

# HOW EXECUTIVES ENABLE A HIGH PERFORMANCE CULTURE

A Leadership Guide to Building  
Capability to Achieve Results  
and Avoid Toxicity

BY COLIN D ELLIS



# WHY THIS PAPER AND WHY NOW?

Since the global financial crisis in 2008, people's attitude towards their employers and the environment they create for them to not only do their best work but also do good in the world has shifted and the COVID-19 pandemic has hastened it further. Workplace culture, for so long a 'black box' behind a brand image, is now visible to the outside world and should be at the top of every senior executive's agenda.

No longer will employees tolerate a lack of purpose or vision; unclear goals; values that are not lived in plain sight; technology that's not fit for purpose; poor behaviour or performance from others. They are pushing back and demanding better. They're looking for cultures that match their expectations, in which they can continually perform and fulfil their potential.

They've seen senior executives prioritise profit, often at the expense of staff wellbeing, and preside over unsafe working conditions that do little to foster a sense of belonging or belief. For years, those conditions were tolerated. Not any longer.

The pandemic ushered in a new way of working and expectation around culture. One where transformation happened quickly, technology was finally embraced and – in the early days at least – empathy and compassion reigned.

As I write this in the middle of 2023, we're only just starting to see the impacts of this new way of working on not only business productivity, but also the mental and physical health of employees too. Hybrid ways of working are being abandoned<sup>1</sup> as leaders try to rediscover the magic formula that will provide both an environment that matches employee expectations and results that meet shareholder or customer needs.



The good news is that this environment can and does exist. The pandemic illustrated what's been known for some time: **that an intentionally designed workplace culture is the key difference between success and failure.**

When time and effort is spent developing the conditions by which people can work together in pursuit of a set of goals, organisations see significant increases<sup>2</sup> in engagement, productivity, sales, profitability and also a reduction in physical and mental health issues.

In a January 2022 study<sup>3</sup>, 92% of executives concurred that improving the culture would improve the value of the organisation, yet only 16% believe that their culture is where it needs to be in order to do so. Not only that, but 69% of managers said that a lack of continual investment from executives into culture initiatives was to blame for it being ineffective in practice.

**This is the dichotomy of culture.** Organisations acknowledge its importance, but often don't do enough to develop employees to consistently build, evolve and maximise it.

In some quarters, culture is still seen as being 'too hard' to tackle. Money is made available for technical enhancement, while culture is relegated to the sidelines.

People and Culture Managers are left to try and build an environment of success with little to no resources or support.

What this whitepaper seeks to do is to provide senior executives with a practical understanding of culture, its impact on performance and results and to demonstrate that any investment made in educating managers on how to take a culture-first approach will provide immediate returns.

Armed with this knowledge, executives can start internal conversations and create plans to build a culture that consistently performs at the highest-level within an environment that is respectful to all.

And all of this is achievable through the decisions of executives and improved capability of managers.

Toxic cultures occur when executives don't role model the behaviours they expect of others or else managers don't understand how to build and evolve vibrant culture.

When managers are trained to be 'Culture Makers' senior executives' time is freed up to set strategy, make decisions and ensure results are achieved. And at this point, high performance becomes a standard that everyone works hard to uphold.



# THE VALUE OF CULTURE

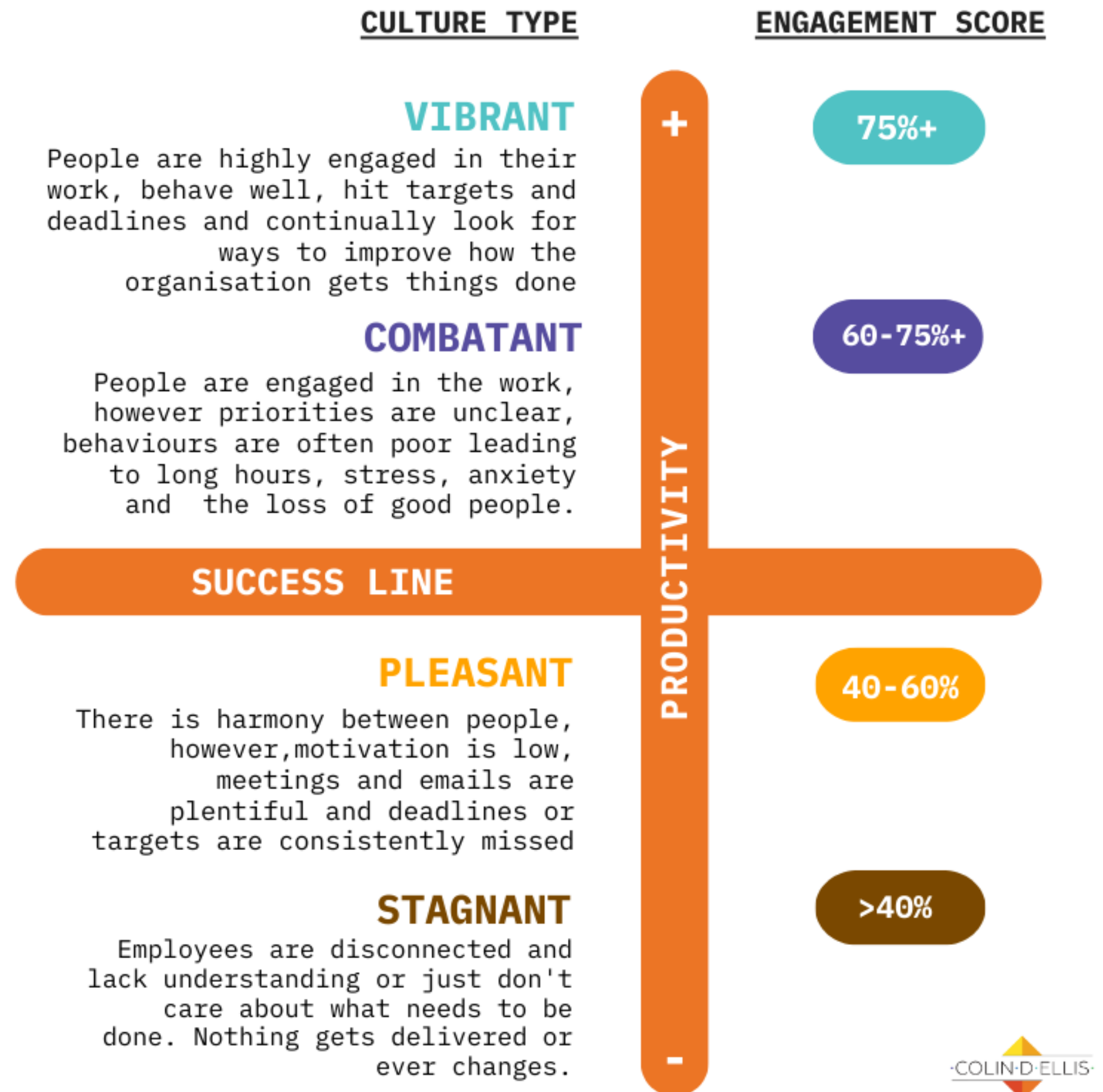
Comprehensive studies have demonstrated that investment into workplace culture is the key difference between success and failure.<sup>4</sup> When senior executives invest time and money into building culture-making capability they are rewarded with a vibrant culture full of highly productive happy employees who are invested in consistent goal achievement.

Without this investment, the culture will naturally evolve and, in my experience of working with global teams, it's almost always negative.

**Combatant cultures** are engaged but simply go about work in the wrong way leading to high stress environments that often turn toxic.

**Pleasant cultures** are full of good intent but lack the drive or work ethic to be continually successful. Whilst in **stagnant cultures** individuals are only invested in themselves, not contributing to team success.

**Where is your organisation or team right now?**





Teams or organisations that have consistently great engagement are those where senior executives ensure that they have a robust culture strategy (to be delivered through managers) every year.

**By investing in managers as culture makers, senior executives can expect to derive the following value:<sup>5</sup>**

- Greater productivity
- Higher sales
- Higher engagement
- Increased trust between team members
- Lower absenteeism
- Lower exposure to negative media coverage
- Better able to retain high potential staff
- Better able to attract high potential staff
- Lower turnover
- Greater innovation
- Fewer safety incidents
- Higher shareholder returns
- Improved brand reputation
- Improved rates of project delivery
- Increased goal achievement
- Reduced rates of stress, anxiety or burnout in employees
- Fewer quality defects.

All of this incredible value and potential already exists within every organisation and is available almost immediately. However, without providing managers with culture making capability, this opportunity will be lost. Leaders who make culture their top priority continually achieve sustainable growth and attain an advantage that their competition will never match.

# THE FOUNDATIONS FOR WORKING CULTURE

In striving to build vibrant cultures, senior executives need to understand how working culture is built in the first place.

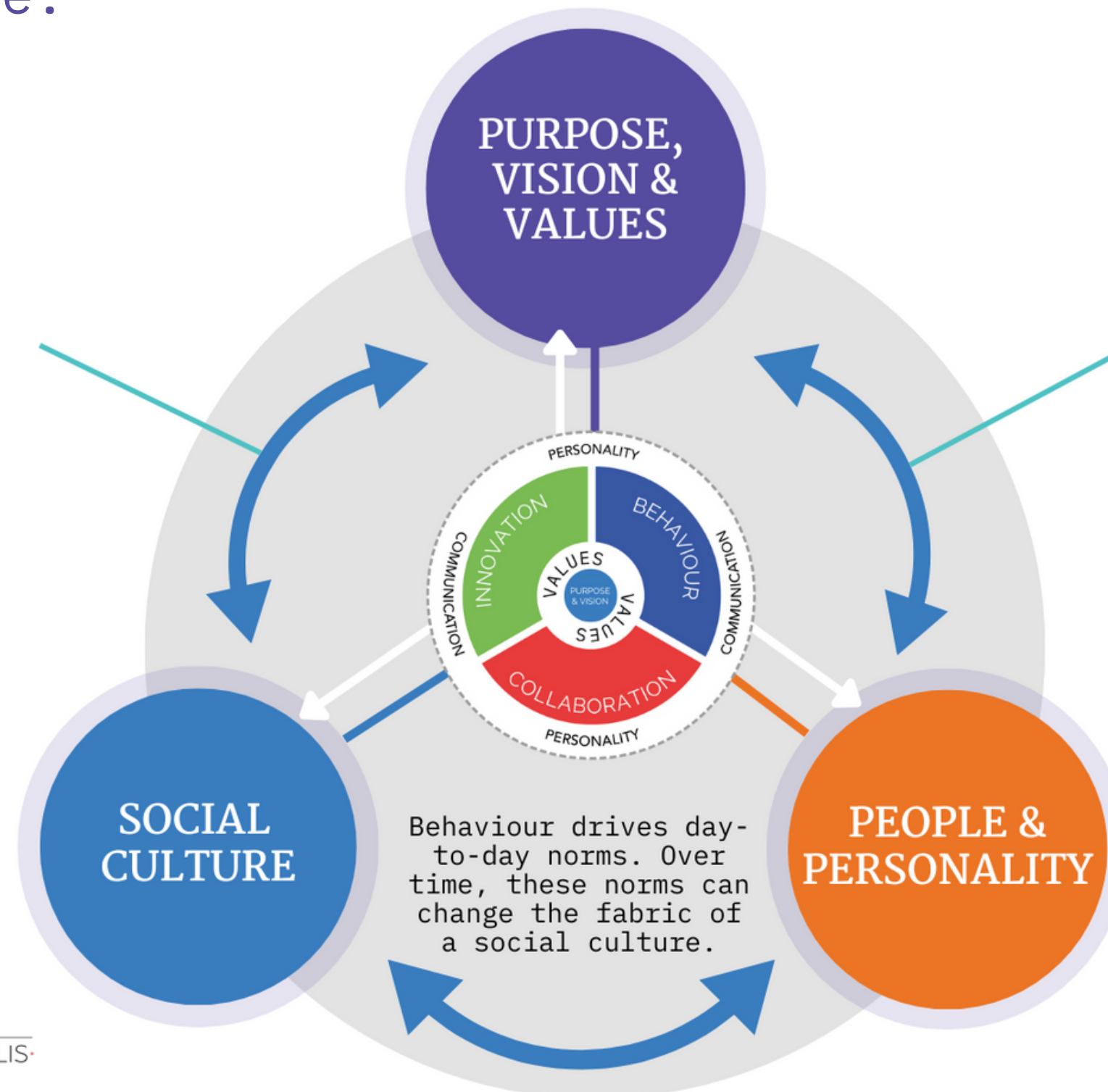
And regardless of where you are in the world or what industry you work in, there are always three elements that contribute to the formation of a working culture.

**They are as follows:**

- Social Culture
- People & Personality
- Purpose, Vision and Values

Purpose is driven by the expectations of a social culture. The social culture can change what it expects of companies over time.

People are attracted by the purpose of a company. Values are used to hire like-minded people. Values need to evolve to 'match' the needs of people.



# SOCIAL CULTURE

Sociocultural anthropology, shortened to social culture here, is the study of traditions, customs, laws, politics, family structures, lived experiences, belief systems and gender studies in relation to global societal and cultural diversity.

Through research, anthropologists are able to demonstrate 'that different people living in different environments will often have different cultures.'<sup>6,7</sup>

What this means for senior executives is that they need to understand the social conditions within which they operate.

In simple terms, it concerns understanding the culture within one's own country. However, many organisations now employ humans of all nationalities, whose lived social culture experiences are quite different from those within which they are working. These need to be factored into the working culture.

Without an understanding of these differences, it's very easy for organisations to get drawn

into the mistaken assumption that just because an organisation is based in the UK (for example), then everyone understands the customs, beliefs and experiences of living there.

As a UK citizen myself, I understand that putting the kettle on and making a cup of tea is the answer to all of the world's problems (regardless of size or severity), however, this is not the case if you were born, raised or work in Ethiopia, Thailand, Denmark or Brazil!

Additionally, leaders also need to ensure that they retain a full awareness of what is happening within their social culture environment. This is crucially important if they are to commit to a purpose that speaks to the 'way of the world' today.

When I first started work in 1987, very few – if any – organisations had an ESG (environmental, social and corporate governance) framework. That is simply unthinkable today and a demonstration that organisations have, as we say, 'moved with the times.'



# PEOPLE AND PERSONALITY

Whilst a key element of sociocultural anthropology is the study of humans, it is too simplistic to put all people from Japan, for example, in a box and say that they are the same based on where they were born.

Yes, people are a product of their environment and their experiences (social culture), however, they are also unique and have a personality that is agnostic of that.

This personality contains a set of strengths and opportunities for improvement, such that even twins who are biologically identical in almost every way may have completely different preferences.

Personality relates to the interrelationship between emotional, cognitive and behavioural patterns brought about by environmental and biological patterns. These 'strengths' are considered to be predominantly stable, yet do change over the course of our lives.

As humans mature, we become more aware of our preferences and it's this self-awareness that

helps us to build relationships with other humans and to drive our curiosity towards the people and things that interest us.

Of course, many personality profiles attempt to categorise people: you're an extravert, you're an introvert and so on; when the reality is, we have a mix of preferences that we can bring to the fore at any given moment depending on how safe or stressed we feel at any given time.

According to researchers Hogan and Kaiser<sup>8</sup>, personality dictates leadership style, leadership style predicts employee attitudes and team functioning; and attitudes and team functioning predict organisational performance.

Given that leadership is a choice (not necessarily a hierarchical position), people and their personality mix have a crucial role to play in the continual evolution of the sociocultural environment in which they're born, but also in the establishment of the working culture where they will collaborate with others to deliver successful outcomes.

# PURPOSE, VISION, AND VALUES

Every organisation, regardless of location, industry or sector, has a reason for existing, an aspiration that it seeks to achieve and a set of morals that it expects of its employees in pursuit of aspiration achievement.

**In other words: purpose, vision and values**

All of these attributes are extremely important inputs into the definition of workplace culture.

Purpose signals that the organisation is in tune with the world (and social culture) in which it operates and demonstrates that the business has something to contribute to it.

Vision is a description of the aspiration that it has. This is an expectation of stakeholders, shareholders and potential employees that may wish to invest their time, money or career development in the organisation. It has to be achievable for it to be believable and is set in line with strategy.

Values, meanwhile, are the organisation's opportunity to make public the kind of environment that it seeks to build. Values summarise the emotional connections expected between employees and their work. Values are translated into meaningful actions that people take every day.

These attributes are not only responsible for attracting people to the organisation in the first place, but also in retaining high potential employees and staying in step with global expectations.

Unfortunately, when these cultural attributes are tested, they are often found to be wanting and the view from the outside is that the culture is therefore toxic.

This affects not only the share price, but an organisation's ability to attract the very people that it needs in order to address the challenges that it has.

# CULTURE CONSIDERATIONS

Organisations need to consider not only the social culture conditions within which they operate, but also give thought to the people that they are looking to attract. They need to deliberately define a purpose, vision and values that are not only in tune with the way of the world, but that also make a statement of the standards that they hold to be true.

People are attracted to work for organisations where they believe there is a values-match. And this values match is only possible if candidates see that the organisation is relevant in the current global or national climate.

Global organisations (that is, those with subsidiaries around the world) need to be mindful of not imposing the 'head office' culture on each country. As this model demonstrates, only the purpose, vision and values should be shared and each country manager should be empowered to build their own working culture that aligns with the shared considerations.

All three of these elements: social culture, people and personality, purpose, vision and values, combine to drive the deliberate definition of working culture.

***So, what is your role as a senior executive in all of this, and what actions can you take?***



# THE ROLE OF SENIOR EXECUTIVES

With a shared understanding of how working culture is created, senior executive teams can work together to ensure that the five building blocks for delivering a vibrant culture are in place.

## **These are as follows:**

1. Strategy
2. Goals
3. Investment in culture making capability
4. Decision-making
5. Results.

A good strategy will outline the objectives that the organisation has in pursuit of its vision and these objectives will give rise to the goals that must be achieved in order to deliver on this strategy.

Once the goals have been determined, the baton passes to managers to build the required team cultures to deliver on these goals. Culture making should never be accidental, it should always be deliberate and set in line with the vision, purpose and values.

Managers need to be provided with the skills to do this effectively. They need to bring their teams together every year to ensure that the culture is reset to be able to successfully achieve the goals they have been set.

They also need to ensure that there is commonality of approach, such that the opportunities for silos – that is, where different managers do different things in different ways – is diminished.

Once team cultures are in place, senior executives can focus on the decisions that need to be made to ensure that priorities are clear, roadblocks are removed, and that people's time is put to good use.

And that time should be used to deliver ideas, products and services that continually create value and thus help the organisation to achieve the expected results.

Consistently high performing teams do all of these things well. Let's look at each one of these in turn.

# STRATEGY

There is much conjecture and discussion over what comes first: culture or strategy? However, given the perpetual nature of culture, it will start to form, regardless of whether there is a strategy or not. So, culture should always be attended to first... but without a coherent strategy it's hard to know exactly what needs to be built!

When creating strategy, purpose needs to be at its heart. If the organisation is to deliver on its purpose, (and thus demonstrate that it's purpose-led) then everything in the strategy must align to it. The purpose isn't something that's refreshed with each iteration of the strategy, but it's still a critically important tool when it comes to ascertaining the types of investment required.

A strategy sets out a plan of action over a defined period of time to achieve a set of objectives.

Good strategy asks four questions:

1. Where are we now?
2. Where are we going?
3. How will we get there?
4. How will we know when we're there?

Setting the strategy is a comprehensive process, that involves every level of the organisation and should provide clarity on the priorities, risks, governance, people and structure, governance and of course, the budget.

Building the strategy should not be a process that ties the organisation up in needless bureaucracy.

Taking that approach would negatively affect the culture. Managers and employees understand the importance of strategy but creating endless 50-100 page PowerPoint 'packs' will lead to disengagement and undermine the quality of the strategy creation process.

Keep your strategy simple!

# GOALS

Goals, whether they be financial targets, customer service levels, delivery of community outcomes or project milestone dates, are not arbitrary numbers. They are targets that need to be hit. Senior executives need to ensure that the goals in the strategy are clear from day one and where they are unclear, that employees understand what it will take to confirm them and their role in doing so.

Without meaningful, clear and achievable goals, cultures stagnate. Managers and employees become disheartened or, worse, actively disengaged and start to work against the organisation (often by not focusing on the priorities) in its pursuit of success.

The strategy should outline what it takes to 'win' for the organisation within its context. Winning has generated negative connotations over recent times, yet it is still possible to 'win' in the right way, with managers and employees feeling empowered and motivated to challenge, contribute to and celebrate goal achievement.

Research shows that when teams celebrate the achievement of meaningful goals it increases the sense of togetherness and leads to more goals being achieved.<sup>9</sup> This in turn contributes to the positive evolution of the culture.

Of course, not hitting a goal or target has a detrimental effect on culture but only if the safety within the culture is undermined or blame is apportioned. Where failure is seen as an opportunity for learning, the culture becomes more resilient and more determined to achieve the next goal.<sup>10</sup>

Goal setting is most effective when they are set at a team (rather than individual) level, and those that have responsibility for delivering them are involved in their definition through the strategy creation process.

Being given a say in what needs to be achieved gives rise to a growth mindset, which is critically important if managers and employees are to retain a sense of positivity.



# INVESTMENT IN CULTURE MAKING CAPABILITY

At this point senior executives have done all they can to set an intention for the organisation. Now it is time to turn the delivery of the strategy (and achievement of the goals) over to managers. And the first thing that managers have to do is build a culture that will deliver.

Historically, a management role has been seen as a development opportunity, a way to increase the pay of someone at the top of their band, a reward for technical excellence or longevity of service. However, management is much more important than all of these things. It is a privilege to serve others, although it's rarely seen as that!

Principally this is because executives don't invest in programs that provide managers with the practical skills necessary to build and manage team cultures. Yet it is managers who have the responsibility for inspiring and motivating staff on a daily basis (in line with the purpose and vision) and they who must

demonstrate the values of the organisation, in plain sight, every single day.

For years, senior executives have invested in leadership development programs that offer little in the way of improved goal achievement or the basic skills required to build vibrant team culture.

Yet, goals are only achieved through people collaborating with each other; challenging each other; and finding new ways to do things, all in line with the very clear expectations set by managers.

Senior executives can't assume that because an individual has been given a spot in a hierarchy where they have people reporting to them, that they automatically understand what they need to do to consistently deliver. They don't.

Being deliberate about upskilling managers in culture building provides the only opportunity for successful strategy delivery.

In my companion whitepaper entitled *A Management Guide to Making Culture: The Mindset and Skills Required to Build High Performing Teams*, I expand on each of these points.

Without these skills, managers will simply be unable (or unwilling) to build the culture required to get the job done and will often resort to poor behaviour as a way to motivate employees, which has the opposite effect and sets the culture on a path to toxicity.

Senior executives can't make the assumption that managers have the skills to build and evolve vibrant culture, they have to ensure that an investment is made into their culture building capability and thus safeguard the delivery of their strategy.



# DECISION- MAKING

With a continued investment in culture building capability for managers, senior executives can then focus on making timely decisions on the continued validity and delivery of its strategy.

Governance is concerned with structure and processes for decision making, accountability, control, and behaviour. Governance is not hour upon hour spent in a meeting room or on a call. It's the ability to maintain velocity of delivery whilst ensuring that the purpose, vision and values are being upheld in an environment that is respectful to all employees.

In addition to governance of strategic initiatives, executives also have to maintain a watching brief on the culture, they can't simply 'set and forget'. A culture can turn toxic in an instant and if senior executives take their eye off the ball, then they could soon find themselves the lead story in the media.

**Cultures turn toxic for many reasons, however the most prevalent are as follows:**

- Senior executives/managers knowingly 'walking past' unethical, disrespectful, bullying, aggressive (or passive-aggressive) behaviour
- Senior executives/managers making decisions that aren't in the best interests of the customer, community or shareholders
- Senior executives failing to act on feedback from employees with regards to the working culture.

In all scenarios, senior executives are responsible for the working conditions and decisions made, with the CEO being ultimately accountable. There is no way to avoid this, which is why it's crucial that executive teams quickly deal with issues as they arise and allow no one – regardless of role – to undermine the culture.



# RESULTS

With all of these building blocks in place, senior executives can then ensure that results are achieved. It's tempting for executives to think that results are simply about numbers: headcount; operating expenditure; capital expenditure; dates; value created or earned.

Far harder to measure are the intangible results that are critical in ensuring that the numbers get delivered. I'm talking about the happiness of staff, how well they feel the values are being demonstrated, how much agency they have to decide what needs to be done and where, how well they work with their teammates and how much they think that they're growing and developing in line with their own purpose.

These numbers are often collated just once a year, usually in the form of an 'engagement' survey. This once-a-year approach is dangerous. Continual feedback from staff acts as an early warning system or else provides an opportunity for innovation.

The analogy I use here with my clients is one

of a bicycle. Yes it's possible to reach your target, however, if you're not regularly checking that there's enough air in the tyres, or that the gears are oiled, then it might take you longer to get there or else it'll be much harder work than it needs to be.

When employees aren't asked for their feedback, they'll share it with each other or else share it on sites such as Glassdoor<sup>11</sup> that monitor workplace culture.

There really is no downside to continually gathering information on how employees are feeling. So long as you're not asking the same employees the same questions all the time - or making it too onerous to provide feedback.

So, whilst result achievement can lead to executive accolades, or in some industries bonuses, never forget that it's only through happy employees, motivated on a daily basis by managers, that you will ultimately get the results you need.

# CONCLUSION

The knowledge that senior executives have of how to build and evolve vibrant workplace culture is, in my experience, built throughout their careers and is dependent on both the good that they see and the bad.

Rarely is it made explicitly clear to them just how culture is formed, nor the importance of ensuring that it continues to evolve positively to meet the challenges or opportunities that they face.

Current and future employees will no longer accept complacent attitudes from senior executives towards the definition of culture and will actively seek out those that do it well. The world has changed and senior executives have to recognise this.

The time for senior executives to demonstrate their commitment to culture is right now. It may require a shift in mindset, approach and budgeting but an investment in culture will always be repaid.

Consistent high performance doesn't happen by chance. Only through a commitment to culture can it be achieved.





# ABOUT COLIN D ELLIS

Colin is a highly sought after keynote speaker and expert facilitator in workplace culture and project leadership. He is the best-selling author of *The Project Book*, *Culture Fix*, *Culture Hacks* and *The Hybrid Handbook*. He is also the host of the Culture Makers and Culture & Coffee podcasts and founder of the Culture Makers Community.

He brings a global perspective, having worked across five continents, 15 countries and 80+ cultures with clients looking to create experiences that transform the way that gets work done.

With his ideas, energy and humour, he gets people excited about achieving success and making a positive difference.

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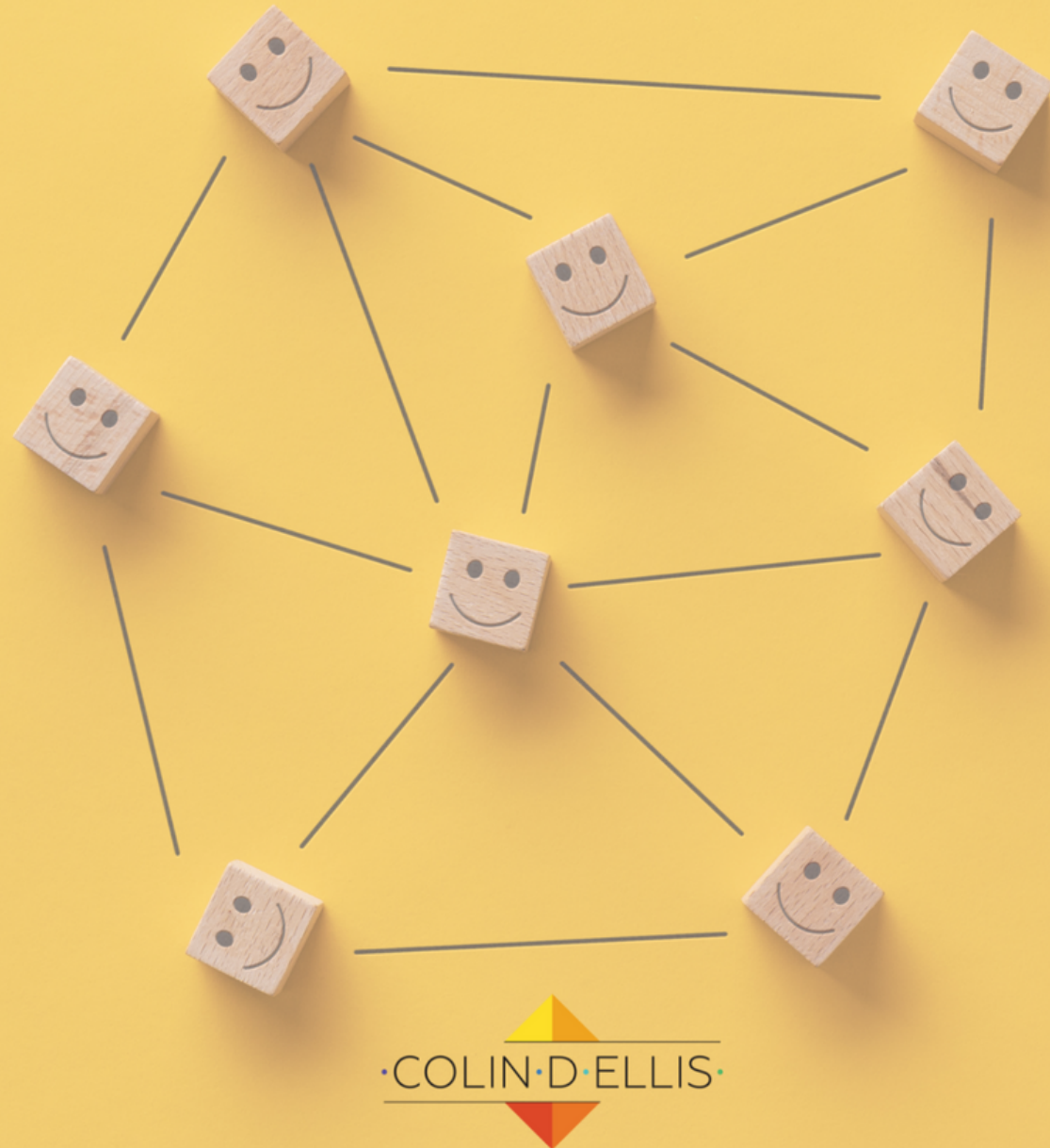
My clients are local, national and global in the public and private sector. These are just a selection of the organisations around the world that I have had the pleasure and privilege to work with, or currently work with. [View over 170 recommendations for my work on LinkedIn](#)





# CULTURE FIRST

Teaching managers how to build  
purposeful cultures that get the job done



LEARN MORE



The **Culture First** 2-day program is unique in design, delivery and outcomes achieved. It teaches managers - often for the first time - how to design and build their own high performance cultures where great work thrives.

It is co-designed with you to ensure that it uses your language, your purpose, vision and values and can also link to any learning and development programs that you offer.

The program establishes accountability between managers and creates structures from which they can not only regularly check-in with each other on progress, but also share ideas on the things that have worked and the opportunities for continual improvement.

I will also work with your culture leadership on the tangible measurement of progress before, during and after the program.

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