

## Recession Proof Your Culture

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We have entered into a challenging phase in business history with the current economic downturn. The last thing on many executives' priority list is a focus on their organization's Culture. Instead, the more pressing tangible items are being addressed like profit performance, employee downsizing, hitting sales targets and cutting budgets. The organization's Culture is often considered intangible and associated with the "touchy, feely" elements of business that may not be seen as important to success in difficult economic times. The reality is that an effective Culture can be extremely powerful and can lead to sustainable competitive advantage for organizations that will survive and thrive.

It could be argued that there is nothing more important than Culture for CEOs and Senior Executives to be focused on right now. As organizations are being forced to do more with less, it is critical that existing employees know their value and feel a part of the team that will make a difference going forward. The impact of focusing on Culture can mean the difference between success and failure in today's environment. Research from Michael Henderson's book *Get Tribal* indicates that a positive Culture is eight times more influential with employees in their efforts to drive organizational success than a strategy focused on the company's performance. Yet, during times like these, CEOs and Senior Executives too often get very short term oriented and stop focusing on Culture.

The word Culture comes from the Latin term "cultura" meaning "to cultivate" and it is defined in Wikipedia as the set of shared attitudes, values, goals, and practices that characterize an institution, organization or group. Companies that are succeeding in today's environment understand and embrace this definition of culture. They know that Culture is a true reflection of who their company is, what it stands for, and how the world views them despite the economic challenges. Because of that, they focus on cultivating their people. In fact, because their people are operating at their best, they are experiencing positive results. Great examples of this are Southwest Airlines, Tom's Shoes, Tim Horton's, Research in Motion, Zappos and Bazaarvoice. The underlying commonality for these organizations and other successful companies is that ownership for "culture" lies at the top.

In some cases, the Chief Executive Officer has renamed their position to be the Chief Culture Officer. Organizations that are winning understand that Culture describes to the world (internal and external customers) who you are and what you value. They understand that it speaks louder than any marketing campaign or words on a page. Culture is reflected directly in your organization and what it stands for. It is not an initiative or a project. It is alive within each team player every minute of every day.

To succeed in creating and maintaining a Culture that will be timeless and enduring, and will set you apart from the rest, it can be useful to evaluate best practices across industries. It is also important to let go of previous beliefs about Culture and explore "out of the box" practices that are seeing success. One of those unique and new ideas comes from a small company in Austin, Texas called Bazaarvoice where they truly "live" their Culture. The Chief Culture Officer is passionate about the Culture of his organization and the results have allowed them to dominate over their competition (forcing them into bankruptcy). His senior team meets quarterly spending 3-4 hours discussing only Culture. This is non-negotiable and has made this organization one of the top places to work in Austin. Another best

practice that they have implemented is to “pressure” test each candidate that is hired into the organization to insure that there is a strong Cultural fit. They also provide performance feedback quarterly (they call it the Magic Moment) to each employee, and management is rated by staff around their Five Star Cultural Values. Politics are not tolerated in this organization.

Probably the most unique practice at Bazaarvoice is that they have no vacation policy. They have found that everything gets easier when you eliminate the rules. In fact, employees on average take fewer vacation days because they have a renewed passion around driving success for the company and they “rave” about this practice to their customers and others outside of the organization. There is a calendaring system that allows all employees to view vacation schedules and the interesting outcome is that the process becomes self-correcting. Employees tend to manage one another if an individual is found abusing the benefit.

When it comes down to the baseline definition, Culture is all about “connecting” with your employees and customers at the heart – letting them know that they are part of the family and they are valued. That can happen in so many ways and it seems so simple. Yet, these basics can be overlooked especially in times of difficulty. This causes strains in an organization that break down the ties that bind both employees and customers. That is why delving into your organizational Culture and looking at new solutions that fit today’s talented workforce can mean the difference between substantial financial losses and double-digit growth that will sustain into the future.

It could be time to give yourself a “Culture Audit” by simply engaging your leadership in discussing the following five questions:

1. Are we living our stated Corporate Values? Do we have the right symbolic stories being repeated in the organization?
2. What do our people need (communication, connections, information); and are we giving that to them?
3. Are we as leaders visible, approachable and open to great ideas from anywhere? Or are we “hunkered down” creating plans that we then spring on everyone else?
4. Are we using this time to regroup and create new organizational capabilities that will help us in the future? Do our people see visible and symbolic examples of this?
5. Rather than locking in on one business strategy, have we spent enough time discussing a variety of possible economic scenarios and how we would recognize and best respond to each?

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