



# Does Your Culture Support Your Strategy?



A CROSS SECTOR RESEARCH REPORT

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# Who carried out the survey?

**The survey was carried out by culture management and change consultancy firm ndc.**

At ndc, we have helped organisations over many years to manage culture and improve effectiveness by aligning business goals strategically with the performance of employees and the culture needed for the respective organisation. Most specifically we help leaders understand the cultural forces in the organisation which may produce sub-optimal results and then empower them to lead the culture to strategic success.

## Why did we undertake this research?

In Spring 2017, we conducted a systemic review of why some organisations fail to achieve their strategic aims.

We were fascinated to understand how far corporate culture was impeding organisations' ability to achieve their business strategy. We wanted to understand how Organisational Culture Barriers restrict strategic growth and what this means for the future of organisations.

## What is organisational culture?

Organisational culture is defined as "the patterns of behaviours that are encouraged and discouraged by people and systems over time."<sup>1</sup>

The culture of an organisation provides the boundaries and guidelines that help employees know the desired way to perform their roles. The culture of the organisation is ingrained in many aspects of the company: behaviours, reporting hierarchy structures, policies & procedures, systems, symbols and historical legacies.

Corporate culture can be thought of as the 'personality' of the organisation. Culture is both visible and invisible within an organisation, but is mainly driven by its invisible drivers. These are the learnt ways of working and thinking; the assumptions, habits, traditions and norms that, over time, have become engrained into the culture - 'the way we do things around here'. As culture is so engrained, it is a long-term attribute.

As Peter Drucker says, 'culture eats strategy for breakfast', and **any organisation that attempts to strive for strategic achievement without addressing culture is bound to fail.**

In this report we illustrate the importance of organisational culture and its relevance to attaining strategic aims.

## What did we do?

In order to understand the impact of culture barriers, we created a survey, which we distributed predominantly to senior leaders in summer 2017.

We received over 200 qualifying valid responses.

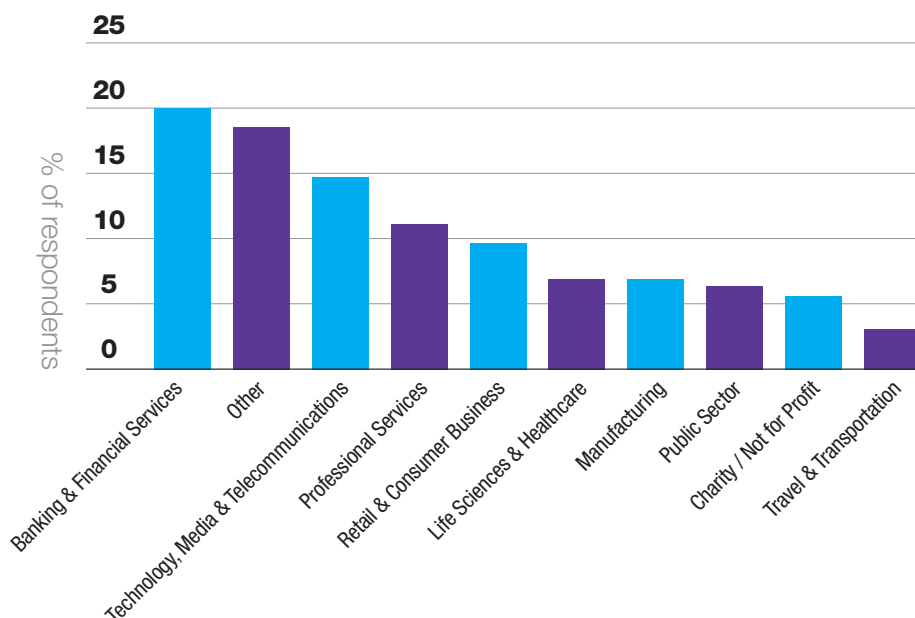
We asked respondents:

- the differing challenges faced by their organisation, the organisation size, sector and geographical location
- the strategic direction of the organisation. Based on the Ansoff Matrix and common corporate strategy, was the organisation in a state of decline, consolidation, or growth?
- three aspects of their culture:
  - The current perceived state
  - The organisational culture barriers to strategic success
  - The priority areas to address for the future
- how culture is managed; We asked how far culture is addressed in HR strategy, and which tools are used to measure and manage culture

<sup>1</sup> Ned Morse in SwitchPoints

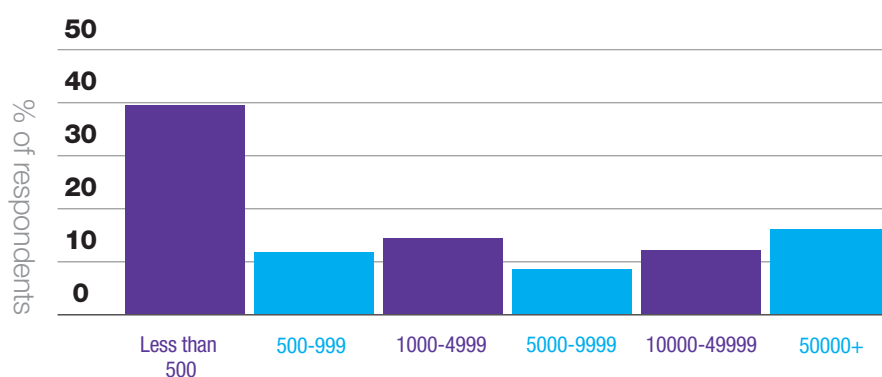
# Demographic information

**Organisational sectors**



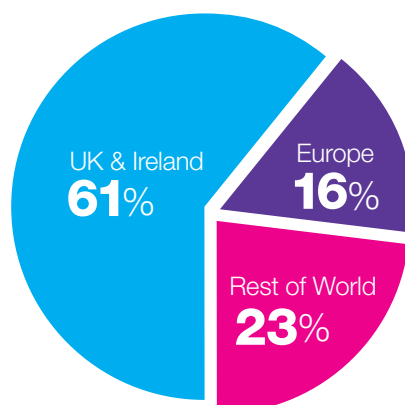
The survey respondents represented a balance across industry sectors. The highest number of respondents were from the Banking and Financial Services sector which, since the financial collapse in 2008, has been closely investigating corporate culture.

**Organisation size**



The highest proportion of respondents (39%) represented organisations with up to 500 employees, the remaining 61% covered organisations up to and including 50,000 employees. We were interested to see if results differed between small organisations and large multi-national organisations.

**Geographic location**



This distribution is representative of our geographic consulting base.

# Strategic Direction

Over two thirds of respondents reported their organisations to be in a state of growth.

A fifth of respondents declared that their organisations were in

consolidation, whereas only 4% were viewed as being in decline.

We see that only 1% of respondents do not know their strategic direction.

The positive result reflects organisations' work to ensure that all employees understand how their role impacts strategic plans.

**66%**  
GROWTH

**29%**  
CONSOLIDATION

**4%**  
DECLINE

**1%**  
DON'T KNOW

Unsurprisingly, the main growth strategies reported by respondents are focused on selling to existing markets. This risk-free approach is what would be expected from the majority of the respondents from small businesses.

20% of the total respondents show growth into new markets.

In line with falling numbers in the past decade, M&A strategies are only 8%.

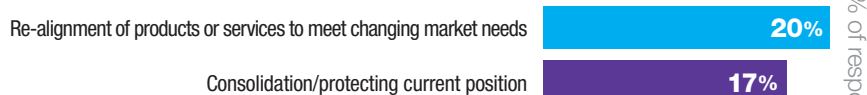
## Growth



% of respondents

A third of respondents are in a state of consolidation with the change in economic circumstances since the financial collapse. Many companies are competing in saturated western markets.

## Consolidation

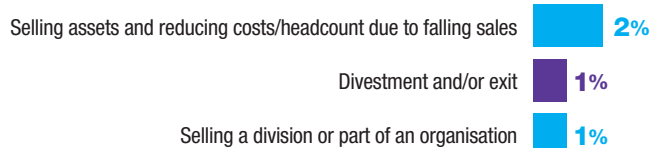


% of respondents

Four percent of respondents indicated that their organisation was in decline.

Half of those in decline are managing efficiencies by changing day to day activities, whilst the other half are actively changing their portfolios through divestment.

## Decline



% of respondents

Overall, the data showed that during times of strategic change, culture is more about leadership and direction; life is more complex and uncertain and new decisions need to be taken. When there is more certainty, delivering an existing strategy in a stable marketplace, the culture emphasis shifts to operational efficiency around effective management, efficient decision making and processes.

# Corporate Culture

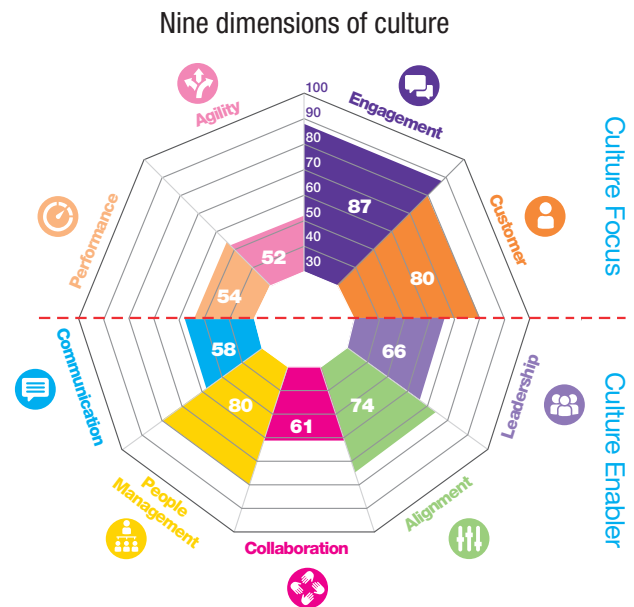
Our research and consulting experience identified nine key aspects of business that are most relevant for understanding culture.

We call these **nine dimensions of culture**:

- Four **Culture Focus** dimensions, and
- Five **Culture Enabler** dimensions

Using nine dimensions of culture to capture data, we asked the respondents to indicate:

- The current state of their corporate culture
- What they see as their three main organisational culture barriers/obstacles to strategic success
- The priority areas to address for the future



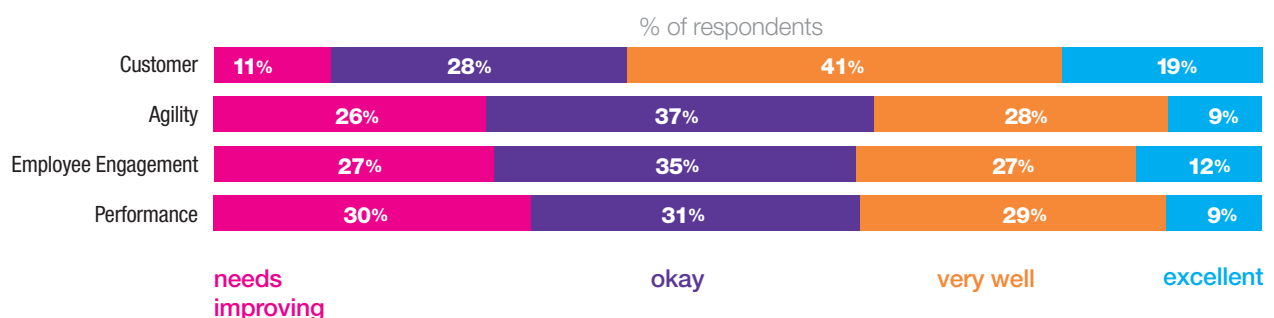
Dimensions showing 'People Management' and 'Alignment' as enablers for 'Engagement' and 'Customer' focus.

## Culture Focus Dimensions

From our consulting, we have found four main ways of focusing culture to change results. These dimensions represent the primary focus of the culture.

<b>1</b> <b>Performance</b> Clarity of performance drive, goal-setting, planning, management and decision making to achieve objectives (Siemens <sup>1</sup> )	<b>2</b> <b>Employee Engagement</b> Motivation and commitment to the company by knowing that employees are respected and valued (Virgin <sup>2</sup> )	<b>3</b> <b>Customer</b> Caring and responding to meet customers' changing needs and expectations (Zappos <sup>3</sup> )	<b>4</b> <b>Agility</b> Continuous improvement and organisational learning through adaptability, responsiveness, innovation and creativity (Toyota <sup>4</sup> )
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### Perceived state of current Culture Focus dimensions



From the data above, respondents identified the Customer dimension to be healthiest, with 60% of respondents feeling that customer care was very good or excellent and only 11% feeling that it required improvement. By contrast, in respect

of the other focus dimensions over a quarter of respondents stated that improvement was needed. Ironically, **Performance** was deemed to require the most improvement, the dimension that most organisations pride themselves

on. When looking at trends between industry sectors, **Life Sciences & Healthcare** showed the healthiest cultures across the dimensions, while the Charity sector showed the most need of cultural attention.

<sup>1</sup> Creating a high performance culture, [businesscasesstudies.co.uk](http://businesscasesstudies.co.uk)

<sup>2</sup> Employee Engagement the Virgin way. [www.HRZone.com](http://www.HRZone.com) June 2016

<sup>3</sup> International Journal of Integrated Marketing Communications, Fall 2013

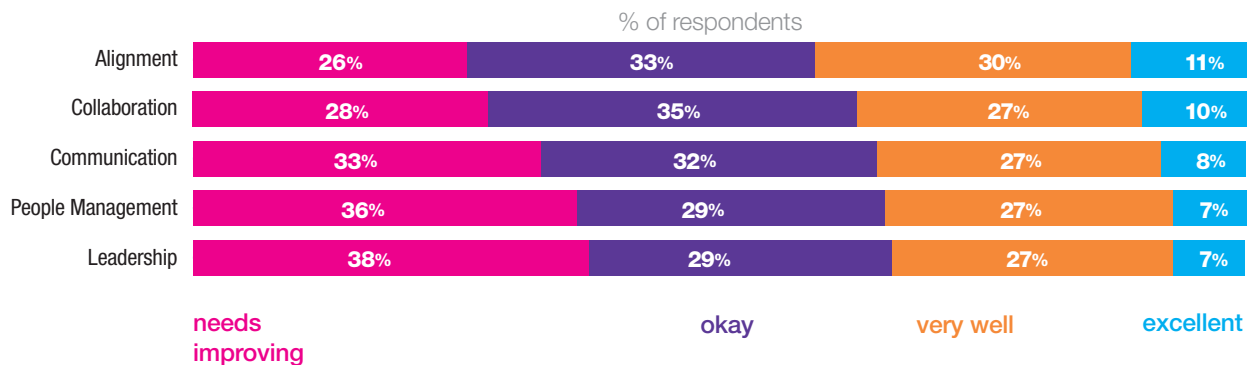
<sup>4</sup> Mikell P Groover, 2016, Lean Production and Agile Manufacturing.

## Culture Enabler Dimensions

We have identified five main dimensions which create and support the ways culture manifests, which are common across all cultures.

1	2	3	4	5
Alignment	Communication	People Management	Collaboration	Leadership
Alignment with strategic direction and company values in order to respond to pressures from the market and society	Ability to align and motivate employees and customers through the messages they receive	Behavioural standards and processes for managing people fairly and transparently, based on merit and accountability	Team-working in the interests of the whole organisation and its parts through building partnership and resolving conflict	Management style of leaders and managers in motivating employees to follow the strategic direction and promote the culture

### Perceived state of current Culture Enabler dimensions



From the data above, the Culture Enabler dimensions of 'Alignment' and 'Collaboration' seem to be the strongest but, that being said, all the enabler dimensions have at least a quarter of respondents calling for culture management improvement. Those with the largest call for management improvement are 'Leadership' and 'People Management'.

LEADERSHIP AND PEOPLE MANAGEMENT REQUIRE THE GREATEST IMPROVEMENT

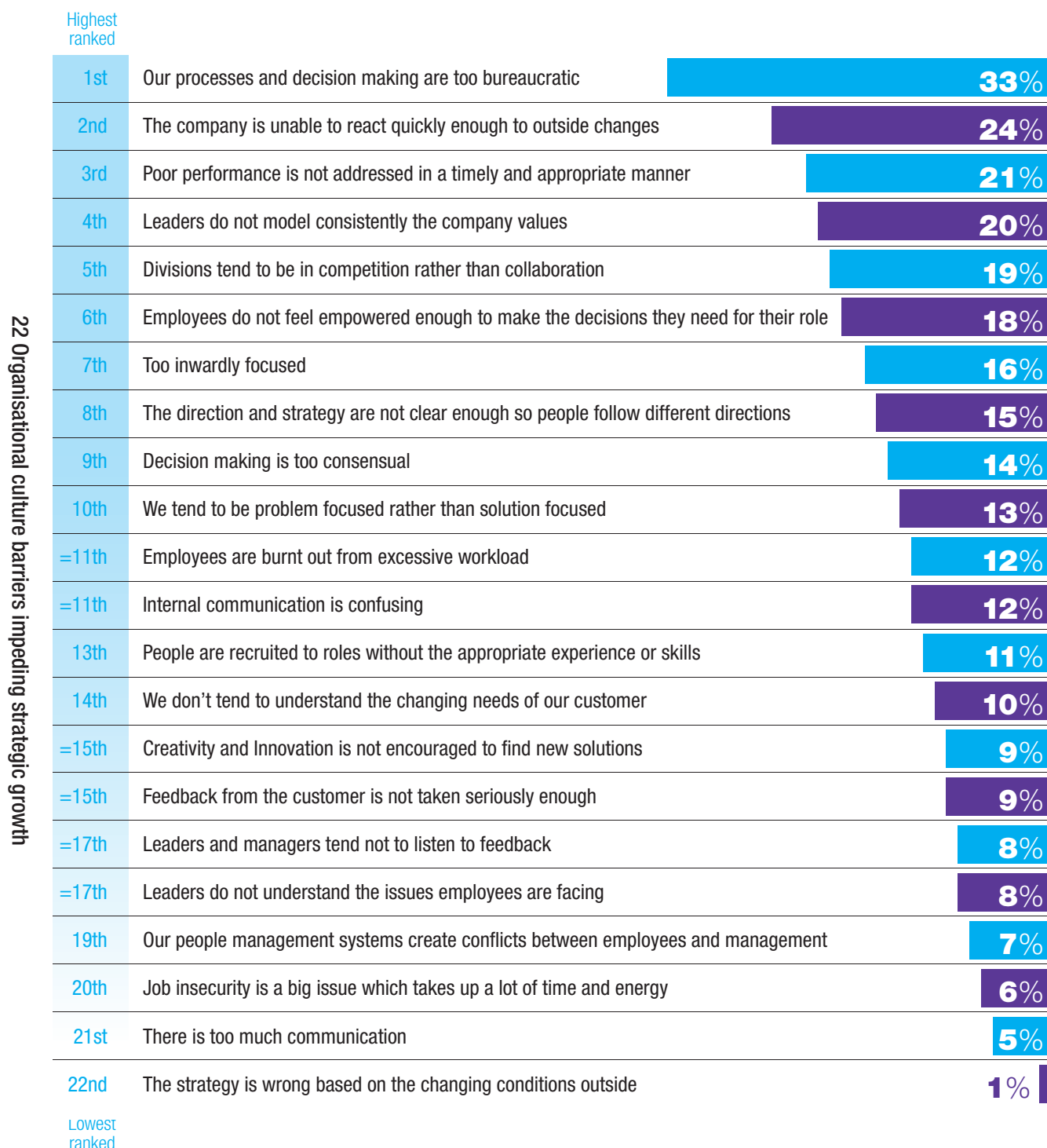
## Organisational Culture Barriers

To investigate further the importance of the nine dimensions of culture, our respondents answered a range of questions that indicated their current Organisational Culture Barriers and which of the nine dimensions required prioritisation. In particular, we provided respondents with a list of 22 Organisational Culture Barriers and asked them to select the three that they felt most impeded their strategic growth.

NDC HAVE IDENTIFIED 22 ORGANISATIONAL CULTURE BARRIERS THAT OCCUR WITHIN THE NINE DIMENSIONS OF CULTURE

## Organisational Culture Barriers cont.

The graph below shows the **22 Organisational Culture Barriers** with their rank and percentage of respondents selecting each as an impediment to strategic growth





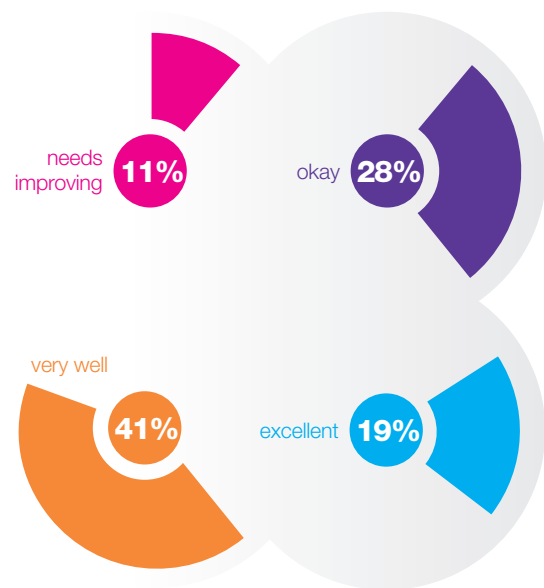
# Research findings for Culture Focus Dimensions

The following section presents in detail each of the nine dimensions of culture alongside our respondents' associated perceptions.

## Customer

The Customer dimension represents caring and responding to customers' changing needs and expectations.

### Current Culture State



- Strong Customer results were seen in the Life Science & Healthcare and Professional Services sectors
- Weak Customer results were seen in the Travel & Transport sector

### Organisational Culture Barriers

Although the Customer dimension was seen as an asset in current culture, two Culture Barriers associated with this dimension ranked 14th and 15th. This points to a need to understand customers' changing needs.



### In our experience

The Customer dimension received the highest positive response, with most respondents feeling that their organisation addressed customer needs. When investigating customer culture, research has shown that 'prompted' survey approaches,

like this one, are prone to positive bias. Many organisations feel that they have a real customer focus; they act on customer feedback and have ways of harnessing customer related data. Nonetheless, many organisations fail to really

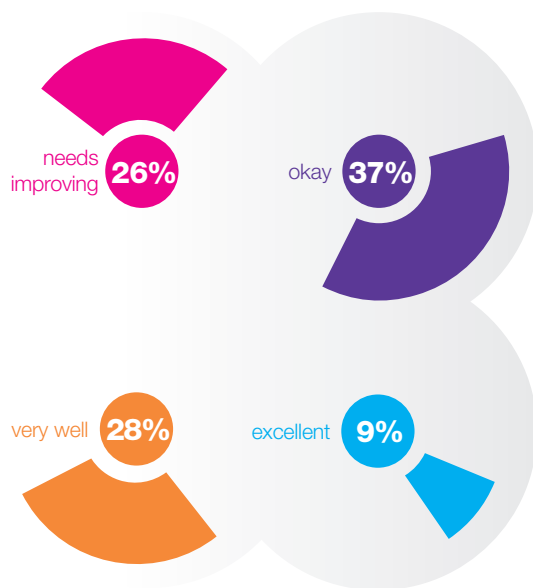
take account of the relationship with the customer. In the drive for customer focus, in our experience, keeping the customer in mind when setting business goals significantly increases *excellent* Customer focus.

# Research findings for Culture Focus Dimensions

## Agility

**Agility is an organisation's ability to embed continuous improvement and organisational learning through adaptability, responsiveness, innovation and creativity.**

### Current Culture State



Whilst 37% were happy with their Agility, over a quarter felt it required improvement and a further 37% only saw it as okay

- Sectors which saw themselves as most Agile were Life Sciences & Healthcare and Travel & Transportation
- The least Agile sectors were Manufacturing, Retail and the Charity Sector

### In our experience

The data show smaller organisations are able to be more agile than larger ones.

In our experience, to move to an Agile culture takes real courage. Not only do you need to address processes, but one of the main priorities is to address the mind-sets people work with. In many organisations, employees habitually

follow set ways of working. To take time out to try to change working practices or systems takes a large amount of effort. Also, to move from a culture where mistakes are punished to one where mistakes are valued in a learning culture takes resolve.

### Organisational Culture Barriers

In our ever-changing technological, political and economic world, unsurprisingly 49% of respondents identified Agility factors as barriers to achieving strategic growth - the inability to react quickly, excessive internal focus and a lack of solution focused attitudes.

% of respondents

**24%**

THE COMPANY IS UNABLE TO REACT QUICKLY ENOUGH TO OUTSIDE CHANGES

**16%**

TOO INWARDLY FOCUSED

**9%**

CREATIVITY AND INNOVATION IS NOT ENCOURAGED TO FIND NEW SOLUTIONS

Highest ranked

1st  
2nd  
3rd  
4th  
5th  
6th  
7th  
8th  
9th  
10th  
11th  
12th  
13th  
14th  
15th  
16th  
17th  
18th  
19th  
20th  
21st  
22nd

22 culture barriers impeding strategic growth

Lowest ranked

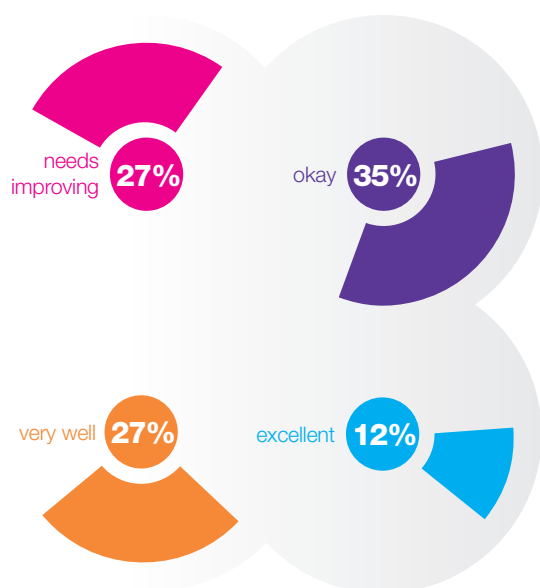
**49% OF RESPONDENTS IDENTIFIED AGILITY FACTORS AS BARRIERS TO ACHIEVING STRATEGIC GROWTH**

# Research findings for Culture Focus Dimensions

## Employee Engagement

Employee Engagement focuses on the motivation and commitment of employees to the company by knowing that they are respected and valued.

### Current Culture State



The results show that, on the whole, Employee Engagement is reasonable but there is room for improvement.

- The strongest performing Employee Engagement scores were from the Life Sciences & Healthcare and Travel &

### Transportation sectors

- The lowest scores were from the Public and Third sector
- There was a surprising consistency in Employee Engagement results across all sizes of business

### In our experience

Employee Engagement varies significantly depending on the strategy of an organisation. Some financially successful organisations that seek to maximise returns, maximise productivity from employees, but at the expense of morale and loyalty. While profitable, this is not sustainable and becomes

a false economy, with a loss of a vital knowledge base from the exodus of employees. As the marketplace and products are more complex, the need for increased responsiveness from the company, means employees need to be motivated, engaged and empowered.

### Organisational Culture Barriers

Lack of empowerment of staff was identified as a key worry. We see this in many organisations who give accountability and responsibility to staff, but not the empowerment to be able to react differently when things change. Other barriers related to the prevalent 'being seen to get lots of things done' culture in organisations where excessive work streams and demands burn out staff. Also, frequent and/or poorly managed redundancy rounds leave a culture of fear, lack of trust and lack of motivation – a financial implication rarely brought into consideration when laying people off.

% of respondents

**18%**

EMPLOYEES DO NOT FEEL EMPOWERED ENOUGH TO MAKE THE DECISIONS THEY NEED FOR THEIR ROLE

**12%**

EMPLOYEES ARE BURNT OUT FROM EXCESSIVE WORKLOAD

**6%**

JOB INSECURITY IS A BIG ISSUE WHICH TAKES UP A LOT OF TIME AND ENERGY

Highest ranked

1st  
2nd  
3rd  
4th  
5th  
**6th**  
7th  
8th  
9th  
10th  
**11th**  
12th  
13th  
14th  
15th  
16th  
17th  
18th  
19th  
**20th**  
21st  
22nd  
Lowest ranked

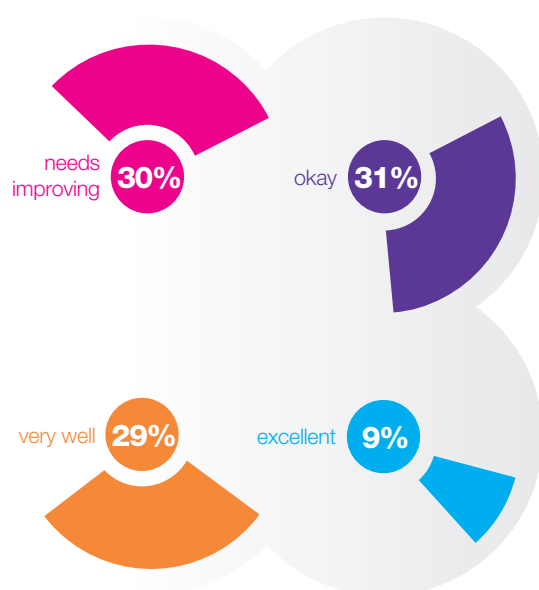
22 culture barriers impeding strategic growth

# Research findings for Culture Focus Dimensions

## Performance

**Performance concentrates on getting results in the most efficient way and manifests through drive, goal-setting, planning, management and decision-making to achieve objectives.**

### Current Culture State



- The strongest results for Performance were from the Banking & Financial Services, Life Sciences & Healthcare and Travel & Transportation sectors
- The lowest Performance scores were from the Technology, Media & Telecommunications, Manufacturing and Public Sectors.
- Interestingly, the strongest Performance scores were for smaller organisations, with the lowest scores coming from mid-sized companies

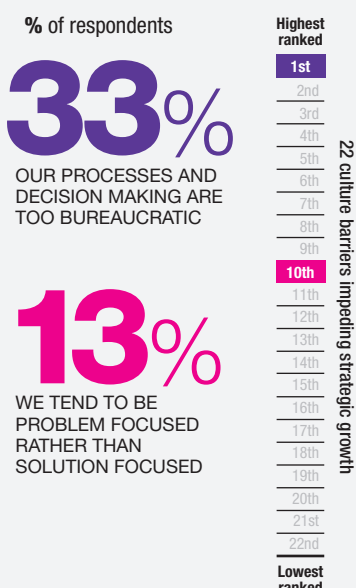
### In our experience

Most organisations pride themselves on their results. Yet the data suggest that this culture focus dimension has the greatest need for improvement. In our consulting experience, being busy is often mistaken for productivity and there is often duplication of work, lack of clarity of direction, or a culture where poor working practices are not challenged. Efficiencies tend to

get lost when roles, responsibilities and empowerment are not clear, often evidenced in meetings with excessive members. Also, systems and policies may make life too difficult, such as systems that are out-dated and inflexible, or processes which are overly bureaucratic.

### Organisational Culture Barriers

Of the 22 culture barriers that respondents were asked to consider, the highest ranking cultural barrier to achieving strategy relates to processes and decision making being too bureaucratic. This leads to lost potential and wasted energy. If performance and productivity are central to the success of organisations and the economy, it is critical to address these culture barriers.



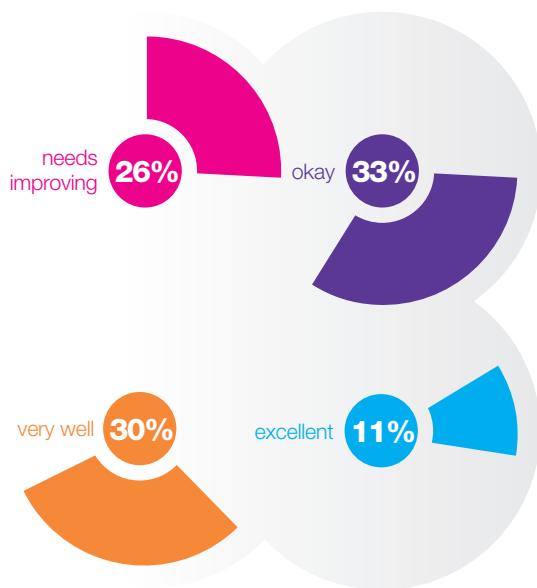
**MOST RESPONDENTS SEE PERFORMANCE AS THE FOCUS DIMENSION NEEDING THE MOST IMPROVEMENT**

# Research findings for Culture Enabler Dimensions

## Alignment

Alignment examines how strategic direction and company values work together in order to provide direction for the organisation to respond to pressures from the market and society.

### Current Culture State



Just over a quarter of respondents regarded Alignment as requiring improvement.

- The weakest results for Alignment were from the Manufacturing and Charity/Not for Profit sectors

- The strongest results for Alignment came from the Public Sector, with Banking & Financial Services and Life Sciences & Healthcare close behind.

## Organisational Culture Barriers

One of the big barriers to achieving strategy is the fact that the direction and strategy is not clear enough. Disseminating the strategy clearly must be one of the key priorities for leaders and internal communication departments. Only 1% are unhappy with their strategy.



- The strongest scores came from organisations with 500-999 employees, whilst the challenges were greater for companies with 5000-9999 employees.

### In our experience

Some of our clients face real difficulties in articulating the strategy to all staff. Without a clearly communicated strategy, employees lack a clear direction and understanding of focus, meaning employees cannot make clear decisions and, in some cases,

different divisions pursue their own strategies, increasing confusion and frustration. Ensuring the organisation is aligned and pulling together is imperative to the company's results. Where the board are operating as a 'primary team' organisational alignment follows. Where divisions

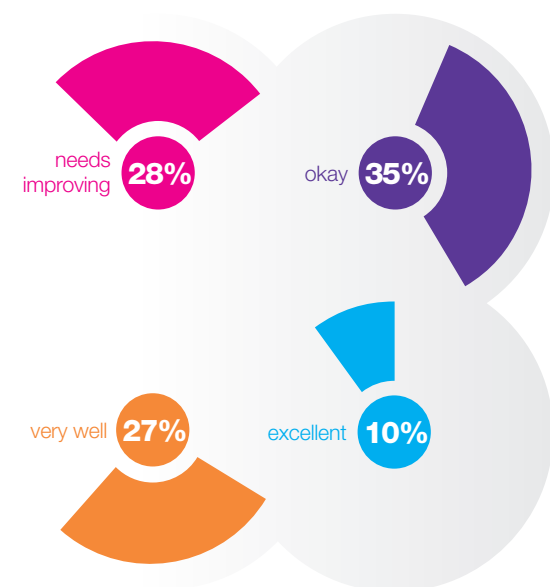
are empire building and working against each other, politics can cause confusion, frustration, misunderstanding and reduce company effectiveness and responsiveness.

# Research findings for Culture Enabler Dimensions

## Collaboration

Collaboration focuses on team-working in the interests of the whole organisation through building partnerships and resolving conflict.

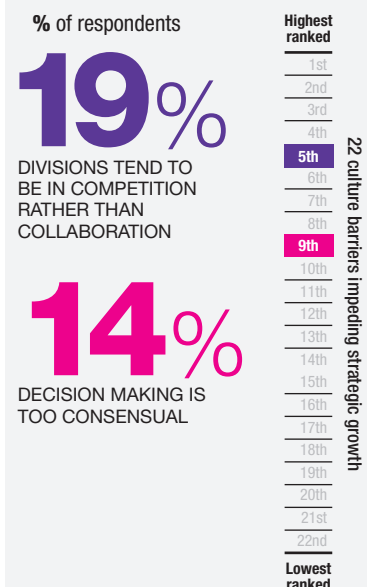
### Current Culture State



- The best results were from companies with fewer than 500 employees and those with over 50,000 employees
- The strongest collaboration scores were for the Retail and Life Science sectors
- The lowest scores were from the Manufacturing and Travel & Transportation sectors

## Organisational Culture Barriers

The main barriers to strategic growth were 'divisions in competition' and 'consensual decision making' which are very common in many organisations. If the board is not aligned around a single direction, divisional empire building and political manoeuvring can create a lot of wasted energy. Consensual decision making is rife in organisations with 'meeting cultures' which, if not run properly, can be ineffective and inefficient.



### In our experience

Collaboration is about building partnership across functions and levels. Do employees work together well? Do they work on maintaining harmonious and productive working relationships? Do they work for the company or their division? Generally, we find that collaboration tends to be easier in small organisations but as the complexity of the organisation increases, to become multi-site, multi-language and multi-cultural global organisations, collaboration

needs to be increasingly worked on to ensure excellent results.

Normally, collaboration issues stem from divisional thinking, and from two key places:

- A fragmented executive board who are not aligned and empire build their divisions to the detriment of the company. The executives' behaviour is mirrored by their staff and therefore working across divisions

becomes frustrating. A 'one company attitude' needs to be cultivated by the board.

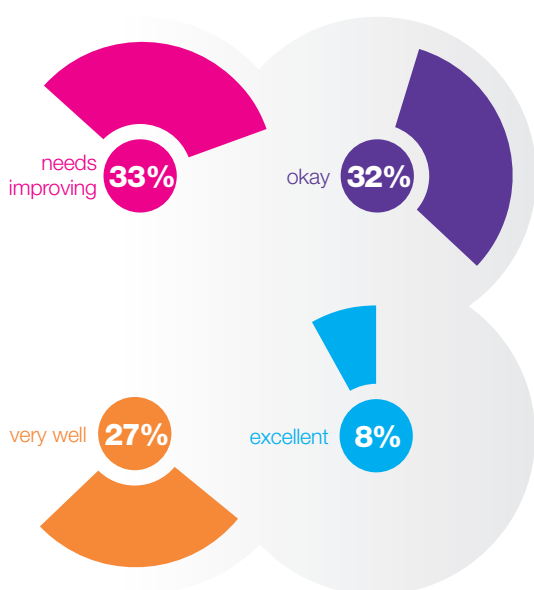
- While metrics are important to performance and accountability, they can also be divisive to only concentrate on your target. Other people's targets are not important and when a complex issue comes up, 'blinkered target' attitudes can make finding whole company solutions impossible.

# Research findings for Culture Enabler Dimensions

## Communication

Communication we see as the ability to align and motivate employees and customers through the messages they receive. It is about coordinating and managing the meaning people make and not one-way transmission.

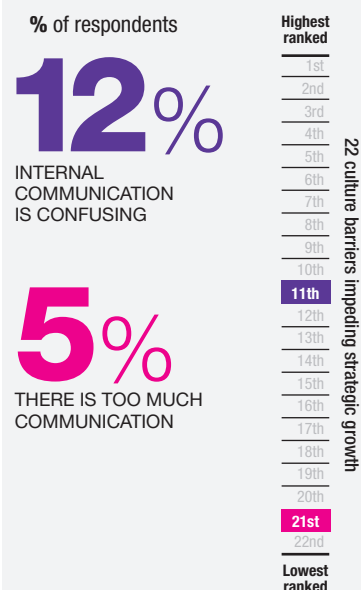
### Current Culture State



- Life Sciences & Healthcare and Retail & Consumer businesses showed the greatest communication success
- Technology, Media & Telecommunication and Public sectors displayed the worst
- Unsurprisingly, the small to medium sized organisations displayed the best communication performance, while the larger organisations showed the worst

### Organisational Culture Barriers

The two barriers of 'internal communication is confusing' and 'there is too much communication' are common. Technology has increased the number of pieces of communication we have to deal with daily. This can lead to a distraction message checking culture. It is vital that employers really think about which form of communication is the best way for the recipient to receive news.



### In our experience

It is concerning, but not unsurprising that a third of respondents see communication as needing improvement. From our consultancy, we have found that communication has always been an issue:

- we have seen too much or too little communication,
- untimely communication between marketing and sales, and
- many different ways of using new communication IT platforms

However, the main issue we see is the 'good news culture'. The good news culture is highly dangerous as employees see the mistakes around the business which are wilfully ignored by management. This engenders a lack of trust, a lack of respect and demotivation.

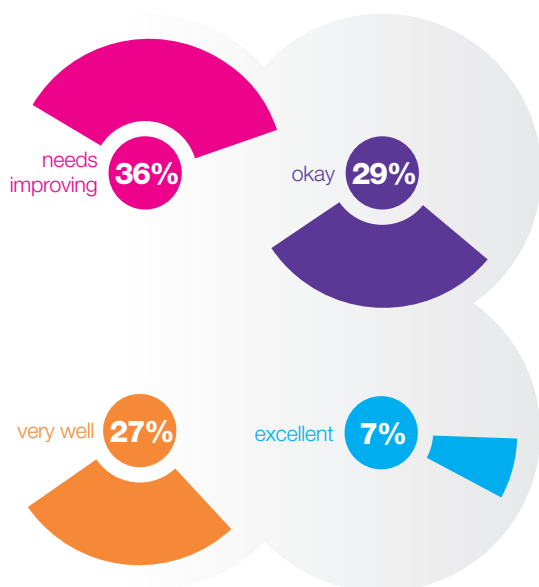


# Research findings for Culture Enabler Dimensions

## People Management

People Management examines the behavioural standards and processes for managing people fairly and transparently, based on merit and accountability.

### Current Culture State



- The Life Sciences & Healthcare and Travel & Transportation sectors showed the best people management scores
- Technology, Media & Telecommunications and Public sectors showed significantly worse results compared to other sectors
- Respondents from small and medium sized organisations illustrated the best people management and, unsurprisingly, large organisations displayed the greatest need for improvement

### In our experience

We find the way employees are treated is perceived to impact the culture more than the impact of other policies and procedures.

People management is always a tricky dimension for employees and management to feel they have got it right. Many times, we see issues

with poor management, lack of trust or confidence and ineffective recruitment and promotion processes. We find that many companies when focusing on their future culture fail, at their peril, to identify current issues in their people management systems. These in

### Organisational Culture Barriers

The biggest people management barrier to strategic growth was poor performance not being addressed. This is common in many places. The impact of this is the creation of an 'average' culture. As Jim Collins says in From Good to Great ***"The Company is only as good as the people on the bus"***.



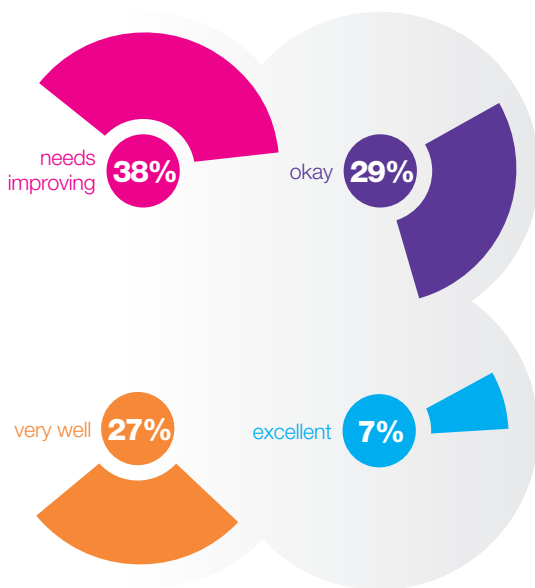


# Research findings for Culture Enabler Dimensions

## Leadership

**Leadership is focused on the management style of leaders and managers in motivating employees to follow the strategic direction and promote the culture.**

### Current Culture State



- By far, the Life Sciences & Healthcare sector displayed the best leadership culture, whilst all other sectors appeared to display a much greater need to improve
- The sector with the greatest need for improvement was the Charity and Not for Profit sector
- The small and small to medium sized companies displayed the best result for the leadership culture dimension, whilst the larger companies displayed a greater need of improvement

### In our experience

With the amount of focus and training on leadership, we were concerned at the extent it was identified as a barrier. The pressures in the VUCA world on leaders are accelerating and perhaps as

expectations increase on staff, so expectations on leaders have increased. This may be related to the increased pressure from the public and consumers on our leaders to act as role models.

### Organisational Culture Barriers

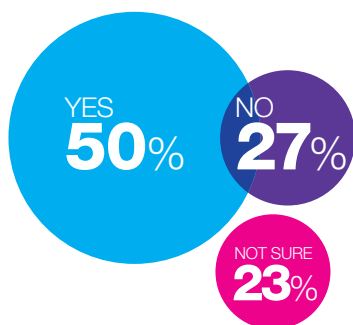
Of the 22 potential culture barriers, 36% of respondents saw leadership issues as barriers to achieving strategic success with 20% specifically highlighting that leaders do not model consistently the values of the company. This perceived hypocrisy engenders a culture of distrust and can move from a teamwork culture to one, which is highly politicised and demotivated.



**OVER A THIRD OF RESPONDENTS SAW LEADERSHIP ISSUES AS BARRIERS TO STRATEGIC SUCCESS**

# HR Plan and Culture Assessment Tools

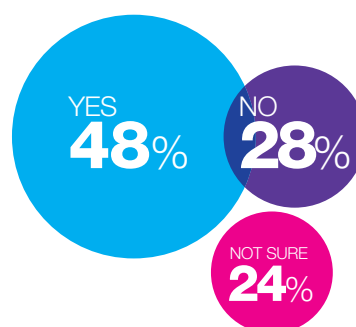
## Is Culture a specific item on your HR plan this year?



We know that Culture is being increasingly embraced by HR departments. The banking culture was brought into question after the 2008 financial collapse and the culture of many organisations such as FIFA and the House of Commons have been reviewed. In Deloitte's 2017 Global Human Capital Trends,

Culture and Engagement is one of the top ten trends. We were encouraged to see that 50% of respondents knew that Culture was specifically in the HR plan, but there is a great potential for companies to focus culture management in line with achieving their business strategy.

## Do you currently use any tools or assessment frameworks to investigate your company's culture?



## Which tools do you use?

Type	Internal	External
Employee Engagement Survey	Staff engagement survey	Great Place to Work® the Trust Index® / Willis Towers Engagement Survey
Values Based Culture Management	Great Places To Work	Barretts CVA CTT/ Values Online/ Youlinked / Towers Watson Culture Alignment / Cultural Navigator / ndc Culture IMPACT / Values Online
Behaviour Based Culture Management	Culture Plan / Behavioural competencies framework	Human Synergistics OCI / Culture web (Mind-Tools) / Dension Culture Model
Global Culture Management		Hofstede
Personality		Enneagram
Emotional		KEI Pulse
Performance Management	In-house appraisals	Team Alchemy / Insight SRC
Equality & Diversity		Fairness Inclusion Respect Survey
Recruitment		AdaptUX

## In our experience

Firstly, many organisations had internal and external solutions to manage culture. We find many companies who believe that they can address culture issues using internal resource. The problem is that the culture forces of the organisation impact them too and they are no longer objective. By getting a clear objective external perspective, the

executive can grapple with the true results.

Secondly, there is confusion about how culture is managed. **Traditional HR tools, such as the employee engagement survey, recruitment tools and performance management, do not give comprehensive culture insight and cannot manage culture**

**strategically.** They contribute to culture management but are not designed to counteract the drivers sustaining the culture.

**LESS THAN HALF**  
OF RESPONDENTS USE  
ASSESSMENT TOOLS  
TO INVESTIGATE THEIR  
COMPANY'S CULTURE

# Top Organisational Culture Barriers

## Highest ranked Culture Barriers



### In our experience

The more culture barriers prevail, the greater the risk of an organisation becoming **too inwardly focused**, since employees will be overly preoccupied with what their role and responsibilities are. Where culture barriers are allowed to prevail, they tend to proliferate further defensive approaches such as silo focus which will equally **decrease the likelihood of collaboration** and will **lead to divisions ending up in competition**. A culture such as this is likely to be littered with conflict, which again, exacerbates the inward focus, leaving **no room for**

**organisational versatility**, which, in today's ever-changing business environment, is vital for retaining competitive advantage.

When we look at the top seven Organisational Culture Barriers we start to understand that Organisational/Culture leadership has to identify these barriers and understand that they are often interconnected and influence each other in complex ways. For example, the barriers 'Leaders do not model consistently the company values' and 'divisions tend to be in competition rather than collaboration' illustrate the need

for organisational leadership as opposed to individual leadership. To breakdown some of these barriers, they require a cross-functional leadership to tackle the pan-organisation issues. These barriers also highlight the importance of the leader/line manager's role in communicating and facilitating employees' roles within the workplace.

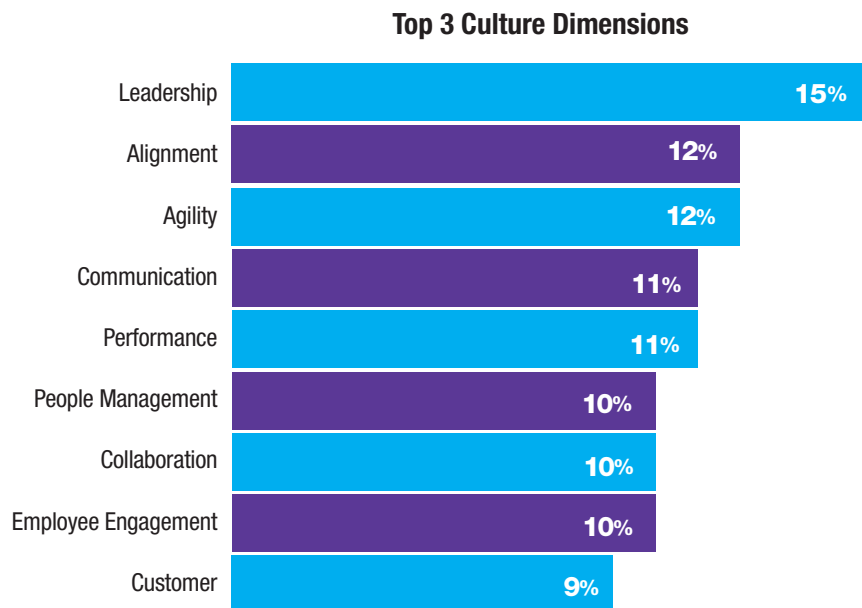
At the heart of these barriers is a need for collective people transformation in organisational contexts - "Organisations don't transform. People do."<sup>1</sup>

<sup>1</sup> The Barrett Values Centre

# Top Culture Dimensions to achieve strategic aims

Respondents were asked to identify which three of the nine culture dimensions they considered to be the most important for strategic success.

- Leadership, Alignment & Agility were seen as the most important for strategic success, regardless of sector size
- This result shows respondents' perceptions about the culture dimensions needed to deliver their strategy. It is noteworthy that leadership stands out



## In our experience

We appreciate that each organisation has a unique need for cultural management, however, Leadership, Alignment and Agility were seen to be the areas where respondents wanted most attention for strategic success. There was a high level of consistency across the industry sectors and company sizes with these priority dimensions. This commonality highlights the need to lead, measure and manage their specific corporate culture and leverage it towards achieving their specific strategic aims.

The centrality of the nine dimensions of culture is confirmed by the broad spread identified to achieve strategic aims and the even distribution of the dimensions for current culture across the results.

A measurement-based systematic approach is prudent to precisely identify the appropriate combination of culture dimensions to achieve specific strategic aims.



"THE CULTURE OF ANY ORGANISATION IS SHAPED BY THE WORST BEHAVIOUR THE LEADER IS WILLING TO TOLERATE"

*Gruenter and Whitaker*

# Culture and Strategy Findings

When looking at the difference in health of dimensions between strategies, we see the following trends.

- The health of the dimensions for organisations with growth and consolidation strategies was very similar with some slight differences
- For growth organisations, there is a greater health for Alignment and

Performance compared to the other dimensions

- Whereas for consolidation, Customer, Agility and Employee Engagement are stronger

Organisations in decline showed unhealthy results across all dimensions. This is indicative as we only had 18 respondent surveys for organisations in decline.

We are fascinated to see if this data will change from a larger data set. Therefore, we are going to keep this survey open for another year and see how these indicative results alter.

When looking at the cultural barriers however, on the whole there is consistency that the top 7 cultural barriers impact each strategy in the same way.

## Summary High Level Findings

Most organisations were following a growth strategy

The age old dilemma of leaders balancing strategy and promoting culture was evident, with leaders not being seen to model the company values and leadership needing to be prioritised first in order for companies to achieve their strategic aims

Performance was the worst performing 'focus dimension' held back by the strongest culture barrier of bureaucracy and consensual decision making

Leadership, Alignment and Agility were the main dimensions to prioritise for strategic success

For growth strategies, organisations show a greater health for Alignment and Performance compared to the other dimensions

For consolidation strategies, Customer, Agility and Employee Engagement are the stronger dimensions

The top 7 cultural barriers impact each organisation in the same way, regardless of strategy

While half of respondents said HR have culture in their HR plans, there is a confusion of what managing culture is and a conflation of culture management with other HR practices

There exists a clear need for improved management of organisational culture

# Conclusion

**The research leads us to believe that organisational culture can be led, measured and managed in more effective and productive ways. Although culture is intangible, it exhibits a powerful force that is felt by all who come into contact with it.**

These forces are experienced and felt deeply by many in the organisation.

Like a fish in poor quality water, however, we can become unaware of how we collude with and perpetuate the culture, how it limits or skews how we do things and underestimate its impact on us.

We advocate that leaders create a clear link between their strategy and the best culture to deliver this strategy. This requires that organisational culture is managed strategically by the board. Further, we argue that the ability to lead culture across an organisation is a special skill that can be taught and developed. Even the best leadership development programmes, to our knowledge, have not mastered developing leaders who can lead these cultural system forces within organisations skillfully.

Regardless of the strategic direction of an organisation, bureaucracy, lack of agility and accepting poor performance are commonplace in all company sizes and sectors, impeding strategic growth.

By tackling culture strategically, organisations can **lead, measure and manage** culture as their greatest asset.

## Report Team

**Matthew Burdock, Director**, is both a chartered accountant and business psychologist. He specialises in the application of business psychology to improve business performance.

Matthew has a deep understanding of the psychology of leadership and groups and how to apply it to business problems, from needing to have alignment and committed teams to ensuring the business culture is fit to deliver.

**Samuel Keightley, Researcher**, specialising in strategies and interventions to improve organisational and individual mental health. He holds an MSc in Organisational Psychiatry & Psychology from Kings College London.

**Aoife Morris, Marketing Coordinator**, Aoife is a culture analyst in the ndc nine dimensions of culture and also certified in Culture Transformation Tools from the Barrett Values Centre.

**Lisa Peach FCIPD, Senior Consultant**, is an experienced HR Strategist and holds an MSc from Ashridge Business School. Through appreciative inquiry and working with culture and values, Lisa focuses on releasing the latent potential in the organisation.

**Joe Burns, Senior Consultant**, specialising in building competitive advantage through operations. He is certified in Culture Transformation Tools from the Barrett Values Centre.

**Martin Egan PhD., FRSA, Founding Director**, specialises in culture diagnostics and leading and managing Organisational Culture. He has led more than 30 corporate culture transformations globally. He is an analytical psychologist with both corporate and clinical experience underpinned by psychodynamic and applied systemic psychology. His work on Coaching for Integral Leadership is published in Leadership Coaching (Kogan Page 2010).

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