



WHITEPAPER: ETW MANAGEMENT SERIES

ROI Of An Intentional Culture

Developing employees who increase company value



WHAT IS AN INTENTIONAL CULTURE?

Your mission is why customers should do business with you and why employees have a job. Your vision is where you'll be in 5 years or 10 years from any point in time. But an intentional culture is a culture that is defined, communicated and integrated into the business management process to drive better results for the organization. Having and managing an intentional culture can translate directly to the bottom line.

"Everything an organization does should be done with the intent of making the organization measurably better. Everything else is a waste of time and resources."

Advantages Of An Intentional Culture

- Everyone agrees on how we are going to behave and interact with each other
- Every employee knows where they stand and what is expected 100% of the time.
- When applied properly, no one is surprised when they are let go
- 50% or more of the employees that are let go in most companies for performance and/or behavior are saved as solid middle performers
- Attracts high performing employees that want to work for your company
- Execute on your strategy a much higher percentage of the time



Symptoms Of No Intentional Culture

- Culture changes based on the senior leadership makeup at the time
- Company Mission and Values become expensive wallpaper that few fully exemplify
- Large organizations have multiple cultures based on the current leadership makeup in different parts of the business
- More employee related issues such as lawsuits and EEOC claims
- Your best talent doesn't stick around very long
- High levels of unhealthy organizational stress

It is clear, the benefits to having an intentional culture are well worth the effort of creating one. Now where do you start? How do you decide what to measure?

By *objectively* measuring culture and performance, you will get the most out of the culture you create.

First you have to establish as a senior leadership team that you want to have an intentional high performance culture. Then identify which observable behaviors are truly important to the success of your company. It's simple for any one person to decide on a set of core values or behaviors and declare that they are important. However, taking the time to survey the entire company to collectively form your core set of values and/or observable behaviors, will prove to be much more effective in the long-run.



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In the following series of graphs, you will see examples of how utilizing a scatter plot to measure culture and performance will give you a clear image of the employees who are thriving in your organization, and which employees are bringing down your success. This clearly outlines how employees measure both against the established culture of the organization and their individual performance requirements.



OBJECTIVELY MEASURE BOTH CULTURE AND PERFORMANCE

Here is an example of a company-wide scatter plot. Each dot represents an employee, and shows how they rank in terms of their alignment to culture, and individual performance requirements.



LOW CULTURE AND LOW PERFORMANCE

These employees are not exhibiting an alignment to the culture, and are also under-performing. This is a fairly easy decision as it is in the best interest of your company to help these employees find another job where they can thrive.



You measure your people and you take action on those that don't measure up."

JACK WELCH



HIGH CULTURE AND LOW PERFORMANCE

These employees are highly aligned to the company culture, and exhibit the desired behaviors to improve their performance. In these cases where the employee is under-performing on their performance goals it is usually worth giving them second chance.



LOW CULTURE AND HIGH PERFORMANCE

These are the most destructive employees in your organization. Though they can vastly outperform their co-workers, they are extremely misaligned with the company culture and tend to bring down the performance of those around them. These employees are toxic to your organization, and should be dealt with immediately.



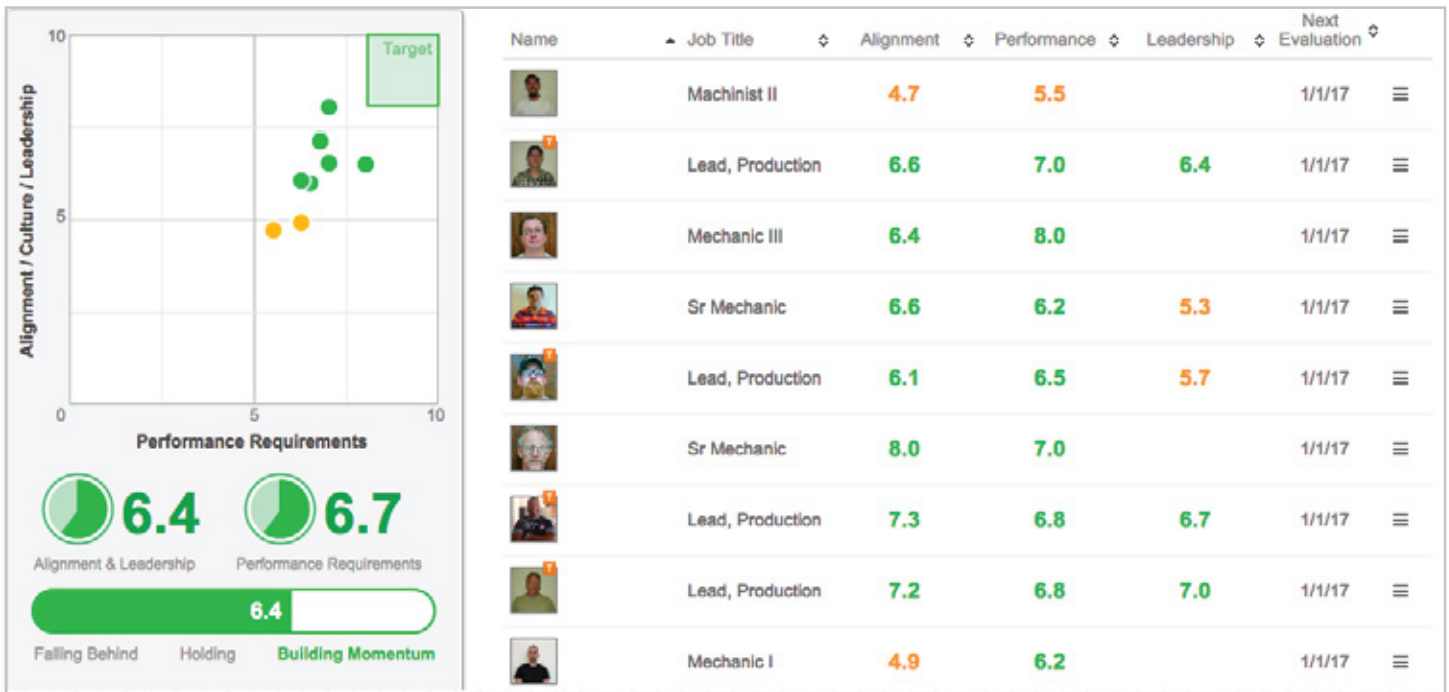
TRANSPARENCY IMPROVES RESULTS

Most companies don't allow employees to see other employee's performance results. Consider this, what would happen to a baseball team's results if each player's performance statistics were kept secret from the other players and the fans? The results would be less than ideal.

The more transparent we are with employee performance results the better chance we have of winning as a team. Transparency makes it easier to share best practices, know where to get help and know who to help. It also lends itself to help you spot employee behavior issues early on to avoid running into any future EEOC claims, lawsuits, or worse.

The graphs shown on the previous page plot the entire company, but it can also be helpful to drill down a bit to only show where members of smaller, specific teams fall. Take a look at the "Team View" below. With this level of transparency, accountability is taken seriously and each leader and team member has a clear visual of where their entire team stands and where they can improve.

TEAM VIEW





CREATING AN INTENTIONAL CULTURE

Now that we understand the benefits and tactics to measure culture, we can dive into how to build it. What are the pieces and parts that make up an intentional culture?

First, the alignment tools you create will be your baseline for company culture. These are the elements you will be ranking your employees' alignment against.

POTENTIAL ALIGNMENT TOOLS:

Mission

Vision

Values

Behaviors

Safety Policy

Environmental
Responsibility
Policy

Quality Policy

Core Purpose

Creating Your Alignment Tools:

Stand alone Alignment Tools like Mission and Vision should be created collaboratively primarily with the senior leadership team. These are distilled out from the organization's value proposition, strategy and direction.

Behavior, Values and Leadership Traits should be developed collaboratively with all employees in the organization. Every employee should be surveyed on the behaviors they believe cause the best results, customer experience and profitability.

After you've created your alignment tools, you are ready to begin objectively measuring the practical application of your new alignment tools. This will allow you to see the Return on Investment (ROI) from directly applying those alignment tools. At this point, you would benefit from integrating a system or technology platform for managing, sustaining and scaling intentional culture.



LEADERSHIP IS THE FOUNDATION

It doesn't matter how good the strategy, systems or tools are if the leadership team isn't capable enough to execute by applying them. Without the right leaders in place, your new culture does not stand a chance. Use the following categories to conduct a practical assessment of your leadership: Leadership capability, Strategic thinking and Management capability.

By applying a practical application approach to leadership training that includes today's real challenges and opportunities, you will properly equip your leaders for their roles in the organization. The simple fact is that most leadership training is too academic. Since leadership training courses are typically a one-size-fits-all, one-and-done solution, most organizations don't have a way to permanently apply the value they receive from it.

Train your leaders practically. Base your leadership training on what the team has observed gets extraordinary results in your organization. A few observable elements of a strong leadership capability may be found in a leader who:

- Hires the right people
- Doesn't protect poor performers
- Gets results
- Entrepreneurship (ownership and influence)
- Application of Company's Leadership Traits
- Can convey an idea and be convincing
- Develops strong leaders
- Develops strong subject matter experts (SME's)



Assessing strategic capability will require you to look at how well your leaders appropriately step back, assess the playing field, reconnect the dots in a more effective way, then lean in and apply those changes to get better results. In assessing their strategic capability you should consider your leader's knowledge of your industry, including the competition and resources available. They should have the ability to spot and improve on both process and mindset bottlenecks as well as the ability to see and leverage trends in the organization that most would miss. They should also be the kind of leader who knows how to find a simple solution on the other side of fully studying the complexity of the problem.

The last piece of the puzzle is your leaders' management capability. Ask yourself the following questions:

- How well do they systemically execute on strategy?
- Do they apply all of the resources available in the most effective way?
- How well do they sustain and scale ever-improving results as the team grows?
- Are all employees aligned to strategy through meaningful, outcome-based, actionable performance goals as a result of this manager?
- Are all employees aligned to intentional performance-based culture through the application of Alignment Tools as a result of this manager?
- Is there continuous improvement of training, standard work, and other foundational requirements in order to achieve extraordinary results in customer experience and profitability?
- Does this manager use and develop technology and workflow to sustain and scale executing on strategy?

Investing in culture correctly has the potential to give you a healthy, thriving business. Apply the tactics discussed to build a sustainable, intentional culture with your leadership team and employees to receive the maximum ROI.



About ETW

ETW provides a platform to track, evaluate and measure employee performance against the major objectives of the organization. Easily execute and translate long-term strategy into clear, actionable goals. With ETW you can effectively communicate the company's roadmap to success and engage everyone throughout the organization with that roadmap. Using ETW your organization can connect employees to strategy and culture to drive sustainable winning results.

If you would like to set up a demo with our leadership team, please email info@etw.com



ETW

EXECUTE TO WIN

Business Operating System
for the Modern Enterprise
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