



R E C O U R S E S

# POSITION STATEMENT

The Impact of Culture



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## INTRODUCTION

What is culture? What defines culture in an organization? One thing we know for sure is that it's not strongly connected to the "vision," "mission," and "culture" signs hanging in the lobby. Heck, the most evil companies in history said all the right things, and they said them in engraved marble in the lobby! No, culture isn't what you say.

Culture is what you do. Period. Even bigger than that, culture is the sum total of all your actions. You know that very talented employee who is selfish and territorial? Keeping that employee around speaks to the real culture at your firm. It says that you value output pretty much regardless of what comes with it.

Think about staff for just a minute. You're regularly making decisions about who you hire, how you hire them, how you reward or promote them, and who is dismissed. Even your own personal approach to honesty sets a standard that informs culture. All together, these actions demonstrate what you value. In other words, they determine your values. It's not what you say that determines your values but what you actually value, as demonstrated by your actions.

## CULTURE: INTERNAL POSITIONING

It's very common and easy to talk about external positioning: what makes your product or service unique in relation to your competitors. When I'm talking about that with my clients, I'd typically say that six things must be true of your positioning in the marketplace. Recently I've realized that all of them can be applied to your internal positioning, too, so let's take a look at each one of them. This is important because in many cases I think it's more difficult to find the right employees than the right clients. Even if that's not true, having the wrong employees is a lot more detrimental to a firm than having the wrong clients. Starting with culture helps you attract and keep the right employees. Here are the six things that should be true of your culture.

- First, your culture should be differentiated. That is, it should be different from the culture of other firms. Not just to be different, but because employees need a compelling reason to work for you. And, there's a lot of competition for the best employees. They can write their own ticket, so to speak, and you really only want to be hiring people who have all sorts of opportunities for employment. How do you know if it's differentiated? If you can write the prime elements of your culture on a piece of paper, hand it to the principal of another firm, and have them read it as if it were their own to embrace, it's not differentiated. I suppose it goes without saying that you can't use someone else's thoughts when developing your own culture, because that's their culture, not yours.
- Second, your culture should be demonstrable. By that I mean that a curious, intelligent stranger should be able to walk a single circuit through your facility and get a sense of your culture. There might not be any obvious clues (like a huge poster with a lifeless culture plastered on it), but there will be all sorts of smaller clues. Things like the tenor of conversational tone, the engagement of people talking to each other, the personal freedom of expression in each cubicle,

and so on. All that to say this: unless someone on the outside (who is curious and intelligent) can discern your culture, it's not demonstrable...which means it's not real.

- Third, your culture should be sustainable. I don't mean sustainable in the ecological sense, but rather over time. Take a very customer-centric culture, for instance. Can any given employee continue to jump that high for decades, or will the process just wear them out to the point where they'll need to move on? It's all about taking the long view. Can we maintain this indefinitely, or should we look at making some changes to render our culture more sustainable over time?
- Fourth, your culture should be true. Obviously, your real culture is always true--by definition it must be. But if there's any dissonance between your stated culture and your real culture, employees will no longer care. They might even become cynical and mistrusting of the organization as a whole. The constant barrage of advertising messages has yielded employees with finely tuned senses regarding inauthenticity. Be anything but authentic at your own peril indeed.
- Fifth, your culture should be ethical. I suppose that goes without saying, but I really do need to say it anyway. But only you know what that means and no further explanation is necessary. Is your culture ethical?
- Sixth, your culture should be articulated. Every employee is not as curious or intelligent as the others in the group, and they'll need some explanation of what culture you're striving for. Besides, having a cultural vision in writing holds you more accountable from below. They'll notice gaps or deltas between the statement and the practice. That'll keep you on your toes, and that's a good thing.

So what do you do with an internal positioning for which these six things are true? Well, you'll do the same thing you'd do with a similarly effective external positioning. You'll develop a marketing plan!

That's right, a marketing plan. Remember what I noted above: good employees are harder to find than good clients, and that makes it worth looking hard for them. Nothing will change your management experience like the impact of having great employees.

## HOW CULTURE IS CREATED

I noted above that culture is the sum total of your actions. More specifically, culture is created by three things. Let me enumerate and comment on each of these to help bring this discussion to bear on your situation.

- First culture is created by the types of leaders you have in place. I don't mean just official leaders, either. Some of the most effective leaders in an organization are leaders only because they have followers. And they have followers because they are worth following. They're inspirational and other-centric. This is naturally a good place to start because your chances of influencing a larger group of people are greater if the job can be shared with other leaders. At most you should have a half dozen or so people answering to you, so that leaves a large group of potentially untouched people that could easily be influenced if more (of the right type of) leaders were available to do just that.

- Second, culture is created by the types of employees you have on staff. This may not seem different from that last point, but it is. You could have the right leaders and the wrong people and things would not be good. They'd be bad. You can assume that a good leader can improve an employee, but they have to have something to work with or it's so much wasted effort.
- Third, culture is created by the management policies at your firm. Or lack thereof, I suppose. What do you say you want? This might be the actual words you use, spoken or written, or it might just be how your actions speak and what they demand or how people emulate them.

The common theme in these three elements of culture is choice. People making choices. People evaluating situations and deciding what to do or how to react.

Culture is the sum total of all your choices.

## ENEMIES OF CULTURE

Despite your best efforts, though, there will be times when the culture you want will seem just out of reach. No matter how well you articulate the desired culture and make the right choices it still eludes you. What might cause that? The enemies of culture is our next topic.

- The first enemy of culture is the technically proficient or very capable jerk. Deep inside you know that this individual doesn't represent the sort of employee you want, and that's true in every way—except their actual work. But you put up with the mismatch in culture because of some other reason: they are technically proficient, have leveraged relationships with clients, or they just produce a lot. But putting up with something is nothing else but simply a compromise.
- The second enemy of culture is not managing. The right employees might be in place, and even the right managers, but they're stuck doing things instead of managing things.
- The third enemy of culture is growing too quickly, which is usually accompanied by neglect of that middle layer of management. That inordinate rate of growth might be organic: the company is doing a lot of things well and the marketplace is acknowledging that. Or it might be via acquisition, requiring you to integrate two cultures.
- The fourth enemy of culture is related to place, or your physical working arrangements. Culture by definition is a face to face activity, or at least the bedrock of culture is. So having employees work remotely (telecommuting from home) too much doesn't allow a culture to form. It's fragile and misunderstood. Similarly, having people too crammed into a space that's too small provides what I call an emotional crowding that's difficult to overcome. Even having people segregated by function and working on different floors can, in some circumstances, create fissures in a culture.
- The fifth enemy of culture is not having enough work for people to do. When people have idle time on their hands, they do two things. They find things to whine about and they (rightfully) wonder why their leaders are allowing this to continue, either by not adjusting capacity downward or adjusting opportunity upward.

- The sixth enemy of culture is having too much work for people to do. It feels good to be busy in the short run, but it can be demoralizing over time. It doesn't balance the amount of relaxation, introspection, and organization that forms a substantial part of the typical life of a firm.
- The seventh enemy of culture is leadership disputes. This happens when partners or even key leaders are not on the same page. Even if they don't drop hints about each other's role in the dispute, the culture becomes territorial and self-serving.
- The eighth enemy of culture is being client driven instead of client focused. No matter how you justify it, having an abusive client can tear at the fabric of a culture. Even having clients with too much control over the environment can be destructive, rendering a culture that's too reactive. You'll spend an inordinate amount of time just fighting back the jungle (clients with too much control) so that you can live in the campsite (your firm).

That's it. If everything seems pretty good but the right culture is still elusive, consider whether one or more of these is hindering your good efforts.

And don't forget to pay attention to the little things, either. Smile some more. Take the time to talk to an employee in the lunch room when you have a minute. Hand write a note of thanks. Send something to an employee's home, to be waiting for them when they get off work. Buy flowers for everybody one day.

Do whatever you want, really. The point is action, particularly if it's action that supports the culture you want to have. Do you want to nurture innovation? Then celebrate the occasional failure, because you can't have one without the other, right?

And by all means remember that culture is fluid and that it must change over time. Don't create culture and then become primarily the protector of culture. You might find yourself protecting outdated conventions that really should be changed anyway.

## **FINALLY**

The uniqueness of your culture is either intentional or it is built in such a way as to adjust for your own dysfunction. It's your job to determine where the culture is on that continuum.

You might even select an archivist or historian of culture so that the culture is memorialized. If nothing else, doing so highlights its importance.

Remember this: great culture attracts great people and it also spits out people who don't match. It's polarizing, and that's a good thing.