



The one thing you can't delegate

Defining—and enforcing—your company's culture may be your most important job



BUILDING A BUSINESS is a creative act, but few of us realize when we start out that we are creating not only a company but a culture. That's because it's usually not planned; it just happens. While everybody is focusing on something else—making sales, providing service, sending out invoices—a little community springs up, and it has its own unspoken customs, traditions, modes of dress and speech, and rules of behavior. By the time you become aware of it, the culture is often well established. And it will probably be a reflection of your personality.

That was certainly true of my first company, Perfect Courier. We had a culture that I would describe as tough but fair. Back then, I was a hard-driving entrepreneur in a hurry to build a \$100 million business. I yelled a lot. I yelled when people did things I considered

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Like it or not, your company's culture will probably reflect your personality.

stupid or careless or misguided. I yelled when they didn't anticipate problems I thought they should have. I yelled when we lost an opportunity because we didn't move quickly enough. Not that I was trying to make people feel bad. I was just frustrated and impatient. I wanted things done right. Fortunately, I usually calmed down before I did serious damage, and I didn't carry grudges.

People in the company, or at least those who stayed, came to accept these episodes as a fact of life. Maybe I'm naive, but I don't believe they held my temper against me. I paid them well, treated them fairly, and didn't make unreasonable demands. And the culture at Perfect Courier reflected that. It was hard-driving and intense. The general attitude was, "We're here to do the job, so just do it, get it right, and

shut up.” Some employees thrived. They liked the intensity. As tough as we were on ourselves and on people who crossed us, we insisted on absolute honesty, and we tried to be fair to everybody we did business with. For employees who felt comfortable in that kind of culture, Perfect Courier was a great place to work.

None of this happened consciously. At the time, I was oblivious to the relationship between my personality and my company's culture. In fact, I wasn't even aware that we had a culture. I was much too focused on getting Perfect Courier as big as possible as fast as possible to think about such things. It was not until my wife, Elaine, joined the company in 1994—after Perfect Courier had hit hard times, and we'd started our records storage business, CitiStorage—that I began thinking seriously about culture, mainly because her style was so

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different from mine. Where I was brusque, she was understanding. Where I tended to focus on the employees' obligations to the company, she focused on the company's obligations to the employees. Where I just cared about getting the work done, she wanted people to be learning and having fun as they worked.

But I like to think I'm an open-minded guy, and I always attempt to do what my wife wants, so I let her try things, even when I was skeptical that they would have an impact. It turned out that they did have an impact, a huge impact. The atmosphere began to change, and customers noticed. They told us that our employees seemed happier than our competitors' employees, that our people smiled more and went out of their way to be helpful. It didn't take me long to conclude that CitiStorage would be better off with Elaine's culture than with mine.

That realization had implications. To begin with, I had to modify my own behavior. I couldn't change who I was, but I had to make sure I didn't undermine what Elaine was doing. I had to stay out of the way of the managers and let them run the company on a day-to-day basis. In addition, I had to look for opportunities to show everybody that Elaine had my support. When she introduced a bunch of games in which people would guess when we'd hit the next level of boxes stored or compete to lose weight or try to grow the most beautiful amaryllises, I almost always took part, either as a participant (weight, amaryllises) or as an awardee of prizes (box game).

Beyond that, it was my job as the top banana to enforce the culture, a particularly important responsibility if you have a warm, nurturing, people-friendly company. There will always be a few doubters and malcontents who try to turn positives into negatives. They'll refuse to attend meetings. If you insist that they come, they'll act bored and distracted. Behind your back, they'll badmouth the company. In the worst cases, they'll actively undermine you. We had a few people like that. We talked to them, heard them out, explained what we were doing, and urged them to get with the program. If their behavior didn't change, I would eventually call them into my office and tell them I had great news: Henceforth they wouldn't have to feel so angry and miserable because they wouldn't be working for us anymore. Not only did we get rid of negative energy that way but we also showed the other employees that we meant what we said.

It's much trickier, of course, when the resistance comes from a manager. I know someone who ran into that problem. He was a tough boss with a good heart. By all accounts, he was brilliant, intense, demanding, abrasive, and fair. Then one day he had a heart attack. Under doctor's orders to reduce stress, he turned the company over to his nephew, whose management style was more like my wife's than mine. The nephew turned out to be a great manager. The company did better than ever, and its culture evolved much as ours has.

But one person, the production manager, had a hard time adjusting. He had the same management style as the previous CEO, and he continued to yell and scream and throw tantrums, which didn't go over well in the changed environment. The uncle took the production manager aside. “Listen,” he said. “I understand why you yell at people. I used to do it, too. But things are different now. You can't manage that way in the culture we have now, and you don't need to. You're the boss, and everybody knows it.” I'm told that the situation improved after their talk.

You might ask, Why is it so important to enforce the culture? Why can't different managers be allowed to have different styles? The answer is, they can, as long as they operate within the same cultural boundaries. You should never have more than one culture in a company. If you let managers create their own subcultures, you're inviting chaos. The inevitable

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conflicts will create communication problems, morale problems, and ultimately turnover problems. Employees will try to switch to the department whose culture they like best. You'll wind up with competing cultures, and you may lose good people. In any case, a huge amount of time and energy that should be focused on making sales and serving the customer will be wasted.

Suppose, for example, that you're working in the customer service department of a company like mine, and you get a call about a delivery problem. You have to call the dispatch office to straighten it out. The customer service department has a nurturing culture, but dispatch has a tough culture. You call the dispatcher, who says, “Don't bother me with this.” You complain to your boss, who talks to the CEO, who talks to the head of dispatch, who gets annoyed that another manager is interfering in his department. Of course, the dispatcher wouldn't have talked to you that way if dispatch had a nurturing culture. Then again, you wouldn't be so upset if customer service had a tough culture. You probably wouldn't take it personally.

The point is, a company suffers when departments have different cultures. As the person in charge, it's your responsibility to make sure they don't, and it's a responsibility you can't delegate. You can let another person play a critical role in defining the culture, as I did with Elaine, but you have to enforce it. It doesn't matter what kind of culture you want. It just has to be consistent.

That's not to say all cultures are equal. I've come to appreciate, for example, that Elaine's is better than the kind I had at Perfect Courier. But, of course, who am I to disagree with my wife?

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