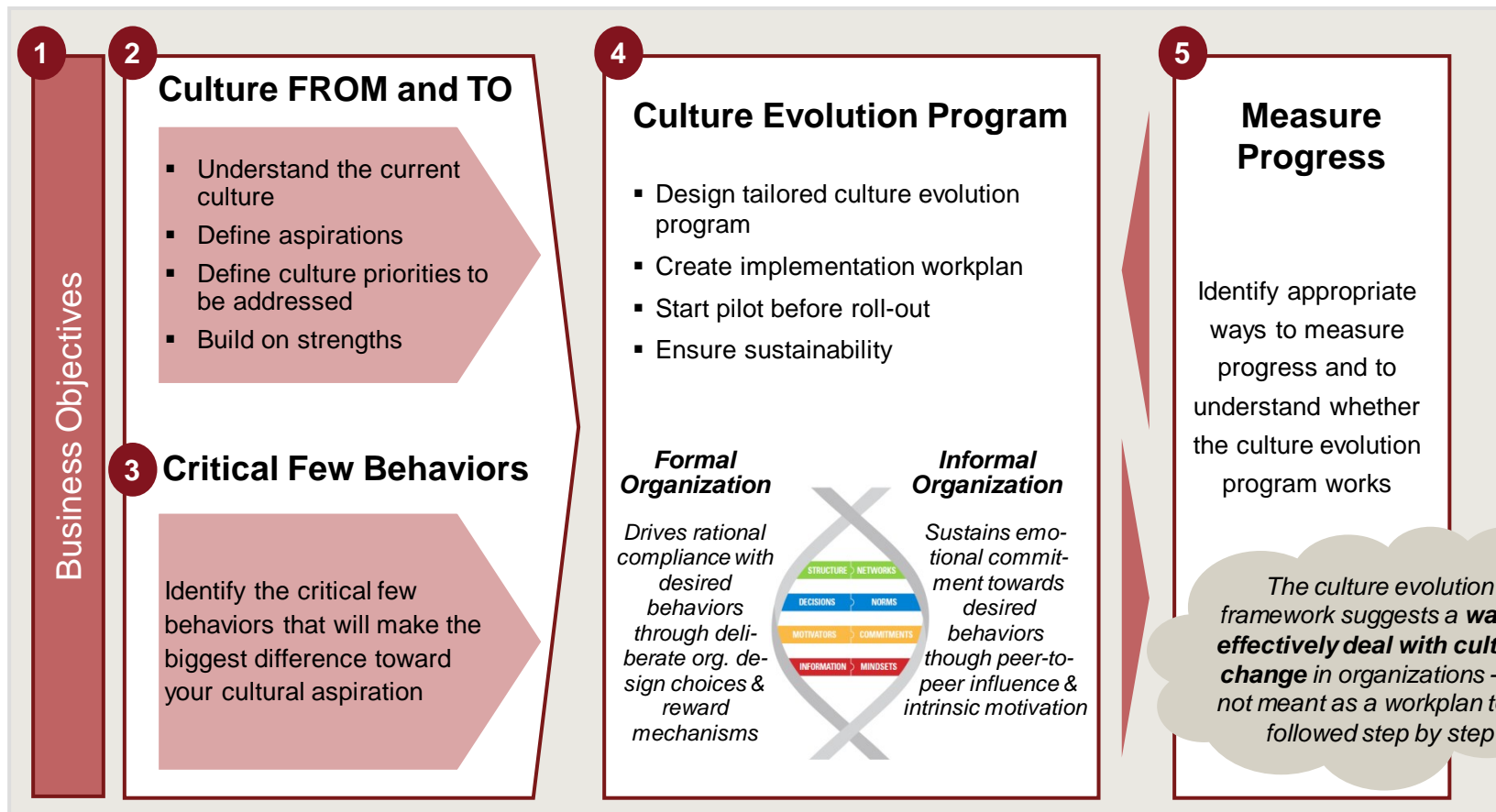
***What we believe to be true about culture***

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***Client examples***

# We favor a comprehensive culture evolution framework to effectively deal with cultural change in organizations

## Culture Evolution Framework



## ***Understand the existing culture and articulate the aspiration***

- Understand the existing culture at a deep enough level — make sure you are not blindsided by superficial symbols of culture that may lead you down the wrong path
  - What are the strong attributes? What are the weak attributes?
  - Why is the culture the way it is today? How did it get there? What forces are re-enforcing it?
  - In which ways does the culture fit with the company's strategy or organization/ operating model? In which ways does it not fit?
- Articulate the future cultural aspiration in a visionary, compelling, and positive way
  - Defining the future aspiration requires deliberate choices — you cannot just “pick all the positive attributes” because they will often be mutually exclusive (e.g., a company competing on cost efficiency may not simultaneously be able to aspire to a high-end customer service culture)
  - Senior leadership must visibly lead and represent the articulation of the cultural aspiration; however, leadership behaviors down the line must demonstrate key changes.
- Based on the understanding of the existing culture and the cultural aspiration, we can then formulate the cultural priorities that need to be addressed to make the aspiration a reality
- Working with the cultural strengths of the existing culture will accelerate the endeavor

# ***Clients often articulate the culture aspiration in the context of a broader change agenda***

**CLIENT EXAMPLE**

## Client Example of a FROM – TO Articulation

**FROM**

**TO**

*“Portfolio Manager”/High Growth*

*“Strategic Manager”/Return Optimization*

### **Structure**

Independent Businesses



Interdependent

Centralized Control Points



More Local Empowerment and Accountability

Multi-layered management



Delayed

### **Process**

Complex Solutions



Streamlined Services

Unbounded Procurement



Demand Management; “Good Enough”

Correcting and Reconciling Errors



Reducing Defects

### **Culture**

Siloed thinking



Enterprise-Wide Perspective

Revenue/Top Line Focus



Profitability/Bottom Line Focus

“Get What I Want”



“Get What I Need” (Trade-Off Mindset)

# ***We then identify the critical few behaviors and key influencers***

- First, we determine the few behaviors that matter most for each cultural priority
  - Where are the critical populations? (e.g., geographic, line of business, major functions, leadership levels)
  - What are the strategic/performance imperatives in each? (analytically and experientially sound)
  - What specific behaviors need to change (From – To)?
  - What specific behaviors need to be reinforced?
  - How can key behavior changes be tracked?
- Second, we identify and enlist the help of key influencers
  - Who are the “culture carriers,” “pride-builders,” and other “nodes” of influence in critical populations?
  - What do these individuals do “differently” (that other “good managers” do not do) that influences positive behaviors?
  - How can you enlist small groups of them as sources of positive influence and energy?
  - How can these small groups of positive influencers counteract the “negative influencers”?
  - How can their insight and capability be spread across and throughout the organization?

## ***Critical behaviors typically fall into one of five categories***

### **Relationships**

- Involves how employees relate to each other
- Encompasses behaviors such as:
  - Methods for working across business units
  - Collaborating in ad hoc and permanent teams

### **Decision Making**

- Involves the “ground rules” (formal and informal) for how decisions are made and who makes them
- Encompasses behaviors such as:
  - Setting the tone for authoritarian vs. consensus-based decision making
  - Establishing approval norms

### **Work Execution**

- Involves how employees act in performing daily tasks on the job
- Encompasses behaviors such as:
  - Looking for continuous improvement
  - Completing tasks on time
  - Honoring firm rules and guidelines

### **Information sharing**

- Involves how information is shared, both among peers and hierarchically
- Encompasses behaviors such as:
  - Stopping for casual hallway chats to discuss company news or share ideas
  - Providing direct vs. indirect feedback to peers

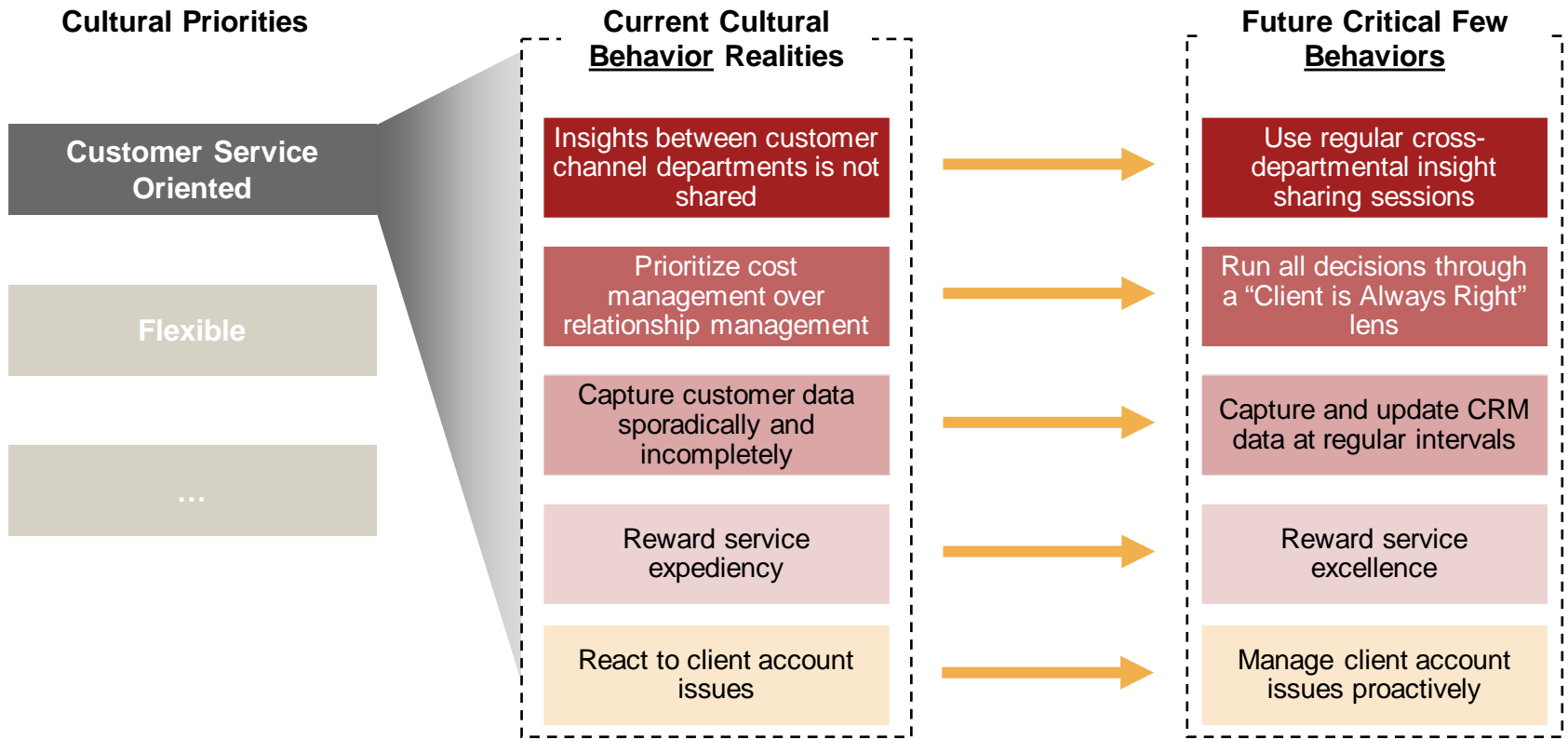
### **Leadership Effectiveness**

- Involves the ways that managers achieve optimal performance from teams
- Encompasses behaviors such as:
  - Setting the standards/norms for accountability
  - Motivating peak performance
  - Using mistakes as teaching moments

# Cultural priorities must translate into behavioral specifics

Within each relevant culture priority, we will break down the existing culture and aspiration into specific critical behaviors

**EXAMPLE**



■ Relationships   
 ■ Decision Making   
 ■ Information Sharing   
 ■ Leadership Effectiveness   
 ■ Work Execution

## ***After we understand the aspiration, culture priorities to address, and the implicit behaviors, we can tailor an evolution program***

- A specific culture evolution program must be developed — the program typically includes a balanced mix of both formal and informal mechanisms
  - Interventions work best when incorporated into the “real” day-to-day work of the organization
  - The interventions selected must address the specific behaviors that the organization wants to alter
  - Interventions should be balanced and address both the rational and emotional side of the changes being undertaken
  - All intervention mechanisms (formal and informal) should be reinforcing and consistent
  - The program should occur at various levels of the organization simultaneously and ensure cross organizational energy and support (e.g., it is vital that more junior-level employees see senior executives role-modeling the behavior types that they are being asked to perform)
- Develop “pilot tests” to refine the mechanisms and ensure that both behaviors and performance results change as intended
  - Determine how to track early behavior changes using both metrics and informal observations
  - Modify mechanisms as necessary to reflect the early learning
  - Compare with actual performance results when available



# To influence the critical behaviors, we utilize a reinforcing mix of both formal and informal levers

Formal Elements		Informal Elements	
<b>Vision, values, and strategy</b>	Signal organization's core commitments and aligns actions with a common view of the future	<b>Tone set by senior leaders</b>	Establishes a "drum beat" and shapes perceptions about espoused behavioral priorities
<b>Capability system</b>	Defines core knowledge, tools, and processes and the corresponding behaviors crucial for execution	<b>Behavior change proof points</b>	Provide evidence that change is possible and/or gaining traction in the organization
<b>Reporting structures</b>	Enable and constrain particular ways of working within the "lines and boxes"	<b>Meaningful manager-employee connections</b>	Foster personal, credible relationships that can align cultural perceptions up and down the organization
<b>Decision rights</b>	Shape feelings of accountability and ownership and perceptions of organizational cohesion and bureaucracy	<b>Knowledge transfer</b>	Transmit key culture messages within and beyond silos, spreading perceptions across the organization
<b>Business processes and metrics</b>	Determine the operating behaviors and outcomes that are most important and should be attended to	<b>Informal networks</b>	Sustain flows of trust, energy, and information that strongly shape cultural beliefs and behaviors
<b>Recruitment and selection programs</b>	Conveys aspects of organization's "personality" and signals individual attributes that are valued	<b>Peer-to-peer interactions</b>	Influence perceptions and behaviors through informal dialogue and collaboration
<b>Training and LD/OD programs</b>	Imparts skills and ideas that enable behaviors and helps determine feelings of reciprocal commitment	<b>Communities of common interest</b>	Reinforce common identity and interests and shape members' perceptions about the larger culture
<b>Performance management</b>	Communicates what is valued in terms of individual contributions, exerting a strong influence on behavior	<b>Pride builder initiatives</b>	Engage front-line leaders in efforts to define, support, and drive cultural priorities/key behaviors
<b>Compensation</b>	Reinforces behaviors that are rewarded and shapes perceptions of fairness and levels of commitment	<b>"Culture Carriers" and change agents</b>	Signal behaviors and ways of working that the organization values and help spread them locally
<b>Internal communications</b>	Call attention to events, priorities, etc., sending key messages through content and delivery choices	<b>Artifacts</b>	Basic layout, resources, and aesthetics that subtly communicate the values of an organization
<b>Policies</b>	Operating "do's and don'ts" that formally guide how people are expected to operate		

# Continuous tracking of progress is key to understand whether the culture evolution program is successful

## Progress Measurement

### Comment

- To understand whether the culture evolution program works well and to find opportunities for improvement, regular measurement of progress is key
- Indicators need to be **tied back to business objectives**
- Ensure a **balanced set of key indicators addressing different aspects/ objectives** of the **evolution program**, e.g. measure:
  - The achievement of specific intervention milestones
  - The change of behaviors per population
  - The development of business performance
  - Shift in the way people think, believe and feel
- Mind that some indicators need to be adjusted for the different sub-groups** of the organization to get deep enough insights, e.g.
  - to measure behavior change
  - to measure business performance of different divisions/ functions
- Sources for data input** are various and range from financial department, employee culture survey to customer survey



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# A large insurance company's culture evolution made wide use of formal and informal approaches

## CASE EXAMPLE

### Culture Evolution: Insurance Company

#### Client Situation

- Client experienced major challenges, losing \$1 million per day
- Several transformation efforts did not lead to turnaround

#### Business Objectives

- New customer-focused strategy
- Leaner operating model
- More rigorous mgmt system

#### 1 Culture FROM and TO

##### Culture Aspirations

- Better communication between senior leaders and employees
- Stronger business and individual accountability
- Relentless focus on serving customers
- Cross-BU collaboration and information sharing

#### 2 Critical Few Behaviors

- Redouble commitment to customer service
- Hold one's self accountable to new performance standards

3

#### Culture Evolution Program

- Ensured that **historically positive elements** of the culture served as a **foundation for the work**
- **Linked new behaviors to responsibilities** for which senior leader accountability could be tracked
- Utilized **formal and informal approaches to encourage and reinforce behavior changes**
  - Strengthened formal approaches to improve strategic alignment of behavior changes
  - Used informal approaches to increase employee motivation and spread new behaviors virally (influencers and pride builders)

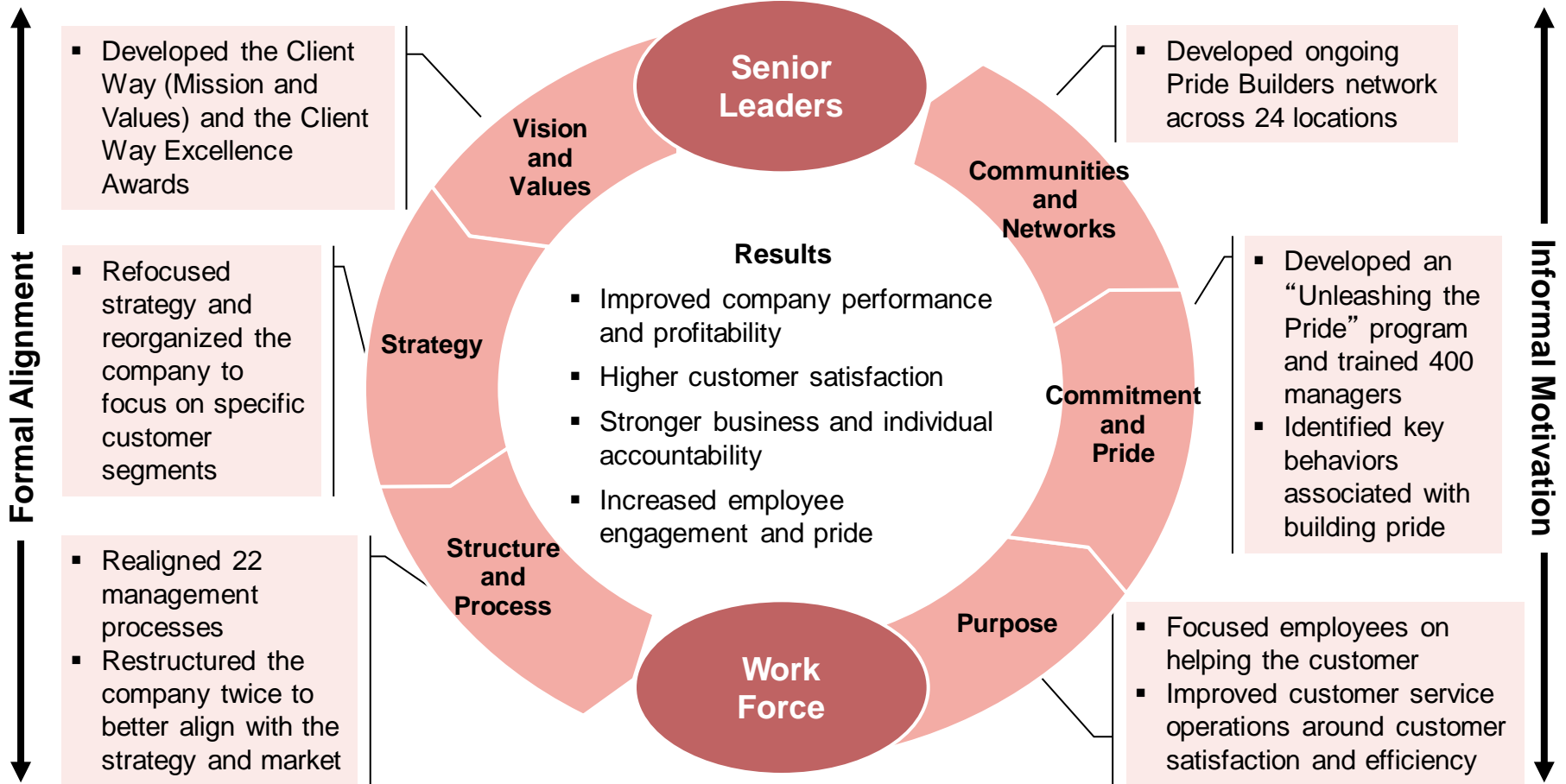
#### Outcomes

- New "Client Way" values embraced by organization
- Higher levels of employee motivation and pride over time
- Rising share price and performance

# ***A balance between the formal and informal helped the company reinforce behavior changes to achieve results***

## Select Formal and Informal Approaches Utilized

**CASE EXAMPLE**



# We helped an industrials company change deal-making behaviors as a part of a larger process improvement initiative

## CASE EXAMPLE

### Culture Evolution: Industrials Company

#### Client Situation

- Client suffered from increasing external pressure and conducted large process improvement initiative

#### Business Objectives

- Refined process for go/no go decisions on large projects
- Cost competitiveness amidst increasing industry consolidation

#### 1 Culture FROM and TO

##### Culture Aspirations

- Ability to leverage cross-organizational perspectives in solving difficult problems
- Create an environment of open dialogue
- Commitment to sharing information more effectively

#### 2 Critical Few Behaviors

- Discuss deal risks openly
- Proactively and consistently draw on learning from past deals
- Have “master deal-makers” take the time to teach the next generation

3

#### Culture Evolution Program

- Held up-front visioning sessions to **identify behaviors** to improve deal making
- Analyzed deal-making exemplars** to identify critical behaviors
- Leveraged the existing culture** to cast the performance aspiration as a win-win situation
  - Highlighted customer benefits of new process to draw on culture of *customer centricity*
  - Leveraged sales force pride in their day-to-day work by elevating their visibility to senior leaders in the decision making process
- Developed new processes, tools and role modeling workshops to **influence newly desired behaviors**

#### Outcomes

- Significantly improved project pipeline due to increased competitiveness despite recessionary challenges
- Increased overall company focus on the criticality of the deal making process

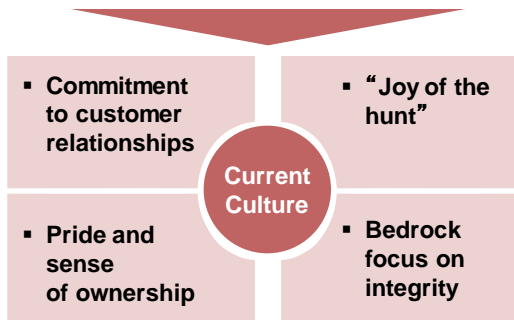
# The approach focused on influencing behavior change from diagnosis through to execution

## Culture Evolution Approach

CASE EXAMPLE

### Diagnostic

- Collaborative visioning with client to define desired end state behaviors
- Interviews with more than 40 company deal-makers, project staff, and functional representatives
- Quantitative and qualitative analysis of recent deals to understand core drivers of profitability and risk
- Gap analysis to identify critical behaviors as well as existing culture attributes to build on



### Design



Refined decision steps in deal-making process to increase accountability and ensure enterprise view



Introduced new roles (e.g., executive deal review committee, cross-functional deal team) to improve coordination and delivery



Developed new tools for deal strategy development and assessment/pricing of risk



Embedded processes and incentives for developing next generation of deal-making talent



Created platform for capturing deal-related learning and promoted informal information sharing

### Implementation

- Launched weekly meetings to review deals using new process, in which senior leaders and deal team members modeled new behaviors
- Supported CEO and other senior leaders in reinforcing the importance of the new process and emphasizing the critical behaviors
- Conducted series of pilots to ensure that new roles, tools, and processes were functioning properly
  - Early pilots revealed visible uptake of new behaviors
  - Led to significantly reduced risk exposure on key deals

*"When we did the risk assessment, we had a compelling conversation about real risks."*

# *An international telecom company addressed its culture using viral approaches as it dealt with deregulation*

## Culture Evolution: Telecom Company

### CASE EXAMPLE

### Business Objectives

- Transform from a regulated utility to a lean and competitive company
- Move from regional business model to a customer segment-based model

### 1 Culture FROM and TO

#### Culture Aspirations

- Become a “sales and service” company
- Use existing resources to support lasting behavior change
- Integrate process improvement initiatives into broader culture change effort

### 2 Critical Few Behaviors

- Probe for unmet customer needs
- Involve other company resources at the right time to provide better solutions
- Use expertise to guide customer

3

### Culture Evolution Program

- Targeted managers who exemplified **motivational frontline management** and developed scalable process for program growth
- Integrate process improvement initiatives into broader culture change effort
- **Adopted viral approach at all levels of the organization** to counter the notion that change was just another “corporate flavor of the month”
- Created “**Frontline Pride Community**” to build motivational skills of frontline managers

### Outcomes

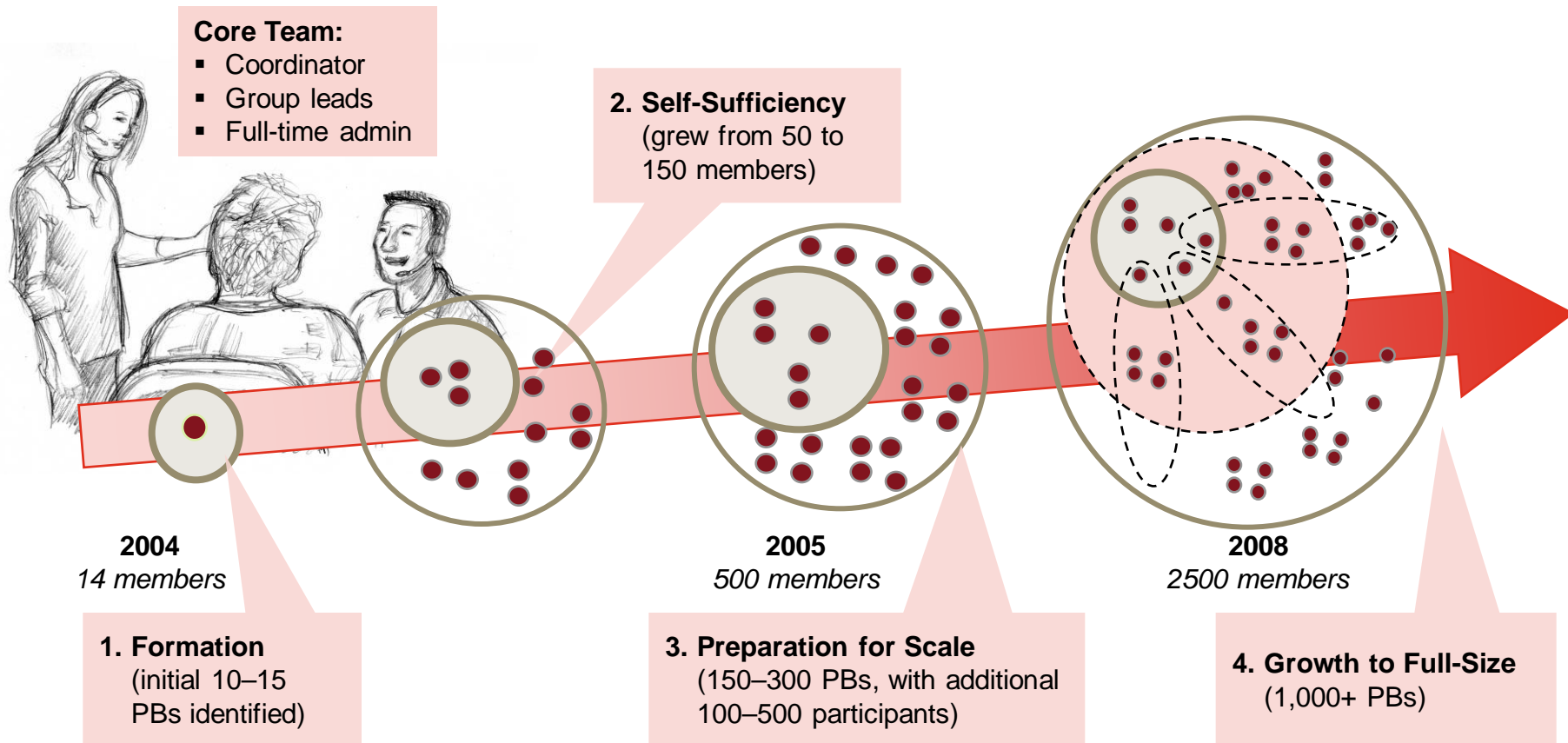
- Distinct performance improvements (e.g., customer satisfaction with rose from 38%–52%)
- Personal experiences with Pride Builders entered CEO’s letter to shareholders



# ***Culture initiatives were spread virally using a network/ community methodology***

Example: Growing a Pride Builder Community of Practice

**CASE EXAMPLE**



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***For more information please contact***



Need contact info

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