

A Framework For Assessing Corporate Culture

THE NINE DISTINCTIVE ELEMENTS OF CORPORATE CULTURE





Every organization of any significant size—

whether a commercial enterprise, a non-profit, or a government agency—operates within its own distinctive culture.

Corporate culture is recognized as the singular determinant of corporate effectiveness and can be an arbiter, or at least an important factor, in long-term success or failure.

culture (noun)

cul·ture | \ 'kəl-chər \

- a.** the customary beliefs, social forms, and material traits of a racial, religious, or social group; also: the characteristic features of everyday existence (as diversions or a way of life) shared by people in a place or time.
- b.** the set of shared attitudes, values, goals, and practices that characterizes an institution or organization.
- c.** the set of values, conventions, or social practices associated with a particular field, activity, or societal characteristic.
- d.** the integrated pattern of human knowledge, belief, and behavior that depends upon the capacity for learning and transmitting knowledge to succeeding generations.

[Source: Merriam-Webster](#)



A hand in a blue sleeve is shown holding a glowing white sphere. The sphere contains the title text. The hand is positioned on the left side of the page, with the fingers slightly curled around the sphere.

CULTURE: The Invisible Hand in Your Organization

Culture is the condition in which people think, act, and work within the organization; it acts like a force-field, shaping and reinforcing what people think and do. It shapes the perceptions, thinking, and actions of the people within the company. Given that all performance in an organization is reliant on the actions of individuals and the cumulative impact of the action of many individuals, the corporate culture can be considered as the **singular determinant** of long-term, strategic corporate success.

When a company's corporate culture, or paradigm, becomes the fixed and absolute view of reality, or **"how things are and ought to be,"** rather than simply one way to view the world, the organization loses flexibility, increases waste, and slows execution.

When a company's typical way of working becomes the only way of working, the organization loses creativity, frustration rises with a loss of satisfaction, and innovation disappears. When the enterprise's point of view becomes the way that it is, possibility is lost, and opportunities are missed. Much of management's attention is devoted to the tools and techniques that squeeze more out of the existing paradigm. In most organizations, the corporate culture is a **mechanism for reinforcing past successes and avoiding past failures**. Strategies, processes, systems, and structures are all too often artifacts of the corporate culture and of past success.

No matter how successful a company has been in the past, it cannot develop and implement powerful strategies and effective plans if it is operating with strategies, culture, processes, systems, and structures that no longer fit the demands of the marketplace. In order to regain competitive advantage, **the company must transform itself by generating a new future** for the enterprise that is founded on and has competitive advantage in the marketplace of the future. Commensurately, the corporate culture must be harmonic of the marketplace of the future, a corporate culture that empowers and enables people to invent new ways of competing and to change the rules of the game in the marketplace, as well as in the enterprise.



A Culture That Fuels Strategy

Unless the existing culture is revealed, accepted, and owned, any attempt at cultural change will simply be lipstick attempting to cover up the old culture. The supposedly new culture will unwittingly inherit aspects of the old one that can undermine the effectiveness of the change effort.

It is first necessary to assess and identify the existing culture and distinguish it for what it is: a vicious circle of self-reinforcing rules and procedures, processes and practices, patterns of perception, action, and thinking that come from and perpetuate the past and leave room only for the predictable. Having identified the existing culture, leadership must then be willing to relate to it as merely the current paradigm for doing business in the company—"a way of working" rather than "the way it works," or even, "reality"—and then take responsibility for how they, and everyone else in the organization, participate in and reinforce that same culture.

Only then is it possible to begin to design a corporate culture from the future to which senior leadership is committed, a culture that can be the source of competitive advantage, as opposed to being an attempt to fix, change, or improve on the past. In a culture by design, people's actions naturally express and build the vision. In other words, a culture by design pulls for the realization of the vision, strategy, and intended results. This gives access to extraordinary accomplishment and to producing results that are beyond the predictable.



The Nine Distinctive Elements of Corporate Culture



The simplest construct for corporate culture is whatever is reinforced and rewarded within a corporation. Corporate culture could be thought of as the set of unarticulated rules for success inside the enterprise. The following are nine distinctive elements of corporate culture that come together to create the organizational paradigm that shapes and informs what people think about, how they see their work, and what actions they take.

When appraising an organization's culture, assess it against these nine elements by asking:

- 1. What are the stated/formal principles?**
- 2. What are the actual practices of people within each element?**
- 3. What are the unspoken background drivers?**

Each of these is an area to be measured and examined when assessing and transforming an organization's corporate culture.

1. LANGUAGE & CONVERSATION

Vocabulary, content, and key phrases create an enterprise's network of conversations. The success, longevity, and culture of an organization are all found in the conversations with which the people of the enterprise traffic.

2. CUSTOMER ORIENTATION

How much of the work of the enterprise is about serving the customer versus fulfilling the requirements of the company's processes, rules, or protocols? For too many organizations, customers are simply an end to which products and services are delivered, not a North Star around which processes and conversations center.

3. VALUES

Values are that for which a firm stands as an ongoing concern and/or they represent the common denominators that people consider aspirational and inspiring in that particular organization. Consider what the company holds in high regard: what are the qualitative objectives for measuring the values in action?

4. ACCOUNTABILITY

Are people organized for results, processes, tasks, or effort? What are the incentives for fulfilling on one's accountabilities? Accountability can be thought of as 'count-on-ability.'

5. TRADITIONS, RITUALS, & ARTIFACTS

Those items that are status symbols in the enterprise, or those things which give people a sense of belonging, pride, or inspiration impact the conversations and actions of people in an organization.

6. LEADERSHIP DYNAMICS

How the work force views leaders, leadership, and the recognized leadership practices of an organization impact how people work, speak, interact, collaborate, and complain.

7. UNWRITTEN RULES FOR SUCCESS

Those who learn and master the unwritten rules for success—the taboos, status symbols, pathways, and behaviors— are those who rise and perpetuate the existing culture. Examine carefully which of these empower and disempower people in the organization.

8. DECISION RIGHTS & PROCESS

The systems and processes for determining who makes which decisions, at what pace, and by consulting who shape how work gets done and are critical elements to monitor within a culture.

9. LEGACY

The past of an organization often impacts its present and future. Attending to any major close calls, game-changing successes, or founder and/or a senior-most executive's values or approaches is important.



Insigniam's methodology for identifying and assessing the corporate culture is based on the following principles:

- An organization can be viewed as a network of ongoing conversations.
- People's behaviors and actions are correlated to the world as they perceive it, or said differently, how it occurs for them.
- The way the world occurs is in many ways, if not totally, linguistic; that is to say, the way the world occurs is screened and shaped by the conversations in which people are engaged and the patterns of those conversations—what they speak and how they speak and listen—which mostly come from and perpetuate the past.
- The patterns of conversations of the people of an organization (both the content of those conversations and the structure of the conversations) can give insight into the corporate culture, a filter on, and boundary to the conversations of people inside the organization.

Thus, by identifying the patterns of conversation in which people are engaged within the enterprise, we can assess the existing corporate culture. We do this by conducting extensive individual interviews with the people of the organization in all functions and at all levels of the organization.

If you are interested in revealing the ways in which your corporate culture may be working against your objectives and unlocking potential within your people, reach out to us on www.insigniam.com.