



# Rediscovering the Corporate Soul

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## Executive Summary

Some organizations constantly show passion, commitment and the ability to achieve sustained success. These organizations have a “soulful” quality about them; there is a feel or a buzz that is noticeable and memorable. However, too many companies seem disorganized, unfocused and unproductive. These organizations have less soul.

Soulful organizations consistently outperform soulless organizations.

This article examines the nature of the corporate “soul”, how you can identify it in your company, and how you can leverage it throughout your organization to significantly enhance bottom line results.

## Main Topics

Organizations have a definable “soul” that acts as the foundation for all that they do.

- “Soulful” and “soulless” organizations have very distinct characteristics
- The organization’s top performers are the primary keepers and supporters of the corporate soul.
- You can quickly identify and effectively leverage your organization’s soul through the use of Digital Coach Technology (DCT).
- There are several benefits to having a soulful company:
  - New employees are assimilated into the organization’s culture much quicker, becoming key contributors and valued team members almost immediately
  - Overwhelmed managers can more easily focus on those actions that are most critical to customers, reducing stress and leading the organization toward higher quality products and services.
  - Sales and profits are greatly enhanced through a direct linkage between employee satisfaction, customer satisfaction and organizational performance.

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## Introduction

Some organizations constantly show passion, commitment and the ability to achieve sustained success. Their people are consistently excited by their work, intensely focused, and extremely energetic. Unfortunately, too many companies seem disorganized, unfocused and unproductive. Their people are overwhelmed, stressed and frustrated.

What makes some companies positive and effective while others are negative and ineffective?

There are a number of conventional wisdoms about what makes a company great. However, our extensive work with top performers in numerous companies across varied industries has led us to a view that departs from these conventional wisdoms. Specifically, we have observed that everything about positive companies is tightly grounded to a set of core beliefs that represent the essence of the company's existence. Interestingly, upper management does not regularly articulate these core beliefs. Instead, these beliefs are simply "understood" and people are expected to behave consistently with them. We call these core beliefs the company's "corporate soul."

This article examines the corporate soul. More specifically, it examines the characteristics of soulless companies and contrasts them with characteristics of soulful companies. In addition, it presents a methodology based on Digital Coach Technology for first uncovering the soul of any corporation and then aligning everyone in that organization with the newly discovered corporate soul.

Why should you care about having a corporate soul? Simply put, corporate soulfulness correlates with long-term financial success. Research shows that more soulful companies are more successful companies.

## A Corporate Soul

Corporate soul? Is this some kind of new wave business psychology? Hardly, but it is a new way to think about organizational performance.

The dictionary defines soul as:

*"An entity which is regarded as being an immortal or spiritual part of the person and, though having no physical or material reality, is credited with the functions of thinking and willing, hence determining all behavior."*

Based on this definition, can a corporation have a soul? Can this definition be applied to an organization rather than a person? The evidence overwhelmingly says, “Yes.”

There are certainly indicators that corporations display something akin to a soul. In *Built to Last* (Collins and Porras, 1994) and *Good to Great* (Collins, 2001), both extensive studies of highly successful corporations, the researchers report that “purpose” is critical to the success of the organization. They indicate that purpose is the foundation of all decisions and behaviors. Similarly, our own work with the top performers in many organizations suggests that some deep foundation exists for their superior performance that goes well beyond vision and mission statements. The top performers in these organizations *always* reference a profound mental model of their objectives, rather than the typical corporate statements, as the guiding force for their decisions and behaviors. Both findings suggest the existence of some powerful underlying foundation of success – in other words, a “soul.”

Perhaps the best indicator of the existence of a corporate soul is your own personal experience. Think about some recent experiences that you have had as a customer. Was there a recognizable difference that you could “feel” when you dealt with some companies? For example, we recently visited the corporate offices of a retail tire company. The instant we walked in the door, we perceived that this was a really good company. Why did we feel this way? We couldn’t immediately tell, but we certainly felt something that created a positive impression. Have you ever had this feeling about a company as soon as you walked in the door? We suspect that you have.

Conversely, we visited another company recently and immediately perceived that it was a stressed, unhappy environment. Why did we perceive this? We clearly sensed some characteristic in the people, the presentation, or something else that caused us to develop an immediate emotional response. Our response seemed to come from more than just the observable, tangible elements. Again, we suspect that you’ve had similar experiences.

If you are like most people, you would say that, “Some companies just feel different; better.” What creates the difference in feeling? Most people usually give an answer that is somewhat ambiguous such as, “There just seems to be a difference. Some seem like good places and others are not so good.” People seem to quickly sense, through largely emotional means, if a company is positive or negative at its core.

Are these feelings a result of the company having or lacking a corporate soul? Admittedly, it is a leap from people having feelings and perceptions about a company, many of which could be explained by tangible factors such as the décor of the building, to the notion of a corporate soul. However, the overall feelings created seem to be so much more than the sum of the parts, that we were stumped for a more rational explanation.

We spent several years collecting data and searching for understanding. We had almost given up when, quite by chance, we found what we were looking for in a

dictionary. The dictionary defines “soulful” as “full of or showing deep feeling” and “soulless” as “lacking soul, sensitivity, or deepness of feeling; without spirit or inspiration.” These definitions hinted at the explanation that we had been looking for. They effectively accounted for all of the reactions that we were observing. Something profound was occurring and this underlying phenomenon was indicative of “soulful” or “soulless” behaviors.

However, this is hardly a satisfactory description of something so critical to an organization as its soul. In fact, far from ending our search, this line of thinking led us to ask several follow up questions. How does everyone seem to know when a company is soulful or soulless? Where does the company’s soul come from? How can a company proactively develop a corporate soul? For the answers to these and other related questions, read on...

## **The Corporate Soul**

Using the principles of the secret sauce presented in *Harvesting the Experts’ “Secret Sauce” and Closing the Performance Gap* (Seidman and McCauley, 2003), we attempted to determine the cues or indicators that caused people to make these “soulful” and “soulless” assessments. We have found that everyone we know can intuitively feel and at least partially articulate their sensing of a corporate soul (see Table 1 below).

In sum, these organizations have an almost spiritual quality of faith in their goodness and individuals within the organization behave consistent with that faith. They embrace a holistic approach that is almost entirely positive in nature. They express themselves using positive language, even when things are not going as well as they would like. Even though they can only rarely articulate what makes them soulful, these organizations almost always act with soulfulness.

## **Characteristics of a Diminished Soul**

Not surprisingly, there are also cues for the less positive condition of soullessness. Like the soulful indicators above, we have grouped these indicators into specific categories (see Table 2 below).

Having just a few of these conditions does not necessarily suggest any deeper problems. But if an organization has many of them occurring simultaneously and consistently, something more than just typical organization thrashing is probably occurring.

Large numbers of these indicators, particularly when they are occurring frequently, suggests a void in both the organization’s “center” and within the organization’s people. In these organizations, there is no central feeling of “foundation” that grounds people to the right decisions, focusing their behaviors and generally leading them to be good corporate citizens. Instead, there is a whirlwind of undirected, unfocused, uncoordinated activities, producing little progress or satisfaction. And, in the end, there is still no “center” – no foundation.

Soulful Category	Indicator of Soulfulness
<p><b>Adherence to a set of success-based core beliefs</b></p> <p>(The organization has a consistent set of core beliefs that are at the root of everything they do. These core beliefs are positive and drive the organization to success.)</p>	<ul style="list-style-type: none"> <li>• People actively demonstrate a consistent set of value-driven behaviors.</li> <li>• Everyone in the organization, at some profound personal level, shares the core beliefs.</li> <li>• Language that is highly altruistic and about making life better for their customers is <i>always</i> used when people articulate the beliefs.</li> <li>• Conversations center around how things can be done, rather than why they can't be done.</li> <li>• The organization actively listens to the emotional interpretation of the core beliefs as articulated by the top customer-contact personnel (primarily sales and service).</li> <li>• There are leaders who are self-effacing, while being completely committed to the core beliefs. They are determined to ensure everyone else's commitment (This is Collins' notion of the Level 5 leader)</li> </ul>
<p><b>Constant and profound selflessness</b></p> <p>(Every person in the organization views himself or herself as part of a larger organization, and behaves in a highly selfless way towards the customers, their colleagues and the organization. These people seem to be part of the organization because they deeply care about others' success, not their own.)</p>	<ul style="list-style-type: none"> <li>• You <i>always</i> hear "we," never "I" in conversations about the organization's successes and failures.</li> <li>• People never consider putting themselves before the good of the company.</li> <li>• Every person believes they are making a significant contribution to the good of the company and others.</li> <li>• Everyone believes that everyone else is completely committed to the good of the company so they trust others' decision-making even if ultimately the decision is wrong. We call this the "rule of good intentions."</li> </ul>
<p><b>A pervasive "culture of the sensible"</b></p> <p>(The organization tends to focus on quick, reasonable decisions and testing, avoiding extreme or slow responses.)</p>	<ul style="list-style-type: none"> <li>• There is a balance between analysis and action, with a preference for action. We characterize this as a decision rule that states, "A reasonably good decision now is much better than a great decision too late."</li> <li>• The organization actively listens to the emotional interpretation of the core beliefs as articulated by the top performers who actively converse with customers (primarily sales and service).</li> <li>• The organization, and each person in it, always tries to do the "right" thing.</li> </ul>

**Table 1: Indicators of "Soulfulness"**

Here too, our findings are very consistent with those described in both *Built to Last* and *Good to Great*. The researchers find that less effective companies have a weak "purpose" or even lack a purpose completely. However, our observations suggest that what is missing is more profound than purpose alone. What seems to be missing is some essential element at the core of the organization that is the foundation for each person individually and the organization as a whole. Following the dictionary definitions of "soul" and "soulful" above, these organizations act as though they either never had a soul, or they lost it somewhere in the process of survival. In short, they are soulless.

Soulless Category	Indicator of Soullessness
<p><b>Paralyzed and/or ineffective decision-making</b></p> <p>(The organization usually has difficulty making even simple decisions, which eventually leads to senior managers, overwhelmed by their workload, making inappropriate, hurried decisions.)</p>	<ul style="list-style-type: none"> <li>• Many people can say “no” to an initiative, but it is difficult to determine who, if any one, can say “yes”</li> <li>• Meetings where the 2-3 top managers are in the same room at the same time must be scheduled many weeks ahead of time, if they can be arranged at all.</li> <li>• The senior managers are so over-loaded with e-mails and voicemails that they rarely respond to critical information</li> <li>• The senior operations manager (e.g. president of stores, vice president of operations, vice president of manufacturing, etc.) is rarely at the office and always seems tremendously harried</li> <li>• Key decision makers chronically show up late for meetings, leave early and make snap decisions on incomplete information</li> </ul>
<p><b>Knowingly doing the wrong thing</b></p> <p>(People know that they should function in a particular way but consciously decide to do something that they know will be less effective or outright wrong because doing it “right” is too much of a burden.)</p>	<ul style="list-style-type: none"> <li>• People make statements such as: <i>Even when I know something is important, I am so swamped by everything I have to do that I just can never seem to respond appropriately and/or I know this is the right thing to do and what I am about to do is wrong, but I am going to do the wrong thing anyway</i></li> <li>• The organization always seems to be reactive, focusing on putting out fires instead of systematically moving forward</li> <li>• The CEO and executive team create an initiative that the organization systematically ignores</li> <li>• Staff and field support people do extensive work in support of an initiative, all of which is blithely ignored by the senior management team</li> </ul>
<p><b>Fragmentation of purpose</b></p> <p>(The organization is divided into silos, particularly very independent and decoupled information technology and corporate training functions, which jealously protect their own prerogatives even if it results in decreased customer sales and services.)</p>	<ul style="list-style-type: none"> <li>• The budgets for making operational improvements are completely in either training or information technology, which they use to create courses and systems that have little impact on performance</li> <li>• Training and IT are de-coupled from operations, making critical business decisions for the organization mostly by themselves</li> <li>• There is an extensive metrics system, but performance never seems to improve</li> </ul>
<p><b>Substantial amounts of essentially ineffectual travel</b></p> <p>(Senior executives spend a lot of their time traveling, yet the organization never seems to improve performance)</p>	<ul style="list-style-type: none"> <li>• Executives and managers are out of the office more than 50% of the time</li> <li>• Executives are difficult to reach while traveling</li> <li>• Field people create special presentations for the traveling executives that have little to do with their actual performance</li> </ul>

**Table 2: Indicators of “Soullessness”**

## Keepers of the Corporate Soul

Who best exemplifies the corporate soul? Most textbooks, as well as many popular business books will tell you that it's the chief executive officer or company founder. We're not going to say that the CEO has no part to play in establishing the corporate soul. When a CEO acts in a soulful way, he/she has an impact on everyone else's behavior. Conversely, it is difficult for an organization to overcome a completely soulless CEO.

However, we have found that the organization's top performers have a disproportionate role in establishing and propagating the corporate soul. Their soulful behaviors can energize the organization even when the corporation itself has few of the soulful indicators and many of the soulless indicators. Top performers tend to be soulful in spite of pressures to behave otherwise. In fact, the top performers in most companies seem to be the long-term keepers of the corporate soul.

Top performers' soulful qualities are consistently visible in their mental models of goals and objectives. As discussed in *Harvesting the Experts' "Secret Sauce" and Closing the Performance Gap*, these models are deeply and passionately held, highly altruistic, completely selfless and the basis for all their decisions and behaviors. The top performers' mental models are the operational manifestation of the corporate soul.

For example, in one pharmacy chain, the top performers in the field organization thought of themselves as being a "critical part of the family emergency response system." They saw themselves, and behaved, as though they were altruistically and selflessly helping others in times of need. In sharp contrast, several groups at their corporate office, particularly a training group within Human Resources, saw the company's primary focus as "selling prescriptions." Just selling prescriptions is hardly a soulful view of the world and is in sharp contrast to the socially powerful perspective of helping families in distress.

Similarly, in a manufacturing environment, the top performing engineers envisioned themselves as "treating each machine with respect for its sophistication and complexity." Less effective engineers thought of their primary focus as "servicing machines when they broke down." These two examples are indicative of the many companies that we've worked with. In our experience, the top performers embody the corporate soul of any organization.

In fact, we believe that part of what makes top performers so extraordinarily successful is that they define themselves in a way that enables them to meet each new pressure and redirection by continuously reconnecting themselves to a core set of beliefs. Thus, we have seen that top-performing managers of a large retail chain can quickly absorb changes to any of their departments because they always ground to the idea of "making life great for their customers." The soul forms the basis of integration, which enables substantially greater productivity.

Not surprisingly, the respect accorded these top performers in many organizations is almost akin to worship. People refer to the top performers with

awe, saying such things as, “There goes Jim. He invented the ...” or “I got to meet with Debbie. She knows so much about... [widgets]...that I was just amazed.” Most people in the organization intuitively recognize and respond to the intangible, soulful qualities of the top performers. When someone in the organization positively, absolutely has to get something done, more often than not, they rely on the top performers because these people, in addition to their knowledge and experience, embody the “can do” attitude and altruistic nature required. In short, they have soul both for themselves and as representatives of their organizations.

## Corporate Soul and Customer Focus

Even while we observed top performers acting with soul, we wondered about the source of their soulfulness. How could they be soulful when there were often soulless pressures from the organization, and in some cases little guidance or support for their soulful behavior?

Our observations suggest that the top performers’ soulfulness results from their desire and ability to make a strong emotional connection with the customer. By deeply connecting with their customers, top performers seem to gain tremendous gratification, and over time, a deep understanding of the customer’s needs. Recall from *Developing Devoted Customers* (Seidman and McCauley, publication pending), that top performers are consistently able to create more devoted customers by better understanding and effectively responding to their customers’ underlying social problem. This connection is reflected in their socially-oriented mental models, which are ultimately the best reflection of the corporate soul. Thus, the development of soulfulness is directly a result of understanding, caring about and responding to customers.

## Finding Your Corporate Soul

Unfortunately, even as these top performers are the keepers of the corporate soul, they are rarely aware of either their understanding of the soul itself or of their role in perpetuating it. Instead, they function with almost complete unconscious competence. How then can an organization use the top performers’ soulful behaviors to improve performance by solidifying and communicating the soul to the entire organization?



**Figure 1: Digital Coaching Technology (DCT) Structure**

The first step is, of course, to actually understand what the real soul of the organization looks like. This can be done using the knowledge harvesting approach discussed in *Harvesting the Experts’ “Secret Sauce” and Closing the Performance Gap* (Performance Improvement, January 2003) to define the

mental models of your top performers. Using naïve new person questions guided by Digital Coach Technology (DCT, Figure 1) and a facilitator, the top performers can articulate their deep passion and commitment to the company and their customers. We have found that getting the top performers to clearly articulate this passion without using DCT is almost impossible. Remember, they act in large part with unconscious competence. Asking them “How do you do it?” often results in a shrug and an “I don’t know, I just do” response.

Questioned properly using DCT however, the essence of their soul begins to emerge in about 20-30 minutes, and then solidifies over 2-3 hours. Its emergence is easily visible as a significant change in the top performers’ body postures, language, eye focus and general excitement. While the change looks like magic, the emerging soul behaviors have been observed in such diverse groups as managers of fast food restaurants and scientists launching robot probes into outer space.

Surprisingly, very few people (typically only 6-8 of the top performers) need to participate to gather the organization’s soul. Even better, these people are easily identified. All you have to do is ask your employees “who is most respected” and listen for the worshipping tone. When you hear that tone, you have identified a keeper of the corporate soul.

If the knowledge harvesting is extended to the complete “secret sauce” of top performance, all of the associated definitions, tasks, schedules, risk management strategies and supporting materials that underlie the soul can be identified. Thus, once the harvesting is complete, both the soul and all critical soulful behaviors are visible.

Again, these capabilities exist among top performers even when the corporation as a whole is essentially soulless. In some cases, the top performers use their soulfulness as a defense against corporate soullessness. In most cases it is driven by a commitment to serving customers. It is the connection to the deep customer need, and the great feeling serving that need creates, that drives them forward in spite of any barriers. In essence, soulfulness is more powerfully supported by the altruism of customer satisfaction than the fragmentation found in so many corporate environments today.

## **Rediscovering Your Corporate Soul**

This last attribute of the top performers’ soulfulness creates a huge opportunity for all companies. They can significantly improve their performance by tapping into the soulful qualities of their existing top performers and proliferating those qualities throughout the organization. However, proliferation requires that each individual separately connect with the corporate soul since soul actually occurs in the thinking and behavior of each person.

How can you connect each person to the corporate soul when you may have thousands of employees? Naturally, you begin by gathering the mental models of the top performers using the knowledge harvesting approach discussed above. Once the top performers secret sauce is gathered, you continue to follow the DCT

process (Figure 1), storing the top performers knowledge in a library that is then made available to coach people into understanding and responding to the top performers' soulfulness. Recall how this process works from *8 Minutes to Performance Improvement* (Performance Improvement, July 2003). The less experienced, or less soulful person, sits with their supervisor at a computer system, clicks on the top performer's content and is guided by DCT to read the content, feed it back to the supervisor and apply it to their personal situation.

As with knowledge harvesting, guided coaching consistently produces a very visible change in behavior. In as little as 4-8 minutes, the person being coached leans forward more, changes their body language (particularly their eye focus and breathing), and uses different language with their supervisor. This phenomenon has occurred in every situation that we have observed, regardless of the sophistication of the function or background of the people involved.

In fact, it is so consistent and pronounced that we have often wondered why it was occurring and what was happening in the process. Our conclusion is that the top performer's soulfulness shines through the content, which is sensed by the person being coached, creating a profound connection between the soul of the corporation and each person it touches. People seem to want to connect with the corporate soul because it gives meaning to a huge portion of their lives. They are consistently open, willing and able to make that connection as long as it is presented to them in a way that honors and respects them. Thus the speedy engagement and visible behavior change.

Also, once the connection is made, it forms the basis for all further decisions and actions. A soulful employee consistently demonstrates a greater ability to perform specific tasks, make judgments when there is uncertainty, manage intense work pressures and quickly respond to changing strategies and market conditions. Soulfulness guides a wide range of behaviors, which, with the assistance of DCT, can be repeated throughout a corporation. This process creates a truly soulful corporation.

## **Benefits of a Soulful Company**

You might be saying, thanks for all of the psychobabble, but why should I care if I have a soulful company or not?

### **New Employees**

Let us start with a simple situation. Imagine a person joining an organization or moving into a new position. They are typically introduced to the company or job through a series of meetings with new colleagues. They will possibly receive training as well, some of which may be an orientation to the corporate culture, but most of which will be around specific skills and processes – the “how to” of the function. In most cases, the employee won't be ready to perform all aspects of the function for weeks, months or even years, because it will take that long to learn the full secret sauce of the function.

Now imagine a soulful, DCT alternative. Within a few hours of joining the company or moving into the new position, the employee is guided to connect with the existing corporate soul. They now have both a profound attachment to the organization, an initial framework for absorbing and integrating new content and a comprehensive action plan for behaving consistently with the corporate soul. Their motivation is higher while their ramp-up time decreases sharply. As an example, one manufacturing company reduced its ramp-up time for new engineers from 24 months to only 8 months while significantly improving their capabilities and morale. Connecting to the corporate soul has a significant impact on the success of new or newly promoted employees.

### **Multi-Tasking Managers**

A more complex situation is the senior manager trying to cope with multiple strategic initiatives. They typically are responsible for many programs simultaneously, constantly in meetings, juggling conflicting priorities and functioning under many diverse pressures. They have little guidance, other than the ubiquitous mission statement, in how to handle their situation. They rarely interact with an actual customer. Consequently, even if they have come out of a customer-focused role, they often decouple from the driving force of the corporate soul, making decisions and behaving in a soulless way. Knowingly doing the wrong things and displaying fragmented behavior (see Table 2) are particularly common.

Once again, imagine the soulful DCT alternative. By refreshing the connection with the corporate soul, they are reconnecting to their customer's profound need. They focus in on the critical factors for the customer, discarding personal or organizational parochialism in favor of selflessness. They are able to move rapidly forward with sensible, quick decisions and actions. Furthermore, we have observed that soulful executives tend to be much more integrated in their behaviors, efficiently combining multiple initiatives into a more complete whole, centered on the soul. They are consistently less stressed, provide better support to their people and get more done.

### **Sales and Profits – The Bottom Line**

In turn, each employee who acts soulfully contributes to a soulful organization, thereby significantly improving employee satisfaction, customer satisfaction and, ultimately, sales and profits. The linkages between employee satisfaction, customer satisfaction, sales and profits are well established. *First Break All the Rules* (Buckingham and Coffman, 1999) and *The Service Profit Chain* (Heskett, Sasser and Schlessinger, 1997), among many others, completely document how more satisfied employees, produce more satisfied customers who buy more product and at higher prices. Collins further documents that companies with strong purpose consistently outperform others financially. Not surprisingly then, soulful companies tend to have greater financial success than soulless companies. *Corporate soulfulness ultimately equates to financial success!*

## Summary

Some companies are great places for customers and employees alike, but far too many are mediocre at best. The evidence is overwhelming that unity of purpose at the most profound level is perhaps the single most important determinant of sustained success. That unity is available to any company, any time, in their top performers who constantly maintain and refresh the soul of the corporation. All that is needed for any corporation to be soulful, and to reap the huge benefits of being soulful is to really listen to their top performers. It is an incredibly easy thing to do, whether or not your company is already soulful. It is within your power to make yourselves soulful, just by listening to those top performers.

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