

Top 5 Culture Problems and How to Fix Them

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Every leader shares the same objective: to create an amazing organization that exceeds expected results and is an attractor of top talent.

Although it's a subjective term, we think "amazing organization" sums it up pretty well. Of course, we've all lived in organizations that fall short of being amazing. These organizations aren't bad, and they get stuff done, but there is a constant reminder of the potential that is being left on the table, because that top-notch marketer we hired two years ago just left to work somewhere else, or the unending battle between the marketing team and the events team is constantly adding drag to our progress. That's not amazing—that's average, and we should do better.

But here's the truth that not enough of us are recognizing: the difference between average organizations like those and the really amazing ones is workplace culture. We're not saying strategy and operations are not important they obviously are. But you can't reach "amazing" based on strategy and operations alone. They will get you in the game, but it's culture that makes you win. Here's why.



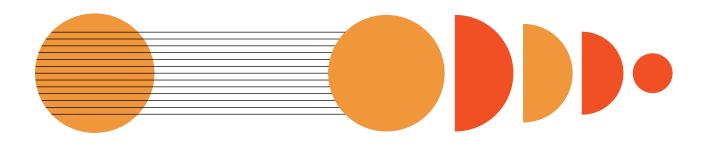
Culture is the water that your strategy and operations swim in. In that sense, strategy and operations are relatively independent. If you make a bad strategic move, that could hurt, though it's possible you could make up at least some of the difference with flawless execution. Similarly, if your operations are inefficient, you could, in theory, overcome that with some brilliant strategy.

But culture affects everything. When your culture is weak or misaligned, both strategy and execution suffer. Like that silo conflict between marketing and events—it limits your ability to deliver on your brilliant strategy, and it slows down execution. You'll still put on your events, and

Culture affects everything. When your culture is weak or misaligned, both strategy and execution suffer. you'll still have a positive bottom line at the end of the year, but you won't be that amazing workplace that exceeds expected results and is an attractor of top talent. You'll be average.

And that's why fixing the problems

inside your culture is so important right now. Just as culture problems cause your strategy and execution to suffer, fixing those problems has a positive impact on both strategy and execution... and can create a flywheel effect that can catapult you to "amazing." The good news is, improving culture is not as hard as many people think. It does require some clarity around the nuances of your culture—what we call "culture patterns"—plus an analysis of how your culture patterns are impeding success. But once you have that, it's as simple as changing some processes, doing some restructuring, or deploying some new technologies. As you change the way you do things, you will change your culture, and if you change the right things, you can become an amazing organization.



The Top 5 Culture Problems

So where do you start? We have gone deeper than most in trying to peel back the layers of culture and figure out how culture impacts organizational success. Through our consulting practice over the last two decades, plus the research we've put into our books and, more recently, our culture assessment, we have been able to make some order out of what most people see as the "messiness" of culture. And while every culture is unique, we have identified the dominant patterns inside the cultures of contemporary organizations. Specifically, there are 5 culture patterns that are having the biggest drag on success. **These patterns represent the 5 biggest culture problems that you should be working to solve today if you want to become an amazing organization**. The patterns are:

- 1. Heavy Agility
- 2. Incomplete Innovation
- 3. Awkward Collaboration
- 4. Lagging Transparency
- 5. Micro Inclusion





Heavy Agility

Organizations that have this culture pattern will value forward action more than they value effective action.

Agility is about being able to change and maintain speed. In traditional management, agility was not valued. Change was something that was carefully planned, slowly implemented, and controlled from the top. That might have worked for a factory in the 1920s, but in today's environment, nearly every organization needs to be more agile than that.

And most organizations are trying. Through our culture assessment, we have seen nearly every organization demonstrating a commitment to both quality and speed, and at a high level, most organizations are embracing change (what choice do they have!). We also see organizations making some efforts to push decision making down in the hierarchy in an effort to improve agility.



But we're still not seeing the senior level being fully willing to get out of the way and let people make decisions. And, perhaps more importantly, we see a lot of cultures that are admittedly not good at fixing things when they are broken, or stopping things that no longer add value. That's why we call this problem "heavy agility." We're moving fast, but we won't get out of our own way. It's like running a race while wearing weights around our ankles.

The negative effects of this pattern include staff frustration and burnout, missed strategic opportunities, and unacceptable levels of inefficiency. It is very hard to retain top talent when this pattern is prominent in your organization. Over time, when people realize that a certain percentage of their effort is going to be wasted because you can't fix things or stop things, or because the senior level will interfere and micromanage, they're going to look elsewhere. Life is short, and top talent wants to have a bigger impact than that.

As we will show you in more detail on page 17, solving the heavy agility problem will involve some important process changes, such as consistently doing after action reviews to ensure problems really get fixed.



Incomplete Innovation

Organizations that have this culture pattern will value the concepts of innovation more than the practices of innovation.

We put the innovation pattern second because it obviously has relevance to change and agility. This was one of the first patterns that we spotted in our aggregate culture assessment data. Innovation is change that unlocks new value—it changes the rules of the game to gain access to the value that you couldn't reach by observing the rules of the status quo.

In traditional management, innovation was valued only tangentially. It was relegated to R&D departments and results were expected to be infrequent. Today, innovation is more of a mainstream expectation, though the amount of innovation required to drive success will vary depending on the nature of your business (e.g., nuclear power plants probably need less innovation than software companies).

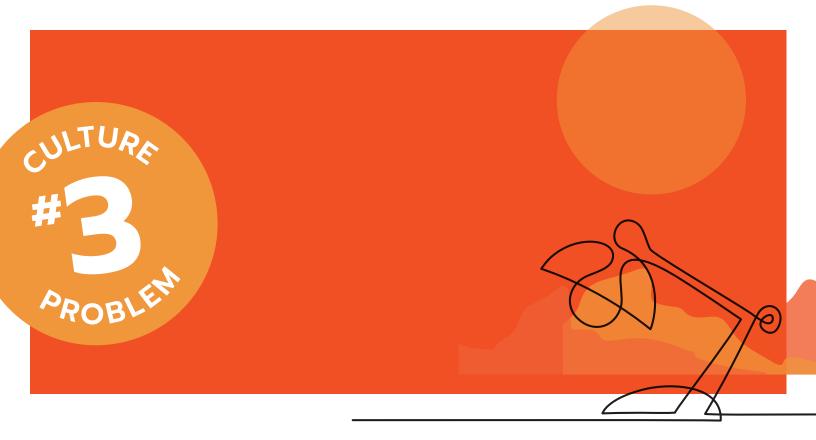


We are definitely seeing organizations embracing the concepts of innovation. In a wide variety of industries, we are seeing cultures where people are able to exercise their creativity in the regular execution of their job duties, and there is an overall focus on moving toward the future rather than sticking only with what worked in the past. They are even comfortable with people trying new approaches to things, though that permission extends only to individuals and is not systemic.

What is not as common, however, is true organizational support for the nuts and bolts work that is required to make innovation happen. Organizations are reluctant to let people run experiments or take risks, and the idea of beta testing or sharing unfinished products with customers in order to get feedback is not as supported. That's why we call this problem "incomplete innovation." We're talking the talk, but we're not walking the walk.

The negative effects of this culture pattern come frequently in the form of opportunity costs. Organizations are unable to innovate in a timely fashion, and competitors are able to gain ground over overtake them, because they are able to reach the new value faster. It is also increasingly difficult to attract the top talent when your organization is perceived as a place where you do things because you've "always done it that way." The two dominant generations in the workforce right now—Generation X and Millennials—have always been used to change and innovation.

As we will show you in more detail on page 18, you can solve the incomplete innovation problem by deploying tools that generate more ideas for innovation from more employees.



Awkward Collaboration

Organizations that have this culture pattern will value collaborative individuals more than collaborative groups.

Collaboration is one of those cultural elements that nearly every organization in today's environment says is critically important, though in traditional management, collaboration was not highly valued. In command-and-control cultures, people were expected to do what they were told and stay within their swim lanes. That rigidly siloed approach is less successful today where agility and innovation are required—if you don't collaborate, you'll likely miss opportunities.

And most organizations today put intentional effort into fostering collaboration. They have created cultures where people are willing to help each other out, and they make an effort to help colleagues build stronger relationships and improve facilitation skills to make collaboration easier.

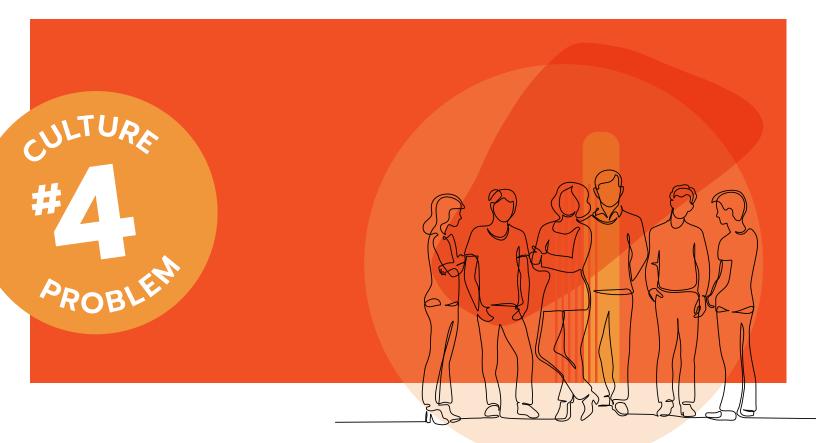


That said, your average organization today has failed to get rid of the silo issue, where departments don't collaborate well, and they are not as effective as they need to be in cross-functional communication either. This is why we call this pattern "awkward collaboration." We help each other out as individuals, but not across group boundaries, so we're never maximizing the impact of the collaboration.

The negative effects of this pattern are around productivity and ineffective decisions. Because information flow is restricted and the right people are not consulted at the right time, the quality of decisions tends to decrease. Work often has to back track or start over once the right groups get involved, and duplicating efforts results in a lot of wasted time.

As we will show you in more detail on page 19, solving the awkward collaboration problem might rely on some training, particularly in conflict resolution and difficult conversations.





Lagging Transparency

Organizations that have this culture pattern will value reactive transparency more than proactive transparency.

Transparency is about information flow and visibility. Organizations must strike a balance: sharing everything with everyone is inefficient and can be overwhelming, but not making enough information visible to the right people at the right time can lead to mistakes and frustration.

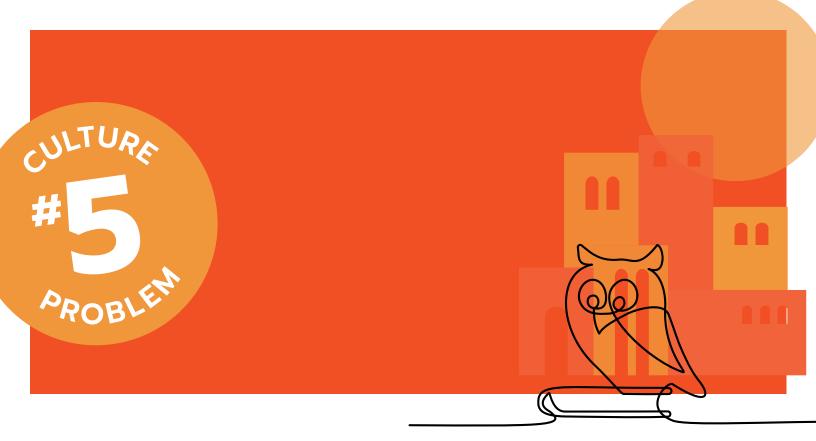
Traditional management took more of a "need to know basis" when it came to transparency and information flow. Information was controlled from the top, and knowledge was power, therefore not distributed freely. In the post-internet age, however, a certain level of information availability is a given, and lack of information can lead to distrust, which can cause big problems in organizations. So most organizations today have at least a basic commitment to transparency. As was the case with collaboration, we are looking for individuals who are willing to share information with each other. We have also invested in making the information that we share credible and meaningful, and most organizations will emphasize the value of trust, which includes information sharing.

What most organizations miss, however, is a more systemic approach to transparency. They are not creating systems and processes that are designed to increase information flow throughout the organization, so people can have the information even before they realize they need to ask others for it. Leaders are still somewhat resistant to share details about tough decisions.

The negative effects of this pattern show up around speed, missed opportunities, and employee engagement. Your people are happy to ask each other for information, but it adds to the time it takes to get things done, and frequently they will miss opportunities to take the right action because they did not have the right information at the right time. The lack of information is a big cause of disengagement among employees as well, as they feel they can't trust their leadership (or even other departments) who won't share information with them.

As we will show you in more detail on page 20, solving the lagging transparency problem may include upping your game on how you use asynchronous communication tools like Slack or Teams.





Micro Inclusion

Organizations that have this culture pattern will value personal inclusion more than structural inclusion.

The core definition of inclusion is about valuing difference, but from a cultural perspective, inclusion goes beyond just diversity to include supporting authenticity, autonomy, and a hierarchy that is welcoming across levels.

Traditional management did not pay much attention to inclusion. Who was included was based on title, function, or other rigid rules, and the broader societal issues around diversity, inclusion, and equity were considered separate from issues inside the organization. In today's world, that approach is no longer viable, and organizations are taking steps to up their inclusion game and respond better to societal dynamics.



Most organizations are at least taking the first steps in terms of responding to the societal changes and internally they are intentionally trying to improve the employee experience around inclusion, particularly around authenticity, acceptance, and empowerment.

A truly systemic approach to inclusion, however, is still relatively rare. Organizations are still not applying the concept of inclusion to the way they do planning or to increasing involvement of people across hierarchical levels in the same work. Access to knowledge of strategic success drivers is still being limited to people higher up in the organizational chart. DE&I efforts tend to skew lower in terms of the depth of the work and the level of change.

The negative impacts of this culture pattern include lack of innovation, challenges with employee recruitment and retention, and weak strategic agility. Diversity is a pre-requisite for innovation (if everyone thinks the same, we do what we've always done), and in today's job market, a lack of a visible commitment to diversity is going to rule out a large percentage of the top talent. And though few recognize it, the lack of inclusion around your strategic success drivers mean your people don't adjust to an ever-changing environment like they should.

As we will show you in more detail on page 21, solving the micro inclusion problem might involve creating internal teams that intentionally include multiple layers of the hierarchy.

Fixing the Problems

So here's the good news: fixing these culture patterns is not as hard as you might think. It's going to take some work, to be sure, but if you are disciplined and methodical about it, you can change your culture in ways that fix these 5 problems in a relatively short amount of time. You'll see real progress on the problem in a matter of months, and you can be reminiscing about the times your culture "used to be that way" in one or two years. The work of culture management is never "done," really, so don't obsess over the specific timing of your results, but the sooner you are diligently working what we call your "culture playbook", the sooner you can achieve amazing.

A Culture Playbook is a collection of "plays" that you run inside your organization that will change the culture and fix the patterns. It involves changing things, stopping things, and introducing new things in the following six categories:

- Process
- Structure/Design
- Technology
- Talent/HR
- Rituals/Artifacts
- Stewardship

This is culture change—it's not rocket science, but you do need to be smart about it. The first three sections of your playbook is where you'll do most of the focused work to fix your culture patterns. Many don't realize this, but much of culture change is about the nuts and bolts. Processes, for example, often end up being a significant portion of your culture change work. Changing the way you do staff meetings, project management, decision-making, recognition, goal tracking—these can all quickly signal to your employees that you are shifting your culture and driving some new behaviors. Structure/design (both organizational structure and the physical design of

Changing the way you do staff meetings, project management, decisionmaking, recognition, goal tracking—these can all quickly signal to your employees that you are shifting your culture and driving some new behaviors. your office) and implementing new software or technologies can be equally effective in changing culture. Notice how your culture changed when we all went remote and learned how to use zoom and other video call software well.

The bottom three categories on that list are more about your ongoing culture management and development. In other words, once you fix your culture patterns, you want to make sure they stay fixed. That's why HR/Talent gets its own category—to reinforce your culture change you'll need to change the way you do onboarding and performance reviews, for instance, to make sure the new behaviors stick. Rituals and Artifacts are

deployed to communicate more clearly what your culture is, and Stewardship will be plays you run to actively manage culture, like identifying new culture patterns that are problems or measuring the impact of your culture change efforts.

These are all super important, but we won't go into them in this paper, because we want to focus on what you need to do to solve the top 5 culture problems. In the 5 sections below, we'll give you examples of specific plays you could run to solve these problems.



Solving the Heavy Agility Problem

We worked with a division of a large company that was suffering from agility problems, and before we got there they had issued a slide deck to staff that closed with the following advice: "Don't just SAY you're agile. BE agile!" For the record, that's not how you solve this problem.

Remember that most organizations already have a commitment to being agile and are good at maintaining quality without giving up speed. Where they are suffering is in fixing things that are broken and stopping things that are not adding value. Here are some plays that would move the needle in that area:

Process Play

• Conduct after-action-reviews following every major project to identify areas that need to be fixed

Structure/Design Play

• Create cross-functional teams to evaluate program effectiveness in order to get new perspectives

Technology Play

• Deploy goal management software like Align to make both objectives and progress visible to everyone, helping you to spot bottlenecks earlier on.







Solving the Incomplete Innovation Problem

Like agility, there is no shortage of conceptual commitment to innovation, but we have spent a lot of time trying to cajole our people into innovating without realizing that our culture doesn't really support things like experimentation or risk taking, primarily because we are afraid of failing. Here are some plays that would move the needle in that area:

Process Play

• Add 2 numbers to your leadership team dashboard: how many experiments did you run last period, and what percentage failed. If each manager is reporting on these two numbers every month or quarter, those with zeros are the ones you should talk to about experimenting more.

Technology Play

• Deploy idea management software like IdeaScale, where any employee can suggest an idea for improvement or innovation, and the rest of the staff votes the ideas up or down.

Talent/HR Play

• Add in time in job descriptions to experiment and try new things, much like Google did years ago with its "20 percent time."







Solving the Awkward Collaboration Problem

To improve your ability for different groups inside your organization to collaborate well, you have to get people to lift their eyes up and see the big picture, rather than constantly focusing down into their own program or issues at their own level of the hierarchy. Here are some plays that would move the needle in that area:

Process Play

 Clarify decision making roles with something like the RACI model. When decision making roles are clarified (responsible, accountable, consulted, informed), it paves the way for more effective collaboration across functions when the responsibilitiesoverlap.

Technology Play

 Deploy project management software like Asana, that make everyone's focus and progress at a detailed level more visible, improving crossfunctional communication.

Talent/HR Play

 Deliver training in conflict resolution and difficult conversations to all staff part of what has been inhibiting collaboration has been the avoidance of tough conversations.





Solving the **Reactive Transparency** Problem

Your mantra here should be "making things more visible in ways that improve the quality and speed of our decisions." Here are some plays that would move the needle in that area:

Process Play

• Share summaries of internal staff meetings (particularly senior management team meetings) on a shared drive where every staff person can see them.

Technology Plays

- Get much better in how you use your asynchronous communication tools, like Slack or Teams. Train people in how, when, and where to post things in these tools so that more is visible to everyone sooner (and less is buried in emails that people can't see)
- The project management and goal management software mentioned above are also critical for this problem. Everyone needs to see where everyone else is on meeting their priorities, enabling people at lower levels to make their own decisions about when to help someone else.





Solving the Micro Inclusion Problem

For the record, there are not going to be a lot of "quick fixes" when it comes to improving structural inclusion (and, more broadly, building a culture that supports true diversity, equity, and inclusion work). But you have to start somewhere, so here are some plays that would move the needle in that area:

Process Play

• Add an additional workshop to your strategic planning process that is both crossfunctional and includes multiple layers in the hierarchy that can provide input to your existing process that stays mostly at the senior staff and board level.

Structure/Design Play

 Create a number of working groups that are intentionally designed to have multiple layers in the hierarchy working together on specific tasks or topic areas, for example one that is continuously monitoring and evaluating organizational strategy, or one that is supporting the CHRO or CEO on the culture management function.

Talent/HR Play

• Run workshops for staff on personality and work style, like DiSC, to create the foundation within your staff to understand and adapt to differences.



Culture Change Management

Just Because You Can Do it By Yourself, Doesn't Mean You Should

Our goal in writing this paper was to illuminate a path to for you to create a truly amazing organization by intentionally solving the problems inherent in your culture patterns. And we believe very strongly that this needs to be a well-developed internal capacity. If you take the work of culture change management seriously, you are going to win the "great resignation." You'll create an amazing workplace that your best people won't want to leave, and word will get out about why your organization should be the destination of choice for all those other resignations that are happening out there.

But unless this capacity is already well-developed, you may need some help. A few years ago, we might have encouraged leaders to dive into this alone and take their time. Culture change management, after all, is ultimately a long game. But right now is different.

We think most leaders already understand that culture is important, and are actively trying to shape their culture to be successful, but that's not enough to create an amazing workplace that attracts and retains the best people any more. **Being intentional about culture is now table stakes**. You have to be systematically managing the culture and how it's evolving. You need to be running plays and, more importantly, measuring whether those plays are (a) making a difference to the culture and (b) making a difference to organizational results.

PROPEL Can Help

In our Culture Change Management coaching program, we help individual leaders (and sometimes entire management teams) to do this important work, so they can become truly amazing organizations. Our long-term capacity building includes efforts like:

- Creating a culture change roadmap that clarifies the change priorities over both the long-term (3 years) and immediate term (3 months)
- Integrating the culture change into other organizational systems and processes, like strategic planning and recruiting and hiring.
- Ensuring that behaviors at the team level (particularly the senior team) are consistent with the culture change that is being implemented (via training or direct interventions).

In some cases we link the culture change management coaching with a more extensive culture design project, where the organization completes a culture assessment and then develops a set of culture priorities and the first draft of a culture playbook designed to change the problematic culture patterns.

You can find more information on our programs here:

Culture change management coaching Culture design Culture education

