



Human Resources for Small Business

An occasional series

No: 1

Culture and Strategy

You've probably heard the terms "culture" and "strategy" used before in the context of business, but have thought, "What on earth do they mean?". And maybe you've even thought, "Well, whatever they are, they can't be all that important because my business is successful and I've never bothered thinking about culture and strategy".

But in actual fact, everyone in small business has a cultural and strategic side to their business: it's just that we mightn't be consciously aware of them or mightn't have verbalised them. For example, if we decide to lease rather than purchase some computer hardware, we've made a strategic decision; and if we decide to support leukemia research by having everyone shave off their hair, we've made a cultural decision.

One way of understanding what culture and strategy are is like this: the strategic side of your business is typically what a business adviser can help you with (eg., marketing initiatives, profitability, productivity, budgets) and the cultural side is typically what a HR professional can help you with (eg., leadership development, identification and articulation of values, performance management). So we could say, the strategic focusses on "business matters" whereas the cultural focusses on "people matters". There must be an alignment between the cultural and the strategic, and both must support our mission or vision of where we want our business to be.

Culture is very important to business success:

Your competitors can copy your product, your marketing, your systems, your strategy, but they cannot duplicate the unique competitive advantage of a high trust culture of committed people aligned to a common vision. Organisations and nations that understand this will literally leapfrog their competition.

Steven Covey, 7 Habits

Just as there are various levels of the strategic (strategic goals, tactical goals, and operational goals), so there are various levels of the cultural and also a major division within the cultural. The major division within the cultural concerns what we call "compliance" and "development". Compliance issues are what people typically think of when they think HR: OH&S, EO, Employment Agreements, etc. But the development side is just as important: identification and articulation of the values that determine our practices and behaviours, leadership development, team development, etc.. The division between compliance and development is somewhat artificial because they are intimately linked. For example, we are unlikely to have a successful and effective OH&S program if we do not have the value of putting people first, and one way of "walking the talk" when it comes to putting people first is to have an effective OH&S program.

At Nexus we work with organisations (and in particular SMEs) to help them develop the cultural side of their business to give them a unique competitive advantage. We can supply you with the names of organisations who can attest to the success of this approach.

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