

INSIGHTS

Leading culture in the 2020s

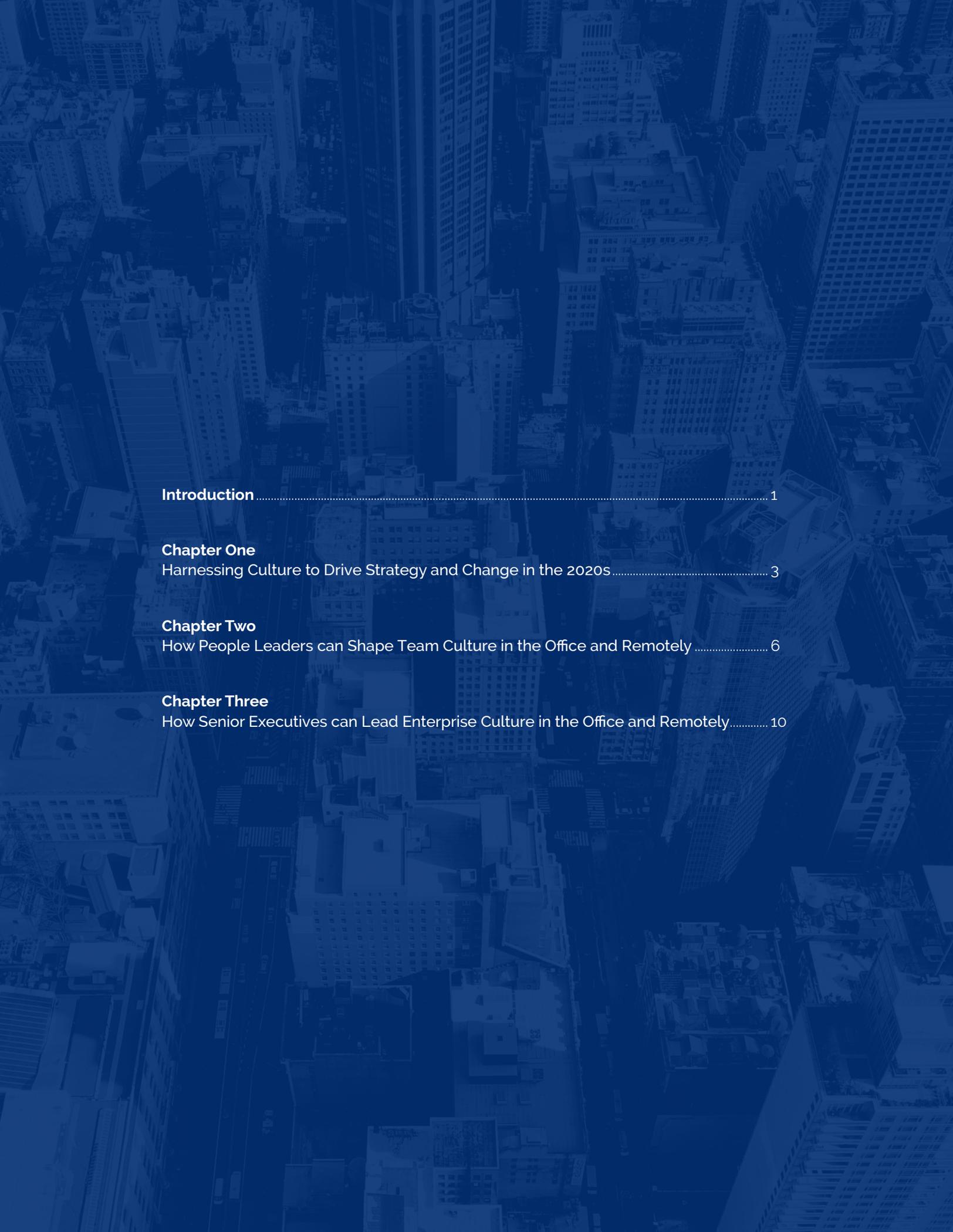
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Blue Seed
Consulting



Better at change



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INTRODUCTION

Leading Culture in the 2020s



“ Operational risk registers have only expanded, as the highest levels of leadership work out how to not only deal with the crisis at hand, but to ensure their organisations are positioned to rapidly adapt to future crises.

Following a multitude of publicised corporate scandals, highlighting governance, executive and operational risk management failures, culture had already shot to the top of CEOs and boards' strategic priorities prior to 2020.

Then COVID-19 hit. A rapid upheaval to every organisation came in the form of remote work, coupled with a range of flow-on impacts driving each industry in a variety of directions.

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Now we are well into the 2020s, culture is the key to mitigating risk, unlocking agility and sustaining business resilience. The context around how we lead people has changed and so, how we lead culture change must also adapt.

Whether your organisational culture needs rapid transformation or a little 'nudge' to align to strategic goals, a one-degree shift in direction can result in a radically different destination over time.

This Blue Seed eBook, *Leading Culture in the 2020s*, frames the culture context for leaders. It also offers tips to start influencing your culture immediately. Whether that includes shifting the mindsets and beliefs of your direct reports or changing an entire organisation as a senior executive, this eBook will help.

CHAPTER ONE

Harnessing Culture to Drive Strategy and Change in the 2020s



Humans are adept at forming mutually beneficial relationships with animals. We tame and influence them with food, care, communication and other behavioural conditioning. In most cases, there are stark differences between a wild animal and a domesticated one of the same species.

Wild brumbies roam Australia's Snowy Mountains, out of control and unpredictable. But horses can also be tamed and cared for to become loyal, operating as one with their rider. A powerful yet controlled combination.

In the same way, great leaders actively shape their culture, harnessing its power to carry their business in the desired direction at full pace. They actively nudge people's beliefs and behaviour to align with company purpose and strategy.

Some managers though, prefer to stand back and simply hope employees get behind them and stay happy, later wondering why strategy, tactics and important changes are not adopted (let's call it 'the wild brumby approach').

Organisational culture is not only about keeping employees happy and engaged. Leading employee culture is about influencing the beliefs and behaviour of people, to align to a higher sense of purpose, to optimise the execution of strategy and to make change happen. It is about setting the boundaries for what is helpful and what is not, right now (which is why the values on your website, documented three years ago are unlikely to be shaping your culture today).

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Organisational culture is not only about keeping employees happy and engaged.

It is important to note here that these boundaries can be influenced by senior leaders to a significant degree but inevitably all employees can, should and certainly do exert influence.

Happy, engaged employees can be an asset and with the stresses of 2020, leaders must be highly empathetic to employees' well-being and individual experiences of isolation and loss. But employee engagement scores rarely unveil the true effectiveness of culture (despite executives and boards often using it as the singular culture metric).

Surveys only uncover the employees' perspective, at a point in time. And while a sense of purpose, meaningful work and business results often lead to good employee engagement scores, the reverse is not always true.

 You should not set a new strategy or execute significant organisational change, without considering how your culture needs to evolve and be supported to enable the shift.

In the current COVID-19 environment, a return to 'normal' is not imminent. The world has changed, as has your business. Economic uncertainty and social distancing are the norm. Leaders are re-engineering strategy, transitioning business models, right-sizing to match capacity and losing (at least some) connection with employees as they work remotely.

Your culture must evolve to drive success.



Why and how your culture needs to change are the most critical questions to address.

In our experience, the most common rationales for culture change are:

1

Alignment with strategic priorities

This is the most needed culture approach that should be tackled on a regular basis. The strategy you set as well as the industry environment and organisational history all influence what needs to change. Start with the business need, then influence the culture accordingly. For example, new competitors taking market share with lower-priced, similar offerings, may mean you need to become more lean, efficient and fast-paced in order to keep up. You may also need your culture to deliver more innovation than it has before. If so, what inner beliefs and new behaviours should you encourage in the culture to enable this?

2

Strategic drive for high performance

Where (often new) leaders seek to increase talent and culture standards, as a driver of competitive success. This is often aligned with point 1 above, given its links to strategy. However, regardless of corporate strategy, many leaders constantly strive to build higher-performing teams.

3

Culture turnaround

Where the culture has become toxic and/or majorly negating workforce success and business results. Symptoms often include high staff turnover, poor customer satisfaction and large volumes of HR incidents and claims raised. Recently, organisations like CBA, Westpac and iCare have commissioned independent Culture, Accountability and Governance assessments following regulatory breaches or ethical issues. The publicly published reports that followed delivered clarity on the issues and a burning platform for culture change.

4

Enabling change agility

Where significant industry disruption necessitates a transformational roadmap, shifting to an agile culture is about helping employees to become more open to change, better at executing it and instilling processes that support this (such as an Agile Transformation).



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Whether you choose to actively shape it or not, your culture is evolving right now. It is being influenced by factors prevalent in employees' lives like family, individual ambitions, peer relationships, career and cultural backgrounds.

These factors should be considered, accepted and respected. But as a leader, you can choose to be a powerful, inspiring, compelling voice in an employee's beliefs system, or a distant, irritant in their otherwise more important priorities.

Consider all the ways you can influence your peoples' beliefs, attitudes and behaviours. Whether it is through coaching, mentoring, rapport, emotional support, quality communication, collaboration, new operating rhythms, recognition, goal-setting or simple encouragement. Leaders tend to have more tools than they realise when it comes to influence.

Your job now is to ensure the culture is influenced by strategic objectives and by your leadership behaviour, not only the other way around.

CHAPTER TWO

How People Leaders Can Shape Team Culture in the Office and Remotely

The early stages of the COVID-19 restrictions involved getting your people accustomed to remote work and being tolerant of hiccups. Now remote work is here to stay (or at least a hybrid approach), regardless of where the virus takes us, it is time to shift from simply adapting to the volatile environment, to leading team culture to align to your business purpose, strategy and goals as well as the team's human needs.

For people-leaders, this means shifting your mindset from reacting to the disruptive force to being ultra-proactive in shaping the culture and ways of working.

Doing so should not be seen as an extra thing for your to-do list, that you'll get to, time-permitting, after ticking off every other tactical task. It should be seen as an enabler of everything that needs to be done. Put it off and you'll be dealing with disengaged, unproductive, mentally unhealthy team members, in conflict, stuck in survival mode, with no prioritisation of your strategic priorities.

To help you right now, here are five tips for people leaders, to proactively lead your team or whole organisation's culture, as we lead our people through this health crisis, economic crisis and remote working phenomenon:

1

Regularly discuss how you are working together, not just what you're working on

You probably have regular status meetings with your team, to stay across 'what' each other is working on. But are you discussing how you are working?

For example:

- How you are collaborating?
- How you are managing yourself day-to-day?
- How are you feeling about work now?
- How could we be doing better?
- How could we be serving each other's needs better?

How things are done, is implicit to team culture. If it is not discussed, how can you be sure your culture is what you need it to be?



2

Share personal insights and learning experiences

As with any significant disruption and change, this global transformation we're experiencing, as a result of COVID-19, necessitates learning: learning to cope, to accept loss, to think and act differently and to succeed in the new world.

As we experiment and try new approaches to managing ourselves and our team interactions, make time to share what is working and what is not.

Our team recently talked about the new daily habits we've been trialling in order to optimise ourselves while working from home for the long-term. Some found putting on work clothes and make-up helped their mental prep for working at home. We discussed how to amplify our time-management discipline to create boundaries between work and family, so they support rather than conflict with one another. We agreed on expectations of each other during the challenging home-schooling periods. A colleague cleverly highlighted both the benefits and challenges by saying, "They should call it living at work, not working from home," identifying both the personal and work challenges as the two integrate through the day.

The conversation opened new possibilities and challenges to be overcome. No one was too keen to adopt my morning cold shower habit though.

3

Identify and agree current, relevant culture priorities

Once you've discussed how you are working together and shared insights and learnings, you should agree a manageable set of 3-5 culture priorities.

Unlike your organisation's values which tend to be static and consistently necessary over time, your culture priorities should regularly evolve in line with strategic and tactical turns.

Culture priorities must be less abstract than values, calling out observable behaviours as well as beliefs. Your cultural priorities should be derived from a needed change. They define the gap between how you are working now and what you aspire to be.

For example, a team I partnered with agreed that communication was not as rapid or effective as when they used to sit together in the same pod. They wanted to address this, so they agreed to the following team culture priority, defining the belief and then listing the corresponding observable behaviours they would need to bring the belief to life:

Our belief:

"Our communication lines are open, honest and drive action"

Our supporting observable behaviours:

- We drive accountability and performance but empathise and forgive when needed.
- Our preferred communication method is a video call.
- Second preference is phone. Third, is MS Teams chat. Fourth is email.
- We return calls and messages within 90 minutes (even if it just says "I'll be free at 4pm").
- We return emails within 48 hours. If it's urgent, call or message.
- We respect others' deep work and personal time, asking "is now a good time?".
- We speak up if something's not working. We ask, 'how can we do this better?'
- We schedule a time for virtual coffees and kitchen chats, within work hours to freely express ideas, problem solve and peer-coach.

By clearly articulating the target observable behaviour it made it easy to align everyone to the shared belief and enforce the supporting (or inhibiting) behaviours.



4

Schedule time to reflect as a team

Reflect as a team regularly, at least quarterly, perhaps as part of a regular strategic off-site agenda. Allow time for members of your team to reflect on how well they are practising the culture priorities and what stops them doing so.

Are they still relevant? Are they realistic? Are they working?

Upon this reflection, you may decide to revise and evolve your culture priorities, so they better align with operational needs or your current quarter's context and goals.

5

Provide extra support for new starters

Starting a new job during remote work is very different. No more checking into a new office, walking the floor meeting dozens of people on your first day. Inductions are being reinvented everywhere, but that is just the formal part (this may be mitigated somewhat where the virus is controlled and we partially return to workplaces).

It is everyone's job to ensure new starters, particularly at the junior level are given sufficient mentoring, guidance and access to leaders, to induct them into the culture as well as the company. Fail to do so and they could struggle to learn and stay engaged. Also, if not supported to adapt, your existing culture may inadvertently reject them.

While these actions may seem time-consuming, they involve just a few minutes a month to have an open conversation about how the team behaves and interacts. Investing this small amount of time can drive productivity, quality, team engagement and sustainable performance for months and years to come.

CHAPTER THREE

How Senior Executives Can Lead Enterprise Culture in the Office and Remotely

For executives, changing the culture of an entire enterprise is not easy, nor quick. Significant, lasting culture change requires a structured culture change process, committed leadership and a well thought out change management plan (yes, it is much more than sticking a set of values on your wall or website and asking people to recite them). But you can get quick wins, that fuel employees and your objectives through the crisis, with some clever leadership tactics.

In Chapter 2 we shared tips on how people-leaders can shape team culture. While these tips are also relevant to enterprise leaders, the top team must also influence culture at scale.

Going beyond the 'middle-management filter' ensures greater alignment and avoids the 'Chinese whispers' effect. With the normalisation of remote working and the uncertainty of the current pandemic likely to continue into 2021, it's time for executives to 'double-down' on culture.

To help executives right now, here are five tips to help proactively shape enterprise culture, as we lead our people through this health crisis, economic crisis and remote working phenomenon.

“ Asking employees from various levels to participate in small focus groups can be effective if executed appropriately.



1

Engage team leaders and junior team members directly, to gain a full-spectrum perspective on culture challenges and opportunities

A senior manager at a Big-Four bank mentioned to me that she used to chat with her (3-up) Executive General Manager several times a week because they sat in close proximity. Now working remotely, she hasn't spoken to or heard from him in six months.

It is important for executives to hear from junior team members directly to fully comprehend and clarify culture challenges and opportunities. To keep a finger on the pulse.

Asking employees from various levels to participate in small focus groups can be effective if executed appropriately. Conducting an anonymous survey with specific, well-designed questions can yield open, honest insights. Best to ask creative, direct culture-related questions such as "If you were the CEO, what would you aim to change about our culture, right now?" Or "what is the biggest barrier to teamwork and collaboration at the moment?"



2

Identify and communicate policies and current, relevant culture priorities

During crises such as COVID-19, communicating policies for managing the situation is imperative and the top priority.

But policies are just the baseline; a strict non-negotiable that is immediately achievable. By contrast, your culture priorities are something to strive for. You aren't there yet but should aim for these behavioural goals to maximise success.

Once defined, the culture priorities should be launched, formally and/or informally, with an accompanying communication and change plan involving leaders at all levels.

The key to tackling culture is that it is about change. Hence you need a change plan. Otherwise, it will just be a meaningless announcement with no sustained drive to realise the envisioned culture.

For executive leaders, your primary means of change-influence is effective communication. Beyond this, you could also consider:

- How can we continually motivate employees, over time, to nudge their beliefs and behaviours in the right direction?
- What resources and training do people need to develop new knowledge, skills and mindsets about our culture?
- When and how will we measure how the culture has changed?

3 Get creative with your communication methods

Remote work requires executives to be more creative with getting their message out. We are all at risk of shrinking our circle of influence as we no longer walk the office halls, lifts, foyers and local cafes. While we in Australia head back to the office, on any given day, employees will still be rotating between home and office for some time.

Executives must adopt new ways of communicating, like virtual town-halls, vlogs and written newsletters. One client of ours purchased an in-house video capability. It took a few trials and errors but lately, it has been fully booked by senior leaders, due to the positive feedback leaders received from their people on the vlogs they were posting.

Culture change is rarely transformational by nature. It is more about nudging it to evolve. This requires a nuanced, thoughtful approach about what messages delivered how and when, will influence most appropriately.

Of course, executive messages must be authentic, open and honest. Fake it and no one will pay attention, or worse, they will pay attention and disengage as a result.

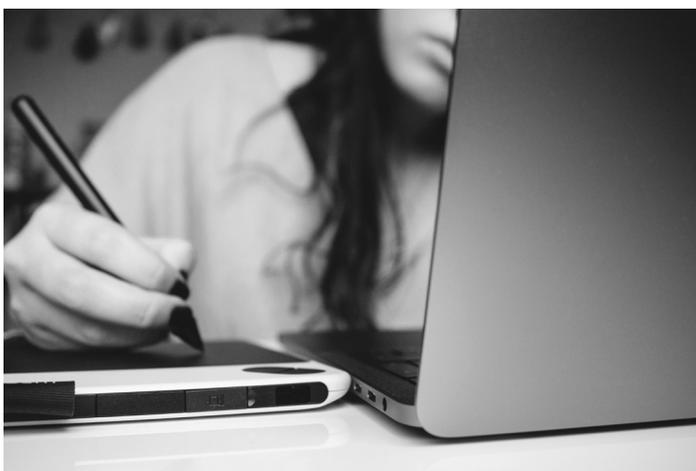
4 Identify new measures of culture effectiveness

As we've said before, engagement surveys are not true metrics for culture effectiveness as they only track employee perspectives in general. They do not measure against current, relevant culture priorities. They also don't truly assess how well employee behaviour is delivering to company strategy and required changes (as mentioned in Chapter One).

So how do you know when your culture is effective?

The effectiveness of your culture should be measured against key strategic challenges. For example, if you're concerned about productivity amid mass remote working, you could define and track a set of productivity measures in terms of employee behaviour. Of course, with any metric leaders should provide adequate resources and support to make them achievable and desirable.

The second option is to design a bespoke culture survey, aimed at capturing feedback on the degree of adherence to defined culture priorities. But again, this is limited by the point-in-time perspective of respondents, rather than actual results.



5

Lead through authentic communication: empathy, reality, directness

Crises demand a next-level focus on human connection. Fear, uncertainty, overwhelm and mental health issues arise and threaten to destabilise individuals and teams. During uncertain times your culture is at risk of behaving like an out-of-control wild brumby. Executives must nurture it and become more skilful riders.

It is imperative to build and reinforce high degrees of behavioural alignment across your business. Don't allow a culture to dismantle or (if it was already bad) get worse. Role-model openness to feedback and stimulate communication channels to help the workforce make sense of the experience and where they need to focus. As Brene Brown says, "clear is kind, unclear is unkind". Feedback must be specific and constructive.

Some leaders will already be adept at leading culture through crises, turnaround and transformation. Other leaders will need to pivot their style and learn on the fly. The upshot of embracing this leadership challenge is you have the opportunity to become a better leader and to leave a lasting, positive imprint on your people, with the way you go about it.

Learn more about Blue Seed Consulting

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