



AS A BUSINESS, THE
ABILITY TO

**ADAPT &
PROSPER**

WHEN CONFRONTED BY
ADVERSITY AND
MARKET CONDITIONS IS

**CENTERED IN
CULTURE**

THE CULTURAL MANAGEMENT SYSTEM

Improving Challenged Cultures

TACTICWARE RESOURCE GROUP
WHITE PAPER


Tacticware



A Tacticware Resource Group, LLC White Paper

The Cultural Management System: Improving Challenged Cultures

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Speaking Professionally

At Tacticware, we discuss the most difficult subjects for today's leaders. On its whole, we suggest that organizational culture, leadership, and brand perception are the source of most business challenges, rather than a symptom.

There is simply no Silver Bullet for people-related challenges. Every customer transaction is impacted by the quality of the organization. But keep in mind our dialogue is not about basic business mechanics; it's about communication and the quality of our customers and employees.

White Paper Introduction

Sam Walton said, “There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.”

The fact is that Challenged Cultures generally result in poor customer satisfaction and unpredictable company growth. That said, those in leadership positions possess the power to create positive change in an organization suffering from a negative culture.

Company managers generally operate as gatekeepers. Gatekeepers govern and influence business practices, and the intellectual and behavioral performance of subordinates. To improve culture takes an understanding of the importance of culture, an honest assessment of current organizational culture, and a strategic path for improvement.

In this white paper, we discuss “The Cultural Management System: Improving Challenged Cultures.” We show how the lack of a Cultural Management System affects strategy, employee performance, and innovation. We also provide actionable, tangible suggestions to analyze and improve the current culture of your organization.

Pivot Your Thinking

Low unemployment rates have added another component to management. Employees are exercising their right to a quality team environment, job security, and fair wages and benefits.

With low employment rates across the country, quality employees are quietly writing their own ticket with new employers that offer better opportunities. But understand, these opportunities are just not about compensation; rather they are about the quality of the organization.

As leaders, we must distinguish the difference between quality, value, and price. Our best customers generally recognize the value of a superior organization.

The Cultural Management System

For our clients, Tacticware conducts assessments as a way to measure health and stability of the organization. Our assessments are designed to benchmark the culture of an organization through true understanding of **Employee Perception** and **Customer Satisfaction**.

What we have found interesting is the fact that often both customers and employees share similar views about the perception of the company. Facts and evidence typically line up regarding organizational quality and dysfunction.

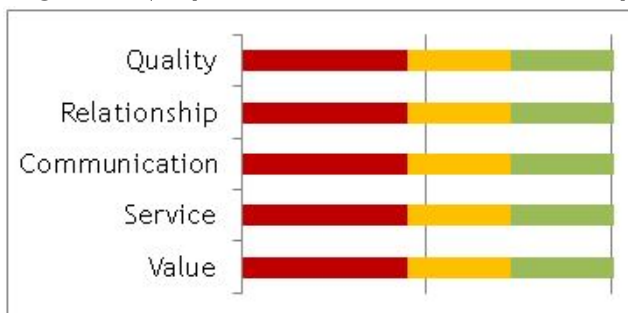
We work with clients nationwide, spanning industries, enterprise verticals, and employee counts. What we have found in measuring quantifiable perception results is this: low scores in employee perception (culture) generally reflect low scores in customer satisfaction.

Consider these Customer and Employee Satisfaction Expectations.

Figure 1 (Top 5 Employee Satisfaction Expectations)



Figure 2 (Top 5 Customer Satisfaction Expectations)



The Importance of Quality Management

The research we have seen shows this as a simple truth: organizations must retain quality management and employees if the enterprise expects to gain competitive advantage. If we are to improve customer quality, we must also demonstrate continuous improvement of company culture.

Consider these interesting comparisons found within surveys regarding customer and employee perception:

- **Customer Surveys Report:** Oftentimes, customers leave not because of price, but because of company business practices.
- **Employee Assessments Report:** Oftentimes, employees leave not because of compensation, but because of company business practices.

We suggest effective company culture must be a managed discipline. That is, company culture should be managed with the same scrutiny and importance as financial and legal affairs. Company culture is the real source of brand success and superior financial results.

The real truth is most management teams don't understand culture or its value to the bottom line. Culture management moves from vague subjective indicators to quantitative results. The final result is increased revenue and profitability.

Throughout this paper, we introduce questions you should honestly ask yourself to determine the true state of your organization. We often see that when a company encounters difficulty, some of the problems can be traced back to leadership, and most importantly the source, which is culture.

Actionable Suggestions

Please consider the following:

1. Is company culture consistently evaluated? How frequently?
2. Are company vision, mission, and core values established and consistently enforced by management?
3. Does the company have a current Employee Handbook? Is it equally enforced by all management?

4. Does the company, if applicable, have a Safety Handbook? Is it equally enforced by all management?

Our Definition of Organizational Culture

“**Organizational Culture** is a system of shared values, beliefs, and business practices.”- Investopedia

The **Cultural Management System** governs how people behave, communicate, plan, engage, and perform within the organization. Company vision, mission, and core values establish cultural expectations.

Leadership is responsible for effectively managing the Cultural System.

Successful Companies Enforce the System

Successful companies consistently promote and enforce Core Values. Management effectively introduces company values to new employees via on-boarding processes.

Management also consistently reinforces company values to existing employees. In a successful culture, these values are posted in every hall, gathering place, break room, and warehouse. They are discussed in major meetings and discussions.

The reason is clear: “**Culture is Your Brand.**”

Another action demonstrated by successful companies is that primary and secondary management are directly accountable for the organization’s cultural compliance. Cultural transparency is clear if we open our eyes. In a successful company, offenders are required to either improve through a performance plan or be replaced.

As a result, successful companies spend less time cleaning up disasters and engaged in crisis management. After all, a significant number of disasters are created by cultural rebels. Effective leaders instead spend more time with performance achievers and innovation. As such, customer collaboration and relationships are enriched resulting in greater customer retention.

But here’s the thing, company **Vision, Mission, and Core Values** must be realistic and practical. Leadership must consistently enforce all values equally. If not, credibility is lost with employees and customers.

Actionable Suggestions

Honestly ask yourself and your team the following questions.

1. *Review your company vision, mission, and core values. Do they reflect company direction and expectations?*
2. *Consider the last large customer or quality employee the company failed to retain. What was the real reason?*
3. *Does your company have current job descriptions defining primary and secondary objective expectations and associated responsibilities?*
4. *Does your company train all levels of management regarding affirmative defenses against litigation regarding discrimination, harassment, medical leave, and workplace violence?*
5. *Is the company environment safe, secure, and professional?*

Cultural Rebels

Cultural rebels are ambassadors of company culture. Unfortunately, they don't share the values of the company. Poor performance, communication deficiencies, and behavioral challenges are part of the rebel makeup.

Rebels spread dysfunction and mayhem throughout the company with their business practices. Employees and customers experience it. Customers who have had enough dysfunction find other suppliers.

In fact, some rebels work hard to minimize leadership effectiveness. Sometimes management members are really rebel leaders, toxic to cultural improvement.

Rebels generally don't have negative intent. They like how things are and discourage cultural change. Sometimes they fail to understand market conditions and competitive threat. The moment company leadership takes their eye from the ball; rebels push culture back to its original state.

Quality leadership in every department matters. Quality employees in every department matters. Again, quality employees sometimes leave not because of compensation, but because of company business practices.

Financially, rebels create significant financial risk. When we consider the true cost of rebel overhead in labor dollars and the extended liability to productivity, customer satisfaction, and management time it becomes very expensive.

The 80/20 rule generally applies. 80% of the revenue is generated by 20% of the team. The financial consequences become dramatic when one multiplies out the risk.

Actionable Suggestions

Consider the following questions honestly.

1. What is the hard dollar cost of each employee classification in the organization?
2. What are the percentages of employees consistently meeting expectations and those who are inconsistent?

Determine how rebels influence your team with these thoughts.

1. What is the level of pushback by management and employees on new ideas and innovation in your organization?
2. Is there a general failure to achieve assigned objectives?
3. What level of negative customer feedback exists?
4. Is there a failure by employees to complete all duties?
5. What negative attitudes and behaviors tend to influence team performance?

Unequal Accountability

Managers who permit unequal accountability break the Cultural Management System. We define **Unequal Accountability** as “management holding like employees accountable for differing job and behavioral expectations.”

Did you know? - *“The number one employee complaint isn’t compensation, rather it’s unequal accountability by management.”*

Leaders allowing poor performance by rebels eventually influence quality employees to lower their performance efforts. In our cultural reviews, many employees have responded with, “Why should I work so hard when other don’t?”

Rebels create the lowest-performance denominator. They set the bar of dysfunction with customers and establish perception. Company leadership not confronting rebel performance condones this negative behavior.

The Rebel Virus is an infectious disease. This virus nullifies the best efforts and business practices of the organization. Essentially, the virus limits the capacity of the organization.

Actionable Suggestions

Consider the question “Are all employees treated equally, or do favorites exist?”
Review this helpful list to help determine the answer.

1. Do rebels have a Performance Improvement Plan in place to correct deficiencies?
2. Does management end up completing work rebels should have completed?
3. Does the organization consistently meet its operational and financial goals?
4. Do strategic plans generally succeed or fail?
5. Does secondary management enforce best practices equally with all employees?

Effective Leadership is the Antidote

Today, leadership has every imaginable software tool available to manage performance. For example, ERP software (Enterprise Resource Planning) manages supply chain, production, and operations; CRM (Customer Resource Planning) manages customer intelligence and sales metrics; and financial software manages receivables, liabilities, and potential risk.

Despite all these software tools and resources, rebels still evade and game the system. The real challenge is Leadership.

Imagine if you will for a moment:

1. Who is an example of your single best manager and employee?
2. Who consistently delivers objectives, is self-managed, and reflects the vision, mission, and core values of the company?
3. Then imagine if all managers and employees performed their jobs with these skills?

What if Leaders Focused on a Culture as a Discipline?

Frankly, leadership is the source of most cultural challenges. The real question is why would a customer want to purchase from your business?

Most of this answer is derived from the Top 5 Customer Satisfaction results.

1. Quality
2. Relationships
3. Service
4. Innovation
5. Price/Value

Notice price/value is last at #5. New and higher quality customers assess their perception of a total quality organization - not just price.

Actionable Suggestions

Hope for the best and plan for the worst.

1. Identify managers who understand and demonstrate the value of culture and brand.
2. Utilize use insurance and legal professionals for specific support and training to understand the liability of improperly managed employee terminations.

Conclusion

The ability of a business to adapt and prosper when confronted by adversity, competitors, and market conditions is centered in culture.

Culture is a managed discipline and should be met with the same scrutiny and importance as financial and legal affairs. Company culture is the real source of brand success and superior financial results. After all, “Culture is the Company Brand.”

Companies with strong cultures are proactive innovators. Employees are self-managed and achieve objectives. They respect and embrace the vision, mission, and core values. Most importantly, quality customers recognize the value of total quality because the results are predictable.

What We’ve Learned

Cultural governance is the single greatest responsibility of the management team. Without superior culture, shareholder value erodes, and attrition invades.

Objectivity

Objectively speaking, it can be helpful to employ an unbiased observer to help your organization when considering cultural analysis and improvement. Oftentimes an outside, objective ally can assist in determining all sides and pieces of the puzzle, giving a honest view of culture with no play of politics.

White Paper Author

Paul Fournier is President of Tacticware Resource Group. Tacticware is a organizational change management consultancy firm offering cultural management systems, strategic planning, upSkill management/sales training, and 360 Cultural Assessments. We assist clients nationally. Learn more about transforming your business by [contacting us](#).

Diversity

Quality people do not have a color, gender, or age. We are committed to diversity and equal opportunity. We do not discriminate against racial, ethnic, and/or religious groups, older workers, women, veterans, and people with disabilities. As a matter of policy, we remain apolitical, religion neutral, and respectful of local customs.

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