

Organisational and Board Culture

Presented by, Kami Nuttall



About your presenter and Culture Lab Consultancy Ltd

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Objectives of this session

To consider and appreciate the experience of culture

To understand how you might investigate and approach culture,
focused on the needs of the organisation and customers

Broaden and extend Board Member confidence to engage, contribute
and challenge their Leadership about their organisation culture



What is culture?

- What does culture at work mean to you?
- How do you define culture at work?
- What is your experience of culture?



Why is organisational culture important?

82%

Incidences of mild, moderate, or severe burnout increased 3% from the previous year, leading to a burnout rate of 82% this year.

2021 GLOBAL CULTURE STUDY, O.C. TANNER INSTITUTE

10x

NON-THRIVING CULTURES ARE 10X MORE LIKELY TO BE NEGATIVELY IMPACTED BY CRISIS THAN THRIVING CULTURES

57%

of companies anticipate “major” changes to their culture as a result of the pandemic²

Impact of Covid-19 on cultural outcomes:

-11% Engagement

-6% Employee Net Promoter Score

+15% Burnout

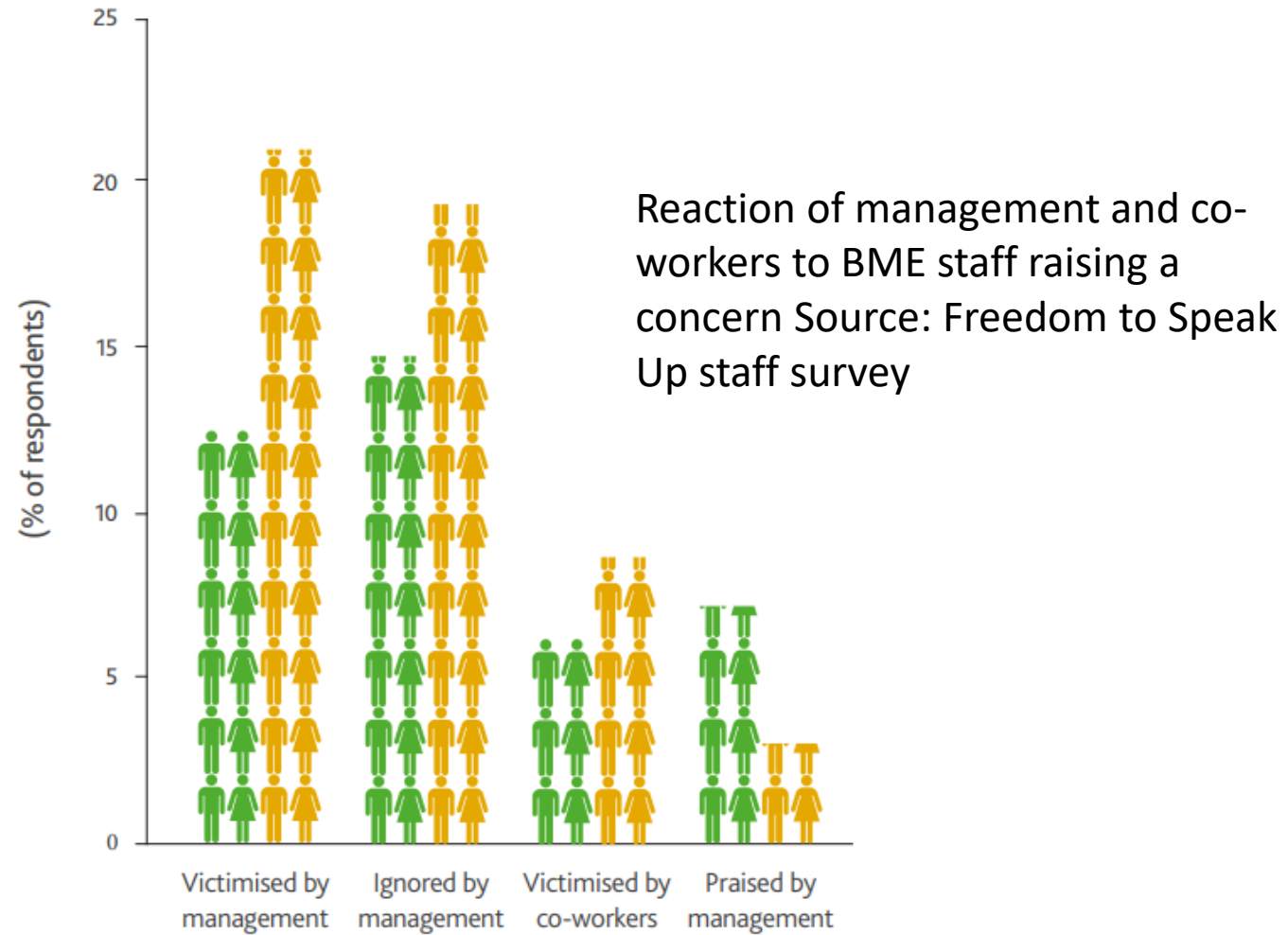
-5% Intention to leave



2021 GLOBAL CULTURE STUDY, O.C. TANNER INSTITUTE

The crises of 2020 have dramatically changed the employee experience and how workplaces function.

Source: <https://www.octanner.com/global-culture-report.html>





 White background
 BME background

Source: *Freedom to Speak Up – A review of whistleblowing in the NHS*, Sir Robert Francis, QC, 11 February 2015, page 66.

Customer alignment



Source:
<https://www.dragonfishuk.com/research>



What is organisational culture?



What is culture?

- Unwritten rules
- Accumulated shared learnings and experiences
- Pattern and system of beliefs, values and behavioural norms = assumptions
- When we are able to distinguish one group of people from another

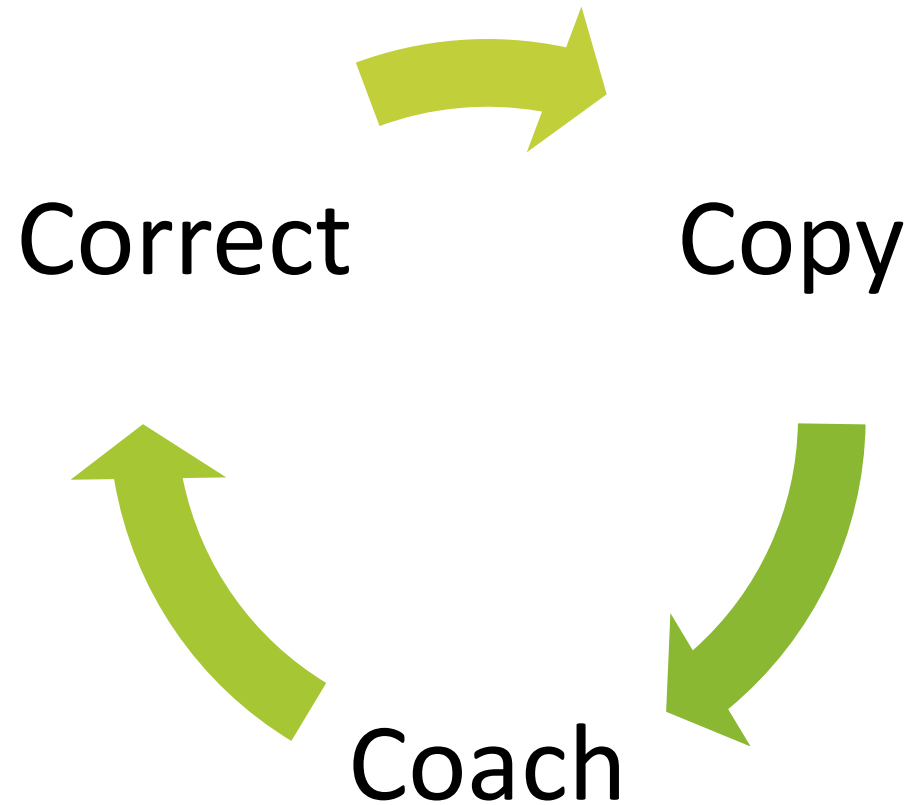
“Culture is a set of living relationships, working toward a shared goal, it is not something you are, it is something you do.”

Daniel Coyle, The Culture Code

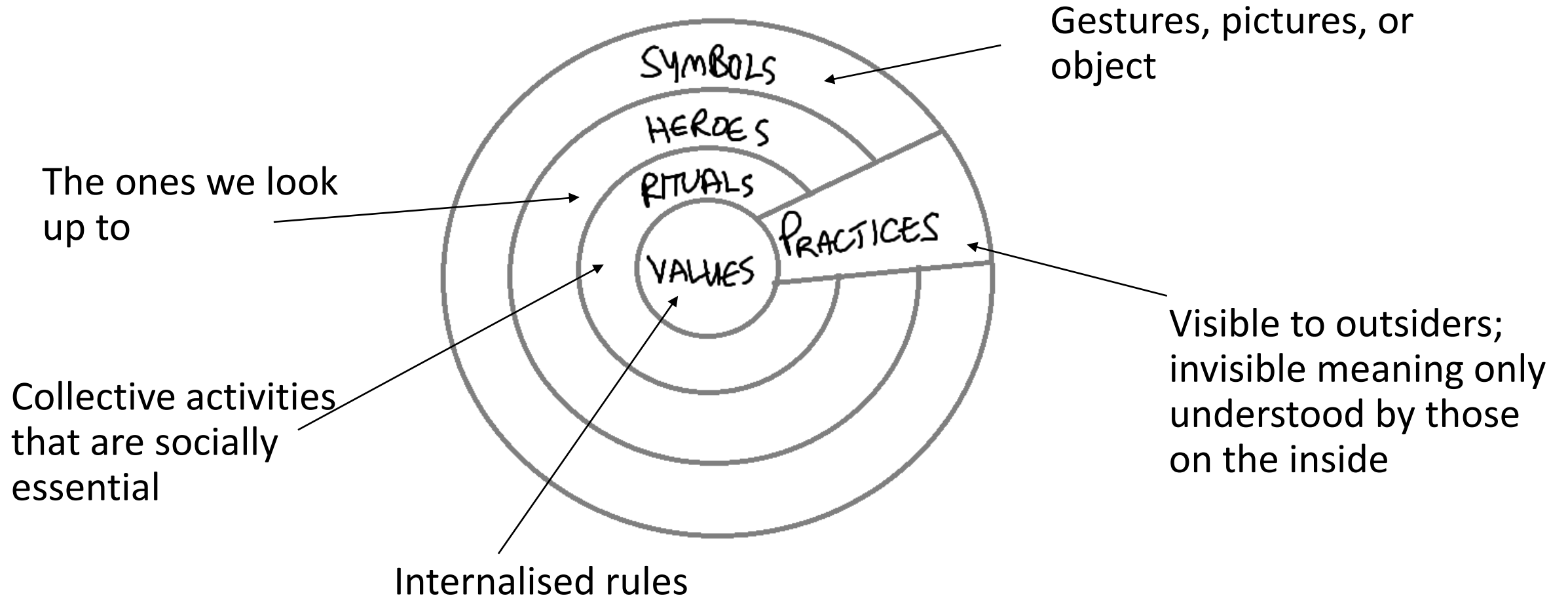


How culture shows up
at work

Culture implies continuity



The onion



Orientations

Organisational effectiveness

In process-orientated (means) environments people perceive themselves as taking little risk; each day is pretty much the same; effort may be minimal.

In results-orientated (goals) environments people are more comfortable with taking risks; everyday is different, each day brings new challenges. There is more effort put into work.

Management philosophy

Concern for the employee versus concern for completing the job.

The job at any cost vs we take the welfare of our staff seriously and put in place practices that enable their wellbeing

Customer orientation

Externally focused – market driven; results orientated – meeting customer needs

Internally focused – major emphasis might be on following organisational procedures correctly, which are more important than results

Exploring the relationship between culture, values and strategy

How do CEOs think about culture?

- Common purpose and values
 - Transparency from the top
 - ESG
 - EDI
 - High performance
 - Increasing collaboration
 - Technology
- Purpose, values, behaviours, language
 - Organisation design and structure
 - The way we work, how we work

Culture vs values

Corporate values are aspirational statements unless you can evidence that they are lived.



Culture vs business strategy

“Culture eats strategy for breakfast”

Peter Drucker



Grenfell

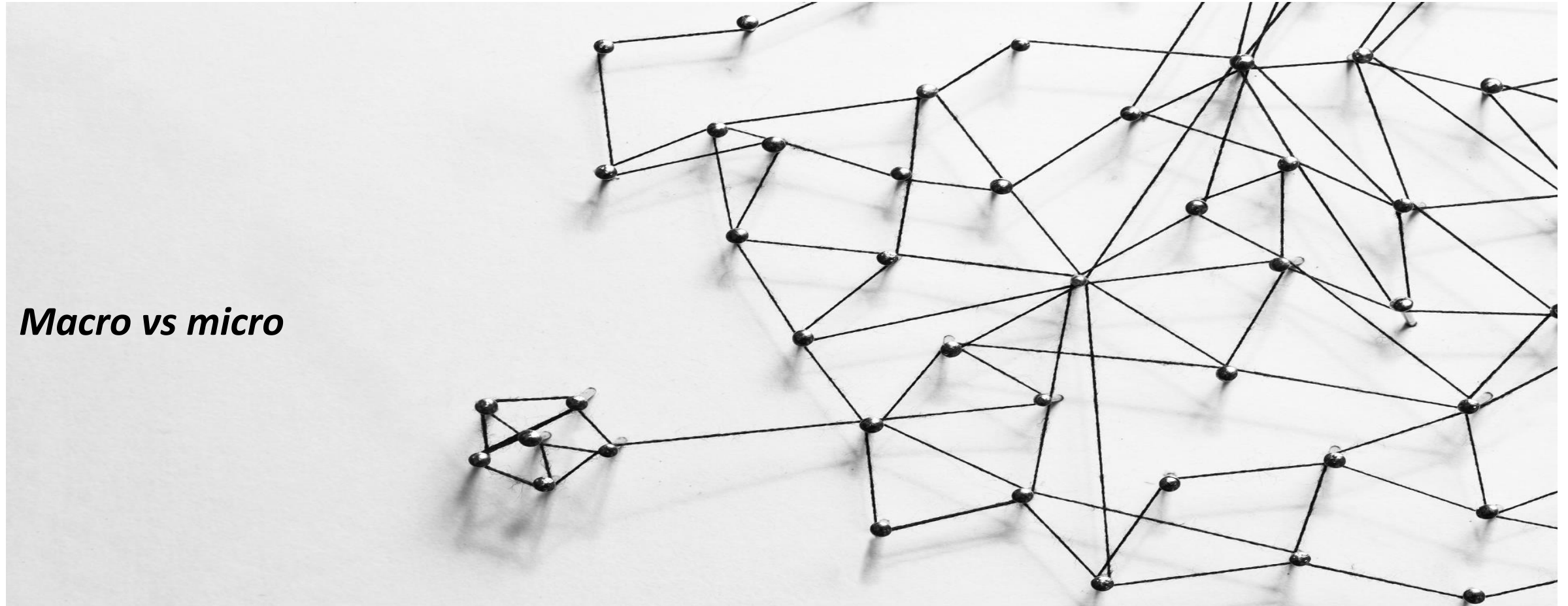
“Before 2017 the council did not find the right balance between financial benefits, and social benefits,” Campbell said. “Too often the council put the narrow goal of generating commercial income above the broader aim of delivering benefits to our wider community. We fell below the bar on consultation, transparency, scrutiny, and policy. We cannot say hand on heart that residents were involved every step of the way, or that the council put their interests first and foremost, and for that we apologise.”

<https://www.theguardian.com/uk-news/2021/feb/26/grenfell-tower-council-apologises-for-prioritising-profits-in-borough>

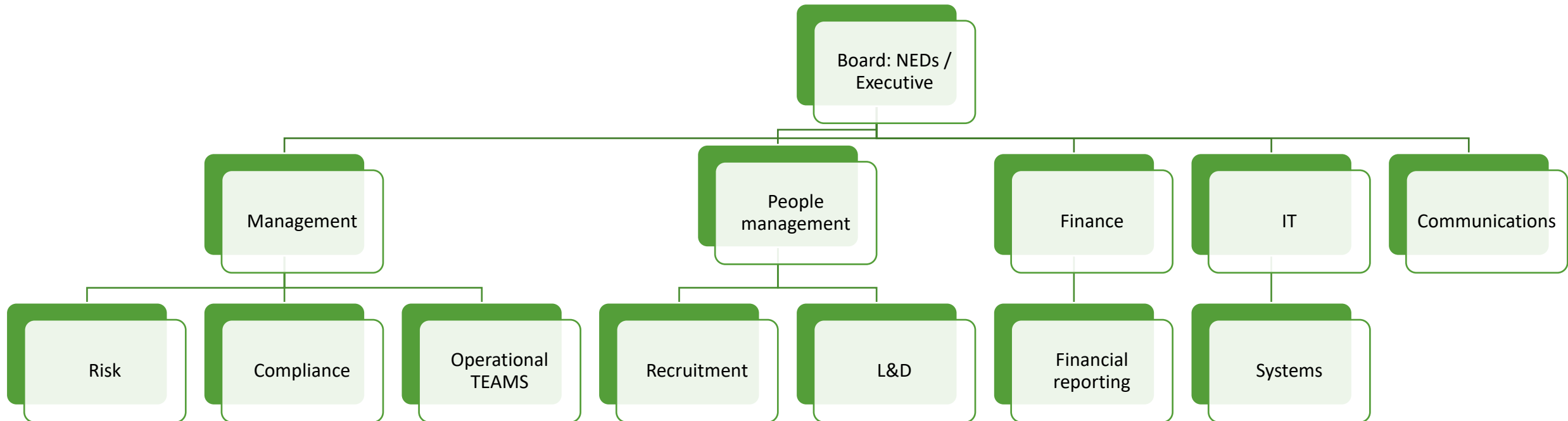


Understanding macro and micro cultures

One culture and sub cultures



Who does what?



Defining, measuring and evidencing culture

Decision-making

“Culture refers to lived experiences within an organisation that are driven by behaviours, which in turn are driven by beliefs. There are beliefs and values which are salient and encouraged within an organisation, but culture manifests its importance in moments, for instance, when making a decision or resolving a conflict.” FRC (2021)



Measures

Quantitative vs qualitative

Psychologists, anthropologists, behavioural scientists

Listening to the stories

Evaluating behaviours

- surveys (measure of perception and sentiment)
- Focus groups, interviews
- Observation
- Desktop review – data points: complaints, grievances



Difficulties and challenges

- People can say what they think you want to hear, and you can't see what is happening over time.
- Companies, or employees, who are engaging in problematic practices are unlikely to participate.
- Do people really speak up about problematic practices they observe and when they do, who is listening?
- Assessors/ observers/ auditors can be influenced by factors totally independent of a firm's culture – like the prestige or size of a company.
- Judgements on culture are made within and across 'assessors', there is a major challenge in standardising how observations are combined.



Breakout exercise



In your groups:

- Where is your organisation in its culture journey?
- What do you know about your organisational culture? How would you describe it?
- What is your organisation's ambitions and aspirations and what does this mean for your culture?
- What kind of culture do you need as an organisation to be customer-centric? What does this mean for your organisation?
- What is your Board culture? As a Board member how can you influence your organisation culture? What information and data do you need to see?




Final thoughts

- Are you clear on where you need support/ assistance as a Board to navigate conversations about your organisational and board culture?
- Is there resistance in having this conversation and where is it coming from?
- How can you collectively, as a Board, raise the standards around your organisational culture? What does the Board need?
- Do you know what your culture is today vis-à-vis where it needs to be?
- How do we communicate to the organisation the culture we want?
- What assurances will you ask for in respect of your organisational culture?



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