

DistantJob
REMOTE PLACEMENT AGENCY



REMOTE CULTURE

Culture is what drives a company to excellence.
Learn why and how to implement it, and
supercharge your remote teams.

TABLE OF CONTENTS

INTRODUCTION.....	01
WHAT IS COMPANY CULTURE	03
CORE VALUES VS CULTURE	05
WHY IS CULTURE IMPORTANT?	06
WHY IS CULTURE IMPORTANT FOR REMOTE WORK?	09
EXAMPLES OF COMPANY CULTURE	11
CREATING A CULTURE OF YOUR OWN ...	13
DEFINING YOUR COMPANY CULTURE ...	15
COMPANY CULTURE QUESTIONNAIRE... ..	17
RECAPPING COMPANY CULTURE.....	18

INTRODUCTION

In August of 2005, a young student at the University of Houston named Matt Mullenweg was frustrated with the limited number of available options for self-publishing software. With the help of a friend, he set out to create a publishing platform that would allow anyone anywhere to create an host a website - or a blog - for free. The end result, a publishing platform called Wordpress, has gone on to completely change the face of the Internet and has resulted in millions of people having access to online publishing.

If that name sounds familiar, it's because Wordpress has gone on to become the largest open-source content management system in the world, hosting over 60 million websites. Now his company, which employs 430 people spread across 6 continents, is valued at \$1.16 billion and is one of the most successful case studies in remote work in the world.

He credits most of that success to Automattic's understanding of the role that company culture plays in his organization, and maintaining a focus on building upon that culture to keep his team motivated, productive, and happy.

Company culture has been lauded as the heart of every organization and one of the most important aspects of building a strong brand. And while it is an incredibly important part of every company, there's still a lot of confusion about what company culture is; what kind of role it plays; and what factors go into building a company culture from scratch.

This ebook will explain what culture is and how it's defined. It will also delve into why culture is so integral for remote teams and how company culture can shape your entire organization. And finally, this ebook will help you define your company's current culture and help you shape and guide your own culture so that it's reflective of the values and mission of your organization and leaders.

WHAT IS COMPANY CULTURE?

Company culture is the combined beliefs and behaviors that guide a company's employees and leaders in their interactions within a business. This applies to interactions that happen within an organization, between coworkers and management. And it also applies to interactions that happen between a company and its customers, vendors, and the community at large.

A great way to understand company culture is to imagine an organization as a person. Think about all of the different experiences, belief systems, education, and environmental factors that contribute to a person's personality. These things shape how they view themselves, their friends, their families, and the world around them. The same can be said for a company's culture.

Company culture is just as complex and complicated as an individual's personality, and that's the main reason why it's often so difficult to define. Company culture combines a company's mission and core values, along with the experiences, beliefs, and values of its founders, leaders, and employees to create a set of guidelines for how the company reacts and responds to the people and events around it.

If it seems like company culture is something that can be heavily influenced by an organization's leadership, then you're absolutely correct. When companies are young and just starting out, the culture is often molded by the actions of a few at the top without a lot of thought to how this can and will shape the company over the long term.

Because there are so many different aspects that can contribute, it can be difficult to organize company culture into a set of components that need to come together to form a strong company culture. But Stericycle, a \$3 billion dollar company in the healthcare industry has developed a blueprint that they call the "10 Cs of Culture" that's helped them maintain a strong culture across 16,000 employees around the globe. Paul Spiegelman, Chief Culture Officer for the company, classifies these elements as:

- **Core Values** - the values that guide a company and its employees' decision making
- **Camaraderie** - the friendships and relationships that coworkers create with one another
- **Celebrations** - company and employee recognition for achievements and great work
- **Community** - the company's relationship to its local community
- **Communication** - the openness of communication channels throughout the company
- **Caring** - the ability for employees and managers to demonstrate empathy and show care about every aspect of their coworkers
- **Commitment to Learning** - the company's investment in individual professional growth
- **Consistency** - the implementation of company traditions that provide consistent reminders of company culture and values
- **Connect** - the way leadership connects with the rest of the company's employees
- **Chronicles** - the documented history of the company, its founders, and early life

These 10 elements help guide Stericycle's focus on maintaining their company culture, and also help them more easily communicate their culture to new employees and new customers. It also provides a great jumping off point for talking about the importance of core values in company culture.

CORE VALUES VS CULTURE

Many companies talk about their core values as if those values are the entirety of what makes up their company culture. Core values do play a major role in the creation of culture, but they're not one and the same. In humans, core values dictate how we differentiate right from wrong. They tell us that stealing a shirt from a clothing store is wrong, and donating food to a person in need is right. These things don't just make us feel good when we make the right decision, they also keep us on the right path. The same goes for companies. Core values help keep companies on the right path, following their mission statement and providing the services that they set out to provide. They act as a guide and help businesses meet their goals.

Part of what makes a great company culture great is that shared mission and core values. At the end of the day, most employees want to feel some type of ownership and connection to the work they do. Core values help employees and their managers understand whether or not their actions and decisions - from helping a customer with a product issue to partnering with a new vendor - will help them stay consistent to the company mission.

WHY IS CULTURE IMPORTANT?

Culture is unique in that even when you don't actively work towards creating a company culture, it's always there. Culture is an inherent part of the workplace and is always going to be defined by the people within your organization. You can't get rid of culture, so you may as well shape it and leverage it so that it contributes positively to your company.

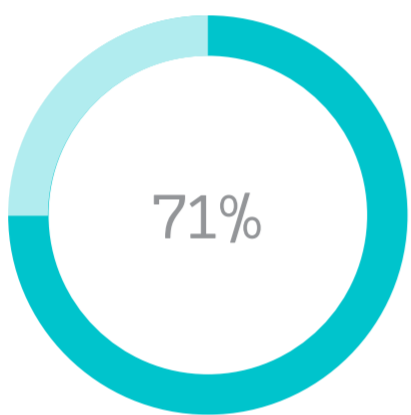
Culture can be a hugely rewarding thing when it's well thought out and used effectively in an organization. Take Automattic, for example. Their platform hosts over 74 million websites, and integrates with over 44,000 plugins. That's a lot of moving parts and their development teams spend a lot of time updating the platform to be able to host a growing number of users. Despite their 100% distributed workforce, they still manage to push out new code over a hundred times each day. Even with a large team, this is no small accomplishment.

A Dale Carnegie Training study on employee engagement found that companies with a more engaged workforce outperformed those that without by 202%. Combined that with the knowledge that 71% of all employees don't currently feel engaged at work, and feeling disengaged is a large contributor to employee turnover which costs companies an estimated \$11 billion each year.

That's a lot of lost revenue that could be recaptured through a strong company culture that keeps employees more engaged at work.



11 Billion Lost Annually to Employee Turnover



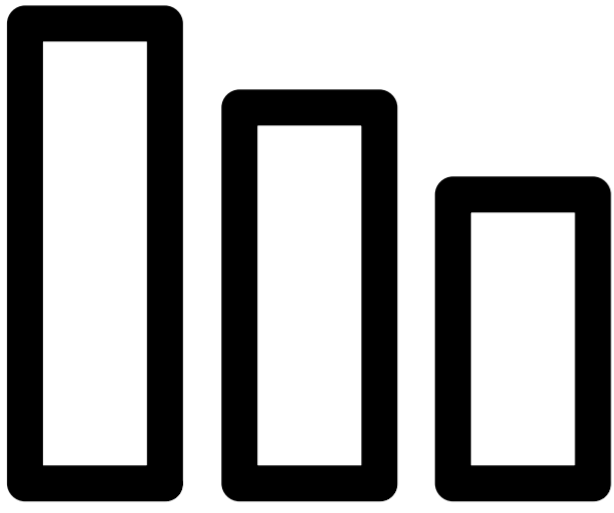
71% of Employees Aren't Engaged at Work



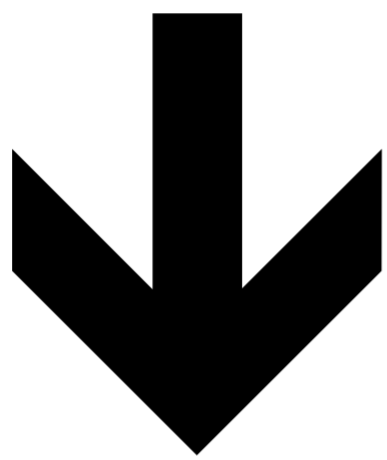
Engaged Workforces Outperform Non-Engaged Workforces by 202%

Along with gains in employee engagement, a positive company culture is responsible for improvements in productivity, employee turnover, fewer sick days taken by employees, and even an increase in company profits.

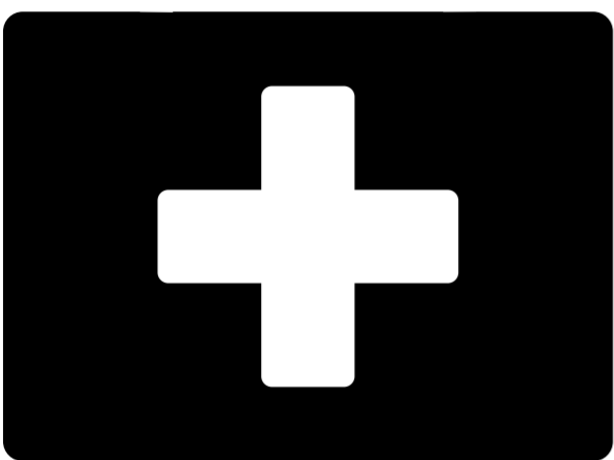
ADDITIONAL STATISTICS



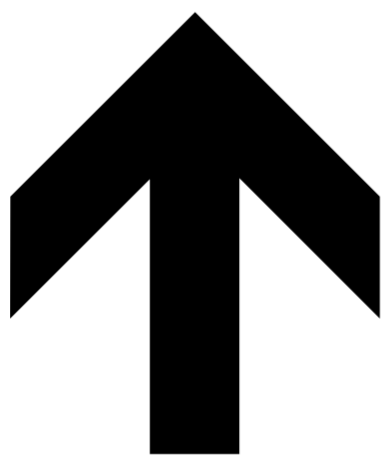
- Companies with low employee engagement see a productivity loss of 17%. - Gallup



- Companies with strong internal culture have employee turnover rates that are 14.9% lower than those who don't. - Gallup



- Engaged employees take 2.69 sick days per year vs disengaged employees who take 6.19 sick days



- 10% increase in employee engagement can increase annual profits by \$2,400 per employee. - Workplace Research Foundation

WHY IS COMPANY CULTURE ESPECIALLY IMPORTANT FOR REMOTE WORK?

Companies with remote workforces have to be especially cognizant of company culture. Because distributed teams don't have the same type of face to face interaction that in-house teams do, managers can have a harder time immediately noticing any disconnection or disengagement in employee mentalities.

Education startup, Citelighter, knows firsthand how important engagement and a strong company culture can be in a remote environment. With account management teams in California, a development team in Romania, and additional operational support in Baltimore, COO Lee Jokl relies heavily on building and maintaining culture - a strong component of which is constant communication. Every morning starts with a company "scrum" where the day's goals and any work-related issues are discussed. But more importantly, it helps reinforce the communication and culture that Citelighter's leadership team has worked hard to cultivate.

They also take an active role in including remote employees in all of the company milestones and individual team accomplishments, for example signing a large new account or celebrating local press inclusions. These types of inclusions help members of each department and team feel more involved with ALL aspects of the company, and not just the departments that they work in.

This last illustration is a perfect example of how adapting company culture to a distributed work environment can be a little more challenging than it is in a centralized office setting. Consider a developer working in Mumbai with an operations team based in Boston. When the operations team reaches a new company milestone, they order a couple of pizzas and some beer to celebrate the accomplishment. While they can update communication channels to let remote employees know the company reached a goal, the inability to be physically present and participate in a company lunch can create a divide between remote employees and the rest of the team.

The best way to overcome these types of distance issues is to find ways to adapt those rewards and in-house benefits to remote employees. In this scenario, having a pizza delivered to a remote employee keeps them engaged and makes them feel like more a part of the team. Small gestures like these can go a long way to creating a more unified company culture for both in-house and remote teams alike.



EXAMPLES OF POSITIVE COMPANY CULTURE

A positive company culture goes way beyond casual Fridays and beers in the office fridge. Companies need to think strategically about their values and their mission and find ways to incorporate those ideals into their employee benefits and work policies are the companies that really win at the company culture game.



The Case:

Take REI, for example. The recreational sport retailer has been around since 1938, and has over 143 stores and almost \$2.5 billion in annual sales. But that hasn't stopped them from building a company culture that's so true to their mission that it almost makes them feel and function like a tech startup.

REI's mission is all about "inspiring, educating, and outfitting their community for a lifetime of outdoor adventure and stewardship" and to this end, they offer employees a unique benefit called "challenge grants". These grants cover the costs for employees to try new activities that range from kayaking the Colorado River to backpacking through the Indian Heaven Wilderness.

The Takeaway:

While these benefits obviously make it fun to work for REI, they also do something far more important: they attract like-minded people to REI's organization, who understand and value their mission and and are able to immerse themselves in the company's culture, making it that much stronger. The reinforcement of their values and culture through hiring creates a self-fulfilling prophecy that keeps bringing in talent that's a good cultural fit and helping the company grow organically.

How to Adapt for Remote Teams:

Company benefits that don't require being in one specific area are easy to adapt for remote teams.

Grants can be given out for all a number of different things:

Paying for employees to attend a continuing education class

Sending employees to an industry conference of their choice

Giving employees a grant to research topics within their field (ex: paying for books, research reports, trips to interview and meet with industry experts)

What's even better is that these types of benefits contribute heavily to company culture, and they also provide you with a better, more educated, and more informed employee.

facebook®

The Case:

Facebook was one of the first companies to really highlight the importance of company culture within their organization. Because they grew so quickly, it was important for the company to really define their culture early on, before massive growth made it more difficult to implement and maintain. One of the more noticeable aspects of their company culture is in the way their enormous campus in Menlo Park, California was built.

Facebook has worked hard to create a flat organization that focuses more on employee input and communication than on titles and hierarchy. They took this value into account when building their office complex, by creating open spaces for employees to work, free food and snack options throughout the campus, and having multiple buildings with lots of outdoor spaces and separate areas for impromptu meetings and conferences.

The Takeaway:

This specific design setup helps employees break up the day, provides ample opportunities for socialization between coworkers, and fosters communication - which is a prime part of Facebook's company culture.

How to Adapt for Remote Teams:

Re-creating a work environment for remote employees that rivals a well planned and thought out in-house experience isn't easy, but it is doable. Business owners or managers of remote teams can offer paid memberships and desk space to local co-working offices that have a similar feel and vibe to their own home office. They can also provide additional benefits, such as prepaid cards for snacks and coffee runs, to help remote employees be able to enjoy office perks and feel more tied into the culture.

CREATING A CULTURE OF YOUR OWN

There's no real wrong or right way to begin building your own company culture, but following a loose set of guidelines can provide a lot of help in getting you started. Because ultimately, a company culture stems from a company's mission or purpose, that's the best place to start.

1. Create a Mission Statement - As a first step, your company's purpose and reason for existence is the best place to start when defining and cultivating a strong company culture. A mission statement is a concise summary of a company's purpose and its goals. You can think about a mission statement fulfilling goals for three different types of people: its customers, its employees; and its owners.

2. Break Down the Values - Take your mission statement and break it down into three core values that sum up your company's mission. Many companies have more than three core values, but Marc Lore - founder of Jet.com - stated that whittling your company values down to three forces you to prioritize what's really important to fulfilling your company's mission.

3. Quantify Those Values - Here's where company culture goes from being an abstract idea to actual tactics that can be implemented each day. Like any other company goal, your company's values need to be defined and measurable. That's why the next step after creating three company values is to define and measure your company's values. Take for instance, transparency, which is one of Buffer's (a social media software platform) core values. In order to quantify their level of transparency, co-founder Joel Gascoigne, has started sharing monthly revenue reports, along with detailed spreadsheets that share Buffer's salaries and overhead expenses in recurring blog posts, so that both employees and customers know where their money is going. This has the added benefit of holding executive team members accountable.

CREATING A CULTURE OF YOUR OWN

4. Create a Company Manifesto - A company manifesto could be viewed as a sort of condensed company culture guide that helps employees and customers understand quickly who your company is and what your company is about. A manifesto doesn't have to be a short novel - it can be a one page document that lists your company's values and how you measure them in a fun, concise way. One company that does a great job of this is Lululemon - the yoga wear brand that has an almost cult-like following. They've turned their company culture manifesto into an infographic like document that's even used to adorn their tote bags. Another great example of a company manifesto is iFixIt - a company that sells DIY kits for iPhone repairs. They even ship posters with their manifesto to every single customer.

5. Delegate Key Employees as Cultural Ambassadors - Leadership plays a large role in making sure that company culture is implemented and that the actions of your leadership are in line with the values that the company espouses. But it's also important to have a few key employees that adopt and are able to reinforce those values and culture traits. That's why it's important to identify a few key employees that you can delegate as cultural ambassadors for your company. These employees can help facilitate ideas and suggestions from other employees, and should also help reinforce the traits and characteristics that embody your culture.

6. Create Monthly Non-Work Culture Building Events - Finally, part of a strong company culture is being able to unite your leadership and employees through ideas and goals that are bigger than your company. Create monthly or weekly events that tie into company goals, values, and your ultimate mission. These events should be non-work related and should encourage employees to participate in activities that reinforce the company's culture and mission.

DEFINING YOUR OWN COMPANY CULTURE

Now that there's a stronger understanding of what company culture is and how it works, it's time to begin cultivating a positive culture for your organization. The first step is to assess what kind of culture you currently have, and the easiest way to do that is with a questionnaire.

Barry Phegan, noted PhD, has been studying company culture since 1976 and has spent years putting together his research and observations from studying employees at small businesses to large Fortune 500s. According to Barry, "developing a company culture is a leadership issue - it cannot be delegated." The problem is that even when leaders understand the benefits of creating a strong culture, they still don't know how to start building or shaping a better one. This insight drove Barry to develop a questionnaire that helps leaders get the ball rolling.

DEFINING YOUR OWN COMPANY CULTURE

In small businesses, this questionnaire should be filled out by everyone in the company, including leadership. In larger organizations, it can be distributed to a cross-section of employees, but it's important to get a wide breadth of responses from all levels of the organization.

Once your team is finished filling out the questionnaire, it should be taken to company leadership or the HR department for tallying. The point is to look for common themes that identify where the company culture isn't as strong as it should be. For example, if an "inability to be creative" and "endless opportunities for improvement" are consistently ranked low by employees and management, you should look for ways to implement processes and employee policies that foster creativity and employee development. Each improvement area should correspond to a company initiative that contributes to company culture.

COMPANY CULTURE ASSESSMENT QUESTIONNAIRE

1=No, 2=Mostly No, 3=Not Sure or Uncertain, 4=Mostly Yes, 5=Yes.

People

- 1 2 3 4 5 Do you feel useful and productive?
- 1 2 3 4 5 Can you be creative?
- 1 2 3 4 5 Do you see endless opportunities for improvements?
- 1 2 3 4 5 Do you know how you fit into the big picture?
- 1 2 3 4 5 Do you feel you belong?
- 1 2 3 4 5 Are you valued for your work and contributions?
- 1 2 3 4 5 Do you have fun?
- 1 2 3 4 5 Are you well managed?
- 1 2 3 4 5 Are relationships at work mature and non-political?
- 1 2 3 4 5 Do you have enough information to make good decisions?

Culture

- 1 2 3 4 5 People bring their full energy and creativity.
- 1 2 3 4 5 Relationships and communications are fine.
- 1 2 3 4 5 Senior managers seem to remember what it was like being an employee.
- 1 2 3 4 5 Power and control is widely shared.
- 1 2 3 4 5 I am involved in decisions that affect me.
- 1 2 3 4 5 The company is open to challenges, suggestions, and change.

Leadership

- 1 2 3 4 5 Leaders here put people first.
- 1 2 3 4 5 Leaders here are good coaches.
- 1 2 3 4 5 Leaders here ask people how they can help them.
- 1 2 3 4 5 Leaders here set a clear direction — “This is where we are going.”
- 1 2 3 4 5 Leaders here celebrate and recognize and reward desired behavior.
- 1 2 3 4 5 Leaders here give everyone background information, the big picture.
- 1 2 3 4 5 Leaders here protect people from abuse from the system above them.
- 1 2 3 4 5 Leaders here make cooperative, team decisions.

RECAPPING COMPANY CULTURE

To recap, company culture is a leadership-led initiative in every organization. Culture is going to form regardless of whether company leaders are actively trying to build a strong, positive culture or not, and that can create disruptive and dysfunctional work environments for leaders who don't invest in taking control and shaping their own organization's culture.

The benefits of building and maintaining a company culture strongly affect the bottom line for nearly every type of business:

- Increases in productivity
- Improved employee engagement
- Lower employee turnover rates
- Higher profitability
- Increases in employee loyalty
- Fewer sick days taken by employees

These benefits create a self-fulfilling prophecy for companies that understand culture and learn how to implement it effectively in their company. Employees that feel ownership to a company and its mission are happier and more engaged at work. They stay at companies longer, resulting in less turnover. They're more productive, resulting in more and higher-quality work. Better products and services equals more revenue and stronger profits.

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