Culture It's not the "soft" stuff



Peter Drucker on Culture

"Culture eats strategy for breakfast".

"I used to think corporate **culture** didn't matter. Discussion of vision, mission and values was for people who couldn't build product or sell it!"

-Peter Drucker, Father of Modern Management in a discussion with Dick Clark of Merck

So What is Culture?

"Corporate culture refers to the beliefs and behaviors that determine how a company's employees and management act. Often, corporate culture is <u>implied</u>, not expressly defined, and <u>develops organically over time from the cumulative</u> <u>traits of the people the company hires</u>" –

Investopedia.com

"How to Build the Perfect Workplace," Fortune, Geoff Colvin, March 5, 2015

"The secret to attracting and holding onto the world's best talent isn't about the perks —it's about relationships."

"How to Build the Perfect Workplace," Fortune, Geoff Colvin, March 5, 2015

"You've realized by now that we're talking about culture, the way people behave from moment to moment without being told. More employers are seeing the connection from culture and relationships to workplace greatness to business success."

Fortune Magazine, March 5, 2015 "How to Build the Perfect Workplace," Fortune, Geoff Colvin, March 5, 2015

"Deloitte's latest annual survey of 3,300 executives in 106 countries found that, for the first time, top managers say culture is the most important issue they face, more important than leadership, workforce capability, performance management, or anything else. "Culture" was Merriam Webster's 2014 word of the year. It's everywhere."

"How to Build the Perfect Workplace," Fortune, Geoff Colvin, March 5, 2015

"Yet as employers increasingly grasp its importance, they also realize they have no clue where to begin in creating the culture they need."

"How to Build the Perfect Workplace," Fortune, Geoff Colvin, March 5, 2015

"Wharton's Alex Edmans exhaustively investigated several hypotheses and concluded that investors just don't get it—they simply don't understand that great workplaces work better."

(except at least one: Warren Buffett)



"How to Build the Perfect Workplace," Fortune, Geoff Colvin, March 5, 2015

"A corollary is that most employers don't get it either. Why do they let the 100 Best clean their clocks year after year, when the secret is no secret at all? The answer is a mystery - we know 100 companies that hope the others never figure it out."

Sampling of Companies on Fortune's 100 Best Companies to Work For

Google Wegmans Food Markets SAS Institute **Edward Jones** Genetech The Container Store Stryker USAA **KPMG** Hyatt Hotels AFLAC **Goldman Sachs**

Hilton IKEA Four Seasons Hotels Whole Foods Market Cisco Marriott Mayo Clinic American Express The Cheesecake Factory What's the one thing common among all Baldrige Award Recipients and other role-model organizations?

> **Great Culture Great People**

Culture: In a Nutshell Who you are How you behave **Relationships Employees Customers Suppliers Community Everyone with whom you have contact**

My Definition of Culture: Servant Culture

A Servant Leader, employee-first environment designed to ensure that employees' highest priority needs are being met, with character that inspires confidence.

Servant Culture

Mission Driven Vision Focused Values Centered **Employee Centric Customer Devoted**

Based on the following

Servant Leadership Characteristics

- Humility
- Patience
- Kindness
- Respectfulness
- Selflessness
- Forgiveness
- Honesty
- Commitment
- Results oriented/"no excuses"
- Ego directed toward team accomplishments



So why is focusing on **Employees so important?** Who do you think is going to: >implement all of your great ideas? >make your product or deliver your service? >give great customer service? **Control your costs**? > help grow the organization?

But seriously:

It's the right thing to do (Biblically and morally)

It's treating others the way we want to be treated

Superior corporate culture is created

It leads to dedicated employees and lower turnover

Servant Leaders are trusted, empowering, and respectful which leads to engaged employees who give their all (effort, ideas, willingness/ speed of change and innovation)

Passionate employees are devoted to customers, resulting in <u>customer loyalty</u>

Engaged employees create <u>higher quality products or services</u>

Committed employees participate in <u>financial performance</u>

Growth results because of better customer service, increased demand for high-value product or service, and financial resources needed to grow

Baldrige Scoring Results*

Category 5.190-100Category 5.290-100Category 7.390-100

*These are the Baldrige Criteria Related to "People". 90-100 is the highest scoring range and no other Baldrige Applicant has ever received this combination

Quotes from my favorite Servant Leader:

John 13:

14 "Now that I, your Lord and Teacher, have washed your feet, you also should wash one another's feet. 15 I have set you an example that you should do as I have done for you."

John 21:

16 Again Jesus said, "Simon son of John, do you love me?" He answered, "Yes, Lord, you know that I love you." Jesus said, "Take care of my sheep." (note: Jesus said this three times so it must be important) -Jesus Christ