

## **Culture Is Your Business**

By Jeffrey Schmedeke

The past five years have been a tough slog economically. What transpired in 2008 sent multi-year waves of panic, then despair and, finally, quiet survival through the human fabric of companies, non-profits and government agencies.

Where there's light, there's hope, and the light is once again shining for a number of organizations who depend on shoppers, gifts, or taxpayers to survive. Top line revenue growth is beginning to run higher for many companies. Non-profit firms are reporting heftier donations. Government agencies are enjoying increased tax receipts. Internal wounds, though, linger. Many organizational cultures suffered with low morale, a psychology of loss and fear of the future.

Thankfully, many business leaders recognize that while the perfect employee is a Platonic ideal, the reality is that firms must go to work with the teams they already have. Anyone who has worked in sales, worked in business development or just generally worked understands it can be more satisfying and almost always more profitable to develop current relationships more deeply.

Creating and maintaining a culture that encourages ownership of decisions, innovation and general interconnectedness is the way forward. Of course, statements like this are pervasive and instantly provoke head nodding in the affirmative. Really achieving that culture, however, is the never-ending challenge. To do this, myths must be dispelled.

**Myth #1:** Train my people and they will leave. We hear this a lot. It is born of a managerial mentality of deficit and fear. There's never enough talent, there's never enough resource, there's never enough of anything, right?

**Fact:** Let's not say "train", let's say develop. If leader-managers do this well and find the right complementary facilitators, employees will stay and thrive.

**Myth #2:** There's no ROI, so it's a waste of money. It is hereby acknowledged that measuring the return on people development involves many confounding variables. But, is it worth it to write off the idea so blithely?

**Fact:** Turnover, mistakes and a culture of distrust are absolutely measurable and downright costly as any human resource professional can tell you. Transforming firm psychology to a more cohesive culture takes effort and continuous investment, but is worth it.

**Myth 3:** If they don't like it here, they can go someplace else. Work or get fired. This is not exactly a recipe for resounding success. Isn't this mindset one of neglect and an environment of takers over givers?

**Fact:** "They" might leave, but what if they don't? Would you risk ruining your internal culture because you refused to turn negativity into positive potential? Case studies are replete with examples of highly capable individuals who gave up on bad leadership but spread discontent across the value chain.

**What to do?** It starts with assessing the kind of culture an organization has and where leaders want to take it. One case study provided by McKinsey and Company illustrates a remarkable paradigm shift. Several years ago, a call center provider named Appletree Answers decided to do something about its

97% turnover rate among call center employees. The CEO determined that rapid expansion in previous years eroded the cohesion his firm used to enjoy. Because individuals across the company didn't know each other, they behaved as lone actors who prioritized their own career needs over customers.

The leadership decided to improve the culture by creating a program, managed by a secret internal committee. It allowed employees to submit personal wishes that seemed too elusive to come true. The committee soon began granting some wishes. One example cited sent an employee's deeply ill spouse to meet his favorite professional football players. Another helped an employee give a great birthday party to his daughter.

Appletree Answers discovered that a culture of abundance and trust works. Retention went from 3% to 67% in just a few months. The company then recorded its most profitable quarters ever. Employees now think in terms of others' needs or how they can help each other—and not only with personal wish fulfillment. Indeed, this abundant thinking spilled over into their work interactions.

With ongoing leadership development, measuring the right metrics and creating an abundance culture, beautiful things happen will continue at Appletree. My wish is that all organizations learn these concepts.