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**MARKETING®
DEPARTMENT**

HIGH-PERFORMANCE MANUFACTURING CULTURES

**What does a high performing culture look like?
How can it be measured?**

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With everything that your leadership team has on its plate, it's easy to think of 'company culture' as a side dish, a fringe issue for HR to address with employee recognitions, company picnics and annual holiday parties. But the impact of culture goes much deeper than that—all the way to your company's bottom line, in fact.

Culture plays a role in attracting and retaining talent. Culture increases customer loyalty and sales. Culture provides direction for employees. And your competition is focused on culture.

First of all, let's define 'culture'.

Simply put, it's the way your company operates to make money.

Try this as an exercise. Fill in this blank: "My company operates like _____."

If you answered "a close-knit family" or "a Navy SEAL team," you probably have a foundation for building a high-performing culture.

If, on the other hand, your honest answer was "an old-boys' network" or "Dunder Mifflin," then you've probably got a sub-par culture on your hands.

Another way to think of it: Your company's culture is the sum of all the employee attitudes, departmental interactions, formal and informal policies, operations and processes that either create revenue, strengthen your profits or suck the life out of it.

In other words: **Culture is everything.**

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What does a high-performance culture look like?

No company has a perfect culture. However, when you look at strong brands or thriving companies, they tend to share the following key attributes. Companies that attract and retain talent:

- Ask their employees for feedback
- Consciously express appreciation frequently
- Ensure employees understand the mission and vision of the company and how their performance is helping you get there
- Allow employees at all levels to participate in strategic discussions, help find solutions, and contribute ideas
- Encourage employees to develop short- and long-term goals for themselves
- Create systems that allow managers to provide feedback every day and more formally so each employee can continue to improve and grow
- Have employees that understand what is expected of them
- Provide the tools and resources the employees need to do their job and check in with them regularly
- Have employees who feel cared for by managers and coworkers
- Have employees who are committed to quality work and understand what quality looks like

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Can culture be measured?

Yes, it absolutely can. Companies with successful cultures track it just like they do other business data. Your culture can be measured three ways:

1. ASKING EMPLOYEES: Anonymously ask employees one simple question 2-3 times a year. "On a scale from 1-10, how likely are you to recommend ACME as a great place to work?" If your average rating comes back 8 or higher, keep doing what you're doing. If your rating was a 6-7, you should dig into this a little deeper and make adjustments in your operations that will raise this number to an 8-9. If your rating is a 6 or lower, you have an urgent situation and we recommend making operations and culture a priority.

2. INCREASING MARGINS: Culture can be measured simply by the bottom line. While things like material and shipping costs flex and are often out of your control, a high-performing culture will increase operational efficiencies, reduce scrap levels and tighten process controls that improve bottom lines.

3. EMPLOYEE RETENTION: Always remember that hourly rates and tools are simply a talent attraction strategy. Companies with strong and energized cultures retain employees at very high rates.

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Culture should be led by the operations team, not HR.

Culture is how a company operates. Therefore, it makes sense for those who lead operations to make culture a part of their everyday work. That said, HR can also help track and measure culture.

Typically, people in positions like COO, plant management, process management and quality management are best positioned to lead the process of building a high-performing company culture.

HR plays a significant role in culture by working closely with the operations team to relentlessly measure culture and provide feedback to the managers. This process is continuous and everlasting.

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Where to start?

Understand your culture.

Find out what your employees think and how they feel. Conduct an audit that gives everyone an idea of where the culture is now. A culture audit has two parts:

1. A Blind Survey. By asking all employees just a dozen “on a scale from 1 to 10” questions, you’ll quantify the attitudes and feelings of your people about where they work, and how they work.
2. Schedule SWOT Sessions. Without the CEO or managers in the room, assess the strengths, weaknesses, opportunities and threats (SWOT) of working in your company’s current environment. SWOT is designed to provide structure to a conversation and is always more effective when conducted by a trained facilitator and someone neutral in your company. Otherwise, it will quickly turn into a “bitch-fest.”

Now that you’ve got the blind survey and SWOT data, many things about your company’s culture will become obvious. You’ll learn what to preserve, what corrective actions should be taken and how to further define, support and communicate the culture you want to create.

Do you want to be ninjas? Family? Happy? Challenging?

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Write and adapt “The Playbook.”

The Playbook is your plan for how to walk the talk. Once you’ve taken one or both of the steps above, you’ll have the insight and confidence to create a high-performing culture. The Playbook will clarify your goals. It’s a written document that lets everyone know the company’s goals and how you plan to implant your best practices for achieving those goals. The Playbook should outline those values, the behaviors that support them, and how your organization will measure its cultural performance.

Then work closely with HR to measure the success of your efforts. Based on the results, don’t be afraid to adapt your Playbook and refine your tactics.

Communicate your plan.

Put it in play. Your plan must be consistently promoted to staff at all levels. As the catalysts and champions of culture, management needs to develop communication tools that enable everyone to understand the answers to these two questions: What are the company’s goals? And how is the company planning to meet those goals?

Encourage ongoing dialog. Employees want to work where they feel energized, excited, and important. While the days of the actual suggestion box are dead, there are formal and informal ways for you to find out how your employees feel, what they think, and what ideas they have for meeting the company’s goals.

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One way is “employee rounding.” It’s the regular habit of making the rounds and engaging with employees by asking “What do you need to do your job better?” Another way is also the simplest: Maintain an open-door policy in the C-suite, so employees feel free to share input directly with leadership.

Celebrate the wins. Whenever the company’s goals are met, share the good news. People at all levels of your organization want to feel they belong and are contributing to meeting the goals set for the company’s success.

Measure. Measure. Measure.

Be relentless about gauging your culture and focusing on continuous improvement. Conduct follow-up employee surveys and publish the results to the entire staff.

It’s up to you to decide what’s important for your company to succeed. But in our experience, companies that have a consistent set of values and a strong, well-articulated company culture have happier employees. And that translates to winning talent and increasing revenues.



Call us direct to understand how we can help strengthen your culture so you can win more business!

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