



Human Capital

EXCELLENCE IN ACTION

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FROM ORGANISATIONAL CULTURE TO EMPLOYEE HAPPINESS

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Although there are numerous variables mediating the work-happiness relationship, such as employment status or income, happiness at the workplace is influenced greatly by the following three factors:

- **Self-Awareness:** individuals are happy when they perceive their job duties positively, which happens when work and a person's motivations and beliefs are in harmony. The starting place to achieve this kind of congruence is Self-Awareness; helping employees understand their hidden motivations and how their work can impact their happiness.
- **Relationships:** Positive relationships at the workplace, with an emphasis on the manager-employee relationship, influence work happiness and have a positive impact on organisational productivity and employees' work attitudes towards their jobs. Positive relationships develop when individuals understand each other's motivations, communication and behaviour, and are able to connect at a deeper human level. The manager-employee relationship is a catalyst to work place happiness and employee productivity. Managers should understand what drives the work happiness of their employee and manage accordingly.
- **Culture:** Cultural values are 'belief systems that an organisation is committed to and that are handed down from one generation to the

next’. They can support an individual’s self-determination to happiness. Both individuals and organisations can be distinguished based on the values they espouse.

The importance of the Culture factor for a company, is probably articulated best by Peter Drucker’s quote ‘Culture eats Strategy for breakfast’.

But to what extent do we proactively shape our Culture? Do we even understand what it comprises? Isn’t it true that when we are asked “what is your Culture?”, we spontaneously answer based on our immediate surrounding ecosystem (i.e. manager, subordinates, peers) or turn our head towards the wall where our beloved Vision & Values hang? To understand Culture and moreover be able to proactively shape it and act upon, we suggest considering three interrelated, but distinct sides of Culture:

Culture from People:	Culture from System:	Culture from Image:
What our employees personally <u>think</u> (character, personal values etc.)	What our systems make our employees <u>do</u> (policies, processes, methodologies etc.)	What our company officially <u>says</u> it stands for (vision, values, brochures etc.)

For an effective Culture to be in place, all three sides should be aligned, should ‘live and breathe’ the same. Otherwise we end up having 2 or 3 misaligned - or even worse – contradicting Culture sides, which is far worse even than having a bad Culture. If disengagement, confusion and frustration sound familiar to you, here is the root-cause: one of these sides is not aligned with the other two:

Culture from People is misaligned:	Culture from Systems is misaligned:	Culture from Image is misaligned:
Employees are disengaged , their own way of thinking (Culture from People) is different compared to what they have to do (Culture from System) and what the company says they have to do (Culture from Image).	Employees are confused , they are not doing what the company says they should do and what they think they should do. What our systems make our employees <u>do</u> (policies, processes, methodologies etc.).	Employees are frustrated as they do not “walk the talk”, the company is saying different things than what they think they should do and what the company actually makes them do .

When all three aspects are not aligned, then the situation can simply be described with one word: Chaos.

But why is this obvious fact (that what we say, do and think should be aligned) frequently neglected by companies? Simply because these three sides are usually developed at different times, by different people, for different purposes, without taking into consideration one another:

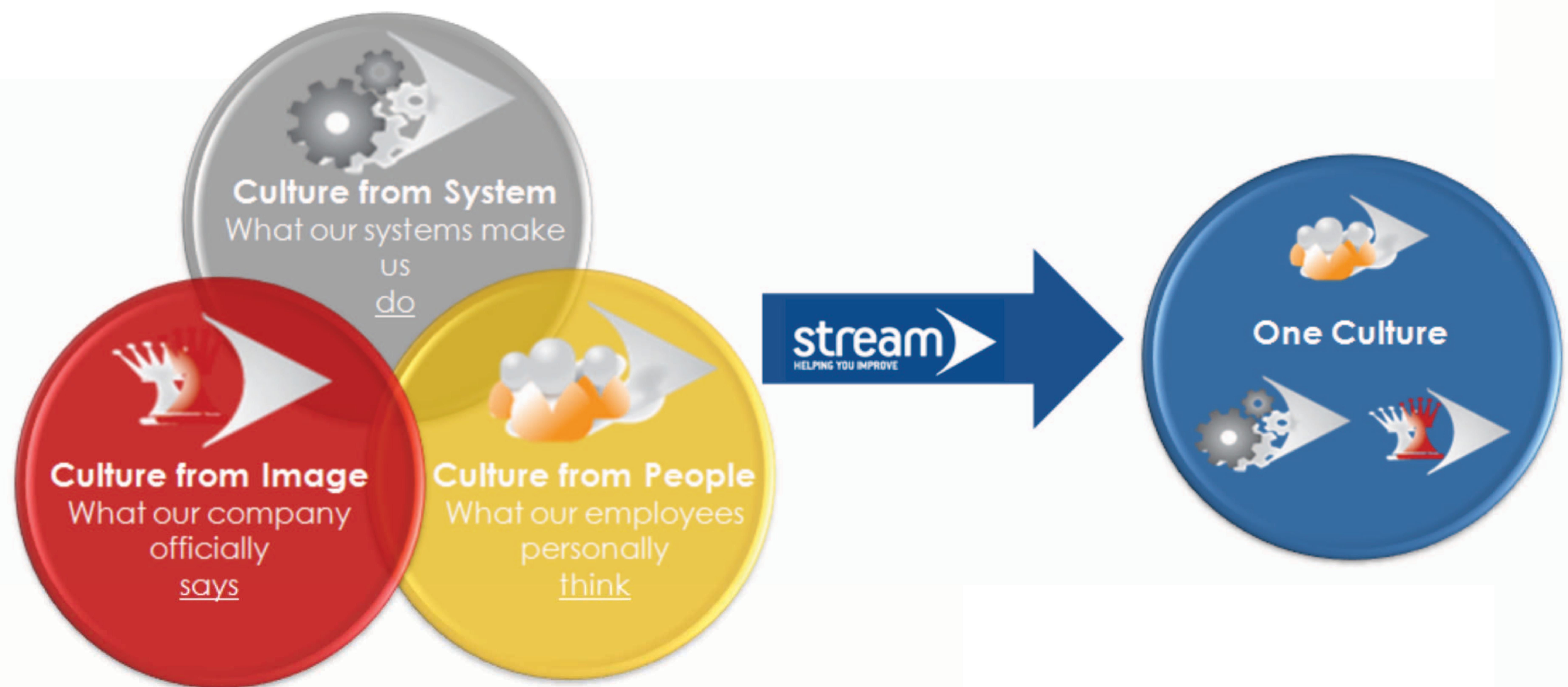
	Culture from People:	Culture from System:	Culture from Image:
Usually developed by:	Ad-hoc when hiring people and usually this does not take into consideration the values of each individual, therefore, it is created almost by chance. Companies live with the illusion they will change people after hiring them.	Through writing policies, processes and methodologies, and this is done in a rather idealistic way: we write what we would like to happen, not what is realistic to happen.	By an isolated exercise, such as interviewing Senior Directors and Board Members, and at worse by writing down nice-to-have words in our Vision and Values statements.
Elasticity to change:	Low	Medium	High
Difficulty to change:	High	Medium	Low

Truth is companies seek to align these three sides, even subconsciously, but usually in a rather unstructured way: writing catchy words (Culture from Image), developing procedures and policies at different timings (Culture from Systems) and communicating these extensively to employees, under the illusion their way of thinking will change (Culture from People).

Considering the elasticity and difficulty of each of the three aspects to change (People, Systems, Image), we suggest for companies to innovate and follow the exact opposite path they normally follow:

- Analyse your Culture from People, from Systems and from Image.
- Define your new Culture from Image (Vision, Values etc.) that fits into the way you actually work (Image from Systems) and broadly fits with how your employees really think (Culture from People).
- Implement a change program revising your new Culture from Image at a high level (i.e. redesign what you say), your Culture from Systems at medium level (i.e. modify what you describe in your policies and procedures) and your Culture from People at low level (i.e. just influence what employees think through communication and engagement).

Aligning the 3 sides of Organisational Culture



It's a different discussion on how to achieve this (it takes a strong Change Management methodology and extensive time, usually between 3-5 years), but a company that achieves alignment, achieves something magical: what it says (Image), what it does (Systems) and what employees think (People) are all aligned, with employees that are not frustrated, not disengaged and not confused, but on the contrary, are engaged and happy.

Because by achieving this you have achieved, at a company level, what Ghandi describes so well in his famous quote: "Happiness is when what you Think, what you Say and what you Do are in harmony", a condition which is valid not only at personal level, but also at a corporate level.