

Driving results through culture

Why defining your organization by default ensures mediocrity **Interviewed by Paul Harvey**

Corporate culture — an organization's personality — is the sum total of the company's values, attitudes, beliefs, behaviors and practices of its members. But many managers may have just a vague view of their organization's culture and little background around how it came to be.

So how is corporate culture established in most organizations?

"By default," says Chris Edmonds, senior consulting partner with The Ken Blanchard Companies.® "And if organizational cultures are created by default rather than intention, you'll likely have people who aren't consistently behaving in ways that deliver high-quality solutions."

Smart Business recently spoke with Edmonds about how to assess your company's culture and how you can transform culture if you're willing to move away from seeing it as a soft and fuzzy, irrelevant concept.



Chris Edmonds
Senior consulting partner
The Ken Blanchard Companies

Why is culture so important?

Our research and research by Jim Collins, the Gallup Organization and others provides abundant evidence that work forces with engaged and accountable people deliver strong customer loyalty, increased productivity and higher profitability and return for shareholders. One of our culture change clients, Banta Catalog, generated a 20 percent increase in employee passion, turnover was cut by 50 percent and profitability improved 36 percent in the first year of the values alignment process. The creation of a purposeful culture — one that holds employees accountable for exceeding performance expectations while modeling the organization's declared values — is critical for business leaders in today's marketplace.

What are the ideal foundations and the realities of culture?

We talk about four foundations of culture, including vision, purpose, values and strategies. Vision is what you are striving to become and purpose is about what you are in the business of doing. Values are what you stand for and use as a guide for actions and decisions, while strategies are your plan for making your vision a reality while living your purpose and your values.

Unfortunately, most organizational cultures happen by default rather than by intention, and the existing culture of an organization can hold staff back from consistent high performance and strong engagement. Existing practices can actually ensure delivery of mediocre performance and poor customer service, which cost companies money every day.

Where will leaders find soft spots in their corporate culture?

Many organizations publish a mission statement and desired values, but values are not measured or monitored with the same discipline and diligence as goal accomplishment and performance. And culture often is viewed by senior leaders as soft, not relevant to performance and hard to put one's hands on. If you can't measure culture, it is seen as peripheral to core business operations. The trick is, if you're not getting what you want, then it's time to change those expectations.

How can culture be transformed?

First, you have to assess the issues with a purposeful culture assessment. The assessment differentiates between current reality

and best practices, provides a snapshot of current organizational systems and practices, and it can be used as a gap reduction or action planning tool.

After the assessment, you have to take proactive steps and intentionally create a culture that allows the organization to differentiate itself from competitors, to really live its values, and to really deliver on the promises it makes for products and services. Most senior leaders have never experienced successful culture change. Far fewer have led successful culture change. Senior executives and senior leadership teams must learn to follow proven practices that fit their unique environment and effectively manage obstacles and gain traction on the desired high-performance, values-aligned culture. The focus is not to simply identify culture issues but to map out strategies to address those gaps, execute that strategy, and see demonstrable improvement in performance.

What are the best culture transformation practices and their outcomes?

First, senior management must embrace and actively lead the change effort, and a steering committee should be in place to guide the change. You must ensure there is involvement at all levels. It's critical that all staff members are held accountable for demonstrating the new behaviors and rules, and finally, continued communication about the change and stories that reinforce the effort must be in place.

The outcomes to these best practices are numerous. Following the best practices creates involvement and buy-in for change throughout the organization and creates accountability for creating and sustaining the culture. Next, it provides a vision that people can relate to and increases organizational alignment and focus. It also aligns performance expectations, values and rewards systems, and creates a sense of community and pride. Finally, following best practices demonstrates measurable gains in performance and passion and creates an environment in which even small changes can have dramatic impact. <<

CHRIS EDMONDS is a senior consulting partner with The Ken Blanchard Companies in Escondido. Reach him at The Ken Blanchard Companies Web site at www.kenblanchard.com/edmonds.

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