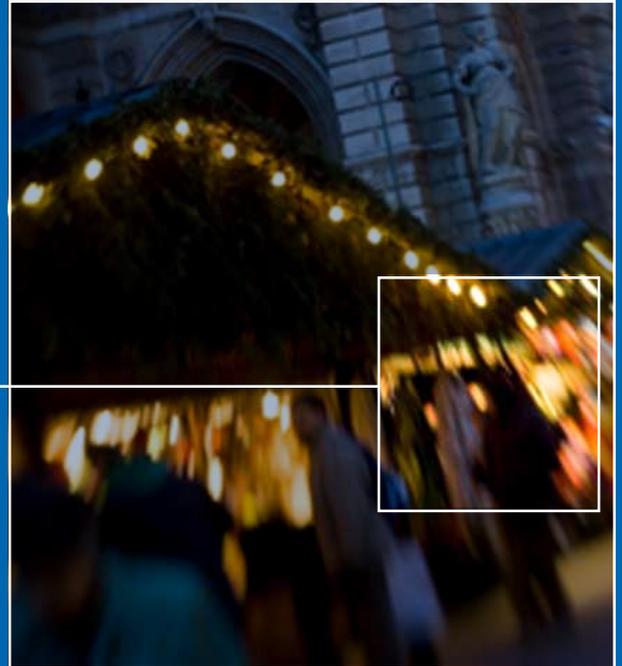


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Blue Papers



Corporate culture -
creating a remarkable customer experience

Corporate culture: Where brand meets people

An interesting thing has happened to brands in the last few years. They have suddenly become public property. It is far harder for the brand guardians (owners of the business, investors and stakeholders) to control the dissemination of its messages. Incongruity is spotted a mile away and brands are punished heavily if they don't 'do exactly what it says on the tin' in the words of the now famous Ronseal advert.

"Building a brand today is very different from building a brand 50 years ago," says Tony Hsieh, CEO of online retailer, ZapposSM. "It used to be that a few people could get together in a room, decide what the brand positioning was going to be, and then spend a lot of money buying advertising telling people what their brand was. It's a very different world today."¹

A customer's outstanding experience with your business (or their worst customer service encounter ever) can be communicated to millions of people practically instantaneously. Status updates, tweets, check-ins, reviews—these are the things your brand is made of. As such, the Internet, mobile Web and social networking have forced companies to become more transparent, whether they want to or not.

So how are businesses adapting to this changed landscape? Many marketing professionals and leadership teams, including Hsieh's, believe that the answer lies in the corporate culture. They argue that 'brand' and 'culture' are two sides of the same coin. "If you get the culture right, most of the other stuff—like excellent customer service, building a great long-term brand, or passionate employees and customers—will happen naturally on its own," says Hsieh.²

To do this, businesses should take a strategic approach by understanding how corporate culture works and why it's important. They can then move to create goals and adjust current practices and messages, both internally and externally, to best align the culture with the brand. In this Blue Paper[®], we'll take a look at these topics, as well as a few case studies. If your business is looking to define, embrace, or redefine corporate culture as a way to increase visibility, reach and profitability, then keep reading!



¹ Hsieh, Tony. "Your Culture Is Your Brand." Zappos. 3 Jan. 2009. Web. 10 Dec. 2010. <<http://blogs.zappos.com/blogs/ceo-and-coo-blog/2009/01/03/your-culture-is-your-brand>>.
² Hsieh, Tony. "Your Culture Is Your Brand." Zappos. 3 Jan. 2009. Web. 10 Dec. 2010. <<http://blogs.zappos.com/blogs/ceo-and-coo-blog/2009/01/03/your-culture-is-your-brand>>.

What is corporate culture?

Corporate culture is not the culture of being corporate. Instead, it's the total sum of the things that make a company unique.³

Corporate culture is the character of an organisation. It embodies the vision and goals of the business and influences everything from a brand's visual identity and communications, to ethical standards and customer service approaches, to the hiring process and managerial behaviour. It's who we are and how we do things.

David G. Javitch, Ph.D. , an organisational psychologist and president of [Javitch Associates](#) , an organisational consulting firm in the United States, defines corporate culture in a series of three important elements⁴:

1. **Beliefs, stories and experiences**

The beliefs told to new employees when they are recruited, the stories told by the marketing department, the experiences shared by customers.

2. **Goals, norms and history**

Long and short-term goals, departmental goals, individual goals—goals help focus all areas of business. They help to measure success and define to what end employees are expected to do their job. Norms define and describe what is acceptable—such as the hours each employee is expected to work or whether employees work as individuals or in teams. History, like experience, provides a basis for behaviour. It allows employees to move beyond past failures through to innovation and achievement.

3. **Symbols, values and rituals**

Symbols are crucial icons, indicators or signs that tell people something about an organisation. Think beyond logos to nameplates, stationery, the cleanliness of the reception desk, the décor of employee areas, the use of technology and more. These things reveal a measure of the company story. Values are potent qualities that exist to inform employees, business partners, vendors and customers about the company. Honesty, pride, concern for others and exceptional customer service are common corporate values ... but what really matters is



³ Montana, Patrick J., and Bruce H. Charnov. *Management*. New York: Barron's, 1987. Print.

⁴ Javitch, David. "Create a Positive Corporate Culture - Business Culture - Entrepreneur." *Entrepreneur*. 4 Feb. 2010. Web. 10 Dec. 2010. <<http://www.entrepreneur.com/humanresources/employeemanagementcolumnistdavidjavitch/article204890.html>>.

execution. Finally, rituals are traditions or ceremonies that occur on a regular basis: Staff meetings, employee birthday celebrations or staff recognition schemes, customer appreciation events, customer service processes and more.

In short, corporate culture isn't necessarily tangible—you can't point to any one thing in a room and say "That's corporate culture!" It's a combination of things. It's a feeling, an outlook, an attitude. It's there whether you realise and embrace it or not.

Benefits of an engrained corporate culture

Why would a company benefit from paying attention to corporate culture and living that culture in the best way each day? Easy. All the good stuff that comes from doing so, such as:

Standards and consistency

By embracing corporate culture and expecting employees to do the same, businesses set a precedent for the attitudes and quality of work produced on the job. What's more, seeking to hire those who fit in well with an established corporate culture ensures consistency in how a company's values are executed, which translates into a more consistent view of a brand in the eyes of a consumer.

Improved leadership

Leadership is critical in codifying and maintaining an organisational purpose, values and vision. Leaders who set the example of corporate culture through living the values, behaviours, measures and actions, set the bar for everyone else. Credibility and respect increases when the values of a company are the values of its leaders.

Happy employees

Part of the corporate culture jigsaw is how employees are treated and recognised. Corporate culture that is strong and positive results from employees who are recognised verbally or intrinsically on a regular basis for work well done. What's more, when an employee is hired who best fits the established corporate culture, there's a better chance that they will work well with other members of the team and "get" the company.



Happy customers

We all know the old adage, happy employees equal happy customers. And, happy customers lead to a profitable and sustainable business.

Enhanced word of mouth

Happy customers talk—they use the Internet, mobile Web and social networks to talk. So too do unhappy customers and there are thousands of 'anti brand' forums such as grumbletext.co.uk and complaint.co.uk. A business with a successful corporate culture is likely to have that story told on their behalf, leading to increased brand loyalty and enhanced brand exposure.

Ch-ch-ch-changes

The first step in perfecting your corporate culture is to assess the current culture. It's there, but is it what you want it to be? Is it effective?

Susan Heathfield, human resources expert and columnist, suggests that companies can obtain a picture of current culture in several ways, from simply taking a walk around the office, to conducting surveys and interviews or even bringing in human resources and corporate culture consultants. However it's done, she suggests the following key points⁵:

- **Try to be an impartial observer of your culture in action.**
Look at the employees and their interaction in your organisation with the eye of an outsider. Pretend that you are an anthropologist observing a group that you have never seen before.
- **Watch for emotions.** Emotions are indications of values. People do not get excited or upset about things that are unimportant to them. Examine conflicts closely, for the same reason.
- **Look at the objects and artefacts that sit on desks and hang on walls.**
Observe common areas and furniture arrangements.
- **When you observe and interact with employees, watch for things that are not there.** If nobody mentions something that you think is important (like the customers), that is interesting information. It will help you understand the reality of your organisation's culture.



Additionally, as you assess the current culture, try to find meaning and context in your observations. Is it truly your culture that is off or is it that your goals and values are not clearly communicated or just plain irrelevant? Determining

⁵ "How to Understand Your Current Culture." *Human Resources - Business Management Development Jobs Consulting Training Policy Human Resources*. Web. 03 Jan. 2011. <http://humanresources.about.com/od/organisationalculture/a/culture_create.htm?p=1>.

the “why” will help in identifying changes that need to take place in order for change, if it’s needed, to occur.

Take a look at the findings—are they in line with business goals? Is it what you want it to be? Is it what you tell others? Does your business’s internal and external messages fit with the apparent culture? Is the culture where it needs to be?

If you find the current culture isn’t what you want it to be or you think it can be better, take steps to change it.

First, define what you want your business’s culture to be, addressing each one of the components listed previously in this Blue Paper. Compare with your business’s current goals, vision, values and overall strategic plan and current branding. These things need to mesh in order for success to occur.

Once you’ve worked out the kinks and put them in writing, it’s time to tackle the people. It’s easy to change values and goals on paper; the challenging part is changing the culture of people—their hearts and minds

In a recent Harvard Business Review blog post, Richard Bregman, CEO of a global management consulting firm, shared some valuable insight on the topic of corporate culture and change.

He recalled that in the late 1970s, University of Illinois researcher Leann Lipps Birch conducted a series of experiments on children to see what would get them to eat vegetables they disliked. Birch used prompts such as telling the children that they were expected to eat their vegetables, rewarding them for doing so and even telling them about the benefits of eating vegetables.⁶

But Birch found only one thing that worked consistently. She put a child who didn’t like peas at a table with several other children who did. Within a meal or two, the pea-hater was eating peas like the pea-lovers.⁷

Corporate culture change, according to Bregman, has an awful lot to do with peer pressure—whether conscious or sub-conscious.⁸



⁶ Bregman, Peter. “A Good Way to Change a Corporate Culture - Peter Bregman - Harvard Business Review.” *Business Management Ideas - Harvard Business Review Blogs*. 25 June 2010. Web. 08 Dec. 2010. <<http://blogs.hbr.org/bregman/2009/06/the-best-way-to-change-a-corpo.html>>.

⁷ Bregman, Peter. “A Good Way to Change a Corporate Culture - Peter Bregman - Harvard Business Review.” *Business Management Ideas - Harvard Business Review Blogs*. 25 June 2010. Web. 08 Dec. 2010. <<http://blogs.hbr.org/bregman/2009/06/the-best-way-to-change-a-corpo.html>>.

⁸ Bregman, Peter. “A Good Way to Change a Corporate Culture - Peter Bregman - Harvard Business Review.” *Business Management Ideas - Harvard Business Review Blogs*. 25 June 2010. Web. 08 Dec. 2010. <<http://blogs.hbr.org/bregman/2009/06/the-best-way-to-change-a-corpo.html>>.

"We tend to conform to the behaviour of the people around us," said Bregman. "Which is what makes culture change particularly challenging because everyone is conforming to the current culture."⁹

Sometimes though, the problem contains the solution: Stories.

Bregman suggests that in order to ignite a culture change, two simple steps need to be taken¹⁰:

1. Do dramatic story-worthy things that represent the culture that is desired. Then let other people tell stories about it.
2. Find other people who do story-worthy things that represent the culture desired. Then tell stories about them.

"For example," explains Bregman, "If you want to create a faster moving, less perfectionist culture, instead of berating someone for sending an email with spelling mistakes, send out a memo with typos in it. Or if you want managers and employees to communicate more effectively, stop checking your computer in the middle of a conversation every time the new message sound beeps. Instead, put your computer to sleep when they walk in your office."¹¹

While Heathfield agrees with Bregman, she offers a few ideas of her own for changing the culture¹²:

- **Executive support:** Executives in the organisation must support the cultural change, and in ways beyond verbal support. The leadership team must truly lead the change by changing their own behaviours.
- **Training:** Culture change depends on behaviour change. Members of the organisation must clearly understand what is expected of them, and must know how to actually perform the new behaviours, once they have been defined. According to Heathfield, training can be very useful in both communicating expectations and teaching new behaviours.



⁹ Bregman, Peter. "A Good Way to Change a Corporate Culture - Peter Bregman - Harvard Business Review." *Business Management Ideas - Harvard Business Review Blogs*. 25 June 2010. Web. 08 Dec. 2010. <<http://blogs.hbr.org/bregman/2009/06/the-best-way-to-change-a-corporate.html>>.

¹⁰ Bregman, Peter. "A Good Way to Change a Corporate Culture - Peter Bregman - Harvard Business Review." *Business Management Ideas - Harvard Business Review Blogs*. 25 June 2010. Web. 08 Dec. 2010. <<http://blogs.hbr.org/bregman/2009/06/the-best-way-to-change-a-corporate.html>>.

¹¹ Bregman, Peter. "A Good Way to Change a Corporate Culture - Peter Bregman - Harvard Business Review." *Business Management Ideas - Harvard Business Review Blogs*. 25 June 2010. Web. 08 Dec. 2010. <<http://blogs.hbr.org/bregman/2009/06/the-best-way-to-change-a-corporate.html>>.

¹² "How to Understand Your Current Culture." *Human Resources - Business Management Development Jobs Consulting Training Policy Human Resources*. Web. 03 Jan. 2011. <http://humanresources.about.com/od/organisationalculture/a/culture_create.htm?p=1>.

- **Review organisational structure:** It may be necessary to change the physical structure of the company to align it with the desired organisational culture.
- **Review all work systems:** Operations and personnel, such as [employee promotions](#), [pay practices](#), [performance management](#) and [employee selection](#), need to also be aligned with the desired culture.

Communicating your culture

Communicating corporate culture once it has been conceptualised is crucial to a brand's success. Communicating culture internally helps to set expectations and standards in regards to business practices and attitudes while communicating externally will do the same in regards to the quality of products and services and the overall brand experience a customer can expect to receive. As suggested, the best way to communicate corporate culture is often in storytelling. The stories told to employees and the stories shared with and by customers. Beyond this storytelling, here are seven tips for communicating corporate culture¹³:



1. **Share your history**
Don't be afraid to toot your own horn. Awards and accolades are meant to be shared, as are smaller wins like store openings and new recruits. Post this news on your company's website and through social channels to spread the excitement and start conversations.
2. **Talk vision and mission**
People are interested in your corporate culture—they want to know what makes your brand, your brand and if it's something that they can champion, they will. People want to be engaged with companies that look engaging. Use marketing materials, your website and social platforms to talk about vision and mission in as many ways as you can, as often as you can.
3. **Reveal industry insights**
Offer value to audiences by becoming their go-to source for information. Example: Thomas Cook used Twitter extensively during the recent protests in Egypt to keep people updated about the

¹³ Lauby, Sharlyn. "7 Secrets to Tweeting Your Corporate Culture." Mashable. Web. 12 Dec. 2010. <<http://mashable.com/2009/07/27/twitter-corporate-culture/>>.

- situation regarding travel to that country, official Foreign Office advice and information concerning refunds or alternative travel options.
- 4. Recognise and reward employees**
This speaks volumes about what is truly valued in your corporate culture while at the same time reinforcing that culture in the very people who make it possible.
 - 5. Profile customer successes**
Especially applicable to agencies, sharing not just the success of the company but the success of those working with the company is a great way to gain brownie points while having something to say.
 - 6. Be responsive**
As we all know, communicating isn't just about talking. It's about listening and what good is listening without responding? When customers or employees voice an opinion or share an experience—good or bad—acknowledge their perspective and correct a problem if you need to before it spreads across the inter-webs or impacts on other employees' approaches to service.
 - 7. Ask questions about the future**
Use survey tools and social media polls to find out what is important to customers—don't wait for formal market research sessions. In a business climate that changes by the minute, you can't afford to lag behind. Ask questions and listen to responses in order to stay relevant.

Case studies in corporate culture

Still wrapping your head around what it means to have a solid corporate culture that's used most effectively? Here are a few case studies to drive the point home ...

Corporate culture best practices: Zappos¹⁴

Known for its corporate culture of customer service, Zappos an online shoe and clothing shop founded in 1999 has long been a corporate thought leader and living example of how corporate culture breeds success. This past year, former competitor, Amazon, purchased Zappos for a reported \$1.2 billion with a few strings attached—Tony Hsieh would stay on as CEO in order to ensure that the culture lived on.

This culture can be defined in 10 core values, evident in all areas of



¹⁴ "Best Practices in Corporate Culture: Zappos | I-Sight Investigation Software Blog." I-Sight Investigation Software Blog - HR, Employee Relations, Incident Reporting, Ethics, Fraud, Compliance. 6 July 2010. Web. 15 Dec. 2010. <<http://i-sight.com/best-practice/best-practices-in-corporate-culture-zappos/>>.

Zappos' operations¹⁵:

1. Deliver WOW Through Service
2. Embrace and Drive Change
3. Create Fun and A Little Weirdness
4. Be Adventurous, Creative and Open-Minded
5. Pursue Growth and Learning
6. Build Open and Honest Relationships With Communication
7. Build a Positive Team and Family Spirit
8. Do More With Less
9. Be Passionate and Determined
10. Be Humble

With these values shared, there is a bit more to it ...

- It's believed that employees will achieve success by being given freedom and focusing on culture and happiness rather than sales targets and financial goals.
- The interview process at Zappos is lengthy, but for a good reason. Zappos has benefited from their unwavering commitment to their culture. "Our HR department does a separate set of interviews purely for a culture fit," said Hsieh. "We test for each and every one of the core values."
- There's a "Quitting Bonus": Zappos will pay new recruits \$2,000 to quit on their first day. To some, this idea may seem odd, however the justification of this practice from Hsieh makes sense. Hsieh feels that this practice helps weed out employees who may not be the right fit or have the passion required for the job. Barely 2% of new recruits take the payout – ensuring that only people who see themselves as committed to meaningful work stay on.
- The company takes a customer-centric approach. The Zappos culture focuses on being the leader in customer service. The goal of every Zappos employee is to make customers happy.
- Anyone can call in for a tour of the office—the company wants to be seen as transparent and welcoming so what better way to communicate this than to literally leave the door open for its customers?



¹⁵ Hsieh, Tony. "Your Culture Is Your Brand." Zappos. 3 Jan. 2009. Web. 10 Dec. 2010. <<http://blogs.zappos.com/blogs/ceo-and-coo-blog/2009/01/03/your-culture-is-your-brand>>.

- They've written it all down in the Zappos Culture Book. Created as an outlet to allow the employees and partners at Zappos to caption their passion for their work, the book is available to the public to purchase. Included in the book is a series of photos and short essays submitted by Zappos employees and their vendors, explaining the elements that make the Zappos company culture special and successful. Providing employees with the opportunity to contribute to these types of projects is empowering.

At Zappos, corporate culture is serious stuff. But it's made the company extremely successful in terms of profitability and customer loyalty. What's more, it's made Fortune magazine's list of best companies to work for two years in a row.

Value and Values from The Co-Op

According to The International Co-operative Alliance Statement on the Co-operative Identity, Manchester 1995, a co-operative is 'an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise'.

The Co-operative Group is the UK's 5th largest retailer, 3rd largest retail pharmacy chain, number 1 provider of funeral services and the largest independent travel business, as well as enjoying strong market positions in banking and insurance. The Group employs 120,000 people, has 5.5 million members and around 4,800 retail outlets.

It's an excellent example of a socially aware business whose vision is: *To build a better society by excelling in everything we do* and whose aims include:

- To be a commercially successful business
- To meet the needs of our customers and the communities we serve
- To respond to our members and share our profits
- To be an ethical leader
- To inspire others through co-operation.



As their members are the owners of the business, looking after their customers is built into their business model. The more commercially successful the business, the more they can give back to the communities they serve. They have become

pioneers of Fairtrade goods , the bank was recently awarded 'The World's Most Sustainable Bank' by the FT and despite the current economic climate posted an increase in their underlying trading profit of 12.6% last year. Which all goes to confirm that living your values and understanding how to engage everyone in your corporate values makes sound business, as well as ethical, sense.

It's all about innovation: Google^{SM 16}

Google. If there's one company destined to take over the world, this is it. A multi-billion dollar corporation that got its start in Internet searches, Google now dabbles in everything from health care to renewable energy. One aspect of its success frequently touted happens to be its corporate culture.

"To understand the corporate culture at Google," wrote Washington Post journalist, Sara Kehaulani Goo, "Take a look at the toilets."

It sounds absurd, but she has a point. The bathrooms at Google's headquarters in Mountain View, Calif., succinctly exude just what Google is all about—innovation with just enough quirk.

Each stall holds a Japanese high-tech commode with a heated seat. If a flush is not enough, a wireless button on the door activates a bidet and drying. Fliers tacked inside each stall bear the title, "Testing on the Toilet, Testing code that uses databases." It features a geek quiz that changes every few weeks and asks technical questions about testing programming code for bugs.

"While Google places a premium on success, it appears to shrug off failure," explains Kehaulani Goo. "The resulting culture of fearlessness permeates the 24-hour Googleplex, a collection of interconnected low-rise buildings that look more like some new-age college campus than a corporate office complex."

Replete with colourful, glass-encased offices featuring perks like free meals three times a day, free use of an outdoor wave pool, indoor gym and large child care facility, and private shuttle bus service to and from San Francisco and other residential areas.

Google employees are encouraged to propose wild, ambitious ideas often. Supervisors assign small teams to see if the ideas work. Nearly everyone at Google carries a generic job title, such as "product manager." All engineers are allotted 20 percent of their time to work on their own ideas. Many of the personal projects yield public offerings, such as the social networking website Orkut and



¹⁶ Kehaulani Goo, Sara. "Building a 'Googley' Workforce - Washingtonpost.com." *Washington Post*. 21 Oct. 2006. Web. 10 Dec. 2010. <<http://www.washingtonpost.com/wp-dyn/content/article/2006/10/20/AR2006102001461.html>>.

Google News, a collection of headlines and news links.

The message Google sends to employees is one of try, try again:

“If you’re not failing enough, you’re not trying hard enough,” said Richard Holden, product management director for Google’s AdWords service. “The stigma [for failure] is less because we staff projects leanly and encourage them to just move, move, move. If it doesn’t work, move on.”

The culture at Google begins and ends with its rigorous recruitment procedure that Kehaulani Goo likens to the ones used for admission to elite universities—experience and grades for recent graduates matter, but the most important factor is whether or not someone is “Googley.”

“It’s an ill-defined term,” admits Google’s chief culture officer, Stacy Sullivan. “We intentionally don’t define that term, but it’s ... not someone too traditional or stuck in ways done traditionally by other companies.”

Did we mention that Google has a chief culture officer? A page on their site devoted to company culture? With videos? Well they do. It’s that important to them.

Quantifying corporate culture

Corporate culture is one of those things that is difficult to value in black and white. Measure the success of your corporate culture by listening—what are consumers saying? What are employees saying? Measure the success by reaching goals, by engaging with target audiences through multiple channels and ultimately being receptive to the stories that are being told on your behalf.

Branding is no longer about a message developed in the vacuum of a board room, driven by a marketing budget. It’s about people. Once you get that right, all the other stuff will fall into place.



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