Organizational culture: The effect of behavior on performance
This unambiguous response, and the confidence with which it was delivered, reflected more than just one employee’s commitment to automobile safety. It reflected a pride of ownership throughout the company. It reflected a workforce-wide understanding of the company’s strategic goals. And it reflected a powerful, deeply embedded corporate culture that drove business performance throughout the company.

What is culture?
Organizational culture can be difficult to define and even harder to change. It is essentially the sum total of the attitudes, behaviors, beliefs, and traditions of an organization. It encompasses the collective goals of a company and the standards of expected behavior in achieving those goals. And it describes the environment and manner in which employees interact with each other and the market.

“Every company has its own complex and unique culture, based on the nature of its work, its history, its leadership, the composition of its workforce, and even its geographical location,” says Athena Kaviris, who leads human resources for GE Capital Americas. “And these cultures are critical for helping employees define success, guide behavior, and set common expectations.”
Corporate culture is hard to teach in a traditional sense, though it can be learned. It is usually learned through a defined set of corporate values, incentive systems, and ways in which people are managed, in which they communicate, and in which they prioritize. In this manner, culture is both a cause and effect of behavior throughout an organization, as well as an important enabler of high-performing companies.

**Why is culture important?**
Culture can affect business outcomes in a number of ways, both positive and negative. For example, cultures that are not aligned with corporate strategy can lead to decreased loyalty, a lack of motivation, and high employee turnover. Healthy cultures, however, impart pride and a sense of purpose to employees, leading to increased productivity and a greater understanding of corporate goals, as with the employee at the car manufacturing plant.

Strategy, operational performance, and culture are all strongly related. High-performing companies often view culture as an enabler of strategy and performance, and want to create a culture that will support and enable employees in achieving those goals.

For example, a culture of learning fosters curiosity and exploration, and may enable development of the skills needed to run an innovation-oriented business. A culture of collaboration may result in high-performing teams. And in some companies, a culture that values families and flexible work hours may result in higher loyalty and lower employee turnover.

Organizational culture is more than just an internal phenomenon, however. A company’s culture is often felt outside of its own four walls. In this way, culture becomes a very important part of a company’s brand. So if a culture is not aligned with the brand, or the brand does not naturally arise from that culture, then companies can develop a credibility problem by promising one thing to the market, but delivering something else.

That’s why, in our experience, corporate culture, and the values upon which it is based, can be integrated into every aspect of a company, including leadership training and performance management. It should evolve as the world and economic markets change. And it should be communicated consistently, both internally and externally.

**Key takeaways**
Organizational culture is often described as the character of a company. Once established, it must evolve and be cultivated and maintained continuously. And though the benefits of a strong, healthy corporate culture are difficult to measure, they are very real.

Culture can:
- Reinforce strategic goals of the company by aligning what the company does with how it does it
- Support skill development and operational performance by fostering an environment that values learning and advancement
- Communicate the corporate brand to the marketplace through the actions of employees

Culture exists at all companies, whether it is actively maintained or left to chance. It can be a liability or an asset. And it is often the difference between short-term gains and long-term success.

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