



A Proven Methodology for Organizational Change

There is a homespun adage declaring: “If it ain’t broke, don’t fix it.” But when it comes to culture change, a more proper thought might be: “If you plan to fix it, make sure you don’t first break it.” When culture change “breaks” it is often due to disconnected and short sighted approaches. And it often results in squandered resources and time at best and, at worst, increased cynicism and diminished trust levels across the organization.



senn delaney
the culture-shaping firm

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The precepts of culture shaping

Understanding cultural change demands a committed appreciation of, and respect for, cultures as living organisms. Knowing how they form, knowing why and in which direction they have grown and, most importantly, what drives them to change is critical to shaping a culture to perform dynamically. Proven methods of cultural change are based on these precepts.

We know that organizational culture is a pattern of shared mindsets that impact behaviors which, in turn, impact organizational results. Shared mindsets are the foundation of all cultural systems and include shared cognitive structures like basic assumptions, paradigms, schema, norms and others.

The formation of shared mindsets is the oxygen of organizational cultures. Organizations fundamentally exist to provide solutions, through strategies, to problems among their various stakeholders. Of course, their leaders develop the structure, organizational design and processes and systems to execute the strategies. And in carrying out the strategies, employees learn what works and what doesn't in order to get results. Over time, the logic and the thinking solidify into shared mindsets that become deep seated and second nature so that they are hardly acknowledged but nonetheless acted on through an attitude of "that's just the way we do it around here."

When the culture supports and is in sync with the business strategy, it operates behind the scenes. Only when leaders change strategy, do they discover the real power of culture as old mindsets clash with new strategies. Then there is a widespread call for immediate culture change.

The typical approach to culture change goes something like this:

- 1) Define new values.
- 2) Define new competencies or behaviors or leadership characteristics to operationalize the new values.
- 3) Communicate to the whole organization the importance of the new values and competencies using all available vehicles.
- 4) Realign performance management and other human resource systems to accommodate the new competencies.



**Change is hard.
Culture change is especially hard.**

But there is a flaw embedded deep within this approach. Without understanding, addressing and changing misaligned mindsets, it is doomed to fail. Once again, mindsets are the essence of culture and drive behaviors. When there is conflict between what is said and what is done, mistrust and cynicism grow like a fungus that ultimately engenders inertia. Change is hard. Culture change is especially hard.

That is why a proven methodology with an established track record of getting business results is critical.

Senn Delaney's proven methodology

The purpose of changing a culture is to increase business results. Senn Delaney's proven approach to culture change is centered on a five-part process: Define/Diagnose, Unfreeze, Reinforce, Apply, and Measure (DURAM), which enables organizations to deliver improved business results.

Defining the end-state is the critical first step. You must, to paraphrase Stephen Covey, begin with the end in mind. This is often the hardest step because it forces leadership to dispense with platitudes and focus on simple, hard-thought goals. **Defining** means being



clear about what type of an organization, what behaviors and, most importantly, what thinking and mindsets need to occur in order to realize the strategy. As such, the CEO and the senior leadership team must be actively engaged. This cannot be relegated or delegated to lower levels of the organization. Our experience posits and our research is very clear that change initiatives take leadership that begins at the top.

To be sure, the defining stage is not only about identifying what needs to change in the culture, but what needs to stay in the culture. The heavy lifting of cultural change must be done with the help of the culture's existing strengths. For instance, there could be a strong sense of ethics and integrity or resilience in the face of adversity. Answering the question: "What is helping and what is getting in the way of executing strategy?" helps to envision the future organization.

Defining runs concurrent with **diagnosing**.

Diagnosing outlines the culture's current state. Specifically, what is working for and what is working against the organization? What results need to change? What mindsets and behaviors need to change? Our research suggests that not all cultural components are equal in delivering improved results. We prefer the term culture shaping, which suggests molding key elements of the culture rather than changing everything. A good diagnostic process allows for surgical precision in change and provides for the ability to focus time and energy on the vital levers of change. The key is to identify and focus on elements that matter most.

The heart of the DURAM model is **Unfreezing**.

Without it, there can be no culture change. This is the step that is most often skipped because it is the hardest to understand and accomplish. But true and sustainable culture change cannot occur without it. **Unfreezing** is about shifting thinking habits and mindsets. Organizational culture is an enterprise wide phenomenon which is driven by individuals.

Shifts in mindsets lead to culture change

Our nearly 40 years of practice demonstrate that the most effective way of challenging basic mindsets is team based experiential learning. Participants in our workshops are introduced to a series of exercises that

make explicit the individual mindsets and the shared organizational mindsets that define the essence of the culture. Participants then reflect on how the newly discovered mindsets drive certain behaviors which enable or impede results. The implications of the mindsets and their impact on performance are discussed and explored at the individual, team, and organizational levels. These realizations form the basis of the needed shifts in mindsets which lead to changes in behavior. The individuals and teams are asked to commit to specific changes. Without this unlocking of current mindsets and shifting to new mindsets there can be no culture change.

The R of the DURAM is **reinforcement**. It addresses how we reinforce the learnings and change in mindsets from the unfreezing step. How do we reinforce movement to the newly defined culture? This is the time to communicate and train and integrate the messages of culture change into the human capital and human resource systems. It enables contextual understanding of the change.

Reinforcement also includes aligning how individuals are selected, on-boarded, developed, engaged, promoted and rewarded with the values of the newly defined culture. The importance of this alignment should not be overlooked. A CHRO of a Fortune 500 company remarked that "...one bad hire on our operations leadership team almost undid two years of work aligning the culture to the strategy...in the future, we will hire for culture fit."

Apply is the A of **DURAM**. Organizational change means not just thinking differently, but acting differently. It's been said that to know and not to do is still not to know. The earlier stages of the model: **Defining, Diagnosis, Unfreezing, and Reinforcing** - and all of the accompanying activities and programs at each stage - are antecedents to people applying what was defined, what was unfrozen, what was reinforced to make a change.

Finally, M, the **measurement** part of **DURAM** assesses whether or not the organization accomplished what it set out to do. Understanding mindset change requires the hard evidence of behavioral change and business results. To wit: is there confirmation of higher levels of teamwork, accountability, innovation? Are

leaders coaching and giving feedback? Do employees understand the purpose and are they aligned with the strategy? Did sales increase? Did costs decrease? Did margins improve? Did safety improve? Is employee engagement higher?

In summary, a proven culture-shaping method enables executives to define, operationalize and shape a high performance culture to achieve improved business results. One technology based company applied the principles of the culture-shaping methodology as it developed an IPO that went from a "white board" idea to launch a spin-off in a little over six months. The CEO of the parent company, along with the CFO and CEO of the newly IPOed company agreed that "There was no way we could have accomplished this with our former culture of blaming and turf wars. Our new understanding of how to live our values gave us an approach to resolve tough issues (How to split the balance sheet? Who takes on what debt? How will the deal flow?) in a manner that solved tough problems and maintained the relationships. The culture was the key to our success."

This company was able to reshape the thinking and mindsets of leadership and employees about teamwork, accountability, and innovation in order to execute a very aggressive business strategy. This particular deal resulted in an additional \$1 billion of shareholder value at launch and was worth over \$2 billion six months later.

Time and again, culture has shown itself to be the driving force behind successful strategies. And for 40 years, Senn Delaney has shown itself as a driving force behind shaping organizational culture.

About Senn Delaney

Senn Delaney is the culture-shaping firm of Heidrick & Struggles International, Inc., the premier provider of Executive Search, Culture Shaping and Leadership Consulting services worldwide. Founded in 1978, Senn Delaney was the first firm in the world to focus exclusively on transforming cultures. A singular focus of creating healthy, high-performance cultures has made us the leading international authority and successful practitioner of culture shaping that enhances the spirit and performance of organizations.

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