

TRENDLINES

The Employers' Association's monthly whitepaper on essential Business/Human Resources practices

The Employers' Association (TEA) delivers reports for businesses that contain relevant and up-to-date information based on our work with hundreds of employers each month. TEA is known to produce a number of essential benchmark survey reports every year and we also compile data and observations that provide organizations practical perspectives on important business trends.

Organizational Culture Surveys

What you should know

Whether it is planned or not, every company has a culture. Company cultures fit the prevailing management theories that overlay organizational and business practices implemented to accomplish goals and objectives. The architect(s) of the organization's culture, and often the company, lay the foundation based on feelings of how the company should be designed and function. Without some kind of initial idea, goal or plan, however, cultures may evolve into something really good over time but most will not "accidentally" or unintentionally become special.

An organization's culture is an elusive identity. Many organizations *talk* about culture. Everyone wants to be a part of a great culture and the majority of workers will even take a pay cut to be in one as they are miserable and significantly less productive within a bad culture. Few people can describe what a great culture is, looks, or feels like. The old adage, "I do not know what I want nor even what I do not want BUT will know instantly what it is when I see it," describes company culture to a tee.

Those organizations that have great cultures:

- Are more inclusive and diverse
- Have greater productivity
- Increase their ability to attract and retain employees
- Create less stress
- Experience less absenteeism
- Enjoy better internal cooperation
- Are able to establish teams that function more effectively (faster issue resolution and greater innovation)
- Have happier employees with fewer disruptive problems

A poor culture has the opposite internal impact and often results in a lower-quality product, a less enjoyable environment, higher turnover and lower profitability.

What we know

Cultures are unique to each and every company – there are no two exactly alike. Each has usually been shaped by a variety of factors including (but not limited to) key leaders’ ideas, ideals, and visions, the company’s history, industry, geographic location, employee diversity, suppliers, customers, business experiences and management perspective. What makes a culture great for one company will not necessarily produce the same results within another – experimentation, hiring the right people and communicating transparently all contribute to making an organization culturally great – all the parts contributing to the sum of the whole.

John Donne in his book **No Man is an Island** appropriately states that “No man is an island entire of itself; every man is a piece of the continent, a part of the main.” There are certain characteristics, though, that are central to all great organizational cultures. Characteristics, that when applied to any existing culture, will significantly move a culture towards what is considered great without losing its uniqueness or its own identity.

Results from over 40 years of TEA’s Employee Engagement/Opinion Surveys, show that employees identify many of the qualities of a great culture when asked, “Please tell us what you like most about your employment.” They identify very specific components of great cultures that mirror what other research has found.

Studies in The Harvard Business Review, Small Business Association of Michigan, and INC magazine have found:

- **87%** of organizations cite Culture and Employee Engagement as their top challenges.
- **90%** of Executives feel culture is important while only **15%** feel theirs is where it needs to be.
- **67%** of employees, changing jobs, would take a pay cut to work for a company with a great culture.
- There is an increase in productivity of up to **70%** when companies move to an inclusive, great culture.
- High belonging (a component of a great culture) was linked to a **56%** increase in job performance.
- Improving culture provides a **50%** drop in turnover risk and reduction in sick days by **75%**.

What it means

A business’s culture can be improved from an “OK culture” to a “great culture” but defining a company’s culture can feel like a daunting task. Leadership sometimes **perceives** that modifying and improving culture is a time, resource, and money consuming initiative that makes little difference – a self-defeating perception that short circuits the attempts to change culture before it begins. While there is no single “best way” to modify an organization’s culture, two components exist to make a culture shift possible. In most instances, the key is identifying what the current culture is – where you are – before trying to become something different. Clearly understanding what currently exists enables organizations to focus on possible changes and creating a plan for change. By assessing specific components of the existing culture THEN identifying what type of culture a company wants and making recommendations for change, a path can be charted that will ultimately lead to success. Without establishing both a starting point AND a target, organizations cannot know when they are making progress or when they might be close to arriving at their destination.

Multiple research papers show that the following components and values are critical within any great culture. This is not a comprehensive list, however these are several of the most cited characteristics.

- **Corporate Mission, Vision, and Values Statements** – These should be clear, concise (i.e. short) and easily stated, remembered, and demonstrated by leadership and the employees.
- **Employee Freedom/Independence** – An employee’s ability to do their job independently – with as little management “interference” as possible – as long as they meet their goals.
- **Individual ability to make a contribution** – People want to feel that the job they are doing has importance and value to the company and themselves.
- **Employees feel like part of a family** – Many people spend more time at work than they spend with their family and friends so they want (and need) to have a family feeling at work.
- **ALL are given the right to fail** – Knowing that one can make a mistake without major repercussions (as long as the same mistake is not made twice) increases creativity, shortens schedules, and increases productivity – all final goals of a great culture.
- **Stakeholders receive validation/recognition for work well done** – Providing ongoing feedback so employees know how they are doing (on a regular basis) allows them to feel appreciated and safe (not going to lose their job) **as well as providing correction/clarification for work that is not up to standards.**

Engaging in an Organizational Culture Survey and applying the recognized great culture components, it is possible to identify **WHAT**:

- **Is** – the current organization’s culture
- **Is not** – what is missing from the current culture
- **Employees Want** – Employees can identify what components are critical
- **Can be** – what the final culture can look like and the measurable benefits

What you can do

Moving to an excellent culture does not need to be overwhelming to produce significantly positive results BUT until the actual culture is identified and measured, leaders may not align on advancing it to something better. Organizational Culture Surveys play an important part in changing a culture by defining the current status so that an understanding can be formulated specifying what a new culture might look like. In addition, those choosing not to establish goals and objectives may not fail BUT will never fully enjoy success. Those preferring to focus on the process used to drive activities rather than the results expected from the utilization of sound business practices may create short-term change but rarely experience long-term (OR long-lasting) rewards.

Making the transition from an existing culture (that may have existed and evolved over the years) to a more effective (efficient, productive, inclusive, and engaged) culture can be accomplished without significant issues, stress, or complexity IF the following guidelines and suggestions are considered when changing a company culture:

- A commitment from leadership to the assessment, evaluation, implementation, and living out the change recommendations. Without management’s commitment and support, little lasting change will occur
- An effective and targeted Organizational Culture Survey is conducted to identify perceived areas of concern. A good survey will define the current culture, establish a base line to measure against, and identify the missing components of a great culture
- Based on the findings of the Cultural Survey, clearly describe the culture as it exists today

- Identify the components of an improved culture – define the components needed to transform what you have into what you want
- Identify and chose the desired changes (that you are willing to make) then act
- Formulate a specific plan and assign the resources necessary to implement the change in culture
- Provide leaders with the “people skills” training they will need to help create a great culture
- Implement the changes identified relentlessly – always strive to move forward even when it feels like you might be falling back
- Ensure employees see and feel the company living the new culture
- Reassess the culture periodically to see what is working and make any needed corrections

What most employees perceive as great organizational cultures provide many significant measurable and un-measurable benefit. However, a culture must be lived every day by everyone in the organization to be effective. Putting in the time, resources, and effort to improve an organization’s culture yields significant benefits and is well worth the journey.

