



HOW HEALTHY IS YOUR CULTURE?

It's one of those questions that stops you in your tracks. You're at your desk, plowing through the day's work just like every other day. And then it hits you.

Somebody, somewhere, at a meeting a few days ago, mentioned something about culture, and how it affects your entire company. You barely noticed it, but the question filtered through your auditory nerve and into your brain and took root. Then at 10:17 a.m., on a random Tuesday, it sprouted.

If culture is a living, breathing thing that can change over time, the questions begin. "Is my culture healthy?" And then, "How do I define it? If it's not healthy, how is it affecting my company? If it's sick, where is the medicine that cures what's ailing it?"

Slow down there — one thing at a time. Whether you set out to build one, or simply let it form, you have a culture. But if you chose the latter route, there is a much greater chance that your culture is not as healthy as it could be, especially if you're losing business at the same time employees hand in their two-week notices and flock toward the door. These are clear signs you have a culture problem on your hands.

The good news is, you don't have to accept an unhealthy culture. Fixing it — or better yet, developing a strong culture from the get-go — isn't any type of science or surgery that involves brains or rockets. You don't need an Ivy League degree or work experience at Google to understand the characteristics of a great culture and how to start cultivating one at your own business.





FIRST THINGS FIRST

First of all, let's get past the touchy-feely stuff. Culture isn't a soft, mushy, pathos-drenched concept devised by some out-of-touch think tank. It isn't about hand-holding and hugs and free passes for mini-golf. The status of your culture has a very real and direct impact on whether your company makes money and survives long term.

An underperforming culture leads to underperforming employees. How? Think about everything that a bad culture entails.

- Poor communication among people and departments
- Inadequately defined organizational goals
- A lack of career development initiatives
- Failure to reward and incentivize good work
- An emphasis on negative motivation – employees only hear about something when they do it wrong
- A lack of “human connection” — nobody wants to go above and beyond for their coworkers
- No sense of a greater purpose, beyond cashing paychecks

And can you guess what all of that leads to? You probably have an idea — you just don't want to think about it.

- Disengaged employees with a lack of motivation to do great work
- Mediocre work that doesn't please your customers
- Customers taking their business to your competitors
- Your business loses money.
- If it goes on long enough, you end up on the cover of “Business Flunkie Illustrated.” (Just be glad that magazine doesn't actually exist.)
- But more seriously, your company doesn't survive.

Disengaged employees, to paraphrase the great American philosopher Peter Gibbons from the movie “Office Space,” work just hard enough to not get fired. They take more sick days. They arrive later and leave earlier. They let those lunch hours creep to 75 minutes, then 90 minutes, then two hours. They spend more time browsing the Internet during the workday. If you ban nonessential Internet usage on company computers, they simply take to their mobile devices. (Isn't technology grand?)

How bad and wide-ranging is the problem? To put it in perspective, a 2013 Gallup workplace research study found that 70 percent of American workers are either disengaged or actively disengaged (in other words, openly communicating displeasure with their jobs). What happens when 70 percent of the U.S. workforce is disengaged in some form? It costs American business

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between \$450 billion and \$550 billion annually.

That's about eight Warren Buffetts. When you understand the real cost of employee disengagement, you understand that it's one of the costliest problems American businesses face.

TAKING A PULSE

The collective cost of poor culture-building is so large, it has to be measured on a macro level. But correcting it is a grassroots effort that

must begin with your company taking accountability for the culture it has (or hasn't) created.

How do you invite that type of accountability? Simple: You allow your employees the opportunity to scare the pants off you and your leadership team. Easy, right?

This is the hurdle that a lot of companies can't clear, and it's the very first one. A culture isn't something you speak into existence. It's something that forms and evolves through a number of internal factors, becoming something your employees live each day. Because your employees experience the set of circumstances that ultimately define your culture, you have to get the real scoop from them. What are you doing right, and what are you doing wrong?

A lot of guys and gals in your shoes don't want to go down this path. But doing so is essential. Much like climbing into a cold pool, there's no way around the unpleasant initial shock. You just have to persevere through it. Call your people together and talk it out. Take a step back and observe how your team members are interacting with each other, and how that impacts how they're interacting with your customers.

And when you do it, you have to take an objective mindset. A bad culture is not a blame game. It's not the fault of:

- Your department heads
- Your HR department
- Rebellious employees
- That college professor who misled you, because he had it in for you from the first day of class

Cultural shortcomings are problems that need to be solved – and solved collectively, with the involvement of everyone in your company. And that means everyone in your company has to feel like their opinion matters, and

SAMPLE CULTURE HEALTH INDEX

The diagram below shows the Culture Health Scores of a real company. After partnering with CultureShoc to create a high-performing culture, the company was able to improve its scores by 31 percent over an 18-month period.



know they won't be sent to the brig for expressing a real opinion that comes from the heart.

Most employees want to see their company succeed. They have a lot invested in your collective success. They want the pride of knowing that they work for a good company that others want to work for. When the business succeeds, everyone succeeds.

With that in mind, when you solicit feedback and input, the most important thing you can do is listen. Don't argue point for point. Don't take a defensive posture right off the bat. Just listen, absorb and compile data.

DIAGNOSING YOUR CULTURE

Getting feedback and input from your team members is necessary to develop an accurate picture of your culture, and subsequently build a place to improve it. To do that, you need to ask specific, targeted questions that start a dialogue with your people.

CultureShoc has distilled these questions into a comprehensive survey, which your company's employees can take anonymously. The survey, administered quarterly, can give you a rolling-data snapshot of your company's cultural health, which we call the Culture Health Index.

The Culture Health Index measures the health of your company's culture in four areas.

- **Mission, purpose and values.** Do your employees understand why you exist as a company, the value you provide to clients, and the core values you will not sacrifice?
- **Culture.** Do your employees enjoy working at your

company, and would they invite others to apply for employment?

- **Structure.** Is your company structured for optimal communication among people and departments? How effective are your meetings?
- **Leadership.** Is management engaged in the business to a satisfactory level? Do your employees know who to turn to when they have a question or problem? Are their leaders invested in their success?
- **Team.** Is your company unified and collaborative? Can you have constructive conflict? Is there accountability among peers, and do they have each other's back?

Based on the answers employees provide, your company will receive a Culture Health Index rating (diagram 1) based on a percentage scale of zero to 100.

The end goal of the Culture Health Index assessment is to compile the data that helps you answer three very fundamental questions about your company.

- What should we start doing as a company?
- What should we stop doing?
- What should we keep doing?

And what do those three questions have in common? They all have the word "do" in them. All of the dialoguing and stat-compiling in the world doesn't amount to diddly squat if you don't do something with all of it. That's what this process is really all about: Converting thought and talk into action, and breaking that action up into defined, manageable chunks.



FROM POTENTIAL TO KINETIC

At some point in school, one of your science teachers probably did a quirky experiment like freezing a balloon with liquid nitrogen. Which was awesome, because it shattered. That science teacher probably also put a ball or a toy car on a ramp and let it roll down, which wasn't as cool as shattering a frozen balloon, but it still illustrated an important scientific point — the concept of potential versus kinetic energy.

Once you've completed your first Culture Health Index survey, once you've begun the dialogue with your people, you're that ball — perched on top of the teacher's desk. You have the stored energy to move forward and do something amazing. But then you have to nudge the ball off the desk so it starts rolling, so that the stored energy turns to action.

Organizing a plan to improve your culture involves more thoughtful decision-making. The first instinct is to go after the areas in which you scored lowest. However, that's often not the best course of action. When we at CultureShoc are developing a culture-improvement plan for our clients, we recommend going after the areas that stand to impact the company the most.

Usually, that's leadership. That's right — you just can't get rid of that mirror. But it's a good thing, both for you and your business.

Nothing impacts culture, morale and the overall health of a business more than the state of its leadership. If your employees' Culture Health Index surveys score low on questions about whether leadership has their back, or whether leadership has their best interests at heart, that trickle-down effect is going to take you nowhere good.

The key is to get that top-down influence to bear a positive outcome. It requires your leaders to look at how you are leading, answering the start-stop-keep questions and taking action on those answers. Administering the Culture Health Index survey quarterly will also help you develop a picture of your company's cultural health over time, empowering you to drive the changes that will have the most impact on your team.

Whether you employ four or 1,004, a culture that promotes growth, collaboration and employee retention is attainable for every business. In fact, it's not optional — it's the duty of every leadership team to guide its business toward a healthy culture, and to maintain it for the future.



LOOKING OUTSIDE FOR HELP?

At CultureShoc, we believe that a great culture is attainable for every business, no matter how many you employ or what industry you operate in. We've created successful outcomes for many companies just like yours. Interested in scheduling your Culture Health Index survey?

To learn more about the survey process and how CultureShoc can help you improve your culture health, contact us at (844) 336-7462 or www.cultureshoc.com/contact-us/.