



Why culture is strategy:

Driving business transformation and growth through organizational culture



Integration

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Is your **company's culture** deliberately shaped to **support your strategy**?

Or is it just the byproduct of “how things have always been done”?

**For many executives,
the answer isn't so obvious.**

This paper presents **5 essential pillars** for accelerating business strategy through culture, illustrated with real-life examples from companies supported by Integration. We share what we've learned about **how CEOs and CHROs can unlocked business performance by aligning company culture with strategy.**

- I. Understand** what culture is (and what it isn't)
- II. Align** cultural focus with the most critical business moments
- III. Prepare** the organization for the demands of its operating model
- IV. Translate** strategy into tangible cultural behaviors and systems
- V. Evolve** culture continuously to stay relevant and value-generating

Intro

Why should companies **pay more attention to organizational culture** – beyond posters on the wall?

Culture is no longer just a matter for HR to deal with – **it’s a boardroom issue. High-performing companies are intentionally shaping their organizational culture to drive business strategy**, fuel innovation and deliver tangible performance outcomes.

When a company’s stated culture matches what’s actually practiced, the result is a more agile, coherent and purpose-driven organization, capable of delivering both near-term results and long-term value.

Executives are taking notice. In a recent Integration Consulting study of 100 business leaders, 85% said culture is among their company’s top-three priorities. Yet, many still underestimate how pivotal culture is for bringing strategy to life – or struggle to turn cultural aspirations into daily business reality.

Even organizations that value culture often hit roadblocks: it’s easily deprioritized amid operational pressure, cultural inconsistencies show up across the employee experience and efforts lose momentum without clear ownership paired with reinforcement mechanisms.

A well-developed and aligned organizational culture helps businesses to:

- > Achieve superior **organizational health**
- > **Respond more quickly** and effectively to changing market demands
- > Deliver on their **corporate purpose**
- > Drive **morale and performance** via stronger links between staff and organization
- > Foster **deeper connection** between personal purpose & contributions to the business
- > Build **differentiation and competitive advantage** via a distinct operational identity


What the numbers say about organizational culture

EXECUTIVES CLEARLY RECOGNIZE THE POTENTIAL OF CULTURE


94% executives
cite culture as a **competitive advantage** for **attracting and retaining talent**¹


9 in 10 CEOs
set culture as a **top-3 priority**²

AND THOSE THAT LEVERAGE IT CAPTURE REAL VALUE


↑1/3 revenue
experienced among **organizations that prioritize culture**³


+23% profitability
measured by companies with **highly engaged staff**⁴


↑12% productivity
achieved when organization culture **leads to satisfied staff**⁵

¹ Integration 2024 ⁴ Gallup 2024
² Integration 2024 ⁵ Gallup 2023
³ Forbes 2023

I. Understand what culture is (and what it isn't)

Organizational culture can be shaped to support the business strategy and transformation. This calls on executives to pay close attention to whether the prevailing personality is advancing the strategy or perhaps hindering it.

What’s misunderstood about culture?

Many companies treat culture as an intangible concept or internal artifact. But, in reality, culture is an adaptive system that guides decision-making, drives performance and unlocks strategic execution.

What is it, actually?

Organizational culture goes beyond soft values and rituals. It's the operating system behind how your company makes decisions, executes strategy and adapts to change. It guides behavior, impacts speed to market and influences performance across every level of the organization.

It's the basis that orients the way its professionals work and act in pursuit of a common goal. More than a definition of step-by-step processes within the company, culture is the underlying “how”, “why” and “what for” that set the behaviors and approaches to the way people work.

How do we know if our culture is “correct”?

Understood as the “personality” of an organization, we may imagine that some personas are better suited to certain ends. A competitive personality might be a better fit if the business aims to drive fast-paced innovation while a cautious personality may be more appropriate if the aim is to achieve incremental growth while maintaining financial stability.

There’s no such thing as a right or wrong, good or bad culture: It’s about consciously defining which culture is most suitable to the business at hand – for its strategic goals, values and essence.



Culture-aligned growth in action: 2 strategy shifts, 2 culture Shifts

Whether in a hypergrowth or efficiency-focused transformation, cultural alignment was key to executing these business models effectively.

A BOLDNESS-DRIVEN CULTURE

The client: a real estate tech startup facing Series B funding and a national expansion plan needed a culture shift toward innovation and risk tolerance to evolve from MVP to scalable growth.

Strategic shift: This demands adjustments to the shareholder structure, market valuation and expansion plan. It also implies changes to the prevailing operational mindset, becoming more agile, innovative and risk-taking.

Cultural implication: To achieve its current objective, the company needs to pivot away from the elements that supported its ideation and MVP phase, embracing its new personality.

AN EFFICIENCY-DRIVEN CULTURE

The client: A mature medical equipment company in a stagnant sector required a performance-focused cultural transformation, centered on cost discipline, process rigor, and strategic ROI.

Strategic shift: Practically, this means cutting down on investments, tightening the belt in general and seeking incremental efficiency gains.

Cultural implication: To support this culturally, the company will need to adopt a mindset that’s more cost-oriented, meticulous, controlling, risk-averse and cautious.

II. Align culture with business goals during transformation and beyond

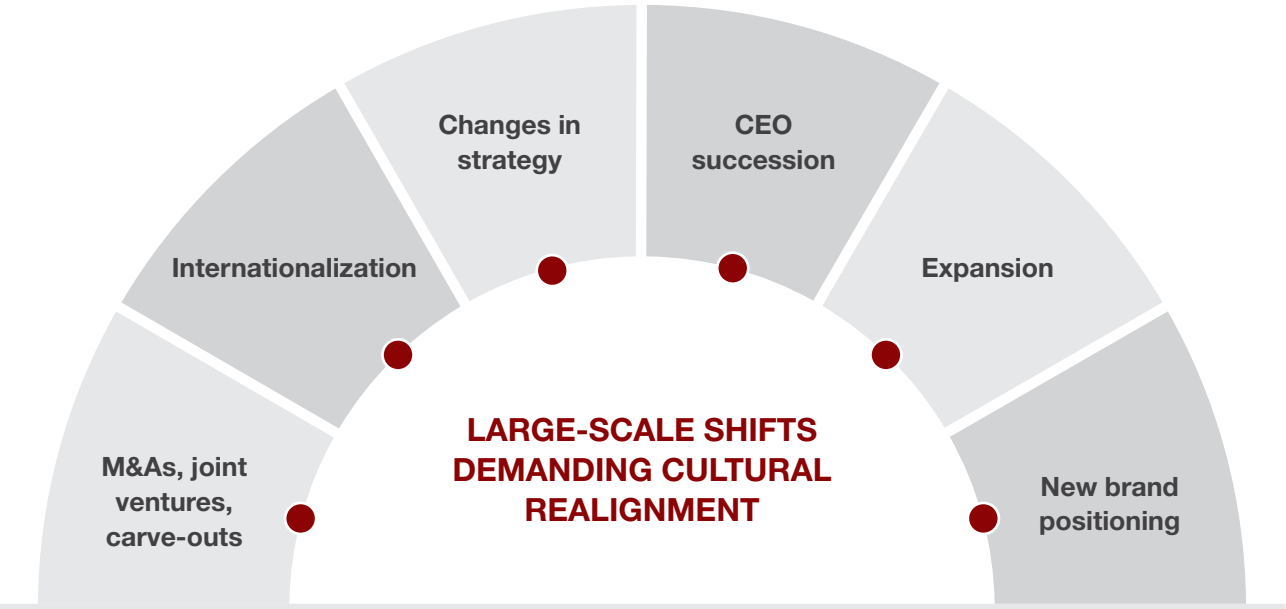
When **companies align culture** with key inflection points (an M&A, international expansion, CEO succession) they're **better equipped to capture value, sustain trust and avoid misalignment**. Establishing culture KPIs, defining behavioral expectations and embedding culture in leadership evaluation are critical for this.

As an ever-present business element, developing a strong, cohesive culture during “normal times” enables, supports and sustains the overall strategy – with the ultimate aim of improving results.

This means having the right people in place, evaluated on the basis of a pre-defined culture, supported by the appropriate organizational tools and incentives that sustain culture in day-to-day business, and all pulling in the same strategic direction.

Practically, cultural alignment demands executive ownership. CEOs, CHROs and COOs play a critical role in translating values into strategic behaviors, decision-making criteria, leadership models and performance systems. Otherwise, culture efforts are prone to drift.

Culture must also be addressed in depth during large-scale shifts in the business. The most common of these, where most of our clients have needed support, are shown below.



Moments to address culture

	Aim	Reason	Challenges
ON-GOING URGENT	Maintain & improve business performance	staff needs consistent (re-) alignment and development for benefit of overall strategy, also in response to course adjustments	avoiding complacency, overcoming inherent resistance, keeping something “invisible” top of mind
	Capture opportunity	new market, product, AI, digitalization or other opportunity demands updated ways of operating	understanding the true need, inserting new variable into organizational thinking, investing effort into change
	Revert a crisis	business is falling behind competitors, mindset is no longer market aligned, new venture failed or fallen short, the sector is being transformed by tech	transforming foundations in face of external pressure, facing internal resistance from leadership

Addressing culture during a strategic shift via an M&A

Some context: Following the merger of two multi-national food & beverage companies supported by Integration, expectations were high – but cultural clashes soon began to threaten performance, morale and synergy capture. It became clear that building a shared culture would be key to realizing the deal’s strategic goals.

- **Company A** had a conservative, hands-on culture shaped by its localized, personalistic approach. As it aimed to expand from a single- to multi-category portfolio, it needed to complement its tactical mindset with more strategic thinking.
- **Company B** was a global powerhouse, operated through an efficiency-driven, analytical model supported by specialized international teams.

The challenges: Once combined, cultural misalignment quickly surfaced. One side saw its counterpart as bureaucratic and slow, while the other viewed its partner as rash and simplistic. A focus on technical integration left cultural alignment overlooked – undermining the capabilities the merger was meant to leverage.

This trickled down into daily operations, creating confusion around roles, career paths and the deal’s overarching direction. Leadership needed to act fast, bringing clarity and cohesion.

The solution was to craft a new identity, drawing on both sides’ strengths: Company A’s entrepreneurial agility and Company B’s structured, strategic rigor. Globally, the joint venture leaned into Company B’s analytical approach; locally, it adopted Company A’s nimbleness. A hybrid model guided regional decisions, combining speed with thoughtful planning.

With clearer expectations across levels and a new culture embedded into decision-making, the company gradually regained momentum and started capturing its synergy targets.

“Adjusting culture is more than writing out new processes. It’s about shifting the underlying mindset and the way professionals approach business activities, position themselves, collaborate, view results and more.”

– Jéssica Pavão, Senior Manager

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III. Prepare the organization for the demands of its operating model

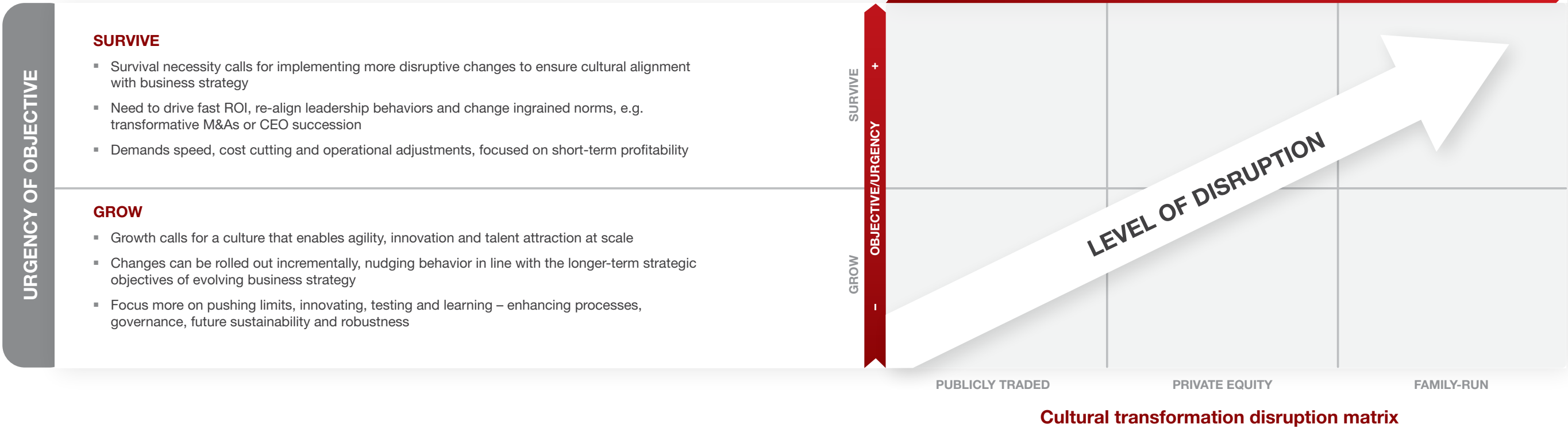
The role of leadership and its readiness to act are key in for culture evolution. As we’ve experienced, **stakeholder inertia and the urgency of business shifts** are critical factors affecting the ease and speed of implementing cultural changes.

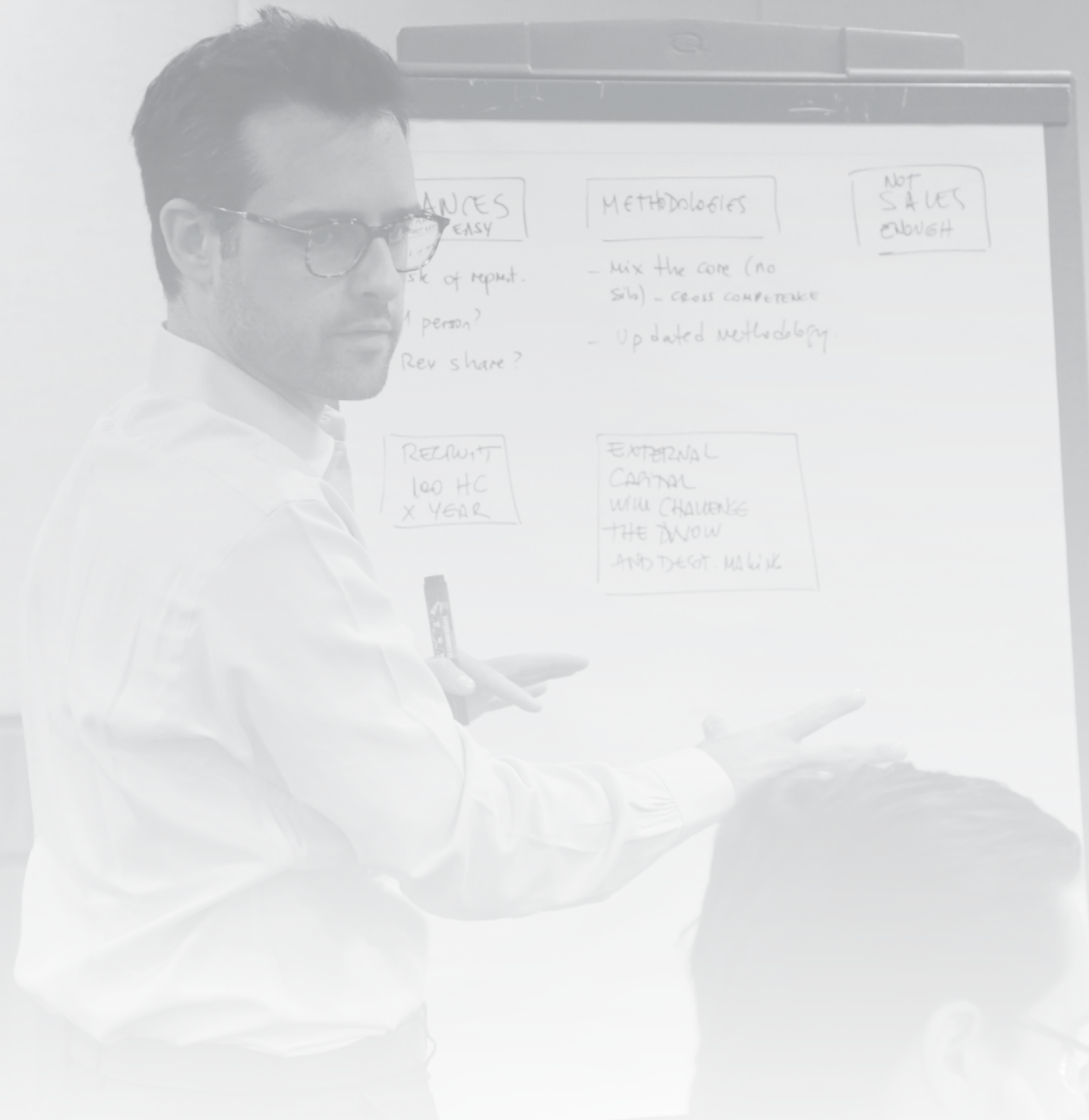
Whether in growth mode or survival mode, cultural transformation during business strategy pivots can determine success.

clear view of the effort needed to achieve cultural alignment with the overall strategy.

We advise business leaders to anticipate and prepare for the disruptiveness of cultural change. Taking this for granted can cause leadership to give up when the going gets tough, lacking a

In our experience, understanding the urgency level and ownership dynamics (public, PE, family-run) helps leaders shape a cultural playbook that works.





“ Culture shapes how people think, act and make decisions – and it must serve the strategy. ”

– Guido Solari, Partner

Preparing for a cultural adjustment in a shifting industry

Some context: After enjoying buoyant growth and profitability for decades, the medium-term outlook for a private-equity owned **company in the energy sector** was no longer looking so bright.

One of the market leaders in its home country, the company recognized imminent changes emerging in the industry – such as digitalization, the rise of substitute energy sources and shifts in consumer behavior.

The pain point: How could a heritage company, led by a very senior team of meticulous executives, usher in the needed change? Transformation would need to be driven by culture: from a tightly controlled legacy business to an innovative, flexible operation that used existing capabilities in different ways.

The solution: Integration and the leadership created a new business unit in which transformation would be focused. This allowed them to maintain their traditionally tight grip over operations while testing new avenues and ways of working in parallel. A transformation office was also set up, tasked with introducing technology and innovation, in close alignment with the essence and values of the business.

A cultural current-state and to-be assessment paired with concrete cultural initiatives showed the leadership where fundamental changes were needed. Buy-in from the top was critical, as changing a business only works if its leadership is clearly convinced of the need and value behind the new direction.

The result: With cultural priorities set and a practical 3-year timeline laid out, the company successfully undertook its transformation. The accompanying cultural changes were essential in this regard, supporting the company in modernizing and achieving a 40% increase in revenue in just a few years.

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IV. Translate strategy into tangible cultural behaviors and systems

Turning organizational culture from **theory into concrete everyday reality** requires clarity, structure and continuous practice.

While nearly 9 out of 10 executives recognize the importance of developing and aligning their organizational culture,¹ experience shows us that **many get lost when tasked with translating the theory behind culture into reality.**

We advise executives to consider three pillars in order to appropriately planning culture and subsequently translating the abstract into something concrete.

1. (Re)define

Defining the organizational culture required to advance a business strategy ("Needed Culture") means gaining clarity and alignment on several key factors that change over

1. **As-is:** where the company is starting from
2. **Shareholders:** who it wants to be
3. **Aim:** what the company seeks to pursue
4. **Needs:** what culture will potentialize this

Despite apparent similarities, each organization is shaped by its own unique beliefs, values and rituals. Deciphering these elements will help build

1. (Re)define: by putting the right structures in place and updating these when needed

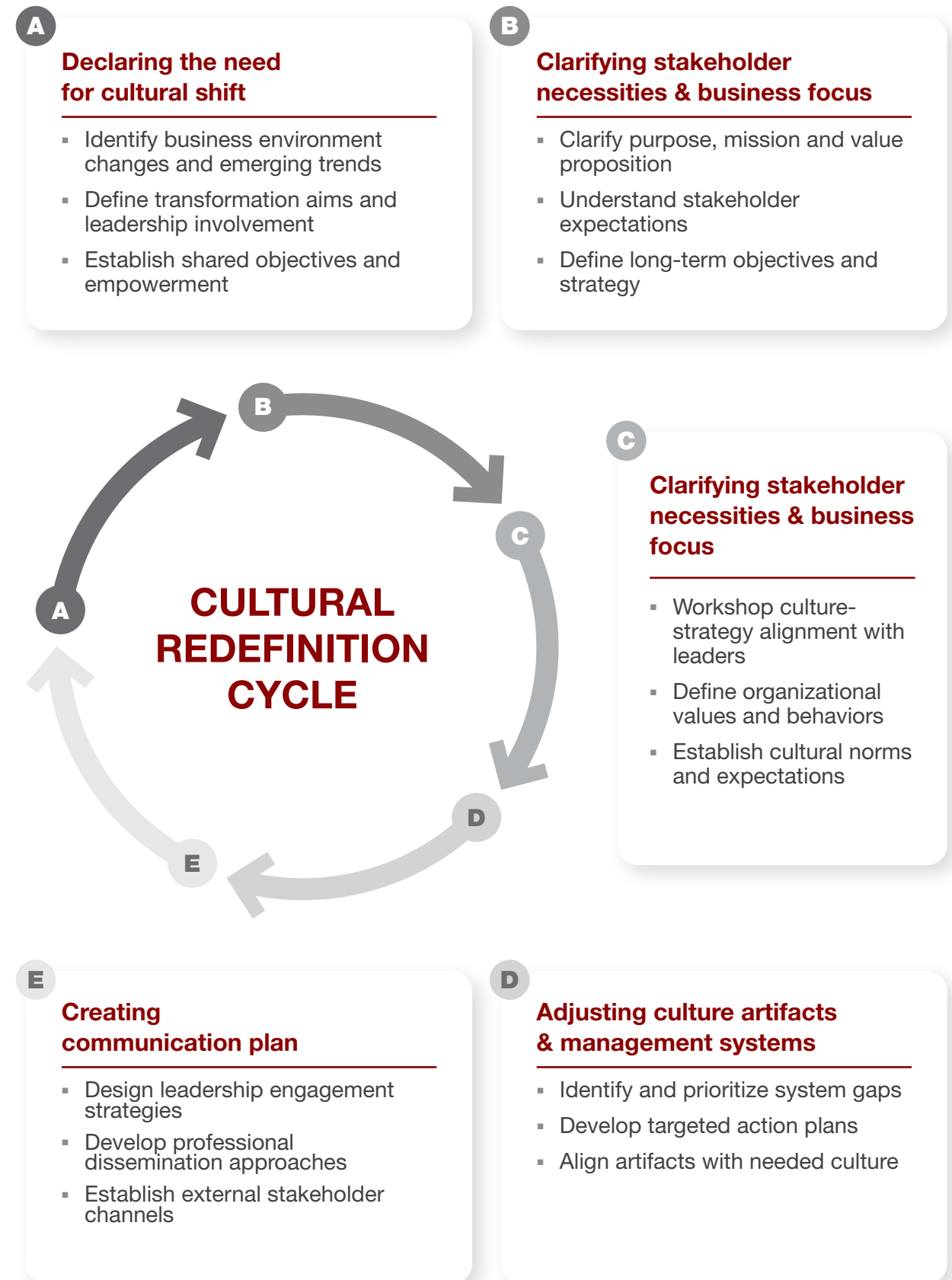
2. (Re)align: by establishing clarity on the essence of the business and its strategic objectives

3. Retain: by turning theory into practice, translating structures into reality and sustaining them in line with shifting business needs

the formula for culture to move the company in a unified direction.

For leadership, this means having sincere and objective reflections about what they truly value – both as a business and as an organization. While understandings may appear similar at the outset, differences tend to arise when it comes time to get together and take critical decisions.

Finding clarity and (re)defining culture should be an ongoing process – always stopping to respond to the business needs at hand.



2. (Re)align

As markets are dynamic and force companies to constantly adjust their operations and strategy, culture likewise cannot remain static if it is to effectively support the business.

With clarity established, the cultural dials must be turned whenever and wherever necessary. We recommend businesses concretely define their Needed Culture across 5 categories:

- 1. **Leadership:** What style sets the right example for staff and serves the strategic objectives?
- 2. **Professionals:** How can the strategy be reflected in the employee journey?

- 3. **Organizational model:** What does the strategy require of the company structure?
- 4. **Processes/systems:** What governance, rituals, incentives will support these aims?
- 5. **Values:** Which are needed for being innovative, profit-driven, organic growth-focused etc.?

This isn't about right & wrong, better & worse or more & less advanced elements. It's about finding a cultural match most in line with the business objectives that the organization seeks.

Organizational culture elements
(non-exhaustive)

1	Leadership	Centralized / decentralized	Risk-seeking / conservative	Proactive / reactive	Linear / outside the box	Build & maintain / turn-around	Short-term / long-term	Top-line / bottom-line focus
2	Professional development	Individual / collective	Open / closed off to feedback	Proactive / reactive professional development	Internal / external development	People-based / process-based knowledge		
3	Organizational model	Separated / integrated BUs	HQ / locally driven	Verticalized / horizontal	Flat / hybrid hierarchy	Structured / flexible	Cross-functional / area-focused	Fast / slow mobility
4	Processes / systems	More remuneration variable / fixed	Short-term / long-term incentives	Local / global KPIs	Formalized / tactical corporate criteria	Process / governance-model focus	Internally / externally focused processes	
5	Values	Focus on results / people	Formal / informal	Transparency / secrecy	Traditional / questioning			

3. Retain

Maintaining culture calls on leadership – from executives to managers – to put their feet to the ground, keep the pace and identify course corrections when needed.

Nearly half of executives we surveyed admit that their organizations lack specific tools to measure culture while a third lack supporting rituals.

As culture is something intangible in essence, finding effective ways to translate it into concrete elements is essential. To take root and bear results, the essence behind the Needed Culture and the five culture elements must be translated into day-to-day practice. While this can take various forms, we have found the following instruments particularly useful:

- **Magna Carta:** A reference document that clearly lays out the Needed Culture, corporate values and mission
- **Focal point:** An area or a dedicated professional within the organization to implement and expand on the actions to achieve the Needed Culture

- **Support mechanisms:** A communication plan and other tools to disseminate and achieve alignment on culture in terms of expected behaviors
- **Employee journey:** An employee value proposition linked to the Needed Culture: from recruitment to career development to separation
- **Leadership governance:** Rituals that insert culture into the agenda of the CEO and leaders, with fixed moments to discuss and create action plans for culture
- **Measurement:** A set of culture-specific KPIs that are periodically reviewed and fed into action plan adjustments

“ Cultural transformation succeeds when culture is treated as a living architecture – deliberately designed through decision rights, information flows and feedback loops that reinforce desired behaviors. Culture becomes real when embedded in the daily rhythm of work. ”

– Marília José, Director

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Translating needed culture to succeed in a new era

Some context: A real estate investment management company faced a double cultural demand: make the necessary adjustments to sustain growth in line with the newly defined strategic plan and integrate a recent acquisition with this strategy.

The pain point:

1. Achieving simplicity and assertiveness in a wider cultural shift that involved a range of diverse initiatives, from brand review to variable compensation.
2. Culturally integrating the new acquisition without assimilating it – considering very different business dynamics and sizes between the two and respecting the dialect of each while reaching a common language.

The solution: Any fix would need to be grounded in the new strategic direction, true to the essence of each company and executed in a tangible way that connected with staff.

(Re)define: After identifying the needed cultural adjustments, the teams in charge of the change surveyed staff, held focus-group sessions, interviewed the leadership and collected internal and external data perspectives.

(Re)align: Guided by the strategy and people-centered assessment, they redefined the organizational culture elements, focusing on values and ways of working. This included clear definitions expected behaviors and practical examples of each.

To ensure effectiveness and adherence, the teams held validation sessions with the leadership, drafting a roadmap of practical actions and communication for disseminating the new culture.

Retain: The teams adjusted the management system, creating and training 20 internal culture ambassadors responsible for dissemination, with 10 specific deployment actions and performance reviews to reflect the new culture.

V. Evolve

culture continuously to stay relevant and value-generating

Culture is a strategy. The most successful companies treat it as a dynamic, measurable and actionable lever for growth. As experience has taught us, for C-level leaders, building a culture that drives strategy and performance shouldn't be optional, but a core part of the value creation playbook.

Having the right capabilities in place is essential, but that's only half the journey. Organizational culture ensures those capabilities aren't fractured but aligned, pulling in the same direction towards common strategic objectives.

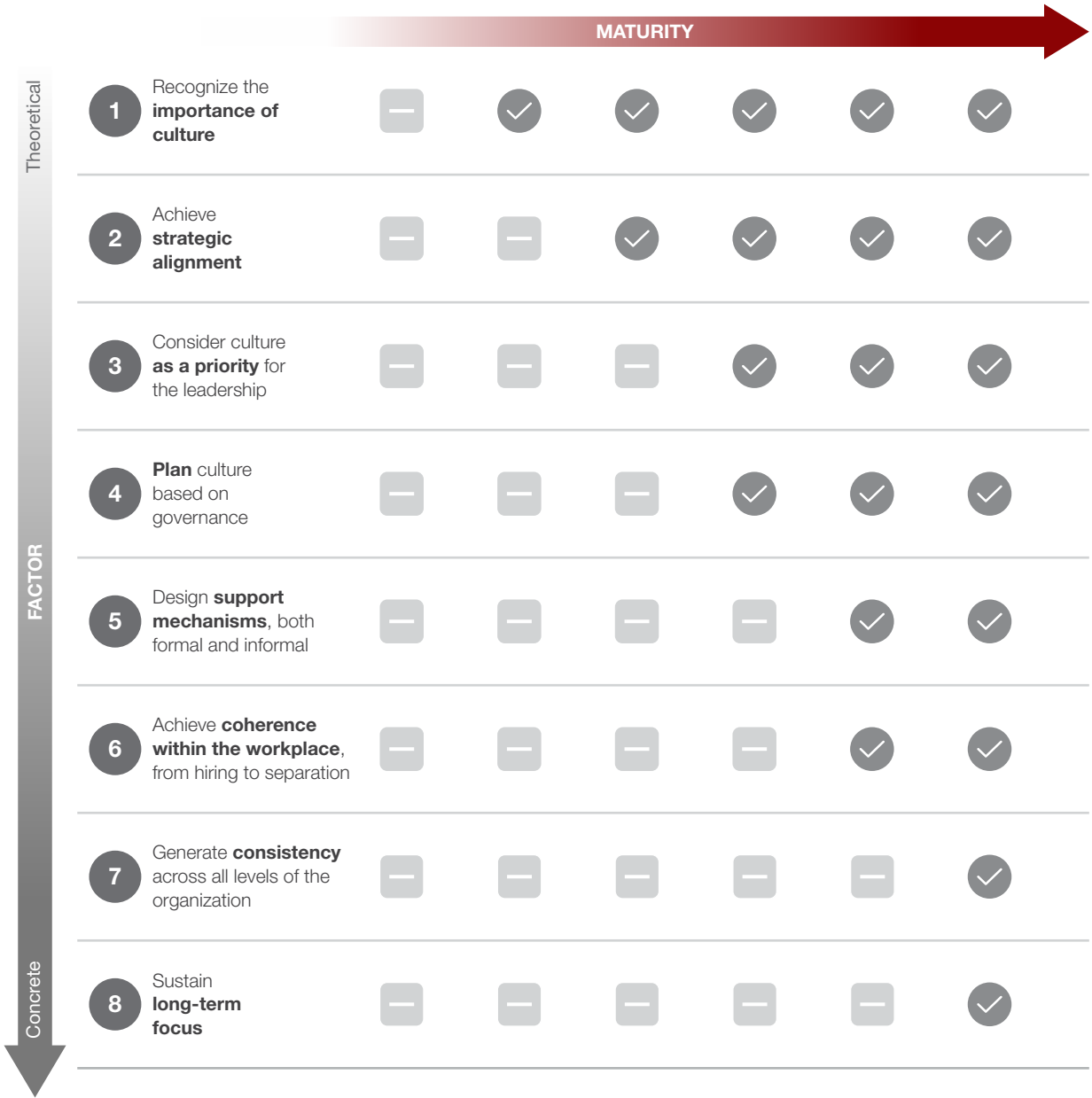
As shown on our cultural maturity spectrum, each organization has a starting point. Recognizing this starting point empowers leadership to prioritize and take targeted, realistic steps toward embedding values, behaviors and systems that truly support the business strategy.

Culture, when made tangible, becomes a guiding force – not just in what the organization says it values, but in how it works, decides and grows.

The call to action is clear: prioritize culture not as a “nice-to-have” but as a vital force behind competitive advantage. Build it with intention. Sustain it with rigor. And watch it become one of your greatest levers for long-term success. As we've seen time and again with clients, the return on culture investment is clear.



Organizational cultural maturity spectrum



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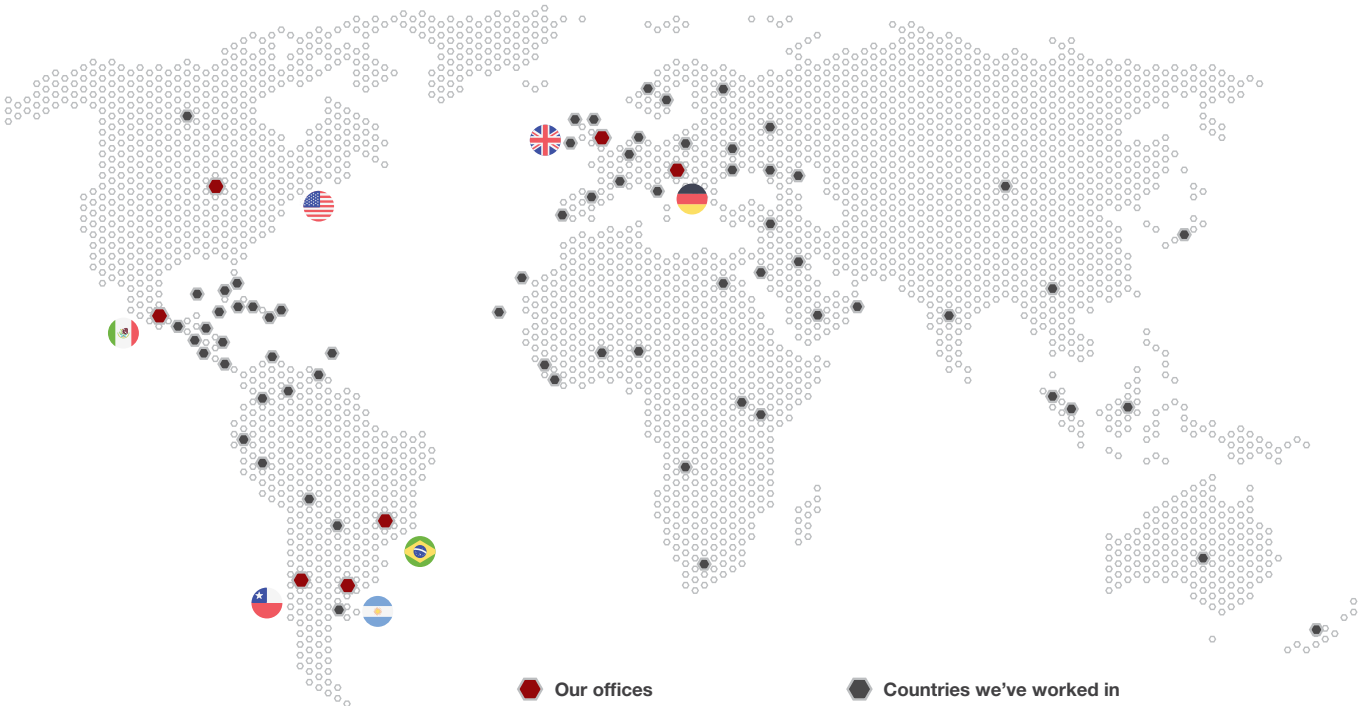


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We work side by side with our clients to create customized solutions that match their business needs for change across all levels of the organization – always integrating our expertise with the client’s reality. The result of this for our clients is a unifying movement across the organization that creates a positive legacy of tangible change – always integrating people and business.



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