CULTURE AND STRATEGY

The culture of the organization is ultimately the decision-making guide that every individual carries with them. A well-defined culture leads to more consistent and independent decisions across all levels of the company. Aligning the culture to strategy is therefore crucial to ensure that everyone is pulling towards the same goals.

Do not force change.

During his time as CEO of Waste Management, David Steiner wanted to dramatically change the culture by bringing in new talent.

He mandated that 20% of new management hires had to come from outside of the company. None of the business units achieved the goal.

After the failure of an imposed mandate, David took a slower approach to cultural change. It started with communicating clearly why he saw a need to change the culture, and then carefully getting buy-in from specific areas of the company to follow that reasoning.

01 DEFINE THE CHANGE NEEDED

Understand the culture in its current state

To align culture and strategy you need to understand how they are viewed by the company. Seek first to understand the current state of culture and strategy and then set goals around what you want their future state to be.

"Understand the most important things to change in the organization and then be absolutely relentless in changing them."
- David Steiner

Different locations and functions within the company will look at culture differently. Do not make assumptions based solely on your own perception or that of top leadership.

Ask different areas and levels of the organization what they think the culture of the company is. Ask both what it is and what it should be. No matter the results, it is appreciated that you are trying to see it from their point of view. It will create buy-in and gives you the authority to make changes.

Define the desired culture for the organization

The culture of the company is led by its mission. It is the north star of what people do and how they think.

Culture needs to be distilled in a really simple way. What is absolutely true in how you work and what you work for? Start with that to build a non-controversial foundation that everybody can align on. Then let people build their own logic upon that foundation based on their context and role in the business.

"You can't align strategy and culture without defining what those are."
- David Steiner

What is the one word people think of when you walk into a room? Ask this of every function or area of the business that you directly engage with.

1. Does it differ depending on who you speak to?

2. Does it align with the strategy and culture that you are trying to promote?

3. Do they associate different words with you and the other C-Level executives?

CASE STUDY

One word target.

The one word people associated with David Steiner was "pricing". Yet, the word most associated with the COO was "safety".

For David and his executive team it was important that the entire organization only had one word that defined the goals of top leadership and they set a plan to achieve that.

In their case it was "customer" – every employee knew that the central goal of strategy and culture was meeting the needs of the customer.

Set the strategy goals

Develop the strategy among the senior executive but refine it through the involvement of leaders at all levels of the business. Define it in as few words as possible – possibly only three or four – to remove ambiguity and leave no room for misunderstanding. Give people a clear purpose.

Once you know what you want the organization to rally behind, be intentional on that. Make every word and every action support that goal. Make strategy real by living it in everything you do.

"If you want someone to implement the strategy, get them responsible for developing the strategy."
- David Steiner

02 IMPLEMENT CHANGE

Set realistic expectations

CEOs have limited influence over the culture of the organization. You cannot force a cultural change. After defining the goals for culture, take deliberate steps to gently align it to the desired strategy.

Changing culture takes time and depends on the personality, perception, and context of every individual in the organization. Aim to steer culture in the direction you desire, but do not expect to make rapid changes at all levels.

"Even as the CEO, you can't dictate the culture to the organization. But I think you can tweak a culture to better align with the strategy."
- David Steiner

Start where you are likely to win

Success is contagious. Once people see that change is working in another part of the organization, they will want it for their own.

Seed new ideas through the organization from where they are most likely to be well received. Start tweaking culture where people are already more aligned to the strategy.

"The culture of success replicates itself."
- David Steiner

Introduce talent with a long-term transition plan

Bring new talent and ideas into areas of the business where it is least disruptive. Often, the people out in the field don't have time to integrate change as they are too busy on urgent tasks.

Before transitioning outside talent into the field, place it first in departments that have a culture for new ideas. Once the new candidates are settled into the company and aligned with its way of working, send them out into the areas where the culture needs adjusting.

Allocate most of your time to aligning people

The right culture is one where everyone is aligned to the same core strategy and set of values. Work on building alignment in every interaction you have with somebody in the company. This could happen at an end of year review, a routine meeting, or over lunch. Include it as a component in everything you do.

"If you can align your people, the strategy and the culture will fall right in line."
- David Steiner

To put the customer at the centerpiece of culture and strategy, David and his senior team would pick a case in their customer system and call their own customer service pretending that they were that customer. They would walk through the real-life situation of that problem to see it from the customer's point of view.

Along with your teams, repeat the same exercise or any other adaptation that puts you in the shoes of the customer.

If somebody is a poor cultural fit to the organization, or cannot align to the desired strategy, let them go, even if they are top performers. This is especially critical for executive leaders as misalignment at the top diverges with each level down and can cause a critical detachment from strategy.

Lead by example

The most important person to align to the strategy and culture is yourself.

Be purposeful about your words and actions – ensure that they align with the goals you aim to achieve. Encourage people to call you out when you don't live the strategy and culture. Those closest to you will be able to see possible blind spots or how the rest of the company may misinterpret your words and actions.

"As the CEO, alignment really is your only job. Every time you're interacting with an employee of your company, that's exactly what you're doing."
- David Steiner

Avoid culture killers

Be sure to release people who are consistently underperforming, as keeping them is highly demotivating to the rest of the workforce.

Define clear metrics for success and ensure that there is consistency in their interpretation. Nobody should wonder why they are measuring something or how it affects the business. Numerous and complex metrics can distract people from the core strategy, slow the decision-making, and create misalignment among key leaders.

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