Brazilian companies rush to "adjust" internal culture

São Paulo - Every three months the president of the bank Votorantim (http://www.exame.com.br/topicos/votorantim), João Teixeira, and three of the 15 company directors dedicate a morning to a meeting that does not address financial or other numerical indicators.

Over four hours they hear 17 representatives from all areas regarding terms until recently foreign to the internal vocabulary, such as "mental models" of employees that help or hinder the implementation of the bank's new strategy.

The information for the meeting come from the monthly monitoring these executives make more than a year with more than 300 employees from different hierarchical levels. The background is the discussion of the bank's culture. Here is one of the most difficult concepts to define the management - but at the same time critical to the success of companies.

Culture is the practical manifestation of the company's values. Companies with strong culture are often seen as superior - to be able to perform the efficient strategy. The problem is when figures are one thing; and practice another. The Votorantim bank is just in the process of trying to connect the two ends - that is, to correct their culture.

At the end of the last decade, a series of management errors culminated in record debts and losses. As a result, a curveball changed one time stock control, much of the dome and, finally, the company's strategy.

Teixeira took over the bank at the height of the crisis in 2011, shortly after the Bank of Brazil became a partner of Ermírio de Moraes family and now holds 50% of the company's shares. In the first three
years, he lived what he calls "survival mode," an intense period of cost cutting. Since the end of 2014, the effort has become the definition of a new strategy to grow back at a profit.

Many of them, however, conflict with habits cultivated for decades. An example: the product team for retailers could start offering loans to employees of corporate clients of the wholesale area. But a modus operandi sedimented for decades, people from different areas simply did not communicate.

Part of the work with the 17 "ambassadors" of the new culture is to monitor whether such taboos are giving way to a new way of working. "In the last two years we have worked to avoid traditional aspects of the bank's culture play against the strategy," says Teixeira.

A survey conducted by organizational behavior expert Betania Tanure, and obtained exclusively by EXAM shows that the concern of Banco Votorantim directors coincides with that of many other executives of Brazilian companies currently. In a sample of 2,000 executives from 500 large companies, 69% of respondents say need a strategic change.

The problem: many of them do not believe that the current corporate culture to be able to get it out of the paper. It is a dilemma as old as the existence of large corporations. When it comes to people management, talking is the easy part. Difficult is to get people actually do what needs to be done, especially when it is necessary to change ingrained habits.

One of the most famous phrases of the legendary management guru Peter Drucker is: "Culture eats strategy for breakfast." In free translation: "Culture can sabotage any strategy." In theory, the equation should be simple. The board outlines a new strategy, then writes a mission and a handful of consistent values.

The values are incorporated into the routine of employees and thus help to form a new culture. Several studies around the world, however, reveal that this process is far from being so harmonious. One of the most extensive surveys in this regard was conducted by business school experts Fuqua, Duke University.

Between 5000 executives from major American and European companies, more than 90% say that culture is important to the results. But only 15% say that the current organizational culture is optimal. For the authors, it only arouses attention when something goes very wrong.

An example: when the German automaker Volkswagen acknowledged that fraudava systematically data on the fuel consumption of its cars. "Usually only after the bad results appear there is awareness of the inadequacy of culture. And culture, in practice, does not change quickly," says Betania.

Tell yourself the favor of the majority that if there is a consensus on the subject, is that forging an effective culture is far from a simple task. The first difficulty: it is there and is a vital condition for the machine continues to function. But no one can see it or touch it. It is ingrained in the behavior of all employees and the way decisions are made.

A global survey by Deloitte about 7,000 executives this year reveals that less than a third of them said fact to understand the concept of culture. Lou Gerstner, the executive who straightened legendary IBM technology giant in 90 years, say it is easier to recognize than to define a company with a strong culture. In these companies, the signs of it are everywhere.

Instead of parading the usual platitudes about working philosophy, the online retailer Amazon has a document with 14 commandments for his team. According to a recent report in The New York Times,
an inside joke says "amazonianos" follow so faithfully the so-called leadership principles that usually pass them on to their children.

The symbols of the culture that preaches innovation (http://www.exame.com.br/topicos/invovacan) and continuous questioning are the details: one of the company's buildings bears the name of "Day One" as a reminder that every day should be like the first existence of the company.

Meetings do not start with PowerPoint presentations - but with about half an hour of silent reading six pages of text prepared for who will lead the meeting. "When you have to express your ideas in complete sentences and paragraphs, you must have more clarity about their ideas," said founder Jeff Bezos.

"The culture of a company is created slowly, over time, by people and events. For good or for bad, is something stable, lasting and difficult to change, "Bezos wrote in his letter to shareholders this year. Sometimes the determination time to crystallize beliefs and habits seem to border on religious fanaticism.

This is the case of the American retailer Zappos shoes, bought by Amazon in 2009, but remained independent management. All employees spend the first three weeks of work in the call center, serving customers. After this period, the company offers $ 3,000 for the newly hired leave the company if you have not identified with the working style.

Every year, employees jointly write a book, open to the public on the Internet about what they think about the company's culture. Reed Hastings, founder of American Netflix considers its so important culture that has put together a presentation of 124 pages to detailing it. The document has already been viewed almost 15 million times since 2009.

The American researcher James Heskett, emeritus professor at the business school at Harvard University, was one of the first to establish a direct correlation between culture and financial results. Over the past 30 years, Heskett analyzed data from more than 200 companies inside and outside the United States.

According to him, an efficient culture positively influences non-financial aspects of the business - such as employee retention, customer relationships and consumer loyalty to products and services.

The conclusion was that almost half of operating profit difference between some of the companies and its direct competitors is due to culture. "Several aspects enter the account, such as retention and employee productivity," said Heskett EXAME (see interview on p. 78).

**Life or death**

If you create an effective culture is not easy to change it it is even more complicated. Human nature plays against. Even in matters of life or death, change usually means a herculean effort. US statistics show that only 20% of patients with heart problems adopt new habits necessary to increase your life expectancy.

Those who venture into a culture change process should know that this is a long way. Second, talk is important, but not enough. Attitudes tend to be more eloquent. This is shown by the emblematic attempt Itaú bank to take the weight of your hierarchy in the last decade. The bank closed the doors of the "bowtie", exclusive restaurant for supervisors and managers, disabled in 2008.
Now employees midlevel make meals with their subordinates. At the same time, Roberto Setubal, president of the bank, sent an email to all employees in which he asked to be called simply Roberto - in place of the pompous "doctor" Roberto.

Since 2010 he leads the so-called "leaders meeting", which brings together 6,000 executives religiously once a year to discuss the "Itaú way of being." It's something new within what was once a much more staid and formal environment. Executives and EDP generating energy distributor in Brazil found in practice that this process requires persistence.

The first subsidiary of effort to unify the culture of its operations, formed after a series of acquisitions, occurred in 2005 when the company began to be publicly traded. It all happened in a few weeks. First, the directors got together and thought a set of values.

The list was published on the intranet and printed on badges. "Over time, it was something that was there, but no one remembered that existed," says Miguel arrows, president of the company in Brazil. To exit the speech and have practical effects, the new attempt to training culture, which began in September 2014, was different.

Instead of just communicating over 6000 employees on the mission and the values established for the company, the board decided to consult them. In a survey, everyone - from electricians to staff offices - had the chance to point out the most frequent problems in the workplace. "Usually you spend a week to define a mission," says Arrows.

"It took eight months to hear everyone." In other proportions, something similar happened in the Dotz loyalty company. For three months, a series of interviews with many of the about 300 employees helped identify that there was a single view among them about the purpose of the company. "The survey made it clear where the critical points were," says Roberto Chad, president of Dotz.

No "allies" of the process to maintain constantly active discussion among employees, it is very likely that the matter soon to be forgotten. In the case of EDP, they were recruited volunteers from several levels to conduct periodic meetings to discuss the values and ways of putting them into practice. Initially, the directors had wanted at least 100 interested.

Today there are 200 of them, specially trained for the job. Not all meetings were a success (http://www.exame.com.br/-topicos/sucesso) . But things when Miguel arrows, the president made a surprise appearance at some of them. "It's hard to make a spontaneous adhesion of the whole team, so the example of the leader is key," says Luis Gouveia, organizational culture director of EDP.

The very choice of these cultural ambassadors takes into account the logic that the example is everything. Among the volunteers, only those who were considered copies were accepted.

In the building materials maker Duratex, which initiated a similar process in mid-2015, the multipliers selection criterion was the same - were selected 16 employees to coordinate monthly meetings from October. Their task is to go deep into the reasons that can make it difficult to change.

"At the time of change, many say, 'What do I get it? I have been doing my part,' "says Marcelo Linardi, relationship manager with Banco Votorantim customer and one of the 17 elected" cultural ambassadors ". New performance evaluation parameters and distribution of bonuses often compelling incentives.
EDP, there were only financial targets to mark these two processes. Today, more than 3000 employees are assessed according to indicators such as customer satisfaction and supplier development, identified as critical points of the company culture. When the work can be closed? In general, the extra effort to strengthen a new culture lasts two to three years.

Hold "ambassador," for example, it is healthy for a while. "Once people start to think the same way automatically," the expert Betania Tanure. By definition, the strengthening of the culture is a process that never ends. It just depends - and this is not little - consistency between what is said and what is done.

On the Web

Your financial life will never be the same.
Empiricus Research

Learn Invest in GOLD. See HERE
Empiricus

Entrepreneur wins R $ 11,340.70 working 2 ...
Endless Vacation

Learn how to double your income by investing only 10% of ...
Thunder Academy

Learn languages alone with this app
Babbel

5 tricks to learn any language without going to ...
Babbel

Recommended for You