

The Importance of Culture – Rhetoric or Fact?

“82% of executives rate culture as very important to their organizations’ success”

Waterstone Human Capital

“Rhetoric and jargon were substituted for true organizational and cultural change”

E W Johnson, Gen. Counsel & Director, General Motors, 1987



*Culture Enables Breakthrough
Performance*

Important facts about Corporate Culture:

1. Culture is defined as the collective attitudes and behaviours of people in an organization as they go about their day to day activities and interactions
2. Corporate culture drives performance
3. Leadership is the primary driver of corporate culture
4. Constructive culture engages and retains talent
5. Culture must be measured if you are to achieve culture transformation

Referring to a quote from 1987 may seem irrelevant but perhaps Johnson’s point is not outdated in today’s economy.

I’m certainly not trying to pick on the auto industry in these extremely uncertain times. Many people, however, would regard the inability of the auto industry to change their culture in terms of innovation, speed, acceptance of change and trust among the stakeholders as a key point of failure.

But is this statement confined to the auto industry?

Or to only large “old economy” companies?

Or is it perhaps more pervasive across more organizations regardless of industry or company size?

I’m equally sure that most of the 82% of executives who rate culture high are very sincere.

If culture is so important, can executives answer these questions:

1. Can they explain to their employees their fact based, quantifiable cultural model?

2. Do they have a written, actionable strategy to improve their culture?

3. Do they embed within their business strategies, the elements of culture that must exist to enable success?

4. Is there a process in place for the continual review of culture?

5. Do the key executives have the attainment of an ideal culture as a metric in their performance metrics?

Again, my point is more one of suggesting executives look in the mirror and decide if the importance of culture is something they truly believe or are they simply stating expected rhetoric.

Many executives who believe in the importance of culture may be having a difficult time defining and measuring their organization’s culture. It remains a catch all phrase without enough substance.



When implementing new strategies, you need to ask yourself:

1. Would that new product or service get implemented quicker and better if the organization encouraged achievement such that people readily take on challenging goals and accepted individual accountability?
2. Would problems in execution be solved quicker and better if there was an environment which encouraged team involvement, motivated people to serve as role models and ensured that ideas come forth?
3. Would consolidations of internal divisions or external organizations generate the expected returns if the cultures of those organizations were understood *well beforehand* and consolidation plans comprehended these differences?

Executives and leaders also need to be empathetic to the stresses that their employees are under. Many employees are very worried. And, even if their job is secure they may still be worried. Most will have at least some family or close friends undergoing major disruptions. Stress tends

to bring out some of the negative behaviors that might not be exhibited by employees in better times.

Can our people or teams become too competitive, achieving success at the expense of others, creating silos and win-lose mentalities?

Will they become preoccupied with the acquisition of power creating secretive, "political" organizations where people have little belief that achievement will be awarded in an unbiased manner?

Or, will people become passive, defensive and an attitude of "don't rock the boat" ensuring that problems are not uncovered, improvements to processes are not achieved?

In conclusion

An organization's collective behaviours must be documented and measured to understand whether an organization's culture is an enabler or a barrier to their overall set of corporate strategies. They must be compared against the ideal culture as defined by the executive team.

Creating this set of measurements will ensure that corporate culture does not stay simply in the world of rhetoric. Through the use of an appropriate strategic process it will enable a set of plans which can have immediate impact – and immediate benefits to transforming organizational culture to drive performance.

So take action. There are a number of systems and organizations that can facilitate the measurement of behaviors. But, take caution. Ensure that any organization or any tool set that you use is appropriately analyzed.

Like any process, culture assessment is only as good as the context of the measurement and the experience of the people analyzing and sharing the results. Make sure that any organization you might employ to assist you is committed and experienced to engage with you as you develop the appropriate prioritizations actions and *results*

Culture – fact, not rhetoric

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ACHIEVEBLUE™ Corporation helps organizations transform culture to achieve their ideal culture. ACHIEVEBLUE™ starts with a world class measurement system that has been tested over 25 years and utilized by thousands of organizations worldwide. ACHIEVEBLUE'S cultural transformation process is designed by and facilitated by professionals who understand and have worked with cultural improvement throughout their career. We will facilitate the development of actionable, measurable plans focusing on both short term and long term improvement.

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