Note: Our case study organization was chosen with three criteria in mind:

- It should have created a demonstrably high morale culture, proven by employee surveys.
- This culture should have endured over time. We did not want a “flash in the pan”.
- It should have won national or international awards for its efforts in this area, demonstrating that it is recognized by industry peers or by specialized outside organizations as setting a particular standard of excellence in the area of morale.

Most people are familiar with the red Hilti vans with the distinctive block letter logo, which drive from one construction site to another to assist customers. The company is based in the idyllic surroundings of Schaan, Liechtenstein and is a world leader in providing technology to the construction industry, for example in fastening systems. If you drive on a motorway or over a bridge today, or work in a high-rise building, chances are that Hilti products had something to do with it. Construction workers treat its tools and materials with the same reverence that motor mechanics have for the Snap-On brand, and architects specify Hilti brand tools and materials be used on all sorts of construction projects. Founded in 1941, the company is privately held by the Family Trust named for its late founder, Professor Martin Hilti, and currently has 21,000 employees. Revenues in 2008 hit CHF 4.7 billion.

Hilti has been surveying those employees for many years and is known for its progressive human resource policies and practices. For
a seven-year period until 2002, one of us had the opportunity to conduct these worldwide surveys of its employees. We found that morale was not only always high overall but continually improving, and reflected the values of the organization in textbook fashion. As we have said before, however, this never comes to pass without continuous effort on the organization’s part. To demonstrate this effort and the importance of a high morale culture to Hilti, consider this summary of the company’s annual results in a recent year following our research, by Michael Hilti, Chairman of the Board at that time:

It is not products that make a company lastingly successful; it is people – the environment in which they work and the culture that shapes that environment. The fact that we have always cared strongly about people and corporate culture has nothing to do with philanthropic inclinations, but plain and simply with the cultivation of one of the most, if not the most important driver of our business success.

Integrity; commitment in the sense of responsibility and obligation; courage to leave behind established habits; teamwork – for around twenty years now, we have anchored these essential corporate cultural values through systematic worldwide training, requiring great personal and financial engagement. And this applies at every level: porter, Board member, team leader, production employee. From Schaan to Shanghai.

I believe that there are two points in connection with this where we differ from other companies.

1. Full commitment at the highest levels of leadership. Every level of the company, including the Board of Directors and the Executive Board, goes through the culture training. All four Executive Board members are integrated and involved in leadership training as moderators and participants. Each of them invests at least ten days a year in training. They demonstrate as well as live their commitment – and can thus directly influence the course of training.

2. The knowledge that corporate culture is not a temporary project, but an integral part of the company’s day-to-day stability. Many companies see the establishment of corporate culture as a project or program, like re-engineering or quality improvement. No: the development of corporate culture is a journey without end! Right now, we are rolling out a further developed version of our cultural