

Culture by Design

Or is yours by default?

By Jack Daly



YOU CAN SMELL a culture. How does your culture smell? Does it smell good, or does it stink? Do you have a culture by design, or by default? At times, it can be difficult to identify your culture, since you are part of it. Spend 30 minutes at a company, and you can describe the culture. Every company has a culture, so identify the key factors you seek and manage them accordingly. When I think of leaders and culture, Herb Kelleher and Jack Welch come to mind. In Southwest Airlines and GE, we have two companies where the leaders established a culture and worked to ensure it permeated the enterprise. While both leaders and companies were effective in establishing their respective cultures and delivering solid bottom-line results, their cultures were different in design. But, designed they were. Culture headliners at Southwest have been fun, empowerment and teamwork. At GE, we see training and communication as the headliners. Companies that “manage their cultures well” over time consistently outperform companies that don't. Revenues increased 682 percent vs. 166 percent; stock prices increased 901 percent vs. 74 percent; net income increased 756 percent vs. 1 percent; job growth increased 282 percent vs. 36 percent. I've identified three ingredients of their business successes: vision, key people in key spots, and culture.

Five Design Mandates

Here are five ideas to jump-start your design of a winning culture.

1. Be who you are. Winning cultures reflect who the leader is and the company's core values. A shared mission and values can be liberating—empowering your associates with confidence and trust to make the right decisions. If people have to refer to a manual to make daily decisions, you hamper service and lengthen the sales cycle.

2. Training should be an integrated process. Training is an inside job—not something to be abdicated to an outside provider. While an outside firm can provide clarity of direction, help to design the training process, and provide for interval course correction, the ultimate day-to-day responsibility for training rests inside the company.

3. Recognition systems—don't leave “thanks” to chance. Put systems in place to ensure regular recognition. Imagine an outsider asking your associates, “By a show of hands, how many of you are ‘overly recognized’?” People are starving for recognition, and the recognition doesn't need to be heavily weighted financially. In fact, one of the most powerful recognitions is the age-old handwritten note.

4. Communicate. Knowledgeable companies communicate, and they do it proactively and consistently. Howard Schultz, Chairman of Starbucks, is constantly reminding the company that even though it is big and successful, that does not mean Starbucks can't execute each cup of coffee better. Share the news and realize that communication involves both talking and listening.

5. Recruit and hire the best—and start them right. Think “culture first, experience second.” You can train people in the business; however, attempting to retrofit people into a culture is a Herculean challenge. Invest considerable time in the recruiting and screening process, as opposed to just filling an empty seat. Once you find the winning hire, implement an orientation plan so that the new hire isn't just thrown to the wolves, or ignored. Create a work environment that is challenging, satisfying, and fun. Storytelling can be the most effective tool to ensure the culture message resonates. People often forget concepts, but remember stories. So, spend more time sharing stories that underscore your desired culture. Stories are simple, timeless, and memorable. What percent of your time is spent on designing and implementing your culture? Don't rush to the urgent at the expense of the important. **LE**

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ACTION: Design your winning culture.