

The True Key to Success Is CULTURE

BY ED PAGE

“Being a great place to work is the difference between a good company and a great company.”

—Brian Kristofek, president and CEO of Upshot, in *Entrepreneur*

In almost 30 years of working with and leading many different organizations, I have seen that culture matters more to success than does any other factor. Energized employees who are enthusiastic about the work they do, and the environment in which they do it, will have a dramatically bigger impact than those who aren't. Whether they're creating a better customer experience, finding ways to improve profitability, or helping recruit other energized and enthusiastic employees, they create a virtuous cycle that continually builds upon itself.

This is not new or original thinking. The question then is not so much why business leaders should focus on building a great culture, but rather how.

I'm proud of what we've created at Relation Insurance Services. Over the past five years, since I first joined, we've transformed from a low-morale, low-performing organization into a high-morale, high-performing one. We measure ourselves through quarterly internal employee surveys and external metrics, such as our Glassdoor rating, both of which have consistently and significantly improved over time. Not surprisingly, our financial results have also dramatically improved—we've nearly doubled our

profitability and last year had the best financial performance in our company's history.

Here are 10 ways we have created a fun, high-performing culture:

1. Walk the walk. Senior leaders set the tone for any organization. Your employees see everything you do—your work habits, the way you treat people, your consistency (or lack thereof), and the behaviors you demonstrate every day. While words matter, leaders' actions matter far more. Culture is always set from the top and created by example—so strive to be an excellent one.

At Relation, we do a number of the things to help demonstrate the culture we want to have. For example, each employee gets a handwritten note from myself and our CEO, Joe Tatum, to celebrate 5, 10, 15 years and so on at the company.

We recently introduced a sales training program that wasn't an easy thing to learn but has tons of value when fully embraced. The head of our sales teams and I committed to handwriting the key program from memory every day for 10 days and emailing it to the sales team to show we did it. It's highly unlikely that I will ever be in a position to use the



program myself, but it was important to demonstrate how important we thought it was and how committed senior leadership is to it.

Similarly, although I have an assistant, I do my own expenses. Since we require all employees to use our expense-management system, I think it's only fair that I deal with the same system they do, so I can share their frustrations and also help drive improvements.

2. Be authentic. Nothing kills culture quicker than a lack of sincerity. If you are someone who can show you care about an individual and what's going on in his or her life, you'll build the relationships that will ultimately help your organization reach its goals. People are far more energized when they feel they are seen and valued as a person. However, nothing is more damaging than being disingenuous or insincere. Be true to yourself, and don't force yourself into an inauthentic position. The more you can find real ways to connect with people in your organization, the better.

We sincerely care about our people, and one way we demonstrate this is by sponsoring company-wide programs that promote healthfulness. We subsidize the purchase of Fitbits and hold competitions. We also provide wellness seminars on nutrition, healthy habits, and mindfulness and assist employees with their individual personal finances through a 401(k)-matching program, as well as an employee-referral bonus program.

3. Play the long game. In the midst of the day-to-day, you may be tempted to hit the easy button or think about what's needed immediately, especially if the short-term decision conflicts with the long-term. Adopt the mindset that you're

creating a company that will last for hundreds of years and act accordingly. Always try to do the right thing, no matter how painful it is.

Several years ago, we created a task force to find ways to improve the experience of our customer service and support teams. It was driven by members of those teams, and they came up with the idea of a week-long celebration to say thank you to the service teams, which are often underappreciated in our business. We were having a tough financial year, as we were still working on improving many aspects of the business, and this had a significant price tag as budgeted. Because we thought it was the right thing to do for our teams, we funded it anyway.

The celebration was a huge hit, and it created tremendous energy and enthusiasm throughout the business. Doing the right thing in this case was a small short-term sacrifice that produced a big return; the next year, we had record-breaking financial performance. I like to think there was some cause and effect at play.

We continue this event annually, and it's my favorite work-week of the year because I get to hang out with the people on the front lines, trying to make them feel as appreciated as they truly are. The level of thanks and appreciation that I get back is multiplied tenfold.

4. Communicate, be transparent, and listen. Most senior leadership teams can do better at communicating with their employees. Almost all can improve their listening skills. When leaders are fully transparent about the good and the bad developments at a company, people are much more engaged and helpful because they know what and why something is happening. So why not tell them?



Listening is a critical part of building culture. You will only be able to improve things if you hear what's really going on and how people are genuinely feeling. You can't fix what you don't know about.

Relation has 33 offices across nine states. Five years ago, we did quarterly all-colleague calls that weren't terribly useful or transparent. We changed to monthly calls and now share the full financial performance of the organization, as well as announce new programs, initiatives, and policy changes.

We've also implemented an employee engagement team, which we've named the President's Council. The group is diverse and includes top performers, people who've been with the company for years, and newer hires who've shown potential. They help evaluate and prioritize employee engagement initiatives, improve the work culture, and even revise company policies.

We also take steps to help the senior leadership team hear from our colleagues, such as:

- Answering anonymous "Ask Joe" questions candidly on our monthly all-colleague call
- Doing quarterly employee experience surveys comprising both multiple-choice and open-ended questions
- Holding all-office town halls/lunches for Q&As with senior leadership
- Using the old-school method of walking around and talking to people

5. Recognize contributions. Recognition is important: It drives behavior by rewarding the good and discouraging the bad. People who feel appreciated end up experiencing more self-worth and positivity about their ability to contribute to the company. The result is a happier and more productive employee.

At Relation, we're driven by results and make it a priority to recognize and reward the hard work of our colleagues in various ways, including the following:

- Rewarding service teams for producers' performance
- Showing a leaderboard of the top sales producers
- Recognizing top service team members and inviting two of them to our annual top sales producers' retreat
- Hosting a kudos@relationinsurance.com email, allowing both colleagues and clients to recognize team members
- Celebrating client wins in our employee newsletter

6. Be humble/admit mistakes. In a high-performance culture, leaders give credit and never take it, while also taking blame and never giving it. Admitting that you made a mistake (especially when it's obvious) creates a culture of learning in which people are not afraid to try new things. This is imperative to helping an organization improve and grow. Successful leaders can admit their mistakes and see opportunities to anticipate the unexpected more quickly. They also share this wisdom with those around them. Don't be too proud to recognize mistakes as valuable teachable moments for yourself and others.

Soon after I joined Relation, it was the holiday season. The salespeople in one of our business units had a long tradition of giving bonuses to their service teams out of their own pockets. We thought it would be a nice touch to add a handwritten note from senior leadership (which was approximately 125 notes). We didn't realize it at the time, but this made it appear as if senior leadership was generating and taking credit for the bonuses—not the salespeople. It took us too long to realize it and fix it, but we took our lumps and made profuse apologies to try to remedy the situation. The bonus mix-up was not our finest hour, but we were sincerely humble and apologetic in explaining how badly we had screwed up.

7. Be accountable. As an accountable leader, you don't blame others when things go topsy-turvy. Rather, you work to build an accurate understanding of where your organization excels and where it has opportunities to grow. Accountable leaders also step up to champion initiatives to help their organization succeed.

The senior leaders at Relation meet weekly to review the decisions and processes that shape our organization. They also assume ownership for the performance of their teams, ask and answer questions of each other, and work to find the best answers.

Every employee writes down his or her yearly objectives and reviews them with his or her supervisor, who provides regular check-ins around performance against the objectives. Formal reviews are done annually for every employee, and bonuses and raises are directly tied to those reviews.

Most recently, we created a salesperson "stoplight report": Those who are performing well are highlighted green, and those who are performing not so well in yellow and red. We also had an initiative to get our entire sales team on LinkedIn and tracked which producers were engaged on social media versus those who weren't. Both of these reports were shared with all sales producers, and we saw marked improvements afterward.

8. Treat everyone with respect. One of my personal pet peeves is when someone powerful (or perceived to be powerful) picks on someone who is unable to defend himself. I believe allowing that type of behavior destroys a productive culture.

We've made it very clear that treating others with respect is a requirement for success at Relation, and treating others poorly is a fatal flaw. We make a point to acknowledge and appreciate individual colleagues who demonstrate kind actions both individually and publicly on the all-colleague call.

9. Have fun and a sense of humor. Having fun and a sense of humor is key to a productive work culture. We spend more time working than we do anything else, so we may as well enjoy it. It's also a great tool for leaders, as it can help diffuse stressful situations and garner respect.

At Relation, we put significant effort into not taking ourselves too seriously and having fun. During our annual NCAA bracket contest, we pit the combined picks of myself and our CEO, Joe, against anyone else in the company who wants to participate. Whoever gets the most bracket points wins a top prize, and whoever gets a higher score than we do also wins a prize. This year, Joe and I were almost near the bottom in terms of our picks, which meant we gave out a lot of prizes. Regardless of the final score, there is always a fair amount of well-intended trash talking throughout the competition, and everyone has a good time with it.

On our monthly all-colleague calls, in addition to in-company announcements, we make a point of recognizing individual anniversaries, new hires, promotions, and other personal milestones, such as weddings and babies. We end every call with a trivia question that allows employees to submit their answers in real-time. The winner receives lunch for everyone in his or her office.

10. Be visible and accessible. When people choose jobs, they base part of their decision on the prestige of the company they're joining. Leadership's external engagement can be one reason a prospective employee joins a firm or stays with it, because employees like to see their leaders being talked about in the news. It can build pride if they are identified with people who are sought after by an external audience.

In addition to being visible outside the office, leaders also need to be available and approachable within the office. One way to do this is the good old-fashioned "management by walking around." Another technique is to do a series of 15- to 20-minute one-on-one meetings. When I visit other offices, I have a sign-up sheet for individual time slots. These meetings have no agenda, and the only ground rule is that no subject is off limits. I find them both powerful and fun because 1) you get to build a bit of a personal connection with someone and learn about them, and 2) it can give you a real sense of what is going on in the organization.

Also, whenever I go to a Relation location, I do my best to try to walk around and at least say hello to everyone, not just to the senior people. Joe, our CEO, is the same way. It's fun to talk to people—you learn a lot and it makes a big difference when you make an effort to be present.

Most leaders understand how important having a great culture is, but many still struggle when it comes to creating and shaping it. They aren't motivated to put forth the effort required to do so, they don't feel they have the skills and capabilities, or they simply don't know where to start. Culture is the single most important factor in driving performance—it's the only thing that consistently drives outsized organizational performance and long-term competitive advantage.

Most properly motivated leaders can create a world-class culture if they are willing to put the effort in, and the skills and capabilities needed to do so can be learned. I believe that every leader should prioritize creating a great culture as a top individual objective. If you already have a great culture, it requires constant work and attention to keep it there. If you don't have one, you have a tremendous opportunity waiting for you to go after it. [AQ](#)

Edward Nathan Page is president and COO of Relation Insurance Services, an insurance brokerage that offers risk-management and benefits-consulting services through its family of brands across the U.S. He can be reached on LinkedIn. Visit www.relationinsurance.com for more information.