Your Corporate Culture and Corporate Personality

This survey tests your corporate personality in some of the same dimensions as you were assessed. However, we focus much more on how decisions are made, and how the company's culture is aligned with the operating model:

These results are organized into 3 groups

1. Corporate Personality
2. Corporate Culture
3. Motivating Behaviors

These tests are a subset of what defines a "corporate culture", but among the most important and least understood. Other culture issues, which you may want to discuss among your colleagues may include:

- Attitude of the people
- Trust
- Access to management
- Pace of the market
- Values held by top management
- How you manage change
- Hiring Process

Test Interpretation – Corp Personality

Your absolute scores mean nothing; the relative numbers are what are important. Most companies (like people) tend to have a higher score for one type than the others. If you find that you don't have a strong result, or if you have high scores in D and S, or I and C (which are opposite types), you may want to retest focusing more carefully on one particular line of business. You can take the tests as many times as you like. You might enjoy having someone who someone who knows your company well enter their impressions as well.

To understand your company, it is important that you have taken "your personality" tests and viewed the explanations, as some of this basic text is not repeated here.

Corporate Personality Test

The personality of a Corporation has many of the same facets as the individual personality. This personality affects how decisions are made, how information is processed, how conflicts are resolved, and who drives the bus, among others.

While a company may have a "dominant" personality, it has to interact with all types, both as employees and customers. Difficulties often arise when your

personality is different from that of your Corporation, or when the corporate personality is inappropriate for the business.

We have structured the presentation of the corporate personality in the same way as your personality was evaluated, i.e.

- Corporate personality - DISC-
- Corporate Decision-making - HIFD
- Corporate Ego - PAC
- Corporate information processing - VAK

Corporate Personality – DISC (repeat of earlier stuff – check)

This DISC test assesses whether your company tends to be results and task focused, or relationship and people focused; and whether it is open and direct, or reserved and indirect. Some of the characteristics of these corporate personalities are below.

High D companies are often in very price-competitive industries. High D companies are "visionary". They are determined, demanding and decisive. They are "bottom line" focused, and hold people accountable for delivering results. They are impatient, and often take aggressive actions (e.g. buying competitors, selling underperforming divisions). They make decisions quickly, with little outside influence, and focus on facts, logic and results. They are risk takers and make fast decisions. They are not people oriented, and often have a low tolerance for "sick puppies" in the organization.

High D companies like change. Meetings are quick and to the point. Discussions are open, and dissent is both allowed and encouraged, as long as it is on point. Conflict is resolved through argument and outbursts of anger are not unusual and are tolerated (even respected). Negotiations are judged successful based on the results obtained for the company. Executives are acquired from any source, internal or external, based on (perceived) competence. Not surprisingly, high D organizations often have a "Decisive" or "Hierarchical" decision style. Top rationale – good for the bottom line.

High I companies are often in very "customer or market focused" industries, and tend to see the "Big Picture" as relative to their market only. They often sacrifice the bottom line for market share or customer satisfaction. They tend to be reasonably patient, both with customers and employees. They may involve many in a decision (including customers), but still are able to make decisions reasonably quickly.

High I companies like change. Meetings are friendly and informal. Discussions are very open, with all opinions welcomed. Decisions are exciting, as are buying decisions. High I companies want to be liked, which can hurt negotiation results. They are very people oriented, and often have executives who came from sales, and from the industry. High I organizations often have a “Decisive or Flexible” decision-making style. Top rationale – good for the customer.

High S companies do not tend to be “big picture” companies. They often operate with a defined product in a defined market, and are often uncomfortable expanding outside this market. These companies are very employee focused, and will sacrifice the bottom line for employee issues. They are overly patient, and will spend a lot of effort trying to fix “sick puppies”. They are very slow to make a decision, accept a lot of outside input into the corporate decision process, and dislike pressure.

High S companies dislike change, and accept it with great hesitation. Meetings are reserved, yet friendly. Dissention is disliked and usually avoided at all costs. Focus is on peace and stability. Negotiations are focused on “peace”, not results. High S companies may tolerate a lot of passive-aggressive behavior (gossip, back-biting). These organizations dislike making buying decisions, and often suffer from buyers’ remorse. High S organizations often have an “Integrative” decision-making style, and are often highly matrixed. Executives tend to be promoted from internal candidates. Top rationale – good for the employees.

High C companies are usually “product focused”. Their view is usually defined by their technology, not customers or the market. They are not very people focused, but are patient with employees (not customers). They do not tolerate technical incompetence, but as they dislike people-related conflict, they will tolerate non-performance in non-technical functions for some time as a result. Decisions are made methodically and slowly. They need a lot of information to make a decision, and will often analyze a decision to death.

High C companies dislike change, and will often fight it (both passively and aggressively). They dislike buying decisions. Meetings are controlled, reserved, often stoic, with a lot of presentation and discussion. Focus is on analysis.

Negotiations are focused on facts and analysis, and “being right” is often more important than good results. Executives tend to be promoted from internal candidates, and usually have a technical background. High C organizations often have an “Integrative or Hierarchical” decision-making style. Top rationale – good technology.

Corporate Decision Style Test- HIFD

This HIFD test assesses how your company makes decisions. The two fundamental axes are whether a little or a lot of information is needed, and whether the decision has a "single outcome", e.g. corporate mission, or has multiple outcomes, e.g. how it impacts the mission, the employees, the decision maker, etc.

The 4 basic decision types are:

- Hierarchic
- Integrative
- Flexible
- Decisive

This corporate decision style is probably the most important thing to understand, especially as relative to your decision style, and the impact on your influence and success. Be sure to read the explanation of your decision style, as some of the key points are not repeated here.

We have summarized important Cautions below.

Hierarchic organizations have a clear "chain of command". The demands of the corporate mission are most important. Decisions require lots of supporting information, but are focused on a single operational result. Documented communication and recordkeeping are valued, as people in key positions are expected to change frequently. They have a moderate tolerance for risk – document your decision, get "sign-off" from your superior, and go. Promotion is based on competence and longevity. The Military is a good example of an organization where this decision style thrives.

Integrative companies are often "functionally" organized, and frequently "re-organized". Decisions require lots of information, and consider many diverse outcomes and impacts. Decisions take a long time, since getting "consensus" from each of the separate functions in the face of the often conflicting demands of the customers, employees, families, etc. is difficult. They have a very low tolerance for risk. Promotion is based on political skills and trust – with incompetence tolerated. Integrative companies are not entrepreneurial, and thrive in stable or slowly changing markets. Many very large companies become Integrative over time (e.g. Ford, GM, GE), having to balance needs of customers, unions, finance, government, etc. If you have a "dotted line" to a second boss, you are in an Integrative company.

Flexible companies often have a charismatic leader who makes all the decisions. Decisions require little information, but consider multiple outcomes (especially

the conflict between the mission and the needs of the decision maker). They have a moderate tolerance for risk, and will often unwittingly "sink the ship". Promotion is based on how well you are liked by the charismatic leader, and how well you "get along" in the organization. Many "artistic" and non-profit organizations are Flexibles. This decision style is unusual for successful "for-profit" companies.

Decisive organizations are results focused, with the mission and bottom line highly important. Decisions require little information, and are mission focused. These organizations tend to be organized around products and projects, with empowered teams forming to achieve specific goals. Managers are held accountable for results, and replaced if they do not deliver. Decisive organizations have a high tolerance for risk. Promotion is based on competence. Many entrepreneurial organizations are Decisive, as their success depends on making good decisions without a lot of information.

Corporate Decision Style Cautions

Companies, like people, are often most comfortable with others who are similar. The normal process of promotion tends to self-select those with common decision styles. **It is not-unusual to find that all top management in an organization has the same decision style**. (E.g. Decisives will hire and promote other Decisives, because they admire the single focus and the ability to make a decision with insufficient data).

In our testing of management groups, we are astonished about the concentration of Decision styles, which is often completely unique. This is VERY IMPORTANT to understand, and is often the reason why corporate acquisitions result in key acquired people leaving the organization. ("I like Joe, he built a good company, but he is too quick on the draw. He doesn't take the time to analyze his decisions before he makes them"). This is also the reason why hiring a new CEO often results in him bringing in all his "friends", who have a similar decision style, to replace existing management. ("This single focus is an issue. We need managers who can respond to the diverse needs of all our stakeholders").

Be conscious of this, as this lack of diversity may not be most appropriate for your business. Recognize that if your decision style is not aligned with your corporation, your chance of promotion is sharply reduced.

Corporate Ego - PAC

Like it or not, your corporation often adopts an ego state. This ego state defines how the company interacts with people – employees, customers and suppliers.

The 3 basic ego types are:

- Adult
- Parent
- Child

To better understand the corporate ego, please be sure to assess your own Human Interaction Test and read the explanation.

Adult (A) is the only really healthy ego for the corporation, where goals are clear and measured and employees are empowered and held accountable – much like dealing successfully with your teenager. Adult companies have clear measurables, and rewards linked to performance. They constantly benchmark themselves against best-practices, and relentlessly seek improvement. Unfortunately, these companies are not a common as one would wish.

Both Parent ego states are common.

Critical Parent (CP) corporations are constantly critical of efforts, regardless of the results. Employees may be in a state of mild fear. Good performers tend to leave quickly, because their successes are not validated. These companies employ “boomerang strokes”, and will find consultants to teach this practice. CP companies are often dismissive of their customers, and will change suppliers frequently. This CP state can sometimes be effective in a crisis, but seldom works well over a long term

Nurturing Parent (NP) Companies spend a lot of effort “nurturing” the needs of their employees. They tolerate meritocracy. Incompetents are relocated to another job inside the company with the hope they will improve. Good performers leave eventually, because the attention of the company is on “fixing” the sick puppies rather than rewarding competence. These companies often tolerate personal relationships between employees (family members, affairs, etc). NP companies tend to be loyal to suppliers and customers, even the bad ones. Family businesses are often NP.

Child Companies show up in all 3 varieties, although less frequently than Parent and Adult.

Natural Child (NC) companies are often focused on their “toys”, such as corporate jets, big boats, extravagant outings, comely young assistants, etc. These toys are often discussed on a regular basis, and access to these toys is

an indication of corporate success. Eventually, these toys show up in the "auction" pages of the Sunday classified.

Rebellious Child (RC) companies are often focused on "doing it differently" from everyone else in the marketplace. They do not benchmark against best-practices, but rather believe their way is "better" (often in spite of market data to the contrary). Many companies in a "startup" mode are RC's, either because they are started by a person with a high RC (usual), or because the market window is really open for a new approach (unusual). To succeed in a RC company, you have to drink their cool-aid, or just "think different".

Adaptive Child (AC) companies are often "divisions" of a remotely located Parent company. The Parent company is usually a CP, (as this gets the AC response). Everything in the company has to be "cleared through headquarters". Managers tend to be detailed-process types. These divisions get sold a lot, rotating among a cadre of CP corporate buyers, until a more competitive ego puts them out of business.

Corporate Communication Style - VAK

Your corporation has a preferred communication style. This communication style governs how information is gathered to support a decision, or to present the result of a decision. Because this is usually set by the "boss" of a group, there may be differences between divisions of a company, or between your division and "the top". As with decision style, communication style is a big factor in promotions. We have summarized important Cautions below.

The 3 basic communication types are:

- Visual
- Auditory
- Kinesthetic

To better understand the corporate communication style, please be sure to assess your own Communication Style and read the explanation.

Since it is common to have diversity of communication styles within a company, it is important to learn how to recognize a preferred style, and adapt. Again, when in doubt, use all three. ("What do you need to see or hear to be comfortable making a decision?")

Visual Companies tend to communicate in writing. They like charts and graphs. Measurables will be simple, easy to understand, and prominently displayed. They love PowerPoint, and almost never give a presentation without visual support. Presentation pages tend to be crisp, clear, and simple. Information is collected in group meetings, for a decision which will be communicated later. They are comfortable presenting decisions to very large groups.

Auditory companies tend to communicate verbally. They like data, tables of numbers, rather than charts and graphs. They use complicated measurables, often difficult to access. Decisions are made in group meetings by "talking it out". Auditory companies are quite comfortable communicating a decision to a group through e-mail and computer systems.

Kinesthetic Organizations need to "touch" the issue, and get a "feel" for the outcome. They love to host long meetings, often without arriving at a decision. They need to "visit" a supplier to make a decision. They often avoid measurables (to avoid any conflict of real data with their feelings). They tend to promote people they know well. They do not manage multiple locations well, and prefer large central headquarters. Communications to the organization are accomplished by releasing information to an effective "grapevine", which usually precedes any formal announcement.

Corporate Communication - Cautions

Companies, like people, are often most comfortable with others who are similar. The normal process of promotion tends to self-select those with common methods of communication. It is not-unusual to find that all top management in an organization has a similar VAK method of communication. (E.g. Visuals will hire and promote other visuals, because it is easy to communicate and "see" the issues).

In our testing of management groups, we are astonished about the concentration of VAK styles, which may be <u>twice normal</u>. (This, however, is not as severe as the concentration of Decision styles, which is often completely unique). Be conscious of this, as this lack of diversity may not be most appropriate for your business.

Corporate Culture - OPC

While there are many items that define corporate culture, we have focused on the key aspects that define your competitiveness in your market, (rather than the "touchy-feely" items that have to do more with employee morale, that are usually referred to under this concept).

The basis for this assessment is the observation that companies come in three basic types, and that the best companies "meet standards in all areas, but choose one area with which to compete". These company types are:

- Operational Excellent (O)
- Product Leadership (P)
- Customer Intimacy (C)

These tests attempt to determine first what you "perceive" or want your company to be, and then to check how your key people and core processes are aligned with this perception.

If your scores are high in more than one area, you may have a conflicting focus in the company. If the scores of the "Perception" and the "Operating Model" are significantly different, then you may have severe problems implementing your mission, as your organization is not structured to support it. Problems often arise when a company is trying to have a particular focus (e.g. new product development), but their people and core processes do not support this focus efficiently.

In the best companies, there will be agreement between a single perception, and the operating model

Operationally Excellent Companies ("O") compete on the best total cost for a product or service, quality, and ease of purchase. They have a slow response to market change. They focus on producing a quality product reliably, and understand the importance of delivering to the customer's expectations. They have "team people", and seldom have any "superstars". They tend to purchase or license technology, rather than develop it internally. They have lots of well documented procedures, and spend significant time and $ on training. They often have a large investment in fixed assets. These "O" companies can be quite bureaucratic and resistant to change.

The Operating Model for these "O" companies focuses on reliable and efficient production systems. The culture abhors waste, and rewards efficiency. Operations are standardized, centrally planned, and tightly controlled. The culture is one of "teamwork". Information systems are centralized, and focused on transactions. Manufacturing and production is "king" internally. These

companies often have a proprietary production process. They are "today" focused.

Examples of "O" companies include: Fedex, Costco, McDonalds, Hertz, Dell, Microsoft (yes, I know this is tough), and the US Military. ("You want a building taken down in Iraq? – We can do it more efficiently than anyone else".)

Product Leadership companies ("P") compete on products and technology. They plan their research and product introductions carefully. They relentlessly obsolete their own products, and are often their own fiercest competitor. Their products may be expensive, but the customers will pay the premium to get the technology. They employ "A+ people". PhD's abound. They have a quick response to a change in the market, and develop their own "proprietary technology". They have a large investment in R&D. They avoid bureaucracy at all costs. Their structures are flexible, with "killer teams" forming around new product development.

The Operating Model for these "P" companies is a focus on invention, product development and market exploitation. They have loose business structures, and entrepreneurial teams. Management is results driven, and does not punish "out of the box" thinking or experimentation. They are future focused. They have a large tolerance for risk, and reward innovation. "Research and Development" is King internally. Recruiting top people is the CEO's top job.

Examples of "P" companies include Sony, HP, 3M, Nike, J&J, and Gillette.

Customer Intimacy companies ("C") compete to solve a customer's broad problem, and share in the result. They have quick response to customer demands. They cultivate proprietary customer relationships, as customer loyalty is their greatest asset. They have a large investment in sales staff and training. They employ relationship-focused people. Their structures are decentralized.

The Operating Model for these "C" companies is a focus on relationship management, customer solutions, and managing expectations and results. Decisions are delegated to those employees closest to the customer. Management selects customers carefully. There is a culture of deep lasting relationships. The company will know the "lifetime value" of a customer. These companies often outsource aggressively for non-core functions that the customer does not detect.

Examples of "C" companies include LL Bean, Home Depot, IBM, Intuit, Hilton Hotels, and good car dealers.

Corporate Motivational Behaviors

Many companies unintentionally destroy motivation and value by not understanding the effect of some core behaviors. Unlike personality, for which there is no “right or wrong”, these motivational have best practices well documented. Thus, we have benchmarked your results against these “best practices” to give you a score which identifies healthy or unhealthy. A score of 10 or over is good. Negative numbers are a concern. You may click on the links below for additional information

Accountability and Empowerment (AE). The best companies delegate authority to act, with the associated responsibility. This is called empowerment. If you perform well (or poorly) you will be held accountable for the results. This accountability often shows up as

Results and Rewards (RR). In good companies, these are highly linked. The best performers will receive the best rewards, and vice versa. In poor companies, the results and rewards are poorly linked, and politics and “being liked” become more important than performance. Since rewards tend to show up infrequently (e.g. bonus time), many of the rewards along the way are

Strokes (ST). Some companies give a lot of strokes, some give out very few. These can be positive (“good job”), negative (“get you’re a** in here”), or boomerangs (“nice job, but -corrective suggestion”). They can be conditional (given in return for value performed), or unconditional (“thanks for just being you”). Like any commodity, overuse devalues the product, and inappropriate use destroys the value completely.

These motivating behaviors are usually set by the company’s

Leadership (LS). Of all the facets that motivate those working in a company, the most important, and least understood by those involved is leadership. Mission statements, corporate values, etc. are worthless if the leader does not behave appropriately. Most people thrust into a leadership role do not know best practices, and no one ever tells them directly. Those who do learn, usually learn by detecting reinforcement from their team. Benchmarking your leader against best-practices gives you a way to learn what you need to reinforce (positively and negatively).

If you score highly on all of these measures, you may have an

Effective Organization (EO). An effective organization has a set of skills, attitudes, behaviors and values that make it successful. These have to be appropriate to your business, society, market, and government. However, there

are some universal best-practices against which we have benchmarked your responses, including:

- Long term view
- Strong Corporate Culture
- Common Goals and Vision
- Focused
- Decisive
- Good systems and procedures
- Clearly delegated authority to act
- Clear Measurables
- Reward structure linked to performance
- Non-Political
- Good people (no incompetents)
- Diverse
- Open, Trusting, Fair
- Strong teamwork
- Care about their employees, customers
- No micro-management

If you have actually read this far, your have my respect. Most people never make it here. If you need more information, or wish to contact me for any reason, please send an e-mail to lesgray@morganllc.com .