

A QUICK AND USEFUL SYNOPSIS

# CULTURE RULES!

THE 10 CORE PRINCIPLES OF CORPORATE CULTURE  
and how to use them to create greater business success

A booklet that launched  
a thousand thoughts!

JOHN R CHILDRESS

**IF YOU DON'T UNDERSTAND  
YOUR CORPORATE CULTURE,  
YOU DON'T UNDERSTAND  
YOUR BUSINESS!**

# **CULTURE RULES!**

**YES, CULTURE RULES! AND CULTURE HAS RULES.**

“This wonderful book will transform your understanding of corporate culture. Seeing culture as a business system, and the 10 Core Principles that govern culture, can help leaders at all levels develop a high-performance organization. Finally, an approach to corporate culture that makes a compelling business case!”

~Stephen M. R. Covey

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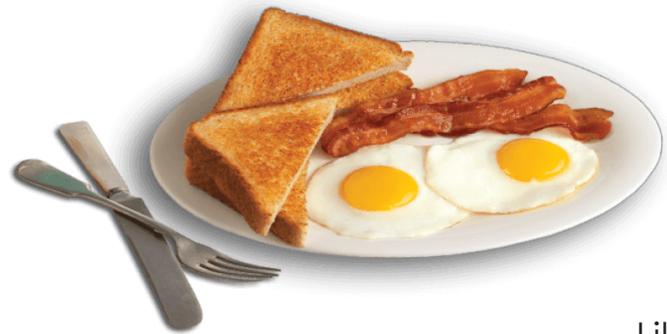
# ABOUT THIS BOOKLET . . .

## HOW TO USE THIS LITTLE BOOK AND WHY IT MATTERS TO YOUR BUSINESS

After over 35 years of consulting and advising on culture and business transformation, it was time to stop and think about everything I have learned from my fabulous clients and their many business challenges. The result was a 200 plus page book, **CULTURE RULES!**

But it's not easy to carry around a large book, and besides, not every idea or concept fits for every company or every culture. So, a handy booklet of the key concepts to use as frequent reminders seemed like a good idea. Enjoy!

**John R Childress**  
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# WRONG !

**“ CULTURE EATS STRATEGY  
FOR BREAKFAST ”**

Like many popular management mantras, this quote is both catchy and shallow. It looks great in PowerPoint presentations and slogans, but is not very helpful in improving business performance, productivity and employee engagement.

**CULTURE AND STRATEGY  
SIT DOWN TO BREAKFAST TOGETHER,  
BUILD A JOINED-UP PLAN, ENGAGE ALL  
LEVELS OF THE ORGANIZATION,  
THEN GET TO WORK.**

Strategy and culture are interdependent. Two sides of the same coin. Both are important in the quest for superior performance and one without the other is akin to a Ferrari with four flat tires.



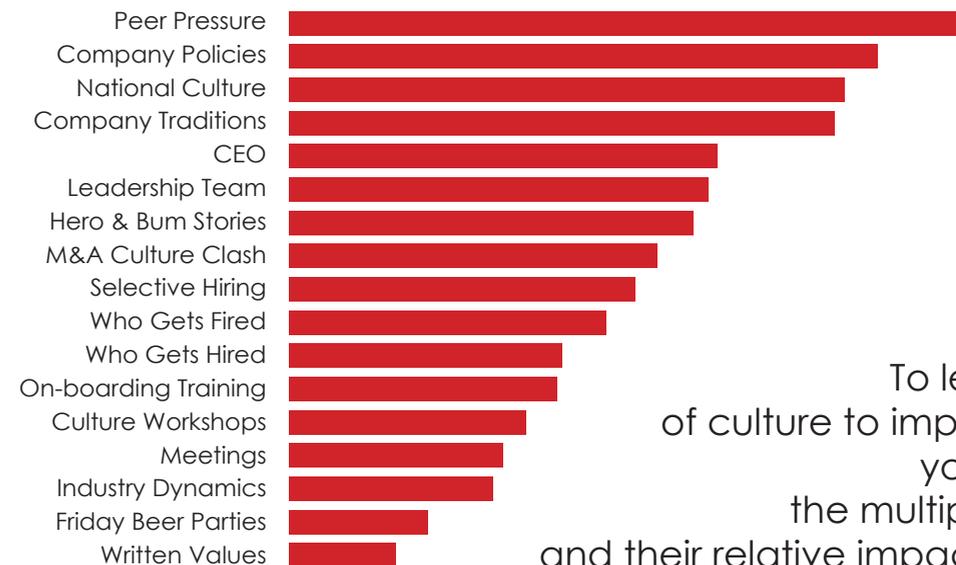
**SYSTEMS ARE THE ESSENTIAL BUILDING BLOCKS  
OF EVERY SUCCESSFUL BUSINESS.**

*~ Ron Carroll*

**A BAD SYSTEM WILL DEFEAT  
A GOOD EMPLOYEE EVERY TIME.**

*~ W. Edwards Deming*

## **A NEW UNDERSTANDING: CULTURE AS A BUSINESS SYSTEM**



To leverage the power  
of culture to improve performance,  
you must understand  
the multiple “culture drivers”  
and their relative impact on your business.

# 10

## THE 10 CORE PRINCIPLES OF CORPORATE CULTURE

“Policies are many,  
Principles are few,  
Policies will change,  
Principles never do.”

~John C. Maxwell

## PRINCIPLE ONE: EVERY ORGANIZATION HAS A CULTURE

### STOP AND REFLECT FOR A MOMENT.

Remember your first week in your current company?  
How everything was so different, yet so similar?

Large or small, start-up or mature, commercial or government, every organization has a culture.  
A corporate culture is either designed from the beginning or left to develop by default.  
Either way, you will have a corporate culture.

### CULTURE MATTERS, BIG TIME!

# PRINCIPLE TWO:

## CULTURE IMPACTS PERFORMANCE

All initiatives must first pass through what we call, the “Jaws of Culture”. Many business improvement initiatives, with extensive market research and excellent plans with milestones are regularly launched inside companies, but few make it through the “**Jaws of Culture**”.

“You can have all the right strategies in the world; if you don’t have the right culture, you’re dead.”

~Patrick Whitesell

## Jaws of Culture



# PRINCIPLE THREE:

## CULTURE CAN BE A SIGNIFICANT BUSINESS RISK



**>\$360 billion**  
in fines for fraud and financial misconduct

CULTURE OF BANKING IS BROKEN

“Risk comes from not knowing what you are doing.”

~Warren Buffett

“Risk comes from not knowing what your culture is doing.”

~John R Childress

# PRINCIPLE FOUR:

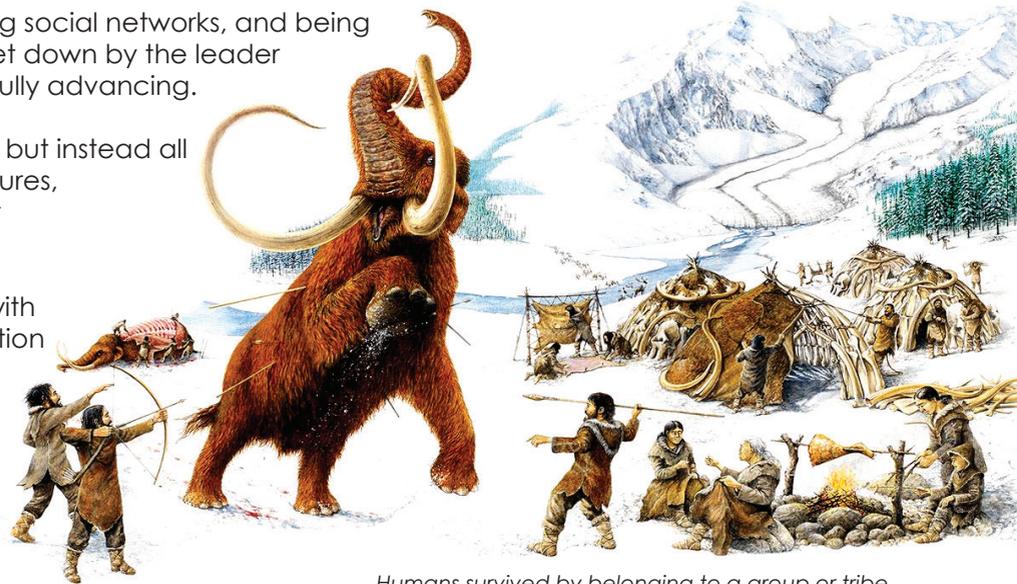
## CULTURE WORKS ON HUMAN LOGIC, NOT BUSINESS LOGIC

Organizations are made up of strong social networks, and being accepted and following the rules set down by the leader means keeping your job and hopefully advancing.

There is no single corporate culture, but instead all companies are made up of subcultures, each with an informal group leader who sets the groundrules.

When the subcultures are aligned with the overall business strategy, execution is easier. When subcultures are out of alignment, strategy execution is difficult.

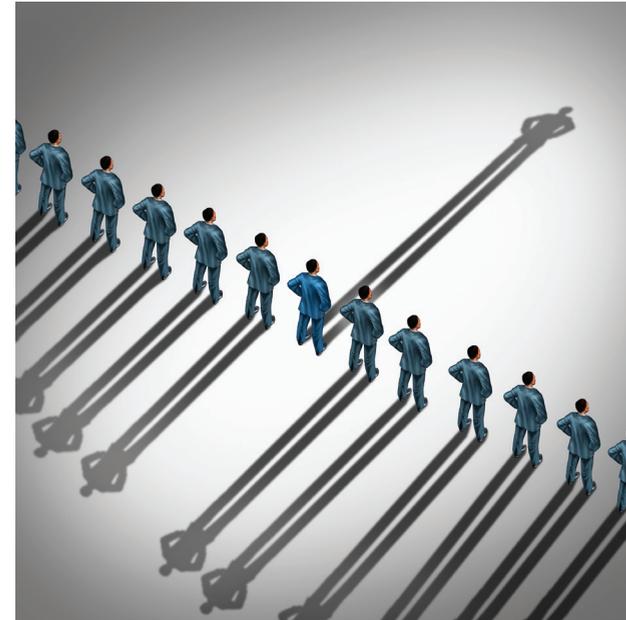
"Hermits have no peer pressure."  
~Steven Wright



*Humans survived by belonging to a group or tribe.  
Fitting in and being accepted was critical.*

# PRINCIPLE FIVE:

## ORGANIZATIONS ARE SHADOWS OF THEIR LEADERS



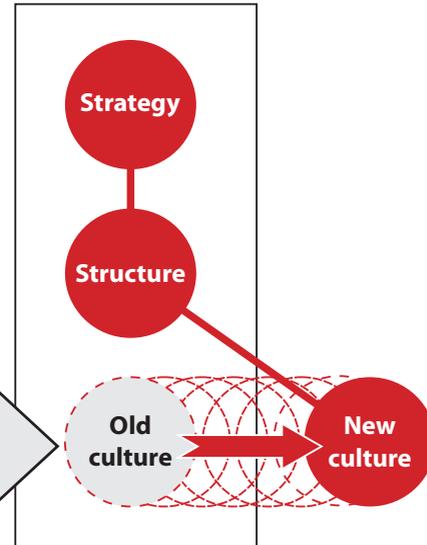
Organizations are shadows  
of their leaders . . .  
that's the good news  
and the bad news!

# PRINCIPLE SIX: CULTURAL DRIFT

As most organizations grow, everything gets micromanaged, except culture. Culture is often left to evolve on its own, and as a result organizations experience cultural drift.

As the culture shifts, employee behavior can easily get out of alignment with the organization's strategic mission and objectives.

- Growth
- Poor attention to culture
- Influx on new employees
- Global expansion
- M&A
- Diversification



# PRINCIPLE SEVEN: POLICIES DETERMINE CULTURE (MORE THAN WE THINK)



The most ubiquitous corporate culture drivers are the systems and policies that drive employee behavior. The HR function has multiple culture levers at its disposal, yet few HR leaders assess the impact of policies and practices on culture.

Strong culture drivers are contained in pay systems, performance evaluations, on-boarding, promotion criteria, employee recognition schemes, recruiting and hiring profiles, medical and health policies, training and professional development.

"First we shape our institutions; thereafter they shape us."

~Winston Churchill

# PRINCIPLE EIGHT:

## YOU GET THE CULTURE YOU IGNORE

When leaders fail to challenge negative attitudes and behavior in meetings, it's a signal to all that such behavior is condoned. When co-workers fail to challenge each other concerning poor attitudes or behavior, the negativity is seen as normal, tends to spread and in many cases escalates into lack of trust and reduced employee engagement.

"Leaders get the culture they deserve."  
~Seth Godin



# PRINCIPLE NINE:

## THERE IS NO PERFECT CORPORATE CULTURE



"Companies rarely die from moving too fast, and they frequently die from moving too slowly."  
~Reed Hastings, founder of Netflix

# PRINCIPLE TEN:

## LEADERS AND EMPLOYEES CHANGE CULTURE, NOT CONSULTANTS



There are the individuals, from all levels (hourly to executive) that are trusted and respected by their peers and others in the company. People listen when they speak. People follow and imitate their behaviors, attitudes and points of view about work, management, customer service and culture. They are your culture change agents.

“All successful culture change approaches have two things in common: courageous leadership and employees taking accountability for the culture.”

~John R Childress

# THE 7 CORPORATE CULTURE QUESTIONS

## EVERY BUSINESS EXECUTIVE SHOULD ASK

1. What is the business case for culture in our company?
2. Is our culture an asset or a liability? How would we know?
3. Is building and sustaining a high-performance culture a part of our formal, written business strategy?
4. Is alignment with culture and values a part of our hiring, performance reviews, bonuses and promotions?
5. Have we mapped the various subcultures and their alignment with the overall values and strategy of our business?
6. Do we as a senior team talk about culture as often as we talk about costs, profit and business performance?
7. Does our new employee hiring and on-boarding process help people understand our desired culture and why it is important?

### AND A BONUS QUESTION:

How often do we have open debates and reviews of our culture and values?

# CULTURE RULES!

HAS ADDITIONAL CHAPTERS WHICH OFFER UNIQUE INSIGHTS INTO:

- The New Leader and Corporate Culture
- Corporate Culture and Strategy Execution
- Going for Growth
- The Start Up: Getting the Culture Right from the Beginning
- Culture and M&A
- Delivering a Sustainable Turnaround
- Corporate Culture and Leadership Development
- Culture and Values
- Culture and the Customer
- Culture and Middle Management
- Culture and Employee Engagement
- A Culture for Innovation
- Culture and Technology
- Culture and the Board
- Building a "Global" Corporate Culture
- Building a Future-Proof Culture

"My goal throughout Culture Rules! is to provide the reader with specific and useful insights on how they can use these principles to build a stronger, more sustainable, more profitable organization with engaged and enthusiastic staff. A better understanding of these core principles could prove to be a significant platform for sustainable success and competitive advantage."

~John R Childress

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**OTHER BOOKS BY JOHN R CHILDRESS:**

LEVERAGE: THE CEO'S GUIDE TO CORPORATE CULTURE

FASTBREAK: THE CEO'S GUIDE TO STRATEGY EXECUTION

**LEARN MORE ABOUT JOHN R CHILDRESS:**

WEBSITE: [WWW.JOHNCHILDRESS.COM](http://WWW.JOHNCHILDRESS.COM)

**GAIN MORE INSIGHT INTO YOUR CORPORATE CULTURE:**

# Order **CULTURE RULES!**

**Available from Amazon**

Company orders of >50, contact  
John R Childress directly at:  
[john@johnrchildress.com](mailto:john@johnrchildress.com)

Arrange a speaking engagement with  
John and your management team?  
Contact John R Childress at:  
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