



Invest in People to Create a Meaningful Corporate Culture

It's been said that corporate culture trumps strategy and even senior leadership. While strategies can be mimicked and talent often moves, corporate culture has been shown time and again to offer a sustainable competitive advantage. In the age of transparency, if your staff doesn't believe and live your core values, your customers will know the difference. And the right corporate culture can bring out the best in your talent and create synergy among teams that is not easily duplicated.

In our work with Fortune 500 companies, we're noting several trends driving a renewed focus on corporate culture:

Increased dependence on contingent workers. Talent shortages, the rising costs of benefits such as healthcare, retirement, and insurance, and the costs of payroll are making contingent workers more attractive to many businesses. Contingent workers also allow organizations to staff up or down as the need arises. They expand the organizational knowledge, cut costs, and allow for more organizational agility, helping companies reduce risk. Yet there is also risk inherent in using contract workers, as constant shifts in the workforce make it more difficult to maintain consistent service or to move key projects forward.

- These workers still represent your brand and, in some cases, deal directly with customers. Formalizing your corporate culture into an onboarding process complete with training helps to deliver on your brand promise.

Dispersed, global workforce. In addition to an increased use of contingency workers, many organizations are now spread across the globe, making it more difficult to establish and maintain a corporate culture that has meaning to workers or that informs behaviors. Scaling corporate initiatives so they resonate and inspire employees to respond consistently is a challenge for many of our clients.

- Your culture needs to be consistent around the world, yet at the same time, you need to be mindful of local cultures and adapt your training accordingly. Create consistent policies and procedures, aligned to the culture you are building, but deliver them in local languages with local sensitivity using examples people can relate to.

Shifting demographics. Even full-time employees are in flux. The aging of the workforce is forcing a reemphasis on succession planning and knowledge transfer. Building up your talent and improving your bench strength are becoming ever more important and transcend countries or cultures. We're in the midst of a global war for talent, and hidden in that war are the skills that can make all the difference in whether an organization continues to succeed. Soft skills such as delighting customers, inspiring and motivating employees, building up loyal relationships between customers and partners—these are the skills often handed down and reinforced through corporate culture. Unfortunately, they are often lost when more experienced staff leave and are replaced with less seasoned executives.

- Organizations can combat this by staying on top of their succession planning with learning adapted to the way employees want to learn, designed to appeal to all, no matter what their learning styles or preferences are.

In all of these cases, a strong corporate culture helps maintain a focused strategy and consistent customer experience. It's the constant in the midst of continual, rapid changes that keeps your customers happy and your strategy marching forward.

Whether the culture is codified, or subtly handed down from manager to employee, *it's the people who bring the culture to life*. No matter how artfully crafted, your corporate brand and narrative are only as believable as the experience customers have when they interact with the company. Investing in your people and their interpersonal skills remains the best way to create a meaningful corporate culture. Building up a culture is not in an event, but in a learning journey where each piece builds on the last. Only then will you see an evolution in your staff's behavior that translates into sustainable growth and value.

A handwritten signature in black ink, appearing to read 'Manny Avramidis'.

Manny Avramidis
President and CEO
American Management Association