



William W. Rutherford
Chairman and CEO

Culture's Bottom-Line Impact From Art to Discipline

How do we measure the effectiveness of our organization's culture? What would we like it to be? You're not alone if you don't have a ready answer. Until recently, defining and measuring culture, and linking its measure to business performance, has been difficult.

We know what we "don't" like. Most of us struggle with culture. It doesn't 'feel' as good as it should. It's too resistive, defensive, nonresponsive or under-performing. We typically tussle with it most as we move to improve our performance. We experience it every day as the root-cause of our underlying customer service problems, profit / ROI issues and missed growth opportunities.

We are also aware that it can be a significant performance contributor. "IBM means service," GE's "Progress is our most important product" and DuPont's "Better things for better living through chemistry" have been the cultural themes of successful companies that have carried them to higher

levels of success. Culture has historically been leaders' most classic case of "hiding in plain sight."

Effective culture = leadership success. What does "effective culture" mean? To most of us, it's driven by perspective: *Our boss* holds us accountable for clearly defining our strategy, mission and vision - where the organization is to go. *Our subordinates* seek involvement, empowerment and consistency, and for us to provide them with "what's in it for me." *Our peers* value our organization's ability to work with them across the structure, in a dynamic, customer-focused and supportive way.

Let's examine "The Denison Organizational Culture Survey," authored by Daniel R. Denison, Ph.D. and William S. Neale, M.A., M.L.I.R. It's based on over 20 years of research and examines how culture can be measured so you can begin to improve it:

■ **Adaptability:** How strong is our ability to track and respond to change, recognize our mistakes and learn from them? What is our rate-of-change and what is our sense of being customer driven?

■ **Mission:** Do we have a clarity-of-purpose that aligns the organization? Do we have a mutual understanding of the long-

higher level of ROI than low involvement organizations.

Examining these cultural elements further provides indices that measure our culture's effectiveness, relative to cultures in other companies (and based on that, quantifiable cultural success measures that have broad application).

Insight for leaders: The application of these metrics, collected across leaders' organizations, and compared with hundreds of other organizations, yield intriguing dimensional insights:

External Focus: Combining "Adaptability" and "Mission" measures gives us insight into our potential for growth in revenue and market share.

Internal Focus: Combining "Involvement" and "Consistency" measures gives us insight into our ability to produce high levels of quality, ROI and employee satisfaction.

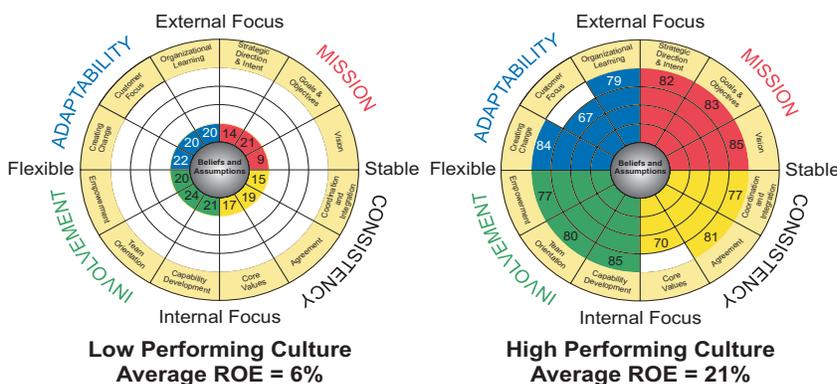
Stability: Combining "Mission" and "Consistency" measures gives us insight into our ability to produce strong returns (ROA, ROS, ROI).

Flexibility: Combining our "Adaptability" and "Involvement" measures gives us insight into our capability to grow through product and service innovation.

Implementing Improvements: This tool provides a new measure of culture for leaders regarding what they want their organization to become. Implementing the identified improvements moves our businesses one step further from the "art" that we've grown up with, to the "disciplined" management approach that we value moving forward.

Culture's Connection to Corporate Performance

Scores on Denison Organizational Culture Survey
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term direction that provides guidance into how everyday decisions are made?

■ **Consistency:** Are we effective in the way that we organize and coordinate what we do to meet our goals and objectives? Everyone should speak the same language, leaders should "walk their talk" and the structure should support the defined strategy.

"My experience of the world is that things left to themselves don't get right."
Thomas Huxley

■ **Involvement:** Do stakeholders see a connection between the work they do and the goals of the organization? High involvement organizations have a much

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William W. Rutherford and Associates believes in helping successful leaders of well-managed companies achieve improvements in their competitive position. We understand the many factors that make improvements increasingly difficult in today's world: global competition, maturing products and services, organizational complexity, rapidly changing marketplace dynamics and sourcing options and the growing impact of technology. Company performance options that our clients have only begun to consider are becoming a basic requirement for their on-going viability.

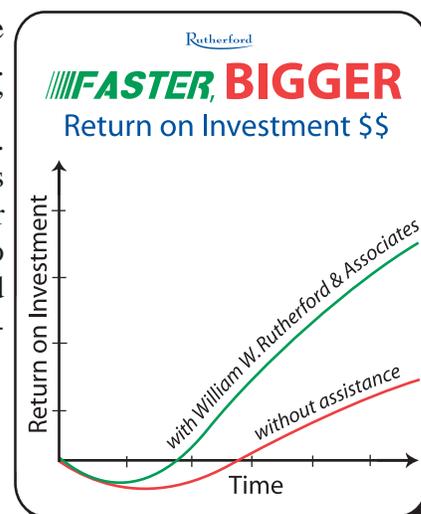
Today's leaders typically know those areas critical to their success. They want to do what is required to significantly improve their organization's performance and affect cultural change. Past efforts to design and implement strategies to realize this vision have often been less successful than expected. Internal organizational issues, personal agendas and inadequate skills and capabilities have been problematic. In some cases employees lack of varied industry and "outside-their-function" experience further contribute to the challenge of making meaningful progress.

Our Approach: At William W. Rutherford and Associates we start with the leader's desired improvement and build a customized approach to achieve it. "Measurable, sustainable results and improved competitive position are a must" is a frequent comment. "We need a new, more robust approach" is another. Leaders tell us that with our assistance they make faster, more significant progress in today's increasingly competitive world. They say that we have "energized their organizations for achievement" and "substantially reduced the time required to successfully attain these results" and "created the environment for accelerated growth and learning." Effective improvement initiatives are a lasting and rewarding leadership decision.

William W. Rutherford and Associates provides leaders with:

- The attainment of significant measurable and sustainable goals.
- Strategic and operational achievements leading to business performance breakthroughs.
- Organizational learning, tools, skills, measures and the confidence to accelerate future gains in competitiveness.
- A sustainable legacy of success for their businesses and stakeholders.

William W. Rutherford and Associates works together with leaders and their organizations to make otherwise difficult company, industry and market demands achievable. Experience has shown that both tangible and intangible benefits are needed to accomplish the new level of business performance needed to "win" in this environment.



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Helping Leaders Improve Their Company's Performance