

Making a Case for Cultural Transformation

A major shift is occurring within organizations. Regardless of their size, industry, or geographical footprint, organizations are recognizing the impact of culture on overall business performance.

Organizations that place employee wellbeing at the heart of cultural transformation and value the employees' contributions are the ones succeeding in today's economic climate. They are the organizations best positioned to recruit and retain top level talent.

Many research and consulting firms have published articles pertaining to culture and its impact on employee engagement, productivity, revenue growth and share price. Instead of discussing culture from an academic perspective, we wrote this article to provide a real-world perspective on the impact of culture.

As a professional services advisory firm, we assist our clients with the selection of employee benefits service providers. This includes the selection of benefits administration providers, health and welfare consultants/brokers, investment consultants, and plan actuaries.

Ten years ago, the focus of our conversations with clients were generally tactical. Although these issues are exceedingly important, the nature of today has shifted dramatically. The conversations are now more strategic with a major focus on culture, employee engagement, and the overall employee experience.

We believe we cannot help a client achieve the specific outcomes they are seeking without a deep and full understanding of the company culture and its impact upon employee engagement, and workforce dynamics.

Often when a client explains their dissatisfaction with a service provider, it comes down to "they just don't get us." What the service providers do not "get" is the impact of an organization's culture and how the current service delivery model may be out of sync with the client's new and emerging culture.

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Cultural Transformation Case Study

Our client, a large well-known global services corporation, achieved success through a business strategy of acquisitions and cost reduction. As a result, the organization was primarily an administrative entity, without a discernable culture or distinct brand. Two years prior to becoming our client, the board of directors decided that the organization needed a new direction and appointed a new CEO.

In the press release about the new CEO, the announcement said, "The new CEO has a deep understanding of the importance of culture in creating a truly successful company..." and that the new CEO was "in every way a 21st Century CEO."

The board of directors concluded the announcement with the following, “We chose the CEO because of his understanding of the business and clients coupled with the understanding of what needs to be done to position the organization for the future. But it is the culture job that requires the biggest mindset shift to take the company from a holding company that focused on cost cutting to one that invests in quality and adding value.”

When the CEO commenced his position, an internal memo was sent to all employees sharing that his mission was to foster a culture that attracts the best and brightest, a culture that is inclusive, respectful, collaborative, and diverse. Building the new company would be a shared endeavor. He stated that he was looking forward to working with and listening to people throughout the company as they develop our plans for the future.

The cultural transformation impacted every aspect of the business, including our stakeholder group, employee benefits and human resources. The change in company culture required the employee benefits team to examine every outside provider relationship to measure if each provider is delivering their service in harmony with the new emerging culture or are willing to adapt their service delivery model.

Curcio Webb was retained to assist the client in replacing one of their benefit administration service providers. The incumbent provider performed poorly prior to the cultural changes and was unwilling to adapt to the new cultural transformation initiatives.

The most senior member of the client team shared that the project would be exceedingly visible to the senior executive team and the entire benefits team have one chance to get this right.

Throughout the project, we experienced the power and impact of cultural transformation. We and the client had to be certain that the selected provider was fully able and committed to create a service delivery model that complements and reinforces the CEO’s cultural imperatives, vision for the organization, and employee experience goals.

Key Project Takeaways

Cultural transformation begins with a CEO that truly believes that company culture drives business performance, strategy, productivity, innovation, collaboration, and employee engagement. They should be 100% committed to the time, energy and resources required to make the transformation successful. In addition, cultural transformation requires every person in the organization to be pulling in the same direction. This starts with the senior leadership team fully embracing the transformation and acting as passionate champions of the new direction. During the project it was evident that each team member totally embraced the organization’s cultural transformation mission and were energized and fully engaged in doing their part to make the transformation successful.

For Curcio Webb, it was thrilling to be a part of such a visible and important project. We have long believed in the importance of understanding a client’s culture in how we deliver the specific outcomes our clients are seeking; however, witnessing true cultural transformation and being a part of the transformation provided us an education, which was only possible by our involvement with the project. The project brought to life Peter Drucker’s prophetic quote: “Culture Eats Strategy for Breakfast.”

Culture is the elixir that keeps employees motivated and engaged. The greatest retention tool is a strong and healthy culture.