

Why Corporate Culture Matters

Is Corporate America creating a disposable business economy?

FACT #1 In 1957, the average life of a company in the S&P 500 Index was 75 years.

FACT #2 Today, the average life of a company in the S&P 500 Index is 15 years.

Only nine percent of U.S. publicly traded companies are over 100 years old in the United States. Standard's & Poor's Capital IQ, 2011

Less than one percent of all businesses in the United States are over 100 years old. U.S. Census Bureau, 2012

A Cry for Engagement

Nearly a quarter (23%) of employers rate their organization's employee morale as low. CareerBuilder, Inc., 2009

Top three reasons to seek employment elsewhere: 48 percent say due to loss of trust in the organization; 46 percent say due to lack of transparent communications; and 40 percent say due to being treated unfairly or unethically by employers. Deloitte LLP Ethics & Workplace Survey, 2010

Only 21 percent of employees are fully engaged in their work, enthusiastically giving their time, energy, knowledge to their work in a focused manner. Global Workforce Study, Towers Perrin, 2009

An alarming 38 percent of employees confirmed they are wholly or partially disengaged, doing the minimum to get by on the job based on a quantifiable sample of over 88,000 employees of companies around the world. Global Workforce Study, Towers Perrin, 2009.

Leadership is critical to engagement. Employees want a leader who is: trustworthy (79%); cares about wellbeing of others (67%); encourages development of talent in the organization (56%); and is highly visible to employees (42%). Towers Watson, 2010

The number one reason people leave their jobs is because they "do not feel appreciated." U.S. Department of Labor, 2013

Performance & Corporate Culture

Harvard, Kotter, & Heskett predicted in 1992 that corporate culture would be "an even more important factor determining success or failure of firms in the next decades."

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Companies with high levels of employee engagement reported an average improved earnings of 19% over 12 months compared to a 33% decline in earnings of companies with low levels of engagement. Towers Watson, 2010

Companies with highly engaged employees earned 2.5 times more revenues than competitors with low engagement levels. officevibe, 2014

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"What was predicted more than 20 years ago has taken until now to finally sink in and be fully embraced." - John Owens, Corporate Cure