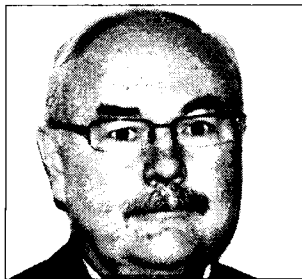


Culture by design: Shaping a cultural edge

SCNetwork's panel of thought leaders brings decades of experience from the senior ranks of Canada's business community. Their commentary puts HR management issues into context and looks at the practical implications of proposals and policies.



Matt Hemmingsen

In search of the Holy Grail

I have often viewed corporate culture as the Holy Grail — not so much in the religious context, but more from an illustrative perspective. Corporate culture is the lifeblood of an organization — its values, its beliefs, its behaviours, its rituals and its ceremonies. Culture is

eventually causes its demise. This is where leadership is key — managing the two dimensions of stage and strategy — the ability to transform or shape the company's culture for each new challenge. Think Caterpillar, IBM, Dell and Johnson & Johnson. All retained their core values yet shaped their culture to meet emerging challenges.

As Edgar Schein, a well-known American academic and author, has noted: "Leadership requires not only insight into the dynamics of the culture but the motivation and skill to intervene in one's own cultural process. To change any elements of the culture, leaders must be willing to unfreeze their own organization."

The strength of a company's culture eventually becomes its Achilles heel. That which once made it great, eventually causes its demise.

not tangible, yet it permeates every aspect of how and why a company conducts its business.

For the most part, the challenge is in the shaping of the culture. Sherrill Burns poses the question: "A culture by design or by default?" To Burns, a culture can be designed when one removes inherent organizational barriers associated with work and strategy — a rational perspective. Adding to that perspective, and from my experience, culture is also the emotional and social side of an organization. It is its heart.

A company's culture is shaped by its leaders who generate the requisite energy to ensure the longer term success of their organization. It is the leaders who create, nurture and embed a culture. It is they who are the architects and owners of that culture.

Leaders influence the culture of an organization by recognizing two scenarios — the life cycle stage and the strategic issues facing them. Each scenario brings unique and challenging variables.

Leaders must be able to detect how their culture shapes strategy, structure, systems and the way in which work is done. As an organization moves through each life cycle stage — start-up, growth, maturity and eventually turnaround — it is critical for leaders to judge whether the existing culture is flexible enough to adapt to its new environment. If not, the company risks decline.

In all my HR leadership experiences, I found the strength of a company's culture eventually becomes its Achilles heel. That which once made it great,

You can't treat clients well and employees differently and expect people to ignore the disconnect. This is fundamental to effective culture.

Lack of this has got to be one of the biggest questions in HR and managing people. The day

"Do unto others as you would have them do unto you." It's simple, clear and easy. Why isn't this the motto for all organizations?

after the presentation, I ran across a comment on an HR blog that I immediately referred to in my own. Diversity being what it is these days, this came from a vice-president, with a Southeast Asian name, of an American subsidiary of Oracle that has offices worldwide. It probably reflects how widespread the problem he mentioned is. I'm sure you've run into it — I certainly have on numerous occasions in various forms.

The problem? He asked how it is that bosses ask their subordinates to co-operate with each other, share information, work collaboratively, find joint solutions and cross silos if need be for clients and then fail to behave that way themselves. It's an excellent question that goes to the heart of culture and culture challenges.

These bosses know what's right, what will work best to solve problems and avoid further ones. However, they have careers to worry about. They want to get ahead. They feel they must compete with peers, even ruthlessly when necessary. While they may be prepared to co-operate sometimes, they'd prefer to see the other executive offer first, just to be on the safe side. The higher we go in organizations, the more autonomy bosses have to behave as they feel they must. No one can seemingly tell them not to. The higher you go, the more you have to lose. The CEO may well be occupied with other issues and simply expects his team to do the right things.

Most likely, no executive sets out to violate the golden rule every day, but caution leads them toward letting personal safety take precedence. Don't broadcast weaknesses and don't reveal information others might need if it will reflect badly on yourself. Of course, not everyone behaves this way. But if it's the majority, their example will completely discourage openness and trust at lower levels because, if you reveal something about your department you've revealed a weakness that reflects on your boss' operations. Cau-

tion, if not outright fear, too often prevails.

This is why both presenters continually pointed out that it takes a lot of time and repeated emphasis from bosses right up to the CEO to encourage — and model — the sort of positive, open, problem-solving cultures we so desperately need to boost creativity, get results and win hearts. And it's why past pre-

her clients, Pat McNamara, president and owner of Apex Public Relations. Her enthusiasm about her company, the employees and the myriad ways she supports cultural objectives by explicit, concrete behaviours was immediately evident. This kind of leadership, supported by understanding the dynamics of the culture she wanted to have in her firm, is reflected in the growth of revenue and clients, in the low turnover rate of clients and staff and in the satisfaction employees demonstrate through commitment to the company and its clients.

So what has McNamara been able to accomplish that so many organizations have failed to do? It's not just about size. Although smaller organizations tend to feel the impact of the leader more directly, most do

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not succeed in implementing and instilling a culture as effectively as she has been able to do. It is really about a clear vision, reflected in desired behaviours (and a small enough list that everyone can understand them) combined with a clear alignment of the organizational design, systems, procedures and policies that reflect the desired culture.

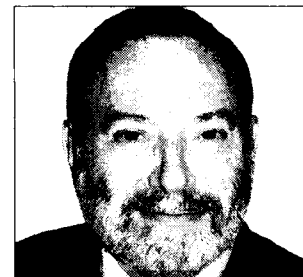
Over the years, McNamara has had to modify approaches to remain consistent and she demands of everyone — including herself — that behaviours reflect the desired cultural values. In larger organizations, a focus on financial or operating results and processes can result in confusion as to who the leader really is. But culture is all about people. If the organization is not designed to be people-centric, then attempts to instill a particular culture are likely doomed from the start.

Burns and McNamara presented together to demonstrate that when theory and learning are applied, the desired results can be achieved.

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senters have emphasized 360-degree feedback at the highest levels of management to reveal gaps and strongly motivate collaboration. How many bad habits creep into cultures that are no one's "fault," just "understandable precautions"?

Dave Crisp is SCNetwork's lead commentator on leadership in action. He shows clients how to improve results with better HR management and leadership. He has a wealth of experience, including 14 years leading HR at Hudson Bay Co., where he took the 70,000-employee retailer to "best company to work for" status. For more information, visit www.CrispStrategies.com.



Barry Barnes

'It's not only what you do, it's the way that you do it'

Sherrill Burns stressed all the research her firm has been doing on culture speaks to the issue of visible behaviours and actions as the way to transform corporate culture. And the responsibility starts at the top with the leader's consistent behaviour. But, like an iceberg, the real substance is hidden below the surface. All we can see are the behaviours driven by peoples' values and beliefs.

In order to move to a new or different culture, there needs to be an alignment between the strategy of the organization and the desired culture. The "fit" has to be assessed to fit the context and the cultural dynamics at work. Most organizations fail at this matching and, as a result, real cultural change is derailed. Further, it is clear that the commitment of the leadership at all levels has to be there. Cultural change cannot be delegated.

Assisting Burns was one of



Dave Crisp

Do unto others

Both of the presenters highlighted Isadore Sharp's key principle for his highly successful culture at the Four Seasons — the golden rule. It makes eminent sense, so much so that virtually everyone would agree.

"Do unto others as you would have them do unto you." It's simple, clear and easy. Why isn't this the motto for all organizations? Culture is an issue for all and everyone who provides service to clients needs to treat staff well to ensure they are on board with excellence.