

WHY WE FAIL TO CREATE HIGH PERFORMANCE CULTURES

THERE IS USUALLY A GAP BETWEEN THE IDEAL CULTURE THAT MOST ORGANIZATIONS ASPIRE TO, AND THE ACTUAL CULTURE THEY HAVE

Whenever I ask a leader to describe their ideal culture, either verbally or via a formal survey instrument, they almost always describe the same thing regardless of gender, industry or geography. Plus, or minus five percent, they describe a culture that is purposeful, has a strong achievement orientation, where people bring their 'whole self' to work, think in innovative ways, grow and develop themselves, and build trusting, collaborative relationships with their peers.

Common sense tells you that this type of culture produces exceptional, sustained outcomes for an organization and the people within it, and that's exactly what the data tells us. It's no wonder then, that most of us share this picture of our desired culture. Unfortunately, there is usually quite a big gap between the ideal culture that most organizations aspire to, and the actual culture they have.

For more information on Peter, go to www.peterfuda.com
For more information on TAP, go to www.tap.net.au
For more information on Enixa, go to www.enixa.co
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About the Author

For two decades, Dr. Peter Fuda has been a Sherpa to leaders, teams and organizations across the globe as a consultant, coach, speaker, researcher, teacher and author.

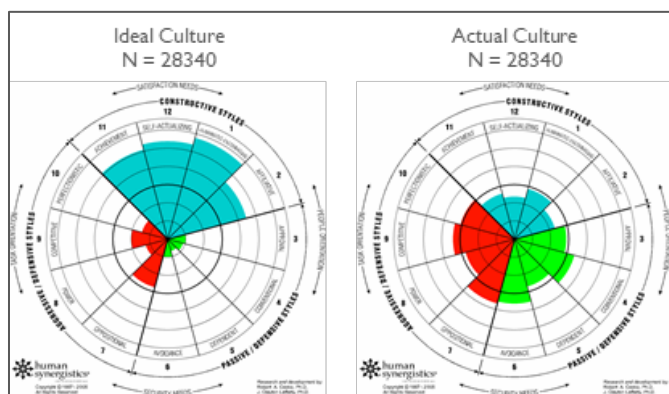
Peter is the Founder and Principal of The Alignment Partnership (TAP), a management consulting firm founded in 2001; the Founder and Director of Enixa, a world first digital system for transformation; and an Adjunct Professor of Management at Macquarie Business School.

THERE IS PROBABLY A SIZEABLE GAP BETWEEN YOUR IDEAL AND ACTUAL CULTURE

You may aspire to high levels of collaboration, but you may unwittingly encourage high levels of internal competition. You may genuinely want people to think and act in creative ways, but find they avoid responsibility for fear of being blamed for making a mistake. You may want to empower your people, but actually encourage them to depend on you for all critical decisions.

The picture below is a graphic representation of the gap I'm describing. The data comes from a highly valid and reliable instrument developed by Human Synergistics International, called the Organizational Culture Inventory™ (OCI).

On the left is the average 'ideal' culture. On the right is the average 'actual' culture. The color blue denotes those behaviors highly correlated with an effective culture. The colors red and green denote those behaviors highly correlated with ineffective cultures.



Given we all have a similar picture of what great looks like, why is there such a big gap between the ideal and actual cultures of most organizations? There are four main reasons.

WE HAVE FALSE BELIEFS ABOUT WHAT IT TAKES

Some years back, after presenting a client case study of business transformation to a CEO membership group, I was approached by one of the attendees. "How do I get one those performance cultures?" he asked. "Do we do that an offsite?" As ridiculous as that question sounds, it's not uncommon. In fact, it's one of many, fairly common, false beliefs leaders often have about how to build a high-performance culture.

Other false beliefs I've heard repeatedly include; you delegate it to HR because culture is their job; you buy it in a box from a consultant; you get an internal working group to run a 'culture change program'; you measure the culture every year or two and that will change it; you have Friday night drinks and a good Christmas party; and my personal favorite, you define a new set of values, put them on posters and mouse mats and tell everybody that's the culture.

If you hold any of these beliefs about how to build a high-performance culture, it's very unlikely that you will ever get it.

THERE IS A GAP BETWEEN OUR ESPOUSED VALUES AND OUR ACTUAL VALUES

All organizations have values, but these are usually different to the ones articulated on the poster. Communication, respect, integrity, excellence; these are objectively good values, right? They were the espoused values of Enron.

Recently, a multi-national mining company destroyed an almost 50,000-year-old indigenous heritage site, setting off a huge national scandal. After obfuscating for some time, the company eventually released a statement of apology. As a student of management, there was one particular line in the apology that caught my attention; "The destruction was wrong; it should not have happened and it does not reflect the values that we aspire to."

“There are substantial gaps between what we say we value, and how we actually behave day-to-day.”

Therein lies the problem. Values are not an aspiration; they are a behavior. They are not a 'where to', they are 'how to.' They must represent the minimum expected standards of behavior, not something you hope to be able to demonstrate some day in the future. If you want to see the actual values of a company, don't look at the poster. Sit in on a leadership team meeting and watch them deal with a contentious issue. That's a much better indicator of what's really valued in that organization.

It's not possible to build a high-performance culture when there are substantial gaps between what we say we value, and how we actually behave day-to-day. These two things must be aligned.

THERE IS A GAP BETWEEN THE ESPOUSED CULTURE AND KEY MANAGEMENT LEVERS

The third reason we fail to create high-performance cultures is not very sexy, but it's critically important; a misalignment between our cultural ideal and the levers that we 'pull' as managers, such as the structure, what we measure, the symbols we send, and our performance systems.

You may espouse a culture of collaboration, but if your performance systems encourage people to compete with one another, then your systems will win six days a week and twice on Sundays. You may desire a culture that is cost-conscious, but if your CEO flies around in a private jet to watch a cycling race (true story), then this symbol of executive privilege will scream much louder than your desire for frugality. You may say that you want the customer to be at the center of every decision, but if executive meetings focus entirely on financial performance, then your people will likely burn the customer to hit their financial targets. You may desire innovation, but if mistakes are punished in your organization, then you'll get compliance not new ideas.

A high-performance culture is only possible when all of your management levers are aligned to your desired culture.

THERE IS NO SUCH THING AS AN ORGANISATIONAL CULTURE

The final, and most important reason there is a gap between ideal and actual organizational cultures, is because there's no such thing as AN organizational culture. While some cultural norms may be widely spread, even in the very best performing organizations, you will almost certainly find pockets of mediocrity. If you look inside those pockets, you will find mediocre managers. Conversely, in poor performing organizations, you will typically find pockets of excellence. If you look inside those pockets, you will find managers leading through excellence. In 20+ years of doing this work, I'm yet to find 'an' organizational culture. You have as many cultures as you have leaders.

Whatever you motivate and encourage in your people becomes 'the culture'. If you regularly compare your people to one another, you will create a culture of internal competition. If you need to be involved in all decisions, then you will encourage a culture of dependence. If you have no tolerance for mistakes, then you will foster a culture of avoidance and perfectionism.

Conversely, if you support your people to self-set and pursue worthy goals, then you'll create a culture of achievement. If you give your people the benefit of the doubt, you will foster a culture of trust and collaboration. If you value ideas over hierarchy, then you will encourage a culture of creativity and innovation.

CONCLUSION

For better or worse, your leadership creates your culture in every action, and every interaction, every day. In order to create the culture you want, make sure your beliefs, standards of behavior, organizational levers and leadership impact are all aligned to that culture.

“For better or worse, your leadership creates your culture.”