



## Does Culture Actually Matter?

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In my March 2012 article I commented on the important link between KPIs and remuneration and, in doing so, reminded readers of the need to align the design with the values of the business. This aspect caught the attention of a few people and I would like to take the opportunity to expand on the question of the culture of your business....

I think most readers will share my cynicism about the industry that emerged to spruik jargon such as “mission statements” and “corporate values”. And yet, beneath the layers of management speak and superficial workshops, the core question of “culture” is vital for small businesses to understand and leverage.

One colloquial definition of business culture is “the way we do things around here.” It manifests itself in behaviour (eg Whether or not there are regular team meetings, when it happens, what is covered and who attends). It also manifests itself in the stories that are told about the people in the business. Think about the past exploits that are remembered in your business: A great client success? A whole weekend working in the office? A fun team offsite? Business culture is not often tangible and that makes it difficult to accurately identify. It is probably not the list of values on the plaque on the wall\*. There are usually important clues in the beliefs and behaviours of the owners.

I believe that if you truly understand the critical elements of your business culture – the real, current behaviour not the aspirational wish list – then you can successfully build great attributes on these solid foundations. Here are some aspects of your business to think about, noting that remuneration has been previously covered:

1. Recruiting

You can save a lot of tension and staff turnover if you recruit, first and foremost, based on the fit of the candidate with your culture. For example, if you genuinely do have an office where teamwork is valued and expected then you must make sure that new recruits enjoy sharing and thrive in open plan environments.

2. Alliances

Similarly, when searching for referral partners, one of the most important considerations will be a similar culture. For example, if processes and documentation are important in your business, then you must make sure that your potential referral partners have a similar attitude.



### 3. Clients

More provocatively, I think that your ideal client profile has to include some elements of your business culture. For example, if respect really is practised and prized in your business then why would you sign up a client who makes disparaging comments about your receptionist or your support team?

### 4. Dealer Group

When thinking about your licensing arrangements I hope that it is obvious that you would want to belong to a dealer group that shares your attitudes to business. So if you can't find one that fits then maybe it's time to obtain your own license.

It boils down to alignment – where your team, your partners, your dealer group and your clients are all comfortable with the way that you do things. It is better to accept the current state rather than cling to hopes of a desired state. There is no such thing as the “right” culture – it's what works for you and being able to capitalise on its positive features.

These are the best of times to reflect on your actual business culture and consciously align your people and practices with it.

\* A word of warning about plaques and posters...

If you are confident that you have accurately identified the real elements of your business culture then by all means be proud of them and promote them. And you can use the word “values” if you like and put them up on the wall. There is, however, a serious risk of a disconnect between actual behaviour and the values espoused. This is why “corporate values” are often laughed about in large companies. How will your clients and team react if your poster claims that you stand for “integrity” but you don't clearly declare your fees, or state your true opinion, or make excuses when you are late, or pretend you are in a meeting when they call. Be careful...