

Five critical behaviors that define and shape corporate culture

Steven T. Hunt, Ph.D.

Click to follow my posts: www.linkedin.com/in/steventhunt

A [review of 2017 HCM trends](#) identified improving corporate culture as a primary focus for HR leaders. [Research from CEB](#) also identified culture as the most common talent topic discussed during corporate earnings calls. Clearly culture matters. But what determines company culture? A simple definition of corporate culture is “the way we do things around here”. A more formal is “group norms of behavior and the underlying shared values that help keep those norms in place” ([Kotter, 2012](#)). These definitions still lack clarity. Culture is about norms of behaviors, but what behaviors matter the most?

I believe the most effective way to shape corporate culture is to focus on the behaviors that determine how a company:

- **Decides who to hire.** Who does and does not get hired speaks volumes about what employee attributes matter to the organization. Hiring inevitably requires tradeoffs between recruiting ideal candidates and accepting available candidates. How a company makes these tradeoffs tells you a lot about what employee attributes company leaders care about, including if they care at all.
- **Chooses to promote.** Promotions are highly visible endorsements of the behaviors and values displayed by the person being promoted – all of them. Promotions communicate both what a company values and what it is willing to tolerate.
- **Sets expectations.** The methods leaders use to prioritize and communicate goals to employees provides insight into a variety of cultural attributes related to focus, flexibility and power. Are people given clear goals or are they expected to figure things out on their own? Does the company treat goals as something that should rarely be changed or are goals frequently revised over time? Are employee goals openly shared to promote collaboration or is there secrecy about people’s objectives? Is the company highly directive and purposeful or more responsive and opportunistic?
- **Supports employee development.** How a company approaches development says a lot about how it views employee potential and career advancement. Are employees provided with training to achieve long-term career goals, or is training limited to short-term job needs? Are employees given assignments based on what they could do but have yet to learn, or are they restricted to doing things they already know how to do? Are managers rewarded for coaching and helping employees advance their careers or punished by not backfilling vacancies caused by internal promotion?
- **Manages differences in performance contributions.** All employees may be valuable, but some employees are inevitably more valuable than others. How an organization manages the reality of performance differences reflects underlying cultural beliefs about individualism, accountability, teamwork, and transparency. How does the

company define and measure performance? Are there well-defined processes for making decisions about pay and internal staffing that tangibly impact employee careers? Are discussions about employee capabilities conducted in an open constructive and honest manner, or are they adversarial, mired in politics and done through hushed hallway conversations?

Marketing logos, vision statements, job titles, and office layouts can influence or reflect a company's culture. But who a company hires and how it manages, supports and rewards employee are what truly demonstrate company norms and beliefs. Real and lasting culture change does not come from changing office aesthetics or re-writing mission statements. It requires changing company behaviors that impact employee careers in very tangible ways.

Attempts to change company culture often fail. Many culture change efforts amount to conducting surveys, holding focus groups, and creating change management communication plans. With the advent of integrated HCM technology platforms, companies now have tools to directly influence culture by changing how people hire, manage, develop, and reward employees. Hopefully companies will leverage these tools to make culture change a reality. If we truly care about creating better cultures, we need more action and less talk.