

'Culture eats strategy for breakfast': Put people first

by Kuno Roth* (German original [published as blog here](#))

Swisscom and Spotify are doing it, Harley Davidson and Patagonia too, as are Buurtzorg, Greenpeace Switzerland, Bread for All and Solafrica — more and more organisations are restructuring themselves completely, or in individual areas with elements of holocracy, sociocracy, teal organisation or other forms of so-called self-organisation [1]. There seems to be a growing realisation that hierarchy is only a social construct and that there are other forms of organising wisely - or more wisely - to fulfil the purpose of the organisation. And de-hierarchisation is accompanied by a cultural change: There's a trend among NGOs towards a more conscious shaping of the internal culture that is more in line with their own values.

Nice! Finally. Because what has surprised me again and again over the decades of working in and around NGOs is, how often these organisations adopted structures and processes according to the capitalist model. For example, for a long time it was a matter of course to introduce new hierarchical levels and tinker with the organisational chart as the organisations grew in the course of so-called professionalisation. People knew nothing else, wanted to become more efficient and were oriented towards productivity and output. It has worked to a certain extent, but there has always been a creak in the hinge between the "movement arm" (the volunteers) and the static structure of the organisation. And driven by urgency, short-term thinking got the upper hand, just like in conventional companies; and so it often came to fierce conflicts in NGOs, a lot of frustration and burnouts (see "[Burnout in the heat of the climate battle](#)"). I suspect the reasons for this are the self-imposed pressure for output and the inherent drivers of engagement, namely fighting symptoms and the call for urgency. The problem was not having conflicts per se, which naturally belong to every organisation, but conflicts that had been smouldering for a long time and/or those that exploded.

The Purpose Paradox

Not infrequently, this led to the "purpose paradox", i.e. organisations with a high level of commitment to humanistic values did not live up to this purpose internally — they did not walk the talk. Human rights organisations that violated human rights internally by discriminating against people of colour, for example, or peace organisations in which small-scale wars raged over decision-making powers. Or there was an understanding of performance that gave permission, with little inhibition, to exploit employees in the name of a higher goal. Dealing with each other in a humane way was often less important than arguing about the right strategies, even if these remained mere paper.

The insight that 'culture eats strategy for breakfast' has become widespread — as Peter Drucker put it in the 1990s, meaning that the company culture is the decisive factor for the success of an organisation. The best strategies are of no use if the working culture is not right — today, in a volatile, uncertain, complex and ambiguous world ("VUCA World"), this is even more accentuated. Only those who get along well internally are also good externally — at least in the long term.

And actually, most people want to work without stress and with little production pressure. And they work best when they are in an exhilarated doing mode, i.e. when they have leisure and time for reflection and exchange, where they can try something out without having to be successful right away.

What regularly prevented this preferred state was the belief in the necessity of increasing production through increased efficiency. Behind this, the cause of stress was probably often the confusion between efficiency and effectiveness. Effectiveness means "doing the right thing" and efficiency means "doing something right" (whoever says what is the right thing and what is doing right)right. Of course, combining both seems best; the problem, however, is that effectiveness quite fundamentally takes time. One can rarely be efficiently effective. Because efficiency is easier to have — especially since it is often reduced to "doing something fast(er)". Short-term time-saving was often also prevalent in NGOs. Close to the neoliberal mantra of "always-faster-always-more", which actually we are fighting against as a basic evil.

Early on, it dawned on many that we actually meant our commitment to societal, socio-ecological change — differently and that we should not simply adopt capitalist methods and prevent the Purpose Paradox. In order to do justice to this insight, first and foremost a change in organisational culture is needed. Otherwise we will fall back into "capitalist patterns" that we carry within us because of our socialisation. Leisure, reflection, learning from each other and out-of-the-box thinking are the mothers of creativity and social innovation [2].

Where could the cultural journey go?

Are holocratic forms of cooperation the solution for NGOs? I don't think so. The trendy holocracy developed in the noughties from sociocracy, an organisational form of social movements, in the IT sector. This imagines an organisation in principle and, to put it bluntly, as a machine with a few grains of sand called human beings. Holocracy is essentially about clarity — clear rules, clear processes, clear purpose [3]. But clear does not equal good; organisational culture is not mechanics. It consists of the mixture of feelings and the behaviour of employees and their products, as well as rituals, values and basic assumptions — as organisational psychologist Edgar Schein vividly describes in his culture level model. In the image of a water lily (see [picture](#)), the products and behaviours are the visible blossom and the values or beliefs correspond to the stem — barely conscious under the (water) surface. The roots are the accepted way of dealing with each other and the environment — they influence stem and flower. Culture is basically felt as the atmosphere, the groove of an organisation.

So it is more about the invisible than about "clarity", so to speak. As well as the will and the ability to deal with it (and with each other) well. Cultural work means investing in the quality of the soil so that the plants grow well and bear fruit. And not plucking at the individual plants. Or in the words of Sankar Ramamoorthy: "[If you feel good you work good](#)", as the title of his recently published book on company culture says. This means that instead of working primarily on the skills of the employees and thus on the "work good", invest more in the culture, the feel-good: interesting work, creative space, meeting spaces, learning from each other and good working relationships are the success factors. Culture means striking a good balance between "results" and "people". These are not to be seen as opposites, but as a yin-yang pair. Both are equally important. If one is one-sided, this means either: pushing too hard for results ("output-driven") brings stress to the employees. Or: caring too much about the well-being of the employees displaces the purpose of the organisation. And culture starts with people, the treasure of a non-profit organisation. It is about daring to create spaces for building and nurturing relationships rather than pushing for results.

In other words, putting effectiveness at the centre. And not efficiency, to which holocracy might tempt. The idea of the organisation as a well-oiled machine, displaces the fact that people are social beings who need relationships, exchange and friction. Too much machine can discriminate against employees for whom the social takes precedence (which also reduces diversity, see PS below). Speaking of "diversity and inclusion": integration and dealing with structural racism is currently the trend in NGOs. That's good. However, one should not forget that this is addressing symptoms. A good organisational culture is achieved when ED&I work is no longer necessary because it has become part of the culture.

The vital organisation as a vision

So how to bring more life and humanity into our organisations, Sankar asks in his book. One concept that connects the mechanical parts of the organisation with the non-mechanical parts is that of the vital organisation [4]. It involves three dimensions: The organisation as a living being (vital system), as a psychological system (emotions, relationships, commitment), and as a machine (processes, structures, strategies) — all of equal importance. A vital organisation satisfies the existential needs of those involved, namely a sense of belonging, meaning and autonomy. Important elements for this are: Creating spaces for creation and encounter, delegating decision-making competencies, being able to focus (without becoming "tunnel-visioned") and thus reducing distractions. And in my opinion also fewer "distractions", i.e. less technophilic: The digitalisation 'pull', must be mitigated with an organisational culture of encounters.

Such more democratic forms of organisation are conceived as "power with each other" — in contrast to traditional hierarchy, which means "power over". The ideal is equality. In reality, there are often informal hierarchies; moreover, some residual hierarchy often remains. Among other reasons, because there are people who say they need someone to tell them what to do.

Those who want to work on the organisational culture are well advised to embed this work as much as possible in everyday life and to organise as few separate events as necessary. Because these are seen as additional work and not part of the actual task and can arouse resistance. So it is more about a series of small impulses - nudge the system with vitalising moves. For example, in my opinion, many committed people suffer from a listening weakness, they think they don't have time to listen and are in constant do-mode. A vitalising move would therefore be to learn how to listen properly with a [small exercise](#) and then weave it into future meetings.

And for them, the individual staff members, on the other hand, this would mean standing up for the whole in their own role, not building silos by being hyperactive ('not having time' are the bricks of the silo wall), to take back one's ego and (precisely) to listen, communicating appreciatively and learning to live with uncertainties and ambiguities.

PS: Some NGOs use the tools (and nomenclature) of holacracy because they are well done and practical. In doing so, one runs the risk of giving too much weight to the machine part of the organisation and discriminating against the psychological and vital parts. Keywords for adding to the if-then logic of the machine would be: Taking and giving time for team building; diverse teams are more intelligent, but need more time to develop their working culture than homogeneous teams; effective dialogues instead of "efficient" monologues; more strength thanks to lived relationships ("Relationships leads to results", as Sankar puts it) .

And self-organisation means "more self-responsibility": If there is no longer a boss to blame for a grievance or to take decisions off your hands, you have to take more responsibility yourself. This is not given to everyone equally, it cannot be declared, only learned. Getting away from the usual remains difficult and is part of cultural work.

(1) Frédérique Laloux has written a good introduction and eye-opener with «[Re-inventing Organisations](#)» - on the basis of real companies and organisations he shows that it can also be done differently than conventionally. See also the [sociocracy platform](#).

(2) See e.g. "[Building Better Systems - a green paper system innovation](#)" (Rockwool Foundation)

(3) "Purpose", "role", "dynamogram" (instead of organigram), "circles" (instead of departments) and "agile organisation" are the new terms here..

(4) Developed by Dorothe Liebig and Ute Langthaler, see <https://www.aeon-group.com/de/vital-organisation/>

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