

abacus planning group
smart financial decisions

Creating and living cultural norms for
a successful business

ACLEA conference
January 30, 2012

abacusplanninggroup.com



Cultural Norms

- ☐ Why go through the process?
- ☐ What are cultural norms.
- ☐ Uncovering cultural norms.
- ☐ Creating and formalizing cultural norms.
- ☐ The process of instilling cultural norms into the every day routine.



Why go through the process

- ❏ Cultural norms tie together “why” you are in business with “how” you do business.
- ❏ Hire and retain employees who are passionate about what you do, and how you work.
- ❏ Create energy opposed to time at the office.
- ❏ Provide a uniform experience for customers co-workers and allied professionals.
- ❏ Get more done with less rules



What are cultural norms

- ☞ Culture is the business personality that guides and constrains behavior.
Cultural norms are distinctly different from rules.
- ☞ You can not drop culture. Culture will survive new management, products, and potentially mergers with other firms.
Culture evolves over periods of time.
- ☞ Cultural norms are unique to your firm and should be a reflection of how your firm conducts business.
Cultural norms focus on the uniqueness of how you do things.



Uncovering cultural norms

- ☐ Your organization already has cultural norms. It is up to you to strengthen the positive norms and change the negative norms.

- ☐ Ask others to talk honestly about what they perceive as accepted behaviors.

Start with asking what is really working well?

- ☐ Write down what you see happening around your organization.

 - ☐ Who seems to be accepted and why?

 - ☐ What kinds of behaviors are rewarded?

 - ☐ What kinds of behaviors are tolerated?

 - ☐ What does management pay close attention to?

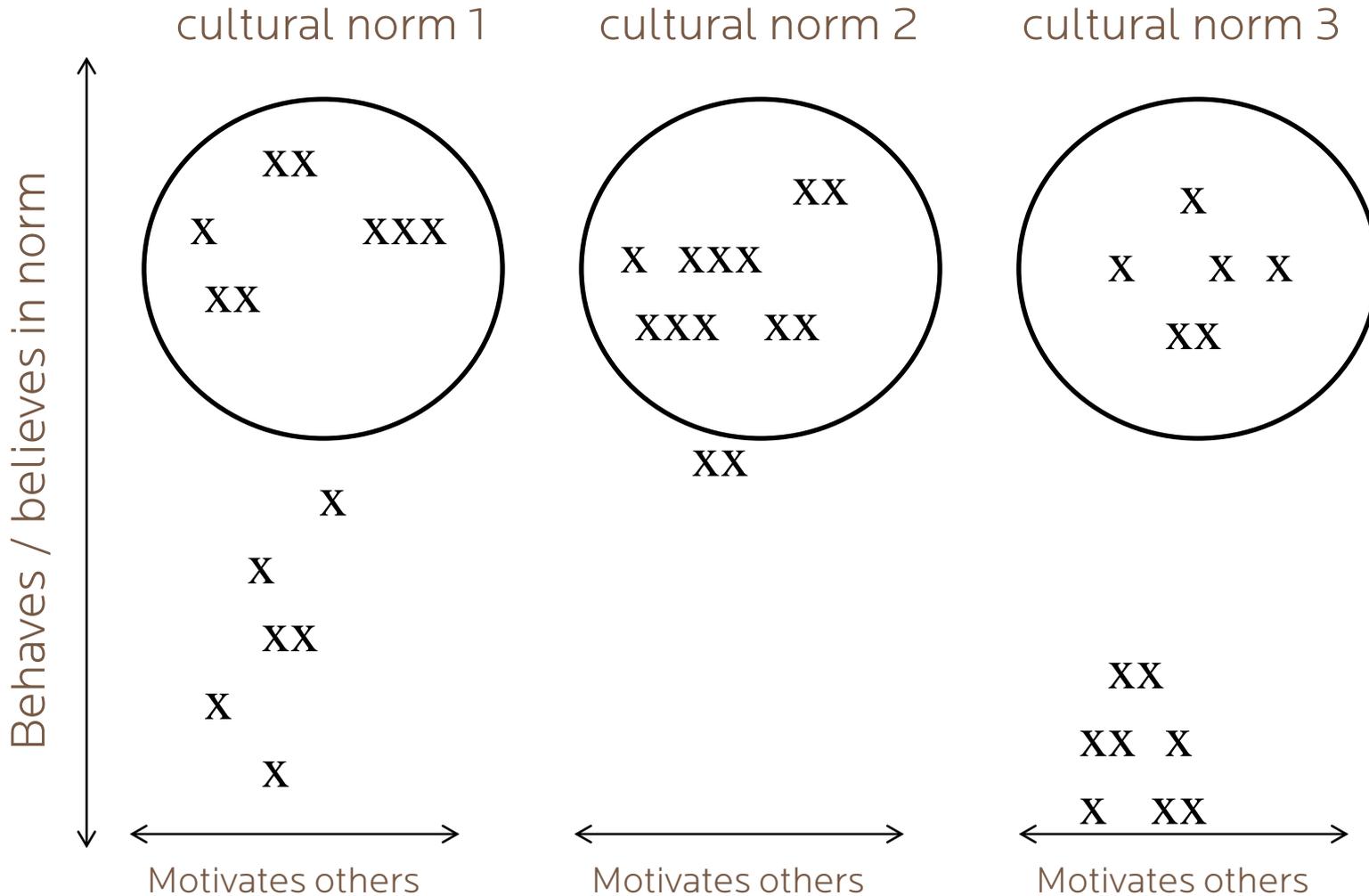
 - ☐ What types of catalysts bring the organization together?

 - ☐ How are decisions made?

This is
already
being
discussed



Map of the firm





Instilling cultural norms

- ☐ Find ways to keep the cultural norms front and center.
 - ☐ Cards with the cultural norms
 - ☐ Plaques with the cultural norms
- ☐ Put the norms on hiring documents.
- ☐ Put the norms on marketing materials.
- ☐ Create continuing education options that help reinforce the cultural norms.
- ☐ Align incentives to the cultural norms.
 - ☐ Performance reviews
 - ☐ Leadership pipeline
 - ☐ Bonuses
 - ☐ Get team members involved in giving compliments based on cultural norms.



Instilling cultural norms

The hard part

- ☐ All leaders (by title or influence) must live by the norms. Employees will pay close attention to how leaders behave and adapt behaviors accordingly.
- ☐ The creation of culture requires time, repetition, and constant awareness.



Resources

Schein, Edgar H. Organizational Culture and Leadership 2nd ed. San Francisco: Jossey-Bass. 1992

Chatman, Jennifer A. & Sandra E. Cha “Leading by Leveraging Culture” *Harvard Business Review* July, 2003

McNamara, Carter “Organizational Culture “Free management library
<http://managementhelp.org/organizations/culture.htm>

Merchant, Nilofer “Culture Trumps Strategy every Time” *Harvard Business Review Blog* March 22, 2011
http://blogs.hbr.org/cs/2011/03culture_trumps_strategy_every.html

Simon Sinek TED talk http://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action.html

Sinek, Simon Start with Why: How Great Leaders Inspire Everyone to Take Action Penguin Books 2009

Collis, David J. & Rukstad Michael “Can You Say What Your Strategy Is?” *Harvard Business Review* April, 2008

Collins, James C. & Porras, Jerry I. “Building your company’s Vision” *Harvard Business Review* Sept-Oct 1996

Hammond, Sue A. The Thin Book of Appreciative Inquiry 2nd ed. Bend OR: Thin Book Publishing Co. 1998

Heath, Chip & Dan Heath Made to Stick Why some Ideas Survive and Others Die Random House 2008



The Abacus process

- ☐ Define why we do what we do, and what activities do we want to be world class in.
- ☐ Create a list of values and behaviors that are inspiring.
- ☐ Combine and narrow down the individual list of values.
- ☐ Talk about the norms that currently exist in the firm.
- ☐ Talk about the cultural norms that tie together “why” Abacus Planning Group is in business with “how” members of the Abacus Planning Group team should conduct business.
Remember that you conduct business internally and externally.
- ☐ Build the norms into the fabric of the firm.