

The Pervasive Impact of Corporate Culture

By Peter Beck



In the last week, I have had conversations with executives in two different companies about the **impact of corporate culture**. Both said they were experiencing negative impacts on their ability to be effective and sustain long term growth.

The first company had been acquired several years earlier and had gone through a period of layoffs. During the reduction in workforce, people lived in constant fear of losing their jobs. This created a **culture of personal protection, political infighting and blame shifting** in everyday interactions.

The second organization was a non-profit that was over 100 years old and was struggling with complacency. Employees who were **not meeting expectations were overlooked. Goals were low, performance lagged, income declined**. Leaders in the organization spent most of their time responding to employee complaints and dealing with conflicts between motivated and non-motivated workers.

These companies couldn't have been more different. They operated in different parts of the country. One was quite young, the other very old. They were in different industries. Yet, they found themselves facing a corporate culture that threatened their very survival. As I reflected on the challenges

they faced, a common theme emerged – **each operated in “firefighting mode”**.

An unhealthy corporate culture fosters a situation where leaders run from crisis to crisis putting out fires rather than strategically leading the company to improve performance. Once a negative corporate culture takes hold, it is very difficult to change.

One of the main jobs of leaders is to guard and shape corporate culture. By intentionally building a healthy corporate culture, companies can avoid “firefighting mode”. We suggest the following to build and maintain a healthy corporate culture:

1. **Find your leadership balance**. Great leaders emphasize both **Results and Relationships** and spend time intentionally growing both.
2. **Develop Emotional Intelligence** which allows leaders to handle conflict and negative emotions effectively while maintaining a positive outlook even when faced with significant challenges.
3. Carve out time to **focus on long term issues** or big picture strategy such as leadership development, writing new policies, setting new strategy or working on succession planning.

Corporate culture is an area where an ounce of prevention is worth a pound of cure. A healthy corporate culture encourages engagement, productivity and collaboration while a poor corporate culture generates political infighting, low productivity and high turnover.

What is your contribution to the corporate culture? Do you have the right leadership balance, emotional intelligence and focus on long term development? To learn more, visit our web site to read how we can help you **build high performance teams**.