



# Culture Renovation

# CULTURE RENOVATION

## Executive Summary: Building a Future-Ready Organization

### INTRODUCTION

This paper draws on a presentation delivered by Mr. Kevin Oakes, Founder and Chief Strategy Officer of the Institute for Corporate Productivity (i4cp), as part of Acrisure's 6th annual HR Leaders Compliance Summit. Mr. Oakes and his firm conduct some of the most extensive human capital research in the industry, consistently focused on what separates high-performing organizations from everyone else. His book, *Culture Renovation*<sup>®</sup>, offers an 18-step blueprint for improving organizational culture built from a study of over 7,000 respondents and grounded in the practices of companies like Microsoft, T-Mobile, and MasterCard that made culture change actually stick.

What follows is a summary of the key themes Mr. Oakes covered: why culture is a measurable performance driver, what distinguishes healthy cultures from toxic ones, and what the research says about how organizations can realistically improve. Where possible, we've included the data points and frameworks most directly relevant to benefits and HR leaders navigating these conversations with their own organizations.

For additional information, readers are encouraged to connect directly with Mr. Oakes and/or obtain a copy of his book, *Culture Renovation*<sup>®</sup>.

### 1. THE BUSINESS CASE: CULTURE IS A PERFORMANCE DRIVER

As Mr. Oakes shared during his keynote, culture is one of the most underutilized performance levers available.

The i4cp data presented is straightforward: organizations with healthy cultures outperform on every metric that matters: revenue growth, profitability, employee retention, engagement, and customer satisfaction<sup>1</sup>. High-performing companies are five times more likely to report a healthy culture than low-performing ones. They're nine times more likely to have strong employee net promoter scores, and twice as likely to see improved productivity<sup>2</sup>.

The reverse is equally well-documented. Over a third of large organizations report that their culture has become more toxic since the pandemic<sup>3</sup>. Toxic cultures are sixteen times more likely to report a lack of trust between employees and senior leaders, and that distrust tends to run in both directions<sup>4</sup>. When it does, collaboration breaks down, information gets hoarded, and the organization becomes less capable of adapting to change exactly when adaptability matters most.

One finding Mr. Oakes highlighted that surprises executives consistently: toxic cultures are four to five times more likely to tolerate poor behavior from high performers. When a top salesperson or a brilliant engineer is allowed to mistreat colleagues because their results are too valuable to put at risk, the signal to everyone else is unmistakable; conduct is secondary to output<sup>5</sup>. That signal spreads fast and is very hard to walk back.

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### 2. TOXIC VS. HEALTHY: WHAT ACTUALLY DISTINGUISHES THEM

A toxic culture isn't always loud. Complacency and conflict-avoidance can be just as damaging as open dysfunction; and harder to spot.

In Mr. Oakes's research, toxic cultures are consistently described the same way: bureaucratic, exclusive, disrespectful, chaotic. But the data also surfaces subtler markers such as complacent, conflict-avoidance, and the "meeting after the meeting," where employees freely share the views they withheld during the actual discussion. Both the loud and the quiet versions reflect the same underlying problem: an absence of psychological safety that prevents people from speaking honestly when it matters.

Mr. Oakes's research identified seven consistent characteristics of healthy cultures across high-performing organizations:

1. Flexible work arrangements.
2. A learning mindset where knowledge flows freely rather than being hoarded as power.
3. Board-level engagement with culture as a material business risk.
4. Leaders who model the values they espouse.
5. Leaders held accountable for people outcomes alongside business results.
6. Leaders who regularly communicate the values clearly enough that employees can actually articulate them.
7. Prompt addressing of poor behavior, even when the person behaving poorly delivers strong results<sup>6</sup>.

The last one is critically important (and difficult). Holding a high-producing individual accountable for how they treat people is harder than tracking their numbers; but high-performing organizations do it consistently, and the rest of the workforce notices.



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### 3. THE THREE-PHASE FRAMEWORK: PLAN, BUILD, MAINTAIN

"If I had 3 hours to chop down a tree, I would spend the first 2 hours sharpening the axe." – Abraham Lincoln

i4cp's framework organizes the steps needed to renovate a company's culture into three actionable and sequential phases: Plan, Build, and Maintain. The analogy Mr. Oakes offered throughout his presentation was updating a company is similar to a house renovation; you don't demolish the structure and pour a new foundation. You keep what makes it unique, fix what's failing, and build for long-term value. The organizations in the 15% that succeeded treated culture change the same way.

#### PLAN

The planning phase is the most frequently skipped (and perhaps the most consequential). Its job is developing an honest, ground-level understanding of what the current culture actually is, not what leadership believes (or hopes) it to be. That means deploying a real listening strategy, identifying what's worth preserving, setting the cultural path, defining specific desired behaviors, mapping the informal influencers and blockers in the organization, and establishing upfront how success will be measured. That last point matters more than most leaders realize: i4cp found that 90% of organizations that failed at culture change never set clear success measures at the outset, while two-thirds of those that did reported a successful outcome<sup>7</sup>.

These assessments are almost always different from what executives expect. Leaders who evaluate their culture by consulting primarily with other executives will be told what they want to hear; information gets filtered on its way up. A serious listening strategy that reaches into the workforce directly, with genuine protection for the employees giving honest feedback, is the foundation everything else is built on.

T-Mobile's John Legere conducted a massive listening tour of employees before making a single major change. The "Un-carrier strategy" that followed eliminated consumer pain points like restrictive contracts, high international fees, and complex data plans, and was based on what he actually heard employees tell him that they felt customers wanted and valued was a major success<sup>8</sup>.

#### BUILD

The build phase is where things become visible to the workforce: communicating that change is coming, ferreting out skeptics early, painting a forward-looking vision, fostering co-creation, and training leaders at every level on the specific behaviors expected of them. Mr. Oakes's research found that the clearest differentiator between organizations that succeed and those that fail in this phase is whether they actually train leaders on specific behaviors, and not just principles. One underutilized tool he discussed: identifying the organization's informal influencers through network analysis rather than hierarchy. These are the people everyone turns to regardless of title. Microsoft called them their culture cabinet<sup>9</sup>. When they're actively modeling the new culture, change accelerates.

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### MAINTAIN

Mr. Oakes emphasized that the maintain phase is the most underestimated. Even successful culture change that isn't actively maintained won't hold. This phase lives in HR systems: onboarding (which should start at offer acceptance, not day one, and extend over months), performance management (which should give meaningful weight to people outcomes alongside business results), promotion criteria, talent mobility, and monitoring what's being said externally on sites like Glassdoor. Organizations with structured talent mobility programs consistently outperform those without<sup>10</sup>. Moving people across roles breaks down silos, broadens perspectives, and spreads cultural norms across organizational boundaries.

### 4. MAKING THE CASE TO LEADERSHIP

HR leaders who understand the case for culture renovation frequently face the same obstacle: leadership that doesn't yet see it as a priority. Mr. Oakes offered a pair of recommendations that can help turn the tide:

The first is data; specifically, data that connects culture health to the outcomes they're already accountable for: retention rates, productivity, engagement scores, and their correlation with financial performance.

The second is competitive context. Showing executives what peer or competitor organizations have done (and what happened to their performance as a result) is more compelling than research abstracts.

Start with the outcomes your executives are already measured on, connect culture to those outcomes, and use case studies from companies they respect.

#### EMPLOYER ACTION CHECKLIST

- Develop a listening strategy that reaches employees directly, not only through management.
- Use anonymous mechanisms — they consistently produce better feedback.
- Map informal influencers through network analysis, not org chart position.
- Define upfront how you'll measure cultural health — if you can't measure it, you can't manage it.
- Inventory what's genuinely worth preserving before deciding what needs to change.
- Train all leaders on specific, observable behaviors — not just values and principles.
- Engage skeptics early; ignored skeptics can become the loudest voices against change.
- Start onboarding at offer acceptance, not day one; extend it over at least the first year.
- Add people management outcomes to leader performance criteria alongside business results.
- Monitor culture continuously — annually is not enough.



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