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Management
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Culture is your most
strategic tool in a
transformed workplace.

*But is the culture you're creating
truly in alignment with your goals?*

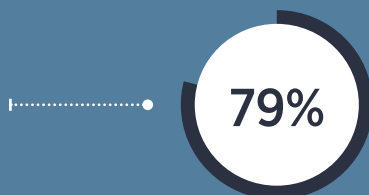
Culture Misalignment: The Hidden Barrier to Success

HR professionals have faced a gauntlet of challenges in the past few years. Navigating economic uncertainty, inflation, and an ever-increasing talent war, are just the latest in a long line of obstacles to overcome.

It's at times like these – where so much feels beyond our control – that fostering a strong organizational culture can be our most strategic tool.

The importance of culture is something that the vast majority of HR professionals and many Leaders understand. However, this understanding does not necessarily translate into greater organizational success.

A 2022 survey by the Society for Human Resource Management (SHRM) found that **79% of HR professionals believe organizational culture is very important to an organization's success.**



And a recent poll we conducted with HR professionals confirmed that **93% are intentionally crafting their organizational culture.**



Clearly, culture matters.

But despite this focus, relatively few HR professionals believe their organizations have a culture that supports their strategy.

The SHRM study found that “only 31% of HR leaders believe their organizations have the culture they need to drive future business.”

This finding was corroborated by HR professionals at a recent CMC event, when **only 33% said “Yes”** to the question “Does your current culture enable the achievement of your strategic objectives?”

Less than one-third of HR professionals believe their culture is aligned with their strategy.

If up to 93% HR professionals are intentionally shaping their culture, why are only 33% or fewer saying that their culture enables the execution of their strategy?

¹Strengthening Workplace Culture: A Tool for Retaining and Empowering Employees Globally.
SHRM Global Culture Research Report.2022

It's Not for Lack of Trying

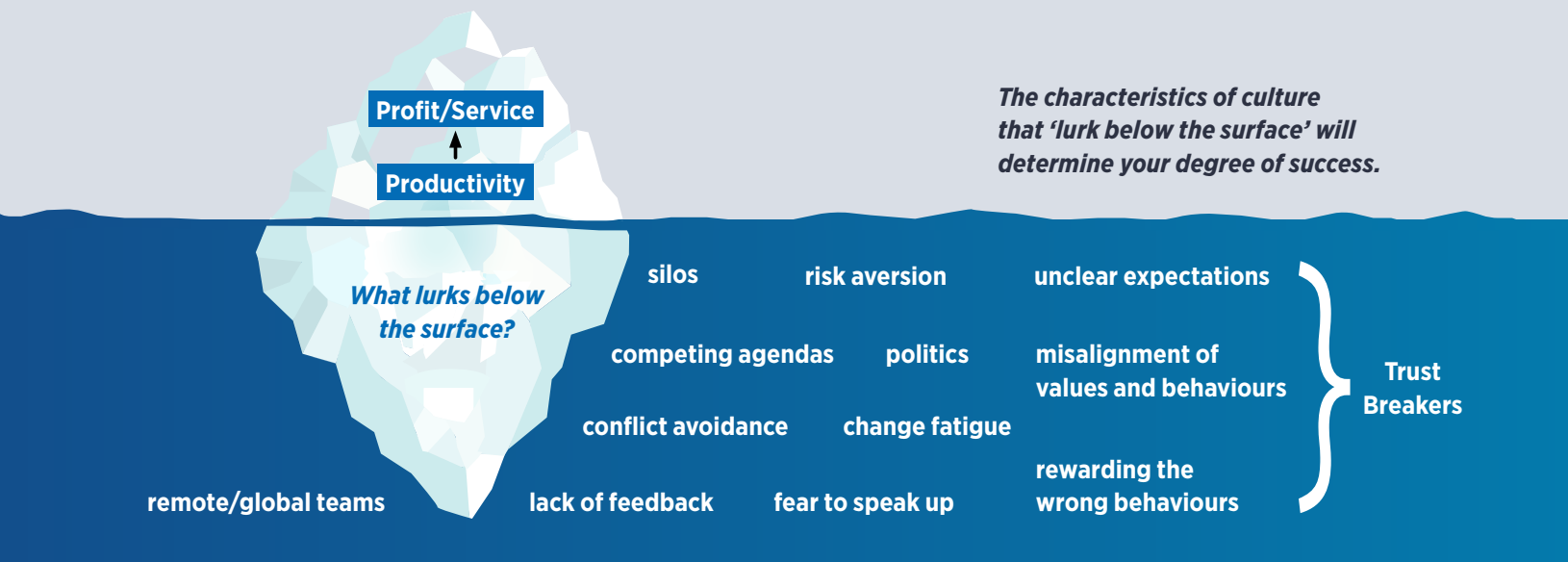
Despite numerous initiatives geared towards creating an engaged and productive culture, the data underscores a gap between effort and results. This begs the question: ***What are we missing in our conscious efforts to shape culture?***

The answer may lie ***below the surface***.

Many of the behaviours, norms, and social agreements that shape culture lurk beneath the surface of our conscious awareness, carefully crafted HR initiatives, and leadership development efforts. They undermine our culture work and break the one key ingredient for building a successful organizational culture: ***trust***. Trust is frequently cited as the aspect of organizational culture that can make or break organizations.

The illustration below depicts the most common trust breakers we see in our client organizations, which act as barriers to achieving their ideal culture.

Many of us believe we are consciously shaping culture. But the misalignment between our culture and our strategic goals suggests we are missing something critical.



In light of the myriad of factors that “lurk below the surface”, it is important to ask ourselves this question:

How much time, effort, and investment are we spending addressing the symptoms of a lack of trust versus building a culture of trust?

Our discussions with HR colleagues reveal that many well-designed and well-intended HR programs are either addressing the symptoms of mistrust or working around the issues, rather than getting to the root cause.

Trust is the Foundation for Strong Organizational Culture



Without trust at the core of our organizational culture, our goals for building highly engaged, inclusive, and productive workplaces are at risk.

Trust determines how we interact with each other, how we make everyday decisions, and everything in between—from transparency in employee communications to collaborative efforts to organizational agility to promotions. Trust is at the heart of it all.

Organizations with trust-based cultures also reap the following benefits:

- Greater agility and efficiency¹
- Increased collaboration and engagement (by up to 6 times, according to Gallup)²
- Higher retention rates (particularly among Millennials, who are 22 times more likely to stay with a company with a strong culture of trust)³
- Increased bench strength⁴
- Improved business metrics, including productivity, shareholder return, operating margin, growth rate, and return on assets⁵

Adding to that are the findings of Neuroscientist Paul Zak. This quote from his research encapsulates the remarkable effects of trust on employees and by extension, on culture:

“Compared with people at low-trust companies, people at high-trust companies report: 74% less stress, 106% more energy at work, 50% higher productivity, 13% fewer sick days, 76% more engagement, 29% more satisfaction with their lives, 40% less burnout.”⁶

Trust-based cultures are clearly powerful, but how can you strengthen your trust-building efforts?

¹ The Business Case for a High-Trust Culture. Great Place to Work Report. 2016.

² Trust Is in Decline: Here's How to Rebuild It. Gallup. 2022.

³ 33 employee statistics you need to know in 2023. Happeo.com. 2023

^{4,5} The Business Case for a High-Trust Culture. Great Place to Work Report. 2016.

⁶ The Neuroscience of Trust. Harvard Business Review. 2017

Building a Trust-Based Culture: The Next Step

To transform culture, we must first recognize its drivers, good and bad. Awareness, however, is just the start. Fostering a trust-based culture requires a thoughtful strategy rooted in principles that bridge the gap between organizational values and employee actions.

CMC's Five Guiding Principles can help. After decades of helping organizations develop leadership capabilities, CMC identified these principles as the most practical and effective for building trust and connection within teams.

The Guiding Principles

How would your ability to overcome organizational challenges be impacted if employees embodied the following principles?

				
Start with Curiosity	Empower Others to Be Their Best	Strive for Continuous Improvement	Address Challenges with Kindness and Candour	Consciously Lead By Example
Starting with curiosity requires us to take our brains off autopilot and listen in a way that brings new insights to life while creating psychological safety for others to share openly and honestly.	Having the right talent focused on the right work is at the heart of a high performing organization. Identifying and growing the specific strengths and abilities of individuals - and aligning them with the right work - creates purpose and motivation at the employee level and translates to results for organizations.	By consistently looking at ways your organization can get better, you realize gains in efficiency and productivity that can lead to increased profitability. Depending on the mission of your organization, this can lead to increased profitability and/or improved service to your clients and stakeholders.	At the heart of organizational silos, politics, and project failure is often a conversation that never took place or one that did not go well. The ability to address issues with kindness and candour is paramount to both strategy execution and employee engagement.	We lead by example every day. But do we do this with awareness? Consciously leading by example requires us to understand not only the example we set but also the impact it has on others. By bringing conscious awareness to our behaviours, we can contribute to organizational culture with intentionality and, therefore, with greater positive impact.

Despite a changing environment, employees will continue to seek purpose, connection, safety, and the opportunity to thrive at work. These Guiding Principles can help create such workplaces.

How These Principles Align Culture to Drive Strategy



*The greatest ideas
are the simplest.*

- Albert Einstein



CMC's Five Guiding principles are influential in shaping culture because they are simple and easy to *operationalize*. Operationalizing culture in alignment with strategy is the missing component in many initiatives geared towards improving engagement and business results.

These principles facilitate this process by providing a clear roadmap for behaviours that can be easily adapted and aligned with your key priorities.

Consider, for example, a team whose members embody the first principle: **Start with Curiosity** — How might this one principle alone impact the team's ability to be more innovative?

When teams discuss the principles of trust-based culture, they gain clarity on two things: why trust is critical to goal achievement, and how to apply the principles to their everyday work.

Being a part of the culture discussion while gaining clarity on specific actions to take also amplifies employees' sense of purpose, accountability, and commitment to team and organizational success. Clarity of purpose, when combined with clear next steps, boosts the intrinsic motivation required to make things happen.

Ultimately, changing culture is not achieved through a mandate or a training program.

It lives in the hearts, minds, and habits of employees, who naturally resist change, especially when they don't understand it or feel a part of it. The only way to change culture is through new conversations that reveal new opportunities, ways of being, and benefits for everyone.

Reach out today to have a conversation about how we can help your teams realize new possibilities through building a trust-based culture.

Contact me to learn more:



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