

# Just What is Company Culture Anyway?



Over the years I've been asked to help train leaders on improving their company culture. Companies are interested in this training because they believe it will produce more engaged and productive employees.

Before I can help a leadership team, I try to reach an understanding of what they mean by "culture." As you can imagine, get five leaders in a room, and you'll get five variations on that answer.

What follows is a list of factors to be considered when identifying and shaping company culture. It is often difficult to define where one aspect of culture begins or ends, and they tend to interrelate with each other.

- **Level of commitment to company vision, mission, values and goals** - for example, Nordstrom's built its brand on a commitment to extraordinary customer service. That commitment began in the hiring process and is reinforced through continuous training, policies, and procedures. It is their culture.
- **Quality of relationships** - between management and employees, the company and its customers or clients, its vendors and other stakeholders. I consider Southwest Airlines to be a high-relationship culture.
- **Quality of product or service delivery** - for example, the Lexus culture is defined by "The relentless pursuit of perfection," which is why they produce the highest rated car year after year.
- **How the company structures itself** - is it a hierarchal, top-down driven organization or more of a thin on management, lateral one? For example, many defense contractors tend to be very hierarchal, just like their clientele, and it affect their culture.
- **The company comfort level with risk** - I would expect a law firm, bank or insurance company to have a risk-averse culture. I would expect the opposite working for an Elon Musk company.
- **How does the company keep score?** - what do we define as a win or a loss?

Some company cultures are very bottom line oriented. Others are more focused on making breakthrough discoveries.

- **How do we play and celebrate?** - this is not just about having a ping pong table or dartboard in the hallway. Are people allowed to have fun? Pike's Place Fish Market is Seattle decided to have fun selling cold, smelly and slimy objects. They even wrote the Fish Philosophy book about it.
- **How do we acknowledge people?** - I remember speaking with a woman at a law firm celebrating her 25th anniversary of work there. I was blown away when she told me not one person said a single thing to her on that day. You might call that a zero acknowledgment culture. (As soon as I got back to my office I sent her a bouquet of balloons to make her day.)
- **Are we family friendly?** - are we comfortable with providing employees flexibility to maintain child care, elder care, medical treatment, and other obligations? I remember a recent news article where a company was chastised in the press for not allowing a woman to travel from Florida to Puerto Rico to see if her mother had survived the hurricane there. Apparently she had used up all of her leave bank before that catastrophe, and the company denied her request for time off. That is not a family-friendly culture.

- **Do we have a growth culture?** - some companies could care less about employee growth. They are simply hiring robots to do a job. In other environments, it's all about continuous growth and improvement. They support that culture with significant training expenditures. The average expenditure for training hovers around 2-3% of payroll or \$1,100 per employee.
- **What stories do well tell?** - there are the very logical aspects of culture, and there are the emotional ones as well. The latter is largely driven by the stories we tell, both internally and externally. Our "brand" if you will. Do you spend more time telling stories about the past, the present or the future?
- **The overall willingness to embrace constant change** - some companies claim they have a culture that supports change but then do nothing to generate employee input. As with any of these cultural factors, failing to walk your talk significantly damages your culture.
- **What is our compensation philosophy?** - how you choose to pay people says a lot about your company culture. Are you trying to pay as little as possible to hire robots or are you paying above grade to get top talent? How do you use commissions, incentives, and bonuses to support your culture?
- **How does leadership show up?** Remember the ethics saying "fish stink from the top of the head." Well, culture starts there too.
- **How do people show up when something feels unfair?** We usually think of culture as a "sunny day" idea. But the culture of an organization, team or individual is on full display when something feels unfair. How we collectively deal with our stuff is the true benchmark of culture.

The bottom line is culture is what you are committed to doing and your "beingness" in the process.

## About Don Phin, Esq.

Don has been a California employment practices attorney since 1983. He litigated employment and business cases for 17 years and quit once he figured out that nobody wins a lawsuit.

Since leaving litigation, he has written numerous books and presented more than 600 times to executives nation-wide.

Don was the founder and President of HR That Works, used by 3,500 companies and acquired by ThinkHR in January of 2014. He then worked at ThinkHR for two years as a V.P.

Now in his "wisdom sharing years," Don loves coaching executives and investigates challenging workplace problems. He continues to inspire with his speaking and training.

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