

The CEO Refresher

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Does Your Organization Have a Balanced Culture?

by Gerry Schmidt and Lisa Jackson

Navigating increasingly complex business challenges in today's world requires leaders with fresh approaches and sharper tools. If vision defines where the business is headed, and strategy is the road map for how to get there ... culture is the engine which determines the speed, performance, and comfort of the trip.

To get peak performance from the culture engine, today's leaders must deliberately shape and manage culture as an asset and a process. In fact, during periods of change, your company's culture is a critical leverage point. Any change throws a system out of balance. In business, the acceleration of change is creating paradoxical tensions that can't be easily resolved -- long vs short term focus, speed vs stability, consistency vs adaptability. Finding the balance point in these paradoxes lies in addressing your culture.

And while the link between culture and performance is proven by research, culture remains largely untapped - and unrecognized - as a resource in most companies.

What is Culture

Simply put, culture is "how you get things done" in your organization, including how you:

- Coordinate and collaborate across functions and geography
- Solve problems and make decisions
- Launch and support teams
- Hire, fire, pay and promote people.
- Respond to stress and handle conflict (a particularly visible way to assess culture)

The Importance of a Balanced Culture

Like the health of any system, lack of balance in a company's culture may take years or decades to erode the business, but it will -- and often in ways you can't see.

In creating a balanced culture, all factors are not equal. The latest research shows that balance among *specific* cultural traits is the winning combination for driving exceptional and sustainable business performance:

Top down mission plus Employee engagement

Customer responsive plus Consistent and stable

Short term performance plus Long term growth

Innovation plus Reliability

Measuring Culture and Linking it to Performance

Using a balanced culture to drive business performance begins by knowing where you are. A powerful approach to measuring culture is the Denison Culture Survey. This tool compares your culture against benchmark data of over 3000 companies and links the strength of your culture directly to seven common measures of business performance:

- Profitability
- Market share
- Quality
- Sales growth
- Innovation
- Employee satisfaction
- Customer satisfaction

Further, the Denison Survey shows the highest leverage points for bringing a culture into balance *and* accelerating performance. It avoids the all too common "spray and pray" approaches, where ROI is questionable or non-existent. And the language is intuitive so that everyone from the CEO to line employees can understand and relate to it.

How to Build a Balanced Culture

Once you have a clear picture of "your culture today", what is the process for creating a more balanced culture?

There is no recipe that works for every leader and company. Variables are endless: Market timing. Leadership maturity. Product or business life cycle. Acquisitions.

The following six steps provide a framework and model that is scaleable and effective to restore balance during any change - whether launching a team or undertaking a 10-year culture change to bring a company back from death row:

1. **Establish Urgency.** This is where motivation is built.

SUCCESS SECRET: Any change requires that people come out of their comfort zones. You can motivate anyone short-term with money or incentives, but if you want sustained energy and aligned action, you have to constantly remind people how "something new" is better than the familiar. The story must evoke emotion and feeling, vs just facts and analysis.

2. **Define Direction.** This is where the dream is built.

SUCCESS SECRET: An effective process of creating a clear and specific image of where you are headed aligns powerful leaders and influencers toward a common direction - no small feat. Ensuring that this links to a well-defined business strategy is important in this step ... but it must begin with an inspiring vision.

3. **Charter a Change Team.** This is where sponsorship is built.

SUCCESS SECRET: One bold, impassioned believer who has power and credibility needs to launch the change effort, then organize a team to actively drive the change effort. These people must be courageous, creative, and have a high "like-ability" factor. But the sponsor must stay engaged and not delegate the responsibility to HR, a team, or outsiders.

4. **Communicate, Communicate, Communicate!** This is where engagement, ownership, and empowerment are built.

SUCCESS SECRET: Don't communicate too much before creating visible change in a point of pain - "doing before telling" is a much bigger convincer than the opposite sequence.

5. **Align and Empower Leaders & Employees.** This is where momentum is built.

SUCCESS SECRET: Leaders must show they are willing to get their hands dirty and make changes themselves. "Be the change you want to see." People will make hard changes more willingly if they see leaders doing it first.

6. **Align Infrastructure and Increase Accountability.** This is where true balance is built - the capacity to continuously reinvent your company.

SUCCESS SECRET: If you want real change, work to create an endless, relentless, persistent feedback-culture. Do it through daily behavior, through systems, through metrics. Do it with employees, customers, and vendors.

If you utilize the success secrets above you will build a more balanced culture, and therefore drive greater performance.

Gerry Schmidt, Ph.D. and Lisa Jackson are principals of Jackson & Schmidt, LLC. As corporate culture experts, their primary focus is on the measurement of company culture, the step-by-step process of improving culture, and its impact on bottom-line business performance. They are currently writing a how-to book on effective processes for improving culture. They can be reached on the Web at www.jacksonandschmidt.com.

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