

# 10 Considerations for Successful Corporate Culture Shifts

Author: Rudy Vidal

Presented by: The Chief Customer Officer Council

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## Introduction:

This paper will cover 10 considerations for creating successful corporate culture shifts. Although not an exhaustive list, it calls attention to areas often overlooked or of critical importance. With limited exceptions these considerations can be applied to a wide range of organizations.

Corporate cultures can often present complex challenges. As such, the proactive management of cultures is often seen as a difficult and precarious endeavor. This does not have to be the case. In fact, proper management of a culture increases the likelihood of long-term business success and can have rewarding effects on employee satisfaction and engagement.

Mr. Bob Greenberg - CMO of Panasonic, a dear friend and mentor, once said to me: "left alone, disarray and lack of grace always prevails. If we want to maintain grace and beauty in our systems, we must stay involved." For example: An uninhabited house tends to deteriorate faster than one that is lived-in and cared for. For the same reason, we need to nurture cultures over time. Left alone, the forces of everyday business as well as changes in management and staff can move cultures away from the desired focus.

Before addressing the 10 considerations, it is prudent to mention three simple guidelines we have found to be fundamental to any successful culture work. Remembering these guidelines helps create a mindset consistent with productive management of group dynamics. They are:

- Cultures cannot be changed. They are shifted or damaged.
- Culture shifts cannot be mandated. Mandate = Damage.
- Culture shifts are made more effective by leveraging existing cultural strengths.

Through these simple guidelines we acknowledge the inherent value of both, the individual and the group, and thus set the stage for a collaborative effort of collective improvement.

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## 1. Understand Your Cultural Dynamics

As we look to understand the relationships that make up the corporate culture, it is helpful to start with a simple definition.

Corporate culture:

The generally accepted norms and values of an organization that result in a behavioral or operational paradigm.

In short, an organization adopts certain norms and values that create consistencies in the way it thinks, feels and acts.

Considering the definition we are tempted to equate “culture” to “workforce”. But that is an incomplete view. The culture is not simply the sum of the workforce, but is instead, the result of what can be considered a chemical reaction between People, Purpose and Environment.

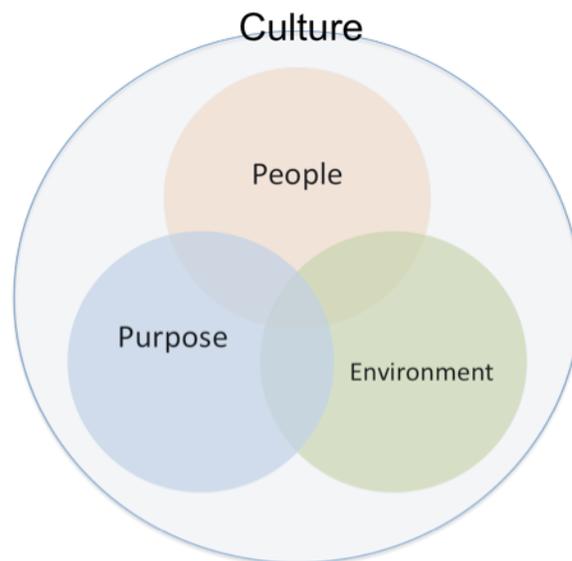


Fig. 1

This interaction results in the set of values and norms that allow us to predict organizational behavior under certain conditions. In essence, it is a “way of being<sup>1</sup>” in the organization that provides a level of consistency on which we can build. To the extent this “way of being” magnifies and supports the core purpose of the organization, we say we have a satisfactorily aligned culture.

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### People:

Just as people are not a complete view of culture, it is also important to understand that people are not limited to employees, but include all those present in the interaction: management, customers, vendors as well as employees. Some organizational behaviorists may include special external influencers such as labor unions or immediate family, as members of this group.

The importance of managing the people component is obvious, but the reason often eludes us. We must manage the people component because it is “the people” that set the stage for the purpose, the environment and the chemical reaction, and it is in the people that the chemical reaction takes place.

People are the most important asset of the culture, nothing happens without people.

### Purpose:

In today’s experience economy<sup>2</sup>, products and services are no longer considered long-term brand differentiators. The market differentiator has now become experiences. Experiences are a broader corporate output than products or services, and are strongly driven by an organization’s purpose. This purpose reaches for the “WHY”<sup>3</sup> or essence for which the organization stands.

By aligning our departments, employees, policies, processes, etc., to this “WHY”, we can create consistent and repeatable experiences for our customers across the organization. A clearly defined purpose simplifies decisions, facilitates empowerment, promotes employee engagement and creates focus.

The purpose drives the required culture.

### Environment:

The environment is the sum of all other variables creating the conditions for the chemical reaction. It is comprised of processes, policies, systems, tools, expectations, metrics, etc. The variables we normally manipulate to improve our daily performance are most often part of the environment.

The Purpose drives the culture, while the People and Environment make it possible.  
By managing People, Purpose and Environment we can shift cultures.

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## 2. Make Sure There's a Need for a Culture Shift

Many planned culture shifts are not necessary. At times, the culture is well aligned to the purpose and quite capable to deliver, but may need incremental adjustments in one or more of its components to achieve the required performance. Because these adjustments in people, purpose or environment, may not precipitate noticeable cultural shifts until certain thresholds are crossed, we may be able to make adjustments that improve performance without needing to address a full shift in culture. This less invasive option is usually recommended.

The instances of planning for unnecessary culture shifts are more frequent when the culture is seen as a cause of “the problem”. In reality, cultures are more often the affect of misalignments in people, purpose or environment, and less often the cause of performance gaps.

Assess the culture's viability based on its alignment to the purpose, not based on organizational performance.

## 3. Take Ownership

It is interesting to note that the three cultural components in Fig.1 are all under control of management. In spite of this, the culture is often seen as an independent force, only to be addressed as a last resort. It is not uncommon for managers to refer to the culture as “they,” perceiving it as the independent sum of employee attitude. Our experience shows, more often than not, that management does not take full responsibility for the culture, but at times may perceive it as a cause of an inability to improve performance.

Although lack of ownership in this area may have limited repercussions in our day-to-day operations, it is extremely counterproductive in an effort to shift the culture. The willingness of management to assume ownership of past, present and future cultures shows clear correlation to success. The lack of ownership always creates some degree of contention, judgment and/or segregation in the effort. If you find yourself explaining the required changes to others in terms of - what a previous regime did wrong or how employees simply need to do more or less of something – the ownership is questionable and so will be the success of the effort.

Another aspect of ownership that cannot be overemphasized is the need for management to lead by example. Management, from supervisors to the president, need to show they understand and live the “WHY.” Most of us assimilate examples and parables easier than literal explanations, emails or speeches. When the workforce sees management in action, they can instantly translate what they have seen into potential actions in their areas of influence. Walking the talk makes all the difference.

Take ownership of past, present and future cultures in order to increase the likelihood of success.

### 4. Clarify the Purpose

As previously mentioned, the purpose or “WHY” of the organization should drive the cultural needs. Therefore, large culture work should be reconsidered if there is a lack of clarity in the purpose. One of my earlier strategic corporate planning mentors, Mr. Alex Sakurai, once counseled me, “If you don’t know where you’re going, you’ll just end up somewhere else; somewhere else isn’t always better.”

Attaining clarity of purpose can be more difficult than it seems. For example, many support customer contact centers are asked to improve customer satisfaction while reducing costs. The customer service representatives are then asked to maximize satisfaction while reducing average handle time (the average length of time required to take care of the customers). Although it is not unreasonable to expect a contact center to take good care of customers while reducing costs, the culture may not fare well with these opposing expectations. This difficult balancing act should, instead, remain the responsibility of management who can separately present measures to improve average handle time, while the culture’s purpose remains clear - Customer Satisfaction.

Shifting priorities weakens organizations and runs havoc on its cultures. An organization with a clear purpose is more flexible, self-correcting and consistent. In addition, a clear purpose increases employee engagement, a powerful contributor to customer loyalty.

Start with a clear “WHY”

### 5. Identify Required Cultural Qualities

There are certain cultural qualities that facilitate alignment to the purpose. For example, if our organization’s “WHY” is to provide “low cost-quality service”, then it would behoove us to foster a cultural quality of low cost, high efficiency and strict quality standards. In another case, if the organization’s “WHY” is to maximize customer loyalty, then we may consider fostering cultural qualities such as customer touch-point ownership, empowerment and personalization.

By identifying, developing and maintaining the appropriate cultural qualities we can ensure an on-going alignment to the purpose.

The identification of these qualities should also consider the needs of major customer segments. Customer needs differ across segments; the cultural qualities that delight one segment may not suffice for another. Here are samples of cultural qualities:

|             |             |              |
|-------------|-------------|--------------|
| Low-cost    | Flexible    | Considerate  |
| Efficient   | Personable  | Unyielding   |
| Fast        | Proactive   | Consistent   |
| Zero Wait   | Responsible | Expert       |
| Cross Sales | Responsive  | High Quality |

Choose and prioritize the cultural qualities that magnify your “WHY.”

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## 6. Maximize Employee Engagement:

A telltale sign of a thriving and effective culture is a high level of employee engagement. Employee engagement is comprised of: perceived individual value, clarity and focus of work and perceived interpersonal support<sup>4</sup>. According to a recent Gallop study: in the United States, only 29% of employees are energized and committed at work (engaged). Even more problematic is that 54% of employees are effectively neutral and simply show up to do what is expected. The remaining, almost 20%, are fully disengaged.<sup>5</sup>

This lack of alignment is alarming and costs the US economy over \$300 billion per year; however in organizations such as sales or customer service, the relative effect may be more dramatic. In addition, neutral and disengaged employees are more difficult to train and empower, causing reduced efficiency and effectiveness.

Actively manage employee engagement to make a culture self-sustaining.

## 7. Directly Manage the Effects of Local Social Norms

To no surprise, some aspects of corporate culture are driven by local social norms. These must be taken into account when setting expectations and requirements for change. The effects of local social norms are frequently encountered in off shoring projects or in corporate expansions into new geographies.

For example, we have found the workforce in the Far East to be very quality-conscious, but also very literal in carrying out directions. As such, the workforce may have a tendency to give policy and procedure the highest priority, while overlooking “softer aspects” of an issue. In some cases this may not be a problem, but if flexibility is a required cultural quality for your customers, direct action in addressing this issue may be required.

Because these norms may be inherent in the social fabric, they can create underlying “ways of being” in the organization that are usually stronger than the corporate culture itself or its efforts to communicate required change. Deeply ingrained norms are usually better addressed through experiential training.

Address misaligned social norms directly--the “WHY” is rarely strong enough to affect them.

## 8. Assess Personnel Most Likely to Assist and Resist

Depending on the size of the organization and the breadth of the shift, it may be necessary to assess personnel most likely to assist and resist. Although resistance is normal and expected, some sources can be quite detrimental: management, labor unions, high performing staff and long tenured employees are examples.

Jack Welch mentions four categories of employees/management<sup>6</sup>:

1. People not willing to live by new values who don't deliver results.
2. People not willing to live by new values who deliver results.
3. People willing to live by new values who don't deliver results.
4. People willing to live by new values who deliver results.

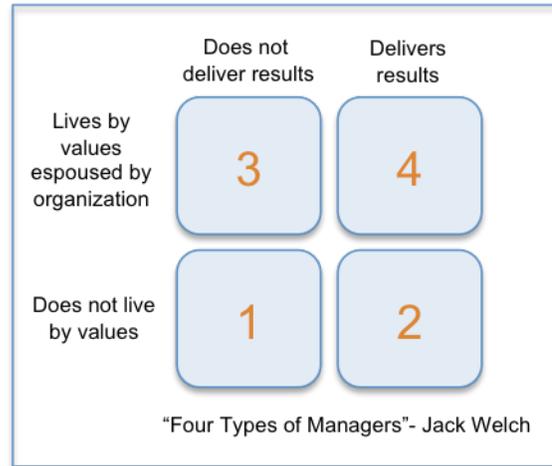


Fig. 2

It is easy to see how those not willing to live by the new values espoused by the organization can be detrimental in the creation of a new cultural standard, especially if they are high performing employees. Those in category 3 should be trained, potentially seeing the new cultural focus as an opportunity to become more effective. Those in category 4, where appropriate, should be considered as potential "influencers."

Find out if those not willing to live by the values have valid reasons, about 50% of the time they do.

## 9. Leverage Influencers

The most effective tool in making culture shifts is the influencer. The influencer is not necessarily a manager, supervisor or lead. In fact, it is often better if they are not. Influencers are successful colleagues, with positive attitudes and a well-balanced demeanor who are looked upon by others as "a person who seems to be doing something right."

Once the influencers are identified, they can be made aware of their important role in helping improve the company's condition. Influencer coaching to a culture is like vitamins to a cold.

Identify and leverage influencers to accelerate the culture shift.

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## 10. Have the Right People in the Right Place

Again, we come back to people. In any new culture, it is imperative to ensure new and existing personnel have the skills and mindset to meet new expectations. In a recent engagement a major online retailer needed to shift their sales & support organization to become more support-oriented. A large number of successful sales representatives were asked to become support representatives, only to result in a rapid increase of customer attrition. A great sales representative may not necessarily be a good match for a support position.

We have found that one of the best investments you will ever make is ensuring the right match between employee and position. It reduces costs, improves performance, increases employee engagement, increases customer satisfaction and promotes cultural stability.

Profile your grade A & B performers and hire similar psychological, cognitive and operational profiles.

## 11. Bonus: A Couple of Thoughts on the Communications Plan

An important aspect in starting the shift is the communications plan. Although it is outside the scope of this paper, we are compelled to comment briefly.

Any culture shift requires a comprehensive communications plan, regardless of its size. The goal of the communications plan is to help minimize resistance and create momentum.

Answering the following questions through your communications will minimize resistance:

- What is the organization's purpose ("WHY"); has it changed?
- Why is the new direction important to the company and its employees?
- What happens if we don't change?
- What is the company's commitment to achieving this change?
- What are the long-term benefits to the company?
- How will we achieve it; what is the plan?
- What is my role in the plan?

Momentum can be supported through:

- Periodic status meetings "in person" by upper management.
- Strategically chosen Key Performance Indicators (KPIs) that will show progress.
- Posted status reports between live status meetings.
- Highest possible management communication to the population.
- Personal recognition of efforts, intentions and results.
- Clear and personal management support on the job site.

Create Trust, Belief, Enthusiasm, Involvement and Ownership.

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### Summary:

In today's markets, it is becoming more and more difficult to differentiate our brands. Our products and services have commoditized so much; it seems all we can do is compete on price. The truth of the matter is that customers are happy to accept a lower price if we do not provide them with a better value proposition.

Products and services are no longer key brand differentiators. Instead, the brand is differentiated through a set of consistent customer experiences across the organization that reveals a commitment to its purpose, and ultimately is accepted by the customer as aligned to his/her values.

This consistency cannot be efficiently managed at the individual employee. Instead, it must be the product of a "responsive way of being" in the organization. The proactive management of corporate cultures can create this "way of being" that helps us focus on our purpose, maximizes profitability and increases loyalty while reducing costs of operations.

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### The Chief Customer Officer Council

The CCO Council is the first of its kind — a member-led peer-advisory network offering unparalleled insight into the critical issues facing CCOs. The Council is committed to elevating this important role in business strategy, helping its members grow professionally, and most importantly, helping drive solid, customer-focused business results in member organizations. Through the newly created CCO Roadmap, best practices, custom research, and peer advisory, the Council helps members drive profitable customer behavior, create customer-centric cultures, and further justify their value. If you are interested in being more successful in your role as a CCO, visit <http://chiefcustomerofficer.com/ccocouncil> for more information.

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This paper was originally published by the same author as "10 Considerations for Success Cultures Shifts in Contact Centers" and was modified to address corporate culture shifts in general.