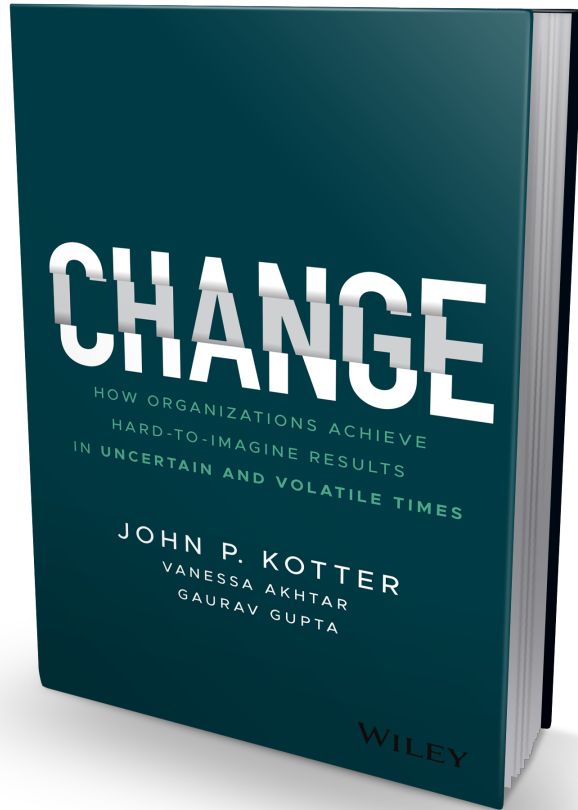


THE SCIENCE OF *culture* CHANGE



THE WORLD HAS
BEEN MOVING *faster*
FOR SOME TIME

**WHAT HAS CHANGED RECENTLY IS THE
MARKED INCREASE IN COMPLEXITY AND THE
RISING RATE OF UNCERTAINTY**

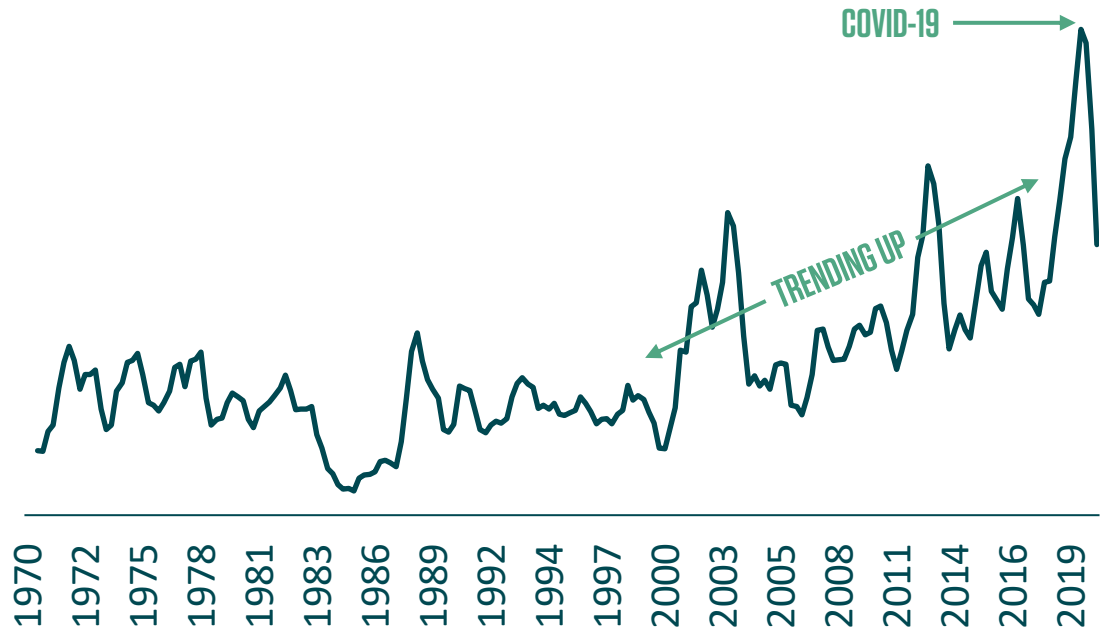


Over the past few decades, we have learned a lot about what it takes to successfully navigate these conditions. In the forthcoming book, *Change*, authors John Kotter, Vanessa Akhtar, and Gaurav Gupta share stories and actionable approaches to deal with some of the biggest transformation efforts organizations are navigating, including digital transformation, restructuring, culture change, and more.

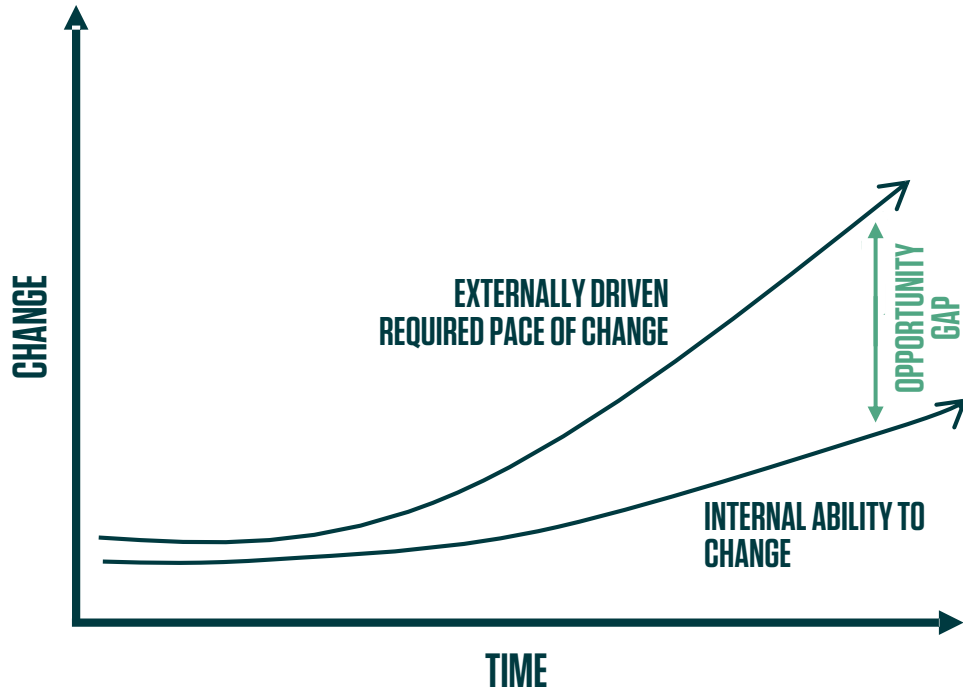
COVID-19 HAS CREATED A SPIKE IN UNCERTAINTY

...but the trend suggests
this is anything but
an anomaly.

WORLD UNCERTAINTY INDEX



Adapted from Ahir, H, N Bloom, and D Furceri (2018), "World Uncertainty Index," Stanford mimeo. The WUI is computed by counting the percent of word "uncertain" (or its variant) in the Economist Intelligence Unit country reports.



THE RESULT IS BOTH A PROBLEM AND AN OPPORTUNITY

External change is outpacing our ability to drive internal change.

What is needed are new and better ways to adapt to change.

**WE KNOW
HOW TO
CLOSE THAT
OPPORTUNITY GAP**

— and better adapt to change

THREE STREAMS OF RESEARCH HAVE DEEPENED OUR UNDERSTANDING OF

1 Human nature and our response to threats + opportunities.

2 The impact of organizational form and design.

3 Effective strategies, principles, and tactics to lead change.

1 HUMAN BIOLOGY



SURVIVE

THREAT-SEEKING
(chemicals release)



BRAIN + BODY + EMOTIONS
fear, anxiety



BEHAVIOR
narrow, focused fast
problem-solving

THRIVE

OPPORTUNITY-SEEKING
(chemicals release)

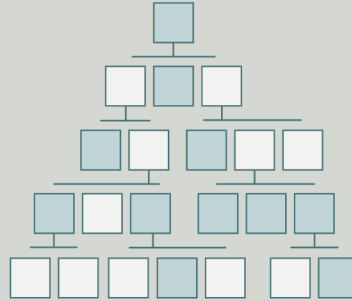


BRAIN + BODY + EMOTIONS
passion, excitement



BEHAVIOR
curiosity, innovation,
collaboration

2 MODERN ORGANIZATIONAL DESIGN



Leans toward:

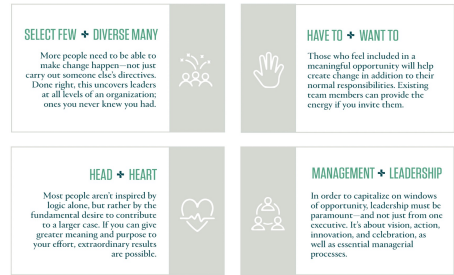
- Reliable **vs.** agile
- Repeatable **vs.** adaptable
- Control **vs.** autonomy
- Status-quo **vs.** change

3 KOTTER'S LEADING CHANGE RESEARCH

8 Accelerators



4 Change Principles





WHAT DOES THIS MEAN FOR *culture?*

The implications of these three streams of research on organizational culture are massive. Against a seemingly permanent backdrop of uncertainty precipitating change that surpasses internal capacity to adapt, there is a clear and pressing need to drive intentional culture in your organization.



*“We need many more cultures that can facilitate prosperity in an era of speed and uncertainty.
We need many more organizations that understand the
science of culture change.”*

change —

JOHN KOTTER | VANESSA AKHTAR | GAURAV GUPTA

**BUT THAT'S EASY TO SAY AND HARD TO DO.
SEVERAL COMMON MISTAKES GET IN THE
WAY OF GOOD INTENTIONS MOTIVATED BY
A REAL NEED.**

common CULTURE CHANGE *mistakes*



DRIVEN BY DECREE

MISSING THE MISSION



**STOPPING SHORT OF
SUSTAINABILITY**

**LACKING CONNECTION
TO OUTCOMES**



As essential as leadership is in successful culture change, leaders alone cannot mandate this kind of change. Culture change must be driven by behavior, over time, demonstrated by many, many people—*including* leaders. No matter how cleverly crafted the message, no matter how emotional or logical the tone, culture does not change simply because we're told it needs to.



**CULTURE CANNOT
BE DRIVEN BY
DECREE**

What makes this hard to avoid?

- There is a misguided assumption that a key component of leadership is to define the culture for an organization.
- Organizations with a high degree of management-centricity often find they have an employee population that struggles to drive new actions vs. waiting to be told what to do.
- Many leaders have a somewhat valid fear of losing control. While they cannot dictate what a culture is, they do need to play a role in defining the behaviors they want to see. Intentional culture change cannot be 100% organic.
- Senior leaders are often shielded from what's true: the gap between the culture that exists today and the one they want to have.

Culture is a catchy topic. It is interesting to read about and be inspired by the cultures of other organizations. The danger comes when you over index on trying to emulate someone *else's* culture. Doing so can create a gap between your own values, purpose, and vision and the culture you're trying to benchmark against, failing to resonate authentically with your own stakeholders.



**CULTURE MUST
ALIGN TO YOUR
MISSION + VISION**

What makes this hard to avoid?

- Sometimes there has simply been insufficient work done to align organizational values, purpose, and mission. This is especially common the farther you get from the founding of the organization.
- Pressure from the market to recruit and retain top talent can shine a spotlight on culture as a selling point to prospective employees. Yet you can't just copy and paste what may look like the hallmarks of culture from other organizations. Culture isn't about perks, like free food or foosball tables. Rather, it's about the outcome of behaviors and norms reinforced over time.
- Leaders often assume the link to the mission is obvious, so they don't take the time to connect the dots for people.

It is encouraging to see evidence of behavior change that is aligned with the culture you want to cultivate taking shape in your organization. The temptation, however, is to mistake this movement in the right direction as evidence that you have arrived at the destination. Letting up too soon, not persisting until the change becomes truly embedded, can quickly reverse any progress made.

**CULTURE CHANGE IS
CONTINUOUS**



What makes this hard to avoid?

- The urge to take the foot off the gas too soon is exacerbated by the constant pressure to move quickly and the unrelenting pace of today's world. The list of other pressing matters to tackle never stops growing, so it's easy to deem a result “good enough” and move on to the next emergency.
- It's easy to mistake initial behaviors for habits. When there's a call for change of any sort, many people will respond. But those initial responses are not habits until they are proven to be durable over time and varied circumstances.
- Culture has long been deemed too “squishy” to measure. (We disagree!) If you are relying on largely subjective assessments of progress—checking in with a few colleagues here and there—it can be easy to fool yourself into thinking that the organization's culture has reached a point of sustainability. Data might tell a very different story.

Too few people believe that culture, like other business outcomes, can be measured over time. It is possible. Trying to drive culture change without a clear tie to the specific desired outcomes sought makes it difficult to know how you're doing, difficult to reflect wins to the organization, and difficult to know what efforts moved the needle to institute them accordingly.



CULTURE CAN BE
MEASURED

What makes this hard to avoid?

- Culture is still viewed as something that cannot be tied to metrics. This belief limits the investment in and efficacy of culture change work by de-prioritizing it relative to anything else that can clearly demonstrate ROI.
- Responsibility for steering and shaping culture often resides in a specific function—often HR. Without visibility across all functions and collective ownership up and down the hierarchy, culture change can drop to the bottom of a long list of other, easier to quantify efforts.
- Those organizations that do attach metrics to culture often fail to frame the overarching opportunity for pursuing them. Without the answer to the “why does this matter” question, measures for their own sake are not likely to inspire new behaviors that persist over time.

**SO, WHAT DOES CULTURE CHANGE LOOK LIKE
THAT AVOIDS THESE MISTAKES?**

a case for culture change

A Canadian provincial, crown-owned, energy company found itself under pressure. Operating as a government-owned monopoly to date, customer centricity hadn't been much of a focus. There had been, after all, virtually no competition—until suddenly, there was. Customers were leaving the energy grid for cheaper and more socially conscious energy solutions. Customer mindsets about the level of service expected of vendors was changing too. In response, their CEO shared a vision for the future he wanted to create: a 25-year plan to shift the company beyond just the meter and into peoples' homes with energy smart-products and services.

They engaged Kotter to help build the internal capability to successfully execute—and accelerate—this multi-decade strategic plan to transform from a power company to a customer-centric energy company. In essence, the task was to erect an entirely new business model. Aligning senior leaders around a strong vision became a rallying cry to employees driving change, focused on the opportunity before them: to leverage their incredible existing resources and people to become their customers' partner of choice. Senior leaders and Kotter engaged 2500 employees to get behind this vision for the future. They empowered employees at every level of the business to make smart financial decisions for the company and increased idea-sharing across business units to scale impact. In fact, the executive team invited colleagues from all levels of the business to raise their hand to lead these initiatives. Passionate employees developed programs that people up and down the hierarchy could participate in. Together they tackled mindset changes around money saving ideas and energy literacy that turned every employee into an unofficial salesperson and company advocate, driving culture change around customer obsession. Enabling everyone in the business to participate in ways both big and small generated incredible results across financial and cultural dimensions to help them become the energy leader of the future—and win a most admired corporate culture award in the process.

A photograph of a person walking away from the camera on a dirt path through a dense forest of tall, slender trees. The path is bordered by a wooden fence. The overall color palette is a mix of greens and browns, with a slight teal tint.

YOU CAN LEAD

culture change →

- Intentionally call out, celebrate, and reinforce behaviors that demonstrate the culture you want to see.
- Connect the desired culture with a compelling opportunity so people understand why change is needed and what's in it for them.
- Role model what you want to see. You can't ask others to change their mindsets, behaviors, or norms if you aren't willing to do so yourself.
- Articulate how the desired culture will preserve and/or strengthen your organization's missions and values.
- When reporting on business results, discuss how new ways of working contributed to these successes.

WANT TO READ MORE ABOUT LEADING CULTURE CHANGE AMID UNCERTAINTY?

pre-order →

amazon

BARNES & NOBLE

BAM!
BOOKS-A-MILLION

INDIE
BOUND™

Porchlight

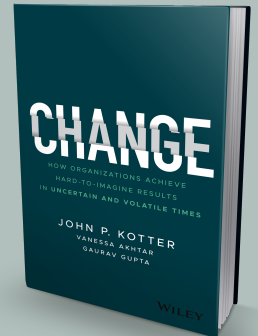


ADVANCED PRAISE FOR CHANGE

“In this increasingly complex world, every leader needs this guidebook to enact meaningful change and achieve results. It is another Kotter masterpiece on leadership.”

Reihaneh Irani-Famili

VICE PRESIDENT OF EMERGENCY PLANNING + BUSINESS RESILIENCY | NATIONAL GRID





Ready to drive intentional culture change in your organization?

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