

If “Culture” Is Key, How Can Training Help?

Learning is an irreplaceable component in defining an organization’s culture to support the innovation, market adaptation, and employee engagement necessary for success. **BY ROSS TARTELL, PH.D.**



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Culture is everything! Culture trumps strategy! The headlines about the impact of organizational culture on business performance are everywhere.

If culture is so important to organizational success in the marketplace, how can training help to shape a culture that enables employees and the organization to succeed in today’s tumultuous market?

One of the better definitions of culture is outlined by Steve Paskoff, president of ELI, in his ebook, “Creating a Culture of Speaking Up”: “Culture is a common pattern, set of practices, customs, and traditions that determine how people act, communicate, and order their lives. It’s an unconscious roadmap used to determine how to handle problems and interact routinely. It’s passed down to workplace generations from leaders and team members, and backed up by reward systems and ‘punishments.’”

Ian Read, CEO of pharmaceutical giant Pfizer, notes, “Culture touches and influences every function in an organization, from research and development to manufacturing to

you’ll pay dearly for it...for years to come.”

Research by John Kotter and James Heskett makes the financial argument. They conducted an 11-year study comparing the performance of 12 companies that had an adaptive culture with 20 companies that did not. Companies with adaptive cultures outperformed the competition by a tremendous margin:

Average increase for 12 firms **with performance-enhancing cultures**
 Average increase for 20 firms **without performance-enhancing cultures**

Revenue Growth	683%	166%
Employment Growth	282%	36%
Stock Price Growth	901%	74%
Net Income Growth	756%	1%

Similarly Bersin and Associates reported the following business performance results in a 2010 study of high-impact learning cultures:

- **32 percent** are more likely to be first to market
- **37 percent** greater employee productivity
- **34 percent** better response to customer needs
- **26 percent** greater ability to deliver quality products
- **58 percent** more likely to have the skills to meet future demand
- **17 percent** more likely to be a market share leader

Bottom line? Companies with adaptive, performance-enhancing or high-impact learning cultures win in the marketplace.

A learning effort that is integrated into an organization’s culture and strategy engages the hearts and minds of the employees. Companies with adaptive, performance-enhancing, or high-impact learning cultures win in the marketplace.

sales. Get it right, and culture can transform your company’s performance and help sustain success for years to come. Get it wrong, and

DEPLOYING LEARNING & DEVELOPMENT AT ALL LEVELS

People learn through a combination of three methodologies:

1. Informal, on-the-job, experience-based projects and practice
2. Coaching, mentoring, and developing through others
3. Formal learning interventions and structured courses

Aligning the content of these three approaches with the factors that create an empowering and adaptive culture will enable employees, at all levels, to understand expectations, operationalize vision and values, and develop an understanding of what is necessary to succeed.

LEVERAGE POINTS

Here are key leverage points where training can influence the alignment between culture and strategy:

- **Match strategy and culture:** Identify the cultural traits necessary to achieve the strategy. Then connect the traits to the vision, purpose, and values that are the context for every decision an employee makes.
- **Honor strengths of the existing culture:** Use the company's unique stories and ongoing narrative to link cultural strengths to the strategy and minimize the magnitude of a cultural shift.
- **Ensure that formal structures reinforce the desired culture:** Reward systems and other organizational structures shape the culture. Employees need to understand how the system works.
- **Measure, monitor and respond:** As Edward Deming said, "In God we trust; everyone else, bring data." Clear goals and metrics enable everyone to move in the same direction because people can operationalize what "it" looks like and will have the data to adjust.
- **People, people, people:** People require the knowledge, skills, and motivation to embrace and live the culture. As Patty McCord of Netflix eloquently said, "Hire, reward, and tolerate only fully formed adults." Candid, "adult" discussion to resolve the inevitable disagreements and misunderstandings is a core skill necessary for performance and understanding the realities of the market.
- **Model authentically:** Leaders must model the behaviors and values critical for success. Leadership directly shapes culture because employees watch a leader's every move in order to understand expectations.

LEARNING & DEVELOPMENT'S ROLE

My friend, Steve Paskoff, told the story of how

a grandfather was teaching his grandson about life, respect, and ethics. A savvy user of technology, the grandfather was asked by Steve, "What 'apps' are you using?"

The response: "I'm the 'app.' That's my job."

The story speaks to how Learning & Development makes a difference by personalizing the knowledge and skills. It creates on-the-job, mentoring, and classroom experiences where people have the personal exposure and time for reflection necessary to learn how to be successful.

To have impact, Learning & Development must use all three training approaches with individuals, teams, and organizations to build employee understanding of how the strategy and culture work together. The result is a learning curriculum that provides consistency of message and linkage to the future.

CORE LEARNING INTERVENTIONS

These are a few examples of learning interventions that can reinforce the leverage points where culture and strategy intersect:

- **Create communities of leaders to define and operationalize the vision.** These communities often start as leader-led workshops. For example, during the merger of Genentech and Roche, they used a division-wide workshop to create dialogue and common understanding.
- **Create a corporate-sponsored curriculum.** As Pfizer CEO Read emphasized, "The company's culture is embodied most prominently by the employee's manager. So first- and second-line managers are the critical links in bringing a company's culture to life."
- **Develop leader-led training, at all levels, to help define expectations, values, and decisions** that link the current culture and strategy to the future. Leadership makes a significant difference.
- **Partner with Talent Acquisition to ensure that there is robust interview skills training** to support external hiring or internal transfer.

A learning effort that is integrated into an organization's culture and strategy has enormous power. It engages the hearts and minds of the employees, and enables them to understand how to create success. Learning is an irreplaceable component in defining an organization's culture to support the innovation, market adaptation, and employee engagement necessary for success in today's market. 