

The Role of Organizational Culture in Achieving Strategic Goals

Episode 12 Companion Blog

We have both been in rooms where a leader unveils a bold new strategic plan with full conviction, and you can feel the staff nodding along while silently calculating how long before this one gets shelved like the last one. Not because the strategy was bad. Because nothing about the way that organization actually operates was built to support it. The culture and the strategy were pulling in opposite directions, and the strategy never had a chance.

That is what culture does. It is not the soft stuff. It is the infrastructure. We came to this episode from two different angles - Pat's is decades of watching organizations succeed and struggle with this dynamic, Will's is technology implementation, where culture shows up in adoption patterns in ways that are specific and measurable. This blog goes deeper than the episode into the frameworks we use, the stories that illustrate them, and what it actually looks like to start closing the gap.

The Phrase Everyone Quotes and Nobody Checks

"Culture eats strategy for breakfast." We have both heard it attributed to Peter Drucker with great confidence. The Drucker Institute at Claremont Graduate University has confirmed there is no documentary evidence he ever said it. The phrase was popularized by Mark Fields during Ford's "Way Forward" restructuring around 2006 - he had it posted on the wall of his war room. What Drucker actually wrote, in a 1991 Wall Street Journal piece, was that "culture, no matter how defined, is singularly persistent." That's the more useful framing: not a battle cry, but a warning about underestimating what you are working with. His argument was that smart leaders work within existing culture rather than bulldozing it. That is a much more nuanced starting point than "just fix the culture." It is also much harder.

Three Layers Beneath the Surface

Edgar Schein's model - developed over sixty-seven years at MIT Sloan - describes culture as operating on three levels. Artifacts are what you can observe: the office layout, the dress code, how meetings run. These are visible but misleading; two organizations can have identical open-plan offices for completely opposite reasons. Espoused values are what the organization says it stands for - the mission statement, the values page on the website. These matter, but there is almost always a gap between what an organization says it values and how it actually operates, and that gap is where culture problems live. The deepest layer is basic underlying assumptions - beliefs so fully internalized that people no longer recognize them as beliefs. They just feel like "the way things are."

In the nonprofit sector, one of the most persistent underlying assumptions is that because the work is meaningful, people should accept lower pay, longer hours, and fewer resources. Nobody writes that anywhere. But it drives hiring decisions, budget conversations, and how organizations respond when staff raise sustainability concerns. The Center for Effective Philanthropy's State of Nonprofits 2024 report found that ninety-five percent of nonprofit leaders expressed concern about staff burnout. A 2024 survey by the Social Impact Staff Retention Project found that sixty-seven percent of nonprofit employees were actively looking for new jobs or planned to within a year. The top reasons were not salary. They were too much work, limited growth, and unsupportive management. Those are culture complaints.

Harmony Is Not the Same as Health

Lencioni's Five Dysfunctions of a Team has sold over three million copies because it is painfully accurate. The dysfunctions build as a pyramid: absence of trust leads to fear of conflict, which produces lack of commitment, which breeds avoidance of accountability, which ends in inattention to results. In mission-driven organizations, there is an extra layer: people confuse harmony with health. Because everyone cares about the cause, disagreement feels like a betrayal of shared purpose. The result is organizations full of deeply committed people who never challenge each other, never surface real problems, and wonder why their strategic plans don't go anywhere. And the mission itself often becomes a shield against accountability - "we're doing important work" substitutes for asking whether the work is actually working.

The Nonprofit Is a Business

The only meaningful difference between a nonprofit and a for-profit organization is a tax designation. The people you serve deserve the same financial discipline, the same strategic rigor, the same accountability that the best companies demand of themselves. Dan Pallotta's *Uncharitable* (2008) quantified the cost of the double standards nonprofits face around compensation, marketing, risk-taking, time horizons, and capital: from 1970 to 2009, only 144 nonprofits crossed the fifty million dollar annual revenue barrier. In the same period, over 46,000 for-profits crossed it. Peter Brinckerhoff, who was making this argument as far back as 1984 to audiences who literally threw things at him, put it plainly in *Mission-Based Management*: focus too much on mission and not enough on money and you go out of business. Focus too much on money and not enough on mission and you become just a business. If your culture treats financial discipline as opposed to mission, you will never build the sustainable operation your community actually needs.

Reading the Culture You Actually Have

Most leaders think they know their organization's culture. Most are at least partially wrong - the closer you are to the center of power, the less you see of the culture everyone else experiences. More useful questions than any survey: Where does the organization actually spend its money? Who gets promoted or recognized? What happens when someone makes a mistake? What topics never come up in leadership meetings? What do new hires learn about "how things really work" in their first sixty days? That last one is especially valuable - new employees come in without the assumptions everyone else has internalized, so they notice what veterans stopped seeing long ago.

Will sees this in technology adoption constantly. We worked with one organization where leadership championed a new project management system with full commitment - proper rollout, genuine training, executive buy-in. Six months later it sat empty. Not because the software was bad. Because the culture had an unspoken rule that real work happens in email, and nobody had named it. We went back, identified early adopters already frustrated with email overload, gave them permission to move their work into the new system, and let the results speak. Adoption happened organically once visible evidence challenged the underlying assumption - not because a policy changed.

What We've Seen Work

Pat worked with a nonprofit whose executive director talked about innovation constantly - it appeared in the strategic plan, job descriptions, board presentations. But the actual culture punished risk. Every new idea required four levels of approval. The last person who tried something new and failed was quietly pushed out. We built a small experiments framework - a way to test ideas with minimal resources and no career consequences. Then the executive

director stood up in a staff meeting and publicly celebrated a failed experiment, naming what the team had learned. You could feel the room shift. Within a year, three new program pilots had launched. Not because of a new policy. Because one visible behavior from leadership changed what safety actually meant in that organization.

Pat also worked with an organization that had deep mission alignment but terrible internal communication. The development team didn't know what programs were launching. The program team didn't know what donors cared about. We implemented quarterly cross-departmental translation sessions - each department presented their current priorities and challenges to the rest of the organization. One program director told Pat afterward: "I had no idea development was pitching something completely different from what we're actually doing." Within two quarters, grant proposals reflected current programs and program design aligned with donor interests. The structure hadn't changed. The culture had.

Will brought the same lens to an organization convinced their CRM was broken - data messy, reports unreliable, leadership couldn't get consistent numbers. The software was fine. Three departments had three different definitions of what counted as a "donor." One meeting, shared definitions, clear documentation - and the reports made sense. The technology was never the problem. The assumption that "everyone knows what we mean" was.

Three Things You Can Do This Week

Culture change is slow. Diagnosing the current state is not. Ask five people at different levels what happens when someone makes a mistake - if answers are consistent, you know your culture; if wildly different, you have a bigger problem than you thought. Look at your last three hires: cultural fit or cultural add? If every new person reinforces the existing pattern, your culture is fossilizing. And find the last time someone disagreed with you openly in a meeting. If you cannot remember, your team probably has a trust problem. What you tolerate is what you endorse. What you celebrate is what you incentivize. What you ignore is what you accept. Your culture is already being built whether you are intentional about it or not.

Download Your Free Resource

We created a Culture Blueprint Action Kit to accompany this episode. It includes:

- A Culture Signals table to read what your organization's behavior is actually communicating
- A Culture Health Scoring tool to assess where the gaps are
- Team reflection questions designed for leadership conversation
- A gap prioritization tool to identify which culture-strategy conflicts are costing you the most
- A 90-day action plan with phased steps, owner tracking, and built-in reflection

Download it now at missiondrivenpod.com

Let's Keep the Conversation Going

If this episode put something on your mind - a pattern you recognized, a gap you have been avoiding, or a culture shift that is actually working in your organization - we want to hear about it.

- Podcast/blog feedback: contact@missiondrivenpod.com
- Support for your organization: contact@thescanlandgroup.com or visit thescanlandgroup.com

From our family - including Gracie, Moody, and Diamond, who have their own very strong organizational culture centered entirely around treat distribution and nap schedule enforcement - to yours: keep leading with heart, keep showing up with purpose, and keep creating a world where everyone belongs.

Until next time - stay focused, stay mission-driven.