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THE RISE OF COMPANY CULTURE ON THE LEADERSHIP AGENDA

AN EXECUTIVE'S GUIDE TO COMPANY CULTURE

Introduction

Company culture has been a hot topic among people leaders in recent years. Many executives will probably say their organizational culture is their most valued asset when considering what makes their company unique.

While many organizations take pride in their culture, only a few managers have wrapped their heads around it. In addition, company culture is not tangible; therefore, it is not easy to understand, measure, and iterate.

A strong workplace culture runs deeper than having a laid-back dress code, complimentary beverages, and team-building activities. It is about shared values, goals, and principles that drive the entire organization.

In this ebook, we're going to explore the many facets of organizational culture. We will be looking at its definitions and components, how you can diagnose it, and what measures you can take to make it high-performing.

Plus, a free quiz will reveal your organizational culture type, and we'll offer plenty of suggestions you can start implementing today.

Contents

Let's get started!

1. Get familiar with the concept of company culture

Organizational culture, also known as company culture, is generally understood as all of a company's values, beliefs, attitudes, norms, and practices and how they influence the behavior of its employees. In other words, it's the identity that defines the entire organization.

Company culture is often described as an iceberg. While there is plenty that meets the eye, most of the components are unseen, and changing them can prove to be rather challenging.

Organizational culture

VISIBLE ELEMENTS

People	Behaviors
Amenities	Metrics
Dress code	Policies
Benefits	Procedures
Locations	External presentations
Office environments	Branded merchandise

INVISIBLE ELEMENTS

Vision	Biases
Mission	Narratives
Strategy	Expectations
Values	Status
Beliefs	Relationships
Norms	Attitudes and feelings
Assumptions	Values and norms
Safety	Individual autonomy
Work ethics	Support
Openness	Identification
Flexibility	Conflict tolerance
Order	Risk tolerance
Discipline	Unwritten rules

It's important to know that organizational cultures go through two stages:

CULTURE CREATION

This is when founder values and preferences meet industry demands to share early values, goals, and assumptions.

CULTURE MAINTENANCE

After the initial stage, elements get continually refined and imbued into processes, leadership styles, and reward systems to form a robust organizational culture.

While founders and HR professionals typically develop and promote workplace culture, it is an ever-evolving, employee-driven organism.

A strong, well-defined organizational culture promotes positive attributes that result in high employee engagement and increased productivity. On the contrary, a dysfunctional workplace culture brings out certain traits that can impede even the most successful companies.

This is one of the many reasons you should strive to understand and improve your culture. A direct result will be an uplift in your teams' productivity and business metrics.

Company culture plays a huge part in business performance

In today's business world, being performant means having the ability to achieve goals in a state of constant change.

Here are

7
SECTORS

your culture impacts within your company:

- ○ **Revenue,**
- ○ **Productivity,**
- ○ **Engagement,**
- ○ **Emotional states,**
- ○ **Burnout,**
- ○ **Satisfaction,**
- ○ **Team variance.**

According to **Gallup data** on a global level, only

21%
OF EMPLOYEES
are **engaged at work** in 2022

This staggering number indicates that, as an employer, you must look beyond point-in-time solutions that don't deliver actionable outcomes. Instead, you need to take the pulse of your teams and incorporate engagement into the fabric of the employee experience.

60%
of people

are emotionally detached at work

19% **say are miserable**

The causes for emotional detachment can vary from not finding clarity and motivation to not being connected to the company's values or other team members. Therefore, you should consider using strategies that foster long-term relationships, creativity, and motivation.

46% of employees

report they are **primarily dissatisfied** with their overall experience at their organization

There is a **61%** **higher likelihood of ongoing burnout** for employees who are engaged but unsatisfied with their work.

Toxic workplace practices are closely linked to burnout, which is correlated with leaving intent and eventually causes attrition.

And the outpour continues:

3 in 4 disengaged employees

are actively looking for a new job

However, this could be easy to fix since **70% of the variance in team engagement**

is determined solely by the manager

On the other hand, the stats show us how vital company culture is.

Organizations with highly engaged employees are

23% more profitable

than their low-engagement counterparts.

Companies that engage employees effectively have seen an

18% increase in productivity

Highly engaged employees are more productive and experience less absenteeism, resulting in increased organizational profitability.

Employees who receive daily feedback from their manager are

3x **more likely** **to be engaged**

Get more stats

Sources state of the global workplace: 2022 Report | **Gallup**

Gartner says only 13% of employees are largely satisfied with their work experiences | **Gartner**

COVID-19 and the employee experience: How leaders can seize the moment | **McKinsey**

Building a high-development culture through your employee engagement strategy | **Gallup**

What is employee engagement and how do you improve it? | **Gallup Marketing**

Enablement improves business outcomes — show me the value | **Forrester**

Company culture governs the way your team members act, feel, interact, make decisions, and work. But since no two organizations are the same, let's see how you can diagnose yours and reach new peaks of productivity and profitability.

2. Diagnose your company culture

If you want to understand your company's culture and how it impacts your business metrics, the best approach is to start with a formal diagnosis.

This way, it's easier to determine which improvement efforts make sense in your given environment and how you can better map out your organization's critical characteristics to its mission and goals.

You can then rethink how you work, build on your culture, and turn it into a key source of competitive advantage.

Here are eight tools you can use to diagnose your company culture:

Take the Mirro quiz

To differentiate from competitors, one thing's for sure: you must have a strong company culture and understand which aspects are most significant to your workforce.

Start this journey by taking this quiz designed to help you find your organizational culture type. The questions evaluate your organization's cultural maturity level in six critical areas:

RECOGNITION

FEEDBACK

WELL-BEING

AUTONOMY

IMPACT

COMMUNITY

ASSESS YOUR ORGANIZATIONAL CULTURE MATURITY LEVEL IN JUST TWO MINUTES!

TAKE THE QUIZ

The score will show whether your organizational culture is in its seedling, young tree, blossoming, or fruitful phase. And while there are no wrong levels of maturity, there's always room for improvement. As a result, you will receive a personalized assessment and actionable advice on improving your organizational culture.

The quiz allows you to walk away with valuable insights and strategies to adjust your organizational culture and ensure your teams are nurtured and flourishing.

Do a culture audit with a Notion template

Perform a free culture audit based on a comprehensive list of elements that impact companies' cultures. To get started, simply

DUPLICATE THIS TEMPLATE

into your Notion stack.

Tip: If you need help auditing your company culture, contact us at sayhello@mirro.io We'll help you perform the audit for free.

Go deeper with your research

Since they are in continuous transformation, company cultures require you to always have a finger on their pulse. But Listen-Diagnose-Act frameworks allow you to stay in the know and not get caught off-guard by issues.

Here are six instruments you can use to:

Gain a better understanding of the current values, beliefs, and behaviors governing your company culture.

Measure transparency and communication levels.

Learn what makes your teams tick.

Understand what the current pain points are.

Get insights and feedback.

1 eNPS

What it is:

Employer Net Promoter Score®, or eNPS, is a scoring system designed to help companies measure employee satisfaction and loyalty within their organizations.

Employees are asked, on a scale from 0 to 10, how likely they are to recommend their company as a workplace. Those who are in the 9 to 10 range are deemed Promoters, while Detractors are at the other end of the spectrum, from 0 to 6.

When to use it:

Send every quarter or twice a year.

eNPS questions can be:
- Inserted into existing surveys.
- Asked during OKR performance reviews.
- Addressed in exit interviews.

2 Employee pulse surveys

What it is:

Employee pulse surveys are short questionnaires used to make quick assessments.

They are simple by design, so response rates are usually high. These surveys can measure what is happening in organizations, particularly in times of change (policy changes, new initiatives, and more).

When to use it:

Send frequently (e.g., daily, weekly, twice a month).

Employee pulse surveys can be:
  - Used to assess specific metrics over time.
  - Incorporated in change initiatives

3 Engagement surveys

What it is:

Employee engagement surveys measure and spot trends in engagement over time.

They can be used to measure a wide array of aspects, like employees' happiness and well-being, take on development opportunities, and even relationships with managers and other colleagues. The results inform strategic planning and organizational priorities.

When to use it:

Send every six months to a year.

It's best to distribute them as standalone surveys.

4 Productivity metrics

Productivity metrics cover a lot of ground, from OKR fulfillments to financial results and absenteeism, paid time off, or sick time usage

Operations and Finance teams are usually responsible for gathering and interpreting all the data to gauge employee efficiency, effectiveness, and engagement.

When to use it:

Send frequently (e.g., daily, weekly, twice a month).

Employee pulse surveys can be:
- Used to assess specific metrics over time.
- Incorporated in change initiatives

5 Recruitment and retention metrics

What it is:

These metrics track average tenure length and how long it takes to fill a role.

While they usually concern HR departments, they are often on the mind of people managers as well.
Research in this area can show if any worrying trends are on the horizon, like decreases in tenure lengths or increases in recruitment times. They could indicate a problem in organizational culture.

When to use it:

Review quarterly to twice a year.

These metrics are also important when you:

- Do any strategic planning.
- Face retention issues.
- Are recruiting for a highly competitive role.

6 Reputation in the market assessments

What it is:

Current and former employees play a big part in your company's reputation in the marketplace.

Their opinions on what it's like working for you may attract or deter future candidates.

Your reputation in the marketplace can also give you insights into what you are encouraged to continue or transform.

When to use it:

Check employee review regularly (twice a month or monthly), but also:

- When assessing recruitment and retention policies
- During strategic planning
- During and after company crises

Armed with all this knowledge and unearthed insights, you now have a clearer picture of your company's state and pain points.

It's the perfect time to focus on increasing your engagement and productivity metrics and address any issues you've discovered, thanks to employee pulse surveys. Ultimately, this will translate into an increase in your eNPS, recruitment stats, and reputation in the market.

As you can see, your organizational culture trickles down and permeates every aspect of your business, so let's now shine a light on some practical ways to improve it.

Mirro's customers report 50% better retention than the market average.

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team journeys

3. Improve your organizational culture in ten steps

Forward-thinking leaders have pointed out that cultivating a company culture is one of their biggest challenges. Unfortunately, this pain is increasingly difficult to overcome, especially when more people work in remote or hybrid environments.

Here are ten strategies you can implement to get your company culture into high gear and improve your employee experience.

1.

Make company culture a priority

Peter Drucker, the famous management consultant and author, was right when he wrote: "What gets measured, gets managed." So, to build a strong company culture, start by assessing what you already have and establishing the baseline.

If you determine there is still room for improvement (and there always is), consider auditing your organization's vision, mission, and values. Next, review your internal code of conduct. This is a great way to show your people what you stand for and wish to see in them as well.

Another item on your to-do list should be evaluating if your communication styles and systems align with your core beliefs and people's expectations.
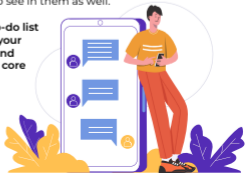
You can continuously improve your company's internal communication by:

- ☑ **Asking questions.**
- ☑ **Showing genuine interest in understanding and fixing issues that keep people disengaged.**
- ☑ **Making a habit out of investigating and keeping such systems in check.**

If you communicate your expectations clearly and adopt an open-door policy, you've got yourself the building blocks for a company culture that fosters psychological safety. As a result, people will feel encouraged to voice their opinions, ask questions, and get involved.

Honest communication also involves understanding your teams, their needs, and desires. So emphasize the importance of giving and asking for feedback frequently. Then, watch as information starts to flow naturally within the organization, leading to increased collaboration.

2. Implement a recognition program

To make your team feel valued, what you need is employee appreciation. Implementing a recognition program can have a long-lasting positive effect on the culture within your company.

For a stronger organizational culture, make a habit out of celebrating your people's birthdays, work anniversaries, and achievements. Not only will you get those feel-good vibes, but when people feel valued at work, they are more engaged, self-assured, and motivated to go above and beyond.

Studies show that key metrics like employee engagement, retention, and productivity increase when a company makes employee appreciation a cornerstone of its culture.

In fact, employees are

2.7x more likely to be highly engaged

when they feel their organization will celebrate them.

For recognition to become an integral part of your culture, it must occur frequently. And since it comes in many forms, you need to find out what your people value the most and adapt your model accordingly. Just remember that social recognition is just as important as bonuses.

3. Encourage feedback

Feedback is a powerful element in increasing team cohesion and driving performance. It is also crucial for self-evaluations and highlighting areas that need improvement.

According to research, employees who feel their companies use feedback to drive change are:

90% vs. **69%**
MORE SATISFIED
than their counterparts

89% vs. **73%**
MORE ENGAGED
than their counterparts

So, collect feedback from your people to understand them and act on the findings while they're relevant. Not only will this improve your company culture, but it will also increase employee satisfaction and profitability.

Gathering feedback from your people can also reveal cultural deficiencies. So take the time to offer your take, work on any areas of the business that need improvement, and encourage your people to do the same.

Build a feedback culture in your workplace with Mirro, one of the industry's easiest-to-implement performance management software.

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Mirro received a 9.14 score on the Performance Management Implementation Index in G2's 2023 Winter Reports, placing our product in third place out of 78.

4. Make employee well-being a priority

Recognizing the need for mental health programs is essential for people leaders. If you already run such a program, you are moving closer to having an engaged workforce.

The link between our mental and physical health has never been more evident. As mental health discussions become less taboo, companies have increased their investments in wellness programs to boost their resilience.

Employee welfare isn't just a perk of a great job; it's quickly becoming a fundamental component of modern workplace culture.

When employees' well-being is taken care of, organizations benefit from positive outcomes, such as:

- Increased productivity and satisfaction,
- A stronger sense of belonging,
- More profitability,
- More customer loyalty,
- Higher retention rates.

As a leader, you need to recognize each team member is facing a different reality and needs customized plans to achieve their goals and maintain a healthy work-life balance.

Encourage your people to establish boundaries so they may take a break and unwind at the end of the day. Empathy and adaptability are mandatory in this process.

5. Promote autonomy

Establishing a relationship of trust with your people is compulsory for nurturing a healthy workplace culture. Empower your people to take control of their work life by giving them the space and autonomy they need.

Take a leap of faith, give your employees freedom over their projects, and assure them that you trust them to complete their tasks effectively and on time. Employee autonomy is associated with a strong trust in leadership and an increased employee engagement rate.

Studies show that when companies abandoned micromanaging in favor of autonomy and self-governance, their people were more productive. As a result, you can expect a rise in well-being, motivation, and job satisfaction.

In addition to increasing productivity and satisfaction, you can also drive loyalty and adaptability by giving your people autonomy.

6. Align everyone with your company values and shared goals

The cornerstone of your company's culture is its values. That's why organizations with solid company cultures strive to achieve ongoing alignment with their vision, mission, and objectives.

You can start by creating a mission statement and incorporating your values into your day-to-day operations and objectives. Then, your company will be known and respected for living out its values by its people, partners, and clients.

To demonstrate that your values are more than words, you can reward employees for actions that uphold your principles. This will encourage them to foster the value-based culture you desire.

Here are some benefits you can expect from aligning your teams with your company's values:

Your people will find meaning and purpose in their work;

Your teams will have clarity on their goals/objectives and how their work impacts others;

Your employees will feel that their work contributes to a better work-life overall.

You can use OKRs to get everyone on the same page. This system helps each contributor understand their role in achieving company goals. Learn more about how to set objectives and align them across divisions.

Getting started with OKRs can be challenging, but Mirro can help you successfully adopt an OKR framework! Head over to our blog to learn about OKRs, and reach out to us for further information.

Few things can help fuel business and people growth like setting transparent goals and a clear collective purpose.

And you only need one platform to rule all your objectives:

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7. Identify your leaders and inspire them to take action

After laying out the foundation for a strong company culture, you must ensure your people embody it. Company leadership sets the tone for culture, so applying your core belief system to your day-to-day operations is critical.

You can only expect your people to stand by your core values if your managers do the same. So look for a culture fit in your hiring process and attract the right people who align with your company values.

Now's the time to educate your people managers and informal leaders and inspire them to take action. Encourage them to be proactive. Ensure they set an example and inspire their co-workers.

Additionally, people managers can identify and solve potential problems long before they are known to a broader audience. So encourage line managers to have regular one-on-ones with their teams to strengthen relationships. An engaged workforce truly is a team effort.

8. Foster a sense of community

You can support a healthy company culture by fostering a sense of community. Team-building activities are a great way to boost morale and strengthen the relationships between co-workers. Plus, strong bonds are needed to create a corporate culture that can withstand adversity.

However, fostering a sense of community can be challenging, especially in remote or hybrid settings. Luckily, you can access resources to help you create stronger ties, such as team-building exercises or virtual activities.

You can start by looking for and encouraging mutual interests between team members, especially those from different generations who might otherwise find it difficult to connect. This can open up new communication channels and empathy and ultimately help increase conflict resolution, creativity, and other interpersonal skills.

At the end of the day, a workplace is nothing without its people. Therefore, creating a safe space where people feel connected is essential to any company that wants to thrive.

9. Keep it natural

If you ever watched corporate speeches and felt you were slowly falling asleep, know it doesn't have to be like that for your team.

You can ditch the buzzwords and the used-to-death platitudes. Instead, bank on being honest about your organization's struggles and wins. Creating an environment of transparency is a vital element in all great organizations. Remember, transparency starts from the top, so **leadership should first exhibit the importance of honesty.**

As an executive, you can maintain open communication between leadership and employees by recognizing people's hard work and successes, valuing employees at all levels, and encouraging sharing of innovative ideas. By putting in the effort, you will be able to increase employee satisfaction and turn people into advocates of your company.

A work environment that values openness and honesty is one in which people feel trusted, especially by the leadership. Ultimately, honesty is the best policy.

10. Rely on trusted partners

Rely on a trusted partner to help you implement all these strategies to turn your company culture around.

Most high-growth businesses struggle to preserve their company culture as they scale. As your culture evolves to embrace diversity and inclusion, it gets challenging for key people to maintain the alignment of team members with the company's core values.

A performance management platform like Mirro helps organizations build transparent and thriving workplace cultures that foster employee well-being and improve talent retention.

Mirro sustains your culture as you scale with state-of-the-art social features, advanced community-building tools, and vital insights & culture metrics.

Culture Insights is an advanced tool helping C-level executives, Human Resources leaders, and people managers make informed decisions to drive positive business outcomes.

The dashboard features real-time, extensive yet easy to understand charts and diagrams that address all complexities of company culture, making it tangible and within reach.

The data that feeds into Culture Insights encapsulates company values, business outcomes, people interactions, feedback, and public recognition.

With Mirro, you'll be able to:

Cultivate a strong company culture, contributing
to higher employee retention and engagement rates.

Drive continuous feedback.

Set the stage for giving feedback and recognition.

Know your people and empower them to take ownership.

Get everyone aligned on objectives and key results.

Adopt a performance management framework
in less than a week.

**Try Mirro
for free**

Building a strong company culture is a team effort. Aligning
your people can be challenging, but with Mirro by your side,
you are set for success.

Mirro.io: Your all-in-one performance management tool with a human-centric view

Give your organizational culture a boost and significantly improve individual and team performance in workplaces. Gain instant access to everything you need to manage performance reviews and more in a user-friendly, highly social platform.

OKRs
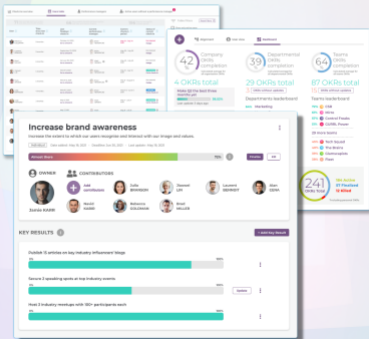
Feedback management - celebrate people

When you cut away all the awkwardness and all the red tape,
all that remains is fast and efficient, freely shared perspectives.

Performance review

Performance check-ins, fair to employees and useful to managers.

Recognition

Recognition is clear and visible on all channels

Give Kudos

I'm giving this kudos to*

Because*

With impact on

Insights & Dashboards

Elevate your teams and business through data and insights about people, diversity, and culture

Employee engagement

Switch to a friendlier experience, from onboarding to social interaction.

Use Mirro to lead and grow your people

REQUEST A DEMO

Mirro.io enables high-growth SMEs to build transparent and thriving workplace cultures that foster employee well-being and improve talent retention. Our performance management platform helps organizations overcome hybrid workplace disengagement.

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We specialize in encouraging a sense of purpose and stimulating social sharing and community belonging around the globe. Teams who use Mirro.io are happier, highly engaged, and more productive.

Learn more and get your team thriving at
www.mirro.io