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. Culture is defined as the values, practices, and beliefs shared by the members of a group. Company Culture, therefore, is the shared values, practices and beliefs of the company’s employees. Unlike an established mission statement, culture encompasses the written and unwritten behavioral norms and expectations of those within the company.

While you cannot see or touch a culture, it is present in the actions, behaviors, and approaches of all employees from new hires to upper management. From hiring practices to how people work and navigate change, the culture defines the unwritten but very real rules of behavior.

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.

Why is company culture important?
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.

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 – Employees accept their responsibilities and cultural duties out of fear of their superiors and harsh policies – only participating because they are forced to by management.

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.

Steps and Ideas to Building or Enhancing Company Culture
1. Define your purpose: By clearly articulating your company’s mission, you will be able to create a workplace culture that stands for what your company believes in and stands for. This goes beyond the simple/obvious mission of producing products, and should include how you expect your staff to work together, communication expectations, community factors and future plans for the company.

2. Decide and focus on the company’s values and standards: In order for your employees to understand each other as co-workers, your culture needs to use a 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. This is likely established in your handbook – staff is expected to show up on time, be precise and accurate, follow safety rules, communicate concerns and praise, etc.

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 company’s values and standards. Model the behavior you expect of your employees.

4. **Embrace and recognize cultural role models**: There is typically a group of employees that truly enjoy working for a business and work hard to make the work environment enjoyable and respectful. These individuals can serve as catalysts for change when trying to enhance company culture and create a positive workplace. Be sure to thank, reward or recognize these individuals to maintain your culture. They can be great leaders for the rest of your staff if you enable them to encourage and openly discuss the company’s goals, vision and culture with other staff.

5. **Be open to change**: Building, evolving and transforming cultures cannot be done 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 well**: 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 cultivate attitude and character. When you find individuals who fit your company culture, be sure to treat them properly so they want to stay with your company.

7. **Be inclusive**: If individuals feel 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 positive culture in the workplace. Being transparent in your communications can promote a better understanding of work expectations and encourage bonding among co-workers.

**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.

- 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?

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.

*TPM will continue focusing on company culture in March’s Frontline – Building a Strong and Positive Company Culture – Part II.*