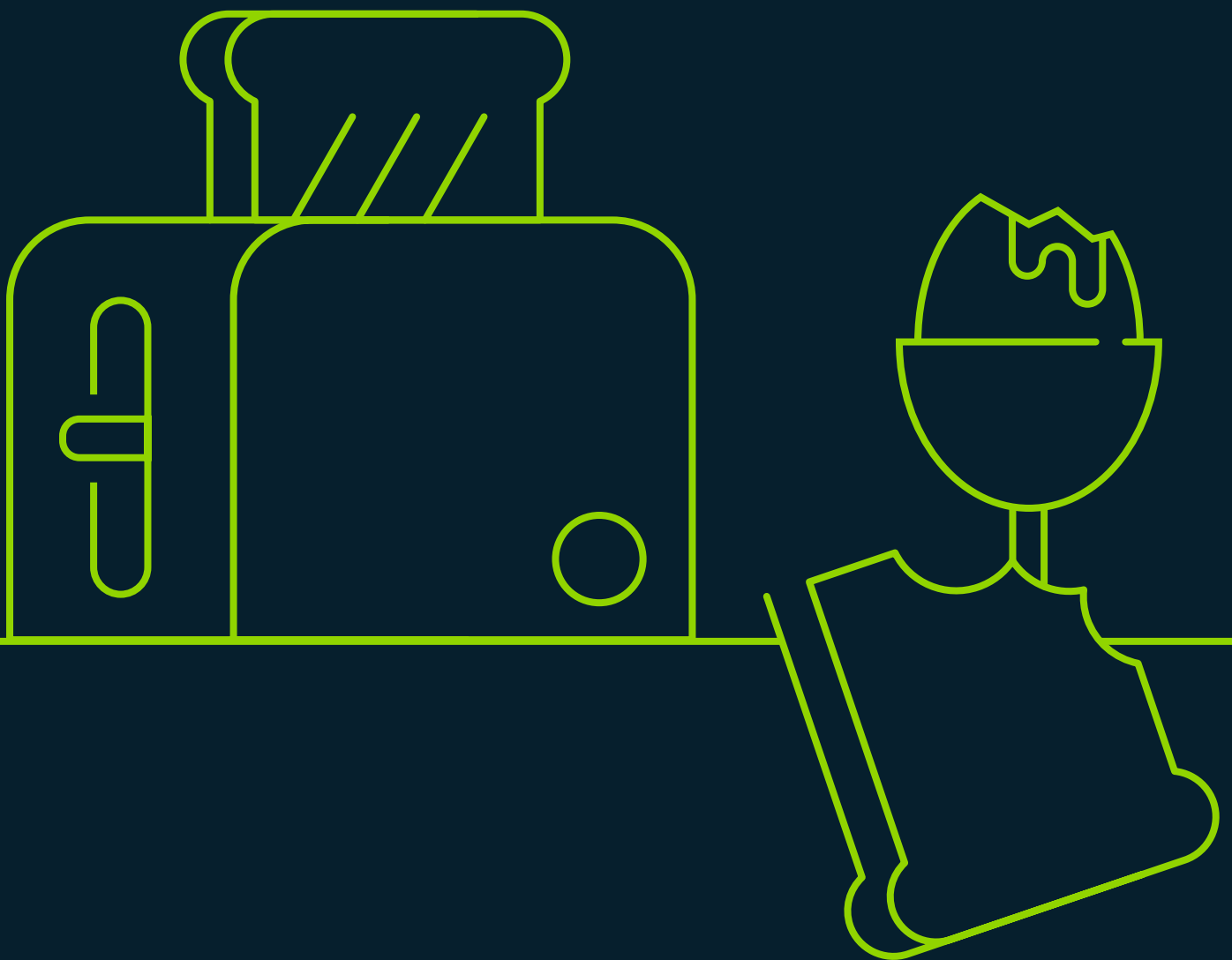
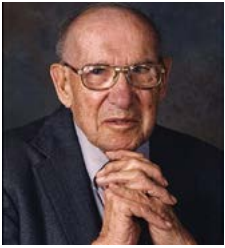


# HOW WORKPLACE CULTURE CAN EAT STRATEGY FOR BREAKFAST



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## What Peter Drucker really meant when he said culture eats strategy for breakfast

When the legendary management consultant and author, Peter Drucker, first expressed his famous maxim that 'culture eats strategy for breakfast', the last thing on his mind was to suggest that strategy is unimportant, or even unnecessary in the presence of the right culture. Rather, he saw culture as the first among equals. The two should go hand in hand. A strategy that does not heed culture is more likely to fail. A culture without strategy is prone to go adrift. Disconnecting the two can put your success at risk.

This is true for every facet of the business, and especially now in a world that moves so quickly. Culture can provide the flexibility and innovation needed for the organisation to meet all of its strategic objectives and to allow the strategy to adapt to rapidly changing conditions.

It is also culture that allows organisations to create the types of workplaces that allow people to thrive and innovate, to engage them in wider organisational objectives, to engage with their work and their colleagues and to feel part of something greater than the sum of its parts.

Formulaic and rigid solutions have little or no place in this new era and it is essential that the organisation is self-aware of its culture and knows the steps it must take to nurture it, communicate it to all stakeholders and change it as necessary.

It is also culture that allows organisations to create the sorts of workplaces that allow people to thrive and innovate

It must also evade the trap of focussing solely on culture. As Manfred F.R. Kets de Vries highlights in this piece in the Harvard Business Review, culture in the absence of strategy, context and self-awareness is prone to become a problem, actively working against many of the aims it has set out to achieve.

## The Four Gods of Management Culture

The British management writer, Charles Handy in his book, *Gods of Management*, classified organisational culture according to roles and functions within an organisation. He identified four archetypes which align with four of the most common workplace models now apparent, and which may have inspired the great facilities management pioneer, Frank Duffy in his own modelling of workplaces which he similarly categorised as hives, cells, dens and clubs.



One important point to note is that Handy argues that the models are not mutually exclusive and are likely to co-exist in organisation although one may dominate. This is reflected in his choice of the Greek pantheon as a metaphor.



### Zeus

A hierarchical structure in which power is concentrated in the hands of a single boss and his or her immediate colleagues. Control and decision making are centralised. Proximity to the boss is vitally important. Decisions are made quickly, but their quality depends on the access those at the top have to the information they need which can encourage the creation of a bureaucracy to pass information up through the hierarchy while not empowering people in the lower parts of the pyramid to act on it.

The physical workplace will reflect this hierarchical, bureaucratic and centralised structure and is typified by the traditional, and now old-fashioned, pyramid of space standards, cellular offices and formalised meetings and other procedures.



### Apollo

Similar in many ways to the Zeus hierarchical model, power is centralised but not dominated by a single individual and more power is distributed around the organisation. There is more emphasis on roles with clear demarcations of jobs. Great faith is placed on past ways of getting things done which have become codified into the routines and procedures of the organisation.



### Athena

In this culture, power is derived from an individual or team's expertise. Decision making is meritocratic and people move between projects. The emphasis on talent and know-how fosters innovation, teamwork and flexibility. This is arguably the most desirable cultural model for modern workplace design given its focus on agility, collaboration and innovation.



### Dionysus

The focus in this culture is on the meeting of each person's goals. Employees view themselves as largely or completely autonomous while management become a lower priority. Decision making is by consent. The downside is that there may be a lack of focus on shared goals and conflict may arise.

## Why culture matters

Culture matters because it helps the organisation meet its objectives, attracts the right types of people, looks after their wellbeing and productivity, and ensures they have a common sense of purpose. It should also be self-sustaining to a large degree if it is clear and everybody is engaged with it.

This is clearly not as straightforward as these simple definitions suggest. But there are steps that can help you to create an effective workplace culture.



# 4

## Allow everybody to contribute

Good decisions come from anywhere in the organisation and the ideal culture for most modern organisations is one in which people feel like their work matters and they are listened to and valued. Hierarchical models, in which people work on the basis of decisions taken at the distant Summit of Olympus, are increasingly at odds with the objectives of modern businesses and do little or nothing to attract the right people and harness their energy and ideas.

# 3

## Have a clear identity

Organisations have a culture whether they've defined it or not. It is embedded in its own working environment, mission, policies and ethical standards and the values of those people who work for it. People are drawn to work for organisations which share their values and so creating the right culture and conveying it clearly in both physical and cultural space each day is essential.

# 2

## Hire the right people

As the author Eric Sinoway suggests, problems can arise from simply having people that are not a cultural fit with the organisation. He points out that this is not an issue of ability, because the most problematic employees can be the 'vampires' who combine high levels of performance with ideas and attitudes that don't fit with the organisation and so change its culture in undesirable ways.

# 1

## Understand your culture (and what it might be)

Charles Handy's classification system (see page 3) is one way of defining a culture, so long as it is not taken as prescriptive. It is likely that different parts of the organisation will exhibit a range of characteristics. But the model, and others like it, provide a very useful way of taking a step back and trying to define both an existing culture and one that might do more to help the organisation meet its objectives.



## The physical workplace and culture

Traditional approaches to workplace specification relied on a very straightforward approach based on simple arithmetic and the need to depict a hierarchy. This is based on the measurement of net internal area (NIA) for a building which can be used to gauge its suitability for a particular number of people it employs, complicated only by their status and/or job function and the space they need as a result.

While this approach is less universal than in the past, it remains enshrined in wider attitudes to space and is codified by the British Council for Office's Specification Guide and the International Property Management Standard from the Royal Institute of Chartered Surveyors. These remain useful pieces of guidance, but they may not always give a full picture of what is needed in an office.

The end result can be the familiar litany of complaints from individuals about their offices based on a mismatch between the physical and cultural workplace, such as too little privacy, too little choice about where and how to work, the wrong kind of space and so on.

A good working culture matched to the design and management of physical space will help to overcome such common issues and also foster greater feelings of connectedness to the firm's culture. In some cases this might be largely about improving our relationships with colleagues.

Research by the psychologists Leon Festinger, Stanley Schachter, and Kurt Back in the 1960s found that working in the right sort of proximity to other people improves interpersonal relationships and also means people mirror the attitudes of those around them. This can have both positive and negative effects on culture depending on what those attitudes are. According to a study from the Rotterdam School of Management, people are prone to reflect the ethics of their bosses, regardless of how ethical they are themselves, especially when they work in close physical proximity. A related study from researchers at Cornell and Stanford Universities, in partnership with Yahoo, found that people tend to align their communication habits on the basis of their proximity and cultural connection to other people.

In other words, there is a direct link between workplace culture, the built environment and the design of an office.



Organisations must ensure that their workers have the freedom to think creatively, free from the burden of mundane processes

## What makes a great workplace?

Herzberg's two factor theory of motivation shows that we should distinguish between those elements of work that motivate us and those that demotivate us. While culture is tied up with factors such as meaning, identity and recognition that are obvious motivators, workplace design is a 'hygiene factor' in this context.

The upshot is that people can be happy and motivated in a sub-optimal working environment and unhappy and unproductive in one that seems to meet all the criteria of a good working environment. However, this is not a choice that organisations have to make. The best solutions are multi-factorial and can catalyse great benefits for the organisation when culture is aligned with office design and management as well as technological provision.

Culture cannot be imposed by design, but the look and layout of an office can reflect, convey and facilitate culture. Ideally, each of the elements of a specific organisational culture should be discernible in the design of its office. Depending on that culture, it should express the values and identity of the organisation, address the wellbeing of workers and reflect their empowerment and the connections they have with their colleagues and the organisation itself.

**Creativity.** Wherever possible, organisations must ensure that their workers have the freedom to think creatively, free from the burden of mundane processes. Organisations can also help to support creative thinking, while building an open and trusting team culture by encouraging workers to personalise their surroundings. Employees should be supported through the stages of creativity with a mixture of workspaces that offer them areas for individual exploration, social connection, co-creation, feedback and collaboration.

**Productivity and wellbeing.** We already have a very good idea of what makes people both productive and well at work. Perhaps the most famous codifying of this was the publication by Adrian Leaman and Bill Bordass of their killer variables of productivity (which, roughly speaking, are comfort, control, responsiveness, ventilation, work groups and design intent).

Many of these ideas are expanded on in Neil Usher's book *The Elemental Workplace*. Neil sets out the 12 elements of a fantastic workplace (see next page) and the ways to achieve them. He also looks at the ways in which wellbeing and productivity go hand in hand and are closely linked to workplace culture.

# THE 12 ELEMENTS OF A FANTASTIC WORKPLACE

1

Daylight

2

Digital connectivity

3

Sufficient space to work

4

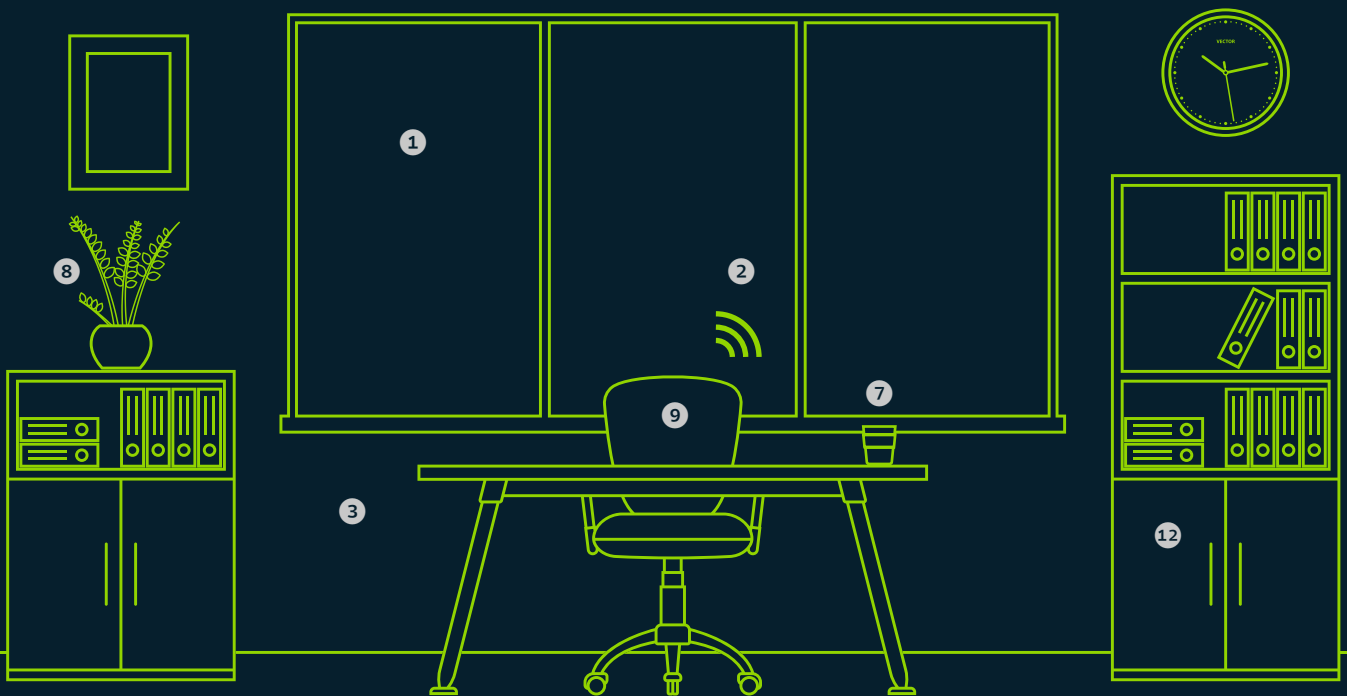
Choice: The ability to choose when, where and how to work

5

Influence on the design and management of the space

6

Control over immediate environment



7

The opportunity to get refreshment

8

A space which plays to the senses – in terms of colour, texture, sound and scent

9

The conditions for comfort

10

Inclusion: a fantastic workplace needs to be fantastic for everyone

11

Great washrooms

12

Enough storage

## New organisational models

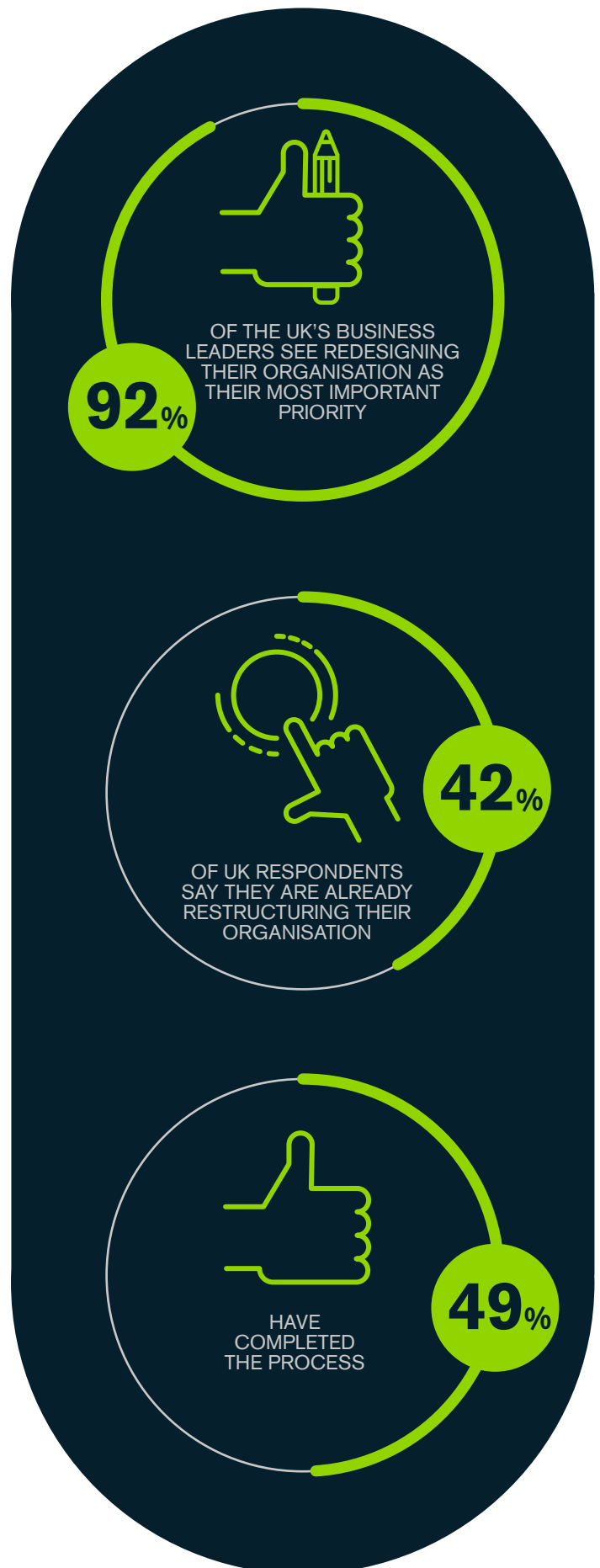
It's no surprise that the advent of more agile working methodologies in organisational structure is reflected in the growth of agile workplace design. A study into this paradigm shift of agility by McKinsey is interesting because the definitions and language used have a clear correlation with the non-hierarchical models defined by Charles Handy, and by extension, the workplace design models defined by Frank Duffy and others. A disruptive world demands an agile culture and an agile office.

This is now becoming the new normal. According to Deloitte's Global Human Capital Trends 2016 report, 92 per cent of the UK's business leaders see redesigning their organisation as their most important priority. Over two-fifths (42 per cent) of UK respondents say they are already restructuring their organisation and 49 per cent have completed the process. By the 2019 edition, Deloitte said:

The shift from hierarchies to cross-functional teams is well underway. Our data shows that adopting team structures improves organisational performance for those that have made the journey; organisations that have not, risk falling further behind.

This understanding that the organisation needs to change inevitably means that we need a rethink of its workplace. An 11-year analysis of US firms by real estate consultancy, JLL, suggests that companies which actively develop their culture and engage staff enjoy 516 per cent higher revenues and 755 per cent higher profits. The report also claims that firms which get things right are better at attracting and retaining talent, standing out from their competitors and meeting their strategic objectives through cultural change and employee engagement.

However, according to a study of Culture and Change Management published by the Katzenbach Center, only around half of transformation initiatives meet their objects. So, leaders must be aware of all the tools at their disposal when it comes to engaging everybody involved in the change management process. In particular, using culture to give people a sense of ownership of the process and create the foundations of the form of the organisation. They must inspire people, offer a clear vision, focus on problems as well as opportunities, and have a clear plan of action to communicate to people.





## Defining a new workplace culture

The researchers Robert Quinn and John Rohrbaugh developed the idea that organisational culture and effectiveness are defined by two primary dimensions that are closely aligned with work processes and space: the degree of structure and place of focus (which conveniently align with the work of Handy and Duffy).

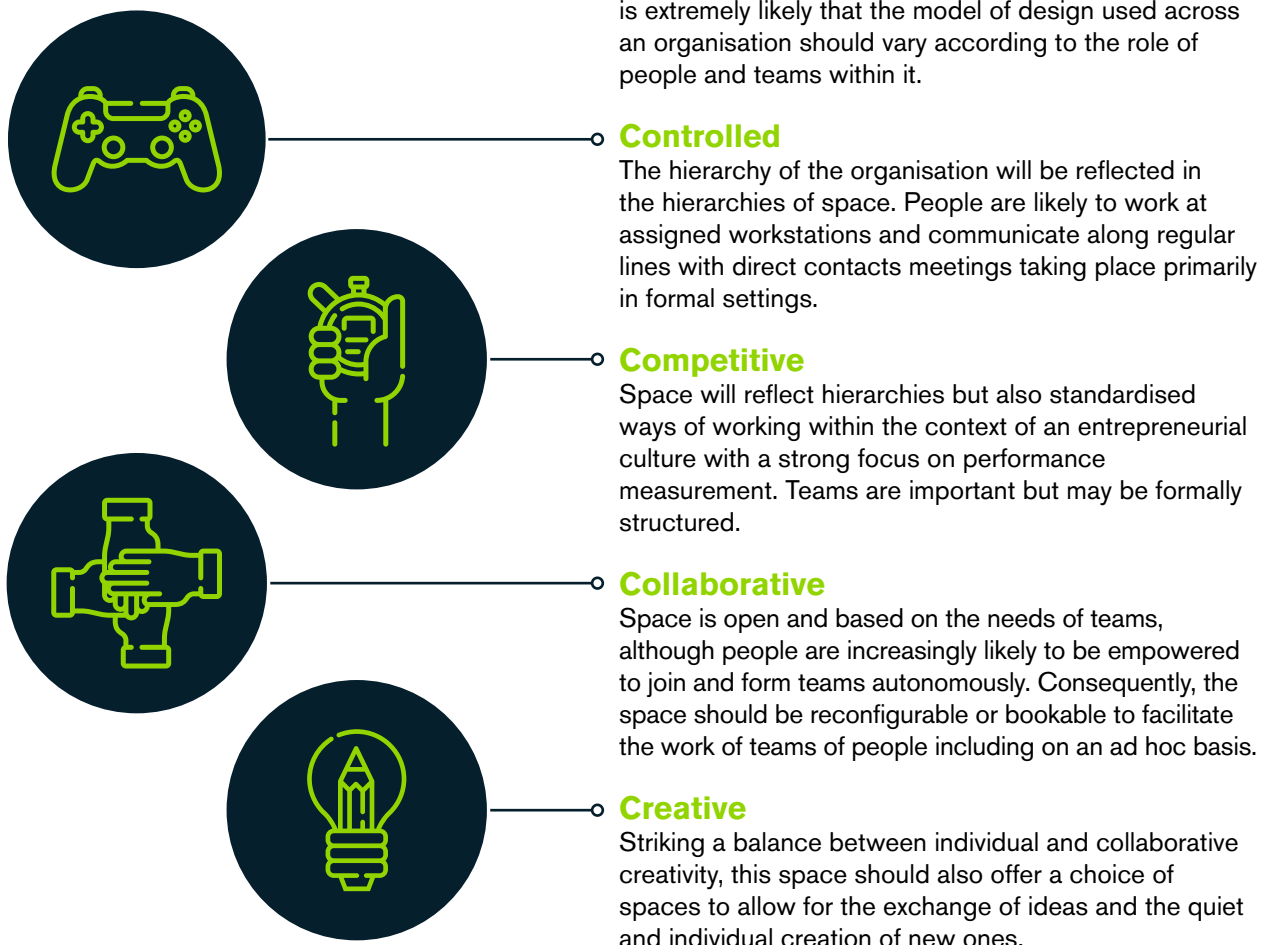


**Structure.** This works along a continuum from centralised control, order, hierarchy and predictability at one end to more organic processes, flexibility and volatility at the other.

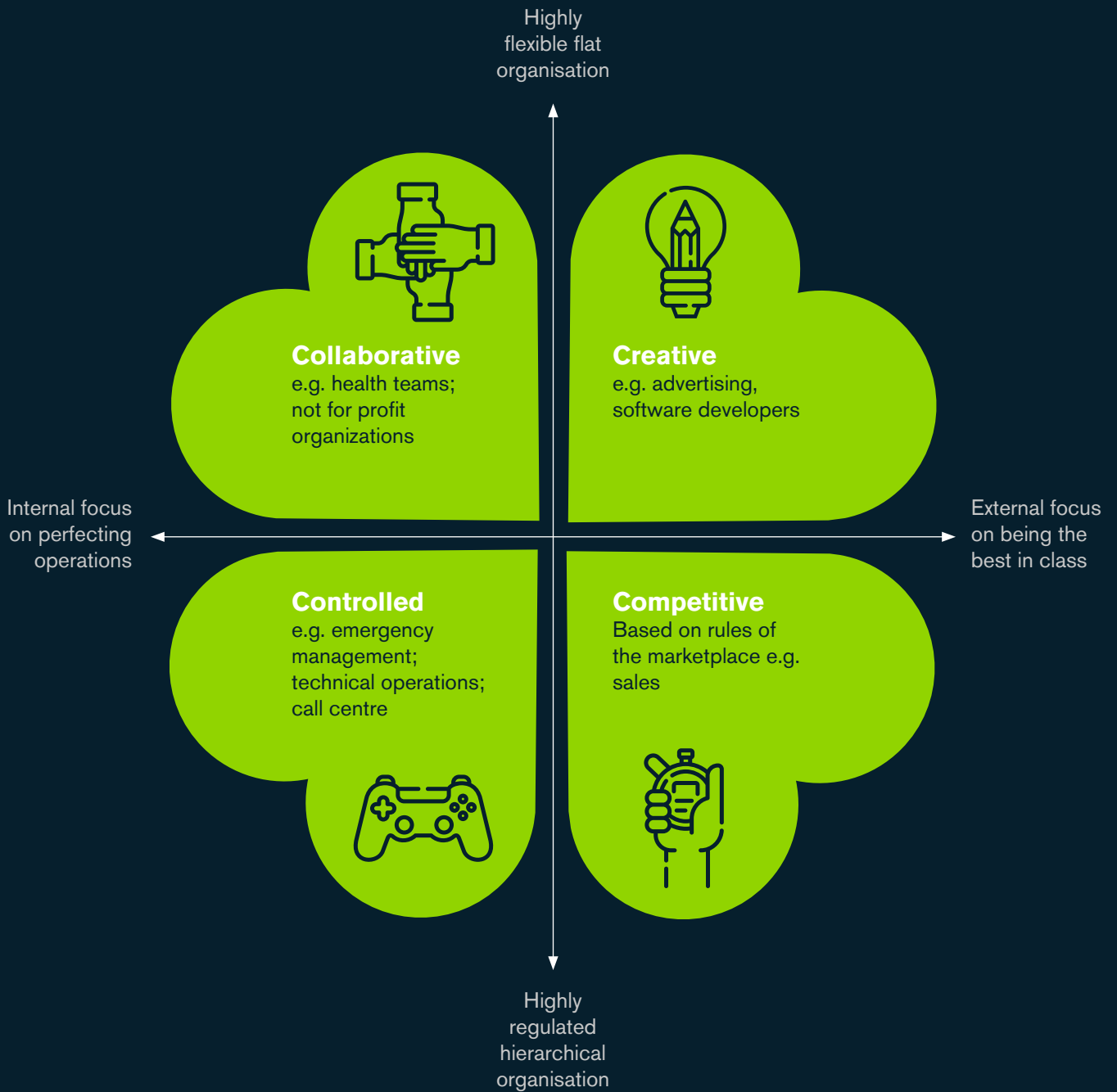
**Focus.** The attitude of the organisation to its internal processes against its outward looking focus on the market and its place in the world.

If these two cultural dimensions are arranged in a matrix, this yields four main categories of culture: Creative, Controlled, Competitive, and Collaborative that align with some useful definitions of office design.

It is important to note yet again that just as organisations are likely to display a range of cultural characteristics, it is extremely likely that the model of design used across an organisation should vary according to the role of people and teams within it.



# DEFINING A NEW WORKPLACE



## A new manifestation of workplace

The shift away from traditional, hierarchical approaches to workplace strategy was foreseen by management writer, Rob Harris in his book, *Property and the Office Economy* in 2005. It suggests that we typically see three distinct perspectives on how firms treat their offices:

- **Offices as a 'product'**: where the focus is on floor space and costs
- **Offices as a 'service'**: where space and service are consumed flexibly for a fee
- **Offices as 'experience'**: where the office adds value to the organisation and lives of employees

The last two definitions offer the predominant models of both organisational culture and workplace design in this part of the 21st Century. The coworking phenomenon binds them both in that it offers an experience and does so on a flexible basis.

The influence of the design of coworking space is starting to spread into more traditionally corporate environments because it chimes closely with what they are trying to achieve. The premise for this seems to be that whenever you ask people to describe their perfect office, you almost invariably get a description of something that sounds like what we would now deem to be an archetypal coworking space; little or no openly corporate furniture or other interior features, personal autonomy, comfortable seating, fast broadband, interesting and engaging people to work alongside, some private work areas and decent food and coffee.

This desire has now translated into the aesthetic and functional principles we see in the design of office buildings nowadays, but also in the very essence of the coworking phenomenon. As the coworking phenomenon continues to gather pace, and as we expect to see many of the ideas that define it more widely embraced, so its influence will be felt in offices of all types beyond its core markets. Major firms may not move into coworking space, but they may adopt its ideas to help them express a workplace culture.

People have grown used to working from home, airport lounges, cafes and hotels



## Expressions of culture

The creation of an office that embodies a culture of an organisation and supports a firm's objectives inevitably goes beyond mere expressions of corporate branding. How this is translated into a workplace design depends on our ability to draw on a range of working models that can reflect and catalyse culture.

We are no longer restricted to choices defined for us by organisational charts and floor plates, and we are able to offer a wide range of work settings that embody culture. One of the most interesting phenomena in this regard is how offices are taking their inspiration from other forms of space.

As people have grown used to working from home, airport lounges, cafes, hotels and the streets, the influence of these environments is increasingly discernible in office buildings.

A well-designed and managed office is likely to go hand in hand with a culture that puts a value on the wellbeing and productivity of its employees, just as an environmentally-friendly office is likely to be home to an organisation that has a well formed view of its responsibilities and place in the world.

This interconnectedness of design and culture is becoming more important as the forces that have traditionally bound us to a fixed place and time of work have loosened. A well-formed workplace strategy should focus on expressing a culture that signifies to all employees and other stakeholders what the organisation stands for.

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