

ORGANIZATIONAL CULTURE

Jim Reed, AICP

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- ▶ The values and behaviors that contribute to the unique social and psychological environment of an organization. As demonstrated by:
- ▶ (1) the ways the organization conducts its business, treats its employees, customers, and the wider community,
(2) the extent to which freedom is allowed in decision making, developing new ideas, and personal expression,
(3) how power and information flow through its hierarchy, and
(4) how committed employees are towards collective objectives.

WHAT IS ORGANIZATIONAL CULTURE?

- ▶ The times, they are a changing!
 - ▶ 70's Industrial Parks
 - ▶ 80's Office Parks
 - ▶ 90's Information Age
 - ▶ 00's Quality of Place
 - ▶ 10's Talent Race

A LITTLE HISTORY

- ▶ Fifty years ago, work was dominated by big company's, steady pay, long-term employment, and goods production.
- ▶ Today jobs will be for assemblers of mass goods and creators or the unexpected.

WORK IS CHANGING

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▶ Engagement!

- ▶ Lack of a cohesive organizational culture results in employee disengagement:
- ▶ Loss of productivity due to disengagement costs the US over \$370 billion annually.
- ▶ Engaged employees advocate for their organization 67% vs. 3% for disengaged employees.
- ▶ 75% of leaders have no culture plan even though 90% say it impacts their organization.
- ▶ 72% of US workers are not engaged in their work.

WHY IS CULTURE IMPORTANT?

- ▶ Labor Market

- ▶ Despite their being more jobs than seekers, more employees than ever are looking.
- ▶ Less than 50% are satisfied with their jobs, lowest since 1987.

WHY IS CULTURE IMPORTANT?

▶ Cost

- ▶ Disengaged employee turnover was 51% higher than engaged employee turnover.
- ▶ Average employee turnover costs equate to between 125% and 200% of an employee's annual salary.

WHY IS CULTURE IMPORTANT?

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- ▶ Expectations

- ▶ Remember, workers are used to one-click everything!
- ▶ Nearly half of all employees believe a strong culture is more important than compensation.

WHY IS CULTURE IMPORTANT?

- ▶ Recruitment

- ▶ This is where expectations get set.
- ▶ 50% of job seekers give up after two weeks.
- ▶ 80% will abandon any online recruitment that is inefficient.

WHY IS CULTURE IMPORTANT?

“The closer you get to truth, the simpler and more powerful the solutions become.”

CULTURE: WHAT CAN BE DONE?

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- ▶ 3 steps for change
 - ▶ Choose your adjectives



CULTURE: WHAT CAN BE DONE?

- ▶ Match your words and actions.
 - ▶ “Our employees are our biggest asset.”
 - ▶ “We believe in supporting our communities.”
 - ▶ “Lead by example.”
 - ▶ “We are a caring organization.”

CULTURE: WHAT CAN BE DONE?



- ▶ Align beliefs and reality.

CULTURE: WHAT CAN BE DONE?



► Readers in Factories



ORGANIZATIONAL CULTURE EXAMPLES

- ▶ “Organizational culture is the only sustainable advantage that is completely within the control of management.”
- ▶ “There’s no magic formula for great organizational culture. The key is just to treat your staff how you would like to be treated.”

ORGANIZATIONAL CULTURE: QUOTES



- ▶ It attracts talent;
- ▶ It drives engagement and retention;
- ▶ It impacts happiness and satisfaction; and
- ▶ It affects performance.

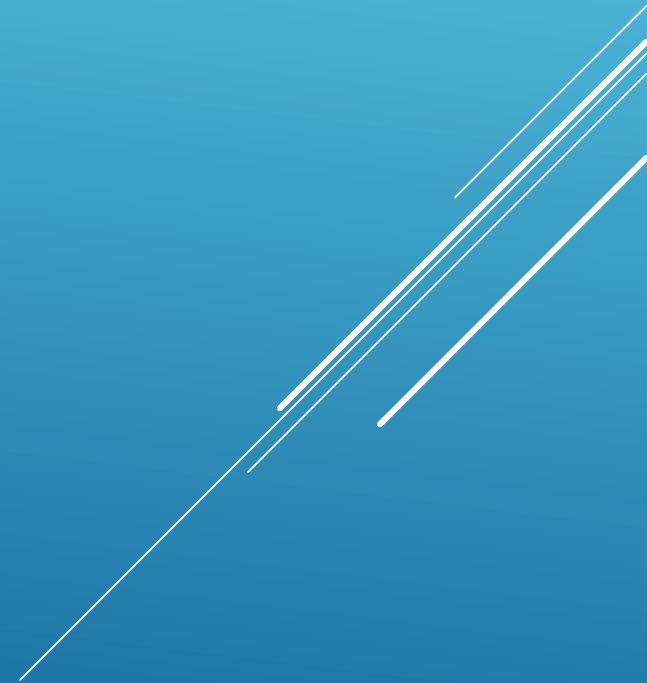
WHY IS CULTURE IMPORTANT?

- ▶ Organizational Culture Impacts:
 - ▶ Employee engagement
 - ▶ Labor market
 - ▶ Cost
 - ▶ Expectations
 - ▶ Recruitment

BOTTOM LINE: WHY SHOULD I CARE?



BOTTOM LINE: CULTURE IMPACTS
YOUR BOTTOM LINE!



THANK YOU!

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