



Enquiring Business Cultures

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Recently there have been a number of conversations among some of our clients and us about the impact the business culture has on the business. It is a source of significant influence on the way we approach our work, yet it seems that there are few overt strategies to optimize that influence.

A key component of a *high performance oriented culture* is the development of a *core ideology* – core values and sense of purpose beyond just making money that guides and inspires people throughout the organization and remains relatively fixed for long periods of time. The real difference between success and failure in a corporation can very often be traced to the core ideology of how well the organization brings out the great energies and talents of its people.

Two Harvard Business School-sponsored studies on the relationship between business culture and business performance of more than 200 firms were conducted by John Kotter and James Heskett. Their research and conclusions are described in their book, *Corporate Culture and Performance*. They reveal that:

- Corporate culture can have a significant impact on a company's economic performance.
- Corporate culture will most likely become an even more important factor in the future in determining a company's success or failure.
- Cultures that can help organizations anticipate and adapt to change will be associated with superior performance over longer periods of time.
- Companies with more adaptive cultures strongly emphasize that managers throughout the business should provide leadership to initiate change in strategies and tactics to satisfy the interests of stockholders, customers and employees.
- It is not easy to change a corporate culture. It takes a specific strategy and strong leadership.

I am sure you have noticed – there is a lot of change happening in our business environment. So, as suggested in the above bullet points, it seems a good time to give our respective cultures a reminding “nudge” to guard against complacency and surprises.

Recent research at MIT Sloan Business School found a common pattern of executives falling into these management traps – myopia (short sidedness) and, inertia (failing to take advantage of new opportunities by choosing to stand pat on familiar ways they have always done business).

Now is the time to make sure our cultures are being encouraged to regularly enquire about “what else should we be doing?” Are you fostering that kind of process in your leadership meetings?

I was visiting one of our clients this week that has developed this type of culture. He is the founder and President of a vigorous, successful company that has developed more than it's share of “young Turks” who are not afraid to challenge the status quo. Setting in on one of their senior management meetings is a pure delight for me. Observing an “enquiring culture” brings smiles to this well traveled manager, yours truly. Quickness of thought and input were flourishing. Great stuff!

In the fast-paced business world, we cannot afford to allow ruts to develop in our business perspective. Examples of business myopia and inertia are splashed across the pages of the business press almost every day. A healthy enquiring business culture is a valuable antidote to bad surprises.

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