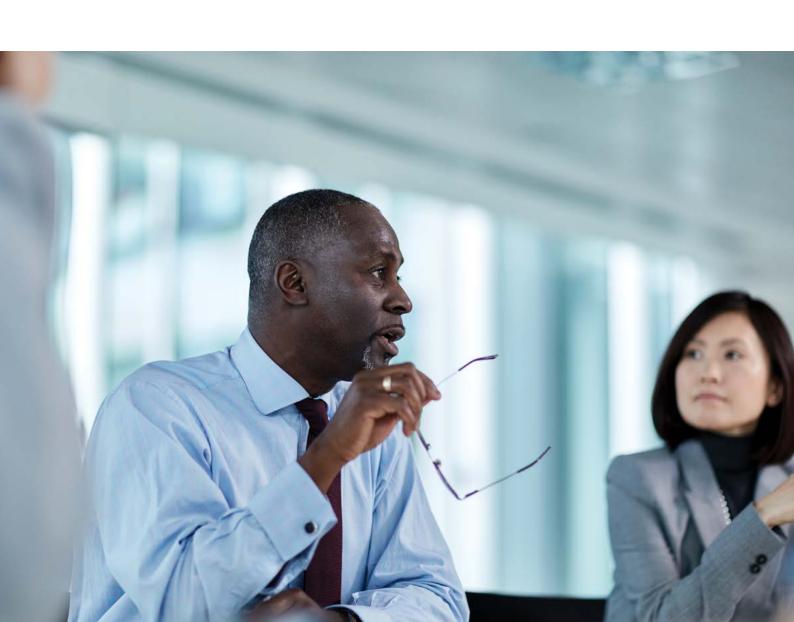# How to Know if Your Culture Change Strategy Is Working

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Contents

Introduction

We walked into a meeting with a divisional leadership team that had been working to change the leadership culture of the team, and then the entire division. We'd been asked to come to talk about "evaluating" the initiative—in other words, assessing whether it was actually effectively producing the intended results. Several members of the team were curious to know if their efforts were really working and whether they were at least moving the needle in the right direction. The leader of the team, who had initiated the focus on developing the culture, was a little skeptical. Early in the conversation, he came right out with his concern. He said, "I'll be honest—it feels like I've been working out for several months, but I'm not quite ready to go public." We all laughed at the comment, but we knew exactly what he meant.

We had heard it from our clients before—a belief that evaluating the impact of an initiative is something you do when it is over to see if it worked, not something you do in the middle of implementation.

We believe, however, that this prevalent belief needs to be challenged. Initiatives that change both the beliefs and practices of a leadership culture in particular are not simple or fast. They often require substantial resources, including time, energy, and potentially money (e.g., hiring consultants, development activities). A leadership team undergoing a culture change initiative will understandably want to see their "return on investment (ROI)." With culture change, half of the work is about beliefs, assumptions, and attitudes—and evaluation isn't as simple as a box you can check **at the end** of the initiative. Like many organizational changes, strategically collecting, analyzing, and using data **along the way** can tell you whether your initiatives are successful and provide insights that can make your efforts more effective. Further, thinking about measurement **early on** in the change process helps you to clarify your goals and align with other stakeholders about what is really important. Using data to gain insights **throughout the process** can shift beliefs and practices—and lead to real organizational change.

From *measuring results* to *ongoing evaluation*: Making learning integral to the change process.

Ongoing evaluation of the change initiative will promote new ways of thinking, create new practices, shape discussions, and provide a practice ground for dialogue and a structure for collective learning. While the culture change show can go on without it, we argue the reviews and ultimate outcomes are likely to be less positive and impactful.

The most effective culture change evaluations require **planning** before the initiative even begins. In this white paper, we will discuss 5 key points to consider when planning to evaluate your initiative:

- **The Big Questions**
- **Mindset Shifts**
- **What to Measure**
- **How and When to Measure**
- **How You'll Use the Results**

A Note about Leadership Culture

CCL's expertise is in helping organizations align their culture to their strategy.

One critical aspect of culture that we work to develop is leadership culture—the beliefs and practices that determine how groups go about creating direction, alignment, and commitment among people with shared work. Many of the organizations we work with have determined that to be effective at executing their business strategy, they need to become more agile, better able to manage complexity, more transparent and honest, and more capable of collaborative work in an effective public learning process. Interestingly, many of the tips and tricks offered in this white paper are particularly helpful for these organizations because strategically and collaboratively collecting, sharing, and making sense of data about your leadership culture is in itself a practice that can help develop the leadership culture.

CCL researchers have written extensively about leadership culture. For additional reading, please refer to the following resources in this paper's endnotes. McGuire & Palus, (2015);[1] Palus, McGuire, Ernst, (2011);[2] McGuire & Rhodes, (2009).[3]

Evaluating a
Leadership Culture Change?

Follow these 5 steps:

1 **Identify**
The Big Questions

2 **Shift**
Your Mindset

3 **Choose**
What to Measure

4 **Decide**
How and When to Measure

5 **Use**
Your Results

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1. Identify the Big Questions

Before you begin a change initiative in your leadership culture, develop questions that determine what type of data you will need. These questions will not only guide your evaluation of the change initiative, but also will **stimulate meaningful dialogue**. In other words, working to answer these questions is a change intervention itself.

BIG Questions to Ask

Frame the Change

Focusing early on what to measure **can actually improve alignment between leadership culture needs and goals** that will inform the solution(s).

- Why do we need culture change?
- What would success look like?
- How will we know if we are moving toward the required culture?
- Are key stakeholders aligned about the need for change?
- What beliefs exist about how to achieve the desired culture?

Inform the Engagement

Gathering data early and often **helps inform the change learning process** so you can make improvements and adjustments in real time.

- What are people in the organization seeing and experiencing?
- What do we need to do differently to keep making progress?
- Has the desired direction changed/shifted?
- Where should we focus our efforts next?

Demonstrate Results

Focus on impact to **assess what results you are or are not achieving** with the current approach and investment.

- What evidence do we have that our culture has shifted in the desired direction?
- What are we getting out of this investment?
- Are the changes we are making helping us execute our strategy?

Learn to Improve Future Approaches

Measuring impact **can facilitate and add value** to the learning process and future decision-making for a particular organization or, more broadly, for the field.

- Would we try a similar approach in the future? What parts of our models and processes are having the most impact?
- What aspects of the context played a role in the success of this engagement?

2. Shift Your Mindset

If you have evaluated leadership or other training programs in the past, you will need to shift your mindset when it comes to evaluating culture change initiatives. Culture change initiatives can be challenging to evaluate, because internal beliefs and assumptions are less tangible than more observable, outcome-centered, programmatic leadership development interventions. Further, culture change is not linear, predictable, or controllable—so traditional approaches will likely fall short.

Here are the major shifts needed in planning to assess the impact of a culture change initiative:

Go with the Flow

Shift from **linear and predetermined planning** to **adaptive and iterative.**

When you embark on a culture change journey, it's not possible to know precisely where you intend to end up and all of the actions you will take to get there. However, you should still start with a high-level agreement about the intended direction and strategies, and explicitly state your assumptions about what you're planning. This gives you a flexible framework that leaves room for adjustment as the initiative unfolds and you learn new information.

Real-time Insight

Shift from **waiting to deliver a polished report** to **using data in real time to facilitate learning.**

If your goal is to provide evidence of results to the initiative's stakeholders, a final report from the "expert" consultant may be all you need. But more value is found by using data to understand what's going on in the strategy, the culture, and the business, and to adapt as necessary—with sense-making among the people living in and contributing to the culture. Relying on the "expert" to do the sense-making largely defeats the purpose of gathering the data in the first place.

Everybody's In

Shift from **only senior leaders are informed** to **everyone sees and has the opportunity to make sense of data.**

Access to evaluation data is too often limited to a small group of stakeholders. If part of the goal in changing leadership culture is to engage people in the learning and change process, then including them in all aspects of the data cycle (from determining what data to collect to collecting data, making sense of it, and acting on it) can be effective. In addition to engaging people, it can demonstrate transparency and can yield richer insights by "crowd-sourcing" the meaning-making.

Surveys and Beyond

Shift from **relying on pre- and post-initiative survey data** to **integrating multiple methods.**

The most common method of measuring changes in leadership culture has been the use of a baseline and post-initiative organizational survey. This can be helpful for identifying where specific progress has been made. But to maximize the learning potential, use multiple methods. (See Decide How and When to Measure, page 9.)

3. Choose What to Measure

In our change practices, leadership culture and its beliefs and practices result in the collective outcomes of direction, alignment, and commitment (DAC). The DAC outcomes you get are determined by the kind of beliefs and practices that operate in your culture. Culture change initiatives are intertwined with the organization's daily operations, and it's easy to become overwhelmed with the possibilities of what you can measure. Here are some helpful starting places to consider:

Areas of Focus	Examples
Identify a few (2–3) **underlying beliefs** of the current and required culture, and assess how they shift over time.	Moving from a belief that our professional relationships can't withstand honesty to a belief that honesty is in our collective best interest.
Identify a few (2–3) **interpersonal practices** that change over time to align with the culture change.	When working together on projects, we start practicing inquiry more deliberately to ensure more honest dialogue.
Identify the **organizational practices** that shift over time.	A new way of doing performance reviews is implemented so that people get more direct and useful feedback more frequently.
Identify 2–3 **organizational outcomes** that are most likely to be connected to changes in leadership culture (longer-term).	Engagement scores, customer satisfaction, retention of key talent.

4. Decide How and When to Measure

Once you have determined overall direction on your measurement and evaluation goals, questions, and focus areas, you'll need to select methods. Data collection methods for evaluating culture change efforts typically fall into two categories:

1. methods for measuring shifts in beliefs and practices and fueling the ongoing learning process, and

2. methods for measuring important organizational outcomes.

The methods listed here are those we have found particularly useful for both the ongoing evaluation that supports continuous learning and adjustment during the change process, and organizational outcome measures. The methods range from quick and easy check-ins that can become routine, to thorough and rigorous. Each approach has strengths and limitations—think of this list as a methods toolbox you can return to and select from as the culture change efforts and evaluation plan unfold.

Methods for measuring shifts in beliefs and practices and using the data to fuel the learning process

Pulse checks

Pulse checks (i.e., mini-surveys) give you a quick, periodic assessment of what employees are observing and experiencing. Waggl, an online pulse survey tool, is an excellent example and option for quickly pulsing employees about what's happening in the organization and for engaging them in the culture change process. With this tool, employees are asked questions (rating-type questions are an option, but open-ended questions are always part of a Waggl survey). After responding to this brief survey, participants can see others' responses (anonymously) and vote for the responses they like best—and then see the voting results.

For example, a team was working to create a more honest culture through the use of direct feedback, and we pulsed team members about the extent to which they were sticking to their commitments to be direct and honest, and to provide examples. This method not only serves to assess progress in the culture, but also to keep the culture change goals top-of-mind, in a more engaging way than with a more standard survey.

Engaging "culture observers"

Using techniques from anthropology and ethnography, watch and listen for the changes you've identified. One approach to do this systematically is to designate a group of individuals in the organization to be "culture observers." Culture observers can double as "change agents" or can just be employees willing to participate. They are trained to reach agreement about what indicators they are interested in observing, then they pay attention to their everyday interactions and record what they see, before coming together to assess the progress or the barriers to progress they are seeing. For example, "culture observers" may be watching for evidence that beliefs and norms around risk-taking are shifting. They can collect both quantitative (number of times they see a leader encourage a risk) or qualitative (an example of when they observed a leader react to a risk gone wrong).

Rubrics

Rubrics paint a picture of different levels of progress on culture practices. They ground people around agreed-upon criteria for assessing whether progress is being made, and they can be used by culture observers or change leadership teams to discuss and assess progress over time. Individuals first assess where the organization is on certain practices or elements of leadership culture. Then, through dialogue, they discuss the evidence they have for the rating they've given. Evidence can include survey data, personal experience, discussions with colleagues, business metrics, and more. Creating a rubric collectively is a great way to gain alignment about what you're trying to change and what different levels of success would look like.

Storytelling

Incorporating storytelling into the evaluation approach is valuable for culture change initiatives. Inviting, listening to, and analyzing stories— particularly stories that highlight beliefs and how they had to shift to take a new action—can provide insight about how an organization's culture is shifting over time and what factors may be contributing to those changes.

> "(*Beliefs-in-Action* Stories) are a view into the half of the organization not seen in spreadsheets, operations reports, and strategy documents. Because stories link us to deeper organizational realities of culture, politics, beliefs, and practices, they are also important vehicles for creating changes in organizational direction. Just as a tribe, village, or country uses myth, imagery, and stories to convey key reasons for past change, leaders can craft stories for the same purposes." McGuire (2015).[4]

Other qualitative approaches

Conducting interviews and focus groups can be very insightful, but it's also time-consuming and labor-intensive. They may be useful at the beginning of a culture change initiative and at critical points, such as annually or when major organizational changes are underway. On a more regular basis, there are other ways to get qualitative insights (other than those discussed already). One example would be to change the structure of all-staff meetings so that the last 15 minutes is spent focusing on a discussion question in small groups and capturing high-level insights. For example, posing the question: *What impact on collaboration (positive or negative) have you observed since we changed our rewards system to be team-based?*

Methods for measuring organizational outcomes

Repeated-measures network analysis

If you want to understand patterns of interaction in your organization, you can use network analysis. Benefits include measuring how leadership is happening within different clusters across the organization. For example, you can identify if there are individuals or groups that demonstrate leadership culture that more closely resembles what you are striving for in the organization. Optionally, you can use a repeated-measures design 1–2 years after developing the leadership culture to determine if the desired patterns of interaction are becoming more prevalent in the organization.

Engagement and other organizational surveys

While engagement surveys don't exactly measure leadership culture, they can measure elements, antecedents, or outcomes of leadership culture and provide Time 1/Time 2 milestone data. For instance, you can assess the extent to which employees feel they can trust senior leaders, managers, and colleagues, which is one element of a more advanced leadership culture. Other surveys can measure employees' perceptions of innovation, shared direction, developmental climate, and many more constructs that may be connected to your required culture.

Business outcomes

Organizations track numerous metrics associated with their overall performance; determine which of these are most expected to change as the culture shifts and examine trends over time. Further, statistically connecting climate or culture survey data to specific organizational outcomes can help you identify which aspects of your culture or climate are most likely to impact actual business unit performance. For example, often organizations will measure employee engagement and then zoom in on the "lowest performing" items or sections to work on. Using more sophisticated regression techniques can help you identify which aspects are more likely to drive performance so you can focus more strategically. For more information on linking climate or culture data to business outcomes, see Using Predictive Analytics to Drive More Effective Leadership Actions. Young, Champion, Stawiski, Smith, Mondore (2018).[5]

5. Use Your Results

Decide ahead of time how you'll use the evaluation data to gain insights, make decisions, and take action.

1. ## Have a data-use plan from the beginning.

   When possible, before collecting data, decide **how you will use it**. It's easy to come up with open-ended questions to add to a survey … but who will be responsible for processing the data, sharing the data, and taking some action? You can't anticipate *exactly* what you will do—that depends on what the data tells you. But be clear about **why** you are collecting data and **what** you are hoping to learn. And have a high-level plan to make sure the data doesn't just sit unused in a database!

2. ## Review data, assimilate knowledge, and make adjustments to your leadership culture initiative in real time.

   Consider how you can make your data analysis **nimble and agile**. Collecting data, only to wait months to produce a lengthy written report, is often not very useful. Conditions change too quickly in organizations to wait around for information. It is more useful to have immediate, **in-the-moment feedback**, building knowledge into systems, so approaches can be adapted on the fly. Investigate available tools like user-friendly data dashboards and pulse surveys that immediately tally and share results.

3. ## Engage multiple individuals and groups in the sense-making process.

   Sharing data and information with the people who provided their input and/or who the data are relevant to builds trust and encourages **a more collaborative approach** to changing the culture. Using data as a catalyst to engage people in meaningful dialogue is not just good evaluation practice, it is precisely how to develop your culture.

The Fishbowl

Traditionally, a leadership team sponsors an organizational survey and is the first to see the results. They discuss and debate the results with a small team of trusted colleagues and then determine how to share the results—and what to say about them—before sharing them with the rest of the organization.

One of the best practices of using the data is to share results with the people who provided data, and this often happens when leaders present results at an all-staff meeting, with a slide deck and brief question-and-answer session. But does this create the conditions for meaningful dialogue?

We worked with one senior team that conducted a survey to assess various dimensions of leadership strategy. Shortly after they saw the results, they called an all-staff meeting. Instead of presenting to the staff a carefully selected deck of PowerPoint slides, they sat in a circle, inviting the staff to sit around them. ***They were in the fishbowl while everyone else observed.***

In the fishbowl, they engaged in an honest discussion about the results—both what delighted them and what concerned them. Then, the observers were asked to talk about their reactions to what they had heard. This is an example of a more transparent, open approach to sharing data and creating dialogue for learning.

Evaluation in Action:
Measuring Results of Two Leadership Culture Initiatives

Organization	Challenges	Data Methods	Leadership Results	Business Results
KONE	Shifting global markets with increasing competition; casual, family-like culture; strong technical expertise; weak leadership capability.	Qualitative methods and sense-making from Executive Team, such as storytelling, as well as tracking changes in organizational outcomes.	• From internal focus to market and client focus • From either-or, to both-and thinking • From independent beliefs-in-action to collaborative beliefs-in-action • From "drive-by" blaming to 100% collective ownership	Industry leadership in: 1. Safety 2. Customer satisfaction 3. Employee satisfaction 4. Profitable growth
Abrasive Technology	Shift in system and structure from traditional hierarchy to a flat, customer-focused, process-centered organization	Interviews across the supply chain; brief pulse check surveys; focus groups; tracking of organizational outcomes	• From conformity to independent action • From task focus to customer quality, process, context, and task focus • From belief that we make parts to belief that our tools shape the world	• Sustainable industry leadership in select business segments • 50% reduction in product returns quarterly for 3 years

Conclusion

We believe that any team or organization working to develop their leadership culture can benefit from thinking about the impact they want to achieve **early** and use data to drive insights **throughout** the change process. From experience, we have seen that framing the change, monitoring progress, evaluating success, and continually learning from major initiatives will strengthen your culture initiatives, lead to well-informed decisions, and maximize the learning not only for an organization but for the broader field of practitioners who are striving to lead culture change initiatives. For more advice on how to measure your leadership initiative, read Evaluating the Impact of Leadership Development, 2nd Edition.[6]

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