



# Corporate Culture...Your Best Strategy to Drive Growth, Profitability, and Agency Value

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Are you and your leadership team working overtime to implement value-added services into your customer experience journey? How about a unique process to better diagnose the risks facing your clients? Or formulating a game plan to attract new producers? If you are doing one or more, you should be commended. However, your best strategy to drive growth, profitability, and value may involve your corporate culture.

So, what is culture? And why is this mysterious word so important to you? Corporate culture is a set of values and principles that show up in the everyday behavior of your people. In many ways, culture is like personality. In a person, the personality is made up of one's actions, attitudes, values, beliefs, interests, experiences, and habits that create behavior. In an organization, culture involves values, behaviors, beliefs, attitudes, and underlying assumptions shared by a group of people. Culture is the outcome of a set of rules for working together and is so powerful that it shapes your work environment, business relationships and, ultimately, how you serve your customer. Research substantiates that corporate culture impacts every aspect of organizational performance. Lucius Annaeus Seneca, the philosopher and dramatist from the Roman Imperial Period, once said, "as the soil, however rich it may be, cannot be productive without cultivation, so the mind without culture can never produce good fruit."

### Studies on Corporate Culture

LRN, a firm that advises on corporate culture, and the Boston Research Group surveyed thousands of American employees from every rung of the corporate ladder for a recent study. The study evidenced that 43% of those surveyed described their organizational culture as based on command-and-control, top-down management, or leadership by coercion. In other words, “blind obedience.” The largest category, 54%, saw their culture as one of “informed acquiescence” – top down, but with skilled leadership, lots of rules and a mix of carrots and sticks. Only 3% fell into the category of “self-governance,” in which employees are guided by a set of core behaviors that inspire everyone to align around an organization’s mission. The study found that such differences really matter. Consider the following:

- Nearly 50% of those employees in the blind-obedience firms said that they observed unethical behavior the previous year, compared to around 25% in the other two organizations.
- More than 90% of employees in self-governing firms and 65% in the informed acquiescence category, agreed that good ideas are readily adopted by their firm. In the blind-obedience firms, fewer than 20% believe that their creative and innovative ideas are valued.
- Bosses are eight times more likely than the average to believe that their organization is self-governing. In reality, only 4% of employees agree.

A few of the central characteristics about culture introduced by Professors Ken Thompson (DePaul University) and Fred Luthans (University of Nebraska) highlight the following:

1. **Culture = Behavior.** Culture is best seen through the behaviors that represent the general operating norms of an organization.
2. **Culture is Learned.** Employees will adopt and perform behaviors when reinforced from those from whom they receive guidance, direction and reinforcement.
3. **Culture is Learned Through Interaction.** Employees learn culture through interacting with management and other associates.
4. **Culture Requires People to Adopt a Set of Behaviors.** The leadership team of an organization must demonstrate consistency, persistence, employee involvement, kindness, understanding and training.

Over the past eight years, Beyond Insurance has collected over 8,000 responses to its Organic Growth Agency Survey. One question states, “Our staff is enthusiastic and energized by our business model, systems and growth strategies.” 34% of the respondents “agree”; 4% are “uncertain” and 52% “disagree.” This simple question touches on the essence of corporate culture. High performing organic growth agencies “agree” to this question, while under performing agencies are “uncertain” or “disagree.”

Beyond Insurance has concluded that organizational growth, profitability and agency value is maximized in an environment of enlightened leaders who create a culture of creativity and

innovation. They “get the right people on the bus” and inspire their staff through clearly stated values and expected behaviors supported by rituals.

### Strong and Weak Cultures

A strong culture exists when employees respond to stimulus because of their alignment to organizational values. Strong cultures help firms operate like well-oiled machines cruising along with outstanding execution. Minor tweaking of existing procedures enhance performance. In thriving, profitable companies, employees embody the values, visions, behaviors and strategic priorities of their organization.

Research indicates that the strongest cultures embrace the importance of Kaizen, or continuing improvement. Kaizen cultures require both conscious and subconscious thinking about improvements from everyone.

Conversely, a weak culture exists when there is little alignment with organizational values and control must be exercised through extensive policies, procedures and bureaucracy. Signs of a weak culture include lack of trust, focus on problems, staff losing confidence in their leaders and systems, and people spending more time focusing on problems rather than opportunities.

### Fundamentally Different

After years of observation and personal experience, it became abundantly clear that organizational culture, more than any other factor, is responsible for influencing the behavior of people. As a coach and consultant, I was searching for a system to institutionalize the stated values of a firm. In other words, a process to empower leadership teams to intentionally take actions to make their stated values part of the fabric of how their firms operate.

In the summer of 2015, Bobby Reagan (CEO of Reagan Consulting) suggested that I meet with David Friedman, Founder and CEO of High Performing Culture ([www.highperformingculture.com](http://www.highperformingculture.com)) and the author of *Fundamentally Different*. As the former President of RSI, an award-winning employee benefits brokerage and consulting firm, David had designed a powerful process to institutionalize a culture within an organization and offers a designation for which one can become a Certified High Performing Culture Consultant. To say the least, I was intrigued.

After spending a few hours with David Friedman, it was clear that he had “cracked the code” with a simple, yet potent program to align the behaviors of its people. In his Fundamentals System™, culture is defined in terms of the specific behaviors that a business leader wants to see taking place every day in his or her workplace. I suggest you ask yourself two questions: “Is the current culture of my organization conducive to drive growth, profitability and agency value?” And, “Am I being intentional and systematic in defining the behaviors that reinforce the values required to create a competitive advantage in my marketplace?”

Today, I have obtained my Certified High Performing Culture Consultant designation and am empowering business leaders to intentionally and systematically initiate high-performing cultures in their organizations by:

- **Selecting** people who are the right fit for their culture
- **Integrating** new hires into their culture
- **Communicating** their culture throughout the organization
- **Coaching** to reinforce their culture
- **Leading** their culture by example
- **Driving** their culture through accountability

An 8-step framework is the secret sauce. As you can see from the visual, the core of the program is defining the employee behaviors (fundamentals) that drive success and establishing rituals. To put it simply, rituals are patterns of behavior that are repeated over and over again until they become second nature. If you want your employees to internalize the behaviors that you know will lead to success, these behaviors have to be talked about, taught, coached, and practiced with repetition over a period of time. And given all the distractions facing virtually every organization, the best way to achieve this repetition is through the creation of rituals. Rituals are the key to embedding behaviors as habits.



The Fundamentals System™ provides the framework to focus on one fundamental each week, and then to cycle through them all week after week, year after year. This is so important to sustain a heightened level of performance indefinitely.

Your best strategy to drive growth, profitability, and agency value...corporate culture!

#### About the Author

Scott Addis, CPCU, CRA, CBWA is the CEO of Beyond Insurance and is recognized as an industry leader having been named a Philadelphia finalist for *Inc. Magazine's* "Entrepreneur of the Year" award as well as one of the "25 Most Innovative Agents in America." Beyond Insurance is a consulting firm that offers leadership training, cultural transformation, and talent and tactical development for enlightened professionals who are looking to take their practice to the next level. Since 2007, the proven and repeatable processes of Beyond Insurance have transformed individuals and organizations as measured by enhanced organic growth, productivity, profitability, and value in the marketplace.