Corporate culture: Where brand meets people

If the past few years have taught businesses anything, it’s that a brand cannot be manufactured or its messages always controlled. Branding, now more than ever, is about the people—your customers. It’s in their hearts and minds that brands exist and it’s their experiences and perceptions that can make a brand succeed, or fail.

“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 got together in a room, decided what the brand positioning was going to be, and then spent a lot of money buying advertising telling people what their brand was. It’s a very different world today.”

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

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

To do this, businesses should take a strategic approach by understanding how corporate culture works and why it’s important, and then moving to create goals and adjusting 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 embrace, define or redefine corporate culture as a way to increase visibility, reach and profitability, keep reading!

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What is corporate culture?

Corporate culture is hardly 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 organization. It embodies the vision and goals of a 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 behavior.

David G. Javitch, Ph.D.⁴, an organizational psychologist and president of Javitch Associates, an organizational consulting firm in Newton, Mass., defines corporate culture in a series of three important elements⁴:

1. **Beliefs, stories and experiences**
   The beliefs told to new employees when they are hired, the stories told by the marketing department, the experiences shared by customers.

2. **Goals, norms and history**
   Long-term and short-term goals, departmental goals, individual goals—goals help focus all areas of business, help to measure success and define to what end employees are expected to do their job. Norms define and describe what is acceptable—everything from the hours expected of each employee or whether employees work as individuals or as teams. History, like experience, provides a basis for behavior. 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 organization. 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

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execution. Finally, rituals are traditions or ceremonies that occur on a regular basis: Staff meetings, employee birthday celebrations or staff recognition, 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 realize 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:

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 the best 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 organizational purpose, values and vision. Leaders that set the example of corporate culture through living the values, behaviors, 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
A piece of corporate culture encompasses how employees are treated and recognized. Corporate culture that is strong and positive likely equates to employees who are recognized verbally or intrinsically on a regular basis for work well done. What’s more, when an employee is hired that 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. 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 surveys and interviews, to bringing in human resources and corporate culture consultants. However it’s done, she suggests the following key points:

• Try to be an impartial observer of your culture in action. Look at the employees and their interaction in your organization with the eye of an outsider. Pretend 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 artifacts 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 your organization’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 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 jive 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 the initiative 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 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 the people.

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 from telling the children that they were expected to eat their vegetables, to rewarding them for doing so and even telling them about the benefits of eating vegetables.6

But Birch found only one thing that worked predictably. 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.8

“We tend to conform to the behavior of the people around us,” said Bregman.

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“Which is what makes culture change particularly challenging because everyone is conforming to the current culture.”

Sometimes though, the problem contains the solution: Stories.

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

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 without proper capitalization, 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.”

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

- **Executive support**: Executives in the organization must support the cultural change, and in ways beyond verbal support. The leadership team truly must lead the change by changing their own behaviors.
- **Training**: Culture change depends on behavior change. Members of the organization must clearly understand what is expected of them, and must know how to actually do the new behaviors. According to Heathfield, training can be very useful in both communicating expectations and teaching new behaviors.
• **Review organizational structure:** Changing the physical structure of the company to align it with the desired organizational culture may be necessary.

• **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 conceptualized 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 can do the same in regards to the quality of products and services and the overall brand experience. 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 culture\(^\text{13}\):

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 hires. 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 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: When a piece of legislation that could impact Pandora Radio’s business was introduced in the U.S. Senate, they turned to Twitter\(^\text{SM}\) to educate listeners. They regularly updated

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their followers on the progress of the legislation. And, they thanked their followers for the support.

4. **Recognize and reward employees**
This can speak volumes of what is valued in your corporate culture while at the same time reinforcing that culture in the very people that make it possible.

5. **Profile customer successes**
Especially applicable to agencies, sharing not just the success of the company, the success of those working with the company is a great way to gain karma 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 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 second, you can’t afford not to. Ask questions and listen to responses in order to stay relevant.

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**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: Zappos**

Known for its corporate culture of customer service, Zappos 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 Zappos’ operations:

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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 hires $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 hires 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 swing by 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?
• They’ve written it all down in the Zappo’s Culture Book. Created as an outlet to allow the employees at Zappos to catch a glimpse of their passion for their work, the book is available to the public to
purchase. Included in the book is a series of short essays written 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.

**Good value: American ExpressSM**

In 2001, American Express was the recipient of a Catalyst Award, recognizing the company for their efforts in building a winning corporate culture and embracing workplace diversity. In 2010, American Express continues to receive awards and recognition for their philanthropic projects and their overall commitment to workplace ethics. At American Express, they understand that their employees communicate the company’s mission to the public each day.

A key contributor to the strong corporate culture at American Express are the company values and the ability of top-level executives to act in the same manner they expect their employees to act. Here are the eight values adopted by employees at American Express:

1. **Customer Commitment**
   Develop relationships that make a positive difference in our customers’ lives.

2. **Quality**
   Provide outstanding products and unsurpassed service that, together, deliver premium value to our customers.

3. **Integrity**
   Uphold the highest standards of integrity in all of our actions.

4. **Teamwork**
   Work together, across boundaries, to meet the needs of our customers and to help the company win.

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5. **Respect for people**
Value our people, encourage their development and reward their performance.

6. **Good Citizenship**
In the communities in which we live and work.

7. **A Will to Win**
Exhibit a strong will to win in the marketplace and in every aspect of our business.

8. **Personal Accountability**
For delivering on our commitments.

It is no doubt in part due to these values that American Express continues to one of the most successful credit companies in the industry with an active engagement with consumers through social media and a reputation for outstanding customer service.

**It’s all about innovation: Google℠ 17**

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.”

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Replete with colorful, glass-encased offices featuring perks the like of 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 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 hiring procedure that Kehaulani Goo likens to the ones used for admission to elite universities—experience and grades for recent grads 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.