

ROLES AND LEVERS FOR MANAGING AND CHANGING CULTURE

A good organizational culture provides a framework for meaning, purpose, and shared values that enable an organization to accomplish its goals while contributing to employee wellbeing. Organizational culture does not materialize out of thin air, however. It takes careful and intentional effort to grow the right type of culture. When organizations ignore culture, it doesn't cease to exist—instead, it continues to morph and evolve, often in ways that may be counterproductive to an organization's strategy and goals.

Drawing from APQC's case study research as well as interviews with professionals who are responsible for shaping culture in their organizations, this article discusses the common roles and levers through which organizations work to shape their culture. The diversity of these roles and levers shows that shaping culture is often an enterprise-wide effort that requires participation from a wide range of stakeholders.

Common Roles for Managing and Changing Culture

Employees in the roles below drive culture in numerous ways. For that reason, their buy-in and support is often a critical success factor in efforts to shift or sustain organizational culture.

LEADERSHIP

Organizational leaders like executives are highly visible and are often expected to rally employees around the organization's values while modeling them in daily life. Given these expectations and their responsibility for strategically driving the business, organizational leaders often play a significant role in managing and changing culture. Even when culture change initiatives don't come directly from leaders, they still play a key role by championing these initiatives, modeling expected behaviors, engaging others to drive participation, and making sure that change permeates the whole organization.

More often than not, an executive's leadership sets the tone for an organization's broader culture. For example, when current leaders transition to a new role or retire, incoming leaders often arrive with visions for cultural change that align with new strategies or business models. But the larger-than-life influence of leaders can cut both ways—if executives aren't fully bought-in to a transformation or culture change initiative, it becomes exponentially harder to bring other employees along. For that reason, engaging leaders to secure buy-in for any type of large-scale culture change is critical.

HR

HR is often seen as the exclusive owner of organizational culture. This perception is not quite accurate, since many other areas of an enterprise like Process and Performance Management make vital contributions to organizational culture as well. Even so, it's not hard to see why this view is so common. After all, HR is the function that works to recruit, retain, and engage employees; develop policies that align with the organization's values; and ensure a safe and positive work environment for all employees. HR often has accountability for driving KPIs related to employee engagement and plays a key role in designing systems that enable employee onboarding, learning, and progression to new roles within the organization.

HR shapes organizational culture in numerous ways, including:

- » The development of diversity and inclusion initiatives, which can include policies for hiring; helping achieve quotas for representation in leadership (in some countries, legally mandated); and setting up and maintaining structures for employee affinity groups.
- » Providing mechanisms for employee feedback, whether about specific policies or to gauge employee satisfaction more broadly.
- » Setting up mentoring programs and other opportunities for employees to connect, share knowledge, and help each other.

TENURED STAFF

Senior employees also play a significant role in shaping the organization's culture. These employees often develop a deep expertise in their organization's implicit culture—unstated rules about where it's best to park, where to eat lunch, how to progress through the ranks of the organization successfully, and any gaps between the organization's stated values and “how things really work around here.” They often have wide-ranging networks and relationships, which not only makes them ideal candidates for “buddy” programs to teach new employees the nuts-and-bolts of the organization, but also makes them ideal champions for driving culture change.

Illustrating the influence these employees can have, one university employee told APQC that the key influencers of culture in his organization “are people who are ‘lifers’—those who had established roles in the university even when it was much smaller. Our culture is based on relationships—it's all part of what I call the oral culture. Metrics don't matter as much as relationships and who knows things rather than the organization's goals and objectives.” Getting buy-in from these “lifers” and enlisting their support can be a critical success factor for culture change or other enterprise-wide initiatives.

PROCESS AND PERFORMANCE MANAGEMENT PROFESSIONALS

PPM professionals often have significant experience with enterprise-wide projects, which often include leveraging change management and sending tailored communications to a broad group of constituents. This work gives them a holistic view of the enterprise and empowers them to build networks with a wide range of people across an organization. Even when PPM professionals are not directly accountable for the work of driving culture, there is inevitably an element of culture work baked into PPM for those reasons.

We've found four broader roles through which PPM professionals play a key role in driving organizational culture:

1. **Informal leaders or mentors**—PPM professionals are often good coaches, mentors, and facilitators. The relationships they build with people through enterprise-wide initiatives give them opportunities to play a more informal role in mentoring and helping others, even when it's not directly related to project work.
2. **Ambassadors for corporate values tied to continuous improvement**—Continuous improvement initiatives often overlap with the work of culture change because they involve modifying the way that people carry out work. Especially in organizations where continuous improvement is an explicit cultural value, PPM professionals play an important role as evangelists and champions for this facet of organizational culture.
3. As **people managers**, PPM professionals also play a key role driving culture within specific initiatives or areas of work in which they are involved. One interviewee told APQC that “I just feel a general sense of responsibility to embody the values that the organization is trying to put forward, to be clear about what our stated objectives are, and to help my team see how their work connects to those objectives.”
4. **Transformation agents**—PPM professionals tasked with transformation efforts work to convince people of the value of changing behaviors or adopting new frameworks. These transformation efforts often result in a culture shift, whether toward a culture of continuous improvement, a culture of data-driven decision making, or a process-driven culture.

Levers for Managing and Changing Culture

The work of shifting culture is rarely easy, but many organizations have found success by focusing culture change efforts on the key levers below.

EMPLOYEE ENGAGEMENT

Employee engagement is one of the most visible and important levers for shaping organizational culture. Engaged employees are enthusiastic about supporting the organization's culture and are more likely to be satisfied with their jobs. Disengaged employees, by contrast, often signal the likelihood of higher turnover and facets of culture that need to change.

Employee engagement surveys are one of the most common mechanisms for gauging employee engagement. The results of these surveys can drive meaningful change that goes well beyond the HR function. For example, one process improvement manager told APQC that “I pay a lot of attention to what people are saying in the survey responses about processes that may not be working for them or anything related to process improvement.”

Engagement surveys are one way to get meaningful feedback from employees, but leading organizations go further. For example, [PepsiCo](#) revamped its efforts to measure and drive employee engagement in order to pursue a new culture and new strategic objectives. Along with employee surveys, the organization drew from sources like social chatter and employee sentiment analysis. The organization also found ways to involve employees in making culture change by crowdsourcing ideas for process improvements and reflections about how best to live out the organization's new values.

VALUES AND MISSIONS

Often posted in highly visible places (whether physically or digitally), an organization's mission and values play a decisive role in shaping everything from strategic priorities to the types of people the organization is looking to hire. Ideally, employees as well as management and leadership understand the role they play in carrying out an organization's mission and values, behave in ways that align with them, and encourage others to do as well.

Unfortunately, reality sometimes does not match this ideal. For example, one PPM professional noted a significant gap between her organization's stated culture and its actual culture. "The stated culture is one of inclusivity, engagement, and celebrating others. The lived experience is one of silos and control—both the fear of control and the fear of losing it." The interviewee went on to say that the gap between the organization's explicit culture (as stated through its values) and the lived experience of employees was leading to friction. Siloed business units, combined with vaguely worded strategic priorities, meant that there was little appetite for the work of the business transformation office. As a result, "everybody is holding on to the way that they were doing things before. They're afraid to lose control."

EXTERNAL PRESSURES

The world outside of an organization's doors can often drive internal culture change as well. Concerns related to an organization's environmental, social, and governance (ESG) policies are often the most visible drivers of such change. For example, organizations like the [United Nations](#) and [Dow Jones](#) are challenging organizations to disclose emissions data and align with a set of benchmarks that measure sustainability. Procurement teams in organizations like [Unilever](#), [Target](#), and [Walmart](#) are responding by setting ambitious goals and tracking suppliers to ensure sustainable and environmentally friendly procurement practices.

In another highly visible example of this cultural lever at work, the death of George Floyd and protests that followed in 2020 acted as the impetus for many organizations to carry out conversations about race and change policies to ensure broader racial representation in leadership. One PPM professional told APQC that one cultural success for his organization was the fact that "we had really open discussions that were available to the whole company where employees could discuss their concerns and raise awareness about issues related to race. I couldn't see that kind of conversation occurring five years ago. It wasn't politicized by the CEO or senior leaders, but they provided the platform to sustain the conversation."

HIRING PROCESS

HR and hiring managers often assess a candidate's capabilities, aptitudes, and dispositions to determine the likelihood that they will conform and adapt to the organization's culture. For example, one process manager told APQC that "when I'm hiring, I'm looking for somebody that matches our culture. They might have all the technical skills needed, but if I don't see the qualities that will drive our culture or if they're going to be calling people names when we're trying to do process improvement, they're not going to get hired here."

As this interviewee makes clear, organizations often hire for cultural fit not only with the enterprise culture, but often functional subcultures as well. Getting hired in his organization is partly a matter of meshing with the organization's broader culture, but it's also about being the type of person who will enhance (rather than undermine) the kind of collaboration that takes place in process improvement efforts.

These comments are consistent with our findings from other studies. For example, multiple treasury practitioners told APQC that while finance and technical skills are a must, what they're *really* looking for in a job candidate are soft skills like a learning mindset and a collaborative attitude. As treasury expert [Ernie Humphrey](#) noted, "I'll take someone who sees learning as a way of life any day over someone who is an expert in a treasury management system, because that TMS might be all they want to do." Hiring candidates who embody these dispositions is a way of sustaining the type of culture that makes for a successful treasury function.

TRAINING LEADERS TO LEAD THE CHANGE

Through research on the [role of leaders in change management](#), we've found that leading organizations give managers the training and support they need to effectively lead change. These resources often include talking points and conversation guides, coaching for how to respond to resistance from employees, and training for new behaviors and processes. For example, one interviewee told APQC that all the organization's managers went through a leadership training program to learn a new leadership model as the organization shifted from a "command-and-control" style of leadership to an open and collaborative leadership style. "It's made a huge difference. Our employee engagement scores went up significantly and employees stayed here even with the pandemic. It's one of the biggest things that we've done recently to improve the culture."

We've seen this lever at work in leading organizations. For example, when [UPS](#) sought to establish a process thinking culture in the organization, it provided custom-fit trainings for different kinds of leaders. For project managers and process leaders, UPS offered a practical three-day workshop where users could learn about and start applying new tools. For senior leaders and executives, UPS offered a shorter training designed to teach people how to leverage the process discipline and staff their initiatives. These resources were a critical success factor in the organization's shift to a process thinking culture.

PROGRAMS OR INFRASTRUCTURE THAT REINFORCE THE CULTURE

Organizations should not underestimate the importance of programs or infrastructure that reinforce culture, like employee resource groups. These groups not only provide a space for employees to connect around common experiences and concerns, but also shows employees that the organization values the diversity and perspectives they bring to the table. Employee resource groups can also be an important source of leadership development. For example, meetings of [MGM's](#) employee network groups include leadership development topics like business acumen while allowing leaders the flexibility to delve into relevant group topics like Black History Month. These groups are part of a broader effort to build a culture with diverse leadership and perspectives.

Conclusion

Organizational culture does not sit in any one function or only belong to executives—it permeates the entire organization for good or ill. The diversity of roles and levers that shape organizational culture show the importance of a holistic, enterprise-wide effort in driving efforts to change or sustain culture. Leading organizations not only work these roles and levers effectively, but also develop innovative approaches to them that help drive substantive and lasting culture change.

ABOUT APQC

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