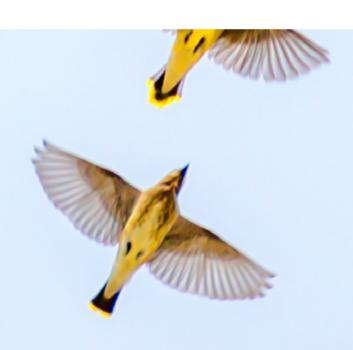






The Role of the Nonprofit CEO in Creating Culture



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Culture is a term that is often used to describe the underlying working environment of an organization, yet there is much mystique and misidentification of what actually makes up "culture" and how it is created. The culture of an organization is routinely created from the verbal and nonverbal messages expressed by the CEO and leadership team about how people are expected to behave, what is important, what is valued, and what people have to do to fit in and be rewarded.

Most organizational cultures, in our view, are formed unconsciously by the CEO and leadership team and habitually sustained by employees and stakeholders. In working with numerous organizations from a diverse range of industries, we observe that in most organizations the CEO and leadership team are often unaware of the messages they display and express. Our point of view is that culture is something that can be consciously influenced and crafted by the CEO.

The culture of an organization powerfully shapes the identity and behavioral norms for the employees and stakeholders. It influences the employee's enthusiasm and impetus. The culture of an organization can be either expanding energy or sapping energy, depending on whether it is conscious, unconscious or anti-conscious. A truly conscious organization is one where the CEO chooses to embrace a culture of consciousness and aims to operate consciously across the broad spectrum of the business concerns – from strategic planning, to recruiting, to operating systems and processes, to developing the vision that guides the organization. The conscious CEO creates a balanced integration of organizational vision, strategic and operational realities by encouraging and nurturing higher levels of conscious behaviour and attitude among staff and stakeholders.

The CEO is the single greatest potential influence on the organizational culture. The CEO can provide conscious and aware leadership and thus create a conscious culture of awareness and innovation, or can provide unconscious leadership and watch a series of subcultures be created around them, possibly without even being aware of them, or in fact can provide anti-conscious leadership and create a culture of fear and blame.

The culture of an organization that has a conscious CEO is characterized by a focus on integrity, trust, creativity, intuition, innovation, freedom, flexibility and generosity. The culture is one which searches to create conditions for cohesion, community spirit, and mutual accountability, and that recognizes the importance of strategic alliances with suppliers and customers. There is a shift from control to trust, fear to truth, privilege to equality, and fragmentation to unity. The conscious CEO knows what culture they want, and establishes the processes to ensure that the culture is implemented.

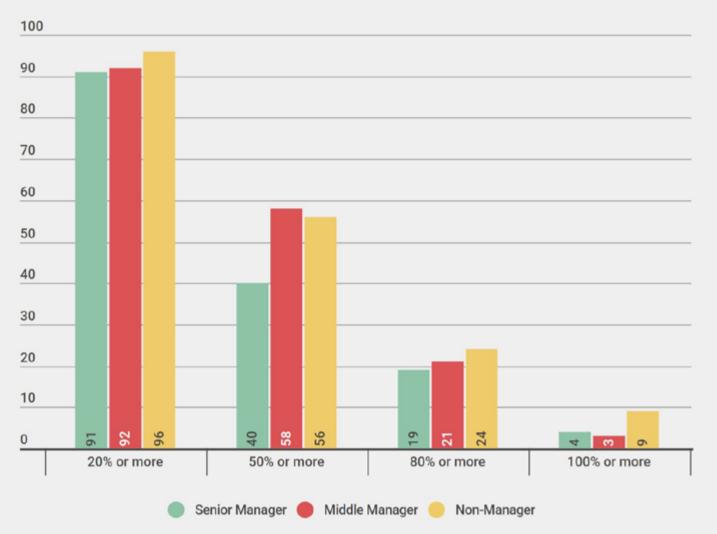
The culture created by an unconscious CEO is characterized by hierarchical power structures, a strong emphasis on quality and process, very busy being busy with a general unawareness of what is influencing decisions, actions and feelings related to the results, a general lack of creativity and an unwillingness to uncreate and destroy form and structure. One of the indicators of an unconscious CEO is when many subcultures

have been created within the organization. The culture created by an anti-conscious CEO is typically autocratic, uncaring, fear driven with attempts to control everything. There is a general underlying fear of invalidation and reprisals, and a distinct lack of sharing of information. The culture is one of what is right or wrong, good or bad, and is typified by the "you are either with me or against me" point of view. This environment is a major incubator for the CEO Syndrome, where staff will only provide information they know the CEO is able to accept, and will go to great lengths to filter, manipulate or hide information they perceive will cause a reaction.

If you choose to be a conscious CEO, then how might you go about creating the culture you perceive is most expansive for your organization? From experience we have found that leaders have a number of key responsibilities in developing a culture that can provide expansiveness to their organization and people if applied consciously.



Q: "If the culture of your workplace was to become as good as it realistically could, how much improvement would there be on people's performance and productivity?"



WITH THESE POTENTIAL GAINS, WHY ISN'T CULTURE ADDRESSED?

One of the biggest issues when it comes to improving workplace culture relates to the complexity of the concept.

What people don't understand, they don't manage. What people don't manage they become victims of. So it is with workplace culture.

Survey of 452 readers of 'Cultural Intelligence'. Research conducted by culture specialists Steve Simpson & Stef du Plessis. To see more of their work on corporate culture, <u>click here.</u>

The 5 Conscious CEO Practices for Developing Culture

Describe Your Desired Culture

This is not a group effort, rather an understanding by you of what you wish to create, consciously. As a CEO, first and foremost you must recognize and acknowledge what the culture is like now. Why is it the way it is and how you have allowed it to be that way? What impact is it having on your business performance? What is driving it to be that way? What is it going to take for it to change? Next, you need to be able to describe what kind of culture you want, and how does this connect to your business strategy and vision.

In describing the culture you wish to create, there are five key areas that you should consider that will facilitate a deeper understanding of this culture.

Vision, values and strategy:

Take your organization's Vision statement, and ask yourself, "What is the culture I wish to create that will drive the Vision of the organization". Ask yourself ""What is the culture I wish to create that is in keeping with my values, and what I perceive to be the most expansive for my organization". Be aware of the strategic direction of your organization, and again ask yourself the question ""What is the culture I wish to create that will drive the strategic plan of the organization"

We have found that most staff do not realize the importance of holding their Vision statement as a point of view that should be played out through their day to day decisions and behaviour.

Accountability and Transparency:

Ask yourself "What messages do I want to put out regarding accountability and transparency?" "What disclosure will I provide regarding processes, procedures and assumptions?" "What am I willing to commit to?" We have found many instances where leadership has not held staff to account for clear performance outcomes, and standards are variable due to lack of individual accountability. Staff often blame others and use 'I don't have full control over all the inputs' as a valid excuse for non delivery. This often goes hand in hand with no consequences for not following rules.

Internal Relationships:

Often sadly lacking in many organizations, what is the culture around internal relationships that you wish to create? Is it about silos, team work, do you want staff to treat other staff as if they were customers? We have found it is relatively common to find staff interest in their business relationships with internal clients is not as strongly developed as their personal and social relationships. There is often a common view among staff that internal clients are treated differently (with less respect and professionalism) to external clients.

External Relationships:

What type of relationships do you wish to facilitate with external parties? We have found instances where external customer relationships seem to be not as important as the needs and politics of the staff. Tasks and activities have been designed to serve internal needs of control and bad habits have been allowed to become the norm and ingrained.

Creative Edge and Innovation:

How much innovation do you wish your staff to show? How important is being at the creative edge to you and the organization? We have worked with organizations where staff have taken a fixed point of view on how the world is in relation to customers, competitors and their job and therefore cannot see anything that does not fit these fixed points of view. They don't seem to connect the idea and the notion of innovation with their responsibilities and position.

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Lead with Questions

A tool for you to begin to create your culture with awareness is to live in the question. Conscious leaders use questions to encourage full participation and teamwork, to inspire creativity and encourage outside-the-box thinking, to empower others and to solve problems resourcefully etc. When you learn to live in the question rather than being besieged by the problems or become vested in finding answers and solutions, you are able to create your culture more consciously.

CEOs, through asking questions, can cultivate a culture in which questions are welcomed, assumptions are investigated and new possibilities to solve problems are explored. Questions promote an inquisitive way of life in an organization, and such inquisitive behaviors build an innovative climate, a culture of accountability and a truly conscious organization.

Identify and acknowledge that your behaviour, actions, messages and systems impact on the creation of the existing culture and what will have to change in you for the desired culture to manifest. We often interview staff and stakeholders, and ask their perception of what happens in the organisation and with the CEO and senior leadership team that supports or does not support the key messages of the Vision statement. This will provide you with any disconnects between stated aims and what actually happens.



Consciously Model the Way:

Mindset, Behavior, Symbols and Processes

As a CEO you will have to become a role model of what you would like the culture to be created. This can be done by establishing mindset, behaviour, symbols and processes with regard to the way staff, stakeholders, and customers should be treated and the way business objectives should be pursued. Your behaviour and your decisions send a message to your staff about how people are expected to behave, which in turns set the cultural standard for others to follow. To consciously model the way, continually ask the following questions...

- What mindset is guiding my actions as a leader? What mindset do I want my staff to adopt?
- What would it take for me, through my behaviour, to create an environment that promotes this culture?
- What would it take for me to create symbols that support this culture?
- What would it take for us to develop processes to support this culture?

The following example illustrates how this might look for one such cultural key area.



Cultural Key Area 1:

'We are Vision driven as a cohesive team'

Key Vision Statement messages:

- 1. Excellence
- 2. Partnerships with clients
- 3. Respect for all

Mind Set

- We value: respect, and responsibility for self, others and the environment.
- Confidence that aligning with the Vision will deliver business outcomes and the desired culture of consciousness.

Behavior

- Use the language of the Vision (i.e. the three key messages above) in all aspects of your work. For example, public speeches, newsletters, memos, your communication with staff and so on. This needs to become a state of "beingness" in all your work.
- Recast all success stories into Vision messages, celebrate and transfer across the organisation.
- Recast ad hoc staff conversations into Vision messages

Symbols

Be more conscious of where the senior leadership team stand with the

CEO when making public announcements (cohesive team)

- Develop a Good News Story board of successes, recast in Vision language
- Redo KPIs of CEO and senior leadership team to reflect the Vision (and the strategic plan), and make these public to all staff

Processes

- All leadership team to reiterate public statements to their staff
- Recruitment discussion with HR
 Manager to keep them up to date with this focus
- Recast recruitment process using Vision messages as key filters
- Develop induction program for new hires that unpack the Vision messages and the culture of consciousness

Promote a Common Vision

Conscious leaders create and articulate vision and strategy, which can provide the cohesion that enables all people to, at the very least, understand why they are doing what they do. Conscious leaders share this information freely and articulate the vision of the organization to those who have an interest in the organization.

Continually ask the following questions...

- Do I communicate my values and vision in the things I do, how I spend time, and what I consider important?
- What would it take for me to articulate a vision of the organization when things are unpredictable?
- What would it take for me to share power and information and still maintain accountability?





Foster collaboration & build spirited teams

Conscious leaders actively involve others and empower staff and stakeholders to embrace infinite possibilities and function in a state of creative expansion that lets them go over their limits everyday.

Fostering collaboration and building spirited teams can be initiated by:

- Willingness to receive all points of view by welcoming and hearing all perspectives, without resisting or reacting.
- Supporting staff to envision that there is no limit to what they could create by facilitating change constantly and encourage staff to discover more expansive and innovative ways of doing things.

About Conscious Governance

Conscious Governance is a global, independent advisory service for nonprofit Boards, CEOs and directors. We provides strategic planning, board governance, leadership and risk management consulting services.

We work with organizations across virtually all sectors and provide resources, guidance and online programs that help promote strong governance practices. In delivering our services, we inspire greater strategic awareness within an organization, opening up new ways to better serve the wider community.

Choosing to govern consciously can create a strong future for an organization by steering it towards a well-defined vision and making sure that day-to-day management is always lined up with the organization's strategies. At its core, conscious governance is about conscious leadership.

Conscious Board leadership will improve the organization's results, both financial and social, and make sure the assets and funds are used appropriately.

Core services

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