

# Shift Organizational Culture to Improve Organizational Performance

By Bryan Adkins, Sr., and Cindy Stewart

As the CEO of a nonprofit organization, you have your own ideas and vision for where you want to take the organization, but will your staff and board come along? Will the organization be able to make the shift necessary to get there? Will old habits, behaviors, and practices support or inhibit your ability to make changes? Where do you start?

To move the organization in new directions and to engage everyone in the process, you must first understand the current culture of the organization.

- Is it a team-oriented workplace?
- Does everyone have a clear understanding of the association's vision, values, and strategies?
- Are the skills needed to deliver services today in place, and are new skills being developed for the organization to be successful in the future?

## Linking culture and performance

In 1999, shortly after welcoming a new CEO, the Family Health Council of Central Pennsylvania, Inc., in Lancaster took the Denison Culture survey to determine the organization's strengths and weaknesses, or more specifically, to measure cultural attributes and connect them to particular performance measures. This survey looks at four cultural traits-mission, involvement, adaptability, and consistency-each with three measurable attributes.



**1. Mission** is the degree to which the organization and its members know where they are going, how they intend to get there, and how each individual can contribute to the organization's success. (Attributes: vision, strategic direction and intent, and goals and objectives)

**2. Involvement** is the degree to which individuals at all levels of the organization are engaged in pursuit of the mission and work in a collaborative manner to fulfill organizational objectives. (Attributes: capability development, team orientation, and empowerment)

**3. Adaptability** is the ability of the company to scan the external environment and respond to the ever-changing needs of its customers and other stakeholders. (Attributes: creating change, customer focus, and organizational learning)

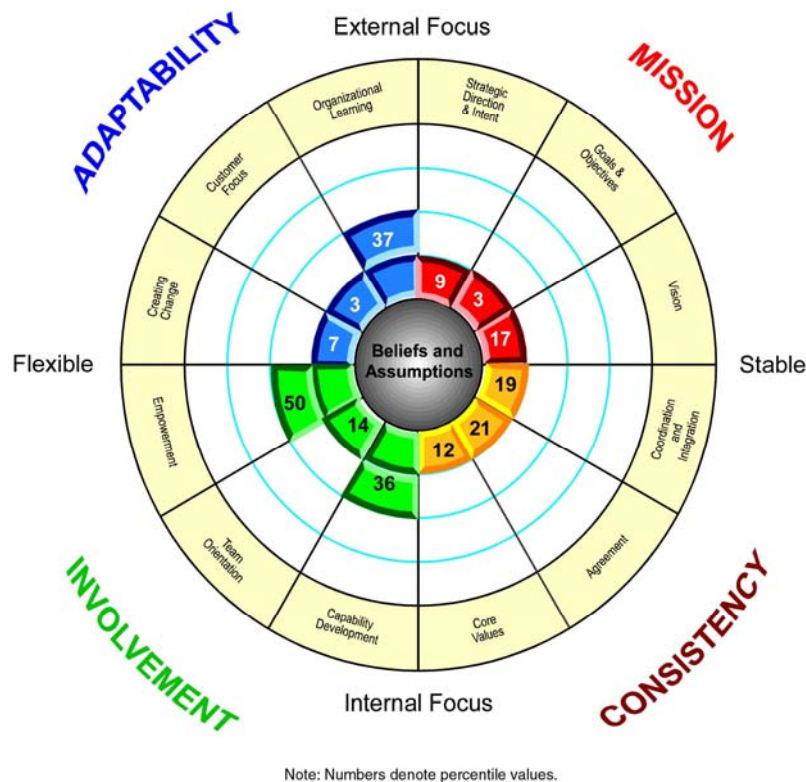
**4. Consistency** is the organization's core values and the internal systems that support problem solving, efficiency, and effectiveness at every level and across organizational boundaries. (Attributes: core values, agreement, and coordination and integration)

Mission and consistency are linked to financial performance, while involvement and adaptability can be linked to customer satisfaction and innovation.

This model captures the basic paradoxes and dynamic tensions faced by organizations and their leaders. Should we be internally *or* externally focused? Should we be more stable *or* more adaptive?

It's not about doing either this *or* that. To be successful you must do this *and* that, even if the two are in direct conflict. The highest performing organizations are those that excel in all four areas. Such organizations have developed cultures that meet the paradoxical demands facing them.

The council's survey was compared against a database of more than 600 organizations that represent high-performing, average-performing, and low-performing organizations.



The council scored in the 12th percentile with respect to core values, meaning that 88 percent of organizations scored higher on this cultural attribute. The council scored in the 25th percentile in only 3 of the 12 attributes-capability development, empowerment, and organizational learning. On important attributes, such as strategic direction and customer focus, the council was in the third percentile.

### Shifting the culture

When the survey results were shared with the council's staff, leadership team, and board of directors, there was disbelief, questioning of the data, questioning of the model, and questioning of each other. Each group was asked to provide input; the council's customers were asked as well. The survey results and stakeholder contributions were then used to

- clarify the council's vision;
- draft a set of core values;
- establish strategic goals; and
- develop an annual work plan that connected everyone's work to the strategy and vision of the organization.

Additionally, the organization was flattened to three levels and reorganized to reflect the customers it serves. A performance review system that included standard job

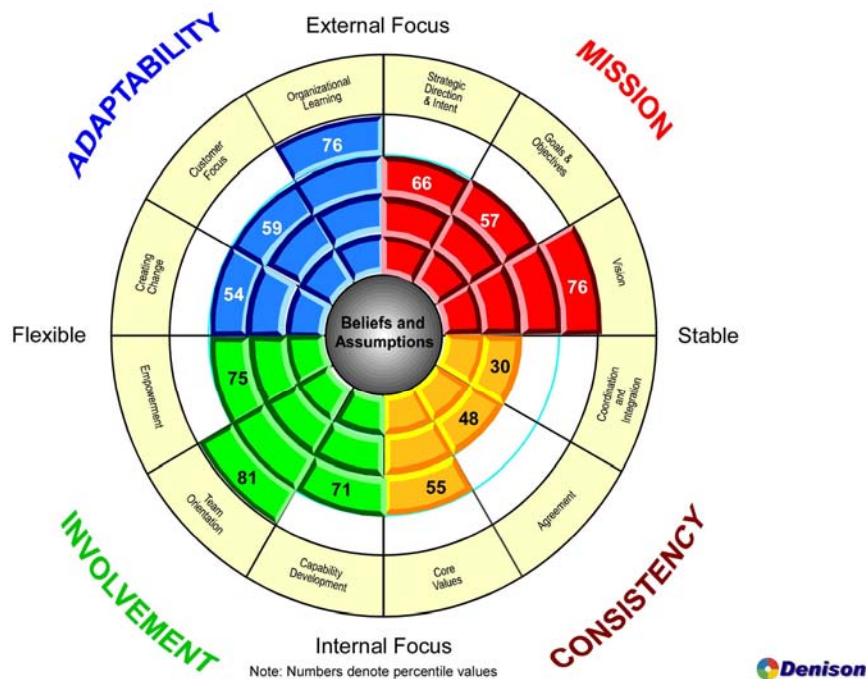
responsibilities was developed, and each employee developed specific annual goals that connected to the organization's mission.

Communication about the direction of the organization was provided at every opportunity: staff meetings, board meetings, brown-bag lunches, team meetings, and one-on-one employee discussions. Teamwork was emphasized as the primary means for getting work done. When decisions needed to be made, employees were encouraged to seek counsel and advice from their peers and others who might have insight about their situation. In addition, a Continuous Quality Improvement program was adopted and a systemwide customer satisfaction measure was implemented.

### Making progress

In 2001, the survey was conducted again to measure the council's progress. It would be misleading to say that everyone was excited about this course of action. Would there be any improvement at all? Would it be minimal? Could the council possibly score worse than the first time? Will it do more damage than good if the results are not extremely positive? It seemed risky, yet had to be done.

### FHCCP 2001



Receiving feedback about your organization can be difficult-perhaps even more so when you have worked so hard and want to know that the survey results will reflect that effort. The council's level of improvement was dramatic and it exceeded everyone's expectations. By 2001,

- the council had reversed a decline in patient/clients served;
- its budget had increased by 25 percent;

- customer satisfaction was at an all-time high; and
- staffing had increased by 30 percent.

Everyone in the organization understood where the council was going, how it intended to get there, and how he or she fit into the organization's strategy. In effect, the culture of the organization had shifted.

How do these results link back to the model? Recall that the mission and adaptability traits are linked to organizational growth. In 1999 the council had only one aspect of adaptability that scored above the 25th percentile. In 2001 every aspect of mission and adaptability were above the 50th percentile, with vision and organizational learning surpassing the 75th percentile. In that same time frame the council had grown its budget, services, number of employees, and number of customers. The model shows the link between involvement and adaptability with customer satisfaction and innovation.

### **Making culture matter**

Culture does matter, and a strong, effective culture will outperform a weak culture every time. How does your organization measure up? Ask yourself the following questions:

- What are you trying to achieve in your organization?
- How do you hope to get there?
- What strengths can you capitalize on?
- What weaknesses are preventing you from reaching and exceeding your goals?

Then prepare for hard work and exciting possibilities.

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