

How to Develop a High-Performing Team Culture

"Culture isn't just one aspect of the game; it is the game. In the end, an organization is nothing more than the collective capacity of its people to create value."

These are the words of Louis V. Gerstner, Jr., former CEO of IBM [1].

Over the next few minutes, we'll talk about the impact that team culture can have on performance. Specifically, we'll discuss six vital areas for building and maintaining that culture. These are:

- Mission and Values
- The establishment and evaluation of goals and performance
- Diversity
- Supportive management
- Managing conflict
- The promotion of a culture of learning

Let's look at a case study that illustrates the impact that problems within a team have on their performance and the manager's essential role in turning things around.

When Rachel changed jobs to become the manager of a 10-person sales team, she quickly realised that changes were required. Rachel explains:

"The team culture was weak. Everyone focused solely on their own targets rather than the overall goals of the team and the organization. Team meetings were rare, and there was an underlying conflict between new team members and those in their job for several years. As a result, performance was falling."

In a target-driven environment, established staff felt that the recent recruits were being praised for the amount of work they'd been getting through and the targets they'd achieved. But they weren't developing meaningful, customer-centric relationships that made satisfaction - and future renewals - more likely.

This led the more experienced members to believe that the quality of their work wasn't being appreciated.

By listening to each team member individually, Rachel discovered that newer staff felt unwelcome and unsupported by colleagues who'd been there longer. They also felt their ideas were being ignored. Those who had been there longer, on the other hand, were considering malicious compliance. They toyed with dropping the quality of their work and simply rushing through deals with no retention or growth potential, simply to achieve "better" short-term results on paper.

Rachel says:

"The situation needed correcting. The latest staff members were doing very well in terms of new customers onboarded. They had fresh ideas and valuable skills to offer. But they still had lots to learn. On the contrary, the more experienced staff had years of knowledge at their fingertips but could be stuck in their ways. They could have learned something about reducing their sales cycle by trimming some non-essential product details from their process. While I knew that hard work was ahead, I felt excited about the team's potential success. I could see that many of the right ingredients were already there, but a more cohesive, collaborative team culture needed to be built."

So, how could Rachel achieve this? Well, to build a high-performing, strong team culture, the six points mentioned earlier must be considered, starting with:

Mission and Values. Has each team member bought into the organisation's mission and values? Greg Satell and Cathy Windschitl, for HBR [2], advise that the difference between success and failure lies in:

"...the ability to articulate a higher purpose. This begins with a clear sense of mission and values. Managers must clearly communicate their organization's shared mission and hire people who'll be inspired to dedicate their talents to it. The art of leadership is no longer merely to plan and direct action, but to empower belief."

If your team is on board with this, they will be able to focus on the collective vision. They will be more capable and more motivated to fulfil their collective goals. To keep conversations about the shared vision alive, Berkeley People and Culture suggest discussing the following with your team:

- What do we really care about when performing our job?
- What does the word success mean to this team?
- What actions can we take to live up to our stated values?

Make sure that these conversations are not a one-off event. Keep them alive by embedding them into team meetings or team-building events.

The second of these six vital areas is to **"Establish team goals and evaluate team performance."**

Make sure that you communicate individual and team goals clearly to each team member. Talk to them about their progress toward these goals. Recognise their individual success and how it contributes to the team's collective goals. Identify challenges and opportunities that lie ahead and identify and plan for these. Good performance management is key to this.

The next area to consider is **diversity**.

Diversity's impact on building a high-performing team culture sometimes goes unrecognised. Having a diverse range of people with conflicting views on your team does mean that it can take longer to problem solve and agree. However, their decisions are **far more likely to be successful**. HBR [2] tells us that

"a McKinsey [3] report that covered 366 public companies in a variety of countries and industries found that groups that were more ethnically and gender diverse performed significantly better than others."

Further,

*"...when researchers at Northwestern's Kellogg School of Management and Stanford Graduate School of Business put together groups of college students to solve a murder mystery, cohesive groups were much more able to come to a consensus and feel confident in their solution than diverse groups, **but they were also much more likely to be wrong.**"*

Regular meetings are vital to the creation of a happy and productive team. Use them to:

- Reinforce the shared mission and values,
- Build relationships and rapport,
- Problem-solve,
- Share good practice and new ideas,
- Encourage productivity,
- Discuss progress towards goals and targets,

Keep your meetings solution-focused and ensure that all team members are given a chance to participate. Consider everyone's ideas – remember, no idea is stupid.

Give everyone plenty of notice of the date of the meetings and send the agenda to everyone in plenty of time. This gives those who need it time to think and reflect beforehand.

A supportive attitude to employees:

Demonstrating that you value your staff will help you build a healthy and productive culture. Make sure that you're clear, not just about the *organisation's* vision, values, and expectations, but theirs too. In a highly competitive market, employees' expectations are closely linked with their values. Research by Forbes shows that:

"Employers who deliver on these expectations are seeing more loyal and productive employees, which in turn improves business outcomes and propels company growth. Companies with strong cultures have seen a 4x increase in growth."

Invest time in getting to know and understand each member of your team.

This includes their strengths and areas for development. Draw out their talent and discover what motivates them so that you can manage them effectively. Celebrate birthdays, holidays, and other life events to build a sense of belonging among team members. Prioritise social interactions such as team days and occasional potluck lunches.

Managing conflict within the team:

Conflict is a part of everyday life for managers and employees. When it's poorly managed, team members can become frustrated and resentful. In contrast, conflict can stimulate decision-making and invigorate relationships when managed successfully.

Catriona Smith of the Advisory, Conciliation and Arbitration Service reports [4] that close to 10 million people experience conflict at work each year, with more than half reporting stress, anxiety, or depression as a result. It is also estimated that just under 900,000 took time off work, nearly half a million resigned, and over 300,000 employees were dismissed. The cost of this in the UK is **£28.5 billion or \$38.5 billion per year**. The highest proportion of these costs relates to ending the employment relationship. Furthermore, where the manager/HR/union weren't involved, Smith reports that costs were, on average, 3x higher. Your role is to manage any conflict within your team appropriately so that it doesn't negatively impact performance or the team culture, nor add unnecessary costs to the organisation as you lose valuable team members.

Promoting a culture of learning:

Encourage every team member to increase and develop their skillset. The advantages of this are enormous and include:

- encouraging and enabling individuals to progress in their careers,
- motivating and energising them - encouraging curiosity to learn and progress
- providing new skills to the individual, the team, and the organisation
- demonstrating to employees that the organisation values them.

Make sure that you invest time during the performance management process to discuss learning needs and aspirations with individuals and any knowledge gaps on the broader team.

So, how did Rachel get on with developing the performance of her team? She tells us:

"I concentrated on building a positive team culture that everyone bought into. Within 6 months of my initial measures, things had drastically changed, with team members recognizing the bigger picture and appreciating the skills and performance of each other. Within a year, individual and team results had shot up."

Rachel's experience demonstrates clearly what Gregg Satell [2] tells us:

"We frequently see culture treated as a side project, without the rigor commensurate with a major business initiative. Research shows that organizations with higher-performing cultures create a 3x return to shareholders... It is one of the most essential drivers of business performance."

What, then, can you do to prioritise this culture on your team? Here are some ideas:

- Find out if the people you manage know what the vision and mission of your organisation are. How do they think it relates to their work?
- Decide how you can use team meetings to build and reinforce a positive team culture.
- Embrace diversity in your team – when differences of opinion cause conflict, manage this so that all points of view are heard and considered.

And finally, reflect upon your management style – what more could you do to show those you manage that you value and want to support them?

Over the last few minutes, we have covered the following themes:

- Mission and Values
- Diversity
- The establishment and evaluation of goals and performance
- Supportive management
- And
- Learning

We have discussed how these are vital elements of high-performing team cultures and the steps you can take to establish and maintain them. Invest the time in getting these into place, and you will see your team's performance grow.

[1] *Who Says Elephants Can't Dance*, Lou Gerstner (2002)

<https://www.amazon.com/Who-Says-Elephants-Cant-Dance/dp/0060523808>

[2] *High-Performing Teams Start with a Culture of Shared Values*, Greg Satell and Cathy Windschitl (2021)

<https://hbr.org/2021/05/high-performing-teams-start-with-a-culture-of-shared-values>

[3] *6 Elements to Create a High Performing Culture*, McKinsey (2018)

<https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-organization-blog/6-elements-to-create-a-high-performing-culture>

[4] *Estimating the costs of workplace conflict*, ACAS (2021)

<https://www.acas.org.uk/estimating-the-costs-of-workplace-conflict-report>