Praise for *The Power of Culture*

"Thinking of starting a business? Read *The Power of Culture* first, carefully, and make sure it has a prominent place on your desk. Promoted to the corner office? Read *The Power of Culture* before you move in. Hunting for a job as you finish your MBA? Study *The Power of Culture* before you have your first interview. Laura Hamill knows what she's talking about, and she offers us a powerful guide to creating and sustaining humane and successful organisations. It's a great book!"
– Barry Schwartz, author of *Why We Work* and *The Paradox of Choice* and co-author of *Practical Wisdom*

"Culture can feel vague and amorphous, a silent force that impacts everyone but is owned by no one. *The Power of Culture* offers a comprehensive roadmap for understanding and harnessing the transformative potential of organisational culture. Blending real-world examples with insightful analysis, Hamill equips readers to proactively – rather than passively – shape culture. Essential reading for building aligned and values-driven workplaces."
– Elaine Lin Hering, author of *Unlearning Silence*

"With *The Power of Culture*, Laura Hamill delivers a thought-provoking exploration of how organisational culture impacts employee and organisational success. Grounded in both research and practical experience, Hamill provides actionable strategies for cultivating positive workplace cultures that prioritise humanity and purpose. This book is a must-read for anyone invested in creating environments where people flourish."
– Sir John Kirwan KNZM MBE, All Blacks rugby legend and co-founder and visionary of Groov

"The magic of this book is that it does something few books on corporate culture are able to do – which is make perhaps the most complex topic in the business world accessible to a very wide audience. No mean feat. Hamill brings clarity of thought and scintillating writing to the many facets, complexities and conundrums of culture, from the way it is thought of in academic circles to how it is operationalised in the C-Suite, to how it is made sense of by the average employee. In the process she brings us on a journey of discovery that completely illuminates this vast topic. In particular, her take on culture as how we experience it and her treatment of power in relation to culture are insightful and provocative. If you are able to read only one book on corporate culture, this is the one for you."
– David G. White, Jr, cognitive anthropologist and author of *Disrupting Corporate Culture*

About the author

Laura Hamill is an organisational psychologist and business leader who focuses on the intersection of science and HR with a specific emphasis on employee well-being, engagement and organisational culture.

Laura is the owner of Paris Phoenix Group, a consulting firm that specialises in driving impactful research and outcomes. In her consulting business, Laura has worked with numerous organisations to assess and transform their cultures. She is a co-founder of Limeade, an employee experience software company, where she held the dual roles of Chief People Officer and Chief Science Officer. Before Limeade, Laura worked at Microsoft as Director of People Research.

She is a sought-after thought leader and speaker. She has been the keynote speaker at major tech and HR conferences, and featured in Fast Company, Forbes, HR Executive Inc., NPR, SELF, US News & World Report and other top HR publications. Laura is also a host on the Happy at Work podcast.

Laura earned her PhD and MS in industrial and organisational psychology from Old Dominion University and a BA in psychology from the University of North Carolina, Chapel Hill. She lives near Seattle, Washington, with her husband, two children and golden retriever.

Learn more about Laura and her work at www.parisphoenixgroup.com

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The Power of Culture

Bringing values to life at work

Laura Hamill

The Economist

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For Keith, Griffin and Skylar

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Introduction: Start with why

I grew up in the United States, in rural North Carolina. My parents were hippies – I mean real hippies – the VW van, tie-dyed T-shirts, back to nature, the whole thing. I even grew up in a log cabin that we built by hand. I didn't have electricity until I went to college. In a classic rebellion against my parents, I worked hard to be part of the "establishment" by getting straight As, earning a PhD and working in corporate America.

And I did well in "corporate". But perhaps unsurprisingly I learned that being part of the establishment wasn't all that I thought it was going to be. In fact, I learned that there was a lot that was broken about how organisations were run that helped me understand where my parents were coming from. My experiences with office politics, bad managerial and leadership behaviour, corporate policies with unintentional (but real) consequences, ineffective boards and struggles with balancing work I loved with raising children made me question my choices. Was this really what corporate life was about?

But then I started to have some amazing work experiences too. I began to see my work having a positive impact on other human beings. I was part of an organisation that had energy and positivity. And I started to believe that it was possible to have work that was meaningful and to work in organisations that not only function but also function well.

Why this book?

I'm a big believer in understanding why we do what we do. Clarity of purpose is important for everyone. I am grateful to have found a career that is meaningful to me and helps fulfill my sense of purpose. I thought it would be important for you, the reader, to understand why I wanted to write this book.

I'll start with the most obvious why. As an organisational psychologist, I have had the opportunity to work with many different organisations and have seen first-hand the impact that culture can have both on people and on the success of the business. I have seen the beauty of an aligned culture and the destructive atmosphere of toxic cultures. I have seen the impact on people and stock prices and have felt the pain of unhealthy cultures myself. Even for someone who has studied culture for decades, there is so much more still to understand. I believe that if more people know what organisational culture is about, we would be better placed to create positive cultures that underpin happier, more successful workplaces.

Second, over the course of my career, I have seen that culture is at the heart of many of the challenges that organisations face. I have worked for years on topics such as employee engagement, retention and well-being. I know that when you deeply understand each of these issues, you often conclude that there are cultural issues at their core.

That's because what's under the surface and deep down in all of us, as individuals and collectively, are the cultures we are part of: our national/geographical cultures, our professional cultures, our ethnic cultures and our organisational cultures (to name just a few). They have a large impact on what happens to us. It's imperative to understand what's really happening behind closed doors and underneath the surface. We all need to be thoughtful and intentional about the cultures we are a part of and that we all help to create.

Another reason I wanted to write this book is because I see the need to reconcile theoretical culture work with what really happens in organisations. There is a big gap between theory and practice here. In my career, I have been both the head of human resources and the leader of research studies on culture. In HR, there is real nitty-gritty, tactical and reactionary work. Every single day, you have no idea what kind of drama is going to come your way, and it's a hard job. It's difficult to have the time or energy to translate something as abstract and theoretical as culture into day-to-day work. At the same time, my work on the concept and theory of culture has shown me that the culture construct is a complex one; there's still a lot of disagreement among scholars about what it is and how to measure it.

Having both these perspectives has helped me understand many of the nuances that organisations face when trying to understand their cultures. I want to take the best of what we need to know about culture from an academic or conceptual perspective and combine that with what really goes down in organisations to make culture more accessible and more personal. I want to talk about culture not just at an organisational level, but also at a human level, with real examples of how culture impacts individual people.

Each of us can decide what role we want work to play in our lives. I've seen people successfully put work in a compartment and put it over *there*. And then say: "Okay, this culture is not really one that I personally connect with, but I still need this job. I still need a paycheque. But I can see it for what it is and maybe not be so miserable in it." But most people I know have difficulty with this kind of compartmentalisation. That's another reason I care about this so much. Maybe it's a call back to my roots of peace, love and happiness. Life is short. We shouldn't be miserable in our jobs.

Many books on culture are written for CEOs or heads of HR. But culture is not just relevant for those in leadership positions. Identifying culture, seeing it, talking about how it's impacting you and other people is for everyone at work. This book strives to democratise the understanding of culture by offering practical and relatable tools and approaches.

Now is a great time to be thinking about culture and work. The global pandemic forced us into thinking differently about where work has to happen (and how much we work) and what control and autonomy can look like in ways that we never have before. The many heart-breaking examples of social (especially racial) injustice have brought to the forefront the structures and systems that continue to oppress so many. And many are saying they are not interested in sacrificing everything for a paycheque; they are demanding that work becomes better than it is now.

Organisational culture is at the heart of these problems and at the root of their solutions.

What to expect in this book

I start by defining organisational culture and explaining why it is so difficult to understand. Every organisation has a culture, there's no question about that – any group of people that works together to achieve a goal will have a culture. But how do people experience the culture? I also discuss how important the experience of culture is and why it matters to organisations and to the people who work in them. Most organisations are unaware of how their culture is being experienced by employees and whether the culture is helping or hindering the organisation to achieve its goals.

Next, I introduce my core theme: how to be more intentional about culture and how to use the Intentional Culture Circle to operationalise the culture your organisation wants or needs (its aspirational culture). I walk readers through this approach and explain the steps that you can take to put the culture you need into place.

At the end of the book, I address some of the assumptions people tend to have about culture and why those assumptions need to be questioned. The book concludes with my aspirations for the kind of culture organisations should be focusing on – cultures that are more human-centric.

Culture has the power to create organisations where organisational and individual needs are aligned. It has the power to inspire and unite an entire workforce in the service of common goals. It can also help determine how leaders should lead and how managers should manage. It can be used to describe your company to potential partners, clients or employees, and provide an important comparison for any potential acquisitions or joint ventures. And it can ensure that the company is well positioned to meet its future business objectives, while creating meaning and purpose and a positive day-to-day experience.

Done well, culture can be a powerful and inspirational way for people and organisations to thrive. I hope this book helps you find more ways to do just that.

PART 1

Understanding culture

Overview

In the first part of this book, I cover the fundamentals of organisational culture: what it is, how it is related to climate and other similar ideas, and why it matters.

To start with, I define culture and describe how various characteristics of culture make it both interesting and elusive, especially when it comes to studying and evolving it. I discuss why company culture is so powerful in its ability both to shape individual behaviour and to create clarity, connection and inspiration for the people who work there.

In Chapter 2, the central theme revolves around the crucial relationship between the articulated and experienced culture within an organisation. This chapter highlights the importance of aligning aspirational culture with the actual experiences of employees, emphasising that culture is not just about what leaders articulate but also, more importantly, how employees experience it every day. The chapter stresses the need for organisations to actively manage the alignment between culture and various elements of their systems, practices and behaviours to ensure meaningful and aligned cultural experiences. The last part of the chapter looks at the evolving dynamics of workplace culture, particularly in the context of remote and hybrid working.

Chapter 3 delves into the broader implications of organisational culture on business and human outcomes. Various studies have demonstrated the positive relationship between a well-aligned culture and business success, but there are challenges in defining and measuring it. This chapter also explores the concept of toxic cultures and how culture can have a profound impact on people at work.

1

Defining culture

In the early 2000s, the Ford Motor Company was on the brink of bankruptcy. The company had lost about a quarter of its market and none of its brands was performing well. Stiff competition from Japan and high labour costs were also a cause for concern. Internally, there was a lack of unity, collaboration and trust. The culture was characterised by fear, especially fear of the leadership.

This was the turnaround challenge presented to the new CEO, Alan Mulally, when he took over in 2006.

An obvious area for change was financial planning and discipline, but Mulally brought a different perspective; he also focused on culture as a means of bringing the company together and boosting its performance.

He developed the One Ford approach, a set of behavioural expectations about how employees should work together across the company's entire global infrastructure. He encouraged leaders throughout the organisation to be transparent about the state of the business and speak honestly about what wasn't working. He held them accountable for the results they said they would achieve and for the behavioural expectations outlined in the One Ford approach. Bad leadership behaviour was unacceptable, and leaders who were not ready to adapt to the new standards were let go. The One Ford plan also outlined and reinforced global business models that could easily be replicated and executed around the world.

Ford has estimated that the change in strategy made overall product development two-thirds more efficient between 2006 and 2012. Making culture a core component of this turnaround – and making sure the new approach was taken seriously throughout the company – has been credited with saving Ford from bankruptcy and helping it to survive during the Great Recession of 2007–9.

Contrast this with the experience of Ernst & Young (EY) where, in 2022, employees were caught cheating on the ethics component of the exams they need to pass for their accounting jobs. The very auditors who work to ensure that other companies play by the rules were breaking the rules themselves, and there was evidence that this cheating had been going on for at least ten years.

A spokesperson for EY said: “At EY, nothing is more important than our integrity and our ethics. These core values are at the forefront of everything we do.” And the values on their website seem to communicate just that: “People who demonstrate integrity, respect and teamwork. People with energy, enthusiasm, and the courage to lead. People who build relationships based on doing the right thing.”

Interviews with the employees who were caught cheating said they knew that their cheating went against the company’s core values, but they did it anyway, because they were struggling to pass the exams and because of heavy workloads.

Given the number of employees involved and that the cheating had been going on for a decade, there clearly was another, very different message being sent to employees at EY about what really mattered: not integrity or doing the right thing, but instead getting stuff done and passing exams so that they could get even more stuff done.

In addition to the $100m penalty that EY paid to the US Securities and Exchange Commission, EY will pay a very high price for the hit to its reputation, especially given the nature of its work.

The power of culture

These contrasting examples show the power of culture for organisations, their strategies and performance, their people and behaviours.

Get it right, and culture can be a positive force for good, improving performance as Mulally showed at Ford.

Get it wrong, as EY and companies as wide-ranging as Uber, Boeing, Volkswagen and the NFL have found, and culture can be a negative force, undermining performance and causing significant reputational damage.

A recent study from MIT/Sloan found that a toxic culture is by far the strongest predictor of employee attrition and is ten times more important than compensation in predicting turnover.[1] Employees themselves have never been as clear as they are now about the importance of their individual and collective experiences at work to their commitment to their employers.

In short, culture matters.

Any group of people that comes together to solve a problem or achieve a goal starts forming the ways that they collectively do things. Some of those ways are about the task at hand: how they break down the work, who does what, how fast they work. But other "ways we do things" are about how employees interact with the other people in their group.

- Do they interact frequently?
- Do they listen to each other?

- Do they take breaks? If so, do they still interact while they are pausing?
- Do they collaborate when they face challenges?
- Do they ask for input?
- How do managers and leaders interact with the rest of the team?

The questions can go on and on. There are accepted ways in which employees learn to behave with the group of people they work with, and these behaviours can become so accepted that people don't even realise that they are doing them.

But aren't these just typical human ways of interacting? Like making eye contact or smiling when greeting someone? Sure, many of those basic ways of interacting with humans are part of an organisation's culture. But there are other aspects of behaviour that can vary widely from organisation to organisation.

Take, for example, how employees interact with people in positions of power. In one organisation, employees who cross paths with a leader may say "Hi" and have a quick chat, whereas in another organisation that doesn't happen – employees look down when the leader walks by. As you can imagine, the ripple effects of these different styles of leadership interaction will make themselves felt in other ways, such as compliance, speaking up and taking risks.

What is culture?

Think back to how you felt when you started the job you are in now or your previous job. Do you remember how you felt on your first day? Your first week? Were there any culture "Ah-has" that clearly said to you: *This is how we do it here*? An organisation's culture is often crystal clear when you first join an organisation, but over time it becomes murky, almost unseeable.

Business theorist and psychologist Edgar Schein was one of the foremost experts on culture, and developed much of our understanding of what culture is and why it is so difficult to understand. For Schein, organisational culture is defined as:

> a pattern of shared tacit assumptions that was learned by a group as it solved its problems of external adaptation and internal regulation, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.[2]

In simpler terms, culture is the *collective set of reasons why employees behave the way they do within an organisation*. It is the backdrop for everything that happens there.

Think of the sum of what employees collectively believe about the organisation as a shared mindset. This mindset incorporates how people feel about the organisation and what they believe is valued, and it comes to life through behavioural norms. These norms are how people who are part of the organisation typically behave. How people think, feel and behave are all important aspects of understanding culture.

Sometimes this shared mindset is influenced by formal rules, like an employee handbook, policies or standards formally communicated by a manager. Employees also observe the existing systems and structures to learn about what is valued and what is not: for example, who are in leadership positions, how the organisation is structured, how performance is appraised. More often than not, though, the formation of the shared mindset is informal, unwritten and even unclear. Employees learn about it over time through a learning and adapting cycle.

This shared mindset becomes a set of guideposts for behaviour, defining what is accepted and what isn't. It becomes so ingrained and accepted that employees no longer even question it; it becomes automatic and unconscious. It's even been called an organisation's "silent language".[3] An analogy is thinking about culture like the water a fish swims in. Water is so fundamental to fish – so critical and core to their existence – that we can wonder whether they even have an awareness of it. That's how culture works too.

This shared mindset helps employees understand what is expected. Human beings seek predictability and understanding. They want the complex to be understood, and the cultural rules and norms that form this shared mindset help us make sense of this complexity.

It can be helpful to think about organisational culture as the "personality" of an organisation. An individual's personality can be described in words like being extravert or introvert, quiet or loud, involved or standoffish, for example. A person doesn't demonstrate these qualities all the time, but for the most part they do. They aren't one or the other (eg, involved or standoffish) but may be a little more or a little less of each. And personalities are multifaceted, too; you can't adequately describe someone's personality in just one word.

Organisations are similar. Multiple cultural descriptors can be true. They might not be consistently demonstrated by everyone, but they tend to be, and they aren't always one thing or another. This organisational "personality" helps us get to know the organisation, to understand what it is like. And before long, as employees adapt to it, they start to become part of it. What was once so easy to spot becomes a given, a shared mindset that is no longer in question.

The characteristics of culture

The very nature of culture is what makes it so interesting and so challenging. It's because of these characteristics that so many of us struggle to understand it. But by understanding these natural characteristics better, you can start to work "with" culture and not against it.

First, culture is **abstract**. It is difficult to pin down, difficult to describe and has multiple components.

Culture, by definition, is also **shared**. It exists only at the group level and more than one person is required for it to be experienced.

Culture is **dynamic** and **pervasive.** It flows through an organisation like a river, resulting in common behaviours, symbols, rituals, mindsets and approaches.

Culture is **relative**. For the most part, it's not accurate to say that culture is *absolutely* good or bad – culture is only *relatively* good or bad, according to how much it is helping your company achieve its goals.

Culture is **enduring.** It carries on consistently over time and is self-fulfilling because it attracts people who behave consistently with the culture and repels those who do not.[4]

Culture is **powerful** because it guides the behaviour of everyone in your organisation.

Finally and most importantly, culture is a fundamentally **human** idea. All culture work must involve the humans that are part of it. It is not about plans, processes or workflows (though these can be impacted by culture); it's about how human beings feel clarity, connection and inspiration.

For these reasons, culture often seems to be a mystery to most – a powerful and important one, but just out of reach for us to manage or understand.

So, let's dig into one way to understand culture better

– which is to break it down into understandable components, often called cultural attributes.

Cultural attributes

Just like components of an individual's personality, one mechanism for understanding an organisation's culture is to define its attributes. By breaking culture down into its component parts, you can start to understand each of them – and how each of these parts work together.

For example, the word pairs below describe potential elements in an organisation's culture. This list is not exhaustive, but it provides tangible examples to consider. You may find that one of the words in the list does a great job of describing your organisation. Or you may find that your organisation is somewhere in the middle, or leans towards one of the words but is not completely described by that word.

For example, you might feel that the culture is honest for the most part, but there are a couple of issues that tend to be kept as secrets – so you would probably think of this aspect of culture as leaning towards honest, but not completely on the right side of the continuum. Think of this list as a way to start thinking about the cultural attributes that describe your organisation.

Top-down decision-making	....	Participative decision-making
Rigid	....	Relaxed
Cold	....	Caring
Disjointed	....	Integrated
Focused on quantity	....	Focused on quality
Hierarchical	....	Flat
Micromanaged	....	Autonomous
Reactive	....	Proactive
Secretive	....	Honest
Relationship-saving	....	Truth-telling
Indifferent	....	Curious

It is important to understand the unique descriptors of your culture, and how they work together. For example, think about how being curious and caring might work differently with relationship-saving or with truth-telling. For an organisation that is curious, caring but also relationship-saving, there could be a tendency not to be honest when someone needs to hear difficult feedback. Over time, this can result in an organisation not addressing individual and organisational performance issues, which can have a serious impact on the ability of the organisation to meet its goals. Compare that with an organisation that is curious, caring and truth-telling. This combination of cultural attributes may be more likely to lead to individual and organisational success.

Cultural strength

As well as understanding the specific components of culture, the strength of the culture is also an important consideration. Organisational culture is often very pervasive and may be felt strongly across geographical and functional boundaries, from the top to the bottom. In some organisations, specific cultural attributes are strong and others are experienced more moderately or not at all. Cultural strength indicates how pervasively, consistently and clearly employees experience it.

In some organisations, especially large ones, there can be sub-cultures – that is, cultures within cultures – that employees feel a part of. These sub-cultures can detract from the overall strength of the overarching organisation's culture. Other times, these sub-cultures are beacons of light within a culture that is not thriving.

What cultural strength doesn't address is whether the overall culture or specific cultural attributes are helping or hindering the organisation's ability to achieve its strategy. You can have a strong culture, but it still might not be the culture the organisation needs and may even be holding the organisation back.

As you can see, the very nature of culture makes it challenging but also fascinating. You probably have an intuition about culture; you may fundamentally understand how much culture matters to your own experiences at work. This is another fascinating aspect of culture – understanding that culture matters to us, but not feeling like there are clear ways to impact it. In my mission to democratise culture, the first step is understanding what culture is; the next is being able to separate the actual culture from the culture the organisation needs or wants to have.

Actual culture vs the “aspire to” culture

Culture that is described for the purposes of recruiting or marketing (eg, what you find on company websites and in glossy brochures) is known as the “aspire to” culture.

The “aspire to” culture is the culture the organisation declares that it has or wants to have, or what the market/industry wants it to be or thinks it is; it’s the culture we “aspire to”. This “aspire to” culture is generally one that the organisation strives for, and it’s often more employee friendly than the current culture. It typically supports a particular business need or a shift in business strategy.

In the early 2010s, there was an interesting phenomenon in tech companies – to see which companies could “out-fun” the others. From gigantic slides in the lobby to raucous parties to kickball teams, fun was a big focus. Some companies even included fun as one of their company values. Who can argue with having more joy in our lives? Not me. But for some companies there was an employee backlash for pushing mandatory fun. And many of these companies never connected the dots between why they wanted their employees to have fun and how this aligned to their “aspire to” culture.

Company **values** are often the way organisations articulate the “aspire to” culture. Sometimes, these values are created by the leadership team or an outside consultant. Other times, employees, managers and leaders work together to create them. Rarely, though, do organisations start with their business strategy when developing their values. Instead, they tend to create the values retrospectively without an explicit connection to what the company is trying to achieve.

Company values are often so non-descript that they could belong to any organisation. “Integrity” as a value is an example. Of course, there’s nothing wrong with valuing integrity – in fact, it’s a great thing. But many companies have included it in their values just to tick a box without clarifying how being honest and moral is important to their business and how that might show up on the ground. In other companies, especially start-ups, the values are so esoteric that it’s hard for anyone outside the organisation to make sense of them.

It’s important for someone outside an organisation (like a job candidate, a potential customer or investor) to be able to read the company’s values and understand them. If they can see a connection between what they personally value and what the organisation values, they’re more likely to want to work there. It’s also important not to use insider language or acronyms or terms that only current employees can relate to.

Creating values, like creating the mission and vision of the company, is a fundamental step in declaring what the company is and what it stands for. Simply declaring the culture through the values doesn’t make it real.

The “aspire to” culture can often be very different from the culture that people experience day to day. And if, as is often the case, there is a lack of understanding about what the current culture is, the gaps between the current culture and the "aspire to" culture are unknown.

A company I worked for rolled out its "aspire to" culture via email – not the most effective way to communicate something this important. The email came from the CEO with a subject line that made everyone open the email right away. As employees read the email, you could hear laughter down the hallway. They were reading the "aspire to" culture and laughing aloud about how ridiculous it was – it was so different from what they experienced every day. For example, the company was highly competitive internally and the email claimed it was collaborative. The key error was not acknowledging that the organisation wanted or *aspired* to move in that direction but that it was not there yet, and why it was important for the business to strive to get there at all.

Most organisational cultures are neither good nor bad. Rather, there tend to be aspects of the culture that are more positive or more negative, according to how well the culture supports the organisation to meet its goals and achieve its business strategy.

To be effective, culture needs to make sense or "align" to what the organisation is trying to achieve. It seems obvious that a company creating collaboration software should want to make sure that its employees are collaborating. And that if a company was trying to create brand new business opportunities that involve significant innovation and risk, it would need its employees to feel safe trying new things.

However, this explicit need for connection between what an organisation is trying to achieve and what its employees are experiencing is surprisingly rare. These aren't subtle nuances that need to be tweaked. These are large "in your face" disconnects.

And because of the importance of alignment with business strategy – and the wide variability in those strategies – there is no one size fits all for culture. Each organisation must determine which specific norms, values and beliefs will help it to succeed.

The disconnect between aspirational culture and business strategy

Why is it that organisations continue to have a disconnect between their "aspire to" culture and their business strategy? Here are some of the reasons.

- **The business strategy is unclear or not widely understood.** It's difficult to connect culture to a strategy that no one knows. Do people (and especially those working on culture) have a clear strategy to work with? Do they understand it?
- **Culture is being driven by people disconnected from the strategy.** Assuming that the business strategy is clear, are the employees (or consultants) working on culture privy to the strategy work? Have they had enough exposure to it to understand it?
- **Culture is thought of as an HR-only initiative.** In many organisations, focusing on culture becomes an HR responsibility. This happens when culture is thought of only in terms of people practices (like hiring and onboarding, or induction) instead of being core to overall company success.
- **Culture is a surface-level or "tick-box" initiative.** Some companies try to shortcut the culture work. They do this

by thinking that if they just throw a couple of parties or put up some values on the wall, their work is done. But if the culture the company aspires to isn't relevant to where the company is and what people need, it might seem like something that the organisation is just going through the motions to create. If employees don't have an emotional connection to the culture and feel that it is relevant and important, the organisation isn't likely to get much traction.

- **It's hard work.** It's not easy to create this connection – it requires real thought and effort (and lots of input and iterations) to make the connections between business strategy and human emotion, cognition and behaviour explicit.

At Southwest Airlines, putting employees first is core to its culture. Its values are clearly articulated with a focus on behaviours like "Choose to do right", "Don't take yourself too seriously" and "Embrace team over self". I once had the opportunity to attend one of its regional all-hands meetings. The messages I heard from the leaders and presenters during this meeting were consistent with these "aspire to" values. The emphasis on topics that mattered to employees was clear. One of the biggest things I noticed was that employees were seriously engaged in that meeting. Even though we were in a large stadium and people were relatively anonymous, no one was secretly checking their phone. They stayed the whole time, and they were leaning forward in their seats listening to every word. They wanted to be there. The behaviour of both leaders and employees during that meeting brought their values to life.

Southwest employees also demonstrate a consistency between how they treat each other and how they treat their passengers, even when they have faced some significant bumps in the road. The airline has experienced technical issues because of out-of-date technology, with some even claiming that the organisation is riding on the back of its people-first culture and not addressing fundamental operational issues.

But it still gets results. Southwest Airlines continues to receive awards for being a great place to work and for being an outstanding economy airline.[5]

Culture guides our behaviour

When people first start working in an organisation, they begin to discover how things work. From explicit onboarding and training to subtle eye movements and facial gestures, they uncover what is considered acceptable and whether they want to change their behaviour to conform to those expectations (or not). During every hour of the day, employees are guided by culture. Should they collaborate or compete? Should managers react quickly or create longer-term structure and plans? Should people participate in company discussions or stay quiet?

This new employee culture socialisation begins with an anticipation of what the organisation's culture is going to be, before the employee even starts work there. This anticipation is built on perception: from social media, brand perceptions, friends and acquaintances, and from the few pre-hire interactions they may have had with recruiters and hiring managers. This understanding becomes deeper during their experience with their first days of work and onboarding. Within the first days, weeks and months an employee's cultural understanding becomes more and more formed. They start to understand what they are supposed to do and how they are supposed to behave. The "way things are done around here" starts to form.

The cultural web model, developed by Gerry Johnson, Richard Whittington and Kevan Scholes, is a framework used to understand how we come to develop our understanding of culture.[6] It identifies the interconnected elements that shape the culture of an organisation.

- People start to understand culture through the **rituals and routines** that represent the daily activities and behaviours within an organisation.
- **Symbols** (also called artifacts) encompass the visible representations of the organisation, such as logos and titles, which convey meaning and identity.
- **Stories** are the narratives shared between employees, conveying history, values and lessons, shaping the organisation's identity.
- **Organisational structure** represents the formal hierarchy, roles and reporting lines, illustrating power distribution within the organisation.
- **Control systems** – policies, procedures and measures – guide people's behaviour and performance.
- **Power structures** indicate the formal and informal power relationships within the organisation, reflecting who holds influence and decision-making authority.

This model emphasises the interconnectedness of these elements, suggesting that altering one element can impact the entire organisational culture. It also shows that messages about what is valued come to the employee from many different directions. When culture is learned in this way, cultural messages are typically not clear and direct statements of what the culture is about. Instead, there are "bits of meaning" that employees take in and accumulate.[7] These bits accumulate into a "cultural toolkit" that becomes more and more robust over time.

Employees draw on these tools in their cultural toolkit to decide how to react to a given situation. Because of this, one employee might respond in a different way to another employee in the same situation. They might have built a different cultural toolkit, or they might not have as many cultural tools to draw from. So, individuals have some choice and agency in how they interact with their organisation's cultures; they are not culture victims. Although their behaviour is influenced greatly by the culture, they can still choose how they are going to respond. This choice, however, is influenced by many factors, including past experiences, and formed beliefs about their own power and the power of others.

In my first week at one company, I was asked to write a memo that would be distributed widely in the organisation. Because my manager didn't seem very accessible, I asked my team member next door to give me feedback on it. After giving her a day to review, I knocked on her door and asked if she had had a chance to read it. She looked at me and said: "It's fine."

As I walked back to my office, I realised there wasn't any feedback on the document, and no indication that she had read it at all. So what did I learn? I learned that in this company (from this interaction and others), we don't ask other people for feedback and, even more harshly, I realised I was on my own. This message was reinforced by my manager during my first performance review a few months in. He told me to stop helping other people and to focus more on tooting my own horn.

I'd like to say I took the high road and rejected this advice. But I didn't. I learned what was valued and started to fit in culturally. In retrospect, I really wanted to be part of that organisation and identified with it. I did not feel I had the power to make a different choice. Before long, I realised I was behaving in ways that were similar to what I had experienced when I started: I was now part of the culture. In fact, I was such a part of it, I was no longer aware of my own behaviour.

Those who catch on and conform are more likely to stay in the organisation, whereas those who don't catch on and don't adapt to these new ways of doing things will likely leave – either by their own choice or by that of the organisation. Sometimes organisations label these people who are not able to adapt as "bad hires" instead of understanding that it may instead be a lack of cultural adaptation.

Cultural adaptation is a cycle of observing, learning and integrating. As Johnson, Whittington and Scholes showed, the inputs to this cycle are everywhere in the organisation, from physical artifacts like how the office is decorated, to the organisational structure, to the behaviours observed in others.

There are many ways in which employees learn culture, including:

- intentional learning (eg, onboarding)
- role models
- team member interactions
- stories
- rituals, routines and traditions
- symbols and artifacts
- structures
- systems
- what gets rewarded
- what is prioritised
- who gets promoted
- who has power
- who is hired, who is fired.

Much of this adaptation happens when employees are new to an organisation, but they continue to learn the nuances of the culture throughout their employment.

This is why culture is so powerful: it shapes people's behaviour, guides their decisions and helps them determine what to do next. And because culture is at the root of all behaviour in an organisation, if it isn't healthy or aligned to strategy, it can have very negative consequences. But on the flip side, culture can help create extremely positive climates, engaged and productive employees, and outstanding business results.

Fundamentally, culture is a means for the organisation to create clarity, connection and inspiration which leads to better outcomes for employees and for the organisation.

Culture as clarity allows employees and the organisation to be more focused on what matters and to be clear about what the expectations are for how they behave and interact with others. It sets a standard for what each employee can expect from others, including managers and leaders.

Culture as connection helps to fulfill a fundamental need that humans have to connect with other human beings through meaningful interactions and relationships. This connection helps reduce feelings of isolation and loneliness, and can increase feelings of inclusion and belonging.

Culture as inspiration acknowledges that there is something bigger that has meaning and purpose that employees are all doing together. They are part of something that is making a difference in the world.

What culture is NOT

Anything that is related to how employees feel about their work can often be put into the culture bucket. This is one more reason why culture continues not to be understood and not to be improved in most organisations.

It is important to be clear and precise about what culture is and what it is NOT.

- **NOT benefits, perks or compensation.** Although those send clear messages about what is valued and what is not valued in the organisation, by themselves (without the accompanying understanding of what is being reinforced), they are not culture.
- **NOT the climate.** Climate and culture go hand in hand, but how an organisation feels is different to WHY it feels that way. For example, a company you work at might feel really busy. Busy is how you would describe the climate. WHY it feels busy would be the culture. And figuring out the why takes some digging. Is it because of recent errors that may indicate a lack of focus on quality? Or because of an intense focus on innovation? Or perhaps an impending visit from a leader who people don't trust? There could be many cultural explanations. Again and again, organisations confuse climate and culture – which I'll explore in more detail in Chapter 2.
- **NOT about the individual.** By definition, culture happens only at the group level. It is about our shared values, norms and beliefs and requires other human beings to even exist. It is typically measured and acted on at the organisational level, rather than at the team or individual level.
- **NOT an oversimplified singular focus.** Human beings have a desire to simplify; we love to break down complex ideas into a simple label or colour or acronym. In the early days of studying organisational culture, that's what the researchers did too. They studied culture types

with the idea of summarising this complex construct with one word like "authoritarian" or "adhocracy". The research, however, does not support this overly simplistic approach.[8] Instead, it's important to be more holistic and thorough, thinking about culture as a set of attributes that work together in unique ways given the organisational context. This is why it is important for organisations to stop using terms like "culture of learning" or "culture of well-being" or "culture of performance". These ideas are only one part of a more complex system. And it's especially important for each department not to push its own "culture of X", which can happen, especially in large organisations. Focusing on "culture of X" feels like a fad to employees and can be confusing when the "culture of Y" comes along.

- **NOT Margarita Fridays, massage chairs or ping pong tables.** Occasionally, I'll search jobs that have culture in their title. More often than not, they are basically event planner jobs. Parties and employee get-togethers can be fun and have a positive impact on your employees. But if they are not accompanied by the hard culture work (like that described in this book), they will not have the impact you were hoping for.
- **NOT new office space**. When referring to the conditions of their work, employees, managers and leaders often think about their physical surroundings and don't think about the deeper culture. Office space can be a temporary injection of "new and shiny" into the daily routine but will never be a substitute for the impact that culture has on how people feel about their work.
- **NOT leadership propaganda.** Culture should not be a mandate from above. Done right, culture is a source of

connection and inspiration – and everyone must feel a part of it for it to land.

We are part of many cultures

Of course, our work culture isn't the only culture that influences us. Many of us are part of other groups of people – clubs, sports teams, schools, religious groups, families. These groups also have their own sets of values, norms and beliefs. Professions can also have cultures – think of the potential norms, values and beliefs for people who are attorneys, teachers, construction workers or nurses.

Another important influence is the culture of the country or region of the world you live in. How things are done in a particular part of the world will influence the culture of an organisation that is part of that country or region. Sometimes it is hard to decide whether a particular aspect of an organisation's culture is professional, national/geographical or organisational.

Work isn't a new construct. Human beings have been working together towards shared goals for a long time. So why are we still trying to understand culture? And why do organisations keep trying to do surface-level things to impact it?

The complexity of culture is one reason for the continued struggle to create aligned cultures. Culture *is* a complex construct and one that even academics are still learning.

And when we aren't aware of how the culture is affecting our behaviour, it's difficult to realise the impact it is having. Our understanding of culture and power, and how they both influence behaviour, continues to evolve.

But it is possible for organisations to navigate what might seem like a minefield. Companies like Ford and Southwest

Airlines have demonstrated that they can create the clarity, connection and inspiration that employees desire and businesses need. But there's still significant culture work that most organisations need to undertake. Despite the complexity and ambiguity, organisations must work on being intentional about their cultures: people's experience and the success of their businesses depend on it.

Remember

1. Culture is a multifaceted, complex and often misunderstood set of attributes that need to be aligned to business goals.
2. Culture is important to understand because it guides employees in how to behave in organisations. Without this cultural alignment it is difficult for organisations to achieve their goals.
3. Culture is a means for the organisation to create clarity, connection and inspiration which leads to better outcomes for employees and for the organisation – and yet most organisations fail to be intentional about culture and continue to struggle.

In the next chapter, I dig into what it means for employees to experience organisational culture. Without creating intentional, experienced cultures, cultural efforts will fall flat. Whatever a company might say on its website, it's what *really* happens every day, and how those experiences impact human lives, that matters.

2

Culture as an experience

Amy rode the lift to the top floor of the building, excited to meet the leadership team of the company that she had just joined. The lift doors opened, and she could see lots of people already sitting at the large conference room table behind the glass wall. What was odd, though, was that everyone was sitting quite still. The feeling was very formal and serious, and when she entered the room there were two people at the head of the table, whispering to each other while everyone else stayed silent.

After a few awkward minutes, the CEO (one of the two at the end of the table) started the meeting, which was primarily a meet and greet, with Amy sharing her background and her plans for her new role at the company. Before arriving, Amy had been excited about this opportunity to meet the leadership team, and she wasn't that nervous. But once she got into the room, that changed.

Her sense of humour and the rapport that she usually had when she gave presentations were met with none of the usual smiles and nods of encouragement. Instead, the leadership team members seemed uncomfortable, even unhappy. It was hard for Amy not to take this personally.

Despite the awkwardness, Amy made it through her presentation. But she left the meeting feeling awful. Now she wondered if there was something she had done wrong in