



Wilson Perumal & Company
EXECUTIVE WEBINARS

Creating a High-Performing Organizational Culture:

*Your key to unlocking sustainable,
industry-leading performance*





Introduction to Wilson Perumal & Company

We help business leaders compete and win in a complex world



Global premier consultancy

Support multinationals, private equity, & government



Unique focus on complexity

Help clients tackle the complexity that adds cost, degrades performance, and undermines execution



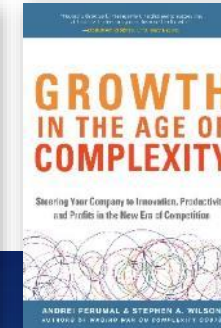
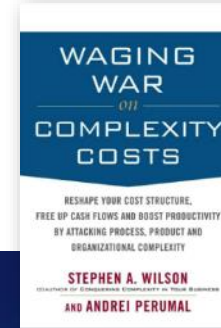
Strategy and operations

Sweet spot is at the intersection of strategy & ops, where companies seem to struggle the most



Thought-leaders

Two books published by McGraw-Hill; research featured in *The Wall Street Journal* and *MIT Sloan Management Review*



Oh-Hyun Kwon

*former Vice-Chairman and CEO
Samsung Electronics*

*"At Samsung Electronics, a **simple and speedy decision-making** procedure has contributed to our success. Complexity is one of the biggest impediments to operational speed. The authors present a practical approach for tackling it. **This book is inspiring.**"*

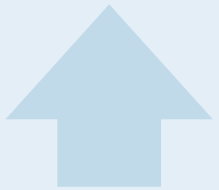


Your company's culture affects everything, and it can be your most powerful competitive advantage

Companies with a strong culture have

72%

higher employee engagement



Businesses with more engaged employees see

23%

higher profits and

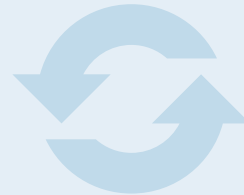
60%

lower turnover

More than

75%

of workers believe company culture influences their job performance



WP&C research shows that industrial companies focused on creating a high-performing culture:

- Are twice as effective at preventing workplace injuries
- Pay up to 100x less in fines and penalties
- Spend ~8% less on SG&A costs (as a % of revenue)

A strong culture can add 20-30% to a company's market value.

Over 90% of business executives agree that their company culture is very important, yet...



16%

Only a small fraction of executives believe their culture is where it should be

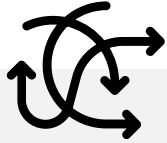
52%

More than half of senior executives believe their governance and management systems actively work against their culture

77%

The vast majority of employees face culture-related tensions at work they don't know how to resolve

Tackling culture is a daunting task for many leaders



It's seen as an issue that's **just too hard...**

- It takes years to change a culture!
- We're too big
- There are too many other things going on
- I've seen too many others try and fail



...and **difficult to measure** progress for...

- We already do a lot of surveys that don't tell us anything actionable
- Setting tangible goals seems impossible for something so squishy
- How do we know what's really working and what isn't?



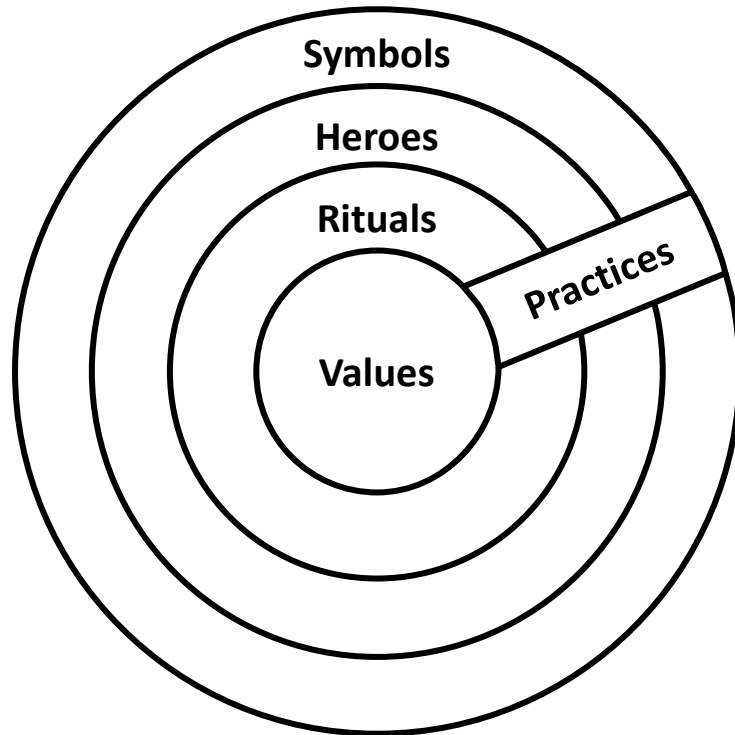
...which makes it easy for **things to go wrong**

- People will resist change
- What if we surface other issues that have to be dealt with?
- Will this be an excuse to stop working on other things?
- Who gets blamed if we can't show improvement?

Our experience shows that real, quantifiable, and sustainable improvements that matter to the organization and its people can be made quickly!

Your culture is what sets your organization apart

CULTURE ONION MODEL



- It is exceedingly hard to change the onion from center out (our values form early in life and are difficult to change)
- But you can change it from the outside in (by changing organizational practices)
- Culture is easiest to see and understand when we look at how work gets done and decisions are made

“Organizational cultures are best understood as a set of organizational practices, rather than the attitudes of the individuals who make up the organization.” —Andrew Hopkins, *Failure to Learn*

An unhealthy culture can lead to devastating outcomes

1979 Three-Mile Island



Reactor meltdown due to equipment and a deficient safety culture

1995 Barings Bank



Rogue trading unchecked, management lacked knowledge of their business key contributor

2003 Columbia Shuttle



Investigators site "cultural traits and organizational practices"

2007 Daimler-Chrysler



Merger failed due to a differing "level of formality, philosophy, and operating styles"

2010 Deepwater Horizon



Gulf spill "exhibits the costs of a culture of complacency"

2015 Volkswagen



Scheme to evade emissions "attests to a management culture gone awry"

2016 Wells Fargo



"Bank's leadership, sales culture, performance systems, and org. structure as root causes..."

2019-Present Boeing



"Employees are confused by the different terms, and lack of explicit descriptions that clarify [culture]"

"Improbable" incidents such as these are becoming more common and costly.

Some think incidents like these are impossible to predict or prevent



NORMAL ACCIDENT THEORY *(the pessimist's view)*



“Regardless of the effectiveness of management and operations, accidents in systems that are characterized by tight coupling and interactive complexity will be normal or inevitable as they often cannot be foreseen or prevented.”

It's inevitable that people will make mistakes. A healthy, high-performing culture is resilient and enables you to catch those mistakes before they turn into catastrophic failures.

All high-performing organizations share a set of similar cultural traits and are deliberate about managing their culture



► *People know what to do, how and when to do it, and why*

Although the foundations of this approach to culture came from the Nuclear Navy, it has proven relevant and successful in many other industries.

Just telling folks to adopt new values won't work, they must be put in context and tied to real work practices

PILLAR	EXAMPLE MEANING	APPLICATION TO EVERYDAY WORK
Level of Knowledge	Understand what you do and why . Continually seek greater knowledge, not just in your immediate work area, but also around it. Level of knowledge exceeds work responsibilities.	<ul style="list-style-type: none">• <i>Cross-training and rotational assignments are part of standard development plans (not reserved just for high-performers).</i>
Formality	You have a seriousness about what you do . Critical information is communicated in exact, prescribed terms. You understand and respect procedures.	<ul style="list-style-type: none">• <i>Procedures are followed explicitly.</i>• <i>As needed, use a formal process to update procedures, policies, SOPs, etc.</i>• <i>Escalate to _____ when _____.</i>
Questioning Attitude	You and co-workers constantly ask, “what might go wrong” and “what do I expect to happen when...” You apply forward-thinking to anticipate potential problems and are alert to unusual conditions. You don't assume, you verify.	<ul style="list-style-type: none">• <i>Ask (and know the answer) to, when I do _____, I expect _____ to happen.</i>• <i>Always verify _____ and verify _____ when _____.</i>
Forceful Team Backup	You actively back-up fellow employees and expect them to do the same for you. You assume that you and others will make mistakes; finding and correcting them is a professional responsibility, not an undermining act. You take ownership for correcting a deficiency when you see it.	<ul style="list-style-type: none">• <i>Critical/must-do items receive more human oversight (not less); multi-person integrity/verification is applied to high-risk tasks.</i>• <i>Assume others are being genuinely helpful when pointing out an issue.</i>• <i>Have the courage to point out mistakes/omissions by those senior to you.</i>
Integrity	You can be relied upon to do the right thing, the right way, every time , whether someone is looking or not. You are worthy of trust. You can rely on others to do what they are expected.	<ul style="list-style-type: none">• <i>Role- and level-specific expectations are set and communicated at each level.</i>• <i>Leaders/management actively seek out input and expertise from those closest to the point of work.</i>

Changing culture requires a deliberate and focused approach

WP&C's LEADS approach is a proven to deliver real, sustainable change

LEARN

Understand 1) what the current culture is, 2) why it is that way, 3) the desire for change and the barriers

- Yardstyk® Culture Assessment
- Understand how the culture is different across level, locations, functions, etc.
- Understand what people think the culture should be and map to HPO traits
- Understand desire and barriers to change
- Identify areas to quickly get traction

ESTABLISH

Define the desired culture, build the roadmap for change, and get leader buy-in

- Define the future operational values
- Build change roadmap around key issues and desired business outcomes (incl. KPIs)
- Develop leader/manager expectations in the future state
- Define leader responsibility for change in their areas
- Communicate and commit to the organization

ALIGN

Translate operational values into practical role- and level-based expectations and start implementing them

- Tie the operational values to specific work for every level and role in the organization
- Provide local-leader support to bring the new culture to life (comms, work management tools, barrier removal)
- Ensure all leaders are adopting the new practices and values
- Measure progress with change rollout and update roadmap as needed

DEVELOP & SUSTAIN

Transition to proactive culture management and tie org. & individual performance to the culture

- Integrate culture management into core work and business management practices & systems
- Measure and respond to key culture indicators
- Tie business KPIs to measurable culture indicators

4-12
weeks



2-8
weeks

3-6
months

Persistent
effort

Yardstyck® provides leaders the insights needed to create a truly high-performing culture

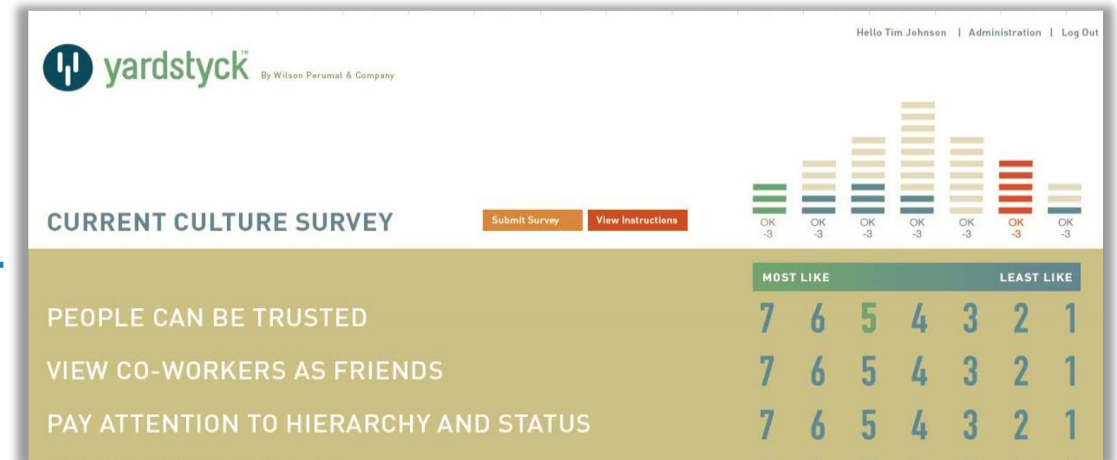


- A web-based tool that takes about 20 minutes for participants to complete
- Has been used around the world—available in 9 languages* (more can be added)
- **Is based on the attributes and behaviors seen in high-performing organizations**
- Measures the existing culture, what people think it should become, and the desire for change
- **Provides the clear, actionable insights leaders need to for drive change**
- **Can provide industry benchmarks and comparisons to known high-performing organizations**

40 cultural descriptors



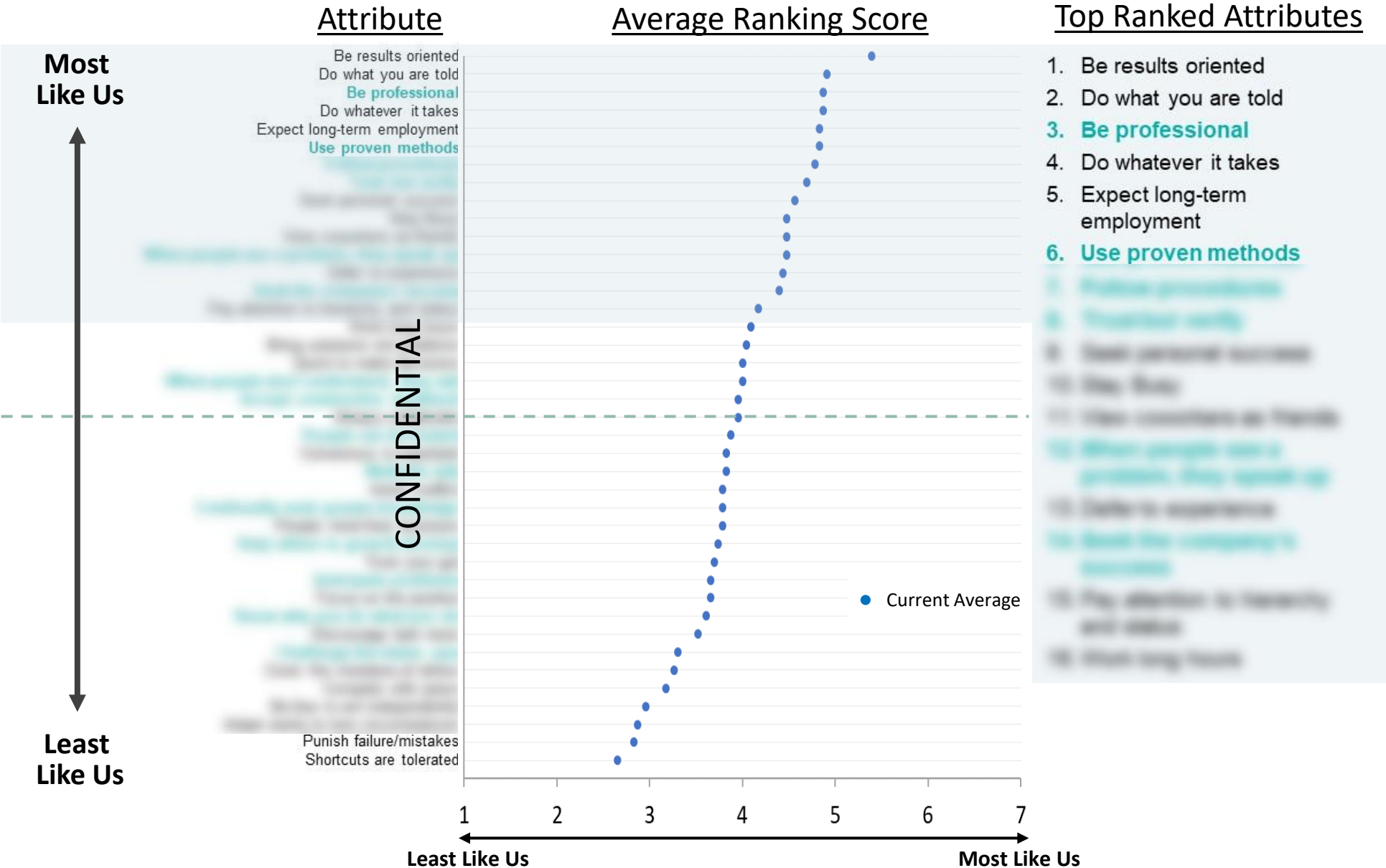
force-ranked by how well they describe your organization's culture



yardstyck rankings are done twice:

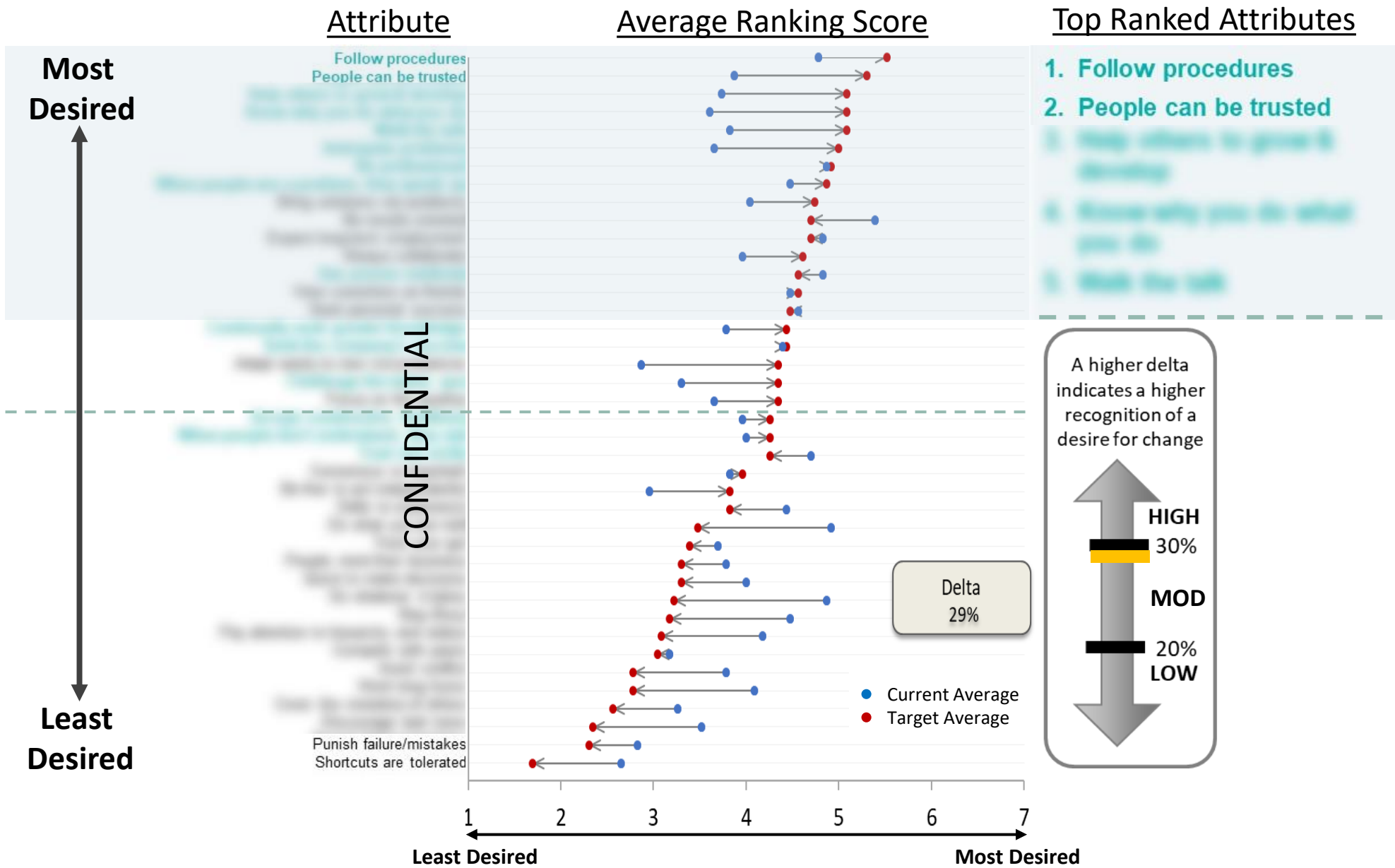
- *First to describe the current culture*
- *Second to describe how people want it to be*

Current Culture for Employees Reporting to a Senior Manager



Note: Attributes in aqua are those associated with high-performing organizations

Culture Gap (current v. target) for Employees Reporting to a Senior Manager

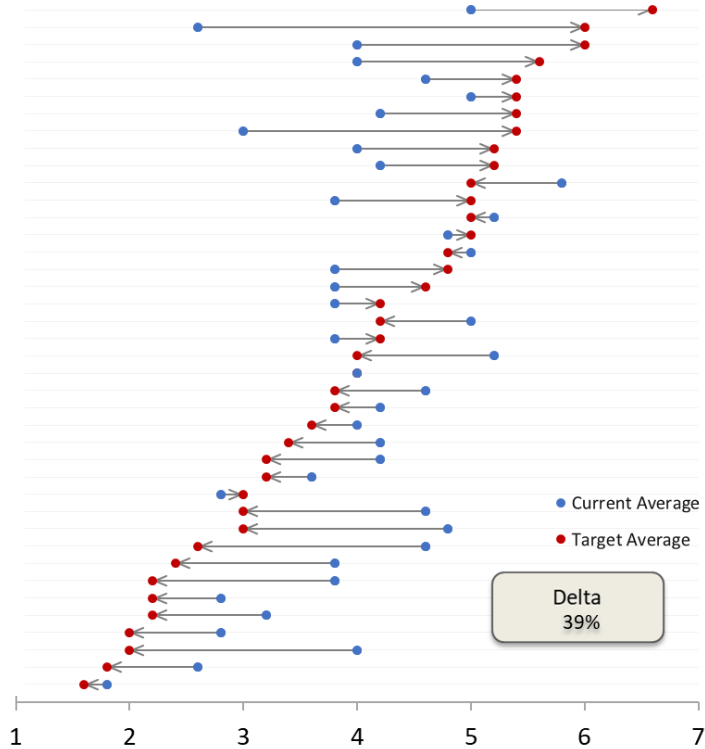


Note: Delta reflects total points of movement as % of total possible points of movement

Yardstyck makes it easy to compare what each group thinks about the culture

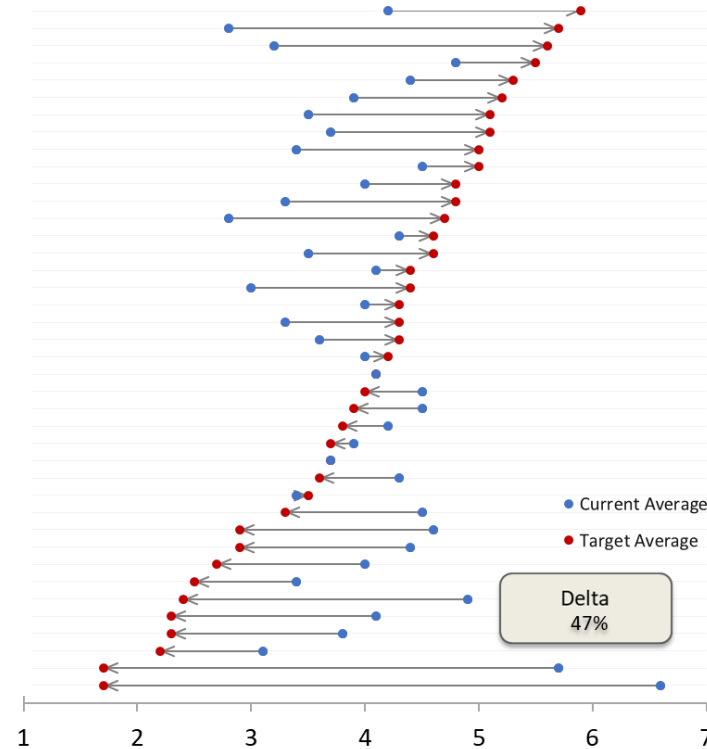
Executive Team

(100% participation)



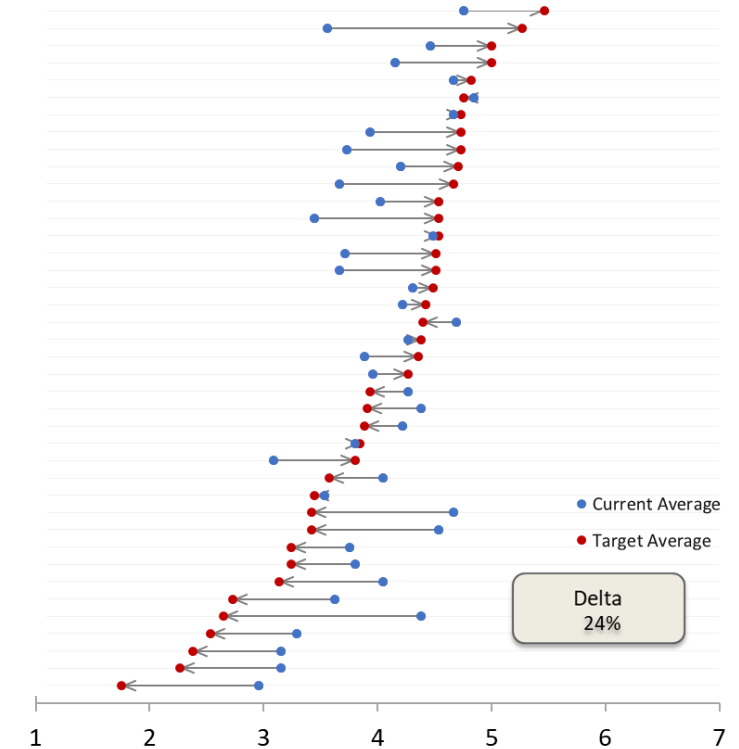
Senior Managers

(100% participation)



Front-line Leaders

(88% participation)



Comparisons can be made between roles, locations, functions, and any other desired differentiator in your organization.

Yardstyck provides a clear view of how strong the pillars are in your organization and how you compare to those with a high-performing culture



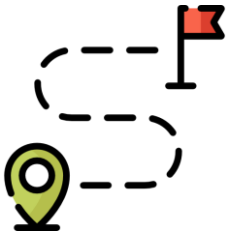
Yardstyck® reveals the specific aspects of your culture that need to change and why.

A Senior Leader's Checklist for Transforming Organizational Culture



1. Understand

- ☐ What the current culture really is, and why it is that way
- ☐ The organization's desire for change at every level and what the barriers to change are
- ☐ Who is going to lead the transformation and the roles of other leaders



2. Get Started

- ☐ Define the future culture and ensure it includes the essential traits
- ☐ Set leader expectations and follow-up on them—**leaders must go first**
- ☐ Translate the future culture expectations into the day-to-day work that people do



3. Stay Involved

- ☐ Make early changes simple, actionable, and real (vice conceptual) to get the ball rolling
- ☐ Ensure every leader is engaged and implementing the changes (not working against them)
- ☐ Tie the changes to real business actions and expected results

It is impossible to over-communicate what is changing, why, and where you are in the journey.

WP&C has help clients across many industries turn their culture into a true competitive advantage

Notable
results
we've
helped
clients
achieve

- **70%+** reduction in **operational safety incidents**
- **\$200M** improvement in **operating profit**
- **91%** reduction in **annual employee turnover**
- **77%** reduction in **employee sick days**
- **11%** increase in **production asset availability**
- **78%** improvement in **supervisor effectiveness**
- **76%** improvement in **organizational communications**
- **69%** increase in **employee accountability**
- **84%** reduction in **employee frustration with management**
- Business unit received **Global “Best Culture” Award**

Key Takeaways: High-Performance Organizational Culture

1. Culture drives all aspects of your organization's performance and all HPOs are very deliberate about their culture
2. Every high-performing culture shares a common set of traits
3. Getting and sustaining results is easier than many leaders think, but it requires a deliberate, proven approach
4. The first step is to understand what your culture is today and why it is that way



Contact us or visit WilsonPerumal.com to learn more.

We regularly take the concepts we have talked about today and apply them to the complex challenges facing business leaders today

Cyber Operational Culture



To reduce cyber risk, companies should look to (HROs) to instill practices that drive high-performing operational discipline

[WATCH NOW >](#)

Pre- and Post-Merger Integration



WP&C provides clients fit-for-purpose approaches to Pre- and Post-Merger Integration to reduce risk while accelerating and maximizing value creation

[WATCH NOW >](#)

Human & Organizational Performance



Learn how to realize and sustain business excellence through H&OP from Ernie Spence's address to the American Manufacturing Summit

[WATCH NOW >](#)

Leading without Fear—TEDx



WP&C Partner, Ernie Spence, shares how he used the HRO principles to turn around a failing Navy FA-18 squadron that was putting lives at risk

[WATCH NOW >](#)



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WP&C Perspectives:
Human and Organizational Performance
Culture Measurement & Change