



The Impact of Company Culture On the Bottom-Line

"People are our most important asset."

"We succeed as a team."

"There is no I in TEAM."

These and similar protestations are often heard by leaders who fail to act accordingly. Why do leaders say one thing and do another? Well, probably because they do not understand the comprehensive effort that goes into having great people and creating great teams.

Great people and great teams do not just happen. They must be consciously pursued through an interlocking tapestry of the seven core attributes of building a great team.

1. **Realize that teamwork emanates from the top** – An organization's teamwork cannot exceed the teamwork of its leaders. If the leaders are in conflict or lack alignment, so too will the organization.
 - Building and sustaining a great executive team requires a Chief Executive/ leader who understands and drives the people component of success.
 - The executive team must trust one another enough to feel free to disagree vehemently during discussion but coalesce seamlessly around the final decision. They must then hold themselves accountable as a team and finally achieve the things they set out to do.
2. **Have an inspiring vision and clear mission** — People need to feel they are part of something bigger than themselves and an important part of a worthy cause.
 - All employees need to accurately state the organization's vision, mission and top 3 - 5 priorities.
3. **Start with the end in mind** — Make sure all the people pieces fit together to reinforce one another.
 - Too often, one well-intended action causes unnecessary disruption elsewhere.
4. **Communicate frequently and factually**



- Never speculate or promote false rumors.
 - Communicate fully on what is known for sure.
 - Make the hard calls sooner rather than later.
 - Understand that communication is not a one-time event, but rather requires continuous reinforcement (particularly by supervisors).
5. **Ensure people policies reinforce performance** – Everything from compensation to performance coaching must meet three key tests:
- Does this motivate performance?
 - Does this drive teamwork?
 - Does this protect the company and its employees from harm and/or legal entanglements?
6. **Develop and promote great supervisors** – An employee's supervisor has the greatest impact on their job satisfaction, productivity, and overall contributions. Great supervisors do not just happen. Their potential must be recognized early and they must be developed.
- Even "natural leaders" must be trained.
 - No one can lead who cannot relate to individuals, the team, and the organization.
7. **Hire great people** – The people you hire are the foundation on which the organization stands.
- Separate low performers from the organization quickly.
 - Invest in the development of all while focusing on those with the highest potential.

Together these seven attributes define the culture of an organization. A company's culture is known by what employees talk about and what they do. If motives and actions are self-serving for individuals and small groups, then overall success will be lacking. On the other hand, if individuals and small groups align their efforts to the greater good, their chances of overall success are greatly enhanced.



In the West, we are raised in an individualistic society. For there to be winners, there must be losers. We grow up playing zero sum games versus "win-win" scenarios. Further, we are taught for our team to win, the other team must lose. Now clearly, even as adults, these beliefs still apply in most sports and in some aspects of social life. However, in the workplace, acting out zero sum scenarios is usually counterproductive.

To move from zero sum to win-win in the workplace requires the realization that more can be achieved together than separately. Even in facing other business competitors, a healthy industry like a rising tide, lifts all boats.

So how do we move from a competitive work place to a cooperative workplace? First, we have to acknowledge human nature. Competition is normal in our society. This said, internal competition around resources and objectives is destructive in an organizational setting. To get past these "natural tendencies", leaders and managers must first be aware of the long-term negatives of internal competition, and the *power* and synergy of internal cooperation. When a leader strays off the path, internally competitive behaviors must be challenged.

Leadership comes from the top. *Always*. The leadership team must first understand the benefits of teamwork and commit to becoming a "high performance team". This transformation must take place at the top before a sustainable difference can be realized in overall performance. Sometimes, this means changing out members of the leadership team either because they are not capable or are not willing to participate.

Once teamwork is achieved at the top, leadership can start down the list of core qualities to build a company-wide, win-win high performance culture. The seven core attributes clearly overlap, but they generally are in sequential order of emphasis. A trait further down the list will likely not be fully achieved until the attributes before it are achieved.

Exhibit A is a somewhat expanded version of the seven key attributes that offers a comparison and contrast between "Constructive and Destructive" organizational structures. Looking at your organization, how would you rate yourself as you are today? What steps would have to be taken to move toward a constructive culture?

Cultural engineering for an organization is a significant undertaking and requires the right staff with a strong commitment to build a high performance team. Therefore, building a high performance team/constructive organizational culture is attainable. It is a long-term endeavor, but the rewards are high to both employees and shareholders.



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Exhibit A

Behaviors of Destructive vs. Constructive Organization Cultures

<u>Key Element of Performance</u>	<u>Destructive Cultures</u>	<u>Constructive Cultures</u>
Chief Executive/ Leader	Instills fear, complacency, and/or internal competition.	Clear vision and instills a sense of mission and company-wide teamwork.
Leadership Team	Jockeying for position with each looking out for themselves and their allies.	Dedicated to success through teamwork and accountability across the entire team.
Vision and Mission	Driven by financial performance only. Making money is the primary measure of success.	Driven by a vision and mission beyond financial performance. Making money is a by-product of success.

Cultural Engineering from the top	Not considered	A key priority of the leadership team. Frequently discussed and seriously considered during decision making.
Interdepartmental Teamwork	Some departments may cooperate; but overall, departments compete.	Departments cooperate and sacrifice for the success of their peers.
Employee Communications	Infrequent and incomplete. Not a priority.	Frequent and complete. Understood to be central to teamwork and success.
Employment Policies and Practices	Tends to make it up as they go, or have "cast in stone" rules. No exceptions.	Practices are spelled out, but pliable based on facts and circumstances. Company writes down what it does; does what it writes down, and makes sure that what is written is legally compliant.
Performance Reviews	Not done, or done annually. Supervisors are not trained in conducting effective performance reviews.	Performance goals are set early yet remain pliable based on changing circumstances. Feedback is on-going with informal meetings at least quarterly and a formal written review annually.
Compensation	Based on what is necessary to get the person hired.	Based on the market value of the job and the performance of the employee.

Supervisors	Are selected primarily on technical expertise and criteria other than people skills. Drive employee performance through intimidation and/or micro-management. Or may not be engaged at all.	Are selected primarily on people skills in consideration of required technical competencies. Lead employee performance through teamwork and individual accountability.
Hiring Practices	Hiring is a necessary evil. Hire to fill the job at hand based on educational and work experience.	Hiring is the lifeblood of the organization. Hire based on cultural fit, potential, and skill set.