Workplace Culture: Why It Matters and How to Build It

The term "workplace culture" is often discussed in job postings and PR campaigns, but one study by Deloitte found that only 12% of companies believe they understand their work culture. An organization's culture is its system of values and beliefs and day-to-day behaviors that shape how work gets done. Workplace culture can be a driver of employee engagement, can influence the ability to attract and retain talent, and can determine levels of productivity and financial performance. In fact, 92% of business leaders in successful companies believe that workplace culture impacts their performance. Culture is increasingly important to Millennials in the workforce, and one survey notes that on average, 56 % of millennial workers consider a strong workplace culture more important than salary. Glassdoor reports that 73% of workers would not even apply to a company unless its values aligned with their own.

The challenges of 2020 have made developing and maintaining a cohesive workplace culture increasingly complex. Companies around the globe are adjusting to new safety guidelines for in-person workers, managing remote work teams for the first time, and navigating economic uncertainty. An April 2020 survey conducted by SHRM found that 2 out of 3 employers say maintaining employee morale throughout the pandemic has been a challenge, particularly for large organizations with 500 or more employees. While employees can be productive from home, there is a decline in collaboration and social connection more easily accomplished in an office

environment. Additionally, some office cultures will need healing after layoffs, furloughs, and closures. One Pulse survey conducted by the OC Tanner Institute found that when an organization had a layoff or furlough due to COVID-19, there was a 91% decline in employee Net Promoter Score, a 57% increase in disengagement and a 42% in increase workplace tension. It will be necessary for organizations that have experienced layoffs to consciously focus on rebuilding trust and creating a positive culture.

However, some companies have found strength in their existing culture, leading to successful outcomes despite the challenges of COVID-19. Tracy Keogh, CHRO at HP, explains that "We use our culture to frame it [dealing with the pandemic]. We always had a collaborative culture and a supportive one. We are engaging our employees more than ever. We are an agile culture, and we pivoted to the needs of our employees. I also think this situation made us do things

over a matter of weeks that might have taken us years otherwise." Leveraging video conferencing technology has allowed HP's CEO to increase connections globally and find ways to be more inclusive with employees by meeting them where they are. HP has also provided town halls with medical professionals to educate their workers about coronavirus and other health issues and offers weekly homeschooling seminars for parents. Keogh encourages leaders to use the changes brought on by the pandemic as an opportunity to strengthen connections with their teams and focus on core cultural values.

What Shapes Workplace Culture

Some companies are known for their unique approach to culture. One example is [Netflix's now-famous PowerPoint](#) explaining their method for creating a culture that balances freedom and responsibility. Another is Disney's commitment to "[finding as many ways as practically possible to regularly demonstrate genuine care for your people](#)." Some

companies are more known for their unhealthy cultures, like Amazon, where employees have complained about toxic practices like timed bathroom breaks and frequent emergency calls from Amazon warehouses regarding employee mental health episodes. However, while there are outliers, most company cultures are very similar. Most companies prioritize growth and increased revenues, are driven to stay competitive in their market, and work to build effective teams.

Several factors shape an organization's culture. Common elements include the organization's values, the degree of hierarchy and structured job descriptions, and whether they are task-oriented or people-oriented in their approach to creating processes and making decisions. Cultures develop over time as leaders shape customs, traditions, rituals, and behavioral norms. However, companies with a strong emphasis on culture often start with a process called "values blueprinting." Values blueprinting is a formalized process where stakeholders identify and prioritize the intrinsic values of their organization.

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Defining organizational values is the first step to embedding them into the corporate culture and making them a part of daily operations. It creates a common definition of success for employees and leaders and unifies the organization around a common mission. It is helpful to divide them into four main categories— core values, aspirational values, behavioral and social standards, and accidental values.

Core Values

Core values are the cornerstone of workplace culture. These values are usually established by the founders of an organization and should be both inherent to the organization and sacrosanct. They cannot be sacrificed for short term gains or convenience. When drafting core values, they should be brief and specific. For example, Kellogg's has six core values that represent the type of employees they want to attract, the businesses they want to work with, and the type of products they want to make:

- Integrity
- Accountability
- Passion
- Humility
- Simplicity
- Results

Kellogg's has demonstrated a strong commitment to these simple core values over time, winning accolades like being one of the top 50 companies for diversity according to Black Enterprise and Diversity, Inc. They were also named one of the World's Most Ethical Companies by Ethisphere and deemed a 2030 Food Loss and Waste Champion by the US EPA for their commitment to reducing food waste in their operations by 50% or more by the year 2030.

Aspirational Values

Aspirational values are those that are needed within an organization but have not been achieved. An organization might need to cultivate a new value to support a new strategy or meet the needs of a changing marketplace. For example, an IT company might need to create a new focus on urgency to compete in an increasingly customer-centric

market. When identifying these aspirational values, it is critical to evaluate how it relates to the core values. If the aspirational value conflicts with any previously established core value, it will be necessary to decide which is more important. For example, if a company has established hard work and dedication as a core value and is known for its employees working late or on weekends, creating an aspirational value of work-life balance would be contradictory. Employees might be confused about what matters most to leadership and be unsure how to approach their work schedule. If a company wants to improve work-life balance, it might have to redefine its core values and make intentional changes to the cultural norms around working after hours.

Behavioral and Social Standards

Sometimes these are referred to as permission-to-play values. They represent the minimum behavioral and social standards required of employees. Many of these are fairly standard across organizations and industries and include

dress codes, honesty on resumes, respect for co-workers and customers, etc. These values establish acceptable behavior in the workplace and are often looked at as the code-of-conduct for employees.

Accidental Values

Accidental values are just that, accidental and often unintentional. They evolve from the workplace culture over time and are easily noticed by new employees. For example, some offices might value a sense of humor, which becomes evident from jokes told by employees, funny comic strips posted in the breakroom, or occasional good-natured pranks on co-workers. While this contributes to the overall culture, humor is not often on the list of core values for a company. Other accidental values might be toxic to the workplace culture, such as an obvious disdain for employees that can't or won't work overtime or public shaming of workers that make a mistake. It is important for leaders to be aware of these accidental values and ensure they don't interfere or contradict the company's core values. And then correct course when necessary.

Developing and Sustaining Workplace Culture

Once an organization has identified its values, it must apply them to its core business activities, processes, and day-to-day operations. The established values should inform HR policies, hiring practices, customer service practices, and daily interactions.

Hiring for Culture

While most hiring practices rightly focus on the applicant's skills, the greatest success is achieved when a new hire's personality also fits the overall organizational culture. Hiring managers should look at each piece of the organization's mission, vision, and values and then structure interview questions around those areas. For example, if a company's overall culture is fast-paced and intense, hiring someone who displays a natural sense of urgency and intensity would be a better fit than an applicant with similar skills who prefers to take time and work through things methodically. Engage multiple people in the hiring and interview process. Soliciting diverse perspectives on a potential candidate will provide a clear understanding of how they might fit in the organization. It can also help prevent any unconscious bias in the process. While employees should fit into the culture, it is important to focus on the organization's true core values and not hire based on a similar appearance or background.

Internal Onboarding

A well-designed onboarding process is essential to developing and sustaining a coherent workplace culture. Educating new employees about organizational norms, traditions, and desired behaviors will help them internalize the company's value system and become part of their co-workers' social network. A new employee can easily see if an

organization is honestly living its stated values. It can be damaging to morale if they find the culture is not what was conveyed in the hiring process.

Rewards and Recognition

Another way to reinforce the desired culture is to recognize and reward employees for living the values of the organization. If teamwork is a core value of the company, rewards or bonus programs should be structured around successful collaborations. If the values are customer-centric, employees should be recognized when they go above and beyond to help a customer. Recognition should be frequent and can be as simple as verbal praise or calling out a great employee at a staff meeting. Rewards can be as simple as buying lunch for a team that just solved a big problem or handing out gift cards when you catch employees doing something right.

Employee Development

An effective workplace requires a commitment to developing the skills of employees at all levels of leadership. Providing learning and development opportunities in individual or group settings can solidify a culture of excellence within an organization. Enrolling managers and supervisors in interactive management training with a results-oriented curriculum will improve performance and reinforce consistent values at all levels of the organization.

Cultivate Employee Relationships

Group bonding is essential to a cohesive workplace culture. Creating opportunities for team-building such as group dinners, Zoom happy-hours with games, and other events can give employees and managers a chance to get to know

one another and create positive social bonds. Strong, relationships will drive employee engagement and retention well as improve communication within the team.

Take Ownership of Workplace Culture

Building and sustaining an effective workplace culture is at the heart of good leadership. It is not easy to consistently live out the stated values of an organization. Values must be carefully defined and consistently reinforced at all levels of an organization. As organizations pivot quickly to cope with changes brought about by the pandemic, leaders that stay true to the company's values and focus on building a strong culture will be well-positioned for success.

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