Why company culture is more important now than ever

Introduction

The last couple of years brought more concentrated crisis and change than any of us could have imagined as we rang in the New Year of 2020. While we continue to grapple with the dual global pandemics of COVID 19 and racism and the surge of issues they've each exposed, companies and organizations have also faced nearly unprecedented rates of change, turnover, and internal challenges.

The collective upheaval we are all moving through indicates what research has suggested for years, that intentional company culture is necessary to foster innovative solutions and booming business in the good years, and it is essential to managing and adapting in times of crisis and change.

38%

of employees report wanting to leave their jobs due to a negative company culture

Businesses and organizations exist to solve technical challenges like building a skyscraper or a piece of software, for which there are architects, blueprints and a clear way forward. Not all businesses and organizations are adept at addressing the adaptive challenges, for example creating a diverse team and an atmosphere of inclusion—psychological safety, mutual respect, and effective teamwork—that build intentional company culture and resilience into the business or organization along with solving technical challenges.

Company culture determines every employees' day to day experience in the organization — the number one determinant of employee satisfaction in their work — but it is the cumulative product of structural and social norms within the organization that start with leadership and move through the company.

Even before the pandemic, employee satisfaction in the U.S. was low. According to a July 2019, Glassdoor Economic Research report.

65%

of employees say their company's culture is a key factor when deciding to stay at their job

Develop an Intentional Culture

To develop intentional culture, every business needs a clearly defined purpose to act as a unifying vision. What makes your company unique in the technical problems it's addressing? What sets your company apart from the competitors? This is what the purpose articulates. The purpose statement serves as a navigational tool for leadership, a means to galvanize your employees by creating a unified goal, and it serves to differentiate you from your peers.

Companies live their purpose in what they choose to do and also what they choose not to do. Your purpose acts as a filter through which decisions are made in times of crises and beyond. The clearly articulated purpose provides guidance in making short and long-term decisions.

www.silverenegroup.com

Develop an Intentional Culture (cont.)

Our belief is that if you get the culture right, most of the other stuff, like great customer service, or building a great long-term brand or empowering passionate employees and customers, will happen on its own.

– Tony Hsieh, ZAPPOS

Because a purpose statement is concise and direct, it is usually accompanied by a set of values. The values a company identifies to accompany their purpose determines how employees at every level are encouraged to approach their work.

Values set the tone that drives behaviors in the workplace from the leadership throughout the organization. They outline company priorities and the preferred approach to doing business.

During periods of calm and relative ease the purpose and values of a company play a quiet background role. However, in times of crisis company purpose and values accompanied with aligned action from leadership are a stabilizing and engaging force.

While many companies have purpose and values statements, some miss what it means to align their actions with these statements. In this guide, we'll focus on two components of aligned action that build intentional company culture to navigate successes and challenges: adaptive leadership and employee centered experiences and engagement.

Adaptive Leadership
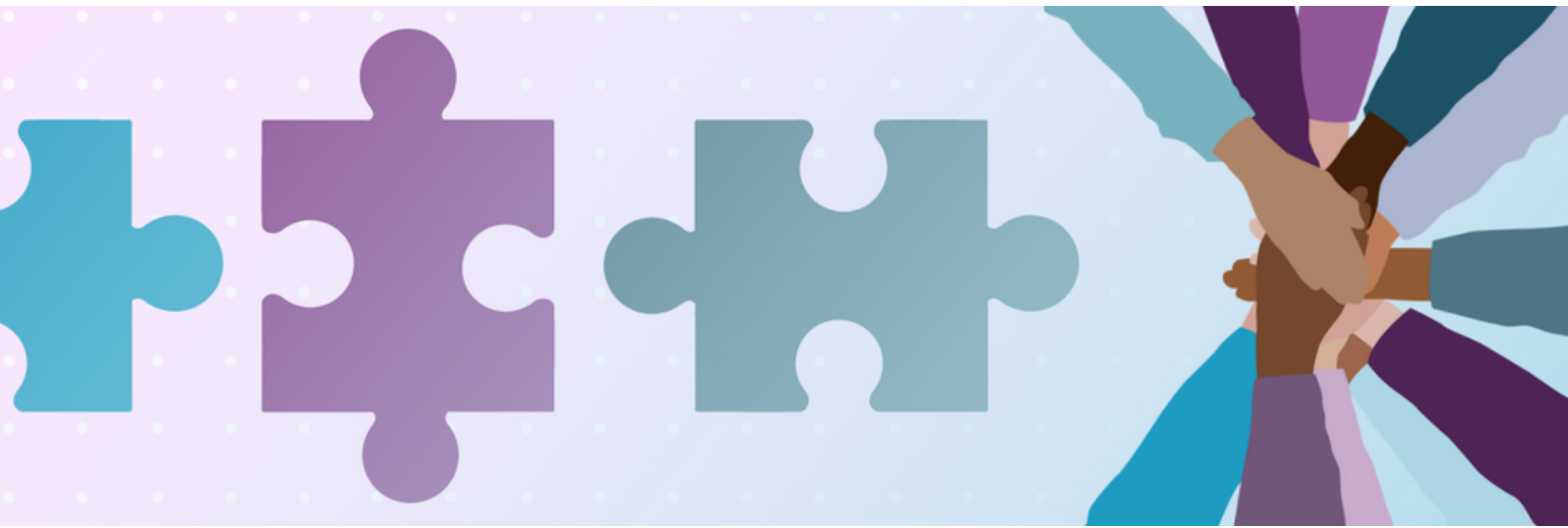
Leadership is an important driver of company culture, which means creating adaptive skills in the workplace starts with you, leaders. Purpose and values are excellent starting pieces, but if you fail to take them into consideration in your own approach to work, your actions will speak much louder than words. There are numerous accounts of the routines of highly successful, read adaptive, leaders. All of them include tending to their basic needs and finding ways to take breaks from work. Keep in mind, adaptable skill sets look slightly different for everyone, but developing a set that works for you is critically important for setting the organizational tone and cultivating an intentional company culture.

Practice routine self-care

Eat, sleep, and exercise regularly. Find ways to take breaks from work, whether its spending time with friends and family or pursuing a passion or personal interest like cooking or playing music. Everyone's work brain needs a break, including yours. If you encourage your employees to do this, but you don't do it for yourself, they will likely interpret your encouragement as lip service. Practicing self-care also sets you up for this next step.

Role model inclusive leadership

Historically, and for the most part at present, companies and organizations run from a top down model of leadership where decision making is concentrated among a few individuals, and decisions filter through the company structure. Ironically this can lead to burnout among leadership and managers as they feel the pressure of thinking they have to have all the answers. But this is simply not true, particularly when it comes to adaptable challenges, which require us to bring diverse groups of people and ideas together and think collaboratively. Acknowledge that you are one person, and you don't have all the answers. Lean on your team to develop nuanced, sustainable solutions.

Foster Dialogue

Recognize whistle-blowers, creative deviants and original voices posing challenging questions as leaders in your organization. Often times the leadership response to how people disrupt the norm in an organization is to silence them and squash inquiry. While silencing them can appear to get things back on track, it's a lost opportunity that often creates resentment and discontent among employees. Leaning into the situation with curiosity creates an opportunity for dialogue, mutual understanding, and creative problem solving. Fostering dialogue is a way to recognize all of your employees as valuable team members for their unique backgrounds and specific skill sets. It's also an ideal setting for modeling psychological safety. More on that later.

IGNORING YOUR COMPANY'S CULTURE CAN LEAD TO A DECREASE IN OPERATING INCOME BY 33%

…AND AN 11% DECREASE IN EARNINGS GROWTH

Champion employee centered engagement

The day to day work experience, the implicit and explicit experience of company culture, determines employee satisfaction, which in turn determines how likely they are to stay or leave the company as well as how likely they are to recommend it to others as a place to work. Leadership invests in the company when it invests time, energy, and money in employees' professional development and general wellbeing. It may be time to examine what your company is currently doing, what's working, and where there is room for improvement. We'll go into more detail below. For now, it's important to recognize that leaders strengthen these initiatives by modeling their adaptive skills and by explicitly championing this engagement as a means of more inclusive leadership in the company.

"The outdated leader-knows-best style and lopsided power structure of leadership are not working anymore. Help leaders encourage a model of shared leadership with their teams… After all, great leaders know their teams are collectively smarter than them and don't always need to be told what to do. They just need guidance."

— OCTanner Global Culture Report 2020.

When leaders devote time and attention to developing their adaptive skills, they build resilience and innovation into their companies. They establish the behavioral norms that define their company culture and normalize positive professional relationships. In times of crisis these skills stabilize and focus an organization to meet challenges as they arise. Beyond periods of crisis these skills drive the business outcomes leaders seek – increased revenues, profits, market share, and employee and client retention.

Develop a self-regulation routine

Self-regulation is the ability to monitor and manage your emotions in a way that considers long term consequences rather than just reacting to immediate, transient feelings. It's a process of curious inquiry, and something you can start immediately through a few popular modalities like a daily meditation practice, writing a reflection journal of experiences and reactions, or working with a leadership coach.

Acknowledging and managing your emotions means creating space to address them. Lean in with curiosity about what's happening for you and why. When you can do this for yourself, you can offer this skill to your professional relationships. If these suggestions don't work for you, find something that does, and do it regularly. Many of us have experienced a hectic leader spreading confusion and anxiety because they've failed to set aside time to reflect on how the current situation is affecting them. Taking the space and time for this kind of self-regulation creates the opportunity to develop solutions that are aligned with your personal integrity and the shared purpose and values of your colleagues and employees.
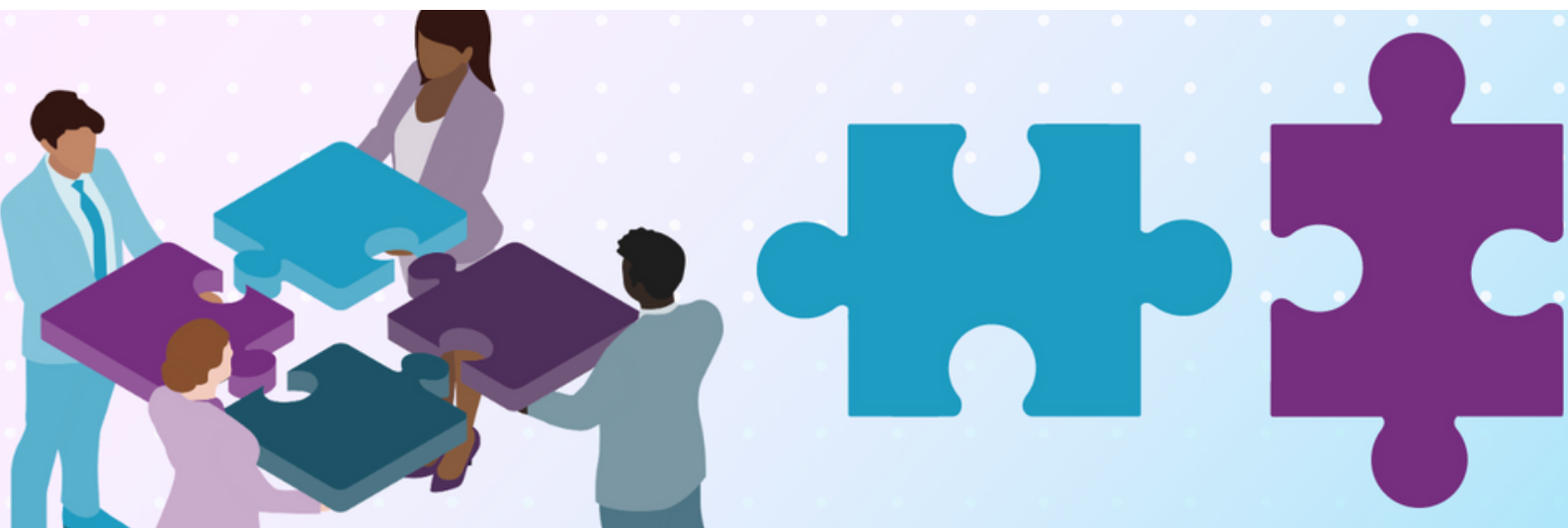
Employee Centered Experiences & Engagement

Today's workforce requires leaders who encourage employees' learning and growth, support their success, and help them find meaning in their work. Weaving these elements into company culture means developing employee centered experiences and engagement. The most recent Gallup report on the state of the workplace revealed a dismal 20% of employees globally are engaged at work and only 32% of employees are thriving. There is so much lost potential in that statistic, at an estimated global cost of $8.1 trillion. What follows are suggestions for developing employee centered engagement. Much like adaptive leadership skills, employee centered engagement is a tailor-made experience. Find what works for your organization and do it.

Let your team know their purpose

Connect every employees' job to the company's clearly articulated purpose, and values. Unifying individual and team purpose under a cohesive vision creates clarity and a shared responsibility for the mission. While this might sound simple, there are many, many employees who do not feel connected to purpose at work. Connection to purpose supports increased engagement and employee retention.

Model inclusive leadership

Listen and give a meaningful response when employees speak up, even if you don't initially like what they're saying. Build in opportunities to seek employee input, feedback, and ideas via 1:1 meetings, team meetings, and brainstorming sessions. Utilize employee resource groups and invite members to solve business problems. This is what inclusive leadership looks like from the employee experience. The efficacy of these initiatives are directly linked to the level of psychological safety in the company.

Practice psychological safety at all levels

Modeling and offering opportunities for employees to practice self-regulation for themselves strengthens psychological safety

Build psychological safety into all levels of your company. Research on highly effective teams reveals that the critical component to the highest functioning teams is psychological safety. At its core, psychological safety means everyone feels confident to speak up without being embarrassed, rejected, or punished by team members or leadership. It is the key component to inclusive culture. Modeling and offering opportunities for employees to practice self-regulation for themselves strengthens psychological safety.

When people feel safe at work, they are more easily able to trust and contribute. When we silence, marginalize, ignore or demean people in the workplace that doesn't foster psychological safety. Furthermore, lack of psychological safety has a negative impact on employee wellbeing, engagement and retention.

Determine how to support autonomy and connection

Employees globally are asking for more autonomy in their work and more connection with their colleagues (OCTanner Report). Because hybrid work models are here to stay, this is an opportunity for companies to be creative in structuring employee to employee connections for teamwork and employee development while simultaneously supporting autonomy in their work.

Support mental health and employee wellbeing

Companies can look at how they do this structurally in terms of what employee benefits are offered and advertised, how much sick time and personal time employees are offered. However, it's also important to build this support into the day to day experience. Normalize beginning meetings with a few minutes to check-in with each other. Explicitly acknowledge crisis in and outside of the company and recognize their impact on employees. Group regulation, like self-regulation, relies on naming, acknowledging, and attending to the moment in order to move into the work at hand.

Recognize quality work and successes at every level

Recognize quality work and successes at every level. Employees generally want to do their best work, and recognition of a job well done fosters continued employee engagement and work satisfaction. Traditional visuals of workers as cogs in a machine have been shifting for decades, but the cumulative events of the last two years have driven home the importance of seeing employees as whole people who are contributing to a business as they are navigating personal and social upheaval.
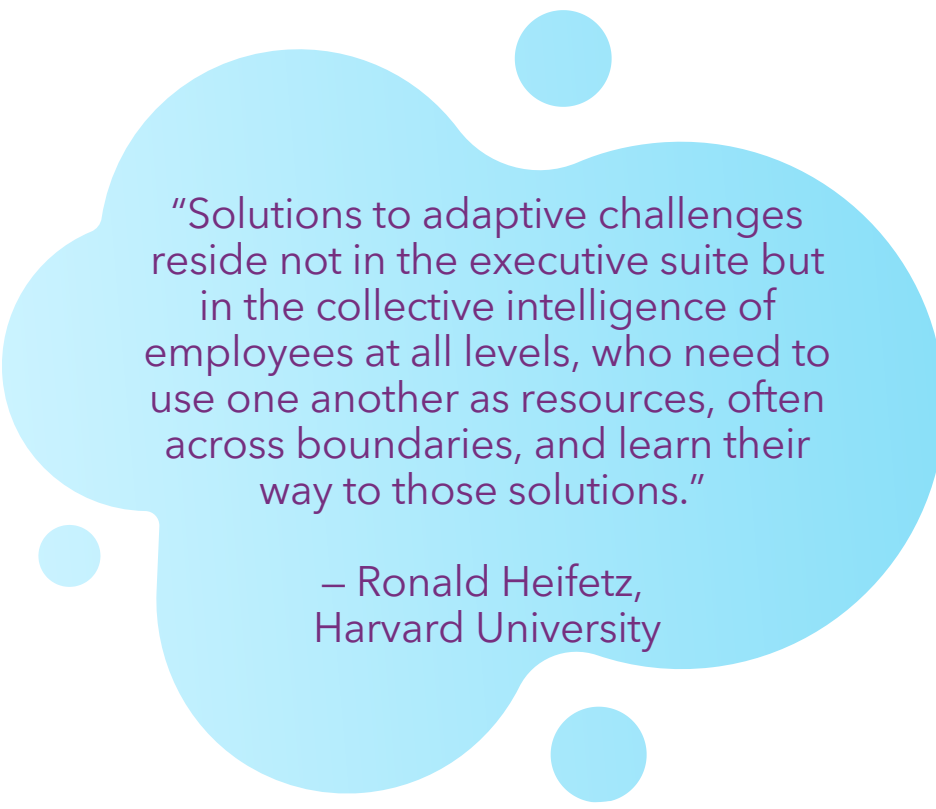
Employees are struggling for reasons not necessarily related to work. And if employers ignore this, it will impact the quality of business and the bottom line. When companies and organizations develop intentional culture and create a workplace that is inclusive, supportive, and generative it can mitigate some of the external challenges employees face every day, particularly in times of crisis. This intentional company culture sets the stage for thriving employees and business when the crisis is past.

Conclusion

Repeatedly over the last two years, we've seen that leaders need to be prepared for the unexpected and have the ability to pivot and adapt on the fly. Our world is moving and changing faster than ever. And, while we have made it through so much, we still face change and uncertainty as we move forward. This is an opportunity to develop adaptive skills in your organization, and these solutions should not come from leadership alone. Look to collective intelligence inside your organization for the answers to these questions. There is no one-size-fits-all model.

"Solutions to adaptive challenges reside not in the executive suite but in the collective intelligence of employees at all levels, who need to use one another as resources, often across boundaries, and learn their way to those solutions."

– Ronald Heifetz,
Harvard University

The Silverene Group offers consulting to design and facilitate the process of engaging your people, and develop a comprehensive strategic approach to creating a company culture in which your employees and your business thrive. The key to success when it comes to DEI and company culture development is the complete and sustained integration into every aspect of your organization. While this is no light commitment, it absolutely pays off.

We'd love to chat with you!

Our team has been in your shoes. We are passionate about partnering with you to design organization-wide strategies and programs that improve your workplace culture, dazzle your team, and positively impact your bottom line.

@silverenegroup

Shaara Roman, Founder & CEO
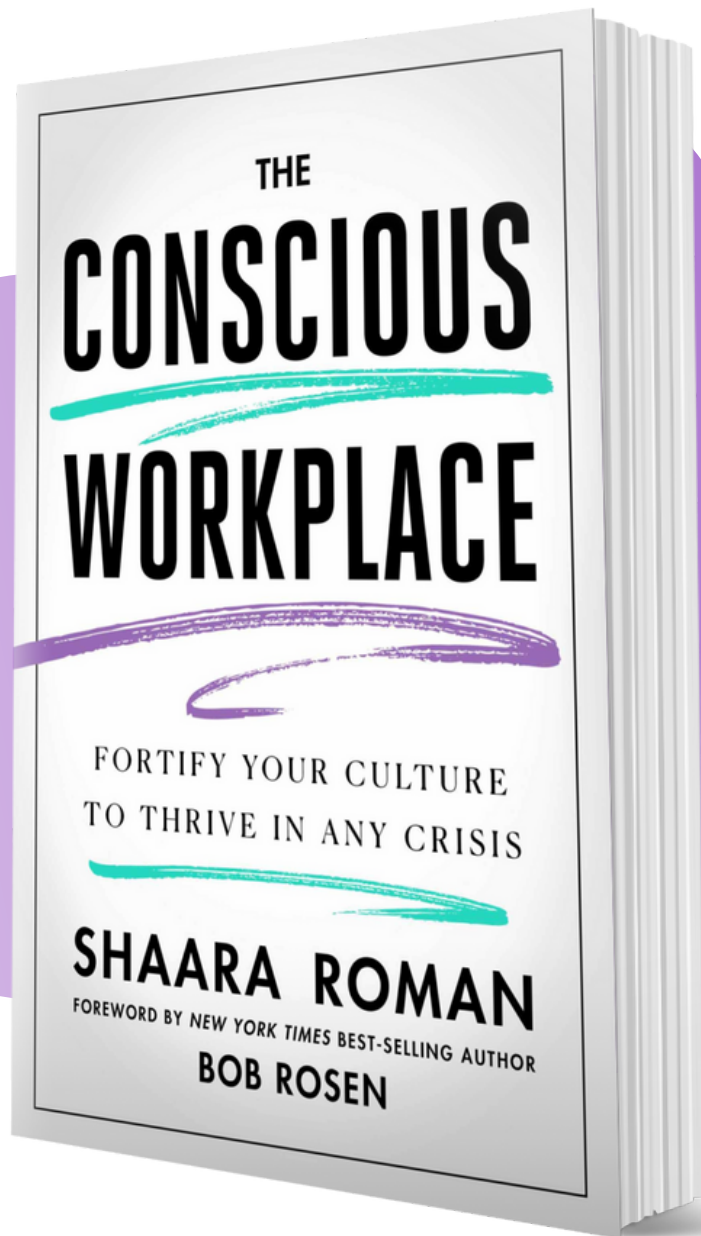shaara.roman@silverenegroup.com
703-283-1258

TheSilverene**Group**
people | strategy | culture

www.silverenegroup.com