

PHL|HP CONSULTING GROUP

Building and Sustaining High Performing Companies



A Message from
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NEWSLETTER, ISSUE 37

NEWSLETTER:
The Power of the Corporate Culture

The Power of Corporate Culture

I have always been a proponent of the impact and importance of Corporate Culture (CC) and have worked with my own company and those of my clients to recognize its power. The culture of a company can make a huge difference. It can accentuate the collective or it can be a distraction.

Recently I read an interesting article in Life Sci VC discussing the importance of CC in Biotech start-ups. While it was directed at that business sector, the principles are relevant to all businesses, small and large, start ups and established.

Quite simply “Better corporate cultures win. They recruit and retain the best people. They get more committed, excited, and engaged employees. They overcome challenges more effectively. And they inspire their teams to deliver great things.” How do they do it? There are many approaches, but first and foremost, they buy into the belief that corporate cultures matter and they make their corporate culture a priority, recognizing its impact on productivity, creativity, performance, and profitability. The CEO recognizes his/her role in defining and sustaining the CC and becomes a living model for it.

What is corporate culture? CC is “the collective product of how people behave and interact in a company.” **It’s what happens when no one is looking; the values, standards, principles, and beliefs of the company.** CC drives behavior by what is rewarded and what is not--on a daily basis, informally and formally. It is a factor in who is hired, promoted, and phased out. It is not just an aggregate of words to be placed on a wall, rather the underlying principles that drive your daily decision-making and behaviors. It is what you refer to when facing a very challenging situation or complex, gut-wrenching decision.

Positive well thought out corporate cultures reduce the friction of human interactions by providing a clear vision and sense of purpose for normative behaviors so that teams can channel more of their energies into productive team oriented, consensus driven pursuits. They become inspirational and a guiding star for how the company behaves, operates, and functions.

Most companies have a well-written CC and most contain similar words that leadership can articulate. However, what differentiates corporate cultures are **the people, their actual behaviors, and how they become the agents for what is acceptable and unacceptable by serving as models for the company’s common practices.** These practices are what make a culture distinctive (or not), and can be what creates a competitive advantage. In many cases, culture beats talent, wealth, or experience. Well-funded, more experienced companies can lose to nimble entrepreneurial ones that embrace cultures that encourage diversity, initiative, out of the box thinking, risk taking, and team work.

But, it starts with living the values that are contained in the CC. Talking the talk is not enough, rather we must “walk the walk.” As leaders, our behaviors matter in defining our companies, their personalities, and their success. Ideally, CC is built from the start, but we don’t always have that privilege and advantage. Fortunately, culture is a dynamic process and it can be enhanced, torn down, and rebuilt through the actions of the team and its leadership.

What Can You Do to Enhance The CC?

- Articulate and develop a clear, collective, and compelling vision for the company.
- Hire the right people who are not only talented, qualified, and motivated, but who are share your values and are the right cultural fit:

Successful hires are the result of Qualifications+Motivation+Cultural Fit S=Q+M+CF

- Affirm a set of operating principles and reward behaviors that are congruent with it.
- Make forgiveness a part of the culture so that people will be willing to take strategic, “above the water line risks” without fearing for their job security.
- Implement and model direct, honest, positive, and constructive communication.
- Have consistent contact with all key staff and periodic means of communication with all staff. In today’s world of technology there is no excuse for not being connected.
- Never allow toxic people to remain in your company. Quality people are essential to excellence and toxicity destroys any CC.
- As Pat Riley said, “There is No I In Team.” Diverse opinions and debate are central to getting to the right answer, so encourage team oriented behavior and input from all levels, but at the same time be clear on who has the ultimate authority in any situation---empower and hold accountable.
- Be committed to your continued professional development and that of your staff. Staff training, mentoring, and coaching says that employees matter and that you want them to grow with you. Great cultures develop their people and build future leaders.
- Evaluate staff regularly, removing those who are not performing and rewarding those who are leading the way. Reward excellence, both publically and privately.
- Establish high achievable standards through the “pursuit of excellence.”
- Be clear on what each person’s role is and how it contributes to the success of the company and its mission.
- Inspire, instruct, and include.
- Have fun, work hard, and celebrate success. Making the workplace enjoyable creates a sense of camaraderie and makes people want to come to work and be part of the success.

Your corporate culture is a part of every aspect of your business and a reflection of you as a person and a leader. Create a CC that you can be proud of and would want to have your children and grandchildren be associated with.

PHL **HP** Consulting Group looks forward to supporting our clients and partners in building and sustaining enduring **organizational excellence and transformative leadership**.

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