Designing a High-Impact Culture©
Unlocking Hidden Customer Value

High-Impact organizational cultures have two things in common. 1) they create an extraordinary employee experience and 2) they create and deliver extraordinary customer value. These cultures, however, do not happen by accident. They are rare, and when they are found, they bare all of the characteristics of design.

This article will describe the essential elements of a culture by design and how to visually map them. This map will provide the pathway to cultural transformation.

Culture By Design

Studies and research in organizational culture is not knew. However, there is a growing body of evidence that points to this simple reality:

To deliver a dynamic workplace experience for employees and deliver extraordinary customer value requires a designed culture.

Two Examples of High-Impact Cultures
The U.S. Army

The U.S. Army is an institution of two-million active and reserve duty personnel. In conducting the research for my book, *Leveraging the Genetics of Leadership*, I had the opportunity to interview two senior officers. The first was a veteran of thirty-four years, a full colernol, and Army Ranger. The second, a retired 4-Star General, highly decorated including three Purple Hearts, who later went on to serve in a Presidential Cabinet. They served a generation apart. I doubt that either of them had ever met. I asked both of them the same question.

If you were describe in one or two words how the Army approaches the practice of leadership, what would they be?

Both officers, without hesitation said exactly these words:

We practice servant leadership.

Then both paused for just a moment and said exactly this:

There is another word I would use, and that is love.

How is it that two soldiers, serving in different capacities and a generation apart, will say exactly the same thing when asked about how the Army approaches the practice of leadership? Answer: they both were trained into the requirements of a culture based on seven core values and an irrevocable creed.

Alcoa Aluminum

In 1987 Paul O'Neil was named CEO of Alcoa Aluminum. It was an unusual appointment for a man considered by many to be nothing more than a government bureaucrat. When he took over, quality was poor, customers were unhappy, and labor was in constant turmoil. After a few months, he determined that he could address unhappy labor and unhappy customers the same way – employee safety. He designed a culture that made Alcoa so safe for employees that when he retired thirteen years later, it was safer to work in an Alcoa Aluminum Foundry, working with 2000°(F) liquid aluminum, than it was to work in the back office of an insurance company.

As a result, waste was eliminated and replaced with value. Quality shot up. Costs went down. Profits went up. When Paul retired, the market valuation of Alcoa surged from $3 billion to $27.5 billion, and net income rose from $200 million to $1.5 billion. One of the most remarkable corporate transformations in history.

What is Culture and Why is it Important?

Ask twenty-five leading experts, academics, and practitioners to define culture, and you will receive twenty-five different responses. This confusion is why executives will often talk about the importance of culture, but few know how to build one. This phenomenon is why Dave Ulrich Ph.D. describes culture as an "an amorphous abstract. " However, the understanding that we use is simple: culture is the mirror image of leadership. Take the typical components of culture, shared values, common behaviors, the employee experience, or "just the way things are done around here," and all of them rest on the foundation of leadership.

With this understanding, leadership is the primary responsibility of building employee engagement. Gallup and many others note that in the U.S. two-thirds of all employees are nonengaged or actively disengaged. Worldwide, this number is 85%. Gallup has calculated the annual cost of this opportunity to

be $7 Trillion, or nearly the combined economies of Japan and Germany. This suggests that even a small increase in the percentage of engaged employees will result in an immediate impact on value that can be delivered to both customers and stakeholders. However, to capture this opportunity will require more than one or two enlightened leaders or managers. It will require a comprehensive approach to developing the right system of leadership to build a culture that will deliver an extraordinary employee experience and extraordinary customer value.

Three Steps to Developing the *Right* Culture

Every organization has a unique mission and a unique customer. Because of this, high-impact organizations design cultures to the unique requirements of their customers and their employees.

There are many ways to organize the various parts of culture. However, this article will describe the elements and arrange them through the lens of leadership.

Step 1: Identify the Business Strategy or/or Customer Need

80%-90% Of all process and organizational improvement initiatives fail. A principle reason is a misalignment with the delivery of customer value. In the same way, a commercial real estate developer begins the design of a new building with the tenants in mind first. She would never design a professional office building that will be the home of bankers, lawyers, and accountants but make it look like a prison. The starting point is the customer. Therefore, the value to be delivered must be:

- Measurable

- Meaningful to customers

- Must be aligned with the business opportunity and strategy

This customer-centric focus strategy is what David Ulrich calls it culture "from the outside-in"

Customer/Business Strategy

1. Begin with the customer and business strategy

Step 2: Design the Foundation

Once the core value to be delivered to the customer is clear, then the foundation of the culture can be designed and constructed. This foundation has three parts:

1) Core organizational values are required to deliver maximum customer value. Examples often include respect, integrity, safety, and transparency.

2) Specific and measurable benefits customers will receive. Examples from healthcare may include lower risk for a fall or contracting hospital-born infections.

3) The culture will deliver specific and measurable value to the employee. Examples may include growth in self-confidence, overcoming fear, professional development, and a clear career path.

The Foundation

2. Build the Foundation

Step 3: Design the Superstructure

Developing a solid and dynamic organizational culture is like designing and developing a building. First, the design of the building is based on the value delivered to tenants. From this comes the design of the foundation and then the superstructure.

1) The optimum employee experience

2) Identify the mindset of leaders in how they develop value in three resources,
   a. People,
   b. Processes, and
   c. Knowledge.

3) Standard practices of leaders:
   a. Personal behaviors
   b. Keystone habits, routines, or rituals.
   c. Rules and/or policies.

4) Design and align the reward and recognition program

The Superstructure

1) Foundational Behaviors
2) Routines, rituals, keystone habits
3) Rules and policies

Developing Value In:

1) People
2) Money (processes)
3) Knowledge (innovatoin

Why Map the Culture?

The power of visual communication is unquestionable. In social media, visual content is 40 times more likely to be shared. Sixty-five percent of us are visual learners, and the human mind processes things in pictures.

Four things happen when we can create a visual representation of culture.

1. The process creates a shared understanding across all segments of leadership.
2. Leaders, managers, and front-line staff can see the future.
3. Leaders can see the best place to start the journey.
4. Managers can track the progress of their teams.

Conclusion

Leadership, at all levels, holds the primary responsibility for developing and maintaining a high-impact culture. However, by mapping a system that will build the culture, individual leaders will see and understand the requirements of the system.

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Daniel B Edds, MBA, is the author of, Leveraging the Genetics of Leadership, cracking the code of sustainable team performance. This book is available wherever books are sold and on his personal website, DanielEdds.com. His insights into organizational leadership and culture are based on twenty-five years in the consulting trenches, working with over 200 organizations. To schedule an informational interview to discuss if culture mapping is right for you and your organization, please visit: calendly.com/dan8854
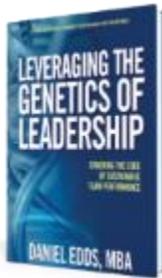
"Daniel Edds has performed a great labor for all students of leadership. He has identified the vital few principles and practices from the trivial many. If leadership is a system, if it's greater than the sum of its parts, what is that system? What are the component parts? How do those mutually reinforcing parts work together? And finally, how can leaders perpetuate a leadership system to live after them? This book is a gift for any leader who has been given the stewardship to lead, but doesn't know how to approach it. A wonderful contribution to the leadership literature!"

— Timothy R. Clark, PhD, Author of The 4 Stages of Psychological Safety: Defining the Path to Inclusion and Innovation