

PART ONE

The Case for Change

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The transformational culture and why it matters

TRANSFORMATIONAL LEARNING

Within this chapter, you will discover answers to the following questions:

- What is a transformational culture and why does it matter?
- Why is the need for a new cultural paradigm pressing and urgent?
- What is the transformational culture triangle?
- How does transformational justice balance procedural justice with restorative justice?
- How can a transformational culture support our organizations to 'build back better' following Covid-19, socio-economic uncertainty and ongoing geo-political turbulence?
- Why are power, profit and process no longer the symbols of a successful organization?

What is a transformational culture?

A transformational culture is an organizational culture which is fair, just, inclusive, sustainable and high performing. It offers a new cultural paradigm and a practical framework for organizations which

are committed to putting their purpose, their people and their values first. A transformational culture is suitable for organizations of any size and in any sector, bound by a common purpose to develop a workplace where the success of the organization and the success of its employees, customers and stakeholders are inextricably aligned.

The overarching purpose of a transformational culture is for leaders, managers, human resources (HR), trade union reps and others to create the conditions for their employees to reveal the most brilliant versions of themselves. This brilliance can be displayed in an extraordinary and infinite number of ways, each of which is authentic to them and which creates a sense of humanity, harmony, interconnectedness and common purpose. This ability to be brilliant and to have the brilliance recognized, nurtured and celebrated by our leaders and our managers is the key to unlocking great employee experience (EX) and world-beating customer experience (CX).

In a transformational culture, the HR systems and management processes which promulgate mistrust, fear, injustice, exclusion, blame and retribution are supplanted with new systems and new processes which institutionalize trust, fairness, learning, growth, dialogue, inclusion, insight and collaboration. This new form of organizational culture requires a significant shift in focus and emphasis. The rewards will be great, measured in terms of enhanced competitive advantage, attracting investment, enhanced brand values and the ability to attract and retain the top talent.

‘People who are influenced so that they feel more in control of their role, more engaged with the organization and who feel they are contributing to the wellbeing of others are more likely to be self-motivated, loyal, productive, creative and healthy.’ (Swart *et al*, 2015)

To realize these rewards, we will all need to embrace radical change in the way that we lead, manage and administer our organizations. For instance, a transformational culture requires leaders, managers and HR to eliminate their reliance on traditional retributive justice orthodoxies (blame, shame and punish) and embrace a new and exciting form of justice: transformational justice. This new form of organizational justice brings together procedural justice (concerned with due

process and protecting rights) and restorative justice (concerned with reducing harm, promoting dialogue and encouraging learning). In so doing, leaders, managers and HR will be demonstrating the very best of transformationalism: putting people before process, resolution before retribution, dialogue before dogma and action before entropy.

The axis of organizational culture is tilting

In recent times, we have witnessed a widespread reorientation of the employee's relationship with the employer, and this is profoundly changing company culture. New rules are being drawn up around a modern form of social contract between the company and its employees. New lines of acceptable behaviour, tolerance and inclusivity are being defined through behavioural frameworks which align corporate values with the desirable and undesirable behaviours.

In this precipitous, fast-paced and fluctuating world there can be no doubt that concepts of organizational culture and workplace climate have become confused and muddled:

- Home has become work.
- A response to a social justice issue has become a yardstick of an organization's brand.
- Individualism has become activism.
- Leaders have become servants.
- Investors have become the guardians of our climate.
- Employees have become customers.
- Shareholder value has become stakeholder value.

Add to this mix the fact that organizational culture, workplace climate and leadership behaviours play out in the glare of a relentless social and mainstream media, which can destroy reputations – individual and organizational – in the blink of an algorithm.

To fail to perceive this shift, and to fail to embrace the necessary changes to maintain pace with and keep ahead of the culture curve, could prove catastrophic. But for the organizations which get this

right, this could be their greatest moment. The stakes are high and organizational culture seems to be the trump card.

Within this book I do not flinch from asking some of the big questions about culture. I am also privileged to be able to include various interviews and testimonies from organizations which are committed to putting their people and their values first. People such as Jon Slade, chief commercial officer (CCO) at the *Financial Times* (the *FT*), whose full interview appears on page xxx. I asked Jon why he believes the need for a transformational culture is so pressing:

‘We often talk about “company culture”, but what we really mean is a collection of individual departmental “micro-cultures” that in sum add up to something bigger. The idiosyncrasies of departmental climate run deep with prevailing identities, personality, attitudes and ways of working. They are derived from the personalities who have dominated in the past, the victories, and losses the department has enjoyed or endured over the years, the traditions that have become mainstays of life. But now we encourage our staff, particularly younger staff, to ‘bring their whole selves to work’ – and they are. They are bringing their outrage, their distress and their hopes around social questions such as ethnicity, gender, sexual orientation into the workplace. How they define themselves “out of the office” has become how employees choose to define themselves “in the office”. It is just that there is no longer an office. All this means that we are moved from departmentally-defined culture to demographically-defined culture.’

Clearly, our leaders and managers must learn to engage with and listen actively to their people and do so with a constructive, empathetic and compassionate mindset. Failure to listen, and a failure to engage with their people, will fuel a perception that these leaders are out of touch with the reality of their lives and that they cannot be trusted. These are significant but often overlooked antecedents of organizational decline.

Why is the need for a new cultural paradigm so urgent and pressing?

Organizations are straining every sinew to build back better following some of the most challenging and turbulent times in the past 20 years:

- the 2008 financial crisis with all the serious (and continued) repercussions that the crisis had on organizations, communities, families and individuals around the globe;
- Covid-19 and the tragic toll it has taken, the growing health and social inequalities that it has exposed, the economic and social impact of continued lockdowns, and the rocky and uncertain road to recovery;
- the unfolding climate emergency and the urgent need for organizations to reduce waste, to cut emissions and to achieve net zero in record time;
- continuing division and inequality in our society which has led to a rise in social justice movements such as the Black Lives Matter (BLM) and #MeToo movements.

Some of this is being defined as a growth of ‘employee activism’. I fear this term relegates the shift to the category of ‘unwanted noise’. It is not. Leaders should pay heed and welcome the opportunity to engage with their people on issues that matter to them and establish those new parameters. To do so will engender trust and it will create and sustain a new social contract within our organizations.

Nonetheless, let us not kid ourselves here, these are huge and daunting topics. Very few, if any, of us have had to deal with anything like this before. This is VUCA (Volatile, Uncertain, Complex and Ambiguous) on steroids.

‘I cannot recall a time where it has been more important for companies to respond to the needs of their stakeholders. We are at a moment of tremendous economic pain. We are also at a historic crossroads on the path to racial justice – one that cannot be solved without leadership from companies. A company that does not seek to benefit from the

full spectrum of human talent is weaker for it – less likely to hire the best talent, less likely to reflect the needs of its customers and the communities where it operates, and less likely to outperform.’ Larry Fink, Chairman and CEO of BlackRock (2021)

The challenges and the opportunities of a transformational culture

As this book demonstrates, a transformational culture is not for the faint of heart. However, the existing cultural paradigms are not working and something needs to change, urgently. As seen earlier, the list of factors affecting our organizations is getting longer each day and my guess is that I have merely exposed the tip of the iceberg. These are not issues that can be resolved by simply heading off on a ‘board away day’.

Under this unsurmountable pressure, our workplace cultures are likely to slowly unravel and expose the fragility of our organizations and the inadequacies of the underpinning systems such as leadership, management, HR policies, inclusion, wellbeing, engagement and overall employee experience.

In the following section, I set out some of the specific challenges for leaders, managers and HR, as I see them.

Some of the big questions about culture

If you feel overwhelmed or daunted by the amount of content there is flying around about organizational culture, you are not alone. The area of culture is probably one of the most popular topics of conversations, blogs, webinars, articles, books and podcasts right now. Pretty much everyone seems to have their own ideas of what culture is and what it is not, what good looks like and the impact of a bad culture. It is good news, of course. For those of us who are passionate about this topic, the debates are deeply exciting and energizing. This topic needs a proper discourse and a lively debate. However, my fear is that, as with so much in our lives, the topic of organizational culture becomes overly complicated and too contentious. All fine if

we have hours to spend in seminars and workshops studying and debating the topic; however, in our seemingly busier and busier lives, this is a luxury many of us simply cannot afford.

To try to resolve this issue, in terms as straightforward and useful as possible, this text explores the meaning and benefits of a transformational culture in a practical and jargon-free way. It offers tested toolkits and practical checklists to support you as you go about developing your own version of a transformational culture.

So, before we get immersed in the detail, let me start by asking you to reflect on some of the big questions of the day.

TRANSFORMATIONAL THINKING

- What does the term 'culture' mean to you?
- Who owns your organization's culture?
- What impact do your leaders and managers have on your organizational culture?
- Does everyone experience culture in the same way and what are the issues which influence people's experience of culture?
- What changes would you make to your organizational culture if you could?

These are complex questions. Maybe it is because they are so tough, and so hard to answer, that they have regularly been overlooked and put in the 'too difficult to deal with today tray'. But we know these questions will not go away.

The question of 'what culture means' is an interesting one. It is a question which has perplexed us for years, and still eludes so many of us. I have spent a great many years examining organizational culture and working with senior leaders and other stakeholders who know what culture feels like – they know what it looks like, they know that it is important and they know the effect it can have when it goes

wrong. However, achieving a common definition of the term ‘culture’, even in just one organization, let alone universally, can best be described as challenging. One only needs to run a quick search on Google to see that the term ‘organizational culture’ will generate millions of search results (I received 44 million results when I last ran a web search). Of course, now that this book is published, that has become 44 million and one.

The definitions of organizational culture are as wide as they are broad. I have set out below some of my favourite quotes and anecdotes about organizational culture:

‘While successful culture can look and feel like magic, the truth is that it’s not. Culture is a set of living relationships working towards a shared goal. It’s not something you are. It’s something you do.’ (Coyle, 2018)

‘An organization’s culture defines the proper way to behave within the organization. This culture consists of shared beliefs and values established by leaders and then communicated and reinforced through various methods, ultimately shaping employee perceptions, behaviours and understanding. Organizational culture sets the context for everything an enterprise does. Because industries and situations vary significantly, there is not a one-size-fits-all culture template that meets the needs of all organizations.’ (SHRM, 2021)

‘Corporate culture is the only sustainable competitive advantage that is completely within the control of the entrepreneur.’ (Cummings, 2011)

‘If you get the culture right, most of the other stuff – like great customer service, or building a great long term brand, or passionate employees and customers – will happen naturally on its own.’ (Hsieh, 2010)

‘The culture of any organization is shaped by the worst behaviour the leader is willing to tolerate.’ (Gruenert and Whitaker, 2015)

There is certainly a lot to think about here. The concept of organizational culture remains something of a paradox – powerful yet elusive. Perhaps, in the complex and volatile worlds that we inhabit, culture is more elusive now than it has ever been, yet it has never wielded such power. The need to resolve the culture paradox is a nettle which

organizations must grasp if they are going to succeed. Some organizations are indeed grasping the nettle and the results are amazing. One such organization, where a purpose-driven and people-focused culture is viewed as being central to its long-term commercial success, is TSB Bank. TSB Bank plc is a retail and commercial bank in the United Kingdom and a subsidiary of Sabadell Group. It operates a network of 536 branches across England, Scotland and Wales. TSB in its present form launched on 9 September 2013 when it separated from Lloyds Banking Group.

CASE STUDY

TSB embraces a transformational culture

A purpose-driven and people-focused culture is helping TSB change the face of retail banking in the UK. 'Consciously transforming the culture to one where people could be themselves, perform at their best and do the right thing for customers was central as TSB planned to launch its new strategy in 2019,' explains Liz Ashford, the bank's HR Director. 'After an intensive period of research and feedback from customers and colleagues, the business agreed on its core purpose (Money confidence. For everyone. Every day) and launched an ambitious three-year strategy for future growth.'

This purpose is supported by three strategic drivers and a set of core behaviours. These act as a guide for colleagues when they are taking actions, interacting with customers and each other, and making decisions. 'Feel what customers feel', for example, encourages colleagues to step into customers' shoes, while 'look for better' highlights TSB's belief that there is always room for improvement. Colleagues are also encouraged to 'do what matters' as they go about their day-to-day jobs, and to 'say it straight', taking pride in being open and honest.

The challenge in achieving a purpose-driven and people-focused culture is bringing these statements to life and making them genuine organizational habits, not just intention. TSB recognized that to achieve money confidence, for everyone, every day it needed to deliver more than just commercial performance. Liz explains how the organization used its core behaviours to build a tangible plan 'Working closely with our 6K colleagues, we developed a responsible business plan, putting "Do What Matters" into action and integrating

it to set high standards for the way the bank operates, engages with employees and focuses its social and environmental contribution.'

The TSB Do What Matters plan has five key pillars:

- Doing what matters for customers (focusing on helping people to be more money confident).
- Doing what matters for businesses (treating businesses fairly and helping them grow).
- Doing what matters for colleagues (ensuring TSB is a truly inclusive organization).
- Doing what matters for communities (donating time and money to vital local projects).
- Doing what matters for the environment (a commitment to reduce the environmental impact of operations to net zero by no later than 2030).

The Do What Matters plan was launched in July 2020 and by early 2021 had been embedded into every part of the business. Colleagues have fully embraced the initiative, with four out of five saying they understood their role in achieving it just six months after launch. Half of the initial goals set had already been achieved during the first six months and were updated for 2021. 'Every aspect of our plan is geared around our purpose and behaviours. People very much understand it and are enthusiastic about it, and it shows up all the time in everyday life,' says Liz.

Do what matters for colleagues

Progress under the 'Do what matters for colleagues' pillar has been particularly strong. TSB already had inclusion affinity groups for Ability, BAME, Gender Balance and LGBTQ+, and during 2020 it took proactive steps to work more closely together to achieve a truly inclusive culture. Gender balance has improved, with 40 per cent of senior roles now held by women, and in January 2021 TSB established a new set of holistic goals to increase the diversity of the overall workforce and senior teams. By the end of 2020, around half of line managers had completed training in mental health awareness and inclusive behaviours, and the bank was on track to meet its goal of all line managers completing the full programme by the end of 2021. One in three colleagues were engaging with proactive mental health support to take care of their mental wellbeing.

‘What’s really exciting is the intersectionality of the agendas,’ explained Sarah McPake, Head of Talent, Insights and Inclusion at TSB. ‘The networks are working together as a force for good on topics that affect the broadest number of colleagues, and that’s having a really positive impact.’

TSB has also made a significant change in the way it manages conduct, conflict, complaints and concerns, implementing a resolution framework, where the emphasis is on resolving issues quickly through effective conversations and mediation, developing enduring, productive and respectful workplace relationships. The launch of this resolution-focused approach coincided with the emergence of Covid-19, but the business felt it was such an important initiative that it should not be put on hold. Following official endorsement by the executive committee, the first mediation case was taking place virtually within weeks.

‘We wanted to create a culture where people could challenge the status quo and feel that they were operating in an environment where you could have different perspectives and points of view and still feel safe speaking up,’ said Sarah.

Evaluating progress

Tools were put in place to track and measure the evolution of the culture from the beginning, with insights drawn from colleague feedback as well as a range of people- and customer-related metrics.

Data has already shown the majority of colleagues agree the business treats its people fairly and with respect, together with an increase in the number of colleagues who feel they can speak up freely and positive feedback about levels of wellbeing – remarkable results given the backdrop of Covid-19. ‘The power of listening really kicked in. Our leaders were out and about listening to people all the time. All of this listening gives us a brilliant opportunity to reframe and rethink and ensure what we are doing remains relevant across the whole of the organization,’ says Liz.

Lessons learned

As the culture continues to transform, HR practitioners at TSB have had the opportunity to reflect on what they have learned from the process.

‘Simplicity and taking it in bite-sized chunks has been key,’ says Liz. ‘We didn’t set out to do everything at once, it has been a gradual build and there’s always more to do. Culture can be difficult to define, and it means different things to different people, but if you can keep the concept and principles as simple as you can, it will serve you well and keep you grounded.’

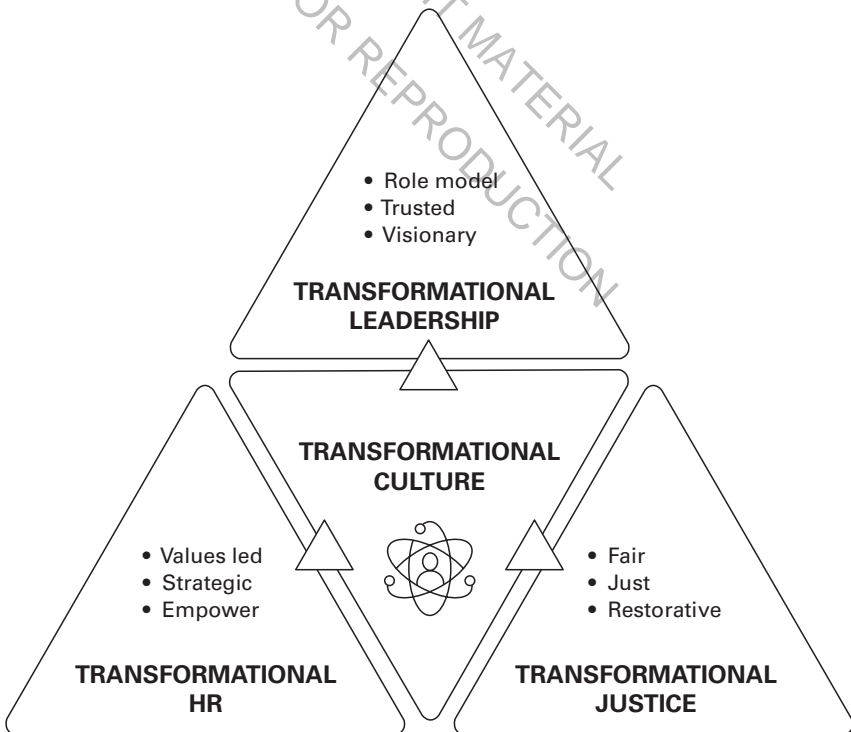
TRANSFORMATIONAL THINKING

- What have you learned from the TSB case study?
- Is there anything within the case study that you feel could be useful for your own organization?

The transformational triangle

The transformational triangle model represents the three elements of transformationalism: transformational HR, transformational leadership and transformational justice. These three elements work in harmony to influence the development of a transformational culture.

FIGURE 1.1 The transformational triangle



Transformational leadership

The transformational leader demonstrates an alignment of their behaviour with the purpose and the values of the organization. They know that it is important to walk the talk because they understand that they are a role model – that the way they behave sets the tone for the culture of their organization and, moreover, it defines the climate and the terms of engagement (the micro-culture) within their teams, divisions and departments.

Leaders and line managers should be empowered to use radical listening, manage performance effectively, be able to deliver feedback effectively and adopt feedforward to drive a culture of high performance. The skills of mediation, coaching and mentoring should become the de facto management skills of the 21st century:

- Being courageous and having difficult conversations.
- Creating psychologically safe spaces for dialogue.
- Acting with objectivity.
- Being comfortable with their own and others' emotions.
- Demonstrating self-awareness and empathy.
- Seeking constructive win/win remedies to problems.
- Empowering others.

This will mean that within a transformational culture, leaders and managers possess the courage, the confidence and the competence to spot and resolve concerns, conflicts and complaints constructively. Leaders and managers must also be empowered to take action to resolve issues at work rather than subcontracting problems to the HR function or relying on two of the popular management norms that I observe: extensive inaction or expensive overreaction.

Developing a transformational culture requires our executives, leaders and senior managers to shift the way they think about leadership. They need to lead with values, and they need to recognize that compassion for others, and compassion for our planet, is a sign of strength, not a sign of weakness.

Our leaders must integrate the purpose and the values of their organization into their corporate objectives and strategy (like the BRC on page xxx). Our leaders and managers should create and sustain an overarching strategic narrative which supports the deployment of a fair, just, inclusive, sustainable and high-performing culture (like the hospital did on page xxx).

Our leaders should be able to create an inspiring vision of the future by motivating people to buy into, and deliver, the vision. They are exceptional listeners, and they go to where their people are before they ask their people to follow them. They are proactive at spotting and preventing issues from escalating and they are confident and courageous when it comes to engaging in and facilitating dialogue.

In summary, within a transformational culture, leaders and managers know how to build and sustain working and business relationships forged with trust, respect, tolerance and a commitment to fairness and inclusion.

Transformational justice

A transformational culture is not simply about giving a label to a 'good culture'. It goes far deeper than that. A transformational culture is about enabling a radical shift in the way that our organizations think about justice. After all, justice is at the heart of a civilized society – it is the reason so many of our rules and procedures exist, it is the basis for so many of our institutions and people spend their lives going in search of it. But the question begs to be asked: do our organizations' rules, procedures and policies deliver justice? I would – and this is with the greatest respect to everyone involved in designing and administering these rules and processes – suggest not.

Transformational justice, as I explain in detail in Chapter 2, is a modern and progressive amalgam of procedural justice and restorative justice. This new model of justice balances the rules of the organization, the rights of the employee, and the need to generate fair, just and inclusive outcomes when things go wrong. Transformational justice, at its core, is about reducing harm, building trust, protecting relationships, promoting psychological safety and creating opportunities for insight, reflection and learning.

Transformational justice replaces the retributive models of justice which are deeply ingrained through organizational processes such as the traditional performance management, discipline and grievance procedures. These retributive justice processes are concerned about risk mitigation, blame and punishment. They disregard learning, compassion and the emotional and psychological needs of the parties involved. These procedures, and the entire retributive justice paradigm, are being shown to be harmful, damaging and divisive and with the potential to be discriminatory. Worse still, their sheer existence invokes an adversarial and confrontational mindset and dynamic in teams, departments, divisions and across entire organizations. They sow the seeds of toxicity which are watered, often ably, by poor management behaviour and team discord. While trust and equity are core features of any justice model, trust in the retributive justice model has broken down irrevocably. It is time for it to go.

In Chapter 6, I set out a radical new Resolution Framework to assist organizations that wish to make transformational justice a reality. I set out the benefits of using the Resolution Framework and its associated transformational principles for handling concerns, conduct, complaints and conflicts at work. I also share examples of organizations which have adopted this new approach, including Center Parcs, TSB Bank, London Ambulance Service and Aviva. Thankfully, these and many other organizations are waking up to the harm that these retributive systems are causing and they are beginning to embrace transformational justice.

Transformational HR

If organizations are going to adopt a transformational culture, the human resources function must take urgent action to become purpose, people and values led. HR must transform itself into an overarching people and culture function and it should act now to release itself from the burden of its perceived proximity to management. The term 'business partner', so casually used, is a divisive and loaded term which results in HR being perceived by many as the 'long arm of management'. This perception of systemic bias impedes the effectiveness

of HR and it erodes trust in its role and its systems. Ironically, it also impedes HR's ability to support managers effectively.

For HR to remain a trusted and effective function in our organizations, it must rise above the paradigms of power, hierarchy and control. It must become obsessed with delivering great employee experience and becoming a catalyst for world-class customer experience. HR should be the function within our organizations that connects EX with CX. To assist with this transformation, I have created a powerful organizational culture model, which I set out in Chapters 2 and 3.

Released from the burden of HR being perceived as the 'long arm of management' or the perception that HR has had to sell its soul to 'secure a seat at the board table', HR will experience some exciting and new strategic and operational challenges:

- No longer using the divisive term 'business partner' to describe the role of HR practitioners. People and culture partners will partner with all stakeholders to build trust, deliver accountability and drive growth.
- Creating and sustaining a transformational culture hub (see page xxx) and its associated subgroups.
- Integrating a suite of new processes for driving organizational development (OD), learning and development (L&D) and employee relations (ER), including positive psychology, systems thinking, principled negotiation, appreciative inquiry, restorative justice and non-violent communication.
- Partnership working with unions and management to develop and deploy a new model social contract.
- Administration of a justice model which is fair, just and restorative – transformational justice.
- Systematizing coaching, mentoring, facilitation and mediation.

Chapters 2 and 3 provide the blueprint to assist HR to make this transition. In Chapter 6, I explain how the new people and culture function can develop and deploy an overarching Resolution Framework for addressing concerns, conduct, complaints and conflicts in the workplace.

This includes integrating collaborative, inclusive and constructive remedies to people issues. As a result, organizations, and the people and culture profession, will reap the rewards from a culture which is values based and people centred.

As I was researching this book, I had the privilege to speak with renowned author and transformational HR activist Perry Timms about the concept of transformational culture. He explained to me: ‘Culture is undeniably powerful and complex in equal measure. My view is clear: people are the transformative force in work. The systems we build, and the technology we deploy that aims to be transformational, is nothing without people bringing it to life and making it deliver the value it is intended to create. HR has willingly and somewhat coercively “owned” this area of the organizational system as it directly relates to people. I would suggest that HR’s role in stimulating, promoting and leveraging a transformational culture comes in creating safety, measured experimentation, commitment to improve and diversify, and being bolder, braver and more edgy in how work gets done. In essence, an act of defiance against operational mediocrity.’

A transformational culture requires a shift in mindset by employees also. Employees should align their behaviours to the purpose, values and culture of the organization. In a transformational culture, employees and their representatives should be encouraged to raise issues as early as possible so that they do not fester and do not escalate into more significant problems and disputes. Employees should know that dialogue has primacy in a transformational culture. It is not possible to secure a fair, just, learning or restorative outcome without sitting down together, talking, listening and finding a mutually acceptable way forward.

In addition, union partners and employee representatives should be viewed as equal partners. As such, their voice should be heard, and they should be given the opportunity to engage in predictive and proactive problem solving with leaders, managers and people and culture (HR) colleagues. A transformational culture provides an opportunity to forge a new social contract – an exciting new partnership between the management of the organization and its workforce. The principles of transformationalism (fair, just, inclusive) and this

new model of social contract can be used to build a culture of mutual trust, respect and accountability between the triumvirate of the modern workplace, namely management, HR and unions.

TRANSFORMATIONAL THINKING

- How could you deploy the transformational triangle within your organization?
- Are your leaders transformational?
- How can your HR function become more transformational?
- Is your organization ready to deliver transformational justice?
- What potential benefits does the transformational triangle offer to your organization?

Power, profit and process are no longer the symbols of a successful organization

You cannot build back better when your workforce is unhappy, unhealthy and disengaged; when your rules and procedures fuel discord, dogma and division; when your managers lack the basic skills to handle even the simplest quarrels and disagreements; where diversity creates adversity; where your response to failure is to blame others and to create a culture of fear and retribution; and where inequity and unfairness are systemic.

Creating a sustainable and high-performing organizational culture means that we must take urgent action to tackle the thorny issues of mistrust, fairness, inequity, climate change, stakeholder value, employee engagement, digitalization, agile and flexible working, diversity, inclusion, the productivity gap, and our employees' mental and physical wellbeing. HR, leaders and unions need to take urgent steps to address these issues.

Measuring culture

The debate that perplexes a great many is the question of whether culture can be codified, measured and evaluated or whether it is even

desirable to evaluate the return on investment (ROI) from a culture. Following a series of seminars run in collaboration between ACCA (Association of Chartered Certified Accountants) and the ESRC (Economic and Social Research Council), a final report concluded that senior leadership teams should be proactive in considering the shape and tone of the company culture and that cultural change should begin at the top of the organization. ‘The board should consider what sort of culture the company wants before it assesses its existing culture’ (Moxey and Schu, 2014).

The report suggests that recent corporate failures have highlighted that the following considerations are basic to good corporate governance and before proceeding to any assessment of their culture, the board should ask themselves the following questions:

- What are the goals and purposes of the organization?
- What sort of behaviours does it wish to encourage and discourage?
- How is the tone at the top set out and conveyed through the organization?

The report goes on to say: ‘An organisation’s culture should be one of its most important assets as it is heavily linked to decision making, productivity, capacity and its brand/image (and therefore reputational risk)’ (Moxey and Schu, 2014).

I believe it is both possible and desirable to codify, classify, measure and evaluate a transformational culture. Where there is a will, there is a way. Increasing access to digital technologies coupled with a desire by leaders, managers, HR and others to measure and evaluate areas such as wellbeing, engagement, inclusion and employee experience means that meaningful cultural analysis is now entirely plausible. In Part 2 of this book, ‘The Transformational Culture Playbook’, I provide checklists and guidance notes to assist you to integrate and evaluate a transformational culture. For instance, on page xxx I explain the business case for a transformational culture, and I offer guidance to help organizations to codify, measure and evaluate their current cultures and micro-cultures.

Conclusion and calls to action

It is clear to me that it will not be possible to emerge from this current set of crises with the old cultural paradigms still in play. Developing and sustaining a transformational culture must feature at the top of the inbox of every executive, HR professional, manager and union official. Culture must become the number one strategic priority for our organizational leaders. One thing is for certain: organizations that get this wrong will be the ones that fail, some slowly and inexorably, others in a blaze of media headlines and a social media storm. The ones that get it right will be the successful enterprises in the future. That is where the smart money and the top talent will head.

A transformational culture by its very nature encourages and enables disparate and sometimes competing beliefs, needs, priorities and agendas to be aired, to be understood and to be resolved. As this text will demonstrate, a transformational culture delivers a happier, healthier, more harmonious and high-performance workplace – four outcomes which underpin the most strategically important objectives of enhanced EX and great CX.

We no longer need systems in our organizations which seek to suppress or control debate and diverse thinking, or which blame, shame or punish people when mistakes are made. They have failed – they have no place in a modern workplace. We need to create systems and processes which promote and value dialogue, which engender compassion, which reduce harm, which promote learning, which bring people together, which protect relationships, and which create a humanizing space for every one of us to be the very best versions of ourselves – individually and collectively.

A transformational culture, as this book will reveal, is the key to unlocking individual, team and organizational success. It is time to get to work.

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