



## PRODUCTIVITY

# How to Get Your Company's Culture Right From the Start (Before it Comes Back to Bite You, Like it Did for United)

Get your corporate culture right and the benefits you reap go beyond any immediate cost.



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United ran into trouble this year when a family flying with the company was seated separately from its young children for no [obvious reason](#). And another recent public relations snafu involved a 14-year-old boy on a flight to the [wrong country](#). The ingredients of these situations are the same: A paid, outsourced "unescorted minor" service, connecting flights, [poor communication](#) and an uncaring attitude towards its customers.

What is becoming even more apparent is that despite many promises to [improve](#) and a strong public relations campaign to make itself more [accountable](#), United just keeps on failing-- not just its customers but also its own [people](#) and its shareholders.

A 2017 article in the *LA Times* cataloguing the airline's many [public failings](#) called its culture "toxic" and went on to list the many reasons its leadership wasn't up to the task

of fixing it.

## Culture Is Key To Success

United's very public, well-documented problems highlight the importance of culture in a company's success. This begs the question, of course, as to what should company owners, entrepreneurs and startups be doing to ensure their company culture is right from the start?

Two independent scientific studies provide some key insights here. First, one carried out by Dr. Eugenio Proto from the Department of Economics at the University of Warwick, points to a direct link between [employee happiness](#) and an increase in productivity. Second, a four-year-long effort between the Surrey Business School and France's Grenoble Ecole de Management shows that "people's energy towards colleagues" was key on job performance and retention within the company. In other words, the attributes highlighted are attitude, cooperation and [professional relationships](#).

## The Formula For Building a Great Company Culture

A company culture will arise out of the attitudes, beliefs, engagement, interactions and values of employees. Therefore a company culture, as professor emeritus and author of the book *The Culture Cycle* [James L. Haskett](#), says, will arise with or without conscious effort. But he also notes that having a great company culture "can account for 20-30 percent of the differential in corporate performance when compared with 'culturally unremarkable' competitors."

In business this is often a make-or-break performance margin. This means it makes sense to actively work to create a great culture. But where do you start from?

Comparison studies of companies as diverse as the [John Lewis partnership](#), the employee-owned department store chain in the UK and [Anytime Fitness](#) gyms in the U.S.

show that great corporate cultures share some common characteristics that supersede factors such as national character, language and location.

Here's what they are:

## **Productivity**

There is a clear and clearly communicated focus on productivity. This requires good internal communication, a common understanding of basic concepts and a company-wide acceptance of specific measures of performance.

Some companies use league tables, others opt for the achievement of specific milestones. Regardless, they all use productivity measures to rate the performance of departments and team leaders.

## **Transparency**

There are reporting processes that allow everyone to see what everyone else is doing within the organization and better understand why. This leads to a shared sense of purpose and the building of trust as people's motivation in specific contexts becomes more evident. Transparency also implies a sense of vulnerability as it makes it harder for missteps to be swept under the carpet. A shared sense of vulnerability is also a trust-building mechanism.

## **Accountability**

Transparency without accountability is next to useless. Successful cultures work because everyone is held accountable. This leads to a deeper sense of belonging, collective commitment, greater cooperation and a stronger sense of team spirit.

## **Playfulness**

A deep sense of fun. Business may be deadly serious but without a sense of fun to relieve the pressure the long hours spent at work begin to grow toxic with stress and

negative emotions. From the playful environments at almost every Silicon Valley tech company to the open-plan, colorful environments offices like Bloomberg and Red Bull, the emphasis is on lightening up.

With these four elements in place your business has a good chance of having a strong business culture that allows it to perform exceptionally well when faced with unexpected situations. That translates into a powerful competitive advantage.

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