How to grab hold of your company culture before it decides itself

SUCCESSFULLY NAVIGATING CULTURE CHANGE WITH DATACOM

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Q5

Table of contents

Success starts with culture

Culture is now widely accepted as one of the fundamental pillars of any successful company. Yet every year, we see businesses pour resources, effort and budget into enhancing their culture strategies, only to fail at the task. [1]

The advent of widely distributed workforces and complex product offerings has rendered greater difficulty in catalysing culture change within firms. COVID-19 has both elevated the need for robust, sustainable cultures that can absorb uncertainty, whilst also requiring leaders to spend more time and energy on actively engaging distributed workforces. [2]

Business leaders understand that a positive working culture is intrinsically linked to business performance, organisational effectiveness, and value generation.[3] But what is considered integral to the process when cultivating a successful work culture? How can your company do the essential work of supporting and nurturing its people?

This paper will answer those questions.

Most culture projects <u>fail</u> because they:

1

Lack direction, vision and active **support** from business leadership

2

Fail to successfully and authentically **engage** the broader organisation

3

Neglect the **critical enablers** required to make their approach work

Q5 has developed a set of principles for designing culture change that addresses these fundamental criteria with:

i. **Top-down sponsorship and empowerment, requiring a:**

    a. business fronted; people & culture powered approach; and

    b. multi-perspective process

ii. **Bottom-up grassroots engagement, requiring:**

    a. design of interactive, highly engaging sessions;

    b. incorporation of inclusive practices; and

    c. leveraging your company's influencers

Culture interventions must enable leaders to **shape and guide** organisational change, whilst taking team members on the journey with them.

Datacom: a success story

At Q5, we are consultants - we work hand in hand with our clients to shape and bring their strategies to life. We partnered with Datacom, Australasia's largest technology services company to redefine their values and behaviours in support of the company's ambitions for the next ten years.

DATACOM

Datacom has **over 7,000 employees** with a footprint across New Zealand, Australia, and Asia. We set out to bridge culture gaps and create a more cohesive working environment that could meet the emerging needs of their customers, whilst protecting what makes them special.

i. Top-down sponsorship and empowerment

Your top-down sponsorship and empowerment means ensuring leaders in the business are driving and supporting culture projects, not simply outsourcing them to People & Culture ("P&C"), believing their work ends there.

We ensured Datacom's leaders anchored values and behaviours to strategic goals, to lend credibility to the process and help permanently embed culture change.

(a) Business-fronted; People & Culture powered

Unsurprisingly, P&C is often seen as the custodian of organisational culture. At Datacom, P&C leaders are undoubtedly subject matter experts but **effecting true behavioural change requires engagement from every person within the organisation, starting with the CEO and Leadership Team.** Therefore, although Q5 was initially engaged by Datacom's Group People Director, we deliberately took a business-fronted approach.

Greg Davidson, Datacom's CEO, was the visible sponsor of the project in the broader business' eyes.

ROLE OF THE CEO
To be involved on a weekly basis and refine the intent behind each value and behaviour.

The Leadership Team was also actively involved, represented by a nominated member throughout the design process.

ROLE OF THE GLT
- Ensure strategic alignment
- Sponsor the process
- Empower the broader team to co-create new values and behaviours

THE IMPACT

FOR LEADERSHIP

Ensured **alignment** from the top down

Enabled them to **buy into the outcome** and thereby understand, live and breathe the target behaviours early on

FOR BUSINESS

Demonstrated **real intent** behind the culture change

**Addressed potential cynics** seeing the project as a tick-box exercise

Allowed **visibility** of the Leadership Team and CEO role modelling new behaviours

"No-one likes a 'ta da' on an important project. Your CEO and Board are the CEO and Board for a reason and they will have strong points of view on any important project that impacts strategy."

Siobhan Gallacher, Datacom Group People Director

(b) A multi-perspective process

Whilst it can be tempting to overlook areas that are smaller or geographically isolated, multi-perspective involvement is essential to **uncovering areas of discord and creating space to find the common ground.**
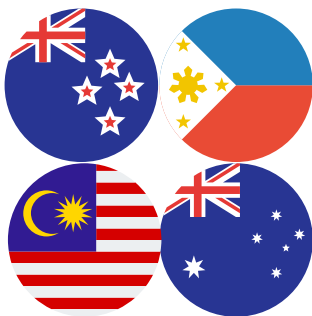
Datacom is spread across **several geographic regions**, with local communities informing identities. Naturally, the company has developed sub-cultures across its network.

We obtained **a multi-perspective view** by engaging leaders from across Datacom's geographic footprint and functional spread, to ensure we didn't crush subcultures in favour of a singular mandate.

5
BOARD
MEMBERS

11
GLT
MEMBERS

27
BUSINESS
LEADERS

"Hearing that similar themes are spread across the whole business makes it easier to find a common way forward."

2. Bottom-up grass roots engagement

Motivating thousands of individuals to embrace true behavioural change means **engaging your people, not just your leaders.**

In the age of remote working, **bottom-up, grass roots engagement** aims to:

Ensure people **engage meaningfully** in the conversation

Help employees understand what's in it for them, how it applies to their specific context and what is expected of them day to day

Get people thinking practically about **real, tangible behavioural change**

**Directly engage** with selected participants

Most culture programs rely on surveys or focus groups to achieve these outcomes. But those tools alone are insufficient. At Q5 we employ **interactive, highly engaging methods** designed to include as many people as possible in creating and driving cultural change.

(a) Design interactive, highly engaging sessions

If you're not delivering highly engaging sessions, your culture initiative will fall flat.

With large groups, it's easy to slip into superficial conversations, or shift into didactic, one-way communication. We all know what it's like when conversations become dominated by the loudest people in the room- it defeats the purpose of bringing people together to collaborate.

We deliberately designed and facilitated 20 x 2-hour virtual workshops on Zoom and Mural, with a total of 263 colleagues from across Datacom's offices to socialise, iterate and evolve the initial themes produced from the leader interviews.
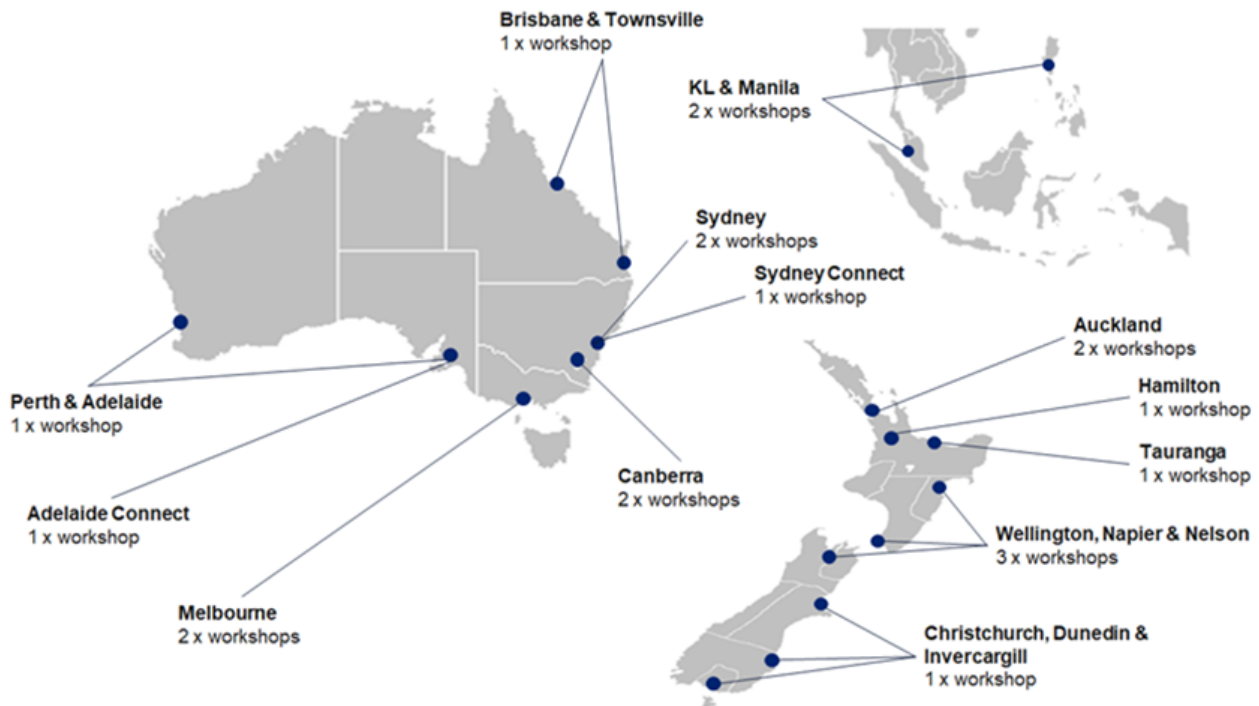
(b) Incorporate inclusive practices

"Inclusive practices" might sound like a millennial invention deemed unnecessary in a large, serious organisation – but that couldn't be further from the truth.

Inclusive practices are facilitation techniques that foster connection and vulnerability, to allow participants of all personality types to contribute meaningfully to the process.

Here's how we did it.

We began each workshop with a 'check in' between attendees, enabling participants to authentically share anything preventing them from being fully focused. For example, one attendee expressed concern over her unwell parents which could cause her to be distracted at times. It sounds simple, but checking in humanises the group, lowers barriers, and heightens empathy.

01

CREATE CONNECTION AND PRACTICE EMPATHY

In an online or live environment, large group settings can be daunting for the quieter voices. We used breakout groups to create a less intimidating space and more time-effective process for group work. When choosing the individuals for each group, we considered the potential power dynamics that could be at play and prioritised diversity of perspective.

02

USE BREAKOUT GROUPS

We asked people to pair off, discuss and then share with the wider group. This catered to those who value personal reflection time, whilst encouraging every attendee to actively participate in the discussion.
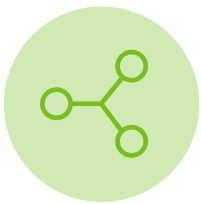
03

THINK, PAIR, SHARE

(c) Leverage your influencers

We gathered insights from everyone at Datacom but we couldn't directly engage 7000 employees in a workshop or 1:1 conversation without losing momentum.

Instead, we looked to Datacom's "influencers" to maximise engagement.

The most connected – those with the greatest number of connections across the business. These individuals were often (but not always) leaders across the business.
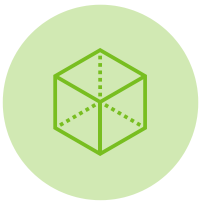
The organisational connectors – those who connect different parts of the organisation to one another. For example, these could be regional leaders who act as a two-way communication stream to all members of a regional team.

Influencers of influencers – those connected to the most connected. Many were regional leaders, or senior people within support functions, able to understand what was happening at the top and able to access the views of those lower down.

Using our Organisational Network Analysis method [4], we targeted 100 influencers across Datacom's network to provide feedback and input. These individuals represent their various networks, helping to engage every member of the company. Influencers then play the crucial role of providing advocacy for the behavioural changes needed to make ongoing cultural progress.

The magic ingredients

Culture transformation is never a one-off project and implementation is always ongoing. Like watering a plant every day, culture must be nurtured to grow and thrive.

For Datacom, the implementation efforts over the next 18-24 months will decide how successfully the culture change lands across the business. In the process, we've identified **three magic ingredients** which enabled success in Datacom's recipe. These elements served as key players for the 'top-down meets bottom-up' approach.

Without them, you risk wasting the time and energy you invest in your design process on outcomes that don't resonate and won't land.

AUTHENTICITY

The process and its outcomes had to be seen as genuine and authentic. This was not about crafting the perfect company's values and behaviours, it was about discovering what makes Datacom, Datacom.

When a newly-joined leader's family member fell ill with cancer, he was treated like family. "They offered me flexible working options, people brought food around, and colleagues visited us in the hospital. We don't want to lose that - compassion and people first." Stories such as this created powerfully authentic anchor points for people to live and breathe the values.

TRANSPARENCY

Transparency and visibility enable authenticity. We needed to proactively communicate regularly with the broader business about how the project was progressing to provide visibility, trust and buy-in throughout.

This came through in our engagement of Datacom's General Managers (GMs). They play a critical role in communicating ideas from leadership to drive change through the rest of the business. We held two sessions with them to share our objectives and approach, gather their input, and address any questions. We aimed to equip the GMs with the buy-in and confidence to communicate the new values and behaviours to their respective business areas, whilst proactively addressing concerns that could derail the change.

PSYCHOLOGICAL SAFETY

We wanted to create an environment in which people felt safe to communicate openly. Our wider workshops involved neither HR nor members of the leadership team, and all outputs were anonymised.
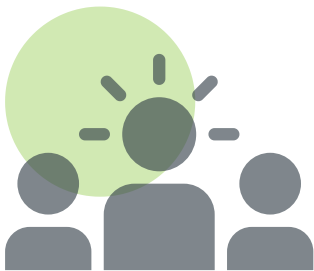
"What worked well was the ability to hear and be heard. Different points of view are okay!"

Datacom Team Member

Our three key takeaways

No matter the type of culture transformation or initiative you're undertaking, make sure to always:

CREATE THE SPACE FOR ACTIVE AND VISIBLE LEADERSHIP

01

Drive visible, cross-functional sponsorship from the top to ensure strategic alignment and empower and encourage others across the organisation to get involved.

DRIVE HIGH GRASSROOTS ENGAGEMENT

02

Engage the grassroots of your organisation through highly interactive, inclusive and engaging working sessions that leverage your organisational networks and bring values and behaviours to life.

ACT WITH INTEGRITY AND TRANSPARENCY

03

Whatever approach you choose to take, facilitate authentic conversations by reflecting on what is true for you, in an environment that fosters trust through visibility, transparency and psychological safety.

How to get in touch

If you'd like to hear more about our methodology or would like to explore our broader offerings around designing and implementing transformational change, please get in touch.

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Footnotes

[1] Conducted in January 2021, Human Capital researcher Institute for Corporate Productivity (i4cp), found that whilst 56% of the 348 companies they interviewed had attempted a recent culture change initiative, only 15% of were successful – I4cp, "Culture Renovation: A Blueprint for Action", January 2021, https://www.i4cp.com/survey-results/culture-renovation-a-blueprint-for-action

[2] The Australian Institute of Company Directors found among Company Directors across 50 ASX-listed companies that most organisations see culture as a survey business priority. The word 'culture' was included in the Chair or CEO's letter in 75 per cent of ASX50 companies. – Australian Institute of Company Directors, "Governing Company culture: Insights from Australian directors", December 2020, https://acsi.org.au/wp-content/uploads/2020/12/Governing-Company-Culture-report.Dec20.pdf

[3] As Future of Work Strategist Heather E. McGowan said recently: "Culture can no longer be ignored or assumed. As our environments (workplaces) and artefacts of culture change, those who once saw those tangibles as evidence of the intangible realize we need to get far better at articulating our shared beliefs, shared why, and common purpose and missions."

[4] Our Organisational Network Analysis (ONA) method varies depending on project need, from low-fi team-based mapping through to drawing on real time communication data to track how digital information is transmitted and accessed. To hear more about how the ONA works, please get in touch.