

THE 3 PILLARS

of a Thriving Culture: Purpose, Engagement, and Accountability

In workplaces characterized by thriving talent, growth, and results, leaders are taking a holistic approach to culture management, shaping culture at three levels: purpose, engagement, and accountability. While each uniquely contributes to the health of a company, when combined they establish an environment where every employee is focused on the same results and motivated to deliver them.

A close-up photograph of a stack of smooth, light-colored stones on a sandy beach. The stones are stacked in a pyramid shape, with the top stone being the smallest and the bottom stone being the largest. The background is a soft, out-of-focus view of the ocean and sky.

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Companies that are systematic and intentional about shaping culture achieve operational excellence far faster than those that don't. A thriving company culture elevates engagement at every level of the business, producing results that create a meaningful competitive advantage. Not every company reaches this level of excellence—and it might surprise you to learn why. In the 2018 Partners In Leadership *Workplace Culture Survey*, directors and senior management were asked, “Does everyone in the company have a clear vision of where they're going?” Over 88% of respondents said *Sometimes* or *Never*.

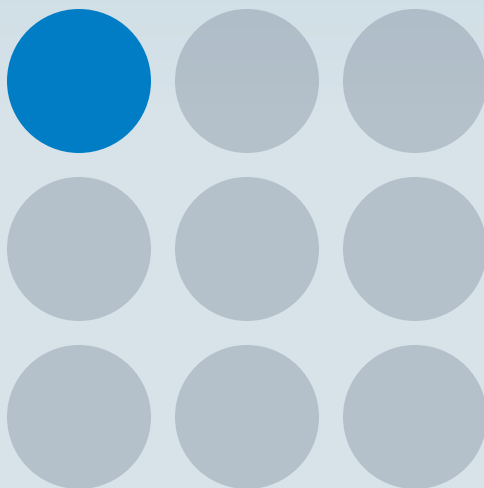
Companies simply cannot achieve results, much less operational excellence, with a workforce that is clear about the company's vision, goals, and purpose only 12% of the time. It's no wonder that 67% of employees are not engaged at work, according to the 2017 Gallup survey *State of the American Workplace*; or that 70% of global leaders said they are concerned as to whether their company will still be relevant and competitive in two years, according to the 2016 Forbes Insights report *Challenge or Be Challenged*.

This data should call to question all current assumptions and thinking about culture management. That it's someone else's job. That culture is secondary to strategy. That culture cannot be managed because it's too ethereal to tackle. This kind of thinking undermines an organization's ability to deliver on its brand promise.

While many companies are *not* getting culture right, some leaders have cracked the code on how to *create* and *sustain* a thriving culture to support their talent, growth, and results. It's at these companies that employees are crystal clear on where their organization is headed.

What are they doing differently? They take a holistic approach to culture management, nurturing and shaping culture at three levels: purpose, engagement, and accountability. These pillars of culture contribute to the health and development of the company in a distinct way; when combined, they establish a culture in which every employee is both united behind common results and motivated to deliver them.

Companies whose employees have a **clear vision** of where they're going.



2018 Partners In Leadership *Workplace Culture Survey*

1. PURPOSE

Purpose is critical to survival and sustained growth. It is *why* a company exists. Establishing a clear, concise purpose unites people around a common cause. Look to the brands most admired in the marketplace to see that companies with high levels of commitment—to their communities, to their employees, and ultimately to delivering a promise that extends far beyond its products or services—are the companies winning today.

Take the phenomenal success of Redstone Federal Credit Union of Huntsville, Alabama. Already consistently meeting its goals, the company made it a mission to revitalize and mobilize its culture around a strong, clearly defined purpose: to always add value to its members. For Redstone, this purpose inspired a five-year, organization-wide program to build a more positive culture, laser-focused on creating member value. The results were astounding. In fact, the credit union began to reach their maximum goals earlier than ever, surpassing previous metrics. Their focus on purpose mobilized each employee by allowing them to see how their efforts directly impact member experience and propel results. (Read more about Redstone's cultural transformation on page 18.)

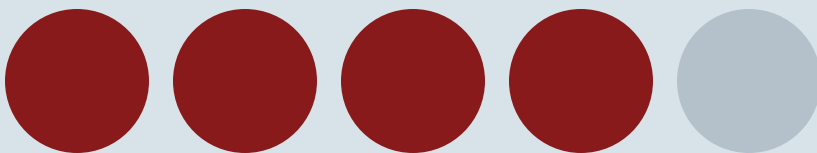
The results seen at companies like Redstone can be boiled down to a simple principle: employees don't buy the "what." They buy the "why." In the popular TED Talk, *Start With Why*, marketing expert Simon Sinek says: "We follow those who lead, and it's those who start with 'why' that have the ability to inspire those around them or find others who inspire them."

"People work hard for money, harder for great leaders, and hardest for a cause."

A company's "why" is inextricably tied to the "who." **Who is responsible for establishing purpose? Leaders—CEOs especially.** If a CEO cares about achieving measurable results, they must also care about purpose: you can't have one without the other. CEOs rally the company around purpose when they lead with integrity and model the traits that align to and support the company's purpose. This top-level support transforms purpose from a static poster on the wall to the company's life-source and a pillar of its culture.

Leaders have another important role in creating purpose for the company. Never underestimate the power of communicating the company's purpose with clarity. Take the lead from highly successful CEO Mary Barra at General Motors (GM). With a market value of nearly \$53 billion, GM is one of the world's leading manufacturers and among the wealthiest companies in the world. The company's global success is due in large part to Barra's clear articulation of purpose.

The company created a memorable slogan to help its more than 180,000 employees understand its guiding purpose: the GM vision is that of a world



Employees who **don't know** their company's top three objectives.

2014 Partners In Leadership *Workplace Accountability Study*

with zero crashes, zero emissions, and zero congestion. The “zero, zero, zero” slogan clearly encapsulates the company’s purpose, while delivering the message to employees and consumers in a digestible and highly memorable catchphrase.

When employees understand why their work matters beyond bringing home a paycheck, they summon energy and excitement to pour into their work. With that fire, what they do at the office transforms from “just a job” to something akin to life’s work. This is why you must first lead with purpose. It enables, strengthens, and fuels the other two pillars of a thriving culture—engagement and accountability.



2. ENGAGEMENT

While purpose unites a culture and fosters investment, to fully commit, employees also need a clear picture of the objectives of their work. The “why” gives purpose; clearly defined objectives provide the “how” that directs them towards achieving that purpose.

What exactly is your company trying to achieve? Do your employees know? Similar to determining and clarifying purpose, CEOs establish Key Results™: the memorable, measurable, and meaningful objectives that must be prioritized to achieve success. These results crystallize a company’s overarching purpose, offering concrete objectives against which to measure progress.

Clearly defining objectives is a key step towards motivating employees, yet many companies don’t follow through. The 2014 Partners In Leadership *Workplace Accountability Study* revealed that 80% of employees don’t know their company’s top three objectives.

And it’s not enough to simply set it and forget it when it comes to establishing key results; strong leadership is necessary to sustain this culture of engagement. **Leaders must commit to integrating these guiding principles** into every meeting agenda, and into every hiring, training, and workflow decision, reinforcing employees’ sense of purpose at every turn.

By giving employees goals to work towards, higher levels of engagement naturally follow: according to the same accountability study, more than 80% of people reported higher engagement levels after learning how their actions could impact their company’s key results.

Why is engagement so important? A mere 38% of those who responded to the survey belong to organizations whose employees are personally invested and helping to achieve organizational goals. Further, according to Gallup, disengaged workers had 37% higher absenteeism, 49% more accidents, and 60% more errors and defects. Organizations with low engagement saw 18% lower productivity, 16% lower profitability, 37% lower job growth, and 65% lower share price over time.

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- 49% more** accidents
- 60% more** errors and defects

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2017 Gallup *State of the American Workplace*



A health system in Georgia faced this phenomenon in 2014. It had undergone a series of major, devastating changes that manifested in a culture of fear, blame, and uncertainty. Not surprisingly, that year its employee engagement ranking hit an all-time low, falling to the second percentile ranking within Press Ganey's national database of over 2,200 healthcare facilities and over one million respondents. The national healthcare average engagement percentile ranking is 36th.

In 2015, the new CEO understood that without a laser focus on culture management, the organization was on course for devastation. First, he defined and rallied the organization around its purpose to provide safe, affordable healthcare for the community, where people come first. Engaging and aligning employees to this purpose was a turning point for the organization.

From there, over 3,000 employees engaged in culture work: each were invited to express what needed to change in the current culture and challenged to take accountability for their role in the needed shift. Leaders also got aligned around the organization's key results, and demonstrated how each employee contributed towards achieving them.

This active involvement across the organization worked miracles on employee engagement levels: within nine months of the initial work, the needle on employee engagement moved from the second percentile to the 47th percentile ranking. By the following year, employee engagement rose to the 70th percentile ranking.

This was just the shift the health system needed to achieve their key results that year, affirming data from Gallup showing that workplaces with improved engagement see 59% less turnover, 17% higher productivity, and 21% higher profitability. As Gallup's Jim Harter and Annamarie Mann concluded in their article *The Right Culture*: "Engaged employees produce better business outcomes than other employees—across industry, company size and nationality, and in good economic times and bad." Three years after the engagement transformation, the health system remains a thriving culture today where employees understand their work makes a difference.

Everyone
knows there's
an engagement
crisis. We know
there's a fix.

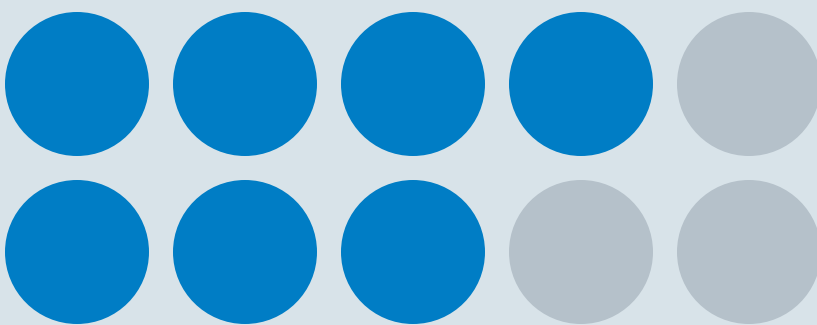
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3. ACCOUNTABILITY (the Positive, Principled Way)

With a clear, compelling purpose in sight, employees engage at higher levels for something they believe in, which in turn leads to higher levels of accountability. In fact, the natural byproduct of positive, purpose-driven engagement is accountability, the third pillar of a thriving culture.

Just as they define purpose and key results, leaders need to define what accountability means in practice for their employees. Accountability in the workplace is typically thought of as having a top-down, punitive structure. A more effective model sees all people taking active accountability for their actions and responsibilities. *The Oz Principle* defines accountability as “a personal choice to rise above one’s circumstances and demonstrate the ownership necessary for achieving desired results.” To eliminate finger-pointing and blame in the workplace, each individual must take personal accountability for their role in achieving key results. This lateral model of mutual respect and accountability can solidify a thriving culture.

In a thriving culture, employee accountability and positive engagement positively influence one another. What’s more, leaders can kickstart higher engagement and thus bolster their culture by deploying tactics like storytelling. Leaders who tell stories effectively—that is, at the right place, at the right time, and to the right audience—can see immediate results.



Employees who believe that **accountability training** increases collaboration across functional boundaries.

2017 Partners In Leadership *Accountability and Engagement at Work Survey*

Employees are inspired and mobilized by effective stories to take more personal accountability. Stories create an instant connection between the storyteller and the audience, opening a space for positive engagement.

Additionally, accountability influences engagement because it contributes to positive collaboration. Some 73% of respondents to the 2017 Partners In Leadership *Accountability and Engagement at Work Survey* indicated their belief that accountability training increases collaboration across functional boundaries. What's more, this same survey confirms that positive accountability contributes to increased happiness—yet another reason to encourage your employees to be accountable in the workplace.

The Holistic Approach to Culture Management

Since culture is multi-dimensional, creating a thriving culture requires a holistic effort combining purpose, engagement, and accountability. All three are vital to a company's growth, innovation, and long-term success. Take a look at Brinker International—owner of the Chili's and Maggiano's restaurant franchises. In 2009, as the company was struggling to stay afloat during the recession, they saw low levels of engagement, high turnover, and perhaps most troubling, a comprehensive lack of accountability. Revenue was low and investors were uneasy about the company's plummeting stock values.

Brinker recognized that when leadership and employees are emotionally connected to a purpose, they become intentionally invested, and positive movement results. They engaged Partners In Leadership to help them establish new Cultural Beliefs® and develop clear key results to bolster accountability, one of which centered on clarity of purpose.

The company aligned its network of employees across the country around its key results, and subsequently improved employee engagement (as well as levels of accountability) across the board. By 2015, Brinker International saw a 15x increase in stock price as well as a return of almost 20% profit to shareholders, a doubling of same-store sales, an industry-leading Guest GEM score and employee engagement score, and a low employee turnover rate.

Time and time again, cases like these demonstrate how companies experience positive, measurable outcomes as a result of nurturing and shaping culture at three levels: purpose provides the “why” a company exists, and engagement and accountability provides the “how” that directs employees towards achieving that purpose.

