

## THE IMPACT OF COMPANY CULTURE

Company culture has been defined as "the specific collection of *values* and *norms* that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization." Page | 1

In addition to the organizational culture, there are also subcultures at work. These subcultures are a part of the 'organizational culture'. When conflict arises in the work environment it is most likely arising from different sets of values within those subcultures. Example: The culture in sales is different from accounting. What may be considered 'right behavior' in one department may not be viewed as appropriate in the other.

What is interesting is that 'behavior' is what you see. It's how people approach problems, people, the pace of the environment and procedures. However, what is motivating the particular behavior that you see is what a person values. It could be that a person values helping others. The decisions they make about spending time helping others may be viewed as wasting time by those who do not highly value altruistic behavior. If that person is their manager, you can see how a conflict and frustration can arise.

Values or motivators are formed over time through a person's experiences in life. Those experiences will cluster and beliefs are formed. Our values determine what we value. We either value an object or not, based on our beliefs. Example: You may like (value) dogs because of your early experiences with them or you may prefer (value) cats over dogs. Let's now discuss how values housed in a culture impact performance.

### **Performance:**

Leaders have a huge influence on or actually create the values of the company by what *they* believe is important. In turn, they bring on board others who value the same things. Thus the leadership model creates the cultural norm. This is not necessarily good or bad, right or wrong. It just is what it is. After the culture establishes itself it is quite easy to understand why expectations of how others should think and what they should do become the appropriate or socially acceptable thing for somebody to do or say. We will call this *Value Adherence*. Thereafter, individuals are measured and judged by that model.

A culture that encourages and rewards freedom of independent thought and expression draws those who thrive in that type of atmosphere. They are motivated to produce results and that motivation is causal motivation, not fear motivation. When such an entrepreneurial environment exists, employees feel safe to voice opinions without fear of reprisals and are willing to take risks when making decisions. There is no need for a lot of management here. What is needed is the

providing of good direction and coaching. In this environment people are self-starting, self-directed and motivated to perform; believing they are growing their own business. Such motivated individuals don't think in terms of having a *job*. They think in terms of building a career and leaving a legacy.

On the other hand, a culture that expects or demands production with a focus on tasks not people lacks freedom of movement and probably is creating an environment where employees feel like they are walking on egg shells. Just about everyone is looking over their shoulder and watching their back. This is not a healthy environment. It is not fun. In fact, if it weren't for the current job market, they would be looking elsewhere for employment. Nobody enjoys working in that type of environment. In this scenario, a huge amount of energy is being spent trying to get through the day. The result is emotional drain. That energy could have been used productively.

Fortunately for most companies the situation I just described is not a companywide phenomenon. Those conditions may be isolated in some departments or segments of the company. However, if it does exist, it needs to be addressed. We can liken it to an isolated cancer. It might be contained at the moment but has the potential of spreading and becoming systemic. In that case, it might prove fatal. The point is don't ignore it, do something about it.

If you were to poll your employees how would they answer the following questions?

1. Do they trust those who they work with or report to?
2. Are all people accepted or are some employees being ostracized?
3. When employees show up for work do they have a sense of freedom?
4. Is the work environment known for constructive conflict?

If they are answering no to any of those questions, you are probably having performance issues. If a person doesn't feel safe at work, they will be less likely to speak up and express their ideas and opinions. Those individuals are no longer motivated.

Culture as you can see will have an impact on motivation and performance. That impact will be positive or negative. How is your company culture impacting your company's performance?

**About Jason Kleid:** Jason is focused on optimizing performance and getting results.

Jason believes it is always the individuals in any organization, where the greatest potential for improvement and possibility of change resides. It is the mind (ones thinking) where new ideas broaden understanding and cause things to happen. However, it is the heart (inner person/motivation) where transformation occurs.