



## Corporate Culture – The Virtuous Circle: Corporate Sustainability and Values

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### Summary

Every company has unique aspects to their culture, both good and bad. Corporate culture is often overlooked or considered superficial. Successful organizations have a strong correlation between corporate culture, colleague engagement and company performance. Core cultural principles must be communicated relentlessly and consistently by leadership and demonstrated through behavior every day to get buy-in. IHS has a strong culture resulting from connecting the dots of the ‘virtuous circle’ of our goals (people-customers-profits-shareholder success-corporate sustainability) that is underpinned by our values. Every company should know what their core culture is today and determine what the aspirational culture of the future is in order to change people’s behavior to inspire colleagues to translate action to improving company performance.

### Introduction

When I was interviewing for a new job a little over 11 years ago, one of the first questions during the interview was “How fast is your 10km run time?”. I thought to myself, that’s an odd question in an interview. Most of the interview focused on whether I would be a ‘good fit’ within the organization with very little focus on my experience and skills as a Civil Engineer. This was the beginning of my interest in the softer side of things within organizations and how corporate culture played a significant role in colleague well-being and company performance.

More recently when I joined IHS (about 2 years ago), I had a similar experience with the culture piece being one of the key things that attracted me to IHS. Being in a leadership role, I have put a lot of thought and effort into reinforcing and supporting our culture as we evolve, create new products, and hire new colleagues. I believe every company has unique aspects to their culture, both good and bad. What stands out for me at IHS is the culture resulting from connecting the dots of the ‘virtuous circle’ (people-customers-profits-shareholder success-corporate sustainability) that ultimately results in being a sustainable organization that is underpinned by our company values.

### Theory and/or Method

#### **What is Corporate Culture and how do you create culture and grow the culture in organizations??**

Here’s the challenge when it comes to corporate culture as described by Patrick Lencioni:

*“Take a look at this list of corporate values: Communication. Respect. Integrity. Excellence.*

*They sound pretty good, don’t they? Strong, concise, meaningful. Maybe they even resemble your own company’s values – the ones you spent so much time writing, debating, and revisiting. If so, you should be nervous. Those were the corporate values of Enron.*

*Although it’s an extreme case, Enron is hardly the only company with a hollow set of values. I’ve spent the last 10 years helping companies define and refine their corporate values, and what I’ve seen isn’t pretty. Most value statements are bland, toothless, or just plain dishonest. And far from being harmless,*

*as many assume, they're often highly destructive. Empty value statements create cynical and dispirited employees, alienate customers, and undermine leadership credibility.” – Patrick M. Lencioni*

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I believe company values and goals are the fundamental building blocks of culture and principles that guide a company's actions. Corporate culture to me is about the behaviors and actions of colleagues from the CEO down to the shop floor. Behaviors and action need to be authentic and consistent to gain buy-in.

I remember hearing the term “Culture eats strategy” a number of years ago, which really got my attention.

What does that statement really mean? My interpretation was that people's behavior from a like culture standpoint will trump any well-articulated strategy if you don't have the matching culture to drive and execute it. It really is the heartbeat of an organization. On the flip side, no culture however strong can overcome poor choices when it comes to corporate strategy. Ultimately, culture and strategy have to feed each other.

Every company has a spectrum of culture that ranges from core culture to aspirational culture to accidental culture. The question companies need to ask themselves, and be honest about, is “Where does our culture lie in the spectrum and what truly is our core culture.”

### *Developing a Culture*

I have also worked for a couple startups, and one company where I was in a leadership role coming in as employee number 4. We had ambitious goals of growth and firmly believed creating the right culture was going to be a key element to our success. The first step was to write it down. At that point the culture is ‘aspirational’ and its only time that will depict what truly becomes your core culture.

### *Measuring Culture*

A big part of culture is what you see and feel. All you have to do is walk around the office of a company, talk to a few employees, and you get a real sense of the culture. Respecting everyone's contribution is key - listening to people, and accepting their feedback and criticisms. One of our key ways of doing this is through our Colleague Engagement surveys that we do each year. A good corporate culture also invests in the training and welfare of its staff and trusts what employees have to say. Everyone needs to feel that their contribution is respected in a meaningful way.

### *Fostering Culture*

At the end of the day, the corporate culture needs to foster empowered, happy colleagues who then translate that into sustainable business performance. We have to authentically live, eat and breathe these values and goals ...then repeat to be successful. Every quarterly update we do, we cover and repeat our Vision, Mission, Values, Strategy and Company Goals.

The examples below depict the strengths of our core culture resulting from our 5 core values and the virtuous circle of our 5 company goals that underpin our culture.

## Examples

### *Corporate Sustainability - Live Well, Live Wise and Live Green*

The Corporate Sustainability program is our top core element to our culture. Its approach is Live Well, Live Wise and Live Green, being the Social, Economic and Environmental aspects of the program. How does it work? We give each of our employees 3 Volunteer Days off during work hours each year to volunteer with a cause that matters to them. We have a site sustainability champion that oversees our program, has a budget and the success of the program is part of the criteria of how he or she is measured for performance at year end reviews. Beyond that, every colleague has a requirement to have at least one performance goal/objective related to corporate sustainability. A few great examples of how we are living a distinct and impactful culture as a result of the Corporate Sustainability program at IHS are summarized below.

### *Culture of Waste Management and Thinking Green*

Over ten years ago several colleagues began an internal sustainability group/movement called the 'Blue Marble Team' to look at sustainable practices within our office. This was taken to a whole new level in 2008 when we were planning our new office space and waste management practices. Through the process, we became the first LEED GOLD CI (Leadership in Energy and Environmental Design) certified commercial interior space in Calgary. As part of this, we developed a full lifecycle approach to our waste management, implementing a recycling and composting program. The program ultimately helped us save thousands of dollars, divert 75% of waste from landfills, and recycle/divert more than 55kgs per colleague per year from landfills. We eventually convinced other tenants in our building to do the same, which ultimately resulted in the building becoming LEED Gold certified. This was huge for us in the Calgary market place as a forward thinking leader, but also internally as it seeded what has now become our global Corporate Sustainability program that has put us in an prestigious elite group of companies on the Dow Jones Sustainability Index.

The City of Calgary recently announced new city by-laws that were just passed that will require all commercial and industrial business over the next couple years to have similar diversion systems in place with the ultimate goal of eliminating 80% of waste from landfills. We were profiled as a best practice in the media recently:

Web and TV clip: <http://globalnews.ca/news/2267246/city-of-calgary-approves-recycling-fine-for-businesses/>

New City By-law changes: <http://www.calgary.ca/UEP/WRS/Pages/Commercial-Services/ICI-Project.aspx>

*Culture impact: Our culture of being open, innovative, forward thinking (sustainably) and the belief that no idea is too small is a great example of how an empowered employee through culture can have a significant impact on an organization.*

### *Culture of Innovation, Industry Sustainability and Goodwill/Brand - Transition Training Program: Helping our Industry Community in a down market*

Early in 2015 as the commodity prices for Oil and Gas were rapidly declining and we witnessed our friends and industry colleagues losing their jobs, we saw an opportunity to help our Energy industry community through complimentary technical training for our software products (content/data browsing, geoscience and engineering software products). The premise of the training was that any empty seats could be filled by someone in transition (unemployed, new grad or recently relocated from overseas). There were several drivers that supported this:

- Innovative Customer First program offering practical and tangible assistance (complimentary training) to energy professionals experiencing a career transition in a down energy market.
- Positioning IHS as a good-will and good partner leader with a view to strengthening our market position, brand, and business opportunities now and into a time of sector recovery.

- Leveraging BAU budgets, resources and facilities while protecting existing revenue streams associated with training deliverables
- Supporting IHS Corporate Goals including Business Sustainability and included in the recent RobecoSAM / Dow Jones Sustainability Index reports.
- Supporting cross functional business strategies including stronger connections with Universities and Industry Societies; additional training support for new software releases; sales and renewals, and exposure of Energy Insight Content.

We received a great initial response and decided to extend this program to a 'Summer Camp' where we provided a week of complimentary training for all our Content, Geoscience and Engineering software products during what is typically a slow period of training. The summer camp proved to be very successful seeing close to 100 people take advantage of the training opportunity. In reviewing lessons learned and future opportunity, we extended a Fall Training camp, and to date the program has trained close to 600 people in transition and delivered more than \$250k in training value to our industry colleagues, enabling them to improve their analytical skills, maintain professional designations through gaining Professional Development hours, and be better prepared for the next job opportunity and market improvement.

*Culture impact: The culture impact is empowered innovative thinking led to pitching and developing the program, supporting our social sustainability component of our corporate goals, and is creating significant marketing/branding and goodwill within our customer base and people in transition.*

## **Conclusions**

Corporate culture is often overlooked or considered superficial. When you look at successful organizations, you'll always find a strong correlation between corporate culture, colleague engagement and company performance. The core cultural principles must be communicated relentlessly and consistently by leadership and demonstrated every day to get buy-in. Nothing brings more discredit to our culture than leaders who don't walk the talk.

Being a successful company and a great place to work with an identifiable culture doesn't happen overnight and becoming one is a slow process of building credibility of company values. Every company should know what their core culture is today and determine what the aspirational culture of the future is in order to change people's behavior and inspire colleagues to translate action to improving company performance.

## **References**

Lencioni, Patrick "Make your values mean something", <http://www.yoursmileteam.com/new-team/values-lencioni.pdf>