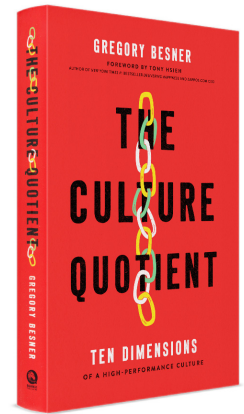


The Culture Quotient

Ten Dimensions of a High-Performance Culture

by **Greg Besner**



Contents

Introduction

Page 2

Mission and Value
Alignment

Page 2

Responsibility

Page 3

Work Environment

Page 4

Innovation

Page 5

Performance Orientation

Page 6

Collaboration

Page 7

Support

Page 7

THE SUMMARY IN BRIEF

Recent Deloitte research compiled from over 3,000 leaders across 106 countries found that company culture and employee engagement are the most important human capital challenges confronting organizations around the world. Leaders want to achieve a high-performing culture at their companies, but many don't have a framework to define their culture or an effective toolkit to manage it.

The Culture Quotient reveals the 10 essential cultural qualities that can help any organization prepare for and thrive in a constantly changing future. It focuses on helping companies achieve better financial results, increase employee engagement, and improve talent acquisition and retention. Author Greg Besner, founder of CultureIQ, also provides practical takeaways and tips to help readers implement culture programs at their companies.

Business leaders have been seeking a practical yet data-driven solution for managing culture for a very long time. Now leaders have it with the *The Culture Quotient*.

IN THIS SUMMARY, YOU WILL LEARN:

- The link between high-performance culture and employee engagement.
- Why communication is the most challenging of the 10 dimensions.
- To focus on two key components of an innovative culture.
- To build a supportive company culture.

Introduction

Company culture, also known as organizational culture, refers to how and why things get done in your organization. Specifically, your organizational culture reflects your environment, which is made up of the behaviors, values, office rituals, and language of those employed in a workplace.

This simple definition clarifies how culture affects not only employees' relationship to their work but also how they work. In this understanding, it is clear why it is important to factor company culture into business strategy. Defining culture in this way encourages leaders to view it as a business topic rather than only a human resources issue.

A high-performance culture is a set of behaviors and norms that enables an organization to achieve superior results, including high financial returns, leading customer ratings, and the ability to recruit and retain top talent. In other words, it is a culture that drives a high-performance organization, one that remains competitive in the financial and employer market.

What does a high-performance culture look like? Ten dimensions are common to high-performance cultures: mission and value alignment; communication; responsibility; agility; work environment; innovation; wellness; performance orientation; collaboration; and support.

Think of these 10 elements as the key ingredients for creating a high-performance culture, and recognize that every organization has a unique recipe to achieve its desired culture.

What Is Employee Engagement?

How does company culture drive your desired business results? Employee engagement is a big part of the answer. Employee engagement refers to how employees feel about their company and their work. When workers are engaged, they are more likely to be happy, motivated, and committed to your company. Engaged workers are also more connected to the company's mission, motivated to exceed their goals, proactive about learning new skills, positive in their approach to work, creative in solving problems, and committed to developing their careers at your organization.

Engagement is an outcome of a high-performance company culture. High-performance cultures outline behaviors and norms that are healthy and supportive, ensuring that team members clearly understand their culture and what is expected of them. Employees feel aligned, connected, and supported, and therefore they feel engaged with their company.

Because culture and engagement are so closely tied, it is nearly impossible to separate the results of engagement from those of culture. Let's now learn how the 10 elements address both.

Mission and Value Alignment

Building a company culture starts with creating your mission and values. Alignment is especially important here. The companies with engaged employees are those that put their mission and values into action every day and across all levels of the organization.

A company's mission or vision statement is a clear and concise definition of its single most important purpose as a business. It should answer, "What do we do, and why do we do it?" Slack's company mission statement is "to make work life simpler, more pleasant, and more productive."

Core values are the guiding tenets of a company. If a mission defines what we do and why we do it, core values express how we do it. Because each organization is unique, there are no universal core values. Instead, a company must decide what principles it holds most important. Ikea's key values are togetherness, cost consciousness, renew and improve, caring for people, simplicity, different with a meaning, give and take responsibility, and lead by example.

Living Your Mission and Values

Any company can email its core values, post them on its website, and pin them to its wall. That's the easy part. What is harder and less common is applying your mission and values in the day-to-day experience of all your people.

Hiring for mission and value alignment is arguably the most important piece of the puzzle to get right. Share your company's mission and values anywhere a candidate might encounter them—in job descriptions, on the company's "About" page, and during screening interviews—to demonstrate your commitment and give candidates a chance to assess their alignment. Then assess every candidate's ability and willingness to exhibit the values throughout the interview by asking about a time he/she exhibited each value.

After an employee is hired, consider the rest of the employee life cycle—onboarding, promotions, ongoing training, termination—and look for ways to embed your values into those touch points. Every policy, process, and program is an opportunity to link back to your mission and values.

As technology continues to deliver new channels for us to connect, communication in the workplace is becoming both more accessible and more complicated.

Communication

For something so universal, communication can be awfully hard to get right. In fact, a CultureIQ survey of nearly 30,000 employees from more than 300 organizations found communication to be the weakest of the 10 culture dimensions.

As technology continues to deliver new channels for us to connect, communication in the workplace is becoming both more accessible and more complicated. No longer is it a matter of communicating more; instead, we must focus on communicating more effectively.

What does effective communication look like? In a company with effective communication, people are able to send, receive, and understand one another and any information they share. This relies on two key components: first, a common vocabulary that allows employees to understand others and any necessary information, and second, the proper channels and processes that enable the information transfer—to and from managers and employees, and within and between teams.

As leaders, it's our responsibility to foster an environment where these communication elements exist, align, and function.

The Impacts of Communication

Communication puts an individual's role and projects into the context of the organization, inspiring workers to feel connected and motivating them to contribute. While increased engagement, retention, and performance each have positive business outcomes, the effects of communication are even deeper on an organizational level.

To start, a common vocabulary builds a shared experience for employees across roles, tenure, and teams. Alignment around communication processes reduces inefficiencies and increases productivity. What is more evocative of human potential than language? People are sensitive to how others around them are using language about their roles.

Further, the success of all other cultural elements and programs hinges on how they are communicated. Consider, for example, that you are rolling out a new performance review

process. Managers and employees alike will understand the change, the reasons for it, and the effect for them only if all that information is communicated clearly. Folks will feel comfortable with the change only if they know where to go for questions and answers. And the performance reviews will have the desired effects only if there is mutual understanding of all metrics and terminology.

Create a process for leaders to share important business updates—a weekly meeting, a company blog, and a roundup newsletter are all options. Whatever you choose, make sure it is equally accessible to all employees.

Responsibility

What is a culture of responsibility? Responsibility measures the level of ownership and autonomy that people feel they have in their role. Companies that value responsibility provide employees the freedom to make decisions regarding their work and encourage employees to hold themselves and others accountable for their actions.

The following equation explains it:

Responsibility = Psychological Ownership + Autonomy + Accountability

Psychological ownership. Francesca Gino, a behavioral scientist at Harvard Business School, defines psychological ownership as “the experience of possessing and being psychologically tied to an entity.” Research demonstrates that feelings of psychological ownership for an organization, regardless of legal ownership, are associated with positive employee attitudes toward the organization, such as loyalty and job satisfaction, and improvements in work behavior, such as performance and organizational citizenship. Managers have the ability to treat their direct reports' responsibilities as the employees' sphere of control.

Autonomy. Researcher Dan Pink has found that autonomy, alongside mastery and purpose, drives employee motivation and often overall business results, too. In order for employees to experience autonomy at work, they need

three things: access to the right resources to get the job done, such as information and tools; a clear understanding of the priorities and decision-making criteria; and (yes, you guessed it) trust from leaders.

Accountability. On one level, accountability in the workplace is doing what you said you would do within the time frame promised. On a higher level, accountability is when people demonstrate responsibility for their actions—assigned or not—and the associated results. The most important condition is that employees understand the company's goals and how they translate into what is expected of them.

Employees also need to understand the consequences of not meeting a responsibility. Sometimes social pressure, (e.g., sending an email explaining that you missed a deadline), provides enough accountability. When the stakes are higher, however, the consequences must be more serious.

Employees must feel comfortable having difficult conversations with their peers, direct reports, and managers. Ideally these conversations will catch accountability gaps before they result in more serious consequences.

Agility

By now we know that change—in the market, within your company, on your teams—is constant and inevitable, and it's certainly not slowing down any time soon. How your organization reacts to that inevitably affects your employees and your business. As famous educator Peter Drucker wrote, “The greatest danger in times of turbulence is not the turbulence—it is to act with yesterday's logic.”

This brings us to the natural question: How do we act with today's logic? Today's logic requires a fundamental shift in how we operate.

An internal group of 50 cross-functional colleagues, known as the McKinsey Agile Tribe, calls for thinking of organizations as living organisms rather than as machines. A machine can move quickly, but if the surrounding environment changes too drastically or frequently, its stability often suffers. Meanwhile, maintaining stability and dynamism within an ever-changing environment is core to an organism's survival. That adaptability is what agility is all about.

Agility is the ability to quickly respond and adapt to opportunities as they arise. What makes agility more important than ever before is that opportunities are always arising, given the changing nature of the future of work.

Consider these four keys to anticipating what organizations need to do in the future:

Normalize ambiguity. This means accepting that the future is unpredictable and creating norms so that employees feel stable and prepared regardless.

Embrace agile mindsets. Three mindsets support agility, according to the article “Viewpoint: How to Develop an Agile Workforce,” by Ryan Gottfredson. They are a growth mindset, an open mindset, and a promotion mindset. A growth mindset, as opposed to a fixed mindset, is the belief that one can improve and develop personal abilities. An open mindset, versus a closed mindset, is one's willingness to listen to and learn from other perspectives.

A promotional, proactive mindset focuses on advancing and improving rather than “not losing.”

Prepare employees for the future through learning and development. Learning and development programs are necessary to provide employees with the skills and knowledge fundamental to their roles now (stability) and those of the future (dynamism).

Continuously monitor and respond. Collect employee feedback to measure and monitor your culture. Collect feedback after key initiatives. Incorporate the norm of having retrospectives after each project, and train project leads on conducting these retrospectives. Build out an HR dashboard, including but not limited to data around your culture, retention, hiring, diversity, and employee sentiment.

Work Environment

Work environment surfaced as the top driver of engagement, in a CultureIQ survey of nearly 30,000 employees from more than 300 companies. This means that in the journey to improve employee engagement, tinkering with the environment of your office is a high-impact and accessible place to start.

Work environment is physical space, surroundings, and resources that employees interact with at work. In effective work environments, employees feel safe and comfortable in their surroundings, are able to be productive in their work spaces, and have the resources to get work done. The key is to create an environment that facilitates productivity, enhances morale, and aligns with your values as a company.

Consider these factors:

Office layout. Open office spaces send a signal of transparency, collaboration, and a lack of hierarchy. However, as introvert advocate Susan Cain brought to our attention in her book *Quiet: The Power of Introverts in a World That Can't Stop Talking*, open layouts are not suited for everyone's work style.

If your office, like two-thirds of offices in the United States, has an open floor plan, designate a small nook or corner in the office as a quiet space. You can purchase free-standing dividers to physically separate the area. Employees can go here if they need to recharge from the chaos of an open floor plan.

Temperature. We lack a solid consensus on the optimal office temperature. Researchers at Cornell University found that when they raised the temperature from 68° to 77° Fahrenheit, typing errors dropped by 44 percent, and output increased by 150 percent. In 2006 the Lawrence Berkeley National Laboratory and the Helsinki University of Technology found that 22° Celsius, or 71.6° Fahrenheit, is the optimal temperature for worker productivity. Try to find the optimal range at your company.

Design. Companies have written culture stories about offices that are nestled in nature to inspire creativity and connection among employees. The digital marketing firm GetUWired could have put its offices in a suburban office park in Atlanta, Georgia but instead chose to rent a gorgeous cabin in the foothills of the Blue Ridge Mountains.

The cabin isn't a gimmick; it is core to the vision of the agency's founders and a place where staff play Frisbee, jam with banjos, and eat at picnic tables. It's all about the commitment of the founders to putting people first.

If you are not able to move your offices to the middle of the woods, you still have plenty of opportunities to use design and color to inspire and engage your team. For one, you can bring nature inside your office. A study by the University of Queensland found that adding plants to your office can make employees happier and boost their concentration.

They also bring a burst of color, which the field of environmental psychology tells us can influence our emotions.

Innovation

Innovation is essential to staying competitive in the market, meeting customer needs, increasing internal efficiency, and attracting top talent. Leaders also recognize that to reap the benefits of innovation, you must embrace a culture in

which ideas can form, spread, and succeed.

Focus on two key components of an innovative culture: first, an environment that promotes new ideas, and second, employees' ability to implement these ideas within the organization. One without the other is like bread that doesn't rise: all the ingredients are in place, but they're missing a crucial interaction.

If your office . . .
has an open floor plan,
designate a small nook
or corner in the office
as a quiet space.

The environment. An environment that encourages new ideas isn't so much a physical space or a defined event but, rather, a combination of conditions that encourage employees to generate and share new ideas.

Researchers at MIT Sloan School of Management call this "adaptive space." After a decade of research and more than 400 interviews, these researchers determined that the most successful innovations occur when companies have "the network and organizational context that allows people, ideas, information, and resources to flow across the organization."

Researchers identified three network roles: brokers, central connectors, and energizers. Brokers are the liaisons from one group to another, ensuring that ideas are spread early and often.

Central connectors organize their subgroups to see an idea through implementation. Energizers are highly influential people who inspire others to act and think boldly, with a contagious effect throughout the organization.

The main takeaway here is to consider how you as a leader are empowering people to fill their roles and creating space for these network interactions to take place.

The processes. Once you have the foundation of an innovation-friendly environment, you can layer on the processes and formal programs that enable employees to implement new ideas.

- Do employees know where to bring an idea when they have one?
- Do they have the skills to communicate new ideas, influence accordingly, and drive change?
- Do employees have the time, space, and budget to experiment? This experimentation can take the form of a program or an event, such as company-wide hackathons.

Inspira Marketing in Norwalk, Connecticut, has an annual “Big Ideas” contest in which teams generate innovative ways to have a positive impact on the community, and propose them in a Shark Tank-type competition to the leadership team. What makes this so successful is that a formal space, time, and budget are set aside to execute on the winning idea as an entire company.

Wellness

Picture this: Your organization has worked hard to recruit and retain the top talent in your industry. These employees are engaging with their work passionately, creatively, and collaboratively. In short, individuals are contributing what they were hired to do and more.

It sounds like a dream, right? This vision is contingent upon one important condition: Employees are physically and mentally able to contribute to their full potential.

Wellness at work refers to the policies, resources, and initiatives that help employees maintain physical and mental health. Employees who feel healthy and have work-life balance are more motivated, focused, and positive. The companies that do this well are those that intentionally embed wellness in their day-to-day norms.

Your wellness efforts should support both the physical and the mental well-being of employees. While the two are intertwined, traditional programs tend to focus more on the physical element of wellness.

Managers can do a lot to integrate wellness into the workplace and position your company as a source of confidence and comfort to employees. Explore the following ways to promote wellness at your company:

Provide resources. When it comes to physical health, plenty of ideas are out there. Examples include stocking the kitchen with healthy snack options instead of the usual vending machine fare, and encouraging employees to exer-

cise through gamification, financial incentives, or subsidized gym memberships.

On the mental health front, many health benefit packages have affordable options for employees to take advantage of. Take it a step further, and remove potential barriers by providing workplace counseling or referrals to help locate appropriate resources.

Lead by example. Often it’s not a lack of resources that causes stress in the workplace; it’s a lack of support to use them. After all, a flexible or unlimited vacation policy won’t improve employee stress levels if employees feel that it’s frowned upon to take paid time off from work. Change has to come from the top down.

Encourage hobbies and interests outside of work. Employees who have other interests and who see work as a part of their identity, rather than their entire life, are better able to face stress and overcome challenges.

Although you can’t force employees to have interests outside of work, you can create space within the workplace to encourage this behavior. Urge employees to develop a well-rounded life by including personal interests in their yearly objectives and inviting them to share their hobbies and interests with co-workers during work hours.

Performance Orientation

Performance-oriented companies ensure that people know how to succeed in their roles and are motivated to give their best. In order for that to be the case, the following three conditions must be in place: First, there are clear goals and metrics across all levels. Second, people are recognized for their contributions. Third, employees are supported in their growth areas.

Goals and metrics. It’s well-known that goals and metrics are critical for a company’s performance and organizational alignment, but they also play an important role in employee engagement. Clear goals reduce ambiguity and provide meaning to one’s work, which contributes to increased motivation.

Employees should understand exactly what they are trying to achieve and why they are trying to achieve that specific outcome. In order for goals to carry meaning and motivate employees, employees must understand what their work contributes to on a grander level, the big picture. The best way to do this is to make explicit links among an individual’s output, the team’s goals, and the organization’s strategy.

You can check every other box of the culture equation, but if employees don't feel supported by their leaders, you will not have a high-performance culture.

Rewards and recognition. We want to feel valued in a group, and recognition is a clear signal that we are valued. What's the secret to creating a recognition-rich culture so that employees feel appreciated, motivated to give their best, and inspired to stick around? There is no one-size-fits-all approach. Focus on four important considerations when designing your reward and recognition program:

- Acknowledge that employee motivation and recognition preferences vary.
- Message it with clarity, meaning, and appreciation.
- Consider the implicit signals your recognition program sends.
- Harness social power to inspire and motivate others.

Growth and development. When a company invests in its employees, the employees feel more empowered and appreciated, which increases their loyalty to their current employer. Three ways to do this are feedback, regular manager conversations, and training and resources.

Collaboration

Collaboration is a measure of effective teamwork. It occurs when people and teams cooperate, share information, and work well together. At a collaborative company, employees feel safe to speak up among their colleagues and excited to contribute their experience or expertise.

While other culture dimensions—especially work environment, communication, and responsibility—are woven within the quest for collaboration, there are clear levers you can pull to increase collaboration in your company.

Consider the following collaboration levers:

Psychological safety. Psychological safety, a term coined in 1999 by professor Amy Edmondson of Harvard Business School, refers to individuals' willingness to be vulnerable and take risks in front of others on their team. Imagine how a team's ability to problem-solve and partner increases when individuals feel safe asking questions, admitting mistakes, and taking risks.

A shared purpose. A shared purpose is essential to enabling collaboration on a broader level. Your mission should serve as a unifying purpose. Your job as a leader is to remind people of your shared purpose and make the link to their project, team, and individual goals.

Clear roles. Taking ownership over your own and your team's work is a universally desired practice. However, in the absence of the proper organizational systems, ownership's less-desirable cousin, territorialism, might sneak in. This happens when people or groups feel a threat to their sense of security, a common occurrence during times of change and growth.

The best way to avoid territorial behaviors or "turf wars" is to establish clarity around one's role and the roles of those around the individual. These guidelines actually grant employees more freedom to collaborate. Role clarity frees employees from internal politics and the need to protect their turf.

Collaborative behavioral norms. Lynda Gratton from the London Business School studied 55 complex and highly collaborative teams and identified eight practices that contribute to their success. One such practice is equipping employees with the following skills necessary for collaboration: appreciating others, engaging in purposeful conversations, productively and creatively resolving conflicts, and managing workflow. Get even more specific in understanding what works within the dynamics of your organization. Remember that it's a leader's responsibility to model what effective collaboration looks like.

Support

There's a well-known adage: "You don't quit a job; you quit a boss." You can check every other box of the culture equation, but if employees don't feel supported by their leaders, you will not have a high-performance culture.

A supportive company culture is one in which employees feel valued by their leaders as people, rather than just a number. This happens when employees have a positive rela-

tionship with their manager, feel confident in senior leaders, and receive the right guidance to succeed.

Let's describe the pillars of a supportive company culture that invests in people, and explore what you, as a leader, can do to make sure they are strong.

Make leaders accessible. In 2015, Gallup released a "State of the American Manager: Analytics and Advice for Leaders" report, showing employees are more engaged when they have daily interactions with their managers—through email, face-to-face conversations, phone calls, or other audio and video communication tools.

Regular touch points help individuals feel both supported and acknowledged. Managers should not only make themselves available but also check in regularly with their direct reports between scheduled one-on-ones. Also, create opportunities for employees to build rapport with senior leaders outside of the normal work flow.

Support those who do the supporting. We need to invest in training managers to get them to a place where they feel confident engaging and developing their direct reports. Sure, that means less time on task, and this adds more outside work on top of skill training. But ignoring the knowledge gap will cost everyone time and headaches later. Consider creating systems for managers to support and learn from each other.

One idea is to create monthly manager meetups that serve as a space for your managers to share challenges, ask questions, and gather ideas.

Confidence, clarity, consistency. According to CultureIQ data, the condition that separates companies with the highest-scoring cultures from the rest is employee con-

fidence in senior leadership. A common complaint across organizations is that employees do not understand where the organization is going, and much less how it plans to get there. It is hard to feel confident in any leader's ability to drive the business forward if you don't know what "forward" looks like.

Enlist the support of front-line managers to reinforce your organization's strategy at any opportunity and across all levels of the organization. One of the best things you can do to build trustworthiness and reliability as a leader is to consistently model what you want to see within your company. Every single thing you do as a leader sends a signal, from the policies you implement to where you sit in the office.

Imagine what signal is sent if you do what you say you will do and act how you ask others to act. In this scenario, employees learn what to expect and to trust what you say.

The 10 dimensions are codes for how to work, cooperate, and compete toward a shared mission and vision. In the context of business, these dimensions are the keys to your competitive advantage. Master these 10 dimensions to achieve a high-performance culture and, ultimately, a high-performance organization.

IF YOU LIKED THIS SUMMARY, YOU MIGHT ALSO LIKE:

- *Courageous Cultures: How to Build Teams of Microinnovators, Problem Solvers, and Customer Advocates* by David Dye, Karin Hurt
- *The Fearless Organization: Creating Psychological Safety in the Workplace for Learning, Innovation, and Growth* by Amy Edmondson



Greg Besner is the founder and vice chairman of CultureIQ, a global company that helps organizations to create high-performance cultures. He founded CultureIQ in 2013, and since then he and his firm have assisted more than 1,000 organizations and millions of employees to strengthen their company cultures. In 2018, Besner was ranked in *USA Today* as the eighth best CEO in the United States among a pool of 50,000 companies. He also was named the EY Entrepreneur Of The Year® in New Jersey in 2003.

From *The Culture Quotient: Ten Dimensions of a High-Performance Culture* by Gregory Besner, Copyright © 2020 by Gregory Besner. Summarized by permission of the publisher, Ideapress Publishing, 230 pages, ISBN 978-1-6468-7017-2. Summary copyright © 2021 by Soundview Book Summaries® www.summary.com, 1-800-SUMMARY.