



Workplace Culture Report

Unleashing Performance: How Adaptable Cultures Drive Sustainable Results

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Cultural issues are largely underestimated as the culprit for top challenges



However, **the top challenges reportedly getting in the way of meeting team goals this year are all rooted in company culture issues.**

Strong and adaptable company cultures breed organizational success

3x

Revenue increases

Companies described as strong and adaptable by their employees are nearly 3x more likely to have seen significant revenue increases in the last year than those who view their company culture less favorably. (This group is also two times more likely to have an extremely positive outlook on their organization's success in the coming year.)

4.5x

Higher rates of satisfaction

Investing in the development of leaders improves company culture. Companies that prioritize cultivating leaders who empower others are nearly 4.5x more likely than others to have high rates of satisfaction with company culture amongst employees.

Prioritizing employee development creates more self-aware, accountable, and adaptable employees. Organizations prioritizing employee development are significantly more likely to describe themselves and their team members as self-aware, accountable, and adaptable than all others.





There is an undeniable link between cultural strength and team performance.

Companies with strong and adaptable cultures are nearly **3x more likely** to report significant revenue increases and **2x more likely** to have a positive outlook on future success.

Understanding performance





“Organizational culture”
isn't just a buzz phrase.

Improving company culture has become a strategic necessity as companies work to sustain growth and thrive, regardless of the economic climate or any other challenges they face.

The hidden force impacting performance

94% of professionals we surveyed agree that culture is important for achieving business objectives like revenue and growth, up from 90% last year. And culture is only growing in importance. Three-quarters (74%) of professionals expect the importance of company culture to increase in today's market.

Organizations that succeed in creating healthy and productive environments are the ones that understand the profound impact of culture on every aspect of their operations. However, **only 27%**

of survey respondents strongly agree that their company's culture significantly impacts their ability to meet or exceed goals, despite our findings revealing that the greatest barriers to achieving team goals are intrinsically linked to cultural issues.

The inability to hire the right talent, workflow inefficiency, and unmanageable workloads top the list of obstacles, underscoring the pervasive influence of culture throughout every facet of an organization.

What do you feel are your greatest barriers to meeting or exceeding your team goals this year?

40%

Inability to hire the right talent

33%

Inefficient workflows

32%

Unmanageable workload

25%

Poor communication

25%

Unclear strategic priorities

24%

Lack of support from leadership

24%

Lack of employee accountability

21%

Misalignment of teams

18%

Unclear goals

5%

Other



The truth is that culture is the beating heart of every organization.

Simply put, culture is how we work together every day.

So, how are companies investing in their employees and leaders to build a healthy workplace?



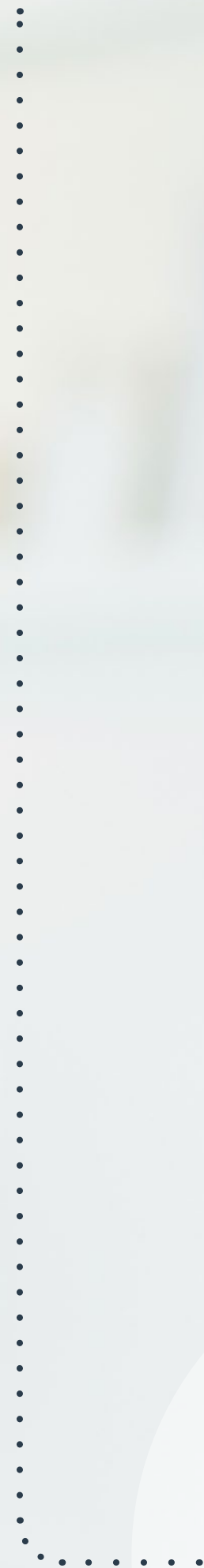


Culture transformation starts with a *people-centric* approach

This report offers insights and actionable recommendations for transforming your organizational culture into one that thrives under any market conditions. In the following pages, we'll explore how **sustainable change doesn't come from buying more tech, increasing budgets, or changing processes.** Culture transformation starts with a people-centric approach—an investment in people-oriented solutions to spark innovation, engagement, and productivity in your workforce.



A strong culture



A strong company culture is critical to organizational success

Strong and adaptable cultures promote resilience

Our research indicates that a strong and adaptable company culture breeds organizational success. **Just 23%** of professionals surveyed describe their company's organizational health as strong and adaptable, but this group exhibits significantly more positive attitudes and results compared to their counterparts in less-than-ideal environments.

How do you perceive your company's organizational health?

23%

Strong and adaptable

56%

Functioning well, but there's room for growth

17%

Need improvement in some areas

4%

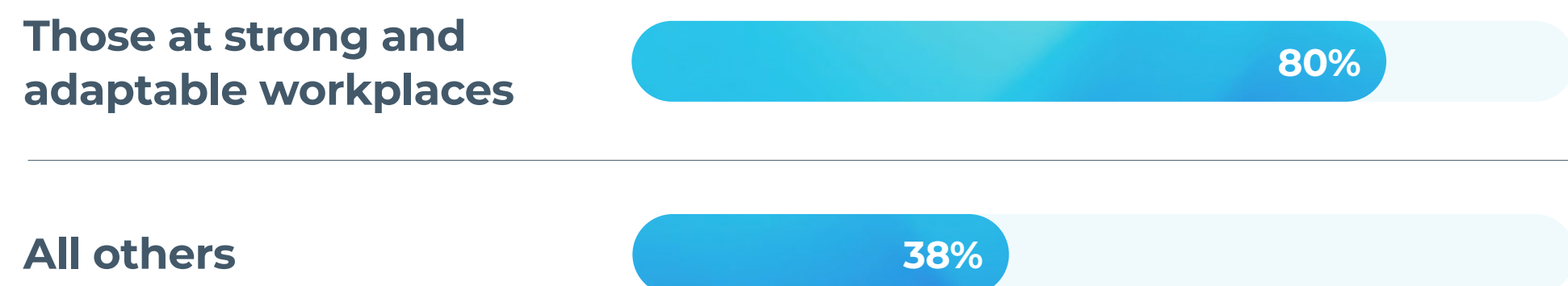
Needs a lot of improvement

There is an undeniable link between cultural strength and team performance.

In fact, professionals at organizations with strong and adaptable cultures are twice as likely to recognize the positive impact of their company culture on meeting and exceeding team goals (45% vs. 22%).

Furthermore, professionals in these strong and adaptable environments express significantly more confidence in taking on new challenges that may arise. Four in five (80%) of those in strong and adaptable workplaces feel comfortable tackling new challenges, knowing they have strong support from their colleagues and leaders. This is two times more likely than those in less supportive environments (38%).

Employees who feel comfortable taking on new challenges



Those in strong and adaptable environments are about **110%** more comfortable taking on new challenges than others.

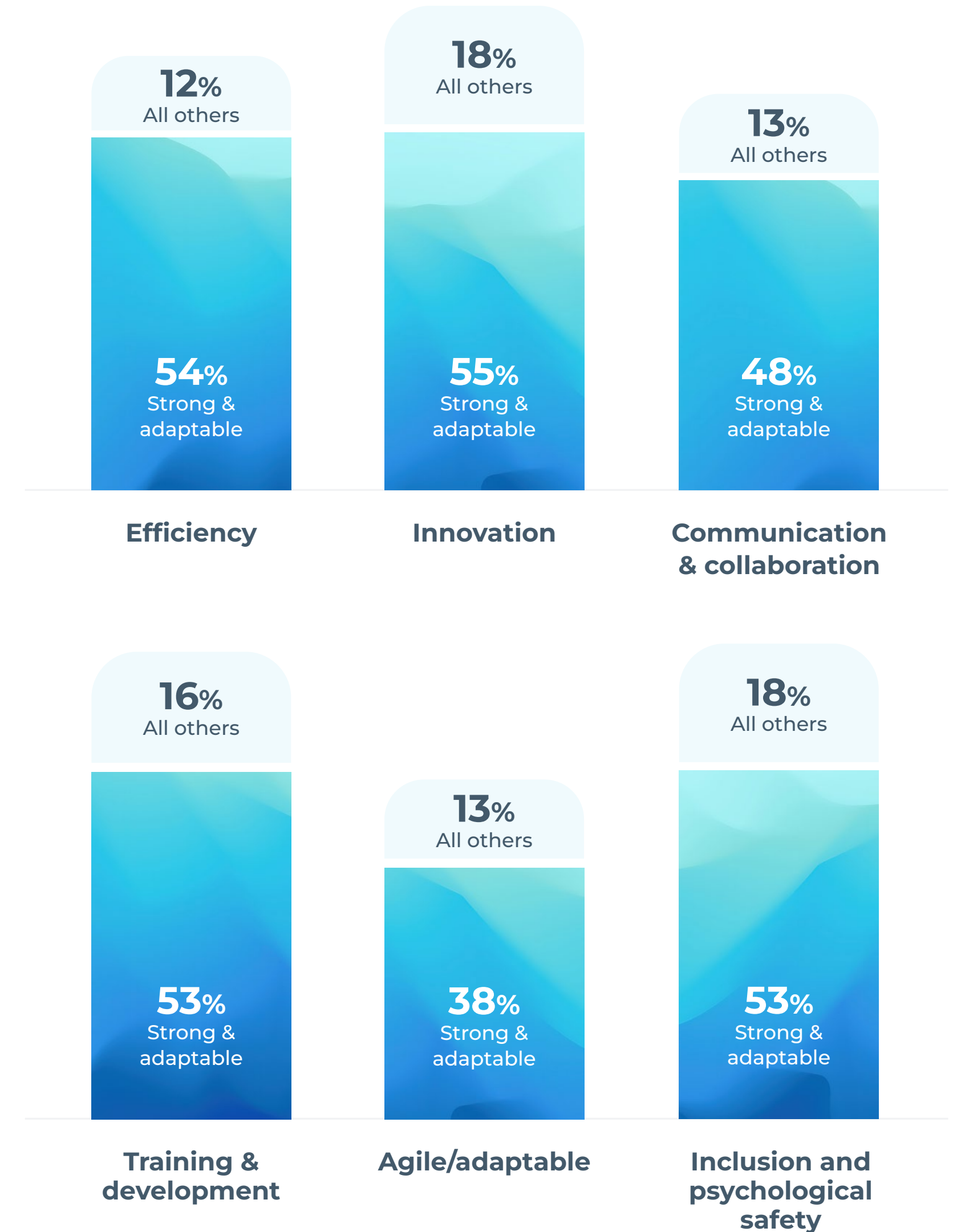


Creating a resilient and positive company culture fosters a proactive and confident workforce

Those in strong and adaptable work environments are also significantly more likely to give high ratings for their company's performance in areas such as efficiency, innovation, communication/collaboration, training and development, agility/adaptability, and psychological safety.



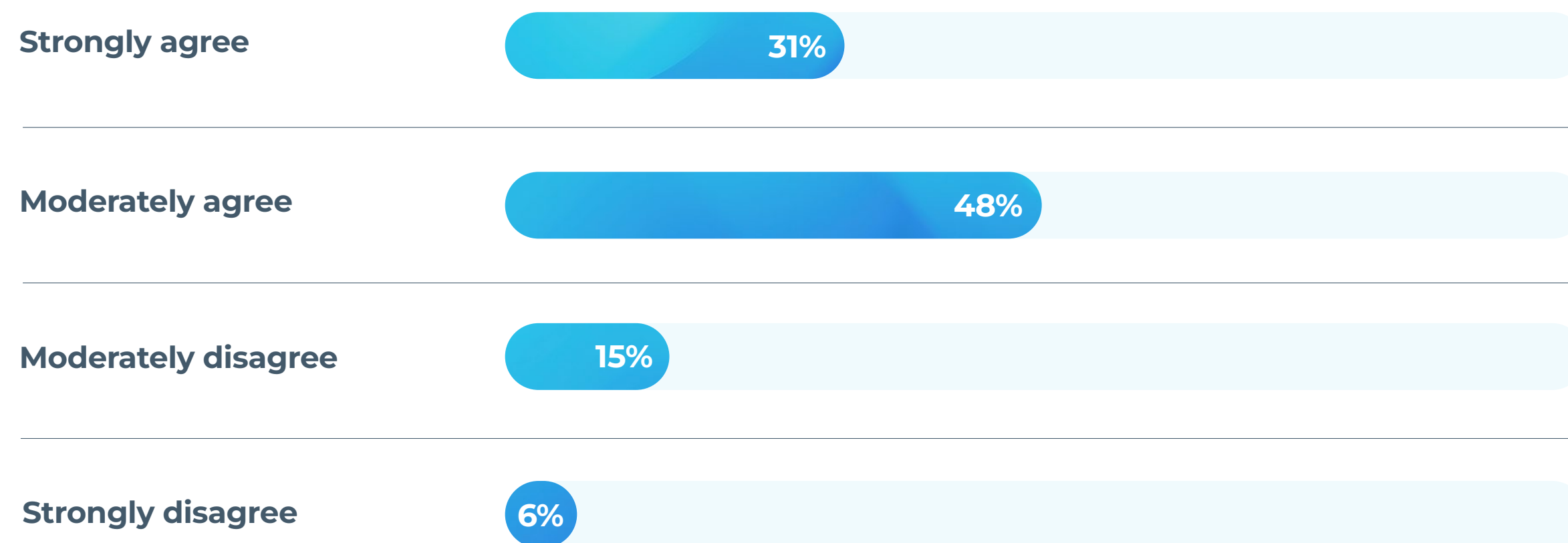
Percent of those who rate the following areas as "Excellent" at their organization



High-performing culture doesn't mean growth at all costs

Given the impact culture has, it should sit in priority with revenue, profits, and expense reduction. Yet, one-third of organizations still view culture as a less important initiative that should take a back seat to business gains that are easier to quantify. This “growth at all costs” mentality of years past is simply not a sustainable model. Focusing on long-term strategies like culture actually improves the ability to meet short-term goals like revenue in the long run.

At my company, short-term goals (revenue, profit margin, reduction of expenses) hinder long-term strategies to improve company culture.



We know that investing in company culture to create a strong and adaptable work environment positively impacts business outcomes. Still, **31%** of professionals surveyed strongly agree that short-term goals like revenue, profit margin, and expense reduction hinder long-term strategies to improve company culture at their company.

Good news! The number of companies who strongly agree that short-term goals hinder long-term strategies is **down by 22%** from last year (40% strongly agreed in our 2023 study).





When *people are prioritized* and highly satisfied with their company culture, we see *more collaborative and efficient environments* where employees view others' goals, objectives, and challenges as important as their own.



Making an impact

The importance of a strategy

Committing to improving company culture doesn't come without challenges, and staying consistent with strategic initiatives has moved to the top of the list of barriers companies face as they work toward improving company culture.

Making an impact with cultural improvements

Evolving a strategy to meet workforce changes also sits high on the list of challenges. However, having clear strategic priorities in place is a challenge worth overcoming. With a strong culture to fall back on, organizations can provide their workforce with a consistent and meaningful employee experience to serve as a strong foundation for whatever comes their way.

Overall, these challenges indicate that initiatives to improve culture are becoming more important, but organizations don't necessarily know how to implement, follow through, and optimize their strategies.

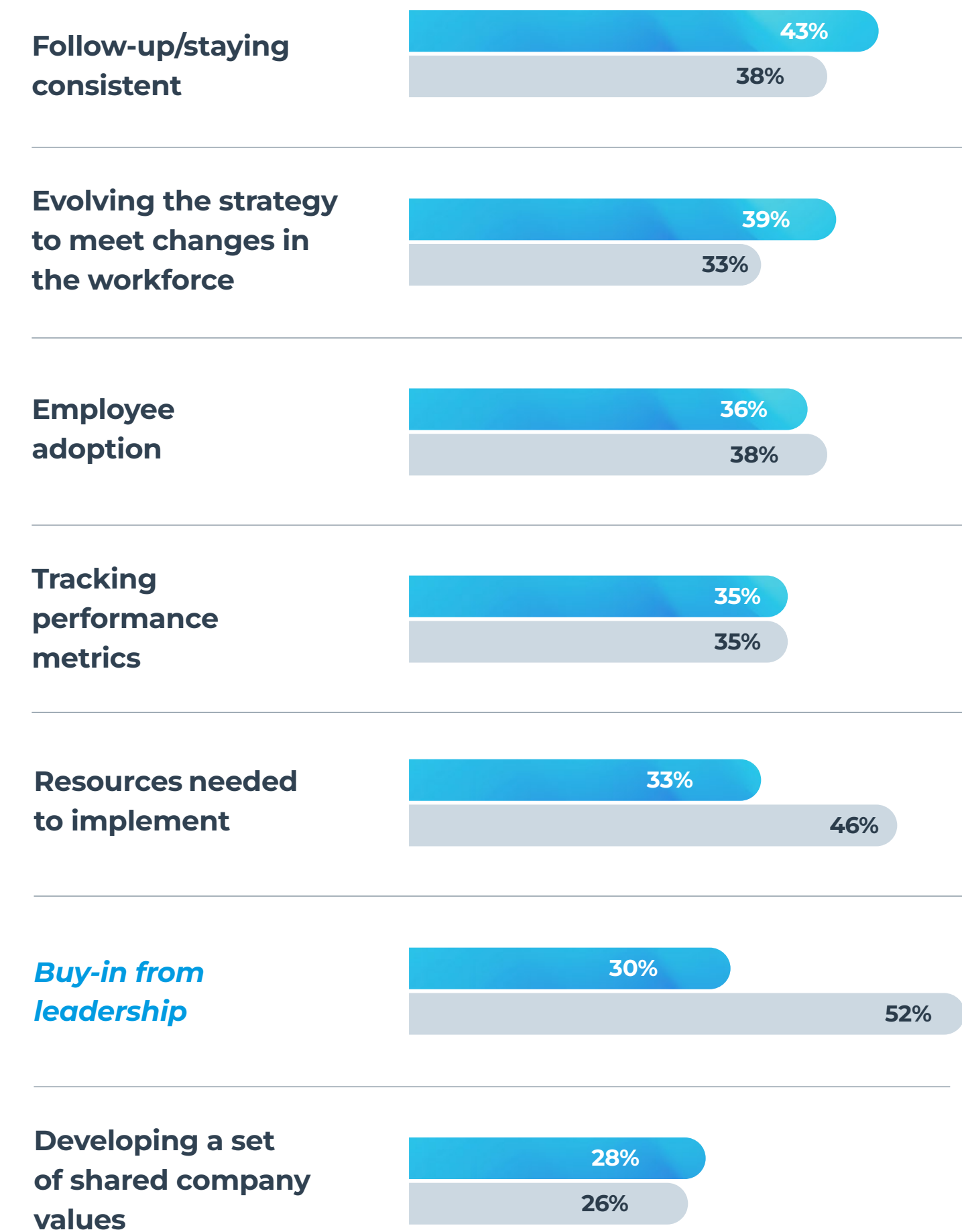
Leadership teams are seeing the *impact of culture*

Compared to last year, nearly half as many respondents struggle with getting buy-in from leadership when it comes to improving company culture.

Perceived top challenges also vary by job role. Executives rank tracking performance metrics and developing a shared set of company values at the top of their challenges in improving company culture. Significantly fewer non-executives rate both as a top challenge. Meanwhile, consistency, adoption, and leadership buy-in are all considered more of a challenge to non-executives compared to executives surveyed.

● 2024 ● 2023

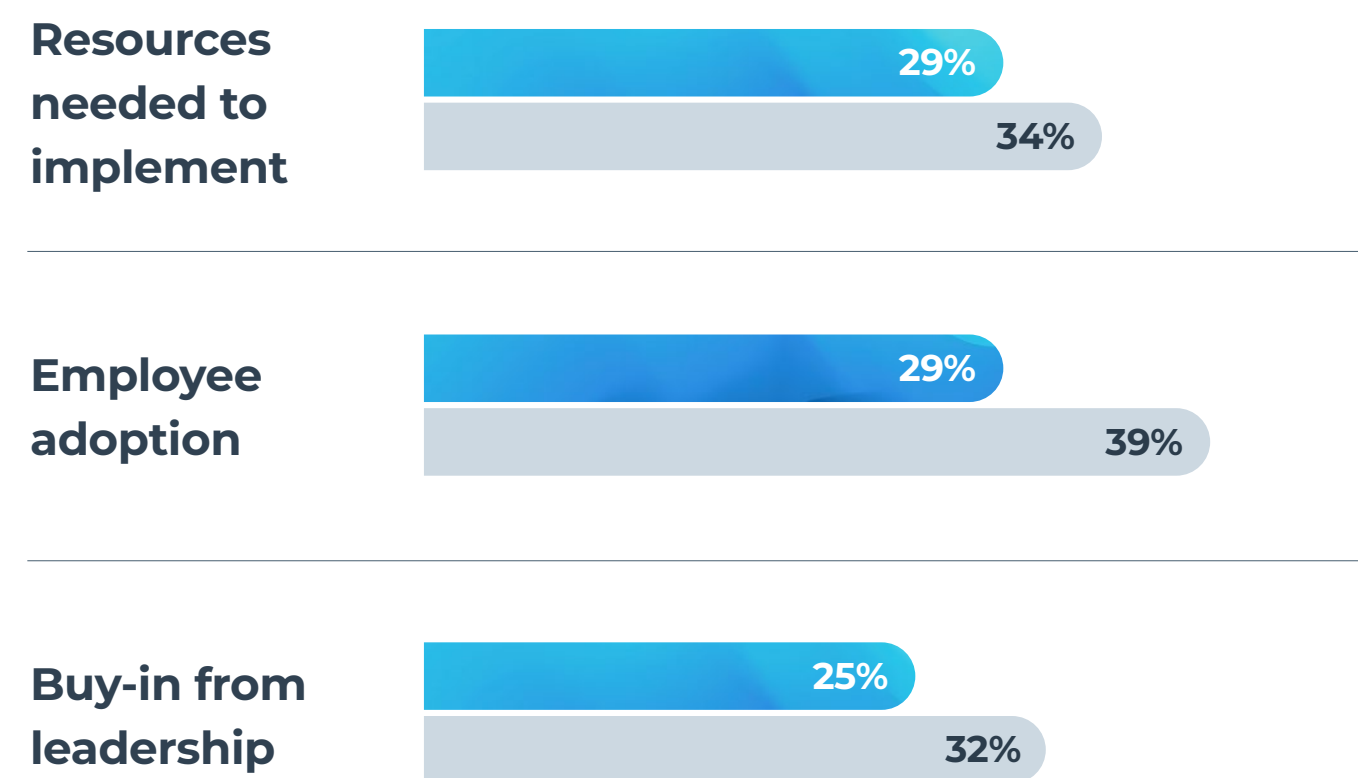
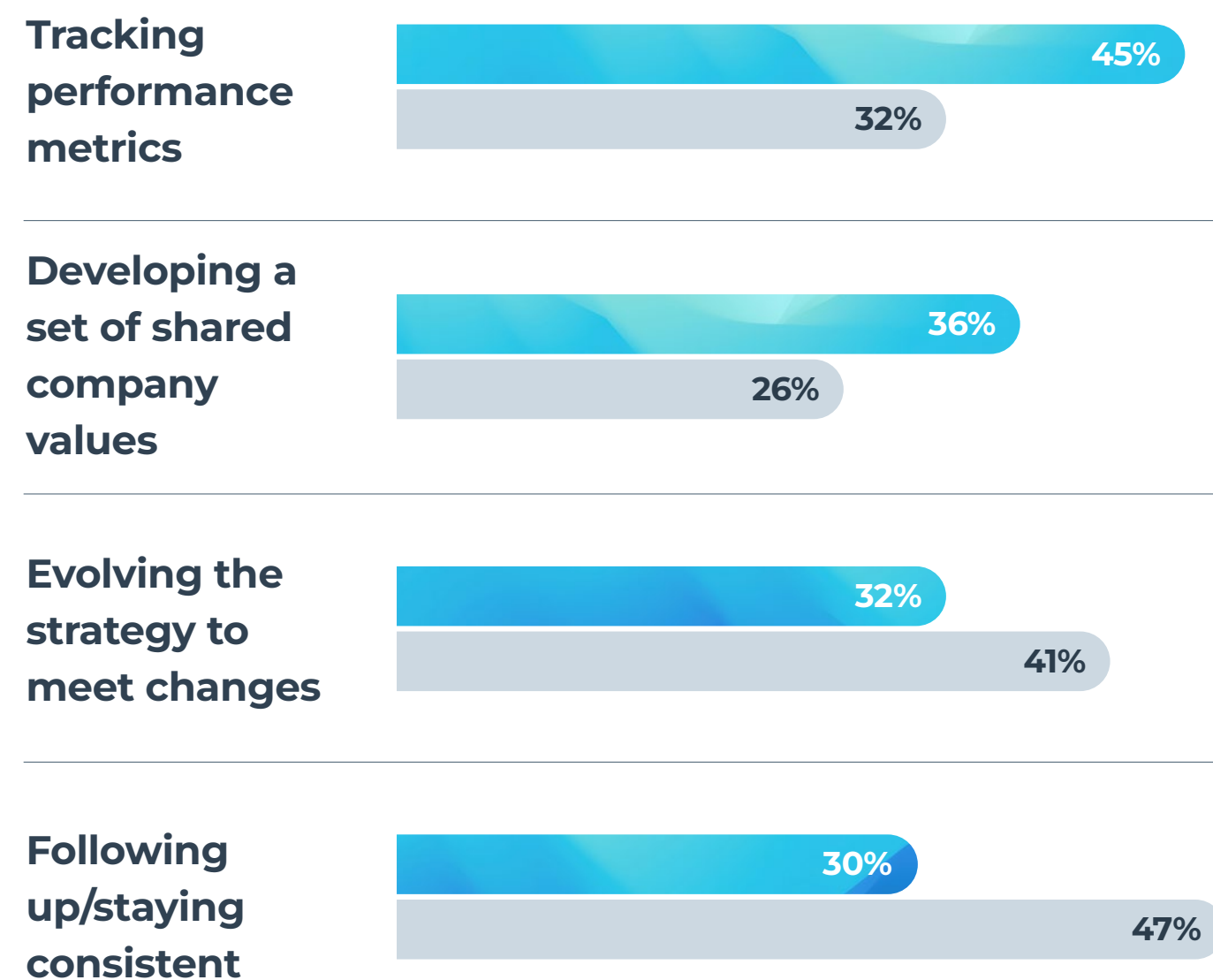
What are the top challenges of improving company culture?



Perceived top challenges also vary by job role

● C-Level/Exec ● Non-Execs

What are the top challenges of improving company culture?

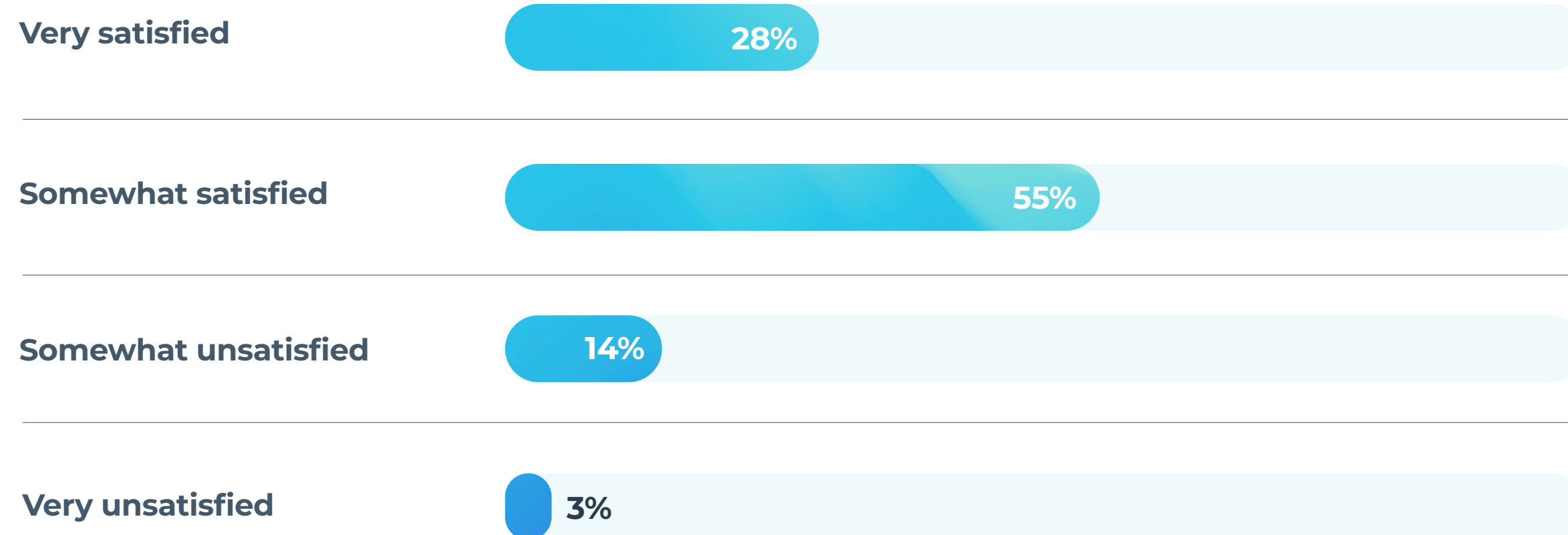


Executives rank tracking performance metrics and developing a shared set of company values at the top of their challenges in improving company culture. Significantly fewer non-executives rate both as a top challenge. Meanwhile, consistency, adoption, and leadership buy-in are all considered more of a challenge to non-executives compared to executives surveyed.

It's no wonder that employees have challenges with consistency, adoption, and leadership buy-in when **leaders are struggling to track performance accurately** and align on company values and priorities.

Employee satisfaction with their work environment goes deeper than just compensation

Rate your overall satisfaction with your organization's company culture.



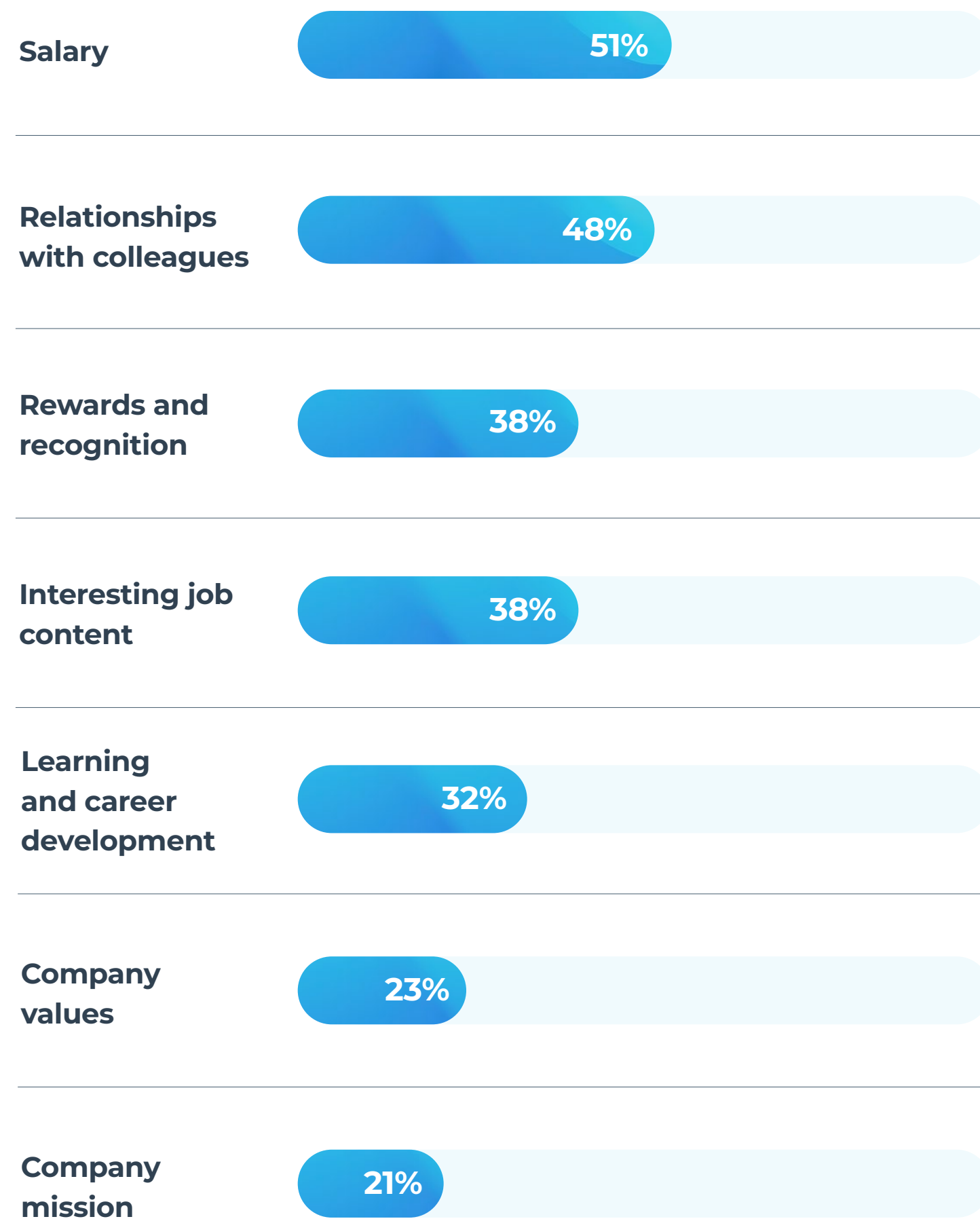
Those most satisfied with their company culture are **6x** more likely to rate their company's efficiency as excellent compared to those less satisfied with their company culture.

Only 28% of professionals surveyed are very satisfied with their company's culture. Another 55% are somewhat satisfied, and 17% are unsatisfied, indicating that there is significant room for improvement.



Key findings about the factors contributing to employee satisfaction

Which of the following contributes most to your satisfaction with your work environment?



Professionals are impacted by more than just their salary when it comes to factors contributing to their work satisfaction. **Employees' relationships with their colleagues contribute to satisfaction with their workplace almost equally as much as salary.** Professionals surveyed also want to be recognized for their efforts and have meaningful job content that interests them.

Areas of cultural improvement that make the most impact

Which of the following initiatives would have the greatest impact on improving your organization's culture?

39%
Employee experience and well-being

38%
Employee development

33%
Leadership development

33%
Encouraging and fostering healthy communication

31%
Employee mindset communication

29%
Learning and development (L&D)

29%
Employee performance (performance management)

26%
Diverse and inclusive workforce

According to professionals surveyed, **initiatives that have the greatest impact on improving company culture are employee experience and well-being, employee and leadership development, and healthy communication.**

What initiatives could be prioritized in organizations to improve employee satisfaction?

Interestingly, less than one-third of companies strongly emphasize the development of leadership, team performance, and collaboration in their workplace, each of which is critical to improving company culture.

In fact, professionals working for companies that prioritize all three of these initiatives a great deal are nearly 11x more satisfied with their company culture than those who report that their companies don't place a high priority on any of these initiatives (76% vs 7% are very satisfied with their company culture).



Percent of companies prioritizing the following areas “a great deal”

29%

Developing leaders who empower others

28%

Developing engaged and accountable employees

30%

Fostering a collaborative workplace



The Performance Trifecta



11x

Companies prioritizing **leadership, employee engagement and accountability, and collaboration** are 11x more likely than others to have employees who are very satisfied with their company culture.



Cultural improvements



Cultural improvement #1

Developing leaders who empower others

Trustworthy leaders promote collaboration and improve efficiency

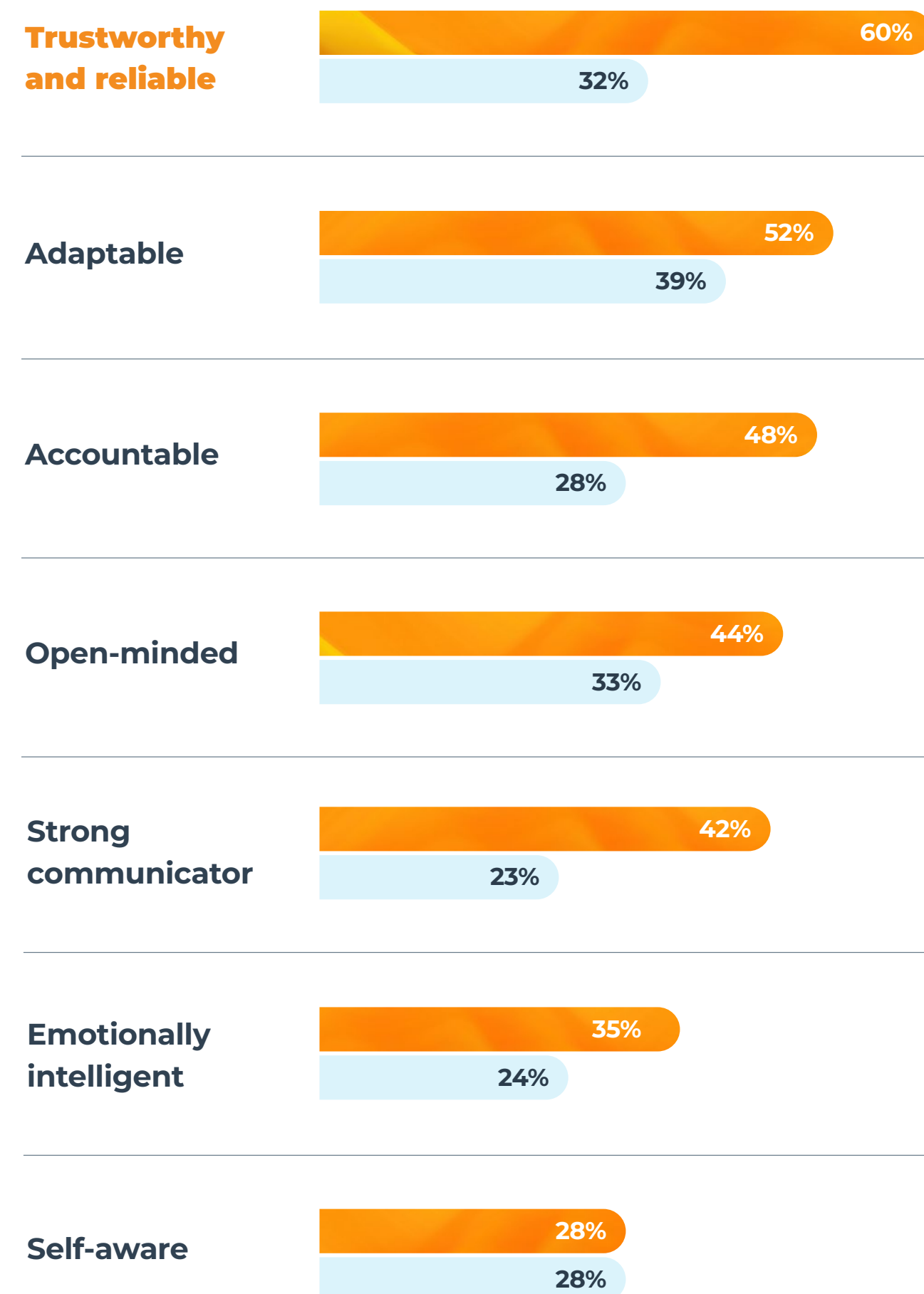
Less than one-third (29%) of professionals surveyed report that their company places a high priority on developing leaders who empower others. However, leaders who empower their teams foster a culture of trust and respect, promoting team engagement and collaboration.

We see this in the disparity of how employees describe their leaders in groups that work for companies that prioritize leadership development compared to those that don't.

Professionals with leaders who are trained to empower are significantly more likely than others to describe their organizational leadership as trustworthy, reliable, adaptable, accountable, open-minded, and strong communicators.

● Prioritize leadership development ● All others

Which of the following would you use to describe your organization's leadership?



Furthermore, those working in environments where leadership development is prioritized report greater efficiency as well as better communication and collaboration. This group is 7x more likely than others to describe their organization's efficiency as excellent and nearly 6x more likely than others to describe communication and collaboration as excellent.

Companies that invest in developing leaders who empower others have significantly higher satisfaction rates with company culture than others. In fact, **professionals working for organizations that prioritize leadership development are nearly 4.5x more satisfied with their organization's culture than others.**

Investing in leadership development fosters healthier work environments

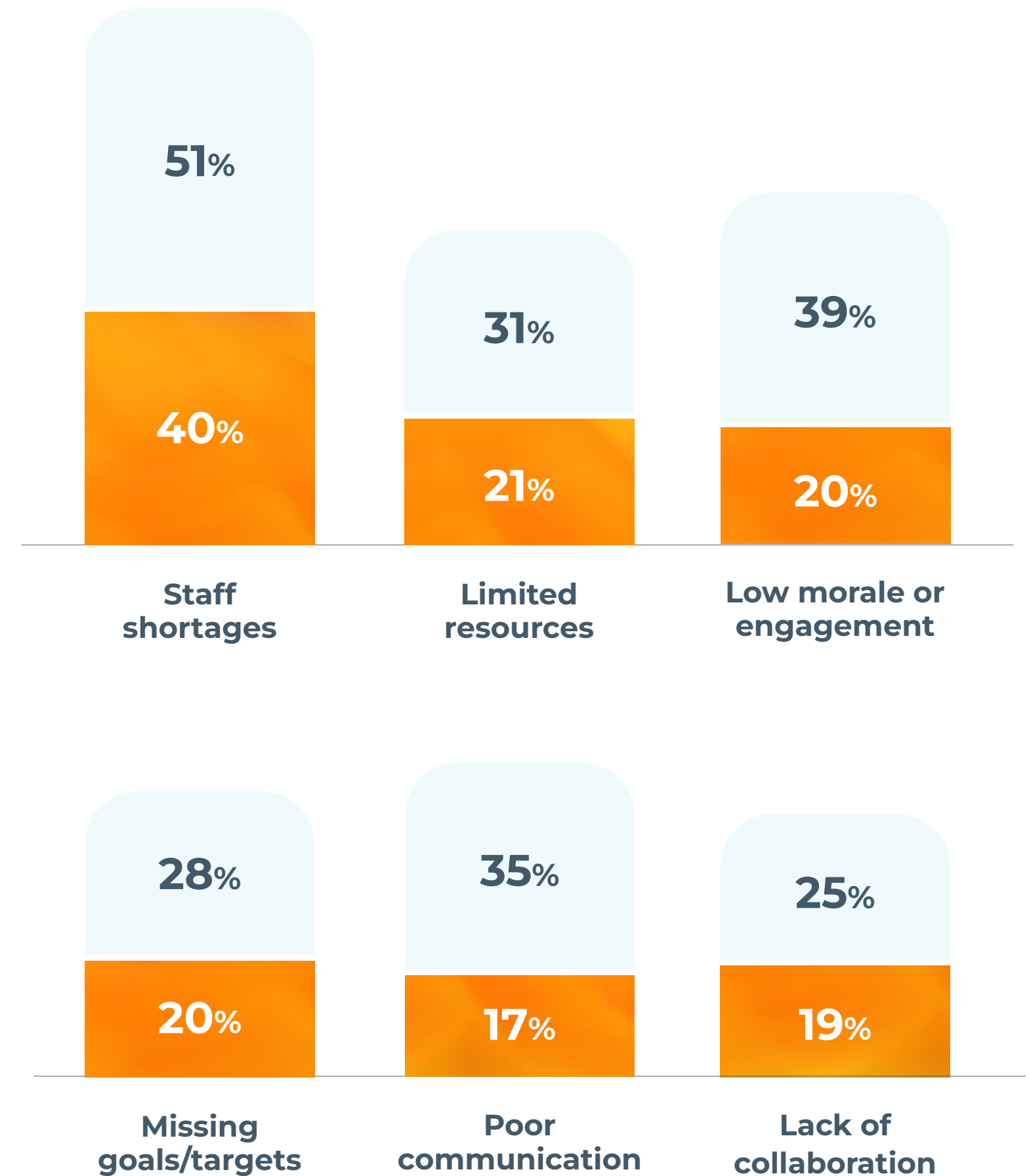
Leadership-focused cultures promote trust and stability, which creates a positive ripple effect across an organization. **Professionals working for companies prioritizing leadership development are significantly less likely to have experienced negative work situations such as staff shortages, low morale, and poor communication in the last six months.**

Strong leadership is the backbone of any successful organization. By investing in leadership development, you set leaders up to build high-performing, resilient teams that communicate and collaborate better. This ultimately leads to a more efficient and motivated workforce, reducing issues like staff shortages, missed targets, and low morale.



● Prioritize leadership development ● All others

What issues/situations have you encountered at your organization in the last 6 months?

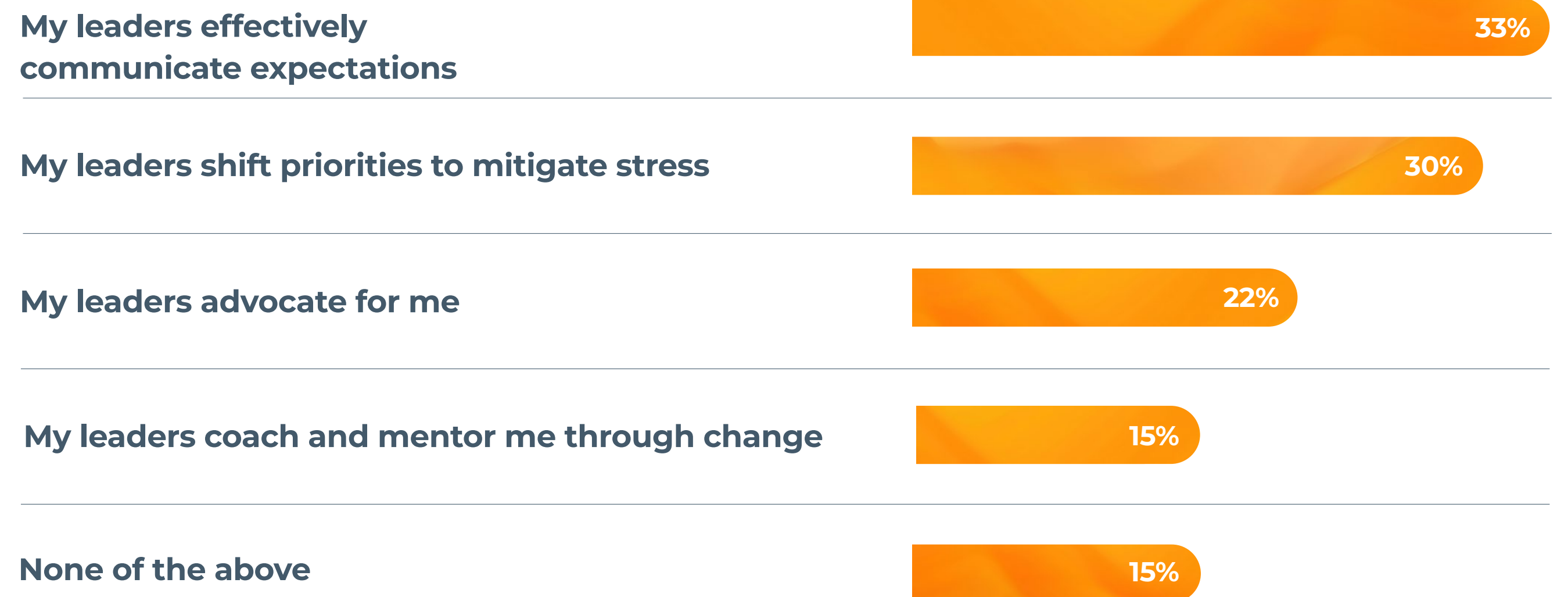




What are the top qualities of an effective leader?

The best leaders know how to communicate, and they advocate for the well-being of their team members. Unfortunately, our survey data reveals that most professionals are not getting the support they need from leadership in challenging times.

Which of the following is true when you are feeling stressed or burnt out at work?



Leaders are falling short in mentorship & coaching

Only 15% say that their leaders coach or mentor them through change, and less than one-quarter say that their leaders advocate for them during times of stress or burnout. Just one-third say their leaders effectively communicate expectations.

15% of professionals surveyed agree

My leaders coach or mentor me through change





Professionals at companies investing in leaders are significantly more likely to have leaders who can effectively communicate expectations, advocate for their employees during times of stress, shift priorities to mitigate stress, and mentor and coach employees through change.



Promoting leadership development directly impacts a leader's ability to empower and guide their team through difficulties.



Cultural improvement #2

Driving team performance through engagement



78%

of engaged employees surveyed agree

Engaged employees are more satisfied, efficient, and collaborative.

Creating a culture that employees are highly satisfied with should be one of the goals of any company. **Nearly four out of five (78%) professionals surveyed agree that company culture impacts their ability to meet or exceed goals.**

Our research found that organizations promoting the development of engaged and accountable employees have

significantly higher culture satisfaction rates than organizations that don't prioritize employee engagement as heavily (61% say they are very satisfied with their company culture, compared to 14% of all others).



What else can improving engagement and accountability do for an organization?

5x

Improve efficiency.

Companies that prioritize improving team performance are over **5x more likely than others to have achieved excellence in efficiency**, according to professionals surveyed (53% vs 10%).

21%

Improve communication and collaboration.

Overall, **only 21% rate communications and collaboration at their organization as excellent**. However, those who work at organizations prioritizing employee development are nearly 5x more likely to rate communications and collaboration as excellent than all others (48% vs 10%).

Despite its clear impact on improving company culture, **only 28%** of professionals surveyed say their company prioritizes developing engaged and accountable employees.





Many company cultures today fuel the stress and burnout of their employees.



77% of professionals surveyed report feeling stressed or burnt out due to work. **And while sometimes stress is inevitable, engaged employees feel less of it.**

Professionals working for companies that prioritize employee engagement and accountability are **34% less likely** to feel stressed and burnt out from work.

Proven ways to boost engagement at work:

Remember your colleagues are people, not objects

Foster psychological safety

Make time to connect with others

Ask for feedback (and listen)

Be transparent

Show appreciation

Provide ongoing coaching and training

Demonstrate trust

Live your mission and values





A lack of self-awareness

Those working for organizations that prioritize the development of engagement and accountability in their employees are significantly more likely to describe themselves AND fellow team members as self-aware, accountable, and adaptable than all others.

The way professionals view themselves as team members varies greatly from how they view their fellow team members. **Professionals surveyed are significantly more likely to describe themselves as reliable, adaptable, accountable, proactive, and communicative team members.**

Bridging this perception gap is crucial for effective teamwork. When we take the time to understand our colleagues' goals and challenges, we see them not just as roles, but as individuals. This empathy combats the unconscious bias that we're somehow "better" team members. By acknowledging everyone's unique struggles and contributions, we foster a more collaborative and supportive work environment.

● Self ● Fellow team members
Description of self vs. fellow team members



Investing in employees through training

Encouraging employees to participate in training that empowers them to do their jobs more effectively leads to improved business outcomes. Most often, organizations are encouraging employees to participate in training every quarter.

Interestingly, companies that encourage employees to participate in training on a monthly basis are driving more significant revenue increases, are more adaptable in times of change, and have employees who are more satisfied with their company's culture.

How often are you encouraged or required to participate in training that you feel improves your performance or ability to contribute?



Professionals that are encouraged or required to participate in training that they feel improves their performance or ability to contribute:

2x

more likely than others to work for companies that saw significant revenue increases last year.

3x

more likely than others to describe their company as highly adaptable in times of change.

2x

more likely than others to be highly satisfied with their company culture.



Cultural improvement #3

Embedding collaboration into the core of culture

The bedrock of collaboration

Fostering collaboration and belonging within a company culture is essential for ensuring diversity in perspectives, which fuels innovation, drives engagement and productivity, and promotes psychological safety among employees.



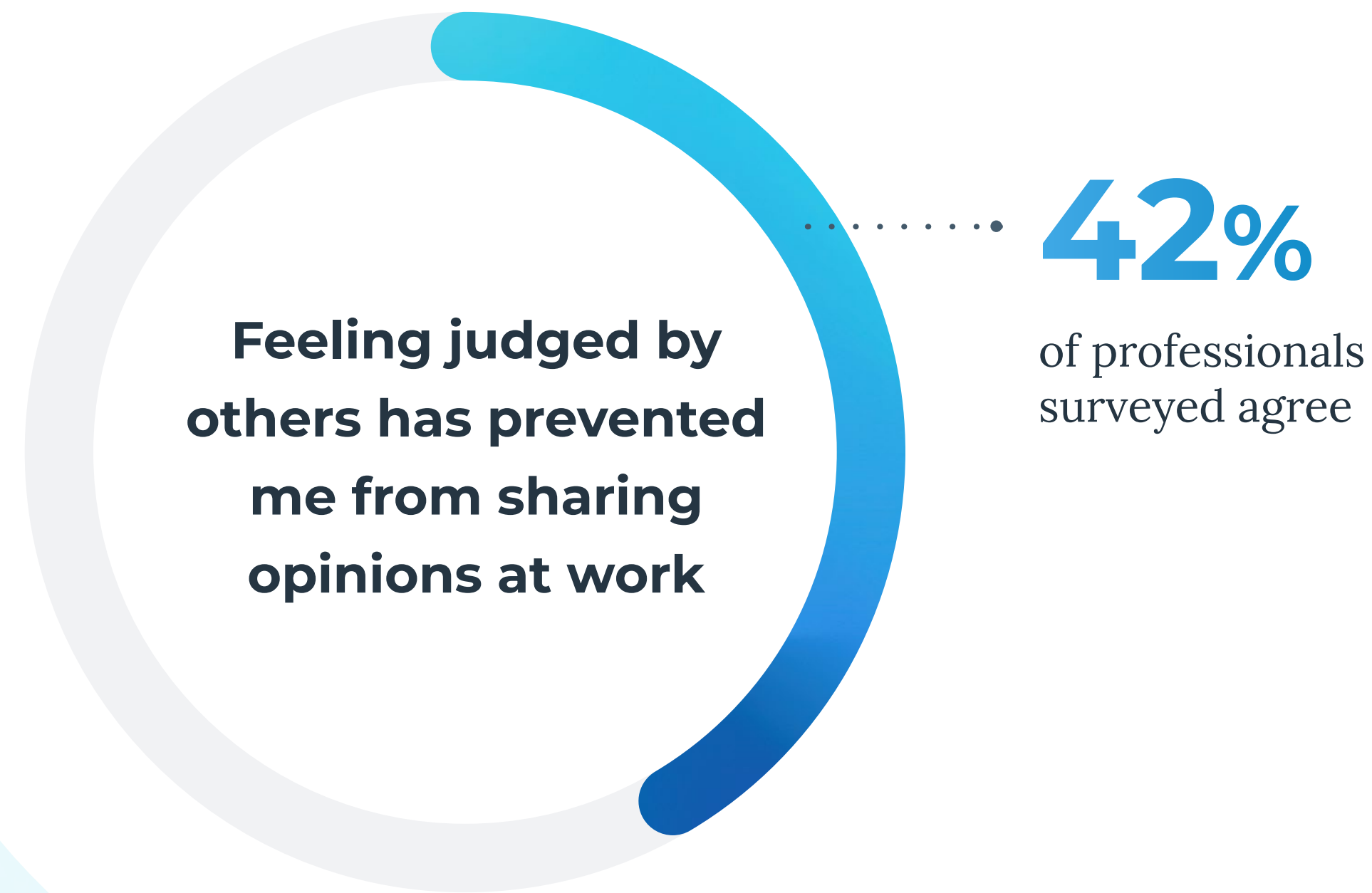


Coaching and leadership development to create a more collaborative culture are also significant investments being made by organizations, according to professionals surveyed.

According to 44% of professionals surveyed, workplace training and talent recruitment and acquisition top the list of most significant investments being made to create a collaborative workplace.

Where are the most significant investments being made at your organization?





Collaborative cultures make employees feel they can learn, contribute, and challenge the status quo without negative blow back. When employees are afraid to speak up, innovation and collaboration are stunted, and so are overall results.

Overall, 42% of those surveyed say that feeling judged by others has prevented them from sharing opinions at work in

the past. Another 40% say that team hierarchy or authority has created hesitation in sharing opinions. Nearly one-third say fear of repercussions has held them back from sharing opinions at work.

The consequences of a lack of psychological safety





Which of the following has prevented you from sharing your opinions at work?

42%

Feeling judged by others

40%

Team hierarchy or authority

34%

Previous negative experiences

31%

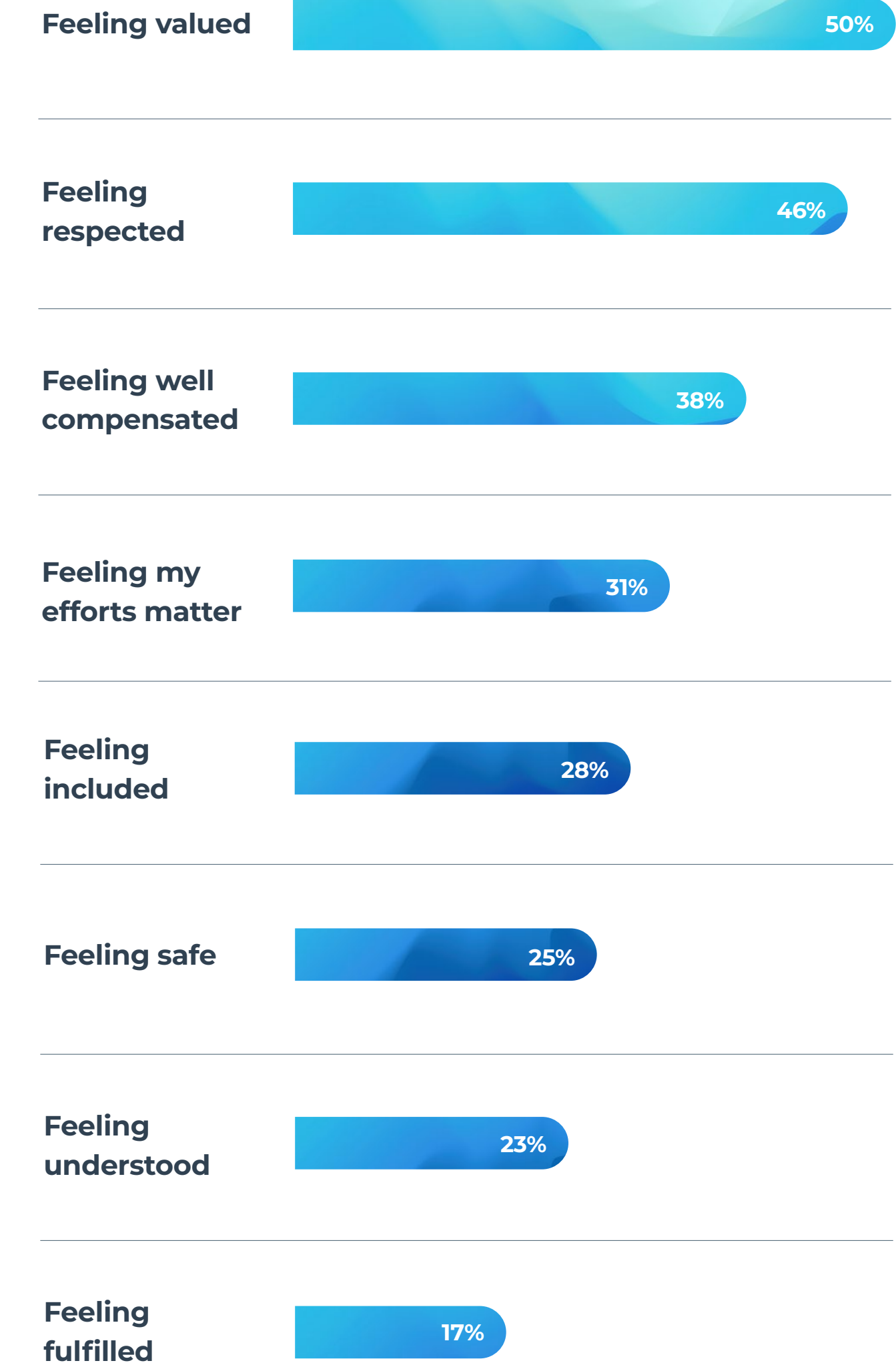
Fear of repercussions

Creating a psychologically safe work environment is critical to an organization's success.

When a staggering number of employees fear judgment, hierarchy, or repercussions for speaking up, valuable ideas and diverse perspectives are lost. By fostering psychological safety, organizations can unlock a culture of open communication and collaboration, leading to better decision-making and a more engaged workforce.

According to those surveyed, feeling valued (50%) and respected (46%) are most important to them as their organization's employees. These are ranked well above compensation (38%).

Which of the following is most important to you as an employee of your organization?





Embedding collaboration into the DNA of company culture

My organization prioritizes fostering a collaborative work environment

..... **30%**

of professionals surveyed agree

Creating a culture of collaboration isn't just good practice; it's a catalyst for resilience, adaptability, and innovation among employees.



48%

I feel very comfortable taking on new challenges knowing there is strong support from colleagues and management.

49%

I feel somewhat comfortable, but am unsure if I would be properly supported through new challenges.

3%

I am not comfortable taking on new challenges, my organization does not provide adequate support.



Fuel growth

49



Foster a culture that *fuels growth*

Culture is the center around which all aspects of a company orbit. Developing a strong and adaptable culture is critical to maintaining a united and motivated team that can thrive, even in the face of adversity.

Our research found that it's vastly under recognized that most organizational challenges, such as managing change, navigating conflict, and driving innovation, have deep roots in people and culture-related issues. Investing in improving culture provides the resilience needed to overcome

these challenges. It enhances employees' ability to achieve their individual and team goals, all for the greater good of the organization as a whole.

The key to cultivating such a culture and staying consistent in these initiatives is ongoing training and coaching. This commitment to professional growth ensures that employees are skilled and continuously developed to contribute at their maximum ability and aligned with the company's values and visions, which is critical for long-term success.



On top of that, an environment where all team members feel valued and understood fosters a sense of belonging and appreciation and enhances communication, collaboration, and innovation. **By embedding a culture of continuous learning and mutual respect into the very DNA of the organization, companies position themselves for long-term, sustainable growth.**

As you take away the findings of this report back to your team, remember that developing an organization's culture is an ongoing process, and success hinges on continuous evaluation and adaptation. Set key performance indicators, regularly measure your progress, and solicit feedback from employees at all levels.



Participants

52

About the participants

Participants

440 Individuals

Region

39% United States

25% United Kingdom

23% Australia

13% Canada

Primary industry

5% Human Resource Services

10% Healthcare/Mental Health

13% Manufacturing

17% Technology/Software/Information

1% Media

4% Energies and Utilities

4% Hospitality

9% Business Services

5% Transportation/Logistics/Supply Chain

10% Finance

1% Industry Associations

3% Non-Profit

9% Education

9% Government

Job role

19% C-Level/Executive

11% Vice President/Senior Vice President

28% Director

42% Manager

Human resources

75% Yes

25% No



About the participants

Age demographics

5% 18 - 26 years old

45% 27 - 42 years old

38% 43 - 58 years old

12% 59 - 77 years old

0% 78+ years old

Company size

25% 500-1000 employees

39% 1,001 - 5,000 employees

17% 5,001 - 10,000 employees

19% More than 10,000 employees

Methodology

Using a custom online questionnaire, Arbinger, in partnership with Ascend2 Research, surveyed 440 professionals across the United States, Canada, the United Kingdom, and Australia. These individuals represent companies with between 500 and 10,000 employees across all industries and are in job functions of manager and above. The survey collection took place in March 2024.





About the research partners

Arbinger Institute

Organizational change starts with the way people think. So, if you want to achieve organization-wide change, you have to start with individuals. The Arbinger Institute brings four decades of research and experience helping thousands of clients worldwide achieve a dramatic improvement in results through a shift from an inward to an outward mindset.

With our proven training and coaching methods, people at all levels of an organization discover how a shift in mindset empowers them to break down silos, spark productivity, inspire greater

inclusivity, create sustainable cultural changes, accelerate innovation, and improve their bottom-line. We've also helped millions of professionals expand their potential and advance their careers by applying the tools first presented in our best-selling books: *Leadership & Self Deception*, *The Outward Mindset*, and *The Anatomy of Peace*.

Whether you're interested in leadership development, building a high-performing team, or transforming an organization's culture, we'll show you how to create the mindset transformation that is the key to driving lasting change.

Ascend2 RESEARCH-BASED MARKETING

Companies partner with Ascend2 to create original research from survey conceptualization through report and content creation to media outreach. Ascend2 helps companies fuel marketing content, generate leads, and engage prospects to drive demand through the middle of the funnel.



Partner with us

Ready to unleash performance at your workplace? Arbinger helps organizations foster people-centric cultures that drive results.

[Learn more](#)

