Cultivating & Sustaining A Healthy Organizational Culture

February 24, 2020
Definition of Culture

“A common set of behaviors and underlying mindsets and beliefs that shape how people work and interact day to day.”

~ Caroline Dewer, McKinsey & Company
1. Culture is the Strategy
“Until I came to IBM, I probably would have told you that culture was just one among several important elements in any organization's makeup and success — along with vision, strategy, marketing, financials, and the like...

I came to see, in my time at IBM, that culture isn't just one aspect of the game, it is the game. In the end, an organization is nothing more than the collective capacity of its people to create value.”

~ Lou Gerstner Jr., Former CEO IBM
2. Healthy Culture = Healthy Revenue, Profits & Shareholder Value
Public companies with extremely healthy cultures report higher stock price increases and revenue growth.

- 2.5 X more likely to report significant stock price increases over 3 years
- 1.5 X more likely to report average revenue growth of more than 15% over 3 years

*Study based on survey data of 1,000 professionals from U.S. companies with revenues between $200 million and $5 billion.

Source: Grant Thornton Return on Culture Report 2019
In a study of 1,000 companies, those with healthy cultures ranking in the top quartile posted a return to shareholders 60% higher than median companies and 200% higher than bottom quartile.

Source: McKinsey.com, Culture: 4 Keys to Why it Matters, March 27, 2018
* Based on McKinsey’s Organizational Health Index
State Street Global Advisors considers culture a driver of an organization’s **intangible asset value**

“**Intangible assets such as culture, average 52% of an organization’s market value.**”

~ Cyrus Taraporevala, President and CEO of State Street Global Advisors

State Street Global Advisors, the investment management division of State Street Corporation, is among the top 5 largest asset management companies with nearly $2.8 trillion in assets under management.
In the past decade, total **shareholder returns** at WD-40, **have grown** at a compound annual rate of **20%** and **earnings are up 136%**.

“It’s because of our people. To us, it’s about going to work every day, making a contribution to something bigger than yourself, learning something new, having fun, being safe, and going home happy.”

~ Garry Ridge CEO WD-4
3. Unhealthy Cultures are Breeding Grounds for Unethical Behavior
1 in 5 employees say their company has been through a recent culture-related crisis

22% of employees report at least one of these cultural crises happening at their company in the last 2 years:

- top leadership being accused of significant wrongdoing
- company being accused of endangering lives or health due to carelessness or bad intent
- company experiencing criticism for sexual harassment
- company cheating or misleading customers

Source: United Minds’ Research in partnership with KRC Research, HBR, 6 Signs Your Corporate Culture is a Liability, December 2019
33% of employees expect a cultural crisis in the next 2 years

Source: United Minds’ Research in partnership with KRC Research, HBR, 6 Signs Your Corporate Culture is a Liability, December 2019
85% The amount of CEOs and CFOs that believe an unhealthy corporate culture leads to unethical behavior

24-44% The amount of equity lost when public companies commit fraud

“Culture, more than rule books, determines how an organization behaves.”

~ Warren Buffett
4. Lofty Values That Aren’t Practiced Become a Liability
Only 28% of employees strongly agree that there is alignment between their company’s actions & its stated values.

Source: United Minds’ Research in partnership with KRC Research, HBR, 6 Signs Your Corporate Culture is a Liability, December 2019
Only about 10% of organizations have operationalized their values into teachable and observable behaviors that are used to train their employees and hold people accountable.

Source: Brené Brown’s Dare to Lead
“If you’re not going to take the time to translate values from ideals to behaviors—if you’re not going to teach people the skills they need to show up in a way that’s aligned with those values and then create a culture in which you hold one another accountable for staying aligned with the values—it’s better not to profess any values at all. They become a joke. A cat poster. Total BS.”

~ Brené Brown, Author *Dare to Lead*
5. Perks No Longer Cut It, You Have to Go Deeper
Culture and values is the top predictor of employee satisfaction.

Source: Glassdoor Economic Research July 2019
A Columbia University study shows that the likelihood of job turnover at an organization with rich company culture is a mere **13.9%**, whereas the probability of job turnover in poor company cultures is **48.4%**.

Sources: Glassdoor Workplace Culture Over Cash 7/10/19 and Entrepreneur 2014
65% of employees say their company’s culture is one of the main reasons for staying in their job.

71% of employees would look for a job elsewhere if their current company’s culture deteriorates.

Sources: Glassdoor Workplace Culture Over Cash 7/10/19 and Entrepreneur 2014.
In a recent study of 1,200 employers, the top 13% of companies were 5 times more likely to develop and promote insiders in a systematic way and posted 30% higher profits per employee.

Source: Wall Street Journal, Why Perks No Longer Cut It for Workers, 1/12/2020
Companies that engage their employees, including giving them the training and encouragement to do their best work and infusing it with a sense of purpose, posted profit gains of 26% through the last recession, compared to a 14% decline at comparable employers.

Source: Jim Harter, Chief Workplace Scientist at Gallup; WSJ December 3, 2018, Why Perks no Longer Cut it for Workers, by Sue Shellenbarger
77% would consider a company’s culture before applying for a job

73% would not apply to a company unless its values aligned with their own personal values

56% say a company’s culture is more important than salary when it comes to job satisfaction

Source: Glassdoor Workplace Culture Over Cash, 7/10/19
“Loyal, passionate employees bring a company as much benefit as loyal, passionate customers. They stay longer, work harder, work more creatively, and find ways to go the extra mile. They bring you more great employees. And that spreads even more happiness -- happiness for employees, for customers, and for shareholders.”

~ Rob Markey, Harvard Business Review
CEO Panel Introductions
Mark Cabrera
CEO, Saddle Creek Logistics Services

Our Values

• We deliver excellence in service
• We respect the individual
• We promote performance and accountability
• We foster a supportive work environment
• We behave with integrity
Core Values

- Client focused
- Entrepreneurial
- Peer to peer solutions
- Self-managed
- We care
Core Values

- Revolutionaries: we navigate through chaos and challenge the status quo
- Learners: we are curious and we dig in
- Farm-focused: we have utmost respect for the American farmer
- Family: we are built on trust and reciprocity
- Competitors: we don’t settle for mediocrity
Our CEO Panel

Mark Cabrera  
CEO,  
Saddle Creek Logistics Services

Paul Norris  
Chairman and CEO,  
Bank of Central Florida

Brian Philpot  
President and CEO,  
AgAmerica Lending
Emily strategically advises and supports organizations and individuals in growing and realizing their full potential in purposeful and balanced ways. She offers:

- Executive coaching
- Team leadership development & coaching
- 360-degree leadership assessments
- Organizational culture surveys & assessments
- Business & organizational consulting
- Strategic planning & roundtable facilitation
- Leadership & team development programs
- Keynote speaking