

Eight Steps for Changing Organizational Culture in Companies of All Sizes

Written by: Kimberly Holland, Lifestyle Writer and Editor. Republished from Redshift.

ALL COMPANIES, BIG AND SMALL, NEED TO SET VALUES AND BEHAVIORS THAT POSITION THEM FOR SUCCESS. HERE ARE EIGHT STEPS FOR CHANGING ORGANIZATIONAL CULTURE.

All businesses require infrastructure, from computer hardware to machinery, that is necessary for daily function and creating revenue. Without it, for example, a construction company can't build a new office tower, an architecture firm can't draft plans for a new doctor's office, and a manufacturing business can't develop its next great idea.

But businesses also require less tangible markers, like a healthy organizational culture. For companies too focused on the black-and-white necessities of running a business, organizational culture may seem too gossamer an idea, too inexact. Organizational culture, or the social norms of a company, describes how that company operates, how employees interact, and how decisions are made. To be fair, culture is more felt and experienced than seen or measured—and it is vital to a company's success.

Organizational Culture Matters to Companies of All Sizes

In smaller companies, employees are often intimately aware of the company's culture—or the lack of one. Expectations for behavior and values are experienced every day because of



employees' proximity to senior leaders. For example, in a small engineering firm, a first-year associate and a partner are likely to be keenly aware of their company's goals because they work across many projects together, even if the work happens at different stages.

In larger companies, the organizational culture may be defined by a vision or motto. It's on the coffee mugs and computer pads. But the realities of the culture may trickle down into business groups or verticals quite differently, depending on the leadership styles within those groups. The culture experienced by one person working in the office of a manufacturing business may be very different than that of a person working on the factory floor.

Defining an organization's culture - or changing it - so that every person is on the same page requires much more than

writing a vision in a handbook or posting a placard in a lobby. Organizational culture requires a top-to-bottom strategy of adaptive, innovative redevelopment.

For businesses today, this intangible identity can have as much bearing on their companies' success and future as any reskilling initiatives or business line expansions. Without a healthy organizational culture, those other aspects of business growth and development may be more likely to flounder.

Here, you will get an idea of what organizational culture is, why it's important, and why you might want to change that culture within your own business. You can follow the eight outlined steps to change your company's organizational culture so that your business is more robust and responsive to the ever-changing corporate landscape.

Why Organizational Culture Is Important

"[Organizational culture] is the expected social norms within an organization that shape how employees interact and how decisions are made," says Sabrina Palmer, a performance-improvement and change-management consultant.

"Often, organizational culture develops from the organization's mission, why the organization exists; the vision of what the organization hopes to become; and the values—the core beliefs or principles that influence how employees behave," Palmer says. "As a result, organizational culture will vary between companies. No two companies will have the same culture. However, there are commonalities among small companies and among larger companies."

More than ever, a company's culture has become a significant factor in its future prospects. Current employees, prospective employees, and clients all look to a company's culture to tell them where the company puts its efforts and energy. In fact, a 2016 Deloitte Global Human Capital Trends report found that organizational culture is considered a competitive advantage by 82% of more than 7,000 CEOs and HR leaders surveyed.

The pandemic had sweeping impacts on companies and their cultures, for good and for ill. Typically, workplace culture doesn't change swiftly or easily. But because companies were forced to fundamentally reimagine how they operate, they were

also presented an opportunity to evaluate what they like about their workplace culture - and what they don't like.

"A negative culture can impact the organization's customer experience," Palmer says. "A poor experience leads to negative perception of the company and can lead to lost sales. Changing the culture is important because it will ultimately impact the company's growth and the ability to achieve its vision or execute its strategy."

But a company culture that is resilient and healthy has more benefits than just being a happy place to work. Companies with healthy cultures are also more accountable. They can weather accidents, PR disasters, and other calamitous events. They can respond to larger cultural changes and evolutions without losing sight of their own foundation. In short, an ongoing investment in growing and improving a company's organizational culture is about more than a slogan. It's about shoring up the company's future.

When to Change Organizational Culture

Businesses are historically focused on operational success—and rightfully so. Without a successful, efficient business, there is no corporate culture to be concerned about. But with success comes the necessary step of setting parameters for what is or isn't up for debate within a company's culture.

These signs may indicate it's time you review and make concerted efforts to change your organizational culture:

- » High employee turnover. Generally, happy people don't leave their jobs. If your group or firm is seeing a continual migration of talent out the doors, it's time to understand why. Internal complaints of toxic behavior like yelling, bullying, disrespect, poor collaboration, and poor customer feedback aren't just bad for business—they can be a liability. What's more, a lack of growth opportunities or insufficient reskilling initiatives may leave people feeling stagnant and unappreciated.
- » Employee turnover for a certain demographic or underrepresented group. A workforce is not a homogenous being. If there is dissatisfaction among a particular group or demographic, it may be a sign that your business is not supporting them. Worse, it may signal that a group is being

singled out for discrimination or given fewer opportunities than their colleagues.

- » New lines of business. Growth is good and necessary, but it also presents a challenge to company culture. At times of big changes, such as launching a new product or service, organizational culture changes need to be considered.
- » New business priorities. You don't always need a significant change to your company's structure to necessitate a workplace culture review. A planned strategy change may mean you're worried about the business's ability to support a new trajectory. This is a good time to weave culture change into business change.
- » Changes in leadership. As senior leaders leave or realign, a natural vacuum is created. These transitions can be a good time to initiate new culture and expectations.
- » A merger or acquisition. Blending two or more companies offers an excellent opportunity to readjust the hybrid entity's expectations and culture. These mergers often bring a chance for companies to learn from one another and select the best strategies from each for a healthier culture in the merged business.

It's not enough to offer pep talks and require compliance trainings. As a business leader, you need to ensure that your organization embodies the values necessary to accomplish your business goals. Taken together, those values and behaviors define your organizational culture.

Whether your overarching goal is taking on a new line of business, digitizing your processes, or increasing automation, it's important that how you behave as a company puts you on the path to success - from the everyday actions of employees to interactions with customers. If you recognize the need for organizational change, here are eight steps you can take toward creating a better company culture:

1. IDENTIFY DESIRED OUTCOMES

Any company culture is a manifestation of its employees' values and behaviors. If you want to change that, you have to be specific about what you want to change.

As a first step, identify a core set of values and determine the behaviors that support those values. Include elements that have served you well, in addition to new values and behaviors necessary to achieve your company's long-term goals.

Be as deliberate as possible in defining what your culture should look like. Otherwise, as new employees join (particularly when you're growing quickly), the culture becomes whatever they interpret it to be, which can be confusing and a hindrance to success.

A clear vision tells all levels of employees, as well as new employees, what you want the organization to be. Taking time from the outset to be clear about where you're headed can help accelerate change.

2. PLAN A CULTURE CHANGE ROLLOUT

It's one thing to define a culture plan, but if you don't communicate it clearly to the organization, it's all for naught. Employees must identify with the change. They should want to adapt and even feel a responsibility to change.

The key, especially when first rolling out the culture framework, is to create engaging, interactive communications that encourage employee feedback. These can include in-person workshops that get your workforce thinking through new concepts; all-hands meetings at the company and business-unit level to show early advocacy from senior leaders; and more supporting communication activities such as email, intranet, and internal social channels.

Remember that you're not trying to teach anybody anything; you're trying to help them understand and get behind the mission. It's about helping your employees ask questions, engage with the values, and connect them to their everyday work. This will create a deeper understanding of the desired culture and also personally connects employees to the broader success of the company.

3. WEAVE NEW CULTURAL VALUES INTO RECRUITMENT INITIATIVES

One surefire way to make culture change a reality is incorporating it into how you hire, promote, and reward employees. For the hiring process in particular, your culture will play out in the way you measure and assess candidates, as well as in the hiring experience you provide.

That experience starts the second that first contact is made and encompasses every touch point, from emails to screening calls to onsite interviews. Candidates quickly get a feel for the company and decide whether it's the right place for them. If it

is, upon joining, they're immediately ready to infuse the culture with all the values you're trying to proliferate throughout the business.

4. GET EXECUTIVE BUY-IN

This should go without saying, but it's imperative that company leadership teams, at all levels, actually believe that this set of values and behaviors is the right way forward and fundamental to the company's success. This shows the greater workforce that all of this culture work isn't just fancy rhetoric for the organization's website. This step takes a lot of dedication; company leaders, especially executives, need to model the culture you want the employees to emulate, and you must be aligned for the rest of the company to follow you.

Company leaders must model the culture they want employees to emulate.

5. BE PATIENT

For any company embarking on this journey, it is important to recognize that it will be a multiyear effort. You will test, pilot, assess, adjust, and eventually come to a culture framework that is final but still always evolving.

Don't forget that the employees of your company ultimately own the culture and get to shape it. As a leader, you can provide the guideposts your workforce can put into practice, providing a better experience on the job; improved customer relationships; and, ultimately, a more thriving business.

6. DEFINE MESSAGING, INSIDE AND OUT

A company's culture rarely stops at the office doors. Today, companies can take hits to their reputation and branding from outside sources, like bad reviews, social media videos of negative experiences, and even tweets from disgruntled employees or contractors.

While you're planning an internal rollout of the new culture and goals, partner with your HR team or an external HR firm to craft marketing around these changes. There is likely no need for an expansive public rollout; most of these changes should be focused internally. But because a company's culture can have a direct impact on potential clients and prospective employees, a complementary outward facing program can be beneficial.

7. ADAPT TRAINING BASED ON EMPLOYEE FEEDBACK

Operationalizing culture also requires going deeper than the initial rollout and socialization of the culture framework - and it's not just a top-down process. "Employees are more easily motivated because they can see their direct contribution to the mission or company outcomes," Palmer says. You should select a few key values and conduct time-bound, focused explorations of how these values present in employees' everyday work. This should include small guided, interactive sessions at all levels of the organization.

It can also be helpful to set up a feedback loop. Asking employees for feedback on the change process and measuring that feedback in a meaningful way is crucial to implementation, long-term buy-in, and sustainable change. This feedback loop can consist of employee surveys taken sporadically through the roll-out stages, or you can ask for employees to engage in more personal one-on-one feedback sessions. A combination of feedback methods may yield the best results, as some employees may feel comfortable with one form over another.

8. START NOW

Culture change is not an overnight project. It requires extensive planning, strategizing, and implementation. It could actually take years of investment before your company gets to a point that the cultural instincts are automatic.

Start anyway. The efforts of a workplace culture change aren't finite. They grow and change as they interface with the realities of business and real people. The more time you have to receive that feedback and redefine the goals, the better.

How Culture Change Looks for a Real Business

Palmer offers an example from her own career in change management to illustrate how these steps support the goals of a healthier, stronger workplace culture.

"A large high-tech organization had just acquired a smaller company in the same industry," she says. "The culture of the acquired company was one of fear: People were afraid to speak up, because there was a history of layoffs and cost cutting. The systems were old, and the pace of the organization was slow.

There were several things done to change the culture to being one that was highly motivated, high performance, and more vibrant.”

Palmer outlines those changes:

- » Leadership actively communicated the vision for the organization, addressed issues, and called out expectations.
- » The projects and activities supported the vision, and employees bought into the communication. There was more investment in new systems and investment in the facility.
- » The company hired talent that supported the direction of the company and modeled new behaviors that were expected. Those who didn't support those changes left or were encouraged to move on.
- » There were new learning opportunities amid cross-functional teams, so the silos started to disappear. Communication among teams improved, and employees felt empowered to make improvements in their areas.
- » Management solicited employee feedback through surveys and addressed feedback and concerns.

Can Organizational Culture be Changed?


The short answer is yes, with a caveat. An organization's culture can be changed - but it takes time, investment, and consistent dedication.

Leaders inherently shy away from organization friction. Every organization is an interlocking web of culture, practices, and learned behaviors. Structural changes pull at all the strings in the webs. You can expect resistance.

Changing an organization's culture takes time, investment, and long-term dedication.

Instead of demanding compliance, leaders should inspire their teams with optimism and conviction, not top-down authority and reprimands. Leaders should use their influence to shape growth and change, not mandate it.

Ultimately, these changes are about more than how working in a company feels, though that is a vital business consideration. Positive workplace culture change can, in fact, change the bottom line for business, as Palmer explains: “When a large packaging-solutions provider decided to transform its finance operations to reduce costs, improve corporate governance, and increase stakeholder value, the organization's leadership wanted to ensure that the change was carefully planned and managed. The organization had developed a culture of rogue spending and had grown accustomed to manual and inefficient processes. Without managing the planned changes and revisiting corporate culture, the company would be unable to gain better visibility and control over the organization's resources.”

Employees' hesitation often fades when they recognize that culture change can usher in a stronger, more robust, and more resilient workplace. No one likes to work and live in ambiguous spaces. When these organizational changes have a clear roll-out and defined plan, it can help everyone find their place in the company and feel secure in their future. 



About the Article

Written by Kimberly Holland, who is a lifestyle writer and editor based in Birmingham, AL.

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