

Practical recommendations to develop a strong corporate culture



Understand culture

Conduct a culture audit or assessment

Obtain a clear picture, and therefore a better understanding, of the positioning of your organisation's culture. Examine the formal drivers of culture – leadership; strategy; corporate responsibility; people management; resource management; process – and evaluate your findings against the perceptions of your employees and other stakeholders (eg customers, suppliers). Where are there gaps, or misalignment? Then look at your strategy and ask: is your culture enabling your strategy? Or is culture holding your strategy back?

Make sure any audit of culture looks at operating effectiveness and not simply design effectiveness. Involve a sample of people across the organisation and obtain their views as to what it is really like on the ground. A good culture should not only be good on paper – it should work for, and be felt by, everyone.



Set culture

Set a code of conduct

This is a fundamental bedrock to establishing a strong corporate culture. If the behaviour expected from all employees is clearly defined and accessible for all, it provides parameters for what corporate culture can and cannot encompass.

Create open channels of communication for culture to flow

In India, boards and businesses are investing in resources to institutionalise culture throughout the organisation through activities like town hall meetings, periodic training sessions, and opportunities to discuss the code of conduct once it is set.



Test culture

Test culture with real life examples

Culture is as much a spirit and a sense of how things should be done, as a set of policies and procedures. By attaching culture to solving an existing business problem, this can test the culture in real life rather than exploring it in theory – and make sure that the culture is working for the challenges your business faces, rather than against it.

Factor culture into ongoing risk governance

Board members have responsibilities when it comes to risk, and assessing behaviours and processes through a risk lens helps to maintain corporate culture. Business leaders tell us that conduct of senior management teams is an important driver of reputation. If boards uncover behaviour which could derail culture, it should be captured as part of risk assessment activity.

Ensure cultural alignment with key stakeholders

Respondents to our IBR research told us that boards worldwide are thinking about the culture of their customers and their suppliers when they do business with them. It illustrates a recognition that those external stakeholders you deal with can affect your brand and reputation if you are associated with a stakeholder who ends up making headlines for the wrong reasons.



Refine and improve culture

Develop strong relationships with senior management

One role of a board is to understand how the leaders it oversees articulate the culture of the organisation in their own words. Consider spending more one-on-one time with senior management, getting to know them and asking behavioural-based questions to see how culture plays in the things they do every day.

Explore ways to boost the diversity of your board

Some respondents believe that bringing younger employees into board discussions could help boards embrace digital change. In the UK, the average age of a non-executive director on a FTSE 350 board was 60.¹ Diversity may also help culture embed right throughout an organisation. In the UK last year, the Prime Minister Theresa May chose not to make worker representatives on boards mandatory, but did say “some companies may find [this model] works best for them”. More broadly, research² conducted by Grant Thornton has found that greater gender diversity improves decision-making and improves how senior teams deal with risk.

Set targets – make culture an actionable corporate objective

Encourage leadership teams to include culture as a strategic objective. Doing this gives leaders extra accountability for ensuring culture is embedded properly. Feedback received in South Africa indicates that embedding the organisational culture in the middle and lower tiers of the business is a challenge for boards and does not take place to the extent that it should.

Focus on the future as well as the present

Alongside overseeing day-to-day activities, part of a board’s responsibility is to make sure the business they govern is either equipped to meet future challenges, or is taking steps to react and become equipped. In order to establish this sustainability, look at the role culture will play in the years ahead.

“Diversity may also help culture embed right throughout an organisation.”



¹ Grant Thornton Corporate Governance Review, 2016

² Grant Thornton Women in Business report 2017 – <https://www.grantthornton.global/en/insights/articles/women-in-business-2017/>



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