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Exec**Blueprints**™

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Action Points

I. What Constitutes a "Company Culture"?
It's the people-generated milieu in which the company operates, characterized by how people interact, organize their tasks, conduct business, and relate to leadership. Even within a given industry, there is no one "right" culture. However, for a company to succeed in the long term, its culture must be in sync with its mission, vision, and values.

II. The Bottom Line
Even though efforts to build and maintain a company's culture often cannot be benchmarked, having a strong company culture makes good business sense because it can foster a more cohesive, motivated, and productive workforce that yields higher profitability, sales growth, and market value.

III. Must-Have Best Practices for Building and Maintaining a Strong Company Culture
Culture is holistic. Company leaders need to understand the essential qualities of the desired culture and live them in both head and heart. Then they need to reinforce the necessary behaviors throughout the organization by establishing appropriate policies, management practices, and goals.

IV. The Golden Rules for Creating Employee Alignment With Company Culture
Regardless of where they fall on the specific "sociability" and "solidarity" scales, strong company cultures motivate employees because they're characterized by clear and honest communication, open-door policies, rewards for outstanding performance, and opportunities for professional advancement.

V. Essential Take-Aways
A company needs a strong culture, or it will not be successful. However, the culture must also continue to fit the company: its industry, vision, values, and goals. Consequently, when managing changes, don't forget to consider culture: will this new merger, leader, employee, etc., be a good fit for our company?

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The CEOs from Idea Connection Systems, Diverse Staffing Solutions, and U.S. Lumber on:

Building and Maintaining a Strong Company Culture

Robert Rosenfeld
CEO, Idea Connection Systems Inc.

Fred Flores
President and CEO, Diverse Staffing Solutions

Lita M. Abele
President and CEO, U.S. Lumber Inc.

Every human environment is so steeped in a culture (or cultures) that the particular influences they exert are often overlooked, and their local, characteristic features can be mistaken for universal norms. Inside a company, the "culture" dictates how people relate, how they feel on the job, and even how well they produce. While every company has a culture, not all cultures contribute equally to the success of their companies. Cultures, for instance, that do not reflect a company's desired value structure will not ultimately serve company goals. This ExecBlueprint is devoted to a discussion of how culture influences business and how CEOs can specifically influence their companies' culture. The featured CEOs describe how they have managed to build and maintain "strong" cultures at their companies — and how their companies have benefited in the process. Essential steps have included communicating what is expected, listening to advice and concerns, and personally exemplifying the corporate culture. ■

About the Authors

Robert Rosenfeld

CEO, Idea Connection Systems Inc.

For over 25 years, Robert Rosenfeld has dedicated himself to creating environments that foster the creative, innovative spirit and has developed proprietary approaches and tools that unleash an organization's potential to innovate.

In 1988, Mr. Rosenfeld founded Idea Connections Systems, a company dedicated to releasing an organization's creative potential. While this concept specifically applies to products and services, it also affects an organization's people and culture. The company's work focuses on three areas: innovation leadership and culture; innovation inclusion and diversity; and innovation systems. Serving public, private, and international clients as well as regional and national governmental agencies, Idea Connections has worked with many Fortune 200 companies, including BP Amoco, Aventis, Bausch & Lomb, the Eastman Kodak Company, ExxonMobil, Frito-Lay, General Mills, the General Motors Corporation, Hallmark Cards, Praxair Technology, the Quaker Oats Company, and Xerox Corporation.

Mr. Rosenfeld's ability to identify and understand the dynamics behind innovation led to the creation of the Eastman Kodak Company's office of innovation in 1978. The first infrastructure of its kind to be successfully implemented inside an organization, it provided Kodak employees with a systematic way to develop their ideas and obtain funding to convert them into business opportunities. He expanded the initial Office of Innovation into a worldwide corporate network that has since helped to transform ideas into hundreds of millions of dollars in revenues and cost savings for Kodak.

Since 1980, Mr. Rosenfeld has also had a long and productive association with CCL, the Center for Creative Leadership in Greensboro, N.C. He designed and taught two courses at CCL that deal with innovation and effecting change.

In 2005, Mr. Rosenfeld's book, *Making the Invisible Visible: The Human Principles for Sustaining Innovation*, was published by Xlibris. It integrates his years of learning about the importance of the human element in sustaining innovation. He has also presented his concepts to numerous organizations and, with his company, is actively involved in applied research. His contributions have been documented in many books including *Managing Innovation in The New Millennium*, edited by S. S. George (2002), and *Positive Turbulence* by Dr. Stanley S. Gryskiewicz (1999).

In 2001, he served on Mayor William A. Johnson's Commission on Race and Ethnicity. Its purpose was address issues of race in the Rochester, N.Y. community. Teamed with a diverse group of business and community leaders, Mr. Rosenfeld spearheaded the development of Mosaic Partnerships — an innovative process for breaking down barriers between races.

Fred Flores

President and CEO, Diverse Staffing Solutions

In 1978, Fred Flores joined the County of Orange's personnel department as an intern — and continued working there for an additional ten years. That experience ignited his passion for the human resource field, leading him to assume senior HR executive positions with Macy's, Robinsons May, and the OCTA.

In 2000, Mr. Flores founded Diverse Staffing Solutions (DSS) and quickly grew the organization from zero clients to a dynamic growing company now employing over 3,500 individuals with 2005 sales exceeding $45 million. DSS offers staffing solutions to such companies as American Honda, Toyota, Disney, Southern California Edison, and many more in need of highly trained workers.

The current success of the organization is based on understanding the customer's needs through constant communication and feedback, and creating value-added programs for its clients. DSS was named by *Hispanic Business Magazine* as the third fastest-growing Hispanic-owned business in the U.S. Moreover, recently Mr. Flores was named one of Orange County's "Ten Most Influential" by *North Orange County Magazine*.

Mr. Flores is a member of the Orange County Workforce Investment Board and the Puente Learning Center Board serving Los Angeles County. Over its brief history, DSS has been a strong supporter of the communities throughout Central and Southern California, having contributed over $350,000 to charitable and scholarship organizations.

Lita M. Abele

President and CEO, U.S. Lumber Inc.

Isabelita Marcelo Abele, President and CEO of the family-owned and southern New Jersey-based U.S. Lumber Inc., has successfully "gone against the grain" and positioned her certified woman- and minority-owned lumber and building materials company as a regional leader in sales. Her outstanding leadership in a non-traditional woman-owned firm has been recognized in the past nine years with 10 national, regional, and local business awards. They include being named one of 25 Women of Influence by *NJBIZ* magazine in 2005 and *Philadelphia Business Journal* in 2004.

When she left her homeland of the Philippines in 1981 to seek new opportunities in the U.S., Ms. Abele initially took a job as a housekeeper for a Filipino family in New York. Now, with her husband and minority percentage business partner Merrill L. Abele, she directs U.S. Lumber Inc., a leading lumber supplier throughout New Jersey, Delaware, Maryland, and Pennsylvania. In 2000 and 2001, U.S. Lumber Inc. was ranked by the *Philadelphia Business Journal* as one of the top 25 fastest-growing companies in the region. In 2003, revenue topped $5 million; by 2004, it had reached $10 million.

Past and present clients include Dupont Company, Philadelphia Gas Works, Exelon Peco Energy, Merck & Company, Madison & Carson Concrete, Mumford & Miller, and, most recently, Atlantic City's newly opened Borgata Casino. The Philadelphia Eagles stadiums, Trenton Rte. 29 Tunnel, and Temple University all contain materials supplied by U.S. Lumber.

Ms. Abele has served under Gov. James E. McGreevey as one of the 45 commissioners on the New Jersey Asian-American Commission caharged with representing the concerns of the Asian-American community. One of the founders of the New Jersey Asian-American Chamber of Commerce, Ms. Abele serves as its executive vice president and has a seat on the board of directors. She is also a member of the U.S. Pan-Asian Chamber of Commerce.

Robert Rosenfeld

CEO, Idea Connection Systems Inc.

Building a Strong Company Culture

To build a strong company culture, it is important to understand both the business and human aspects of an organization; they must go hand in hand. When I study a business from a cultural standpoint, I look at the behaviors that exist inside the organization, the way in which people interact with each other, their internal relationships, and levels of trust. The company must try to establish a value structure described

successful. The culture produces alignment across the organization that results in a clear focus on company goals. For example, if I work in a business that requires a strong culture of teamwork to achieve its goals, then I must determine which behaviors are required in that kind of culture. I might define the best way to hold team meetings, how team members should relate and interact to one another, how decisions get made, and the best ways to communicate.

> *If the business is trying to create a new culture, but this culture does not support the vision, mission, and strategic goals of the company, then it will never take hold — nor should it.*
>
> Robert Rosenfeld
> CEO
> Idea Connection Systems Inc.

in behavioral terms so that employees understand what the company expects. In fact, the company must create a clear picture of its mission, vision, and values. All of those aspects must mesh together so that the business and culture work hand-in-glove. If the business is trying to create a new culture, but this culture does not support the vision, mission, and strategic goals of the company, then it will never take hold — nor should it. There are many different kinds of cultures. Given the business you're in, the culture must support and drive business success.

Benefits of a Strong Culture

If you have a strong company culture, then everyone understands what really matters and how to be

By defining those behaviors, the efficiencies and effectiveness of the organization rises. Thus, by creating a successful organizational culture that is integrated with key business objectives, the company will do a better job meeting its customers' needs, staying ahead of the competition, and achieving its corporate goals.

Follow the Vision

In order to build a culture, the leadership team needs to establish and communicate its vision, mission, and values. To use a term coined by Stanford professor Jim Collins, the leadership team must also set a BHAG, or big, hairy, audacious goal. A BHAG is a very useful tool for helping a company remain on track toward their vision for years

Robert Rosenfeld
CEO
Idea Connection Systems Inc.

"Senior leaders must discuss business issues and culture in the same breath; they must be entwined."

• Founded company in 1988

• 25-plus years' experience in fostering innovation

• 2006 "Innovator in Residence" at Center for Creative Leadership, Greensboro, N.C.

• Founding member, Association for Managers of Innovation

• Member, Creativity International Advisory Board

Mr. Rosenfeld can be e-mailed at robert.rosenfeld@execblueprints.com

to come. It reminds them of who they are and where they are going.

The values of the company should predict how the company will achieve its BHAG. It should help to create the behaviors the company must manifest internally with managers and employees, and externally with customers, clients, and suppliers.

Best Practices

The senior leadership team must be fully aligned on the mission, vision, BHAG, and values of the company.

Impact on Performance

Dividing the firms into the top and bottom 25%, based on the Denison Culture Survey, shows stronger cultures outperform weaker cultures in the survey year on all three dimensions – profitability, sales growth, and market value.
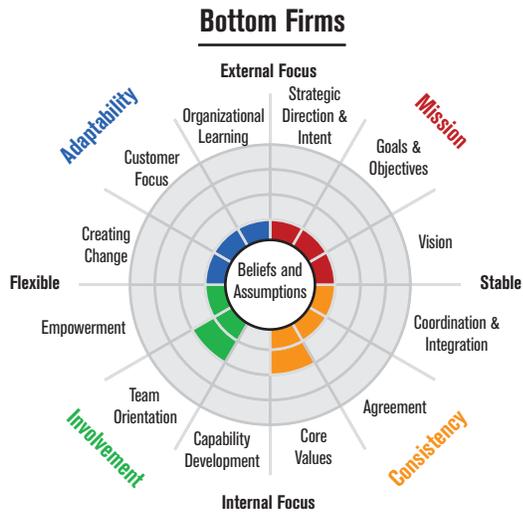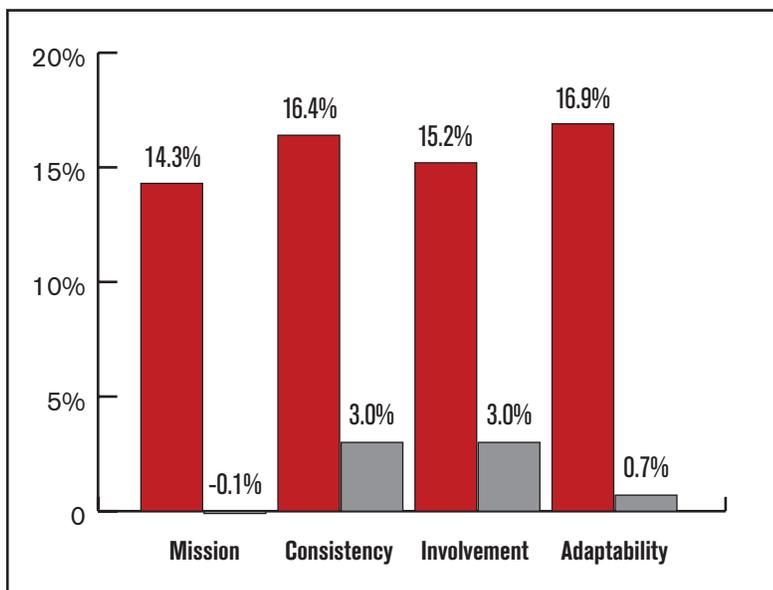
Bottom Firms

Return-on-Assets:	**4.5%**
Sales Growth:	**.1%**
Market-to-Book:	**3.5**

Top Firms

Return-on-Assets:	**6.3%**
Sales Growth:	**15.1%**
Market-to-Book:	**4.4**

Impact on Sales Growth

Firms in the top 25% of each trait have dramatically higher sales growth.

Each bar represents the average sales growth of ~24 firms. For example, the 24 firms with the highest total mission score have a sales growth average = 14.3% versus the 24 lowest rated firms which have a sales growth average = -.01%.

Translation: Focus on culture and sales will follow.

- Top 25%
- Bottom 25%

Robert Rosenfeld

CEO, Idea Connection Systems Inc.

(continued)

They have to understand the culture and live it in both head and heart. One best practice is for the leadership team to identify advocates inside the organization who will provide feedback on how the culture is perceived among employees. Another best practice is to find change partners who will help the organization move in its new direction.

A company cannot just send out a periodic newsletter detailing the company's values, mission, and vision and hope for the best. Instead, these things must be shown, seen, felt, and discussed. Employees must see their leaders behaving in the manner that exemplifies the corporate culture.

Benchmarking Efforts

Benchmarking ultimately means comparing one company to another. The Denison Culture Survey provides us with the ability to benchmark any company against different organizations. It ties key cultural attributes back to the ROI of successful and not-so-successful companies. We have used this instrument to show senior leaders where there are potential problems in their cultural framework. This then creates an opportunity to engage the company in a conversation about how to improve in those key cultural attributes that are holding back the company's overall performance.

Culture is holistic. I need to know the pieces that build the culture in order to reinforce the behaviors that are necessary. For example, if the culture calls for passionate people, then I not only need to hire passionate people, but I must allow them to flourish and grow within

the company. All my managers, policies, procedures, systems, etc., must support the passion I need for success. I cannot simply hire passionate people and then ignore them. That will stifle their enthusiasm and they will leave.
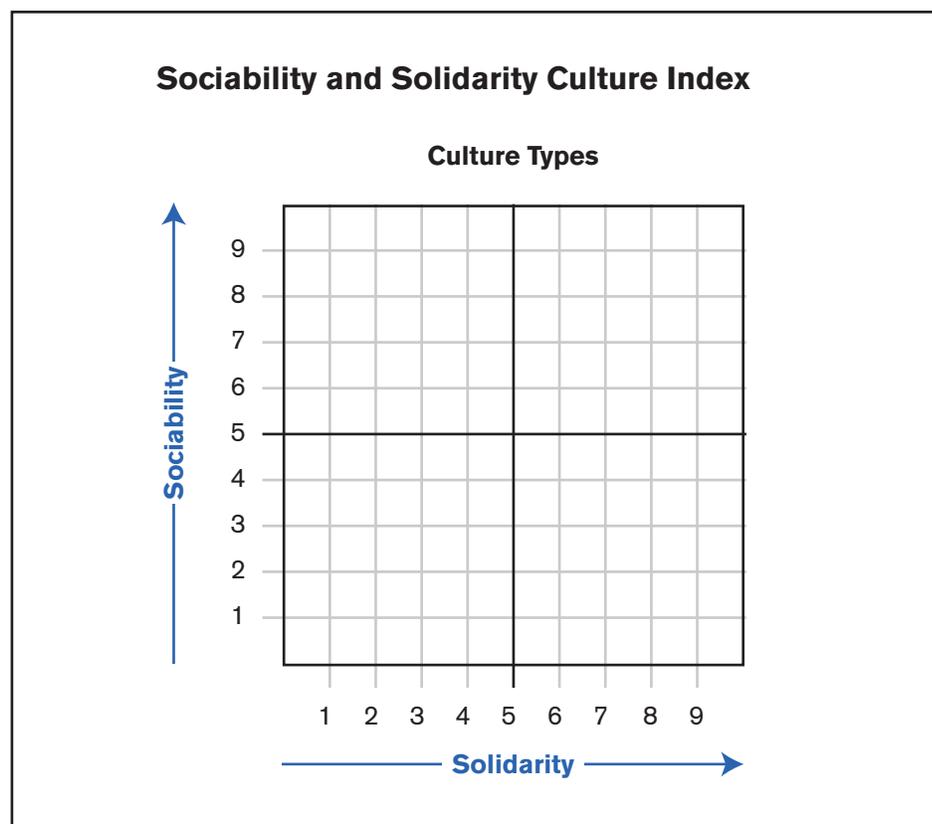
However, cultures are very different and are often very specific to their industry. A culture that could exist in a highly industrialized heavy manufacturing business would be very different than one that could exist in a law firm. We have found it helpful to look at companies in terms of four potential cultures.

The Four Cultures

Based on the work of Rob Goffee and Gareth Jones, we have found it useful to help companies look at their culture along two variables:

the degree of sociability (the degree of interaction between individuals and the importance of relationships inside the organization), and the degree of solidarity (the degree to which everyone in the organization is focused on a common set of corporate goals).

From these two variables it is possible to construct four unique cultures: mercenary, communal, networked, and fragmented. A "mercenary" culture is easily identified by high solidarity or an incredibly strong focus on goals, but very low sociability. A company with high solidarity around goals and high sociability, where employees frequently interact with each other inside and possibly outside of work, would be defined as a "communal" culture. High sociability but low goal solidarity would characterize a "networked" culture. And

Sociability and Solidarity Culture Index

Culture Types

Robert Rosenfeld
CEO, Idea Connection Systems Inc.

finally, a culture that is neither heavily focused on goals nor sociability is considered "fragmented." All of these cultures are valid and fit different businesses. One is not better than the next. A company's prospects for success depend on the business and industry within which it works and what it is trying to create. In fact, in a large company, you can find two or more of these cultures at work.

Integrating New Hires

This is a critical success factor. Many companies do not attend to how effectively they integrate new employees into the business to get them up and running as quickly as possible. When we interview a potential new hire, we look for behaviors that will mesh well with our corporate culture. If a company is very interdependent, then I will look for someone who possesses that skill. I will design and ask questions that will determine if the person is a behavioral fit for the company. Someone who prefers to work independently and alone on projects, for instance, would not be happy in a culture that relies heavily on teamwork to achieve its goals.

New Employee Orientation

Once an employee has been hired, we strongly recommend that they be sent to an orientation that explains the corporate culture and is run by people who embody the behaviors and attitudes the company is trying to cultivate. Once they have gone through orientation, they are partnered with an employee within their department so that they can develop a relationship with someone who can help them translate and understand what they are experiencing.

Expert Advice

We worked with two companies that had merged because it had made business sense to do so. Both companies had developed the right culture for their business: one culture was more "mercenary" in style (it's all about the money), and the other was more "communal" in style (it's all about the relationships). These cultures were so out of sync with one another in terms of the way people interacted, built relationships, and maintained trust, that every effort to integrate the two operations failed. If either company had tried to change their culture to fit the other, employees would have become dissatisfied and less productive, resulting in a loss of employees with their knowledge and skill and ultimately a loss of clients and business. Inevitably, the two companies eventually split again.

Because it is often conceived in terms of a "higher" partner and a "lower" partner, mentoring would be too strong a word to describe this partnership. Instead, our orientation is aimed at creating a friendship of equals to share experiences.

Building a Global Culture

Many companies operate in a global environment. A company can mold its global culture by defining a common set of values that apply worldwide. This commonality in a value system has to manifest itself in behaviors that may be somewhat different in each location around the globe. What matters, however, is that the values are lived.

For example, a company might value "straight talk" throughout all of its operations. But the behaviors associated with "straight talk" might look different by country or region around the globe. Some regions are more used to implementing "straight talk" in a way that is more challenging and combative. Others are more restrained and understated in the way they apply the principle of "straight talk." A more combative culture can lead to one set of problems while a more restrained culture to a different set of problems.

The point is that all cultures need to put the truth on the table and do so as fast as they can. How this happens will manifest itself differently by region. And we need to remember that this is a moving target. Even cultures by region change over time.

Different Leaders for Different Times

When you take a look at an organization and its culture, there are really three major stakeholders that have to be satisfied: the employees, the clients or customers, and the shareholders. When a corporate culture is created, the needs of those stakeholders must be met. Plus, the culture needs to reflect the business or it will not be successful. A company must examine its leaders to determine if they have the correct leadership skills to handle the problems or situations it currently faces. For example, a company facing major economic problems versus a company in a growth mode would require two different kinds of leaders. There should not be one leader for all times; leadership must vary to suit the demands of the business. ∎

Fred Flores

President and CEO, Diverse Staffing Solutions

Important Components

A successful company culture promotes communication and allows individuals to provide input. An ideal organization asks for and encourages participation from within.

We have executive meetings on Monday, and by Tuesday morning I want the important points of each meeting to be disseminated to our branch offices so that people can set up agendas. We constantly communicate how we are doing and what products we are working on.

You have to have fun at work; if you don't feel good about where you work, there is no motivation to come in every day.

Fred Flores
President and CEO
Diverse Staffing Solutions

Best Practices

I had the pleasure of working for a very large and successful retailer that believes in constant team building. I set up formal quarterly meetings with our workforce that each had a team-building theme. We encouraged teamwork and fun: for instance, we might do something as basic as bowling or rock climbing, but it always involved the support

Expert Advice

We encourage employees to voice their concerns through their immediate supervisors or managers. If they can't resolve the problem, the issue goes to a senior management executive. If the problem still cannot be resolved, it comes to me. Employees have many options before they have to come to me with an issue.

of others. You have to have fun at work; if you don't feel good about where you work, there is no motivation to come in every day.

Building and sustaining a strong company culture requires communication within the organization. Employees have to feel that the company is honest and up front with no hidden agendas. We, for instance, always promote career opportunities within the organization. If employees provide us with loyalty and hard work, we have to provide them with opportunities for professional growth.

We have used outside consultants, but we also listen to people within the company to find out what is on our employees' minds. We rely on our HR manager, but we also turn to other managers and directors to gauge employee satisfaction. I like to walk around and make sure that people are happy. When I ask people questions, I hope they answer sincerely rather than saying something they think I want to hear.

Our Changing Culture

We recently downsized, so our culture changed significantly. Like many organizations, during downsizing, we tried to retain the most talented and trusted individuals. As a result, we have become more

Fred Flores
President and CEO
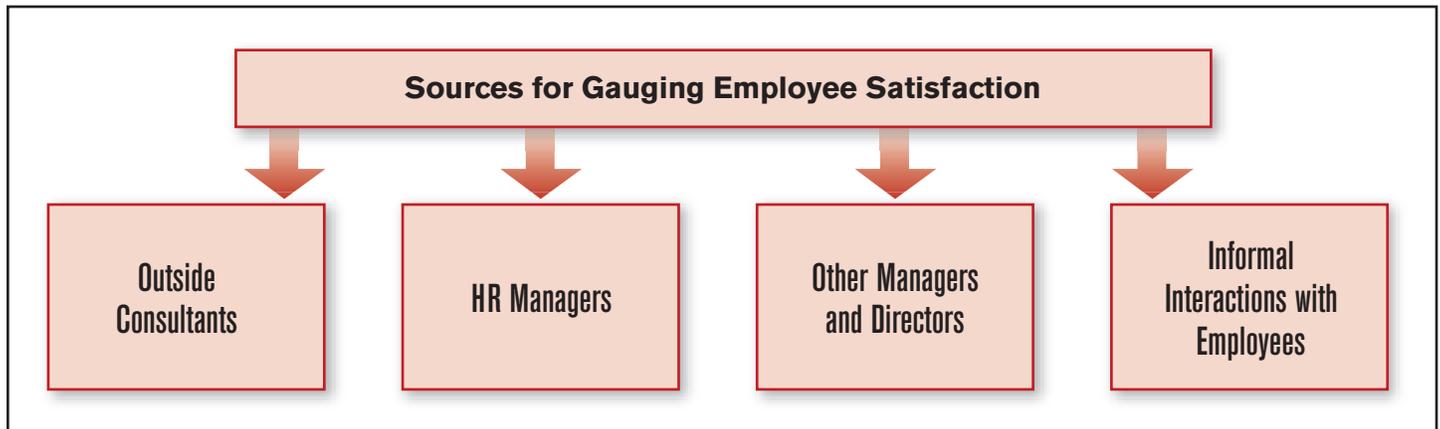Diverse Staffing Solutions

"Companies spend millions upon millions of dollars to get their products in front of the general public, but the brands that are most successful tend to have employees who believe in them."

• *Founded company in 2000*

• *2005 sales exceeding $45 million*

• *3rd fastest-growing Hispanic-owned business*

• *North Orange County Magazine's "10 Most Influential"*

Mr. Flores can be e-mailed at fred.flores@execblueprints.com

positive, cohesive, and results-driven in the last 12 months. The results of downsizing aren't always a negative; sometimes an organization needs to create change to improve itself more effectively.

In the next five years, I expect to add a couple of vice presidents and possibly move on to more of a figurehead role. We may venture into other companies, establish a subsidiary, or add a new division. We are already in negotiations to go into eight different states throughout the U.S. for one of our customers. We have made some outstanding growth projections.

Fred Flores

Sources for Gauging Employee Satisfaction

Outside Consultants	HR Managers	Other Managers and Directors	Informal Interactions with Employees

Benefits of a Strong Culture

The true sign of a great organization is when the staff is confident and supportive of the company. If every employee believes in an organization, that confidence and satisfaction will lead to growth. We are cognizant of the fact that we have to listen to our employees and provide them with the autonomy they need to make decisions within reason.

This process of building the company's culture requires a 20 percent time commitment on my part. Once we reach a level of performance I feel comfortable with as CEO, it becomes more of a maintenance process, which is much easier than building. Shaping a tree might take days, but once you have the foliage under control, you simply have to nurture it.

ROI and Benchmarking

When we assess ROI, we look at what kind of return we had in our weekly and monthly sales figures. If we see growth with the same number of people, we know we had a great return on investment. The areas where we see a drop sometimes can't be controlled and we have to accept that.

Efforts to build and maintain a company's culture can't necessarily be benchmarked. Having a strong company culture just makes sense. As a CEO, I try to come in every day with a positive attitude and demonstrate my sincerity and willingness to listen to employees. Good attitudes are contagious. I ask customers if we are treating them well, addressing their needs, and filling their orders. If we are, it serves as the best possible

benchmark. If we're not, it also provides an outstanding benchmark for improvement.

Employee Feedback

Mid-level managers heavily influence company culture because they deal with employees on a routine basis. Keeping those individuals well-prepared and positive is the key to ensuring that the company's vision is correctly applied.

We have an open-door policy and I accept e-mails from everyone in the company. I also welcome employees to come by my office, but I am very careful to give my management group the opportunity to handle problems the first time around. A CEO who will take on any problem without enforcing proper procedures hurts an organization. ■

Lita M. Abele

President and CEO, U.S. Lumber Inc.

The Crucial Role of a Robust Corporate Culture

Unless each business has a strong company culture that rewards leadership and outstanding services, the organization will languish. Yes, mediocre companies can yield profitable results; however, I believe that in these cases the profitability is a short-term gain because poor management practices and the absence of company loyalty will indeed undermine a company's foundation.

Yes, mediocre companies can yield profitable results; however, I believe that in these cases the profitability is a short-term gain because poor management practices and the absence of company loyalty will indeed undermine a company's foundation.

Lita M. Abele
President and CEO
U.S. Lumber Inc.

Open-Door Policy and Hands-On Leadership

Thankfully, I am actively engaged as a hands-on CEO, who works daily in the company office. In fact, my office is about 40 feet from the door leading to the warehouse and plant operations. Our company wants everyone, from the CEO down to floor-workers, to be the best they can be and provide outstanding services. To achieve excellence in customer service and product delivery is one of the hallmarks for our woman- and minority-owned firm.

With only 12 employees, my role incorporates serving as CEO, president, leading salesperson, as well as HR professional. We have worked with a communications/public relations consultant, but we tend to limit our dependence on independent contractors.

Typical Clients

To help understand how the company's corporate culture emphasizes excellence, I must first describe U.S. Lumber's corporate clients. U.S. Lumber is a leading lumber supplier throughout New Jersey, Delaware, Maryland, and Pennsylvania. U.S. Lumber's past and present clients include DuPont Company, Philadelphia Gas Works, Exelon Peco Energy, Merck & Company, Madison Construction, Carson Concrete, Mumford & Miller, Healy Long & Jevin, Quinn Construction, Weatherby Construction, and, most recently, Atlantic City's relatively new Borgata Casino. U.S. Lumber's plywood is throughout both the Philadelphia Eagles and Philadelphia Phillies stadiums, and the company was part of the Septa Transit Project built by PKF Mark III. In addition, U.S. Lumber will continue to supply lumber and plywood for the next several years for Driscoll Bridge repairs funded by the New Jersey Highway Authority.

Lita M. Abele
President and CEO
U.S. Lumber Inc.

"It is my responsibility to be the chief innovator for U.S. Lumber, and I would say that because I hear the views of all of my employees and am active outside of the company, I am probably responsible for 75 percent of the effort to reinforce and improve the corporate culture."

- *Over $10 million in sales*
- *Ranked among top 50 woman-owned firms in the region in 1999 by* Philadelphia Business Journal
- *Named one of* Enterprising Women *magazine's 2005 Enterprising Women of the Year*
- *2004 member, N.J. Development Authority for Small Business, Minorities & Women Enterprises*
- *2004 national finalist, Wells Fargo Asian-American Leadership Award*

Ms. Abele can be e-mailed at lita.abele@execblueprints.com

A Role Model for Women- and Minority-Owned Businesses

Because we receive contracts from high-profile firms for extensive construction projects, U.S. Lumber is positioned to be considered a model for all woman- and minority-owned contractors. Therefore, I take this advocacy responsibility
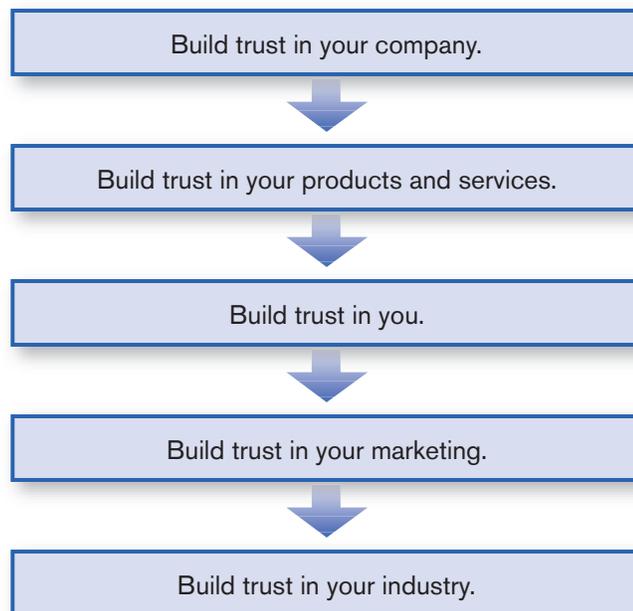
quite seriously, and strive to create a corporate environment that rewards excellent services with company bonuses annually in years when we have growth and when health care costs do not grow significantly.

Rewarding Excellent Customer Service

My employees know that I put myself on the line daily as the lead salesperson for our outstanding wood products. Therefore, I would argue that our corporate culture emphasizes outstanding services and customer service. In many ways, I communicate to my warehouse employees that they are engaged daily in providing the "best customer service" to me, their employer, and I reward those who advocate for the company by working hard to deliver superior work practices. Great customer service builds outstanding client loyalty to our company.

In a feature article in its August 3, 2006, edition, *Business Week* discussed how building trust is key to earning customer loyalty, which in turn is essential for building and maintaining a customer base. This means working to build trust not only in the company, but also in the products, sales reps, marketing strategies, and the industry. The *Business Week* article highlighted

5 Best Practices for Cultivating Customer Loyalty

Build trust in your company.

↓

Build trust in your products and services.

↓

Build trust in you.

↓

Build trust in your marketing.

↓

Build trust in your industry.

five trends that every successful business must accomplish with customer relations, and I am proud to say that U.S. Lumber excels in each:

- Build trust in your company.

- Build trust in your products and services.

- Build trust in you.

- Build trust in your marketing.

- Build trust in your industry.

Responsibility and Process for Refining the Corporate Culture

In meetings with my warehousing employees and my front office staff, I explain that when I can open doors to more business, the entire company will share in the beneficial results. Every activity I undertake is tied to supporting business growth and reinforcing our company image. Therefore, I would argue that all my time as CEO and the company's lead salesperson reinforces building and maintaining a strong company image that is achieved through a realistic and understood company culture. In fact, I anticipate dedicating a portion of my time this November to evaluating company growth trends in order to determine if we need to adjust any policies or

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Expert Advice

Keys to Developing Positive Culture Because U.S. Lumber is still a small business, we have greater flexibility in how we can set the tone for corporate culture and address management practices. We have much less of a hierarchal structure that inhibits creativity and innovation. My door is always open for employees to make suggestions about improving work operations or management practices, and I believe that the key to innovation is an openness to hear alternative viewpoints.

implement any new ideas to enhance the company's profitability and expansion.

Corporate Advocacy

As the lead salesperson for the company, U.S. Lumber invests in me when I participate in national advocacy and professional membership organizations such as the National Association of Women Business Owners, the Chamber of Commerce of South Jersey, the National Association of Women in Construction, National Minority Supplier Development Council of PA, NJ, and DE, and National Pan-Asian American Chamber of Commerce. By being visible, U.S. Lumber is viewed as a credible representative of woman- and minority-owned companies. When my company or I are honored by various national, regional, and statewide business and community advocacy organizations, U.S. Lumber is recognized as a successful innovator and business leader, and that helps our relationships with suppliers, vendors, and clients. ■

Ideas to Build Upon & Action Points

I. What Constitutes a "Company Culture"?

Encompassing both business and human aspects of the work environment, company cultures can be very different and are often (but not always) specific to their industry. They are expressed in the behaviors that exist inside the organization, the way that people interact and work toward goals, and their general level of trust for the organization. Some basic characteristics defining cultures are sociability and solidarity (a united focus on goals), and examples of culture types that combine varying degrees of these features include:

- Mercenary — strong focus on goals, low sociability
- Communal — strong focus on goals, high sociability
- Networked — lesser focus on goals, high sociability
- Fragmented — lesser focus on goals, low sociability

All of these cultures are valid in the right context and can serve the needs of different businesses. However, a company needs to cultivate the one (or several) culture type(s) that best fits its general industry and individual identity and ambitions.

II. The Bottom Line

Companies may spend millions of dollars to put their products in front of the general public, but the brands that are most successful are usually those that have won the support of company team members who work in a company culture that is demonstrably aligned with its values. (The Denison Culture Survey is a tool by which a company can benchmark the effectiveness of its culture against those of other companies.) Strong company cultures can lead to strong revenues in the following ways:

- They can help improve an organization's efficiency and effectiveness by clearly conveying what it takes to be successful.
- When downsizing is necessary, they can facilitate the process in a positive, cohesive, and results-driven manner.
- They can motivate fewer numbers of people to produce the same output as other companies with more employees.

- They gain the loyalty of their customers by earning their trust in the company's products, services, and marketing practices.

III. Must-Have Best Practices for Building and Maintaining a Strong Company Culture

This process begins with the CEO and needs to permeate every aspect of the organization. Building a culture that will adequately serve the company's needs first requires company leadership to create a clear picture of the company's mission, vision, and values. All of these must mesh together so that the business and culture work "hand-in-glove." To accomplish this, senior leadership should take the following essential steps:

- Defining what types of behaviors and practices will most effectively accomplish company goals
- Ensuring that company managers, policies, procedures, systems, etc., support the desired culture
- Creating "big, hairy, audacious goals" (BHAGs) that serve as continuous reminders of who the company is and where it is going
- Modeling the desired culture to employees through thoughts, communications, and actions
- Identifying advocates within the organization who can provide feedback on how the culture is being perceived
- Locating change partners (such as HR managers or other directors) who will help the organization move in its new direction
- If possible, cultivating an industry-appropriate "fun" environment that will serve to motivate people

IV. The Golden Rules for Creating Employee Alignment With Company Culture

The true sign of a great organization is when the staff is confident and supportive of the company and its success. You can foster a culture that employees will want to join every day as fully productive members by:

- Integrating new hires into the company culture as quickly as possible through orientations and the designation of employee-partners
- Clearly communicating what the company expects from each team member
- Ensuring that mid-level managers are prepared to accurately convey the company culture
- Communicating in an honest manner that does not hint of "hidden agendas"
- Listening to employees' suggestions and giving them the autonomy they need to make decisions within their realm of responsibility
- Encouraging employees to voice their concerns either through their supervisors or, if necessary, directly to company leaders
- Rewarding excellent performance when possible through bonuses or other means
- Providing opportunities for professional growth

V. Essential Take-Aways

Every company must ultimately satisfy three stakeholder groups: its employees, customers, and shareholders. However, unless it has a strong company culture that rewards leadership and outstanding performance, it will eventually languish. When attempting to cultivate the "right" culture at your company, watch out for these potential pitfalls:

- Introducing a "new" culture that does not support the company's vision, mission, and strategic goals
- Merging with other companies whose cultures are incompatible with your company's
- Hiring people who are not a good behavioral fit for the company
- Failing to accommodate local cultural differences when attempting to instill a global company culture
- Retaining leaders who do not possess the correct leadership skills to address current problems and situations ∎

Ideas to Build Upon & Action Points (continued)

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10 KEY QUESTIONS AND DISCUSSION POINTS

1 What would you say are the most important components of a strong company culture? How can these components be cultivated?

2 What best practices are you aware of for building and maintaining a strong company culture? Have you implemented any of these best practices in your organization? What has been the impact?

3 Who has been most helpful in helping you build and maintain a strong company culture? HR personnel? Managers? Communications professionals? Outside consultants?

4 Has your company's culture changed significantly in the past 12 months? If yes, could you describe the changes? How were these changes received by employees?

5 In the next five years, what elements of your company's culture do you hope to change? What do you hope will be the effect on your company? What do you think will be the effect on employees?

6 When hiring new employees, what steps do you take to ensure they will fit in with your company's culture? Are crucial elements of the company's culture communicated to potential recruits during the hiring process? If no, do you plan to implement such a process in the next 12 months?

7 Do you utilize training programs to help new employees understand the company's culture? What percentage of new employees has participated in these programs?

8 What are the benefits of building and maintaining a strong company culture? Providing a common sense of purpose throughout the organization? Employees have a "guidepost" by which to make decisions? Other?

9 What percentage of your time do you spend building and maintaining the company's culture? What do you believe is the impact of your time? Do you expect the amount of time you spend building and maintaining the company's culture to increase or decrease in the next 12 months? Why?

10 How can you determine the ROI of efforts to build and maintain a strong company culture? Do you use any other measures to determine the success of building and maintaining your company's culture?