

As featured in **Seattle Business**

# Business Success

## How to establish a winning company culture.



**T** rue business leaders are good at what they do — they are skillful planners, have passion for what they do and exercise good judgment.

At a recent Seattle seminar for startup companies, I stressed that “company culture” is key to business success, customer satisfaction and employee retention. A November 2015 article by Lindsay McGregor and Neel Doshi in Harvard Business Review underscores the point. Based on a survey of 20,000 employees in 50 major companies, they explain how business leaders can establish a company culture that motivates employees, improves the customer experience and enhances business success.

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**1. What best motivates employees?** Three basic factors tend to increase performance: **Play**, **Purpose** and **Potential**.

**Play** involves the concept that an employee works “for the joy of it.”

**Purpose** involves the concept that an employee works for the impact that work provides: “I made a difference.”

**Potential** focuses on the outcome of the work performed — the work enhances the employee’s future achievement.

Interestingly, indirect factors tend to reduce employee performance. For example, fear, peer pressure and shame may tend to chill performance. Economic pressure — “I need this paycheck to pay my debts” — also tends to chill performance. Finally, inertia can chill performance. This can occur when employees do not know **why** they are doing the assigned task.

**2. How can leaders shape processes to improve culture?** Studies indicate a leader can structure processes in the business that will enhance employee motivation.

**First**, the biggest component that can improve employee performance is how a person’s role in the business is designed. An automotive manufacturer, for example, encourages factory workers to suggest new manufacturing methods for the assembly line. Bank managers may encourage employees to suggest ideas to improve

banking processes. A major U.S. airline company encourages flight attendants to turn routine engagements with customers into something fun — like changing the safety announcements before the flight to something a little less boring.

**Second**, doing things that focus employees on company identity or mission is important. An executive at a multinational retailer corporation, for example, started a management meeting by focusing not on how much profit the division generated but on how much money his division had saved customers.

**Third**, your promotion process, real and perceived, is a significant factor in employee motivation. Many companies now veer away from numerical rankings — rating employees against each other — in favor of systems that evaluate the individual employee by providing the person specific goals to meet and skills to develop.

**3. Specific tools to improve your culture now.** Short of creating a completely new performance process or rewriting job descriptions, Lindsay McGregor and Neel Doshi, authors of *Primed to Perform* and cofounders of Vega Factor, suggest a few things you can do now to enhance your company culture.

- Consider holding team meetings once a week, seeking each member’s response to these questions: What did I learn this week, what impact did I have this week and what do I want to learn next week?
- Inform your team why they are doing what they are doing as it relates to your company mission: “We are developing this new process to make our software even easier for our customers to use.”
- Find out where each team member wants to be in two years. This can help better define their goals and your promotion process.

It has been said that a business leader is one whose actions inspire others to dream more, learn more and become more. So much of that is how the leader engages in that role. According to recent studies, leaders who focus on developing great company cultures by engineering into the business the factors described above may see improved customer and employee satisfaction.

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