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**Leadership:**
**Culture as a Strategic Priority**

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Spring 2007

# Leadership: Culture as a Strategic Priority

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## Working Inside and Out

The past ten years have been the decade of brand awakening. Many companies have come to understand that undefined growth and short-term tactical approaches to business are neither compelling to the market place nor sustainable in the hearts and minds of the consumer. For other companies it has re-affirmed their belief about what creates and aligns a brand-driven company that is able to lead in its industry.

A multi-billion dollar industry has evolved around the concept of building and re-inventing company identities and crafting communication campaigns based on consumer psychographics — all with the intention of differentiating one's company as unique in the eyes of the elusive consumer. The word brand has been used so frequently that the true meaning has become synonymous with ad campaigns, logos and tag lines. The work around brand clarity — crafting the 'who we are and what our connection is to our customer' — is critical work for every company.

I, however, want to calibrate this article specifically around the intersection of the organization's external brand (what lives in the hearts and minds of consumers) and the internal brand, which is the organization's culture (who the company is and what it believes is important). It is a compelling intersection when an organization understands the influence and power of its organizational culture on the strength of its brand, the clarity of the brand and the consistency of the brand. A brand-driven culture has the clarity and commitment to navigate complexity, balance uncertainty and manage conflict—to have its sights set on what success looks like, feels like and sounds like.

*The following graphic depicts the intersection of the brand position in the market place with the consumer and the internal brand — the culture. The intersection is the fertile place where a company establishes a more sustainable relationship with its customer, also known as loyalty.*

## Brand-Driven Leadership

Some visionary companies were far ahead of the branding curve, driven by a belief of what would make the vision real; one of those beliefs was about the kind of culture the organization required to own and drive the vision.

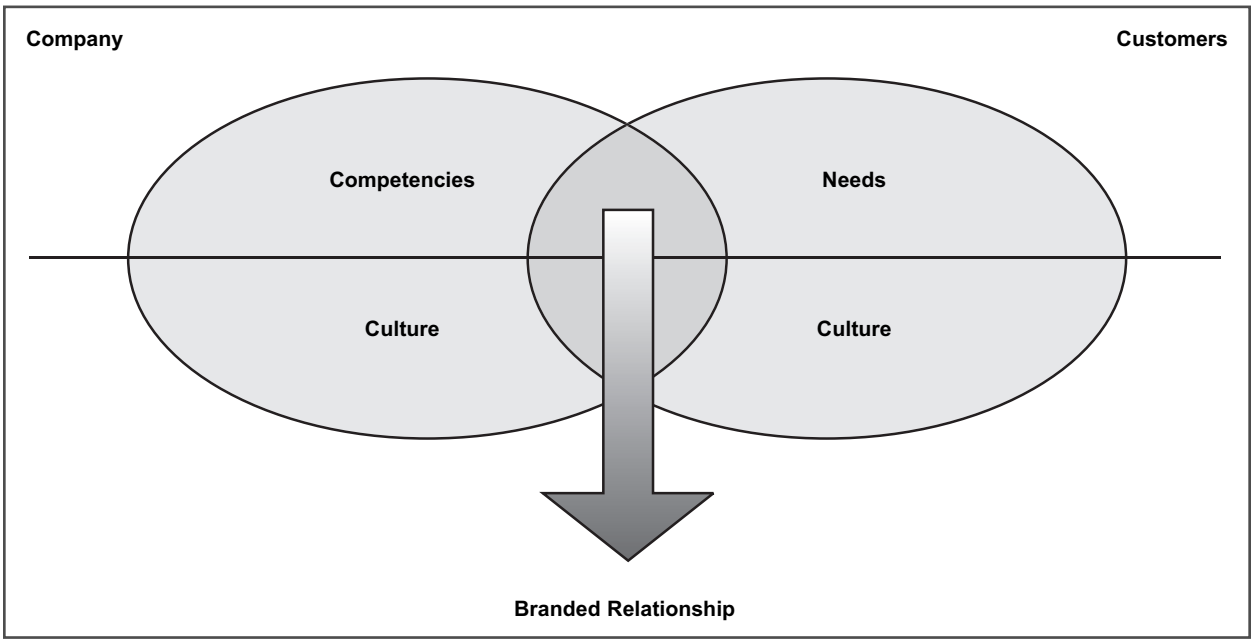


*Figure 1*

In 1903 Henry Ford knew that the kind of company that would prosper for the consumer, investors and society was a company he called the “Ford Family,” where "family" had a much broader meaning than just those with the last name "Ford."

Walt Disney, a hands-on leader and a risk taker, was driven by his passion to advance animation and create the ultimate production. He understood that change was essential to maintain success. The secret to Disney's success isn't magic pixie dust; it's something much easier to replicate. It's a developed, enthusiastic and motivated work force. "You can dream, create, design and build the most wonderful place in the world, but it requires people to make the dream a reality," he said.

These leaders built companies (and organizational cultures) around the concepts that are now known as brand driven companies. These visionary leaders influenced others to follow suit in aligning their own companies to this relevant and dynamic relationship with their customers. It is more than a transaction — and is, infact, a relationship; one in which the consumer values and feels a sense of loyalty. The leaders of today’s brand-driven companies understand that you can’t advertise yourself out of something that you behaved yourself into. These leaders made their organizational cultures a strategic priority.

*SouthWest Airlines — Herb Kelleher chairman, co-founder and former CEO —*

*Kelleher always placed the needs of shareholders last, after employees and customers, believing that shareholder needs will be exceeded by understanding the other priorities. “Leadership needs to be creative, clear and communicative, rather than mechanistic and bureaucratic.” Herb noted that when a group of people come to share a vision for an organization, each person sees an individual picture of the organization at its best. Each shares responsibility for the whole, not just for one piece.*

Whether shaping a start-up company or optimizing the strategy of an established company, a fundamental priority to maximizing goodwill is in closing the gap between organizational culture and the company’s brand. Sometimes we see wonderful brands that resonate with the market, but the brand is undermined by an eroding or mis-aligned internal culture, as in the case of marketing an image of customer service but having retail staff who are untrained or unhelpful. In such a case, the challenge is to correct the organizational culture over time to effectively support the brand. Typically this leadership issue can be resolved through a dynamic process of creating clarity around the direction and mandates of the company and adjusting the focus of existing employees while working to ensure new employees align with the values and needs of the evolving culture.

## Connecting Leadership and Culture

Corporate culture isn't easily defined. It's intangible: a state of mind, a feeling, a collective consciousness that's infused within the business. If one were to ask 20 CEOs to define their organizational cultures, there would be 20 different responses. The important thing isn't which adjectives describe a culture; it's whether the company views it as a priority, and what they want the culture to look like, feel like, and sound like, and then takes the steps to cultivate it.

Organizational culture refers to the shared pattern of beliefs, assumptions, and expectations held by organizational members, and their characteristic way of perceiving the organization’s environment. It affects virtually all aspects of organizational life from the ways in which people interact with each other, and perform their work, to the types of decisions made in the company. The fundamental factors that make a significant difference in how a culture develops and evolves are the ways in which people act and interact with each other, how top management deals with various situations, how people actually spend their time, how the company embraces creative tension, and what the company says about itself publicly. The questions most frequently asked by leaders are “what really makes a difference” or “where does it start”? Brand-driven companies note that it begins with leadership: the leadership culture in the company is imperative and sets the tone of engagement. This leadership also provides clarity about what is of strategic importance and what are the priorities and the implications of not focusing on those priorities.

*Whole Foods — John Mackey, Founder and CEO —*

*"For business to reach its fullest potential in the 21st century, we will need to create a new business paradigm that moves beyond simplistic machine/ industrial models to those that embrace the interdependencies of multiple constituencies." Mackey acknowledges that when you have the right organization the rest of the pieces work—profits and happy stockholders.*

## Critical Variables

The culture of any organization is formulated and affected by several variables. The most obvious variable is the 'leader' of the organization. All things flow from the top. The values of the organization's leadership team are reflected in the culture of the organization. The focus of the senior executive on the development of his/her leadership team is critical in establishing a leadership bench that can inspire and drive the level of clarity and alignment the organization requires for success. Without this leadership foundation the programs and practices of the organization become sterile exercises that lack meaning—modern day bureaucracies that actually lower the credibility of leaders and further disengage people.

The next variable has to do with developing the "right" initiatives and strategies for changing or evolving the culture to align with its brand and strategic objectives.

## Elements That Support A Strong Strategic Culture

***What your leadership priorities say about you***

- *Focus on outcomes to drive attention to results*
- *Engage difficult issues to create accountability*
- *Force clarity and closure to reduce commitment gaps*
- *Demand debate to eliminate fear of conflict and risk*
- *Be human and transparent to build and sustain trust*

***Communication is either an asset or deficit***

Communication is one of the most critical competencies that exist within a culture. How you communicate is as important as what you communicate. The communication practices give real insight to what the organization truly values. Building internal communication strategies is critical for continuity, credibility, and clarity. Communication reinforces corporate culture, it promotes the culture, the people, best practices, and who you are in your industry.

***Metrics drive accountability***

Developing metrics is an important way to track the performance against business objectives and map to accountabilities. Metrics keep everyone grounded in reality rather than making anecdotal assumptions.

***Planning creates clarity and supports alignment***

Planning is a process not an event, planning is in perpetuity. It is always informed by what has happened and is focused on the future. Planning is about clarity, alignment, and mobilization around direction.

***Learning and development is a corner stone***

The world in which the organization exists is dynamic, interdependent and unpredictable. For success, the organization must have integrated thinking and acting at all levels — it needs people who are growing their capabilities.

***HR practices support strategic intentions***

The practices of the company become cultural artifacts that communicate intention; these practices will either promote commitment and performance credibility or mediocrity and compliance. Organizational processes need to be relevant, intentional, responsive, and void of bureaucracy whenever possible. These processes include Recruitment, Career Paths and Retention, Performance Reviews, Compensation, and Organizational Structure.

## Facts are Indisputable

Authentic, focused, engaged leadership teams build brilliant, enviable cultures with a high degree of trust and confidence. They motivate and inspire. They anticipate, challenge and redirect the enterprise in clear, timely and appropriate ways, unifying the organization behind a clear set of mandates and driving the kind of performance that enables Nike to lead a category, IBM to reboot itself, Starbucks to create a culture from coffee, Southwest Airlines to soar, and Apple to rise to iconic class. This level of

leadership, however, isn't solely about what leaders do; it's about who they are, which drives what they do. They understand that an organization's greatest challenge and greatest opportunity is not its technology, but rather its people. They understand that the brilliance, creativity, dedication, loyalty and inspiration are not intrinsic in the product or service that is created; it lies in the human potential — the culture.

These leaders view their cultures as a competitive advantage, and the culture is always a key part of their strategic efforts.

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