**Organizational culture: Definition, importance, and developme**

A great organizational culture is the key to developing the traits necessary for business success. And you’ll see its effects in your [bottom line](https://apnews.com/7c779ac701724a4686ce454d5b33ccba): companies with healthy cultures are 1.5 times more likely to experience revenue growth of 15 percent or more over three years and 2.5 times more likely to experience significant stock growth over the same period. Despite this, only [31 percent of HR leaders](https://www.achievers.com/resources/white-papers/2020-engagement-retention-report/) believe their organizations have the culture they need to drive future business, and getting there is no easy task — [85 percent](https://www.i4cp.com/press-releases/only-15-of-organizations-succeed-in-transforming-their-cultures) of organizations fail in transforming their cultures.

This is a comprehensive guide to making culture a major strength of your organization, from what culture is and why it’s important to a [roadmap you can follow](https://www.achievers.com/blog/10-tips-to-improve-your-companys-organizational-culture/) to create a culture that delivers results time after time.

**What is organizational culture?**

Organizational culture is the collection of values, expectations, and practices that guide and inform the actions of all team members. Think of it as the collection of traits that make your company what it is. A great culture [exemplifies positive traits](https://www.achievers.com/blog/company-culture-5-traits-of-top-rated-workplaces/) that lead to improved performance, while a dysfunctional company culture brings out qualities that can hinder even the most successful organizations.

Don’t confuse culture with organizational goals or a mission statement, although both can help define it. Culture is created through consistent and authentic behaviors, not press releases or policy documents. You can watch company culture in action when you see how a CEO responds to a crisis, how a team adapts to new customer demands, or how a manager corrects an employee who makes a mistake.

**The importance of culture to your company**

Organizational culture affects all aspects of your business, from punctuality and tone to contract terms and employee benefits. When workplace culture aligns with your employees, they’re more likely to feel more comfortable, supported, and valued. Companies that prioritize culture can also [weather difficult times](https://www.achievers.com/resources/webinars/fostering-workplace-resiliency-and-connection-in-uncertain-times/) and changes in the business environment and come out stronger.

Culture is a key advantage when it comes to attracting talent and outperforming the competition. [77 percent of workers](https://www.glassdoor.com/about-us/app/uploads/sites/2/2019/07/Mission-Culture-Survey-Supplement.pdf) consider a company’s culture before applying, and [almost half of employees](https://apnews.com/7c779ac701724a4686ce454d5b33ccba) would leave their current job for a lower-paying opportunity at an organization with a better culture. The culture of an organization is also one of the [top indicators of employee satisfaction](https://www.achievers.com/resources/white-papers/2020-engagement-retention-report/) and one of the main reasons that almost [two-thirds](https://www.glassdoor.com/about-us/app/uploads/sites/2/2019/07/Mission-Culture-Survey-Supplement.pdf) (65%) of employees stay in their job.



Consider Microsoft and Salesforce. Both technology-based companies are world-class performers and admired brands, and both owe this in part to prioritizing culture. Microsoft, known for its cut-throat competitiveness under Steve Balmer, has been [positively transformed](https://www.businessinsider.com/microsoft-ceo-satya-nadella-company-culture-shift-growth-mindset-2020-3) by Satya Nadella, who took over as CEO of the company in 2014. He embarked on a program to refine the company culture, a process that upended competitiveness in favor of continuous learning. Instead of *proving themselves*, employees were encouraged to *improve themselves*. Today Microsoft’s market cap flirts with $1 trillion and it is again competing with Apple and Amazon as one of the most valuable companies in the world.

Salesforce puts corporate culture [front and center](https://www.salesforce.com/company/careers/culture/) and has experienced incredible growth [throughout its history](https://usefyi.com/salesforce-history/). Marc Benioff, Salesforce’s founder and CEO, established philanthropic cultural norms that have guided the company over the past two decades. [All new Salesforce employees](https://www.inc.com/betsy-mikel/new-salesforce-employees-dont-actually-work-on-their-first-day-they-get-to-do-this-instead.html) spend part of their first day volunteering and receive 56 hours of paid time to volunteer a year. This focus on meaning and mission has made Salesforce one of the best places to work in America [according to Fortune](https://fortune.com/best-companies/2020/salesforce/), and it hasn’t compromised profits either: Salesforce’s stock price has surged year after year at an average of over 26% annually to date.

Read about how [organizations can create a culture of belonging](https://www.achievers.com/resources/white-papers/workforce-institute-culture-of-belonging/)at work.

**Qualities of a great organizational culture**

Every organization’s culture is different, and it’s important to retain what makes your company unique. However, the cultures of high-performing organizations consistently reflect certain qualities that you should seek to cultivate:

**•  Alignment** comes when the company’s objectives and its employees’ motivations are all pulling in the same direction. Exceptional organizations work to build continuous alignment to their vision, purpose, and goals.

**•  Appreciation** can take many forms: a public kudos, a note of thanks, or a promotion. A [culture of appreciation](https://www.achievers.com/resources/e-books/the-power-of-employee-appreciation/) is one in which all team members frequently provide recognition and thanks for the contributions of others.

**•  Trust** is vital to an organization. With a [culture of trust](https://www.achievers.com/resources/white-papers/empowerment-and-trust-the-keys-to-employee-engagement/), team members can express themselves and rely on others to have their back when they try something new.



**•  Performance** is key, as great companies create a [culture that means business](https://www.achievers.com/blog/work-culture-directly-impacts-employee-performance/). In these companies, talented employees motivate each other to excel, and, as shown above, greater profitability and productivity are the results.

**•  Resilience** is a [key quality](https://www.achievers.com/blog/how-to-build-a-resilient-workplace/) in highly dynamic environments where change is continuous. A resilient culture will teach leaders to watch for and respond to change with ease.

**•  Teamwork** encompasses collaboration, communication, and respect between team members. When [everyone on the team](https://www.achievers.com/blog/building-a-team-of-true-team-players/) supports each other, employees will get more done and feel happier while doing it.



**•  Integrity**, like trust, is vital to all teams when they rely on each other to make decisions, interpret results, and form partnerships. Honesty and transparency are critical components of this aspect of culture.

**•  Innovation** leads organizations to get the most out of available technologies, resources, and markets. A culture of innovation means that you apply creative thinking to all aspects of your business, [even your own cultural initiatives](https://www.achievers.com/blog/how-to-apply-innovation-principles-to-your-engagement-strategy/).

**•  Psychological safety** provides the [support employees need](https://www.achievers.com/blog/try-strengthening-team-engagement-with-psychological-safety/) to take risks and provide honest feedback. Remember that psychological safety starts at the team level, not the individual level, so managers need to take the lead in creating a safe environment where everyone feels comfortable contributing. Now that you know what a great culture looks like, let’s tackle how to build one in your organization.

**8 steps to building a high-performing organizational culture**

Creating a great organizational culture requires developing and executing a plan with clear objectives that you can work towards and measure. The 8 steps below should serve as a roadmap for building a [culture of continuity](https://www.achievers.com/resources/webinars/how-to-maintain-culture-continuity-during-covid-19/) that will deliver long-term benefits across your company.

**1. Excel in recognition**

[Recognizing the contributions of all team members](https://www.achievers.com/blog/employee-recognition/) has a far-reaching, positive effect on organizational culture. When everyone on the team recognizes the accomplishments of others, individuals start to see how they’re part of a whole. Even the most jaded employees want to know their work matters, and they notice when they aren’t appreciated — [76 percent](https://www.achievers.com/resources/white-papers/2020-engagement-retention-report/) of employees don’t feel especially recognized by superiors. [Experts agree](https://www.hrdive.com/news/creating-a-culture-of-recognition/542845/) that when an organization makes appreciating employees part of its culture, important metrics like employee engagement, retention, and productivity improve.

Making recognition [part of your culture](https://www.achievers.com/resources/white-papers/recognition-culture-the-mvp-of-employee-experience/) means it must be a regular occurrence, not something that is only reserved for major milestones or work anniversaries. Encourage team members to practice frequent social recognition in addition to monetary recognition. Providing social recognition on a consistent basis has a [remarkable business impact](https://www.achievers.com/resources/analyst-insight/building-a-business-case-for-social-recognition/): companies that invest in social recognition are four times more likely to increase stock prices, twice more likely to improve NPS scores, and twice more likely to improve individual performances.

Monetary recognition is valuable as well. Consider a points-based recognition program that will allow employees to easily build up substantial point balances. They’ll enjoy looking forward to redeeming their points for a reward that’s personally meaningful to them, rather than being handed a generic mug or a years of service award that will [gather dust on a shelf](https://www.achievers.com/blog/shift-years-service-awards-culture-recognition/).

To foster other cultural traits, recognition should also be clearly tied to company values and specific actions. After all, [92 percent](https://www.achievers.com/resources/white-papers/2020-engagement-retention-report/) of employees agree when they’re recognized for a specific action, they’re more likely to take that action again in the future.

Last but not least, [leadership needs to take center stage](https://www.achievers.com/blog/why-leaders-need-to-be-recognition-champions/) in your recognition efforts, as they’re the cultural trendsetters for your entire company. Incorporate a recognition talk track into your leadership training and share top tips with managers on how to recognize others and why it matters.

**2. Enable employee voice**

Creating a culture that values feedback and encourages employee voice is essential, as failing to do so can lead to [lost revenue and demotivated employees](https://www.achievers.com/blog/5-startling-facts-why-employee-feedback-is-essential/).

First, you need to collect feedback using the right [listening tools](https://www.achievers.com/platform/listen/) that make it easy for employees to express what they’re feeling in the moment, like [pulse surveys](https://www.achievers.com/blog/employee-pulse-survey/) and [workplace chatbots](https://www.achievers.com/blog/hr-chatbots/). Then analyze the results to see what’s working and what isn’t in your organization, and act on those findings while they’re still relevant. Not only does this strengthen your culture, it leads to [benefits](https://www.achievers.com/blog/the-importance-of-regular-feedback/) like higher employee fulfillment and greater profitability. According to a Clutch survey, [68 percent of employees](https://clutch.co/press-releases/millennials-unhappy-plan-to-quit-6-months) who receive regular feedback feel fulfilled in their jobs, and Gallup found that organizations with managers who received feedback on their strengths showed [8.9 percent](https://news.gallup.com/businessjournal/147383/secret-higher-performance.aspx) greater profitability.

In addition to gathering feedback using the methods described above, make sure you’re paying attention to more subtle expressions of feedback that can reveal cultural deficiencies. For example, pay attention to body language, as it can tell you much even when employees aren’t willing to share. If you’re working with a [remote team](https://www.achievers.com/blog/how-to-build-trust-and-community-while-working-remotely/), video conferences can help keep this nonverbal channel of communication open. Managers should treat all their sessions with employees as opportunities to gather and respond to feedback and act as a trusted coach.



**3. Make your leaders culture advocates**

Your company’s success in building a strong workplace culture rests in the hands of team leaders and managers. For example, if your workplace culture prioritizes certain values and your leadership team doesn’t exemplify them — or even displays behaviors that go against them — it undermines the effort. Team members will recognize the dissonance between stated values and lived behaviors. They may even start to [emulate negative behaviors](https://www.inc.com/john-brandon/new-research-on-bad-behavior-at-work-its-as-contagious-as-common-cold.html) because they believe those behaviors have been rewarded by management.

Your leadership team can help build the culture you need by prioritizing it in [every aspect of their work lives](https://www.achievers.com/blog/6-ways-leadership-can-build-a-positive-culture/). They need to openly and transparently discuss the organization’s culture and values, and they should also be prepared to incorporate feedback from employees into their cultural advocacy efforts. Leaders need their employees’ perspective on culture — while [76 percent](https://apnews.com/7c779ac701724a4686ce454d5b33ccba) of executives believe their organization has a well-communicated value system, only 31 percent of employees agree. When employees see leaders living your culture, they’ll follow suit.

**4. Live by your company values**

Your company’s values are the foundation of its culture. While [crafting a mission statement](https://www.achievers.com/blog/5-things-amazing-company-mission-statements-all-have-in-common/) is a great start, [living by company values](https://www.achievers.com/blog/top-5-company-missions-values/) means weaving them into every aspect of your business. This includes support terms, HR policies, benefits programs, and even out-of-office initiatives like [volunteering](https://www.achievers.com/blog/achievers-cares-going-above-and-beyond-with-volunteer-opportunities/). Your employees, partners, and customers will recognize and appreciate that your organization puts its values into practice every day. You can also recognize employees for actions that exemplify your values to show that they’re more than just words and incentivize employees to build the [value-based culture](https://www.achievers.com/blog/4-ways-create-mission-based-culture-employees-will-thrive/) you want to see.

**5. Forge connections between team members**

Building a workplace culture that can handle adversity requires establishing strong connections between team members, but with increasingly remote and terse communication, creating those bonds can be challenging. Encouraging collaboration and engaging in [team building activities](https://www.achievers.com/blog/10-fun-games-for-team-building/) — even when [working remote](https://www.achievers.com/blog/how-to-work-from-home-effectively/) — are two effective ways to bring your team together and promote communication.

Look for and encourage shared personal interests between team members as well, especially among those from [different generations](https://www.achievers.com/blog/5-ways-to-bridge-the-generation-gap-between-employees/) that might otherwise have a difficult time relating to each other. This can create new pathways for understanding and empathy that are vital to improving communication, creativity, and even conflict resolution.



**6. Focus on learning and development**

Great workplace cultures are formed by employees who are continually learning and companies that invest in staff development. [Training initiatives](https://www.achievers.com/workforce-institute/team-training/), [coaching](https://www.achievers.com/workforce-institute/working-coach/), and [providing employees with new responsibilities](https://www.achievers.com/blog/3-ways-promote-professional-growth/) are all great ways to show your team that you’re invested in their success.

A culture of learning has a significant business impact. Find Courses’ [most recent benchmark study](https://www.findcourses.com/prof-dev/read-us-ld-report-2019-15072) found that companies with highly engaged employees were 1.5 times more likely to prioritize soft skills development. It also found that companies that had experienced revenue growth in the previous financial year were twice more likely to use innovative learning technologies and three times more likely to increase their learning and development budgets.

**7. Keep culture in mind from day one**

When an employee’s perspective doesn’t match your company culture, internal discord is likely to be the result. Organizations should hire for culture and reinforce it during the onboarding process and beyond. Practices and procedures must be taught, and values should be shared.

When hiring, ask [questions focused on cultural fit](https://www.achievers.com/blog/harness-great-culture-hiring-tool/), like what matters to the interviewee and why they’re attracted to working at your company. But these questions shouldn’t be the sole determining factor when evaluating a candidate, as the best organizations keep an open mind to [diverse perspectives](https://www.achievers.com/blog/7-strategies-hire-diversity-thought-organization/) that can help keep their culture fresh.

You should also prioritize [building social relationships](https://www.achievers.com/workforce-institute/successful-onboarding/) during the onboarding process so that employees have the insight necessary to understand your company’s culture and values. These relationships will last throughout the employee’s time at the company, so that cultural values are mutually reinforced on a continuous basis.

**8. Personalize the employee experience**

As modern consumers, your employees expect [personalized experiences](https://www.achievers.com/blog/are-you-personalizing-the-employee-experience/), so you need to focus on ways to help each team member identify with your culture. Tools like pulse surveys and employee-journey mapping are great ways to discover what your employees value and what their ideal corporate culture looks like. Take what you learn and tailor your actions to personalize the employee experience for your team. Once you start treating your employees with the [same care you treat your customers](https://www.achievers.com/blog/unhappy-employees-unhappy-customers-how-to-break-the-lose-lose-cycle/), a culture that [motivates each individual at your organization](https://www.achievers.com/blog/how-to-motivate-employees/) is sure to follow.

**Developing culture made easy**

Organizational culture will develop even without your input, but in the absence of that guidance, it may not be healthy or productive. Keep these three basic techniques in mind when developing your company culture: communication, recognition, and action. By following the steps in this guide, you can improve communication with employees, start creating a culture of recognition, and ensure that all members of your team put your culture into action.

Your company can start practicing all three techniques with [Achievers Recognize](https://www.achievers.com/gb/platform/recognise/) and [Achievers Listen](https://www.achievers.com/platform/listen/). With Achievers Recognize, your organization can leverage points-based and social recognition and create a fun and easy user experience for employees. With Achievers Listen, employees can give you valuable feedback through check-ins and pulse surveys, so you can see what aspects of your culture are working and what needs tweaking.

Common problems with organizational cultureCommon organizational culture problems can include **ambiguity, poor communication, and inconsistency**. These can contribute to the experience of a hostile and unpleasant workplace, which can make workers less loyal and may contribute to issues like harassment, bullying, and high turnover.

## What is customer satisfaction?

Customer satisfaction (CSAT) is a measure of how well a company’s products, services, and overall customer experience meet customer expectations. It reflects your business’ health by showing how well your products or services resonate with buyers.

If you asked a batch of business owners, “How would you define customer satisfaction?” you would most likely get a bunch of different answers. One thing is certain: High customer satisfaction means customers are happy and business is booming.

**What does it take to satisfy the customer?**

Customers are looking for effective and efficient customer service, but research shows that there may be a disconnect between what businesses *think* satisfies a customer and what actually does.

In our CX Trends Report, 60 percent of companies surveyed gave themselves high marks for service. But 68 percent of customers said there’s room for improvement, and 54 percent reported that [customer service](https://www.zendesk.com/blog/customer-service-skills/) feels like an afterthought for most of the businesses they buy from.

A few other notable findings from our report:

* Merely 18 percent of buyers are extremely satisfied with the number of communication channels businesses offer them.
* Less than 20 percent say resolution speeds are extremely strong.
* Only 21 percent report it’s easy to interact with businesses.

Now is not the time to settle for mediocre—especially when the [quality of your customer service](https://www.zendesk.com/blog/important-customer-service-objectives/) may earn you repeat customers or be the reason you lose out to competitors. By taking the time needed to understand what great customer service means to your unique audience, you can make the changes necessary to ensure that middle-of-the-road experiences don’t hold you back.

**The importance of customer satisfaction**

Customer satisfaction is important because it illustrates whether your customer base likes what you’re doing. [Research shows](https://www.zendesk.com/blog/report-cx-maturity-north-america/) that high satisfaction leads to greater customer retention, higher lifetime value, and a stronger brand reputation.

Low customer satisfaction scores are important, too. They can reveal customer pain points and provide data-backed insights on how to improve your product, service, and overall customer experience.

**1. It drives customer loyalty**

It’s a truth universally acknowledged: an unhappy customer is more likely to tell others about their negative experience than a happy customer is to share a positive one.

And considering [79 percent of people in the United States use social media](https://www.statista.com/statistics/273476/percentage-of-us-population-with-a-social-network-profile/), sharing is easier than ever before. If a customer has a bad experience with your company, they can broadcast it to millions of people before they’re even out the door.

Prioritizing customer satisfaction and making changes based on negative feedback can help your business get better reviews—and, in turn, more customers.

**Example:** A customer makes a Twitter thread about their poor experience with your company, leading their followers to also distrust your brand. To help save the interaction, respond to the customer as quickly as possible. Apologize for the error and ask them to direct message you so you can get more information and remedy the situation.

**2. It helps reflect team performance**

Customer satisfaction benchmarks and metrics don’t just help you gauge how your audience is feeling—they also tell you how your support team is doing.

The following metrics can be useful in understanding customer satisfaction levels:

* **Initial response time:** In our CX Trends Report, respondents said that long wait times were the most frustrating part of bad customer service. This metric can help you identify pain points in your team’s ability to respond promptly.
* **Resolution time:** If it’s taking your support agents hours to resolve issues that could be dealt with swiftly, it might be time to tweak your internal processes. Don’t just strive to respond quickly—resolve quickly, too.
* **Number of transfers:** Few things are more frustrating than being transferred to a new agent and repeating your issue all over again. If transfer occurrence drops, customer satisfaction should rise.

Considering our report found that fast issue resolution was the No. 1 aspect of good customer service, your team’s efficiency in those three areas directly impacts customer satisfaction.

**Example:** If your negative reviews mainly revolve around agent response time, you may want to consider training employees on how to deliver quicker support. Use software with [built-in analytics](https://www.zendesk.com/service/analytics/) to observe how well your support team serves customers.

**3. It encourages repeat purchases**

A satisfied customer is a loyal customer. Our CX Trends Report agrees: 57 percent of consumers say excellent customer service is a factor in their brand loyalty.

How do you know if your customer service is [driving customer loyalty](https://www.zendesk.com/blog/improve-customer-loyalty-and-retention/)? There are two primary ways to find out:

* Conduct polls to gauge buyers’ excitement and likeliness to tell others about your brand.
* Observe customer behavior by tracking repeat purchases, reading reviews, and looking at how customers were referred to your site.

These methods allow you to get input directly from your target market while also seeing how their words compare to their actions.

**Example:** Customers who repeatedly experience good service in your store are more likely to come back and also encourage their friends to visit.