

## core ideology

Real clarity of purpose and values is essential to enable change to occur without threatening the identity of the organisation.

## 3. CORE IDEOLOGY

## PURPOSE, VALUES AND BEHAVIOURS

On day one, the core ideology is simply the belief system of the founding entrepreneur and this will have a significant impact on any culture that will develop within the business. But over time, it needs to develop into a shared belief system: a shared view of the purpose of the organisation, the principles (values) that will guide its decisions over time, and the behaviours that people are expected to display.

There have been countless studies each concluding that a shared purpose and lived values (key components of an organisation's culture) are essential to the sustainability of a business<sup>[4]</sup>. We observe a number of reasons for this. First, it helps to engage both the emotional as well as rational energy in people as they come to work. They are working for a purpose broader than making money and it releases the discretionary energy that is in their gift to apply to their workplace. Second, having a clear set of principles helps organisations to respond to difficult situations and make the 'right' rather than tactically convenient decisions. Third, because of the high shared belief in the business, accompanied by appropriate support, it provides the basis for a healthy culture: one that supports learning, creativity, collaboration and appropriate risk taking. This all builds capacity in the organisation and crucially enables a greater level of delegation, leaving the leadership with time to think about the future and focus on priorities.

Purpose, values and behaviours authentically articulated and lived form the basis for a culture that can endure. Often described as the 'soft' side of business (probably because it is difficult to attach commercial value to it directly) but we believe it is 'hard', it needs an investment of effort to embed it. But the results are worthwhile. Don't take our word for it, as Howard Schultz the CEO and founder of Starbucks said "When you're surrounded by people who share a passionate commitment around a common purpose, anything is possible" [5].

Nothing distinguishes an organisation like its actual culture. Take two businesses in the same industry and, despite the commonalities, a wander around their facilities will reveal different behaviours and ways of thinking about what they do, and how they do it. Culture is one of the very few things that no competitor can copy. Whereas a competitor can copy a strategy, business model and your products and services, copying a culture is not possible.

Imagine a whole organisation with a set of actionable and measurable behaviours valued by external and internal customers alike. We believe that enduring organisations understand that systems, processes and organisation is not enough. In fact, the systems, processes and organisation needs to be built around the culture required for commercial success, not the other way around [6].

'I found it extraordinary that after years of providing what can only be described as a workaday experience for customers, when we started to explore the desired culture, our people demonstrated a passion around hospitality and all we had to do was capture the spirit'

Tapping into what is really important to people has released an energy in the business that has led to improved productivity and a happier work environment. Our culture is key to our ongoing competitive performance.

or

'We have done the obligatory purpose and values and we have posters all over the shop. But when the chips are down, it's all about shareholder performance and we can't always observe the espoused values'