

Culture critical in CEO's repertoire

In 2010, 'innovation' didn't make the Top 10 list, it jumped to position 4 in 2011 and ranked at number 1 in the 2012 CEO Challenge, conducted by independent global business and research association, The Conference Board.

During that same three-year period, the focus on customer relationships dropped from sixth to seventh place and that on the corporate brand has dropped from seventh to ninth.



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Conversely, internal factors - human capital, talent and methods of aligning culture - have risen to the top of the list of CEO priorities, with 776 respondents from 40 countries ranking innovation and human capital higher than global political and economic risk, and government regulation.

Many of the CEOs surveyed said that, included in their top five business strategies to address these priorities, is to 'create a culture of innovation by promoting and rewarding entrepreneurship, and risk taking', and to 'improve leadership development and grow talent internally'.

They also noted that a key component of this is strategic internal communication that will drive engagement and improve the corporate brand and employee value proposition.

Shaping culture leads to success

While every organisation has a culture that defines its personality, leading companies are able to intentionally shape and drive a culture that moves the business closer to its desired business objectives.

Successful leaders are able to shape the culture of their business. They do this by engaging the hearts and minds of employees and bridging the gap between the rational and emotional aspects of business. Ultimately, they create an environment where employees are inspired to live the brand promise and show a financial return.

In that way 'culture' and his or her influence over it is the successful CEO's underrated weapon.

Communication essential

The 2011-2012 Towers Watson Change & Communication ROI Study - which drew participation from over 600 companies globally - showed unequivocally that organisations that were highly effective in communication and change management were over two and a half times as likely to report better financial performance as organisations that were not highly effective at either.

What a leader brings to the communication plan is listening, empathy and transparency. One CEO who knows this better than most is 2012 IABC Excel Award winner, Irene Lewis, President and CEO of SAIT Polytechnic.

Lewis became president and CEO of SAIT in 1998 and has helped the organisation become globally recognised as a leader in energy and petroleum training.

Lewis maintains that authenticity materialises when leaders are good influencers, the type of managers who can engage employees to want to follow them. She also believes research is so important to achieving business objectives by providing the gold nuggets that help shape real internal communication interventions that her managers submit their annual communication plans to her directly.

The so-called intangible results started to show very quickly, as the communication audiences - the employees - soon became the communication vehicle themselves by alignment of message and buy-in. This is a critical turning point for any business, as employees ensure the talk in the business is about the business and rich communication becomes the primary conduit for cascading of information horizontally and vertically, in both directions.

When the right culture is achieved, it translates into behaviours that reflect the company's personality to the outside world. If behaviours are misaligned with the culture and brand essence, the brand looks like a duck and swims like a dog to the outside world. This in turn translates into loss of brand equity and ultimately loss in brand value.

Disappointing communication results in South Africa

Early in 2012, the company undertook a project in South Africa to better understand how internal communication is positioned within businesses locally. Some 50 top corporate communication professionals and about 60 business leaders were interviewed to appreciate their roles and views on communication.

The results were disappointing:

- Only 16% of the companies surveyed said they strategically plan the involvement of their managers in rich communication to engage employees, despite over 80% of employees in most surveys who say this is their preferred method of communication
- As few as 30% of respondents confirmed that their head of communications had a dotted line to the CEO, leaving a vast number of communicators without this critical support to drive cultural direction
- Just on 50% of communicators interviewed said their senior executives were actively involved in overall communication strategy approval

With the performance of companies like SAIT and the results of international research providing tangible proof that CEOs play a pivotal role in ensuring the right alignment between culture and the business's goals, it appears as if South Africa's CEOs do not value the role of internal communication.

The reality of communication is simple: It is no longer a nice to have and strategic management requires the right tools to ensure it is implemented in accordance with corporate governance guideline and best of practice.

The benefits are numerous and, most importantly, organisations are able to shape their working environment and culture to match their unique value proposition with the behaviours required to build the brand and profits.

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