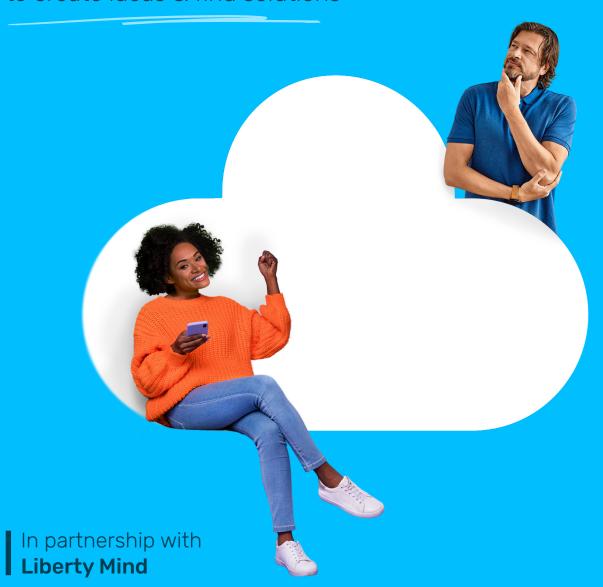**The People First
Culture Series**

breathe

How **co-creating culture** can transform your SME

Bringing diverse minds together
to create ideas & find solutions

In partnership with
Liberty Mind

Introduction

Welcome to edition 4 of **The People First Culture Series**, where we discuss the benefits of co-creating workplace culture.

Whether you're building your culture work from scratch or going through a much needed reset; it's time to understand the power of co-creation and how it works in practice.

Co-creation is about bringing your employees **together** to create a culture that best represents your business and ways of working. It's an inclusive, participative approach to culture that helps ensure that all people can contribute and bring their diverse backgrounds, experiences and full self into an organisation.

Unlike traditional culture initiatives, this isn't about a top-down approach, with leaders pushing their own ideas down to the rest of the team. More minds are better than one – the power of the collective is where co-creation becomes a driving force for positive change.

Just like our previous editions, we've taken the time to gauge what other SME employees are thinking, from a recent survey amongst 1241 SME employees across the UK. **Less than half** of SME employees have formal values set out in their organisations, which means there's an abundance of opportunity to renew and revisit where you're at.

From hosting workshops to bring your people's values together, to ditching managerial privileges and creating community spaces, this playbook is packed with takeaways, from Company Culture Coach, Lizzie Benton.

Discover how your business can implement co-creation to build a culture that's fit for the future….

*Opinium Research was commissioned to conduct a nationwide online survey of 1241 adults working in UK SMEs. The survey was issued during the 21st – 25th July 2023. The data in this guide focuses on SMEs with 10-249 employees.
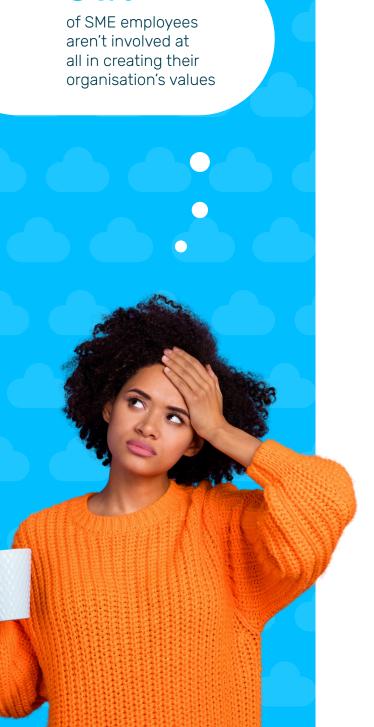
Actions speak louder - how to walk the talk

51%

of SME employees aren't involved at all in creating their organisation's values

> Whenever we think about creating a culture, the first place we begin is with values – what values do we all agree are important enough that we'll not only hold ourselves accountable to them, but also our work?

The trouble is, too often values are seen as a benchmark in which to measure behaviour and influence people to 'act a certain way'. The top-down approach to creating values is outdated, where leaders in the organisation decide what the values of the company are, and then decide to push them down onto others in the business. This has been discovered in our own data, as 51% of SME employees are not involved at all in creating their organisation's values.

The lack of co-creation around values in SMEs shows that there is an autocratic approach present in how we build and evolve company culture. When the creation of values comes from only the top management, a natural bias exists.

The values they create don't represent the entire organisation, but the viewpoint of senior leadership. As leaders, they have their own perspective and experience, which means they don't have first-hand experience of all other areas of the company. So how can values created at the top be a true reflection of the culture that is experienced in the rest of the business? The answer is, they can't **- without co-creation.**

In our survey, **only 27% of SME employees** feel their organisation's values always truly represent the culture.

This is a clear sign that the values being created in most businesses are not a true representation of how people work together. It's yet another indication that values are not being co-created, otherwise they would fully reflect the culture and lived experiences of everyone – and they'd feel authentic to people across the company.

When values are created by a privileged few, **people don't take them onboard.** Businesses rush to run training sessions and roll out initiatives to convince people to buy into the values. Unfortunately, this approach wastes both time and energy. After all, why should people buy into something that feels unrealistic and irrelevant?

When values are imposed onto people, they quickly become disengaged. They feel like the values are being pushed on them, rather than created with them.

People ignore the values, and in worst-case scenarios of the extremely unhappy employees, actively work against them.

Instead, if you put time and effort into co-creating values with people, you will see a vastly different culture. Mainly because we feel a sense of 'psychological ownership' when we're part of creating something. When we get to be heard, make a contribution and participate in creation, we're far more likely to feel a sense of connection and ownership, and therefore take responsibility for the things we've created.

Only
32%
of SME employees worked as part of a team to create their organisation's values

51%
of SME employees aren't involved at all in creating their organisation's values

Only
29%
of SME employees always live by their organisation's values in their day-to-day at work

Only
27%
of SME employees feel their organisation's values always truly represent the culture

LIZZIE'S 5 plays to put into action

Don't let your values become just another pretty poster on the wall of your office. Make them matter to everyone, and discover what values truly drive people in your organisation. Use these activities to begin to embed co-creation into your values process and see how much more connected people feel.

1. Before you can talk about company values, **a great place to start is personal values.** Get people in your company to think about what their personal values are, and how they shape their decisions and choices. Only once we have a true grasp on what values matter to us, can we then begin to understand how values shape our collective ways of working. Begin by getting team members to share their top three core values. What values do they live by, and why are these values so important to them?

2. **Host workshops across your organisation** to discover the values people feel represent the business and how people work together. Keep each group small and intimate, and begin to populate these words and phrases in a shared common space. You'll quickly begin to see similarities emerge.

3. **Treat values like a 'work in progress'** – it's easy to get attached to values and become so rigid around them that even when they're not serving your company, you don't want to change them. Values are there to guide, if things have changed since you last created them, it's time to go back to refresh them and get honest.

4. **Don't just be aspirational about your values, be operational.** Your values should represent how you 'live' as a company. You should be able to pinpoint rituals, behaviours and activities that make that value come to life. Too often companies choose aspirational values which they can't actually live up to. Ask your team about particular habits or behaviours and work from there.

5. **Co-create your company handbook based on the values you create.** Rather than leave the rulemaking to just HR or senior management, get the team to decide what this social contract looks like. By far the most effective and inspiring way to make your values matter, is to bring them to life through your people.

Lizzie Benton

Time to stop disregarding diversity

> We need as much diversity as possible when co-creating. We need diversity of experience, thought, background and roles. All voices matter and all should be heard when we're creating our company culture. A disregard for diversity only leaves businesses vulnerable to what they can't see.

Many companies claim to be working on diversity, some even have diversity as a company value; yet the way they work says otherwise. Only 24% of SME employees strongly agree that diversity is valued in their organisation, which means businesses need to stop **just talking** about diversity, and instead focus on systemic changes required in their organisational culture.

Unsurprisingly, even the foundational work of values, which guides a culture, doesn't truly reflect the individuals who work in the company.

Our research discovered that only **19% of SME employees strongly agree** that their personal values are represented in their organisation's values.

Only **24%** of SME employees strongly agree that diversity is valued in their organisation

If businesses can't honour diversity in the basic creation of company values, there's no way they're also operating in a diverse and inclusive manner in their day-to-day work.

Only **24%** of SME employees **strongly agree** that diversity is valued in their organisation

24%

Only **19%** of SME employees **strongly agree** that their personal values are represented in their organisation's values

19%

Diversity isn't just saying you accept difference, it's welcoming it and changing the way you do things, so that more people can contribute ideas and be included in the decisions that get made.

A business cannot truly welcome diversity without first considering how its **culture impedes it** in the first place.

Co-creation honours diversity by its very nature, but like we said before, it takes an awareness and a mindset that strongly believes a collective of unique perspectives is better than the minds of a few.

Organisations have to realise that they are made up of people who have different experiences, backgrounds, knowledge, values and social influences. And these people provide a full map of what's going on in both the **company** and **externally** in the real world. To not co-create with your diverse team, is like shutting out the world which your business serves.

Opening up participation and creating an environment where people feel they can contribute is how you begin to foster this diversity into your company. You might start by co-creating your values, but you must also look at any habits, behaviours or systems that present exclusivity. Unfortunately, you can't just say that you want diversity, you have to **work with people** to break down the barriers that prevent it.

Lizzie's 5 plays to put into action

It's time to stop paying lip service around diversity and start taking action. The following takeaways should serve as a tangible way to begin the journey – but remember that this work is never done. It's a constant evolution that needs regular retrospectives to see what can be done better.

1. Host diversity forums with your team to uncover what they feel is holding the company back from being more inclusive. A simple format to try is what should the company start, stop and continue when it comes to diversity.

2. Create a shared space where everyone in the company can learn more about each other, other than just people's titles and job roles. This map of people could include people's hobbies, specialisms, unique skills, aspirations and goals. When we go beyond job titles and see people for their whole selves, we can begin to connect to the diversity that exists amongst us. Being open-minded, and having an environment where people feel safe to share is key here – this isn't a space of judgement. It's about finding connections with those around us (when we may not even realise it).

3. Try learning guilds that become micro-communities for greater co-creation. Bringing together people from across the company in an 'interest' format helps people to learn from each other, and create greater diversity in the workplace. This was most famously started by Spotify, but many other companies have gone on to reap the benefits of this practice. Best put, it's like an internal hobby group who meet once a month to share their passion and interest for a particular area of expertise. For example, marketing. But this group isn't exclusive to just the company marketers, it's open to anyone in the company who has an interest in the area.

4. Leave a space open on a senior leadership meeting for anyone to attend. Rotate a space on a regular board or leadership meeting and invite people to join. Anyone can turn up and take the seat on a first come, first serve basis. This not only gives people the opportunity to interact with other leaders in the company, but be able to contribute their own opinions and ideas to the conversation. It's a powerful practice which celebrates and honours those with different perspectives.

5. Explore worst-case scenarios. Sometimes imagining the worst possible outcome helps us to discover what we might already be doing that is hindering us. For example, asking your team, what would a company look like, feel like, and act like that doesn't respect diversity at all? List all the things that an 'anti-diverse' company would do. Then take a step back and be honest if any of that list contains things that you might do right now without realising – you can set the path for change from here.

Only
17%
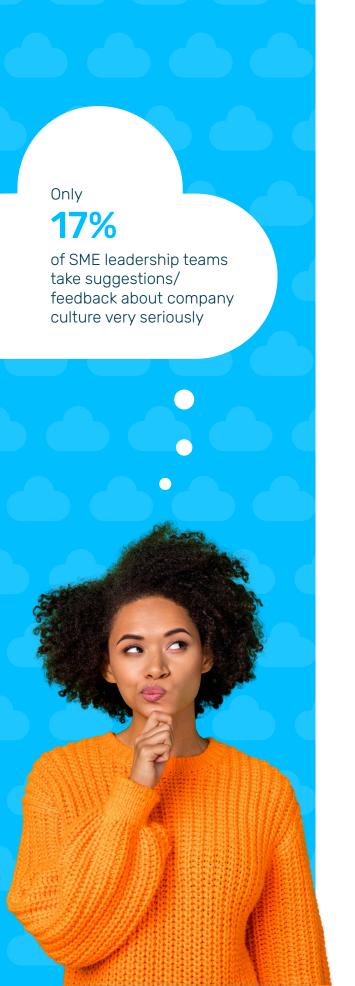of SME leadership teams take suggestions/ feedback about company culture very seriously

Don't let leaders overshadow valid voices

> The ability to co-create a strong culture comes with a caveat; you need an existing environment in your business that values ideas and opinions from across the organisation – and acts upon them. Co-creation alone won't solve a company's inclusion problems, it may highlight how much more work still needs to be done.

Co-creation is not a magic bullet, which is where many organisations go wrong. There's a misguided belief that if you just bring everyone together, ideas and innovation will fly off the walls. But co-creation is an approach that also requires **building trust**, having high levels of **transparency** within the organisation & reducing the **power distance** between senior leaders and other employees.

In many organisations there is a tendency to overvalue the opinions and ideas of those who hold a higher position or title than others, their power is given more weight than their content.

From our research this rings true, as **38% of SME leaders** have their new ideas for company culture and/or values listened to more than any other employee.

31%

of SME leadership teams don't take employees' suggestions or feedback about company culture seriously

The habit of overvaluing ideas from the top leads to many good ideas from others in the organisation being **ignored**. When this happens in a culture, people stop contributing ideas because they don't see the point if they're not going to be listened to. Our research highlighted that this feeling is very much valid, as 31% of SME leadership teams don't take employees' suggestions or feedback about company culture seriously.

Co-creation requires a business to see all ideas as equally important. Every voice is part of the puzzle, and when we don't have all of the pieces we put the business at risk of being blind to competitors, challenges and even emerging trends.

It also becomes incredibly dangerous for businesses who are trying to innovate or adapt to turbulence, because the best ideas often come from those who are **closest to the client or the product.** They have first-hand, day-to-day experience of what the business provides, yet they're often the ones whose ideas are dismissed.

When we create a culture where people can share and contribute their ideas, they're more motivated to find solutions for business problems, and are more likely to feel **engaged** in their work. People feel connected to the company and take a level of responsibility for nurturing the culture themselves.

38%

of SME leaders have their new ideas for company culture and/or values listened to more than any other employee

31%

of SME leadership teams don't take employee suggestions/ feedback about company culture seriously

Only 17%

of SME leadership teams take suggestions/ feedback about company culture very seriously

Lizzie's 5 plays to put into action

Co-creation doesn't just happen by accident, there's a lot of ground work to be done in order to integrate this approach into your business. You need to ensure that co-creation doesn't just become another tick box exercise for inclusion, but a genuine and authentic way that you work together. Try these practices and become intentional about co-creation.

1. To have great ideas, people need information – **so start creating greater levels of transparency in your organisation.** Begin by simplifying organisational reports and making them accessible to everyone. Opening up information in this way builds trust and helps people to have the knowledge they need for problem-solving. You might begin with a simple quarterly report sharing numbers of sales, or customer service metrics. Make it simple to understand & relevant to your team's work.

2. **Create a clear and open feedback/ suggestion process to help people bring their ideas to life.** This doesn't include a suggestion box – that's a graveyard for creative concepts. A clear feedback process should enable people to pitch their ideas or suggestions and then be able to either implement that idea, or understand why it can't be implemented at present. Giving people clarity on a suggestion process, and autonomy to see it through themselves creates a greater sense of ownership and connectedness. For example, an individual might share that the reception feels unwelcoming to customers, so they pitch some suggestions on how it could be improved. If the pitch is successful, they are given the responsibility and tools to take action on their ideas.

3. **Ditch any managerial privileges in your company culture.** Privileges for senior management, such as designated parking, or special treatment, only creates a greater barrier between top leadership and other employees. Another common example is when leaders restructure teams without consulting with the team first. Whether privileges of power or symbols, the 'them vs us' culture is toxic and does nothing to create an inclusive environment where everyone feels valued.

4. **Host a Q&A session with senior management where people can ask them anything** – and really mean anything. This demonstration of transparency builds a deeper sense of trust between leaders and teams, and begins to bridge the gap on any power divides.

5. **Switch up how you run meetings.** Meetings are a perfect example of how inclusive and participative your company culture truly is. Too often one person dominates the airtime while others have to sit and listen. This isn't a meeting, it's a lecture. Try a circle meeting, where everyone in the room has to add something to the conversation before someone else can go. There's no interrupting while someone is speaking. Even this simple method of conversational turn-taking allows everyone in the room to feel that they can contribute and be heard.

The debrief

The People First Culture Series has always been about **putting people first.** Building a business and a company culture that supports people in being able to bring their best to work. Co-creation is by far one of the most people-first approaches any organisation can do to truly live this ethos. It's both a mindset and an approach that not only sees the power of many minds, but also harnesses it.

Through co-creation we experience the power of diversity, and build an organisation that's not only relevant to the world we know now, but one that can adapt to the future. When we sense and view through a collective lens, we can better navigate uncertainty.

Co-creation won't happen overnight and it's not a quick fix. Nothing in culture is ever a quick fix. But those who take on the lessons in our research and have the courage to try something new, to take anything from our plays and practical advice, will put themselves far ahead of those who don't.

A new perspective can change old methods and we need as many perspectives as possible to steer through the constant changes we now face. To echo the age-old African proverb, "If you want to go fast, go alone. If you want to go far, go together."

About breathe

Back in 2012, Breathe built their multi-award-winning software with one thing in mind: to set SMEs free from time-consuming HR admin so they can focus on their people, build strong company cultures & drive their organisations forward.

Part of the ELMO group, Breathe offers simple & cost-effective software that makes it super-easy to manage up to 200 employees.

From employee data, leave, sickness and HR documents to training & performance, expenses, recruitment, rota scheduling and e-learning – Breathe already helps over 13,000 UK SMEs to leave time-consuming tasks behind, without breaking the bank.

Breathe is 100% cloud-based, GDPR-compliant and ISO27001-accredited, offering the highest level of data security.

Try Breathe for free

About Lizzie Benton, Company Culture Coach & Founder of LIBERTYMIND

Lizzie Benton is a culture specialist who supports organisations and businesses in developing a purpose-driven company culture and more autonomous teams. Lizzie has been recognised as one of the **top 30 millennials changing the world of work** and has been featured in The Metro, HuffingtonPost, Forbes and the Financial Times. Lizzie is best known for her honest approach to company culture and believes in building more organisations that support our human potential.

Lizzie's skills and training is based in new ways of working and self-managed organisations. She has trained in the Netherlands and with a leading Swedish organisation to learn from those who are leading the movement in company culture. Lizzie is a Holacracy Practitioner, TuffLeadership Practitioner, SEMCO Certified Expert and ambassador for Teal organisations.

Learn more

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