From Worst to First

Changing Culture to Drive Performance

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Wilson Perumal & Company

A tale of two cultures

Squadron A

- 4.5 significant safety incidents/month
- 1 of 117 aircraft safe to fly
- 10.5 safety critical discrepancies per aircraft

- 3 personnel incidents/month
- 38 week training syllabus requiring 100+ weeks
- 16 months behind training completions

- Divestiture of legacy assets 2 years behind schedule
- 40% of maintenance programs functioning poorly
- 20% over maintenance budget

Squadron B

- < 1 safety incidents/quarter; trending downward
- Over 60 aircraft in service and safe to fly
- Best of breed inspection results

- Personnel incidents below peer group norm
- 100% of training quotas met
- Best-in-class personnel management program

- Divestiture of legacy assets on track
- Best maintenance program in Naval Aviation
- 21% under maintenance budget

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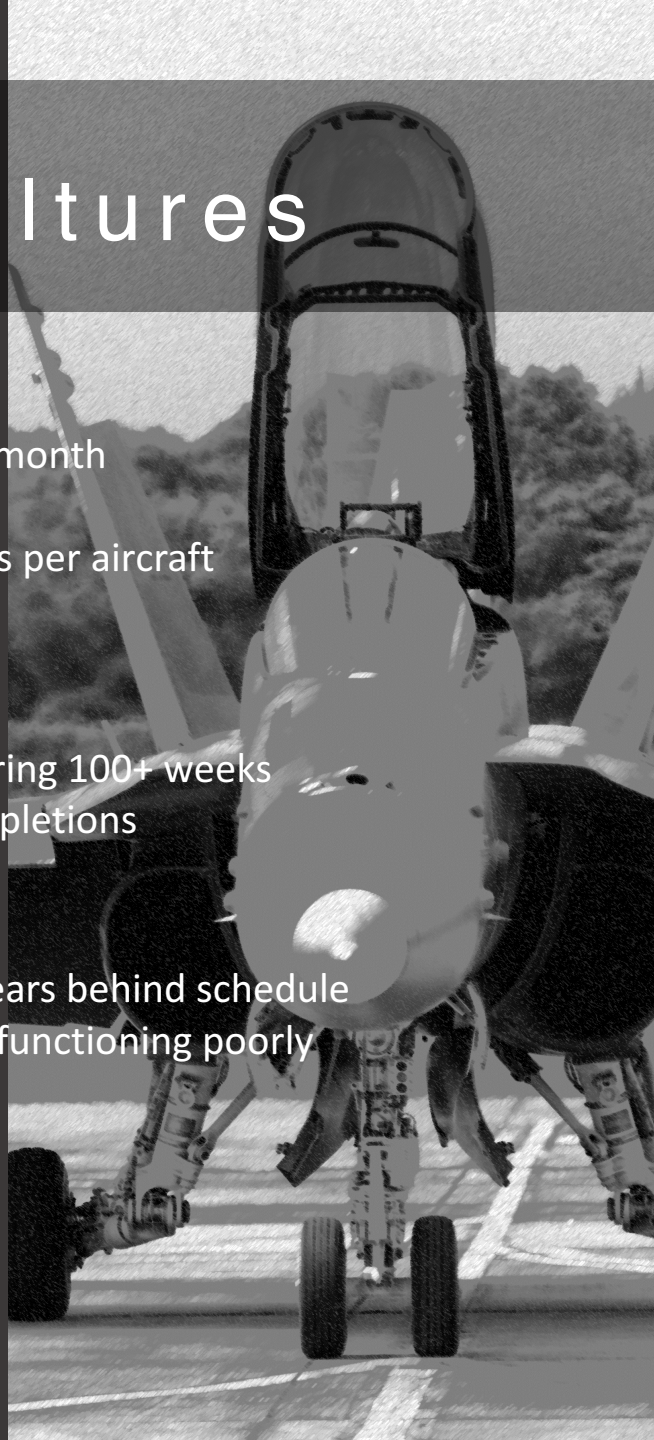
The importance of culture as a layer of defense is vastly underappreciated
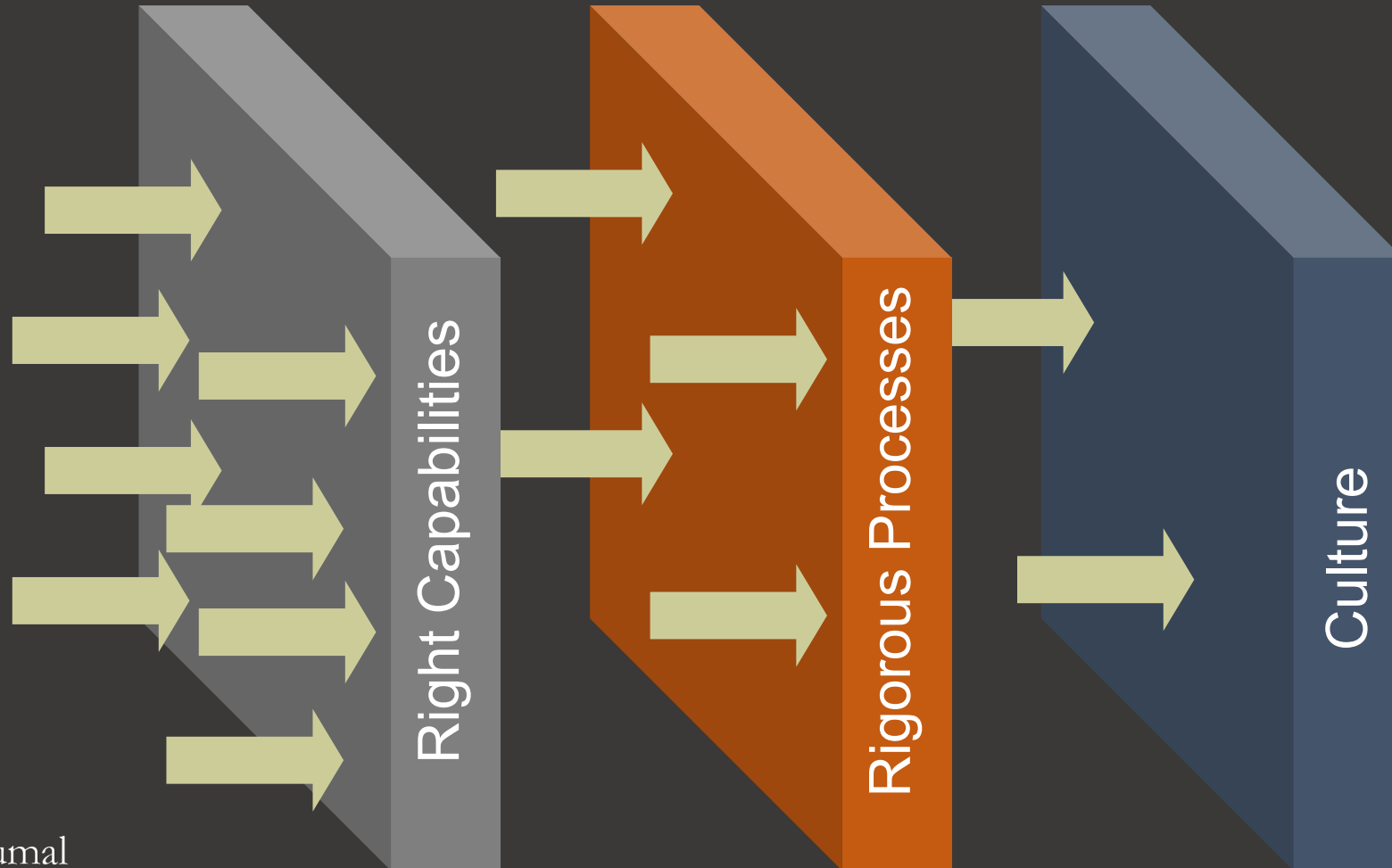
So just what is organizational culture?

A pattern of **shared basic assumptions** *learned by a group as it solved its problems of external adaptation and internal integration... There are three levels of culture,* **artifacts, espoused beliefs and values and basic underlying assumptions**

- Edgar Schein, *Organizational Culture & Leadership*

The system of meanings which are shared by members of a human grouping and which **define what is good and bad, right and wrong, and what are <u>the appropriate ways for members of that group to think and behave</u>**.
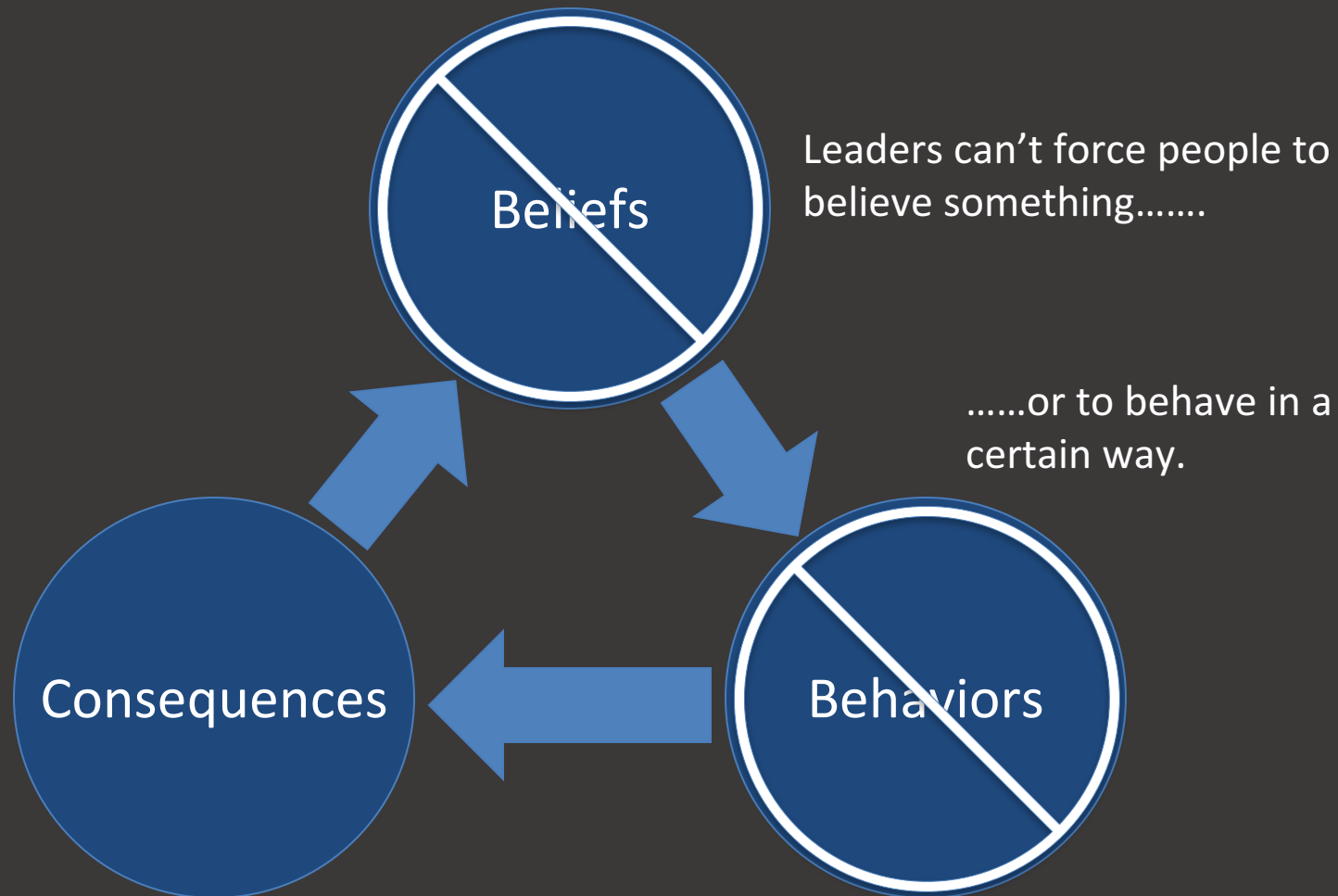
- Tony Watson, *In Search of Management. Culture, Chaos & Control in Managerial Work*

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*emphasis is mine

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Despite its importance, most organizations don't manage culture effectively

~80% of participants said managing culture is a priority for their organization, however…

- Only 35% say their company has defined its desired culture, measures progress, and continuously improves it

- Only 50% use more than basic surveys to measure their culture

- Only 43% evaluate employee performance against cultural expectations

- Only 50% evaluate cultural fit during interviews

- Only 35% investigate culture as a contributing factor in incident investigations

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* WP&C executive leadership roundtable event attendees

Changing culture requires more than hanging new posters & refreshing the value statement

Beliefs

Consequences

Behaviors

Leaders can't force people to believe something…….

……or to behave in a certain way.

But they can change what is rewarded!

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A deliberate, 4-step approach to creating a high-reliability culture

1 LEARN

2 ESTABLISH

3 ALIGN
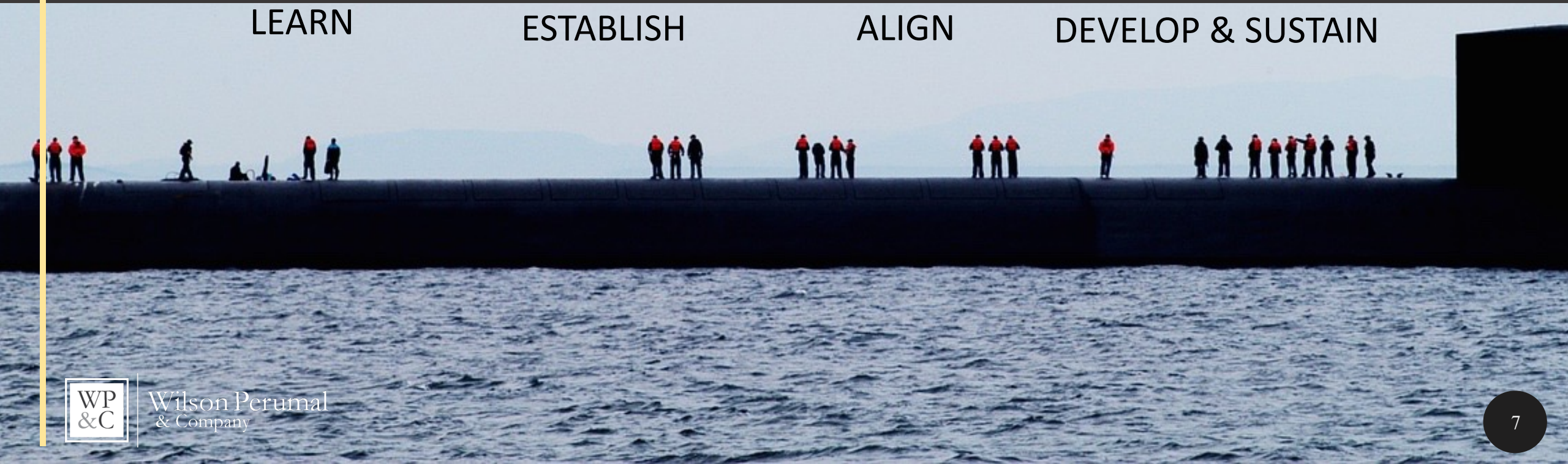
4 DEVELOP & SUSTAIN

Define the culture in a way that is meaningful to the organization
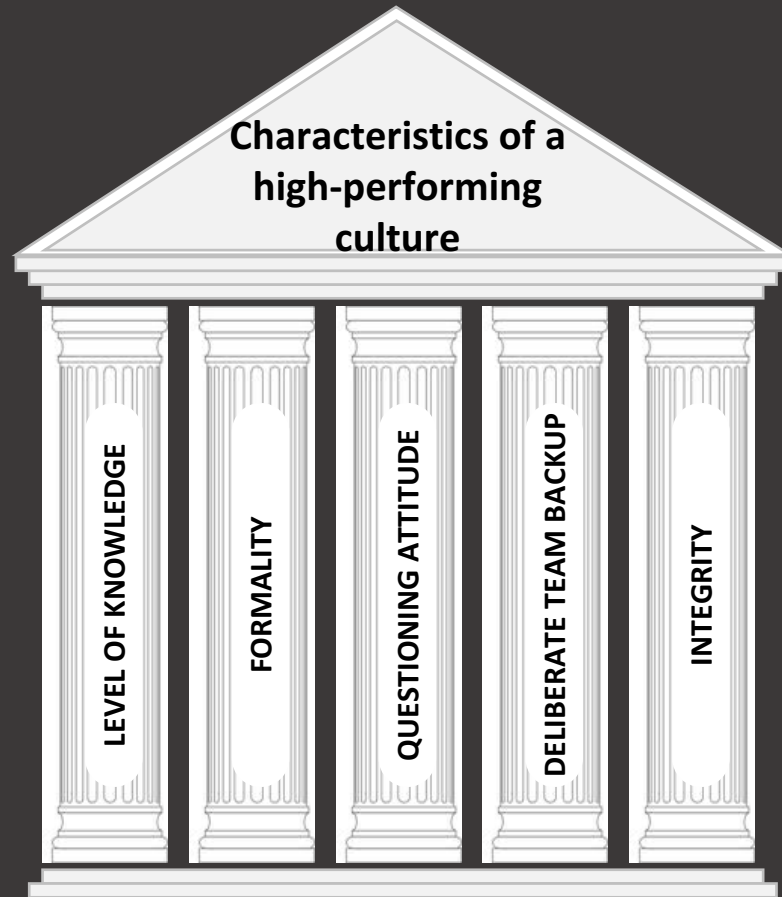
Characteristics of a high-performing culture

- LEVEL OF KNOWLEDGE
- FORMALITY
- QUESTIONING ATTITUDE
- DELIBERATE TEAM BACKUP
- INTEGRITY

RESPECT · PROFESSIONALISM · TAKE CARE OF EACH OTHER · RESPONSIBILITY

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FLYING EAGLES

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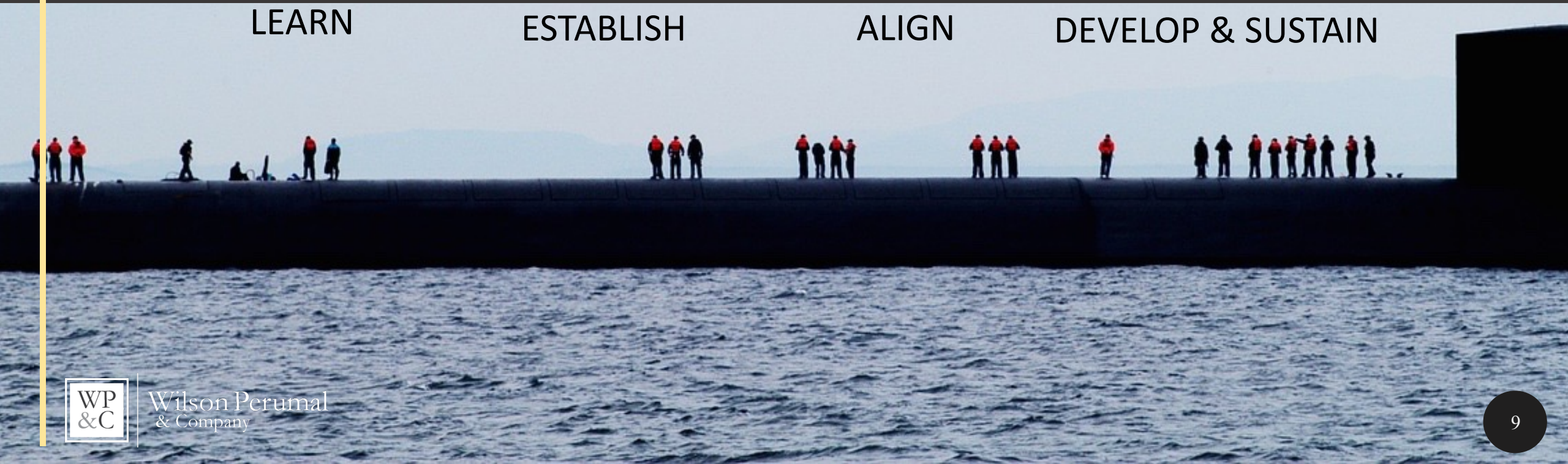
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Recommendations for those leading a cultural transformation

- Understand the existing culture as best you can

- Define the characteristics of the new culture in terms meaningful to your organization

- Choose the starting point very carefully

- Over-communicate…and then communicate some more

- Be transparent with course corrections and plan changes

- Take every opportunity to celebrate and affirm desired behaviors

- Understand clearly who is responsible for the culture at your company

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Thank You

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