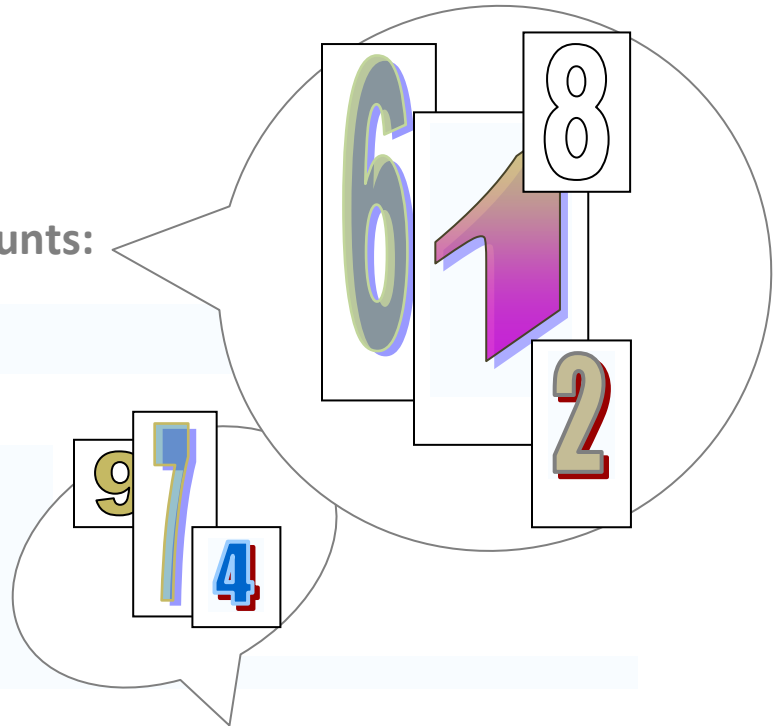


Organizational Culture Counts:

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Organizational Culture and Performance

The prevailing culture of an organization will affect business results as well as shape the health, morale and productivity of employees. Austin owned National Instruments, was named a Fortune's "100 Best" companies to work for in 2006 – its seventh consecutive year in a row on the list. Here is what their News Release on the subject had to say:

"Dr. Truchard has taught us the importance of the 100-Year Plan in building our culture: our actions and decisions today reinforce and impact the kind of company culture and work environment we will have from both a short and long term perspective," said Mark Finger, NI vice president of human resources. "Every day, all NI employees are encouraged to make decisions that will positively move us toward this vision for an outstanding corporate culture that continues for decades to come. We are thrilled to receive this honor from FORTUNE for a seventh consecutive year, and view it as validation that NI continues to be moving in the right direction."¹


¹ National Instruments News Release January 10, 2006
<http://digital.ni.com/worldwide/bwcontent.nsf/web/all/0F7E18A46AED709D862570F100720AEC>

For companies such as National Instruments and others like it, a healthy organizational culture translates in a reduced turnover rate, decreased absenteeism, and a reputation as an employer of choice. Attracting the best candidates reduces operational costs and achieves stellar performance levels. Culture counts!

Success stories abound linking organizational performance with culture. Briefly, organizational culture refers to a pattern of shared values and beliefs as demonstrated by employees in their daily activities and behaviours. An organizational culture influences and is influenced by the occupational or industry peculiarities tied to the organization as well as the national culture of the country in which the organization operates. It is not an end result but rather a fascinating process that blends values and links individuals.

Organizational cultures founded on values, beliefs and norms that are embraced by leaders daily – in what they say and what they do – are those that will take root and remain. Leaders who honour people's basic need for health, security, recognition, belonging and a sense of purpose in a manner that aligns with cultural traits of an organization provide an environment that motivates and builds the organizational synergy required to breed success.

An organizational culture establishes standards of acceptable behavior and an understanding of organizational operating styles. Changing, guiding and sustaining a high performance organizational culture requires engaging fortitude and rigour on the part of leaders and an ability to measure variations so as to course correct whenever needed. There is a variety of best practices and benchmarks available to facilitate culture management that keeps an organization competitive and employees happier and healthier. A commitment that walks the talk is all it takes. This means linking policies and strategies to everyday expectations and activities.



Practices that can contribute to a healthy organizational culture

One of the best practices with the highest return on investment lies in the quality of day-to-day relationship between the manager and the employee. Managers who demonstrate a sincere concern for their employees' well-being, who make a personal investment in developing their people, who value the connection between individual work activities and the greater good, have happier, healthier, and more productive employees. Introducing and applying a set of *core competencies* for managers that promote these objectives builds a supportive culture where managers work "on the business" as much as "in the business".

There are many well established competency management practices that promote behaviours that contribute to the making of a healthy organizational culture. Such includes: a *performance management system* that sets targets for managers and measure employee satisfaction and productivity; a *management development curriculum* that trains managers on desired behaviours; and a talent management strategy that recruit and retain employees who promote and practice the desired cultural norms which in turn maximizes performance.

In addition to the day-to-day relationships and practices that promote cultural cohesion, organizations should also assess their *structural integrity* regularly. The "shifting winds of time" often produce fissures within organizational structures that create dysfunctional systems, misplaced accountabilities and conflicting interests preventing people from living values that promote extraordinary performance.

Sustaining a healthy culture also requires ongoing monitoring. To maintain a healthy weight, most people weigh themselves regularly and take action when results are off course. Similarly, maintaining a healthy

organizational culture requires a measurement strategy as well as an ability to respond to fluctuations and trends that do not align with cultural values and beliefs.

A *dashboard*, a *balance scorecard*, a *log frame system* or other forms of planning and monitoring tools can be used to measure culture based indicators. The recording and reporting of well selected indicators pertaining to the organization's values and ethical practices can reveal telling stories about the organization's culture. Such information helps organizations set targets for cultural change.

Similarly, analyzing results can lead to better practices or new or modified competencies and culture friendly interventions. Practices promoted by the concept of a *learning organization* which encourage creativity, innovation and empowerment can also open doors to a cycle of cultural self assessment and self improvement that will contribute to enhanced performance.

Recognizing the link between organizational culture and performance isn't all about human resources and organizational development. Colours, patterns, space, functionality, safety, security, relationships, events, communities and the like can influence employee behaviours and as such cripple or stretch an organization's culture. As such everyone in the organization plays a role in sustaining or changing an organizational culture.



Changing the Culture of an Organization

Indeed, practices that will guide, assess, enhance or redirect an organization's culture are numerous. The buy in for such practices unfortunately is not where the biggest challenges lie. Organizations whether in the public or private sector find great difficulty with selecting practices that fit the culture; co-ordinating best practices so that they complement each other and instituting changes that are self sustaining.

Continuity in leadership, dedicated resources, new competencies, measurement systems, progressive governance structures are but some of the elements required to manage an organizational culture staged to change. These are tremendous challenges for the best of organizations. Leaders that can address such challenges will have the greatest success in effecting changes to workplace behaviours, values and beliefs. As stated by Mr. Ross Fowler, vice president of Cisco Systems: "I think HR leaders have a responsibility in conjunction with the CEO to help create the right conversations in the organisation that deliver the culture, that deliver the actions and results, essentially creating a breakthrough type mentality."²

Organizational conversations, policies, templates, booklets, intranets, training courses, labour management consultative committees and the like are all culture management tools that must be used with authenticity and with an incontestable appetite to make things better for the organization and its people. To borrow from a popular aphorism: tools are just as good as the people who use them. No leader or human resources practitioner should spend time using mechanisms to manage an organization's culture if the intent is strictly to remove something from the "to do" list, build up a career or meet compliance requirements. An organizational culture responds to passion, commitment and humanizing rather than mechanistic processes.

To improve performance and build capacity, an organization's culture must align with the vision held by the leadership and be accompanied by a clear way forward and a driving force. Hence if an organization is embarking on a cultural change – it must be done with fervor. A culture is as important to an organization

² Yen, Melissa. Balancing HR's Relevance. Human Resources Magazine, Australia. May 1, 2007

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as is a set of wings on an aircraft. They are both essential prerequisites to creating the dynamics required to reach new heights. Making culture count secures the journey. ▼



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