

The 7S Model and Culture Change Process Guide

Introduction

Many organizations inevitably come to a juncture where a deep shift in their current culture becomes a need. In such instances, a well-structured approach can be segmented into three pivotal steps:

- First, conduct a comprehensive assessment and garner consensus on the existing organizational culture within your company.
- Second, undertake a similar assessment and gain alignment on the envisioned future organizational culture.
- And finally, synthesize your findings to derive actionable insights from your analysis.

This resource equips you with essential tools to navigate the crucial stages for successful organizational culture transformation, including evaluating the current culture, defining the desired culture, and using the 7S model to analyze and improve your organization's performance and alignment with its goals.

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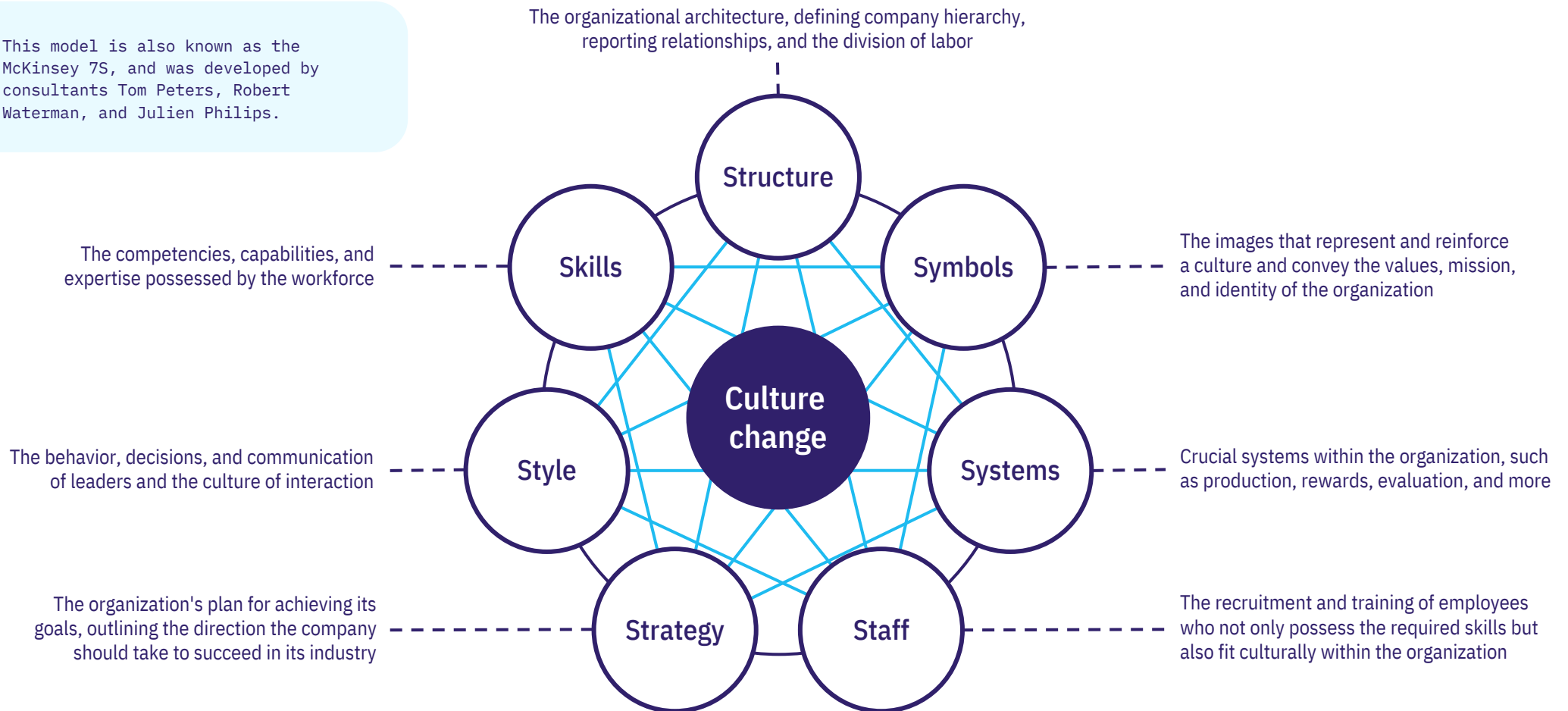
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Navigating the 7S Model

Revisit the 7S model showcased below to refresh your understanding of how each element relates to the process of transforming organizational culture. After that, use the following pages as a practical tool to delve deeper into your organization's dynamics. Reflect on the guiding questions in order to identify the extent to which these seven elements align with your desired organizational culture.

This model is also known as the McKinsey 7S, and was developed by consultants Tom Peters, Robert Waterman, and Julien Philips.



Strategy

Consider your company's strategy and reflect on whether it ties into the aspired organizational culture.

In general, an effective **strategy** is one that is clearly articulated, facilitates the attainment of a competitive advantage, and is fortified by a robust vision, mission, and values. However, in the 7S model, the key is not merely to evaluate strategy as an individual element but rather to consider whether all the elements are harmoniously aligned with one another.

Cautionary tale

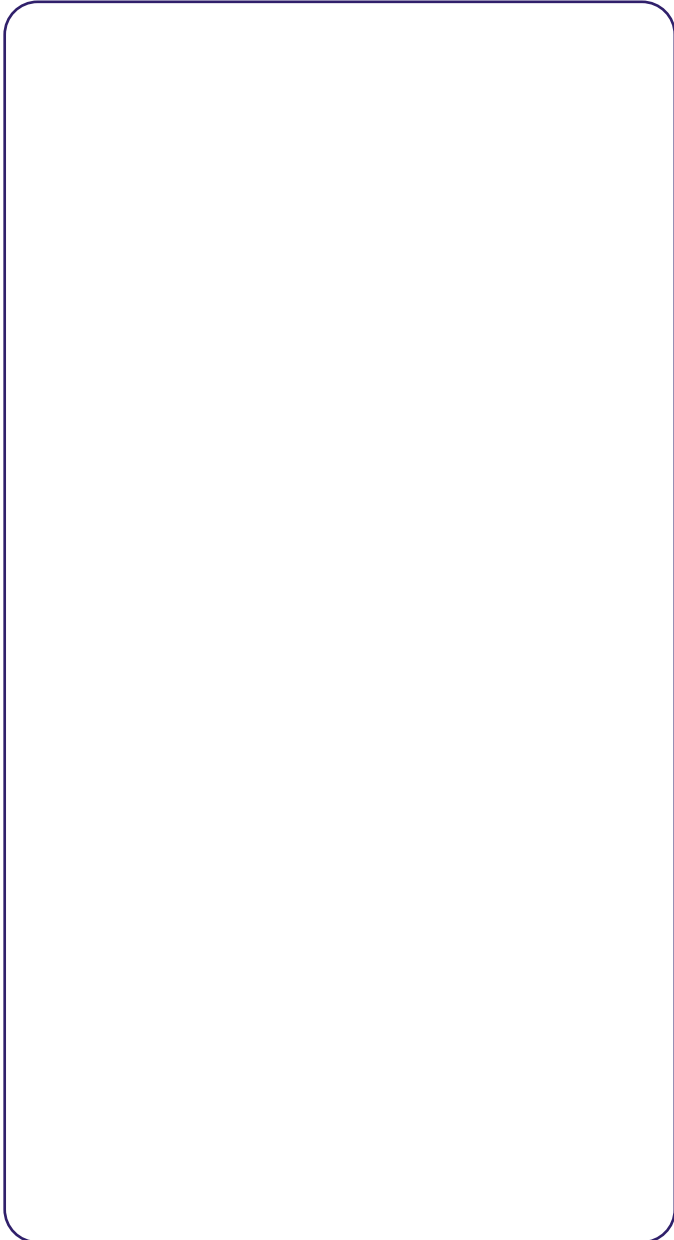
A technology start-up adopts a strategy of continuous innovation in the tech industry. However, it lacks agility and doesn't provide its employees with any opportunities to pitch new ideas. Without creating space for innovation, the misalignment between strategy and culture leads to missed opportunities.

REFLECTION QUESTIONS

- What are the objectives that your organization aims to achieve through its strategy?
- How can your company bridge the gap between its strategy and the organizational culture to ensure a harmonious alignment?

CURRENT CULTURE

How does the current strategy contribute to the culture?



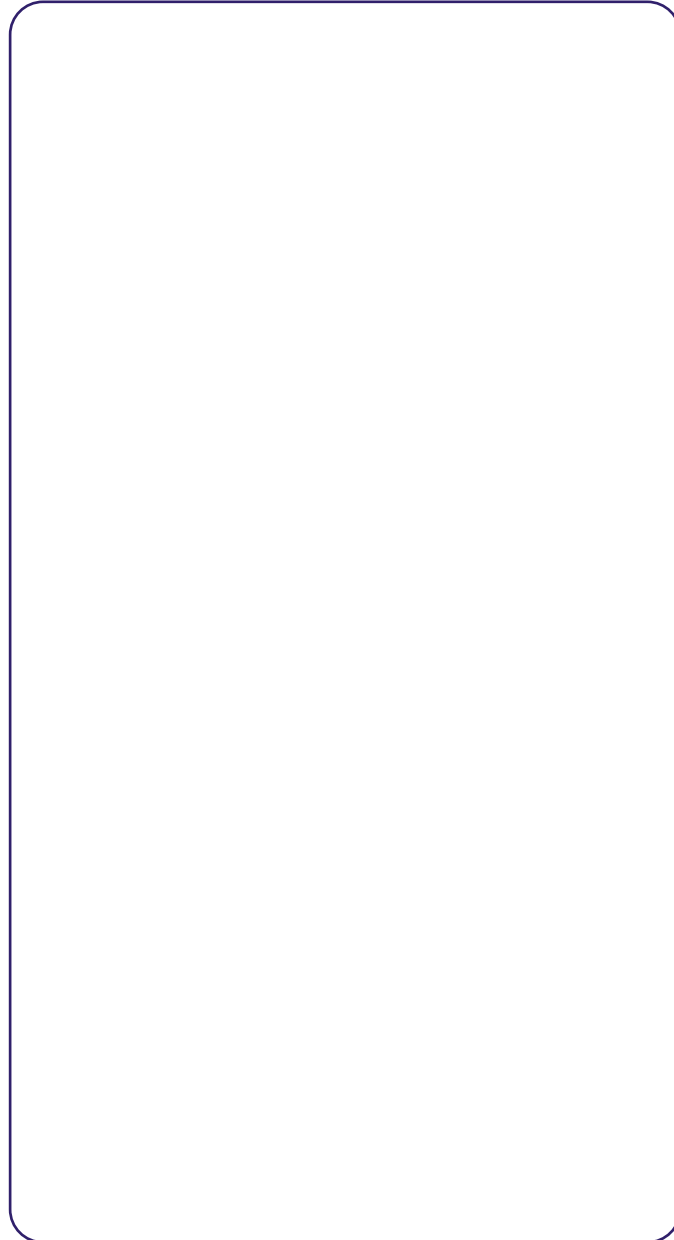
DESIRED CULTURE

What is the desired state of strategy in relation to future culture?



ANALYSIS

What needs to be different?



Structure

Reflect on your company structure, existing hierarchies, ways of working, and decision-making processes.

Structure is the depiction of how business divisions and units are structured, detailing the hierarchy of accountability within the organization. In essence, it serves as the company's organizational chart, and notably, it is one of the most visible and malleable components within the framework.

Success story

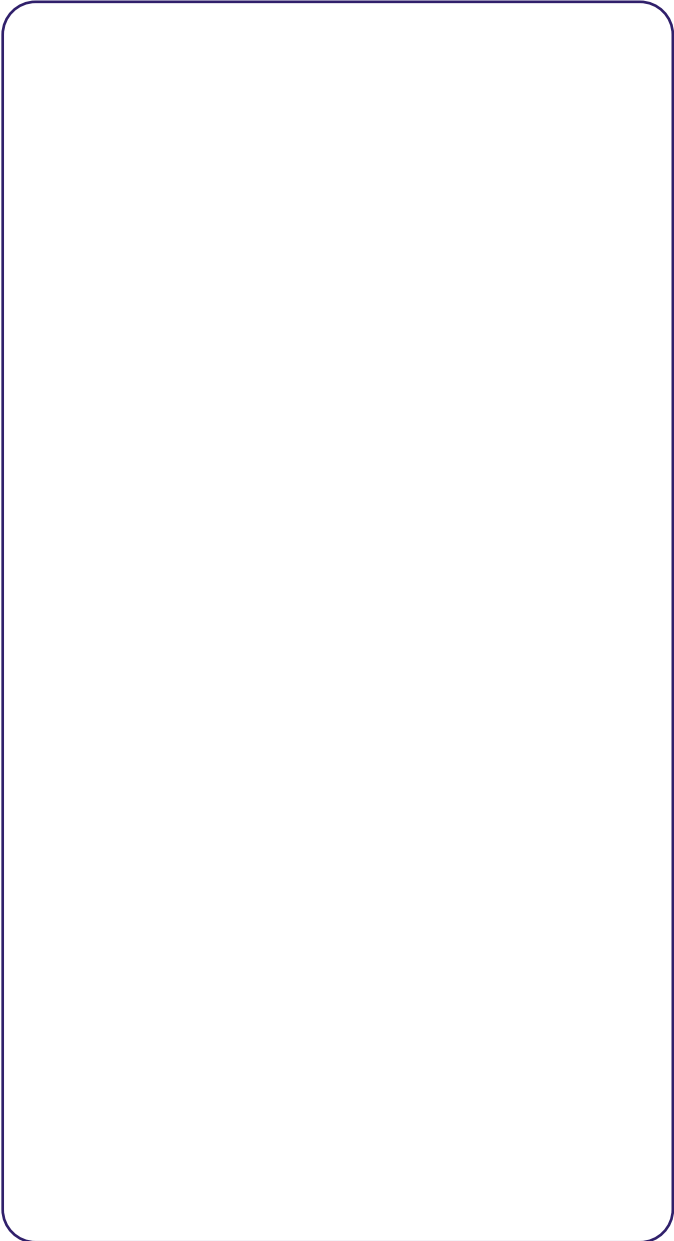
In order to facilitate global expansion, a financial institution adopts a matrix organizational structure in which employees have dual reporting relationships. By doing so, the company manages to balance global consistency with local market responsiveness. This allows for efficient resource allocation while accommodating regional nuances and regulatory requirements.

REFLECTION QUESTIONS

- What types of reporting and working relationships exist in your company (hierarchical, flat, siloed, etc.)?
- How are decisions made? Is it based on centralization, empowerment, or other approaches?
- Does the way the company is structured match the new organizational culture?

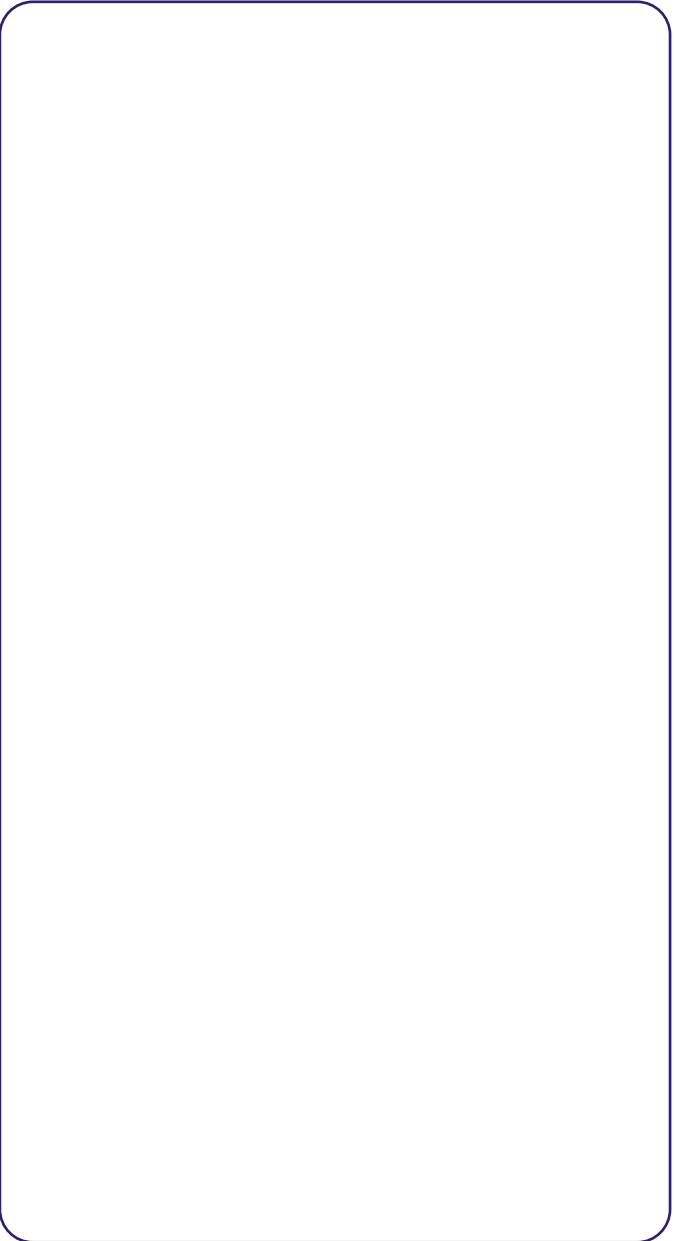
CURRENT CULTURE

What structures exist that influence the way work is organized and performed?



DESIRED CULTURE

What behaviors will be most effective in structuring and promoting the desired culture?



ANALYSIS

What to keep and change from the current culture to match the desired one?



Systems

Gather information on the various systems that exist within your organization.

Systems encompass the company's operational processes and procedures, shedding light on its day-to-day operations and decision-making mechanisms. They constitute the domain within the organization that defines how business is conducted, making them a primary area of concern for managers when undergoing organizational change.

Cautionary tale

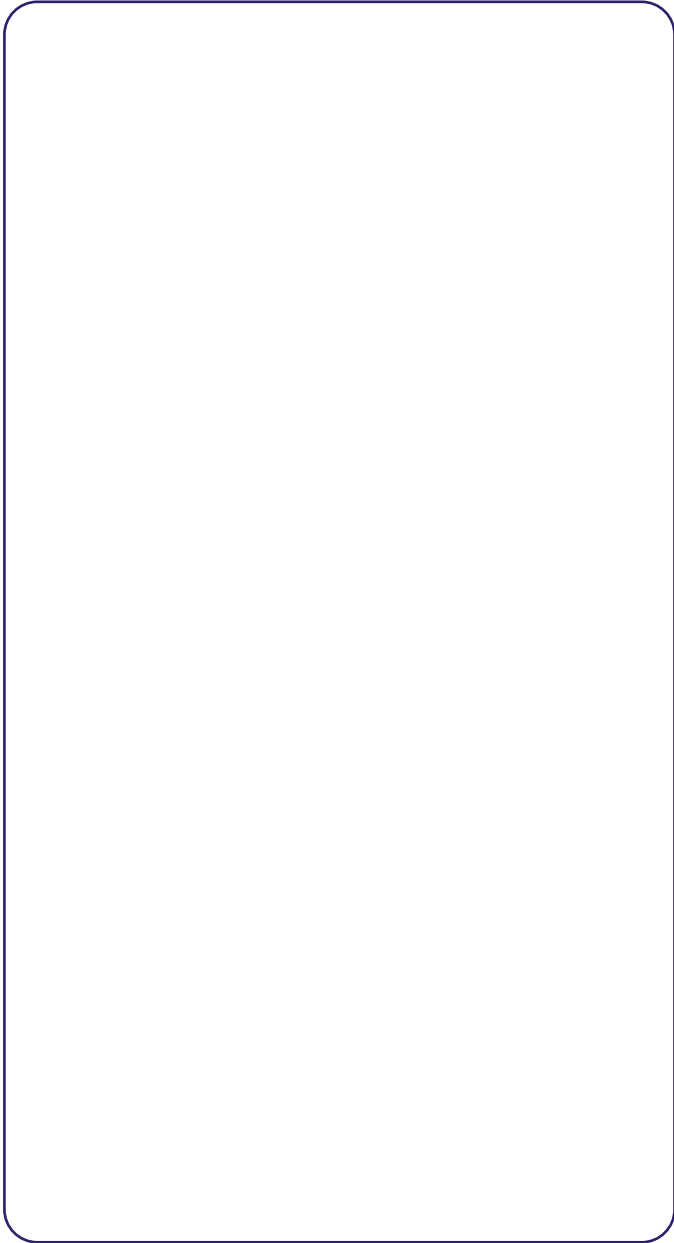
A medical institution aspires toward a culture of trust and security and projects that message to their patients. However, it still has a complex and outdated IT infrastructure that is prone to security breaches. Not investing in updating the system leads to the erosion of customer confidence.

REFLECTION QUESTIONS

- What are the main systems that run the organization? Consider financial, HR, and IT systems, as well as communication and document storage.
- Do any of these systems not align with the desired organizational culture? What stakeholders and resources would be required for them to be changed?

CURRENT CULTURE

What are key aspects of the current culture related to the organization's operational processes and procedures?



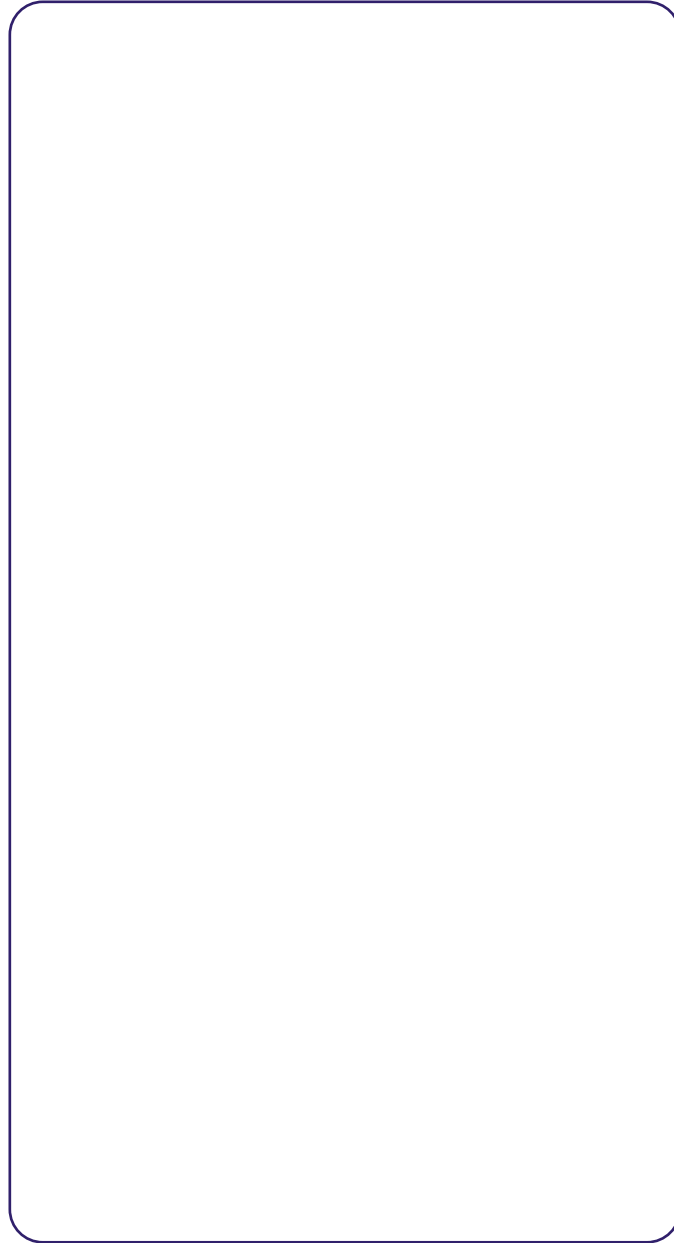
DESIRED CULTURE

How would you describe the ideal culture in terms of operational processes and day-to-day decision-making mechanisms?



ANALYSIS

What strategies would be effective in aligning the current culture with the desired changes?



Symbols

Contemplate the visual representations and messaging conveyed by your company's logos, mission statements, and branding.

Symbols represent the visual and cultural elements that permeate an organization, shaping its identity and character. While often subtle, symbols can wield a profound influence on an organization's ethos, reinforcing desired behaviors and attitudes. During times of change, revisiting and realigning these symbols can be a strategic move to foster a new organizational culture or adapt to evolving market conditions.

Success story

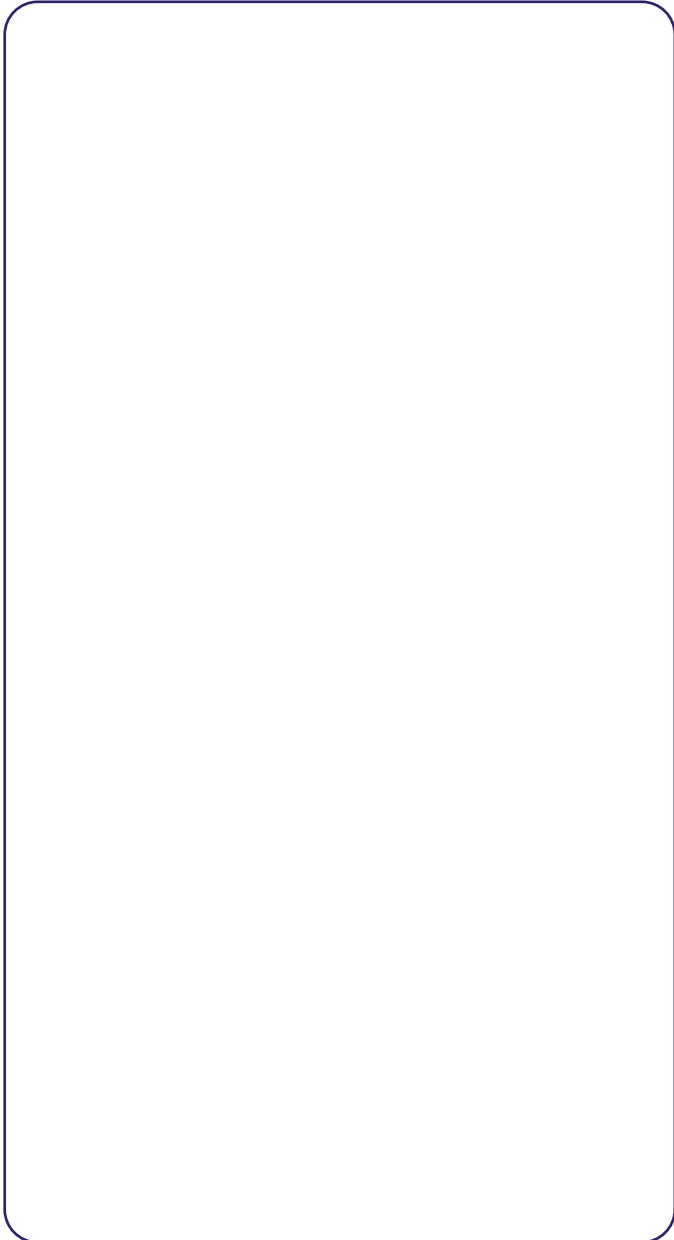
A sustainability-oriented cooperative has not only expressed its environmental dedication through a symbolic logo but has also translated this commitment into the very design of its office space. Within this workspace, you'll find recycled materials, thriving plant walls, and energy-efficient lighting, collectively symbolizing their unwavering mission to establish an eco-conscious work environment.

REFLECTION QUESTIONS

- What visual symbols or representations does your company use to convey its core values and mission?
- In times of organizational change, how might you adapt or reinterpret these symbols to support the evolving culture and objectives?

CURRENT CULTURE

What are the cultural symbols that currently influence your organization's behavior?



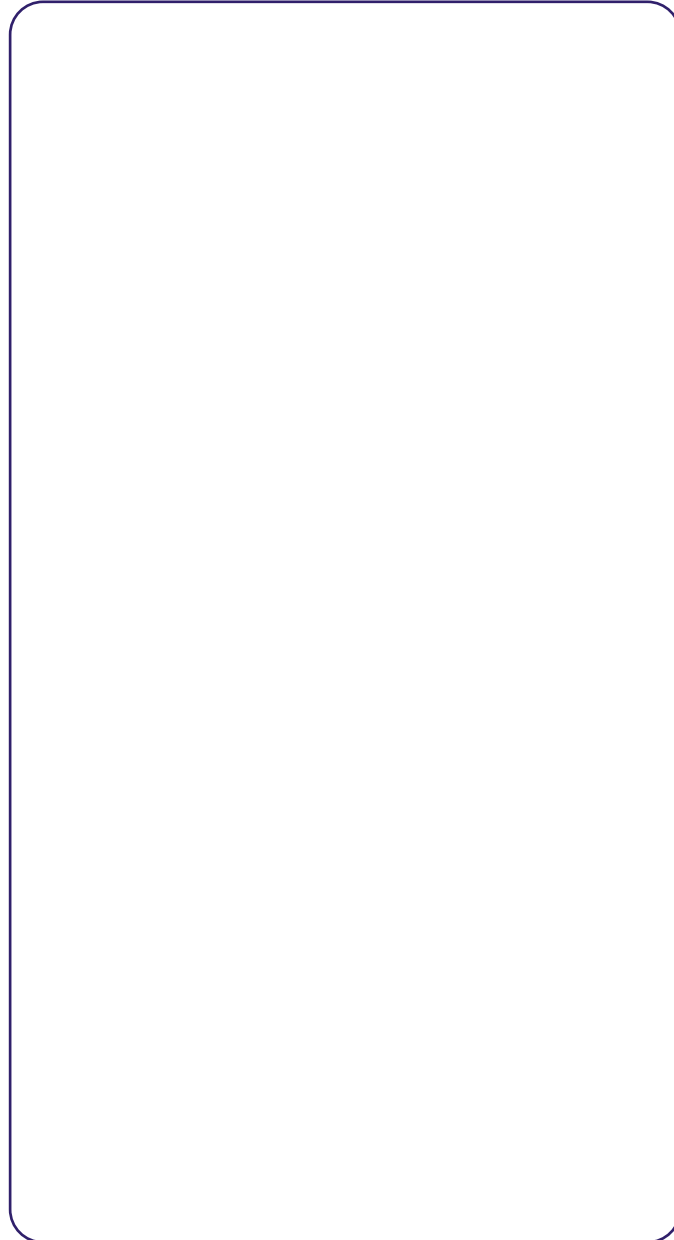
DESIRED CULTURE

How do you envision the new culture's visual elements that shape your organization's identity?



ANALYSIS

How can you align these symbols in times of change or response to market shifts?



Style

Examine the dominant leadership style present in your organization and the effects it has on company culture.

Style encapsulates the prevailing leadership and management approach in an organization. This element is not just about the outward appearance of leadership but deeply influences the organization's behavior, values, and even its responsiveness to change. An effective and adaptive leadership style is crucial for steering an organization through dynamic challenges and opportunities while ensuring alignment with the desired organizational culture.

Cautionary tale

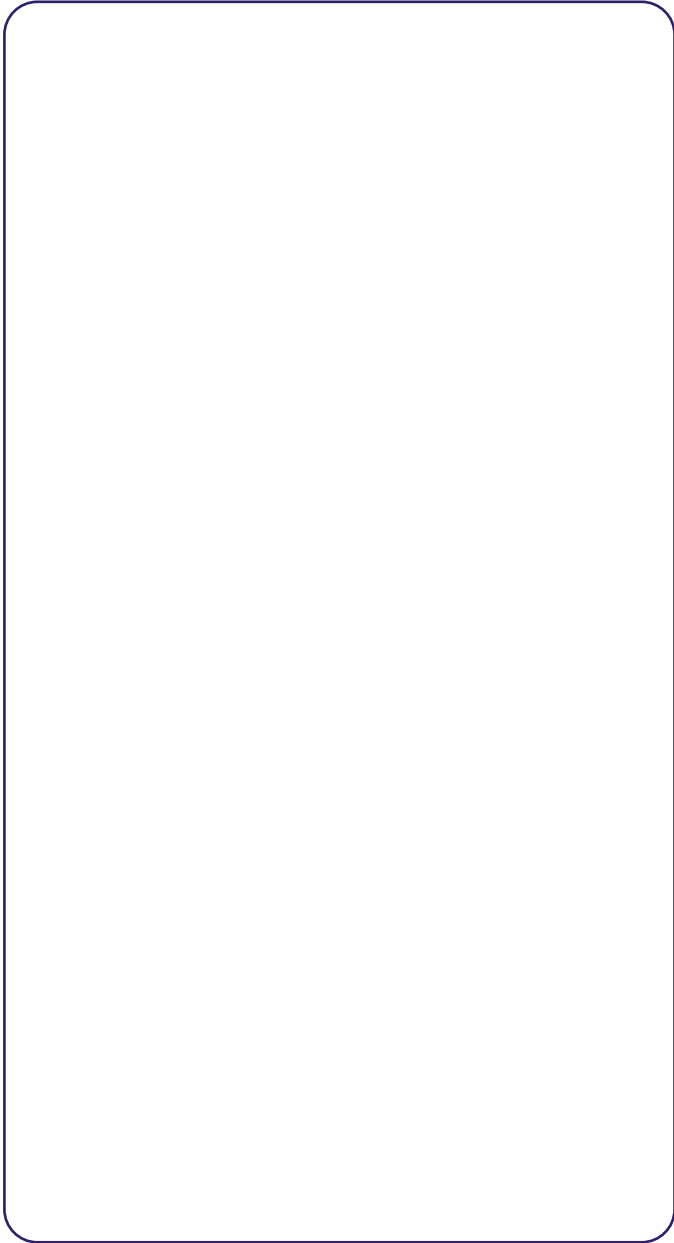
A marketing agency encountered a leadership style misalignment when its leaders embraced a highly hierarchical and micromanagement-oriented approach. This approach stifled employee autonomy and creativity, directly conflicting with the company's mission to foster innovation and agility in the fast-paced marketing industry. As a result, employees felt disempowered, leading to decreased morale and slowed project delivery.

REFLECTION QUESTIONS

- What is the current leadership style, and how does it contribute to or hinder the cultivation of your desired organizational culture?
- In what ways can the leadership style be adapted or refined to better align with and reinforce the envisioned organizational culture?

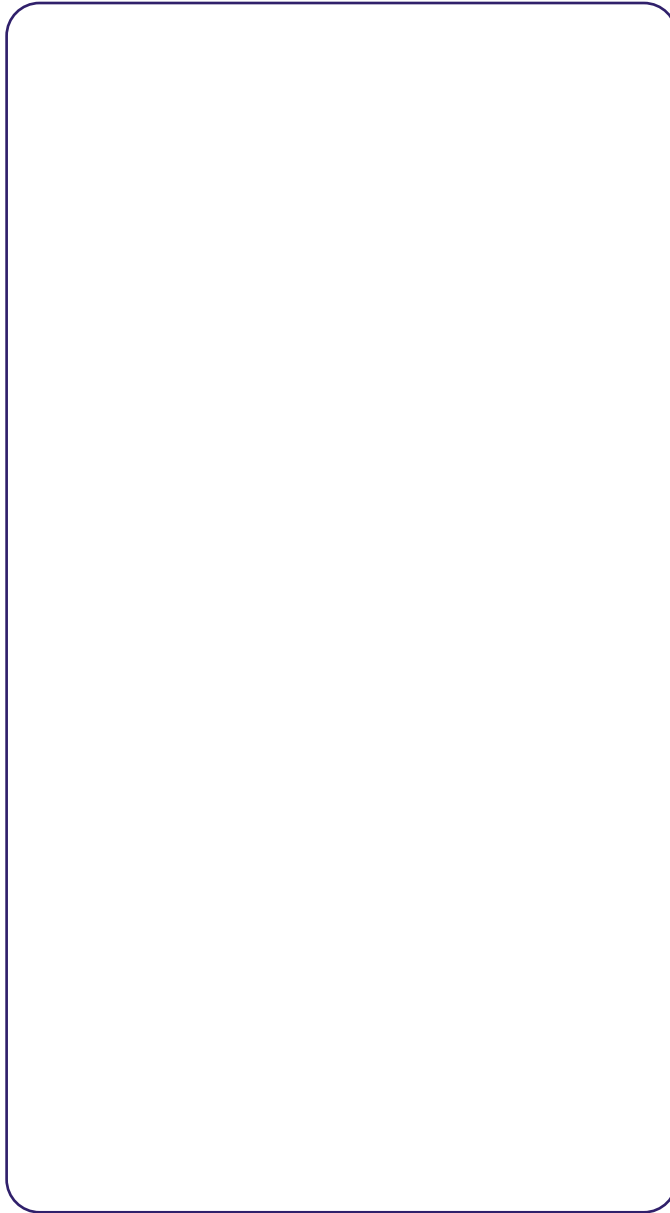
CURRENT CULTURE

How does the existing leadership impact your organization's response to change?



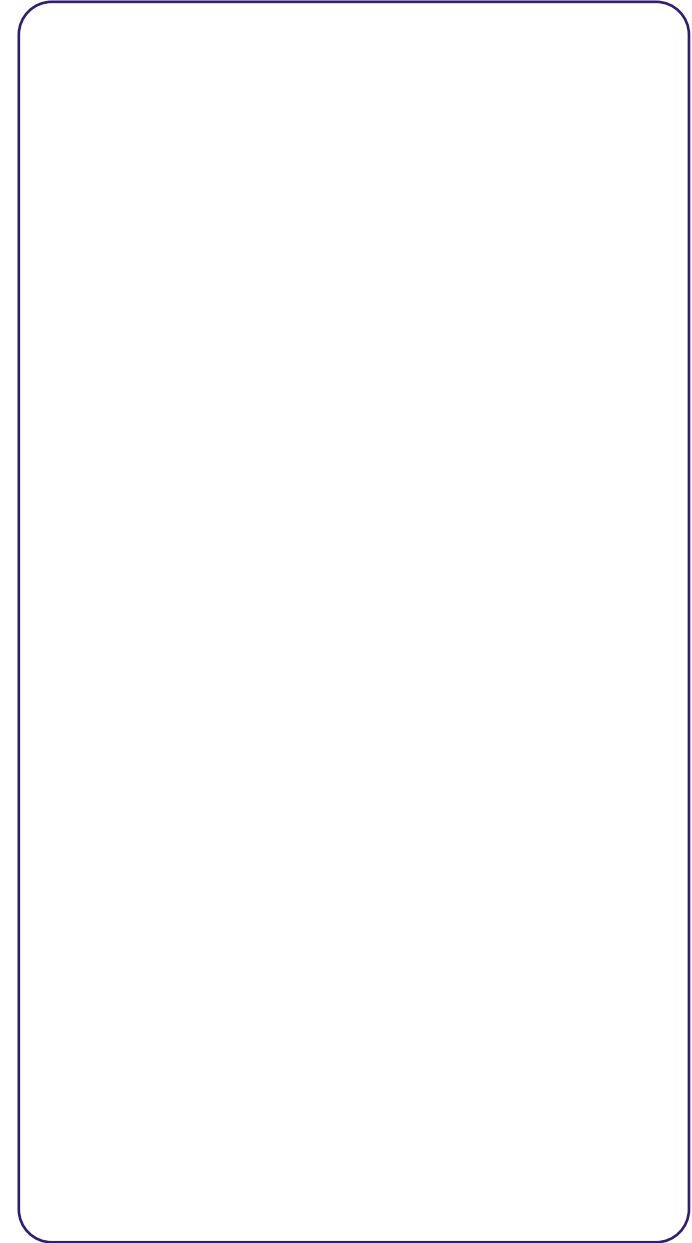
DESIRED CULTURE

In the context of your desired culture, what qualities and attributes should the leadership and management style embody?



ANALYSIS

What practical steps can be taken to transition and establish an effective and adaptive leadership style?



Staff

Think about the ways in which your staff shape and are shaped by the organizational culture.

The composition and capabilities of the **staff** play a pivotal role in determining how effectively the company's systems are executed and how well the organizational structure functions. Therefore, ensuring that staff members possess the necessary expertise, align with the company's values, and adapt to changing demands is crucial for the overall success of the organization, particularly during periods of change or growth.

Success story

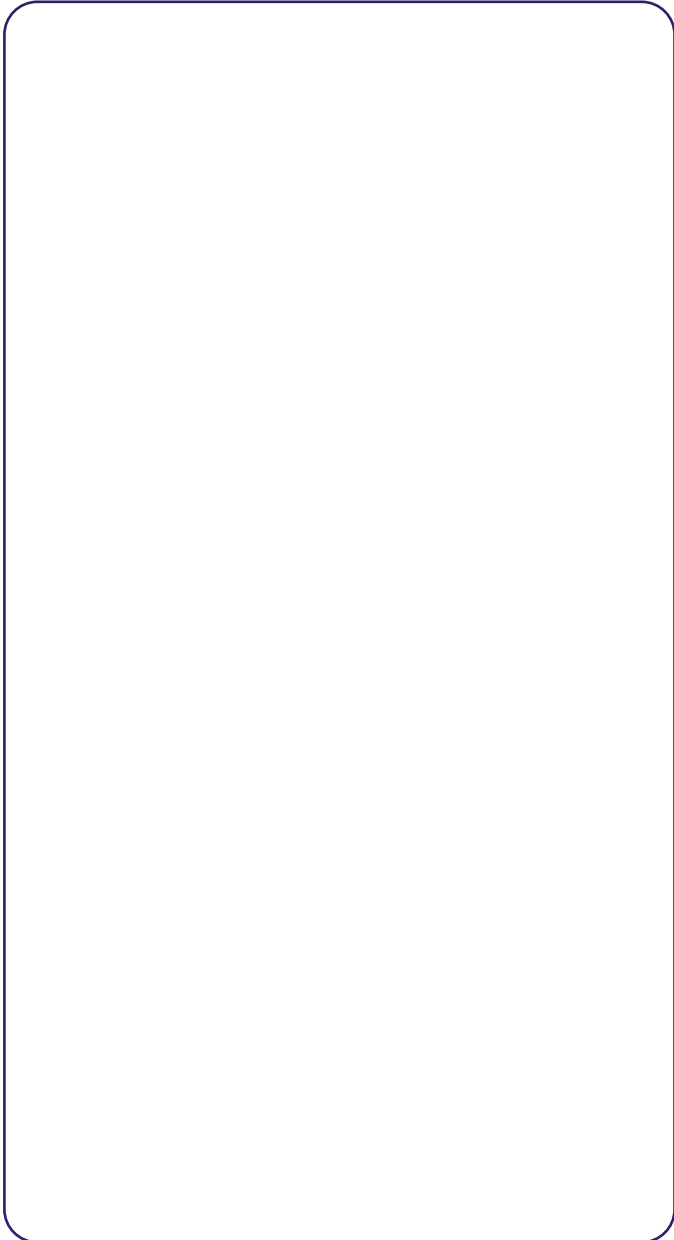
An NGO that is committed to fostering global unity has a staffing approach that highlights its unwavering commitment to diversity and inclusion. When launching new initiatives in diverse regions, its inclusive staffing approach proves invaluable. It ensures that they can effectively engage with and understand the communities they serve, fostering a deeper impact.

REFLECTION QUESTIONS

- What is the size of the organization, and what are the staffing needs?
- In order to facilitate your new organizational culture, are there any gaps in required capabilities?
- Do your recruitment practices align with your organizational culture?

CURRENT CULTURE

How does your staff affect system execution and organizational structure?



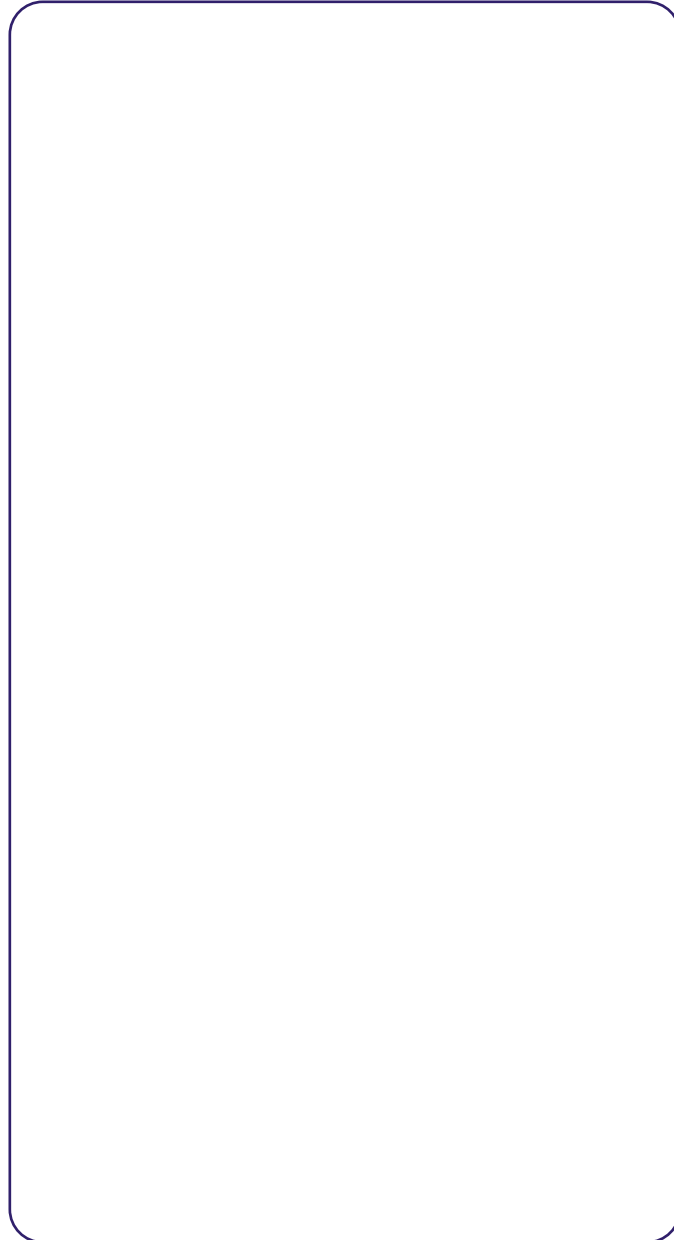
DESIRED CULTURE

What qualifications and qualities should your staff have to match your values and goals?



ANALYSIS

How can you ensure your staff has the needed expertise?



Skills

Collect insights into the various skills and competencies that contribute to the fabric of your organization's culture.

In the context of shifting the organizational culture, the **competency and adaptability** of the workforce become of paramount importance. During times of transformation, an organization's ability to navigate change effectively relies heavily on the capabilities and agility of its employees. Ensuring that the workforce's competencies align with the evolving needs of the organization is crucial for a successful transition.

Cautionary tale

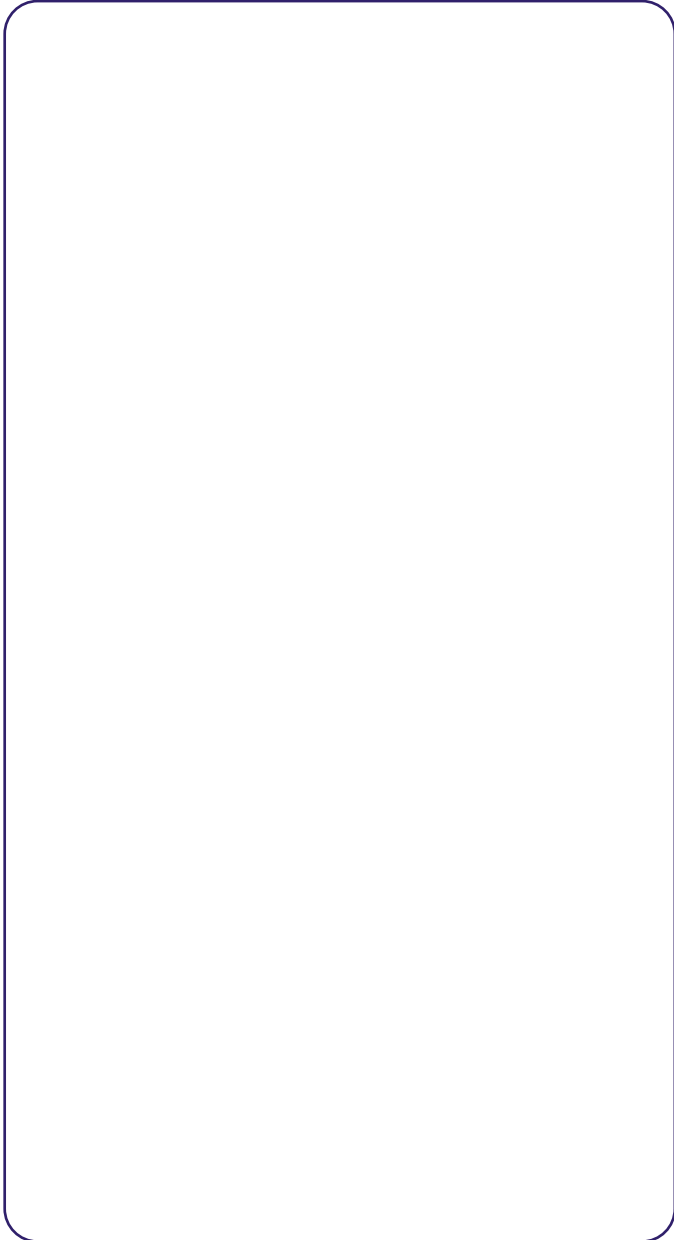
An agricultural company boasted about having a workforce deeply knowledgeable about farming methods. However, their employees' skills lay mainly in traditional practices, but they lacked expertise in modern agricultural technologies. This discrepancy hindered their ability to maximize agricultural productivity and sustainability in a rapidly evolving industry.

REFLECTION QUESTIONS

- What key skills are essential for delivering your organization's core products and services, and do you have a healthy supply of these skills?
- Are there identifiable skill gaps within the workforce that need to be addressed to enhance performance and adapt to a new organizational culture?

CURRENT CULTURE

How do the competencies and adaptability of your workforce impact cultural change efforts?



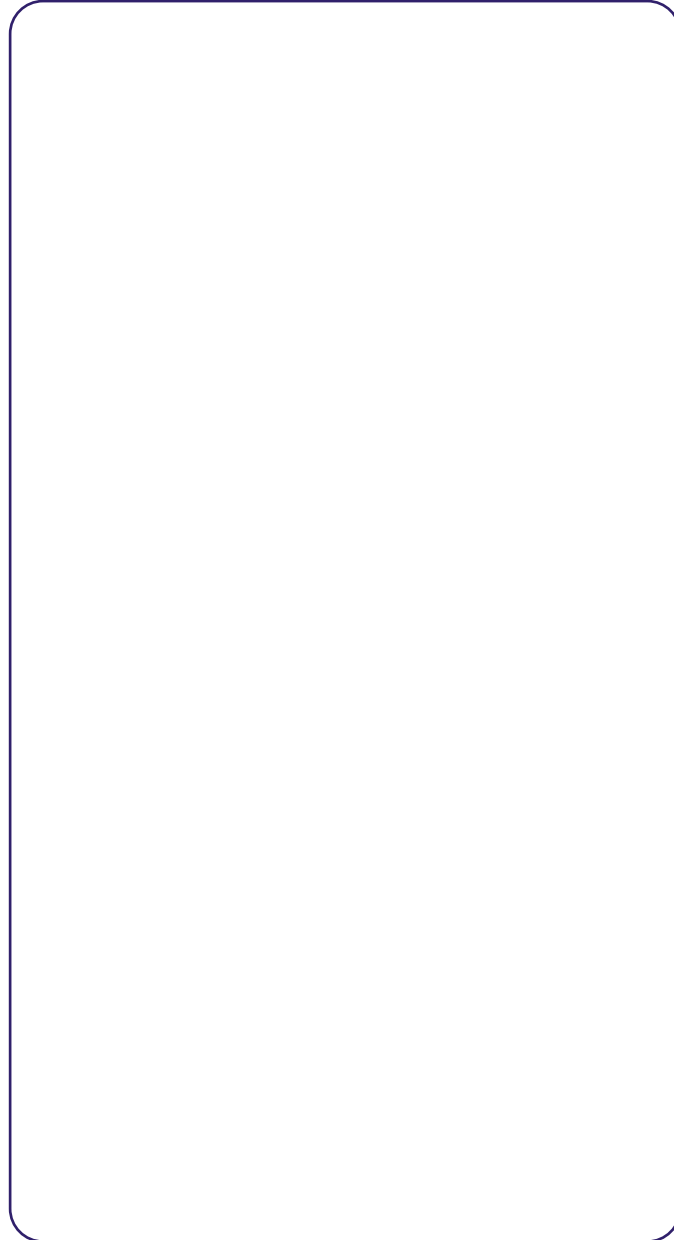
DESIRED CULTURE

What competencies should your workforce possess to effectively meet the organization's needs?



ANALYSIS

How can you align workforce competencies with evolving organizational needs?



Action Plan

Collect insights into the various skills and competencies that contribute to the fabric of your organization's culture.

