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People



THE CULTURE-CENTRIC ORGANIZATION

SET CULTURE AS THE STRATEGY
TO DRIVE RESULTS



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EXECUTIVE SUMMARY

When an organization's culture struggles, the business does too. Organizational culture impacts employee retention, productivity, and performance. Without a culture that sustains trust and communication across the organization, innovation is often stifled, employees may resist change, and high-potential talent leaves. This has negative repercussions in the marketplace. The pace and quality of product or service delivery can be negatively impacted. Customer satisfaction, sales, or other funding prospects may suffer.

A rigid, dysfunctional, or toxic culture doesn't simply drive down levels of employee engagement, it takes their organization's reputation and revenues with it. With so much at stake, an increasing number of organizations are focusing more closely on creating and sustaining a culture that can drive both talent and business results—but it's not always clear how to start. A shift in perspective is required, from one that regards culture as the accidental result of individuals drawn together in the same workspace, to one that views it as a strategic imperative.

Organizations that set their culture as their strategy are not only characterized by their people-driven ethos but are also more likely to report robust talent and business outcomes.

In this research partnership between the Human Capital Institute and Quantum Workplace, we identify some of the practices and approaches to organizational culture that successfully drive results. We've found that organizations that set their culture as their strategy are not only characterized by their people-driven ethos but are also more likely to report robust talent and business outcomes. These culture-centric organizations value performance and innovation while offering mutual care and support. Centered on common values, and reinforced by collective commitment, shared accountability, and mutual respect, these positive and engaging cultures are developed and supported through six key practices:

✓ **They Have Proactive and Integrated HR Practices**

Instead of reactive HR programs targeting narrowly specific workplace concerns, these organizations proactively address emerging needs for the business and its people. HR initiatives are integrated across the organization and link to strategic objectives that resonate with shared organizational values.

✓ **They Empower Ownership**

An organization's culture is built on relationships and collective commitment. By democratizing the process of developing, changing, and supporting the organizational culture, employees feel actively engaged in their organization, and their contributions to the practices and values of the organization can be appreciated. While HR professionals and senior leadership still often spearhead culture and employee engagement initiatives, organizations that set culture as their strategy empower broadly shared ownership for these programs.

✓ **They Are Committed to Employee Listening**

A comprehensive approach to employee engagement means listening to and acting on employee feedback. It involves gathering employee insights through engagement surveys, pulse and lifecycle surveys, polls, and focus groups. Rather than marginalizing this information as anecdotal opinion, or an abstract collection of scores, business leaders and HR professionals should examine findings to understand progress on culture initiatives and uncover or clarify common values.

✓ **They Offer Effective and Engaging Performance Feedback**

Just as these organizations solicit feedback from their people, they maximize their efforts to facilitate supportive, constructive, and engaging performance feedback for employees at all levels of the business. They provide training on feedback, monitor and track performance on goals, and promote opportunities for continuous feedback that engender trust between managers and their teams and build mutual respect.

✓ **They Measure Metrics that Matter**

Measuring and monitoring connections between people, practices, and business outcomes helps an organization generate shared accountability for its culture. Tracking employee and customer sentiment in the context of business results offers a view on potential impacts to both business and culture and signal opportunities for growth or change.

✓ **They Invest in Tools that Support Culture**

More tools aren't always the answer. Instead, organizations with positive and engaging cultures focus on blending the right tools to streamline and simplify the collection and analysis of important metrics and communicating results and progress on goals. This investment can free time for stakeholders across the organization and allow them to more fully participate in culture and engagement efforts.

WHAT IS CULTURE?

Under the right conditions, an organizational culture can promote innovation,¹ improve efficiency² and employee performance,³ enhance agility, and accelerate change management.⁴ A thriving organizational culture is key for retaining talent and maintaining high levels of employee engagement, while growing corporate revenue.⁵

"A vigorous and thriving culture is essential for an organization because it shapes its strategy. Organizational culture is the backbone of the company. It is its personality. It drives the spirit of the company. It drives the work ethic. It even drives hiring decisions and the personalities attracted to the company. It's the glue that brings people together and guides their efforts."

—Irene Indarte, HR Consultant, Globalscape

Given its importance and its impacts on the business and its people, what, in fact, is culture? The short answer is...it's complicated.

There are seemingly as many definitions of organizational culture as there are organizations. Culture may be understood simply as "the way things get done around here,"⁶ or it may be viewed as a complex and integrated system of objects, values, beliefs, norms, and behaviors.⁷ Nearly three-quarters of survey respondents (72%) rely on one or a combination of formal theories or definitions for organizational culture, but there is little overlap in the answers they provided (Figure 1). Their diverse perspectives on culture and the ways in which it is enacted across the organization vary irrespective of their seniority, their functional area, the industry in which they work, or the size of their organization.

FIGURE 1 **A selection of survey responses to the question item: Summarize your preferred definition, or list the top sources of influence for your organization’s perspective on culture.**

Culture Is...

...the business’ personality—what’s valued, what’s expected, how we interact with customers. It belongs to the whole organization. Leaders are responsible for safeguarding and maintaining it. In other words, culture doesn’t change with who’s in charge.

...what happens when the lights are off. It is the “how”: how people collaborate, how decisions are made, how value is created, and how people motivate each other.

...a set of clearly defined principles, values, and ways of working common to all. People are held accountable to these and we reinforce how culture and business are intertwined.

...a set of beliefs, behaviors, and a mindset that we share and discuss.

...our shared values articulated through a “common ground” statement emphasizing respect, integrity, innovation, openness, justice, and responsibility.

There is no “right” or “wrong” approach represented in these views on organizational culture. Most recognize, however, that any culture, regardless of how it is defined, can have either positive or negative impacts on both the employee and customer experience, and produce a range of cascading effects for the business. For this reason, it’s not enough to identify and define an organization’s culture in the largest sense of the concept. Instead, organizations need a clear vision for what a meaningful, positive organizational culture looks like—one that can be intentionally cultivated to nurture, engage, and retain the best talent to support and sustain business results. Our research surfaced four themes describing a positive, engaging organizational culture. Consistent with most common definitions of culture, these themes included an emphasis on values but offered greater specificity about the behaviors connected to these values (Figure 2).

FIGURE 2 **Four themes characterizing positive organizational culture.**

Common Values

“You need to find the foundational aspects of relationships across the organization, the personalities that complement each other. They hold the values that build the culture.”

—Irene Indarte, HR Consultant, Globalscape

Shared Accountability

“Leadership has to be willing to get the ball rolling, but then accountability comes with it as it rolls downhill... What we want is for everyone to recognize that they have a responsibility to model the behavior that makes us work well together.”

—Jeff Natal, HRBP, American Society for Microbiology

Mutual Respect

“We want to build values that not only help us in our work, but in life. We take time to celebrate each other.”

—Germán Madero Allende, Chief Operating Officer, Microsip

Collective Commitment

“The organizational culture can either be a tax or a dividend...but if they are committed to the same goals for their culture, then it’s going to have a good outcome.”

—Karen Guzicki, Principal Consultant and Owner, Guzicki Group

A positive and engaging organizational culture, centered on common values, and reinforced by collective commitment, shared accountability, and mutual respect, requires active participation from every member of the organization. It relies on extensive buy-in for the work of building and sustaining the culture, and it requires consistency between policy and practice, as well as communication and messaging to align individual goals with those of the group.

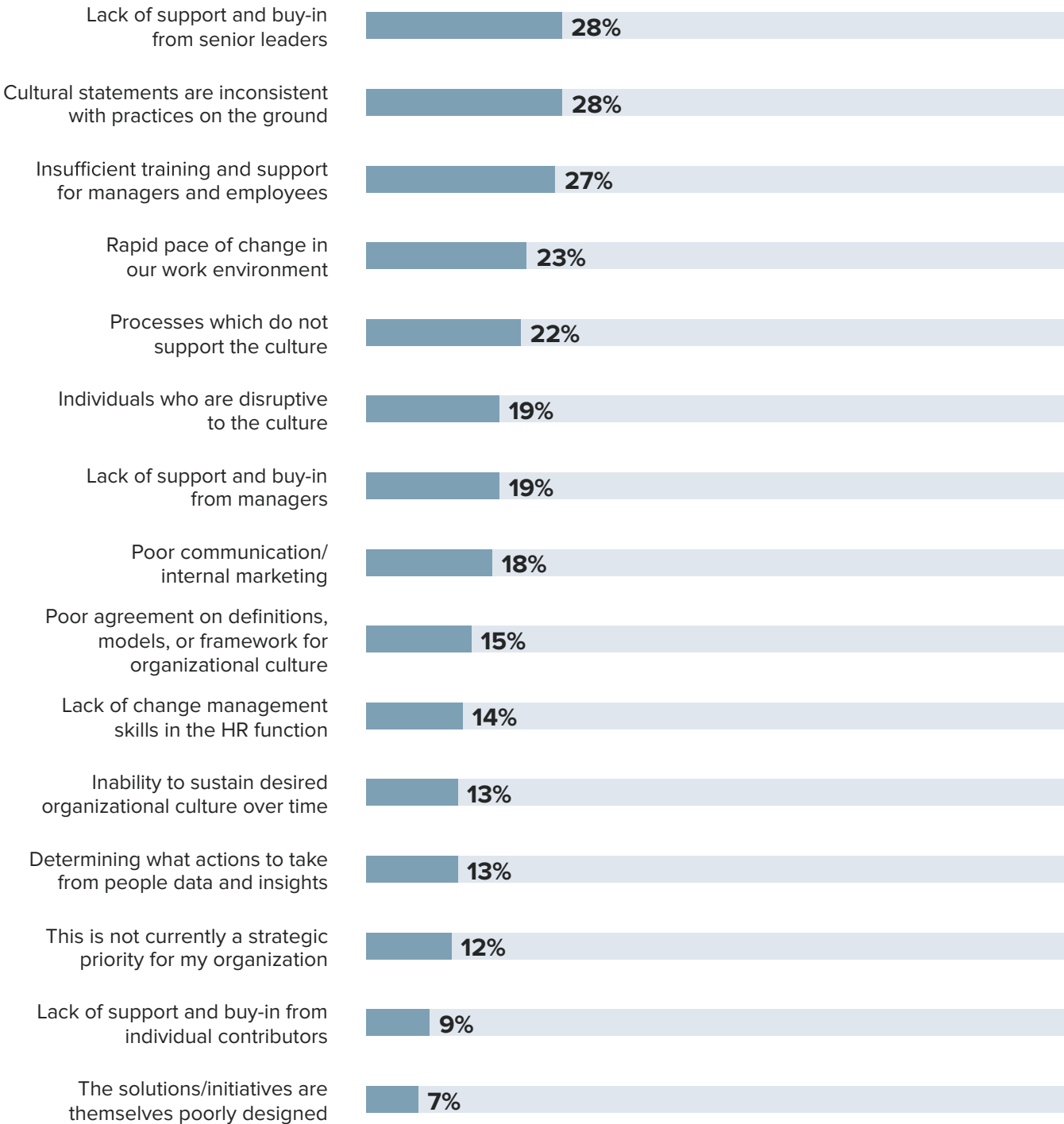
BARRIERS TO A STRONG ORGANIZATIONAL CULTURE

Creating and sustaining a vibrant organizational culture is no simple task. Generating buy-in for culture initiatives is reported as one of the most significant challenges the HR function faces when leading or supporting initiatives to create, develop, change, or promote the organizational culture (Figure 3). This is seen in a reported lack of support from either senior leaders (28%), managers (19%), or individual contributors (9%), some of whom may be actively disruptive to these efforts (19%).

Earning buy-in and creating a collective commitment to culture initiatives often requires consistency and transparency to build trust and mutual respect. It's not surprising then, that another top challenge reported by HR professionals and talent managers is a disconnect between the intended, aspirational culture, and the organization's practices on the ground (28%). Similar barriers to consistency in culture initiatives lie in the persistence of work and business processes which do not support the culture (22%), poor agreement on definitions, models, and frameworks for organizational culture (15%), and an inability to sustain the desired changes to culture over time (13%).

Although the rapid pace of change is cited as an additional challenge to deploying culture initiatives (23%), so too is a lack of change management skills (14%). These issues hinge on barriers to communication and shared accountability for change, including the changes associated with culture initiatives (18%). Challenges with insufficient training and support for the work of organizational culture development (27%) only add to these difficulties.

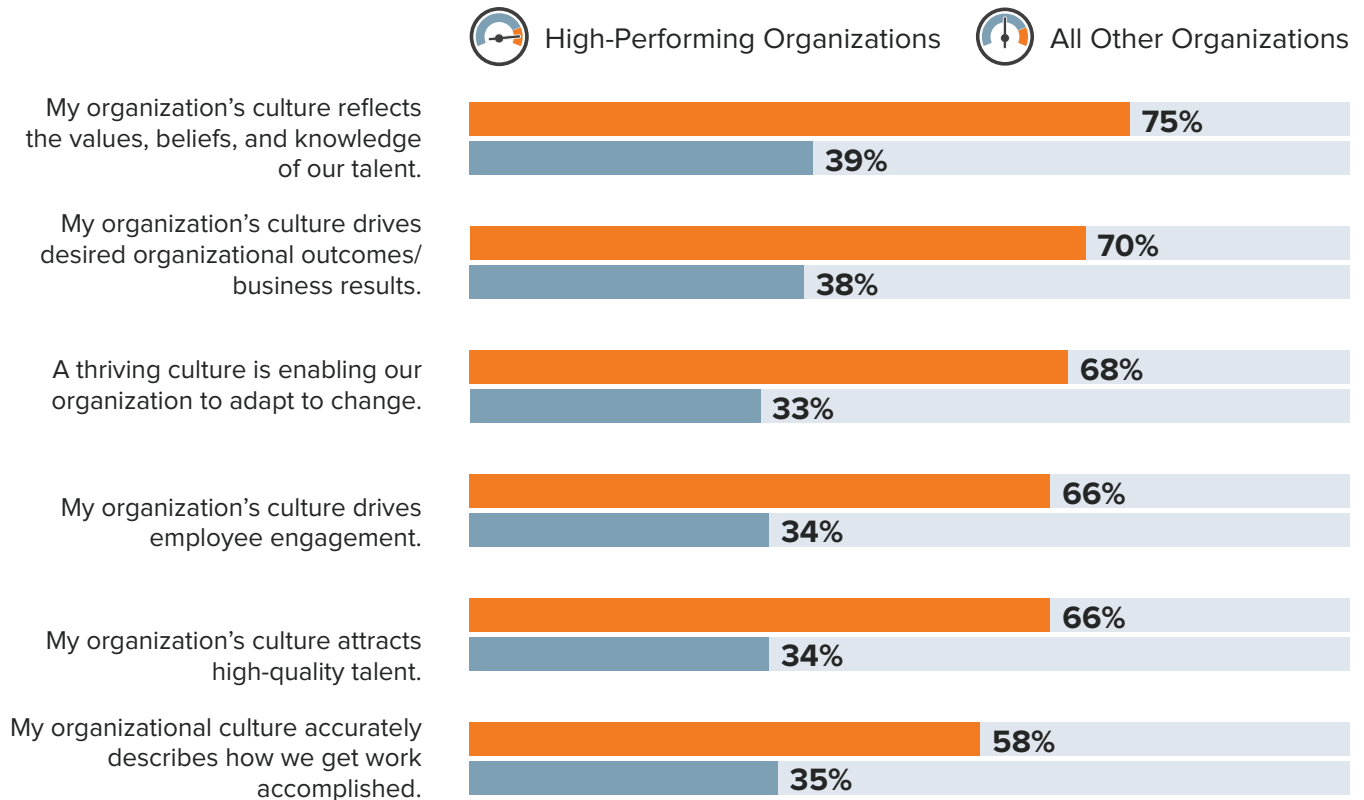
FIGURE 3 What are the top challenges the HR function faces when leading or supporting initiatives to create, develop, change, or promote organizational culture? (Select the top three.)



CULTURE IS A DRIVER OF ORGANIZATIONAL SUCCESS

The difficulties of working through barriers to a more positive and engaging culture are easily outweighed by the rewards. In fact, it's the highest performing organizations that often lean hardest into these challenges. Organizations that meet HCI's criteria for high performing organizations (HPO)⁸ were more likely to agree that their culture is what drives their success on organizational and business outcomes (Figure 4).⁹ They work to ensure their culture reflects the values, beliefs, and knowledge of their people, and believe that a thriving culture enables them to better adapt to change while engaging their employees and attracting new, high-quality talent.¹⁰ They view their culture as a means to set shared expectations not just for what needs to get done, but how they get work accomplished.¹¹

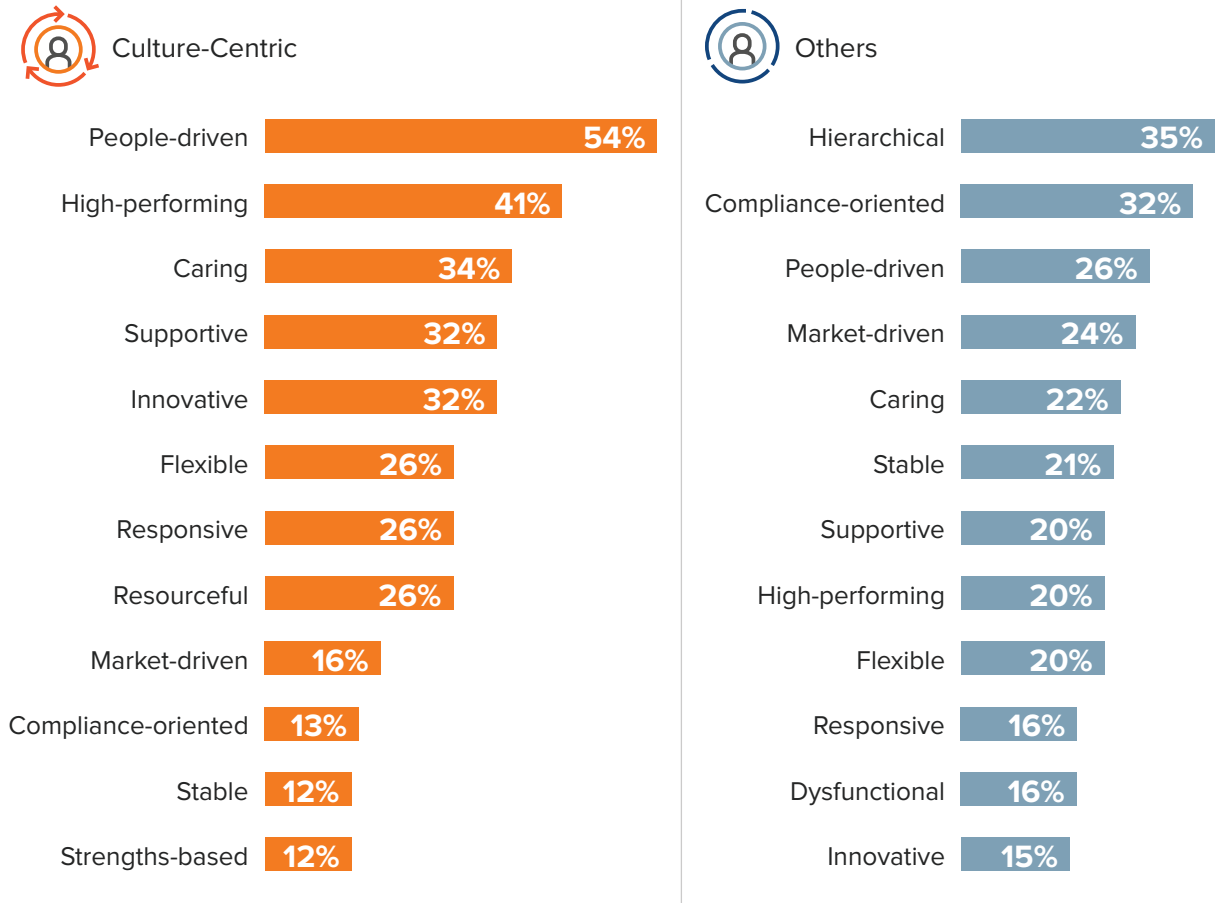
FIGURE 4 **Rate your level of agreement with the following statements. (Agree and Strongly Agree.)**



High-performing organizations frequently view their culture as a key driver of their success, but this doesn't mean their cultures look the same. When asked to characterize the culture of their organization, survey participants offered widely diverse responses. So, if cultures are as diverse across HPOs as they are across all other organizations, which elements contribute to the common values, collective commitment, shared accountability, and mutual respect that are hallmarks of a positive organizational culture?

We found that those organizations that were most likely to agree that their culture drives their success also tended to characterize their organizations as “people-driven” and “high-performing,” followed by attributes like “caring,” “supportive,” and “innovative” (Figure 5). These organizations can best be described as being “culture-centric.”¹² This stands in stark contrast to other organizations that put process before people. These organizations were more likely to characterize their cultures as “hierarchical” and “compliance-oriented.” In addition, negative traits were included in some characterizations of culture at other organizations, with “dysfunctional” the most frequently mentioned (16%).

FIGURE 5 **Select the top four traits that you feel best characterize your organization's culture.**



“ Our organization, like many others right now, is experiencing a period of transformation. Because our business is changing, our culture must change as well.

We want to become more results-oriented and innovative, but without losing these very deep, core values that have been role-modelled for us by the founding partners of this company since its inception.

That’s why we’ve been working very intentionally to understand the values of our people across the organization, articulate our shared values and culture, and then communicate these guiding principles through an internal branding strategy.

Ultimately, we are bringing together the DNA of our founders, with the aspirations of who we are now as a company, and our plan for how to get there in the next three to five years.

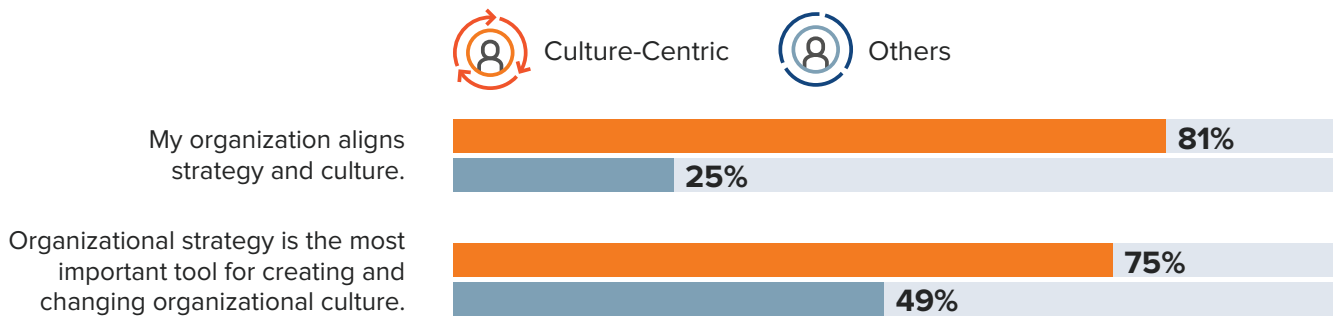
—Germán Madero Allegre, Chief Operating Officer, Microsip



In many respects, high-performing, culture-centric organizations expand on the concept of employee engagement, viewing it as an indicator of a positive culture, rather than as a means to an end in itself.^{13,14} They share in their ability to maintain employee engagement and communicate change, even in the context of rapid and unexpected change.¹⁵ These traits undoubtedly contribute to their especially strong performance on a variety of businesses and talent dimensions including customer satisfaction, labor productivity, and percentage of high-performers retained.¹⁶

A positive, engaging culture doesn't happen by accident. Culture-centric organizations align strategy with their culture and set their culture as their strategy. Because they view these things as intrinsic to one another, they are also more likely to view the organization's strategy as the most important tool for creating and changing their culture (Figure 6).¹⁷ With culture as their business strategy, the organization can iteratively, and reflexively, respond to the changing employee experience, while aligning employee and organizational values, and supporting shared norms for communication across the organization to drive engagement and build value.¹⁸

FIGURE 6 Rate your level of agreement with the following statements. (Agree and Strongly Agree only.)



WHAT CULTURE-CENTRIC ORGANIZATIONS DO DIFFERENTLY

Setting the organizational culture as the strategy carries implications for day-to-day work and business practices. This is especially true for HR and talent management professionals whose work lies at the intersection of the needs of the business and the values of its people. They are uniquely positioned to advance changes to organizational culture, align strategy with culture, and facilitate ongoing dialogue across all levels of the organization. It is no surprise, then, that they are intensively involved in culture initiatives at high-performing, culture-centric organizations.

“ You can’t just do a quick intervention and change the whole culture. Programs and people all need to visibly, behaviorally, verbally reinforce a culture that aligns to the business strategy. **”**

—Karen Guzicki, Principal Consultant and Owner, Guzicki Group

Here’s what those organizations do differently to develop and support a culture that drives both talent and business success.

75%
of culture-centric organizations agree that the design of their HR programs and initiatives is intended to help shape their organizational culture.

They Have Proactive and Integrated HR Practices

Rather than develop HR programs solely in response to immediate employee concerns, a proactive HR practice anticipates and prepares for emerging needs. This can enhance the employee experience while creating value for the business and heading off potential workplace problems. Proactive HR practices are important in every organization, but they are especially important in culture-centric organizations. These organizations are much more likely to indicate that their HR programs and initiatives are specifically designed to help shape their organizational culture (75% for culture-centric organizations compared to 36% of all others).¹⁹

Because culture is tightly aligned with strategy at these organizations, every HR system and process reinforces values and expectations across the business. Whether it’s through a robust onboarding program, or extended opportunities for learning, or even sponsorship of employee gatherings to bring people together in conversation,

organizations with a positive, engaging culture integrate these efforts with clear consistent messaging that encourages a collective commitment to common goals.²⁰

In addition, an HR function that intentionally selects, recruits, develops, and motivates people using approaches and messages that consistently align with the organization's culture and strategy is also more likely to gain needed buy-in from senior leaders and managers. HR demonstrates the strength of their role in supporting and sustaining talent and business outcomes by linking each of their talent initiatives to clearly defined values and goals.

They Empower Ownership

Proactive and integrated HR practices draw people and processes together through collective commitment to organizational culture and strategy. Building this commitment through democratized ownership of culture and engagement initiatives is key. Strategies that attempt to influence or engage employees through top-down initiatives often produce inconsistent results.²¹ Instead, every person inside an organization—from front-line employees, to managers, to interns, to executives—should participate in employee engagement and the broader culture.

“ If we say ‘culturally, this is who we are, this is how we’ll make our decisions, this is how we’ll treat each other,’ then it’s not enough for senior leaders, to model it. You must hold the people who report to you accountable to doing the same. And you can’t make excuses. You’ve got to consistently hold people accountable and bring them into the process of building and sustaining the culture. ”

—Karen Guzicki, Principal Consultant and Owner, Guzicki Group

Employee engagement programs are often a key point of entry for culture initiatives, since they offer opportunities to exchange feedback and develop common values. Ownership of both employee engagement and the development, communication and sustainment of the organizational culture appears to follow the same pattern.

Broad empowerment of ownership in both employee engagement and the organizational culture initiatives is more obvious in culture-centric

organizations. While HR professionals and senior leaders still perform the bulk of the work in both employee engagement and organizational culture initiatives, managers, individual contributors, specialized roles, and even board members play significant roles in every stage of these efforts (Figures 7 and 8).

Conversely, in all other organizations, the commitment to employee engagement and culture initiatives is fragmented across roles and across separate elements of program development, communication, and sustainment. HR professionals and senior leaders at these organizations are more likely to spearhead these programs than other stakeholders, but a smaller share of them are involved in all aspects of these programs compared to their counterparts in culture-centric organizations. Similarly, managers and contributors are more likely to be limited to coordinating or sustaining programs that are delivered to them from the top down.

FIGURE 7 Who is involved in the following aspects of organizational culture development? (Select all that apply.)

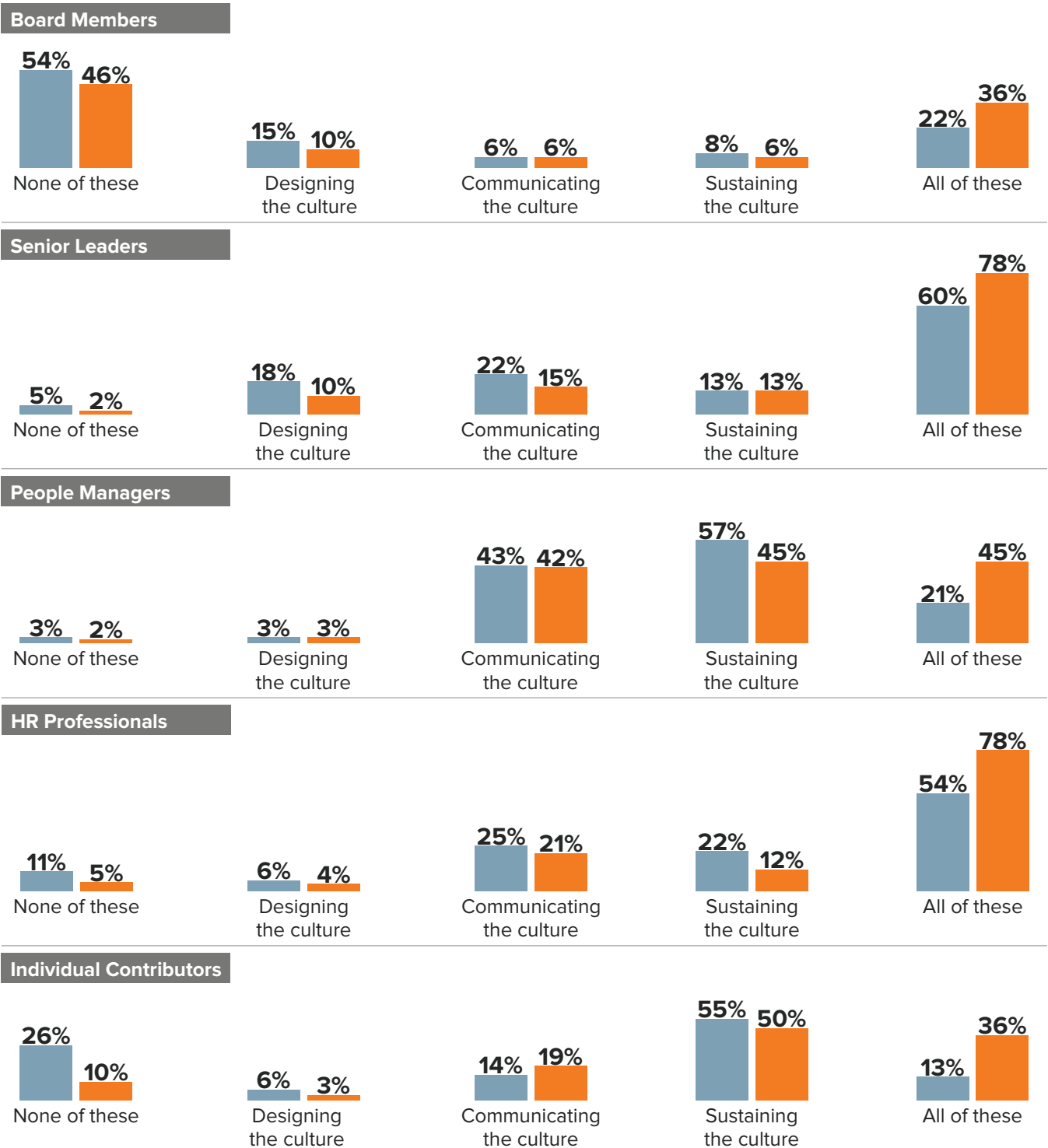
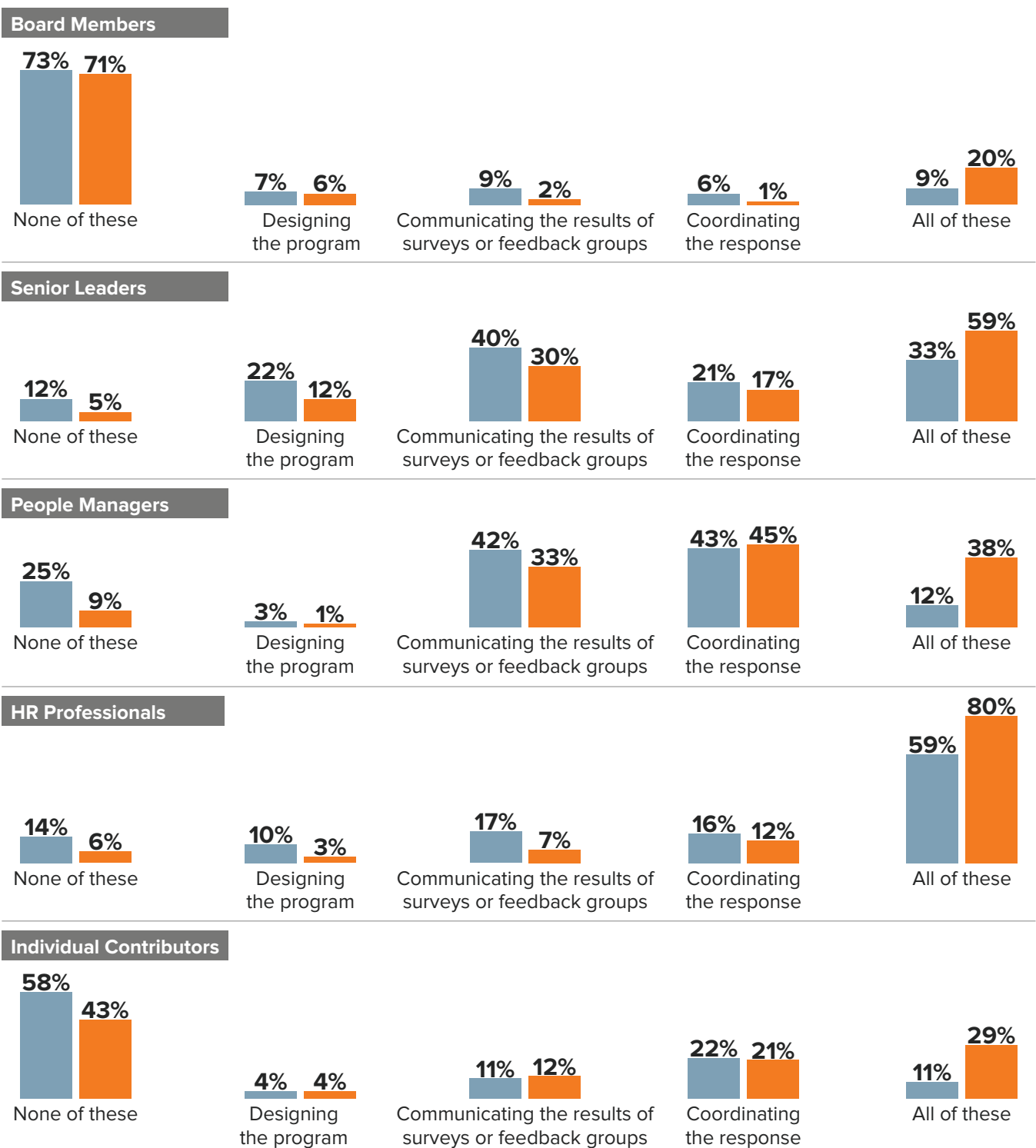


FIGURE 8 Who is involved in the following aspects of employee engagement?
(Select all that apply.)



They Are Committed to Employee Listening

Collective commitment to the organizational culture is founded on a commitment to employee listening. Most organizations (66%) report making some effort to solicit feedback from employees, typically through surveys, polls, emails, or chat boards (Figure 9). In addition, 45% of all organizations conduct focus groups to understand the needs of their people. Unfortunately, far fewer take action on this feedback. Only a third of organizations overall suggest that they are successful in taking meaningful action on employee listening efforts (33%), while 26% of organizations are still struggling in their attempts, and another 41% *don't take any action at all*.

What explains this lack of follow-through? Too often, organizations focus on “scores” after an employee survey, rather than the meaning behind them. Similarly, comments solicited through employee listening efforts are sometimes viewed as strictly anecdotal opinions. Instead, it's important to realize that the results of employee engagement and listening efforts provide valuable insight and intelligence on the current state of organizational culture. They provide needed information for planning decisions, enabling the organization to align its HR programs and initiatives with common core values. When seen this way, listening to employees becomes a critical and highly valued part of the organization's efforts to deliver its strategy and shape its culture.

FIGURE 9

Does your organization rely on the following performance feedback activities to create, change, or promote its culture?



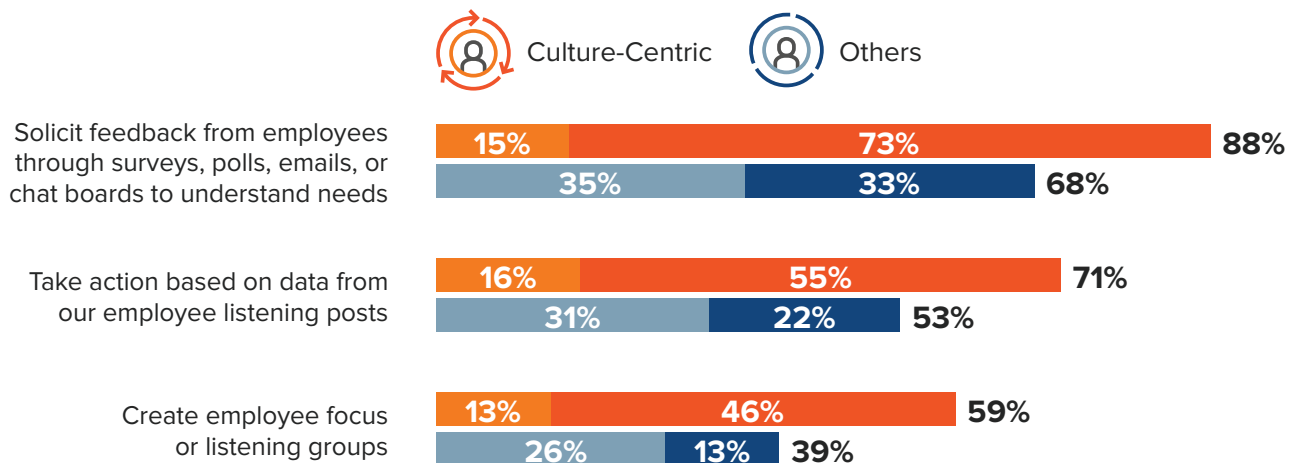
Organizations with positive, engaging cultures take this advice to heart. They solicit feedback through surveys and conduct focus groups, but most importantly, they act on the information they receive (Figure 10). They are significantly more successful at asking for, and producing a result based on feedback.²²

Employee engagement efforts are a part of our organization’s focus on culture; but, it’s not just important that the organization completes engagement surveys, it’s that they act on them. If we can’t come up with the dollars needed for some of the initiatives valued by our people, they’re going to let everyone know why and what the next steps will be.

—Jeff Naftal, HRBP, American Society for Microbiology

Surveys are just one part of the equation in a culture-centric organization. Employee listening also entails one-on-one meetings and other organic ways of capturing employee voices. As a result, culture-centric organizations are more active in embracing and adopting a variety of feedback channels including employee focus and listening groups.

FIGURE 10 Does your organization rely on the following performance feedback and talent acquisition activities to create, change, or promote its culture?



- Culture-Centric—We do this, but it is not very successful
- Culture-Centric—We do this, and it works well for my organization
- Not Culture-Centric—We do this, but it is not very successful
- Not Culture-Centric—We do this, and it works well for my organization

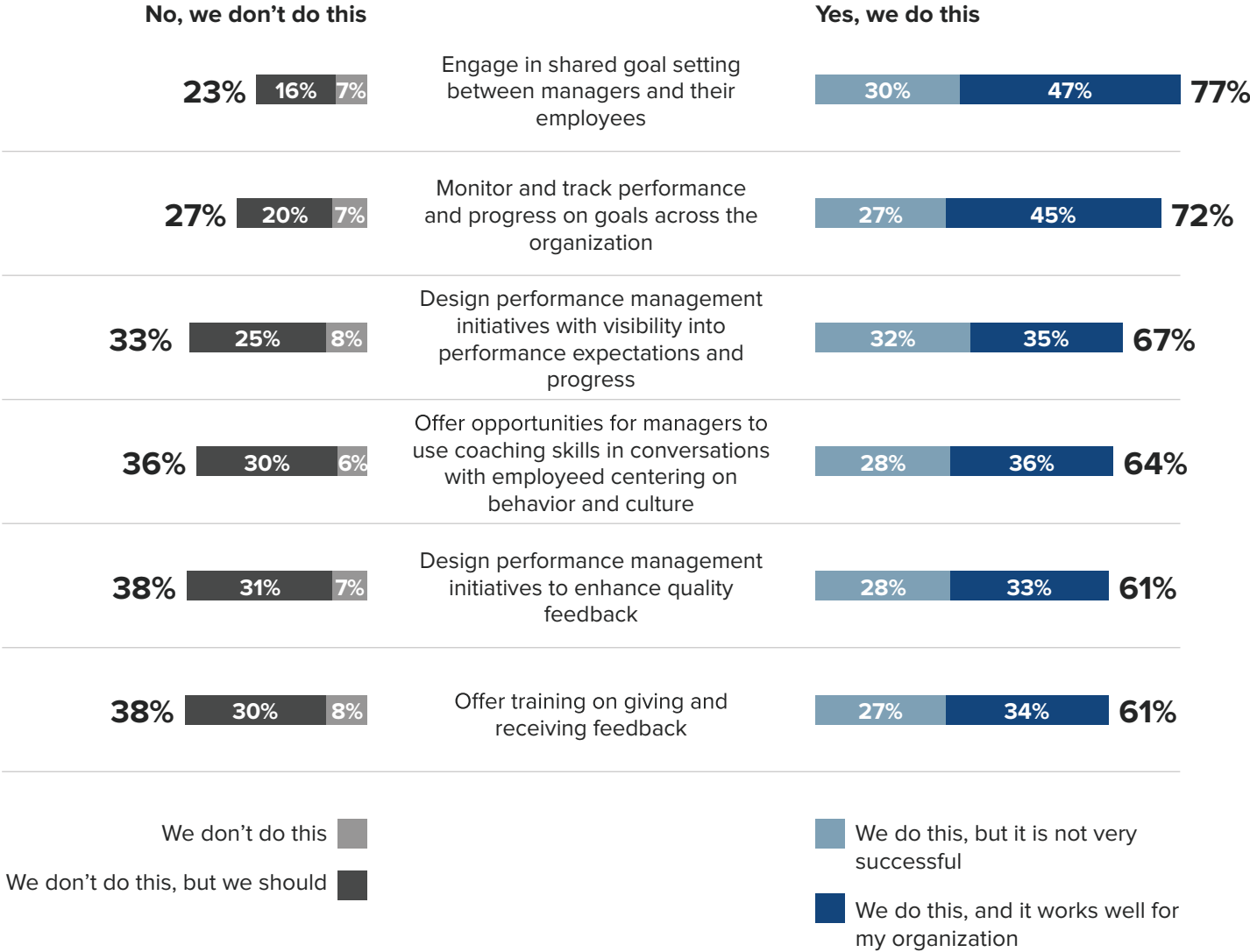
They Offer Effective and Engaging Performance Feedback

Employee listening efforts on the part of the organization are important, but equal attention should be given to performance feedback for employees. To be effective, employee performance feedback needs to be supportive, timely, and specific to help employees identify meaningful goals that align with the organization to which they belong.²³ And, it needs to be offered through multiple channels that allow employees to plot their direction of growth and share their progress on goals.

Although it can still be challenging to get performance management right, an increasing share of organizations are making progress in these efforts. For instance, more than three-quarters of organizations engage in some form of shared goal setting between managers and employees (77%), and nearly as many (72%) work to monitor and track performance and progress on employee goals across the organization (Figure 11). But here again, not all those who introduce enhancements to their performance management initiatives are successful. More than a quarter of organizations still fall short with their performance management programs.

FIGURE 11

Does your organization rely on the following performance feedback activities to create, change, or promote its culture?



Performance management should not just inform, it should motivate and engage. It requires more than just periodic meetings, and should include continuous check-ins, recognition for progress on goals, training on giving and receiving feedback, as well as opportunities for coaching conversations, and systems to help to manage and track the process.

"

Relationships are what the culture is built from. It is an opportunity to be inclusive and understanding of other to draw people together who, if they saw each other on the street, would never have bothered to talk to each other, but now that they work together, they can become more open and understanding about one another.

s—

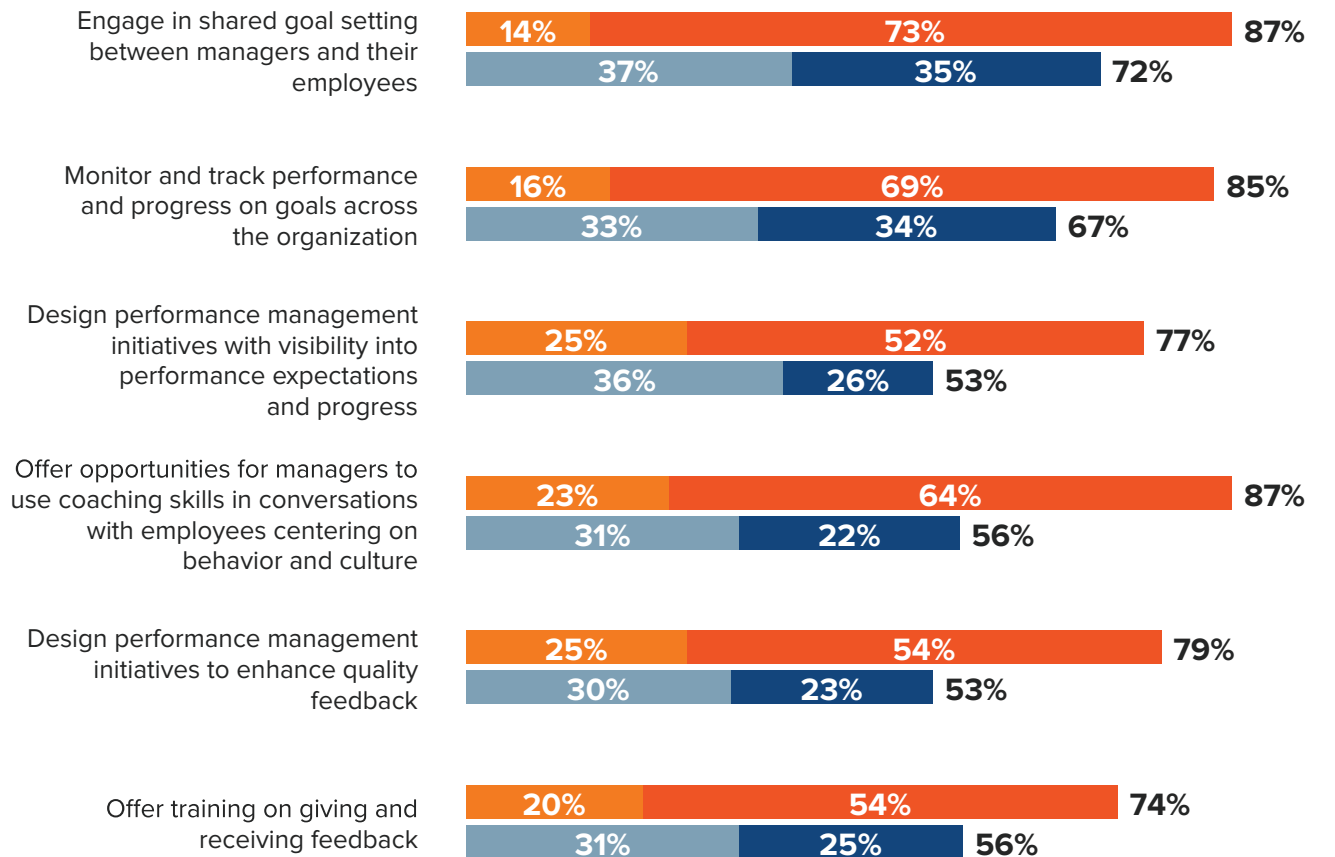
"

—Irene Indarte, HR Consultant, Globalscape

Digital performance management systems can't replace in-person conversations, but they can make them more effective by allowing managers and their teams to build agendas prior to performance conversations and report on progress in real-time. This helps employees focus their efforts and eliminate distractions. And, it can help managers and their teams to develop trusting relationships built on transparency, accountability, and mutual respect. Organizations with positive, engaging cultures aren't just implementing these practices, they are succeeding where others still struggle (Figure 12).²⁴

FIGURE 12

Does your organization rely on the following performance feedback activities to create, change, or promote its culture?



- Culture-Centric—We do this, but it is not very successful
- Culture-Centric—We do this, and it works well for my organization
- Not Culture-Centric—We do this, but it is not very successful
- Not Culture-Centric—We do this, and it works well for my organization

They Measure Metrics that Matter

It's impossible to measure a culture directly. There is no single, standard metric for qualities and traits like “supportive,” “innovative,” or “people driven.” What is possible, is tracking metrics that are symptoms of the success of that organizational culture. These reveal connections between people, practices, and business outcomes and help the organization create shared accountability for developing and sustaining its culture. That's why the metrics that are tracked should focus on impact to both business and culture, providing context and depth to numbers and trends. Metrics should not just answer, “How are we doing?” but also answer “What does this mean for our culture and business?”

55%

of culture-centric organizations agree that they align culture to business metrics.

More than half of organizations with positive, engaging cultures agree that their organization aligns culture to business metrics. *This stands in stark contrast to only 14% of all other organizations who report making the same effort.*²⁵

What metrics are these organizations tracking? For most, the list looks very similar. Employee sentiment offered in exit interviews are a popular choice, and this tops the list. A combination of turnover rates, engagement survey scores, employee sentiment, and performance review ratings are also frequently evaluated alongside financial performance indicators, customer satisfaction, and productivity metrics (Figure 13). These still provide useful information, although many are lagging indicators that may come too late to make needed changes.

FIGURE 13

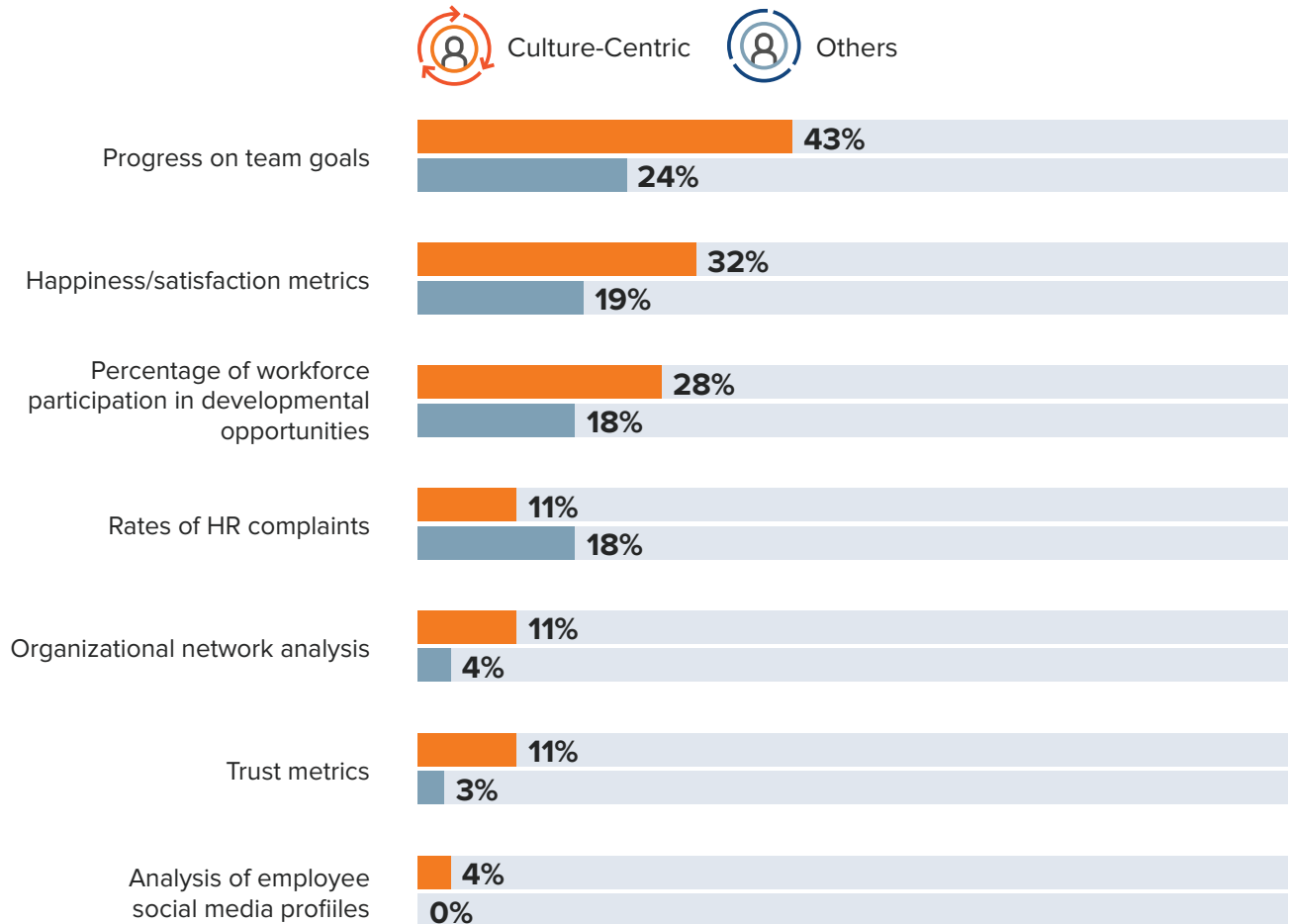
What metrics are used to evaluate efforts to develop, change, or sustain the organizational culture? (Select all that apply.)



While there are few differences between organizations in terms of what they measure, those with a positive, engaging culture tend to focus less on rates of HR complaints, and more on progress on team goals and happiness/employee satisfaction metrics (Figure 14).²⁶ This helps these organizations better understand the health of human relationships and mutual respect across the business. Similarly, culture-centric organizations are also more interested in using organizational network analysis and trust metrics to explore patterns of influence and support.

FIGURE 14

What metrics are used to evaluate efforts to develop, change, or sustain the organizational culture? (Select all that apply; only responses with significant differences between groups are displayed.)



They Invest in Tools that Support Culture

Having the right tools enables HR professionals, senior leaders, and managers to spend their time in high-value activities instead of tracking down documents, interpreting spreadsheets, and sifting through data. Technology can likewise aid and sustain culture and engagement initiatives by offering a common platform for exchanging information, posting comments, giving feedback and recognition, deploying surveys and polls, organizing dashboards with key metrics, and monitoring progress on individual performance goals, HR initiatives, and strategic objectives.



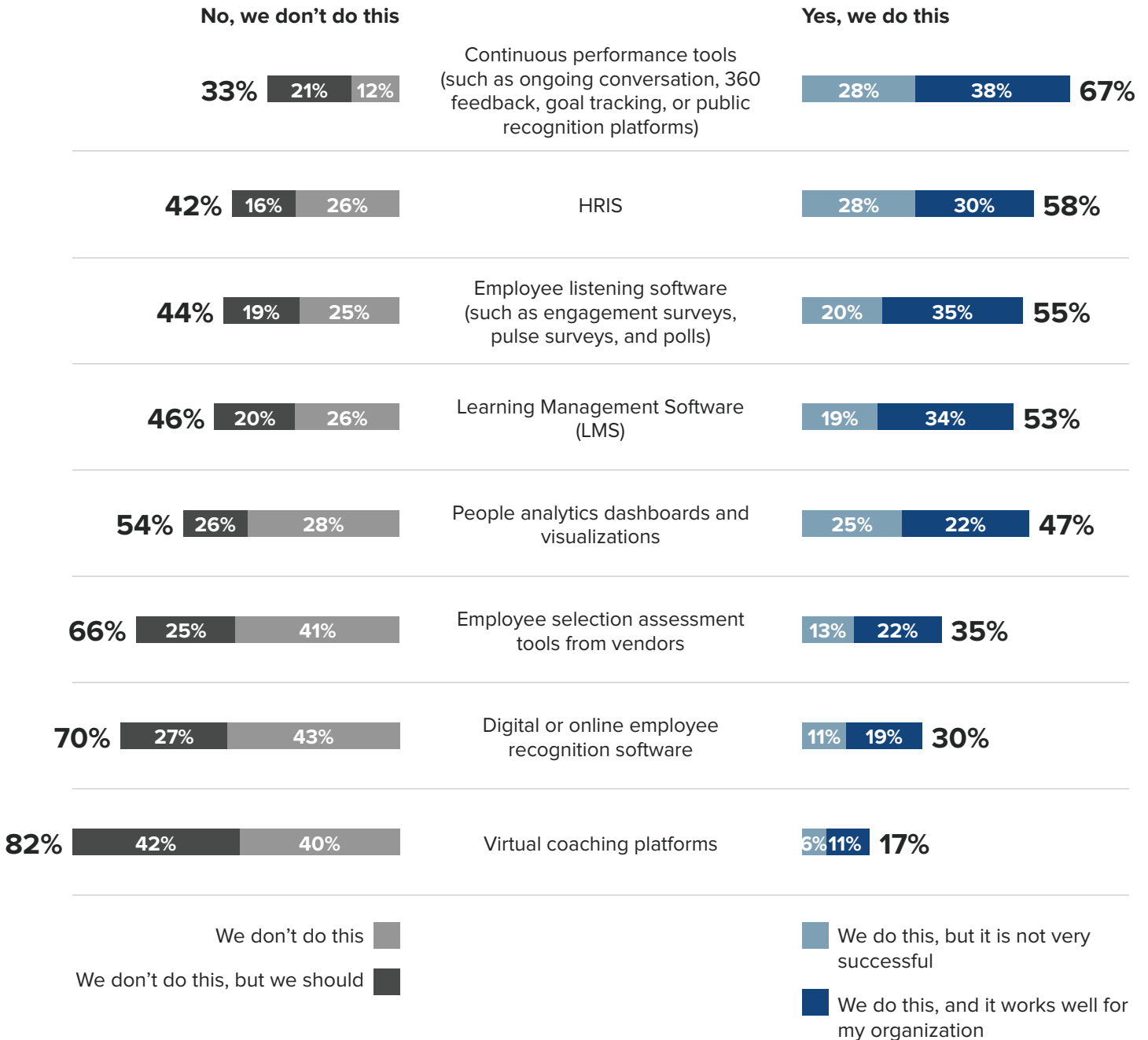
The culture can adapt and be changed, just as you change your strategy and mission. That's why you have to keep checking in on it and ask, 'What does it mean to be a part of this group?'

—Irene Indarte, HR Consultant, Globalscape



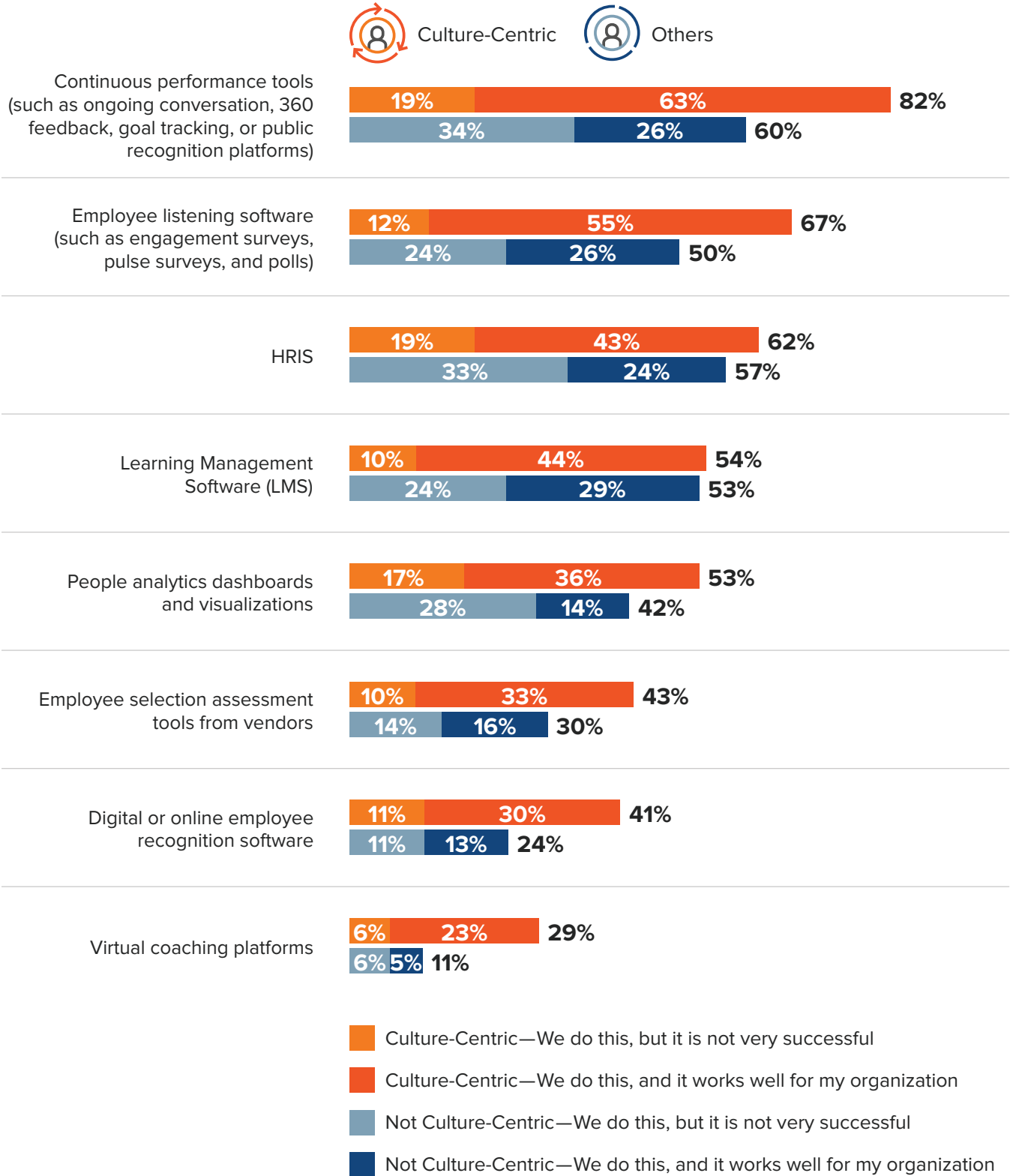
Roughly two-thirds of all organizations (67%) report using tools for continuous feedback, goal tracking, or public recognition (Figure 15). More than half indicate they employ some combination of HR Information System (HRIS), employee listening software, and a learning management system. Yet, not every organization has a well-integrated tech stack that can seamlessly blend insights and merge the functionalities of these tools. Between 19% and 29% of all organizations report they are not successful in using these tools to create, change, or promote culture, and more than a third don't use any of these systems.

FIGURE 15 **What are the tools your organization uses to create, change, or promote its culture?**



Culture-centric organizations make extensive use of technology to help them in engaging employees, sustaining relationships, and promoting communication (Figure 16).²⁷ Because they have greater visibility into real-time views of survey feedback and goal progress, they can more easily identify issues that require attention, and create a compelling story of the impact of their shared efforts. Managers can easily review feedback, goals, and recognition to more effectively coach their teams. This can give them the additional bandwidth they need to share in the work of designing, aligning, and integrating culture initiatives with HR programs and strategic goals.

FIGURE 16 What are the tools your organization uses to create, change, or promote its culture?



SET YOUR CULTURE AS THE STRATEGY

Organizations with a positive and engaging organizational culture, centered on common values, and reinforced by collective commitment, shared accountability, and mutual respect, are also those who set culture as their strategy to drive business success. As a result, they are more likely to report stronger talent and business outcomes relative to their industry peers. Developing a culture-centric organization takes thoughtfulness and intentionality. Start with these six key practices to generate trust, build buy-in, maintain consistency, and improve communication.

WHO YOU ARE	WHAT YOU DO	WHY IT MATTERS
Our culture is the strategy —it guides all that we do.	Proactive and integrated HR practices	Proactive and integrated HR practices anticipate the needs of both talent and the business and align programs and people with culture and strategy. Link your initiatives to their strategic goals. Work to consistently and intentionally communicate the cultural values and behaviors that support your people and the strategy.
We consistently reinforce our positive culture through our collective commitment to our core values.	Empower ownership	Democratize the process of developing, changing and supporting the organizational culture. By empowering employees to more actively participate and contribute to their work community, you alleviate the burden on managers and HR to build culture and engage employees, and you create collective commitment to the organization.
We are all different, but we work to identify our common values .	Commit to employee listening	Solicit feedback, conduct focus groups, and...act! Whether it's through surveys, polls, or discussions, the insights shared in these spaces are often an important opportunity to identify common values for the organization and direct actions and policies to support and engage talent.
We build trust and mutual respect through our frequent communication and celebration of one another.	Offer effective and engaging performance feedback	Feedback needs to be supportive, constructive, and engaging. To do this well, provide training on feedback, monitor and track performance on goals, and promote opportunities for continuous feedback that build trust and mutual respect within and across teams.
We all share accountability for engaging employees and for the success of our organization.	Measure metrics that matter	Measure and monitor business results, the effectiveness of teams, progress on goals, and the engagement of your workforce. This offers a view on potential impacts to both your organization and its culture, and can provide opportunities for growth or change.
We drive organizational success by making it easy to communicate and participate in our workforce.	Invest in tools that support culture	Don't invest in more tools—invest in the right tools. These can free time for employees and drive organizational success by simplifying the collection and analysis of important metrics and communicating results and progress on goals.

ABOUT THE RESEARCH

This research report includes insights and analysis from secondary research, an original survey, and interviews. The following subject-matter experts were interviewed as part of this effort:

- ✓ **Germán Madero Allegre**, Chief Operating Officer, Microsip
- ✓ **Jeff Naftal**, HRBP, American Society for Microbiology
- ✓ **Irene Indarte**, HR Consultant, Globalscape
- ✓ **Karen Guzicki**, Principal Consultant and Owner, Guzicki Group

From April 15th to May 12th, 2020, a survey link was distributed via e-mail to opt-in members of HCI's Survey Panel and electronic mailings. Duplicate entries and careless or partial survey responses were filtered out of the dataset, for an initial total of 315 respondents. Of these, 288 respondents are involved in some aspect of organizational culture. Seventy-two percent are headquartered in North America. Only categories describing at least 5% of the survey sample are displayed below.

Survey Respondent Demographics

Role in Organizational Culture	
I am highly involved	54%
I am tangentially involved	27%
I am not involved, but I can describe my organization's approach to developing, changing, or sustaining the organization's culture	11%
I am not involved, and cannot describe my organization's approach to developing, changing, or sustaining the organization's culture	4%
There is no focus on organizational culture where I now work	5%

Function	
Human Resources	38%
Talent Management/Organizational Development	15%
Learning and Development	9%
Independent Consultant	6%
Other	6%

Level of Responsibility	
I manage my own work and contribute to teams and projects	35%
I am responsible for a business unit or function	24%
I manage my own work and lead a team of people	17%
I am responsible an entire organization	13%
I lead and am responsible for other people managers below me	11%

Number of Employees	
Fewer than 100	23%
> 100 and ≤ 500	25%
> 500 and ≤ 1,000	10%
> 1,000 and ≤ 5,000	17%
> 5,000 and ≤ 10,000	6%
> 10,000 and ≤ 50,000	14%
> 100,000	5%

Industry	
Professional, Scientific and Technical Services	22%
Other Services (except Public Administration)	12%
Manufacturing	11%
Educational Services	11%
Public Administration	9%
Healthcare and Social Assistance	8%
Finance and Insurance	8%

Endnotes

1. Tellis, G. J., Prabhu, J.C., & Chandy, R.K., (2009). Radical Innovation Across Nations: The Preeminence of Corporate Culture. *Journal of Marketing*, 23(1), 73-23. <https://doi.org/10.1509/jmkg.73.1.3>
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3. Kotter, J. & Heskett, J., (1992). *Corporate Culture and Performance*. Simon & Schuster Inc.
4. Mallinger, M., Goodwin, D., & O'Hara, T., (2009). Recognizing Organizational Culture in Managing Change. *Grazidio Business Review*, 12(1),
5. Nusca, A. (2019, April 4). The Trick to Growing Revenue and Keeping Employees Happy at the Same Time? Culture. *Fortune*. <https://fortune.com/2019/04/04/culture-revenue-happiness/>
6. Deal, T.E. & Kennedy, A.A. (1982). *Corporate Cultures: The Rites and Rituals of Corporate Life*. Harmondsworth, Penguin Books.
7. Schein, E. (1996). Culture: The Missing Concept in Organization Studies. *Administrative Science Quarterly*, 41(2), 229-240. <https://doi.org/10.2307/2393715>
8. HCI researchers developed an index of seven talent outcomes (investments in training, internal mobility, employee engagement, diversity and inclusion, quality of hire, retention, and leadership bench strength) and seven critical business dimensions (customer satisfaction, regulatory compliance, talent attraction, innovation, profitability, shareholder value, and productivity) for evaluating the relative strength and weakness of respondents' organizations. These inventories are composed of items with five-point rating scales. Scores from these items are aggregated to create a composite score that reflects the overall strength of each organization in terms of its performance. Those scoring 52 or greater on this inventory are considered high-performing organizations (HPO). In this study, 36% of the total were scored as HPOs. HPO status had no relationship with the industry or number of employees within an organization nor with the respondents' seniority or functional area.
9. Scores on the HPO index compared to Likert ratings for the following items:
"My organization's culture drives desired organizational outcome/business metrics," $r^2 = .309, p < .01$

10. Scores on the HPO index compared to Likert ratings for the following items:
 - “Our organizational culture reflects the values, beliefs, and knowledge of our talent,” $r^s = .352, p < .01$;
 - “A thriving culture is enabling our organization to adapt to change,” $r^s = .333, p < .01$;
 - “My organization’s culture drives employee engagement,” $r^s = .307, p < .01$;
 - “My organization’s culture attracts high-quality talent,” $r^s = .314, p < .01$
11. Scores on the HPO index compared to Likert ratings for the following items:
 - “Our organizational culture accurately describes how we get work accomplished,” $r^s = .226, p < .01$
12. HCI researchers developed an inventory of eight organizational culture agreement questions to gauge the extent to which a thriving organizational culture is seen as the driver of business and talent outcomes. Organizations with a composite score of 46 or greater on this inventory are identified in this study as culture-centric. A third of the sample (33%) are designated as culture-centric organizations. Culture-centric status are had no relationship with industry or size of organization and did not co-vary with the functional role or seniority of the respondent. Culture-centric organizations are, however, much more likely to report stronger talent and business outcomes relative to their industry peers. This is reflected in a strong correlation between culture-centric scores and HPO scores: $r^s = .551, p < .01$
13. Little, B. & Little, P. (2006). Employee Engagement: Conceptual Issues. *Journal of Organizational Culture, Communications and Conflict*, 10(1).
14. Bailey, C. (2016). Employee Engagement: Do Practitioners Care What Academics Have to Say—And Should They? *Human Resources Management Review*. <http://sro.sussex.ac.uk/id/eprint/58786/1/Employee%20Engagement%20Do%20Practitioners%20Care%20What%20Academics%20Have%20to%20Say%20-%20And%20Should%20They.pdf>
15. Scores on the culture-centric organizations inventory compared to Likert ratings for the following items:
 - “Maintaining employee engagement in response to recent rapid changes provoked by the COVID-19 pandemic,” $r^s = .576, p < .01$;
 - “Communicating change in response to recent rapid changes provoked by the COVID-19 pandemic,” $r^s = .502, p < .01$
16. Scores on the culture-centric organizations inventory compared to Likert ratings for the following items:
 - “Compared to your industry competitors, how has your organization fared in the following business and talent dimensions over the past two

years: Customer satisfaction,” $r^s = .488, p < .01$

“Compared to your industry competitors, how has your organization fared in the following business and talent dimensions over the past two years: Labor productivity,” $r^s = .454, p < .01$

“Compared to your industry competitors, how has your organization fared in the following business and talent dimensions over the past two years: Percentage of high performers retained,” $r^s = .406, p < .01$

17. Level of agreement for culture-centric organizations compared to other organizations for the following items:
 - “My organization aligns strategy and culture,” $\chi^2 = 104.063, p < .01$;
 - “Organizational strategy is the most important tool for creating and changing organizational culture,” $\chi^2 = 18.528, p < .01$
18. Patel, S. (2017). The Importance of Building Culture in Your Organization. <https://www.inc.com/sujan-patel/importance-of-building-culture-in-your-organization.html>
19. Scores on the culture-centric organizations inventory compared to Likert ratings for the following items:
 - “The design of our HR programs and initiatives is intended to help shape our organizational culture,” $r^s = .357, p < .01$
20. Level of agreement, “We do this and it works well for my organization.” culture-centric organizations compared to other organizations for the following items:
 - “Provide onboarding programs that emphasize or highlight the organization’s culture,” (81% cultures of engagement vs. 36 % all others), $\chi^2 = 53.521, p < .01$;
 - “Offer learning and development opportunities to all roles and levels of seniority throughout the organization,” (73% cultures of engagement vs. 37 % all others), $\chi^2 = 35.277, p < .01$;
 - “Promote or sponsor employee social gatherings,” (68% cultures of engagement vs. 46 % all others), $\chi^2 = 14.745, p < .01$
21. Deloitte Global Human Capital Trends (2019). *Leading the Social Enterprise: Reinvent with a Human Focus*. https://www2.deloitte.com/content/dam/insights/us/articles/5136_HC-Trends-2019/DI_HC-Trends-2019.pdf
22. Level of agreement for culture-centric organizations compared to other organizations for the following items:
 - “Solicit feedback from employees through surveys, polls, emails, or chat boards to understand needs,” $\chi^2 = 42.879, p < .01$;
 - “Take action based on data from our employee listening posts,” $\chi^2 = 37.237, p < .01$;
 - Create employee focus or listening groups, $\chi^2 = 37.976, p < .01$;

23. Filipkowski, J. (2018). *How am I Doing? Strategies for Continuous Feedback*. <https://www.hci.org/research/talent-pulse-54-how-am-i-doing-strategies-continuous-feedback>
24. Level of agreement for culture-centric organizations compared to other organizations for the following items:
 “Engage in shared goal setting between managers and their employees,” $x^2 = 40.394, p < .01$;
 “Monitor and track performance and progress on goals across the organization,” $x^2 = 34.624, p < .01$;
 “Offer opportunities for managers to use coaching skills in conversations with employees centering on behavior and culture,” $x^2 = 52.634, p < .01$;
 “Design performance management initiatives to enhance quality feedback,” $x^2 = 29.605, p < .01$;
 “Offer training on giving and receiving feedback,” $x^2 = 25.307, p < .01$;
 “Design performance management initiatives with visibility into performance expectations and progress,” $x^2 = 19.681, p < .01$
25. Scores on the culture-centric organizations inventory compared to Likert ratings for the following items:
 “My organization aligns culture to business metrics,” $r^s = .397, p < .01$
26. Level of agreement for culture-centric organizations compared to other organizations for the following items:
 “Progress on team goals,” $x^2 = 10.087, p < .01$;
 “Happiness/satisfaction metrics,” $x^2 = 6.396, p = .01$;
 “Percentage of workforce participation in developmental opportunities,” $x^2 = 3.943, p = .04$;
 “Organizational network analysis,” $x^2 = 5.634, p = .02$;
 “Trust metrics,” $x^2 = 8.334, p < .01$;
 “Analysis of employee social media profiles,” $x^2 = 8.372, p < .01$
27. Level of agreement for culture-centric organizations compared to other organizations for the following items:
 “Continuous performance tools (such as ongoing conversation, 360 feedback, goal tracking, or public recognition platforms),” $x^2 = 36.155, p < .01$;
 “Employee listening software (such as engagement surveys, pulse surveys, and polls),” $x^2 = 25.435, p < .01$;
 “Learning Management Software (LMS),” $x^2 = 12.332, p < .01$;
 “HRIS,” $x^2 = 19.583, p < .01$;
 “People analytics dashboards and visualizations,” $x^2 = 18.665, p < .01$;
 “Employee selection assessment tools from vendors,” $x^2 = 12.779, p < .01$;
 “Digital or online employee recognition software,” $x^2 = 11.841, p < .01$;
 “Virtual coaching platforms,” $x^2 = 24.193, p < .01$

ABOUT THE PARTNERS



Quantum Workplace, a human resources technology provider, delivers modern tools for employee success that high-performance organizations have come to rely upon. Nearly 20 years ago, the Company pioneered some of the earliest employee engagement and performance software and has since partnered with thousands of organizations to elevate employee, team, and business success. Quantum Workplace helps leaders connect the dots between engagement and performance with intuitive and user-friendly tools including comprehensive and automated employee surveys; goal setting and tracking tools; peer-to-peer recognition; real-time feedback; continuous one on one conversations; smart talent reviews; and, robust people analytics. To learn more, visit www.quantumworkplace.com or connect with the Company on LinkedIn, Facebook, and Instagram.



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