Do You Have a Strong Corporate Culture?

Many companies say they want "a strong culture," but don't know why, or don't have any evidence that a strong culture has any measurable impact on their overall mission, vision, values or objectives.

What is corporate culture? Why is it important? How can companies define, measure and improve culture so as to drive bottom-line results?

A Set of Beliefs

The anthropological definition of culture, says Fred Miller of Deloitte Consulting, is, "a set of implicit beliefs that guide how people understand what's going on around them."

Sandy Gluckman, author of *Who's in the Driver's Seat: Using Spirit to Lead Successfully* (Corner-Stone Leadership Institute, 2007), puts it more simply: "It's how things are done around here."

Who can best define the culture of an organization? Surprisingly, not those who are engaged in it, says Karissa Thacker, an organizational psychologist. "The culture goes unnoticed by people who are really in it," she says. "It's like the air around them. It's just part of how you think about things."

Measuring It

Before they can determine whether they have a strong culture, organizations need to define what they mean by the term. To do this, says Jenny Schade, president of JRS Consulting, Inc., in Wilmette, IL, the first step is defining *specifically* what you're measuring. "If a company says it has a culture of diversity or open communication, what does that mean and what does it look like?"

Once defined, the next step is to match actual behaviors to stated ideals.

Mind the Gap

In many organizations, says Miller, there is a gap in terms of how corporate culture is described and how it's actually lived. "Look at the way people behave—not what they tell you, but what they *do*."

Schade insists on visiting a company and just walking around in the halls and noting what she sees. "For example, if a company claims a culture of diversity, I'll hang out in the cafeteria during lunch and see how employees are congregating. Do all of the executives have lunch in the executive dining room and never mingle with the people in the cafeteria? Do people in the cafeteria segregate themselves by certain groups?"

In addition, Schade talks with employees to compare the stated values with their actual experiences and beliefs. "If the company tells me 'these are my five values,' I'll show those values to employees and say 'what do you think — are these really the values?' If not, I'll ask them what would need to change to make it so."

Making It Matter

It is not enough to match what you say with what you do. The impact of the culture needs to be reflected in positive, tangible measures. And these measures need to go beyond the standard employee satisfaction scores and turnover numbers.

Low turnover and high employee satisfaction may feel like good things, but they're only important if they result in business outcomes you want. If you have very low turnover and very high employee satisfaction, you may have a fairly self-satisfied workforce that isn't driving itself to deliver. If you have very low turnover it may mean you're not really doing a good job of moving your dead wood out of the organization.

Nobody ever got rewarded with a higher stock price for having a great culture. "So," says Miller, "you have to ask: How are you measuring it? Let's dig in and understand why you're not seeing the results you want to see."

And, he adds, in tough economic times, a so-called "strong corporate culture" can be a stumbling block if it gets in the way of making changes that may be necessary to succeed in a competitive climate.

A Focus on Results

Rather than focusing on "culture," focus first on business results, says Miller. "If I believe that customer focus is important, where in my interactions with the customer could I improve the customer experience?" Examples: the first time a customer meets someone from the company, or the first time a customer calls a call center with a complaint, or the way the customer is presented with his or her first bill.

The bottom line is: How can you improve the business in ways that will lead to having that high-performance culture everyone professes to want? After all, when you're performing at a high level, you have a high-performance culture! ▲