Cultivating A Healthy Organizational Culture

An Existential Guide
Dear Leader,

Every organization, from a small business to a large corporation, has a culture. This culture determines the spoken – and unspoken – expectations and rules of engagement for how employees relate, communicate, and collaborate to solve problems.

When you interact with a company, you can ‘feel’ its culture. It is evident in people’s behavior, energy, and the physical environment itself. Culture guides daily decision-making about all business matters for good or bad, especially when no one is looking. Without a healthy culture, your internal and external operations are negatively impacted.

Every year businesses invest extraordinary amounts of time and money into determining revenue goals and KPIs, but often organizational culture is neglected. Leaders assume that culture simply “is what it is” and fail to carefully design and vigilantly implement their organizational culture. A healthy culture differentiates your company and can ultimately make or break it. Culture signals that your company puts people over profits with an intentional desire to serve internal and external stakeholders – from prospective employees to future customers.

So, what does a healthy organizational culture look like? A healthy culture:

- Embraces diversity and values differences in styles.
- Offers safety to innovate and occasionally fail.
- Encourages work-life balance.
- Demonstrates respect and appreciation.
- Creates forums to resolve conflict.
- Provides benefits and perks that are aligned with the company’s core values.

Although there is not a specific formula to create a healthy organizational culture, there are some steps all leaders can take to keep moving in the right direction. Building culture is not a one-time pursuit. It is a constant desire that originates with the corporate vision, integrates with long term planning, is ingrained in every employee, and embedded in day-to-day operations.

This guide is intended to provide a compelling rationale for dedicating the time and energy that is necessary for cultivating a healthy organizational culture and offer best practices that will support your vision.

Let’s grow together,

Emily
Corporate culture: asset or liability?

You Decide.
Why is organizational culture important?

Organizational Culture Powers Results

When consciously designed and consistently cultivated, culture sticks and becomes the anabolic energy that makes it possible for an organization to generate extraordinary results. Neglecting company culture, or thinking that it will just happen organically is one of the biggest mistakes leaders make.
Cultivating Healthy Organizational Culture Matters.

6 Compelling Reasons Why...
1. **Culture is the strategy.**

Although planning a business strategy is of utmost importance, companies that dominate their sector do so by making culture the strategy. Culture must be at the core, not an afterthought appended to a business plan. It becomes a differentiator by determining the spoken and unspoken rules of engagement for how employees relate and communicate with customers and solve problems together.
Healthy culture creates healthy revenue, profits and shareholder value.

Companies that make culture a priority put people over profits. When executed consistently, the cultivation of a people-first culture is followed by profits, revenue and shareholder value – especially during times of crisis. Organizations that create a great organizational culture have higher levels of employee engagement and customers respond with loyalty to the company. As the saying goes, “Take care of your people, and they will take care of your customers.”
3. Unhealthy cultures are breeding grounds for unethical behavior.

We don't have to look farther than the headlines to see how fast toxic cultures destroy businesses and employee morale. A 2019 study by United Minds reported that nearly 25% of employees say their companies had been through a recent cultural crisis. More alarming, 30% of employees expect a cultural crisis in the next two years and less than a third of employees agree that their employers’ values and actions are aligned. Culture dictates the code that employees live and work by in an organization. Leadership determines whether this code is one of high values, ethical behavior and respect.

25% OF EMPLOYEES say their companies had been through a recent cultural crisis.

~United Minds study, 2019
Lofty values that aren’t practiced become a liability.

Many organizations have stated values visible on a conference room wall, included in the employee handbook, listed on their website and shared with newcomers during the on-boarding process. A caution to leaders is that when there are lofty values that are proclaimed but not practiced by leadership, these values quickly become a liability. When employees perceive a gap between their company’s actions and its stated values, it fosters contempt. Contempt is a highly toxic element within an organizational climate and is very challenging to eradicate.

Organizations must identify non-negotiable behaviors that everyone is expected to model and be held accountable for. This requires leaders to facilitate meaningful dialogue about what the values really mean, consistently acknowledge and celebrate when those values are being honored by team members and be unwilling to tolerate behavior that does not support the organization’s values.
5. Perks no longer cut it; you must go deeper.

Your organization’s ability to recruit and retain top talent depends greatly on your cultural reputation. Future employees and your future leaders consider your culture before applying for a job or accepting an opportunity for promotion. A 2019 Glassdoor study indicates that culture, values and senior leadership are the top predictors of employee satisfaction, while compensation and benefits ranked about 50% lower.

65% OF EMPLOYEES say their company’s culture is one of the main reasons for staying in their job.

~Glassdoor study, 2019
Companies anchored by a strong organizational culture leverage their cultural “capital” by activating their long-standing values when navigating tumultuous times. These companies have a reserve of goodwill and mission focus that employees rely on as they face circumstances previously unimagined. The strong cultural values established long before a crisis materializes enable teams to be flexible, creative and collaborative problem-solvers as they ride the waves of disruptive change brought on by a crisis.
Cultivating Organizational Culture: what’s healthy?

5 Steps To Healthy
1. Involve everyone - and start at the top.

Starting the conversation in the boardroom, identify habits to embed the culture conversation systematically and regularly at all levels of the organization. Create an ongoing dialogue that brings the values of the company to life.

Company culture is everyone’s responsibility. Culture ought to be palpable, so much so that an intern can live it. If a culture cannot be explained by any employee, at any level of the organization, then it likely means that they are not living it either. Giving employees autonomy to be part of creating and stewarding the culture is the best way to enable them to internalize it.

2. Evaluate continuously.

As a company grows and evolves, so should its culture. Although there are certain foundational aspects that might not change, having a dynamic culture that adapts to change is important. With growth comes change in leadership, employee demographics and what is valued by employees. Leaders must assess all aspects of culture periodically, recognize these changes, then adapt accordingly.

Using an assessment tool, companies should continuously determine how the culture is perceived and what behaviors and cultural attributes the team would like to see more or less of in the future.
3. **Start a movement, not a mandate.**

The elements of company culture must permeate every aspect of the organization. These core values will guide daily decision-making, priorities and ways of interacting.

Demonstrate to your team what it looks and feels like to live out the company’s values and provide opportunities for them to put these ideals in action.

**How might we actively look for opportunities to demonstrate our company culture and put our organization’s values into practice?**

**How might we streamline our culture and core values so that they are easily applicable in day-to-day situations and decision-making?**

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4. **Celebrate small wins.**

Creating and maintaining company culture takes effort and buy-in from all employees. As cultural changes start to happen, leverage momentum by recognizing behaviors that demonstrate the desired culture and celebrating these small wins. Identify employees who embrace the culture and who may nurture it further by building relationships with other team members.

**How might we acknowledge and celebrate team members for embodying our company values?**

**How might we play to the strengths of employees with different backgrounds and experiences to help maintain company culture?**

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5. **Be courageous and lead by example.**

Boldly live out the values you want your company to represent by “walking the talk.” If leaders tolerate behaviors that are not in alignment with the culture the organization is aspiring to, they will impede progress, and worse, be perceived as a leader with low integrity.

**How might we encourage accountability to ensure that what we say and do is in alignment with our values?**

**How might we create an environment where all employees feel ownership of our company values and are empowered to call attention to behavior that is not consistent with our values?**
The Bottom Line.

The most successful and impactful leaders cultivate and reinforce a compelling culture daily, not just when there is an issue. An intentionally designed culture yields better bottom-line results while improving employee satisfaction and customer loyalty. It is the culture of the organization that creates the legacy of its leadership.
Emily Rogers is an executive coach, business consultant and retreat facilitator. She strategically advises and supports businesses, organizations and individuals in growing and realizing their full potential in purposeful and balanced ways.

Prior to starting her business in 2013, she advised Fortune 100 brands, professional sports teams, and global non-profits as an executive leader and consultant with IEG, a WPP company.

Emily Rogers Consulting + Coaching services include:

• Executive coaching
• Team coaching & development
• Leadership development training
• Strategic planning facilitation
• Keynote speaking
• Organizational & leadership assessments
• Life, career & business coaching

Ready to grow results by cultivating a healthy organizational culture?

Schedule an introductory call with us today.

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