



OVERVIEW

PATHWAYS TO PERFORMANCE

MOVING YOUR DENISON CULTURE DATA FROM DIAGNOSIS TO ACTION

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STRATEGIC ALIGNMENT



MERGER & ACQUISITION



TRANSFORMATION & TURNAROUND



TALENT MANAGEMENT

About Pathways

Pathways to Performance is designed to accompany the Denison Culture Survey. Together these tools provide a powerful approach to identify your organization's cultural strengths and weaknesses; target areas for change which will drive your desired business results; and implement specific actions which will improve those areas of your culture that stand between where you are and the business performance you want—at all levels of your enterprise.

As a note of caution, Pathways is not intended to be a "recipe" for improving your organization's functioning. After all, we have learned that the best solutions for your company's challenges often lie within the hearts and minds of your people—not necessarily in a document produced by a consulting firm. The objective is to create a culture that brings out the ideas and creativity of your people, generating solutions at all levels of the company that target your unique challenges and goals.

However, we recognize that it is often helpful to learn what other organizations are doing to improve cultural performance—and to gain insight from the roads they have traveled. Pathways provides ideas and possible solutions for change that have worked effectively in companies of all sizes, sectors and industries. In many ways, Pathways offers baseline suggestions to help you "move the needle" in your Denison Culture Survey scores and to begin designing the culture that's most effective, given your business challenges.

Don't stop here, however, and don't expect the Pathways to work like a magic wand. If there is anything we have learned through years of organizational failures and successes, it is that your people must be deeply involved in the change process and must be allowed to actively participate in generating ideas for change, which will go far above and beyond the actions suggested here.

How to Use Pathways

After implementing the Denison Culture Survey in your organization, you will receive a data feedback report that delineates specific cultural strengths and weaknesses in the areas of Mission, Involvement, Adaptability and Consistency. Remember, the strengths are just as important as the weaknesses—with a goal of better using your strengths as a resource to your company and addressing specific weaknesses that stand in the way of the performance you desire.

Pathways to Performance should be used to generate ideas for action to improve the specific areas of cultural weakness that, if improved, would drive the performance and results your company has defined for itself. Remember, this is a distinctive feature of the Denison Culture Model—it links culture and performance in such a way that you can precisely target the weaknesses that are most significant for where you are trying to go as a company. (For instance, do you need to improve profitability? Denison tells you where to focus. Do you want to increase quality, innovation, or employee satisfaction? Or how about market share or sales growth? Or do you want to implement actions for improvement that affect the broadest number of performance categories? Denison tells you which cultural traits to target for change.)

Again, Pathways is not a recipe. It is intended to be used within the context of dialogue and analysis with the people implementing the change and responsible for results. Thus, if you are looking for change at a departmental level, put Pathways in the hands of a representative departmental group and let them start making decisions about how to improve the culture scores within the important weak areas. If you are looking for change at an organization-wide level, make decisions at an executive level about high priority change actions—then let departments and teams make additional decisions for change which will improve their individual environments.

Again, ownership, input and participation are keys to successful change avenues.

Part I: UNDERLYING BELIEFS, ASSUMPTIONS & IDENTITY

The Foundation for Culture Change

In the center of the Denison circumplex, you will find the words "Beliefs and Assumptions." While these concepts seem "soft," esoteric, intangible, and at times scary, they have critical importance within an organization. They drive the behaviors that are manifested as an organization's "culture" and are powerful leverage points for either resistance to or accelerators of desired culture change. Part I of Pathways to Performance offers an overview of this potent (and sometimes intimidating) arena within organizations—and offers insights into how beliefs and assumptions (and identity) at the organization, functional and individual levels, if misunderstood and/or left unaddressed, will stand in the way of the best designed training and intervention plans.

As leaders and change agents within an organization, we would oftentimes like to avoid these notions—believing that "this time the training alone will create the results we want." After billions of dollars spent on training and change initiatives in corporate America over the last fifteen years, we are finally starting to understand a critical message. It's this "soft" stuff that is really the "hard" stuff and has the greatest leverage for creating the change we want.

Part II: PATHWAYS TO PERFORMANCE

The Denison Culture Traits & Factors

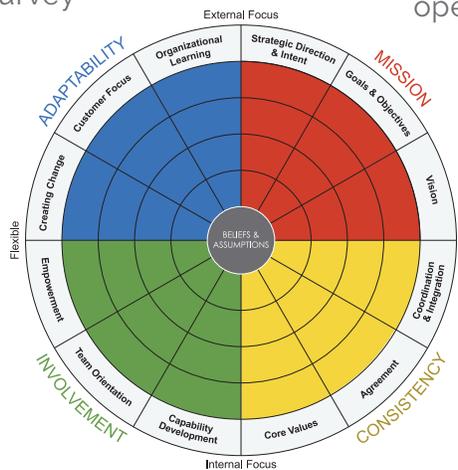
Part II of Pathways to Performance is broken down by the four Denison Culture Traits (Mission, Involvement, Adaptability and Consistency) and twelve measured Culture Factors. These offer ideas and insights for "moving the needle" within each of the twelve Culture Factors—and represent some of the

most effective approaches known today to bring out the best your organization has to offer and to achieve the results you want.

PART I: UNDERLYING BELIEFS, ASSUMPTIONS, & IDENTITY

The Foundation for Culture Change

In the center of the Denison circumplex, you will find the words "Assumptions and Beliefs." Although the Denison Culture Survey measures the behaviors within the organization that create the organization's culture, these behaviors are driven by a distinct set of assumptions and beliefs held by the leaders of the organization, and/or engrained in the organization's identity and expectations about what is acceptable and important in daily operations and interactions.



The center of the circumplex, comprised by assumptions and beliefs as well as identity, represents the foundation for accelerated culture change and the highest leverage place to create change within an organization. While many organizations implement change programs, processes or trainings, most fail to consider and intervene on the level of beliefs, assumptions and identity tied to (and potentially opposing) the given initiative.

Examples:

- A leader fundamentally believes that "good leadership" is about controlling and managing her people, and "keeping them in line." These beliefs drive a very different set of leadership behaviors than her colleague who believes good leadership is about bringing out the very best that her people have to offer and helping them thrive within their jobs. Until the first leader addresses her beliefs about

good leadership, her courses and trainings in empowerment and participation will have very little effect in improving her leadership skills.

- A telecommunications company decides to transition its operator cadre from "operators" into "customer service agents." They put each operator through two years of customer service and self-directed team training. While there is a slight change in the operators' behavior for a period of time, ultimately the operators return to thinking about and implementing their work through an "operator" mindset (reactive, process oriented, volume-based.) Why? Their identity remained as "operators"—not as "customer service agents." Until their identity transitions to that of "customer service agent" and they see themselves as fundamentally different professionals (with different self expectations), customer service and self-directed training will have very little impact.

- An executive team designs a new set of values for the organization—believing values-based behavior will serve higher performance and a healthier workplace. They assume that the way to create a values-driven organization is to disseminate information about these values broadly and deeply—at all corporate levels and functions. Coffee cups are produced emblazoned with the values—as are magnets, posters, newsletter articles and broadcast emails. However, until individuals in the company are given the opportunity to consider the implications of these values at a behavioral level, actively examine the way these values are (or are not) manifested in their relationships, and are held accountable for displaying these values, a values-driven organization will not develop.

It is through intervention at the level of beliefs, assumptions, and identity (who we are as an organization and as individuals), as well as Pathways to Performance (what we do as an organization and as individuals), that accelerated, high impact results are achieved. The following provides an overview of a few high leverage beliefs and assumptions that can provide the basis for high performance in an organization—and serve as a foundation for any change initiative to take hold. These elements address the “state of being” of individuals within the organization and are becoming increasingly important within organizations as they face even more rapid and complex change, higher customer demands, increased competition, increased need to innovate, etc. When a “seed-bed” of such assumptions and beliefs are instilled within individuals at all levels of an organization, the implementation of Pathways (or any other change initiative) becomes merely a task—and change quickly occurs.

The following provide some examples of specific beliefs, assumptions, and components of identity that support desired behaviors and leadership development training.

DESIRED BEHAVIOR: **SELF-LEADERSHIP**

To effectively develop self-leadership skills, a foundation of the following beliefs, assumptions and identity should be developed first and/or simultaneously:

- PERSONAL CHOICE
- PERSONAL RESPONSIBILITY
- SELF-AWARENESS
- PERSONAL POWER
- UNCONDITIONAL LEADERSHIP
- CONFRONTING VICTIM MINDSETS

DESIRED BEHAVIOR: **EFFECTIVE RELATIONSHIPS**

To effectively develop relationship skills, a foundation of the following beliefs, assumptions and identity should be developed first and/or simultaneously:

- TRUST
- WIN-WIN APPROACH
- CREATING PARTNERSHIPS
- TRUTH-TELLING
- SELF-EXPRESSION
- COMPASSION
- CANDID DIALOGUE

DESIRED BEHAVIOR: **RESULTS FOCUS**

To effectively develop results focus, a foundation of the following beliefs, assumptions and identity should be developed first and/or simultaneously:

- URGENCY
- CONFRONTING FEARS
- COURAGE
- CONVICTION
- COMMITMENT
- RIGOR
- INTENTION VS. MECHANISM

DESIRED BEHAVIOR: **INNOVATION**

To effectively develop innovation skills, a foundation of the following beliefs, assumptions and identity should be developed first and/or simultaneously:

- POSSIBILITY THINKING
- REFRAMING OBSTACLES & FAILURES
- EMBRACING PARADOX

DESIRED BEHAVIOR:
RECEIVING FEEDBACK

To effectively develop feedback skills, a foundation of the following beliefs, assumptions and identity should be developed first and/or simultaneously:

- CHECKING ASSUMPTIONS/PERSPECTIVES
- MIRRORING
- RESULTS VS. REASONS
- IMPLICATIONS MANAGEMENT
- DEFINING BOUNDARIES

NOTE TO USER:

How is your organization's "state of being"? Are the beliefs, assumptions and identity of your organization and the people within it healthy, productive and in alignment with the changes you are trying to instill? Be mindful, as you move through the Pathways to Performance, how your organization's beliefs, assumptions and identity are supporting desired changes, or conversely, how they are standing in the way. The arena of beliefs, assumptions and identity is sometimes a sticky and scary place to go—but this arena also provides a powerful basis

(and sometimes the only basis) upon which to implement a change initiative.

In summary, talking about goal attainment, without allowing individuals to create a deep personal commitment to the results of the organization, is empty dialogue. Expecting individuals to become more motivated and empowered without allowing them to see how their individual choices impact their everyday experiences and how their role serves the larger organizational results will be hollow. Requiring new levels of innovation without giving people the chance to see how they let perceived obstacles and barriers create the "box" in which they perform will simply not work. Demanding more effective relationships without supporting people in the discovery of win-win approaches to working together will go nowhere...and so on. You get the picture.

Proceed through the following pages, keeping in mind the fundamentals of beliefs, assumptions, and identity, recognizing that the best laid "pathways" will go only so far without addressing the underlying issues that support or hinder performance.

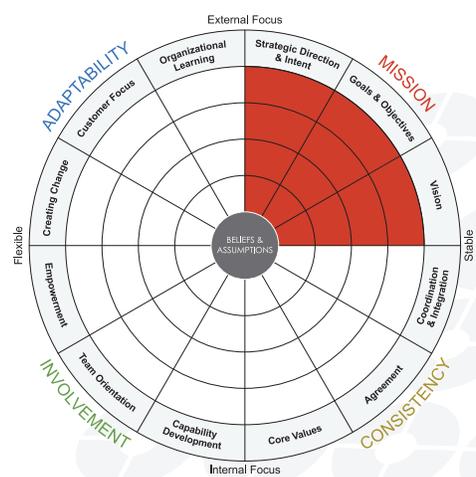
PART II: PATHWAYS TO PERFORMANCE

The Denison Culture Traits and Factors

MISSION TRAIT

Creating a meaningful, long-term direction for the organization—with supportive strategies and goals embraced by all levels of the organization.

Organizations that have low Mission scores often have top executives who focus on controlling their organizations, second-guessing their direct reports, and making detailed decisions about products, people, and resources. These companies are typically busy reacting to competitors, who have redefined the rules of the game and changed the nature of competition.



Organizational goals often lack meaning to employees and/or are not driven down to the team and individual levels, with no line of sight between individual roles and desired organizational results. The long-term purpose of the organization often lacks inspiration to the various levels and functions (Denison & Neale, 1996).

MEASURED CULTURE FACTOR: VISION

The organization has a shared view of a desired future state. The Vision (purpose and mission) of the organization captures the hearts and minds of the organization's people, while providing guidance and direction on both strategic and goal-oriented levels.

Pathways:

- The top team creates a clear vision (purpose and mission) around which the organization can coalesce and move forward. Through an iterative process, each is moved down through organization to department, team and individual levels. Input, alignment, and ownership are sought through the rollout process.
 - Mechanisms are implemented for ongoing, two-way communication between all stakeholders (e-mail; intranet; web-site; surveys; focus groups, etc.) for assessment, input, and evaluation of the organization's direction and progress in manifesting its vision (purpose and mission).
 - A precise and behavior-oriented language is created and shared among all functions and levels to facilitate communication concerning the vision (purpose and mission).
 - Initiatives at all levels are assessed relative to their contribution to achieving the organization's vision (purpose and mission).
- Each team and individual is given the opportunity to examine and reconcile their personal and professional vision (purpose and mission) in relation to the organization at large. Gaps are identified; synergies and diversities are built upon.
 - Support each level, function and team in creating vivid descriptions of future states as seen through the eyes of all stakeholders and levels (i.e., defining and describing what it will look like, feel like, and sound like when the organization is fully attaining its vision (purpose and mission).
 - Skills are developed in individuals at all levels to establish priorities and agreement processes that will drive the organizational vision (purpose and mission).
 - Every individual in the organization is given the opportunity to consider the implications of the organization's vision (purpose and mission), and has a clear understanding of how their role or function ties to that vision.
 - A philosophy is developed and instilled in the organization that long and short-term interests can be reconciled. Concentrating on the long term does not mean neglecting the short term. Finding ways to serve both at the same time becomes second nature.
 - You will know you have succeeded when people in a dilemma, at all levels of the organization, make decisions that are in keeping with the defined corporate vision.

MEASURED CULTURE FACTOR: GOALS & OBJECTIVES

A clear set of goals and objectives can be linked to the vision (purpose and mission) and strategy of the organization and provide everyone with a clear direction in their work. All individuals in the organization have "line of sight" from their role/function to the overall goals and objectives of the organization.

Pathways:

- Starting at the top, specific goals and measures—both immediate and long-term—are created to support the organization's vision (purpose and mission). Through an iterative process, goals and measures are moved down through organization to each department, team, and individual. Input, alignment, and ownership are created through rollout process.
- Everyone in the organization, from the boardroom to the mailroom, defines their own goals in terms of overall purpose, mission, strategy and values of the organization.
- Mechanisms (e-mail; intranet; web-site; surveys; focus groups, etc.) and protocol (how, when, and through which avenues to communicate) are implemented for ongoing, two-way communication between all stakeholders for assessment, input, and evaluation of goals and measures attainment. This facilitates goal alignment between groups, creates opportunities for synergies, and allows for timely self-correction when goals are being missed.
- Assess goal attainment—both end-state and process—regularly at department, team and individual levels. Define and address barriers to goal attainment. For example, dig deep into the real cause of failure to reach goals. Is it inadequate skills? Inadequate time? Poor communication of expectations among team members? Lack of resources? Improper access? Ineffective relationships? Or simply a lack of commitment?
- Individuals at all levels participate in creation of rewards for organization-wide, team-wide, and individual goal attainment. (Often, executives come up with reward systems that are highly unmotivating to individuals throughout the organization—just ask the motivat-ees!)

- Appraise individual performance based on precise attainment of individual and team goals (in addition to personal/professional development and living the values).
- Support skill development in the area of goal prioritization and work plan design at all levels.
- You will know you have succeeded when the top executives and shop floor workers can talk about their joint progress toward the same goals.

**MEASURED CULTURE FACTOR:
STRATEGIC DIRECTION & INTENT**

Clear strategies provide guidance and the means through which the organization's vision (purpose and mission) and goals will be attained. Strategic direction and intent outline the organization's plan to "make its mark" in its industry and achieve success. Clear strategic intentions convey the organization's purpose and make it clear how all functions and levels can contribute.

Pathways:

- Prior to specific creation of the organization's vision (purpose and mission), the top team explores options and opportunities for strategic direction.
- After creation of organization-wide vision, goals and criteria for success (measures), definition of precise strategies for goal attainment takes place at each level.
- The process of strategic thinking and problem solving is implemented at all levels on a regular basis to ensure strategically aligned activity at all levels.
- Mechanisms are created and skills developed at all levels for constantly scanning the environment for messages and feedback concerning the organization's direction, and to monitor organizational direction against marketplace threats/opportunities.

- Leading market indicators are identified and tracked on an ongoing basis.
- Notions of reality, assumptions, and beliefs about direction, alignment and sustainability are regularly tested at all levels.
- "Discontinuous improvement" is implemented to make the organization's own processes obsolete before the competition does.
- Emphasis and attention are placed on changing the rules of competition in the industry. This way, the competition is forced to follow your lead and react to your moves. Of course, this requires almost obsessive focus on competitors outside the organization and continuous rethinking of how your organization creates value.

INVOLVEMENT TRAIT

Building human capability, ownership, and responsibility—and creating an environment where high performance can be unleashed to the individual level.

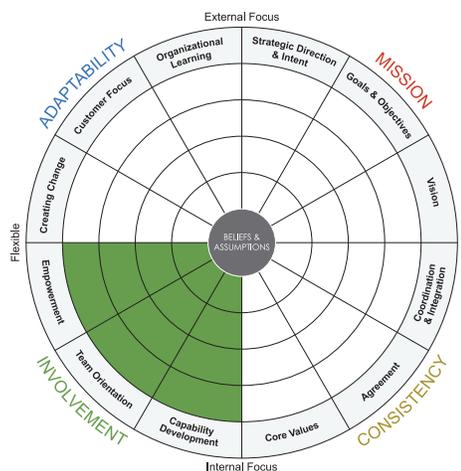
Low Involvement scores often signal an organization in which people are disconnected from their work, unaware of its importance and its connection to the rest of the organization, unwilling to accept greater responsibility, and hesitant about working with people outside of their immediate circle. Many times, low involvement organizations have classic "hub and spoke" control hierarchies in which people are very dependent on their boss and very concerned about following the orders that come down the hierarchy (Denison & Neale, 1996).

MEASURED CULTURE FACTOR: EMPOWERMENT

Individuals have the authority, initiative, and ability to develop and manage their own work. This helps create a sense of ownership and responsibility toward the organization, and self-leadership in service of organizational goals.

Pathways:

- The purpose, mission, strategies, goals, measures, and values are actively driven from the top executive level to the front lines through an iterative, two-way participatory process.



- Each individual within the organization is supported in considering the personal and professional implications of the organization's purpose, mission, strategies, etc.
- Each individual, from top to front lines, participates in a development process concerning personal choice, personal responsibility, and personal accountability relative to the organization's defined purpose, mission, goals, etc. These personal effectiveness concepts are woven into all initiatives and actions pursued by departments, teams, and individuals.

- The barriers keeping individuals from achieving their goals are continually assessed and addressed. For example, dig deep into the real cause of failure to reach goals. Is it inadequate skills? Inadequate time? Poor communication of expectations among team members? Lack of resources? Improper access? Ineffective relationships? Ineffective belief systems? Or simply a lack of commitment?
- Each individual participates in (or leads) development of their role, goals, measures, rewards, and actions for both attainment and non-attainment of goals.
- Each individual fully participates in their performance rating process—based on goal attainment, personal/professional development, and “living the values.”
- Each individual is held accountable for self/role management through RACI process (see below), role measures, and a comprehensive/interactive performance rating process.
- Rewards and recognition are given for risk taking, experimentation, creativity, full participation and effort in service of desired individual and organizational goals.
- Communication pathways (intranet, web-site, etc.) provide timely information to individuals in direct customer service roles (to support employees in immediate problem solving).
- Decisions are driven to the lowest possible level—to those most directly associated with the given situation or to those with the most pertinent information.
- Open-book management processes are implemented to give all employees the greatest possible understanding of the corporate context, corporate successes and challenges, and to promote individual feelings of “ownership” in the process.
- Individuals at all levels participate in prioritization training to develop skills in focusing daily efforts on mission and goal-critical avenues.
- Create RACI charting for departments and teams (responsibility, accountability, consulting, information) to ensure issue/situation appropriate involvement.
- Question instances in which information will only be distributed on a “need-to-know” basis. You will know you have succeeded when hallway conversation is about the stock price rather than the baseball scores.
- It is recognized that important contributions must come from those who are closest to the work and the customer. You will know that you have succeeded when people do not hesitate to cross two to three levels of the organization to contribute to a decision.
- You will also know you have succeeded when people in a dilemma, at all levels of the organization, make decisions that are in keeping with the defined corporate vision, strategies, goals and values.

MEASURED CULTURE FACTOR: TEAM ORIENTATION

No longer can a single individual hold all the skills, experience and perspectives necessary to solve most complex problems and challenges facing organizations today. A team orientation brings together the diversity and breadth of attributes necessary for both timely and effective action.

Pathways:

- The organization is built around teams, not individuals.
- Organizational vision (purpose and mission) strategies, goals, measures and values are driven to the team level. Teams then define the implications of these for their group, and

members create shared understanding of how team roles and goals fit with direction of organization.

- Team assessment is conducted for goal-appropriate skills and experience, and for understanding of team direction. Deficit areas are articulated and addressed through team action plans and skill development/acquisition.
- Personal style indexes/instruments are utilized to create understanding among team members concerning preferences and approaches to work, and to leverage personality styles for performance.
- Teams define both rewards (individual and team level) for goal achievement and action pathways when goals are not achieved.
- Teams clearly define all stakeholders and develop avenues for ongoing two-way communication with them.
- Assess and develop team effectiveness through skills in decision-making, conflict resolution, problem solving, prioritization, direction communication, and strategic planning.
- Clear roles, responsibilities, and accountabilities are developed for each team member (RACI charting process—responsibility; accountability; consultation; information).
- Each team implements brown paper processes to chart out effective action plans. Through sharing these brown papers with other teams, resources, learning, successes, processes and competencies become available across the organization.
- Assess and address specific barriers keeping teams from achieving goals: Skills? Resources? Communication?

Clarity of roles? Rewards? Access? Time? Belief systems? Relationships?

- Communication pathways (cross organization "team days"; intranet; resource center) and protocol (how, when and through what mechanism) are created to link team efforts and achievements to organizational efforts and achievements—to prevent redundancy, share learning and create synergies.
- Rewards are given to teams for shared leadership, full participation, creativity, innovation and sharing of learning with organization.
- Each team develops performance criteria, measures and avenues for individual and group performance improvement.
- You will know you have succeeded when people stop complaining about team meetings and see teams as the best way for them to get their work done.

MEASURED CULTURE FACTOR: ORGANIZATIONAL CAPABILITY

The organization continually invests in the development of employees' skills in order to stay competitive to meet ongoing business needs and to support effective empowerment at all levels.

Pathways:

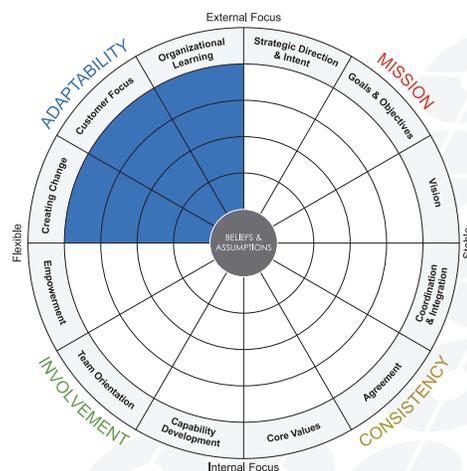
- Mechanisms are created for shared knowledge and learning (intranet; resource center; book groups; learning fairs; brown paper processes; internal champions of issue areas; internal experts offer training programs, etc.) across teams and the organization at large.
- A central internal resource base is created from which skills, competencies and experience can be drawn and synergies created.

- A 360-leadership assessment and personal/professional development process is implemented for all individuals at all levels—with each participant creating short- and long-term development goals, timelines, action plans, measures and future target scores. Strengths are identified for leverage; weaknesses targeted for development.
- Each individual is given a development budget to implement in service of the above mentioned development plan.
- Ongoing skill development is implemented at all levels in the areas of decision-making, creativity, strategic thinking, prioritization, conflict resolution, and relationship assessment.
- Areas for development are assessed and targeted relative to present and future needs, and from a competitive perspective, at both organization and personal levels.
- A mentoring program is implemented organization-wide, pairing individuals with given strengths with those of corresponding weaknesses and interests.
- Group problem-solving sessions are organized for development of strategic thinking, communication, and solution generation.
- Individuals, teams and departments are rewarded for sharing knowledge and learning.
- Benchmarks are created between departments and teams to serve as targets and sources for learning.
- A key requirement within a manager's appraisal is how many people the manager has prepared for promotion. Managers are rewarded based on how well they develop their own people—as well as how effective their unit or team is in reaching their goals.
- You will know you have succeeded when you stop worrying about your organization's bench strength and start worrying about how many of your people are being recruited by other firms because they have learned so much working within your organization.

ADAPTABILITY TRAIT

Translating the demands of the business environment into action.

Organizations with low Adaptability scores often have an inward focus and have difficulty responding to customers, competitors, and employees with new ideas. Low Adaptability organizations often run on inertia, and their past achievements can create barriers for future success. Managers spend a large amount of time and effort responding to departures from standard operating procedures. Many times, top executives in these organizations are focused on controlling the organization and managing short-term performance, rather than leading change or long-term thinking (Denison & Neale, 1996).



MEASURED CULTURE FACTOR: CREATING CHANGE

The organization is able to create adaptive ways to meet a changing environment and customer demands. It is able to read the business horizon, quickly react to current trends, and anticipate changes.

Pathways:

- Shared understanding is created at all levels concerning why change is necessary—based on assessment, changes in the business environment and input concerning gaps between where the organization is and where it hopes to be short- and long-term (Where are we now? Where do we want to go? What holds us back?).
- Solicit and create shared understanding concerning the need for and direction for change through communication mechanisms with all stakeholder groups.
- Implement an iterative process of change expectations and change implications as applied to every individual in the organization.
- Each individual—from executive level to front lines—participates in a development process concerning personal choice, personal responsibility, personal accountability and results focus. These personal effectiveness and change management concepts are woven into all initiatives and actions pursued by departments, teams and individuals.
- Trainings are implemented at all levels, which prepare individuals for ongoing change processes (i.e. uninformed optimism, uninformed pessimism, informed pessimism, informed optimism model; seven stages of grief model; transitions model; etc.) and to manage change effectively in their own lives.
- Open brainstorming sessions and group problem-solving sessions are implemented frequently, both within functions and cross functionally, to generate new approaches to change.
- Rewards are given for risk-taking, creative solutions, and experimentation to create change in service of business results.
- Individuals at all levels are trained in creative thinking techniques, as well as systems thinking, critical thinking, and problem-solving skills.
- Group Future Pacing sessions are implemented at all levels to expand notions of the possible and to generate understanding of the multiple scenarios the organization might face going forward.
- Communication avenues (and protocol) are implemented, which break down information boundaries and barriers between individuals, teams, departments, and all external stakeholders (electronic means as mentioned above, town meetings, surveys, cross-functional teams, etc.) This supports comprehensive and diverse approaches to change.
- Issues creating resistance to change are openly explored and addressed at all levels of the organization (i.e. bringing fears, concerns and disputes to dialogue, ownership, and action.)
- Internal champions of change processes are designated—with champions given responsibility and latitude to assess and implement processes as needed, and to act as the "point person" in moving the change initiative forward.
- Change leaders are developed by putting individuals at all levels in roles of champion of portions of change processes (learning, quality, personal effectiveness, etc.)

- Shared understanding is created at all levels concerning the difference between activity" and "value-added action," and "change for change sake" vs. "change in service of desired results."
- You will know you have succeeded when your old organization's "antibodies" stop trying to reject new ideas, new people, and new ways of doing business.

MEASURED CULTURE FACTOR: CUSTOMER FOCUS

The organization understands and reacts to their customer, and anticipates their future needs. It reflects the degree to which the organization is driven by a concern to satisfy their customer.

Pathways:

- Avenues are implemented for two-way ongoing communication with customers, both internal and external to organization (customer champions; focus groups; web site; hot lines; surveys; inclusion on product development/problem solving teams, etc).
- Through above noted mechanisms, regularly check assumptions and beliefs about what customers—internal and external to organization—expect, dislike, need, etc.
- Recognize and broadly discuss the difference between customer "satisfaction" and customer "delight"—allowing all individuals in the organization to consider the implications of this rapidly rising standard of customer service.
- Input is specifically and proactively sought from past customers: Why did they leave? Where did they go? What would it take to win them back?
- Input is proactively sought from new customers: Why did they choose you? What were other choices? What will it take to retain them?
- Look for patterns and themes in negative customer behavior, and identify the initial signs that a customer is not satisfied. These patterns, themes and signs will often give you an indication of what lies beneath what the customer is telling you directly.
- Partner with customers concerning product design, process design, decision-making, and problem-solving approaches.
- Recognize and reward successful customer partners for their contributions to your organization's learning.
- Create internal customer care groups at all levels of the organization to share cross-functionally and laterally what is known about customer groups, expectations, learning, and solutions.
- Clear and precise customer service measures are created at every level of the organization.
- Cross-functional teams are created to solve problems from the customer's perspective.
- Employees are given the skills, resources, authority, access and rewards for solving customer problems proactively and immediately.
- Avenues are created for continuous learning about competitors' customer solutions—what they are doing and how they are doing it.

MEASURED CULTURE FACTOR: ORGANIZATIONAL LEARNING

The organization receives, translates, and interprets signals from the environment into opportunities for encouraging innovation, gaining knowledge, and developing capabilities.

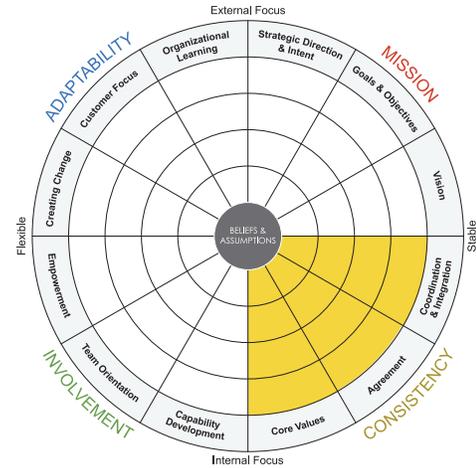
Pathways:

- An organizational baseline and benchmarks are created to address competency/learning needs and to provide direction for learning at all levels for individual/team development.
- Each individual participates in a 360-development process to identify areas of potential learning and to create personal/professional learning and development plan.
- Each individual is given a learning/development budget.
- Individual performance is appraised and rewards issued based on personal/professional development, goal achievement and living the values—as well as sharing of knowledge and learning throughout organization and interfacing with external sources.
- Formal recognition is given and public attention drawn to creativity, experimentation, and appropriate risk-taking in service of individual, team and organizational goals.
- Organizational learning and knowledge sharing systems are implemented to serve the full organization (mentoring system; book groups; internally implemented training/skills programs; conference outcomes sharing; internal competencies resource base; resource center; intranet, etc.).
- Avenues are created for ongoing exposure to and internal sharing of industry standards, best practices, industry-wide learning, customer expectations, etc. (networking between all levels of the organization and external sources; attending conferences; mandatory reading of industry journals, etc.).
- Individuals at all levels are cross-trained in both functional and level responsibilities (for cross-functional contribution as well as leadership development).
- Baselines and benchmarks are created for the organization, teams, and individuals based on best practices and industry standards.
- Shared learning processes are implemented to directly target failures. Failure is publicly recognized as one of your most potent sources of learning.
- Examine both human value chains and process value chains to assess and improve efficiencies and effectiveness at all levels.
- The organization is designed around small profit centers. This forces everyone to respond to market forces, and allows the nimble and the creative the chance to produce results. The leaders of successful profit centers are rewarded for becoming teachers within the organization and showing less successful centers how they did it.
- Time is managed as if it were the most important resource. Compressing time and learning to respond quickly forces adaptability. Managing time rather than costs often requires that you focus on creating value for the customers and nothing else.
- Outsiders are hired for a few key roles in your organization. Outsiders bring new ideas in a way that insiders never can. The integration of these outsiders is managed so that a "new culture – old culture" conflict does not erupt.
- Organizations that learn invest time in face-to-face discussion dedicated to sharing, integrating and defining best practices. Those that do not make these investments often argue that they cannot afford the time it takes to learn from each other.
- You will know you have succeeded when the costs associated with a two-day offsite meeting for a product development team are viewed as a "rounding error" on the overall investment in such a project.

CONSISTENCY TRAIT

Defining the systems, processes and values that are the basis of an effective culture.

Organizations that have low Consistency scores typically complain about "things falling through the cracks" and have a difficult time working cross-functionally in service of common goals. They struggle to come to agreement on issues of conflict and often complain that it doesn't seem like "we are singing from the same hymnbook." One low Consistency organization referred to itself as a "loose federation of warring tribes." Customers often get frustrated with low Consistency companies because no one seems to be able to speak for the larger organization and oftentimes service levels are dependent upon the individual service agent and can vary from interaction to interaction.



While there is plainly no one "right" set of values, excellent organizations use a strong set of values as a guide for behavior and a framework for achieving results in a rapidly changing world. Clearly, there is no time to monitor compliance with rules and regulations as the speed of work increases and as the workforce and customer base become dispersed. It is only through deep commitment on the part of all employees to a shared set of values that behavior can move past activity and on to action in teams, departments and the organization at large.

MEASURED CULTURE FACTOR: CORE VALUES

Members of the organization share a set of values, which creates a sense of identity, a clear set of expectations, and consistent guidelines for appropriate behavior.

Pathways:

- The executive level defines a core set of values for the organization—values that will drive the company's unique business results and provide guidelines for desired behaviors at all levels.
- After defining the core set of values, the executive level creates precise behavioral descriptions of each value—and, through an iterative process, the values are further defined and elaborated upon at every level.
- Each level, department, team, and individual defines "ins" and "outs" of "living the values"—resulting in clarity as to when the values are being adhered to and when they are not.
- "Living the values" is incorporated into the performance appraisal system—along with goal attainment and personal/professional development.
- Each level, department, and team defines rewards and consequences for not living the values.

- With input of stakeholder groups, vivid descriptions are created of "living the values" as seen through the eyes of customers, shareholders, suppliers, and the community. Verify and validate these standards with each stakeholder group for creation of short- and long-term values benchmarks for the organization and departments.
 - Choose vendors and suppliers based on their values orientation. Make this decision public within and outside the organization.
 - The values are understood and built upon, not as an end in themselves, but as a means for achieving defined organizational, department, team and individual purpose, mission and goals.
 - Recognition and the public spotlight are placed on activities and people that exemplify the core values.
 - Through a Welch Grid process, emphasis is placed on both job competency and values alignment.
 - Re-assess periodically the degree to which values are being lived at individual, team, department, and organizational levels. Define and address the barriers to living the values (i.e., improper definition; lack of clarity of the values; lack of modeling from the top of the organization; lack of vivid translation to the personal level; inadequate appraisal processes; inadequate rewards and/or disciplinary actions; etc.).
 - Individuals participate in (or lead) their performance measurement process which includes the design of goals; evaluation of goal attainment; development; and living the values—and create future steps for better performance in all areas.
- Values are included as key criteria in recruitment selection, hiring, performance appraisal, promotion, and rewards.
 - You will know you have succeeded when employees stop carrying their plastic laminated "values" cards around in their shirt pockets, and start carrying them around in their heads.
 - You will also know you have succeeded when employees can make the right decision on their own by simply comparing the demands of the situation with the key values of the organization.

MEASURED CULTURE FACTOR: AGREEMENT

The organization is able to reach agreement on critical issues. This includes both the underlying level of agreement and the ability to reconcile differences when they occur.

Pathways:

- Broad avenues for information gathering and dissemination (two-way communication) are created for interaction between and among all stakeholder groups (e-mail; intranet; website; focus groups; surveys; group problem solving; scenario workouts; team days, etc.).
- Training/skill building is implemented with teams and individuals in the areas of conflict resolution, critical thinking, effective decision-making and structured decision-making processes, effective meeting implementation, targeted problem solving, etc.
- Each individual—from top to front lines—participates in training/development concerning point of reference (self vs. relationship or result) in agreement seeking and techniques in shifting/expanding perspective from self to others. These personal effectiveness concepts are woven into all agreement seeking processes.

- Groups/teams are trained to prevent groupthink through designated roles: independent questioner, group facilitator, speaker of the unspoken, group observer, stand-in for outside viewpoints.
- Individuals are trained to use purpose, mission, values and goals of the organization/department as standards for quality of decisions.
- Interpersonal style assessment and indexes are implemented for utilization, understanding, and creating synergy between diverse personalities, viewpoints, and work styles.
- Team agreement/alignment/commitment processes are implemented around major team decisions.
- Individuals/teams are rewarded and recognized for speaking up, presenting questions and participating.
- Assess, identify, and address barriers, which prevent individuals from speaking up and candidly participating.
- Individuals and teams are trained to move discussions to the highest levels of agreement before moving into controversial details.
- Check-in processes are regularly implemented with individuals at all levels to monitor resistance and doubt masked as agreement.
- Common language is created throughout the organization concerning issues, meanings, expectations, direction, and challenges.

MEASURED CULTURE FACTOR: COORDINATION & INTEGRATION

Different functions and units of the organization are able to work together effectively and efficiently to achieve common goals. Organizational boundaries do not interfere with getting work done.

Pathways:

- Through a structured and participatory process from executive level to front lines of the organization, purpose, mission, goals, strategies, measures and values are aligned. Reassess for alignment annually.
- Mechanisms are created for cross-boundary information sharing and input for individuals, teams, and departments (e-mail; internet; intranet; web-site; surveys; focus groups; team days, etc.).
- The above listed avenues are utilized to ensure that ongoing goals and projects are not in direct conflict, to leverage resources, to carry forward past learning, and to synergize efforts across the organization.
- A protocol is created which checks assumptions and the basis for decision making against external information (individual level; team level; department level, organizational level).
- Cross-functional brown paper processes are implemented for incorporating diverse and sometimes conflicting process needs and expectations.
- Assess, identify, and address sources of coordination/integration barriers at individual, team, and department levels: Inadequate mechanisms? Mis-aligned intentions? Process conflicts? Misdirected rewards? Inadequate time? Lack of access? Improper skills? Or simply a lack of commitment to working effectively across functions and roles?

- Individuals and teams are held accountable for creating mechanisms for coordination, shared learning and synergy of skills.
- An Open Book Management process is implemented to allow individuals increased understanding of organizational constraints and opportunities.
- Individuals are trained at all levels of the organizations in systems thinking skills—for use in problem-solving, coordination within/between groups, goal setting, troubleshooting, etc.
- Each individual, team, and department conducts a network analysis of essential relationship and communication avenues to support specific goals.
- RACI charting (responsible; accountable; consult; inform) is implemented at individual, team, and department levels to ensure issue/situation appropriate involvement.
- You will know you have succeeded when your people throughout your organization focus on common business interests and goals, rather than on their organizational boundaries.

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