



## **Is Your Organization's Culture Preventing You from Achieving Your Strategic Objectives?**

Peter is the COO of a financial services organization and has established very high standards of excellence for his operations people. He has created an operating procedures and policy manual that ensures there is no uncertainty about how to achieve those high standards. He holds the managers reporting to him accountable for ensuring that all employees stick to these policies and procedures.

But Peter is puzzled because his organization is experiencing an increasing level of customer complaints and subsequent loss of customers to competitors who are being more innovative in responding to customer needs. His strategic objective of providing excellent products and service was appropriate and his intentions were to do the best he could for his company. However, the strategic objectives could not be achieved because of the culture he was creating where employees are totally focused on "sticking to the rules" for fear of retribution if they don't and not focused on delivering excellence.

As a consequence of this strict adherence to a set of policies and procedures customers were constantly being told that their requests could not be met because of company policy.

It never occurred to Peter that his front line employees, the ones who had the most contact with the customer, knew more about what the customers wanted than anyone else in the organization. They actually knew more about how to deliver excellent products and services than he did, but they hadn't been asked.

Unfortunately Peter's leadership style is not unique. There are many managers who believe that the key to achieving their performance goals is to *Control* people. They make sure employees do what they want them to do by close supervision and strict adherence to policies and procedures. Unfortunately this focus on *doing it by the book* often creates a *culture of fear*, with employees afraid to make decisions.

An organization's culture is determined by the values, beliefs and behaviors that people in the organization operate by and is strongly influenced by the values of the CEO and the executive team.

In successful organizations such as Southwest Airlines, Starbucks and Wegmans where everyone is committed to a common set of values, beliefs and behaviors the

culture is driven from the very top by an executive leadership that lives and breathes the values they espouse and ensures those values permeate the entire organization.

In the absence of such strong values-based leadership from the executive team you are likely to see many different cultures throughout the organization as leaders with different values influence the culture in their own respective department, business unit, branch or team.

What many leaders at all levels don't understand is the impact their values, beliefs and behaviors have on the culture their employees operate in, and the impact that culture has on organizational results. Many leaders, and I think we flatter some managers by calling them leaders, unknowingly create a culture that prevents them from achieving their strategic objectives.

So going back to Peter let me give you an example of what can be achieved.

### **Getting Employees Involved in Setting Performance Goals**

The Technical Assistance Center (TAC) of a large provider of diagnostic equipment and supplies was languishing in last place in their industry survey for customer satisfaction with all five areas measured at less than 50%. As a result there was a high turnover of customers as well as employees.

The leadership of the TAC realized that they could not achieve higher levels of customer satisfaction with the culture they had at the time (late 1999) and embarked on Integro's process of transforming the culture by transforming their leadership values, beliefs and behaviors.

As a key part of their new approach, the customer service representatives were asked what they believed they could achieve in customer satisfaction. The employees set a goal of getting to 96%, a figure that the managers thought unachievable, but the employees wanted to stick with it.

Two years later the TAC achieved in excess of 98% in customer satisfaction in all five areas. By midway through 2003 they achieved 100% satisfaction in all five areas for the first time in one month and have sustained that level almost every month since.

### **What Kind of Culture Do You Need?**

I think the first step to establishing what kind of culture you need to achieve your strategic objectives is to identify what kinds of people you need.

Every group of managers I have asked: "*What kind of people do you need?*" has given me the same answers. Everyone is looking for *self-starters who are creative, open to change, passionate, committed, competent, responsible and with a good work ethic.*

The next question then is: "*What kind of culture or work environment will attract and retain these people?*"

The answer is **not** a *Control-Based* culture. These people cannot work in an organization that stifles their creativity and won't allow them to use their talents. They are obviously not going to be passionate and committed to a manager who micro-manages them.

The key to getting the best out of people is what I call a **Responsibility-Based Culture**; a work environment based on a high level of trust and personal responsibility.

Jim Collins first two points for taking an organization from Good to Great were to: *Build a culture based on freedom and responsibility within a framework. Then fill that culture with responsible people who will go to extreme lengths to fulfill their responsibilities.*

Once the leadership of the TAC was able to trust that employees knew how to delight their customers and let them take ownership of the monthly satisfaction scores, the employees delivered *far greater results* than the managers expected, or could ever have demanded.

So back to my original question... *Is your culture preventing you from achieving your objectives?* Perhaps more importantly is it preventing you from achieving what your organization is capable of if you really unleashed the talent of your people?

[Click here to learn about our Leadership Development Process](#)  
[Click here to read our eMail Archive](#)

Sincerely

Laura Hauser and Dave Hauser  
Leadership Strategies International

---

email: [engage@leadership-strategies.com](mailto:engage@leadership-strategies.com)

phone: 661-251-0641

web: <http://rs6.net/tn.jsp?t=lch9spbab.0.0.dmeyz8n6.0&p=http%3A%2F%2Fwww.leadership-strategies.com>