

fact, they are quite transparent, most dangerous to a company's survival. In the new business age, customers have shown less loyalty to a name brand than to quality, service and price. If the product is expensive and unreliable, the customer will go elsewhere and the company will suffer (as experienced by SAP America several years ago with its incredibly complex servers and poor support).

Corporate culture can better be understood if seen as a hierarchy or continuum of performance, such as the chart accompanying this story illustrates.

The new age marketplace most favors what I call the *New Age Business Culture*. The following characteristics describe such cultures: innovative, embrace change (and are usually change leaders within their industries), egalitarian, tolerate reasonable risk-taking and critical feedback to the top, and are able to learn from their errors. At the same time, they are noisy but also accepting of differing ideas that take precedence over careerism.

At the extreme opposite end of the continuum are *Predatory Cultures*. They have a tendency to take advantage of their customers, employees, and shareholders. Many major consulting firms suffer from this type of culture and are now feeling the negative impact of their top consultants taking corporate roles in place of a partnership. In between these two extremes are cultures that most of us have worked for, ranging from *Frozen* (never changing and grid-locked) to *Chaotic, Political, and Bureaucratic* cultures. Just below the *New Age Business Culture* exists a slowly growing area of *Service Cultures*. These are companies that build their strategies and customer service

delivery models around the customer. They need not be purveyors of new technology—just outstanding service.

**A Blueprint for
Corporate Culture Building**

- *Close the gap between business planning and culture planning.* An ambitious business strategy will fail if the culture is not able to support it.
- *Create a corporate culture that embraces change* — no change, no gain. Keep innovative people and their ideas at home.
- *Identify natural change leaders and empower them to lead the change process.* They need not be a corporate officer and may be a squeaky wheel within the company.
- *Build a broad consensus for change from the top down and the bottom up.*
- *Reinforce ethics.*
- *Appraise progress through bias-free processes.*
- *Create sponsorship at the top.* Turning over the change process to the VP of Human Resources or the Chief Information Officer quickly dooms the process.

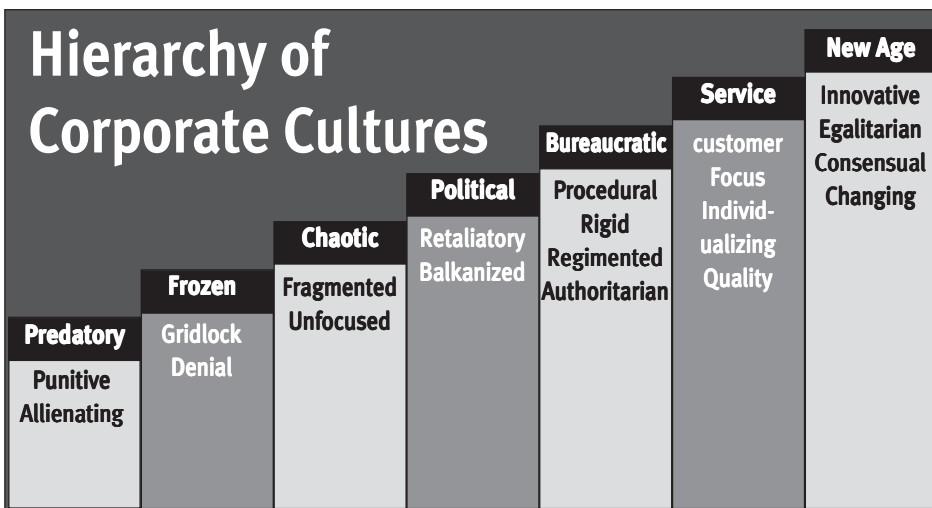
I remember talking with Ivan Seidenberg several years ago (when he was CEO of NYNEX) about their failed effort to build culture. He admitted that they excluded the top 21 officers from the change process — so nothing really changed.

**Barriers to Culture
Building and Change**

Understanding and overcoming barriers to culture building are as important as the

change process itself. They include these principles:

- *Don't underestimate the threat that people feel about culture change.* Too many people fear the term and what the culture change process entails. Even the most sophisticated business leaders are not always comfortable with change..
 - *The wrong sponsorship.* If it's not of the utmost value to the leaders of the company (including the board), why should people commit throughout the rest of the organization?
 - *Over reliance on the magic bullet.* In high-tech companies, in particular, there is an over-reliance on new technology and engineering processes to overcome problems. Hence the saying, "If it can't be engineered, it can't be important."
 - *Over-reliance on fads and fix-its.* Corporate America is beginning to realize that such over-used fads and fix-its as re-engineering, down-sizing, financial management, new marketing strategies, JIT, and "Web management" have utterly failed as strategies for the major task of culture building.
- Start the culture building process before the company becomes too big.
- In an age of chief information officers, chief technology officers, chief Internet officers, and chief engineering officers, it is time to create the chief corporate culture officer.



— Jerry Want is the author of numerous articles on change and effective leadership as well as *Managing Radical Change: Beyond Survival in the New Business Age* (Wiley) and the upcoming book *Cultures of Change/Cultures of Shame: Building a World Class Corporate Culture* (Financial Times-Prentice Hall). He was director of organization design and development for Motorola.