



Things Will Never Be the Same:

Does Your Organization Have the Right Culture and Strategy to Survive in the New World Economy?

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Agenda

- Relationship Between Culture and Strategy – Pat Schaeffer
 - Research
 - Competing Values Framework
 - Symptoms of Misalignment Between Culture and Strategy
- Interactive Workshop – Carol Mitchell
- Case Study – Andrea Kaelin
 - Current and Desired Culture
 - Connection to Strategic Initiatives
 - Implications for Leaders for the Future

Takeaways

- Ability to talk with your HR team about what makes a business strategy viable and why it's important to have a culture that supports the strategy
- A different perspective on your organization's culture
- The beginnings of an action plan to help your organization ensure that its culture and business strategy are aligned



"We're wondering whether you'd
fit into our corporate culture!"

The Relationship Between Culture and Strategy

What the research
shows, a framework for
culture and strategy, and
symptoms of
misalignment

**“Culture eats
strategy for
breakfast.”**

- Peter Drucker

The data are clear.

- “...as many as three-quarters of reengineering, total quality management (TQM), strategic planning, and downsizing efforts have failed entirely or have created problems serious enough that the survival of the organization was threatened.”¹
- Several studies have reported that “failure to change the organization’s culture doomed the other kinds of organizational changes that were initiated.”²
- Companies whose business strategy is not supported by the culture “... significantly underperform their competitors.”³

Global Innovation 1000: Why Culture is Key

“If more companies could gain traction in closing both the strategic alignment and culture gaps to better realize these goals and attributes, not only would their financial performance improve, but the data suggests [sic] that the potential gains might be large enough to improve the overall growth rate of the global economy.”³



IF

The Big IFs



If #1: if your business has established a viable strategy

If #2: if your culture supports the business strategy

Big If #1

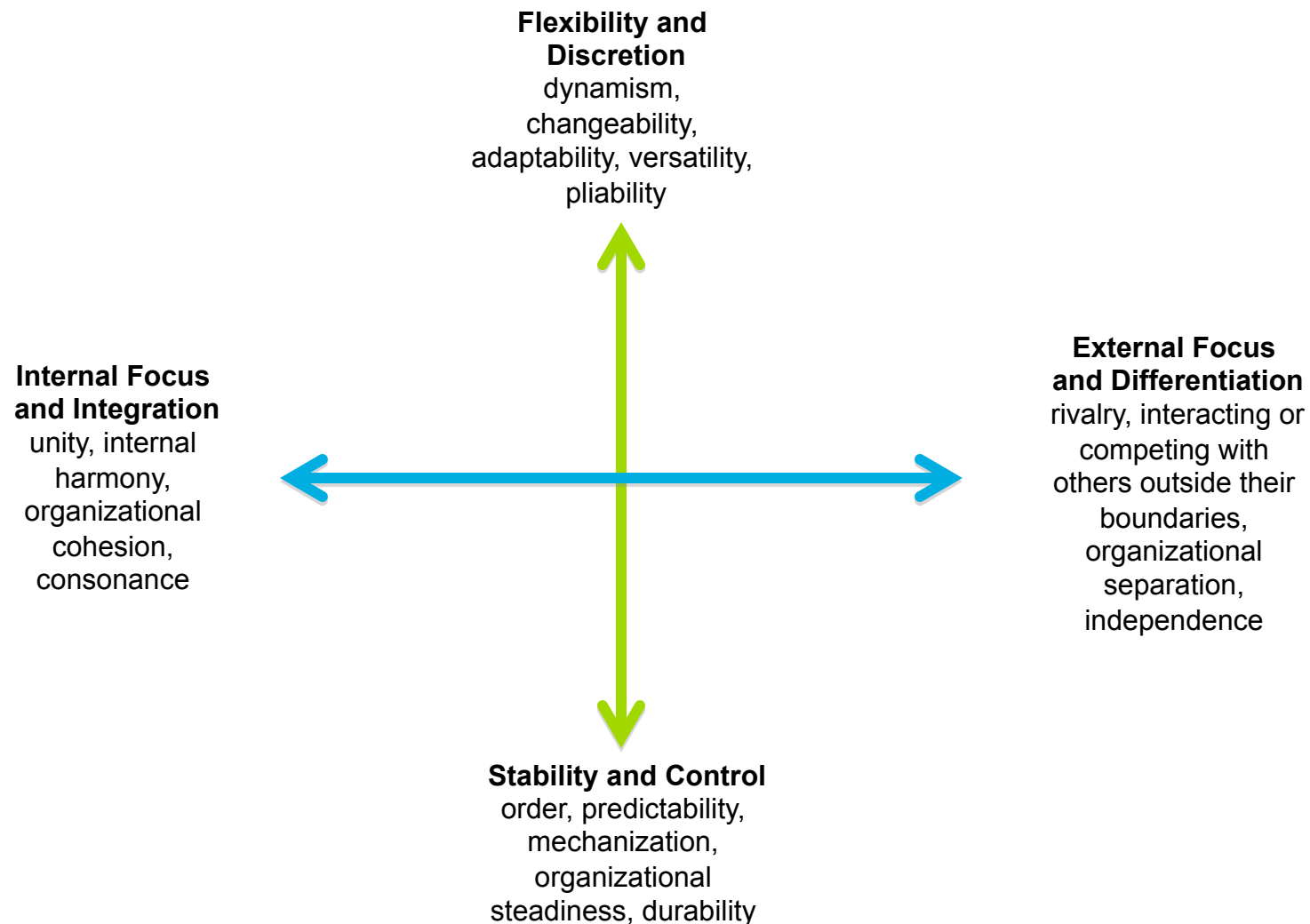
A viable business
strategy

What makes a strategy viable?

- It's based on the factors that make the organization function effectively
- It's "capabilities-driven"
- It answers questions such as:
 - "Who do we want to be?"
 - "What are we great at?"
 - "What will we be uniquely advantaged at doing?"⁴



Competing Values Framework





Big If #2

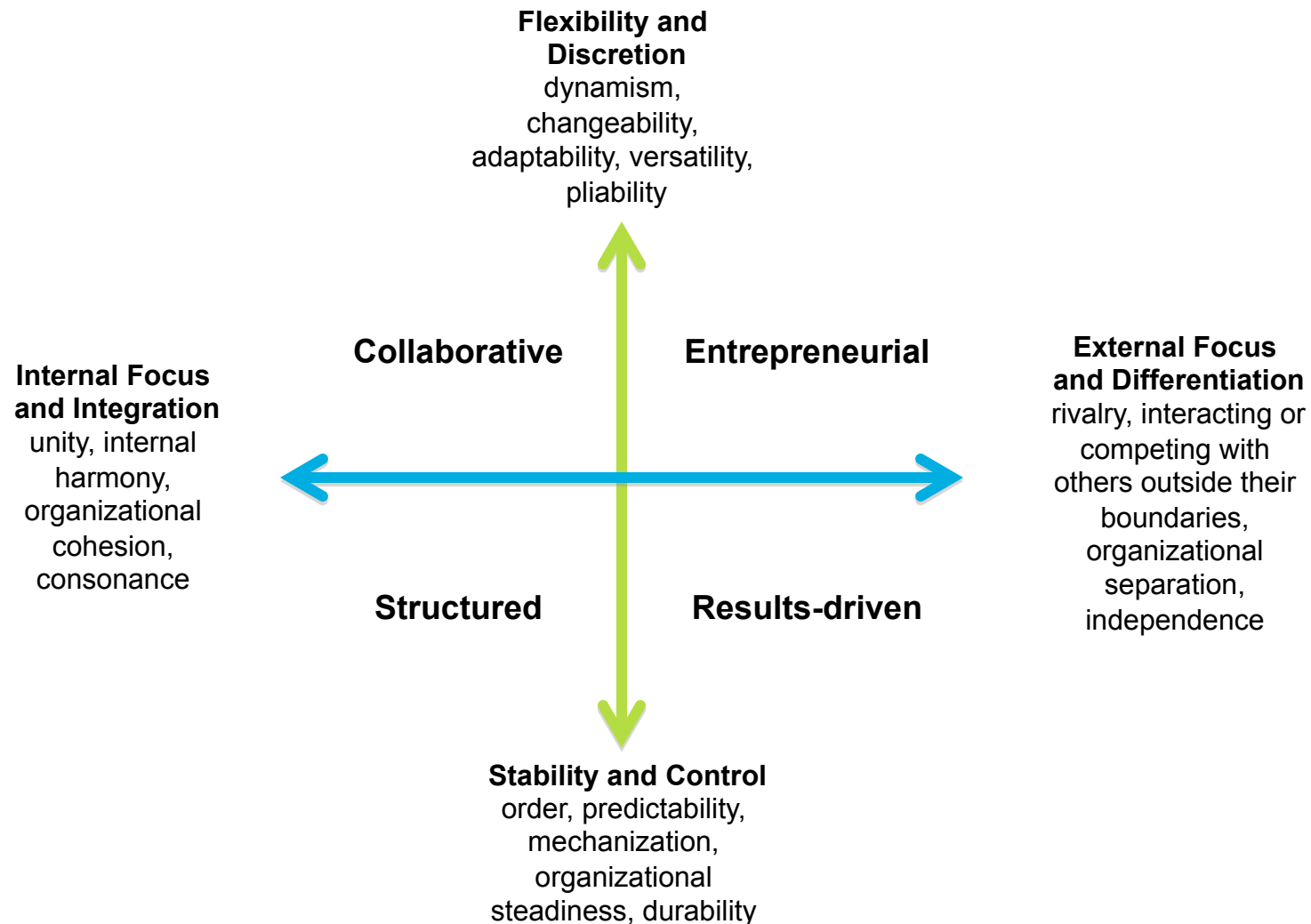
A supportive
culture

What is organization culture?



- “... an enduring set of values, beliefs and assumptions that characterize organizations and their members.”⁵
- The way things are done here
- It’s *how* the organization’s unique advantages are leveraged

The Four Cultures of the Competing Values Framework



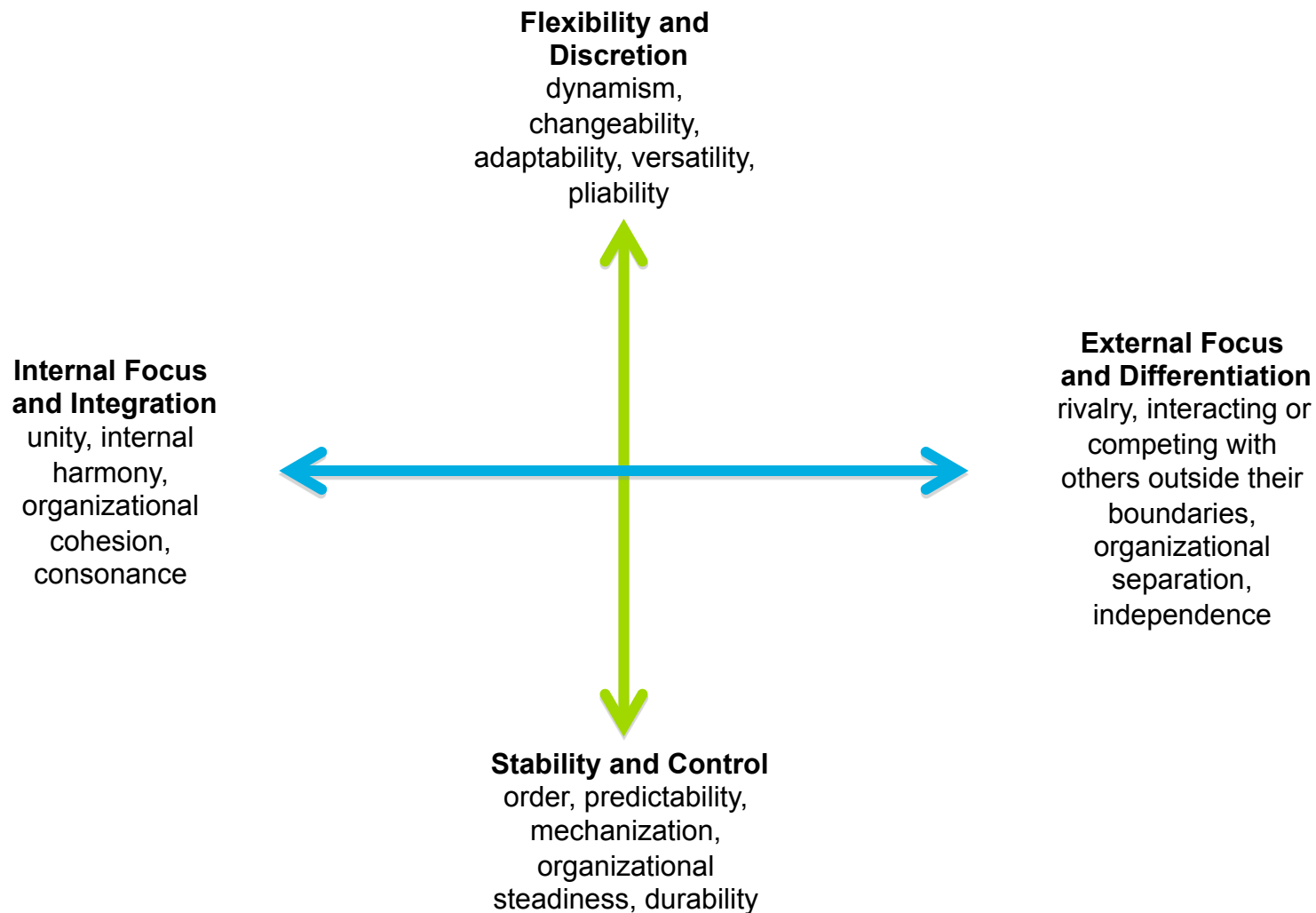
Interactive Workshop

Diagnosing YOUR
culture and defining
leadership competencies
that will support that
culture

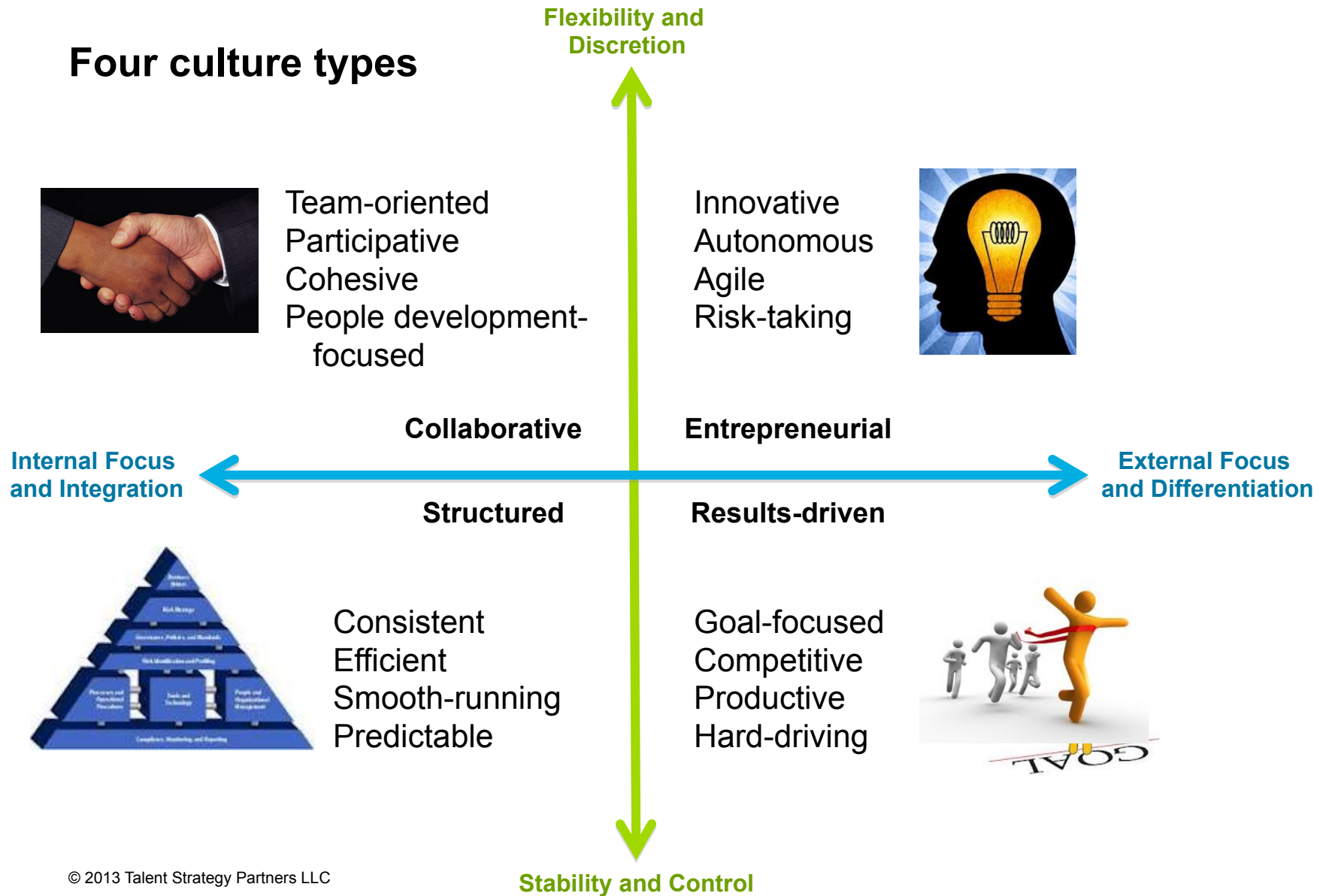
Goals for the Workshop

- Understand how to diagnose organization culture in a business framework
- Define the leadership competencies that reinforce culture

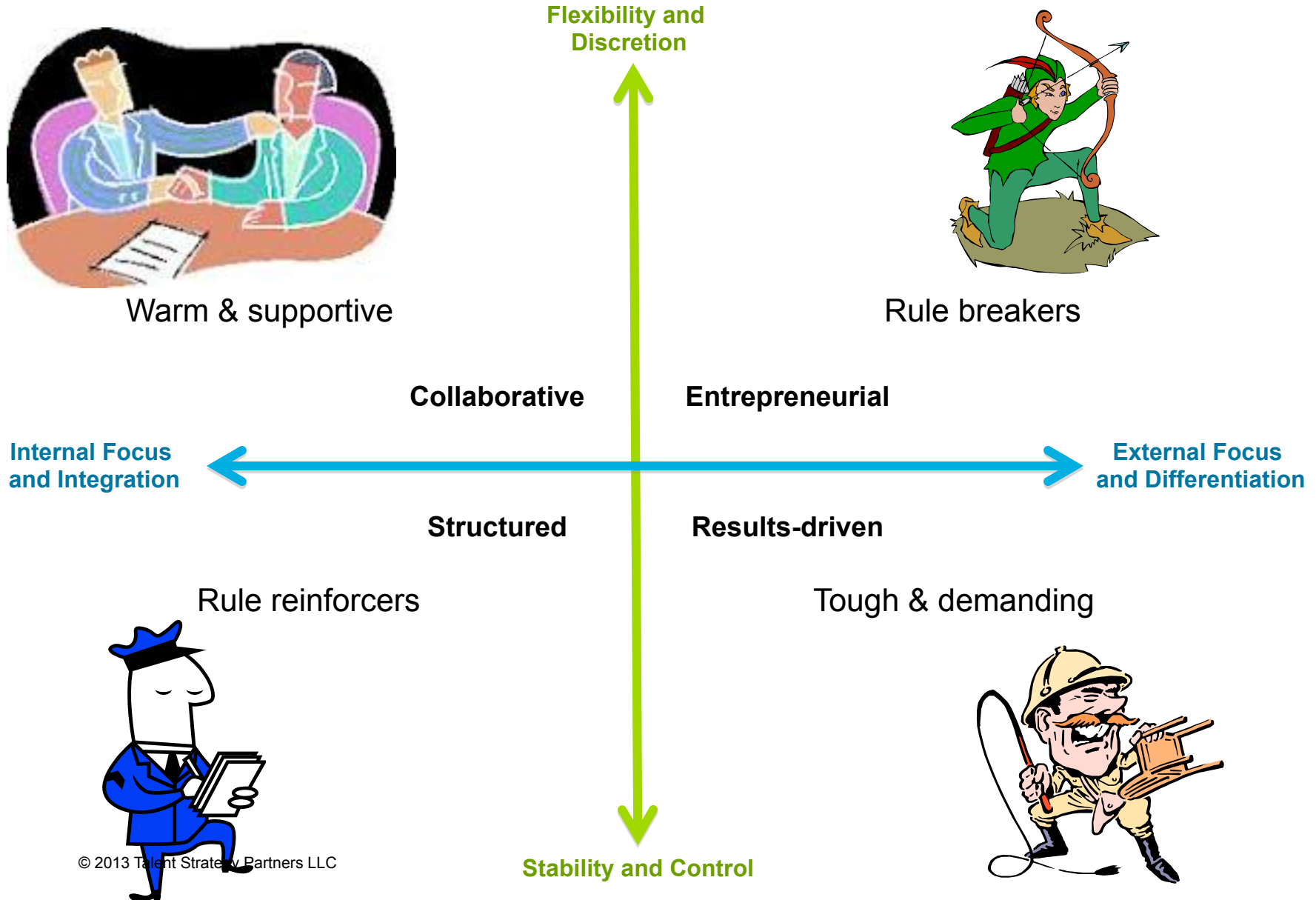
Competing Values Framework = Two dimensions of organization effectiveness



Four culture types



Successful Leadership Characteristics by Culture



What is your organization's predominant culture?

		Flexibility and Discretion		0=Not at all 1=To some extent 2=To a large extent	
Collaborative		Entrepreneurial			
• There is a family-like atmosphere here	_____	• Ideas are embraced here	_____		
• There is a high expectation for people to participate and get involved	_____	• Individual initiative is more important than teamwork	_____		
• Team accomplishments are recognized and rewarded more than individual achievement	_____	• Always being on the cutting edge is critical	_____		
• Decisions are most often made by consensus	_____	• There is a high tolerance for "breaking the rules"	_____		
• People feel great ownership in the company	_____	• People are willing to, and do, take risks	_____		
Internal Focus and Integration		Total		Total	
Structured		Results-driven			
• Following established policies and procedures is an absolute must	_____	• People are very competitive and achievement driven	_____		
• Successful people here are good coordinators	_____	• There is a strong focus on getting results at all costs	_____		
• People do not take risks	_____	• Managers are demanding, pushing people to meet high standards	_____		
• Decisions and approvals require multiple levels of sign-off	_____	• Everyone knows who the organization's top external competitors are	_____		
• Standardizing processes is a big focus of time and energy here	_____	• External customers are regularly solicited for feedback and ideas	_____		
Stability and Control		Total		Total	



- For each statement on the worksheet (slide 24), indicate to what extent this is true for *your* organization
- Put a score of "0" "1" or "2" on the blank next to the statement
- Add the scores for *each culture*
- Highest score is likely your dominant culture

Table Discussion by Culture

After you've found your dominant culture, think of your most talented, admired leaders who exemplify it.

1. What characteristics do they demonstrate?
2. Give examples of their best achievements.
3. Do you think these leaders would be successful in your organization five years from now? Why?

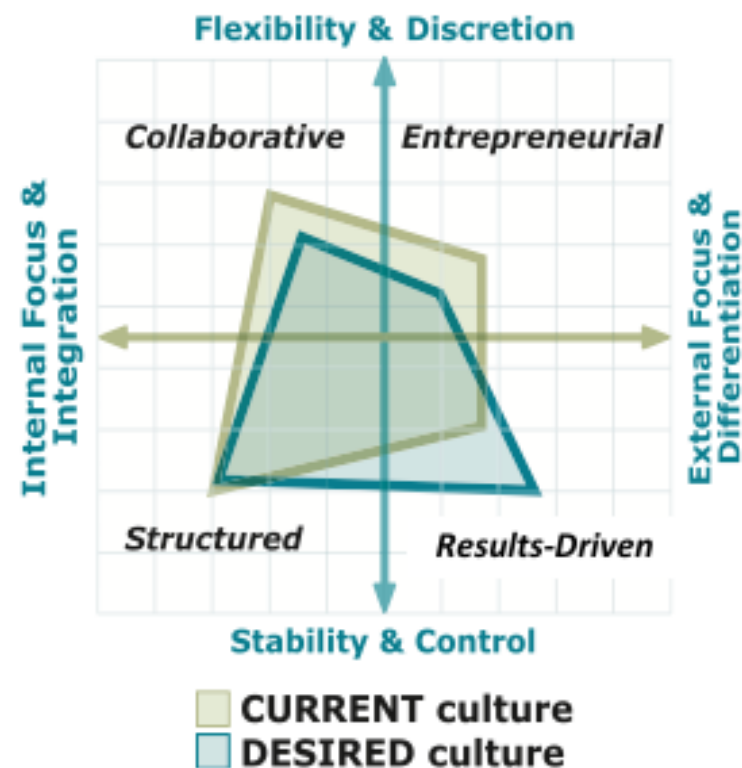


0=Not at all
1=To some extent
2=To a large extent

<p>Collaborative</p> <ul style="list-style-type: none"> There is a family-like atmosphere here _____ There is a high expectation for people to participate and get involved _____ Team accomplishments are recognized and rewarded more than individual achievement _____ Decisions are most often made by consensus _____ People feel great ownership in the company _____ <p style="text-align: right; margin-right: 20px;">Total</p> <div style="border: 1px solid black; width: 50px; height: 30px; margin: 0 auto;"></div>	<p style="color: green; font-weight: bold;">Flexibility and Discretion</p>	<p>Entrepreneurial</p> <ul style="list-style-type: none"> Ideas are embraced here _____ Individual initiative is more important than teamwork _____ Always being on the cutting edge is critical _____ There is a high tolerance for "breaking the rules" _____ People are willing to, and do, take risks _____ <p style="text-align: right; margin-right: 20px;">Total</p> <div style="border: 1px solid black; width: 50px; height: 30px; margin: 0 auto;"></div>
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: left; width: 20%;"> <p style="color: blue; font-weight: bold;">Internal Focus and Integration</p> <p style="color: blue; font-weight: bold; margin-top: 10px;">Structured</p> </div> <div style="text-align: right; width: 20%;"> <p style="color: blue; font-weight: bold;">External Focus and Differentiation</p> </div> </div>		
<ul style="list-style-type: none"> Following established policies and procedures is an absolute must _____ Successful people here are good coordinators _____ People do not take risks _____ Decisions and approvals require multiple levels of sign-off _____ Standardizing processes is a big focus of time and energy here _____ <p style="text-align: right; margin-right: 20px;">Total</p> <div style="border: 1px solid black; width: 50px; height: 30px; margin: 0 auto;"></div>	<p style="color: green; font-weight: bold;">Stability and Control</p>	<p>Results-driven</p> <ul style="list-style-type: none"> People are very competitive and achievement driven _____ There is a strong focus on getting results at all costs _____ Managers are demanding, pushing people to meet high standards _____ Everyone knows who the organization's top external competitors are _____ External customers are regularly solicited for feedback and ideas _____ <p style="text-align: right; margin-right: 20px;">Total</p> <div style="border: 1px solid black; width: 50px; height: 30px; margin: 0 auto;"></div>

A More Robust Culture Diagnostic: Culture Engine™

- Culture Engine™ is a web-based technology that looks at culture through the lens of organization effectiveness.
- Developed by Talent Strategy Partners, Culture Engine uses an analysis of business strategy and organization effectiveness factors to define the culture profile that will produce the best business results.



Be a cultural ambassador!

- Ensure that your organization is “*getting the right fit*” by:
 - Identifying the right competencies
 - Selecting people with the right competencies
 - Developing people to demonstrate the right competencies
 - Rewarding people who demonstrate the right competencies
- Talk about culture in business terms



Main Line Health Case Study

Creating a multi-tiered
leadership competency
model that aligns with our
business strategy and
moves us toward our
desired culture

Before: Values-based Competencies

5: Key Competencies

Instructions: Check ☒ the rating which best describes the employee's competency level in each set of competencies.

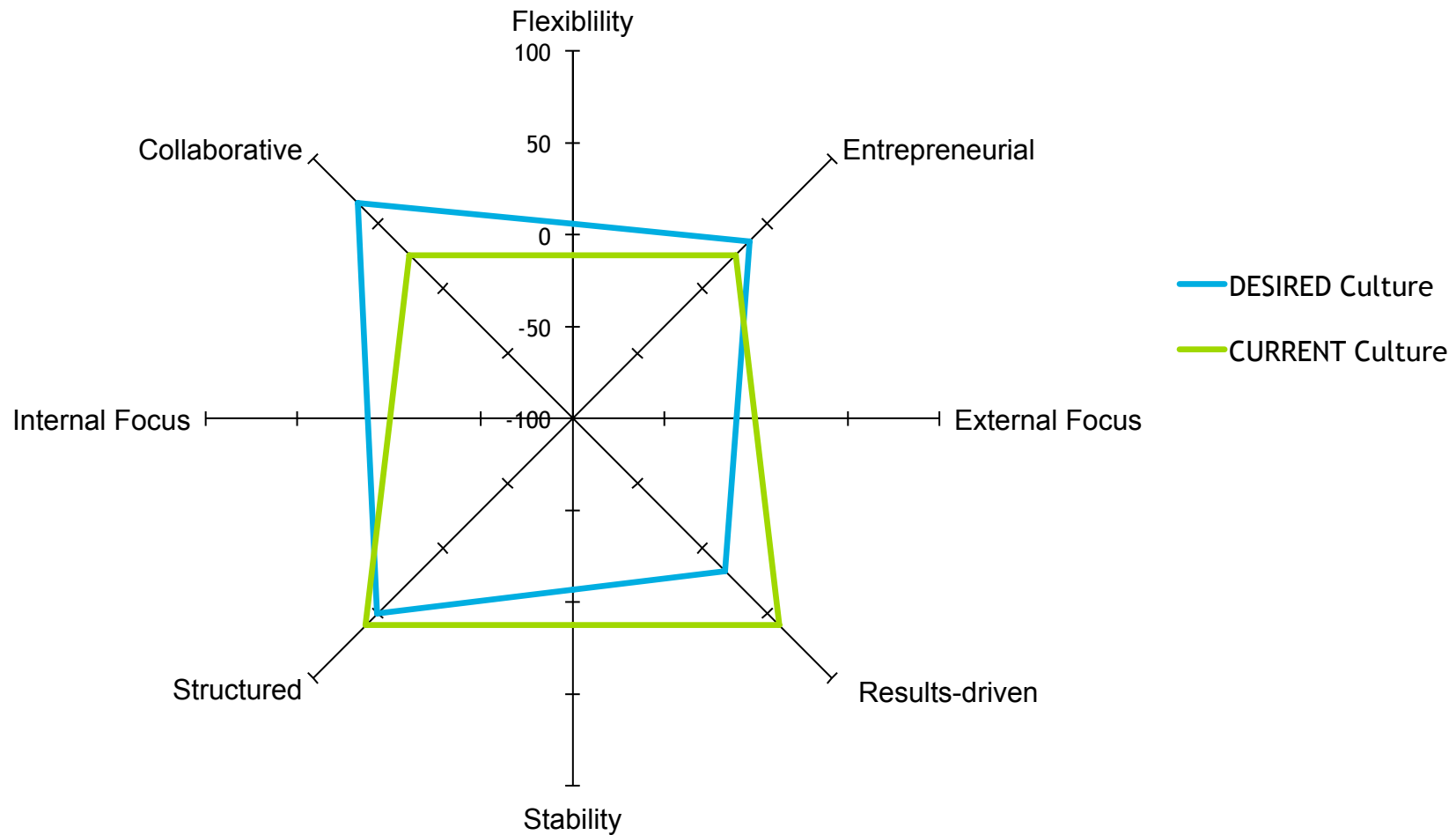
Competencies are work behaviors and skills. The business, team and personal competencies listed below reflect the competencies that are critical to Main Line Health System's success. They are grouped in three categories:

- ◆ **Business Competencies** describe how we need to act on behalf of the Main Line Health System;
- ◆ **Team Competencies** define ways we need to act as team members; and
- ◆ **Personal Competencies** identify our responsibilities as individual employees.

Business Competencies <input type="checkbox"/> Improvement Needed <input type="checkbox"/> Effective <input type="checkbox"/> Exceptional COMMENTS: <input type="text"/>		
Puts Our Customers First <ul style="list-style-type: none"> Works with customers to understand their needs and concerns, and those of the surrounding community. Meets commitments to customers. Takes responsibility to ensure high-quality care and service. 	Makes Informed Decisions <ul style="list-style-type: none"> Makes decisions consistent with the organization's vision and values. Maintains awareness of marketplace trends in health care industry. 	Achieves Results <ul style="list-style-type: none"> Sets priorities and manages time to achieve maximum productivity. Focuses on the activities that provide value to both our customers and the Main Line Health System. Sees tasks through to completion in a professional manner.
Team Competencies <input type="checkbox"/> Improvement Needed <input type="checkbox"/> Effective <input type="checkbox"/> Exceptional COMMENTS: <input type="text"/>		
Acts with Vision and Purpose <ul style="list-style-type: none"> Aligns own work with organizational goals and ethical standards. Actively supports decisions once they are made. 	Fosters Teamwork <ul style="list-style-type: none"> Accepts responsibility for own actions and actions of the team. Effectively addresses difficult interpersonal situations. Understands and utilizes the unique contributions of team members. 	Communicates Openly and Effectively <ul style="list-style-type: none"> Treats all people with dignity and respect. Expresses a difference of opinion in a constructive manner. Listens carefully before responding to a concern or recommendation. Presents ideas clearly and concisely when writing or speaking.
Personal Competencies <input type="checkbox"/> Improvement Needed <input type="checkbox"/> Effective <input type="checkbox"/> Exceptional COMMENTS: <input type="text"/>		
Learns Continuously <ul style="list-style-type: none"> Takes initiative to continually learn new skills. Keeps current on advancements in technology and best practices in own discipline (e.g., accounting, nursing, office administration, laboratory). Encourages others to optimize their performance and expand their capabilities. 	Creates and Innovates <ul style="list-style-type: none"> Looks for ways to improve the timeliness and effectiveness of work processes. Generates new ideas or process improvements. 	Promotes Diversity <ul style="list-style-type: none"> Treats all people equitably regardless of their ethnic background, race, gender, age, sexual orientation, or disability. Recognizes and appropriately addresses any offensive or discriminatory activity.

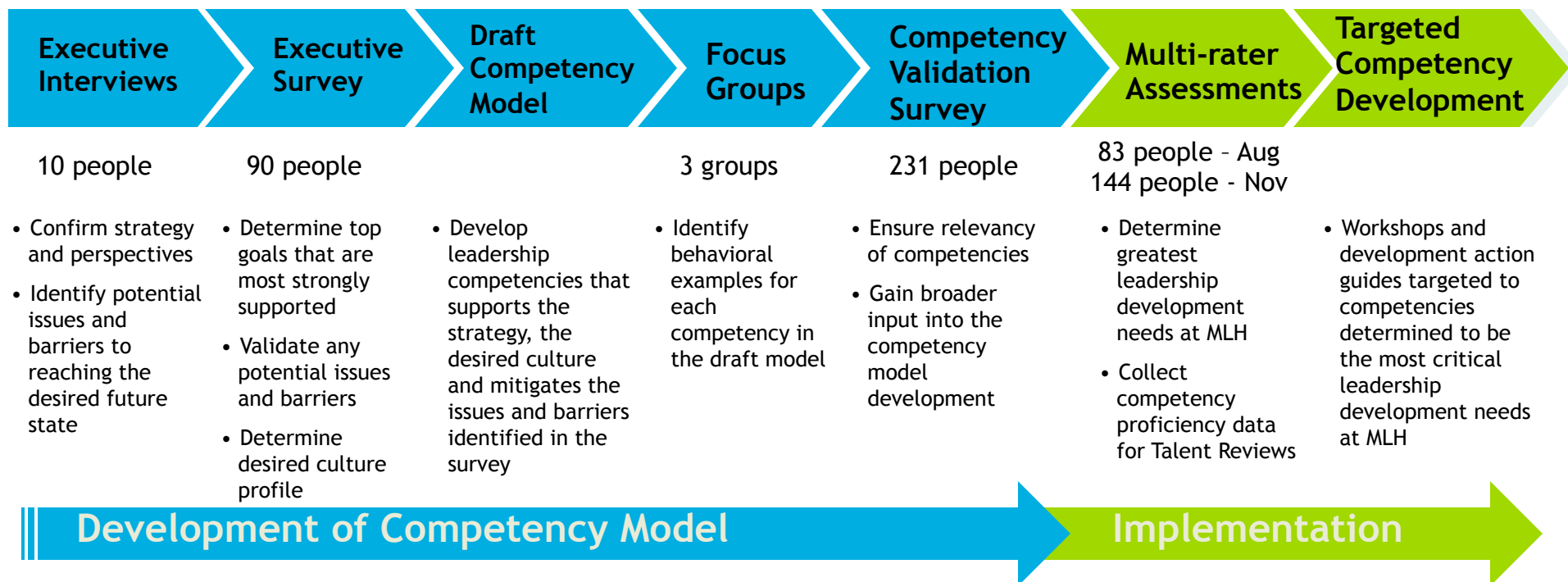
Now: Strategically Aligned Leadership Competencies

Main Line Health Culture Profile



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 Desired Culture indicates a 9% shift toward Flexibility and a 5% shift toward Internal Focus

Defining Strategically Aligned Leadership Competencies




Leadership Competency Model Rollout



Manage the Business

Building and Leading Teams

Building and Leading Teams supports the *Strategic Initiatives* of Highly Engaged People and Clinical Research.

INDIVIDUAL CONTRIBUTOR	MANAGER	LEADER OF MANAGERS	ORGANIZATION LEADER
<p>Supporting Team Focus</p> <p>Willingly cooperates and works collaboratively to accomplish the group's and/or MLH's objectives.</p> <ul style="list-style-type: none"> • Understands and can explain the group's purpose and goals and how these support MLH • Speaks positively about the team and its members • Develops effective working interactions with other team members • Supports and acts in accordance with final group decisions even when such decisions may not entirely reflect one's own position • Participates willingly toward accomplishing group goals, doing one's share of the work • Is fully present at team meetings, both virtual and face-to-face, blocking out the needed amount of time and putting aside email and other distractions • Interacts effectively with people who are different from oneself • Takes the needs of others, both inside and outside of MLH, into account when delivering services • Participates in outside activities such as health fairs 	<p>Managing Team Focus</p> <p>Achieves results with and through others. Maintains a focused effort to minimize distractions. Keeps others engaged, making them feel they belong to and are an important part of MLH.</p> <ul style="list-style-type: none"> • Articulates and communicates what will be accomplished as a result of the team's effort and how these accomplishments fit into the bigger picture • Defines and clearly communicates the roles, responsibilities and expectations for every team member • When forming a team, brings in all the right people based on a complete understanding of the issue at hand • Solicits the input of people outside the team who are affected by plans or actions • Solicits the input of all team members, involving them in decisions and ensuring their participation • Monitors progress to ensure that the team achieves its established goals • Actively builds a team of people who are different from oneself and who bring a more diversified perspective • Develops an understanding of community needs by participating in outside activities 	<p>Promoting the System Identity</p> <p>TCreates the conditions that enable people to feel a part of the MLH team. Exhibits genuine enthusiasm and positive energy that engages group members in bringing the system's identity and purpose to life.</p> <ul style="list-style-type: none"> • Translates the MLH mission for one's part of the organization • Solicits input from one's team about how they do or can contribute to helping MLH live up to its purpose • Helps team members identify obstacles to promoting the system identity • Advocates for one's team and their role in contributing to the shared identity of the system • Provides information that helps team members avoid mistakes and pitfalls • Actively recruits minorities and other diversity candidates • Enhances team performance by helping team members understand and appreciate the value of each others' differences • Is active in the outside community, representing MLH as a good civic partner 	<p>Creating a System Identity</p> <p>Develops a shared MLH system identity and common purpose as a foundation to build and facilitate an effective team. Keeps the needs of patients and the outside community in mind at all times. Understands that shared identity and common purpose are dynamic and evolving.</p> <ul style="list-style-type: none"> • Identifies and clearly communicates the role of one's team in developing a shared identity for the system • Communicates in a compelling way, both inside and outside the organization, a shared identity; that is, who we are and what we stand for as a system • Follows healthcare industry trends and identifies implications for MLH's identity and purpose • Acts quickly to correct any internal inconsistencies with the MLH system shared purpose and identity • Articulates and communicates the link between "who we are and what we stand for" and shared system goals 

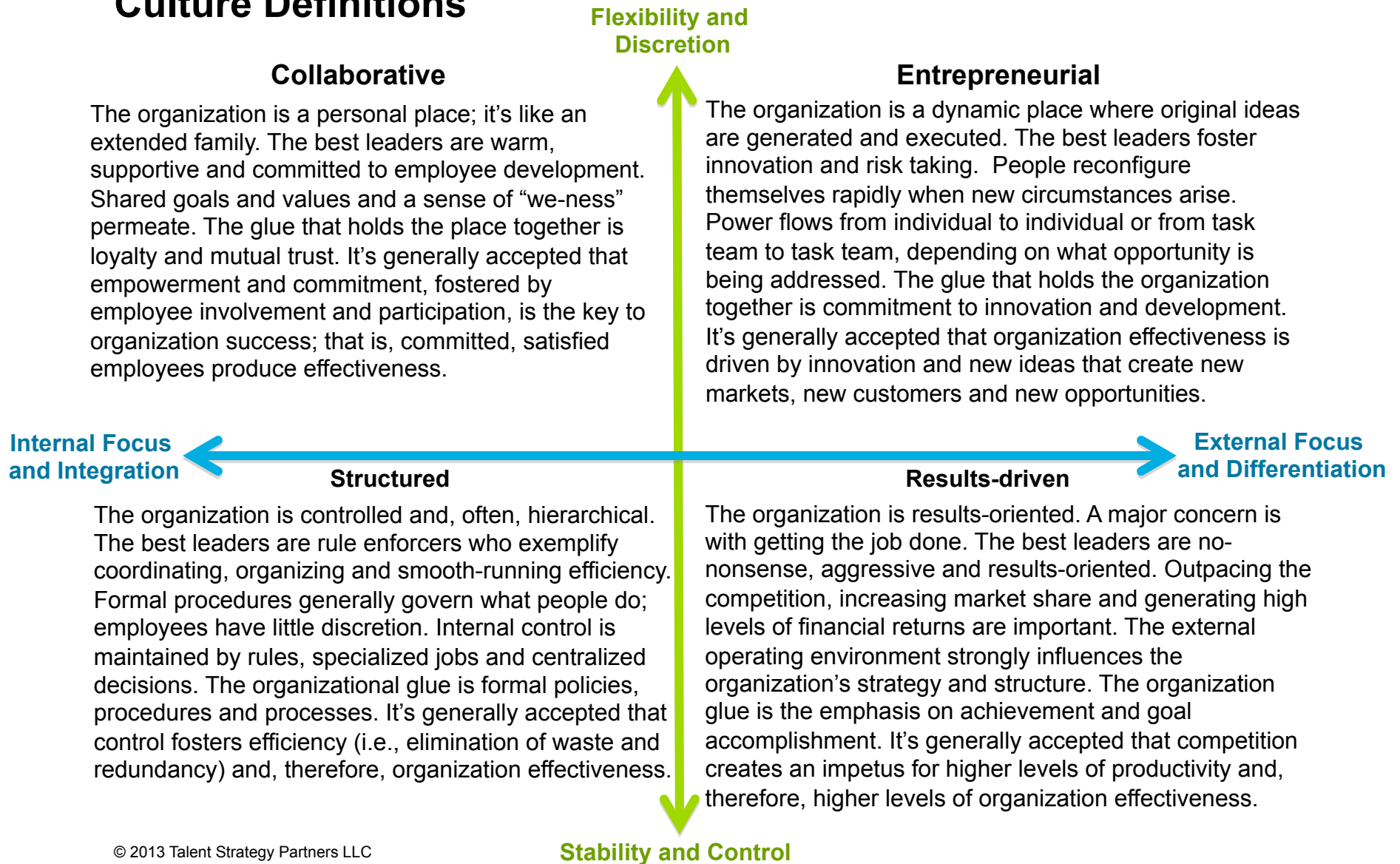
Wrap Up

Your Questions & Insights



Appendix

Culture Definitions



References and Suggested Reading

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6. Childress, John R., and Senn, Larry E. *In the Eye of the Storm*. Los Angeles: Leadership Press, 1995.