

The effective^{HRM} Guide to **COMPANY CULTURE**

What it is, why it's important, and how you
can create a culture that benefits
everyone



As a business owner or manager, it's likely that you're already somewhat familiar with what company culture means. However, your interpretation of the term may differ to others.

That's because there really is a lot to company culture. It encompasses so much of what you do and how you and your people behave. This means there is a lot to think about.

In this guide, we break down what company culture really is and discuss why it's so important for your business to truly understand their own company culture and actively work on strengthening it.

**Let's
Begin.**



What is Company Culture?

Your company culture should be something that you can feel, even as an outsider.



It incorporates everything. What you do, how you do it, your system, values, behaviours, goals, and the experience you give both your employees and your customers.

Simple, right?

Ok, maybe not. But looking at its very core, company culture is how things get done around your workplace.



Imagine this: a stranger walks into your workplace.

What's their experience of it?

Are they greeted by the employees they pass on their way to the front desk? Does your receptionist offer a friendly smile, offer them a drink and a comfortable seat?

Or are they ignored until they approach the first person they see and hope they are able, or willing, to help to locate the person they're looking for?

Both these scenarios give off a very different company culture. The first demonstrates a warm, positive, approachable image. The second feels uncomfortable, negative and lack-lustre.

Company culture is the social order of your organisation.



It helps to shape the attitudes and behaviours of the people within the business. The norms of your company culture define what within the business is actively encouraged, discouraged, accepted, and rejected. And if it aligns with its people's personal values, drives and needs, it can unleash a huge amount of energy towards your shared purpose.

It can come from a number of sources: how your people communicate with each other (and with other people), how decisions are made, your hiring and firing processes, how you encourage personal and professional growth, how you recognise hard work and effort, and how a job well done is celebrated.

Why is company culture important?

Thinking back to the above scenario of a stranger walking into your workplace, you can probably already see how a company's culture can make a big impact.

In the first business, the people seem happy to be there. The positive vibe is likely echoed throughout the company. People know what they're doing and how they're doing it. They have direction, they're productive and motivated. It gives you a nice feeling to be there and to interact with the employees.

The second example? Well, that doesn't feel like such a warm and welcoming environment for a customer to visit, nor for an employee to work.

You could easily imagine employees being unhappy in their roles, feeling unmotivated and unengaged. They may be lacking direction or guidance. You get the impression they don't want to be there. And if they don't want to be there, it's safe to assume potential customers won't want to be there either.

A company's culture can directly impact the company's performance on key metrics, like finances, retention (both employees and customers), innovation, and customer experience.

When a company has a great culture, it is diverse, inclusive, and rewarding for its people.

In turn, that means people are likely to stay with the company for a long time.

And when there's inclusive leadership, employees are happier speaking up and sharing their ideas. They also find adapting to change a lot easier in this kind of environment.

Employee happiness makes your people more efficient, more creative, and more productive.

That means your customers get a better service, they feel heard, and the whole experience of dealing with your business is more positive. And we all know that means your customers are more likely to return to you time and time again, spend more, and even recommend you to others.

But a great company culture isn't only good for holding on to your current employees and customers. It can really go a long way to bringing new people into the business too.



That's because your culture goes towards your employer reputation, too. And that could mean that when the time comes to recruit, you already have a queue of people waiting to hand over their CVs.

How do you create and shape your own company culture?

There are lots of theories and models on creating and changing company culture – and of course, they can be vastly different. However, generally speaking, there are four key attributes that remain similar:

Shared experience

Your company culture must reside in the shared behaviours, values and assumptions of the group. It simply can't exist within a single person or be the average of individual characteristics.

All-encompassing

Your company culture spreads across the entire business to not only include behaviours, environments, rituals, and symbols, but also the unseen aspects of what makes your business, too; like mindset, motivations, and assumptions.



Enduring:

Culture works in both the short and long term. People will be drawn to work for a business that reflects their own beliefs and values. Similarly, businesses are likely to choose candidates who 'fit in'. That allows your culture to constantly reinforce itself but also strengthen to the point where it is resistant to outside influences.

Implicit:

It's recognised on a subconscious level, by both employees and customers, but it can be seen and responded to by outsiders too, by way of social media engagement, job applicants, and of course, prospective customers.

To understand your own company's culture, you must understand where it lands on two aspects – people interactions and response to change.

When it comes to people, do you prefer a highly independent experience or a highly interdependent one? If it's independent, you'll place more importance on autonomy, competition and individual action.

If you prefer an interdependent team, you'll prioritise relationships, integration, and group effort and collaboration.

Looking at your people's response to change, do you favour a business that prefers consistency and predictability, or one that likes flexibility, adaptability and receptiveness to change? If it's the former, you'll prioritise seniority-based staffing, hierarchy and efficiency. If it's the latter, you'll favour innovation, diversity and openness.



Using these two aspects of culture, you can see that there are 8 main culture styles:

Caring:

Focuses on relationships and trust. Caring workplaces are typically warm, collaborative and welcoming. People help and support one another, and leaders place emphasis on sincerity, teamwork, and positive relationships.

Purposeful:

Workplaces are tolerant and compassionate, and people want to do good for the long-term future, not just for the business, but for the world. Employees want to make a difference, and leaders are focused on sustainability, shared ideals and the greater good.

Learning:

These workplaces are creative, inventive and open-minded. People spark new ideas and explore alternatives. Leaders are adventurous, knowledgeable and innovative.

Enjoyable:

Focuses on fun and excitement. Workplaces are light-hearted and people do what makes them happy. Leaders place emphasis on spontaneity and humour.

Results:

Prioritises achievement and winning. Workplaces are merit-based and outcome orientated. Leaders focus on goal accomplishment and performance.

Authoritarian:

Workplaces are competitive and personal-advantage driven. Employees are led by control by dominant and confident leaders.

Safety:

Focuses on planning, security and preparedness. Workplaces are predictable and people are risk-conscious and feel protected. Leaders are realistic and plan ahead.

Orderly:

Prioritises respect, structure and shared norms. Workplaces see people following the rules and striving to fit in. Leaders like shared procedures and customs.

When deciding on your own style, it's more than likely that your own business will take influence from multiple categories rather than fitting neatly into one category.

While many aspects of the categories complement each other to create a well-rounded workplace (take caring, learning and enjoyable for instance), some styles work against each other. This could lead to a confusing environment where people may be working counter-productively to each other (take safety and learning for example).

Once you've decided where your values lie, you'll need to make sure everyone in the business understands where things are going and buys into the new shift in culture.

First, you should create a manifesto that outlines your values and beliefs, details how your people behave, and your shared goals and visions. This should be reinforced regularly and even displayed somewhere prominent.

A manifesto is a useful tool when hiring too, as it can help recruiters to understand the person you're looking for, and it can also help you to attract like-minded candidates to a role.

Gather feedback from your employees. This will help you to see where your culture currently sits, where it is strong, and the areas that you may need to improve.

It's also important that as part of a shift in culture, you place high importance on your employees health and wellbeing. Not only is this proven to increase productivity and reduce unplanned absences, but you'll also benefit from a happier team that is more engaged.

You may also like to consider things like employee benefits (childcare, gym memberships, discounts on shopping, etc.), team building activities, and ways you and your people can give back to the community, if these things fit within your chosen culture direction.

Need a little help?

That's ok!

If you've never taken the time to think seriously about your company culture it can feel like a challenge.

Perhaps it's something you'd like a hand with from the offset, to ensure you give the right consideration before making any big changes. Or perhaps you'd prefer to take the time to gather employee feedback and assess your business on your own first before you look for help.

Whatever help you'd prefer, we'd love to be here for you. Just give us a call to arrange a conversation.

NEED SOME EXPERT HR ADVICE?

Simply contact our team on 03300 414589 or email
us at hello@effective-hrm.co.uk