

## Culture Change

Written by Nick Sanders

Tuesday, 12 November 2019 00:00 -

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We've all seen that meme on LinkedIn. You know, that Peter Drucker quote: "***Culture eats strategy for breakfast.***"

" It shows up every week, at least once. There's a zillion memes and images, all saying the same thing. There's even a book: "Culture Eats Strategy for Lunch"—but the book wasn't written by Peter Drucker.

Who's Peter Drucker, anyway?

Peter Drucker is a relatively famous author and consultant whose contribution to modern management theory is undeniable. Born in Austria and educated in Germany, Drucker fled the Nazis and emigrated to England, where his interest in the behavior of people (as opposed to commodities) distinguished him from other economists and management philosophers. He moved to the United States in 1937, where he taught economics and later became a professor of politics and philosophy at Bennington College. During the 1940's he focused on management of the modern corporation. According to a website, "In 1954, he published *The Practice of Management*, widely considered to be the first book to organize the art and science of management into an integrated body of knowledge."

In 1966, he published *The Effective Executive*. In essence, he was creating the field that many of know today as the philosophy of leadership. But more he was doing more than that. He was making predictions. In 1968, he wrote, "The impact of cheap, reliable, fast, and universally available information will easily be as great as the impact of electricity. Certainly, young people, a few years hence, will use information systems as their normal tools, much as they now use typewriters or the telephone." That prediction was made 50 years ago.

I could go on, but you get the drift. Drucker was a widely respected and incredibly influential thinker, and we all would do well to read a couple of his many books.

So when Peter Drucker said, "*Culture eats strategy for breakfast,*" that is a powerful statement that resonates with many business leaders.

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Unfortunately, *he may not have actually said it.*

Nobody can produce a citation for this widely circulated quote.

What he *did* say is less catchy: “*Often, change management involves changing ways of thinking and doing and, in essence, changing culture.*”

Hard to fit that phrase on a meme.

He also said:

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*Management is doing things right; leadership is doing the right things.*

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*There is nothing so useless as doing efficiently that which should not be done at all.*

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*Whenever you see a successful business, someone once made a courageous decision.*

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*Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes.*

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*Plans are only good intentions unless they immediately degenerate into hard work.*

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Strong quotes, to be sure. But not as strong as the apocryphal “*Culture eats strategy for breakfast.*”

He didn't say that; but he *should* have.

Because it's true.

The greatest strategy in the world won't lead to anything if there's no execution; and to create execution you need a culture of execution. That should be obvious.

But now let's talk about change and change management. As Drucker noted, change management is often dependent on culture. To create change, the company must be open to change. People must be open to change. People embedded in “the way it's always been done” tend to be resistant to change. This is especially true in a successful company, where the company's historical success may be a function of its early culture. Think about Microsoft, or Apple or Google or Facebook. Incredibly successful companies with a culture of success. Why would they even *want* to change?

Everybody with experience in change management understands that, to be effective, any change management initiative must have an executive sponsor. Without executive sponsorship, many if not most change management efforts are doomed to failure. How does one get executive sponsorship when the executives do not see a compelling business case for making change?

We wrote about this a few years ago, in [this article](#) . Our focus then was compliance (as it tends to be), and we wrote—

... the real issue is not the knowledge or expertise of the team; the real issue is that the actual practices may need to change to match the compliance requirements of the newer contracts. The company may need to make fundamental changes to the way in which it does business. ...

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One problem is that the business may have become accustomed to how it has operated over time. It may not understand the need for change—or it may not want to change. “*If the wheel ain't broke, why fix it?*”

” may be the reply to the consultant who recommends changes to business practices in order to better assure compliance with new contract terms.

Therefore, change management is tied to culture, and the culture may have been created over years of successful operation and growth. Assuming that it's now time for a culture change, how does one even get started?

Moving back to compliance, let's look at the notion of “tone at the top.” It's a tough concept to define in a single sentence. One site says, it is “a term that is used to define management's leadership and commitment towards openness, honesty, integrity, and ethical behavior.” DCAA calls it “overall control environment,” and evaluates such things as integrity and ethical values, commitment to competence, management philosophy and operating style, and alignment of authority and responsibility. The DCAA Contract Audit Manual (2000 version) states “The control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.”

Thus “tone at the top” is critical for compliance practitioners to understand. It is foundational. We would therefore assert that “tone at the top” is the single most influential aspect of culture.

If that's true, and if you accept that change management is inextricably intertwined with culture, and you accept that change management may often mean culture change, then you are left with a problem when the culture is established by executive leadership and that leadership is resistant to change.

What do you do?

Well, here's my take on it. Here's a new meme for you all to consider.

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Tone at the top is critical. It is so critical that changing the culture may require a change at the top.

In other words, ***in many cases culture change may need to start with a regime change.***

*Cultural change must often start with*



*Regime change*

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