

Organizational Culture

What can a strong organizational culture do for your small business? A study by Harvard Business School Professor James L. Heskett found that up to half of the difference in operating profit between some companies could be attributed to the difference in their organizational cultures.

A strong culture contributes in a wide variety of ways to the success of a business, by providing better customer relationships, heightened employee satisfaction, greater customer loyalty, and enhanced sales.

Here are a few ways you can work to improve your organizational culture:

1. **You have a culture – whether accidental or purposeful. Make it purposeful.** Every business has an organizational culture. This is the collection of shared values, practices, messages and goals that help define the company and how people, both internally and externally, relate to it. Positive successful organizational cultures almost always arise through conscious acts and decisions by the organizational leader.
2. **Keep it real.** Organizational culture should be a natural outgrowth of your business's mission, your industry, your goals, your customers and even your personality and style. It should "fit" you, your target market, your product and your service. Don't try to adopt a culture that doesn't convey the right information to your industry and your customers.
3. **Involve your employees.** Successful cultures become embedded in the company, but they can't be imposed from the top down. Involve your employees in fine-tuning the culture you want to create. A successful culture is one that is embraced by your employees and "fits" with the way you and they work together to provide better throughput and create a more meaningful and positive work experience.
4. **Create rituals.** Rituals, stories and rites of passage help create and sustain organizational culture. Whether it's a weekly Friday pizza lunch, a celebration for employees who reach certain milestones or just the stories you tell when you welcome new employees to the team, create rituals that convey your organizational culture.
5. **Hire for fit.** Once you know your culture, you can look for candidates whose personalities and attitudes mesh with your company's culture. Fit is arguably more important than skill. A job candidate might have years of experience, but if he or she brings a style that's significantly at odds with your culture, the new hire won't be happy — and neither will you.
6. **Express your organizational culture in everything you do.** Everything from the design of your office or stores, to the appearance and tone of your marketing materials, to the way your employees interact with customers should clearly convey your organizational culture to the outside world. Steve Jobs and Apple took this mantra to unprecedented levels, making sure that even the throw away packaging that an iPod came in represented the organizational ethic of high quality, elegant, seamless, simple products.

7. **Culture exists to further the organization's goals.** Wacky organizational cultures can get attention, but don't let being zany on the outside mean slacking off. Build rigor, ethics and responsibility into your organizational culture to create a firm foundation for growth.
8. **Be ready to change.** Nothing stays static in business today, and the organizational culture that works when your company is in the early stages may need to evolve as your business grows. If your organizational culture needs a tune-up, don't be afraid to make changes.

By Steve Tannehill

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