

Harnessing Employee Culture



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Every business wants to be a high performer

This year we have now worked through the research on the best drivers/indicators for employee culture, as our research continues to reinforce the significant link between employee culture and business success.

Every business wants to be a high performer – and every business owner knows that it is the people in their business that either make it happen or contribute to the business missing the mark. Businesses are frequently trying to get their teams working more effectively to improve production and profit – and many spend heavily on ‘teamwork training’ to help to achieve business goals.

In 2018 our research identified what separates the high performers from the low performers in business. We looked at the data of more than 700 small to medium Australasian businesses who had completed a business assessment that we knew was valid and reliable. We then crunched the numbers across a range of cross-referenced measures to ensure that the real anchors and gems could be found.

In 2019 we decided to go deeply into the results which reflected specifically on business culture. That research confirmed that management culture (including the behaviour of the business owner) ultimately drives employee culture, and subsequently, business performance.

This White Paper is ideal if:

- You are a business owner who wants your business to stay or become a high performing business;
- You are part of a management team looking for ways to make your business more effective and successful; or
- You are a professional who wants to genuinely understand the Australasian employee culture drivers to lift the performance of your business.

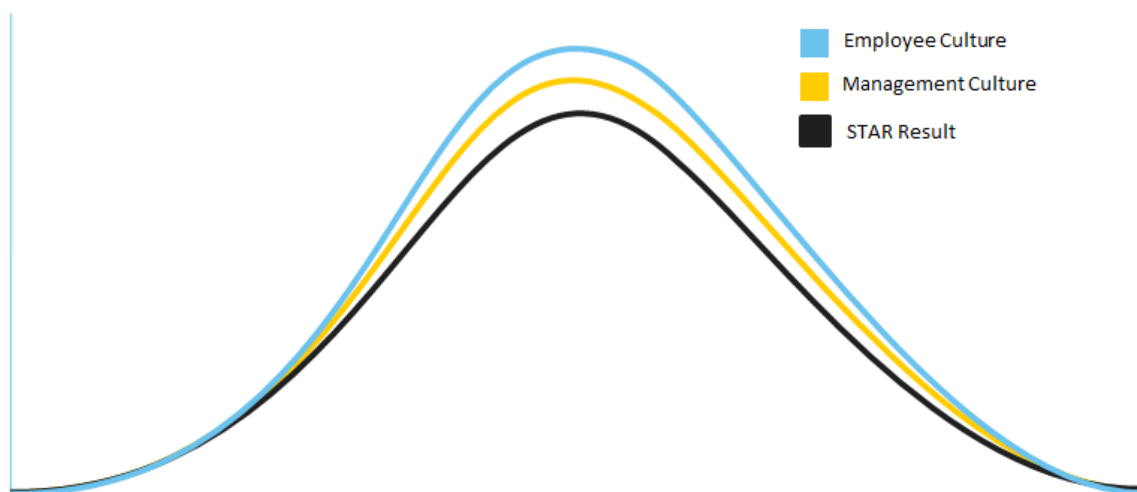


Intuitively, we know that culture drives performance. We can all identify businesses that have a ‘good’ culture, and those that have a ‘bad’ culture. This assessment is often based on single points of interaction with people from a business, i.e., the behaviour of anyone/everyone in a business who we deal with, help us to assess the culture of that business.

HR Coach also knows from its work with more than 4,000 small to medium enterprises (SME’s) in the market over the last 15 years, that most business owners and managers struggle to identify or articulate what the core cultural drivers are for their business. More disturbingly, they also can’t tell whether their own cultural drivers actually help or hinder their business’s performance and their success.

HR Coach has been researching the culture drivers of SME’s since 2003 and have identified that there are some key management and employee culture drivers that are relevant to all businesses. Our latest research has now identified how significant these culture drivers are for company performance, and help us to know where businesses need to invest time and effort if they are seeking to lift their company performance.

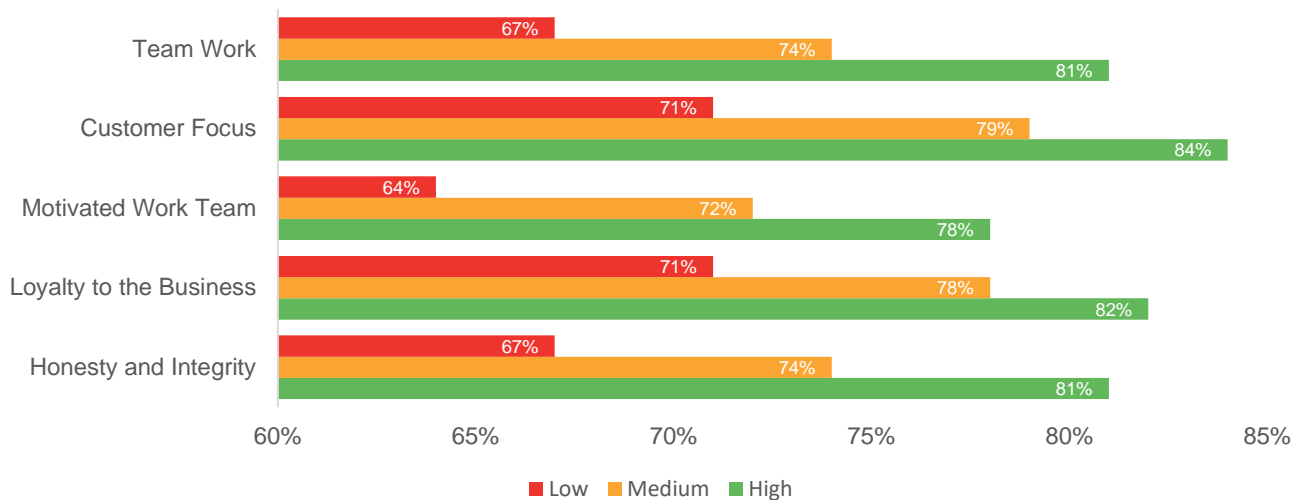
So let’s look at what the numbers tell us about management and workplace culture.



Data from 304 Australasian Businesses since 2015

- There was a 17% gap between low and high performing businesses in terms of strategic alignment and company performance.
- There was a similar 17% gap in management culture results between low and high performing businesses, which indicates that if businesses want to improve their strategic alignment and performance, they need to lift management culture and performance.
- Workplace culture results trended consistently above management culture results, i.e.. Some teams work well, despite their managers, but great team results only exist when there are great managers.
- Lifting manager and employee culture results will improve labour performance and in return the business while reducing wastage and turnover.
- Employers in high performing businesses are 29% more satisfied with the strategic alignment and performance of their business, showing that there is a positive exponential return for business if they can get the management culture right.
- Business owners need to lead by example to support changes and improvements in the culture of the business, as it is core to the sustainability and profitability of their business.

Employee Culture Is Important



Our Australasian research shows that there are significant gaps between high and low performing businesses in the following specific areas:

- Teamwork (Low Performing 67% v High Performing 81%)
- Customer Focus (Low Performing 71% v High Performing 84%)
- Motivated Work Team (Low Performing 64% v High Performing 78%)
- Loyalty to the Business (Low Performing 71% v High Performing 82%)
- Honesty and Integrity (Low Performing 67% v High Performing 81%)

Let’s look at each of these measures in more detail.



Teamwork

We have all heard or read that a great team will beat a group of great individuals, and the evidence is in business every day. Fortunately, the ANZAC psyche seems pre-set to ‘help your mates first’, but first you need to understand the team dynamics of each team. Every team has an unofficial leader or leaders with a number of team members committed to follow their lead. Personalities, skills, experience and intelligence levels all impact on how the team fires. Spending time and effort getting team members to better appreciate the strengths and challenges of other team members will pay off quickly, if completed in a mature, transparent and open way. Often the core ingredients of great teamwork are trust and respect, so if these are missing you need to spend some time working out why they are missing and correct those shortcomings first. High performing teams need time to hit their peak, so it is also important to keep an aligned team together for the medium term.

If you have a high performing team in your business, review why they succeed while other teams struggle. You may need to re-mix some teams to make some teams more balanced, to make them more effective.

Customer Focus

All employees need to have a strong customer focus, irrespective of whether they service or support internal or external customers. The customer experience is predicated on all their touch points of the organization, so any weak link has the potential to negatively impact on the customer experience. The key is to ensure that all employees (and their managers) are aligned with delivering exceptional customer service that exceeds expectations. Systems, policies, procedures and delegated authorities must support that alignment/focus, ensuring that decisions by front-line employees are effective and efficient when responding to both internal and external customers.

Client engagement is the outcome of a strong, aligned customer focus, and our research has shown that this can only be achieved if employees, managers and business owners are aligned on the key service deliverables to customers.

Motivated Work Team

All high performing teams are motivated to exceed (internal and external) customer expectations. Individual team members work hard to deliver on their own priority tasks every day, as they do not want to let their work colleagues down. They are also motivated to help other teammates and work colleagues if others need a hand, and this occurs without instruction.



Team members are likely to be resilient, have a sense of humour and positivity even when difficulties arise, and genuinely know that no problem is too big for the team to handle. Motivated work teams naturally work well as a team.

Motivated work teams are aligned with the business needs and work hard to meet or exceed expectations every day. They require very little supervision or instruction, although they do respond well to support and recognition of their combined efforts

Loyalty to the Business

When employees are loyal to the business, their focus is on delivering on customer expectations every time, as any failure is a bad result for the business. Loyal employees will usually go that extra step to achieve the required outcomes and are usually also looking to learn and improve processes and outcomes over time, to avoid repeating mistakes or setbacks. As their focus is on the business, they are rarely self-interested or self-focused. Loyal employees expect similar loyalty from managers and business owners, so they need to be kept informed and aware of business direction and decisions, as well as the 'why' behind these decisions. When roles are expanded to capitalise on the experience, performance and loyalty of any employee, the best way to maintain that loyalty is to recognise the role expansion or promotion, and ensure the changes flow through to remuneration changes.

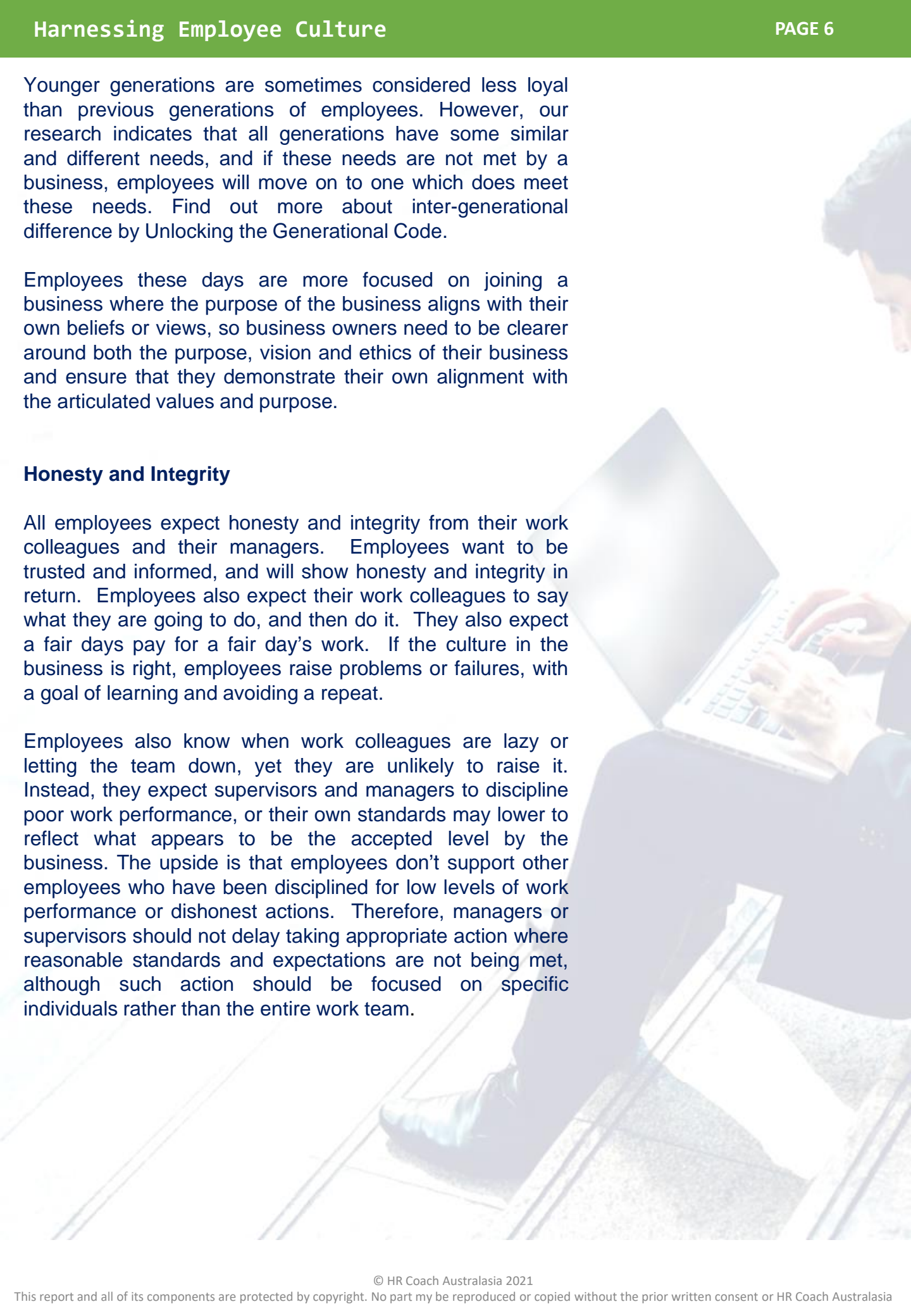
Younger generations are sometimes considered less loyal than previous generations of employees. However, our research indicates that all generations have some similar and different needs, and if these needs are not met by a business, employees will move on to one which does meet these needs. Find out more about inter-generational difference by [Unlocking the Generational Code](#).

Employees these days are more focused on joining a business where the purpose of the business aligns with their own beliefs or views, so business owners need to be clearer around both the purpose, vision and ethics of their business and ensure that they demonstrate their own alignment with the articulated values and purpose.

Honesty and Integrity

All employees expect honesty and integrity from their work colleagues and their managers. Employees want to be trusted and informed, and will show honesty and integrity in return. Employees also expect their work colleagues to say what they are going to do, and then do it. They also expect a fair days pay for a fair day's work. If the culture in the business is right, employees raise problems or failures, with a goal of learning and avoiding a repeat.

Employees also know when work colleagues are lazy or letting the team down, yet they are unlikely to raise it. Instead, they expect supervisors and managers to discipline poor work performance, or their own standards may lower to reflect what appears to be the accepted level by the business. The upside is that employees don't support other employees who have been disciplined for low levels of work performance or dishonest actions. Therefore, managers or supervisors should not delay taking appropriate action where reasonable standards and expectations are not being met, although such action should be focused on specific individuals rather than the entire work team.



Where to from Here?

This most recent research shows that 5 key anchoring measures separate the employee culture of high performing businesses from other businesses in the market. Here are the keys to improve or demonstrate an employee culture consistent with high performing businesses:

Employee Culture Measures	Solutions that Work
Teamwork	The DiSC Workplace program is a valid and reliable program to provide self-awareness to employees around their natural style, while also educating employees on how to accept and improve their working relationships with work colleagues and accelerate quality teamwork.
Customer Focus	Employees need to work with managers and supervisors to ensure that all processes are understood and aligned with delivering exceptional (internal and external) customer outcomes. Employees need to be recognised when they deliver exceptional customer outcomes. The HR Coach STAR and/or Client Engagement programs help to identify and improve customer outcomes for the business.
Motivated Work Team	The DiSC Workplace program will help to identify what motivates each team member, so that tasks and responsibilities are better allocated within the work team to maximise each employee's self motivation.
Loyalty to the Business	Businesses need to meet the needs of employees, and flexibility around work location and hours, trust and appropriate training and development feature frequently in terms of what employees are seeking. Engagement and alignment are also core to ensuring that employees have a high level of loyalty. Engagement and alignment can be measured using the STAR Workplace assessment process. If employee remuneration does not reflect job impact or performance, you may need to consider implementing job evaluation and/or salary survey data processes, and correct any clear anomalies.
Honesty and Integrity	Employees need regular and honest discussions about the business's performance, and their own performance. Where employees are demonstrating low levels of honesty and integrity, appropriate action needs to be taken, before that behaviour sets the new norm for the business. When high levels of honesty and integrity are demonstrated, employees need to be recognized in an appropriate and timely manner.
Note:	The Fusion Culture Program can measure this data for any business, and benchmarks the results to Australasian SME's



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