

# Driving Long-Term Engagement through a High-Performance Culture

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Culture may take top honors as the most mysterious and difficult-to-get-your-arms-around lever of employee engagement. Other commonly recognized engagement levers appear easy to move in comparison. Got bad managers? Fire the worst; then train — and compensate — the remaining managers for behaviors that engage. Experiencing a disconnect on the branding front? Enlist the marketing department to lead an inside-out brand campaign to rally the workforce.

But culture? It's amorphous and intangible. Not long ago, biologists were the only ones creating it — in Petri dishes. Organizational development experts studied it, and there were a few maverick businesspeople, like Herb Kelleher of Southwest Airlines, who credited culture as the secret to their firm's success. Most businesspeople dismissed it as soft HR stuff — until leaders like Herb Kelleher started getting attention for the successes they enjoyed, especially in adverse economic times.

Organizational culture is far from fluff. It's potentially the most powerful engagement tool at your disposal. If you get culture right, it provides a foundation for high engagement that can sustain your workforce through good times and bad. That's because your culture, like the air you breathe, touches all employees. Culture is not an engagement program portioned out to a select group of managers, or a workplace perk that drives high employee survey scores but can succumb to budget cuts when times get tough. Culture is there whether you have deliberately shaped it or not. It makes good business sense to make sure your culture is working for you — to drive high performance and engagement.

This chapter explores the links between culture and engagement, what a *high-performance culture* looks like, the steps for creating one, and the pitfalls into which even the most well-intentioned leaders can fall.

## What Does a High-Performance Culture Look Like?

Corporate culture at its most basic level is the *sum of an organization's behaviors and practices*. It reveals itself in big and small decisions as well as daily practices (“how we do things around here”) that tend to perpetuate themselves. Culture often goes unnoticed by employees (like the air you breathe), yet a healthy culture (like clean air) is essential to a healthy organization.

A firm's founder naturally places his or her stamp on the organization — shaping the culture through early hiring decisions and policies, as well as his or her own values, communications, and behavior. But most often, as the organization grows organically or through M&As, its culture naturally changes and is allowed to evolve.

But, culture — and then subsequently employee engagement — is too critical to leave to the evolutionary forces. You must *deliberately* mold and cultivate a high-performance culture to drive engagement. And you can.

High-performance cultures are shaped around the following three components:

- **A clear, compelling corporate mission.** A mission, or *purpose* as some firms call it, is a statement that answers the question of why the company exists: “What’s your reason for being?” It needs to inspire, inform business decisions, generate customer loyalty, ignite employee passion, and motivate discretionary effort. “Making money” doesn’t qualify as a mission, although profitability is essential to a firm’s survival. And although a mission does not have to reflect a “save the world” tone, it does need to be aspirational and clear enough to engage employees. Its mere existence serves as the organization’s North Star, providing a fixed point to which the workforce can connect.
- **Shared organizational values.** Core values guide employee behavior and influence business practices as your organization delivers on its promises to customers, employees, and other stakeholders. Core values answer the question: “What are your guiding principles, your authentic, enduring ‘rules of the road’?” Your business strategies shift to meet market demands. Your core values don’t.
- **Shared accountability.** High-performance cultures require an environment that encourages employee ownership of both the organization’s bottom-line results and its cultural foundation. Culture affects everyone and is everyone’s business. It’s essential, then, that the entire workforce understands the core drivers of your culture and share responsibility for sustaining them.

## Culture’s Impact on Engagement

Numerous studies connect the dots between organizational culture and employee engagement. The Corporate Leadership Council, for example, labels culture a “public good” engagement lever — meaning it is not subtractable nor is it excludable. Unlike “private good” levers (e.g., coaching or career development programs), culture does not require direct investment in individual employees, it is “scalable” (by touching all levels of employees), and it requires minimal resources to maintain (providing benefits indefinitely). If you’re serious about employee engagement, it’s worth taking the time to shape your culture because your efforts can provide wide-reaching, long-lasting value.

In our experience, a high-performance culture can positively impact employee engagement in the following ways:

1. **Provides meaning and emotional connection** to a workforce searching for employment that offers more than just a paycheck. That connection translates into increased commitment and pride, which in turn results in higher retention and discretionary effort.
2. **Prevents bad business practices and behavior** that may not necessarily land your leaders in jail but can certainly alienate customers and employees who come to work each day with good intentions and high achievement needs. High-performance cultures weed out leaders who don’t live the core values before those leaders’ behaviors damage morale and drive top talent out the door.

3. **Guides and inspires employee decisions** in a flatter, fast-paced workplace so that employees do all the right things when you need them to — whether their manager is watching or not.
4. **Encourages innovation, risk taking, and trust** — all qualities characteristic of an environment that encourages employee use of talents and discretionary effort. Plenty of studies, including our own, make the link between high engagement and the ability of employees to do what they do best when they show up for work each day.
5. **Supports “fit.”** A strong culture helps ensure that those who don’t fit leave or don’t try to get hired in the first place. That’s important to sustained employee engagement, because disgruntled, out-of-place employees bring everyone down. When an organization focuses on values, not just results, hiring and firing decisions are easier to make. Better yet, bad hires often self-select out.
6. **Attracts and retains star performers** who not only have the skills required to achieve ambitious business goals but who are also so invigorated by the company’s core beliefs that they give 110 percent. “Meaningful work” has appeared as one of the top three career drivers in the last four career development studies conducted by BlessingWhite. Although each employee has a unique definition of “meaningful,” when an organization has a well-established culture based on a clear mission and shared values, it’s easier for employees to determine whether their job will provide the meaning they’re looking for.
7. **Provides fixed points of reference and stability** during periods of great change or crisis. Think of a lighthouse with its beacon during fog and rough seas. In the same way, a high-performance culture can keep employees motivated and aligned when business strategies are constantly shifting or marketplace pressures mount. It also helps ensure that, if a crisis hits, leaders at all levels act in a way employees can be proud of.
8. **Aligns employees with diverse interests around shared goals.** A high-performance culture creates a sense of community and encourages teamwork, creating a common bond among individuals with different experiences and expertise. The result: A feeling of belonging to something bigger than one’s self.

There’s no doubt that managing your culture requires constant attention, and if it’s not something you’ve addressed before, it’s likely to be a lot of hard work. Kotter and Heskett, in the landmark study that led to their classic book *Corporate Culture and Performance*, estimate it can take 5 to 15 years to actually change a culture, depending on its size.<sup>1</sup>

It seems daunting, but if you’re committed to employee engagement, the ultimate, long-range benefits of taking action outweigh the organization that you might get by default:

- A culture that may be supportive of engagement now (by luck or market forces) but is not necessarily sustainable
- A neutral culture that forces your organization to work harder and invest more in “private good” engagement efforts
- An organization that continuously incurs preventable expenses in image repair and turnover costs
- A toxic culture that undermines all your other employee engagement strategies.

## Best Practices for Building and Sustaining a High-Performance Culture

Since every organization's culture is unique, the following recommendations do not constitute a process of lock-step actions. What is critical to remember, however, is that culture creation is a *continuous effort*. You can never check these steps completely off your list and say "our culture's done." Organizations with high-performance cultures continuously monitor results and regularly return to these strategies to sustain their success:

- Clarify your mission and values
- Assess your starting point
- Communicate and translate your mission and values
- Model your values
- Inspire employees
- Align employees
- Align business practices.

### Clarify Your Mission and Values

If you don't have a published mission or set of organizational values, you need to identify and define them. You won't actually start with a blank slate. Having no *espoused* values, for example, is not the same as having no values. Your organization has rules of the road even if they are unspoken. (Which means, of course, that you may have to undertake an abrupt, painful, and expensive reverse-course if you discover that the mission and values that are in place are detrimental to your company's long-term interests. The change won't be fun but it's better than continuing down the wrong road.)

#### Examples of Mission Statements

*Why does your organization exist?*

- The Walt Disney Company: To make people happy.
- Merck & Co.: To preserve and improve human life.
- Charles Schwab & Co.: To provide customers with the most useful and ethical financial services in the world.
- BlessingWhite: Reinventing leadership and the meaning of work.

#### Examples of Core Organizational Values

*What are your organization's rules of the road?*

##### Starbucks

- Provide a great work environment and treat each other with respect and dignity.
- Embrace diversity as an essential component in the way we do business.
- Apply the highest standards of excellence to the purchasing, roasting and fresh delivery of our coffee.
- Develop enthusiastically satisfied customers all of the time.
- Contribute positively to our communities and our environment.
- Recognize that profitability is essential to our future success.

##### General Electric

- Passionate
- Curious
- Resourceful
- Accountable
- Teamwork
- Committed
- Open
- Energizing

**Xilinx**

- **Customer Focused:** We exist only because our customers are satisfied and want to do business with us...and we never forget it.
- **Respect:** We value all people, treating them with dignity at all times.
- **Excellence:** We strive for “Best in Class” in everything we do.
- **Accountability:** We do what we say we will do and expect the same from others.
- **Teamwork:** We believe that cooperative action produces superior results.
- **Integrity:** We are honest with ourselves, each other, our customers, our partners, and our shareholders.
- **Very open communication:** We share information, ask for feedback, acknowledge good work, and encourage diverse ideas.
- **Enjoying our Work:** We work hard, are rewarded for it, and maintain a good sense of perspective, humor, and enthusiasm.

**U.S. Army**

- *Loyalty*  
Bear true faith and allegiance to the U.S. Constitution, the Army, and other soldiers. Be loyal to the nation and its heritage.
- *Duty*  
Fulfill your obligations.  
Accept responsibility for your own actions and those entrusted to your care.  
Find opportunities to improve oneself for the good of the group.
- *Respect*  
Rely upon the golden rule.  
How we consider others reflects upon each of us, both personally and as a professional organization.
- *Selfless Service*  
Put the welfare of the nation, the Army, and your subordinates before your own.  
Selfless service leads to organizational teamwork and encompasses discipline, self-control and faith in the system.
- *Honor*  
Live up to all the Army values.
- *Integrity*  
Do what is right, legally and morally.  
Be willing to do what is right even when no one is looking.  
It is our “moral compass” an inner voice.
- *Personal Courage*  
Our ability to face fear, danger, or adversity, both physical and moral courage.

**Johnson & Johnson**

*Although J&J's credo is not an exact model of a mission and values, it has served to guide workforce behaviors and leadership decisions for more than 60 years.*

*Our Credo*

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

One executive of a global high-tech firm explains it this way: “Defining our mission and core values was a natural step in our evolution. When we were small, everyone knew what we were about. But as we’ve grown to over 16,000 employees, we felt it was important to step back and formally write down the core principles that guide our behavior. They aren’t foreign to anyone. We just want to be crystal clear how these values contribute to future success and ensure they remain on everyone’s radar screen.”

This has to be an inclusive process. Senior leaders may be tempted to hole up in a small clubby group to define mission and values, in order to shortcut a values clarification process of seemingly endless drafts and word-smithing (see sidebar on pages 4 and 5 for sample mission and values statements) with all stakeholders to get to a concise statement of purpose and five to eight core values. What they get, if they do it this way, is a document that will reflect their own hubris and delusion than a real-world picture that the entire company can endorse.

## Authenticity

Clarifying your mission and values requires looking inward, not outward. You can’t benchmark other companies to determine what you stand for. You can’t contract a set of desirable core values from a consulting firm (although consultants can facilitate your clarification process). You need more than a passionate senior leader to distill and give definition to the guiding principles that will be authentic for your organization. You need to bring yourself to the table and stay there until the job is done.

Some firms establish cross-functional teams to identify their values from the rank-and-file up. Others may start at the top but then actively solicit input from managers and employees through focus groups and online surveys. Either way, the process needs to delve into:

- What are the organization’s unwritten rules?
- How does work get done?
- What do new employees think that the organization values?
- What do veteran employees believe?
- How do those perceptions compare?
- Which values are most critical for success moving forward?
- How is each value defined?

The process can be time consuming, yet it ensures that the mission and values reflect the essence of your organization. There’s nothing more de-motivating than executives espousing values that are totally foreign to the workforce.

## Buy-in

This clarification process also builds commitment and jumpstarts the communications required to familiarize the workforce with the power of core values. One financial services firm, with a founder and chairman who had a very clear vision of the organization’s values, took 10 months and the input of 80 executives to revisit its purpose and formally document its values. The CEO’s rationale: “The challenge was not document creation, it was commitment generation. To achieve that objective, a process of much broader inclusion was essential.”

The process can work at a department level as well. One IT department that weathered a tumultuous acquisition (so typical in the pharmaceutical industry) found that defining what the larger organization’s values meant at the *department level* helped everyone get on board — on the same page — for the way the reshaped department needed to behave in order to succeed under the new ownership.

## Assess Your Starting Point

If you already have a published mission and core values, you need to know where your organization stands. Take the posters down from the wall, revisit the words, and most importantly, assess whether these tenets actually guide the practices and behaviors of your organization.

Look at your mission.

- Does everyone know it?
- Does everyone agree on what it looks like when it's in action, especially in moments of tough choices?
- Do leaders use the mission to guide business decisions about product and service offerings, alliances, and expansion opportunities?

Look at your core values. Are they:

- *Posted?* On the walls? On your website for investors and potential new hires to view? In your Annual Report?
- *Known?* How many senior team members can rattle off the list? How many middle managers and employees can do the same?
- *Embraced?* Do leaders refer to them regularly? Do your employees reference them in meetings when facing a decision about an action? Are there opportunities to convene discussion groups that focus on one or more of the values at any given time?
- *Lived?* Do leaders model desired behaviors?
- *Embedded in daily decisions and practices?* From organizational mechanics, to processes and functions that touch the employee, the customer and other stakeholders, where are business practices on the culture spectrum? Are they reinforcing its core values or flying in its face? Can your employees tell stories of incidents when they have seen the values in action?

When sizing up the situation, take extra care to look at differences that may exist across your organization. Field offices are often less aligned with the organization's mission and values than headquarters. Leaders of divisions or departments tend to set the tone — good or bad — for interpreting your culture's core drivers. And this reality check will bring to light gaps between espoused values and day-to-day operations, as well as well-aligned behavior and business practices. Run internal focus groups to gather stories of values in action or behaviors in conflict, conduct random employee conversations and “check-ins,” or use a more formal employee survey. This “scan” of your culture can help you prioritize the areas of greatest need and the actions that will provide the greatest leverage.

One manufacturer in the computer industry, for example, had clarified its core values in 1996 through a worldwide initiative in which every employee had the chance to provide input. When its senior team assessed the culture after four years of rapid growth, it realized that the values were known but not always influencing practices and behaviors to the extent the leaders wanted. As a result, they implemented several initiatives, including the addition of culture-building tools and content in their manager “boot camp.” Their goal: to renew a focus on values and ensure that managers could fulfill their role as custodians of the strong culture of shared values that historically had set the firm apart from its competitors.

## Communicate and Translate Your Mission and Values

Communication is a critical step for organizations with a newly clarified mission and values, but it remains a key success factor for those trying to build and sustain a high-performance culture. We're not talking about a check-off-the-box communication strategy orchestrated by your marketing staff (although that can certainly help in the beginning).

A high-performance culture requires continuous communication to provide meaning. Meaning — not abstract terms, catchy phrases, or executive missives — drives employee engagement.

### Starting at the Top

If senior leaders aren't crystal clear — and in complete agreement — about the organization's mission and values, attempts to cascade their message will act like a crack in a foundation, with the fissure growing larger and larger as communications work their way down through the organization. Many senior leaders admit to us that they haven't memorized the organization's values. Most usually get only 50 percent of the values correct. Some leaders actually try to bluff their way through interviews, recounting values that sound lofty but don't actually belong in their organization. Research by The Hay Group confirms our own observations, suggesting that senior team members in large and small organizations can suffer from a disconnect on the organization's mission, vision, values, and short-term strategies.

### Staying on Message

Leaders need to talk about the organization's culture and core mission and values at every opportunity. When they think they're done, they need to keep going. And in addition to the "what," leaders need to include the "why" to add commitment to clarity. Why do they personally care? What will the organization (or the market or the world) look like when every person and practice is aligned with the firm's mission and values? One managing director of a financial services firm based in Ireland explains: "I try to be proactive. When I communicate about strategy and decisions, I always refer to our values too. We need people to see and hear the priority we give the values."

### Making Abstract Concepts Real

For employees to align their behavior and decisions with core values, they need to be able to do more than recite pithy statements. They need to understand, see, and feel the meaning implicit in the words. Meaningful communication requires two-way *dialogue* to make it real. Employees need to know "What does this mean to me? How can I make a difference?"

Story-telling is an excellent way to translate a mission and values into tangible actions. It also provides an emotional element that inspires individuals to *care enough* to act. To be most effective, stories need to be first-person accounts that:

- Contain specific, "sensory-rich" details so that the listeners can actually feel a part of the scene
- Cover feelings *and* facts.

Firms with high-performance cultures routinely begin meetings or business dinners with story telling about the mission and core values in action. They make sure to post stories of "culture keepers" on their intranets not only to celebrate successes but also to offer concrete examples of what living the organization's values actually looks like.



## Model Your Values

Defining values in the abstract and providing vivid examples aren't enough. And although all employees play a part in sustaining a high-performance culture, leaders are the guardians. They set the proper tone when they visibly model the organization's espoused values. If they don't, the values won't take — or worse, the posters and laminated cards will fuel employee cynicism, seen merely as a meaningless “flavor of the month” change initiative, or the CEO's pet project that will fizzle out when that particular leader departs.

And, unfortunately for executives, leadership has never been more public, thanks to the fishbowl of visibility created by the Internet. Everyone — employees, customers, shareholders, and the media — is watching or can quickly tune in when news of an executive blunder hits cyberspace. There's nowhere to hide.

## Sobering Stats

Our research indicates only about half of leaders at all levels do a good job of walking the organizational talk. According to our analysis of culture scans from a wide range of organizations, the behavior of only 56 percent of senior leaders and 51 percent of middle managers is perceived as very or mostly consistent with the organization's values. These organizations may not be making headlines with egregious executive behavior, but they are still missing out on the benefits of a high-performance culture. If half of the leadership is perceived as adhering to the organization's values, that means you have another 50 percent behaving in ways that are disengaging to the employees.

There is a direct impact of this “talk/walk” disconnect on key employee engagement measures. In those organizations where fewer than half the leaders behave consistently in line with the organization's values:

- Only about a third of employees indicated they would recommend the organization as a good place to work
- Fewer than half of employees indicated that they were proud to work for the organization.

In those organizations where senior leaders scored significantly lower than middle managers in modeling core values, the impact on the engagement measures was even more pronounced.

Are leaders that misaligned? Probably not. The challenge for many leaders is to *overtly model* what the organization stands for. They don't get credit for a lot of what they do that is off employees' radar screens. The workforce at large isn't privy, for example, to the passionate values-focused debates that produce controversial decisions. So, it's up to leaders to manage those perceptions by connecting the dots for employees.

## Showing the Math

Leaders can make explicit connections if they “show the math” for their decisions. Think back to middle school when your math teacher required you to not only provide the answer to a problem — but also the process by which you arrived at your answer. This requirement enabled teachers to determine whether you were applying concepts correctly (even if you ended up with the wrong solution). In a high-performance culture, leaders show the math. They take the time to explain the process and rationale for decisions, to overtly illustrate how the organization’s strategy, mission, and values are supported. Studies have shown that showing the math — or demonstrating *process fairness* — can help sell a decision that would have otherwise been extremely unpopular.

## Ensuring Accountability

Hypocrisy at the top has an extremely negative impact on engagement. Senior teams, therefore, need to be vigilant in holding one another up to the highest standards of role modeling. One technique used successfully by some leadership teams is the practice of “discussing the undiscussables” in their meetings — raising and addressing the proverbial “900 pound gorilla that everyone sees but doesn’t mention” — especially when it comes to team members not living the values.

What about managers in the middle? Managers may not feel they own the culture; therefore, they may not feel that they hold responsibility for the culture either. They may need education on the importance of their role or be equipped with the tools they need to be successful stewards of culture. They also need to know that they can’t wait for the folks at the top to be exemplars of culture. Attention at this level of the organization is critical to achieving the momentum Kotter and Heskett describe in *Corporate Culture and Performance*: The organization must “motivate an increasingly large group of people to help with this leadership effort. These people must find hundreds or thousands of opportunities to influence behavior.”<sup>2</sup> The authors point out many an organization has slid backward somewhere in between the executive suites and the front lines.

## Inspire Employees

Leaders need to do more than relentlessly communicate and visibly model their organization’s espoused values. A high-performance culture depends on the ability of leaders to inspire commitment to the organization’s mission and values — as well as the notion of shared accountability for maintaining the culture. That task is easier said than done, as one managing director of a European bank describes the challenge faced by him and countless other successful business leaders: “A large percentage of us are left-brained — myself included. We tend to start with logic, move on to logic, and finish with logic. It’s a struggle for us, even though we understand that logic doesn’t inspire.”

## Blending Competence and Connection

Our review of nearly a decade's worth of leadership assessment data supports this executive's view. In our preliminary analyses, senior executives scored highest on characteristics associated with traditional business competence such as job expertise, clarity of communications, and a focus on results. Yet the characteristics identified as most predictive of effective leadership represent what many might label as "soft" traits — such as trustworthiness and empathy.

These findings don't suggest that leaders should replace their business savvy with interpersonal skills. Rather it means integrating business competence with personal connection. For leaders this involves:

- *Knowing yourself* — and what motivates you. Leaders can't inspire others if they themselves aren't inspired or engaged. Our latest employee engagement research indicates that 74 percent of directors and above are proud of their organization, leaving a quarter of senior leaders at a disadvantage for instilling pride in the workforce at large. So it may be time to step back and consider why you come to work each day with a skip in your step. How do you personally connect with the organization's mission and values? Why are you proud?
- *Making yourself known*. Familiarity helps create trust. Our research findings suggest that employees who think they know their manager very well score significantly higher in all key measures of employee engagement. One way to consider this issue: Employees will follow you through the sunny meadow based on your competence and title. But they won't step into the deep dark woods after you if they don't know you as a person. They have to understand what you personally stand for and trust that you'll continue to stand for it when the going gets tough.
- *Knowing your employees*. Individual employees find meaning based on their unique personal career aspirations and values. In fact there probably has never been a generation of employees more literate about their own passions and ambitions as the groups of employees at work today. (All those millions of purchased copies of *What Color is Your Parachute* are going home with people — some of whom are bound to be your employees.) The only way to connect the organization's priorities to theirs is to ask what's important to them. And give them the chance to tell you fully. Then you can communicate with relevant, meaningful, and empathetic messages.

One marketing director of a global insurance firm sums up the need to pull this all together: "To function as a leader your team needs to be able to understand what your values are, what you are here to do and the purpose of their role is in getting there. If as an organization and a leader you can be true to your values then you have something quite special."

## Align Employees

More inspiring leadership goes a long way in creating a passionate community of employees. And regular coaching can help adjust employee behaviors to better align with values and business goals. Yet employee motivation and engagement remain largely in the hands — actually the hearts and minds — of employees.

Barry Posner and Warren Schmidt's often-quoted 1992 study indicated that employees who "had the greatest clarity about both personal and organizational values had the highest degree of commitment to the organization."<sup>3</sup> The implication: As clear as you may be in communicating the organization's values, if employees aren't tuned in to their personal motivators, they won't necessarily be able or willing to engage fully and contribute toward the organization's goals. As Posner points out (with Jim Kouzes) in *The Leadership Challenge*: "Those individuals with the clearest personal values are better prepared to make choices based on principle — including deciding whether the principles of the organization fit with their own personal principles."<sup>4</sup>

Organizations with high-performance cultures recognize the power of individuals' personal values. It's not about making values clones, bluntly warns one HR manager at a hospitality/travel firm: "Employees can't be passionate about something that is mandated." The key is encouraging individual reflection and connection — and providing a framework for employees to discuss their insights with their managers.

One of Ireland's largest banks tackled this challenge when survey data suggested that 61 percent of employees could state the organization's mission but did not really grasp its meaning or importance to them. In addition to the usual corporate communications and leadership messages about the firm's mission and core values, every employee and manager attended a workshop that helped them clarify their own personal values. Employees at all levels also had the opportunity to consider how their jobs fit into the organization's definition of success. The result: By identifying the "sweet spot" where their convictions and career goals intersected with the organization's values and goals, they achieved a higher level of satisfaction *and* contribution.

## Align Business Practices

When organizations take the time to align their business practices with the core drivers of their culture, things run more smoothly. But in our experience, culture initiatives often hit major obstacles when aligning day-to-day operations (budgeting, fulfillment, recruiting, orientation, performance management, marketing, purchasing, and others listed in the sidebar) with their espoused values. Perhaps it's not surprising, because many organizations still struggle to more tightly link daily practices to their core business strategies. This culture link represents an advanced maneuver.

Yet it's worth the effort — especially with practices that influence the employee experience. Two examples are new hire orientation and performance management.

## Examples of Business Practices

*Are yours aligned with your mission and values?*

### Organizational Mechanics

- Budget process
- Strategic planning process
- Organizational structure
- Decision-making/authority levels
- Performance targets
- Purchasing

### Employee Experience

- Recruiting
- Orientation
- Development
- Pay and incentives
- Performance appraisals
- Employee/mgmt. relations
- Internal communications
- Office layout

### Customer Experience

- Service delivery
- Fulfillment
- Complaint response
- Marketing
- Contracts
- “Bricks” presence and design
- “Clicks” (web) presence and design

### Other Stakeholder Experience

- Supplier contracts and procedures
- Field site or distributor relations
- Other strategic partnerships
- Shareholders
- Community presence

## New Hire Orientation

Our research indicates that only 40 percent of organizations hire and orient employees in a way that reinforces the organization's culture. That leaves the majority of firms missing a prime opportunity to create culture “owners” from day one and make new hires feel a part of something important.

Organizations with high-performance cultures focus on creating an emotional connection with their mission and values during orientation — some even start the induction process during the screening, selection, and hiring phases of the actual interview process itself. Some share company history, the founder's vision, compelling stories of core values in action, or accounts of lives powerfully touched by products or services. Others encourage new hires to experience their products or reinforce their brand in all orientation materials. Still others go a step further to ensure smooth assimilation by focusing on the cultural dos and don'ts. One director of learning and development at a global biotech firm explains that orientation includes tips for new hires to help minimize the “antibody response,” where the organization's unique culture drives out well-intentioned new hires (just as the human body sometimes rejects transplanted organs).

## Performance Management

Performance management systems are problematic business processes, period. HR is constantly changing the forms or technology and badgering managers to set goals and conduct reviews. Many organizations still struggle to identify which performance actually matters.

Our research indicates that less than a third (30 percent) of employees believe that individuals who live the values and promote the culture of the organization are rewarded and promoted. That's hardly good news for organizations trying to build high-performance cultures. Yet increasing numbers of firms are incorporating their core values into their performance management systems to ensure the workforce is held accountable for behavior as well as results. The ultimate test, however, is what happens when an employee falls short on the values measures. Jack Welch was famous for explaining that he could work with a leader who didn't deliver results but did live GE's values (by looking for a position for that person where he could succeed) — but a leader who delivered results at the expense of the organization's values wasn't tolerated. That type of accountability in organizations is still quite rare.

## Making It Happen

The steps outlined above, when taken together, might feel like too big of an initiative to take on all at once from a dead start. However, most organizations are already down the road toward creating a high-performance culture; yours is probably one of them. So you don't have to feel overwhelmed; you just have to feel a sense of urgency. Don't delay in adding deliberation, attention, and intention to your pursuit of developing a high-performance culture. If you wait for the best time to address your organizational culture, your other employee engagement initiatives will be reduced to mere fire-fighting, where once you're done with one issue, another will pop up. You'll exhaust more resources trying to build engagement that way than you will if you tackle your organization's culture.

One CIO explained why a high-performance culture matters in his department: “The most fascinating aspect of this to me is that the organization has learned to draw strength, passion, and energy from within itself. It is no longer necessary to our very survival that I be available to offer my passion and energy. Not only has it dispersed itself among my leadership team, many leaders have emerged at all levels of the organization, with a newfound confidence and self-awareness of what we stand for and what we are capable of.” Sounds like that qualifies, using the Corporate Leadership Council's lingo, as the results of a “public good” engagement lever.

## Pitfalls to Avoid

### Copycat Cultures

The mission and organizational values at the core of your culture need to be yours. Benchmarking just doesn't work. Your culture needs to be unique if it is to be a competitive differentiator — to engage *your* employees in *your* marketplace with *your* business objectives. There's nothing more demotivating than trying to be something you're not. Cultures that engage employees leverage their uniqueness while at the same time raising the bar with aspirational goals.

### The Celebrity CEO on a Timeline

Beware of new leaders bent on promises of rapid culture change. The news is full of CEOs parachuting in to save a firm only to be spit out a year or two later by the very culture he or she is trying to change.

### Communication Breakdowns

No news here. You can't conduct a few town hall meetings and call it a day. Just when you thought you've said it enough, say it again. Take a tip from the marketing department: Stay "on message." You may feel like a broken record, but remember that it's constant radio play that creates hit records — with everyone knowing the words and singing along. Leaders at every level have the opportunity to state and re-state what the organization stands for, as well as the organization's strategy and values.

### Abstractions

Integrity. Respect. Customer First. Innovation. Risk Taking. Who could argue with those words? But what do they look like in your organization? How can they be applied each day in every person's job? That's where two-way dialogue between employees and managers, not one-way corporate communications, matter. Engagement results when all employees understand why their jobs matter and how they can live the organization's values.

### Mis-Steps at the Top

Don't think that the failures of senior leaders to model the values will go undetected. Actions speak louder than words. And though our research indicates that most employees don't feel safe challenging their leaders' decisions and behavior, our findings also suggest that they'll take stock — and move on if there's hypocrisy at the top.

### Missing Links in the Middle

Culture is too amorphous and large for senior leaders to effectively maintain it without help from the front lines. Yet most managers are squeezed between the urgency to deliver business results and the need to establish a high-performance culture. If they are held accountable for business results only, or if they see culture as a senior leadership responsibility, the culture will suffer. Give them the tools and support — and accountability — they need to succeed.

### Misaligned Business Practices

All the elegant messages and well-intentioned leader behaviors will be for naught if the systems and policies that keep your organization running conflict with your culture's core drivers.

### Taking Culture Too Far

It's rare, but possible, to focus so much on culture that you take your eye off your market. Consider Levi-Strauss — touted for its workplace breakthroughs but so internally focused that the firm forgot how to make a good and profitable pair of jeans. A solid business strategy translated into daily work priorities is a requirement for high engagement so that employees are not only enthusiastic about their work, but they also focus their talents to make a difference to the bottom line.

### An End Date

Culture is like a living organism that needs constant feeding and grooming. As your organization grows, recruits need to be assessed for cultural fit, new hires introduced into the culture, and employees reminded with vivid examples of the mission and core values in action. Leaders need to communicate, model, and then model even more. If you look away, your culture will continue to grow, but not necessarily in the direction you need to ensure the high performance and high engagement you need to sustain success in your market.

## Notes

1. John P. Kotter and James L. Heskett, *Corporate Culture and Performance*, (New York: The Free Press, 1992), 147.
2. Ibid., 101.
3. Barry Z. Posner and Warren Schmidt, "Values congruence and differences between the interplay of personal and organizational values systems," *Journal of Business Ethics* 12 (1993), 172.
4. James M. Kouzes and Barry Z. Posner, *Leadership Challenge* 3rd Ed. (San Francisco: Jossey-Bass, 2002), 51.

This chapter will be featured in a 3-volume reference on employee engagement called *Building High-Performance People and Organizations*, edited by Martha Finney, published by Greenwood Publishing Group, 2008.

## About the author . . .

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