

Reflection 28. Culture Eats Strategy for Breakfast

In this reflection I'd like to explore Drucker's famous statement "Culture eats strategy for breakfast" in relation to financial services. Culture is nebulous, it is not something tangible that you can touch, rather it is something you feel.

Through my consulting I've worked with many financial institutions, mobile network operators and for donor programs and government agencies. Every institution has a culture. Institutions try to capture the culture that they want to have in mission, vision, and values statements, but in most cases these statements are aspirational at best.

Culture too, is not only institutionally specific it is specific to a time within that institution. Culture is dynamic – it changes, it evolves, positively and negatively. Because culture usually goes unrecognised changes made can appear minor but have huge consequences.

In the best cases, an organisation's culture is exciting, interesting, comforting, supportive, energising. It usually encourages goal congruence and teamwork.

I've been attracted to institutions simply because of their culture. These are institutions that you would see yourself working for because of who the institution is. I'll give a few examples:

Wave Money: I visited Wave years ago when I was in Myanmar. It was Wave's birthday I was given a cupcake to be able to join the celebration. The organisation and the CEO had a sense of fun, a great working environment, but also an incredible sense of purpose and a seemingly dedicated and enthusiastic team. All of this was communicated within a short meeting.

BRAC: I worked alongside BRAC in Bangladesh between 1998-2001, whilst I was at DFID in Bangladesh. BRAC was and is incredibly committed to economic and social development. It was led by the inspirational Faisal Abed. It was positively impacting the lives of millions in Bangladesh, economically, in health, education and in many other ways. BRAC became the biggest NGO in the world. But it is so much more, with a range of commercial enterprises all dedicated to making Bangladesh a better place.

Equity Bank: I was extensively engaged with Equity Bank between 2001-2010. It was an incredible time. I experienced high levels of commitment, focus, a sense of mission. The sense of purpose was tangible, it ran throughout the bank. During this period, there was considerable delegation to branch managers. Relationships were personal. I spent time with one branch manager in Karatina, we went out for lunch, as we walked down the road to the restaurant, he commented on every business we passed telling me about the owners. He was greeting by passing pedestrians by name. He was deeply embedded in the local community. The culture was strong, during this period the CEO, James Mwangi, spent time every month, in branches working with staff, listening to customers. It was inspiring.

FSDs: Where they work well the financial sector deepening programmes that support financial sector development across Africa, are highly professional, highly respected by policy makers and institutions. Their programmes are built on an in-depth analysis of how markets work, and analysing the intervention points that can make a real difference.

To return to Drucker's quote "Culture eats strategy for breakfast." In vibrant driven organisations, people work, not because it's a job, but because it's a mission, a purpose, a vocation, because they are going to have real, positive impact on people's lives. Hours are given, clocks are not watched to the second.

This has significant impact, in institutions with a strong positive culture "everything becomes possible", the discussion is then around how to make something happen, rather than its too challenging, too difficult. Before opening the Nakuru branch Equity Building Society branch brought all branch managers to Nakuru for a week to canvas the town. On the day of opening over 1,000 accounts were registered. The branch broke even in record time. With Equity there are many similar examples.

Culture changes, it must be nurtured through actions. Whilst a positive culture is reinforcing a negative culture is destructive. A negative culture is destructive, it can lead to a cascade of people leaving an institution.

Culture is heavily impacted by leadership. Wave, BRAC, Equity and some of the FSDs had exceptional leaders, who were examples to their staff, to their stakeholders, and in most cases, they embodied the culture of the institution.

So, the real decisions to take, is what culture do we want? What does this culture mean? How can we grow the culture we deserve, the culture we need. This is where specialists can help. Specialists who are dedicated to exploring organisational culture, such as Creative Metier.

If this reflection speaks to you... speak to me so that we can inspire change, together.

David Cracknell

Additional reflections in this series can be downloaded from www.firstprinciplesinfinance.com