

Four Company Cultures by Sherry Buffington

There are only four cultures that exist in business and three of the four are unhealthy. The four are:

1. **No Consequences**
2. **No Mistakes**
3. **Firefighter**
4. **Structured Freedom**

After years of searching for what Jim Collins calls “Level 5 Leaders” in the book, *Good to Great*, for a white paper I was writing and conducting in-depth interviews with the few I found, I coined the term “Structured Freedom” because that describes the culture I found in virtually every high functioning organization led by Level 5 Leaders.

Before I describe the healthy Structured Freedom culture, let’s first explore the ones most commonly found in organizations. In some organizations all three unhealthy cultures can be found.

No Consequences

In a **No Consequences** culture, slackers get the same consideration as dedicated employees. The effect of this is that eventually the dedicated workers get fed up and discouraged and either stop trying to do their best because there is no benefit to working harder, or they leave in search of a company where their good work is rewarded. As a result, those who remain in a **No Consequences** culture are mostly slackers and performance, productivity, and profit suffer. Stress is high mostly for the dedicated and conscientious employees.

No Mistakes

In a **No Mistakes** culture rules are strict and strictly enforced. Mistakes are not tolerated and when an employee makes a mistake, strict overseers call them out, often right in front of their coworkers. In a **No Mistakes** culture no one dares do anything not laid out in the rule book, so innovation and creativity suffer. Stress levels and fear are high, energy is low, and enthusiasm is absent. Employees do only what is necessary, and they do it slowly so as not to make a mistake.

Firefighter

In a **Firefighter** culture everyone, including managers and leaders, are so busy putting out fires created by lack of planning or unmanageable change that no one has the time or energy to find a way out of the chaos. Because leaders and managers are also trapped in

the dilemma, they don't take the time to develop their people, so the "fires" continue to increase. As with the No Mistakes culture, stress is high, energy low, and enthusiasm absent.

Structured Freedom

In a **Structured Freedom** culture, there is well-defined structure, and it is applied equally to everyone, including leaders, all the time. Expectations are clear. Everyone knows what will get them in trouble and what will get them rewarded and they see the expectations as fair and equitable because they apply equally to everyone and are enforced without exception. Within that clear and predictable structure, employees are free to do their work in whatever way works best for them.

One of the structural expectations is that everyone stays engaged and committed to doing their best. Stress is low, energy high, enthusiasm contagious, and performance, productivity and profit are exceptional. People in this environment are quick to help and support one another. Everyone feels seen, heard and appreciated. Employees tend to leave **Structured Freedom** cultures only when they retire or move away from the region.