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TALENT CURRICULUM

Organizational & role structure

Learning & development

Career paths

Performance management

Compensation

Values & culture

Engagement

Each module in the series contains an explanation of the topic, case studies, considerations and activities to reflect on for your organization

Effectively defining and supporting an organization's values & culture drives teamwork and can become a competitive advantage

- **Values** are the principles that guide the actions and decisions of an organization and its employees, and form the basis of its culture
- **Culture** is the sum of shared expectations, beliefs, and behavioral norms
- Both values and culture are critical, & help to:
  - Ensure organizational alignment on mission, goals, and ways of working
  - Strengthen brand identity & build loyalty
  - Define success and motivate performance
  - Weigh trade-offs & make tough decisions

What executives believe about culture[1]

81% Believe that their culture is a source of **competitive advantage**

68% Believe firms lacking high-performing cultures are **doomed to mediocrity**

Key considerations

Values need to guide behavior & decisions
- Many organizations have values like "integrity" or "excellence"; effective orgs specify what those values mean for employee behavior
- Values impose constraints on an organization, limiting the decisions that leaders can make

Values & culture have to be managed actively
- Integrate your values into all systems: hiring, onboarding, L&D, promotion, compensation...
- Manage culture like you would finances: set goals, monitor, and adjust as needed – and make sure your culture supports your strategy

Culture & values are reinforced by storytelling
- Legends and heroes from your organization's history can provide cultural touchstones
- Sharing stories about ways team members demonstrate values can reinforce those values

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What do you, your colleagues and your actions say about your organizations values?

Values are the goals, views and philosophies that an organization shares – they offer a set of guidelines on the behaviors and mindsets needed to achieve the company vision

How would you describe your organization's values? If they are defined, which of them do you see in your everyday interactions? Which are missing?

What are some of the things that people in the organization say they value?
- What words would your leaders use to describe your organization's values?
- What about junior staff or your direct reports, would they use the same works?
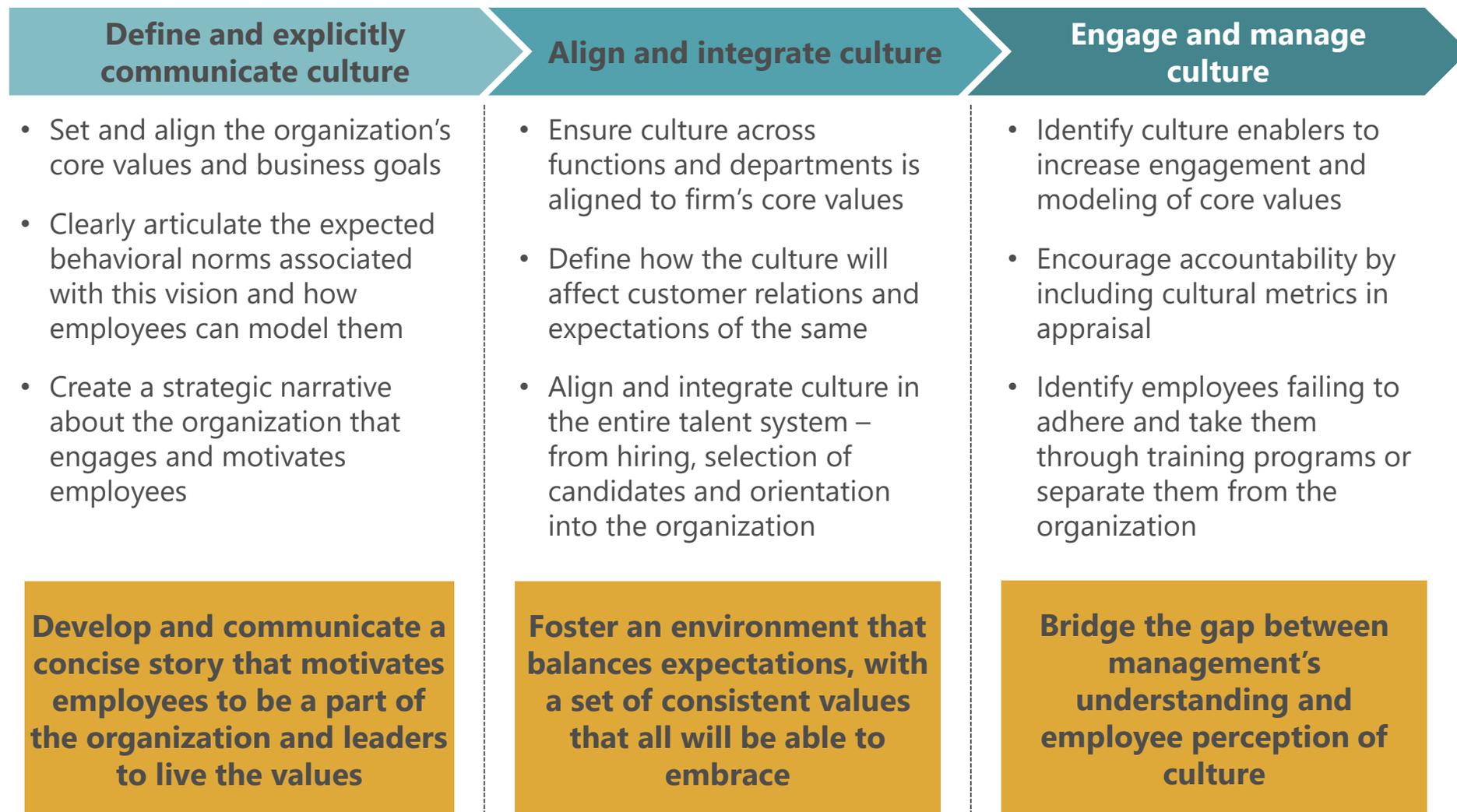
What principles guide how business decisions are made? (Can you add examples here to make it concrete? One good and one bad)
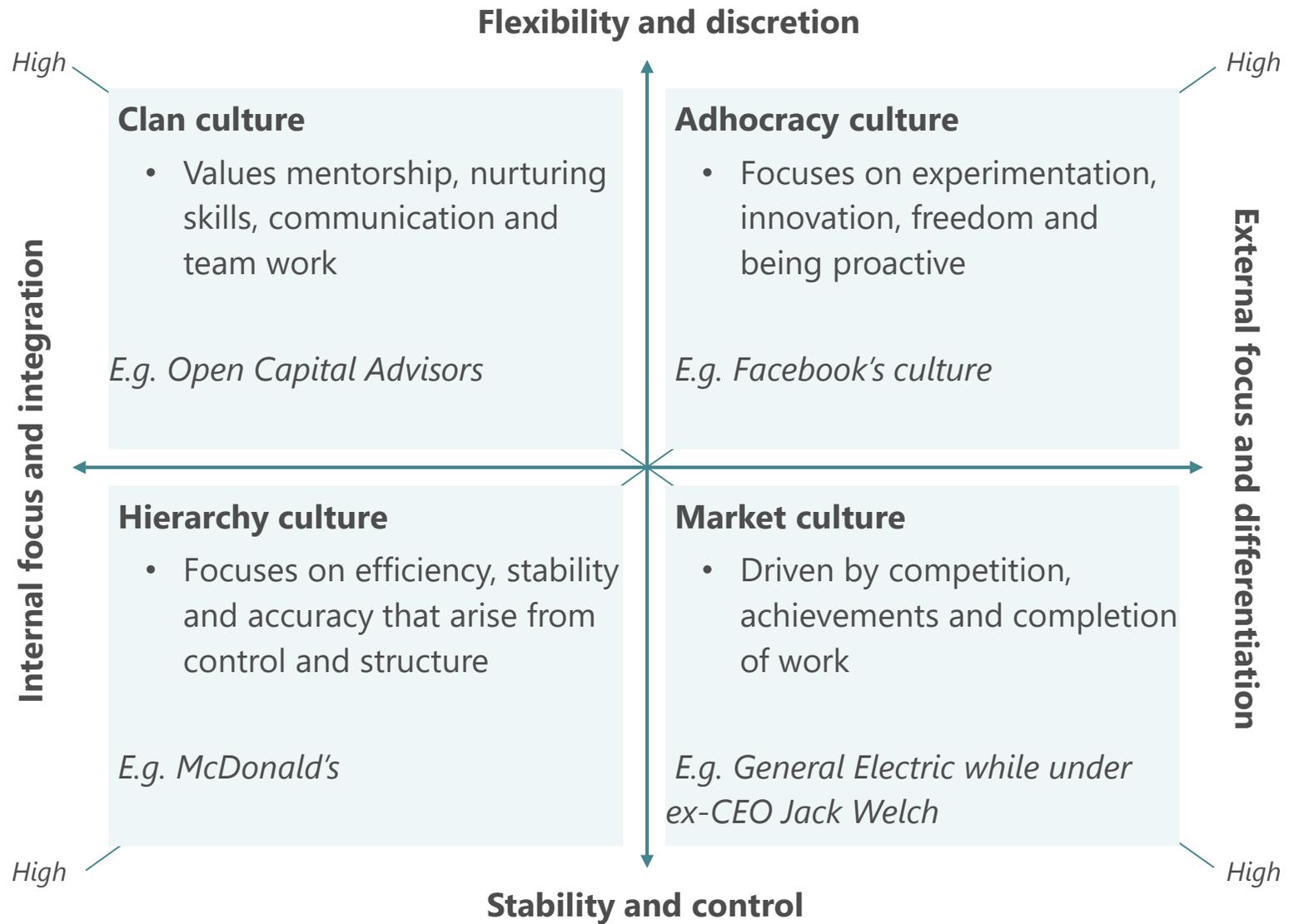
What are some of the common characteristics in how people in the organization behave? E.g. a way in which they speak or how ideas are expressed (again can you tweak so these are specific ways of speaking or expressing things that are god or bad)

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In order to actively enforce culture a firm should communicate, integrate and manage it

Define and explicitly communicate culture	Align and integrate culture	Engage and manage culture
• Set and align the organization's core values and business goals • Clearly articulate the expected behavioral norms associated with this vision and how employees can model them • Create a strategic narrative about the organization that engages and motivates employees	• Ensure culture across functions and departments is aligned to firm's core values • Define how the culture will affect customer relations and expectations of the same • Align and integrate culture in the entire talent system – from hiring, selection of candidates and orientation into the organization	• Identify culture enablers to increase engagement and modeling of core values • Encourage accountability by including cultural metrics in appraisal • Identify employees failing to adhere and take them through training programs or separate them from the organization
Develop and communicate a concise story that motivates employees to be a part of the organization and leaders to live the values	**Foster an environment that balances expectations, with a set of consistent values that all will be able to embrace**	**Bridge the gap between management's understanding and employee perception of culture**

http://www2.deloitte.com/content/dam/Deloitte/us/Documents/risk/us-aers-corporate-culture-112514.pdf

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Define and communicate: Organizational cultures vary based on values and elements driving behaviors

Flexibility and discretion

High   *High*

Internal focus and integration

Clan culture
- Values mentorship, nurturing skills, communication and team work

E.g. Open Capital Advisors

Adhocracy culture
- Focuses on experimentation, innovation, freedom and being proactive

E.g. Facebook's culture

External focus and differentiation

Hierarchy culture
- Focuses on efficiency, stability and accuracy that arise from control and structure

E.g. McDonald's

Market culture
- Driven by competition, achievements and completion of work

E.g. General Electric while under ex-CEO Jack Welch

High   *High*

Stability and control

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Align and integrate: **Think through the answers to these questions and write them down**

Communication channels	**Management styles**	**Behavioral norms and mindsets**
• How do people communicate most often? In person, email, phone, text? • Does the company use informal communication channels to encourage social interaction? (e.g., slack, skype, g-chat) • How do employees interact with superiors? • Does the firm have unique acronyms and phrases that reinforce a sense of team / belonging?	• How does management set goals? • Are employees encouraged to share ideas and challenge the status quo? • Are decisions made unilaterally or encourage participation? • How closely do managers supervise direct reports? Are employees encouraged to take on new responsibilities / step-up opportunities?	• What do people wear to the office? • Do employees work beyond normal office hours? • Do they tend to work in the office or remotely? • Do staff congregate to chat informally or rush to their desks? • How do people interact on an interpersonal basis? Are there in-office friendships that extend beyond the office?

Based on your answers above – what words would you use to describe your firm's current 'culture'?

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Engage and manage: **Culture is transmitted through a number of enablers; important to consider when designing systems and processes**

	Description	**Practical approach**
Rituals	• How often do you have company/team activities and how do employees perceive this?	• Have regular social events for a clan culture e.g. monthly lunches for all employees to sit and bond
Leadership	• What values do the organization's leaders model out? • What values do leaders recognize?	• Assign mentors who model the company's values to junior staff to cultivate a clan culture
Policies & processes	• What regulations are set for employees? E.g. on working hours, and interpersonal relationships	• Set specific working hours and decision making protocol to be followed for a hierarchy culture
Narrative	• Do you share stories about the firm's background & critical milestones or events faced?	• Share org.'s performance, market share data and strategies often to create a market culture
Work environment	• Are there special artefacts that symbolize the org.'s culture? • How is the working space defined?	• To create an adhocracy culture, include bright colors in the office space or have board games
Business goals	• What criteria does the firm use to measure its own performance?	• For a market culture, define org.'s financial targets and set individual employee targets off those
Reward system	• What are the criteria for success and what is rewarded/punished? • How are promotions made?	• Set up award systems for the most innovative employees to create an adhocracy culture

How culture is transmitted

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NIKE maintains a culture centered on creativity, competition & innovation to sustain market competence

Company overview

American multinational corporation

- **Industry:** Sports footwear and apparel
- Engages in the design, devpt, manufacturing and worldwide marketing and sales of footwear, apparel, sports equipment, accessories and services
- **Revenue:** $8.1B (2016)
- **Employees:** 74,000 (2017)

The challenge

- Company needed to be more innovative and competitive by focusing more in image rather than just product advertising
- Company needed to build stronger brand and boost employee loyalty

Intervention

- **Speak up-** Program which promotes sharing of ideas among employees
- **Bias to breakthrough-** Program that removes barriers to creativity and encourages community building
- **"Just Do It"-** Mantra that motivates employees
- Various training, coaching and mentoring programs

Outcomes

- Strong brand endorsed by leading sports athletes worldwide
- First company to sell footwear through the Internet
- Sustained level of competitiveness
- Improved loyalty and team spirit among employees

Source: http://news.nike.com/news/nike-inc-reports-fiscal-2017-fourth-quarter-and-full-year-results

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Values & Culture

behavior norms reward system values community activities styles discuss content narrative environment discuss integration mindset capacity interaction mentorship education perception orientation brand culture interpersonal accountability formal ritual communication principles

Are you interested in:

✓ *Evaluating your organization's values and culture?*

✓ *Understanding your strengths & weaknesses?*

✓ *Comparing your organization's performance against peers?*

Reach out to:
talentdiagnostic@opencapitaladvisors.com
or
take our survey directly here:
http://survey.opencapitaladvisors.com

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