

ORGANIZATIONAL CULTURE

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Organizational Culture

- **Defining Culture as Values and Norms**
 - Organizational culture as “a set of norms and values that are widely shared and strongly held throughout the organization.”
 - Shared values express what is important to employees, while norms provide clear guidance on behavior that is consistent with those values. Employees might all agree, for example, that integrity is worthwhile.










Elements of Culture That Matter Most

- **Employees feel respected.** Employees are treated with consideration, courtesy, and dignity, and their perspectives are taken seriously.
- **Supportive leaders.** Leaders help employees do their work, respond to requests, accommodate employees' individual needs, offer encouragement, and have their backs.
- **Leaders live core values.** Leaders' actions are consistent with the organization's values.
- **Benefits.** Employees' assessment of all employer-provided benefits.

Elements of Culture That Matter Most

- **Perks.** Employees' assessment of workplace amenities and perks.
- **Learning and development.** Employees' assessment of opportunities for formal and informal learning.
- **Job security.** Perceived job security, including fear of layoffs, offshoring, and automation.
- **Reorganizations.** How employees view reorganizations, including frequency and quality.

Identifying the Big Nine Cultural Values

Value	Definition	Also Known as
 Agility	Employees can respond quickly and effectively to changes in the marketplace and seize new opportunities.	Flexibility Nimble Fast moving
 Collaboration	Employees work well together within their team and across different parts of the organization.	Teamwork One company Join forces
 Customer	Employees put customers at the center of everything they do, listening to them and prioritizing their needs.	Customer focus Deliver for our clients Customer driven
 Diversity	Company promotes a diverse and inclusive workplace where no one is disadvantaged because of their gender, race, ethnicity, sexual orientation, religion, or nationality.	Inclusion Everyone is welcome Celebrate difference
 Execution	Employees are empowered to act, have the resources they need, adhere to process discipline, and are held accountable for results.	Operational excellence Projects managed well Take ownership
 Innovation	Company pioneers novel products, services, technologies, or ways of working.	Cutting edge Leading change Advanced tech
 Integrity	Employees consistently act in an honest and ethical manner.	Do the right thing Be ethical Play by the rules
 Performance	Company rewards results through compensation, informal recognition, and promotions, and deals effectively with underperforming employees.	Meritocratic Recognize achievement Results driven
 Respect	Employees demonstrate consideration and courtesy for others, and treat each other with dignity.	Treat with dignity Courtesy Appreciation for each other

Toxic Culture

Five attributes lead to toxic culture

- Disrespectful
- Noninclusive
- Unethical
- Cutthroat
- Abusive

The Organizational Costs of Toxic Culture

- Employee attrition is higher
- A poor employer brand makes it harder to attract talent
- Employees are disengaged and less productive
- Higher health care costs hurt the employer's bottom line
- Risk of reputational damage and legal liability is higher

How to Fix a Toxic Culture

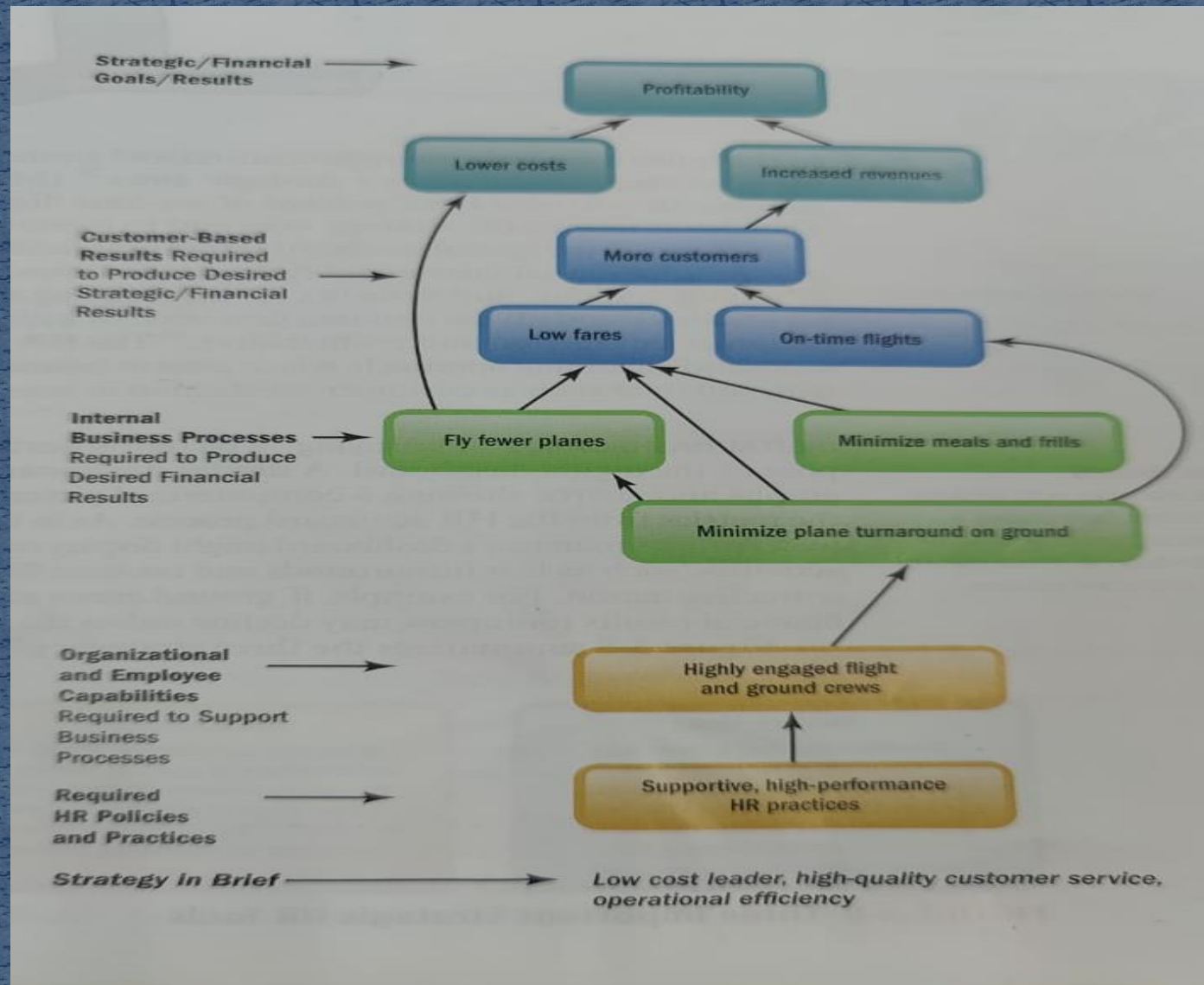
- Toxic workplaces impose serious and lasting harm on affected employees. Workers who experience the elements of a toxic culture are more likely to suffer from greater stress, anxiety, depression, and burnout.
- Over time, a toxic culture also takes a heavy toll on organizational performance.

Cultural Detox

- Quantify the benefits of cultural detox to keep it on the top team's agenda.
- Model the behavior you expect from employees.
- Track progress with honest data.
- Make behavioral expectations crystal clear. (Promoting uncollaborative employees to management can foster cutthroat subcultures that ultimately hurt the bottom line).
- Clarify job descriptions and responsibilities.
- Help employees get a good night's sleep.

Sustaining a Culture of Excellence

- To sustain a culture of excellence, leaders must align the new culture with five core organizational level components: strategy, structure, processes, rewards, and people.
- The ability to support a culture of excellence in these five core components will distinguish firms that grow strong, flourish, and endure market pressures from “shooting stars” firms—that is, companies with great promise that eventually wither and disappear.



Exercise