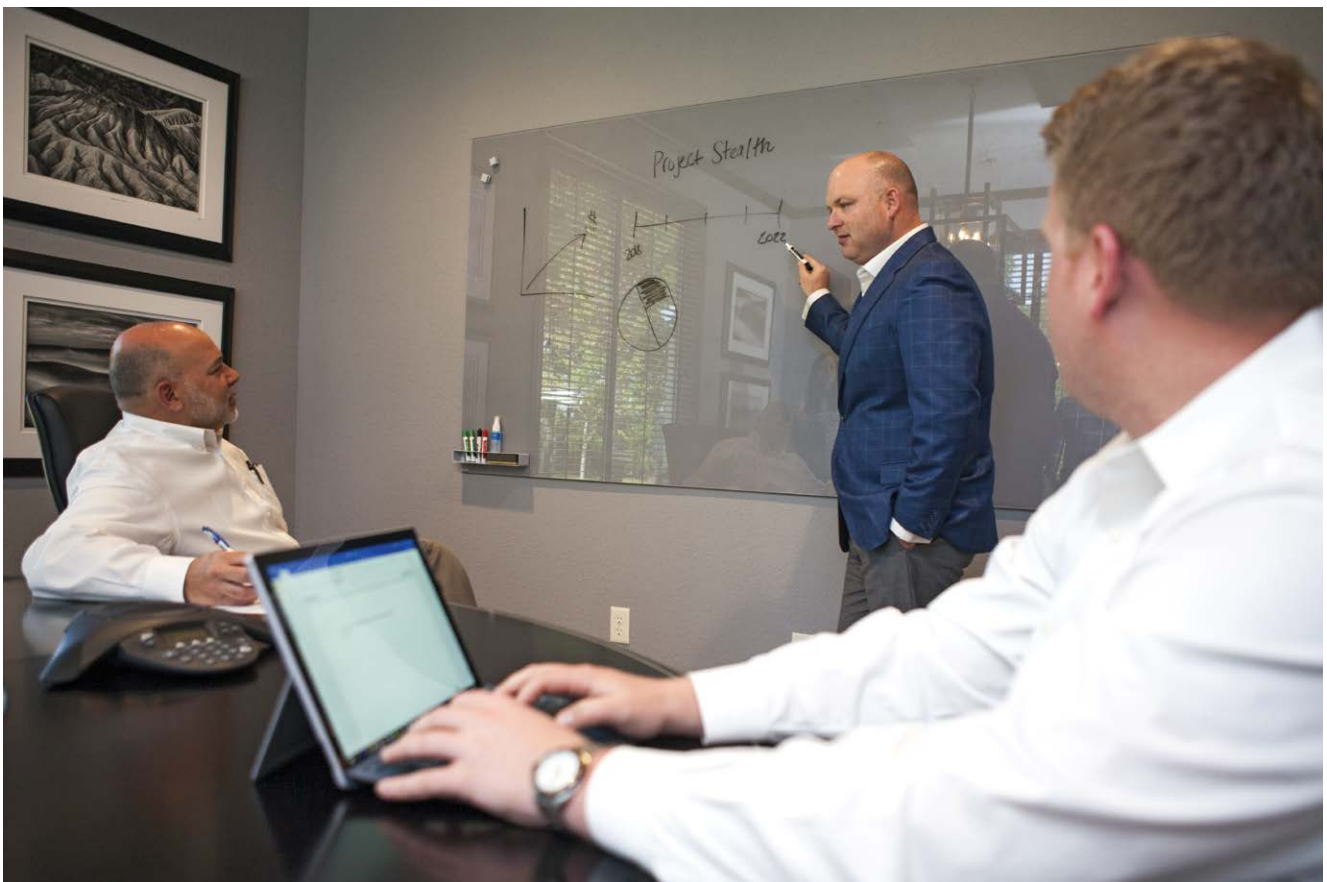


8 STEPS

to Building an Engaging, Employee-Centric Culture

BY VIC KELLER



The company's foundation is its culture. Foundation cracks lead to instability. Instability leads to system failures.

A unified corporate culture is vital. It's not all about accolades, awards, and status—it's about being successful. Simply put, a strong company culture builds identity, helps with talent—retaining and attracting it—and elevates your brand's image.

I believe a strong company culture is achieved through the balance of aligning good people with a clear vision and strategy. Leveraging an impactful company culture to help drive a profitable financial model is the heartbeat of any successful business, and the motivation behind my leadership philosophy.

CREATING AN ILLUSION OF WORKPLACE HAPPINESS

Most progressive companies do an exceptional job of portraying a positive culture. And yet, despite all the time and energy focused on these employee-centric environments, one-half of the U.S. workforce still tests positive for employee unhappiness. I believe this is because there is a disconnect between what company "culture" means to leadership and what it means to associates. More often than not, company leaders strategically align their cultures with increasing accomplishment and achievement. Culture becomes a strategy for growth. However, what culture means to associates relates more closely to personal fulfillment.

These same companies consistently talk about how they have a great culture or are working to build one. But in my experience, when you dig below the surface for the true effect these company cultures have on employees, very few of them actually translate to real employee happiness.

Many company leaders recognize that employees want to feel purposeful in their work, and thus try to define and build a culture around purpose. This is a step in the right direction, but ultimately this kind of culture still stems from the leadership's strategic desire to achieve. To make a broader change in the perception of "work culture" in today's society, business leaders must shift the desire to cultivate a culture that achieves company success to a culture of actually providing the workforce with true fulfillment. If we can do that, we can expect a significant increase in employee happiness across the country.

Companies can no longer depend on loyalty in today's workforce, especially within the Millennial generation that values culture and purpose over title and loyalty. If a company breeds an unhappy workforce, then employee turnover rates will inevitably climb, negatively impacting productivity and profitability and ultimately compromising employee health and well-being.

HOW DO YOU IMPROVE A COMPANY'S CULTURE?

Setting the tone for a company's culture starts at the top. Period. You beat your competition by retaining and recruiting

great talent, and you retain and recruit great talent with a great culture. People want to be on your team. If you look at the companies listed on any "Best Places to Work" list, almost every one of them in the top 20 has a remarkable company culture. Great culture translates to great human capital. Hilton, Salesforce, Cisco, American Express—all of these companies have an environment that employees buy into because they feel it's:

- Aligned
- Integrated
- Authentic
- Immensely successful

In private equity, I get to see the good, the bad, and the ugly of company cultures. Many businesses say they have a great culture, but so few actually do—or worse, they don't know they don't. The company's foundation is its culture. Foundation cracks lead to instability. Instability leads to system failures.

Here are my eight founding blocks for building a successful company culture. Think of it as the keys that start the engine of success:

1 Know your workforce. Many companies don't see their workforce as a primary tool for success. That's unfortunate because knowing your workforce enables leaders to be intentional about crafting an authentic culture that speaks to their employees. It helps guide innovation in areas ripe for growth. Your workforce is like a focus group for success—listen to them and learn how to grow. Mary Barra, the general manager of General Motors, did an exceptional job of this when she assumed her leadership role. Within the first month, Barra was touring plants, talking to people on the floor, learning their fears and aspirations, and understanding what incentivized and inspired them. Her No. 1 objective was to know her workforce in order to propel GM to one of the top global companies recognized for good culture. And it worked.

2 Foster work-life integration. Just because you go to work doesn't mean you stop living. A popular concept for leaders is to push the notion of work-life balance, but all that really means is to make your time spent working equal to that spent not working. Balance is not a bad thing, but in this context, it compartmentalizes life and work. In my opinion, leaders should instead foster a work-life integration environment where time at work feels fun and life freedoms are accepted. Work should complement life, not compartmentalize it.

3 Deliver purpose. Simply put, define your "why." At Ancor Capital Partners, where I am a managing partner, we have an incredible medical technology company in our portfolio that provides products and services to both the pharmaceutical and healthcare industries. It's truly transforming the way healthcare uses real-world data to



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accelerate research and generate evidence that provides enhanced decision-making capabilities for the market. In effect, we're enhancing the efficacy of drugs that work in many different therapeutic areas to improve quality of life.

And yet, in the first month of our partnership, we learned that the company leadership hadn't put in place the time to really educate and relay to employees just how impactful their work is in the industry they serve. This spurred a new project to bring all associates together in a monthly review to discuss not the typical business achievements, results, or monetization updates, but rather specific examples of how the work we do directly impacts patients' lives. We are taking the opportunity to qualify for the workforce that the work we're doing is truly changing lives and that while healthcare is an obvious place to hone our purpose, there is further opportunity that extends to other industries as well. It has been amazing to see the change in employee camaraderie, community, and work ethic since the inception of these review meetings. Delivering purpose goes a long way toward cultivating employee fulfillment.

4 Encourage entrepreneurialism. A company built with an entrepreneurial spirit at the core empowers rank-and-file employees to challenge senior-level management, even the CEO or founder, in the way a product is made or a process is run. In these environments, the hierarchical scales are evened both physically, with open-office floor plans, and figuratively, with open lines of communication. To have an entrepreneurial spirit is to create tension by challenging the way things are.

5 Have a smile policy. Having an open-door policy is one thing, but having an open door with a smile is the real deal. Leaders can say they have an open-door policy to encourage transparency, but no employee is going to saunter into a leader's office if they look uninviting—even if the door is open. Leaders must invite the conversation to deliver true transparency. The best way to do that is with a smile when someone comes knocking. Start by saying "good morning" with a smile. Beyond basic manners, it's such a simple act that shows your team members you care.

6 Take time to celebrate. Celebrating a birthday is still a big deal—it's a party! This may seem sophomoric, but celebrations are infectious. A leader who celebrates birthdays gives employees permission to inject fun into the workplace. It's the easiest way to break down walls and create camaraderie. Leaders who celebrate let employees know they're human and that celebrating life is worth a break.

7 Make HR the concierge, not the police. As the department whose sole purpose is to manage the company's workforce, HR should always be positioned as a support department for employees. In essence, leaders in HR should act as a concierge for employees rather than as police. For example, when it comes to company communication, leave out the policy-driven terminology. PTO should be called what it is: vacation, family time, a brain break, and so on. Tell employees that they deserve the time off and that they earned it. This shifts employees' perspective

away from a disengaging authoritarian leadership and shows them that their company cares.

8 Take time to give back. In a recent PwC survey, “Workforce of the future,” Millennials reported that the impact they have on the environment is just as important as their salary. You will find that most teams are enthusiastic and motivated to give back. I can relate. Giving back has always been a priority in my life, both personally and professionally. At one of my former companies, we established an initiative to give back to our community on a regular basis. Finding the right charities to wrap our arms around as a company was a privilege, not only for the leaders but for the associates as well. We invited everyone to lend a voice in the selection process and crafted a meaningful way to serve the community in which we all belonged. As a Dallas native and the founder of a Dallas-based company, it was important for me to find creative ways to lend a hand to those in need in our great city.

Almost every team I have worked with enjoys stepping away from the office and jumping into community volunteer projects. Volunteering benefits everyone involved. Donating time for service projects as a company also paves the way for team building and leadership development and growth. One major caveat: For volunteering to truly impact the organization, the company’s culture must support and value

philanthropic endeavors 100%. Without this support and buy-in, the program fails.

There is a reason that Google pulls up more than 2.7 billion search results for the term “company culture.” The culture of a company is important. It’s meaningful, impactful, and directly affects all who work within it. Therefore, it should be given due respect and crafted with intention.

When I’m asked who inspires me, my answer is always the same—Richard Branson. While I don’t know Branson personally, I’ve followed his career since I was a young professional. I have always admired how he gives permission to entrepreneurs and business leaders to be outrageous in their culture-building and to always put people first. He has done a great job of advocating to the world that people can build incredible companies that do important work but still have a ton of fun along the way. I couldn’t agree more.

Go have fun. Build an outrageously great culture. **AQ**

Vic Keller is managing partner for Dallas-based private equity firm Ancor Capital Partners and CEO of STATinMED Research. Keller brings deep operational expertise across multiple sectors including automotive, financial services, private equity, manufacturing and distribution and technology. He is an entrepreneur by nature and has over 20 years of experience in establishing, growing, and optimizing both national and international companies.



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