

Exceptional workplace culture

Why you need it, how to move towards it
and prevailing the pitfalls



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Exceptional workplace culture

Why you need it and the 6 key ingredients



Executive Summary

The new decade heralds a pivotal time in the way business is conducted not just in Australia but globally.

There are Australian organisations with exceptional culture, who are in turn very successful commercially; businesses such as Atlassian, whose total annual revenue is approaching \$US1.6 billion¹, while consistently ranking in Australia's Top 10 Great Places to Work.

On the other hand, after two decades spent dealing with fallout of toxic workplace cultures, I know that there are many businesses with a long road ahead on the journey to exceptional culture – indeed, some are yet to be convinced of the need to leave the station.

I wanted to know:

1. Do Australian businesses need exceptional workplace culture? (Spoiler alert – the answer is “hell yes”)
2. What does exceptional workplace culture look like?
3. On the journey, what pitfalls should leaders look out for, and how can they prevail over any they discover?
4. How can leaders drive their organisations from their current state to exceptional?

Be careful what you wish for

During my research for this white paper, I was privileged to unearth so many great insights and examples, that I realised I could not restrict my findings to one white paper.

As a result, I've split it into three sequences.

- *Sequence 1* (which you are reading right now), contains the Executive Summary of my findings; as well as the WHY you need exceptional culture and WHAT does it consist of.
- *Sequence 2* takes you through the HOW to move towards exceptional culture.
- *Sequence 3* deals with the pitfalls and how to prevail over them.

Alison Drew-Forster
Founder, Workology Co



Summary of findings

Here's what I discovered:

1. All businesses absolutely need to have exceptional culture in order to survive, let alone thrive, in this new decade and beyond. The reasons are
 - 1.1 Exceptional culture = business success
 - 1.2 Millennials expect it and will make up 75% of the global workforce within 5 years
 - 1.3 It is a prerequisite to attraction and retention of the best staff to drive productivity
2. There are 6 key ingredients to successful culture.
 - Clarity and alignment
 - Exceptional Leadership
 - Communication
 - Psychological safety
 - Accountability
 - Deliberate Design
3. There are many pitfalls to be wary of when working towards exceptional culture, including fear, poor leadership, mixed messages and poorly handled change.

These pitfalls present challenges to leaders and change managers / HR practitioners charged with improving culture. However, the obstacles are not insurmountable and do not have to cost a fortune to overcome.

Background and Methodology

In order to find answers to the questions this white paper posed, I gained insights from over 30 participants via a combination of face-to-face and video interviews, as well as an anonymous online survey.

Participants included leaders from several industries as well as HR leaders and consultants.

I analysed the data against a range of other data – including my own knowledge and experience gained over 20 years practising in the culture field – as well as several external sources listed in appendix A.

Throughout the white papers, to protect interviewee privacy, I have used an asterisk (*) to mark the use of a pseudonym.

The white papers are the summary of what I have learned.

Why do organisations need exceptional culture?



Great workplace cultures generate an energy that fuels their people to innovate, to wow their customers, to draw in the best people, and to outperform their competitors in virtually every aspect of business result.²





Case Study

People-First Approach leads to massive profit increase

Since Stephen Carter (Managing Director, Sharp and Carter) and his fellow owners made a deliberate decision to move from being a profit-focused business to a people-first business, they have seen an increase in their profits by **1400%** over the last six years,

"Most businesses recognise at some level that in order to maximise profits, you have to look after your people. But it's kind of, turn up and be paid and it's a good environment when you are here, but anything outside of work is separate. Now, the result of being people-first is my profit is growing at 55% per annum over the last six years. But that's not why we exist. And that's not our goal... but our experiences have been that by not focusing on profit, and not being profit maximizing, we've maximized profit."

The starting point was each of the partners asking themselves what kind of business they wanted to create.

"I said I want to create a business that I would have loved to have worked within. Christian said, I want to treat people as I'd like to be treated. And Anthony said, I want to be the best employer in Australia. And then we took actions that aligned to those goals."

"Our experience has been that you can't just care for a person as a professional. You have to care for the whole person."



1 Exceptional culture leads to business success.

Full stop. Want proof?

Facts and figures

- MIT found that enterprises with a top-quartile employee experience achieve twice the innovation, double the customer satisfaction, and 25 percent higher profits than organizations with a bottom-quartile employee experience.³
- 94% of executives and 88% of employees believe a distinct workplace culture is important to business success.⁴
- 72% of respondents in a Harvard Business Review survey of 550 global executives ranked employee engagement as very important to overall organisational success.⁵
- 90% of respondents to an AHRI / Insync 2019 survey of over 967 respondents from CEOs to team leaders, agreed or somewhat agreed that organisational culture is critical to the successful execution of strategy.⁶

Gallup's state of the American workforce report⁷ found the benefits of engaged employees is:

- 20% higher sales, 21% higher profitability, 17% higher profitability
- 10% higher customer metrics, 41% lower absenteeism, 70% fewer safety incidents.

As Harvard Business Review say in their Achievers report,

In this rapid cycle economy, business leaders know that having a high-performing workforce is essential for growth and survival. They recognize that a highly engaged workforce can increase innovation, productivity, and bottom-line performance while reducing costs related to hiring and retention in highly competitive talent markets.⁸



Millennials expect it – and they will make up 75% of the global workforce within 5 years.

Millennials (generally born between 1980 and 1999) make up 50% of the global workforce as of 2020, set to rise to 75% within five years.

Emily Jaksch of Generation Us studied over 1000 Australian millennials in 2019 and found:⁹

- 50% identify the working environment (culture) as key to choosing employer.
- 57% identify having a manager they get along with as very important – they want to like the people they work for.
- 59% of millennials value trust and autonomy.
- 64% identify work-life balance as a key factor when choosing an employer.

Globally:

- Millennials want to be consulted. They have a voice and they expect you to ask for their opinion. They also want you to listen – really listen not just tick a box to say you have.
- Then they want you to do something about what you have heard – preferably ASAP.
- Millennials want to work for organisations who stand for something – and that something aligns with their own personal beliefs.

In short, within five years ¾ of the workforce will not settle for the 'old' way of doing things. Instead, they demand exceptional culture. Ignore this significant group and their expectations at your peril.



It is a prerequisite to attracting and retaining the best staff to drive productivity.

If you want to attract and retain the best talent to your organisation, then you must provide an exceptional employee experience and culture.

As Bersin for Deloitte said in its 2014 prediction report, "the global war on talent is over, and talent won."¹⁰

Facts:

- Nearly 1 in 5 employees, especially millennials, left their jobs in 2017 due to poor employee experience.¹¹
- Only 42% of all employees would rate their employee experience as positive or extremely positive.
- 89% of employers think employees leave because of money when only 12% actually do.

In other words, attracting the right talent, let alone retaining them, is harder than it has ever been before.

Businesses with toxic, dictatorial, old school cultures will not win the war on talent, especially in this social media age where a bad review from a disgruntled (ex) employee is just the push of a button away; and where all employees will always be your most important brand ambassadors, even after they leave you.

“

We can't keep doing the same things as we have always done, especially in manufacturing, as we aren't just competing against the guy down the road now. The market is global, and we need to do something differently.

”

Donna*, HR Executive, Global Manufacturing business

Summary

- **All the participants in my research** (that's a cool 100% of both face-to-face interviewees and those who completed the online survey) agreed that moving towards exceptional culture was essential for organisational success.
- This was true even for respondents who ranked their business currently at 4 or below on a scale of 1 (terrible culture) – 10 (exceptional / new paradigm culture).

A closing thought

The developed world is in the middle of a loneliness epidemic, with figures like these:

- One in six Australians experience emotional loneliness.¹²
- In 2018, nearly half of Americans identified as always or sometimes feeling alone (46%) or left out (47%) and 54% said they always or sometimes feel that no one knows them well.¹³
- A third of Britons said that they often or very often feel lonely in a 2018 survey of 55,000 respondents.¹⁴

People crave connection more than ever before, and in many ways, business has replaced the church as the place where connections happen, and community is built.

As one interview participant said, “business is the predominant institution of our time. It's no longer the church nor government. Business is going to have to solve the issues that we're starting to see.”

As people look to their employer for connection and a sense of community, they expect more from their organisation, and they want to be seen as a human being.

“Good culture takes you from good to absolute best. For the previous 20-30 years, our focus was on production and getting the project out the door and satisfying the customer. But now, culture is the most important thing because if you don't have the right culture, you won't get to the next level.”

Stan*, HR Director, regionally based Global Manufacturer

“The best companies in the world take an active support in the person as a whole, and that changes everything.”

Patrick Lencioni,
Organisational
Development Guru

What does exceptional culture look like?



Case Study

Sam*, HR Manager, elite sporting organisation

Purpose, telling stories, open dialogue, checking in, collaboration

This club has recently climbed to the very top of its particular sports tree, and the current HR Manager was brought in by the CEO with a mandate to take the already good culture to a new level (exceptional, if you will).

Sam says that one of the key ingredients for their success is being a purpose-driven organisation with a culture all about purpose. Their purpose is 'connecting to thrive and win' and it is evident across all layers of the club. As Sam says, having everyone on the same page as the Board and Executive when it comes to answering, "What is our purpose?" is crucial to successful culture.

"It starts with the purpose, the vision, the values, keeping the behaviours, and being aligned with that, and it's not working in a silo. It's working to get that out across the club. Ask anyone here what's our purpose and they say, "connecting to thrive and win". It just resonates so strongly, and they get it. They understand what it means to them. They won't be able to tell you all our behaviours [values], but they'll be able to tell you something about strengths, they'll tell you something about feedback and taking on challenges. They might not be able to do give you elements but without fail, they will all say connection to thrive and win.

"Ultimately, humans are purposeful, you get out of bed because you want a purpose. You want to contribute to something & you want to feel valued. And if we can do that, at work, where most people spend most of their time, Well, that's a great thing. So, it's around people being able to connect to your purpose. And understand, well, what does that look like for my job."

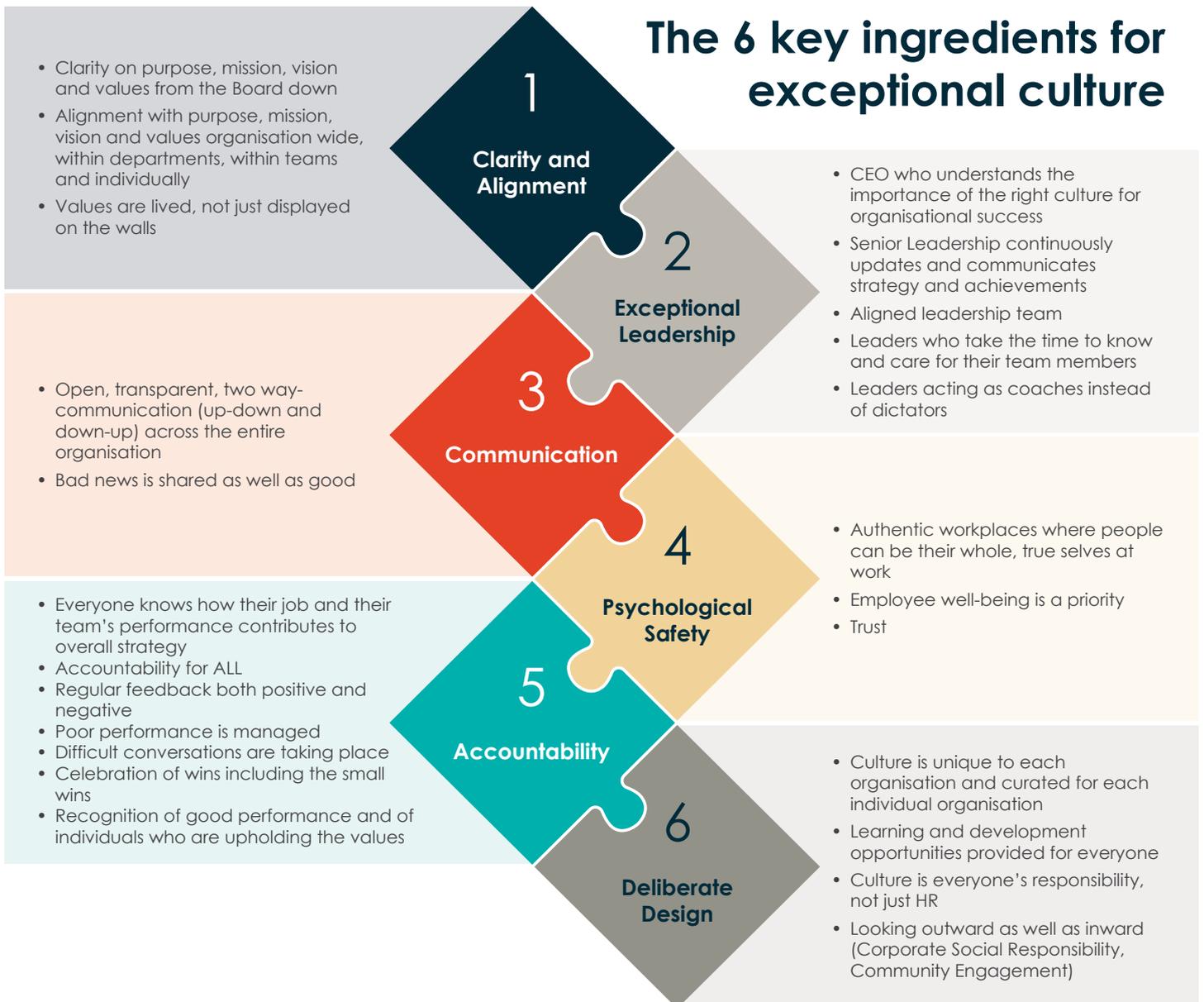
Other key ingredients of this sporting club's exceptional culture are:

- playing to everyone's strengths (admin team as well as players)
- embracing imperfections and differences
- not taking themselves too seriously
- telling a lot of stories to bring things to life in tangible ways
- open dialogue to build connection and trust
- leaders not being afraid to ask questions
- understanding that there is a 'feedback muscle' which can continue to grow and develop with practice
- regularly checking in and speaking with their people
- Fostering an open and trusting culture so people feel comfortable speaking up
- Collaboration through cross-functional groups, working together on topics including 'cultural foundations', 'diversity in action' and 'good environment'



Through a combination of my research, my 20 years industry experience, and with an analysis of several other papers and studies, I hereby and with a drum roll summarise what the key ingredients of exceptional culture are.

The 6 key ingredients for exceptional culture



Annexure: Sequence 1

Definition of culture as explained by face:face and survey participants

It's that damn things that are unsaid. To me, the way people interact and communicate or operate. Something that requires very little investment to keep going but can be stuff up very quickly.

It's like the music to a song. When a song comes out and you hear it, you normally start humming the tune, you're not actually quoting the words. That's what culture is like, it is the music that sits under all the words you say and do and the actions you take versus the music that sits underneath that

The level of transparency, trust, engagement and collaboration

Workplace culture is the feel and flow of an organisation. It is a combination of personalities, policies and procedures and organisational structure that make up the demeanour of the organisation. It is in a sense, the **personality of an organisation**.

I believe a definition of a workplace culture is one where you are not just a 'bum' on a seat, its somewhere that your opinion and value is acknowledged no matter what position you are at within the company. Culture to me goes beyond just Friday drinks and fancy dinners, its flexibility, growth and goals. A culture where it feels open and there is next to no fear involved within the leadership team, somewhere that you can see yourself growing and being supported in doing so.

- The general feeling / vibe of the place and the unwritten rules
- The norms and values and ways of working that create a system for clients, customers and internal stakeholders.
- Inclusive, encouraging, participating, rewarding, supportive, flexible
- How we behave and what we value
- The rhythm to how things is done and how people treat each other
- The unseen factors at a business "that's just the way it is"

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Exceptional workplace culture

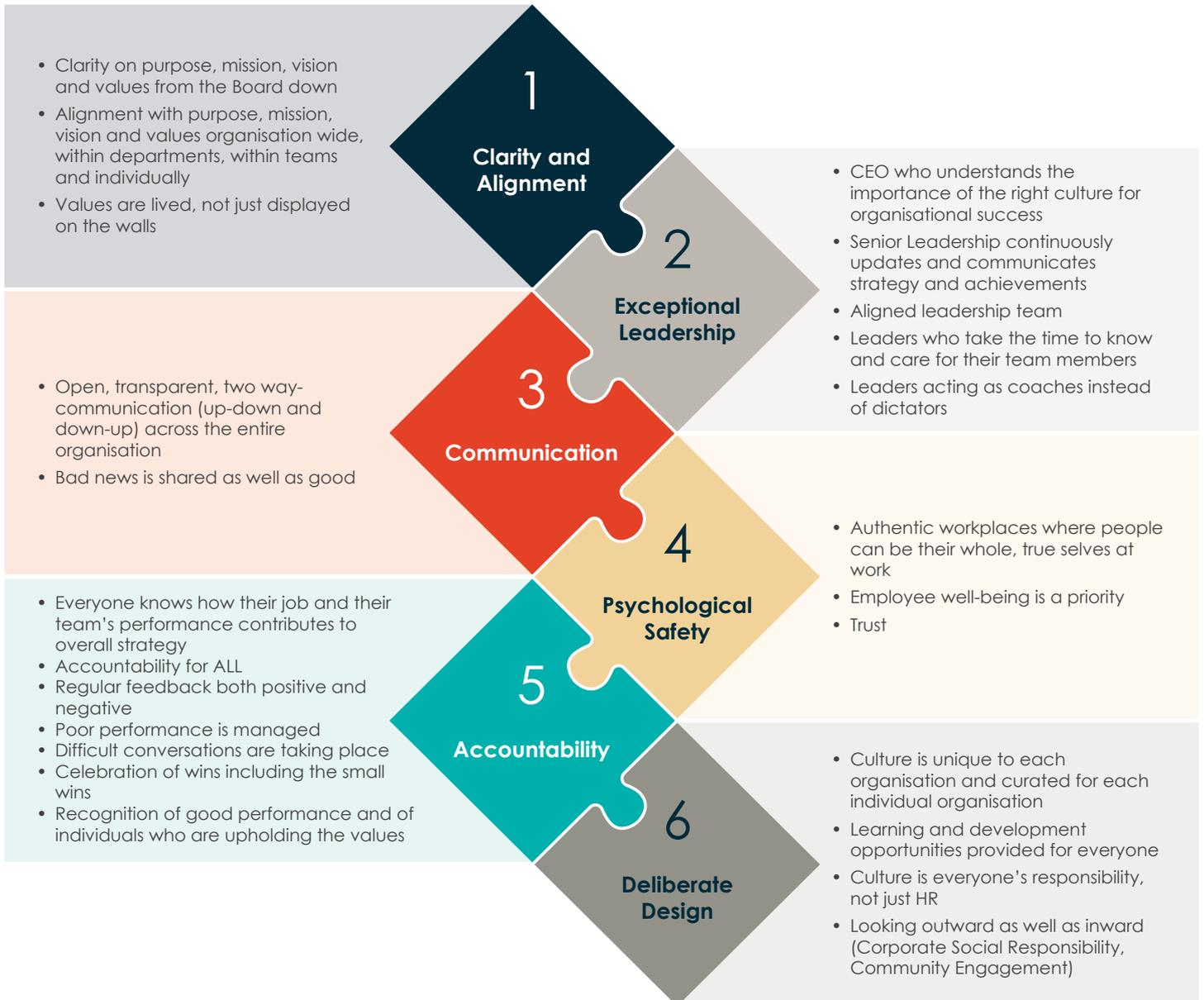
How to move towards it in your organisation



How to use the 6 key ingredients to move towards exceptional workplace culture

In White Paper Sequence 1, we examined the 6 key ingredients of exceptional workplace culture.

Now I present to you HOW to move towards exceptional culture, via the six key drivers which I discovered through a combination of my research, my 20 years industry experience, and with an analysis of several other papers and studies.



Case Study

Bob*, HRM, digital startup in the sports and entertainment industry

Everyone having a voice

Bob, a passionate HR practitioner, spoke about the importance of values as the cornerstone of their organisational culture and the importance of involving team members in setting the values to ensure the values genuinely represent the people.

As a startup of less than 200 employees, this business had the “natural advantage” of being able to deep dive into the workforce and provide an opportunity for all team members to contribute to the values creation, which in turn means team members identify with the values.

Over just two months, Bob:

- Scoped the project and ran it past the Executive to kick start on what they broadly believe the aspirational values of the organisation should be.
- Drafted and sent a survey to all staff asking them to identify what their own personal values were, as well as what they thought the values of an ideal employer would be.
- Analysed the data, identified themes, then ran a series of workshops where staff could contribute into diving into the themes, and where the actual language of the eventual values started to generate.
- Went away and worked on how all this would look in practice, started to develop potential words and behavioural statements etc, developed a working draft that was sent back out to the business.
- Ran another round of workshops where the draft was tested; refined the draft, presented it back to the Executive who gave their signoff and then voila – roll out and implementation.

1 Clarity and Alignment

- Board and Executive must be united on the culture they want to have by a predetermined date (2-3 years away) AND have a robust strategic plan to get there.
- Culture should be a board priority, and culture reports should be provided to the Board in the same way that financial reports are provided.
- Create company values which are aligned to the organisational purpose
- Ensure everyone knows what the values are, and understand how the values apply to them.
- The values must be real to your employees, meaningful and preferably easy to remember. One such example from my research was CARE: Courageous, Accountable, Respectful, Engaged.

41% of survey respondents nominated the fact that 'our values were lived not just displayed on the wall' as being a key feature of the best workplace culture they had ever worked in.

- Leadership team behaviour needs to be aligned with the organisational values and role modelling expected behaviours.
- Values need to be embraced and not just window dressing or lovely posters hung on the wall. Everyone needs to be held accountable for upholding the values.
- Recognise people who are living the values, tell stories about them, spruik their achievements, consider providing small rewards.
- Recognise, recruit and work hard to retain talent whose behaviour and skills fit within your mission, purpose, vision and values.

53% of survey respondents agreed a lack of alignment between leadership team behaviour and organisational values was a factor impeding their organisation's move towards exceptional culture.

"I think one of the real key things is leadership, I think the senior leaders need to role model the expected culture and ensure that they're holding their teams to account on it. I think, unless you've got that, I think your culture's pretty much set up to fail unless you've got a leadership team that that will live it and will own it. Because if they're not setting the example or holding their teams to account, it's very hard for that to then be truly embedded in the business"

Shawna*, Senior Leader, Digital Business

2 Exceptional Leadership

As leaders, it is crucial you lead by example. This cannot be understated. Little else destroys culture faster than leaders who say one thing but do another.

- Leaders need to role model and communicate the expected values and behaviours, AND be held accountable for their behaviour.
- Leaders should reward examples of expected behaviour and hold each other accountable both on an individual and a team level.
- Leaders need to be enabled to lead, including providing direction and support for leaders (especially new ones).
- Leaders need to be connected with other leaders and the wider organisation.
- Leaders must be held to account for providing psychologically safe environments for teams to thrive.
- "People leave their managers, not the organisation" is as true today as it ever has been.

59% of Australian millennials identify having a manager they get along with as very important, and in general want to like the people they work for.²

- Ensure people managers are skilled at leadership not just technically
- 70% of survey participants agreed that one of the main challenges preventing organisations moving towards exceptional culture was that leaders are not skilled to be leaders or managers.
- Leaders must have open and honest conversations when it comes to development
- Leaders must understand how to be an inclusive leader

65% of survey respondents nominated "leaders took time to know and care for their team members" as a feature of the best workplace they had every worked in.

- Managers need to be given every chance to be the best possible manager they can be, and this means dedicated and deliberate upskilling AND a greater investment in leadership selection and development
- Don't focus programs to protect from the worst leaders
- Highlight the best examples of leaders and believe others can replicate





3

Communication

Communication could be my middle name; I love it in all forms from the written – spoken-visual. I even went back to study in my late 30s to gain a communication qualification.

To me, it's a no-brainer that communication is essential for exceptional culture- across the organisation. That is, top-down and down-up across all teams, departments, roles and sites. All research participants for this white paper agreed; and all the other sources I consulted listed communication as a key driver of exceptional culture.

65% of survey respondents said open and transparent communication across the organisation was a feature of the best organisation they had ever worked

47% of survey respondents said that poor communication was a pain point preventing their organisations moving towards exceptional culture

Case Study

Recommendations from a communication audit of a large infrastructure project

- Keep all employees updated with details of activity occurring across the organisation and the broader impact, if any, of those activities
- Create and share a timeline marking key milestones achieved – and those still to come
- Authenticity is essential in all communications – from the type of stories that are reported on internally, to the way that they are reported
- Improve the authenticity including stories covering organisational challenges and how they were overcome, not just straight good news stories
- Increase the visibility and accessibility of the Executive
- Introduce 'town hall' style events on a six-monthly basis
- Establish a staff Consultative Committee, comprised of a mix of staff across functions and authority – the committee will provide Executive with an opportunity to garner insight from all areas and build a group of advocates who will portray positive messaging across the organisation

Tips for better communication across your organisation

- Actively listen to your people, realise they want to be heard
- Don't just ask for feedback to 'check the box'; it is better not to ask for it at all if you will just disregard it
- Tells lots of stories to reinforce the vision
- Communicating what is happening in the organisation, be open and transparent about relevant things
- Use plain speak not corporate speak wherever possible
- Introduce digital technology that allows for instantaneous and two-way communication between teams
- Share the bad news as well as the good – better your people find out the bad news from you directly than learning about it on social media
- Find 'communication champions' across the organisation, who are responsible for sharing stories

“ Trust is a new currency. Authenticity will help contribute to establishing trust capital which organisations need. If you have trust, it's easy to be authentic. ”

Jen*, Automotive Industry

4

Psychological Safety

One of the key drivers of culture is to “enable teams where employees feel included, supported and psychologically safe.”⁴ Thriving teams are clearly essential for any organisational success.

Google's expansive two-year long research project called “Project Aristotle”⁵ examined the key ingredients for high-performing teams.

They uncovered five key ingredients, and deemed psychological safety to be by far the most important of these. They discovered individuals on teams with higher psychological safety were less likely to leave, were more likely to harness the power of diverse ideas from their teammates, bring in more revenue, and were rated as effective twice as often by executives⁶.

70.5% of survey participants identified having an authentic workplace where people could come to work and be their authentic selves as a feature in the best workplace culture they had ever worked in.

‘Psychological safety’ as a key concept for organisational success was identified by Harvard based organisational behavioural scientist Amy Edmondson in 1999, who defined it as “a shared belief held by members of a team that the team is safe for interpersonal risk taking.” In other words, feeling safe enough to speak up, ask ‘dumb’ questions and generally being prepared to make mistakes, give candid feedback, bring up tough issues, ask others for help, learn from other team members and take risks.

Edmondson argues that in the new ‘knowledge economy’, it is more important than ever before that people be allowed to speak up to encourage the continuous flow of new ideas, new solutions, and critical thought necessary for companies to stay innovative.

Gallup's 2017 study of the state of the American workplace found that only 3 in 10 employees felt their opinion was valued at work. Yet if that was doubled to 6 in 10 the benefits would be:

- 27% reduction in staff turnover
- 40% reduction in safety incidents AND
- 12% increase in productivity.⁷

The first pillar of Organisational Development Guru Patrick Lencioni's five elements of a cohesive (read: successful) team is Trust⁸. And for trust to exist within a team, there needs to be psychological safety. For both Trust and Psychological safety to exist, people must be able to come to work and be an authentic version of themselves.

Case Study

Jack is an HR leader at a very successful chemical company, after many years spent in logistics and manufacturing. He believes the company's recipe for success comes down to several crucial elements:

- A commitment to excellence, absolutely pushing to be the best at what you do
- Management drive this commitment
- A really high level of respect for the people who work there
- Trusting people to do the work required, which encourages ownership, accountability and innovation
- People feel valued and respected
- Having a lot of honest conversations, and having those conversations very respectfully, “as if you had to tell your son or your daughter or someone you really cared about”

A team where there is both trust and psychological safety will be a highly engaged team; and highly engaged teams are the ones that drive success in your organisation.

5

Accountability

One of the most important tasks that leaders need to do is provide feedback, both positive and negative. This will include having difficult conversations from time to time. To quote my hero, Brené Brown: “Clear is kind. Unclear is unkind”.

An HBR study found the top factor to drive employee engagement is recognition for high performers and the second highest factor was individuals having a clear understanding of how their job relates and contributes to corporate strategy.³

In summary:

- Ensure everyone is clear on what is expected of them in their role
- Regularly update to provide clarity on expectations as required (i.e. when priorities change)
- Individual goals must be aligned to organisational goals
- All individuals must understand how their role contributes to overall strategic direction
- Provide regular feedback
- Build connections with people by better utilizing regular one-to-one conversations between leaders and their team members
- Recognise great behaviour and demonstrate visible consequences for poor behaviour
- Fairness is crucial – the same rules need to apply for everyone from the top-down.

35% of survey respondents said insufficient feedback (positive and negative) was a factor that inhibited a move towards exceptional culture

53% agreed a lack of difficult conversations happening was a factor

53% said regular feedback AND recognition of good performance AND celebrating the small wins was a feature of the best workplace they had ever worked

47% nominated the fact difficult conversations happened in a professional manner AND that poor performance was managed was a feature of the best workplace they had ever worked

- Build your organisation's 'feedback muscle' - recognise that the skill of giving and receiving feedback needs to be consistently worked on in order to grow and develop
- Feedback should be regular and on-going, formal and informal
- Regular feedback should lessen the need for difficult conversations as issues are more likely to be dealt with as they arise
- Feedback should also be two-way, leaders should be trained and prepared to ask for feedback about their leadership.
- Actively recognise wins and hard work including celebrating the small wins
- Show encouragement and actively demonstrate it in the workplace
- Don't be too nice! Rather, have those difficult conversations in a professional and respectful way ('Feedback should be given to help, not hinder or destroy')



A case study to build the feedback muscle

Start with anonymous 360 feedback, moving to 360s that are not anonymous, then implement 'let's go for a walk and talk' conversations or 'let's have a coffee catchup' discussions, at the same time providing tips to leaders on how to have those conversations.

Exceptional culture does not just happen by accident. Moving towards exceptional culture is like turning a large ocean liner around mid-course – it takes time and a deliberate decision to change the ship's direction.

This requires:

- A deliberate decision made by the Board and CEO to curate an exceptional culture.
- An understanding is gained of the status of the current culture
- A strategic roadmap is then developed as to how to move from the current culture towards exceptional
- Enough time is dedicated to deliberately designing culture
- Culture is prescribed as an Executive and Board outcome (not just a HR one)
- A development plan which outlines how the whole organisational capabilities will be lifted
- An agreed vision and a commitment made to the change
- 'Change champions' appointed, chosen from across departments and levels, who are assigned responsibility to help drive the change
- Trust and support are fostered to engage employees' hearts and brains, not just their backs.
- Focus on a small number of actions at a time, rather than a 'laundry list'
- Decisions being made rationally, not emotionally as a result of fear or pressure
- Progress being measured
- Establishing a Culture Council, with representatives from all areas of the business

Culture is unique to every organisation

There is no 'CULTURE' template that you can pick up off the shelf and implement straight into your organisation. If, as an interview participant stated, culture is "how we turn up every day, it's how we treat others, it's our beliefs, values how we operate; it's an ecosystem, our company DNA." The ingredients that make up your culture will be different to that of all other businesses.

"I think if you try to look at someone else and say, let's implement that here, I don't see that working. My experiences show you've got to create your own, it's got to be created by you and your people. It's not something that you can pull out of a textbook or another organization. That is not authentic. You've got to create something that people really feel talks to them and is created by them for them. I feel that that's the difference and why it's worked here."

Ken*, Leader, Professional Services

“ *Don't overcomplicate it! Create an environment where people feel comfortable and happy coming to work, like and enjoy what they are doing, where they have a chance to work on interesting stuff that stimulates and challenges them.* **”**

Bob*, People & Culture Head, Digital Technology

Annexure: Sequence 2

Definition of culture from interviews and survey respondents

One of the interviewees said:

The way we do things around here, not just performance based but the behaviour side of things. How we carry ourselves and are engaged with the company.

What everyone within the organisation regards as important and valuable in terms of how they operate, how they manage, how they speak to each other and their perceptions of each other. An underlying perception that we hold about the workforce and it affects everything,

I would say that workplace culture is the common values that sort of bind a team together and bonded business together.

Everyone striving for the same mission and vision but with respect and acknowledgement for others.

- The collection of norms and unwritten processes in a workplace
- How you feel when you come to work. You should be able to bring your full self into the workplace and be respected for it.
- Staff engagement and morale, which is in turn powered by skilled and empathetic leadership.
- Inclusive, encouraging, participating, rewarding, supportive, flexible
- How we behave and what we value
- The rhythm to how things is done and how people treat each other
- The unseen factors at a business "that's just the way it is"
- The values behaviours and ways of working in an organisation i.e. decision making, problem solving, innovation tolerances etc
- How people treat each other and achieve their goals

References

- ¹ <https://www.smh.com.au/business/companies/software-is-eating-the-world-atlassian-revenue-up-37-per-cent-20200124-p53ub5.html>
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How exceptional is your current culture? Take the quiz!

Sign up to the newsletter or email me directly at alison@workology.com.au to receive your copy of the quiz "How exceptional is your current culture?". This quiz is a quick tool for you to gain a sense of where your culture is at now on the journey to exceptional.



Exceptional workplace culture

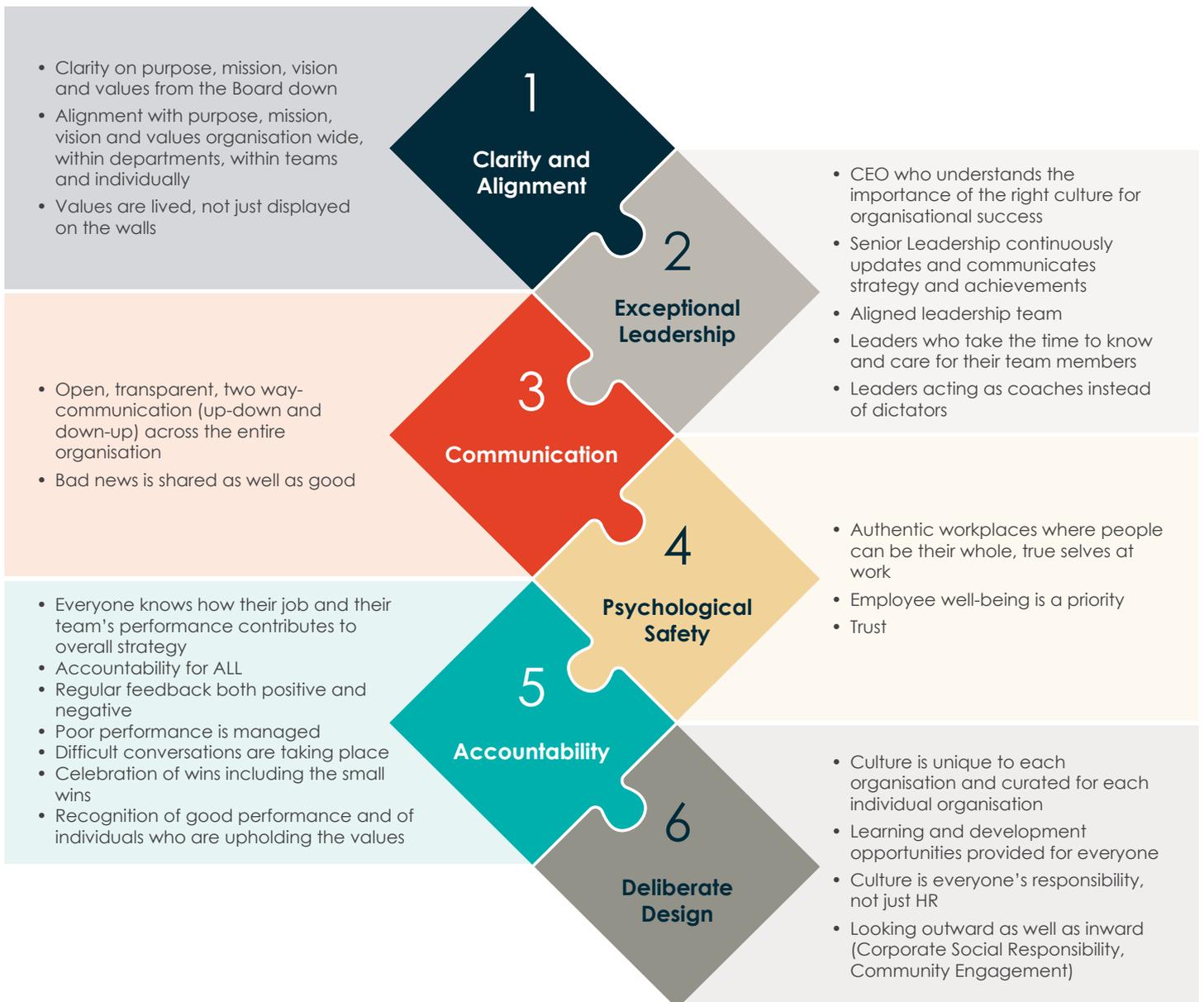
The pitfalls and how to prevail



What are some of the pitfalls that might prevent us moving to exceptional culture?

In White Paper Sequence 1, we examined WHY you need exceptional culture and WHAT the 6 key ingredients of exceptional workplace culture are.

Sequence 2 explored HOW to use the 6 key ingredients to move towards exceptional culture.



This Sequence, #3, examines the hurdles participant's organisations have encountered on their journey towards exceptional workplace culture; as well as their advice, particularly for HR practitioners, on how to deal with the challenges.

When I collated all the participant responses, initially I found myself looking at what appeared to be a long list of seemingly unrelated pitfalls. Upon closer examination, I realised that all the pitfalls which participants had shared, related to the absence of one or more of the 6 key ingredients.

Here are what participants told me were pitfalls they faced in their business, categorised under the relevant key ingredient.

1

Clarity and Alignment

- When leadership is not united around the vision/values, this makes it difficult to drop down the vision to the rest of the organisation
- Lack of interest from top down
- Lack of clarity and education around vision and culture
- Misalignment
- Accurately articulating culture within a large and geographically dispersed organisation

2

Exceptional Leadership

- If leadership is autocratic and people feel they have no buy-in to decision making and are just directed, not managed, this often leads to lack of any sense of real ownership of the job. This in turn contributes to issues of accountability and taking responsibility.
- When leadership is not working as a team, with different agendas.
- When leaders deviate from living and breathing values and beliefs, employees will question and challenge their integrity.
- Traditional management techniques not equipping managers with the skills to deal with rising mental health issues within their team members [One interviewee estimated 45% of their millennial workforce have some sort of anxiety or mental health issue].
- Leadership not role modelling the change
- Fear and a lack of trust in leadership
- Managers lack the skills required to set the tone and inclusive culture that is needed
- Line managers not taking responsibility for team engagement
- "It can be hard to teach an old dog new tricks!"

3

Communication

- Leader's poor communication (including lack of)
- Inconsistent or non-existent messaging across many departments and locations
- Lack of communication
- Confused culture

*"Culture becomes confusing when different aspects of your organisation communicate conflicting messages. Marketing messages do not match employee's performance incentives. Onboarding information for employees does not match guidance given in management training. Or, leaders' behaviours do not match expected employee behaviours."*²

4

Psychological Safety

- Ensure people managers are skilled at leadership not just technically
- 70% of survey participants agreed that one of the main challenges preventing organisations moving towards exceptional culture was that leaders are not skilled to be leaders or managers.
- Leaders must have open and honest conversations when it comes to development
- Leaders must understand how to be an inclusive leader

"Being too 'nice' or too respectful is a problem, as it means people are extremely reluctant to have difficult conversations and face issues. 'Nice' can impact the business especially when you are trying to scale and grow, because leaders are not having conversations with other leaders. 'Nice' happens in individual conversations, business decisions and transformation projects. We have 'big, hairy, audacious goals' but if things go wrong, the mindset is 'never mind, we will get there eventually', rather than having those difficult conversations."

Lisa*, global fashion brand

5

Accountability

- Distrust of management as corporate values are not lived
- Lack of accountability and consequences for poor behaviour
- Limited performance and behavioural measures
- External pressures (political, stakeholder, compliance)
- Too much work to be done

6

Deliberate design

- Executive teams fail to see their culture holistically leading to a patch work approach that does more harm than good
- A lack of thinking about ways of working across the system rather than just within silos
- All staff being engaged and committed
- A short-term result focus
- Constant restructures and poorly led change lead to engagement issues
- New initiatives often change only one aspect of the culture while leaving rest of the system intact
- New initiatives remain superficial and do not change the hard rules of the culture (i.e. organisational structure, performance incentives, management expectations)
- Resource and time constraints
- Lack of policies to support good work-life balance as the underlying tone is employees are not valued as a whole person, rather the organisation only cares about getting a good day's work out of them.

So how do we prevail over these pitfalls?

“ Remember it takes time – so bite size pieces, make sure you have the support and play the long game. ”

Stan*, HR Director, regionally based global manufacturing company

In summary, the best way to deal with the speed humps on your organisation's journey towards exceptional culture is to:

1. Remember the 6 key ingredients necessary for exceptional culture (Sequence 1).
2. Understand the steps necessary for each key ingredient (Sequence 2); THEN
3. Uncover where your current culture is on the journey.
4. Develop a strategic roadmap to get you from A (current position) to B (exceptional culture) which contains the steps outlined in Sequence 2.
5. Stick to the roadmap – incorporate buy-in and accountability within the plan.
6. Be mindful that change takes time and commitment.

Above all, don't give up. Accepting the need for exceptional culture is a great start. From there, it is up to you what and how much you do. It is preferable to address all 6 key ingredients but targeting one at a time is a very reasonable alternative.

There are steps that your organisation can start almost immediately, that do not have to cost a great deal either in time or dollars. Listening to your employees (really listening to them) and asking for their opinions is one such step.

But as Sam*, our HR Manager of a successful elite sporting club, says:

“You've got to always improve; you don't get better by doing the same. You must continue to change. Because if nothing changes, nothing changes.”

Tips for HR Practitioners and other senior leaders

I doubt I could find even a single HR practitioner who doesn't agree with the premise that culture MUST start at the top and cascade down. Which means that it is vital that you have your Board and especially the CEO committed with the need to have an exceptional culture, and the plan on how to get there.

But what about when you don't have her on board? What about when he is old school, and believes it should be enough that people get paid to come to work? Or where the environment is historically one that has been heavy on discipline, punishing people for stepping out of line rather than coaching teams and individuals to play to their strengths.

The very first participant I interviewed, *Simon, is the HR Manager at an organisation with an old school CEO who does not see the need to do anything about culture.

There are also leaders, who have what one interviewee, *Jim, coined "bad ass style of management".

Jim worked in a Senior IR role for a logistics giant in the not too distant past, where because they were "trying to clean up a mess" so the company didn't lose a major contract, there was a crackdown on poor performance that sometimes saw the HR team issuing 5 warnings a day. As Jim says, "The problem is that when this happens, it reinforces that this is the style that works. Because it did work. And [the leaders] don't realise there is a better way".

Simon asked what he could do to help sway his CEO of the need to move towards exceptional culture, and this pertinent question became a question I asked of all other participants following Simon.

To be brutally honest, my research found that sometimes you need to wait for a generational change in leadership. Or wait for a crisis to hit before the wake up / slap in the face convinces the Board and CEO.

In the meantime, participants suggested trying some or all of the following to help bring about the change you want to see.

How can HR help their organisations move towards exceptional workplace culture?

1. INFLUENCE

1.1 Gather champions around you

Whilst the CEO may not be on board, it is likely there are other senior leaders (or board members) who 'get it'. Find out who they are and get together with them. As one interviewee said:

*"Seek out allies, someone who might have similar views to your views and just needs a little bit more convincing, a little bit more work from you. And find the people who are already 100% in your camp, and then work towards them setting up a coffee catchup with people who are on the fence, where they talk about what you are trying to do and why. Slowly chip away and try to get 40%-50% of the leadership team aligned with your thinking or at least willing to listen – and in turn be willing to **listen to yourself** as there maybe **something** they say about what might not work that you haven't considered. And be willing to step way if you learn something and realise what you had been thinking wouldn't work."*

Aveline*, Regional HR Manager, Global Manufacturer

1.2 Aim for small, incremental steps and celebrate the wins

Rather than getting frustrated at the CEO's refusal to accept the need for largescale culture change, look for small steps that you can take that will give you 'wins' – and then make sure you shout about those loudly and proudly. Use this approach not just for your CEO but for any other senior leaders who aren't on board. Because even when you DO have a CEO who is 100% behind you, the Executive still need to be a united team who are walking the talk.

As *Sam shares, *"Never stop trying, and what are some of those small wins? CEOs, if they are profit driven, they don't want philosophy, and feel-good information, they want facts. They need to be able to see how you can help. You need to be able to partner with them. And not preach to them. And its little wins, sometimes there will be people who don't agree with you, so the little wins are important until you are singing off the same page. There may still be small wars [in the future], but you have to all be on the same journey"*.

2. TALK IN BUSINESS TERMS, NOT HR TERMS

Your CEO is thinking about things like profit and loss, ROI, and is not necessarily concerned about 'soft' problems like 'culture'.

Speak to them in ways they will understand.

"At its core, the business exists to solve the problem of some description. And that's where the HR practitioner or the consultant needs to start. Why does this business exist? What problem is this business solving? What cause are we trying to advance? What's our greater purpose we are trying to solve this week? And then having conversations about those things, [looking at] how do we drive performance in terms of solving this problem and advancing this course?"

Because if your approach it, in terms of human flourishing, and an abundance mindset, the CEO is just going to shut down instantaneously. HR and Consultants need to focus much more on a performance angle. All performance must, by definition, be driven through people."

Stephen Carter, Partner, Sharp & Carter

Case Study

"You need to be able to present and articulate the commercial and business reasons why you need to see a shift, [explain] the commercial realities of the issue, and layer in the people element underneath that. Provide some data for what you are looking at."

For example, if you are in an industry where you need to attract emerging professionals like tech people, look at where these people are currently working now. What's successful for those businesses? Maybe highlight the gaps between what those businesses have who have the skilled professionals, what are they doing differently to your business.

And then ask, what do we need to do in our business to breach the gap?"

3. THINK AND ACT DIFFERENTLY

HR professionals need to adopt a new way of finding solutions to problems. In one case study, *Donna shared how her manufacturing workplace has undergone significant transformation in the way the HR team operates as the organisation embraces a human centred design approach.

Case Study

We believe that HR practitioners need to apply a design thinking approach which focuses on human centred design rather a strictly compliance approach. This means we review policies and procedures not just considering compliance requirements, but we assess whether these negatively affect the employee experience. Because we understand a negative employee experience has a flow on effect on customer experience.

For example, we recently launched our workplace flexibility guidelines using a design thinking approach with several ideations, ensuring that our guidelines weren't necessarily applied as a 'one size fits all' approach. It was largely based on "the spirit of trust."

Our approach is to also be collaborative, with ideations discussed with employees for their input.

We have come to realise that HR professionals must adopt new ways of working as a team as well as with other parts of the organisation, by utilising apps such as Teams, Trello, Asana, Slack etc and adopt an agile way of working such as using SCRUM.

Finally, HR professionals must also encourage workplace flexibility and lead the way, as new talent/millennials expect workplace flexibility.

4. OTHER SUGGESTIONS IN BRIEF

- Be genuine leaders, not just advisors
- Lead by example
- Be a better change management partner
- Listen and act
- Be transparent and authentic
- Show encouragement - demonstrate it in the workplace
- Establish trust with your client groups
- Embrace servant leadership*
- Recognise the value and potential in your employees and support them to be able to deliver that value to the business
- Allow HR/OD to be more than transactional advisors. Allow strategy to evolve
- Be accessible
- Transparent communication
- Demonstrate integrity
- Have a seat at the table
- Connect with all levels of the business. Be seen.

“ Remember that we are the stewards, we do not own culture. Our job is to help and guide leaders. ”

Denise*, Learning & Development Manager, Utilities Company

Sequence 3 References

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Work with me



Hi there, I'm Ali. Following several roles spanning 20 years, and qualifications and experience in law, HR, Communications and Workplace Training, I've found that what gets me out of bed in the morning is fostering cultures where people can thrive because they are truly valued.

I studied and practised law (Family law then Employee Relations law), and working as a lawyer honed my natural ability to identify practical and cost-effective solutions to problems by applying relevant factual and legal context.

While practising as an Employee Relations solicitor, I began to move into roles that combined elements of HR, workplace training and organisational development as well as the law.

During this time I helped clients navigate complex, high conflict workplaces. I developed expertise in leadership development, performance management, workplace investigations, conflict resolution, mediations and respectful workplace behaviours.

These unique insights from the "dark side" made me curious as to what makes a corporate culture work well? In time, I've come to recognise patterns in toxic workplace cultures, and understand that healthy and thriving workplaces adopt the opposite approach.

This led to the creation of a consultancy designed to help business leaders grow their people and their business – Workology Co was born.

I wholeheartedly believe the best answers and solutions are found in listening. During my career I have fine-tuned the art of conversation and married this with my naturally high empathy, which helps me unearth the true voice of people within an organisation and new approaches that bring out the best in people and their workplace.

I have a realistic and infectious optimism which resonates with both business leaders and employees. I love sharing my intuitive and human-centred approach in order to co-create an impactful and lasting solution for and with clients.

Ready to commence the journey towards exceptional culture NOW?

If you would like your workplace culture to move towards the exceptional and have an advantage over your competitors, in conjunction with my network, I can work with you in any of the following ways:

- Co-creating a plan to move towards an exceptional culture
- Cultural health checks and focus groups – find out where your culture is currently at
- Delivering training modules on the key ingredients to workplace culture
- One on one leadership coaching
- Training and facilitated workshops for leaders and teams.



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