

CULTURE RISK INDICATORS

As a CEO or Director there is increasing pressure to control the risks that are linked to company culture. The difficulty often lies in knowing what to measure and how to change the company culture to minimise risks.

Answering these few questions will give you an indication of the current state of your company culture and the level of associated risks within your organisation.

	Current	12 months ago
What is your total employee turnover as a % of total headcount?		
What is your employee productivity, measured as revenue \$ / full time equivalent employee?		
What % of your employees are highly engaged/satisfied? (employee engagement/satisfaction survey %)		
What % of your customers are satisfied? (Customer Satisfaction Survey / Net Promoter Score)		
Considering the change from 12 months ago, which of your current strategic objectives are being hindered by these results?		



HENRY REED

Turning Potential into Performance

Turnover

RISKS

The risks of high turnover include: team instability, costs \$22,000 per employee lost, damage to reputation, erosion of consistency of customer experience, loss of knowledge and experience, difficulty achieving strategic objectives when key players leave the business

TIPS

If your turnover has increased over the past twelve months, further investigation is required to identify: why employees are leaving, when employees are choosing to leave, the areas of the business at greatest risk.

Productivity

RISKS

The risks of poor productivity are not only financial but impact the sustainability of the organisation and impact relationships with customers, suppliers, and business partners.

TIPS

Measuring the financial contribution of each employee is a great indicator of engagement, efficiency and effectiveness. A decline in productivity over time can indicate the need for re-engaging employees with the purpose of the organisation and the strategic goals to instil accountability for results.

Employee Engagement

RISKS

Disengaged employees are unlikely to provide a great customer experience or contribute more than minimal effort to achieving results. The risks include: poor morale and team work; increased turnover; work to rule; poor quality, impact on productivity.

TIPS

Engagement should not just be measured through an annual survey. Understanding staff motivations, alignment of employee values to company values and whether they are being fulfilled is a greater indicator of a company culture with engaged employees.

Customer Satisfaction

RISKS

The risks of employees delivering poor customer experience include: reputation damage; loss of business; cost of returns; and the expense of marketing to retain customer base.

TIPS

Aligning your brand values with your employee values and matching the internal employee experience with your customer experience will take the challenge out of delivering an exceptional customer experience.

Strategic Objectives

RISKS

Failure to optimise the performance of your employees through an effective workplace culture and aligned people strategies will impact the ability to achieve the company's strategic objectives. In addition, labour cost is one of the largest expenses for most organisations and ensuring a strong return on this investment through productivity and performance is essential for long term business sustainability and success.

TIPS

Most organisations already have the employee resources required to deliver the outcomes of their strategic plans within their business but struggle to optimise this potential to the performance level required.

Engaging an external expert can bring a fresh view to identify the issues that have developed over time, and to support the changes required in culture, leadership, structure, capability and capacity to drive performance.

With an increasing focus on the impact culture has on company performance, the risk of not measuring and managing culture and performance effectively will no longer be accepted by Boards, Shareholders or regulatory authorities. The responsibility for culture starts from the Board level and is executed by the CEO.

HENRY REED are organisation culture experts and will partner with you to identify culture issues and create a culture to support the company's purpose, vision and values while managing risks and delivering strategic results.