

CORPORATE CULTURE AND HIGH PERFORMING ORGANISATIONS

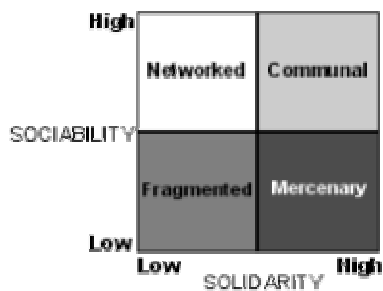
The key factor that distinguishes high-performing organisations from their competitors is their Culture.

High performing organisations all appear to have strong cultures - yet a strong culture is not necessarily a high performing culture and may just as easily lead the organisation to mediocrity as success.

The concept of culture however, is one which is difficult to precisely identify. Definitions of culture tend to be academic and vague. Nevertheless, profitability, productivity, growth, customer service and the quality of the services provided by an organisation are all profoundly influenced by the culture of the organisation. Many Senior Managers seem to regard culture as something that can be dealt with after the change effort, or that will evolve naturally without active management. It isn't and it won't. Winning cultures don't just happen - they have to be planned.

Evaluating our Culture

A way of identifying and assessing. The type of culture in our organisation is shown in the matrix on the right. This matrix suggests that our culture can be broadly classified on the basis of two dimensions: Solidarity and Sociability.



Solidarity is a measure of our ability to pursue shared objectives quickly and effectively regardless of personal ties.

Sociability broadly refers to the strength and nature of personal relationships between and amongst staff.

When Sociability and Solidarity are plotted against each other, as shown in the matrix, the result is four types of organisational styles or cultures:

- Networked
- Mercenary
- Fragmented
- Communal.

None of these cultures is "the best". In fact, each is appropriate for different business environments.

The value of this model is that it provides a tool by which we can assess our own culture and decide whether it fits our competitive situation. It also provides insights into how we might transform it.

In considering where we want to be, we need to identify the conditions under which each culture is best suited.

THE NETWORKED ORGANISATION (High Sociability, Low Solidarity)

- Informality
- Lack of hierarchy
- Flexibility
- Able to collect and disseminate soft information
- Ability to acquire sponsors or allies
- Lack of cooperation (due to low solidarity)
- Political - much time spent on personal agendas
- Difficult to agree on priorities
- Little commitment to performance measures, procedures, rules and systems
- The quadrant that many organisations migrate to over time

THE COMMUNAL ORGANISATION (High Sociability, High Solidarity)

- Typically small, fast growing, entrepreneurial start-up firms
- Also mature organisations with very long-term employees
- Extremely high consciousness of organisational identity
- Equitable sharing of risk and rewards among employees
- Leaders enjoy widespread respect and loyalty
- Mission statement generates enthusiasm
- All employees very clear about their competitors
- Suited to religious, political or civic organisations

THE FRAGMENTED ORGANISATION (Low Sociability, Low Solidarity)

- Low consciousness of organisation membership
- Identification with professional/ occupational groups
- Secretive about projects and progress
- Sabotage work of colleagues
- Rare agreement on organisational objectives, critical success factors and performance standards
- Low attendance at discretionary social functions
- Individuals prefer to work alone and to keep their work and personal lives totally separate
- Not a popular culture to work within

THE MERCENARY ORGANISATION (Low Sociability, High Solidarity)

- Able to respond quickly and cohesively to a perceived opportunity or threat
- Priorities decided swiftly
- Clear separation of work and social life
- Intolerant of poor performance
- Limited long-term loyalty
- Disinclination to cooperate, share information or exchange ideas
- Hard-nosed "Wall Street" style

The characteristics may be of assistance in diagnosing where we are and where we want to be in terms of culture.

Changing our Culture?

There is clearly an implied argument here that we should strive for a culture suited to our environment. Reality is never so neat. In fact, organisations continually face the challenge of adjusting their culture to a changing environment. Research suggests that over the last decade, a number of large, well-established organisations with strong traditions of loyalty and collegiality have been forced, mostly through competitive threat, to move from the networked to the mercenary form. To describe the process as tricky does not do it justice. It is perhaps one of the most complex and risky challenges facing us.

Principles which may assist in this task, (and a good way to end this article!) can be summarised as follows:

- Culture is the key factor that distinguishes high performing from poor performing organisations
- Knowing how our organisation rates on the dimensions of Sociability and Solidarity is vital to identifying and understanding our culture
- Knowing whether our culture fits our business environment is critical to improving performance
- There is no golden quadrant that guarantees success
- As a guiding principle, cultures which are adaptive and keep pace with industry and market change are what we should be striving for
- Culture will be reshaped and realigned over time. Our choice is whether we allow it to evolve or manage it.