Culture: the elusive path to business success

Revitalizing talent has a lot less to do with changing people, but a lot more to do with the culture that the organization, the management team and the people themselves create and contribute to.
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Imagine the ultimate success story: a business, an organizational strategy that is guaranteed to win in the market, and then of course, the right people who make it all happen. Like most things, this is more easily said than done. What keeps the typical HR practitioner up at night is: how do we ensure we have the right people to successfully deliver on the business strategy?

But, according to Sumantra Ghoshal, late Professor from the London Business School, that is the wrong question to ask. Rather, he claims: revitalizing talent has a lot less to do with changing people, but a lot more to do with the context – or the culture – that the organization, the management team and the people themselves create and contribute to.

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“Let me try to describe ‘context’ in the best way I experience it,” says Ghoshal. “I come from Calcutta, India. Calcutta is a wonderful town in spring, autumn and winter ... but in the summer, well, the temperature is 40 degrees, and the humidity is 99%.” Imagine the heat, the humidity, the noise, the dirt. “It sucks up all your energy, drains your brain and exhausts your imagination,” he says. Ghoshal then takes us to springtime in the forest in Fontainebleau, near INSEAD, a business school, where he was a professor at the time. “The smell of the trees, the crispness in the air, the flowers, the grass underfoot ... how one's heart lifts up, how the energy and creativity bubble away!”

The issue is not about changing people. “In Fontainebleau in spring, I have a lot of energy,” he says. “In Calcutta in the summer, I am a bit tired. And yet I'm the same person.” The issue is beyond the abstractions of strategy, or organization, or processes. “Most companies, especially large companies, have created downtown Calcutta in the summer, inside themselves,” says Ghoshal. At the end of the day, the question Ghoshal poses is, how do we create Fontainebleau inside people? How do we create a culture and an environment that brings out the best in people?

Creating an organizational culture to underpin organizational strategy

So what is culture? Ghoshal describes culture as the “smell of a place.” Strategy, defined by top management, then flows down to the rest of the organization. What does the strategy “smell” like, when it comes down to the front line manager, and how does the “smell” then affect the front line manager’s behaviors?

Although abstract, the phenomena of culture are concrete and very powerful – and very difficult to change. Another pundit of culture, Edgar H. Schein, in his book Organizational Culture and Leadership, categorizes culture into four elements: structural stability, depth, breadth and patterning. “Structural stability” is the notion that culture is the foundation of group identity. It holds the group together and defines the group even as members come and go. “Depth” is the concept that culture is so deep that group members may be unconscious of it. It is simply the way you do things and needs no explanation. “Breadth” is the effect of culture on everything about an organization, touching every function and activity. Lastly, “patterning” is the notion that culture is what makes the group's behaviors, values and rituals coherent.

“Taking on a cultural transformation is no small feat,” says Shirley Zinn, graduate from Harvard University, Faculty at Duke Corporate Education and Extraordinary Professor at University of Pretoria. “Culture goes beyond capturing the minds of employees, but captures their values, their beliefs, their hearts. It is ultimately what drives behavior. And that behavior needs to support the strategic objectives of the firm, in order to result in business success.”

Zinn adds, “Executive buy-in is absolutely essential.” After all, if executives of the firm feel the need to foster an empowering culture – that, in itself, speaks to the culture of the firm.

Per Schein's research, guiding an organization through cultural transformation also requires “unlearning” as well as learning. “It is not enough to define what behaviors are required to achieve the strategy,” says Zinn. “The behaviors that need to be unlearned, and cannot be tolerated, also need to be defined.”

Putting theory into practice

In August 2006, EY Africa set about uniting its offices by integrating all processes, legal entities and systems. You can rightly call this undertaking ambitious: there are 33 separate country units across EY Africa, each with their own cultures, languages and operations. The need to create an organizational culture to support the company's strategic objectives was quickly apparent.

“Our purpose at EY is to build a better working world for our people, our clients and our communities,” says Ajen Sita, EY Africa CEO. “Our ambition is to be the most distinctive professional services firm in Africa. We wanted to create an environment where our people felt supported and empowered in delivering on our strategic objectives.”

And so began the search for a unique organizational culture that defined and united these different offices. Understanding what needed to change was the first step for EY Africa's management.
Based on the Bluprints concept, all 5,400 employees in the continent were asked the same question: what should we be doing more of, and less of, to become the professional services firm that builds a better working world across Africa for their people, clients and communities? Adds Sita, “As the executive, we wanted to know what our people wanted – from the partners of the firm, to the managers and down to each and every employee.”

With this approach, it is the people of EY Africa who defined what culture they were willing to embrace in order to meet their company’s strategic objectives. Also, true to Schein’s research, this approach addressed not only behaviors that needed to be learned, but also those that needed to be unlearned – all the while creating commitment from the people from the start of the process.

Responses were provided electronically via an online survey, which drew more than 11,000 replies from 84% of the workforce. Those responses were then divided into top-line themes (behaviors that employees wanted to see more of) and bottom-line themes (behaviors that employees wanted to see less of). The employees then voted and narrowed the list down to the 10 top and 10 bottom themes that they thought deserved the most attention.

EY Africa then took the process a step further. We asked every employee: for each top-line and bottom-line theme, what visual icon would you associate it to? “True to our purpose of uniting our employees beyond barriers such as language, it was important for us to express our culture in the universal language of art,” says Seshni Samuel, EMEIA Talent Leader. “The use of iconography was instrumental in reinforcing culture by using a right brain language to create association.” More than 1,300 creative ideas were submitted – after which the executives had the formidable task of narrowing down each behavior to its most appropriate visual icon. Refer to Image 1 to see a photograph of the visual icon, modeled from clay, created to show teaming and integration.

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The result: EY Africa’s formula as an organization, developed by its people across the continent, that defines the culture that is deemed important to its people. Refer to Image 2 to see a photograph of the formula brought to life in the EY Johannesburg office, where all the icons, modeled from clay, are on display. We called this journey “Our EY,” in recognition of a shared desired organizational culture that belongs to all those who created it.

“Our EY reinforces EY Africa’s purpose and creates an EY Africa identity, giving employees a unique EY culture and sense of belonging, which transcends their countries, languages and cultural barriers,” says Samuel. “The innovative approach of cocreating a culture as a firm, and then translating it into a visual formula, not only defines our culture into concrete behaviors, but it also engages our people.”

Image 2. EY Africa’s formula on display in a Johannesburg art gallery
Strengthen global, empower local

Some people consider Africa to be one country or region – yet it is home to more than 2,000 languages and cultures. Embedding the culture and making it relevant to each employee – across 33 countries – was the next battle.

The solution: the executive team called on local partners in each country to discuss the cultural formula by organizing "pod" sessions that involved, at most, 20 people at a time. That's correct – that would be more than 250 pod sessions, across 33 countries in Africa. During those sessions, local leadership presented the Our EY formula directly to their teams, so that issues uncovered and questions probed remained relevant to each local office. "What teaming and integration means in Lagos could be very different from its meaning in Walvis Bay," says Samuel. "We wanted the local leaders to introduce these behaviors, in a small intimate safe setting, so that all people could internalize it in the way that made most sense to them, in their context."

Sustaining a culture, and embedding it within the organization, is as important as defining it. "Language is a huge part of culture," says Samuel. "To embed the behaviors in the organizational culture, we need to use it in our daily communication." As such, internal communications, more often than not, carry the emblem of the relevant Our EY visual icon, depending on the context of the message. The Johannesburg Spring Day event features a Masterchef challenge, where teams involved lose points for "accepting mediocrity" (a bottom-line behavior) if their stalls are untidy after completing a cooking challenge.

Every six months, all employees across Africa participate in a survey to rate how well their colleagues are living up to their desired culture. As part of the survey, the following question is asked: what are the top- and bottom-line behaviors that most attention should be given to in the next six months? Results are sliced and diced into

Image 3. Our EY coins
As part of its plan to establish an Africa-wide culture, EY launched the “make a difference” program to recognize people who demonstrate the Our EY behaviors. Special silver-coated coins that say, “Thank you for living Our EY and making a difference,” are awarded to employees to thank them for their efforts (see Image 3, which is a photograph of the coins). The benefit of receiving the coin is that the recipient can then pass it on to other colleagues throughout Africa who have shown a similar commitment to living the Our EY behaviors. Each coin is encircled by a compass, to signify the business moving in the right direction whenever someone recognizes a colleague. This scheme helps connect employees in different business units and countries with one another, and encourages recipients to pay tribute to colleagues who demonstrate best practice. “Africa’s social systems, beliefs, and cultures are as diverse as its peoples and as disparate as its climates,” Samuel says. “While Our EY gave us the opportunity and platform to unite our people across the continent, the success of this initiative lies in its versatility to still be impactful in each country, even as each harnesses hundreds of different societies with their own laws and languages. Our EY is EY Africa’s culture that helps bring out the best of our people.”

Tips for a successful organizational cultural journey

► Understand the business needs – what works for one business may not work for another. Know what you are trying to achieve and why it is critical for success.
► Appreciate the importance of executive commitment – ongoing executive and partner support and involvement.
► Create an empowering platform – allowing everyone to contribute and giving them a voice.
► Demonstrate innovation and creativity – capturing the imagination and spirit of the organization.
► Implement meaningful initiatives – delivering messages that are relevant to the local context.
► Encourage sustainability – embedding the culture in existing processes and systems.