

DESIGNING AND DELIVERING A STRATEGY THAT **WORKS: MANAGING THE TWO FACES OF CULTURE**

Culture: "The set of shared attitudes, values, goals and practices that characterise an institution or organisation..."

Merriam Webster Dictionary, culture definition 5c

The **Economist**

Unit

Organisational culture is complex and can powerfully help, or hurt, companies as they shepherd strategy from design to delivery. A survey from The Economist Intelligence Unit highlights some ways companies can meet the urgent mandate to harness productive cultural traits and minimise the destructive ones.



Most companies believe their organisation's culture is helpful, the survey shows:

57% agree that "our corporate culture supports rapid strategy implementation".

15% disagree

Among the companies that report the most success at achieving strategic objectives, the split between agree and disagree is¹

O% agree

8% disagree

Culture also helps boldness to flourish.

Among those companies that report the most ambitious strategies, 83% say that culture helps with rapid strategy delivery.² Among other companies, the figure is just 53%.

THE NEGATIVE

The most frequently cited barrier to implementing strategy is culture.





This is true even at companies that agree that their corporate culture helps with rapid strategy delivery, where 25% say so.

Companies cite, on average, between two and three different cultural barriers to strategy implementation (see chart below for examples).

What goes wrong?

Which of the following attitudes undermine strategy implementation at your organisation?³ Select all that apply, percentage of respondents

New strategies frequently reveal that corporate leaders do not understand the challenges facing employees

33% I do not identify closely enough with the success of the organisation for it to be worth putting up with much hassle in order to help implement a new strategy 30% Our organisational culture is not ready to absorb all changes coming from strategy implementation initiatives 29% There is no pressing need for significant strategic change at our organisation 28% Other parts of our organisation don't understand what it will take for us to adopt a new strategy 28% For any new strategy, the C-suite/senior management gets the credit if it works, but I could lose my job if it fails 27%

New strategies come and go, but they always eventually disappear so they can be largely ignored if convenient to do so

25%

25%



We would be unable to implement an ambitious strategy even if we tried

20%



"I would differentiate between culture and behaviours. The latter are often a symptom of how an organisation has worked for many years. You have to choose a strategy that is true to your culture, but be willing to change behaviour when needed."

Daniel Klier, Group Head of Strategy, HSBC

Note: Data based on an Economist Intelligence Unit survey conducted in June/July 2017. The research, commissioned by Brightline Initiative, surveyed 500 senior executives.

Endnotes:

1. Figures compare the 50 companies that say poor or incomplete implementation has not impeded the achievement of any strategic objectives, compared with those where some impediment has occurred. This is described as the "Leaders Group" in the briefing paper published as part of this research project.

2. Figures for the 63 companies that report an average ambition of more than 4.5 out of 5 on every element of strategy covered by the survey, compared with those who report 4.5 or less.

3. Attitudes cited by survey respondents are those present in their organisations and are not necessarily shared by the respondents.

Commissioned by



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