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Business Culture Affects a Company's Strategic Success

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BOISE STATE ON BUSINESS

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How do you get success out of your company? In their recent book 'Hard Facts, Dangerous Half-Truths & Total Nonsense,' Jeffrey Pfeffer and Robert Sutton quote Richard Kovacevich, former CEO of Wells Fargo, as saying, 'What actually provides competitive success is not so much knowing what to do -- deciding on the right strategy -- but instead having the ability to do it. ... I could leave our strategic plan on a plane, and it wouldn't make any difference. No one could execute it. Our success... has to do with execution.' The ability to do it is found in business culture and, more



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success. They worked in a variety of industries, from health care to retail. Our sample of companies exhibited three types of cultures: bureaucratic, competitive and entrepreneurial. The bureaucratic culture is tightly controlled by formal rules and policies. The competitive culture is result-driven with an emphasis on goal accomplishment. The entrepreneurial is committed to responding to market opportunities with innovation.

How did these companies' business culture with success? Our results showed that business culture must be guided by strategic priorities and controlled by performance measures that support business strategy.

Strategic priorities should be developed and translated into strong vision and mission statements that constantly guide employees about the company's principal purpose. Performance measures define the key customer and operational metrics that support this purpose. These metrics provide the mechanism to control employee actions within the company's priorities.

BUREAUCRATIC BUSINESSES

A bureaucratic business should rely heavily on adherence and control of its employees with dashboards of key metrics that reflect rules and policies. However, our results showed that bu-

reaucratic businesses that experienced below-average success did not use a dashboard tool. If these businesses could adopt and increase dashboard use, they may improve performance.

COMPETITIVE BUSINESSES

It was interesting to see how the results of our survey showed that many competitive businesses with below-average performance relied heavily on dash-

boards, a business tool that emphasizes employee adherence and control through metrics and target setting. The highly successful result-driven businesses in our survey used the query and analysis tool for much

improved business performance. Users interact with business information, pose questions and find answers that lead to results.

ENTREPRENEURIAL BUSINESSES

Our results showed that many entrepreneurial businesses used dashboards, and this led to below-average business performance, and in some instances business failure. Our results also showed that successful entrepreneurial businesses benefited from using the data modeling and assessment using this tool suggest new initiatives that can be exploited by the entrepreneur.

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