

What are the top qualities of a good company culture?



Company culture is the heartbeat of an organization—it encompasses the values, beliefs, behaviors, and attitudes that shape how work gets done. A great company culture is essential for attracting and retaining top talent, fostering employee engagement, and driving business success. And there's a lot at stake if it misses the mark.

In a recent survey of 300+ executives and decision-makers, we found that [92% of respondents](#) believe that a positive company culture is critical to their organization's success.

Positive company cultures are typically high-performing cultures not because employees “hustle” and work around the clock, but because employees feel respected, have the space to be innovative, believe their leaders are invested in their development, and are more engaged in collaboration. In this blog post, we'll outline five qualities of a great company culture and provide examples of how they can be demonstrated within an organization.

1. Psychological safety

According to a [Google study](#), psychological safety is the most important factor in effective teams. Psychological safety is the belief that one can speak up without fear of retribution or negative consequences. In a psychologically safe environment, employees feel comfortable sharing their ideas, asking questions, and challenging the status quo. This results in better decision-making, more innovation, and higher levels of engagement.

Google is a company that's known for its emphasis on psychological safety. They've conducted extensive research on the topic and have found that teams with high levels of psychological safety are more productive and have higher job satisfaction. To promote psychological safety, Google encourages teams to share their ideas and opinions, and rewards risk-taking and experimentation.

Psychological safety isn't something that can be fostered overnight, but rather, is demonstrated over time. Some ways you can make employees feel psychologically safe include:

- Show your teammates that they matter like you matter. This means taking the time to get to know them as people, and showing a genuine interest in their challenges and goals. (Consider using Arbinger's [Meet To Learn tool](#) as a template for this!)
- Asking "How have I made things harder for you?" is a great window into exploring your impact on your team. This simple question can make a world of difference.
- Avoid blaming others when things go wrong. In a psychologically safe environment, everyone should be able to [take accountability for their work](#), especially leaders! Not to mention, if an employee hears you speaking negatively about another teammate, it'll make them wonder how you speak about them when they're not in

the room.

- Create ongoing feedback loops. Employees should feel empowered to come to you with their concerns and opinions about how things can be improved, and vice versa. A tool like Arbinger's [3A+ Development Framework](#) operationalizes feedback and makes the process more collaborative and productive for managers and employees.

2. Employee recognition and appreciation

Employee recognition and appreciation are critical components of a positive company culture. When employees feel valued and appreciated, they are more engaged, more productive, and more likely to stay with the company.

According to a study by the Harvard Business Review, employees who feel recognized are more likely to go above and beyond their job duties, which can lead to increased productivity and better business outcomes. Additionally, a survey conducted by Globoforce found that [78% of employees](#) who were recognized for their work reported higher levels of engagement.

Recognition and appreciation can take many forms, such as verbal praise, written notes, or public acknowledgment. Another way is to make appreciation for your colleagues a habit.

Here's an example of how to do this taken from a tool that's part of our [Outward Leadership](#) course. We challenge you to try this at some point during work week:

Identify a person who may not be feeling appreciated.

- 1 Identify why they might be feeling that way.
- 2 How might you have contributed to their feeling unappreciated?
- 3 What might help them feel more appreciated?
- 4 What can I begin doing in the next week to help them feel more appreciated?

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In addition to [improving employee engagement and productivity](#), recognition and appreciation can also help to build a positive company culture. When employees feel valued and appreciated, they're more likely to have a positive attitude toward your company and their colleagues. This can lead to a more collaborative and supportive work environment, which can benefit everyone.

We'd also like to note there's a difference between genuine appreciation and monetary compensation—and they have very different effects on culture. As stated by [Harvard Business Review](#), “Appreciation is about acknowledging a person's inherent value. The point isn't their accomplishments. It's their worth as a colleague and a human being.” Ultimately, true employee recognition doesn't come from rewards, but rather, employees feeling truly seen and valued.

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Source: Harvard Business Review

3. Collaborative environment

A quality of great company culture that has immense benefits for both employees and the organization as a whole is collaboration. Collaboration fosters innovation and creativity, so when individuals from different backgrounds, experiences, and skill sets come together to work on a project, they bring unique perspectives and ideas to the table.

According to a study by the Boston Consulting Group, companies that promote collaborative working environments are [5 times more likely](#) to be high-performing and innovative. Collaborative cultures encourage open communication, idea-sharing, and cross-pollination of knowledge, leading to the generation of new and inventive solutions to challenges.

On top of that, collaboration boosts employee engagement and satisfaction. Companies with a highly engaged workforce are [21%](#) more profitable and 17% more productive than those with disengaged staff. When employees feel valued, included, and supported in a collaborative work environment, they are more likely to be motivated and committed to their work. This type

of environment naturally promotes teamwork, fostering a sense of camaraderie among employees.

Below is an example of some activities you can use to increase collaboration within your team. These are pulled straight from our [Outward Leadership](#) training:

ACTIVITY 1

List the person's five best qualities. Ask: What might I do to express appreciation for these qualities? Is there a way to show I notice them and appreciate them? Is there anything I could do right now or in the next day or so?

ACTIVITY 2

Identify the person's three biggest pressures. Ask: What might I do to help relieve some of those pressures? What might I stop doing? Is there anything I could do (or stop doing) right now or in the next day or so?

ACTIVITY 3

Write down the 3-5 major results I think this person is trying to achieve. Ask: In what ways do I fail to support this person in achieving those objectives? What things could I do differently? What things can I change today?

4. Continuous learning and development (particularly leadership development)

Our research report revealed that leadership development is key to a great company culture. 52% say that leadership development has the greatest impact on improving an organization's culture. Successful [leadership development initiatives](#) are also associated with a more positive outlook on business success, increases in revenue, and feelings of contributing meaningful work that makes an impact.

When it comes to its impact on culture, there are a few major areas that leadership development initiatives within a company directly impact:

- **Engagement:** Organizations with the most successful leadership development initiatives are 3X more likely than all others to have great success with employee engagement.
- **Confidence:** Those with the most successful leadership

development programs are 73% more likely to feel that employees trust each other at their organizations.

- **Ambition:** Those with the most successful leadership development programs are 63% more likely to feel that employees have an eagerness to improve.

You can see that employee engagement is a common theme throughout this blog post, and for good reason: It's one of the surefire signs your company's culture is a positive one. That's also why leadership development is so crucial to a great company culture—it's a ripple effect from the top down. Without fail, [leaders who are self-aware](#), committed to being helpful, and curious about their impact on others, bring out the best in their teams and build highly-engaged and productive workforces.

5. Employee mindset

As we said at the beginning of this blog post, 97% of decision-makers and strategic leaders agree that the collective mindset of an organization directly improves that organization's culture. However, our research report revealed that only 16% of respondents say that mindset is a part of their company's leadership development and team performance initiatives.

Why is this important? Well, a collective mindset is your culture in action. In other words, the ways in which your company as a whole thinks and acts are a direct representation of your company's culture, and that significantly improves outcomes. But where does a collective mindset originate? The mindsets of the individuals that make up an organization are the greatest contributors to a collective mindset, and why people are the greatest asset to an organization's success.

When we consider that mindset drives behaviors, and behaviors don't change until a core mindset changes, we're able to more

clearly see why a focus on mindset should come first.



Explore more insights like this in [our research report](#).

Conclusion

While a great company culture is characterized by hundreds of factors, the five we recapped in this blog post are particularly crucial. Psychological safety, where employees feel comfortable expressing themselves without fear of negative consequences, fosters innovation, better decision-making, and higher engagement. Recognition and appreciation play a crucial role in employee satisfaction and productivity, leading to a positive company culture. Collaboration promotes creativity and teamwork, resulting in higher performance and employee engagement. And lastly, leadership development and a focus on employee mindset contribute to a positive culture by improving engagement, trust, and ambition.

By nurturing these qualities, organizations can cultivate thriving company cultures that attract top talent, drive success, and create a supportive and productive work environment.

RESEARCH REPORT

Better business results starts with building a high-performance culture

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To learn more about fostering great company cultures, [download our research report](#).