Case Studies in Making Culture Change Happen
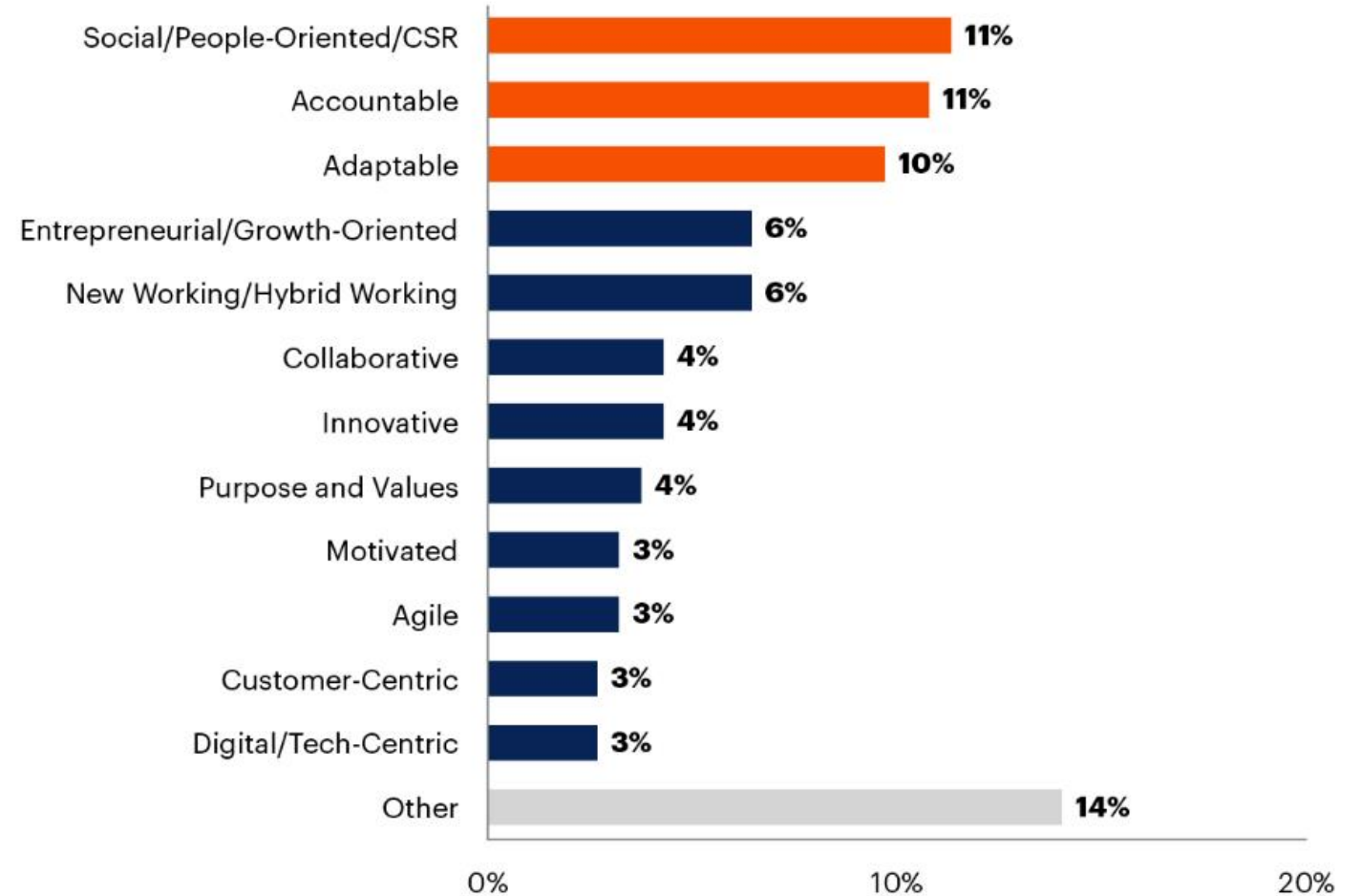
Rhys Binney

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CEOs Want Their Culture to Change

45% Want Significant
If Not Deep Change;
48% Want to Fine-Tune

Category	Percentage
Social/People-Oriented/CSR	11%
Accountable	11%
Adaptable	10%
Entrepreneurial/Growth-Oriented	6%
New Working/Hybrid Working	6%
Collaborative	4%
Innovative	4%
Purpose and Values	4%
Motivated	3%
Agile	3%
Customer-Centric	3%
Digital/Tech-Centric	3%
Other	14%

n = 185, will make a significant or deep change to the culture, excluding don't know/none

Q: In just two or three words, what is the subject of the culture change?
Source: 2023 Gartner CEO and Senior Business Executive Survey
701854_C

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People Can Only Change When They Understand

Your understanding problem is bigger than any resistance problem.

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The 5 Steps Of Culture Change

Understand Culture

Define the Desired Culture

Map the Culture Change Journey

Measure Culture Change

Operationalize Your Change Journey

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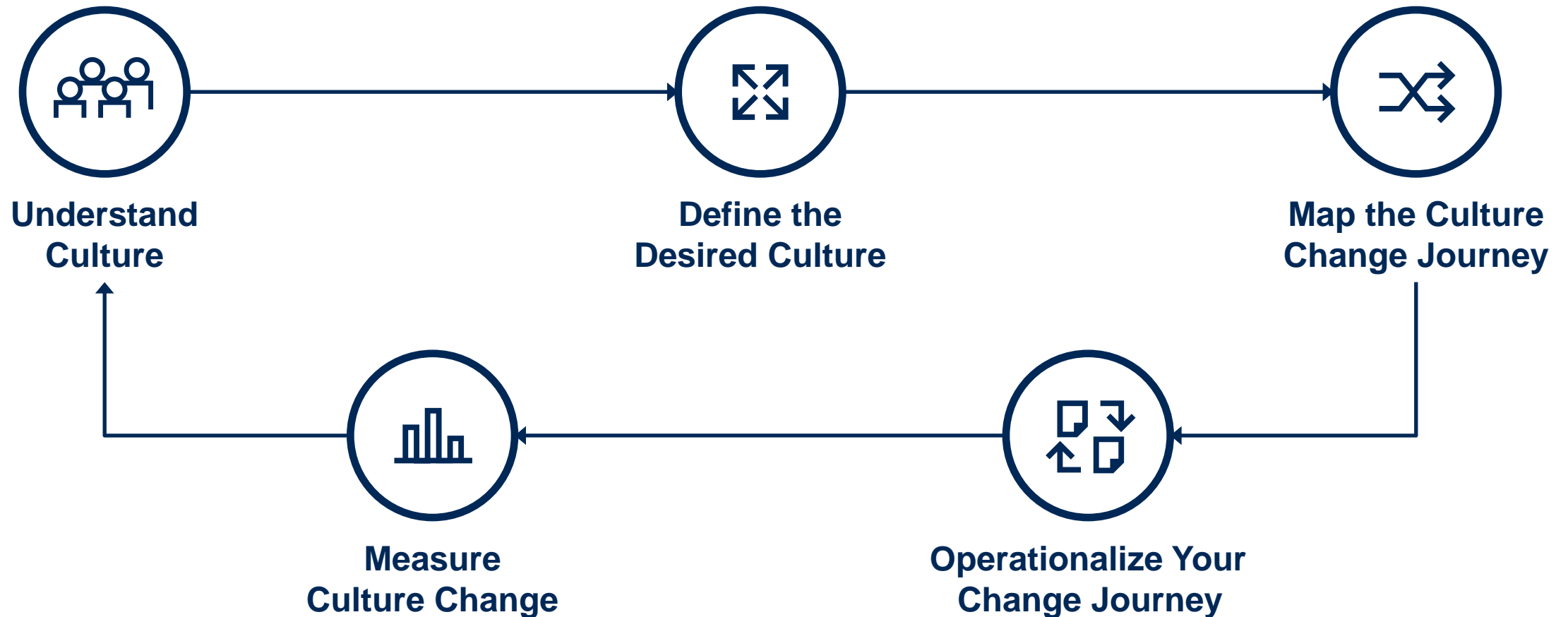
Where Most of the Work Happens

Understand Culture → Define the Desired Culture → Map the Culture Change Journey → **Operationalize Your Change Journey** → Measure Culture Change → (back to Understand Culture)

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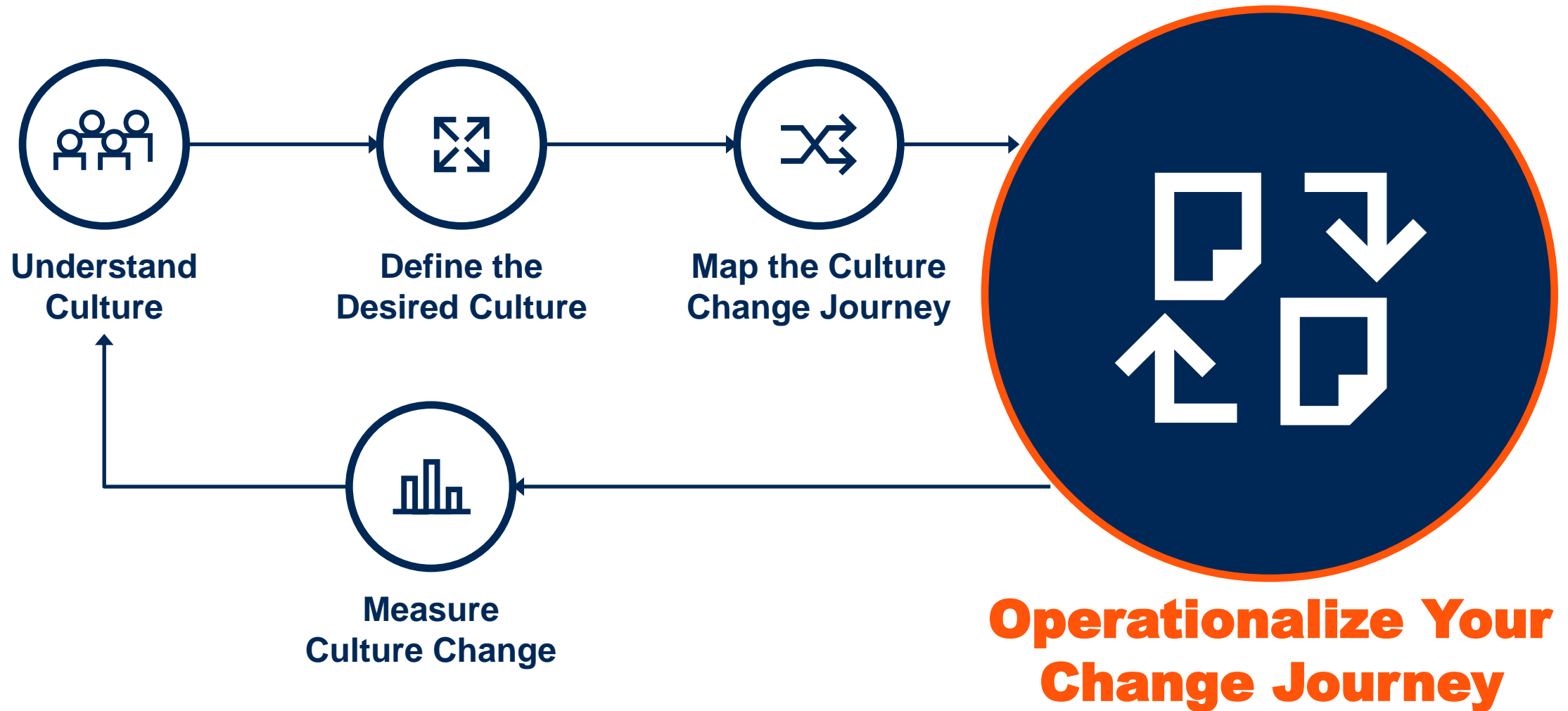
Misunderstandings Prevail on Changing Culture

Understand Culture

↑

Understand your culture.
And don't get distracted
by misunderstandings.

**Define the
Desired Culture**

**Map the Culture
Change Journey**

**Measure
Culture Change**

**Operationalize Your
Change Journey**

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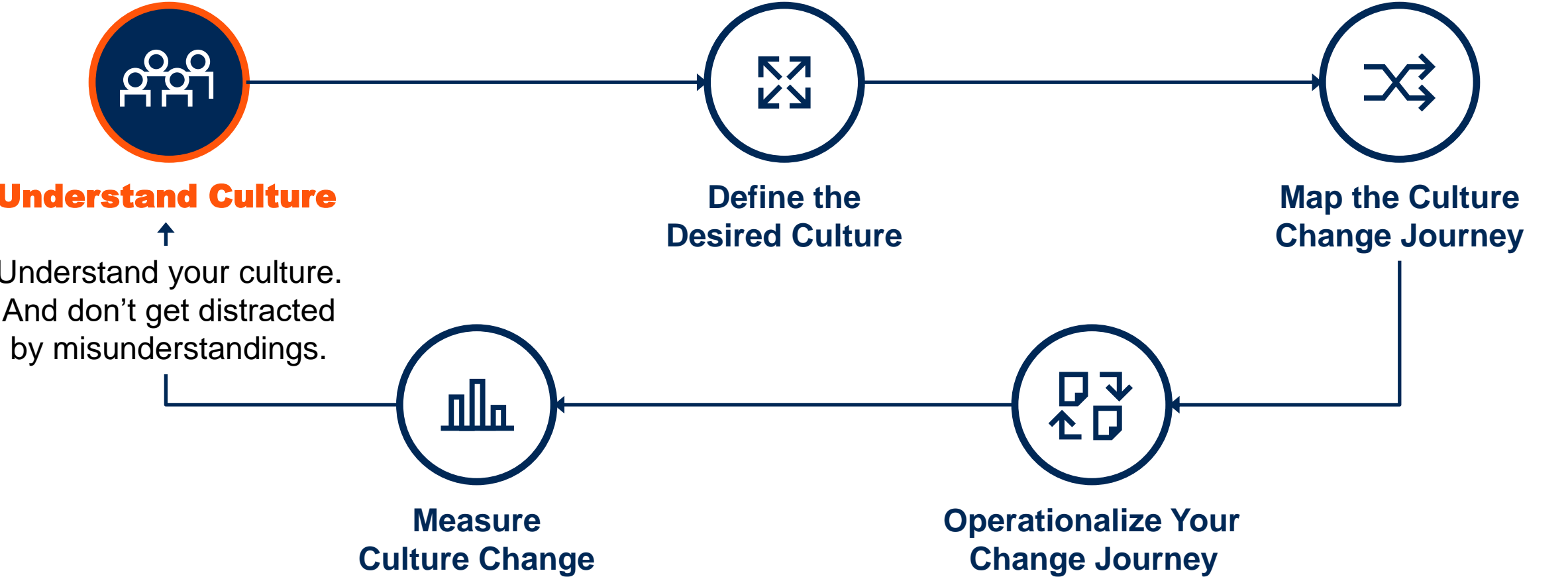
Myth 1:
Culture Is Resistant to Change

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Myth 3:
New Hires Will Help Change Our Culture

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Myth 4:
We Need to Have "Their" Culture
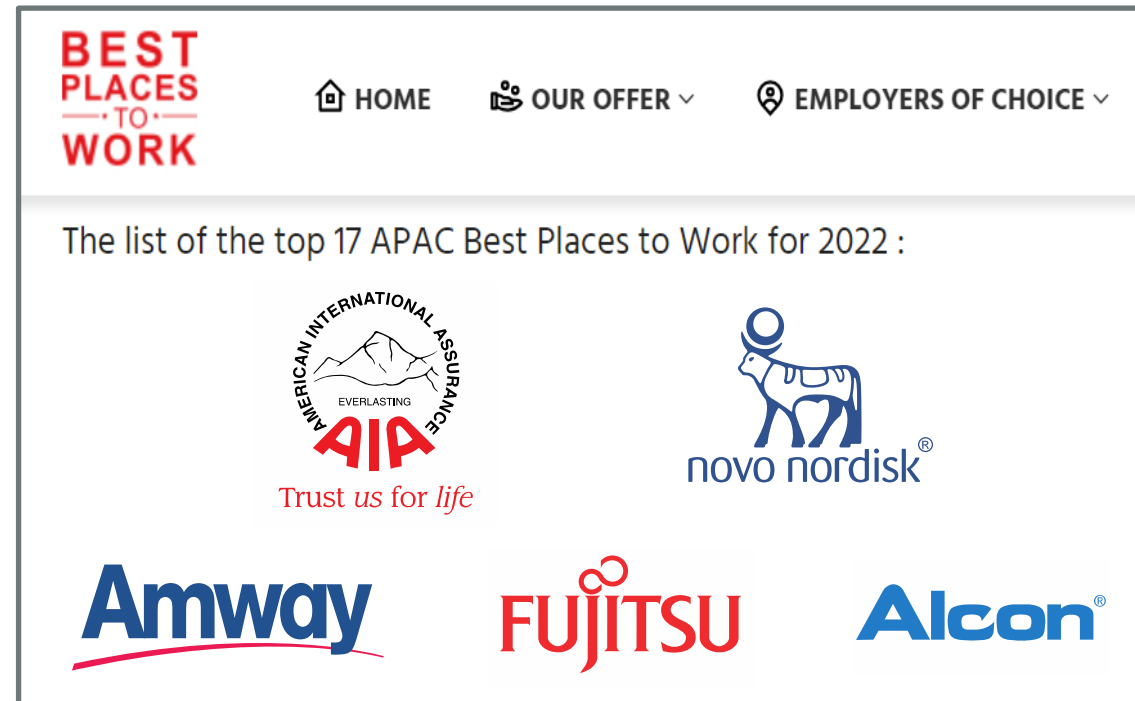
Gartner.

Gartner.
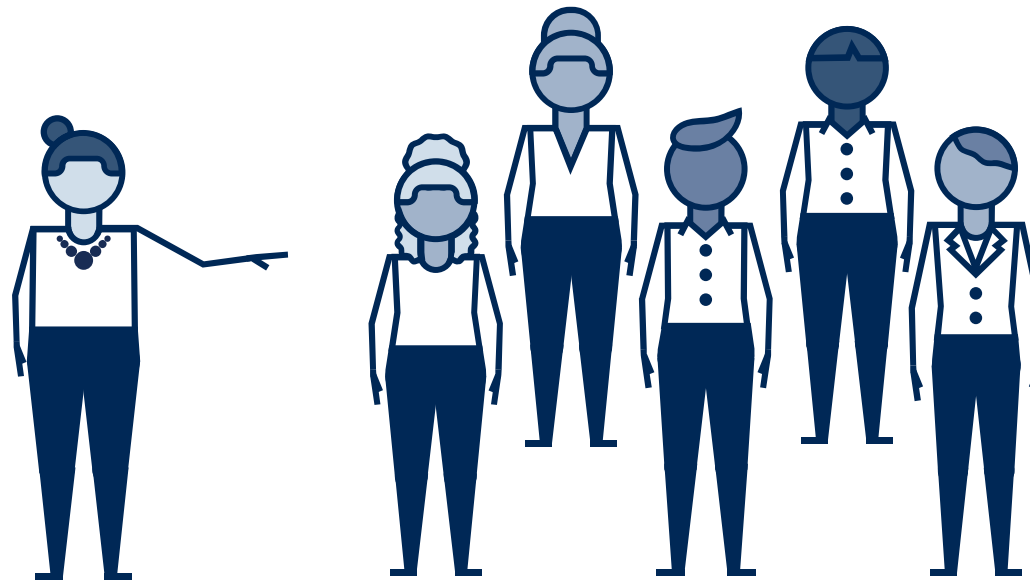
Culture Serves Your Strategy. Full Stop.

Understand Culture

Define the Desired Culture
Define the culture attributes you need for your strategy.

Map the Culture Change Journey

Measure Culture Change

Operationalize Your Change Journey

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How do you need your team/ organization to behave differently given your strategy?

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Examples: Common Mindset Shifts

- From working in silos to working collaboratively.
- From risk aversion to smart risk-taking.
- From avoiding conflict to managing conflict.
- From being reactive to being proactive.
- From working on projects to managing products.
- From technology platforms to business-capability delivery.
- From relying on expert advice to seeking diverse opinions.
- From "security owns security" to "I own security."
- From deep expertise to versatilist knowledge.
- From being IT-centric to customer-centric.

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Case Study 1: Mindsets to Guide Decision-Making

	Mindsets
Value for Money	Optimizing existing assets to maximize investment and capabilities, including people, infrastructure, and applications.
Strategic Alignment	Aligning technology decisions with organization's priorities. Define success upfront and measure the outcome to facilitate continuous improvement.
Human-Centered	Clarifying and raising awareness of how technology impacts and supports our work and customers.
Agile and Scalable	Adapting when the need to change arises by providing the right people, systems and processes to deliver the highest value.
Simplicity	Ensuring that processes and solutions are as simple as possible.

Source: Adapted From BPRC

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You Must Create Understanding

Understand Culture

Define the Desired Culture

Map the Culture Change Journey

Create an understanding of how you need employees to change.

Measure Culture Change

Operationalize Your Change Journey

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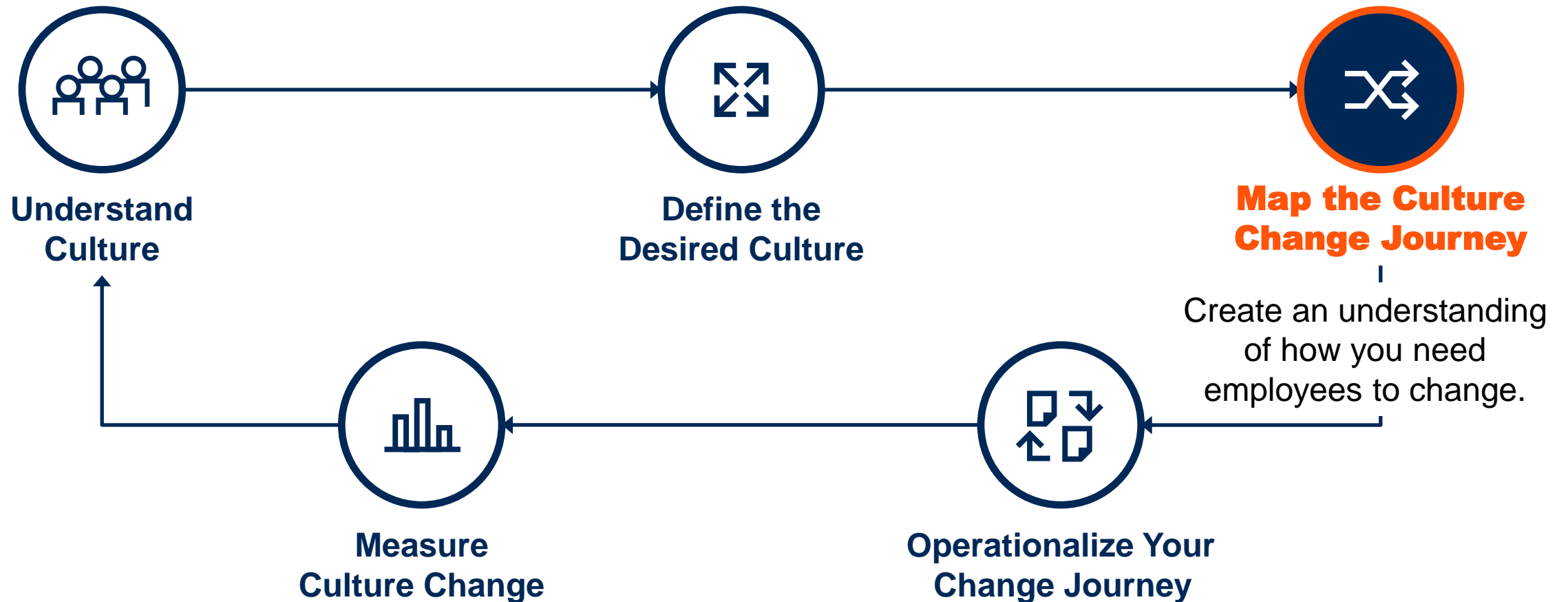
① Mindset Shift

④ From	③ To	② Because

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Example: Move to Agile Ways of Working

From	To	Because
Project-centric.	Product-centric.	• Our customer's buying habits are changing, and they demand exceptional customer experience.
Working in cylinders of excellence.	Working collaboratively with excellence.	
Developing deep expertise.	Developing versatilists.	• We need to run our business in a way that can dynamically sense and adapt to respond.
Learning away from the job.	Learning is the job.	
Waterfall application development.	Agile software development.	• IT needs to build the infrastructure so that data access and knowledge sharing enable creativity and speed.
Avoid conflict unless necessary.	Conflicts are swiftly resolved.	

Honor the past!

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Case Study 2:
Leader and Employee Mindset Shifts

Legacy Behavior Loops	Desired Behavior Loops

Leader Behavior · **Employee Behavior** · **Leader Behavior** · **Employee Behavior**

Telling ⟳ Asking and Consensus Seeking → Listening and Question-Based Leadership ⟳ Empowered Judgement

Hesitation in Giving Up Authority ⟳ Frequent Decision Escalation → Delegation of Decisions ⟳ Independent Evidence-Based Decision Making

Narrow Focus on Fully Meeting Short-Term Metrics ⟳ High Failure and Risk Avoidance → Transparent Strategy and Value-based Communications ⟳ Recognition of How Lessons From Failure Contribute to Future Thinking

Source: Adapted From TenValue*

*Pseudonym

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Culture Is Taught, So You Must Re-Teach

Understand Culture

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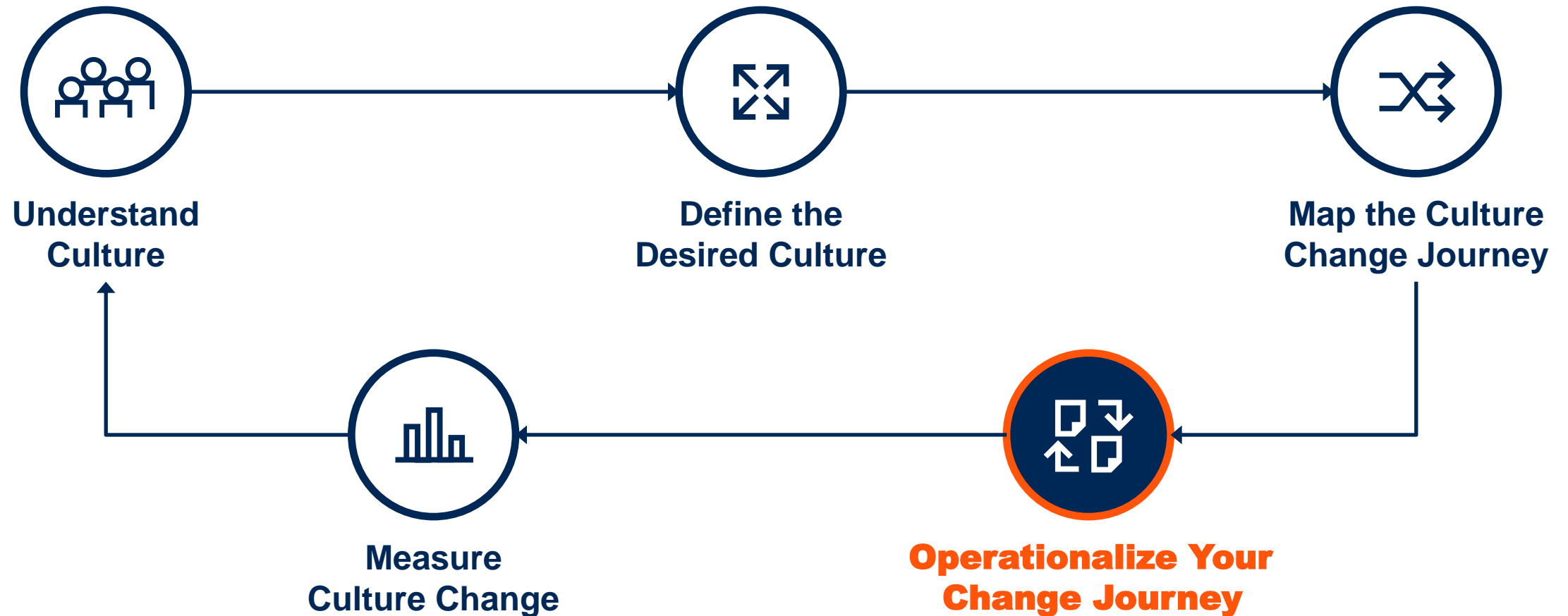
Change the systems, practices and processes that teach organizational members how to behave.

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Change Levers to Operationalize
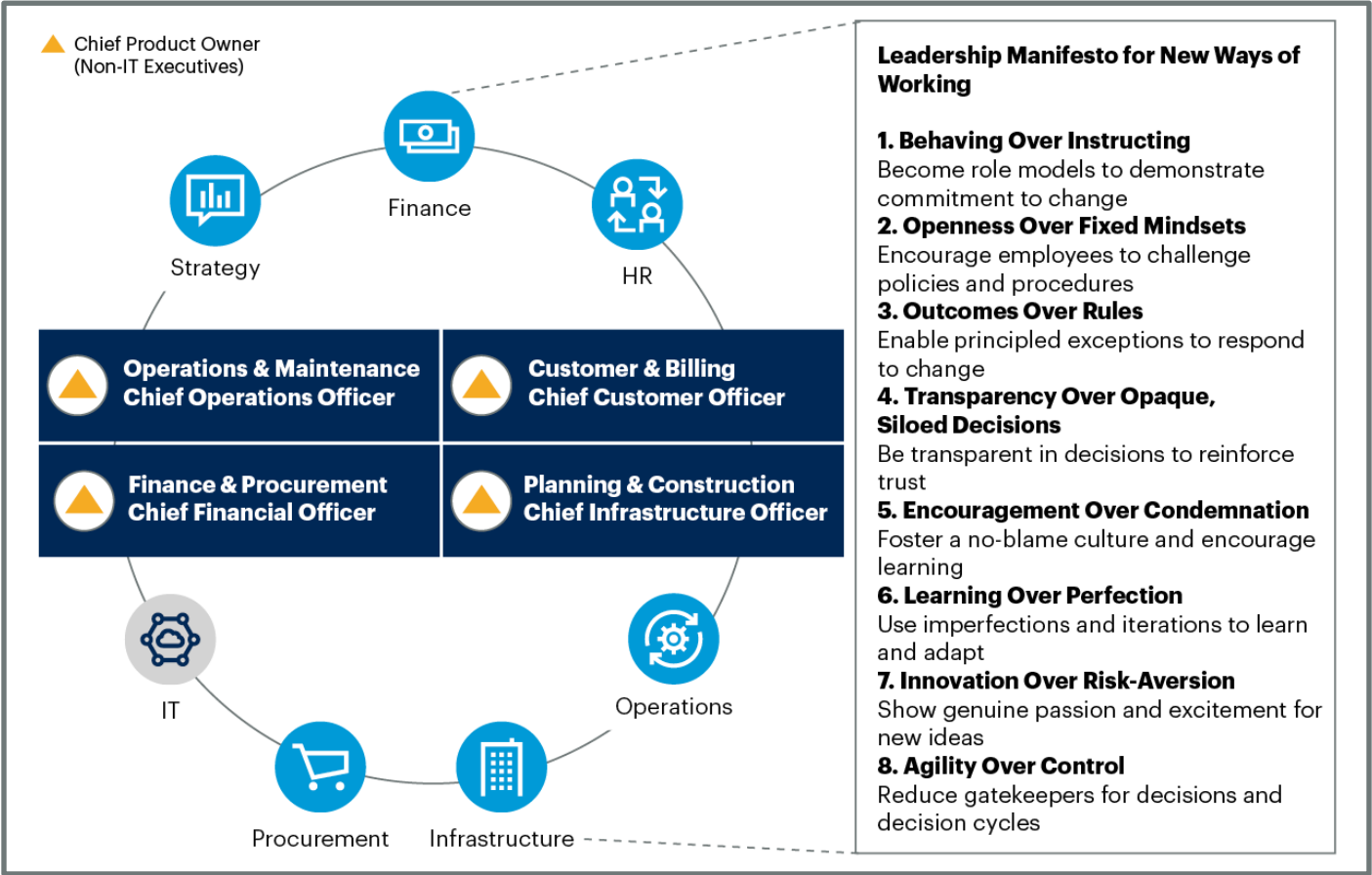
Systems

Processes

Practices

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Case Study 3: Operationalize What Leadership Needs to Do

Watercare's Shared Leadership Manifesto for Executive Behaviors Enterprisewide

▲ Chief Product Owner (Non-IT Executives)

Strategy
Finance
HR

| Operations & Maintenance Chief Operations Officer | Customer & Billing Chief Customer Officer |
| Finance & Procurement Chief Financial Officer | Planning & Construction Chief Infrastructure Officer |

IT
Procurement
Infrastructure
Operations

Leadership Manifesto for New Ways of Working

1. Behaving Over Instructing
Become role models to demonstrate commitment to change

2. Openness Over Fixed Mindsets
Encourage employees to challenge policies and procedures

3. Outcomes Over Rules
Enable principled exceptions to respond to change

4. Transparency Over Opaque, Siloed Decisions
Be transparent in decisions to reinforce trust

5. Encouragement Over Condemnation
Foster a no-blame culture and encourage learning

6. Learning Over Perfection
Use imperfections and iterations to learn and adapt

7. Innovation Over Risk-Aversion
Show genuine passion and excitement for new ideas

8. Agility Over Control
Reduce gatekeepers for decisions and decision cycles

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Case Study 3: Operationalize Learning

Watercare's Enterprisewide Digital Learning Ecosystem for Leaders
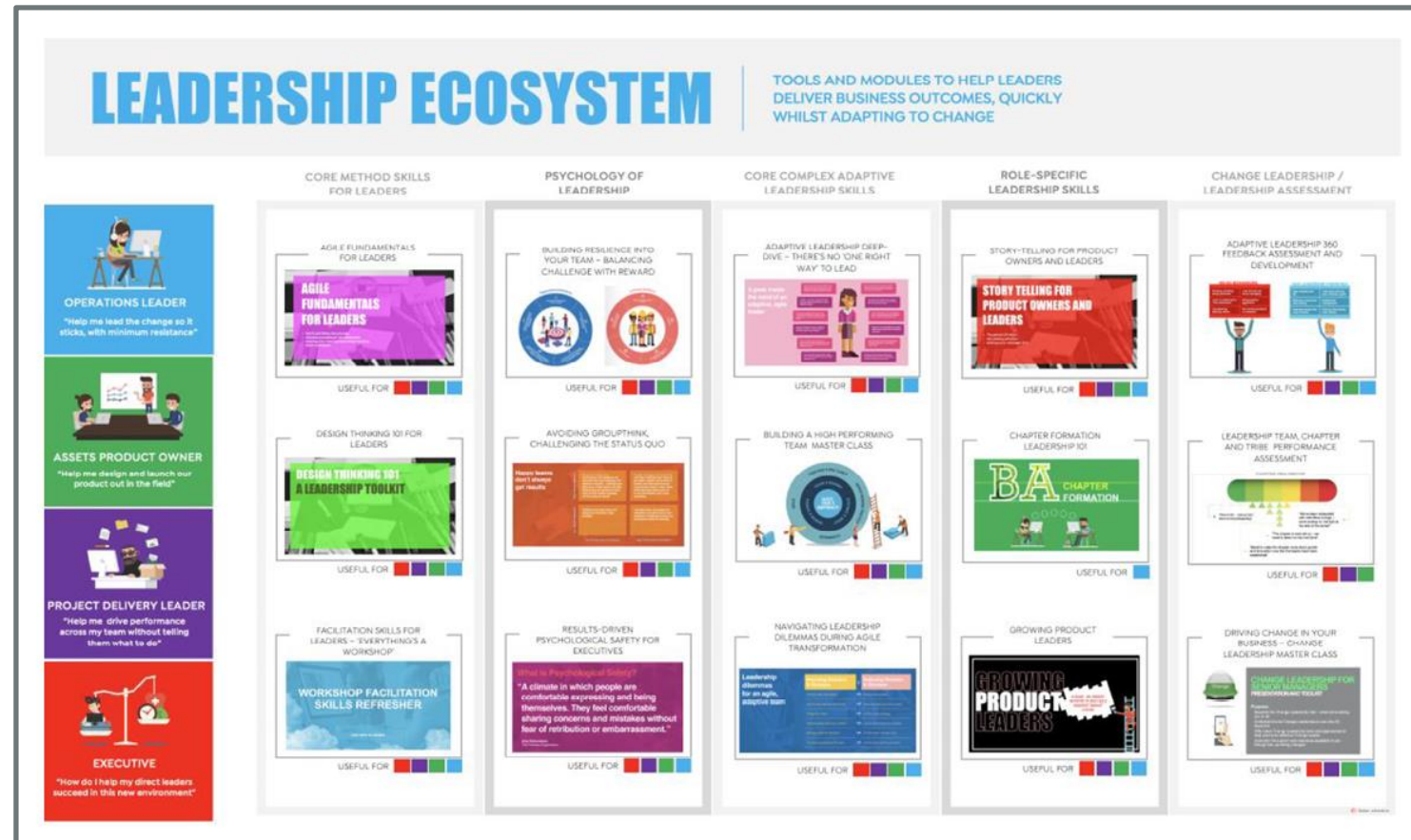
BILL & MELINDA GATES *foundation*

HOW WE TREAT EACH OTHER

SHOW RESPECT

We approach relationships with inclusion, kindness, curiosity and humility.

- ✓ DO value diversity and include viewpoints from all levels and locations in decision-making.
- ✓ DO encourage rigorous debate and support resulting decisions.
- ✓ DO treat feedback as a gift. Give it with empathy and receive it with humility.

- ✗ DON'T dismiss ideas and opinions, contributions, expertise, either publicly or privately.
- ✗ DON'T undermine decisions after they are made.
- ✗ DON'T expect colleagues to be available 24/7.

OFFER TRUST

We enable collaboration, risk-taking, empowerment, growth and accountability.

- ✓ DO provide a clear vision and empower the team.
- ✓ DO stay open to giving and receiving feedback through ongoing 4Cs.
- ✓ DO make time for personal connections.

- ✗ DON'T withhold feedback (positive or negative).
- ✗ DON'T micromanage.
- ✗ DON'T inflate your own ego. Your name is not on the building.

BE TRANSPARENT

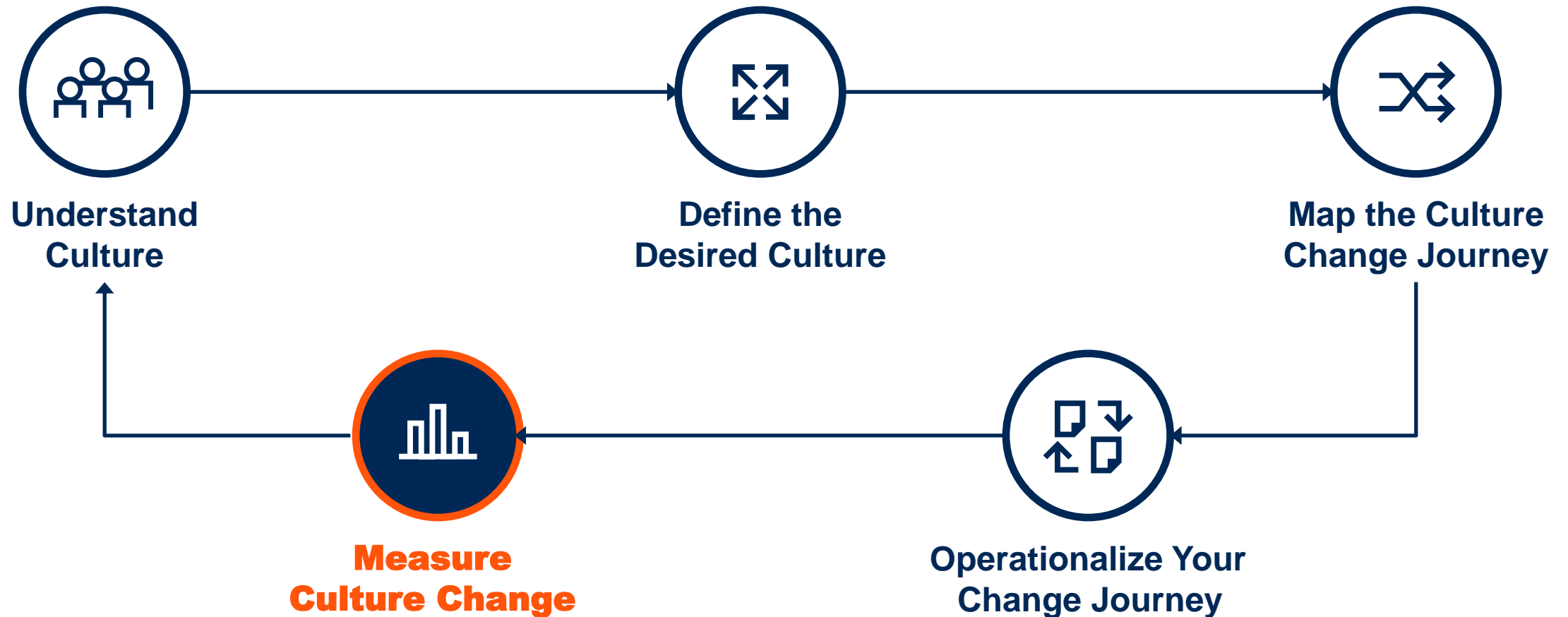We clarify roles & expectations and communicate decisions.

- ✓ DO spot areas where confusion exists and become part of the solution to clarify.
- ✓ DO use discipline in decision-making, clarify roles in the process and communicate outcomes in a timely manner.
- ✓ DO continually clarify expectations and opportunities for growth.

- ✗ DON'T rehash decisions, triangulate or exhibit passive-aggressive behaviors.
- ✗ DON'T passively live in ambiguity.
- ✗ DON'T allow rumors to fester.

CREATE ENERGY

We engage each other in the joyful, continuous pursuit of becoming our best, authentic selves.

- ✓ DO interact with people more than devices.
- ✓ DO show interest in others and their ideas.
- ✓ DO invest in others' success.

- ✗ DON'T disparage people or ideas to showcase your intellect.
- ✗ DON'T be self-absorbed or leave messes for others to clean up.
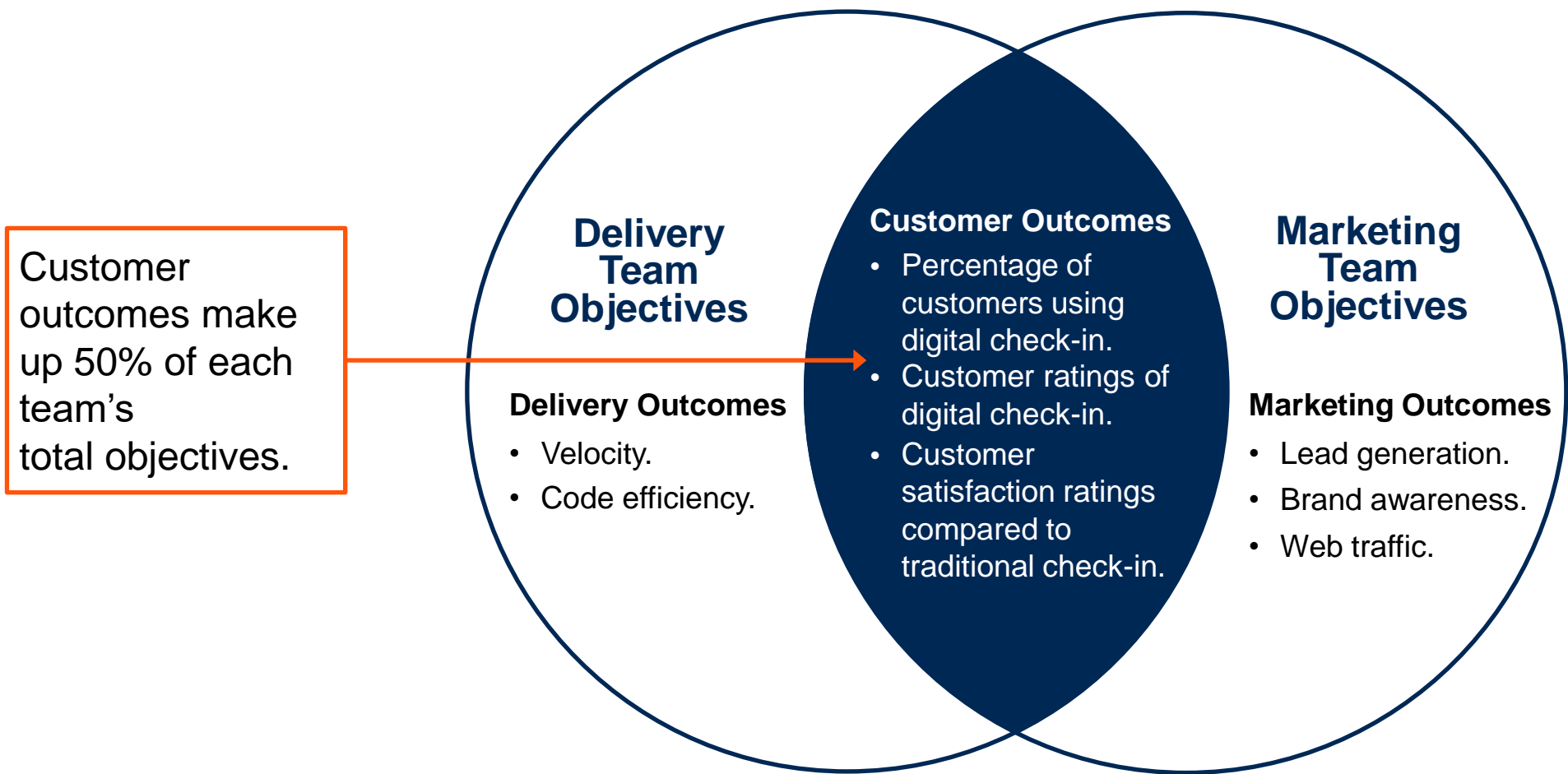- ✗ DON'T glorify 24/7 busy-ness.

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Assess Change Using Delivery Metrics and Behavioral KPIs

Understand Culture

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Measure Culture Change

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Case Study 5: Hilton — Shared Performance Objectives

Hilton's Shared Customer-Centric Objectives

Performance Objectives for Prearrival Product Line Staff (Illustrative)

Customer outcomes make up 50% of each team's total objectives.

Delivery Team Objectives

Delivery Outcomes
- Velocity.
- Code efficiency.

Customer Outcomes
- Percentage of customers using digital check-in.
- Customer ratings of digital check-in.
- Customer satisfaction ratings compared to traditional check-in.

Marketing Team Objectives

Marketing Outcomes
- Lead generation.
- Brand awareness.
- Web traffic.

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Culture Change Is Rewarding, But Takes Patience

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The 5 Steps Of Culture Change

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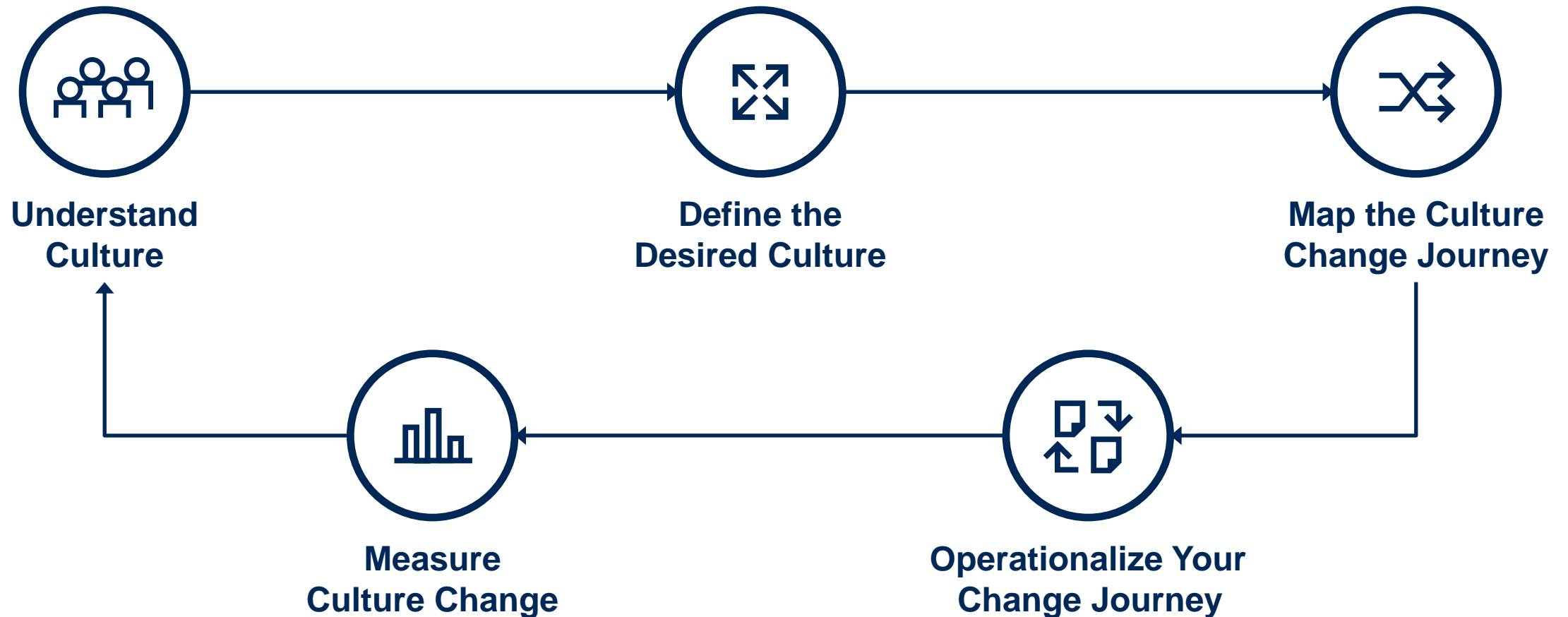
Recommendations

⊘ For IT:

— Define one mindset shift to further your strategy — 80/20.

— Create understanding (with your leadership team) on what behaviors represent that mindset shift — from/to/because.

— Start to operationalize the change by identifying the systems, processes and practices that need to change.

⊘ For the Enterprise:

— Define one mindset shift to further your business strategy — 80/20.

— Create understanding (with your peers) on what behaviors represent that mindset shift — from/to/because.

— Communicate widely and empower managers to operationalize/contextualize.

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Recommended Gartner Research

🔍 **[5 Steps to Change the Culture of Your Organization](#)**
Christie Struckman and Others

🔍 **[How to Staff Product-Centric Software Delivery Teams: 3 Companies That Got It Right](#)**
Software Engineering Research Team

🔍 **[2023 CEO Survey: Culture Change Expectations for Executives](#)**
Christie Struckman, Jennifer Carter and Shawn Murphy

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