

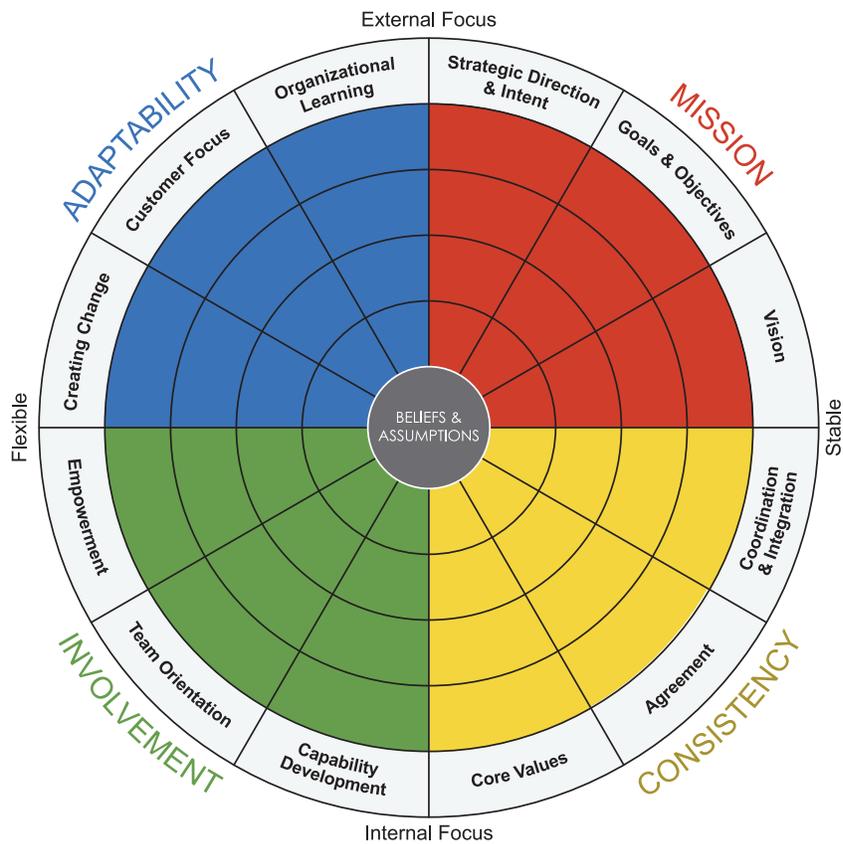


CULTURE

THE CULTURE CANVAS

A Working Guide and Checklist to Support the Development of a High-Performing Culture

The Denison Model of High Performance



A Systems Approach to Understanding and Managing Culture

The Denison Model is a "systems" framework for understanding culture. The cultural traits and indexes represent a set of elements that are coherently organized and interconnected. Creating greater clarity and alignment across these areas has been shown to significantly impact business performance.



STRATEGIC ALIGNMENT



MERGER & ACQUISITION



TRANSFORMATION & TURNAROUND



TALENT MANAGEMENT

MISSION

Employees need to know what they are expected to do AND why. When Mission is clear and aligned, there is visible line-of-sight between short-term and long-term priorities. The longer-term purpose of the work creates excitement and motivation.

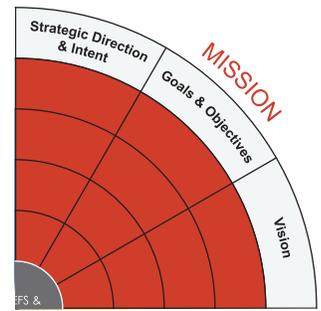
Risks

The Mission trait is closely linked to performance metrics, such as operating efficiency and growth. Lower scores in this area indicate ambiguous priorities and a high risk of driving activity without focus and failing to achieve desired results.

Mission describes why we exist and the impact we are trying to have as an organization. It is our core purpose. It is what motivates us to do our work.

It answers the following questions:

- What does the organization do?
- Who does it do it for?
- How does it do it?



Vision

Describes where we aim to be in the future. It describes our “optimal” future state. It is aspirational and intended to both challenge and inspire employees.

It answers the following question:

- What is our ultimate picture of success?

Strategic Direction

Describes a deliberate set of activities to achieve our vision. It is often driven by strategic planning—a process that is used to set priorities, focus energy and resources, strengthen operations, and ensure that employees and key stakeholders are working toward common priorities.

It answers the following questions:

- What are the key areas of focus we will dedicate ourselves to over the next 5-10 years?
- What will we NOT do or emphasize?

Goals & Objectives

Describes the short-term achievements that provide near-term focus and help connect what employees do day-to-day to the strategies and vision. They should be time-bound, specific and measurable.

It answers the following questions:

- What are the specific outcomes we hope to achieve this year?
- How will we know that we are progressing toward our strategies and vision?

MISSION QUESTIONS & CHECKLIST

Do we have?

- A mission statement
- A vision statement
- A strategic plan
- Goals

Are they SMART - Specific, Measurable, Attainable, Relevant and Time-bound?

May take the form of:

- Strategic plan
- Annual operating plan
- KPI's
- Team goals
- Individual goals

How are strategies and goals communicated?

- Team meetings
- Town halls
- 1-on-1's
- Employee orientations

Who is involved in the goal-setting process?

- Executives
- Managers
- Individual contributors

Are goals visible throughout the organization?

- Yes
- No

Is there a governance plan in place for monitoring progress of strategies and goals?

- Yes
- No

How is progress reported?

- Employee/team meetings
- Scorecards
- Dashboards
- Production boards/displays

How often is progress reported?

- Daily
- Weekly
- Monthly
- Quarterly

How do we recognize success?

- Financial
- Celebrations
- Praise

MISSION NOTES

Mission/Vision

Strategy

Goals & Objectives

INVOLVEMENT

The workforce must have the skills, information, and encouragement to execute strategies and goals. Involved employees feel valued, believe they can make a difference, and act with a sense of ownership.

Risks

The Involvement trait is closely linked to performance metrics such as quality, customer satisfaction and employee engagement. Lower scores in this area indicate a workforce that feels under-invested in and unable to have a positive impact on the work they do.

High involvement organizations have a workforce with the skills, information and support they need to execute strategies and goals. Involved employees feel valued and believe they can make a difference. They collaborate and are more likely to generate innovative ideas and solutions to issues and problems that arise.

It answers the following question:

- Are our people aligned and engaged?

Capability Development

Leaders and managers demonstrate a sincere commitment to the ongoing development of employees' skills and knowledge to meet both the current and future needs of the organization, as well as the development goals of the individual.

Consider the following questions:

- What are the key strategies of the organization, and what capabilities are needed to execute those strategies?
- Do we appropriate the necessary resources to develop our employees?
- Is developing employees considered an important part of a leader's role?
- Do we have the talent pipeline necessary for future success?

Team Orientation

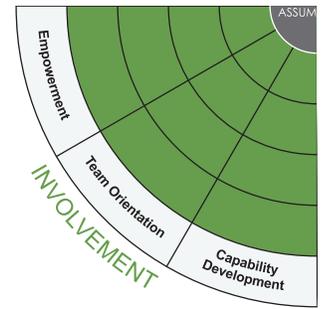
Creative ideas are generated, and value is placed on working cooperatively toward common goals for which all employees feel mutually accountable.

Consider the following questions:

- Is there a clear purpose for your team and a clear connection to the greater purpose of the organization?
- Are there clear performance goals for your team?
- Do we establish team agreements (expectations regarding how we will work together as well as what we will do together)?

Empowerment

Empowered individuals have a sense of ownership and responsibility toward the organization. It requires leaders to develop mutual trust and clarify those areas where employees can make decisions, have input, or those areas that are beyond an employee's scope of responsibility.



Consider the following questions:

- Have we established clear boundaries (WHAT as defined by our strategies & goals, and HOW as defined by our values) within which to empower employees?
- Is there trust in both leader and employee intentions and abilities to accomplish shared goals?

INVOLVEMENT QUESTIONS & CHECKLIST

- **We have an understanding of the skills and capabilities needed in our organization**
 - Job/role responsibilities are clearly outlined and capture the range of skills required, including:
 - Technical skills
 - Leadership skills
 - Team skills
 - We have an effective performance management and development process that includes:
 - Performance goals linked to team and organizational objectives
 - Performance delivered in accordance with core values and leadership principles
 - Leaders are accountable for developing talent and assuring a strong talent pipeline
 - We take a comprehensive approach to talent management that includes:
 - Training programs targeting the technical, management, and leadership skills needed
 - Participation on important projects and initiatives
 - Coaching and mentoring
- **We believe that teamwork leverages the diverse expertise of employees and helps solve complex problems in ways that outperform individuals**
 - Teamwork is rewarded and recognized
 - Team goals are aligned with the organization's goals
 - Team agreements are utilized to clarify team norms and expectations
 - Teamwork expectations are included in the performance management process
- **We empower employees within a culture of shared values and clear goals, then reduce or remove bureaucratic controls so people can commit their talent to achieving those shared goals**
 - Information about the business is widely shared
 - The vision, strategy, goals and values are clearly defined
 - Leaders clarify the decisions that employees can make or influence, and those that are beyond their range of responsibility
 - Feedback is offered and expected so that employees receive ongoing guidance on actions taken

INVOLVEMENT NOTES

Capability Development

Team Orientation

Empowerment

ADAPTABILITY

High performing organizations go beyond “responsiveness” and proactively look for new and improved ways to do work. Successes and failures are considered learning opportunities. Customer needs and expectations are understood and considered as decisions are made.

Risks

The Adaptability trait is closely linked to innovation, customer satisfaction and growth. Lower scores in this area indicate concern about the ability to serve the customer. It also suggests an environment where fear and finger-pointing is more prevalent than learning from successes and failures.

Consider the following question:

- Are we listening to and responding to changes in our operating environment?

Creating Change

Change is an important part of the way we do business. We welcome new ideas and are willing to try new approaches to doing things. Being fast and agile allows us to read the business environment, react quickly to trends, and anticipate future changes.

Consider the following questions:

- Is change typically considered an “initiative” or is it a core competency of the organization?
- Is change usually met with excitement or resistance?



Customer Focus

Understanding and anticipating customer needs. There is a passion and desire to cultivate customer relationships, seek customer input, and adjust products and services to create loyal customer relationships.

Consider the following questions:

- Do we actively and consistently solicit customer input and feedback?
- Is customer feedback widely shared?
- How is it acted upon?
- Is everyone clear about who their customers are?

Organizational Learning

The ability to engage in continuous learning is viewed as a critical business asset. Our first reaction to reasonable mistakes is not, "Who is to blame?" but rather, "What can we learn?"

Consider the following questions:

- Do we have a system to capture and disseminate important organizational learnings?
- Do people feel safe speaking openly about mistakes?
- What is management's typical reaction when failures or mistakes occur?

ADAPTABILITY QUESTIONS & CHECKLIST

■ We have a consistent process for how we implement change initiatives

- The need for changes are effectively communicated
- Planning and implementation of changes typically involve those most impacted by the change
- We provide the necessary training needed for changes to be successfully implemented
- We effectively evaluate the risk and expected benefit of changes
- We reward employees and teams that challenge the status quo

■ We have a strong commitment to understanding and serving our customers

- We have established mechanisms for engaging our customers

- Customer feedback (including successes and failures) is widely shared
- We coordinate across the organization to effectively serve our customers

■ We believe learning from our successes and failures is a critical ingredient to our success

- We conduct "lessons learned" or AARs (After Action Reviews) to capture and share learnings
- We have processes and tools for assessing and managing risk
- We focus on what we can learn vs. who is to blame when things do not go as expected
- We are actively seeking to understand what is going on in our environment and translating that learning into action

ADAPTABILITY NOTES

Creating Change

Customer Focus

Organizational Learning

CONSISTENCY

To maximize execution in the workplace, it is important to be able to work across various boundaries and eliminate silos. Problems must be resolved and agreement reached. Core Values set clear behavioral expectations.

Risks

The Consistency trait is closely linked to performance metrics such as operating efficiency, quality and employee engagement. Lower scores in this area can result in competing and redundant actions due to silo behavior. Problems are left unresolved and behaviors and actions that are counter to the Core Values are tolerated, creating skepticism or even cynicism.

Consistency in organizations is critical to creating efficient operations, producing quality products and services, and setting clear expectations for how employees and leaders will work together to accomplish common objectives.

Consider the following question:

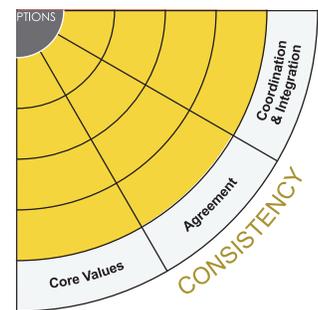
- Do our systems, processes, and behaviors drive efficiency, reliability, and results?

Coordination & Integration

Coordination & Integration refers to how different functions, locations, and units work together to achieve common goals and execute against the strategic priorities of the organization. Organizational boundaries help define work processes and accountabilities rather than serving as a barrier to getting work done. There are clear expectations for how groups serve each other's needs.

Consider the following questions:

- How easy or difficult is it to work with someone from another part of the organization?
- Is there awareness and alignment of goals across teams and levels?



- What are the key deliverables that we provide to others across the organization? What are the key deliverables that we get from others across the organization? Do we ever discuss how well we are meeting each other's needs?

Agreement

When facing issues or problems that are complex, involve high stakes, and/or require a high level of buy-in to ensure resolution and implementation, taking the time to fully understand the issue and working to reach agreement becomes critical.

Consider the following questions:

- When problems and issues arise, are we able to surface them and discuss them in a constructive manner?
- Are we "conflict averse" or do we utilize conflict to generate positive action?
- Is it a safe environment to express disagreement and different opinions?
- What are the key issues and/or problems on which we disagree—or for which we need greater alignment and consensus?

Core Values

Core values represent the "non-negotiables"—the values that are at the center of who you are and what you do. When the core values are clear and practiced, they create the context for making important decisions and help articulate your identity to both current and potential employees as well as customers.

Consider the following questions:

- What gets recognized here? What gets people in trouble?
- Do our values guide our behaviors and actions as we interact with internal colleagues and external stakeholders?
- Are there implications for consistent/inconsistent behavior?

CONSISTENCY QUESTIONS & CHECKLIST

■ We have a set of articulated core values

- They are meaningful and memorable
- They are reinforced through:
 - Leader communications (formal and informal)
 - Hiring decisions
 - New employee orientation
 - Performance reviews
 - Business decisions
 - Recognition and rewards programs
 - Stories that reinforce the values in practice

- There are consequences, both positive and negative, for behavior as it relates to the values

■ We successfully coordinate & integrate across organizational boundaries

- Goals are transparent throughout the organization
- Cross-team agreements are developed to clarify needs and expectations
- We regularly meet with groups with whom we need to coordinate to evaluate our working relationship
- Cross-functional teams are utilized to work on important projects and initiatives

■ **We effectively resolve problems and issues to reach agreement**

- We create a safe environment to engage in constructive conflict
- We develop clear agreements for how we will work together within and across teams
- We have a process for clarifying decision rights
- We communicate when a decision is made and why it was made
- When a decision is made, we commit to that decision regardless of personal opinion

■ There is agreement regarding processes used across the organization.

For example:

- Operational excellence
- Safety
- Quality
- Project management
- Performance management
- New employee orientation
- Goal setting & management

CONSISTENCY NOTES

Core Values

Agreement

Coordination & Integration

FOR MORE INFORMATION

United States

121 W. Washington Street
 Suite 201
 Ann Arbor, MI, 48104
 Phone: +1 (734) 302 4002

Europe

Freiestrasse 7
 CH-8570 Weinfelden
 Switzerland
 Phone: +41 71 552 0571

United Kingdom

36 Coquet Terrace
 Newcastle upon Tyne
 Heaton, NE65LE England, UK
 Phone: +44 7961 974 568