

Creating Corporate Culture

defining the influences that drive your business

Volume 1 Issue 8
July 13, 2003

Culture is based on relationships and how they affect the functioning of a society or organization. It is influenced by institutions that control social norms such as educational, religious and political. Culture has a dramatic impact on how power is shared and manipulated. Culture is invisible; the only time someone becomes aware of it is when they realize that they don't recognize it as their own.

Businesses, like all social groups, are driven by their own culture. Such a culture can be influenced by external factors, such as the training of managers, their ethical and religious backgrounds, gender and ethnicity. Business culture is also shaped by the constraints and opportunities which face the business, and which may impact how they make and implement decisions. For this reason, big businesses and small businesses often have different organizational cultures.

Owner-managers often control small businesses. As both chief executive and major shareholder, they usually set the tone for the firm. Dictating the main operating philosophy of the firm, its ethical orientation, how decision-making power is shared, who is hired, and how any dissension will be handled in the ranks.

Larger firms usually have several executives, a board of directors, shareholders and numerous employees. These executives may set standards and communicate

expectations throughout the firm and heavily influence the culture of the organization, but very few executives will have the kind of unilateral control that is enjoyed by the small business owner. It is this strong, hands-on approach that can make hiring employees, particularly managers, a daunting task.

Most entrepreneurs try to clone themselves when hiring staff.

Most entrepreneurs have a tendency to try to clone themselves when hiring staff. This is detrimental because it results in an organization with very narrow skill sets and a limited opportunity to gain the diversity needed for success in the long run. This is often the case with family-owned businesses.

The family management team becomes so groomed and narrow in its focus that by the third generation the firm does not cope effectively with a changing market. It is this phenomenon which has coined the cliché that the first generation starts the firm, the second generation runs it and the third generation destroys it.

Add to these constraints the reality of a distinct organizational culture, and the hiring problem becomes greater for most small businesses. How can you find someone who shares your vision and is as motivated as you to see the business succeed?

Employees come from different cultural perspectives than most entrepreneurs do.

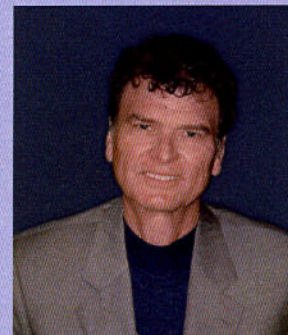
They are usually less risk-oriented and more security-conscious. This impacts on their willingness to take the firm into dramatic new directions. They may also be more focused on making short-term decisions with little overall impact simply to maintain the status quo. Typically, entrepreneurs will take a longer-term focus, aiming to bring their business to new heights.

Someone who is comfortable in a very entrepreneurial culture is likely to want more control over the business and his or her own future within the firm. Most entrepreneurs are less comfortable with truly entrepreneurial staff because they will have to relinquish some control, changing the culture of the firm to one that is more focused on empowerment, rather than top-down control. Employees who are not entrepreneurial are likely to feel threatened and uncomfortable, feeling pressed into competitive situations when they are not culturally predisposed to take such risks.

What can you do to keep the organization moving forward? If you are a small business, you need to:

- RECRUIT individuals who are entrepreneurial, taking on partners, rather than employees
- CREATE a very dynamic and challenging small business culture, and
- SHARE your successes with those who helped you achieve them.

About the Author



**Joseph Sherren, CSP
President
Ethos Enterprises Inc.**

An Internationally acclaimed speaker and trainer, Joe has been delighting audiences with his thought-provoking, interactive and inspirational presentations for over 20 years.

Joe teaches powerful techniques designed to identify your thinking styles, communication preferences and improve management effectiveness. His sessions will change behaviour and improve your personal and professional life.

Well known for his popular communications program "The Birds", Joe has trained thousands of executives, leaders and professionals in leadership, coaching, team-building, customer loyalty, ethics and strategic planning.

He is co-author of Vitamin C for a Healthy Workplace.