Thought leaders share their views on the HR profession and its direction for the future

Exploiting cultural dimensions

Laurent Jaquenoud explains why and how HR professionals can harness cultural dimensions for improved, sustainable business performance.

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It's widely acknowledged that company culture influences the way people interact and how the business is run, but few know why and how to use it for better performance. Organizational culture has several dimensions:

- Corporate culture comes from the founders, their vision and the leaders that have influenced the business. It is the "soul" of the company.
- Local cultures are country-specific and depend on history, religion and beliefs.
- Functional cultures within finance, HR, commercial etc.
- Industry cultures which come from the type of industry.

Successful organizations know how to harness these culture dimensions effectively. The question is, why is that essential? And more importantly, how do they do it?

Culture for competitive advantage

By definition, corporate culture is unique. It's what makes every company different not in *what* they do, but *how* they do it. It's a philosophy based on values that lead people's behavior. True competitive advantage comes when corporate culture is well defined, nurtured throughout the organization and embodied by all employees. It creates a sense of unity, a feeling of belonging and a way of approaching relationships and business.

This generates trust among stakeholders (employees, customers and business partners) which is key to sustainable success. Corporate culture is also a key criteria in attracting and retaining talent. Today people need to rely on values at work which contribute to their overall well-being. When corporate culture is strong, the engagement of employees is high, ultimately leading to better performance.

Cultural dimensions and change

Change happens mainly through interaction between people who develop and implement new concepts. The quality of this interaction depends on their behavior which is influenced by their perception, comprehension, communication style, tolerance levels etc. This forms a kind of "behavior filter" which is affected mainly by the cultural dimensions.

For instance, when a German VP from the headquarters of a Swedish multinational company based in the UK collaborates with an Indonesian manager from a market company based in Jakarta, both have to adapt their vocabulary, expectations and interpretation levels to their respective cultural differences. It's therefore crucial to understand and manage these differences in order to ensure that people involved in a change initiative grasp the "why, what, who and how."

More importantly, cultural diversity in teams creates value. If well managed, the team then incorporates cultural dimensions from the design through to the implementation phase and hence reduces the risk of failure. This has become a key success factor for quick and effective change initiatives.

HR as cultural integrator

It's essential that managers and employees understand why corporate culture is a competitive advantage and how to use cultural differences for better performance. HR has a daily role to play in promoting corporate culture and best practice in managing cultural differences. For example, a fun and practical way is to run games on core values with employees. HR should also support employees in cultural integration in a new role and advise on adapting communication style to cultural aspects in any work situation. Finally, HR must ensure diversity when building work groups.

In today's globalized environment, where speed and quality are key, successful organizations know how to include cultural dimensions in the way the business is run. They think "glocal," they promote diversity and their corporate culture as unique and trustworthy. I invite all leaders and HR professionals to continue this promotion.