

Complimentary Sample Chapter

SOUL *of an* ORGANIZATION



**INCREASING PRODUCTIVITY AND PROFITS BY ASSESSING,
IDENTIFYING AND IMPROVING YOUR CORPORATE CULTURE**

RICHARD GALLAGHER

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Understanding Your Business Culture

In May of 1979, at the start of a busy Memorial Day weekend, a terrible air tragedy riveted the world's attention. An American Airlines DC-10 lost its right wing engine on takeoff from Chicago's O'Hare Airport and crashed seconds later in a fireball, killing all 271 people aboard. This accident, which eventually led to the grounding of all DC-10 aircraft for over a month, was later traced to problems with an engine maintenance procedure developed by American's own mechanics.

Nearly a generation later, on May 11, 1996, another air tragedy again dominated the media. ValuJet flight 592, a jetliner carrying 110 people, plunged nose first into the Florida Everglades after a fire broke out in its cargo hold, killing all aboard. This time, an investigation discovered that mislabeled oxygen canisters loaded by a third-party maintenance contractor had ignited, causing the crash.

The aftermath of these two incidents could not have been more different for the business fortunes of these carriers. American, rated at the time as the number one airline for customer satisfaction, did not experience any long-term drop in revenue after its accident. On the other hand, ValuJet, a startup low-fare carrier which had long been under fire for its labor practices and maintenance procedures, found itself grounded - and shortly afterwards changed its name by acquiring low-fare rival

AirTran Airways. The telling lesson here is that one carrier with a strong service culture survived a tragedy that *was* its fault, and while another carrier that lacked one was quickly forced out of the skies following an incident that *was not* its fault.

So what does the fate of two major airlines have to do with your own business, workplace or other organization? Plenty. For them, success or failure hinged upon underlying core values, which in turn drove their daily business decisions. The same is true for you and your business, and many people in business today never realize what a dramatic impact these values can have upon their own success in the marketplace. Let's look at one example that shows how even the smallest businesses need the right values to survive and flourish:

A tale of two farmers markets

Years ago, the author once stopped at a large farmers market on the outskirts of a town in Pennsylvania. Nobody said hello, and most of their "help" just sat there and stared as I walked in. Trying to find some tomatoes that were ripe enough to use for dinner that night, I picked through about a dozen before a surly farmer strolled over and drawled, "Boy, you going to eat those tomatoes or frame them?" More recently, I came back to town and found this market now boarded up and out of business.

This market was part of a farm that had been in existence since the 1700s, and if you were to interview them about why they went under, they would probably talk angrily about how they can no longer compete in a world of 24-hour supermarkets and tight profit margins. But if they were to get into their cars and drive a few hours north to another farmer's market in a small central New York town, they would find hundreds of people crowding to get in every week. This farmer's market has lots of fresh produce, along with the sounds of strolling musicians, the smell of fresh baked pastries and ethnic foods, local arts and crafts, friendly people, and the feel of a community gathering place. And despite gleaming new chain food stores sitting right down the road, business is booming at this farmer's market, with no signs of slowing down.

Situations like the ones above underscore that in business, as with life itself, the deeper values of *who you are* become vastly more important than *what happens to you*. But in daily work life, most businesses focus on the latter and pay scant attention to the former. They worry about their production schedules, their deadlines, their competition, and their financing, but rarely look inward at themselves. That's why, when you ask most people what their workplace culture is like, they will look at you quizzically and say, "well, we're here to work, aren't we?" But this intangible thing that most people never talk about, this gestalt that we call "business culture," may perhaps be the most important factor in the growth and survival of any business. Understand this fact, and you can reach levels of success that are unimaginable for most people.

Defining business culture

The dictionary defines culture as "the customary beliefs, social forms, and material traits of a racial, religious, or social group." It is derived from the same linguistic roots as the word *cult*, itself taken from the Latin term "to adore." In an organizational setting, the meaning of culture extends to the core beliefs, behaviors and actions behind its daily business life.

Every workplace has a culture all its own, one that may be good, bad or indifferent. As often as not, its values are unspoken. But they form a powerful influence on the behavior of those who choose to be part of that organization. Their tenets help people self-select the groups they want to be associated with - the hipsters who start a media firm, the suit-clad accountant who goes to Wall Street, and the deeply spiritual person who joins a non-profit social agency are all influenced by this tacit sense of culture. And while rarely discussed openly, it is nonetheless extraordinarily powerful. Its core values are a conforming influence that change only with great effort and consensus, and self-perpetuate themselves even as companies grow to include thousands of people spread across the globe. It is nothing less than the soul of an organization.

So, what exactly is a business culture? Let's take a look at some of the things that it is - and more importantly, is not:

A business culture is not

Your products and services
Promoted externally
Your policies and procedures
Your recruiting process
What behaviors you say you want

A business culture is

Your values and beliefs
Generally unspoken
Your style
The types of people you hire
What behaviors you reward

Much of what forms your business culture is neither good nor bad. It simply defines the context of who you are, and that context then drives your day-to-day actions in the marketplace. One company may be a casual environment with loud rock music blaring, and another may be buttoned-down and professional - and both may be successful companies. One may have a generous refund policy, another may pinch every penny - and again, both may be successful within their own niche. It is when the values of a business culture conflict with larger values in life, such as respect for employees, fair treatment of customers, or business ethics, that problems can arise. Conversely, the development of strong business culture values can often lead people to transcend both their competition and their marketplace. For example, one restaurateur in a small upstate New York town has proved repeatedly that when you create the right system of values, crowds naturally follow you:

The system behind a world-class restaurant

Ithaca, New York is a college town of less than 100,000 people - not where you would normally invest \$2 million to build a spectacular 200-seat waterfront restaurant with over 100 employees. But to local restaurateur Mark Campagnolo and his partners, this unprecedented gamble was no gamble at all. With almost no advertising other than word of mouth, lines of customers stream out the door of **The Boatyard Grill** every weekend, and sometimes a three-hour wait for tables is not unheard of.

As a former chain restaurant executive, Mark got to see first-hand what worked well in successful restaurants. From there, he returned to Ithaca in the late 1980s to transform a sleepy, long-closed family Italian restaurant into one of the top 300 private restaurants in America. But more importantly, he saw where breaking the mold of most large multi-unit operations represented an opportunity to succeed on a grander scale, and The Boatyard Grill represented an opportunity to put these ideas into practice from scratch.

First and foremost, Mark runs a tight ship. His waitstaff spend over a week in training classes, complete with lectures, videos, tests and practice sessions, before they ever get near an actual diner. There are strong operating procedures for everything from how soon you are greeted to when you get your check and change, and managers are on the floor at all times. But more importantly, he lives a philosophy where employee and guest relationships govern over the usual "numbers" that drive most food service operations. "We're based on certain values, and our principal one is to build guest loyalty rather than maximize the average check. A lot of things that make us who we are aren't in a policy manual. Waitstaff check on each other's tables. People will walk customers out to their cars with an umbrella when it's raining. We even stock little flashlights and inexpensive reading glasses up front for when elderly people have trouble reading the menu in our soft lighting."

Above all, they look out for their employees. Many people on Mark's team have worked with him for years, while others have left with hefty pensions. Today, there is even more of a focus on career paths at the new Boatyard facility, where promising employees have the opportunity to become shift leaders, trainers or managers. And it's not unusual to find the whole team going to Buffalo together for an NFL football game, or groups of employees hanging out at the restaurant off-hours as paying customers themselves.

The end result is a restaurant where people genuinely like taking good care of their customers, from big things like special occasions to little ones like remembering what you ordered last time. According to Mark,

"Above all, we try to get everyone past the idea that a customer is a transaction. When you feel that way, it shows in everything else you do."

Understanding your core values, and putting them into practice, is truly a hidden profit margin. The Boatyard Grill doesn't just do a little better than other restaurants in the area - it completely blows them away. Is it because of their food? Mark Campagnolo is the first to admit that the Boatyard isn't what you would call a fine dining establishment. "We even have kid's meals and fishermen's platters on our menu, not exactly what you'd find with haute cuisine." How about having a brand new facility? Mark previously led an old, brick family restaurant built in 1932 to become one of the top restaurants in the country. Most diners at the Boatyard Grill will tell you that it simply feels different at his restaurant. They feel special there, people take good care of them, and they have a great time - and return over and over. It is a formula based around best practices that you'll never see on their menu.

Very few firms have a business culture department. For all of its importance to your business, you can't simply look in a specific place and find it. Look critically at each of the workplaces you have been involved with in your own career. It is likely that they all had deep, ingrained values that governed their way of doing business. They might have been good values such as diversity, respect, hard work, and front-line authority, to name a few. They might also have been counterproductive values such as parochialism, mistrust of employees, and command-and-control decision making. But either way, they undoubtedly had strong values - and in all likelihood, these values were not only unwritten, but unspoken as well. In most workplaces, you rarely hear these values discussed openly. People simply demonstrate them in the way they do jobs every day.

While the values behind a business culture may not be well documented, they are certainly well understood. It is a tradition that is maintained by example in most cases. These values are passed along with unmistakable certainty from co-worker to co-worker, and manager to employee, in the form of each of the many daily worklife decisions that form our jobs. At a more global level, these values are transmitted by the decisions made at the top of an organization. And compared with formal

pronouncements such as mission or vision statements, it is within these exchanges that the *real* culture is passed along.

The simple fact is that you already have a business culture, even if you are a small family business – and this culture may be much more important to your success than the factors you normally think about. Businesses with poor cultures have failed despite great products and balance sheets, and ones with great cultures have prevailed under much more difficult circumstances. By understanding and managing your own culture, you have a better chance to play to your strengths – or change your weaknesses.

So, in a world where there are few "business culture departments," how do you get your arms around the concept of this culture? And more importantly, how do you put it to work to improve the success and morale of your own workplace? Perhaps the best place to start lies in examining how much organizational behavior has in common with human behavior in general. In many ways, business culture parallels human culture:

- It is a badge of identity for the members of a group
- It serves a greater good
- It supports long-term goals
- It can change as a result of major life events
- It transcends the individual

Above all, both business and human cultures are part of humanity's lifelong efforts to create systems that predictably influence human behavior. If you look critically at firms who enjoy lasting success in the marketplace, you will often find core values that, in turn, drive their day-to-day operations. They may be intangible, but you can practically sense them as you walk around the workplaces of these firms. *And when you consciously understand and manage the core values of your own workplace, you gain the ability to succeed at a level far beyond the majority of organizations who do not.*

Strong values turn even small businesses into great businesses

One afternoon, more than two decades ago, the author and his wife went apartment hunting in suburban Seattle. We happened to tour one complex alongside a polite young man who had just moved to the area, and we asked him what he did for a living. He smiled and said sheepishly, "I work for a startup company that you've probably never heard of. It's called Microsoft. We have a handful of employees nowadays, and I helped write a product of theirs called Microsoft Basic." A generation later, Microsoft - which had its roots as a small company known as Traf-o-Data, writing software to control traffic signals - has now become one of the world's largest corporations. And our friend probably no longer lives in a \$400 per month apartment in Bellevue, Washington.

The majority of today's large businesses were once small businesses, but ones with a very clear vision of who they were and where they were headed. While not every small business grows as big as Microsoft, and many would not want to, this is a common denominator across nearly every successful firm that started small. Their values as small businesses had a major influence on whether they had the opportunity to become larger. Now, let's turn the situation around, and look at the attitudes behind a computer firm that failed despite the hottest personal computer market in history, and the backing of a large multinational corporation. A chance encounter a few years ago gave the author a rare chance to see the impact of this organization's corporate culture for himself:

The zombies next door

I had purchased a laptop computer made by a firm whose view of service was consistently shoddy at best. They advertised a 24-hour overnight replacement policy, but when my CD-ROM drive broke, I was told, "Sorry, we're all out of replacements. You'll have to wait three weeks." When I had complex technical problems (I am a very savvy computer user), indifferent support representatives would tell me in a monotone to reload Windows and hang up. Even their supervisors were like zombies. It

always seemed like people never gave so much as a moment of thought to my problems before pushing me off the phone with a bad answer.

So one night, I was looking at the manual for this product - by now, the only real resource that I had to turn to - and happened to notice this company's address. It was strangely familiar. In fact, it was on the same street as a software firm that happened to be one of my major consulting clients. On my next trip to visit them on the West Coast, I came in to work and saw that the two firms actually shared a common parking lot!

The next morning, I made it a point to come in bright and early, staked out a window, and just sat there and watched as employees from the two companies came in to work for the day. People from my client's firm walked tall, waved hello to people in the parking lot, and smiled and joked with each other as they walked in to work. Meanwhile, the other firm's employees trudged in silently, many with their eyes focused on the ground and their shoulders hunched. They looked like convicts marching off to jail.

I have no idea what things were like inside the walls of that company. But taking a look at my own service experiences, and then holding them up against the looks on the employees' faces, my perception was that both employees and service were unwanted costs, to be reduced wherever possible. And indeed, this company succeeded in reducing these costs to zero, because they exited the computer business shortly afterwards.

If there is one common denominator in both of these stories, it is that business practices matter, but business culture matters even more. The computer firm above had a reasonably good product, a state-of-the-art call center, and the backing of one of the world's largest companies. But it went down in flames because it couldn't engage the hearts and minds of the people who worked there - and customers noticed. I personally will never again buy *any* product made by this corporation, because their computer division consistently violated my trust. Conversely, Microsoft has long been recognized as a strong investor in customer service infrastructure, from on-line knowledgebases to state-of-the-art ergonomics

in its workplaces. Values like these are part of the real secret behind how a small group of people created a multi-billion dollar empire from scratch.

Five Myths about Business Culture

As important as your culture is, it remains one of the most misunderstood concepts in business today. People often confuse it with more specific things like internal policies and procedures, or dismiss it altogether as a "soft science." For this reason, strong cultures may be common among leading firms, but remain rare among businesses as a whole. Let's take a look at some of the most frequent misperceptions that surround the subject of your business culture.

Myth #1. Culture means putting your values in a mission statement

Try an experiment some time. Make a list of the companies who have given you terrible customer service over the past year, and then look up their mission statements. In all likelihood, most of them will express values that are directly in conflict with the experience you received from these firms. In fact, you may have a similar experience to what one university president experienced several years ago, when his board of trustees asked him to develop a mission statement for his school. He surveyed the mission statements of dozens of other universities, and made an amazing discovery - they were almost all exactly the same. But the schools behind them certainly were not! Very often, judging the culture of an organization from its mission statement is similar to judging a product's quality by its advertising slogans.

When author Stephen Covey proposed the concept of a mission statement in his groundbreaking book *Seven Habits of Highly Successful People*, they were intended to help organizations develop a purpose and scope for their daily actions. For some organizations that sincerely practiced what he preached, the development of a mission statement accomplished its goals. But as the concept became elevated to rock-star status during the 1990s, every business soon had to have a mission

statement. And if you compare many of these mission statements to actual behavior, it often became an egregious case of management-by-slogan that had little or no effect on business reality in the trenches.

Strong cultures don't necessarily need a mission statement - but they need a *mission*. An idea that inspires people to be part of something greater than themselves. For example, when man first started to explore space, it captivated the public - and motivated thousands of scientists and engineers to join workplaces that accomplished what had never been done before. Or, on a smaller scale, imagine a well-liked and trusted local dentist who has been in practice for 25 years. He has no mission statement - and in a sense, no need of one. His core values involve being honest, straightforward, and not practicing "sales dentistry." Putting these values into a public statement would probably sound hollow and self-serving, sort of like saying "I don't beat my wife." But he has no misconceptions about what these values are, and lives them in his daily work. As a result, he has a thriving practice built on word-of-mouth clients. Both these scientists, and this dentist, have missions.

Is it important for you, and your employees, to understand the core values behind your culture? Absolutely. Is it a good idea to write them down? Sure, if that helps everyone understand these values. But don't confuse this very important need with crafting a mission statement, which is a public statement that defines your business purpose. And most importantly, don't ever make the mistake of thinking that a mission statement alone will define or change your culture.

Myth #2. Culture is mainly an issue for larger businesses

By virtue of its very name, the term "business culture" often implies the environment of a large corporation. Perhaps as a result of this, many small businesses often don't stop to realize that they have a business culture, and the effect that this culture has on their bottom line. Let's take a look at one successful marketing agency, and how their values of being technically savvy and responsive defined their success in the marketplace:

From the basement to the big time

Few businesses started smaller than Pittsburgh's Communitech. For Pam Selker Rak, her dream of a high-tech public relations firm started in the basement of her house, shortly after breaking away from the latest in a series of corporate marketing jobs. But there were core traits that set her apart from the average marketing writer. For one thing, she produced quickly - it wasn't unusual for her to complete a project or place an article almost as soon as it was assigned. Moreover, she made it a point to speak her clients' language - which in her case, meant going from a journalism background to understanding hard-core computer networking and software applications. She even hired a professional cartoonist to help position her business in the marketplace, inventing a "virtual employee" by the name of Marc Com (after a common industry shorthand for "marketing communications").

Today, Rak's firm has grown to become a major regional agency. Communitech was recently voted "Business of the Week" as one of the area's up-and-coming firms, Pam herself was recently honored as one of the top 50 businesswomen in Pennsylvania, and her firm now counts giants such as IBM, Bayer and Cornell University among their clients. And they still know what TCP/IP means.

Pam and her company work in an environment that is dominated by large ad agencies and public relations firms. However, she manages to use this to her advantage, by being responsive and tapping a niche market where clients need her expertise in thinking like them. Instead of trying unsuccessfully to be another national ad agency, she succeeds by knowing clearly who she is - a strong marketing partner for the technology community - and doing it better than anyone else.

Sadly, culture works against small businesses more often than it works for them. Large corporations, particularly in service businesses such as retail and food service, often invest in training people to reinforce a common sense of who they are. So, for example, while the proprietor of a small business may hesitate to give a customer a refund when there is a

problem, an entry-level person at McDonalds or Best Buy would probably take care of the same problem without a moment's hesitation. Small businesses must often understand that the humblest front-line employees of many national chains know more, and often a lot more, about service than they do.

The same is true of the working environment of smaller organizations. For example, a young relative of the author recently took a job at the dining hall of a small, private college, and left after less than one week. During that week, she saw cooks constantly yelling at everyone, people refusing to help each other, and even a mass walkout by the dishwashers after one of them was spit on by a student, and managers did nothing about it. Of three new employees hired that week, only one was still there by the end of the week. I later asked a colleague in the food service business how things could get this bad, and expected to hear about issues such as lack of management training, limited career options or low pay. Instead, he said simply, "We have a system behind what we do. Our system would never allow things like this to happen. They don't have a system." More accurately, they don't have a sense of what is wrong with their own culture.

Myth #3. Business culture is relatively static.

We tend to think of most businesses as monolithic entities. In reality, they often involve groups of individual cultures and sub-cultures, which may or may not behave according to larger principles. On a day-to-day basis, what people perceive about your business can vary from person to person, from workgroup to workgroup, or as the example below shows, from location to location:

Chains don't always equal consistency

There is a chain restaurant with several locations in the area where the author lives. Visiting one of their restaurants one day, my wife and I waited for what seemed like an eternity, waiting for one of the many employees flitting by to even make eye contact with us. Once we were finally seated, a waitress stopped by ten minutes later, acting like she

wanted to be a million miles away. We placed our orders, and after another long wait, a couple of burnt sandwiches were dropped off without a word.

The same week, we went to another branch of the same restaurant, 20 miles away. Here, we were greeted immediately, a friendly waitress took our order at once, and we were served food cooked to perfection. While we were eating, I couldn't help but notice that the manager was quite visible on the floor, making small talk, pitching in, and encouraging everyone on the team.

Does this chain have a culture? I don't know. It has a menu. But each of these individual restaurants certainly has its own culture. And if you ask practically anyone I know, they will tell you that they generally avoid the first restaurant and like the second one - and in general, there is an amazingly consistent "group think" that develops from individual experiences. As a result, consistent success often depends upon how well you can maintain consistent values, in every corner of your organization.

Myth #4. Good cultures are invariably successful.

You can make a good case that a strong business culture is one of the most important factors in your success. At the same time, it is one of many other factors that drive your business. If you decide to open a restaurant that specializes in serving fried possum, perhaps no amount of business culture will guarantee your success. Conversely, if you have a product or service that sets the market on fire, you may succeed even without the best values in the world - at least in the short term. Here are some of the factors that mitigate the impact of your business culture:

Sometimes the bad guys win. While many - if not most - market leaders have strong cultures, most of us can also point to firms who succeed despite poor service or labor problems. When it seems like some companies flourish despite the feelings of their customers and their employees, there are often other factors at work. These may include better products, better services, a more competitive price point, or market leadership in a new technology area.

Perhaps most telling is that as companies like these succeed in the marketplace, their cultures often improve with the growth of the company. In perhaps the same way that some political insurgents become statesmen as their causes prevail, some firms do whatever it takes to succeed at first, and then build upon their successes by developing a more sustainable, lasting culture.

Being a good guy isn't enough. The landmark 1980s book *In Search of Excellence* profiled numerous firms who succeeded in the marketplace by getting close to their customers, and their employees. A decade later, a significant number of these firms faced financial troubles as competition or changing market conditions disrupted their business models. In a similar vein, some companies who have won the Malcolm Baldrige Award, America's highest honor for delivering quality, have found that the award was no guarantee of market success in future years. And unfortunately, the same is true for some firms who were once lauded for their business cultures.

Firms with great cultures and poor products, or weak marketing, or insufficient capital, can still fail in the harsh glare of the marketplace. What is telling, however, is how much more latitude organizations have when they have good cultures. Studies show that they retain customers and employees longer, spend less on marketing, and even have higher market values compared with similar firms. To succeed in the long term, these advantages must be paired with the right products, services and business model. No business can ultimately defy the laws of supply and demand.

Cultures can change. Life is change, and these changes frequently affect the culture of an organization. Trends in society evolve, markets shift, and key people come and go. Moreover, what worked for a company in the past may no longer fit the present reality.

Organizations make choices every day that affect their culture, and these changes knowingly or unknowingly guide their business fortunes in the future. For example, a small local vegetarian restaurant in upstate New York decided early on to seek a national soapbox for its recipes and workplace philosophy, and eventually the Moosewood Collective became one of the world's most recognized names in vegetarian cookbooks. Conversely, another local restaurant with dreams of expansion let their food and service quality slip as they grew, and went quickly from having

lines out the door to closing for good. In both cases, these businesses started with a specific culture at a particular point in time, and moved on from it as circumstances changed.

Each of these issues underscores the fact that businesses are not driven by their culture alone. Success in today's marketplace is, and always was, driven by a complex web of competitive factors. To prevail in the long term, an organization needs to keep on top of their overall business environment, and have the flexibility to react to changes in the market. At the same time, your culture combines with the other success factors that drive your business - and in many cases, ultimately transcends them.

Myth #5. Business culture is a "soft skill."

There are still leaders today who believe that corporate culture is one of those "soft" concepts that has little bearing on their bottom line. As a result, some businesses would sooner send their employees on a spiritual enlightenment retreat than look critically at their corporate culture. As a result, they give scant attention to what is often one of the most powerful forces shaping their business destiny. Conversely, for many leading organizations, culture is the place where they start - including one of the world's elite military units.

The U.S. Marines: The culture behind "the few and the proud"

Few organizations are less touchy-feely than the United States Marine Corps. But according to a study led by McKinsey consultant Jason Santamaria, the Corps serves as a model for developing a culture that inspires and motivates its front-line employees. Some of its practices that translate to the business world include:

- *Developing core values:* Marine training is 12 weeks long, and isn't aimed at developing job skills - it focuses almost exclusively on instilling its core tenets of honor, courage and commitment. Similarly,

the Marines' Officer Candidates School in Quantico, VA spends ten weeks teaching future platoon leaders the logistics and management theories behind leading a military team.

- *Preparing every person to lead:* In battle situations, every person must be prepared to take a leadership role. For example, the Marines extensively cross-train people to be able to perform any function within a four-person fire group during its infantry training, and rotate people among a team's duties to create a leadership "depth chart."
- *Attend to the bottom half:* Managers in most organizations focus their attention on their top performers, and let lesser performers weed themselves out. By comparison, the Marines view a team as being no stronger than its weakest link, and devote a great deal of personal attention to building the skills and confidence of people who are struggling.
- *Use discipline to build pride:* The Marines have lots of rules, and you have to obey them or you're out. But at the same time, they refuse to give up on people, and build teams who self-police their own code of conduct. By the time that recruits weather "the Crucible," a grueling 54-hour combat simulation, they have learned to take pride in working as a team under the most adverse circumstances.

Unlike a corporation, the Marines must keep most of their recruits for a minimum four-year enlistment. Many of them come from underprivileged backgrounds, and lacked self-discipline before they joined the Corps. Despite these factors - or perhaps because of them - McKinsey found that the Marines far outranked every for-profit organization they studied in creating morale and commitment among their front-line employees.

While there are many myths that surround business culture, some of its stereotypes are also accurate. Firms who pay attention to their cultures tend to be much more employee and customer oriented. Cultures that are actively promoted tend to become guiding principles for their parent organizations. And above all, firms who lead their market for a long

time - in almost any market - generally have strong cultures. By separating myth from reality, you can begin to take steps to understand and manage the culture of your own workplace. More importantly, you can start building this culture as a key asset of your long-term business capital.

Assessing your own workplace culture

There are all kinds of metrics for the financial side of your business or workplace. There are also good metrics for most aspects of your operations, ranging from productivity to turnover. But culture is a little harder to quantify - even when it has a dominant role in how successful your other metrics are. At the same time, there are key indices that you can measure to provide an overall snapshot of your existing culture.

The following simple test will provide an overview of the strengths of your own culture. There are two choices for each statement, representing different but equally valid perspectives on workplace values. Choose which statement applies more accurately to your own environment, and mark your answer as appropriate.

1. Answer: _____

- A. We have a "system" behind what we do.
- B. We take pride in figuring things out as we go along.

2. Answer: _____

- A. There is one clear guiding principle that drives our daily operations.
- B. We make most decisions situationally.

3. Answer: _____

- A. We primarily measure how well people reach overall quality and service goals.
- B. We primarily measure individual productivity and output.

4. Answer: _____
A. We feel that treating our employees well comes first.
B. We feel that treating our customers well comes first.
- 5: Answer: _____
A. Our front line employees have a great deal of autonomy and authority.
B. Things work more smoothly when managers approve variations from procedure.
- 6: Answer: _____
A. We have a wider variety of job titles and responsibilities than similar places.
B. We don't believe in having too many specialties within our workforce.
- 7: Answer: _____
A. Our projects often cross departmental boundaries.
B. We promote a great deal of departmental autonomy.
- 8: Answer: _____
A. We have a very structured recruiting process with substantial team involvement.
B. We leave the details of hiring to individual managers.
- 9: Answer: _____
A. People are primarily evaluated on how well they serve others in the organization.
B. People are primarily evaluated on how well they do their jobs.
- 10: Answer: _____
A. We are willing to "bend the rules" to react quickly to competition.
B. We are very careful about putting proven processes at risk for the sake of expediency.

11: Answer: _____
A. We are ahead of similar firms in our use of technology.
B. We are content to let others make technology mistakes and be "late adopters."

12: Answer: _____
A. We spend more time analyzing customer trends than competitors.
B. We spend more time analyzing competitors than customer trends.

13: Answer: _____
A. We feel that excellent customer service is primarily a process.
B. We feel that excellent customer service is primarily an attitude.

14: Answer: _____
A. We benchmark our processes by being "customers" ourselves.
B. We rely on customer feedback to benchmark our processes.

15: Answer: _____
A. We capture data about customer transactions and react to it strategically.
B. We respond to customer issues as problems arise.

16: Answer: _____
A. We foster job-related outside activities
B. We believe in keeping work life and outside activities separate.

17: Answer: _____
A. We are very active in using our professional talents in the community.
B. Our charitable and community activities are mostly financial in nature.

18: Answer: _____
A. We see even the most humble of jobs as professions.
B. We see entry positions as stepping stones rather than ends unto themselves.

- 19: Answer: _____
- A. We develop most leaders from within.
 - B. We hire the best leaders we can find, and many come from the outside.

- 20: Answer: _____
- A. Our employees are focused on the "big picture" of our organization.
 - B. Our employees are focused on their specific jobs.

- 21: Answer: _____
- A. Our upper management communicates with all employees at least weekly.
 - B. Our upper management communicates with all employees as events arise.

To interpret your score, count up the number of "A" choices you answered, and use the chart below to assess your own specific cultural traits.

If you had two or three "A" answers for this group of questions:	Then this is a strong cultural trait in your organization:
1-3	Operational excellence
4-6	Positive working environment
7-9	Teambuilding
10-12	Managing growth and change
13-15	Customer service
16-18	Passion for your work
19-21	Visionary leadership

Which of these traits are the most important ones? All of them. But every organization is different, just like every human being - which means that each one has its own unique set of cultural traits, and each has factors that are more important to their own business environment. This test represents a quick scan of where your culture aligns with the best practices of many of today's leading firms, and where you may find new ideas to

learn and grow from. (And if none of these areas score highly for your organization, don't worry - you have plenty of company, and some great new things to learn.) Each of these areas is discussed in chapter-length detail in the rest of the book - so read on, and see how other workplaces from all walks of life have built their own success around these core business culture traits.