

WHY IS CULTURE IMPORTANT?

Why is Culture Important?

Culture is a very common term in today's business environment. But what is it and why is it important? Let's begin by defining culture.

Preston Pond, organization design consultant and author of many 360 Solutions programs defines culture as, "The set of shared attitudes, practices, and beliefs of members within the organization."

It is what we do, the attitudes behind and the belief driving our attitudes and actions.



**RENÉ
ZAMORA**
GROWTH

So why is it important to understand culture?

How we carry out strategies and plans eventually comes down to everyday attitudes and practices. If a new strategy or business plan works against these attitudes and practices it will become very difficult, if not impossible to realize the results intended. Understanding your current culture will make it significantly easier to build on the strengths you possess or identify weaknesses that will hinder progress.

To understand your organization's culture, observe and assess your collective everyday attitudes and practices regarding work, management, customers and fellow employees. Then examine the core beliefs driving these practices. It is important to first look at your attitudes and practices before examining your beliefs. By doing it this way you can ask yourself what beliefs do we have that drive the attitudes and practices. If you begin with beliefs before examining attitudes and practices it is easy to deny beliefs that are weakening and instead profess what you want your belief to be.

I worked for two companies that had very different cultures. Both were in the wireless industry. Look at the two examples of attitudes and practices and then we will examine what their beliefs might be.

Company A

- Owner was hands off and allowed general manager autonomy,
- Management had high expectations, were friendly, fun and helpful.
- We had open communication between employees and customers at all levels.
- Employees were given resources and authority to take responsibility for accomplishing their work.
- The quality of product and customer service were No. 1 priority.
- There was genuine collaboration between departments.

Company B

- Owner was hands on and would bypass his management when he felt discipline was needed.
- Senior managers made decisions to keep owner happy (yes men).
- Information sharing was not consistent and expressly withheld at times due to lack of trust.
- Policies were set with threats.
- Employees communicated what they thought management wanted to hear vs. what was true.
- There was difficulty between many departments.

It is easy to see the different cultures at work within the two companies. By taking a closer look, we can identify the core beliefs that might be driving the two cultures.

At the core of Company A is a belief that employees are capable and worthy of trust and empowerment. Customers come first and the company wants to deliver the best quality product possible.

Company B's core belief is that employees cannot be trusted and that controlling people is the way to

get what you want.

If company B created a new business strategy requiring more productivity from staff and decided that "empowerment" was the way to get there, it would be in for a tough road ahead. As a matter of fact, it was verbalized many times at this company that management trusted and appreciated the employees, but the attitudes and practices did not support the claim. This is why it is important to examine attitudes and practices first and then relate them to the beliefs that drive them. The proof is in the actions.

Company B was unaware of the beliefs that affected the actions of its owners and managers. If they had taken the time to become aware of those beliefs, they would have a fighting chance in changing them in a way that would support their strategies. Company A was aware of the beliefs and continued to build on their strength.

Both companies were acquired by a larger organization over time. The principles and senior management teams did not stay with the new ownership. They took their cultures with them and started two new companies. Company A's team now has a thriving cellular business that has maintained its productive culture and has grown to 250 employees in three years despite the telecom industry slowdown. Company B's team has built a wireless Internet and Web business and has 40 employees.

When we view culture as our beliefs, attitudes and practices, we can see that culture impacts every aspect of a business. It is important to understand any part of business that has this much influence. By understanding your culture, you can make better decisions on how to implement strategic plans.