



Change Is Good, but Don't Ignore Your Company's DNA

By Colleen Murray

In an age when social media outrage can quickly generate backlash against brands, running a business is more complicated than ever. This article outlines how future-focused leaders can align their strategy to their company culture in order to make smart decisions every day.

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The keenly awaited prequel to Game of Thrones is out and fans are in rapture. But how much of that joy stems from the quality of the new show, and how much from viewers being able to bond with one another over their favorite franchise again? I would argue that much of it comes from the latter—they're energized because their "microtribe" has been reunited.

The best CEOs know that stagnation is death. That's why a company's ability to adapt and change is key. But just as important is respecting company culture. Both need to be in sync for long-term success.

Failure to walk this fine line can be potentially disastrous. Goldman Sachs, the investment bank founded in 1869, is finding out the hard way. CEO David Solomon has [found himself in hot water](#) following mass layoffs, concerns over his side gig as a DJ and conflicts of interest as a part-time music producer, and blunders in consumer banking, a new market. Now the company's board plans to bring on an additional member close to Solomon to tamp down discontent. Solomon, 61, is focusing on strategy to bolster his standing and maintain the momentum of the company's performance, which might sway some shareholders. However, Solomon is ignoring a key thing: Partners and employees are just as critical to the firm's

success. To ensure a company's longevity, strategy must work in tandem with corporate culture.

Grow from a place of strength

Typically, a board or CEO will hire a new leader because of their success elsewhere. This new leader will arrive with their playbook. They're outsiders who can shake things up. Change can be great. But as Solomon is learning the hard way, you have to be careful not to throw out the baby with the bathwater. There's a reason the company has gotten to this point. There's a reason the company is worth investing in. You can't ignore all the parts of the culture.

Pared to its core, "culture" encompasses a company's values and fabric – its DNA. It's about what makes an organization great: its purpose and its competitive differentiators based on what it is at its core. Processes that flow from this include how things get done, how information spreads, and how people come up with new ideas.

A great leader ties together those strands by paying attention to everything from how decisions are made to how people communicate and work together.

Company culture should be codified so it can be followed through the decades. Purpose, values, principles and commitments must be known, and reinforced, at all levels.

However, it's also important to put these into practice. Customers and employees are quick to sniff out inauthenticity. So be curious. Great company leaders will walk the halls and talk to people; listen to their stories; figure out what works and what doesn't. New leaders with fresh eyes have the perfect opportunity to do just that, especially when there's friction between the C-suite and employees as remote work gets reined in. Learn from what Solomon did wrong. Goldman Sachs has a 150-plus-year history of good days and bad days that make up its culture.

Pay attention to what matters most

Understanding the culture is even more important today. Consumer behavior and preferences are changing. Employees are looking for far more meaning in their work nowadays. Technology and regulations are rapidly changing the landscape.

Many leaders now find themselves navigating tensions between employees and customers. Anheuser-Busch's Bud Light brand recently suffered a boycott following a misunderstood marketing campaign that company leadership didn't address immediately and directly. Amazon employees formed a sit-in on their campuses, boycotting return-to-work policies. Last year, Disney was in the crosshairs for declining to release a statement about Florida's anti-LGBTQ "Don't Say Gay" bill, and for donating money to statewide elected officials who supported the bill. CEO Bob Chapek failed to take into account that employees wanted to work for a company that takes stances on issues in ways that align with their values. Chapek was subsequently ousted.

Running a company is far more complicated these days, especially when social media outrage can quickly generate a backlash. That's why companies need future-focused leaders who align strategy and culture, so that people, from the top down, can make smart decisions every day. You need to give employees and customers a clear reason why your company is relevant in today's world. Clear purpose and values are just the beginning.

Some companies lose sight of the fact that strong culture and healthy profits go hand in hand. So when change is in the air, the smart CEO resists the temptation to make rash changes to corporate culture in an effort to conform to the latest social or political trend.

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