



WHY COMPANY CULTURE MATTERS

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AMGEN[®]

Pioneering science delivers vital medicines™

AN ENGAGED COMPANY CULTURE BENEFITS THE ORGANIZATION BY:

- **Improving Sales and Increasing Share Price (On Average 65% increase in share price)**
- **Improving Worker Satisfaction (\approx 26% Less Turnover)**
- **Increasing Productivity (On Average 15%)**
- **Decreasing Absenteeism (\approx 20%)**
- **Creating More Unsolicited Employment Applications**
- **Greater Customer Satisfaction Levels (\approx 30%)**
- **Reducing Costs And Liability**

If Culture Comes First, Performance Levels Will Follow

THE IMPORTANCE OF COMPANY CULTURE HAS EVOLVED OVER THE YEARS



WHAT IS COMPANY CULTURE?

Culture Reflects The Collective Personality Of The Employees

- That Includes How They Think, Act, And React
- It Also Includes The Norms That Guide The Behaviors In The Company
Culture Represents The Collective Preferences, Habits, And Characteristics Of The Employees
- It Can Be Defined As The Values, Beliefs, And Traditions Of The Company



As A Result, The Culture Of Your Organization Is The Driver Of Decisions, Actions, And Overall Performance

HOW DOES MANAGEMENT AND STAFF KNOW THE CULTURE?

- **Many times the culture of a company is often communicated in a mission or vision statement**
- **Other times, it is an underlying tone that influences employees at all levels and envelops new employees in an unspoken way (can be both positive and negative)**
 - Positive behaviors related to engagement and commitment will create success
 - Counterproductive behaviors such as conflict avoidance, limited risk-taking, and misaligned motives will create frustration and diminished outcomes.

Just Because A Company has a Mission or Vision Statement Does Not Mean It Has Determined Its Company Culture or Does It?

MANY COMPANIES HAVE NICE SOUNDING VALUE STATEMENTS PROMINENTLY DISPLAYED

Integrity

Communication

Respect

Excellence



Enron, whose leaders went to jail,
and which went bankrupt from fraud,
had these values displayed in their lobby:



Integrity
Communication
Respect
Excellence



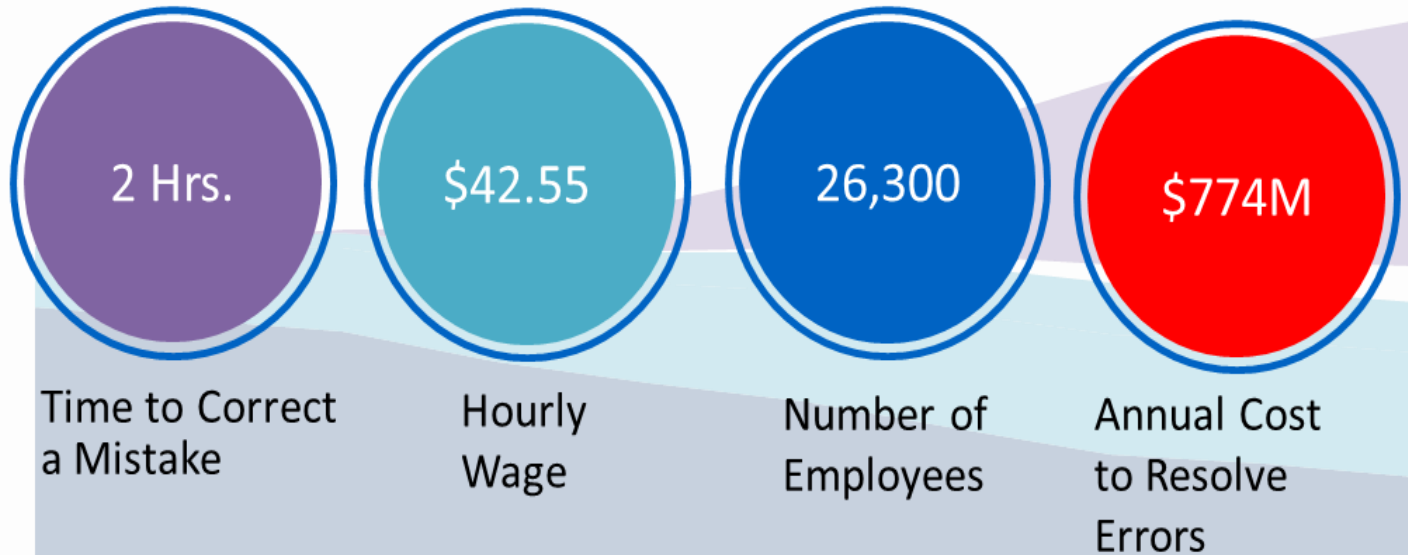
These Values Were Obviously Not What Enron Valued

HOW DOES “REAL” COMPANY CULTURE DRIVE PERFORMANCE

- **A Rich Company Culture Leads to Innovation**
- **Culture Stresses Common Values and Common Goals**
- **Strong Culture Means Better Retention**
- **Strong Company Culture Means Accepting and Celebrating Diversity**
- **Company Cultures is Checks and Balances**
- **Culture is a Long-Term Commitment to Excellence**
- **The Right Focus Means Greater Efficiency**
- **Strong Company Culture is Increasingly a Marketing Advantage**



BUILDING A STRONG CULTURE, ESPECIALLY QUALITY CULTURE, RESULTS IN SIGNIFICANT SAVINGS AS WELL



For every 5,000 employees, moving from the bottom to the top quintile would save a company \$67 million annually

Harvard Business Review April 2014 "Creating a Culture of Quality"
CEB (Corporate Executive Board) Results of Two Years of Research

Employees in the top-quintile culture of quality saw 75% fewer significant mistakes than those in the bottom quintile?

SO HOW WILL YOU WORK TO INFLUENCE YOUR COMPANY'S CULTURE?

- **Own Your Own Role**
- **Use Your Influence To Make Things Better**
- **Be Open, Transparent and Fair**
- **Educate or Train Your Boss**
- **Take Measurements**
- **Talk to HR**
- **Be Patient**



BE THE CHANGE YOU WANT TO SEE IN THE WORKPLACE!!

QUESTION AND ANSWER SESSION

