

## Orchestrating Organization-Wide Cultural Change

### *Industry & Client Situation*

A large investor-owned public utility hired a new CEO who believed that the utility needed a new enterprise strategy that acknowledged and reflected a multitude of changes likely in the coming decade (technological, regulatory, macroeconomic, and otherwise). Believing that the strategy needed to be owned by the organization, this CEO, with Bridge Strategy Group assistance, designed a highly participative strategy development process, with multiple work teams reporting into a PMO. Each work team (consisting of 6-10 members) focused on either an important element of the organization (generation, distribution, transmission, shared services) or on an important aspect of the marketplace (customer needs, regulatory trends).

Recognizing the magnitude of potential change, in light of a new or modified strategy, and the importance of creating a supportive, performance-based culture, the CEO created an additional work team – the Winning Culture work team. This team was charged with the task of detailing and leading the effort to change the culture of this regulated utility to one of a more entrepreneurial, performance-driven organization, to help ensure acceptance and successful execution of the new enterprise strategy.

### *Approach*

If the culture was to change, it had to be led from the top, and the first step was to anoint the CEO as not just Executive Sponsor of the Strategy Development Process but also as executive sponsor for the Winning Culture Team. Recognizing the importance of ongoing two-way communication, not just to managers and exempt employees at Headquarters but also to unionized employees and superintendents at various far-flung plants, a full-time communications specialist was assigned to the PMO.

With Bridge Strategy Group assistance, a detailed work plan (outlining work streams, activities, timing and responsibilities) was prepared. Frameworks, outlining the change levers of systems, management style, formal structure, the recruiting, staffing, and development of employees, was developed and socialized. Utilizing the results of the most recent organizational climate/attitude survey, the work team created a baseline of the current cultural environment – both strengths to be reinforced and weaknesses to be addressed. A series of “best practices” companies associated with the demonstration of a winning culture were identified and profiled through wide-ranging secondary research. Telephone interviews were then conducted with managers in these companies, with an emphasis on understanding how these strong performance-based cultures had been built and lessons learned for our client utility.

A definition and description of what constitutes a winning culture was then developed by the team. This definition, coupled with the description of the current culture, was shared with the executive team in a series of workshops, aimed at clarifying what aspects of the current culture must be retained, which aspects must be changed, and what actions (in systems, structure, skills, executive agendas, etc.) must be taken to launch and sustain the change. These workshops were followed by workshops across the 75-80 individuals serving on other work teams, both to validate and/or modify findings from the executive workshops and to begin instilling an appreciation of the need for (and nature of) change across a broader subset of the organization. Further cascading workshops are planned, e.g., at individual plants, call centers and other facilities.

Informative seminars, involving hundreds of employees from across the company and led by topical speakers, were also held. These involved question and answer sessions and small break-out groups to wrestle with issues impacting the development and execution of an enterprise strategy. One of the seminars was dedicated to cultural change and involved over 350 employees. Finally, throughout the process, regular communications involving a variety of media, helped the organization at large better understand the nature of the changes required, the need for change across multiple dimensions, and what employees could expect as the strategy was refined, finalized and implemented.

### *Results*

Almost three months into the strategy development process, representatives of the organization are increasingly aware and accepting of the need for change to support a new, more performance-driven strategy. While commitment is, at present, limited to more aligned senior managers and a cross-section of their direct reports, conditions for the successful definition and launch of a new strategy have been enhanced.

Key success factors in readying the organization for cultural change include: (1) executive workshops to build understanding of and alignment around cultural change; (2) the stark contrast between current and winning cultures, which eased the task of communicating and accepting the need for cultural change; (3) the insistent flow of communication throughout the organization on the strategy development process and need for cultural change--communication that is clearly playing a role in readying the organization at large for change.