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Company Culture

TILSON E-Guide

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Introduction

PROVIDED BY: TILSON HR

What is company culture?

Company culture is the personality of a company and the environment in which its employees work. It is the unifying element that holds everyone in an organization together. Unlike an established mission statement, culture encompasses the written and unwritten behavioral norms and expectations of those within the company.

Every company is different, which means the way that its culture is formed will be different and unique. That's why there are so many types of cultures present in today's workplaces. Regardless of what type of culture you strive to create at your company, it is imperative that it fits your mission, values and goals, and that you are able to clearly define it. Knowing exactly what your company stands for and the culture it wishes to create is crucial to its success and your current and prospective employees.

Recent studies have revealed that employees highly value company culture in their decision to stay with—or leave—a company. Moreover, it has been proven that employees who identify with and feel a sense of belonging to a company's culture are more productive, happier and want to work for the company for longer.

Retaining employees who are happy and productive is not only good for employee morale, but also for your bottom line. Turnover can be extremely expensive for employers when lost productivity and replacement costs are taken into account. According to the Society for Human Resource Management (SHRM), it costs, on average, six to nine months' salary to replace a salaried employee. This figure can be even higher for management and high-level executives. High turnover can also harm your company's culture and cause remaining workers to become disengaged and unproductive.

This guide serves as an introductory tool to company culture. It provides an in-depth summary of the prominent types of corporate culture, offers suggestions for how to create a positive culture at your company and provides tips for achieving a quality culture.

Getting Started

As previously mentioned, every company is different which means that how you create and grow your company culture is going to be different. The steps outlined below might not be best for your company. It is up to your discretion to decide what will and will not work for your company.

1. **Define your purpose.** If you are not able to clearly define and articulate your company's mission you will not be able to create a workplace culture that embodies what your company believes in and stands for.

2. **Decide on your company's values and standards.** In order for your employees to understand each other as coworkers, your culture needs to use common language. This includes deciding on Common Core values or the principles of your organization and then establishing a common set of standards by which you can measure how well your organization is adhering to those principles. Mapping out the elements will ensure a cohesive culture.
3. **Set a good example.** If you expect your employees to embody your company's culture, your company's leaders must act in a way that reflects your firm's values and standards model the behavior you wish to see in your employees.
4. **Embrace and recognize cultural role models.** It is likely that a select number of employees truly love your company culture, its purpose, and its cultures. These individuals serve as your cultural cheerleaders spreading your brand and its message to coworkers, friends, family, and others outside of your organization. Be sure to thank, reward or recognize these individuals to maintain your culture.
5. **Be open to change.** Building, evolving, and transforming cultures cannot be done simply or overnight. It is a process that takes time and hard work. Remaining open to change will allow you to recognize when there are issues that need to be addressed

with your culture. This is especially important in today's society, where change is inevitable.

6. **Hire the right people—and treat them properly.** Poor hiring decisions can be extremely costly for your company. In terms of business interruption, wasted recruiting and training resources, lower employee morale and more. Remember, while skills can be learned, it is much harder to teach and cultivate attitude and character. When you find individuals who fit your company culture, be sure to create them properly so that they are motivated to stay with your company.

7. **Be inclusive.** If individuals feel that they cannot be themselves at work, they are less likely to engage fully with your company or their team. If employees feel like the workplace culture is not "open" or "accepting," your organization may face decreased morale and productivity, increased absenteeism and retention difficulties. In today's society, especially, it is crucial that employees feel like your workplace prioritizes inclusivity.

8. **Communicate regularly.** Effective communication is essential for establishing a culture in the workplace. Being transparent in your communication can promote a better understanding of work expectations and encourage bonding among coworkers.

Using these examples may help your culture or just get the wheels spinning about what type of culture your organization could benefit from endorsing.

Weak vs. Strong Cultures

Because no two organizations have the same culture, there are a wide variety of cultures present in workplaces today. One constant, though, is that all cultures are able to be classified as either "weak" or "strong."

Weak organizational culture—Employee accept their responsibilities and cultural duties out of fear of their superiors and harsh policies, and they do things out of compulsion.

Strong organizational culture—Employees respect, adjust and adhere to their company's guidelines. Employees in this type of culture enjoy working, accept their roles and responsibilities willingly, and try to learn as much as possible.

Evaluating Your Culture

There are a set of questions that you can ask yourself, your executive team and your employees to determine if your company's culture is strong and effective, or weak and in need of change. Here are some examples to consider as you evaluate your organization's current state. *(Note: See Appendix B for a stand-alone version of these questions)*

1. *What behaviors are rewarded? What behaviors are punished?*
2. *What rules and expectations are followed, enforced or ignored?*
3. *What happens when someone makes a mistake, disappoints or fails?*
4. *How is risk and uncertainty perceived?*
5. *How prevalent is blame and how does it show up?*
6. *Do you feel safe and supported when asking for help?*
7. *Do you think others feel safe and supported when asking for help?*
8. *Is the discomfort of learning or trying new things normalized?*
9. *How would you describe the culture of your organization?*
10. *Is open communication embraced?*

Asking yourself and your employees these questions is valuable to the success of your organization's culture. These questions can help you reflect on your culture and gain insight

into how your employees view your culture. The answers to these question may also point out areas of your culture that are in need of change.

For example, you may realize that your company has too many (or too few) rules. Or, you may want to implement a rewards-based program to reward employees who are demonstrating "good" behaviors to encourage others to do so as well. Taking the time to check in and evaluate your culture is important in deciding if your culture is strong or weak and in need of change.

8 Ways to Improve Your Culture

Culture can be influenced and new norms can be introduced to employees at any time. Even if a company is not suffering from a negative, toxic culture, there are always steps to take to improve company culture for both the short and long term.

1. Recognize and reward valuable employee contributions. According to Deloitte, the top 20% of companies with a recognition-based culture have a 31% lower turnover rate. Fifty percent of workers surveyed by CareerBuilder believe that recognition is a factor that drives retention. To effectively implement a rewards-rich work environment, be sure to do the following:
    - Identify specific behaviors and/or results aligned with your company's values. Recognize those behaviors as frequently as possible.
    - Make it easy for everyone at your company to recognize and reward co-workers' behaviors. Often, peer-to-peer recognition is the most effective way to infuse recognition into your culture.
2. Encourage employee autonomy. It's no secret that micromanaging your employees rarely produces favorable outcomes. Trusting your employees to manage their responsibilities on their own is not as simple as it sounds, though. Some simple, yet effective ways to inspire employee autonomy include the following:
    - Establishing autonomous work groups
    - Reining in bosses or co-workers who tend to hover over others
    - Creating decision-making opportunities
3. Incorporate flexibility into your organization. Workplace flexibility can improve morale and reduce turnover. In fact, 51 percent of workers surveyed by CareerBuilder believe that a flexible schedule is a factor that significantly drives retention. Workplace flexibility programs are up to the organization's discretion, but common ways flexibility is demonstrated include the following:
    - Telecommuting (work from home) opportunities
    - Flexible scheduling opportunities
    - Paid time off (PTO) policies

4. **Provide regular and timely feedback.** Once-a-year feedback is a thing of the past. Younger generations thrive in environments where they know exactly how they are doing. Continuous, meaningful feedback provides employees with the tools they need to improve and grow. Opportunities to provide feedback outside of performance reviews could include the following:

    - Monthly or semi-monthly check-ins between a supervisor and employee
    - Peer-to-peer weekly check-ins
    - Mentoring programs

5. **Embrace workplace transparency.** Trust is the foundation of a great company culture. Transparency can improve employees' trust of upper management, give employees insight into a company's operations and future, and improve cross-departmental collaboration. One way to improve your organization's transparency is to share both the successes and challenges your organization and its employees face with everyone.

    Another way to improve the transparency in your organization is to implement modern communication and collaboration tools. These tools make it easy for your employees to connect with one another and share crucial information. Listed below are popular tools used by other companies for chat and collaboration, video conferencing and project management purposes.

    - Chat and collaboration (Examples: Yammer, HipChat, Google Apps)
    - Video conferencing (Examples: Skype, Google Hangout)
    - Project management (Examples: Asana, Jira, Trello)

6. **Promote strong professional co-worker relationships.** According to the Society for Personality and Social Psychology, when individuals identify with and are invested in professional relationships with their colleagues, workplace productivity increases, employee morale increases and burnout levels decrease. However, building strong relationships takes time and effort. To help your employees, consider the following suggestions:

    - Encourage collaboration and peer-to-peer work.
    - Create "collision points" in your office. Collision points include areas like a communal coffee station or cafeteria.

- Host events. No matter how small (think: team happy hour) or large (think: corporate outing), employer-sponsored events are a great way for employees to interact with peers that they normally would not on an average day.

7. **Create a mentoring program.** Providing employees with professional development opportunities is a low-cost retention tool and a simple way to improve employee engagement and your company culture. A mentor is an individual in the workplace who shares his or her knowledge and expertise to help another employee grow professionally. Some companies use group mentoring, third-party mentoring or reverse mentoring, while others use peer mentoring, flash mentoring or one-to-one pair mentoring. Mentoring programs provide benefits to all parties involved. Benefits include the following:

    - *Skill development*. Mentors teach mentees the skills and qualities necessary for success. Mentoring provides mentors with the opportunity to develop their communication and leadership skills.

    - *Improved networking and teamwork*. Mentoring allows employees to build a professional relationship over a period of time and teaches them about the value of networking. This also instills a sense of cooperation and teamwork at your company.

8. **Improve your "soft" benefits offerings.** There are a variety of employer-sponsored programs that encourage employee engagement, increase employee morale and attract new talent. Workplace flexibility is a highly effective benefits offering. Other top benefits to offer are listed below.

    - Wellness incentives (Examples: subsidize gym memberships, provide healthier food and beverage choices, sponsor company sports teams)

    - Trendy, new voluntary benefits (Examples: identity theft protection, student loan repayment programs, financial counseling services)

    - Pet insurance

    - Discount programs

    - Child care benefits (Example: on-site child care)

A great company culture attracts the best workers, increases retention and improves employee performance. These eight suggestions can positively impact your existing or new company culture.

Common Mistakes That Ruin Culture

In order to better understand how to build a positive company culture, it's important to know the things that contribute to negative cultures. Regularly check up on your organization's culture so that you can catch these mistakes and correct them before they cause irreparable damage to your culture.

1. **Promoting hyper competition.** Competition is not necessarily a bad thing. However, hyper competition between employees creates a hostile environment. Carefully monitor the levels of competition at your organization.

2. **Ignoring ideas from your employees.** Not listening to your employees shows them that you don't care what they have to say. This creates animosity, which can derail your culture.

3. **Giving only positive feedback.** Recognizing when an employee does a good job is important period however, providing only positive feedback to employees is detrimental to their development and to your company. Two much positive feedback can cause some employees to become overly confident and can result in more mistakes being made, Since the mistakes were never addressed.

4. **Firing or retaining the wrong people.** Firing talented employees while keeping underperforming employees on the team can cause confusion and induce anxiety in your existing workers. If employees are not being held to the expectations set forth by your organization, employees will not know how they are supposed to behave. The anxiety and confusion experienced by employees will undermine even the most positive of company cultures.

5. **Ignoring the need for a work life balance.** Expecting employees to be plugged into work all day, every day leads to burnout, frustration, and animosity. Respect your employees needs and boundaries. This will help them be more productive and happier at work.

6. **Failing to be inclusive.** As previously mentioned, creating an environment in which every single employee feels welcome is extraordinarily important in today's society.

7. **Communicating too little, too late.** Failing to communicate news to your employees affectively can damage their level of trust in upper management. Consequently, this can foster a sense of hostility and sour your offices culture.

8. **Failing to uphold your company's culture.** If your company promotes itself differently than how the culture really is, then prospective employees will be lured in under false pretenses. If employees realize that they have been sold on a company in accurately, they will probably leave shortly after being hired and will lack the morale needed to succeed while they are still there. High turnover wreaks havoc on a secure productive environment for employees.

9. **Hiring employees who are two similar to one another.** If your entire company is full of underperformers or average performers, no one will stand out to motivate others to work harder.

10. **Emphasizing culture too much.** Stressing culture too much can leave your company at risk for compliance audits and discrimination accusations. If you refuse to hire or end up firing someone because they don't fit in with your culture and have no proof of this, you may face litigation.

Summary

Today's workplace is vastly different than it was in the past. Prospective and current employees care about your reputation as a company and are evaluating potential employers on their corporate culture. In fact, many millennials view cultural compatibility with a company as just as important as salary. Culture can set one company apart from others.

Moreover, a positive and strong company culture vastly improves retention rates as employees who identify with and feel a sense of belonging to a company culture are happier and are more likely to stay at an organization for longer.

Use the tips and advice provided in this guide to create and cultivate your company's culture. For more information on company culture, contact Tilson HR.

Appendix A: Developing a Screening Process for a Good Cultural Fit Checklist

Use this checklist to create a screening process based on your company culture.

- Ask employees at various levels of the organization how they see your company culture. Then,identify the similarities that arise among individuals—motivations, values, core competencies, etc.
- Create a brand to describe your organization to potential employees.
    - Depict your culture accurately so that candidates can filter themselves in or out based onhow you describe the company. If they do not see themselves fitting into your culture, they may not even apply.
- Have candidates complete an online assessment as part of the recruitment process to screen potential candidates based on their qualifications, personality and other factors. Use properly validated assessments that meet legal and professional standards.
- Ask questions about traits that you cannot or do not want to train someone how to do (being self-motivated, possessing integrity, etc.). Questions should determine if candidates have valuesand competencies that match the company's culture.
    - Ask behavior-related questions and then rate open-ended answers on a scale.
    - Ask for examples of situations in which candidates faced dilemmas or problems andsuccessfully overcame them.
- Role-play during the interview process to observe candidates in action. Or, allow them to try out the position for a day to see if it seems like a good fit for them (and for you).
- Know the laws applicable to hiring.
- Create metrics for measuring cultural fit by determining cost-per-hire, time-to-fill and quality-of- hire data.
- Make sure management is trained on how to properly interview for behaviors.
- Maintain accurate records of all your hiring decisions. During an audit or discrimination claim, youwill need to produce a valid justification for your decisions.

Organizations should constantly be asking if the company is truly what it claims, if it needs to modify the culture to be more competitive and if it is remaining compliant with all hiring laws.

Appendix B: Company Culture Evaluation Survey

Use this survey to evaluate your company's culture. This survey can be completed by all employees.

QUESTION	ANSWER
What behaviors are rewarded? What behaviors are punished?	
What rules and expectations are followed, enforced or ignored?	
What happens when someone makes a mistake, disappoints or fails?	
How is risk and uncertainty perceived?	
How prevalent is blame and how does it show up?	
Do you feel safe and supported when asking for help? ?	
Do you think others feel safe and supported when asking for help?	
Is the discomfort of learning or trying new things normalized?	
How would you describe the culture of your organization?	
Is open communication embraced?	

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Let Tilson get to work for you *today*.

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