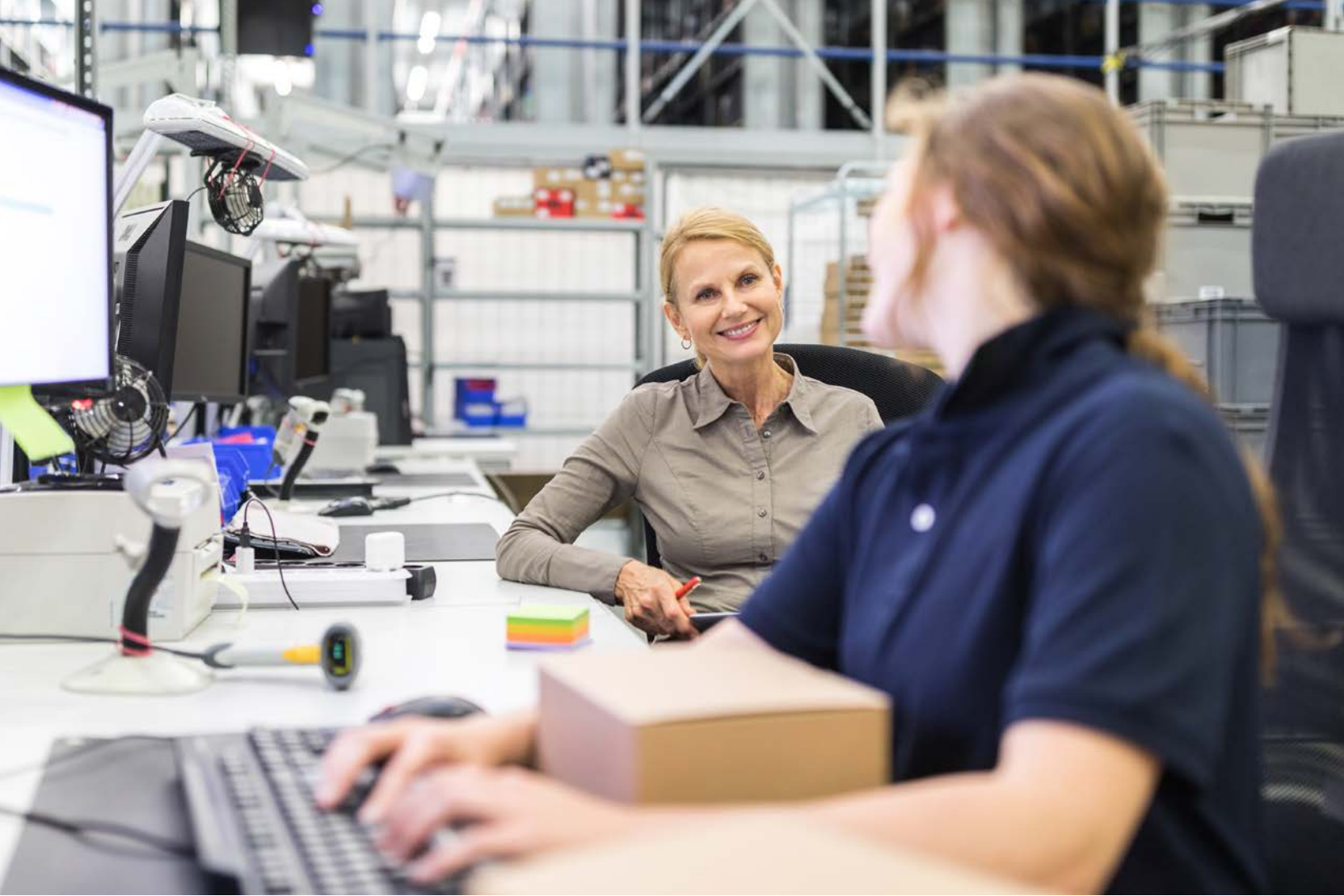# Intentional Culture as a Competitive Advantage

limeade®

"CUSTOMERS WILL NEVER LOVE A COMPANY UNTIL THE EMPLOYEES LOVE IT FIRST."

- SIMON SINEK

A company's success often begins on the inside — with the employee experience. When company culture helps employees thrive, business thrives, too.

This guide explores exactly what company culture is and how it can be a competitive advantage for any business in any market. You'll also discover why company cultures that prioritize **care** statistically achieve better business results. Finally, you'll get research-backed tips to improve your culture in ways that align with your company's values and objectives.

Defining Culture

Culture is the collective values, norms and beliefs of an organization.[1] It's often said that culture is like an organization's "personality." Culture, however, goes deeper than observable behaviors. For example, a workplace may *appear* to be busy and formal, but those traits are not necessarily indicators of its culture. The following **characteristics of culture** explain why that's the case. They also paint a complete picture of culture's impact on businesses and employees:

Characteristics of Culture

*   **Abstract:** Culture is hard to pin down and difficult to describe

*   **Unconscious:** Once you're a part of culture, it's hard to see

*   **Dynamic:** Culture is always changing

*   **Relative:** It's not accurate to say that culture is *absolutely* good or bad — culture is only *relatively* "good or bad" based on the extent to which it is helping your company achieve its goals

*   **Powerful:** Culture is powerful because it guides the behavior of your employees

Each of the following word pairs describe potential elements in a company's culture. This list is not exhaustive, but it provides tangible examples to consider.

Top Down vs. Participative Decision Making	Rigid vs. Relaxed	Cold vs. Caring	Disjointed vs. Integrated
Number Focused vs. Quality Focused	Hierarchical vs. Flat	Micromanaged vs. Autonomous	Reactive vs. Proactive
Secretive vs. Honest	Relationship Saving vs. Truth Telling	Indifferent vs. Curious	Trust Creating vs. Trust Destroying

Measuring the Impact of Culture

As leaders and workers better understand their company's unique culture, they're empowered to make it their competitive advantage. Consider the following ways that culture makes a tangible difference in a business's success.

1. **Culture drives behavior.** During every hour of the workday, employees are guided by culture. So, it's important for organizations to be intentional about what messages they send. Should their employees collaborate or compete? Should managers react quickly or create structure and plans? These are just examples of messages that get sent through culture and, depending on how they play out in your company, could be helping your business or holding it back.

2. **Culture creates an aligned organization.** Culture has the power to unite an entire workforce around common goals and values. It also sets behavioral expectations and helps new employees acclimate to a new work environment. To be authentic, remember that culture has to be experienced behind closed doors — not just displayed on your website or posted on your walls.

3. **Culture affects business performance.** By aligning company culture with business objectives, both facets of the organization will improve. Think about a hospital, for instance. If there is a pervasive culture of trust and care, nurses will provide better care to their patients. Culture helps organizations meet their most important goals. The following chart shows how care impacts metrics like revenue and stock price growth.

	Average increase for 12 firms **WITH** performance-enhancing cultures	Average increase for 12 firms **WITHOUT** performance-enhancing cultures
Revenue Growth	682%	166%
Employment Growth	282%	36%
Stock Price Growth	901%	74%
Net Income Growth	756%	1%

Corporate Culture and Performance, Kotter and Heskett, 2011

4. **Culture will be valued by your board.** The National Associate of Corporate Directors (NACD) recommends that "The board, the CEO, and senior management need to establish clarity on the foundational elements of values and culture — where consistent behavior is expected across the entire organization regardless of geography or operating unit — and develop concrete incentives, policies, and controls to support the desired culture." Companies will need to start prioritizing culture work because boards will start demanding it.

5. **Culture is uniquely yours.** Company culture sets your business apart from all others. It's special to you and can become a recognizable feature for both talent and customers.

Cultures That Care

As you consider your company's culture, remember that care influences people and business in powerful ways. When employees feel like their organization cares, they have higher engagement, higher commitment, lower stress and a higher intention to stay. This is where employees begin to love their employers and demonstrate mutual commitment.

76% of employees intend to **stay 3+ years when their org does care**

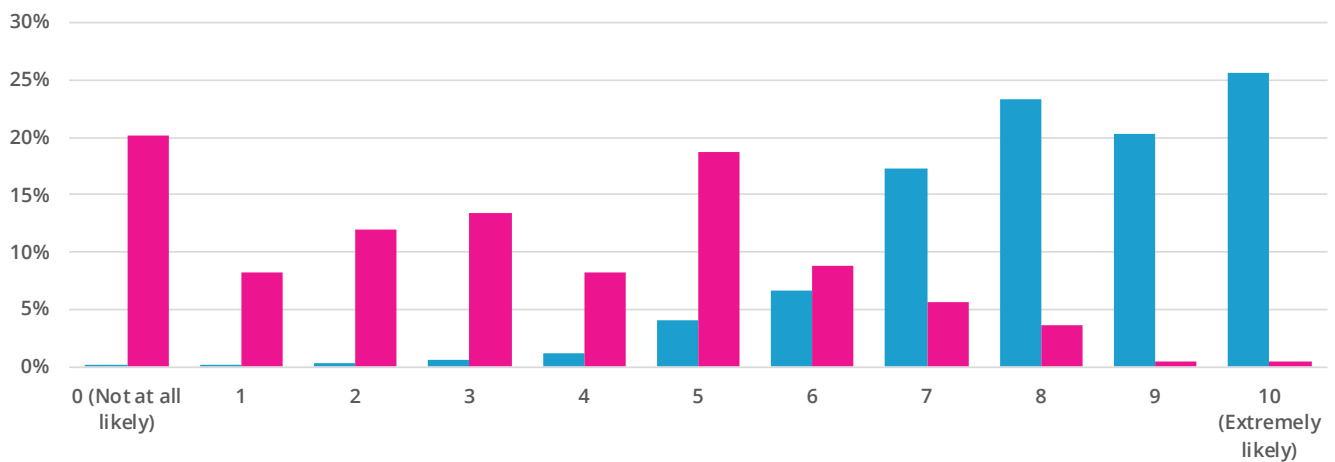**23%** of employees intend to **stay 3+ years when their org does not care**

+32 Net Promoter Score when **organization does care**

94% of employees say they **are committed** to their organization **when their org does care**

-89 Net Promoter Score when **organization does not care**

36% of employees say they **are committed** to their organization **when their org does not care**

Cultures That Care Study, Limeade Institute, 2020

On a scale of 0 (Not at all likely) to 10 (Extremely likely), how likely are you to recommend your organization as a great place to work?
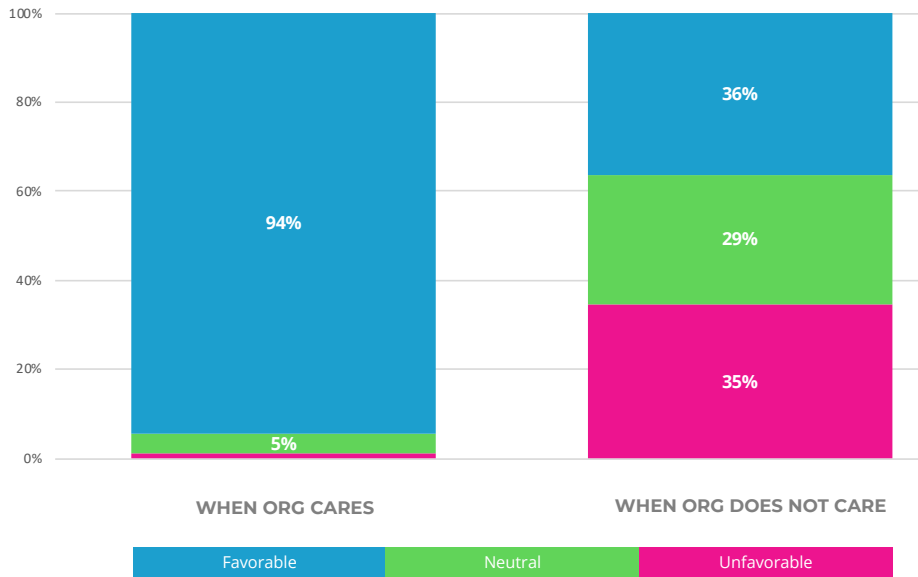
When organization CARES vs. **When organization DOES NOT CARE**

Cultures That Care Study, Limeade Institute, 2020
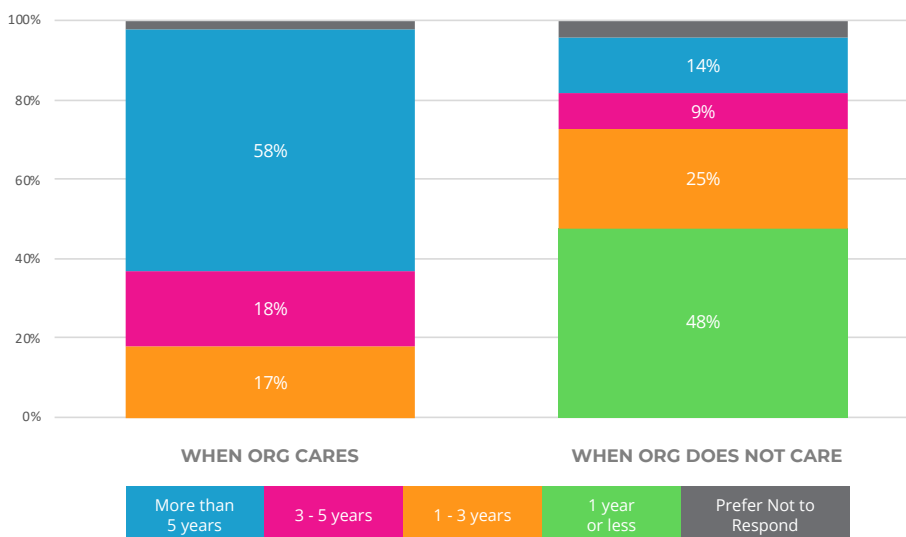
Cultures That Care

"I am committed to my organization."

94% say they are committed to their organization when their org does care.

36% say they are committed to their organization when their org does not care.

Chart values:
- WHEN ORG CARES: Favorable 94%, Neutral 5%
- WHEN ORG DOES NOT CARE: Favorable 36%, Neutral 29%, Unfavorable 35%

Legend: Favorable | Neutral | Unfavorable

"I intend to stay at my organization for at least..."

76% intend to stay 3+ years when their org does care.

23% intent to stay 3+ years when their org does not care... AND almost half (48%) say they are only staying 1 year or less.

Chart values:
- WHEN ORG CARES: More than 5 years 58%, 3 - 5 years 18%, 1 - 3 years 17%
- WHEN ORG DOES NOT CARE: More than 5 years 14%, 3 - 5 years 9%, 1 - 3 years 25%, 1 year or less 48%

Legend: More than 5 years | 3 - 5 years | 1 - 3 years | 1 year or less | Prefer Not to Respond

Cultures That Care

It's also helpful to explore how employees *feel* when their organizations demonstrate care. We asked employees what a caring culture *feels* like, and the responses in this chart (right) rose to the top.

When care is at the center of organizational culture, employees notice a difference: work simply feels better. When employees feel supported, cared for and listened to, they reciprocate that care by investing more fully into their work. It's true — care is good for people and business.

Supportive
Invests In The Employees
Values The Whole Employee
Trusting (Trusts Its Employees)
Caring
Listens
Trustworthy (Can Be Trusted)
Flexible
Honest
Transparent
Inclusive
Learning Oriented
Growth-minded

Cultures That Care Study, Limeade Institute, 2020

Tips for Transforming Your Culture

No culture is perfect, but moving the needle is totally possible. These five tips will help you make small improvements towards an intentional culture that matches the objectives of your organization. These are *behaviors* you can enact to shape your culture today.

1. **Clarify the business problems you want to address.** When you understand your objectives clearly, it becomes easier to create a complimentary culture. Remember, when culture is aligned with business objectives, everyone benefits.

2. **Think of yourself as a culture architect.** You are not a victim of your company's culture, but a capable changemaker that can do something about it. It's challenging work, but this work is unique to your organization — and there's a lot that hangs in the balance.

3. **Get buy-in from leaders and employees.** Changing culture requires buy-in from the C-suite and the front-line workers. Your CEO should be the face of culture transformation, but employees must also be excited about culture as they *experience* it on a day-to-day basis.

4. **Start with values.** Perhaps your company has a mission statement or a set of values it adheres to. Take an honest look at these cornerstones and determine where you've succeeded and where you're falling short. Think of your values as the aspirational culture you are seeking to achieve.

5. **Follow the intentional culture circle.** From creating a vision to measuring change, the following diagram outlines steps for creating an intentional culture. Remember that tools and technology can be used to scale these steps to the needs of any organization.

Shared vision: *Why?* · Behavioral Expectations · Learning · Metrics · Champions · Communication · Experiences · Recognition · People Practices

Intentional Culture

As you do the work to transform your culture, you will help your employees and you will help your business. Culture truly is the starting point for these successes. To review:
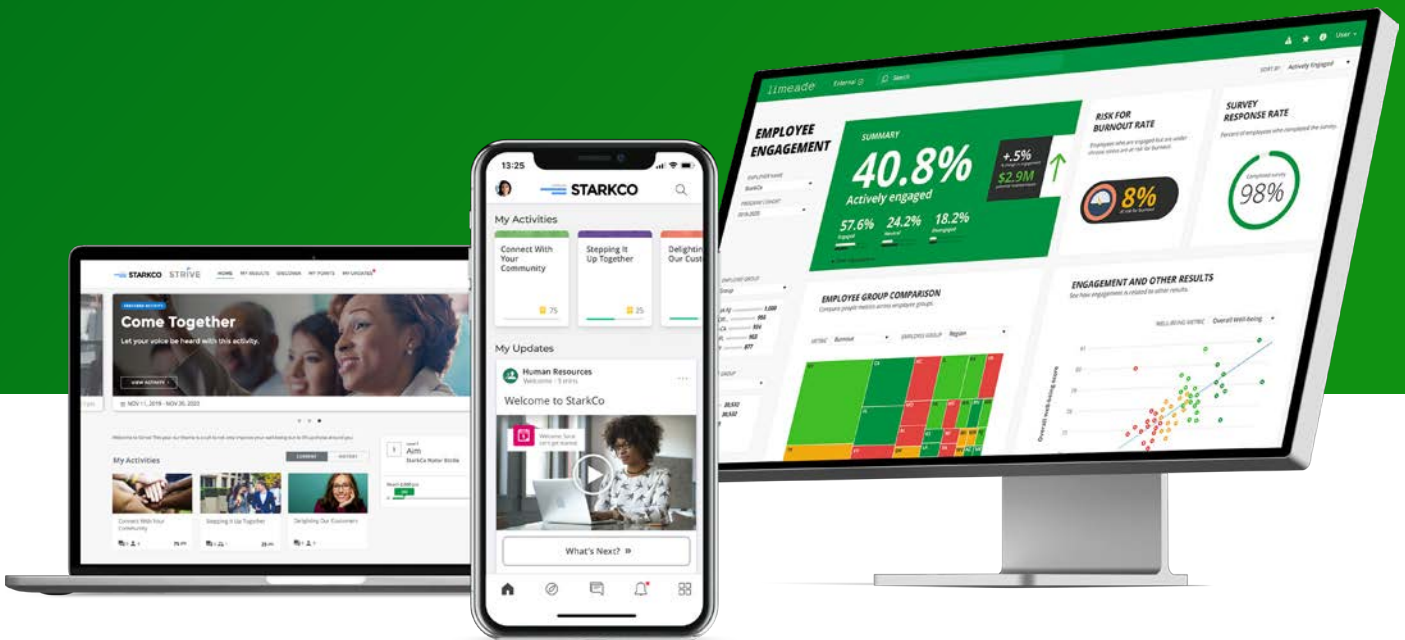
- Culture is the collective values, norms and beliefs of an organization. It's not always easy to see, but culture creates an aligned organization and affects business performance.

- When company culture involves an element of care, employees and business benefit greatly. When care is at the center of organizational culture, employees notice a difference: work simply feels better. When employees cared for, they reciprocate that care by investing more fully into their work.

- Creating an intentional culture is totally possible. Start by understanding your business objectives, then follow the intentional culture circle. Use resources and technology to bring your vision to life at scale.

Limeade is an employee experience software company that helps build great places to work.

Our platform unifies employee well-being, engagement and inclusion solutions with industry-leading communications capabilities. Recognized for its own award-winning culture, Limeade helps every employee know their company cares.

To learn more, visit www.limeade.com.

limeade®