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Three Building Blocks of Organizational Culture

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Andy Friere, Co-founder and CEO of Axialent, discusses the three things that he believes build culture: 1) Behavior, 2) Symbols and 3) Processes. To elaborate, Friere suggests that behavior--what firms actually do despite what they say they do--defines what individuals in the organization come to believe. Furthermore, the symbols in an organization, primarily how time and money is spent to reward people, also shapes culture. Finally, the processes an organization has for measuring and compensating performance influences culture.

Transcript

The first thing that basically builds the culture--well, there's three things that build organizational culture. One is behavior, what you do. And that has to do with basically how you as a leader, and the people that work with you do things: the link between the walk and the talk, what you say and what you do. What is role model? You say, "It's really important that people come here on time." And you come late, so you come late to the office, and people say, "Well, that's not true." They say it's important, it might be important to me, but that's not really what he probably values. I'm sorry, I'm going to use you as a guinea pig, okay. So what is really role model? That's really what people see. And then meetings, conferences and emails. How do you communicate things? How do you run meetings? I mean, if you really care about the client, how many topics that are related to the clients' needs do you have in your agendas? You say, "Oh, we're really humble. We really want to focus on learning, and we're really committed to learning." Well, how much time do you spend, when you have a failed project, to really talk about what can we learn from this past mistake? And how much time do you just go and start saying, "Oh, let's keep rolling. And come on, we have a lot of fish to fry." And how much do you really focus on learning, how much do you sit down to talk about learning? Well, that is really what people see, and that is really what you value, believe it or not, because that's really what people see you doing.

The second aspect that basically builds a culture is symbols. Symbols are those intangible things that people attribute meaning to. That is basically your calendar and your checkbook. So the calendar basically says, you say you value this, you say you want to spend time with your people, and your employees, and your supervisors, and you want to go to the factory and talk to them. But when I look at your calendar, I don't see you spending a minute doing that. You say you care about clients, but I don't see you talking to any clients. So how budgets are allocated, what gets the priority in terms of money, how time is spent, promotions, who gets promoted and why, who gets fired and why, job titles, offices, office space, open space, or huge, nice, beautiful offices with nice views, rituals and stories. I mean, many of you, as leaders, have a tremendous role as storytellers. When you get together and you have your monthly meetings or your year-end dinners, or whatever, you tell stories. What do you talk about? Well, that says, basically, what you really value.

If you talk about a fantastic client that got really excited about something, that's one thing. If you talk about this employee that got this amazing opportunity, then you talk about this, that's another thing. So just becoming aware of the stories you tell, that's also a component that basically comprises what we call symbols. And the last one is more the hard wiring, the systems which has to do with the planning and budgeting process. So if you're focused on the client, how much of clients' satisfaction

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affects peoples' performance? You say "client satisfaction", but then peoples' performance is based on sales. Well, we could argue that sales have a connection with client satisfaction, but it's not directly connected to it. So how are you basically compensating people, how you're measuring and reporting and learning, how is your structure? How are you building your org chart? So this basically is like a huge cocktail that builds a culture.