**CULTURE EATS STRATEGY FOR BREAKFAST**

*Business lessons from Pentravel’s CEO, Sean Hough, on the imperative of having a culture of purpose*

*Cape Town, 18th November 2015:* An everyday word has officially pivoted when it’s honoured by a dictionary as its word of the year. And for *Merriam Webster*, in 2014 that word was “culture”. Fast gaining traction among innovative companies that are adapting to demanding times underpinned by geopolitical forces, technological disruption and globalisation, culture is a cornerstone that mega companies such as Google and Zappos take seriously. [Deloitte’s 2014 Core Beliefs & Culture Survey](http://www2.deloitte.com/content/dam/Deloitte/us/Documents/about-deloitte/us-leadership-2014-core-beliefs-culture-survey-040414.pdf" \t "_blank) concurs, stating that focusing on a culture of purpose over profits builds business confidence and drives investment. It can also lead to competitive advantage during a time of economic volatility.

At home, a few companies sing from the same hymn sheet. Take for instance the much-loved Yuppiechef, Virgin Active and Pentravel. Each are very clear on what they do, their brand identity and values, as well as what the role of culture means to their staff, customers and success. “But it cannot be engineered; its whole point is to be real and credible,” explains leisure travel specialist Pentravel’s CEO, Sean Hough. “Cobbling company culture together for some team rah-rah isn’t going to work. Instead, it’s central to a company’s vision, mission and sustainability.”

And while some traditionalists may view this as mere fluff, it is proving its worth in Rands, Dollars, Pounds and Yen in boardrooms across the world.

HR specialist from [HRCentrix](http://hrcentrix.co.za/" \t "_blank) Kate Shed agrees, “Culture is the deeply complex social system of a company. While often spoken about it is still misunderstood and undervalued. The most important thing is the alignment between business objectives, purpose and culture. To achieve this, companies need to understand each of these elements intimately and the dynamics between them.”

So integral is culture to Pentravel that it radically recovered from a financial nose-dive in 2008/9 when the recession hit many industries where it hurt. Yet it came back strong and last reported growth of 767 percent. Relevant to businesses and entrepreneurs of any ilk, here Hough shares his top insights on the value of culture and why investing in people, before profit, is a sound, and authentic, business strategy.

**1. Get the culture right and the business follows:**By investing in culture – not as a strategy but as a love for what we do – we enjoy a 61 percent repeat and referral business and a 91 percent customer satisfaction on Hello Peter. We defined our purpose as “Delivering Sunshine”; every Pentravel employee is tasked to promote and grow this value and culture. In essence this means we ensure we always put the customer and our people first – and make them happy all the way from A to B and back again.”

**2. Develop shared values; then stick to them:**Another key piece of the culture puzzle is collaboratively developing a company’s values, sharing them across the business and then sticking vehemently to them. So while we are a travel business at heart, our core value is to create the very best customer experience – without the hard sell. We also want to make people happy. While away on a *Bosberaad*a few years ago we harnessed who and what we are; this has been rolled-out across the business and I do believe is what our customers have come to know us for. They are after all our core truths.

**3. People come first – before customers, shareholders and profit:**It surprises me how few companies really take care of, and give attention, to their people. We have a genuine value of creating the best working years in our staff’s lives.  I’m also surprised that it seems strange that I know every 189 employees by name. How could I not know the people who are working so hard to produce a great business? As the CEO of a company, I think it’s expected to be close to my team; it delivers a much stronger unit at the end of the day.

**4. People aren’t your greatest resource; the *right*people are:**We take much longer to employ than other companies. And invest a great deal in the process. We recruit on values and make sure the person is excited about our culture. But this has a side-effect; we only hire passionate, eager, happy, caring people who’ve travelled internationally so it’s a tall order. But it’s something we stand by, even to the point where we would rather have fewer staff who live and breathe who and what Pentravel is, than enough who don’t.

**5. Retain your staff:**Building strong teams should come first before any other strategy. Pouring money into marketing and technology for instance is an approach, but not at the risk of ignoring your people! Building teams should be every manager’s major preoccupation. They also need the courage to get rid of the *vrot* apples; otherwise all apples will go *vrot.*

Deloitte supports Hough stating that respondents from a company with a strong sense of purpose are more likely to say that it recorded positive growth (81%) and outgrew competitors (64%). 82% of the same respondents also unsurprisingly said they had more confidence that their company would grow than those who didn’t.

**6. Raise your standards:**Much like culture, standards can sometimes have more value than strategy – especially for those in service industries. It’s not about perfection but about creating an environment in which people can progress. I believe it’s also key to treat people like they are important; this makes them feel important, which then motivates them to act important.

**7. Lighten up:**According to the recent [Gallup study](http://www.gallup.com/poll/186500/employee-engagement-stable-october.aspx?g_source=EMPLOYEE_ENGAGEMENT&g_medium=topic&g_campaign=tiles" \t "_blank) only 32% of workers feel engaged by their jobs. It’s key to laugh every day and often! This produces feel good hormones and helps people deal with stress which cultivates a sense of creativity. Avoid keeping the lid on so tight; the survival of the world does not depend on the job you are doing – unless you are a world leader perhaps…..

Kate Shed adds that often culture is seen as something on its own where by doing a few internal activations it can be shifted.  Similarly, significant resources are invested to create brilliant business strategies and operational plans without considering the organisational culture that is going to mobilise it. “Culture is like DNA; it’s complex, detailed, implicit and explicit. It’s more entrenched than businesses often realise and is responsible for large parts of organisational stability. Unearthing and influencing culture takes courage, long term vision and commitment - but don’t underestimate the value in doing this - it may well be the competitive edge your organisation needs.”