Strategic HR guide for SMEs:
How to improve your business's culture

PS Human Resources

Company culture impacts everything from your financial success to your customer's happiness.

And that's why working on and improving your company culture makes strategic sense. In this guide, we'll explain company culture, why it's so important and how you can improve it for everyone's benefit.

What is company culture?

Your company culture is something that should be tangible, even to an outsider. It incorporates everything— what you do, how you do it, your systems, values, behaviours, goals and the experience you provide for both your employees and customers. At its core, company culture is simply how things get done in your workplace.

Imagine this: a stranger walks into your workplace. What's their experience?

- Are they greeted warmly by employees on their way in?
- Does your receptionist offer a smile, a drink and a comfortable seat?

Or:

- Are they ignored until they approach someone for help?

These scenarios reflect very different company cultures. The first demonstrates warmth, positivity and approachability, while the second feels uncomfortable and unwelcoming.

Let's dig a little deeper.

Company culture is the social order of your organisation. It shapes the attitudes and behaviours of your people.

It can come from a number of sources:

- Communication styles.
- Decision-making processes.
- Hiring and firing practices.
- Support for growth and development.
- Recognition of hard work and achievements.

Why improving company culture matters

A great company culture can impact performance metrics, such as:

- Financial success.
- Employee and customer retention.
- Innovation.
- Customer satisfaction.

When a company's culture is strong, it is inclusive, rewarding and aligned with employees' values. This makes people happier and more engaged, which boosts efficiency, creativity and productivity.

This benefits your current team and helps with recruitment. A strong culture enhances your reputation and attracts high-quality candidates.

Culture styles: where does your business fit?

To improve your culture, it's important to understand where your business currently sits. Companies often fall into one or more of these eight culture styles:

1. Caring
Focuses on relationships and trust. These workplaces are warm, collaborative and supportive, with leaders prioritising sincerity and teamwork.

2. Purposeful
Built on tolerance and compassion, with employees driven to make a positive difference. Leaders emphasise sustainability and shared ideals.

3. Learning
Creative, inventive and open-minded, these workplaces spark innovation and exploration. Leaders are adventurous and forward-thinking.

4. Enjoyable
Centres on fun and excitement. These workplaces are light-hearted, with leaders who prioritise spontaneity and humour.

5. Results-focused
Prioritises achievement and winning. These workplaces are goal-orientated and merit-based, with leaders focused on performance.

6. Authoritarian
Competitive and control-driven, with confident leaders who emphasise dominance and structure.

7. Safety-focused
Centres on planning, security and preparedness. These workplaces are predictable, risk-conscious, and led by realistic, detail-orientated leaders

8. Orderly
Built on respect, structure and shared norms. Leaders emphasise rules, procedures and consistency.

Many businesses combine aspects of multiple styles, but conflicting styles (e.g., safety and learning) can lead to counterproductive environments.

How to improve your business's culture

Here are the steps you should take to improve your company culture:

1. Understand your current culture
Start by assessing your workplace. Gather feedback from employees and observe behaviours. Look for strengths and areas that need improvement.

2. Define your ideal culture
Identify the values, behaviours and goals you want to prioritise. Consider the aspects of cultural styles that resonate most with your business.

3. Create a manifesto
Document your values, goals and expectations. Share this manifesto widely within your organisation, using it as a tool for hiring and internal alignment.

4. Implement supportive policies
Promote employee well-being through initiatives like:
- Flexible working options.
- Professional development opportunities.
- Team-building activities.
- Community involvement and volunteering programs.

5. Reinforce positive behaviours
Recognise and reward actions that align with your desired culture. Celebrate achievements and ensure that your leadership embodies the cultural values you want to promote.

Need help in improving your culture?

Improving your business's culture may feel overwhelming, especially if it's your first time addressing it formally. Whether you need help from the start or prefer to gather feedback and assess your culture first, we're here to support you.

Get in touch with us to start a conversation and take the first step toward a better company culture.

Get in touch

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