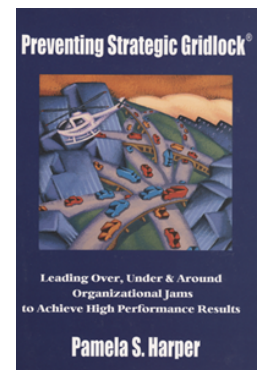


## 8 Aspects of Corporate Culture Impacting Business Performance

From the book [\*Preventing Strategic Gridlock\*](#)<sup>®</sup> by Pamela S. Harper



1. **Business philosophy** – What are your organization’s philosophies and ethics regarding internal and external stakeholders? Do they match the philosophies and ethics of the new strategy? A difference between the proposed strategy and the organization’s values may lead to clashes between management and employees, resulting in disgruntled workers, poor productivity, and falling profits.
2. **Critical success factors** of each department – How does each department currently determine whether or not it is operating efficiently? Is it based on customer service ratings, quality control factors, or some other important organizational issue? How will each department measure its success when the new strategy is implemented? Those departments that must shift gears and use new standards may be hesitant to the change. If a change is eminent, can you give the department the proper training to enable a successful transition?
3. **Leadership and management styles** – What are the characteristics of an ideal leader in your organizational setting? How are decisions really made? What do you communicate to employees and how? How do your leaders foster creativity and innovation? Some strategies (such as alliances

and outsourcing) require that you alter your leadership style in order to be compatible with a company that has a dramatically different way of leading and managing.

4. **Organizational structure** – How is your organization structured? Is the hierarchy flat or in a matrix? Are job descriptions written and followed, or are they there primarily to satisfy legal requirements? How will the new initiative fit in with the current structure? Would people be likely to report to the same supervisors, or would you need to enact new leadership? Can your company handle a major overhaul of organizational structure at this time? If the formal and informal structures are too far apart, there could later be confusion and clashes regarding who is actually in charge of what.
5. **Workflow practices** – How does work flow between departments? For example, you may discover that you're not set up to share information across departments easily because your structure has an elaborate approval process. Also, how do the various departments use technology? If you're proposing drastic differences in the use of technology, new procedures can lead to a slip in productivity and/or quality among the departments.
6. **Level of Trust** – What is the trust and comfort level between departments, managers, and employees? Is the organization unionized? Trying to implement an initiative that requires a foundation of high trust in a low-trust environment can backfire no matter how well intended the effort.
7. **Customs and artifacts** – Every organization has its own set of customs and artifacts. For example, do employees work until 5 p.m. on the dot, or are they expected to stay late? Is every day “casual day,” or are they expected to wear suits? Do you reward productivity with bonuses? Are there important trophies and pieces of art? Do you give out holiday turkeys? Keep in mind that some customs and artifacts are more sacred to the organization than others. Changing too much too fast can lead to low morale; changing the most sacred customs can even lead to lost productivity and employee retention problems.
8. **Work environment** – What message does your company's work environment convey? Do your employees have private offices or workstations? If your new strategy involves physically moving an employee's workspace, could the change give an unintended message of job importance, especially if people are being moved from offices to cubicles? Also, what messages do you give regarding the importance of innovation if departments that are now supposed to work closely together would be physically located so that it would be more difficult to build the necessary relationships that lead to new ideas? Any strategy you propose must take these factors into consideration in order to promote an efficient workplace.