



# Culture Change that works

Your guide to evolving the culture in your organisation so that it helps you achieve your goals

# Contents

Foreword	3
What is culture?	4
Why does culture matter?	5
Cultural characteristics	8
Values and habits framework	10
Create a movement	11
Pull the levers	13
Culture check-in	17
About Pecan	20



### Foreword



Culture is a company's single most powerful advantage

Source: Forbes Article by Benjamin Laker

Over the past 10 years many more organisations have become aware of the concept of workplace culture and its impact on performance.

'The way we do things around here' is changing as a result of hybrid working, digitisation, new methods of communication, and changing social norms in new generations of employees.

When culture is given focus and deliberate steps are taken, it evolves to become a powerful force that helps achieve organisational goals.

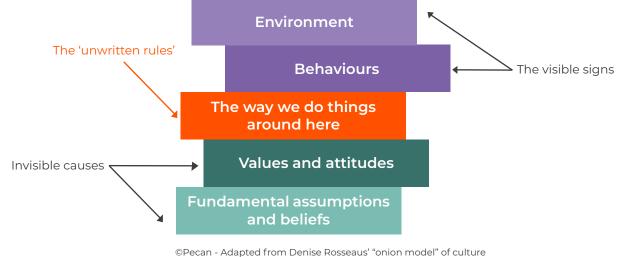
This e-book shares our approach to making that happen.

## What is culture?

Culture is often described as 'the way we do things around here' but this is just one layer in the 'onion' of workplace culture.

The 'unwritten rules' that form when people work together are the result of values, attitudes, assumptions and beliefs that have become shared, often over several years and can even be the result of events or leadership styles that have long since past.

We see visible evidence of culture in the way people behave and the environment that is created.





# Why does culture matter?

Research shows that 'the way we do things around here' has a tangible impact on a wide range of outcomes that matter to organisations and their stakeholders.

#### For example:

- Revenue growth
- · Employee attraction and retention
- · Innovation and continuous improvement
- Navigation and implementation of change
- Efficiency and productivity
- Realising benefits from mergers and acquisitions



94%

of executives believe a distinctive culture is important to business success

Source: Deloitte Core Beliefs and Culture



increase in revenue growth when the organisation's culture is strong



only of executives believe their company is driving the 'right culture'

Source: Deloitte Human Capital Trends



95%

of executives describe cultural fit as critical to the success of M&A integration

Source: McKinsey Organizational Culture in Mergers



disengaged



21%

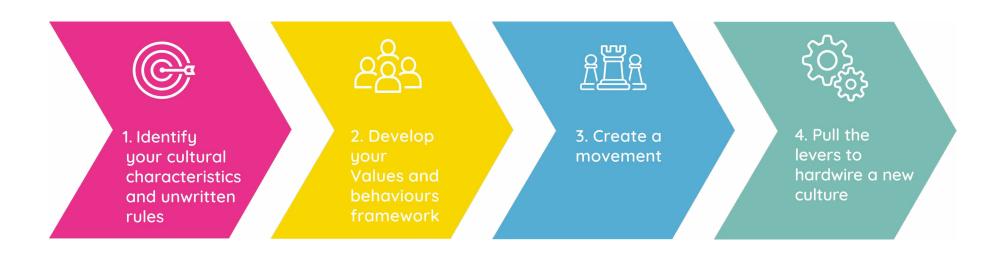
is the proportion of respondents who guit their jobs in 2021 who cited lack of flexibility (hours or location)

Source: Microsoft Study: Work Trend Index (2022)

# Leaders are increasingly recognising the need to evolve their culture but don't always know where to start

Our 4-step approach gives you insight into what it

takes to evolve your culture in a way that really works



# Cultural characteristics

The first step is to identify and describe the key traits that underpin your current culture.

These are seldom exclusively positive or negative, they are simply 'what is so' – your current default. Cultural characteristics highlight how your current culture is helping or hindering strategy delivery.

- · Inherent strengths to use, build on and amplify
- Issues and challenges that are getting in the way

#### To do this:

- Use interviews and focus groups to understand the organisation at its best and at its worst
- Surface specific examples, stories and rituals that bring to life the culture in practice



Using images rather than words creates instant recognition and instinctive ownership.



## Unwritten rules

'Unwritten rules of the game' were first talked about by Dr Peter Scott-Morgan back in the 1990s. His insight into organisations as a system with shared assumptions and beliefs really revolutionised our approach to understanding and transforming culture.

Unwritten rules form unconsciously. They are never written down, they don't show up in policies and processes, they are learned organically as you work out how things get done and what it takes to be successful.

#### For example, is it OK to...

- switch off your camera on a Teams call?
- · turn up late to meetings?
- · challenge the most senior person in the room?
- · say 'no' to additional workload?
- · call out peers for not delivering?



"71% of millennials who strongly agree that they know what their organization stands for and what makes it different from its competitors say they plan to stay with their company for at least one year. That number falls to 30% for millennials who strongly disagree."

Source: <u>Gallup's Perspective Paper on Building a Culture</u> That Drives Performance

# Values and behaviours framework

Once you have a held a mirror up to the organisation and created awareness of the layers of the current culture and its impact on outcomes, the next step is to define the culture you need.

It is important to consider which values are core to the organisation's DNA and must be preserved, as well as the aspirational values that need to become espoused.

Work collaboratively with colleagues to agree the values most needed to deliver your purpose and strategy. Then define these as a small number of behaviours, or habits, that bring them to life.

Keep the framework simple and to the point. Use colleagues' everyday language to capture the spirit of your organisation.

### Create a movement

Everyone can influence workplace culture so creating a movement, engaging everyone in the values and getting them involved in shaping how they are lived in their team creates energy and pace for change.

#### To do this:

- Keep culture in regular conversations so you can stay alert to how it is impacting your organisation's outcomes
- Provide everyone with frameworks to explore what your values mean in ways that are relevant to their day-to-day role
- Take the time to regularly review progress made and priority shifts needed, both at a team and organisational level.



#### **AWARENESS**

- Leaders aligned and telling the same story
- Everyone bought into why change is needed

#### INVOLVEMENT

- Everyone starting to take responsibility for change
- Visible and positive evidence that change is happening

#### **PERFORMANCE**

- Step change in performance
- Change becomes self-sustaining and self-generating

EMBEDDING - New habits embedded. Continuous improvement evident

#### Simultaneously work top-down and bottom-up.

- Leaders and managers are your movement's role models and need to speak with one voice
- Engage your key influencers in designing the movement

Habits change fastest with repetition and creating a movement is the quickest way to change unwritten rules

## Pull the levers

We use a framework of five cultural levers, or enablers, to hard-wire the values through every aspect of working life.

70% to 80% of culture is determined by the behaviours of leaders and other key social influencers, so investing in them is typically the biggest priority.

To do this:

- Use 360 or other tools to raise awareness of their strengths and blindspots
- Develop key capability such as straighttalking and coaching skills to help them lead behaviour change in others
- Don't tolerate behaviour that is counter to the desired culture

Prioritise reviewing your signature ways of working, the ones that create most value for employees and customers, setting you apart from the competition.

You can read more about Pecan's approach to signature ways of working in this article, written for HRZone.

#### Our five cultural levers framework



The way leaders and key influencers act and the decisions they make clearly reflect the values and desired behaviours



**WOWS** 

Rituals, practices, formal and informal ways of getting work done that embed the values and desired behaviours



Operating models, team structures, roles, empowerment and decision making scope are aligned to strategy and target culture

**ORG DESIGN** 



Culture and values are hardwired into all aspects of the employee lifecycle, performance management and succession

**POLICIES** 



Corporate stories and communications reinforce target culture and the environment physically supports desired behaviours

**ENVIRONMENT** 

# 70% to 80% of culture is determined by leaders

# Pull the levers

In a strong culture values influence decision-making from the Board through to frontline colleagues.

Consider what gets talked about in meetings, what drives the agenda and who is involved in decision-making. Do these reflect the values you want to be at the heart of your culture?

People polices and processes need to deliberately encourage the behaviours you want and discourage those you don't.

Our fi

#### Our five cultural levers framework

#### This includes:

- Attraction
- · Recruitment and on-boarding
- · Performance reviews
- · Training and development
- · Reward and recognition
- · Career progression and promotion



**ROLE MODELS** 

The way leaders and key influencers act and the decisions they make clearly reflect the values and desired behaviours



WOWS

Rituals, practices, formal and informal ways of getting work done that embed the values and desired behaviours



Last but definitely not least, use all of your

communication channels to tell stories of

Show that it matters. Make a big song and

demonstrably intolerant of those that don't.

colleagues to share real life, practical examples of how they are living the values in their day-to-day.

dance about those who live your values and be

progress. Use the diverse voices of your

ORG DESIGN

Operating models, team structures, roles, empowerment and decision making scope are aligned to strategy and target culture



**POLICIES** 

Culture and values are hardwired into all aspects of the employee lifecycle, performance management and succession



**ENVIRONMENT** 

Corporate stories and communications reinforce target culture and the environment physically supports desired behaviours

# Symbols, rituals and measures

Symbols and rituals are powerful signs of an organisation's culture. Posters on the walls, office routines, team nights out and celebration huddles; these are the visual and physical signs of 'what's important around here'. During the fully remote phase of the pandemic, many of these became much less visible.

Now, with hybrid working:

"What are the symbols and rituals that will help to embed your intended culture – and what are their physical and virtual forms?"

To identify these symbols and rituals, ask

colleagues about the current cultural signals they see, and what symbolic changes would encourage the behaviours you are looking for. Symbolic changes could include finishing meetings at 20 or 50 minutes past the hour to avoid back-to-back meetings, or experimenting with no-email days. Think about how these symbols are experienced in the office, as well as when working from home.

Remember, different people need different things—don't try and have a corporate approach to building social connections. Be clear on the outcome you want to achieve and leave teams to decide how they want to do it.

# The Culture Mini Audit

#### Questions

#### Your space to reflect

#### **Current Culture**

- 1. How would you describe your culture today?
- 2. How does it manifest, both in the office and online?
- 3. What is getting in the way that needs changing?
- 4. What's working well already, that you can build on?

#### **Intended Culture**

- 1. What do your customers need from you?
- 2. How do you want your culture to be, 12 months from now?
- 3. What do you believe in?
- 4. What do your people want to belong to, and be proud of?
- 5. How do you want to be distinctive, or stand out from the competition?
- 6. How will you attract and keep talent?

#### Bring it to life

- 1. What will people be saying and doing (both in the workplace, and remotely)?
- 2. How will it impact customers?
- 3. What will be different? And what will be the same?
- 4. Do any of your values and behaviours need refreshing?

As a final point, measuring the degree to which your culture is reflective of your organisation's values will likely need to change in a hybrid world.

However, simple tools such as pulse-checks are still easy and effective to use, keeping questions focused on behaviour and impact, not just how people are feeling.

# Culture will continue to be a significant driver of your organisation's success and now is a great time to take steps to shape the culture you need.

By being deliberate and intentional, you can leverage the opportunities of hybrid—and manage the challenges—and create the high–performing organisational culture you want to have.

Pecan can help you achieve culture change that works.

Contact us to book in a no-obligation call to discuss culture change, and how we can help:

#### **Book a call with Ella**

#### **Book a call with Andy**

Alternatively, email: ella@pecanpartnership.co.uk or andrew@pecanpartnership.co.uk

#### Further reading:

- Pecan research: Culture
   Evolution in the Workplace:
   A Silver Lining to the
   Pandemic
- Pecan insight: 'Great Resignation' and organisational culture
- Pecan article for HRZone:
   Signature Ways of Working





Ella Overshott

Co-founder and Director, Pecan

in/ella-overshott



Andy Loveless

Co-founder and Director, Pecan

in / andrew-loveless

#### Pecan's Purpose is to create cultures where people love to work and customers love to do business.

We believe culture change is about evolution not revolution - companies have core values that are fundamentally who they are. It's often as important to re-engage with these and play to strengths, as identifying what needs to evolve and change.

The Pecan team have run high pressure, fast-moving operations in start-ups, SMEs and major corporates and led mergers, acquisitions and divestments—there aren't many culture challenges we haven't experienced.

We have helped clients shape their values and behaviours and embed these into the DNA of their workplace culture across a wide range of sectors including recruitment, utilities, financial services, social enterprises and wholesale supply.

Ella has over 25 years' experience in culture change, employee engagement and performance coaching. Her background leading sales and operations teams brings a practicality and commercial focus to the challenge of culture change and engagement. Her expertise in psychology and coaching give her insight into what it takes to create a sustainable change in behaviour that impacts all aspects of organisational life for colleagues, customers and stakeholders.

Working across a wide variety of sectors including financial services, utilities, higher education and social enterprise both in the UK and internationally, brings an opportunity to share insights and learning to clients and includes award winning success for her work in mergers and acquisitions.

Andrew has 35 years' experience in supporting organisations across a wide variety of sectors to develop high-performance, customer- centric and inclusive cultures.

He has led professional knowhow businesses over the last 25 years and his career experience includes management consultancy, business development, coaching, training and marketing.

A track-record of award-winning and significant commercial improvement has been achieved through aligning vision and strategy, culture and values, attitudes and behaviours, measurement and recognition. In recent years he has also been increasingly involved with creating EDI strategies and supporting organisations to implement them.

His working style and approach embody a growth mindset of empowerment and motivation to continuously improve. Andrew's leadership style has a coaching philosophy at its heart and he is an accredited Executive Coach with the Association for Coaching.

