

Your Company's Culture Isn't 'Fine' – Here's How to Stop Avoiding the Problem and Start Fixing It

Opinions expressed by Entrepreneur contributors are their own.

Key Takeaways

- Identifying and repairing a dysfunctional company culture is essential for long-term success and employee satisfaction.
- Leaders must confront cultural issues head-on by seeking genuine feedback, acknowledging problems and implementing sustainable changes.
- A true cultural reset involves a systemic approach that aligns values, behaviors and operations within the organization.

Many leaders set out to build a culture people believe in. But that doesn't mean it's working. What if your company's culture actually sucks? Maybe it started out great, but the business has grown, and things aren't what they used to be. I've seen this happen dozens of times: Culture starts to crack, and no one wants to admit it.

The good news is that your culture can be fixed. It's not the dysfunctional corporate ethos that's the problem; it's culture denial that can kill a company. Leaders often rationalize or ignore signs that the workplace is unhealthy rather than face the reality. Admitting there's a problem means you've got to

find a solution, and the task won't be easy.

In today's world, no one is going to tolerate a soul-crushing workplace. The best employees will quickly walk out the door. Living in denial is not an option. Leaders must drag reality into the daylight and deal with it.

Related: Culture Isn't a Vibe – It's the System That Decides for Your Company

How denial kills culture

Culture is incredibly fragile, like a soap bubble. A big splash, a trickle or even slight pressure can reshape or even decimate the delicate structure. Obviously, businesses endure a lot of big and little changes, meaning pressure is inevitable for a growing company. As a result, culture will have its ups and downs. Keeping it from breaking entirely takes work.

Some leaders start to hear employee rumblings about dissatisfaction and frustration, and their first instinct is to send a coffee gift card. While it's a nice gesture, it's like handing a bleeding person a bandage and leaving them to put it on themselves. The problems run much deeper than employees having to fork over their own cash for a latte.

Employees don't come to work for perks like ping pong tables and free snacks; they want a place where the work matters, the expectations are clear and they're treated with trust, fairness and basic human respect. Swag won't deliver that, and neither will another off-site meeting.

By not acknowledging the shortcomings, leaders unconsciously trade long-term employee trust for their own short-term comfort. The culture continues to spiral until performance hits rock bottom. The longer the denial goes on, the more damage is done and the harder it is to fix it.

Rather than letting the problem fester in the dark, here's how leaders can find the wound and surgically repair it, not just slap on a bandage.

1. Get clear on what culture really is

Many leaders conflate culture with perks or personalities. But culture is really just how things work around here. It's the invisible system driving decisions, behaviors and norms, whether or not those things are written down.

So first, define the current culture honestly. Not aspirationally. Not defensively. Ask:

- What behaviors actually get rewarded here?
- What do we tolerate or ignore?
- What's the story our people tell each other when leadership isn't in the room?

This isn't about judgment. It's about clarity. And clarity is the first step toward a solution.

Related: If Your Culture Is Off, So Is Your Profit – Here's How to Make Sure They Align

2. Ask for (and actually listen to) feedback

Real leadership means asking employees what they actually think, not assuming you know what they'd say if you asked. Use 1-on-1s, surveys or town halls – whatever fits your size and structure. But make sure the feedback loop is real. If you ask for the truth, people will give it... once. If you ignore it, they'll stop offering.

Culture isn't just a set of rules; it's an emotional climate.

Encourage your team to describe not just what's wrong, but how it feels to work in the current environment. This exercise doesn't have to be a complete downer. You can ask them to share good stuff, too.

3. Own the results

Denial ends the moment a leader publicly acknowledges the gap between their intentions and the lived experience of their team. Good leaders own their mistakes, make the hard call and commit to fixing the problems. That visible act of speaking up demonstrates true leadership and accountability and leads to real solutions.

4. Design and commit to a cultural reset

Once you've named the dysfunction, re-center the organization around the culture you want to build. This begins with upgrading your business operating system – the foundational structure that aligns your people, processes and priorities. A healthy culture doesn't emerge from slogans; it's the byproduct of a clear, intentional system that defines how decisions get made, how work flows and how people grow.

This means clarifying structure and objectives. Ensure the org chart clearly defines who owns what and outlines visible career paths. Specify quantifiable company goals and set explicit performance expectations. When employees know exactly what they're supposed to be doing and how it connects to the bigger picture, they feel empowered to succeed and invested in their work.

Create psychological safety consistently by modeling curiosity and humility, especially when mistakes happen. Make it clear that truth-telling and accountability are expected because clarity, not comfort, is what drives great work.

Related: Skip the Wellness Trends for 2026. Read These 8 Books Instead.

Don't forget to evaluate your feedback process to see if it creates a gotcha culture. This sentiment creeps in when expectations are vague and feedback loops are inconsistent or punitive. To reset employee trepidation, shift from sporadic, fear-based feedback to ongoing coaching relationships rooted in mutual trust and shared purpose. This looks like weekly 1-1s to discuss tactical objectives and address challenges, and quarterly meetings to look at the big picture and future goals for both the employee and the company.

Overcommunication is a positive in rebuilding culture. Avoid fake change (new labels, same behavior); every shift should come with a clear explanation of why it matters and how day-to-day work will be different.

Culture is about intention, not perfection. If you're willing to see things clearly, own what's yours and build a system that reinforces the kind of work you believe in, you're already on the right path.

And remember: You can't fix what you won't face. But you can absolutely build something great once you do.

Key Takeaways

- Identifying and repairing a dysfunctional company culture is essential for long-term success and employee satisfaction.
- Leaders must confront cultural issues head-on by seeking genuine feedback, acknowledging problems and implementing sustainable changes.
- A true cultural reset involves a systemic approach that aligns values, behaviors and operations within the organization.

Many leaders set out to build a culture people believe in. But that doesn't mean it's working. What if your company's culture actually sucks? Maybe it started out great, but the business has grown, and things aren't what they used to be. I've seen this happen dozens of times: Culture starts to crack, and no one wants to admit it.

The good news is that your culture can be fixed. It's not the dysfunctional corporate ethos that's the problem; it's culture denial that can kill a company. Leaders often rationalize or ignore signs that the workplace is unhealthy rather than face the reality. Admitting there's a problem means you've got to find a solution, and the task won't be easy.

<https://www.entrepreneur.com/leadership/the-dangerous-lie-leaders-tell-themselves-about-company/500019>