

Culture is the DNA of high performance



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Corporate Culture as the Key to High-Performance Companies

Cultural Transformation to Proactively Shape Change

Technological advancements and disruptive innovations are shaping our world. However, one question often remains unanswered: How do I design a corporate culture that is resilient to these challenges? A robust culture aligns an ambitious vision with peak performance. It is the key to forming highly motivated teams, driving innovation, and securing sustainable success.

At the imd Institute for Management Development, we provide concrete answers to this central question:

1. Corporate culture and performance are inextricably linked. This fact underpins the
2. imd Culture (Canvas) Model, which simplifies complexity and clearly defines the interaction between culture design (desired state) and organizational identity (current state) using seven factors.
3. Culture is tangible and measurable. The imd Culture Assessment quantitatively measures, analyzes, and interprets data, providing transparency about the status quo. This enables
4. the derivation of concrete, pragmatic recommendations for action that are as individualized as corporate culture itself.

This sequential approach offers companies a practical tool to analyze, deliberately shape, and navigate the transition to a high-performance organization.

1. Corporate Culture and Performance are Indissolubly Linked

Culture as a Performance Driver

Companies with strong cultures are not only more productive but also more adaptable. They attract talent, retain employees, and foster customer relationships that go beyond mere transactional interactions. A strong organizational identity fosters trust- both internally and externally.

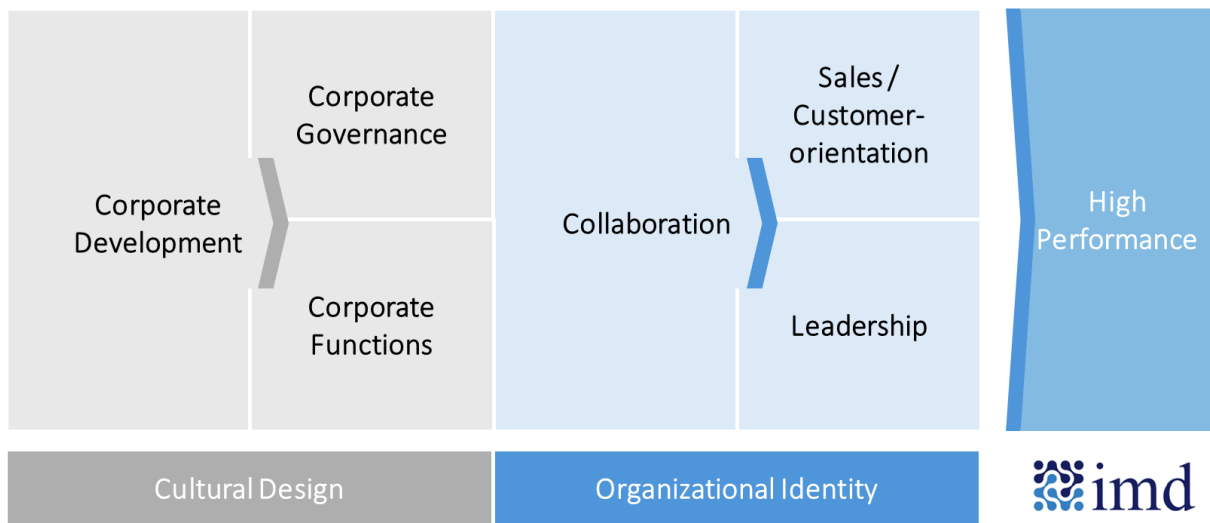
Challenge: Technology Declines, Human Challenge Increases

Today, strategies rarely fail due to a lack of technology but rather due to how technology is utilized. Their effectiveness, from implementation to usage, is critically dependent on the cultural environment. Psychological safety, collaboration, and a spirit of innovation are key elements.

The Behavioral Economics Perspective

Corporate culture influences how people think, act, and make decisions. Behavioral economics studies emphasize that social norms, values, and incentives often provide more decisive behavioral impulses than purely rational considerations. They particularly demonstrate how intrinsic motivation and trust are crucial for cooperative behavior.

2. The imd Culture (Canvas) Model



Culture is a complex field. The imd Culture Canvas provides a structured approach to make the intricacies of corporate culture tangible. It serves as a tool to systematically analyze culture, understand its various levels, and develop it purposefully. It consists of two main components:

Culture Design

Culture design occurs at both strategic and operational levels and forms the foundation. It includes:

- Defining vision, mission, and strategy within corporate development to establish a desired culture, which encompasses values, norms, and ethical principles to be aspired to.
- In corporate governance, decision-making processes or guidelines, such as those related to risk and compliance, define essential elements of the desired culture.
- Corporate functions such as communication, HR, or project management methods encompass behavioral foundations that promote transparency, innovation, equal opportunities, and psychological safety.

Organizational Identity (Living Culture)

Organizational identity illustrates how the organization operates in everyday life. The model addresses questions with a direct impact on corporate performance, such as:

- **Identity:** Who are we as an organization? What values and norms do we genuinely live by?
- **Collaboration:** How effective are our feedback culture, conflict resolution, and agility? How pronounced is trust? How does this affect psychological safety?
- **Leadership:** What importance is placed on development- both for oneself (self-management) and for employees? Is the role model function regarding value orientation and ethics recognized? Does leadership contribute to transparent communication, flexibility, and effective collaboration?
- **Sales/Customer Orientation:** How well do we balance revenue targets with ethical conduct? How do we respond to customer feedback? Are our principles in collaboration also upheld towards our customers (external stakeholders)?

3. The imd Culture Assessment Makes Corporate Culture Tangible and Measurable

What defines high-performance companies has been extensively researched. Behavioral economics, for instance, provides crucial insights into the effects of incentives, norms, and feedback. A feedback culture is essential for enabling continuous learning and improvement. Simultaneously, organizational psychology shows that psychological safety is a vital foundation for innovation and engagement.

The imd Culture Assessment translates key scientific findings into clear, practical questions from the workplace. This data-driven approach facilitates a transparent evaluation and baseline for targeted improvements.

4. Focus on Practical, Individual Application

The recommendations for action are specifically tailored to the data generated in the assessment. We believe that culture cannot be meaningfully benchmarked. There is no single profile of a successful corporate culture, especially from an international perspective. The interdisciplinary alignment of the driving and prevailing values and norms of each individual company is crucial. Typically, we recommend not only focusing on weaknesses, particularly when it comes at the expense of strengths.

Conclusion: Transforming Culture into a High-Performance Company

The journey to becoming a high-performance company begins with corporate culture. It is the foundation that enables sustainable excellence. The imd Culture (Canvas) Model and the Assessment provide companies with the necessary tools to successfully implement transformations, strengthen lived values, enhance engagement, and foster a shared identity.