

# Don't Underestimate the Effects of Your Company Culture

By Terry H. Hill

1

**Whether you are aware of the fact or not, your "company culture" can attract or repel those whom you need the most to build a prosperous business.** Most experts agree that *business is about people* --- people, as in employees, customers, suppliers, lenders, and investors. In order to attract the most talented employees and the most profitable customers, your company's culture has a large impact on your success.

**However you define it, your company culture is critical.** Whether performance is defined in terms of customer satisfaction, attendance, safety, or productivity, research clearly indicates that culture influences organizational performance. A strong company culture aligns your entire organization with its shared set of goals and objectives, and simultaneously empowers employees to make decisions in their areas of responsibility.

**In the business environment, culture is a system of shared values and attitudes that focus on *how work gets done and how people and materials are affected.*** Webster's Dictionary defines culture as "the integrated pattern of human behavior that includes thought, speech, action, and artifacts, and depends on man's capacity for learning and transmitting information to succeeding generations." It is a set of shared beliefs, practices and assumptions that we base people's behavior on. When people come together with a shared purpose, a culture is created.

**In order for your company to grow and prosper, a "company culture" must be created which clarifies your identity, your values, and your beliefs.** A culture must also be created so that a company is able to not only *attract* quality people, but also – and even more importantly – to *keep* them. As your company attracts the best and brightest people, it is wise – and ultimately beneficial to the company as a whole – to view these new employees as *long-term* employees, rather than *short-term*. One cannot over emphasize the significance of [the planning stage](#) in the development of the foundation for a company's culture. A well-established "company culture" empowers employees, drives revenues, and optimizes your future.

**Creating a culture for your company is about cultivating passion in your employees.** Your company culture can only begin to take shape when people beyond you, the business owner, begin to articulate the company's principles and reflect them in its actions. As the business owner, you can take actions to create a strong company culture, but it is your employees and their actions that bring the company's culture to life.

**The individual who leads the company is the one who establishes values and sets the vision and strategic direction.** In small companies, it is almost always the personalities and values of the founders, owners, and general managers that determine the company culture. Over time the company's personality mirrors that of the leader's personality. The employees emulate what they perceive to be the values of the "boss." As the business owner, it is important that you fully understand this phenomena and its impact on your organization.

**Be sure to align your culture with the type of work you do.** Cultures that are right in one context can be disastrous in another. Is your culture a casual, loosely organized group of developers or designers in an environment that encourages collaboration and innovation? Or, is your culture a hard-driving sales environment that rewards competition and individual performance?

**Many people believe strong cultures equate to strong performances; and, strong performance attracts the best and most talented employees and the most profitable customers.** This is true if your company is moving in the right direction. Failure to move in a strong culture direction will simply fast-forward failure. Check the strength of your culture. Make sure it supports the work you do. If it does not, realign it to better serve your customers, and to attract quality long-term employees. Your business life depends on it.

Copyright © 2008 Terry H. Hill

You may reprint this article free of charge in your newsletter, magazine, or on your website, provided that the article is unedited, and that the copyright, author's bio, and contact information below appears with each article. Articles appearing on the web must provide a hyperlink to the author's web site, <http://www.legacyai.com>

---

An author, speaker, and consultant, Terry H. Hill is the founder/ managing partner of Legacy Associates, Inc., a business consulting and advisory services firm. By signing up for Business Insights from Legacy eZine at <http://tinyurl.com/2t4fxs> you can keep abreast of the latest tips, tactics, and best business practices. You will, also, receive the free eBook, Jump Start Your Knowledge of Business. Contact Terry at <http://www.legacyai.com>