

The Impact of Organizational Culture

What it is, why it matters and how to develop yours

Put simply, organizational culture is the sum total of the values, behaviors and beliefs held by your organization and its employees.

Culture contributes to your overall working environment. It can guide how you encourage and reward team behaviors. And it's a key indicator of your sustainability—or ability to attract and retain the best people—as an employer.

But organizational culture isn't created overnight. It takes time, persistence and practice. And it begins with commitment and buy-in from organizational leaders.



Employee Turnover is Costly

The Society for Human Resource Management estimates that employee attrition costs organizations an average of \$3,500 per entry-level employee that leaves—not to mention the incalculable skills and historical context that are lost with them.

Beyond the dollars and cents, voluntary employee turnover also inadvertently increases safety risks for staff and members, due to a loss of institutional knowledge that only comes with experience. For example, new lifeguards or youth staff are likely to feel far less comfortable in the lifeguard stand or the childcare room compared to those with more experience.

Without as much time on the job, new employees are less knowledgeable in policies and procedures that increase organizational safety. They may not react to emergency situations as quickly. They may forget important safety policies as they focus on getting settled in. They may lack the confidence that only experience can provide.

Employee turnover is ultimately inevitable. But having a strong organizational culture can help you keep more of your best people—and better ensure the long-term safety of your members and staff.

Building a Talented Team is Tough

The labor market is becoming increasingly competitive. Across industries and around the world, employers face more challenges than ever when it comes to recruiting and retaining high-quality staff.

This lack of availability of good candidates can result in employers accepting lower performance from their current employees. Having *someone*, the thinking goes, is better than having *no one*—no matter how ill-suited they may be for the job.

As a result, this talent shortage could lead to burnout in high-quality staff members who must overstretch themselves to cover work that would typically be performed by several people. With one employee doing the jobs of two or even three, none of the jobs can be done well. Standards will slip. Accidents will happen. Risk will increase.

Employees who feel burned out are more likely to overlook organizational and safety issues due to fatigue or lack of time. They may take shortcuts. And they may not hold themselves accountable for errors—because they believe that reporting adverse events will not result in any change.

Building organizational culture takes work. But it's worth it.

All of these issues put your organization, your staff and your members at risk. And taking action to reduce voluntary turnover and improve the talent pipeline starts with leadership. Employee turnover (and the resulting reduction in comparative safety) is a culture issue. By adopting this outlook themselves, leaders help create and nurture the culture they want their organization to have.



Strong Cultures Create Strong Organizations

Unwanted cultural practices and behaviors can take root in the absence of intentional focus. This results in an environment that doesn't reflect the mission or vision of your organization, and can get in the way of all the great outcomes you're working to achieve.

But for organizations (and their leaders) that commit to creating a positive organizational culture, the benefits can be immense:

- Greater employee engagement and productivity
- Greater retention of members
- Increased demand for services
- Increased likelihood of collaborations with like-minded organizations
- Greater mission impact
- Greater ease in attracting and retaining qualified candidates
- Reduced employee turnover

By creating a workplace culture that empowers, nurtures and values employees, organizations can minimize voluntary turnover—significantly impacting their bottom line and improving the safety of their organizations.





Culture Starts at the Top

Organizational leaders are responsible for creating a culture that employees value and that will be in the best interest of the organization. But it's not enough to simply dictate behaviors from the top-down. Instead, it comes back to demonstrating these behaviors every day, in interactions across every level of the organization.

It's about leading by example.

Here's how to get started.

- **Trust and empower employees to do their best work**
Trust is the foundation of positive culture. Organizational leaders have to commit to building trust with community members at every level and in every interaction—including employees, peers and members of the community—to create meaningful, mutually-beneficial connections and a sense of shared purpose.
- **Give employees a voice**
Invite employees to weigh in on issues that impact them. Encourage a safe, supportive culture of communication— where team members are empowered to approach organizational leaders with feedback without fear of reprimand.
- **Recognize employees' contributions to the organization**
Employees want to be acknowledged for doing good work. Effective leaders make sure the right systems are in place to celebrate and reward employee contributions and achievements.
- **Make the workplace feel like a community**
When employees feel respected and inspired—as though they're part of something bigger than themselves—they can more easily align their daily tasks with broader organizational goals. When they feel they belong, they're more likely to develop loyalty towards their organization and its mission.

The way leaders behave on a daily basis has a direct impact on organizational culture.

Leaders are encouraged to strive for consistency in their conduct, matching their words with their actions. To align their own practices with the organization's vision and values. And to demonstrate fairness, empathy, respect and competence to earn credibility in their roles.

For organizations committed to building a strong foundation for their future, culture is essential. Creating and supporting a values-driven culture within your organization can have far-reaching impact across your organization and the communities it serves.

It takes work. But it's worth it.