

# Creating a One-Company Culture: Internal Strategy for External Success

BY PAUL ARGENTI

**In the last century, large corporations have expanded in size, reach, and complexity. To keep employees aligned strategically, management must dedicate resources to creating a One-Company culture, one in which employee self-interest and corporate self-interest intersect. The most successful companies execute strategy through clear communication and consistently articulated values.**

**T**he growth of large corporations in the last century has led to incredible progress and opportunity. Through mergers, acquisitions, and changes in markets and technologies, organisations have become more complex, with employees connected by the internet but often separated by geography, language, and culture. All of this puts a strain on companies operating in an increasingly fast-paced world that requires both alignment and agility. The idea of companies with thousands of people operating as one is next to impossible without a concerted effort by senior management focused on strategy, execution through communication, and culture. Put another way, it is up to management to create a One-Company culture.

The starting point for any company beginning the process of creating a One-Company culture is defining a clear strategy that everyone can understand. Unfortunately, most employees are unable to say with clarity and consistency what the strategy is for their company. What is even harder to believe is that most senior executives who sit on executive committees are also unable to clearly articulate their company's strategy.

There is a simple way to test if a company's executive team is strategically aligned. Ask this question: "If you were to wake up suddenly from a dead sleep, could you say what the strategy of your company is, and would it be the same answer that other senior executives would give?" Most executives will answer "Of course!" But the reality is that at most companies, nearly all executives will fail this test. And if the most senior managers of corporations are unable to clearly articulate the strategy, how can we expect lower level employees to align together to act as one to achieve the company's goals?

The problem is not a lack of interest in strategy development or articulation. We know that companies spend millions of dollars on consulting firms and hours in internal



## THREE WORDS SUMMING UP THE BASIS OF A ONE-COMPANY CULTURE



Trust



Value



Action

meetings trying to get their vision for the future exactly right. But all of that work falls short if the 50-page slide deck from the consulting firm ends up on a shelf and the strategy is not internalised.

What many companies forget is that you need to execute strategy through people and communication. Unfortunately, the HR and Corporate Communication functions that support these efforts are not the most highly regarded functions in the majority of corporations. Yet, the easiest route to success in developing a One-Company culture is by creating a unified culture and by executing strategy through clear and understandable communication.

Companies need to find ways to translate vision into a handful of words that can capture the imagination of employees all over the world. Orit Gadiesh, chairman of consulting firm Bain & Company, wrote an article for *Harvard Business Review* in 2001 (with James L. Gilbert) entitled “Transforming Corner-Office Strategy Into Frontline Action” that focused on how to distill “their strategy into a phrase and have it used to drive consistent strategic action throughout their organisations”. Earlier this century, she used Dell’s “Be direct” and GE’s “Be number one or number two in every industry in which we compete or get out” as some of the best examples of this distillation.

Today, we might look at Wal-Mart’s “Save Money, Live Better” as perhaps the best example of a company strategy distilled into a few words. The dual focus on value through

low prices and values through sustainable and responsible business behaviour has transformed the largest corporation in the world (by revenue) in terms of its relationships with suppliers and its willingness to focus on major societal issues within and outside the corporation.

Coming up with a strategy that unites an organisation in purpose and direction is no easy task. People do not remember paragraphs; they can remember bullet points. Distilling strategy down to a short phrase requires a disciplined look at what makes a company truly competitive. This introspection is a useful exercise for any company, as it forces conversations about direction and priorities, and works to combat the mindset of “It’s always been done this way.”

While working through this exercise to articulate a company’s strategy, there are some rules that should guide the discussion. The strategy must be clear and understandable, it must be true, and most important of all, it must be consistent and repeated endlessly. Around the time employees are sick of hearing what the strategy is, they should be able to align priorities with it.

Once the strategy has been agreed upon and everyone in the company can pass the dead-asleep test, management must turn its focus to the people. Corporate strategy is not worth the paper it is written on if the employees of the company are not engaged. Achieving this engagement with twenty-first century employees is a challenge. Combine the more restless and transient attitudes about career progression held by younger employees with the widespread

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cynicism and mistrust in business among employees of all ages, and management is left with a workforce that needs more than company retreats and motivational posters. Thanks to corporate scandals of the early 2000s and the financial meltdown in 2008, employees are more likely to question and doubt the authenticity of their employers and leaders. Having been burned before, employees are likely to value detached self-reliance over any sense of loyalty to the company.

To begin to address this problem, executives need to identify that critical point where employee self-interest and corporate self-interest connect. This is the foundation of a One-Company culture. Finding that point requires authentic relationships and communication between managers and employees. The outcome is **trust** built on experience and respect. Employees who have authentic relationships with their employers might trust the credibility of management; employers, having earned the trust of the employees, might be more thoughtful and forward-thinking in making decisions.

Out of trust comes **value**. Employees who are trusted and listened to will begin to think and act like owners. A sense of partnership – and mutual investment – extends beyond job descriptions. Once employees feel that they are valued, their willingness to exert themselves on behalf of the company increases.

Which leads to the final pillar of a One-Company culture: **action**. Armed with a watertight strategy, a sense of value, and the support of management and colleagues, employees should feel encouraged to contribute to the well-being of the company. Action should be rewarded and innovation encouraged. As actions are recognised and rewarded, more trust and more value is built within the company, creating a cycle of productivity and engagement that will make the company stronger and more competitive.

Trust, value, action: these three words sum up what a One-Company culture should be based on. A One-Company organisation can be more adaptive to change, more resilient in weathering downturns, and more capable of retaining talent.

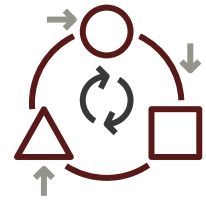
Chevron, a Fortune 3 company, has a strong and pervasive culture, one that is an example of a One-Company culture at work. The Chevron Way is a set of values that defines how the company will do business and how it will interact with its employees, partners, and customers. This value system in its current form dates back to the mid-1990s, and has become a prominent part of Chevron's strategic decision making process. As Dave Samson, General Manager of Public Affairs for Chevron, says, the Chevron Way is part of the vernacular.

“Boiling it down,” Samson says, “the Chevron Way is about getting results the right way. It is our guiding principle of how we do business, and it differentiates us from our competitors.”

“Our business and enterprise strategies, our investment in our people, our end-to-end processes with the goal of growing profitability – these things are not disconnected from one another, and they are done with the Chevron Way in mind.”

Samson cited his monthly staff meetings as an example of the buy-in from employees. At a recent meeting, the importance of trust came up. Around the table, his colleagues talked about putting in the time to build trust across reporting levels, about being supported during difficult times, and about how the team had truly internalised and evolved within the Chevron Way. A new hire mentioned that her initial skepticism about the Chevron Way had changed after she saw how pervasive it was.

Another colleague said, “Don't stop me – enable me.” This comment embodies what a One-Company culture ought to do: by building



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trust, employees are emboldened and empowered to create value.

Research completed by Professor Cees Van Riel of Erasmus University shows that the Dutch conglomerate, Philips, is another example of a large international corporation that has maintained its competitive edge by building a One-Company culture. Philips' mission is intensely customer-centred: to "improve the quality of people's lives through timely introduction of meaningful innovations". In the 1990s, however, Philips was a sprawling, decentralised company with mediocre margins and rampant inefficiencies. To realise its people-focused mission, leadership at Philips understood they must first look inward. As chief executive Gerard Kleisterlee discovered, the long-term success of any new and innovative strategy, the battle had to be won from the inside out.


Kleisterlee made a series of sweeping changes. Internal and external marketing campaigns were centralised and realigned around clearly defined business units. A "One Philips" communication initiative was implemented, which aligned management and employees around integrating supply chain and sales efforts. Philips then translated this unified theme to customers through its marketing campaign "Sense and Simplicity," emphasising Philips' goal to eliminate complexity in the lives of customers.

Years later, Philips has made moves to become a more agile and innovative company, a transition that benefits from a strategically aligned, trusted, and engaged workforce. In 2013, the company announced a new brand line, "innovation and you". This initiative emphasises the people-focused mission, and drives employees to innovate in ways that are

both personal and meaningful to Philips customers. The transition to a One-Company culture in the 90s allowed Philips to evolve and succeed in a new economy.

Given the complexity as well as the geographic, psychological, and reputational challenges defining today's global business landscape, standing out from the competition requires a commitment to retaining talent and extracting maximum potential to drive corporate strategy to differentiating heights. As a company's most valuable executors and ambassadors, employees must never fall off management's radar screen. With the foundation of a clearly defined strategy, companies need to build trust with their employees, instill in them a sense of value for their contributions, and empower them to act in the company's interest. This One-Company culture will ensure that companies can weather the good times and the bad.

One of the best examples of an organisation that was totally aligned around a strategy with a culture that had all of the attributes above is the National Aeronautics and Space Administration (NASA) in the 1960s. During a visit to the NASA space center in 1962, US President John Kennedy walked over to a janitor and asked: "What are you doing?"

"Well, Mr. President," the janitor responded, "I'm helping put a man on the moon." That mythic, larger than life connection and the ability to get everyone to think and act like an owner is what One-Company is all about. 

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