

# SMALL Business Times

Reprinted from *Small Business Times*, Jan. 9, 2004

## The other bottom line

*Spending time building a great corporate culture can pay off*

By **DANIEL SCHROEDER**, for *Small Business Times*

**Question: We're trying hard to become an "employer of choice." We're trying to brand the company and create an image that says, "That company is successful, going places, pushing the envelope, etc." We want both our customers and employees to easily identify, connect and relate to what we are about. Any suggestions you have to offer would be more than greatly appreciated.**

**Answer:** Using the language of organization development, what you are describing is building a corporate culture. There are many definitions of corporate culture ranging from the simple (e.g., "The way we do things around here") to the complex (e.g., "The shared and relatively enduring pattern of basic values, beliefs and assumptions in an organization"). Suffice to say that when we are talking about corporate culture we are talking about the how the business does business — the words it uses, the messages it sends, the behavior it expects, etc. To get a sense of your corporate culture, you may want to examine these variables (among others):

- Strategy/Mission
- Ideology/Philosophy
- Goals
- Methods
- Measurement
- Performance monitoring

- Language
- Group boundaries
- Power/Status
- Relationships
- Rewards

It is worth noting that corporate culture is a systemic issue - it encompasses the totality of the organization. So, by definition, building a corporate culture is a far-ranging initiative. To become an employer of choice, therefore, will take more than simply paying higher salaries than the market or industry average. It will mean developing a broader view of the bottom line (i.e., success means more than profits) and what it takes to favorably impact the bottom line (i.e., success happens through a dynamic synthesis of financials, customers, operations and employees).

What constitutes the ideal corporate culture and the desirable bottom line? *Fortune* magazine, in its "Best Places to Work" list has historically used the following criteria:

- Camaraderie/Friendliness
- Openness/Fairness
- Pride in Work/Company
- Job Security
- Opportunities
- Pay/Benefits

How does your company "measure up" against these criteria? Where are you devoting time, money and other resources? What could you do to more fully address these (and related) factors?

One framework for coherently building a corporate culture is called a Quality of Work Life (QWL) program. QWL programs are comprehensive initiatives designed to generate high involvement from employees so as to change their mindsets from "renters" to "owners." Generally speaking, key components of QWL programs include:

- Adequate and fair compensation
- A safe and healthy work environment
- Jobs that develop human capacities

- A chance for personal growth and security
- A stimulating social environment
- Rights of privacy, dissent and due process
- Work rules that minimize infringement on personal rights/needs
- Socially responsible organizational actions

I have no doubt that if you were to pursue those issues over time, your company would begin to emerge as an employer of choice. But, you may be wondering, is it worth it? Will addressing these issues and truly building a sustainable corporate culture cost us more than it will return? What evidence is there to support the efficacy of corporate culture initiatives?

Well, there is an accumulating body of data to support the idea that spending time building corporate culture pays off. For example, organizational culture has been linked to better organizational performance. Organizational culture has been shown to improve competitive advantage. And, organizational culture has been demonstrated to impact individuals in a host of ways—employee morale, commitment, productivity, physical health and emotional health.

Let me close by noting that I agree with your observation that building a dynamic corporate culture is hard work and does not happen over night. It takes a sustained effort consistent with the adage, “It’s a marathon, not a sprint.” An illustrative case study will demonstrate, though, that this is one race worth running.

As you can imagine, in doing this kind of work over the last 17 years, I have seen a wide variety of corporate cultures. I have worked with organizations large and small, private and public and from most market sectors. In all of my comings and goings, the organization whose culture I have been most impressed by is D&S Dental Laboratory in Waunakee, Wis. As a rule, dental laboratories are small operations. D&S, however, is the exception to that rule—with more than 100 employees, it ranks in the top 1% nationally with respect to the size of its workforce. Its service area is roughly the southern half of Wisconsin.

D&S is unique, though, not just because of its size, but

because of the way the organization operates. The lab strives to make use of leading edge techniques and tools. Performance-based pay is pursued. Bachelor’s credentialed teachers staff a fully resourced on-site day care program. Learning opportunities for employees abound - everything from computer skills to interpersonal relations to management development are offered, in addition to job-related technical skill building.

Predictably, as employees become more skilled and capable, they sometimes leave to set-up their own shops. How does D&S respond to this attrition? They wish their exiting employees well, help them establish themselves and may even send them work from time to time. Participation and involvement are visible from every employee, from the most junior to the man who sits at the top - Dick Pilsner, the founder and president of the company.

Pilsner describes his approach to shaping organizational culture in the following way:

“Of course we need to work on numbers, but the financial doesn’t dictate the choices that we have - the ‘other bottom line’ does . . . . It’s all of the things that some people today might call emotional intelligence, all the things that add up to corporate culture - attitude, compassion, the spiritual - all those elements that are in the other bottom line besides the financial one. What we’re trying to do is build a community here at work.”

Sums things up nicely, I think.

Want to be an employer of choice?

Then start tending to the “other bottom line.”



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