The Pyramid Model of Culture©
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1.0 Every organization's culture can be analyzed through cultural building blocks residing in three layers. See Fig. 1—author calls it "The Pyramid Model of Culture."
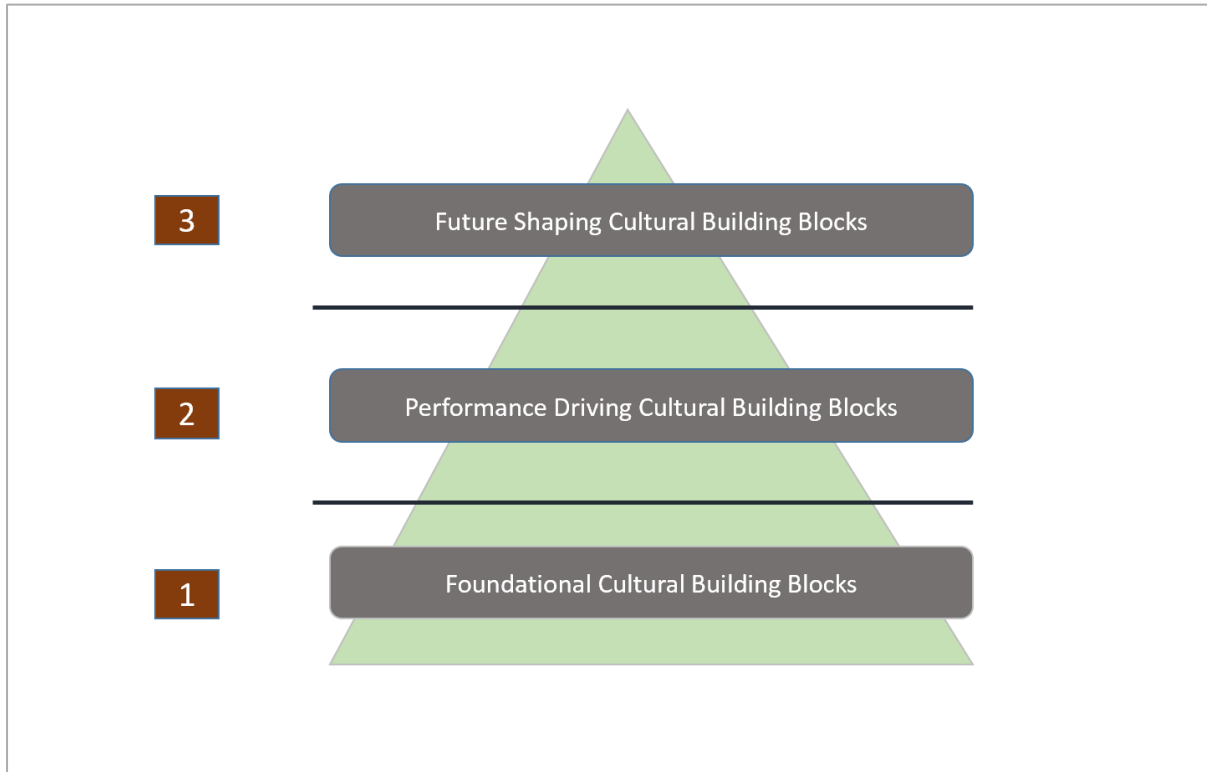

Fig. 1: The Pyramid Model of Culture

These are:

- **Foundational cultural building blocks**
  They represent foundational values/principles, such as integrity/ethics, environmental & social responsibility, long-term direction, respect and dignity, etc. These values are required to build any worthwhile business for long term. While these Foundational Blocks do not directly drive an organization's performance, they support the organization in numerous ways, primarily keeping its moral compass in the right direction and ensuring a worthwhile, clear long-term intention. One distinguishing characteristic of organizations with strong foundational values is that they earn respect from all the stakeholders and tend to endure over long periods of time. However, lack of such values or weak values at this foundational level can lead to serious issues even if the organization excels at values in the other two layers.

- **Performance driving cultural building blocks**
  They represent values/principles, such as drive for performance, striving for excellence, collaboration, customer centricity, etc. These values drive the

present economic engine (the current core business) and as they get strengthened/refined, they help drive a continuous improvement in the performance of the current business. One noteworthy characteristics of such organizations is their ability to set ambitious goals and excel at execution. They are able to constantly raise the bar on quality of their products/services, and introduce adjacent innovations, all of which opens the doors for both rapid growth as well as a possibility to exercise pricing power. When these values are not strong enough, performance suffers and catches a lower trajectory. Note that by themselves they are unable to shape the future.

- **Future shaping cultural building blocks**
  They represent values/principles, such as curiosity, drive for innovation, and adaptability that basically help shape the future economic engines (the businesses/products/services that will drive future growth and profitability) as well as the organization itself to cope up with the changing world. Once these values become part of the organization's cultural fabric, they also help drive the present economic engine (present core business) with even greater vigor. One distinguishing characteristic of such organizations is their ability to come up with new/ innovative products/services in a seemingly never-ending stream. They thrive on being pioneers. They are also able to attract very different kind of talent, often the best, who values such cultural traits. And finally, people in such organizations are not averse to change as and when required because they see themselves as harbingers of change anyway.

  On the contrary, organizations where the values in this layer are weak are often taken by surprise when a competitor introduces new technology/ superior products or the external environment changes rapidly. They struggle to come to terms with events like these and are unable to compete effectively when challenged by new innovative firms.

1.1 The values/principles that span these three layers are shown in Table 1 below:

Cultural building blocks	Values/principles being assessed	Brief explanation
Foundational cultural building blocks		
1. Integrity	*1. Integrity/Ethics*	Be guided by the principle of integrity or honesty in day-to-day conduct.
2. Environmental & Social Responsibility	*2. Environmental & Social Responsibility*	Be a responsible corporate citizen through concrete actions towards environmental and social responsibilities.
3. Long term direction	*3a. Mission*	

	3b. Strategic clarity	Establish and communicate what the organization stands for and why. Also, clearly state the strategy.
4. Respect & Dignity	*4a. Respect & Dignity*	Be respectful in day-to-day conduct towards employees. Approach people-issues with a sense of dignity.
	4b. Diversity	
5. Transparency, Trust & Psychological Safety	*5a. Transparency*	Be transparent by sharing all the relevant information with the employees. Always show trustworthy behavior. Promote behaviors that allow free and fair exchange of ideas.
	5b. Trust	
	5c. Psychological Safety	
Performance Driving cultural building blocks		
6. Drive for Performance/Striving for Excellence	*6a. Meritocracy*	Aim for excellence. Set ambitious goals. Pursue the path of meritocracy—best idea/ argument winning over any other consideration. Belief in accountability and fairness in rewarding performance. Simplify decision-making.
	6b. Accountability	
	6c. Simplifying decision-making	
	6d. Rewards & Fairness	
7. Collaboration	*7. Collaboration/Collaborative attitude*	Belief in working together as a team, rising above narrow personal considerations.
8. Customer Centricity	*8. Customer Centricity*	Belief in deeply understanding customers' needs and fulfilling them. Keeping customers' interest ahead of internal considerations.
9. Operational Excellence	*9a. Quality*	Belief in pushing the quality and productivity frontiers to higher levels.
	9b. Efficiency/Productivity	
10. People Capability	*10. Developing People Capability*	Belief that developing people capabilities is key to higher level of performance.
11. Speed	*11. Agility/Speed/Sense of Urgency*	Belief that speed or sense of urgency matters. This includes both decision-making and execution of a decision already made.
Future Shaping cultural building blocks		
12. Curiosity	*12. Openness, Curiosity & Learning Attitude*	Being open-minded and curious to seek new information and knowledge irrespective of its source.

13. Drive for Innovation	*13a. Experimentation & Risk-taking*	Belief that constant experimentation is how present and future success will come. Inculcate an attitude of learning from failures rather than apportioning blame.
	13b. Learning from failures	
14. Adaptability	*14. Adaptability/ Capacity for Change*	Belief that the ability to make necessary changes/ adjustments in some or all facets of business, as and when required, is a way of life.

Table 1: Values spanning various cultural building blocks

1.2 Organizations that exhibit high performance work diligently on all the three layers. They have strong foundational values, vibrant performance driving values and well supported future shaping values. The harmonious relationship between the values/principles from all the layers produces a distinct competitive advantage in building a culture that helps deliver outstanding value to all the stakeholders, be it employees, customers, vendors, investors, or society at large.

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