Quantum Workplace

2022 Organizational Culture Research Report

What's changed and how to move forward

Unpacking Organizational Culture in a New World of Work

Company culture has become a top priority for leaders across all industries. In fact, 66% of executives believe culture is more important than an organization's business strategy or operation model.

The rise of remote and hybrid work has had a significant impact on the way we work. Our research shows 65% of employees say their company culture has changed since the start of the COVID-19 pandemic. As the workplace has changed, culture has too—for better or for worse.

Those organizations who have adapted their approach to culture have fared well in The Great Reshuffle. They've created an attractive value proposition for prospective talent and have kept current employees engaged—even through periods of significant change.

Those who have been slower to evolve have seen consequences of disengagement, burnout, and unwanted turnover. Our research shows disengaged employees are 3.8x more likely than their engaged counterparts to cite organizational culture as a reason for leaving.

While most leaders agree a strong culture is key to business success, many have different ideas about what culture really is. This lack of clarity makes it difficult to make changes that move the needle.

Leaders need to take a good look at the role culture plays in attracting, retaining, engaging, and empowering talent. They need to focus on the aspects of culture that drive employee and business success.

This research report offers a fresh perspective on workplace culture. It helps make clear the most critical aspects of creating an engaging and successful culture. It shows the link between culture, engagement, and retention. And it will help organizational leaders rethink their approach to culture in order to shape a foundation for business success.

Survey Methodology

The research from this report was collected from the Best Places to Work contest, powered by Quantum Workplace. This contest measures the employee experience of more than 1 million people across thousands of the most successful organizations in the U.S.

From this respondent pool, we conduct an opt-in, independent research panel with more than 32,000 individuals who share their workplace experiences. With this unique vantage point, we can understand common workplace trends and supply insights that help other organizations succeed.

SAMPLE SIZE
1,082 Individuals

TOP INDUSTRIES
20% Healthcare
15% Software & Information Technology
11% Finance & Insurance
11% Industrial
11% Professional, Scientific & Technical Services

ESTIMATED COMPANY SIZE
35% 1-250 employees
13% 250-499 employees
12% 500-999 employees
19% 1000-4999 employees
20% 5000+ employees

The Most Important Elements of Workplace Culture

Employees experience culture through many aspects of your organization. Our research shows that some aspects are felt much more powerfully than others. Culture is really about the day-to-day details of how work gets done.

50% OF EMPLOYEES EXPERIENCE CULTURE MOST STRONGLY IN THEIR ORGANIZATION'S APPROACH TO PERFORMANCE.

The way you manage performance has a strong impact on engagement and culture. How managers create alignment, communicate, recognize, and give feedback all shape an employee's experience. Focus on approaches that drive employee success and wellbeing.

53% OF EMPLOYEES FEEL CULTURE MOST STRONGLY IN RECOGNITION AND CELEBRATIONS.

Employees want to feel valued for their contributions. How you recognize individuals and teams says a lot about your culture and what you value. When you publicly recognize employees for behaviors that align with your culture and values, it helps bring culture to life.
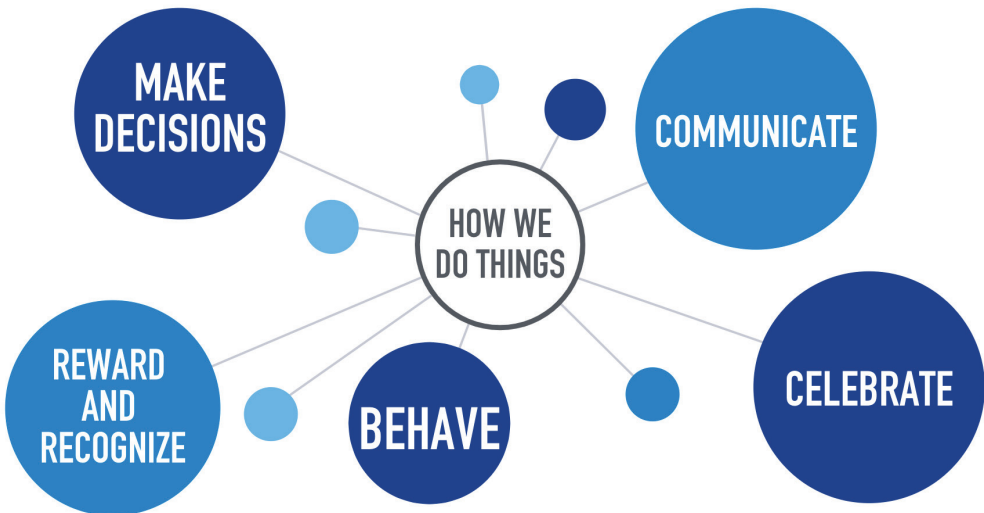
54% OF EMPLOYEES EXPERIENCE CULTURE MOST STRONGLY THROUGH THEIR COMPANY MISSION AND VALUES.

Your mission and values set the tone. If your mission is to help others, your culture might be more collaborative. If innovation is a core value, put systems in place that encourage innovation. To create a strong culture, leverage your mission and values to guide everyday initiatives.
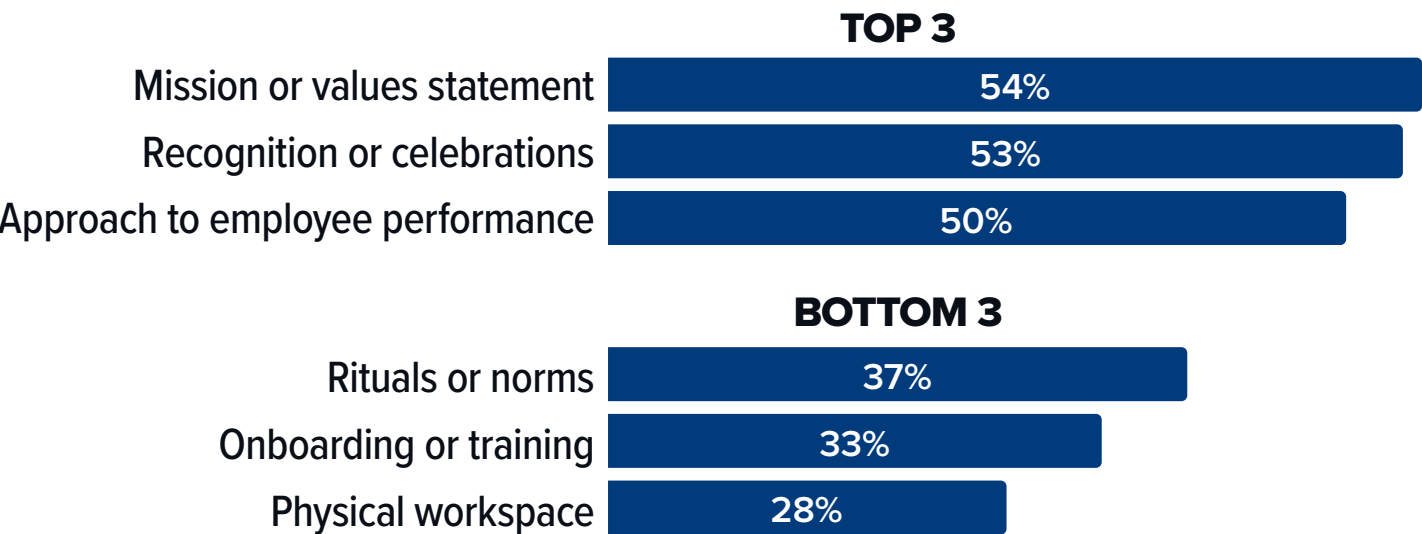
Only 28% OF EMPLOYEES EXPERIENCE CULTURE MOST STRONGLY THROUGH THE PHYSICAL WORKSPACE.

Many leaders have expressed thoughts about the importance of the physical workspace on culture. Our research shows this is least important when it comes to how employees experience culture.

Defining Organizational Culture

MAKE DECISIONS

COMMUNICATE

HOW WE DO THINGS

REWARD AND RECOGNIZE

BEHAVE

CELEBRATE

In which of the following aspects do you feel or experience your organization's culture most strongly?

TOP 3

Mission or values statement	54%
Recognition or celebrations	53%
Approach to employee performance	50%

BOTTOM 3

Rituals or norms	37%
Onboarding or training	33%
Physical workspace	28%

What Employees Think About Company Culture

Company culture is changing. Our research shows that while some employees believe this change is for the better, others say it's for the worse. As culture continues to evolve, it impacts employees in different ways than before.

35% **OF EMPLOYEES SAY THEIR CULTURE HAS CHANGED DRAMATICALLY SINCE THE START OF THE PANDEMIC.**

As the workplace has changed, culture has changed too—for better or worse. Whether or not you're actively investing in your culture, someone or something is shaping it. It's important for leaders to keep a pulse on culture to ensure they're driving the right changes at the right times.

2 IN 3 **EMPLOYEES SAY THEIR ORGANIZATION HAS A "VERY POSITIVE" CULTURE.**
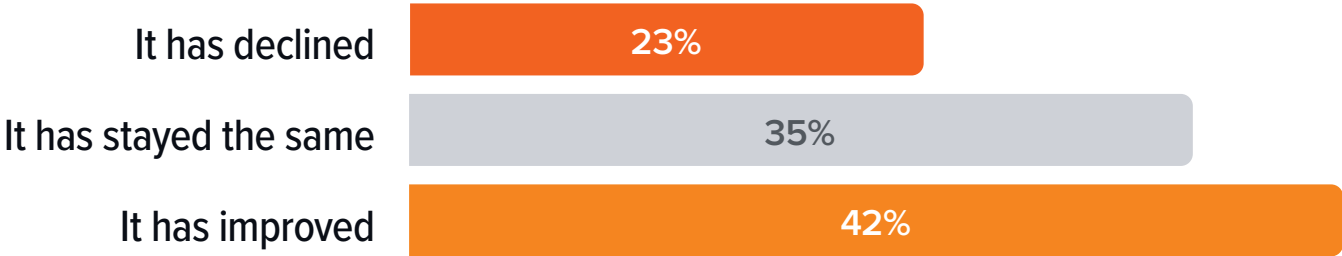
Many organizations have successfully adapted to remote and hybrid work. However, 1 in 3 employees have neutral or negative perceptions of their organization's culture—a number that is hard to swallow considering the connection between culture, engagement, and turnover.

66% **OF EMPLOYEES SAY THEIR CULTURE POSITIVELY IMPACTS THEIR WORK AND BEHAVIOR EVERYDAY.**
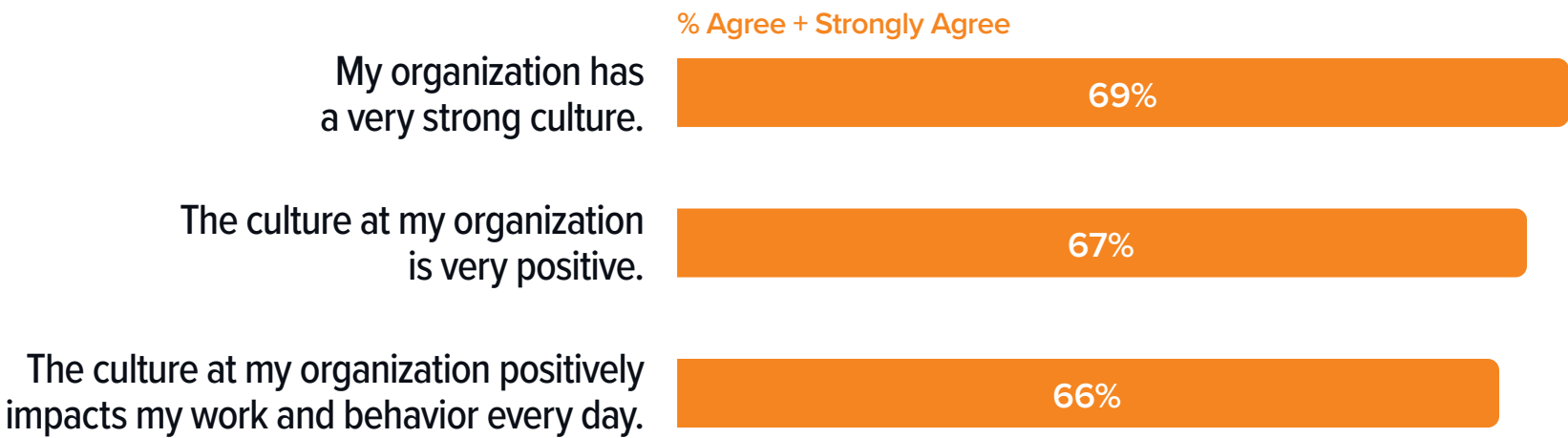
Culture is a day by day, moment by moment experience. It's key to create a culture that promotes the right outcomes and behaviors. Listen to what your employees have to say about the day to day happenings inside your organization—and make adjustments that improve their experience.

Organizational Culture Change

Would you say the culture of your organization has improved, declined, or remained the same over the past two years?

It has declined	23%
It has stayed the same	35%
It has improved	42%

Organizational Culture Item Favorability

% Agree + Strongly Agree

My organization has a very strong culture.	69%
The culture at my organization is very positive.	67%
The culture at my organization positively impacts my work and behavior every day.	66%

How Culture Impacts Employee Engagement & Retention Risk

Culture—or "how work gets done"—is going to look different in your unique workplace. The way you communicate, treat each other, and make decisions can either positively impact engagement and retention, negatively impact it, or not impact it at all.

Employees who say their culture is positive are **3.8X MORE LIKELY** to be engaged.

A positive culture strengthens employee engagement. When employees agree that their organizational cultures are positive, they are more likely to be highly engaged (84%) than those who do not agree (22%).

Employees who say their culture has improved since the pandemic are **2.9X MORE LIKELY** to be highly engaged.

When employees say their culture has improved over the past two years, they are more likely to be highly engaged (81%) than employees who say it has declined (28%).

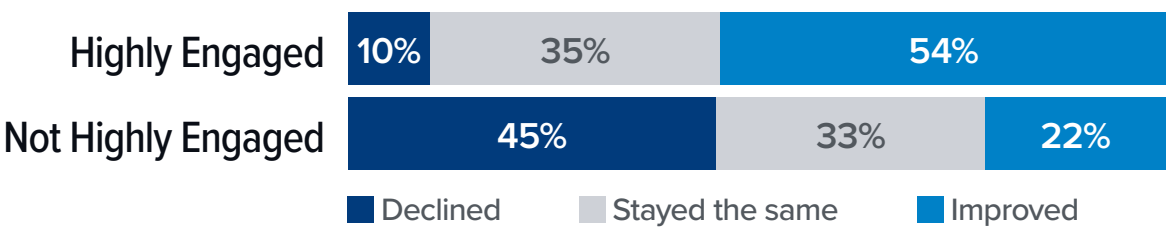## Disengaged employees are **2.6X MORE LIKELY** to leave their company for a better culture.

Roughly 60% of disengaged employees—and only 23% of engaged employees—would leave their company for a better culture. This suggests that employee engagement is the motivating factor behind retention. One of the best ways to drive engagement? A positive workplace culture.

Organizational Culture Item Favorability: Highly Engaged vs Not Highly Engaged

% Agree + Strongly Agree

My organization has a very strong culture.
- 87%
- 39%

The culture at my organization is very positive.
- 89%
- 29%

The culture at my organization positively impacts my work and behavior every day.
- 86%
- 32%

I would leave to another organization if I thought they had a better culture than my current organization.
- 23%
- 59%

■ Highly Engaged ■ Not Highly Engaged

Organizational Culture Change: Highly Engaged vs Not Highly Engaged

Would you say the culture of your organization has improved, declined, or remained the same over the past two years?

Highly Engaged: 10% | 35% | 54%
Not Highly Engaged: 45% | 33% | 22%

■ Declined ■ Stayed the same ■ Improved

Where Culture Thrives (It's Probably Not Where You Think)

Remote and hybrid work environments are becoming the norm. While many leaders believe that culture suffers outside of the physical workplace, our research provides a different perspective. Those offered flexibility in the workplace are likely to see culture more favorably.

Remote/hybrid employees are more likely to report a strong, positive culture.

Only 65% of on-site employees believe their company has a strong culture, compared to over 70% of remote and hybrid workers. Only 58% of onsite employees say their culture is positive, compared to roughly 70% of remote and hybrid employees.

Company culture isn't attached to the physical workplace. In fact, it can be strengthened in a remote/hybrid environment. Giving employees the option to choose where they work fosters a culture of mutual trust and respect.
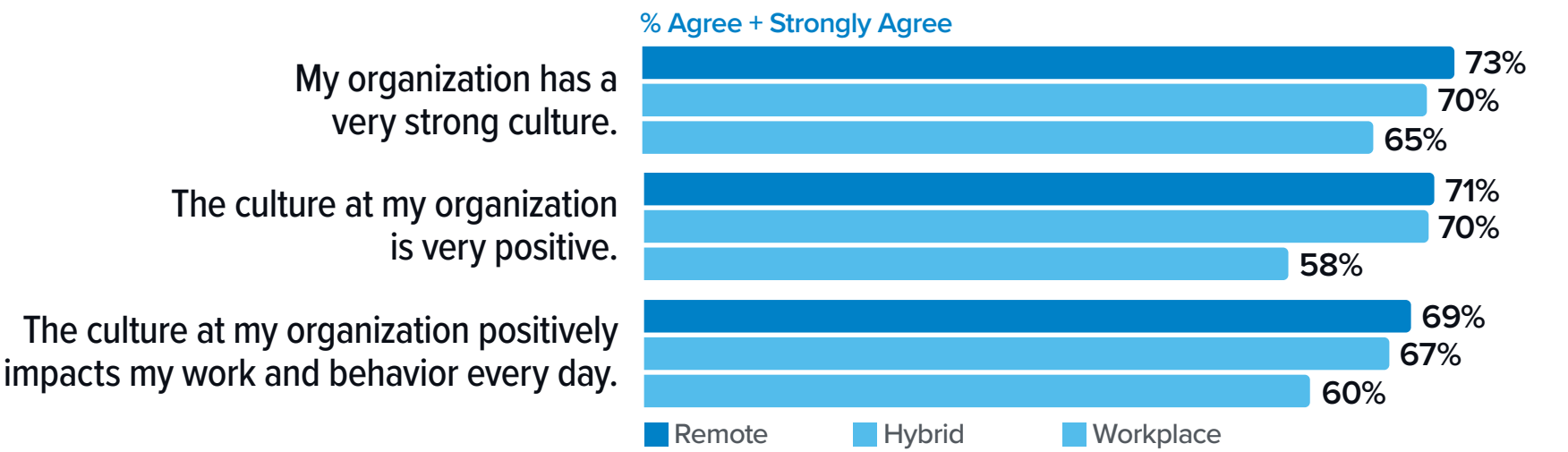
Remote/hybrid employees are more likely to say their culture has improved.

While remote (45%) and hybrid (44%) employees say their cultures have improved, only 37% of on-site employees say the same. Flexible work arrangements promote employee wellbeing, autonomy, work-life balance, inclusion and productivity.
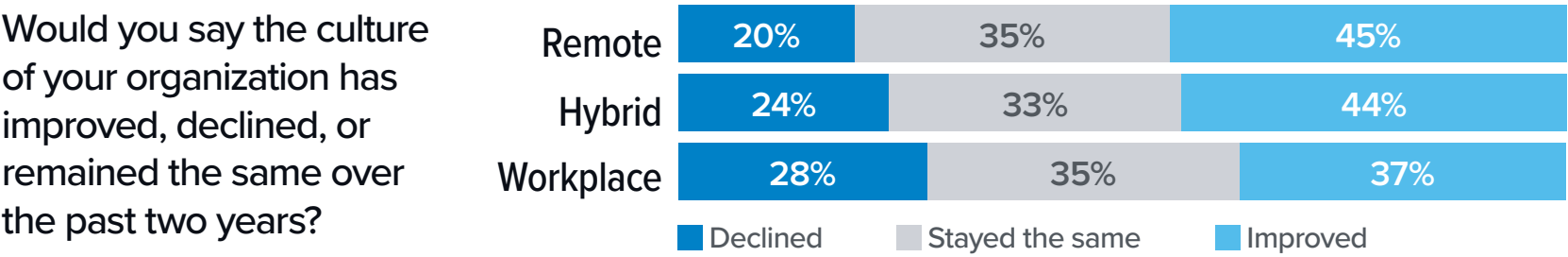
Workplace employees are most likely to say their culture has declined.

28% of on-site workers say their culture has declined since the start of the pandemic. Now more than ever, employees expect flexibility, autonomy, and trust. When you can't give your employees the option to work from home, try to find other ways for them to decide how their work gets done.

Organizational Culture Item Favorability: Remote vs Hybrid vs Workplace

% Agree + Strongly Agree

My organization has a very strong culture.
- 73%
- 70%
- 65%

The culture at my organization is very positive.
- 71%
- 70%
- 58%

The culture at my organization positively impacts my work and behavior every day.
- 69%
- 67%
- 60%

■ Remote ■ Hybrid ■ Workplace

Organizational Culture Change: Remote vs Hybrid vs Workplace

Would you say the culture of your organization has improved, declined, or remained the same over the past two years?

	Declined	Stayed the same	Improved
Remote	20%	35%	45%
Hybrid	24%	33%	44%
Workplace	28%	35%	37%

Industry Impact

There are some industries and roles that are inherently less conducive to remote and hybrid work arrangements. Therefore, we explored whether other factors, like industry type and company size, influence employees' perceptions of culture. While industry and company size can impact these perceptions, we found that where and how employees work has a stronger influence on their perceptions of culture. Regardless of the type of work you do, employees want a culture of flexibility and trust. That's why culture doesn't fizzle out in flexible or non-traditional work environments.

What Employees Want When It Comes to Culture

Engaged and disengaged employees describe their cultures in different ways. But both engaged and disengaged employees know what they want—and don't want—when it comes to culture.

Highly engaging cultures are perceived well by employees.

The top words engaged employees use to describe their culture are inclusive, caring, supportive, fun, and collaborative.

Cultures that don't engage employees are perceived more negatively.

A few words disengaged employees use to describe their culture include demanding, disorganized, stressful, and professional.
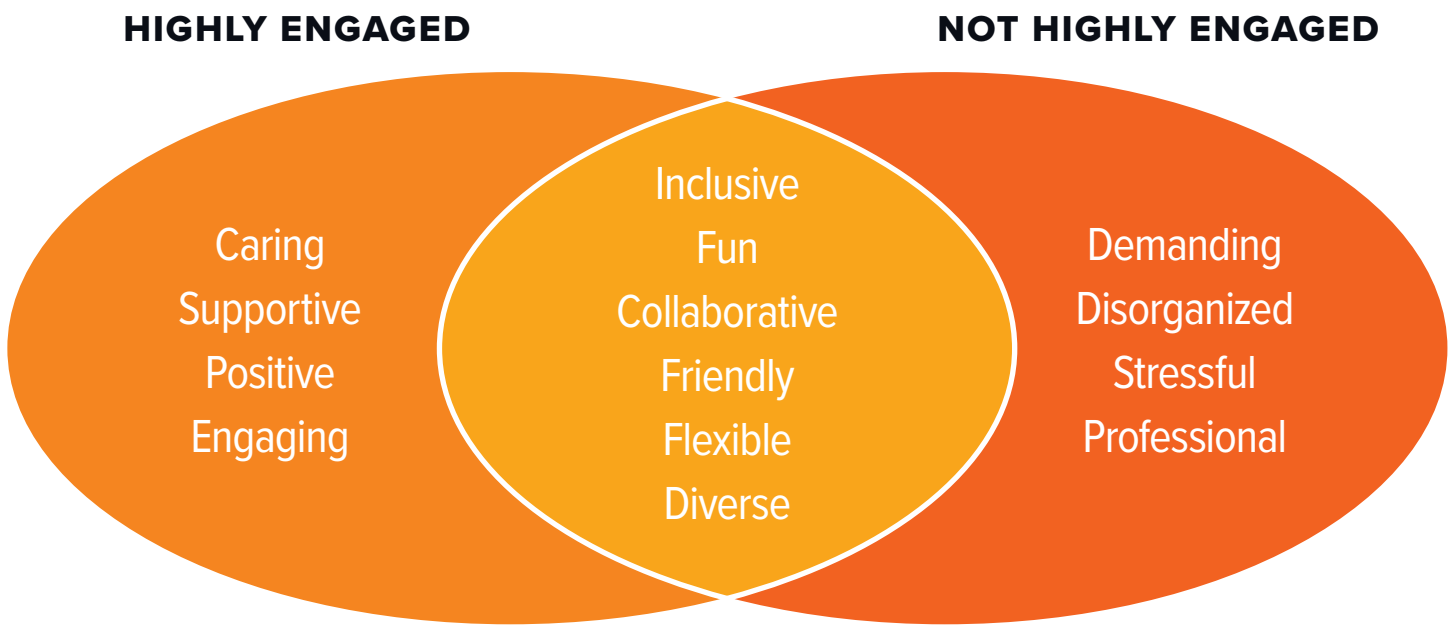
The top words employees use to describe their ideal culture are flexible and inclusive.

To engage employees, give them the flexibility to decide how, when, and where their work gets done. Leaders should also give everyone the chance to succeed regardless of their role, tenure, or background.

Employees also say their ideal culture is supportive, collaborative, and caring.

To shape an engaging culture, provide ongoing support to employees with regular check-ins and growth-focused coaching. Encourage ongoing collaboration across teams and departments. Find ways to show your people that you care about them as humans—not just as employees.

Words Employees Use to Describe Their Workplace Culture

HIGHLY ENGAGED

NOT HIGHLY ENGAGED

Caring
Supportive
Positive
Engaging

Inclusive
Fun
Collaborative
Friendly
Flexible
Diverse

Demanding
Disorganized
Stressful
Professional

Top Words Used to Describe Ideal Workplace Cultures

1. Flexible
2. Inclusive
3. Supportive
4. Caring
5. Collaborative

6. Fun
7. Engaging
8. Innovative
9. Diverse
10. Positive

Who Shapes Organizational Culture?

According to our research, employees believe leaders, managers, and HR are responsible for company culture. But to create a great culture, everyone needs to play a part. Culture should grow and evolve in a way that resonates with each employee, regardless of role.

Employees believe that leaders (83%) and managers (75%) are responsible for creating and shaping culture.

Culture starts at the top. Leaders should clearly define culture, communicate about it regularly, set a good example, and tie business outcomes to company values. This will empower employees to practice, develop, and evolve cultural norms.
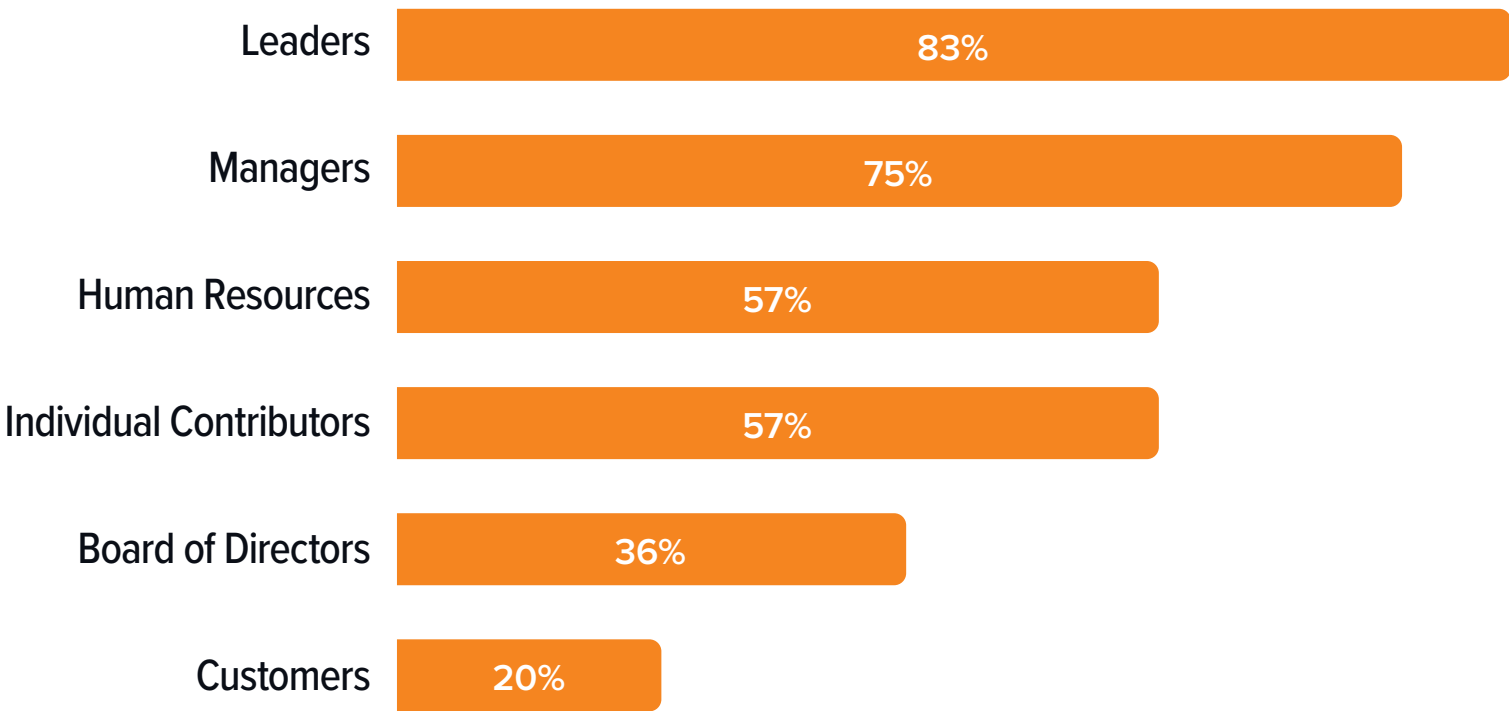
57% OF EMPLOYEES BELIEVE HR IS RESPONSIBLE FOR CREATING COMPANY CULTURE.

Many employees expect HR to shape company culture. But while HR is probably trying to create culture, they need leadership and employees to support their efforts. Without company-wide adoption, you won't see the culture change you want.

57% OF EMPLOYEES BELIEVE INDIVIDUAL CONTRIBUTORS ARE RESPONSIBLE FOR SHAPING CULTURE.

Each individual plays a part in culture. To create a strong culture, employees must understand and live out culture, mission, and values. They must collaborate, recognize, communicate, and behave in a way that aligns with the organization's culture.

Who is responsible for creating and shaping your organization's culture?

Role	Percentage
Leaders	83%
Managers	75%
Human Resources	57%
Individual Contributors	57%
Board of Directors	36%
Customers	20%

Everyone plays a part in culture.

The healthiest cultures are shaped by every person within an organization. And the job of creating culture is never done. As your organization changes, it's important to be intentional about how those changes impact culture.

5 Tips for Creating a Strong, Engaging Culture

A healthy culture looks different for everyone. Leaders should keep their unique business problems and opportunities in mind when creating a culture strategy. Shape your approach with these tips to foster a culture of engagement, performance, and long-term success.

1. AIM YOUR CULTURE STRATEGIES AT ENGAGEMENT.

A healthy culture drives employee engagement first and foremost. When you evaluate "how work gets done" at your organization, try to understand how each aspect could impact employee engagement. Engagement is all about connecting employees to their work, team, and organization—ensure your culture strategies do the same.

2. EVOLVE YOUR APPROACH TO EMPLOYEE PERFORMANCE.

Employees say performance management is a key component of culture. With the right practices, you can drive alignment, motivation, growth, and engagement. With the wrong approach, you risk toxicity, distrust, and burnout. Use performance management as a tool to strengthen culture with continuous feedback, effective communication, company-wide alignment, and fairness and transparency.

3. FOCUS ON DRIVING TRUST-BUILDING LEADERSHIP PRACTICES.

To create a culture of trust, clearly outline your organization's vision, strategy, progress, and goals. Leaders should communicate frequently and transparently to prevent employee confusion or resentment when change happens. Continue this communication when you gather employee feedback too, explaining how feedback was used—or why it wasn't. Finally, allow employees to see leaders as real people—genuine relationships are needed to foster genuine trust.

4. WEAVE EMPLOYEE RECOGNITION INTO ALL THAT YOU DO.

Recognition happens in the way you communicate, promote, compensate, assign work, and provide opportunities. Build a system that recognizes behaviors critical to your organizational culture. You should prioritize authenticity when you recognize employees and tailor your communication to each individual. Employee recognition should happen every day—a simple thank you goes a long way.

5. INVEST IN TECH THAT HELPS YOU SEE, UNDERSTAND, AND ACT ON CULTURE.

A robust employee engagement, performance, and people analytics platform will outline the big picture behind your culture and help you understand where to focus and when. With the right tools, you can uncover deep insights, measure employee perceptions, and create a thriving culture.

Quantum Workplace

Build a culture people want to work for with Quantum Workplace

Quantum Workplace offers the most reliable solutions for employee success. We have two decades of experience researching winning cultures and helping them boost their engagement and performance strategies.

Our employee success software is designed to improve employee engagement and performance to help businesses grow and succeed.

Best-in-class tools to boost company culture

Engagement
Engagement Survey
Pulse Surveys
Lifecycle Surveys

Performance
Goals
Feedback
1-on-1s
Recognition
Talent Reviews

Intelligence
Analytics
Dashboard
Data Feed

Start investing in culture to drive business impact today

Learn more about how Quantum Workplace helps organizations grow and succeed today!

Learn More