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Culture Matters: Shaping a Culture That Works

Culture, within a company or organization, is like an iceberg. Just as we can see only the tip of the iceberg, most of what constitutes a company's culture is below the surface. The part that's visible includes things like physical office space, ways the employees dress, and behavioral norms.

But they are not the whole picture, says Wharton management professor Sigal Barsade, who has extensively researched the subject of culture within organizations. That's why if you are working to sustain or change the culture within your company, or are charged with hiring or promoting employees who will be a good fit, you need to understand what's below the surface. The values and assumptions that rarely get questioned are the ones that most organizations take for granted.

Barsade recently presented her research to a group of HR executives during Wharton Executive Education's inaugural *Global Human Resources Executive Summit*. In the weeks since the event, many of the participants have reported that they are already applying some of the key concepts they learned during Barsade's session on organizational culture.

Suzanne Martin, Google's head of Global People Development, Brand & Marketing, says, "We have a very good organizational culture; it's almost mythological. But it's very important that we don't rest on our laurels; we have to continually stress test it."

Martin is using Barsade's two key questions ("What do we reward? What do we punish?") to help open up discussions of how Google's culture is being developed and sustained. "This is a different approach. We usually speak very directly when talking about our culture. But asking, 'what do we reward?' and 'what do we punish?' is a good way to make sure we are doing everything we need to support our culture."

Mike Silverberg, Head of Global Financial Services Talent at KPMG and based in Toronto, also sees the value in the two questions. "It's a very practical way to really understand your culture. So much happens beneath the surface that we must pay attention to, and asking these questions starts to get to the core of it." Silverberg also recalls Professor Barsade's advice about highlighting only three values. "I really like this approach. Making this type of change will take some time in our large matrix organization, but we are already thinking about it."



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L.L. Bean is known for a culture that supports and nurtures its employees. For the company's HR Director Sarah Cox, Barsade's research into relationships in the workplace, and specifically the importance of the "felt connection" people can have with one another, was compelling. "It prompted interesting conversations back at work. We do have that felt sense of connection here, and getting reinforcement of its importance based on her research was powerful."

Barsade stresses that culture doesn't exist in a vacuum, though. If the change you are seeking to make is not in alignment with your structures (think procedures, compensation plans, formal values statements) and your strategy, it won't work. "The three work together. Your culture can help you execute your strategy, but your structures need to support it. And if your strategy doesn't take into account your structures and culture, the execution will run into problems. For results, make sure all three complement and support one another."