

ENTERPRISE

ENGAGEMENT ALLIANCE

Culture and the Enterprise Brand

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INTRODUCTION

Why is culture so critical to organizations and their brand proposition? What is the best way to understand it, measure it and manage it to a sustainable competitive advantage?

Creating the right strategy garners a huge amount of organizational attention because it represents the best set of assumptions, expectations and plans we can create to guide our decision-making and business development. It's the rational description of how we'll go about growing our business. This approach creates an "enterprise brand" that addresses every audience.

The translation of strategy into goals, steps and actions further adds to the highly rational way in which we approach the achievement of our goals. The process is orderly and effective...until we get around to executing those goals.

PEOPLE ARE MESSY

Research suggests that only about 14% of goals we set actually achieve the desired outcome. Why? Because the rational plans we make are implemented by human beings, and people are messy.

The gap between our painstakingly crafted goals and our desired performance outcomes is the province of culture, and the brand organizations use to encapsulate it. The people are the culture and, as a result, culture is highly emotional. Organizational culture delivers the human energy available to power our goals and must be evaluated in the context of the organization's primary performance outcome - sustainable growth.

Our organizational interests aren't well serviced by describing all cultures, but rather by understanding the factors that create high performance culture - i.e., cultures that drive sustainable growth by fulfilling the expectations of the brand. High performance cultures are best understood in three levels: MicroCulture, MacroCulture and BridgeCulture. Of these, MicroCulture is the most critical, because that's where human energy is applied to goals.

MICROCULTURE

To understand MicroCulture, you have to understand its inherently personal nature. Have you ever experienced a moment - a place in time - you wished you could bottle up and preserve for the future? In that instance, the world around you conspired to bring out the best in who you are and what you were working to achieve. Some people refer to it as being "in the zone."

If we're fortunate, those moments happen frequently enough that we come to expect them from our workplace. That's what great culture feels like to the "actively engaged" people within it - a place that brings out the best in them. Research suggests that 42% of people are actively engaged at work. Day to day, these individuals believe their opinions count, their talents are well utilized and their team members and manager trust and support them.

In contrast, what about those moments when we mutter to ourselves "beam me up, Scotty"? We don't care to where; we just want to be lifted out of the spiralling pit of despair. These are usually the 35% of people who feel "actively disengaged" at work. They're stuck in a cycle that diminishes their sense of value and worth, curtails their development and disconnects them from the people they need the most (their team members, customers and manager).

Perhaps you're stuck in the middle of this cultural continuum, on the balancing board between terrible and great, afraid to move. We refer to this group of employees as "passengers" - people along for the ride. And in the U.S., this describes about 23% of employees at work.

Culture is personal. Its pull on us is directly dependent upon our desire to belong. If we don't care, it doesn't matter. So to measure an organizational culture's vitality, we must measure the MicroCulture from the perspective of each individual. The quality of the immediate work unit has the greatest influence, because that's how people connect and where they focus their energy at work.

When people are Actively Engaged at work, they're working at approximately 82% of capacity, compared to Passengers (65% of capacity) and the Actively Disengaged, who are working at only 27% of capacity.

MACROCULTURE

High performance MicroCultures maximizes the productive energy available for work in the overall organization – what we call MacroCulture. For that energy to be productive to the organization, it must in one way or another support the organization's brand proposition and related business objectives.

Because of the "strategy gap" and growing pressure to produce, leaders are increasingly concerned about the overall culture of their organization and its alignment to their brand promise. This concern most often translates into actions to clarify vision and values. Unfortunately, about 75% of organizations share the same values (integrity, service, respect), but their cultures are completely unique.

The MacroCulture of an organization isn't one single thing. It's more like a force in motion, constantly evolving, whether we intend it or not. Without our deliberate and intentional focus, our cultures drift with the prevailing currents. And these movements can damage the integrity of the culture overall and its connection to the brand.

In the U.S. today we're seeing organizational MacroCultures splitting into two dominant camps, which we earlier referred to as the Actively Engaged and the Actively Disengaged. As people become more polarized in their attitudes about work, the normal curve is being replaced by a "well curve" so named because the central tendency has been depleted and people are being forced to the sides.

The most vivid example of the well curve of MacroCulture is the American political scene, where the so-called "Red" and "Blue" states have dominated decision-making long after the terms have gone into disuse. Most Americans acknowledge the political split that forces people into camps of "us and them" on almost every decision point. Each side relies on its own experts and estimates and eschews the other side's data. Compromise isn't based on merit, but around trading "my X for your Y."

This cultural fracture creates more problems than it solves, and the same is true for the fracturing of organizational culture. Yet leaders seldom recognize the fracturing of their organizational culture because of the way in which culture has been measured and described.

The tendency to rely upon averages to describe the complexity of organizational culture is problematic. Consider an organization with an "average" engagement score, according to a national benchmark. This means that about half of the companies in the U.S. have better average engagement and half have worse engagement, as reported by their employees. Given this, most executive teams would be prepared to make plans to address the overall organization.

However, looking closer at the distribution tells a completely different story – one of both excellence and failure. Inside the "average" culture (or MacroCulture) in one organization, we found MicroCultures operating at the 90th percentile and above and MicroCultures that were functioning at the 10th percentile and below. Executive action in such a case should be distinctly different for the high performing MicroCultures versus those in a chronic 911 (desperate and disillusioned) state.

That's the second lesson in developing a high performance culture: you can't describe MacroCulture via averages; it obscures the glimmers of excellence within. And leaders can't force a MacroCulture by driving it from the top – they can only identify and encourage the strengths already present within it.

BRIDGECULTURE

There are three critical snapshots for understanding the elements of high performance culture. We've discussed the elements of healthy MicroCultures and the thematic movement of the MacroCulture, but high performance culture depends on the effectiveness of the bridge between the two.

Helping each person have a strong line-of-sight to the customer means that every person and team understands how what they do attracts and retains customers.

The BridgeCulture is the connective tissue between the MicroCultures where people work and the MacroCulture where vision and strategy are defined. The most effective bridges connect people to the brand proposition, the values it reflects, and a specific purpose. They link and direct the energy that people bring to work in a way that maximizes line-of-sight with the customer and fulfillment of the brand promise. This, in turn, creates sustainable growth.

The most significant element in BridgeCulture effectiveness is the manager, whose efforts provide the catalyst for healthy MicroCultures and the connection that these people have to vision and strategy and the customer and brand. The best managers reduce internal, procedural barriers that create frustration and inefficiencies and encourage action and partnership in the interest of the real outcomes desired. Helping each person have a strong line-of-sight to the customer means that every person and team understands how what they do attracts and retains customers.

THE NEXUS POINT

Organizational culture is a collision between rational goals, procedures and expectations and the people who are responsible for carrying them out through the delivery of the brand promise. Bringing human energy into focus is the nexus point that delivers competitive advantage.

Cultures are as unique as the people within them. But high performance Micro, Macro and Bridge Cultures engage people in the following ways:

- They are successful. People have work they feel is meaningful and that “fits” their talents and abilities.
- They belong. People feel connected to one another, supported and understood by their managers.
- They are customer-focused and empowered to act. People see a clear line-of-sight to the customer and the brand promise and how what they do helps their organization acquire and keep customers.
- They have “servant” managers. Managers see their role in helping each person develop, become more productive and make decisions in the interests of the customer and company.
- They are relentlessly interested in their people. Leaders focus on the inherent strengths of their people and find ways to draw out the best within.

Organizational culture is energy in motion. It needs to fuel organizational goals and objectives and must be judiciously assessed in relationship with its desired outcomes.

MicroCulture must be addressed first, because people connect to the larger enterprise through the people and managers with whom they work.

Secondly, the MacroCulture must inspire confidence and resonate with the brand.

Third, the Bridge Culture offers the final piece of the cultural puzzle; the Nexus point that connects human energy to the priorities of the business and delivers the brand promise.