

The StraightTalk Coach

Insights for Leading From Strength

Change the Rules!

Part 1

By Cathy A. Higgins & David J. Kreischer

Good business leaders understand that successfully executing a significant new strategy requires extensive planning, market research, product development, financial analysis and much more. Yet most overlook analyzing how an organization's leadership team and culture will affect the strategy, and simply assume they will automatically fall in line.

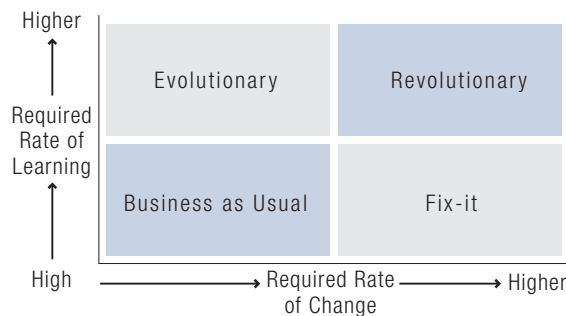
This is unfortunate, because culture and leadership are either a strategy's most significant accelerator - or most significant obstacle. A strategy cannot succeed unless the culture and leadership are aligned with it. If you are having difficulty moving your organization toward a new strategy, perhaps it is time to change the rules - implicit and explicit - that govern your culture and leadership teams.

"Is there a mismatch between your strategy and your culture? If so, it is time to change the rules."

This issue of The StraightTalk Coach focuses on understanding your organization's cultural rules; the next will address leadership.

What Is Your Strategic Intent?

Alignment starts by identifying your broader goal or "strategic intent." One shortcut for assessing strategic intent is outlined below:



Business As Usual. These organizations strive to provide a clearly defined, low-cost, high-quality product to a known customer base. The speed of learning and change are relatively slow - until external changes such as new competition or breakthrough technology disrupt predictability and pitch these organizations into fix-it mode.

Fix-it. This strategy of circumstance occurs when leaders recognize that the organization is in serious trouble. Faster learning is irrelevant; the priority is change to repair fundamental problems and restore the organization to business as usual. This often begins a "doom loop," in which an organization bounces between business-as-usual and fix-it strategies.

Evolutionary. These organizations are

guided by a long-range vision for generating sustainable growth. They strive to learn quickly, balancing creative advances with predictable results. This complexity demands teamwork among people with diverse capabilities and perspectives, which fosters more learning and innovation.

Revolutionary. Revolutionary organizations actively embrace faster learning and change to create new markets, often by responding to latent customer needs. High-tech firms of the 1990's are a good example of a revolutionary strategic intent.

Just as the doom loop traps some organizations, organizations that can shift their strategic intent to revolutionary when facing situations that demand faster change and to evolutionary when pursuing more sustainable growth often travel a "success loop."

With the exception of fix-it, an organization's strategic intent represents a deliberate choice by top leadership. Many leaders recognize that they are stalled in the doom loop and want to move into the success loop, or that they would like to strengthen their position in the success loop.

Achieving this goal requires much more than product development and profit projections. Unless your organi-

zation's culture and leadership are intentionally aligned with your strategic aim, the transition is likely to remain just a hope. So change the rules.

What is Your Organization's Cultural Style?

An organization's culture can be defined by a dominant style, which is typically either "club," "warrior" or "team."

The Club Style optimizes relationships over results and typically operates with a business-as-usual strategic intent. Club members are proud to belong and value their internal and external loyalty to each other. Change and learning are low priorities; sharpening skills deemed important to the group rank high. Partnerships such as law firms and consultancies have traditionally operated as clubs.

The Warrior Style thrives on change driven by an individual alpha warrior, whose goal is to be number one. These highly competitive organizations (often internally and externally) emphasize achieving results consistent with the alpha warrior's strategic intent, which is usually revolutionary or fix-it. For example, idea warriors establish leadership by introducing new products or services, while fix-it warriors try to return an organization to its top ranking by relying on a previously successful formula. Yet results are generally short-lived because warrior organizations' competitive intensity fosters burn-out and turnover.

The Team Style places equally high priority on building productive relationships and achieving outstanding results, usually with an evolutionary strategic intent. High levels of individual responsibility and collective accountability foster a strong appetite for learning and change, which reinforces teamwork and motivates even greater achievement.

Which style best describes your organization? Does it match your strategic intent?

The Building Blocks of Culture Change

Changing something as deeply embed-

ded as an organization's culture relies on implicitly and explicitly "changing the rules" of how it uses the four fundamental cultural "building blocks" described below. Each has been discussed in detail in previous issues of The StraightTalk Coach, especially in "The Value Creation Culture."

External Orientation. A strong and continuous external focus strengthens understanding of current and future customers, competition and the typically global community in which an organization operates.

Continuous Learning. A commitment to and capacity for constantly building and applying knowledge as it relates to internal strengths and weaknesses and to external threats and opportunities drives innovative solutions.

StraightTalk. Open, honest, respectful dialogue about challenges and opportunities that clearly defines external and internal realities, and is always aimed at improving individual, team and organizational performance.

Team Orientation. A commitment to working together to achieve outstanding results offers significant advantages in today's increasingly complex market. This correlates with the "Team Style" discussed earlier.

Cultural Styles, Building Blocks and Alignment

Each cultural style prioritizes and uses the building blocks differently, as outlined below:

	Club	Warrior	Team
External Orientation	Medium	Low-High*	High
Continuous Learning	Low	Low-High*	High
StraightTalk	Low	Low-High*	High
Team Orientation	Low**	Low	High

* Depends on the alpha warrior's style.

** Club members support each other, but typically do not try to optimize performance or results.

All strategic intents except fix-it use

the building blocks to achieve or maintain their direction. For example, all the building blocks are present but weak in business-as-usual, and present but strong in evolutionary organizations. Revolutionary organizations have the strongest need for external orientation and continuous learning to help identify and actualize opportunities for innovation. Yet fix-it organizations tend to trample over cultural style and the building blocks in their rush to repair problems. As a result, fix-it organizations ignore - and even damage - the building blocks and other key cultural elements.

"An organization's culture and leadership are either a strategy's most significant accelerator - or most significant obstacle."

Is there a mismatch between your strategy and your culture? If so, it is time to change the rules by which your culture operates. It is time to make aligning your strategic intent, culture and leadership a top priority.

There are many ways leaders can "change the rules," from redefining the mission to changing measurement and reward systems. Ultimately, culture change must begin at the top. So how can you change your culture to better align it with your strategic intent? You must first change the rules that drive you and other leaders - which we will discuss in the next issue of The StraightTalk Coach. [HK](#)

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