

Improving Corporate Culture

By: Richard Spoon, CEO & Stephen Peele, Managing Partner

One of the more challenging discussions in today's boardrooms is the topic of corporate culture. Progressive organizations are working to adapt their cultures to be more inclusive and in tune with both the needs of customers and employees. The critical link needed is for culture to become relevant to the performance of the business. To change the culture, organizations must demonstrate how it impacts the bottom line.

Many executives perceive culture as a nebulous and an almost immovable element within their companies. It is something we tend to "put up with" or "work around" rather than something which can enhance our performance. Most companies are not aligned on a consistent definition of culture, therefore it is difficult to talk about it much less improve it. Add to this the perception that culture and bottom line results do not have a direct relationship, and many leaders shy away from the conversation.

In our research and work with clients we find the following four factors to be the main reasons business leaders do not address improving corporate culture;

1. The lack of an objective measure and framework for evaluating culture.
2. The challenge of aligning to a common definition or language to discuss culture.
3. The value of culture is not linked to bottom line results.
4. The management of culture is confined to the HR function, not the line management.

ArchPoint has pioneered techniques that help establish a basic framework and definition that gives executive leaders a basis upon which to discuss and manage culture. The result is a measurable improvement in market performance (sales growth) and a significant increase in employee satisfaction. *ArchPoint* has documented these improvements as a part of our client case studies and has proven that culture matters to the bottom line. We encourage and train today's executive leaders in the skills needed to manage culture. We also lead executive teams through the process of discovery and execution of culture initiatives. In doing this work around the globe, we have found that leaders who can master this competency are more successful within companies as they grow.

The process starts by asking some critical questions of your corporate culture. The purpose would be to unearth the things which stop work, decision, and ideas from flowing freely. Some of the questions that an executive might ask about their corporate culture include;

- Is our culture conducive to the development and sharing of best practices and corporate learning?
- Do my managers work well cross-functionally?
- When working in teams, are decisions inclusive or autocratic?
- Would people describe our work environment as trustworthy and collaborative?
- Are people held accountable for their results?

As we work with clients who are interested in changing their culture, we often recommend they;

1. Develop a framework to create a dialog around corporate culture
2. Complete a gap analysis to determine which corporate values need to be developed further
3. Link the culture to the needs of the marketplace (customers, employees, stakeholders)
4. Establish a leadership development program which includes culture management skills
5. Hold leaders accountable to the values of the organization as well as business results

Culture is a relevant component of business performance, because it determines how your people behave at the “moments of truth” with your customers, your suppliers, and even one another. Because it is so pervasive in its influence, executives must know how to manage it and move it. In an increasingly competitive world, executives who can add this skill to their repertoire will not only lead more successful businesses but more influential lives.