

What Is Company Culture?

(Plus 10 Expert Tips for Improvement)



In 2023, many employees are still healing from the collective trauma of the pandemic—and it's having a drastic impact on their work.

Despite rising levels of employee engagement before 2020, just 1 in 5 workers say they're engaged at work today, according to [Gallup's State of the Global Workplace report](#).

Building a strong culture at work is one of many solutions HR professionals will need to help reverse this downturn. If you want to take your culture from good to great—or if you need to fix a broken culture—we have ten simple tips to help get you there.

Wondering what employees really think about your company culture? With accurate, reliable employee surveys in BambooHR®, you'll gain the insight you need to prevent burnout, improve morale, and stop premature turnover in its tracks. [Learn more with a free demo today!](#)

What Is Company Culture?

Company culture is a shared set of workplace beliefs, values, attitudes, standards, purposes and behaviors. It reflects both the written and unwritten rules that people in an organization follow. Your organization's culture is the sum of all that you and your colleagues think, say, and do as you work together.

To put it more conversationally, you might say that **company culture** is the personality of an organization.

Why Does Company Culture Matter?

Company culture is the foundation of every business. When employees' needs and goals align with their company culture, they're more likely to enjoy their work. This can make employees feel like they're at the coolest party in town: they love where they are, they're surrounded by great people who do interesting things and they don't want to leave. A strong culture indicates that the people are the priority in the company—not the output or revenue that it generates.

The potential business benefits of a strong culture don't end there. They also include:

- **Higher engagement and productivity.** When employees are happy, they become more engaged with their work. In a Gallup analysis, companies with high-level engagement are **21% more productive** than businesses with lower-level engagement.
- **Greater creativity and innovation.** Engaged and productive employees feel inspired to bring innovative ideas to the table. Companies centered on innovation and creativity can have a competitive advantage in the industry with higher-quality services and products.
- **Improved morale.** Happy employees who are part of a strong company culture that supports and values them feel more motivated to do their best work, even when they face challenges.

- **Greater ability to attract top talent.** Company culture plays a large role in attracting top talent. Candidates will be excited to apply for a role at your organization if it has a reputation for strong values and encouraging growth.
- **Higher retention.** When you show your employees that you care about them, they'll feel more valued and committed to your organization. Your people will want to stick around for the long run. After all, engaged employees are **87% less likely to leave an organization**. This also means lower recruiting and training costs associated with turnover.
- **Increase in revenue and profits.** Engaged employees are often more invested in providing excellent customer service for clients, which can reel in higher returns. According to the same Gallup findings above, companies with high levels of engagement outperform lower-level organizations in profitability by 22%.

It's widely acknowledged that culture can have an enormous impact on business outcomes. In a recent culture survey conducted by BambooHR, an overwhelming 94% of respondents agreed that culture is related to their organization's success.

10 Ideas for Improving Company Culture

To improve your company culture, first, you need to identify what it already is. Every firm develops a company culture whether they realize it or not. Even if you do nothing, culture forms and evolves on its own.

The trouble is, an unguided, unstructured culture may do more harm than good. There may be a serious disconnect between your organization's mission, values and vision, and what its employees and leaders actually do. That's a telltale sign of a dysfunctional company culture.

That's why it's so important to work toward building culture at work in positive ways that align your organization's ideals and goals with everyone's behaviors.



“The values you define for your organization will mean nothing if you don't intertwine them into everyday work.”

Ben Peterson | Co-Founder | BambooHR

Get the Definitive Guide to Company Culture

Want a vibrant workplace that supports employees and helps your organization achieve its goals? Our guide offers a step-by-step plan for leveling up your company culture.

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1. Find People Who Fit

According to the **Society for Human Resource Management (SHRM)**, the average cost-per-hire is \$4,129, while the average time it takes to fill a position is 42 days. Imagine spending all that time and money only to find that your new hire isn't working out?

To help prevent this, hire people who not only have the needed job skills but who also share your organization's **vision and values** and will fortify them with fresh perspectives. Help candidates get to know your company culture during the application process so both you and the applicants will have a better idea of whether they would be a good fit.

2. Integrate Your Values Into Everyday Activities

Ideally, your culture should be the showcase where your values come to life and prove their worth. But BambooHR co-founder and co-chairman Ben Peterson puts it more frankly, **saying**, “The values you define for your organization will mean nothing if you don't intertwine them into everyday work.”

Ways to integrate your values can be found almost everywhere in your organization. You can, for instance:

- Teach your values and their significance to each new employee during onboarding
- Stress the importance of your values during company meetings and in company communications
- Make sure your external messaging (marketing, social media, etc.) reflects the same values so your branding is consistent

- Make values-based decisions when choosing company initiatives
- Use your values to guide performance management and **help underperforming employees improve**

3. Foster More Feedback

Both your employees and your organization can benefit from a company culture that encourages better feedback.

Many organizations still primarily rely on annual performance reviews that aren't very accurate, timely or helpful. The right **performance management software** replaces this with a constant channel of communication that's more meaningful and simpler to administer.

Plus, many organizations **don't know** what their employees really think of them, leaving leaders in the dark as they make decisions about cultural initiatives. **Simple email surveys** can reveal what employees like and don't like so you can shape your culture in ways that increase employee satisfaction and reduce turnover.

4. Keep Up With Changes

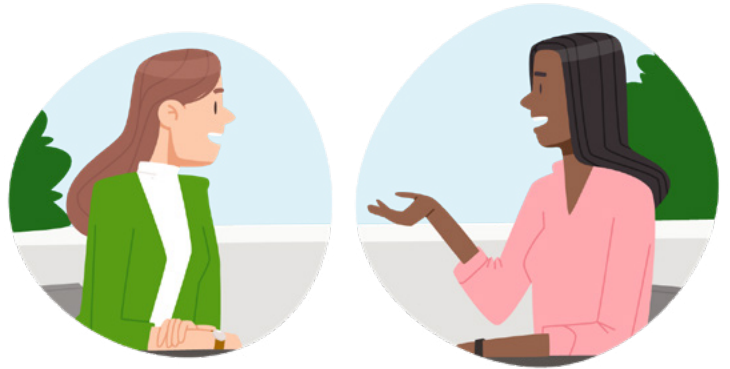
The business world changes at dizzying speeds. New industries rise. New processes disrupt traditional ways of doing things. New generations of employees and customers bring different expectations to the workplace and marketplace. No organization is exempt from the effects of change, so in order to keep up, your company culture must change too.

The best way to prepare your culture to adapt to changes is by basing it on timeless best principles, instead of locking it into rigid best practices that often become obsolete. **In another article** by BambooHR's Ben Peterson, he dives deeper into the why and how of evolving your organization and improving its office culture to keep up with the times.

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5. Learn How To Change Broken Company Culture

Despite best efforts, just about every organization will face times when something about their culture isn't working. Don't think of these issues as failures, but as opportunities to improve. **Harvard Business Review** tells how to change company culture using four key practices:

- **Articulate the aspiration.** Analyze the issues in your current culture and define the kind of culture you want.
- **Select and develop leaders who align with the target culture.** Their support, strategizing skills and ability to implement changes will be critical to success.
- **Use organizational conversations about culture to underscore the importance of change.** Just as culture is everywhere in an organization, frequent and open dialogue about cultural changes must be too.
- **Reinforce the desired change through organizational design.** Align your organization's structures, systems, and processes to support the improved culture you're developing.

6. Reward Your Employees For A Job Well Done

"Where do you see yourself in five years?" is a classic interview question. The usual answer to this question is something like, "I see myself developing skills at your company, which is the best one on earth and the company of all my hopes and dreams."

The honest answer is, more likely, "I hope your job improves my capacity to live, with an environment I can stand most days and compensation that keeps up with my standard of living."

Setting up a fair compensation package is a big hurdle to clear when building culture at work. Few things drag on employees' performance quite like financial stress and additional non-

monetary rewards may not go very far when your employees are worried about making ends meet.

But money is only the first step. If they're motivated, your employees will find the money they feel they need, whether with you or with another company. When you find the right balance between an employee's needs and the company's ability to provide them, you're setting the stage for the additional steps needed when creating a company culture, rather than a collection of employees collecting paychecks.

7. Recognize Individual Contributions

Every employee you hire has a hierarchy of needs. After meeting the basic needs of food, shelter and a secure environment, your employee will look to fulfill emotional needs. At work, that means earning recognition for their contribution to your company. When looking for ideas to improve company culture, adequate recognition is as good a place to start as any.

Your employees want to enjoy the time they spend at work. In a recent survey, we found that **94% of employees** who received positive recognition for their contributions at work on a daily basis are very satisfied with their jobs. These are the kind of employees who go beyond their jobs and end up improving office culture for everyone.

Effective recognition strategies strike a fine balance between incentivizing individual success and praising teamwork. Different positions have different levels of visibility, and it might not be possible to give everyone company-wide recognition for a job well done. For example, awarding the Employee of the Month award (and accompanying cash prize) to a marketing manager for a record-breaking email piece may make the writers, editors and designers who crafted the email feel ignored or undervalued.

Rather than rewarding a single employee on an arbitrary timeline, apply recognition (and financial rewards, where

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appropriate) in the moment. Combining company-wide incentives (**like paid vacation**) with regular feedback from managers helps send a powerful message: no matter who you are, we value you and we want you to improve.

8. Retain Your Talent

Let's ask the question again from the other side: where do you see your company in five years? How you answer this question provides insight into your company values and can help you visualize how to improve your workplace culture. Developing and communicating these values helps your employees envision their future with your company, no matter what comes down the road.

BambooHR practices this in one of our **core values**: Be Open. When you're upfront with your employees about what matters to them, from the company's successes to its upcoming challenges, you encourage your employees to open up to their teams and their managers. Then when challenges or issues come up, your employees know that they have more options than voting with their feet.

9. Champion Teamwork And Collaboration

Having a welcoming and collaborative work environment is vital for building company culture. While this is important when working in teams or on certain projects, consider making this ethos prominent in all aspects of the workplace.

From offering spaces in the office for brainstorming and conversation to encouraging extra-curricular teambuilding activities – even something as simple as a weekly team lunch or grabbing a drink after work.

In many cases, building relationships can equate to building a positive culture at work – the easier you make it for your employees to do this, the happier your company will be.



10. Embrace Flexibility

Flexible working is becoming more and more popular, especially since the pandemic. Trusting your employees with more flexibility in their schedules is a great way to foster loyalty and satisfaction among your workforce, improving office culture immensely.

Whether you begin with a hybrid model between working remotely and in the office, allow your employees to choose their own hours or introduce unlimited vacation time, all these perks help create a company culture that employees can be proud of. Not only will they value the helping hand in finding their optimum work-life balance, but they'll feel trusted, valued and respected.

Next Steps: Never Stop Improving Your Company Culture

It's natural for your company culture to evolve over time—which is why you'll never truly perfect it. Instead, it's important to stay in a growth mindset. Even the world's best companies still have room to improve over time.

Beyond these ten tips, there is much more to know about how to improve company culture. That's why we created *The Definitive Guide to Company Culture*.

As you read, you'll learn:

- How culture can help you achieve your business goals
- More tips and techniques to strengthen your culture
- What type of company culture you have
- Important findings from the BambooHR culture survey

...and more!

Download the Definitive Guide to Company Culture

A vibrant company culture that supports and nurtures our employees is the key to business success. Our research reveals the best ways to build a thriving company culture.

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