

UNDERSTANDING COMPANY CULTURE



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EVERY ORGANISATION HAS A CULTURE, WHETHER THEY KNOW IT AND DELIBERATELY USE IT, OR NOT.

Because an organisation's culture forms organically (and often does so long before any official or formal work is conducted on defining the company culture) there is usually more depth and complexity within a company culture than most organisations understand or give the culture credit for.

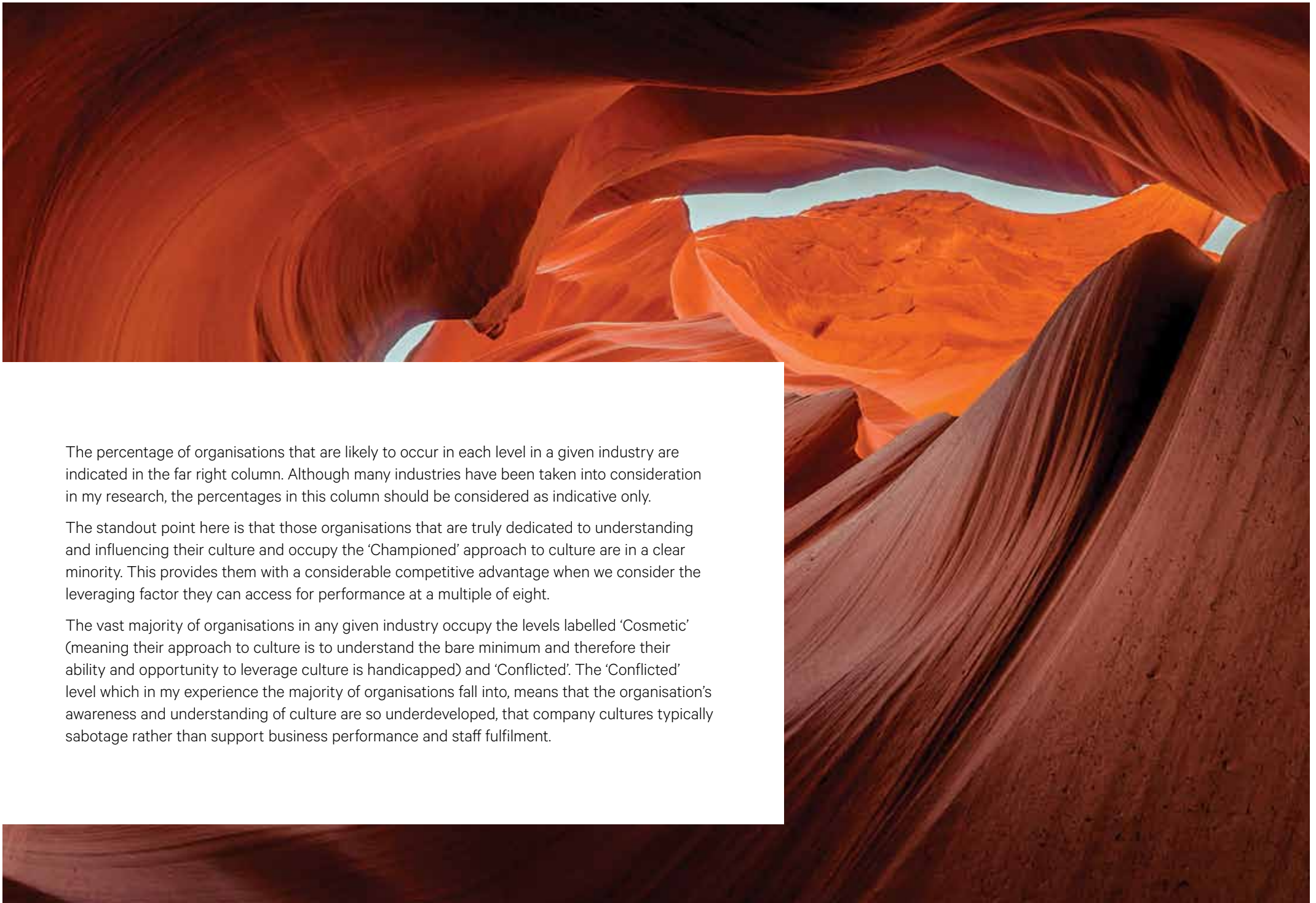
The ability to understand company culture is, in fact, the number one criteria required to maximise a company culture. The more an organisation understands what culture is, how it forms and functions, and how it delivers performance, the better positioned the company is to leverage the culture for higher levels of performance, customer experience and employee fulfilment.

Research has shown that on average your company culture is eight times more influential than your chosen business strategy in determining your performance results. However, this influence can, of course, be either positive or negative. My research has clearly demonstrated that the more an organisation understands its culture, the more likely it is to take advantage of the positive performance leveraging opportunity culture provides. The less intelligence the organisation has regarding company culture, the more likely the culture's powerful influence will be felt to work against the organisation's performance ambitions.

I HAVE IDENTIFIED A HIERARCHY OF AWARENESS THAT ORGANISATIONS CAN CATEGORISE THEMSELVES WITH IN TERMS OF THEIR COMPANY CULTURAL INTELLIGENCE.

The higher the level, the greater their understanding and likelihood of being able to work with and develop a high-performance culture. There are four fundamental levels of company Cultural Intelligence. I have named these and identified the typical status symptoms and levels of employee engagement each level offers. The following table highlights these factors.

	LEVEL	PERFORMANCE	STATUS	SYMPTOMS	ENGAGEMENT	% OF ORGANISATIONS
HIGH — UNDERSTANDING — LOW	CHAMPIONED	x 8	Fully understands how culture forms and functions to deliver performance.	<ul style="list-style-type: none"> • Long term • Leverages performance • Adds value • Builds brand • Attracts and retains talent 	All of the people almost all of the time	5%
	COSMETIC	x 2	Partially understands how to work with culture to deliver performance.	<ul style="list-style-type: none"> • Short term • Creates a sense of potential • Creates cynical reactions 	Some of the people some of the time	30%
	CONFLICTED	÷ 4	Ignores culture and struggles to see the role of culture in impeding performance.	<ul style="list-style-type: none"> • Silo mentality • Communication breakdown • Inconsistent 	A few of the people occasionally	55%
	COUNTER	÷ 8	Left culture to fracture into contradictory sub cultures that destroy performance.	<ul style="list-style-type: none"> • Performance withheld • Strategy sabotaged • Frustrated and stressed employees and customers 	Very few people rarely	10%



The percentage of organisations that are likely to occur in each level in a given industry are indicated in the far right column. Although many industries have been taken into consideration in my research, the percentages in this column should be considered as indicative only.

The standout point here is that those organisations that are truly dedicated to understanding and influencing their culture and occupy the 'Championed' approach to culture are in a clear minority. This provides them with a considerable competitive advantage when we consider the leveraging factor they can access for performance at a multiple of eight.

The vast majority of organisations in any given industry occupy the levels labelled 'Cosmetic' (meaning their approach to culture is to understand the bare minimum and therefore their ability and opportunity to leverage culture is handicapped) and 'Conflicted'. The 'Conflicted' level which in my experience the majority of organisations fall into, means that the organisation's awareness and understanding of culture are so underdeveloped, that company cultures typically sabotage rather than support business performance and staff fulfilment.

TAKE SOME TIME TO CONSIDER AND DISCUSS WITH YOUR COLLEAGUES WHERE YOUR ORGANISATION CURRENTLY SITS IN REGARDS TO THE LEVELS OF CULTURAL INTELLIGENCE.

Ask yourselves what are the connotations of viewing culture from this perspective?

What level do you believe your organisation needs to view culture from in order to optimise performance?

How can this be achieved?



ABOUT MICHAEL HENDERSON

Michael is a Corporate Anthropologist with over 30 years' experience advising and educating organisations on how to unlock the power of their culture for increased performance, employee fulfilment and customer delight. Michael is acknowledged as one of the best in the world in his field and is the author of ten books on culture performance and leadership. He has delivered two Ted Talks and is an international keynote speaker.

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