

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

What you should know

According to Bryan Walker and Sarah Soule, *“A culture is like the wind. It is invisible, yet its effect can be seen and felt. When it is blowing in your direction, it makes for smooth sailing. When it is blowing against you, everything is more difficult.”* (HBR, 2017, *Changing Company Culture Requires a Movement, Not a Mandate*).

Every organization has its own unique culture. Some was created through strategic and careful curation while others have evolved with much less intention. Whether intentional or not, the world has been wrestling with an assortment of difficult conditions this past year. From the emergent racial and social injustices to the unparalleled COVID-19 pandemic, global workplace cultures are being put to the ultimate test. Shrinking revenue streams, the acceleration of remote work styles, radical shifts in consumer interests, altered production capability, and worker health and safety concerns have all shaken our thinking, comfort, and behavior. While some workplace cultures have “wobbled,” others have become stronger.

Workplace culture is a system of shared beliefs, values, norms, and underlying assumptions that influence the behavior of individuals and groups and is often simply referred to as the “personality” of an organization. Good or bad, compelling or confusing, culture is what the organization is known for to its employees and within the community. This whitepaper is intended to provide a summative review of the leading factors that describe what culture is, why it is especially important now, and how it can be developed, changed, and improved. Every organization has a culture of some kind – the difference between successful organizations and those that struggle is often whether the culture is intentionally strong or unintentionally challenging.

Workplace Culture Influencers

Many factors influence workplace culture. Given the enormous changes organizations are considering in response to the pandemic, the following cultural influencers have emerged as essential to culture development.

1. Accentuate Employee Engagement. Organizations should rethink how they encourage and enable employees. The topic of engagement is not new but the strategies and tactics of old may have become irrelevant. If they did not work so well before COVID, they will likely not work after. Remote work is becoming the norm and some employees are feeling disengaged. Organizations are advised to create new and different ways to appeal to, and engage their employees – and must philosophically change the way they measure performance from how much time is spent at work to the results that are accomplished regardless of where the work is done or how many hours it took to complete it.

2. Allow Flex Schedules. Stress caused by work, family, and the current proliferation of angst has many on edge. Flexibility of work schedules is an important satisfier for employees. Vantage Circle, an employee wellness solutions consultancy, asserts that 80% of employees would prefer flexible work options if there were no negative consequences.
3. Provide Meaningful Benefits. “Competitive” benefits may not be differentiating or compelling to employees. To increase engagement and productivity, ask employees which benefits really matter and allow them more choice. Benefits are not a “one size fits all” option. You must be aware of your workforce if you are going to provide benefits that they need and want.
4. Create Psychological Safety. This means ensuring employees feel comfortable being authentic by sharing their thoughts, feelings, and rationale around their work/task choices without fear of being embarrassed or judged. Psychological safety is an integral part of organizations that learn faster than others.
5. Inspire Equity in the Workplace. Many of us know from life experiences what it feels like to be “outside,” disrespected, or disregarded. Inequality is unfavorable treatment and bias and it sends a strong and inappropriate message about the culture of an organization. Equity leverages the potential of all employees and helps to create a positive culture.
6. Create an Outstanding Employee Experience. Employees want to feel valued not only for their work but for who they are as people. Delighting employees with a safe, stimulating, and respectful work environment sends the message that they truly matter. According to a recent Deloitte survey, 81% of HR and business leaders said that employee experience is significant for their companies (it would be interesting to see how many EMPLOYEES share those feelings).
7. Provide Ample Development Opportunities. Work assignments, training, and access to experts, mentoring and coaching each send the message that learning and growth are an integral part of the culture. Seventy-six percent (76%) of Millennials think professional development opportunities are the most important elements of company culture. Forbes, *What is Company Culture, and How Do You Change It.* Provide opportunities for growth and development to all employees – not just those brave enough to ask for them – and culture will become a driving force.

What we know

Before COVID, many organizations were struggling with attracting and retaining key talent. This challenge will likely continue once the pandemic subsides. Successfully building and sustaining a compelling and respected culture can significantly differentiate one organization from another and improve the flow of qualified talent into an organization. A recent study by Deloitte found that 82% of respondents believe having a positive culture is a true competitive advantage. Further, as the U.S. workforce gets younger, 65% of employees under the age of 45 place culture above salary when considering their own satisfaction.

Creating and sustaining a positive, inspiring, and compelling workplace culture can be guided by three key beliefs – that Culture is Learned, it is Shared and it must be Integrated.

Culture is Learned

Humans are observant and make “sense” of things very quickly. Everything we experience provides some sort of “lesson” for us. We learn quickly what is “true” and what is not. What confuses or bothers many of us are the incongruences between what we are told and what we see, hear, and experience. For example, think about the familiar “open door policy” communicated in some companies. Consider the incongruence (and disappointment) employees may feel if they are told to never talk about a particular subject with senior leaders or to only discuss issues with their immediate manager RATHER THAN being encouraged to talk to

anyone about anything (that is appropriate). Culture is revealed more by the “truth” (the actions of its leaders) and less by the written or spoken word.

Everyone in an organization influences the culture. Employees have perhaps dozens of opportunities to reinforce cultural expectations or weaken them. Individuals have a choice in how to respond to a question, deal with disappointment or the broken promise of another, or how to react when someone else says or does something that leaves us feeling sad, angry, or misunderstood. The strongest organizations communicate, regularly recognize and expect culture-aligned behavior.

The physical environment is a great teacher. It can have a profound impact on the behavior of people and on the development of culture. In particular, the design of work spaces, work furniture, proper access to technology, ample space and outside light, along with other “creature comforts” influence an employee’s own experience of workplace culture.

Culture is Shared

A Shared Culture is characterized by a profound sense of *esprit de corps* within the organization. It is achieved through intentional efforts over time, a shared culture is the outcome of many effective “sharing” and engagement tactics including (but not limited to):

- Providing engaging, inspiring, and regular two-way communications about organizational values, behaviors and norms, often anchored with empirical Culture Assessment data
- Setting the expectation that employees will participate actively in culture design, development, and improvement activities
- Delivery of frequent honest criticism (to correct behavior) and/or positive feedback
- Creation of workplace practices that recognize and reward collaboration and teamwork

Culture is Integrated

Workplace culture is a complex system of structural, environmental, and interpersonal elements. When any one element is in low supply or missing the entire system is affected. This is one reason why some organizations struggle with their cultures – rather than seeing it as being holistic they try to focus on individual parts and pieces that, like a jig saw puzzle, may come together but often take a long time to create a finished product.

Strategy and culture “go hand in hand” so an organization must integrate the relationship between strategy and culture to determine the cultural elements that will best enable the strategy. Everyday work creates culture. The perception of culture is built and sustained through the hundreds of daily interactions and experiences of employees, customers, and suppliers. These should be recognized, acknowledged, and rewarded.

What it means

2020 will not be soon forgotten. We predict our member organizations will focus significant time and energy this year assessing and developing efficient, respectful, and inspiring cultures. These initiatives will require the commitment of both Leadership and of all employees as each are partners in culture development and maintenance. The culture journey starts with a single step...by understanding and acknowledging the truth about an organizations current culture. Like with any improvement objective, to get somewhere “different” you need to know where you are beginning. Organizations need to regularly collect culture data from within, including empirical and anecdotal data, and then share it transparently within the organization for awareness and to enable everyone to participate in development and refinement of a successful culture.

Culture development can be the “ticket” to engagement that is missing for some organizations and can help establish an all-important culture brand that will attract and retain talented people. Like a magnet, positive cultures attract people, appeal to them, create alignment, and produce higher levels of engagement. According to the Temkin Group (a leading research and consulting group), highly engaged employees are three times more likely to do something great and of significant value for the company that is not expected of them. It is the responsibility of every organization to create an atmosphere of sharing – of experimentation – of accepting false starts as being new beginnings rather than dead ends if a positive culture is going to permeate throughout the company.

Culture matters!

What you can do

Workplace culture development and maintenance is never a “one and done” proposition. Every positive culture is manifested through commitment, discipline, and regular follow-through. The following 7 actionable steps are suggested to improve, change, or maintain a desired positive culture.

1. Identify and (continually) reaffirm what makes your organization a great place to work. Integrate this information into your culture communications, training, and performance management and recognition & rewards systems.
2. Integrate cultural values into everyday activities by discussing them, recognizing them when they occur and when they do not. Monitor and report on these, and make changes when necessary without delay.
3. Follow the leader. Ensure leaders set the right example. Promote leaders not only for their results but how they created them (by demonstrating culturally aligned behaviors). Recruit and promote new leaders based on these same behaviors and transition leaders who do not demonstrate them.
4. Communicate with transparency. Be clear, truthful, and share information that employees need when they need it. Avoid overuse of jargon or complicated words and phrases. Transparent communication builds trust.
5. Cultivate strong coworker relationships. Strong relationships at work can improve employee engagement. The relationship skills in demand are also the most basic...listening, asking thoughtful questions, demonstrating recognition and appreciation and being positive to name a few. Perhaps the biggest challenge resulting from the “Sty at Home” orders is how to effectively build relationships when in person interactions are less frequent.
6. Create a learning environment. Learning is more than workshops and seminars. Michael Lombardo and Robert Eichinger have suggested that up to 70% of learning takes place on the job. In addition, employees also learn by receiving regular feedback and (safely) learning from others. While the exact percentages for each of these may be debated, organizations that emphasize “learning while doing” or learning at work, appeal to employees.
7. Offer the right perks. As an employer, do not assume to know what employees want. Ask them and be willing to provide them with choice in their selections (recognition awards, dinners, lunches, paid time off, leaves of absence, gift certificates, and other discretionary gifts).

Workplace culture reflects an organization’s written and unwritten rules. Culture may be best represented by the sum of several factors including vision, mission, goals, shared values, organizational structure, physical environment, and the established accountability & rewards systems used to encourage commitment and dedication. Great cultures provide a “brilliant light” that creates a clear pathway through challenging times to attract the best talent and to inspire their current employees to grow and develop to the best of their abilities.