Corporate Culture: Go Beyond Buzzwords



By Erin Meyer INSEAD

Terms like "integrity" and "respect" sound good - until the dilemmas start.

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At one of my first workplaces, employees were handed wallet-sized plastic cards listing the company's values: "Transparency, respect, integrity, honesty." We were instructed to memorise them, and for good measure, they were plastered on posters throughout the cafeteria. The irony? The following year, management was indicted on 17 counts of conspiracy and fraud.

It's long been recognised that managing corporate culture is essential to business success. Yet, as my former company demonstrated, the words defining a culture don't always align with reality.

As a professor and business adviser for the past 20 years, I've explored why companies often struggle to build a strong culture*. Why do so many fail to shape employee behaviour? One major reason is that culture statements are often too abstract, leaving employees uncertain about how to act when

faced with ambiguous situations. Let me explain – and share three key recommendations to address this issue.

1. Avoid pious platitudes

One of the biggest mistakes companies make is defining their organisational culture with abstract, universally positive terms like integrity, respect or trust. While there's nothing inherently wrong with these values, they're so widely accepted that they lack impact. After all, have you ever encountered an organisation claiming, "We prioritise corruption"? When culture statements rely on absolute positives, they risk becoming so generic that they're unactionable and fail to resonate.

The key to igniting a desired culture lies in framing it around the real-world dilemmas employees regularly encounter and providing clear guidance on how to address them. Instead of something vague like "Always do the right thing," say, "When there's a fork in the road, turn left." Let's explore an example.

You and your boss are in discussions about a possible organisational change that would impact your employees in a few months. Although no one would lose their job, many things would be shifted around, and your employees would have new colleagues and bosses. The details are still unclear. In fact, there's a 40 percent chance that the day-to-day lives of your eight employees won't be altered at all. So, what should you do? Will you tell your employees these discussions are taking place?

Your first option is to stay silent. Since no immediate changes are certain – and there's a good chance nothing will happen – why risk distracting your team? Premature disclosure could even prompt some employees to leave, causing unnecessary instability.

Or you could share this information openly, being clear about the ambiguity of the current situation. In sharing openly, you would foster a climate of transparency and trust. Plus, if you don't address the situation, rumours might start circulating, potentially eroding morale.

I've posed this dilemma to hundreds of managers across dozens of organisations, and the results are almost evenly split. In other words, both options are reasonable and defensible. As a company's leader, the question is: What approach would you want your employees to take in a situation like

If your primary goal is stability, your culture statement might be: "We value focus to achieve more." On the other hand, if transparency is your priority, you could say: "In this company, we share what we know, even if it risks causing discomfort."

2. Test for actionability

If your company culture is already expressed in abstract terms, it's worth assessing whether those statements are actionable enough to guide employees in challenging situations. Consider it a stress test for your culture's practicality.

Take Company A, an international healthcare conglomerate. One of its stated values is: "It's simple. We care. How we work is just as important as the work we do. We help and respect each other." While this sounds admirable, it's unlikely that many managers are genuinely unsure if they should demonstrate care for their team.

Contrast this with Amazon's value statement: "Have a backbone: Disagree and commit." These six words offer clear guidance for resolving real-world dilemmas. Should you tell your boss that you strongly dislike the ad campaign she's leaning toward? Framing the dilemma around caring for or respecting each other doesn't provide much clarity. But at Amazon, the answer is straightforward: Speak up, present your case for another campaign and then commit to the final decision once it's made.

Now imagine you're a film cartoonist debating whether to share some very preliminary work with your colleagues. On one hand, you don't want to waste their time; on the other, you risk heading down the wrong path if you keep working in isolation. If you're at Pixar, the decision is simple as one of its core values is: "Regularly share unfinished work."

Sometimes, a small wording tweak can shift a statement from abstract to concrete. For example, TutorX, an online learning platform, transformed its value statement from "We do it for the students" to "We put the needs of the students before the needs of the tutors." The revised version provides clearer, actionable guidance.

3. Embrace vivid imagery

Images stick in our minds in a way abstract words simply can't. If I ask you to recall the words "honesty" and "jellyfish" a few days from now, chances are you'll remember "jellyfish." But if I describe the jellyfish as glowing like a neon sign and swaying like a ghost in the water, it transforms into something truly unforgettable.

Consider the idea that teams can grow too large, undermining collaboration, individual accountability and effective decision-making. Amazon tackled this issue with a simple and memorable solution: the "two-pizza rule." If a team can't be fed with two pizzas, it's too big.

Another vivid example is Airbnb's "Elephants, dead fish and vomit" metaphor. These five words capture the idea that leaders should confront the unspoken issues everyone knows about (the elephants), the unresolved problems that will soon stink (the dead fish) and the frustrations people need to vent (the vomit). Now, compare this to a generic statement like "We deal transparently with problems." Does it have the same impact? Not even close.

When defining your culture, avoid abstract, lofty absolutes that fail to address the tough ethical challenges employees face. Instead, craft statements that provide clear, actionable guidance for resolving real dilemmas specific to your organisation. And once you've done that, don't let your efforts fizzle out in dull, forgettable language. Frame your key points in edgy, even counterintuitive terms. This will make them stick and help employees remember what's truly valued in your company.

*This is part 1 of a <u>two-part series</u> on the art of building corporate culture, adapted from an **article** originally published in the Harvard Business Review.

Find article at

https://knowledge.insead.edu/leadership-organisations/corporate-culture-go-beyond-buzzwords

About the author(s)

Erin Meyer is Professor of Management Practice in the Organisational Behaviour Department at INSEAD. Erin is the Programme Director for INSEAD's executive development programme **Leading Across Borders and Cultures**.