Shaping Culture

An Insight Piece

The Senator Group

Preface

Contents:

This Insight Piece was written following the roundtable:

The Post-Covid Employee Experience: Reshaping Engagement, Culture and Inclusivity

This event was held at The Senator Group's London showroom on 28th January and included presentations by three key speakers. Attendees from seven businesses contributed to the discussion.

The intention of this event was to understand how the employee experience has been altered by Covid, and how engagement, culture, and inclusivity can improve employee retention rates. In line with Senator's ambitions to support Levelling Up and improve productivity at a regional level, the roundtable explored ideas relating to gender equality in the workplace, culture fluidity, and research driven engagement practices.

This insight piece regarding culture was informed by Joe Bell's presentation.

**Joe Bell (FCIPD, FInstLM)
Director at Evoke People Development**

Joe specialises in company culture and leadership, working with high profile businesses such as Manchester United, Unilever, NHS, and EcoLab. As a Fellow of the Chartered Institute of Personnel and Development and the Institute of Leadership and Management, Joe is a regular presenter at leading HR thought events, including Talent and Leadership Summits. Joe Bell is also a member of the International Coaching Federation, and holds qualifications in FA Psychology and UEFA B. Joe presented on the importance of company culture and teamwork, and the need for culture fluidity as working practices change.

joe@evoke-pd.co.uk
https://www.evoke-pd.co.uk

Introduction

The Senator Group is a leading designer of workplace environments, delivering the products and services to create your perfect workplace solution (both in the office and at home). Through proven space design methodologies, close collaboration with our clients, and exceptional product design capability, we develop workplaces that engage, inspire, and motivate colleagues.

Our series of roundtables and Insight Pieces highlight the psychology of the workplace, and how this can be used to improve the employee experience.

This insight explores our ability to influence employee engagement through high performance cultures. We look at how high performance cultures are created and sustained by emotionally intelligent leaders, and the impact this has on the emotional commitment of employees.

Part One:
What is a high performance culture?

"Organisational culture refers to a system of shared assumptions, values, and beliefs that show employees what is appropriate and inappropriate behaviour."

Chatman; Kerr, Slocum.

In sharing organisational culture assumptions, values, and beliefs, we create common objectives, which unite organisations and encourage shared effort to achieve long-term goals.

As we enter a period of transition in the workplace, culture is more important than ever in helping to retain employees, stimulate innovation, and achieve growth. Edgar Henry Schein (renowned researcher, writer, teacher and consultant) created a model of organisational culture in the 1980s that explains culture in three clear categories:

Artefacts:
Artefacts are what people can see – this could be the workplace, architecture, dress code for example.

Values:
Values are the company's stated values and rules of behaviours, formalised through its mission; vision statements, philosophies and company values. Values support a company's decision making and epitomises what a business aims to be.

Assumptions:
Assumptions are the basic, underlying assumptions of a business that we actually believe. Deeply embedded and usually unconscious behaviours that are well integrated into the work culture, and are the implicit norms seen in the actions of employees and management.

Assumptions and values are embedded over time, developing as businesses adapt and grow. They are what people show up for, and in this way are more important than artefacts.

However, the artefacts are an indication of an organisation, and an element of the company culture that can be changed or updated relatively easily.

ARTEFACTS

VALUES

ASSUMPTIONS
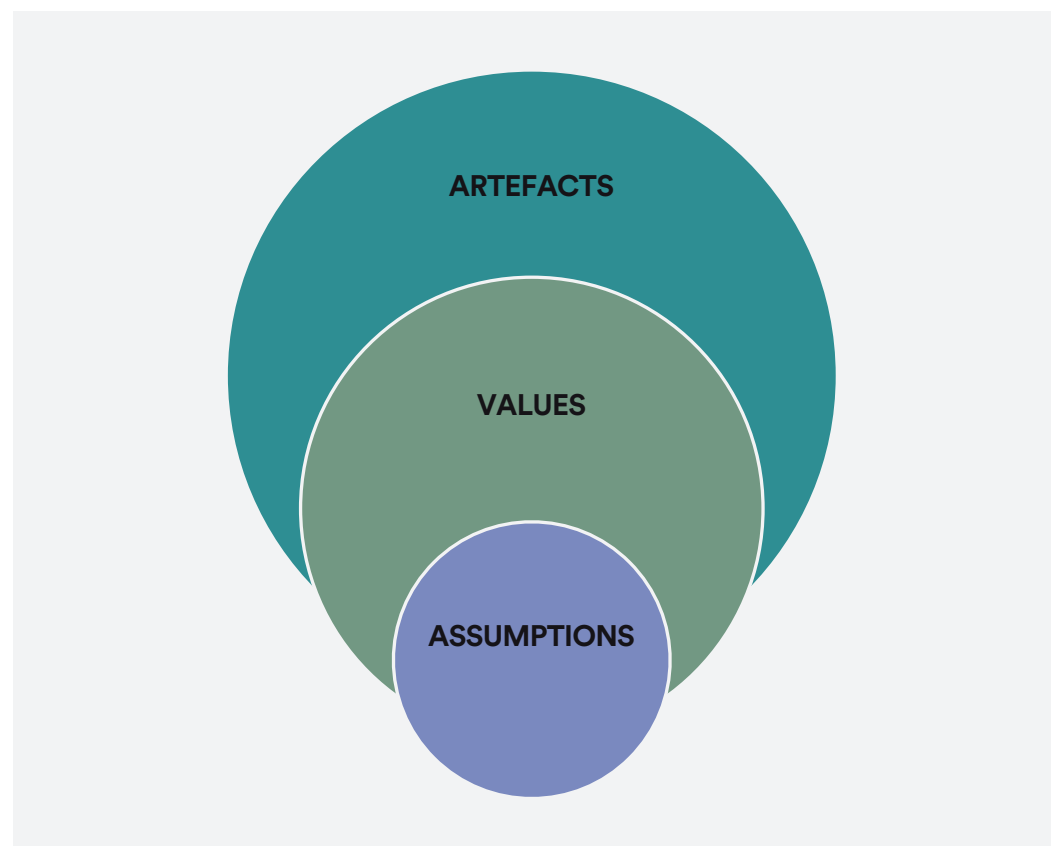
Part One:
What is culture?

Case Point:

The 'Broken Windows' theory highlights the importance of having a safe, clean environment that individuals can take pride in. This theory, defined in 1982 by social scientists James Wilson and George Kelling (and drawing on earlier research by Stanford University psychologist Philip Zimbardo) argues that no matter how rich or poor a neighbourhood, one broken window would soon lead to many more windows being broken: "One unrepaired broken window is a signal that no one cares, and so breaking more windows costs nothing." Broken Windows is a catch all term for any visible sign of disorder in an environment that goes untended e.g. small acts of vandalism or disorderly conduct.

When a neighbourhood, even a poor one, is well-tended and welcoming, its residents have a greater sense of safety. In 2016, Dr. Charles Branas led an initiative to repair abandoned properties and transform vacant lots into community parks in high-crime neighbourhoods in Philadelphia, which subsequently saw a 39% reduction in gun violence.

Much like the impact of 'broken windows' impacting pride in a neighbourhood, visible decay or unchecked toxic behaviour in the workplace impacts how an individual feels about the organisation. Your environment should represent your organisation's culture, assumptions and values. If you take pride in your work, you should also be proud of your workplace.

High Performance Cultures

In aligning artefacts, values, and assumptions, we create a culture in which employees are more satisfied, more motivated, and more productive – namely, a high performance culture.

The Benefit:

— Improved talent attraction, engagement and retention.
— Increased innovation.
— Increased revenue.
— Strength and resilience (especially in changing times).
— Improved productivity.
— Agile to change.

This is highlighted in the table below:

	Average Increase for Twelve Firms with Performance-Enhancing Cultures (200 firms assessed over 11 years)	Average Increase for Twenty Firms without Performance-Enhancing Cultures (200 firms assessed over 11 years)
Revenue Growth	**682%**	**166%**
Employment Growth	**282%**	**36%**
Stock Price Growth	**901%**	**74%**
Net Income Growth	**756%**	**1%**

HESKITT AND KOTTER: 'CORPORATE CULTURE AND PERFORMANCE' 1992.

Part Two:
The importance of leadership

Being proactively open to change and willing to learn is linked to commercial growth and employee engagement.

Heskitt and Kotter – Corporate Culture and Performance

Leaders set the purpose and vision of an organisation and are responsible for keeping assumptions, values and artefacts aligned. A high performance culture is driven by leadership (and by leadership we mean management at all levels, and not solely the executive team).

On this basis, creating a high performance culture starts with management. Sustaining this means more than simply setting the goals of a business. Considering that high performance cultures are also known as 'adaptive' businesses, being able to embrace and adapt to change is incredibly important.

Leaders of high performance cultures demonstrate the following traits:

1. Excellent communication – peoples' views/opinion count.
No leader knows everything, and taking on other peoples' views and opinions ensure organisations adapt to the needs of their employees, the market, and their customers. Placing value on peoples' opinions can be seen through surveys, R&D investment, suggestion boxes, or simply talking to employees and asking their opinion face to face. Leaders must deliver feedback, develop ideas, and support new initiatives.

2. Highly effective. Continuous feedback and development.
Understanding where a company can improve, what has changed in the market, and how we can mitigate risks are all areas that require continuous review, development and feedback. A business cannot change without feedback and good leaders accept as well as provide feedback to continuously improve.

3. Authority & freedom to act. Opportunity to do their best every day.
Leaders must trust their employees and give them the opportunity to succeed. Once an employer's idea has been listened to, fed back on, and developed, their manager must then place trust in the individual to deliver, with a genuine interest in their success.

4. Energy and passion towards a common goals.
When businesses are passionate about their purpose and align assumptions, values and artefacts, the result is engaged employees that work with high energy towards common goals. Leaders that can align employee motivation with these common goals will produce high performance cultures.

The Benefit:

Leaders are role models – they are always being watched and can often forget that in being watched they are influencing others. Leaders that emulate the culture of their business, that adapt to change well and want to learn and develop can influence their employees to do the same.


Part Three:
Emotional intelligence

"The interest in emotional intelligence in the workplace stems from the widespread recognition that these abilities – self-awareness, self-management, empathy and social skill – separate the most successful workers and leaders from the average. This is especially true in roles like the professions and higher level executives, where everyone is about as smart as everyone else, and how people manage themselves and their relationships gives the best and edge." (Daniel Goleman, author of 'Emotional Intelligence' and 'Working With Emotional Intelligence').

Effective leaders of high performance cultures must have high levels of Emotional Intelligence (EI).

Daniel Goleman also suggests that to succeed in business, you need an IQ of 115. It doesn't particularly matter how high your IQ is above 115; your EI, your leadership, resilience, and empathy are far more important in terms of business success.

Emotional intelligence is an essential part of the whole person.
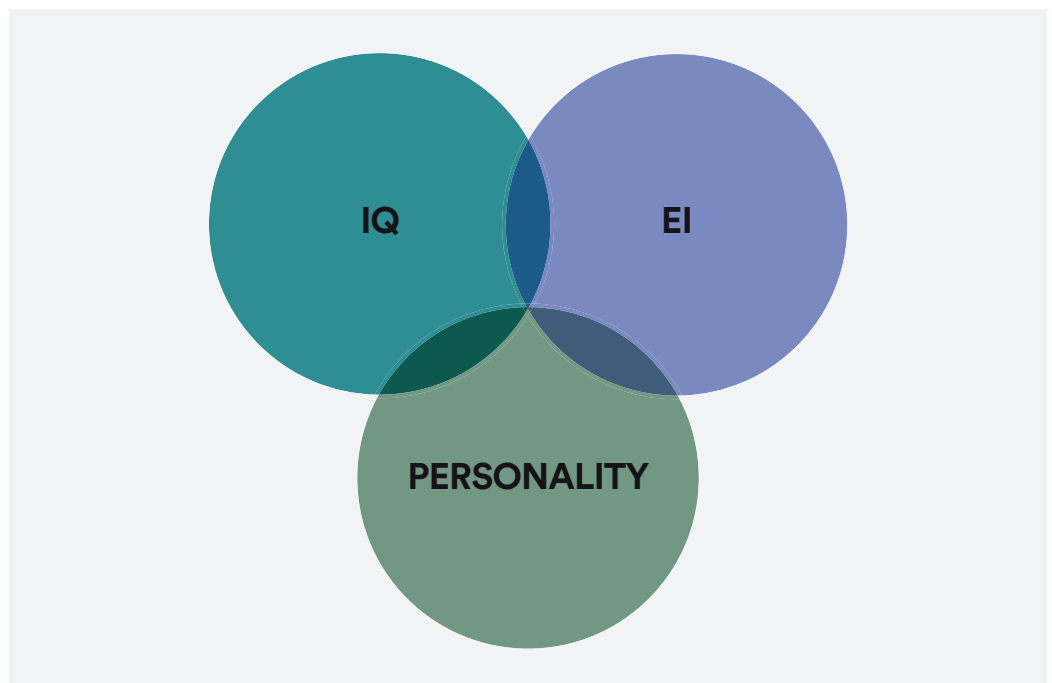
The Benefit:

Unlike an individual's personality, which does not change much over time, or an individual's IQ, which stays more or less where it is, EI can change and grow. Given the importance of EI in developing high performance cultures, this is extremely positive.

Part Three:
Emotional intelligence

Case Point:

Bob Iger was the CEO of the Walt Disney Company from 2005 – 2020. His leadership saw Disney stock rise by 429%, with acquisitions of Star Wars, Marvel, and 20th Century Fox, and the launch of Disney Plus. However, on asked his reason for leaving, Bob said: "I became a little bit more dismissive of other people's opinions than I should have been. That was an early sign that it was time.

"… the world is changing dramatically, and it's important for the CEO of a company to address all of those changes rapidly".

His ability to listen, collaborate and bring people together drove the company to be highly successful, and as part of his own self-awareness, he recognised that his inclination to stop listening was going to be a problem.

EI is not about being more emotional or a 'nicer' person, it is about developing your awareness of yourself, and the needs of others, in a way that positively impacts decision making. The model to the below summaries the key elements.

Self-awareness is at the core of EI – it is what enables you to recognise your emotions and the impact they have on yourself and those around you. In being able to identify and manage emotions and actions, leaders are more open to change and this has a positive impact on decision making.

The Benefit:

Leaders with EI address employees' fundamental needs; desire to be heard; collaboration; and healthy relationships. Great leaders foster a genuine concern for others and this strengthens the connection employees have to the organisation. Ultimately this leads to higher levels of engagement and emotional commitment from employees.

Emotional Intelligence Model
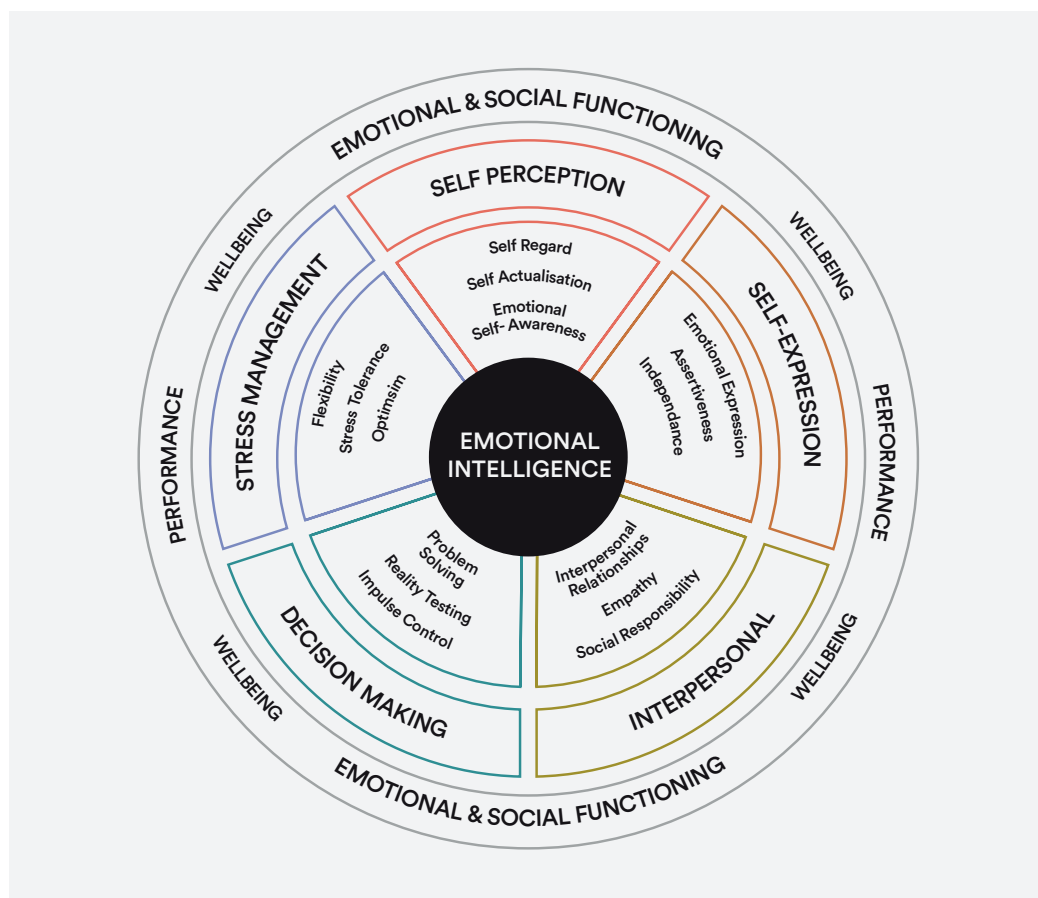
Part Four:
Emotional commitment

Emotional commitment is how much an employee values, enjoys, and believes in their job. In today's society, where 42% of people want to work for a meaningful organisation, it's not what you THINK about the business, it's how you FEEL.

Source: 'Global Corporate'

In a high performance culture we therefore have aligned goals, and strong leaders, with high levels of emotional intelligence. Now we look at how these leaders get the most from their employees by building emotional connections.

Why is emotional commitment important? Because it has a significant impact on employee engagement, in terms of the energy and attitude an employee brings to their work. The diagram below highlights the impact of different levels of engagement:

'Sabateurs' are individuals that are passionately against the goals, values and activities of an organisation. They have a negative attitude towards the company and high energy in communicating that dissatisfaction.

At the opposite end of the spectrum, **'Superstars'** are committed, passionate and have high energy to achieve goals. These are the employees that go above and beyond, that always want to achieve better results, and try to bring everyone else into their positive orbit.

Somewhere in between are the **'Absent'** – individuals that do not enjoy their work but do not actively communicate their dissatisfaction (therefore minimising the negative impact on others) and **'Foot Soldiers'**, who enjoy their jobs and support the business to achieve its vision, but do not do more than what is asked of them.

HIGH ENERGY

Saboteur   Superstar

NEGATIVE ATTITUDE ←   → **POSITIVE ATTITUDE**

Absent   Foot Soldier

LOW ENERGY
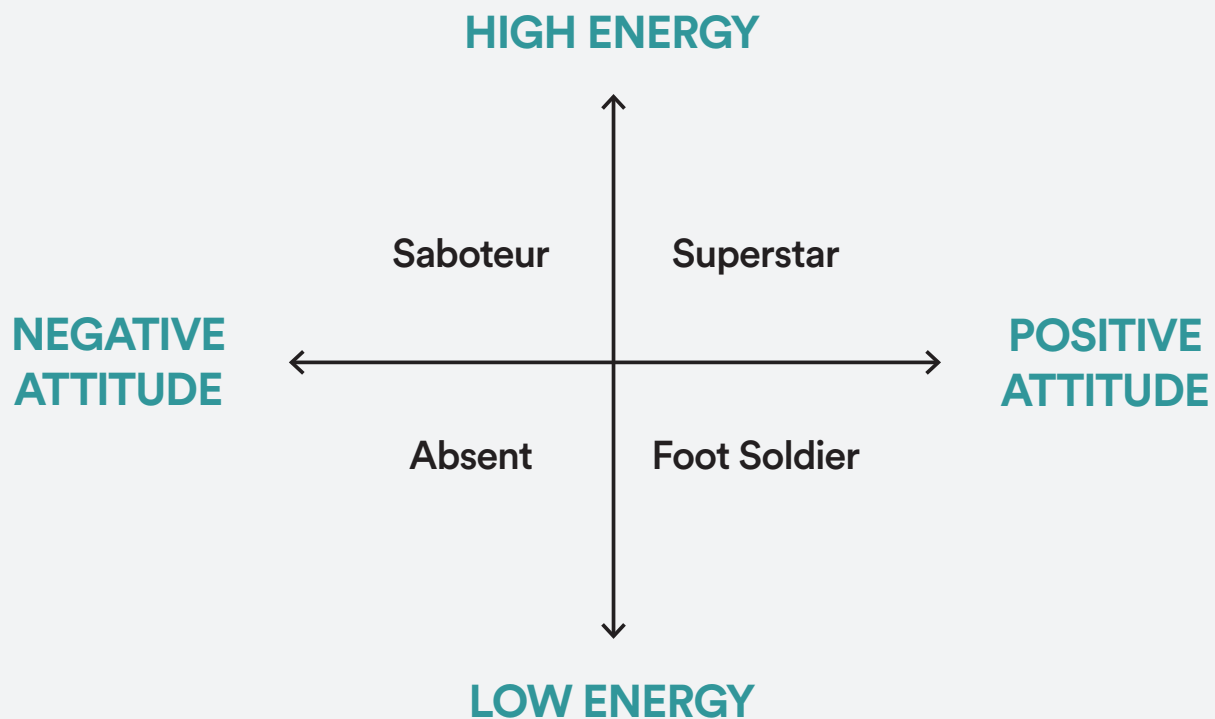
Part Four:
Emotional commitment

Case point:
There's a popular story of JFK's tour of NASA in 1961 where he met one of their janitors. When asked by JFK why he was working late, the janitor responded:

"Mr President, I'm helping to put a man on the moon."

This janitor felt an emotional commitment to the mission that NASA was undertaking, and whilst a lot of companies will focus their objectives much closer to home, this is a perfect example of how an emotional commitment to a company and a belief in their mission can drive extra effort and dedication.

If we take the example of a Sabateur: It is easy to be dismissive of people who are outwardly negative and cause toxic environments. However, an emotionally intelligent leader will dig deeper. They will unpack the negativity and help the 'Sabateur' with their self-awareness so that their energy can be re-channelled. It could be that something has happened in their personal or work life that's making them unhappy, but it's not who they are all the time. Creating an emotional connection for the business with a 'Sabateur' can be difficult, but if you take the time to understand what is driving the negativity there may be an easy solution. Furthermore, showing that the business cares enough about that individual to make changes is that start of an emotional connection that begins to strengthen their relationship with the business.

Emotional commitment involves aligning the employee's personal interests and motivations with the work they do and the company they work for.

For example, believing in the company's mission, being included on its journey, and feeling like you've made a difference strengthens the links that an individual has to a business.

Sustainability and social value strategies are also a fantastic opportunity to reach employees on an emotional level. This is particularly impactful when employees can feel that they have made a difference, and see the impact of their actions. For example, volunteer days build a far stronger emotional commitment than donations, as there is an outcome at the end of it. Volunteer days are also a sign that the business is committed to the cause, as they are allowing the employee time off to pursue social value, and this again strengthens the emotional connection.

The Benefit:

Creating an emotional commitment strengthens the bond an employee has to an organisation, leading to increased retention, improved productivity, and a healthy working environment. Emotional commitments keep an employee embedded within the organisation and ensure company culture continues to develop and adapt.

Ukraine appeal collection.

Jeffrey's Journey cake bake sale.

Part Five:
Key highlights from the Q&A discussion

Culture and engagement when working from home.
Company culture is not limited to the office. When we consider that values and assumptions are of greater importance in a company culture than artefacts, it is clear that a positive, high performance culture should span all areas where 'work' is taking place.

As a result of the COVID pandemic, more and more of us are working from home. Our discussion highlighted three concerns regarding culture disengagement when working from home:

Lack of perception:
Working from home and conducting meetings virtually rather than face to face limits our ability to pick upon non-verbal cues. As a result, we become far more focused on our own stresses and priorities, and do not notice when our colleagues are under pressure or becoming disengaged.

To overcome this, we need to talk to people to see if they are disengaged when working from home as often there are emotional signs. This does not need to be solely work related or scheduled as a Teams call. Spontaneous conversation and social interaction (not just the points on an agenda) help us to support our colleagues in expressing how they are really feeling. It is this dialogue that enables us to understand how people are wired together.

Understanding long-term impacts:
Many of us like working from home. For example, introverts prefer to work in isolation, and individuals with caring responsibilities enjoy the ease that working from home provides.

However, this can cause long-term, negative impacts that many of us are not really considering. Using the examples above, introverts need social interaction to pull them out of their shells. They may not feed on other people's energy in the way extroverts do, but they are still influenced and connected to the people they work with and they do not have this level of interaction when working from home.

Those with caring responsibilities might enjoy the short term positive impact that working from home means to their work life balance, however in the long term absence from the office can cause us to miss out on the social networks and promotion opportunities that those with more visibility are able to take advantage of.

To overcome these barriers, we need to bring a balance whereby employees are reaping the benefits of home working, whilst still being in touch with and connected to colleagues in a way that supports long-term personal growth. Hosting networking sessions or specific events/activities/workshops that require face to face interaction can help to reconnect people to networks. Other considerations include having semi-private spaces so introverts feel

less exposed when they do visit the office and are therefore more likely to return.

Disengagement from the brand:
This is especially concerning for new starters and young people new to the workplace, that have not had years' of working with their colleagues to understand and emotionally commit to a company brand. We all learn by osmosis just by being in the environment with other members of staff. However, younger talent that has not had that experience; they 'don't know what they don't know', importantly young people especially do not even have the experience of knowing which questions to ask. They do not realise that they are missing out on learning and development benefits from being around more experienced colleagues.

To mitigate the disengagement of this high-risk group, we need to help leaders understand what these individuals may have missed, so that there is a focus on communicating the correct information to new starters and young people. Face to face events can help to create more personal connections – this could be through re-inductions, team building exercises, social events etc. Additionally, hybrid-working options where individuals can come back into the office should have a focus on culture acquaintance and knowledge, so the individual can develop an emotional commitment that they take home with them.

Summary

In summary,
the roundtable
highlighted...

— Organisations that create high performance cultures benefit enormously from talent attraction, retention, and increases in innovation, productivity and growth.

— Culture is not limited to one particular environment – the most important aspects are the values and assumptions of an organisation.

— The role of the office in creating company cultures is as an area to bring people together, and showcase culture in a way that connects employees with each other, and with the company brand. This supports higher levels of emotional commitment.

— Leaders have an important role in creating and maintaining positive cultures, as they influence those around them, even when they don't realise they are doing it.

— Emotional intelligence is a key factor of successful leadership and leaders that develop their emotional intelligence will be better placed to manage high performance, adaptive cultures.

— Emotional commitment leads to truly engaged employers, who strengthen their relationship with the business by creating emotional connections, so that they can see their work means something in a way that's aligned to their personal priorities.

References

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