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COMPANY CULTURE IS KEY TO SUCCESS: 5 REASONS WHY IT MATTERS

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THE HR LADY ®

A great company culture is vital for engaging your most valuable resources: your employees.

• Why? Company culture determines who you will attract and retain, whether it is engaged, productive, effective team members or those employees who are just there for the paycheck.

• How? Engage these valuable (and expensive) employees by providing information to your team with open communication channels in order to unite everyone to work towards a common vision while adhering to clearly defined company values. While ongoing feedback and accountability is essential, do not overlook the value of a sincere and specific "Thank You". It is free and fits every budget.

Following are the five pillars of company culture:
1. Values
2. Feedback
3. Accountability
4. Team Unity
5. Communication

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VALUES

Core values, company values, guiding principles – whatever your organization chooses to call them, they should be used in every stage of the employee lifecycle, starting with hiring, and hopefully ending with retirement; otherwise, it will be another form of exit. But first, you must create a concrete set of values to clearly outline the expected behaviors of your team. Why? Performance is relatively easy to identify, yet it is behavior that trips managers up and often is the main reason for involuntary termination.

STATISTICS:

• According to Gallup's study, "The State of the American Manager," (a 2015 study of 2.5 million manager-led teams in 195 countries), only 41% of employees strongly agree that they know what their company stands for and "what makes it different from competitors".

• Of that 41%, only 77% (or 32% of all surveyed) also strongly agree that they plan to be with the company for at least one year. Another global survey, The Global State of Employee Engagement survey, resulted in 57% of the surveyed employees not recommending their organization as a good place to work.

• This same global survey noted that 33% of employees do not believe that their company's values align with their personal values. Wouldn't this be nice to figure out pre-hire? This is proof that a strong set of company values leads to an increase in attracting the right person and also retaining them.

ENGAGEMENT:

How can you better retain and engage your team? Ask yourself these questions:
1. Do your employees really know what the company values are?
2. Are you hiring, recognizing, and promoting employees according to these values?
3. Are you holding employees and managers accountable for violating these values?
4. Is strong revenue and healthy profitability the one and only goal?

If you answered yes to the last point, you are in luck. Engaged, satisfied, and productive employees who align with the core values of a company tend to speak up when there are mistakes or issues (rather than covering them up). Additionally, they stay with the company longer. Since it takes approximately one fifth of an employee's salary to replace them (Center for American Progress, 2012), that is a costly number that can affect your bottom line. Leaders truly must develop a healthy respect for failures in order to develop their team, as outlined in this **Experfy blog.**

Executives must understand that The **Pandemic Has Permanently Shifted The Meaning Of Culture For Businesses**, and has put culture in the hands of the team, not just leadership. Most employee issues are actually 'lack of leadership' issues surrounding behavior, not a performance in the workplace. Create company value statements that will be used in all performance and behavior feedback conversations that occur with an employee. They should be listed in job postings as well as job descriptions, discussed in team meetings, reviewed with an individual employee's improvement plans, and ultimately used as a driving force for employee role changes, including exits. Of course, managers must also be trained on how to use values as well as how to properly give feedback.

TAKE ACTION:

Defining company values is easier than you think – particularly when you use an employee-based committee or task force. My **first book**, "Suck It Up, Buttercup", reviews this concept, and my **second book** has step-by-step details on how to make it happen – often in three meetings or less. Find these books here **https://thehrlady.com/author** or on Amazon.

Why establish company values? To establish crystal clear communication about the expectations of behavior in your workplace. No confusion. No gray space. No excuses!

FEEDBACK

Managers must start providing useful feedback regularly. Regular feedback does not mean once a year or even quarterly. Regular means as often as possible. The bad news is that this will take up more time than you probably have. The good news is that individual feedback does not have to be super time-consuming or require complicated forms. However, it must be a two-way constructive conversation. Without a conversation, it is simply talking at someone, which is exactly what the one-sided, outdated, once-a-year review forms accomplished. Also, I cannot seem to stress this enough... stop comparing employees when providing feedback. This is why "Feedback" is viewed by employees as "the other F word".

STATISTICS:

• In The Global State of Employee Engagement survey, which was conducted across 157 countries worldwide, 32% of employees had to wait more than three months to get feedback from their manager, leaving many wishing that their manager communicated more frequently with them. Additionally, 15% of employees surveyed did not see themselves working at the same company one year from now. If the 32% of unhappy employees don't matter to you, then the thought of losing 15% of your employees within the next year should matter to you and your bottom line.

• Up to 80% of an organization's opportunity for improvement comes from frontline employees. (SoapBox)

ENGAGEMENT:

Use a Job Description for hiring, official performance and behavior reviews, regular unofficial and official feedback, promotions, demotions, and even terminations. If written properly, it takes away all concerns of NOT being diverse, equitable, or inclusive; it removes any form of bias, including favoritism, and most importantly, it explains to the employee (new hire or long-term employee) what is expected in the future and engages them on what is going well and what is not going well.

The magical ingredient for learning is not adding to something that isn't there. Learning is recognizing, reinforcing, and refining what is already there. Therefore, feedback on what is already there is needed. For example, you can provide all the feedback you want on your employee's inability to speak French, but it won't change his or her ability or desire to speak French. Managers believe that feedback has magical ingredients that accelerate growth. Well, yes, it can as long as it is not only criticism. Criticism is not feedback. Criticism assumes that your way is the better way and inhibits the brain from learning. Paying attention to weaknesses smothers the brain. Your brain responds to critical/negative feedback as a threat and narrows its activity.

Ashley Goodall explains this further in the book, "In 9 Lies About Work", and also this Forbes article: **https://www.forbes.com/sites/kathycaprino/2019/04/24/nine-lies-about-work-and-how-to-stop-telling-them.**

If you cannot find positive feedback to provide to an employee, then perhaps an improvement plan or a termination should occur. If you are only talking about the past and not focusing on the future, then you are wasting your time and theirs. Always remember that their perception is their reality, and it is up to you to clarify the facts, so their perception doesn't end up feeding the rumor mill.

Have a serious issue? Listed below are six steps to verbally address a performance or a behavior issue with an employee. These should also be communicated in writing after the verbal conversation. This written communication can be an email recapping your verbal conversation regarding the six steps. Of course, if you have a fancy feedback system, then by all means use that. In fact, **HR technology can enable performance management.**

Why in writing? An employee may be in a state of shock or fear when the conversation happens, so they may not truly absorb the details. Many people do not take verbal warnings seriously, but written documentation signals their brain that the conversation was serious. Also, you want to cover your assets when, and if, the time comes that you have to terminate this employee. Most HR or legal experts will also tell you to get the employee to sign it. I am telling you at a minimum, have the conversation with the person and then document it with that person (not just in some isolated binder of secret complaints).

6 Tips for Addressing Performance or Behavior Issues, The HR Lady ®

1. Identify the behavior or action (or lack of).

2. Identify the impact on the team, bottom line, etc.

3. Identify the change expected (be detailed and specific; make no assumptions).

4. Identify a deadline for change (yes, it can be immediately).

5. Identify a consequence if change does not happen.

6. Celebrate the change or implement the consequence – including termination.

ACCOUNTABILITY
—

Effective leadership requires managers to assist their employees with managing competing deadlines and projects, removing barriers to success, providing feedback, and holding everyone accountable. While all of this is not easy, effective leadership can be learned; however, it requires trust and consistency. Trust and accountability go hand in hand.

Statistics:

• 55% of CEOs think that a lack of trust is a threat to their organization's growth. **(2016 PwC Survey).**

• The team at the Center for Neuroeconomics Studies found that employees working in high-trust companies were 70% more aligned with their companies' purpose.

• Alignment with the company's purpose positively affects the bottom line. This is a huge win, and it starts at the top with the C-Suite.

"High-trust companies hold people accountable, but without micromanaging them. They treat people like responsible adults." – **Paul J. Zak,** founding director of the Center for Neuroeconomics Studies **https://hbr.org/2017/01/the-neuroscience-of-trust.**

ENGAGEMENT:

The science behind accountability is twofold: fear and satisfaction. Fear is meant to be short-term, focused on survival, and getting away from danger. It is tiring, discouraging, de-motivating, and works against our humanity when always present in our lives. Satisfaction is meant to be long-term while being focused on feeling good and moving forward. Ask yourself these questions:

1. Do I motivate people through fear or satisfaction?
2. Do I hold people accountable by driving them away from something (fear) or towards something (joy/satisfaction)?
3. Am I transparent?
4. Do I discuss the elephant in the room?
5. Do I empower people to take action, allow for mistakes, and discuss lessons learned?

Creating a company culture of trust and accountability with high standards takes work, focus, and commitment. Trust is the essential glue that keeps a team together and functioning optimally, and it empowers each individual to strive for continuous improvement. Trust is even more important when you add in work-from-home team members. Check out this excellent Experfy blog post: **"Workplace Culture Without An Office: Is It Possible?".**

Business does involve relationships with other humans, and this is where it gets tricky. We tiptoe around trying not to hurt one person's feelings while putting more work on others. Managers need to address disrespectful and rude behavior head-on. Report unethical behavior, statements, and actions to the leadership team if it is above your head. Be part of the solution.

Still, struggling with calling someone out on the table for poor performance or behaviour? Remember that we all deserve fair treatment – which also means equal accountability. Accountability starts with you.
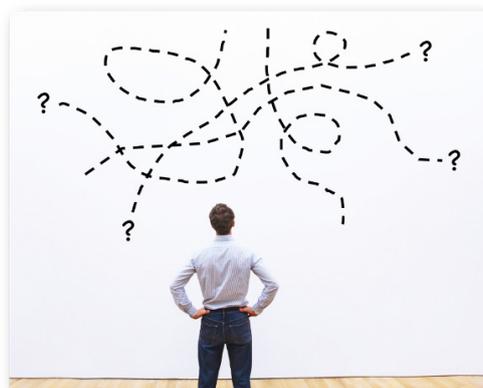
TAKE ACTION:

Lead with clarity by managing expectations – both yours and theirs. How can people meet your expectations if they don't know what they are? Crystal clear communication is mandatory because osmosis is ineffective with humans, and assumptions end up in the gutter. The organization has goals that must be met.

Start by:

(a) Setting and Documenting Expectations

(b) Offering Assistance, and then

(c) Get Out of the Way

Offering assistance is key as some people may not know how to get started or may get stuck, especially if the assignment or role is newer to them. Getting out of their way is key to building trust. Trust and accountability go hand in hand – no excuses! Pre-scheduling check-ins sets expectations in advance for communication sessions and project deadlines; just do not micromanage and have excess check-ins. During these check-in sessions is time for you to follow up with two-way conversations (which requires truly listening) and re-align as necessary. The beginning of the process again: Setting and Documenting Expectations, Offering Assistance, and Getting Out of their Way. Finally, do not forget to celebrate wins and discuss learning opportunities (a.k.a. any mistakes).

TEAM UNITY
—

Employees who like their manager and coworkers stay longer – period. Henry S. Miller, a management expert, defined employee engagement as a **"desired outcome that occurs when workers feel a heightened mental and emotional connection to their jobs, their manager, their co-workers, and/or their organization and its mission."** Employee engagement in a company's culture is one of the critical factors that keep people in their current role while also working to achieve the desired bottom-line results.
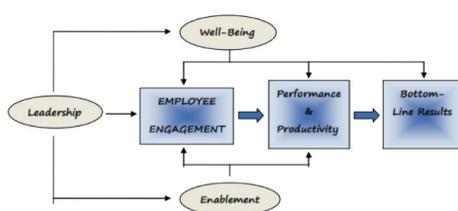
Source: The Henry Miller Group's Employee Engagement Model.

STATISTICS:

When employees are engaged, it means that they're emotionally attached to their organization and are willing to put in the extra time, energy, and resources to meet their organizational goals. According to a **Gallup study,** employees who are "engaged and thriving" are 59% less likely to look for a job with a different organization in the next twelve months.

Gallup states that when people are unengaged (but stay anyway), there is a 5% to 10% productivity loss, a 7% loss in sales, and a 4% loss in customer satisfaction. Retention of awesome employees with high morale affects customer service, productivity, and your brand.

Employee productivity increases by 20% to 25% in organizations where employees are connected and the company culture is positive. **(Inc)**

54% of employees said that a strong sense of community (great coworkers, celebrating milestones, a common mission) kept them at a company that was in their best interest longer. (**Gusto**)

According to an **Alfresco survey** of more than 753 business professionals, it was found that nearly 83% of professionals depend on technology to collaborate. 82% of the participants also felt that they would feel impacted if this technology to collaborate was lost.

ENGAGEMENT:

It is clear that sales, customer service, and productivity are directly related to employee retention as well as recognition. How do you keep employees engaged and like being on your team? Give them a purpose by connecting and driving the entire team to your vision, mission, and purpose.

This is not new information, yet so many companies just forget to do this or simply choose not to make it a priority. Next, prepare them for success, empower them, and get out of their way. This is easier said than done. It requires a lot of training and development, which no one has time for (or the budget for, in some cases). If you cannot train and develop them, then at the minimum – provide regular feedback and one-on-one coaching. Also, remember that they are whole human beings with a life and responsibilities outside of work. Be flexible and be kind, yet be consistent with how you treat every employee.

The great news is that this is free, although it is time-consuming. Gone are the days where we get to promote the technical expert into a manager role and move on with our day. Often, everyone involved becomes frustrated, including the person who was promoted, because they may not actually enjoy being a manager and would prefer to go back and be the technical expert on the team.

Today, the world requires that someone in a managerial role is properly trained and developed on how to manage and lead other human beings. It is very time-consuming and time is not free. Yet, when you put the right person in a managerial role, you will save money with reduced turnover, increased engagement, improved customer service, sales, and overall productivity, and you will promote positive company culture. Can a technical expert be an awesome manager? Absolutely! Just don't assume that everyone wants to be a manager. Regardless of who you have in a managerial position, it is important to note that team unity is so very important, and it is directly connected to the bottom line. In addition to training for traditional management skills, an employee recognition program should be implemented. Now, before I go any further, please note that not every person desires recognition; therefore, you are not going to solve all employee-relations challenges with a shotgun approach. Additionally, if you are going to create an employee recognition program, it is advised that it is widespread across the organization and not just in your department. With that said, perhaps your department can be a test pilot for a recognition program.

SurveyMonkey partnered with Bonusly to find out how recognition and retention are related. The importance of recognition isn't lost on workers:

82% consider recognition as an important part of their happiness at work

68% think that public recognition has at least some impact on their ability to get a raise or a promotion

63% of employees who are recognized are very unlikely to look for a new job

32% think that it improves the way their colleagues interact with them

TAKE ACTION:

Here are some simple employee recognition ideas that you can start implementing today, even with a very limited budget.

Handwritten Thank You Notes by Leaders, Managers, Supervisors.

A Company Meeting Shout Out.

Gift cards ranging from $10 to $50 (buy 12 to 52 or more for the year, depending on your company's size, and discuss this with your CFO as it may be considered income).

A rotating trophy culture.

A Photo Wall: "Awesome Employees Work Here".

Coworker kudos are very important. Make it possible and easy for coworkers to recommend kudos. They are often more in tune with what is going on than supervisors are. Regarding supervisor kudos, you would be surprised what leadership can uncover by the recognition given (or not given) by supervisors. The best part is that what you may uncover can lead to training and development opportunities for all involved.

How do you get started?

Provide a simple email or document format for all employees and supervisors to submit recognition information

Who is being recognized?

What action/behavior is being recognized?

When did this happen?

What Company Value does this connect to?

Kudos provided by (recognizer name).

Would (recognizer name) like to be kept confidential?

Send these to a neutral person such as an HR representative who will vet the submissions for accuracy and discuss the leadership team before the recognition occurs.

Why bother? Engaged employees are productive employees who not only stay with your organization longer but are also more effective and productive than non-engaged employees. Above all, they proudly recommend like-minded candidates for openings. This is a win-win for retention and attraction. Once you have implemented a recognition program in the company culture, then use data to track decisions. Learn more in this Experfy blog: "How To Build Data Culture And Make Data Your Friend."

thank you ☺

COMMUNICATION

Communication is very often confused with words, but it is so much more than just words. Factors such as body language, emotions, change, fear, target audience, received audience, intended message versus what was actually said, what was actually heard, generational differences, personality styles, and listening skills all have a huge impact on communication. Likewise, the communication medium such as email, phone, voicemail, text message, video, in-person, letter, etc. has a big impact.

STATISTICS::

Everyone Social pulled together an alarming, yet a profound list of statistics regarding communication at work, or a lack of communication, and how it affects the bottom line. This is what CFO's should be focusing on. Communication affects profitability. Is this really shocking? Not at all. Then, why do so many choose to ignore it?

• 60% of companies don't have a long-term strategy for their internal communications. (**Workforce**)

• 74% of employees feel they are missing out on company information and news. (**Trade Press Services**)

• Disengaged employees could cost organizations over 450 billion dollars per year. This loss is experienced in wage dollars, retraining time, loss of profit, loss of sales, and much more. (**Conference Board**)

• 72% of employees don't have a full understanding of the company's strategy. (**IBM**)

• Only 54% of respondents in a VMA group study strongly agree that progress towards communications objectives is researched, measured, and evaluated with metrics and KPIs. (**VMA Group Study**)

• 57% of employees report not being given clear directions and 69% of managers are not comfortable communicating with employees in general. (**HR Technologist**)

• 86% of employees and executives cite lack of collaboration or ineffective communication for workplace failures. (**Salesforce**)

• Only 5.9% of companies communicate goals daily. (**GoVitru**)

• 33% of employees said a lack of open, honest communication has the most negative impact on employee morale. (**Recruiter**)

• 85% of employees said they're motivated the most when management offers regular updates on company news and culture. (**Trade Press Services**)

• Businesses that have highly engaged employees are able to bring in 21% more profit than those who do not. (**Rise People**)

• Organizations with effective change and communication programs are 3.5 times more likely to outperform their peers. (**ThinkTalent**)

• Businesses with effective communication are 50% more likely to have lower employee turnover. (**Clear Company**)

ENGAGEMENT:

Most problems at work (and even outside of work) revolve around a lack of communication and miscommunication. If your leadership team has created a mission and vision statement and even a set of company values, how do you as a leader ensure that this information (or any information) that you have shared with your team gets widely distributed? How do you ensure people take it seriously?

From "**Suck It Up, Buttercup. Be A Leader People Will Follow**", Author Wendy Sellers;

Two options are as follows:

1. Formally communicate to the entire department and/or company in a quarterly in-person or via Skype town hall session or fireside chat, monthly newsletter, weekly email, a daily blog on your internal intranet, and/or even on social media depending on how much information you want your customers to also know. Human resources and marketing should team together to assist with the messaging. You want to provide information that is transparent, but not overwhelming, and at the same time, you do not want to accidentally stick your foot in your mouth.

2. Informally communicate to the entire department and/or company by word of mouth. Create a communication tree; deliver your information to your executives who are expected to deliver the same information verbally to senior management, then they deliver it to middle management who delivers it to team leaders who deliver the messaging to frontline employees. It is important that every single employee hears the same information in a timely manner. It is also important that there is initially a reporting mechanism to hold your management team accountable and to ensure this communication actually happens. Eventually, open, honest, frequent communication with all employees will be ingrained as part of your culture.

Note that while verbal communication is much more personal and builds relationships, information may be lost in translation from one person to the next (the story carousel). It is a good idea to provide a cheat sheet of talking points for your managers.

Listening is also a huge factor in the complex communication process because it involves not just hearing, but actually understanding. So many people say, "well this is what I told them to do. I don't understand why they didn't do it." People may not understand it because what you think you said is not what you actually said. It may not have been heard due to the environment, emotions, or chaos. Choosing an appropriate time to communicate is just as important as all of these other factors listed. Who knew humans were so complicated? Before you get angry or upset, consider the facts and consider confirming that the intent of your message (not just the words) was received by your intended audience. "I am not the best communicator, so can you help me by recapping to me the message you heard from me?"

Also, people need to hear things many, many times, especially during periods of change in order to get the message across. They need to hear from multiple people multiple ways using multiple sources, and they need to have the opportunity to ask questions where they're not going to be reprimanded or made to feel like an idiot when doing so (avoiding fear).

Communication is so much more than words. It is an intricate combination of things, and if you are constantly feeling that people don't get what you are saying or don't listen or are idiots, then you are most likely the common denominator and the root cause of communication issues.

TAKE ACTION:

Eight steps to improve communication and engagement with employees:

1. Remember the answer to this question: Who is responsible for communication? You are! (Well, everyone is, really)... Repeat after me: I am responsible for communication. If someone did not understand your message, you must take responsibility. Always ask yourself or even the employee, for that matter, "how could I have handled that differently?" Then, handle it differently next time.

2. Communicate often. Schedule weekly team meetings and stick to them! For some employees, you may need to meet more often or on an individual basis—especially if there is a challenging project and a fast-approaching or changing deadline. Employees whose managers hold regular meetings with them are almost three times as likely to be engaged than those with no meetings.

3. Respond to your employees' emails, phone calls, and voicemails. This shows that you respect and value them. You expect that of them, and you should give them the same effort.

4. Set priorities for your employees so your expectations are clearly known. Osmosis does not work! If priorities change, as they often do, communicate the changes with the entire team.

6. Provide feedback often. Do not wait for an annual performance review meeting. Often, those meetings feel forced and superficial, and let's face it; no one likes giving or getting an annual review. I am all for getting rid of them and simply having monthly performance conversations. Schedule repeat one-on-one meetings (they can be short, 30-minute meetings) with every employee as this will increase the company culture. Discuss their SWOT: one Strength, one Weakness, one Opportunity, and one Threat regarding the employee's performance, behavior, and overall career. When performance conversations happen frequently, employees become more productive. Want to build your trust factor even more? Ask them for feedback on your performance!

7. Get to know your employees as humans. You do not have to be best friends, but you do spend a lot of time together, so being friendly makes those difficult conversations much easier for all involved. Find out what they do outside of work and engage them in those conversations.

8. Assist your employee with growing their strengths. Do not assign them projects that will highlight their lesser strengths. Mentoring and coaching are extremely important for building confidence, trust, respect, and happiness. Happy employees are productive employees. Building someone up while holding them accountable is called being a leader. Putting someone down is called being a bully.

The only assumption you should make regarding communication is that the intended message was not properly received, even if you clearly understood it. Over-communicating is the preferred messaging option.

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