



# CULTURE & STRATEGY

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Culture drives results. Executive leaders need to consciously spend time on culture and make it a key part of their business strategy. They need to first be transparent about the culture they have and the one they want, and then clearly communicate the changes needed to make their culture a winning culture.

# 01 UNDERSTAND CULTURE

## Be visible

Go to the front line to see the subtleties of the company culture and how it plays out on the 'factory floor'. Talk to people and listen openly to understand their personal connection to the company and its cultural values.

Walk the aisles – if you can't do so physically yet, call people spontaneously or log on to meetings early to encourage casual conversations.

Open a space for candid video talks where you can broadcast at scale. Field questions from employees or create a space for unscripted updates. Be honest with your workforce. Tell them what is going on and why.

*"The reason you don't get asked as much about the culture side is because it is tougher. It's tougher to understand and it is tougher to change."*

- Stephen Sadove

## Ask purposeful questions

Employees look at everything you do and talk about. The questions you ask give them an idea of what is on your mind. Focus your questions on the core of your strategy. Know what you are looking for and why it is relevant to the current context of the business.



## CASE STUDY

### Listen and learn.

Stephen moved from CEO of Clairol in consumer packaged goods, to CEO of Saks in retail. While the two companies may have had similar goals in terms of growth and success, their approach differed due to the contrasting cultures between the two industries.

Retail was all about execution and detail, while the consumer packaged goods industry is far more focused on strategy and marketing. The people are trained and approach issues very differently.

Many of the best retail business executives did not have college education. The consumer packaged goods industry was led by people with business degrees and an excellent grasp of strategy.

Stephen's success in transitioning from one to the other was owed to him spending years watching, listening, and learning about the Saks culture while on its board before assuming the position as CEO.

Ask questions specific to each person you talk to. Get to know the challenges they face and how they plan to overcome them.

*“The real key to leadership, is learning and understanding what the mindset of the organization is.”*

- Stephen Sadove

### Run meetings purposefully

Don't ask general, “How is it going?” questions. Be specific and offer a range of answers for tangible, comparable responses. For example, ask, “On a scale of 1-10, how are you?” At times, ask teams to answer anonymously on a blank sheet of paper to encourage greater honesty and more accurately measure the mood of the group.

Follow up on the gaps. Seek to understand what you are missing and what opportunities exist for improvement.

Debrief by asking how people feel after the meeting. Focus on both the results and the process. Part of identifying the culture is understanding what kind of processes guide your leadership team.

*“If you have a culture where the real meeting takes place after the meeting, that's an element of the culture.”*

- Stephen Sadove

### Listen to minority experience

Free up time for proactive listening and thought so that the majority voice does not set your impression of the company's culture.

## PERSONAL EXERCISE

Look at your calendar for the week ahead.

1. How much time are you planning to spend on reactive activities compared to proactive thought?
2. What do you want to be proactive about?
3. Are there meetings within the week that you don't need to be involved in?
4. Where else can you free up time by giving greater autonomy to direct reports?

Plan one-on-one or small group conversations to listen to minority groups and their lived experience of the company culture. Ask what you do right and wrong. Ask what makes them feel part of the culture or not. Identify pertinent points of discomfort.

You will lead with greater confidence and more authenticity when understanding all the subgroups within your workforce. Authenticity can smooth over errors if people know you are serious about listening and learning.

*"They know that you don't have all the answers, but if they believe that you really care and want to hear them, then you're going to learn a lot and you can talk."*

- Stephen Sadove

## 02 CHANGE CULTURE

### Define culture deliberately

Be specific about the words used in how you communicate your mission. Reduce the room for multiple interpretations of the company's cultural values.

*"You've got to make sure everyone's on the same game plan in terms of what you're trying to do. That's why strategy and culture will become intertwined."*

- Stephen Sadove

## TEAM EXERCISE

Replace your company's name on your value statement for that of your key competitors. If the values still fit, work on being more specific about defining and personalizing them.

## CASE STUDY

### Encourage creativity.

When Stephen started as CEO of Clairol, he found that the strategy was strong, but the culture was broken. The employees took few risks, and nothing was changing.

Yet, when Stephen encouraged a head creative lead to openly share his thoughts, he found a drawer full of innovative ideas to move the company forward. The company culture was rooted in fear.

## Build confidence in change incrementally

During the process of changing culture, share success stories from throughout the organization. Build on best practices arising in specific areas. Celebrate small wins. Culture will change through minor steps before change accelerates across the company.

Recognize experimentation during times of deliberate change. Allow room for creativity and don't penalize failed ideas.

## Lead by example

Ensure that there is coherency between the goals of the company and the topic of conversation in executive meetings. Your leadership team may quickly forget cultural values if they are not frequently discussed. Change needs to start in the way you talk about priorities at the top.

## Teach other leaders

Get personally involved in training, especially for high potential talent. Teaching brings you closer to the company's leaders and their way of making decisions. It is fundamental to understanding the people and the culture.

Making that commitment and demonstrating your own personal engagement to people's development is a powerful tool to gain support for your change initiatives.

## Convert those on the fence

It's likely that about 60% of the organization are sitting on the fence. About 20% are actively endorsing whatever direction you want to go and another 20% are active resistors. Win the hearts of the people waiting to see where the wind blows. It is them who will define the cultural values that permeate through the company.



Leaders Advancing Leaders

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