2022 State of Culture

Annual Report

Insights into the evolving role of culture and climate from around the globe.

gothamCulture®
HELPING NAVIGATE CHANGE®

This is the second in a series of annual research reports designed to help readers better understand and shape the cultures of their organization in practical ways that yield significant and sustainable performance results.

INTRODUCTION 4 | BACKGROUND AND FRAMEWORK 6 | METHODOLOGY 8 | DEMOGRAPHICS AND FIRMOGRAPHICS 9 | FINDINGS: OPERATIONALIZING CULTURE 14 | FINDINGS: TALENT IN THE NEW REALITY 22 | FINDINGS: PREPARING FOR AND RESPONDING TO DISRUPTION 26 | FINDINGS: BETWEEN GROUP ANALYSIS 30 | FINAL THOUGHTS 36

A special thanks to the sponsors of this year's report.

SOLUTIONPOINT+

GOVSTRIVE

REVTECH

gothamGovernment HELPING PEOPLE THRIVE

Welcome to the second Global State of Culture Report! This annual research study—which analyzes responses from our culture survey—is our way of contributing to the collective understanding of the topics of organizational culture and climate and the relationship that these concepts have on performance. Our research also includes a variety of topical subareas of exploration that are intended to provide insight, food for thought, and best practices to consider if you are looking to shape your organization for sustainable success in the years to come.

If organizational cultures develop and evolve as a result of the collective learnings of the members of a group over time, then it is our responsibility to create a forum to continue to shine a light on the topic. With an increasing number of leaders acknowledging the role that culture and climate play on performance and pace at which many organizations are having to evolve and adapt to stay relevant and competitive, sharing these insights is our way of helping add breadth and depth to our collective understanding. As a construct that is rooted in the collective learnings and understanding of human beings, it is not surprising to see that many people view culture and climate as being most impactful on the more "human" sides of organizational life.

We invite you to enjoy this report, provide us with your thoughts and experiences, and let us know what areas of study would be most beneficial to you in the coming year as we continue this process in the future.

We thank you for your interest in learning more about these critical components of organizational success and hope you enjoy the journey.

The gothamCulture Research Team

The 2022 State of Culture Report is the culmination of a year of research on a global scale including 171 respondents across local, national, and global organizations. This year's research has yielded several key insights into the aspects of organizational culture and climate that link to a variety of performance outcomes as well as the practices that drive results in the day-to-day.

This year, we explored several key aspects of organizational functioning that our clients have shared as critical topics for them and their teams. These include HR outsourcing, rewards & recognition, major business disruptors, and the "Great Resignation".

It is our hope that with each passing year, as the sample size grows and our research is refined, that we will continue to provide valuable insights and best practices to drive performance in all organizations regardless of sector or industry.

THE SURVEY

91
QUESTIONS
pertaining to organizational culture and performance.

171
RESPONDENTS
participated in this year's survey.

6
CONTINENTS
are represented among survey respondents.

Culture Mosaic

A research-based framework used to assess culture and climate in ways that link to a wide variety of business performance outcomes.

Theoretical Background

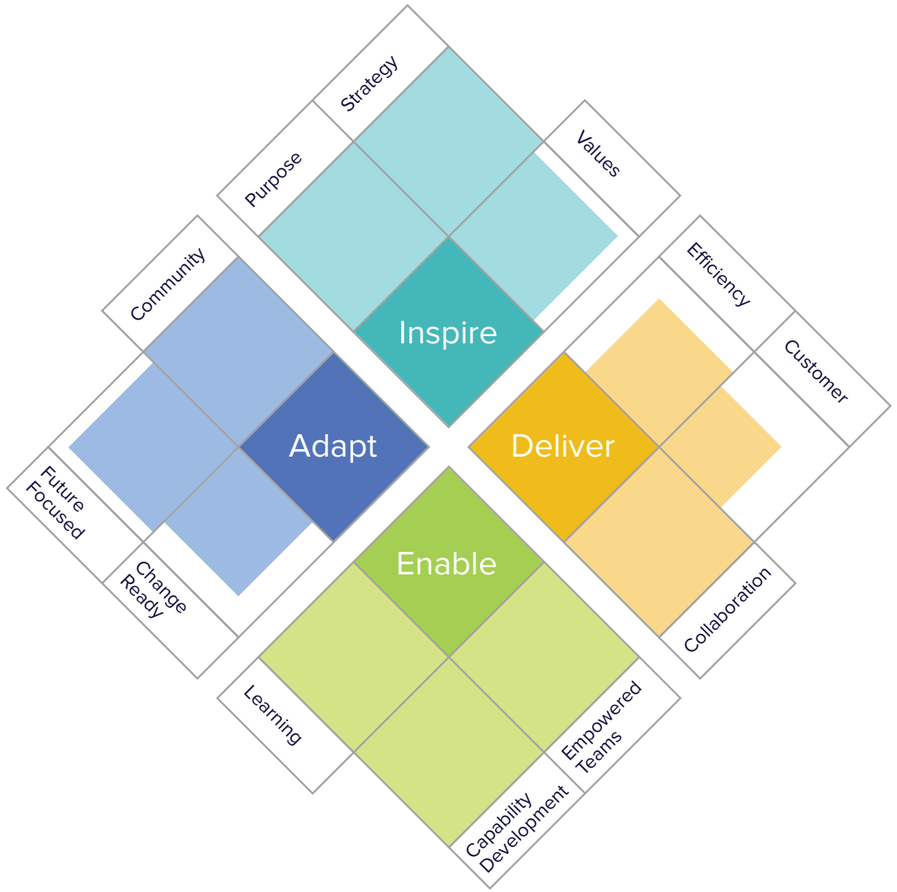
In a world of constant change and dynamism, individuals, teams, and organizations must be capable of adapting to stay relevant. A wealth of empirical research shows that organizational culture is a key lever for organizations to adapt and excel as their environments continue to evolve. The authors of this report have extensive and deep expertise in creating and transforming thriving organizational cultures. Through years of experience with different teams across industries and continents, armed with decades of research, we developed the Culture Mosaic. It is a framework that enables us to understand and communicate aspects of culture and climate in ways that ensure organizations are equipped to manage change successfully.

Literature has consistently shown that organizational culture is a significant factor in driving performance. Moreover, organizational culture has been linked to many aspects of sustainable performance in the workplace from productivity and adaptability to customer satisfaction and loyalty, employee engagement, organizational citizenship behaviors, and organizational safety. More information about the theoretical underpinnings of this research may be found here.

The Culture Mosaic

The Culture Mosaic is grounded in the idea that organizational culture is comprised of underlying beliefs, assumptions, values, ways of interacting and working. These factors contribute to the unique social and psychological environment of an organization which, in turn, contributes to organizational performance. Culture informs organizational performance through its impact on norms, collective work practices, and behaviors. We contend it can be shaped over time by focusing on the work practices and behaviors employees engage in daily. These behaviors create clarity and alignment amongst group members about what 'right' looks like.

At this opportune time in history, when fundamental shifts in organizational culture are needed to ensure that organizations are best able to adapt to the myriad of internal and external changes at hand, the lessons from the past have crystallized the rules and tools critical to enabling culture change at scale. Based on the competing values framework as well as decades of research, the Culture Mosaic focuses on measuring the culturally relevant work practices and behaviors that operationalize organizational culture and serve as observable manifestations of the underlying beliefs, values, and assumptions that drive behavior.



The Culture Mosaic is comprised of four dimensions of organizational culture and climate that impact organizational performance:

INSPIRE	DELIVER	ENABLE	ADAPT
A commitment to purpose and strategy that is underpinned by and aligned to values.	Disciplined and efficient execution enabled by collaboration and coordinated decision making.	An organization where learning and capability development are valued, and empowered teams thrive.	Customer intimacy coupled with an orientation towards the future and the capacity to enact change.

For more information regarding the Culture Mosaic click here.

13

industries were reported by respondents this year. From education to consulting and agriculture to healthcare our research is significantly enriched by the diverse perspectives of each professional sector.

Methodology

As industries across the globe continue to grapple with major disruptions associated with remnants of the impact of the COVID pandemic, rising inflation and economic uncertainty, threats of escalation of conflict at home and abroad, and a variety of operational stressors that seem to barrage us from every angle, our team wanted to better understand the relationship between organizational culture and climate and how organizations have been able to navigate these current realities.

This year's research included our proprietary survey, collecting qualitative and quantitative data as well as a variety of topical "focus areas" that we identified to deep dive into areas that are of particular interest to our clients, peers, and ourselves. Our insights were drawn directly from 171 respondents that represented a wide variety of organizations, roles, industries, and regions.

Target Population

Our global sample of 171 respondents includes HR and Organizational Development (OD) professionals and non-HR and non-OD professionals to understand the potential differences in perspectives between the two groups. Moreover, respondents served in roles across their organizations including individual contributors, managers of individual contributors, managers of managers, managers of functional units, and executive leaders.

The Survey

We developed a 91-item survey that consisted of a wide variety of questions pertaining to organizational culture, climate, and performance including, specific focus on the topics of HR outsourcing, rewards and recognition, major business disruptors and the "Great Resignation". Questions were either open-ended or presented on a Likert scale.

Data Collection

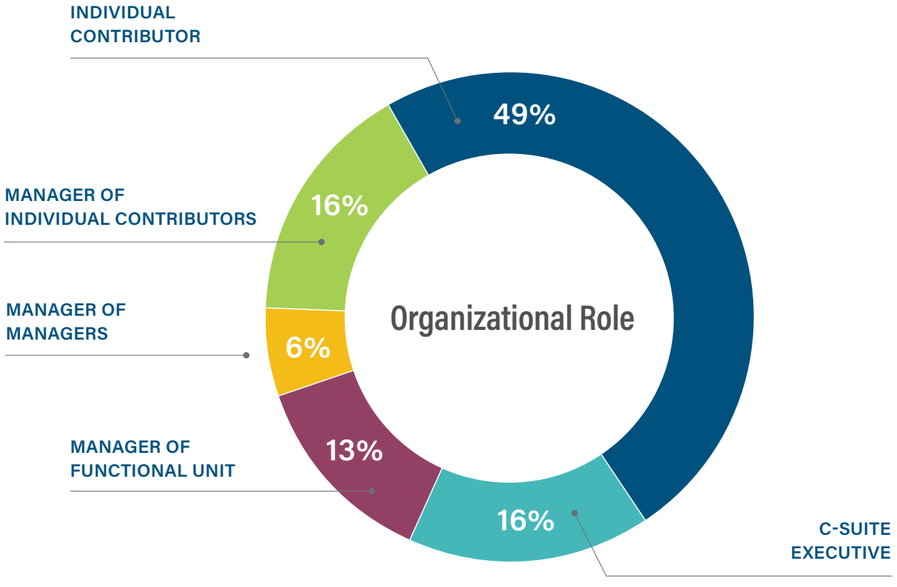
The survey was administered using SurveyMonkey, an online survey platform, and data was collected for a period of eight weeks where we utilized our professional and personal networks, word of mouth, and social media to recruit respondents via a snowball sampling approach.

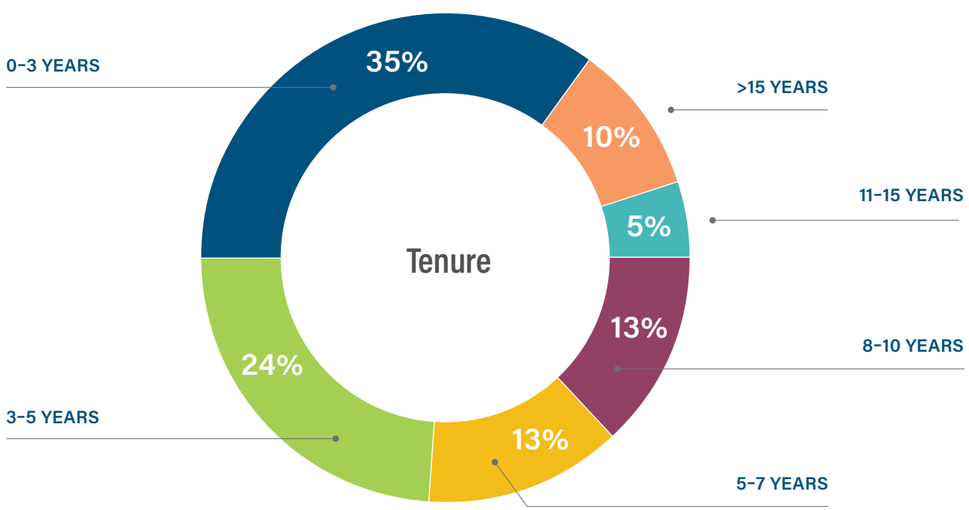
Who Took the Survey

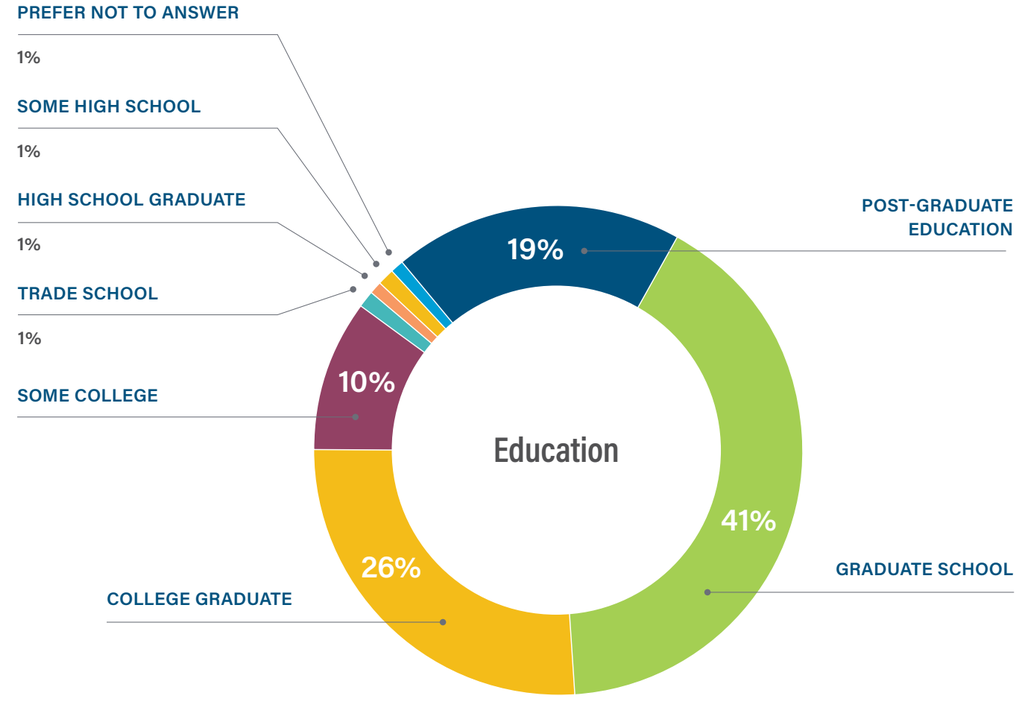
Global State of Culture research provides insight into organizational culture and climate as well as change practices and best practices that are being applied in industry today. This research project has spanned two years of research with over 400 total respondents representing a global cross-section of professionals. This year's survey was completed by 171 individuals from 13 different industries including education, consulting, government, healthcare, transportation, financial services, manufacturing, retail, real estate, technology, food and beverage, agriculture, and communication. Their input has been invaluable to our ongoing research and exploration of topics in this space.

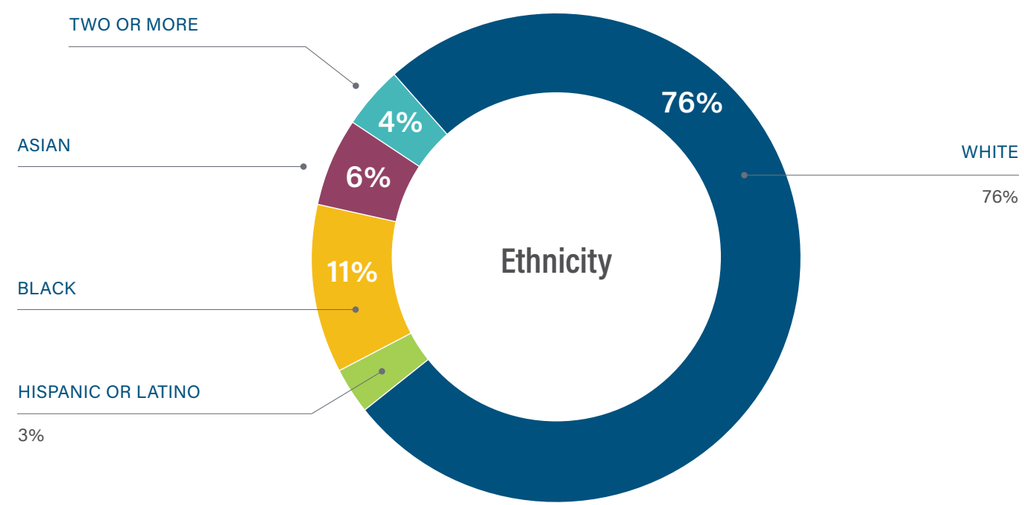
Demographics + Firmographics

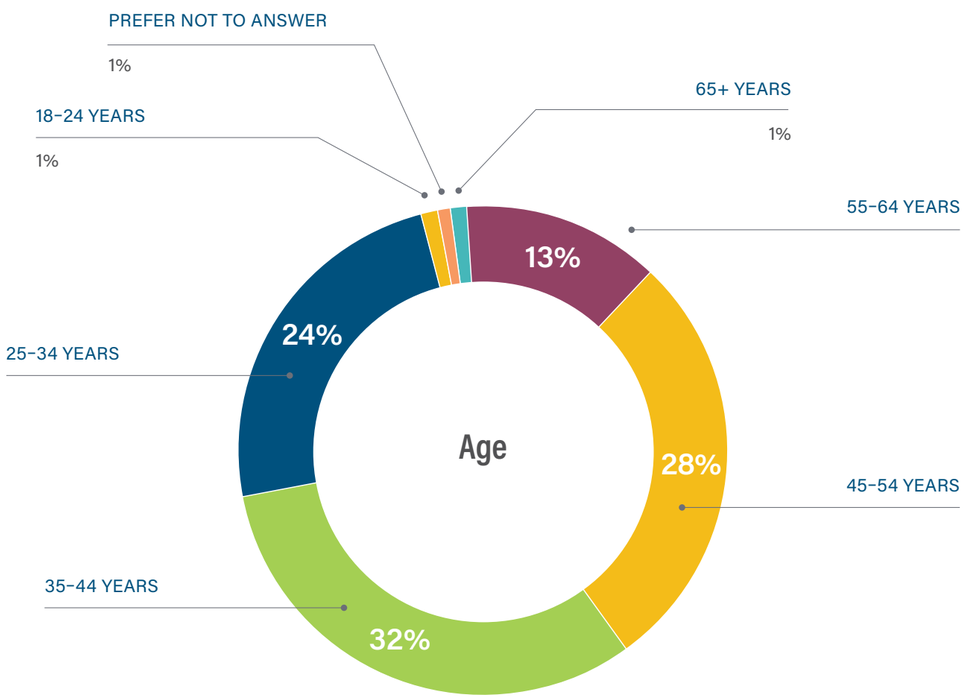
Our 171 respondents serve as a solid foundation to build upon our longitudinal analysis in the years to come.

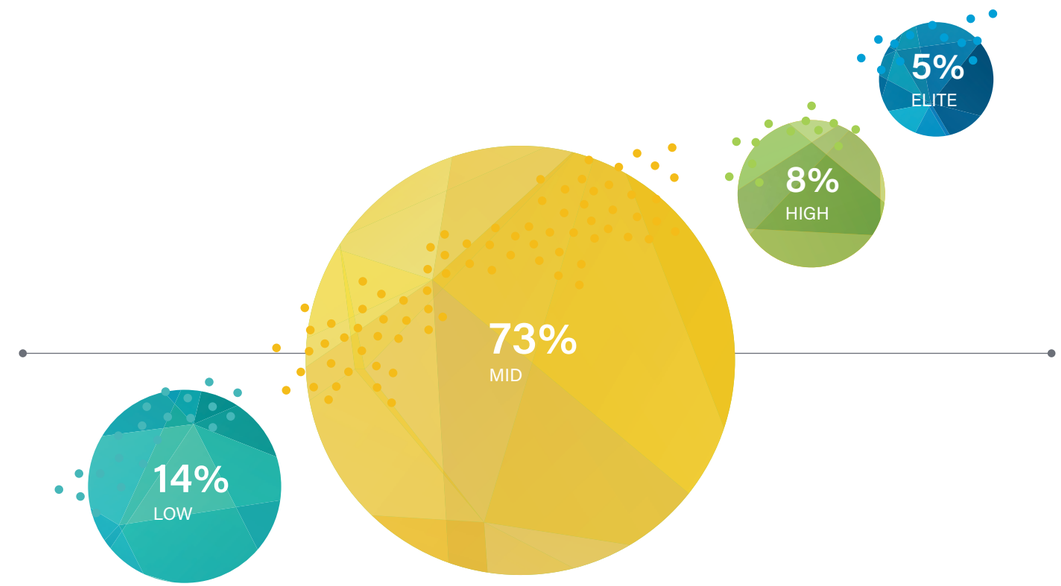

Organizational Role
INDIVIDUAL CONTRIBUTOR
49%
MANAGER OF INDIVIDUAL CONTRIBUTORS
16%
MANAGER OF MANAGERS
6%
MANAGER OF FUNCTIONAL UNIT
13%
C-SUITE EXECUTIVE
16%


Tenure
0-3 YEARS
35%
>15 YEARS
10%
11-15 YEARS
5%
8-10 YEARS
13%
5-7 YEARS
13%
3-5 YEARS
24%


Education
PREFER NOT TO ANSWER
1%
SOME HIGH SCHOOL
1%
HIGH SCHOOL GRADUATE
1%
TRADE SCHOOL
1%
SOME COLLEGE
10%
POST-GRADUATE EDUCATION
19%
GRADUATE SCHOOL
41%
COLLEGE GRADUATE
26%


Ethnicity
TWO OR MORE
4%
ASIAN
6%
BLACK
11%
HISPANIC OR LATINO
3%
WHITE
76%
76%





Culture Performance Clusters

Figure 1. For this year's analysis, respondents were grouped into four cultural performance clusters based upon scores derived from survey responses.

Performance

In order to best understand the ways in which culture relates to a wide variety of performance outcomes, the research team split the respondent data into four performance clusters visualized above. These clusters include—Elite Performers, High Performers, Mid Performers, and Low Performers. Our research team analyzed respondent data through the lens of the four dimensions (Inspire, Adapt, Deliver & Enable) of the Mosaic Culture assessment. The elite performing and low performing clusters were then compared on a variety of metrics to understand the relationship between their survey scores and level of performance. It became evident that top scoring organizations clearly excelled in a number of areas, including:

1. Preparing for major business disruptions that could impact the culture of their organizations
2. The success of their return to office strategies post-COVID
3. Method of culture assessment leading to proportional cultural changes and outcomes
4. Agreement in the organization that culture is important to supporting business performance

The ways in which top performers differentiated themselve from bottom perforamers are explored in more detail in the following sections of the report.

Findings: Operationalizing Culture

In order to gain a deeper understanding of the role organizational culture plays globally, we must understand how organizations operationalize the concept in their day-to-day, who within organizations is responsible for shaping the culture and climate, and the various factors that top performing organizations focus on to set them apart from their peers.

Creating a common understanding of how organizational culture is defined and ensuring leaders are actively involved in creating and supporting that definition can have a significant positive impact on performance.

Culture Elements

In this study, respondents were asked multiple questions regarding how their organizations define, measure, and shape their cultures. Based on the data collected, we were able to extract the following findings around how culture and climate are viewed and intentionally shaped or left to chance.

Defining Culture

When asked whether their organizations currently had a clearly defined cultural intent, a broadly accepted definition of culture, and an understanding of the types of cultural attributes needed to support organizational performance, 62% of respondents reported a broadly accepted definition of culture within their organizations while 38% did not.

As we examined how organizations that responded in the affirmative scored on the Culture Mosaic, it appeared that they performed significantly better on all four dimensions of the framework compared to those that did not have a common definition and where leadership was not involved. This suggests that having a common culture definition and leadership involvement in setting the definition can have a significantly positive impact on performance.

Organizational Responsibility for Culture and Climate

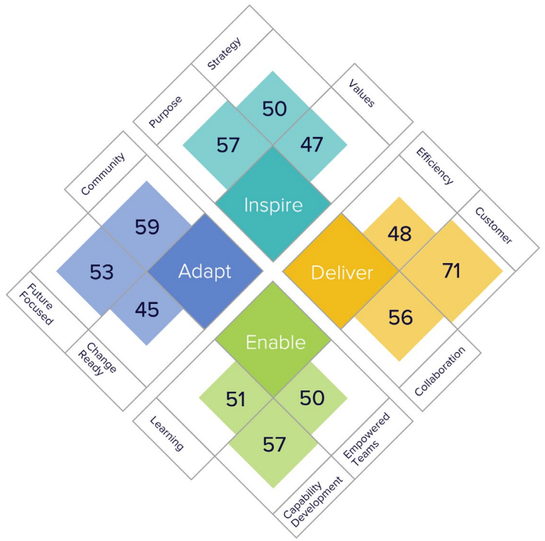
Regarding how respondent organizations view organizational culture and climate, and their approaches to shaping these, elite scoring organizations clearly reported that leaders take an active role and that everyone in the organization shares some responsibility for creating and shaping a culture in ways that help to drive strategy. Comparatively, low scoring organizations reported that the shaping of culture and climate was largely "left to chance" or that no one had responsibility.

Additionally, 77% of participants within elite scoring organizations reported that executive leadership and Board interest in organizational culture was a key factor in driving performance, compared to only 40% of participants from low scoring organizations.

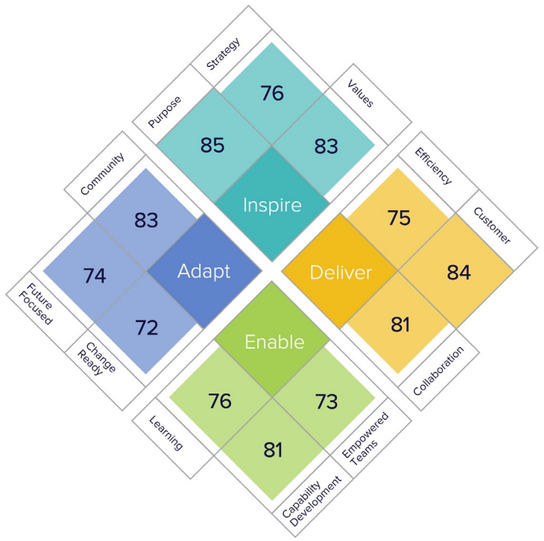
Measuring Culture and Climate

Only 42% of respondents claimed that their organizations have formal methods and processes for measuring and assessing organizational culture and climate. Within those organizations, the most commonly utilized tools included open feedback and annual culture, climate, and engagement assessments. Furthermore, 75% of overall respondents claimed that culture is absolutely critical for business performance, though less than a quarter (24%) of respondents with an HR or OD background reported that their organizations measure the evolution of their cultures. Interestingly, when we compared organizations that measure culture with others that did not, we once again found significant differences in organizational performance.

Looking toward the organizations that measure their culture, they also scored significantly better on all four dimensions of the Culture Mosaic, indicating that taking

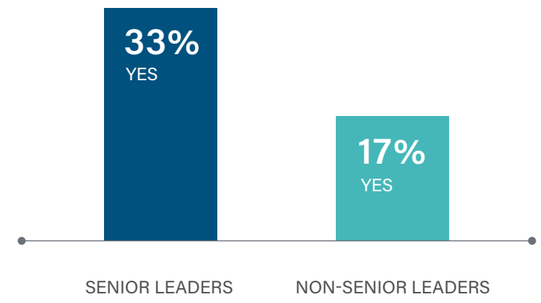


Organizations that do not measure their culture



Organizations that measure their culture

Figure 2. Culture Mosaic scores split by organizations that measure their culture and those that do not.



In your experience, does your current method of culture assessment lead to proportionate cultural changes and outcomes?

Figure 3. Survey responses from this question alone suggests that a significant gap exists between data and action, especially for non-senior leaders.

a proactive approach to understanding and shaping one's culture may have long-term behavioral benefits across the organization in a variety of ways (*see fig. 2*). This finding suggests that it is valuable for organizations to invest in appropriate assessment of culture in order to proactively shape it to meet the needs of their situation.

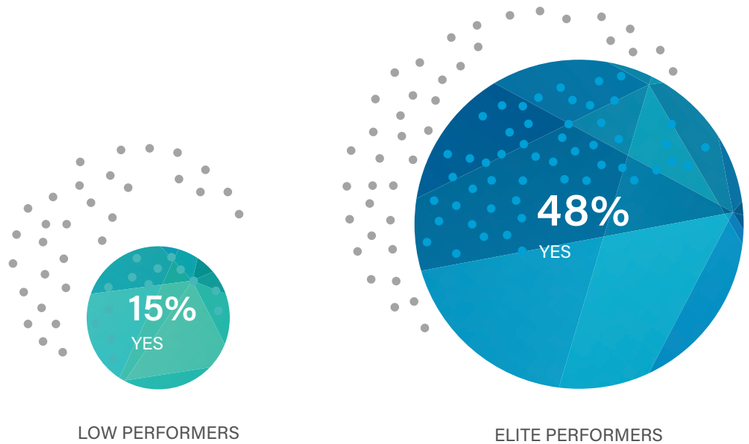
Furthermore, senior leaders were almost twice as likely to report that their organization's method of culture assessment leads to proportionate culture changes and outcomes (*see fig. 3*). This data suggests that senior leaders may have an overly optimistic view of how well their culture assessment efforts are serving the greater organization. This can be caused by any number of underlying drivers. Current assessments being utilized may not be measuring the right things, the process used to collect data may be flawed, or the level of psychological safety within the organization may be affecting how willing people are to share their feedback.

Also, many processes focus so much on the data collection aspect of the process and spend much less effort focusing resources and attention on using the data to drive action and decision-making in ways that yield tangible change. This finding suggests the need to deeper study this disconnect between data and action in future research.

Culture as a Strategic Enabler

Elite scoring organizations on the Culture Mosaic assessment reported that they believe organizational culture is absolutely critical to supporting sustainable business performance and that this view is shared across their organization.

Interestingly, when we examined the responses of senior leaders only, a whopping 76% of respondents felt that organizational culture is very important to the success of their organizations while only 1% reported feeling that it is not important at all.



Does your organization have skilled professionals tasked with defining, designing, and changing culture?

Figure 4. It is clear that respondents recognized as elite performers currently utilize professionals who guide their organization when it comes to all aspects of culture.

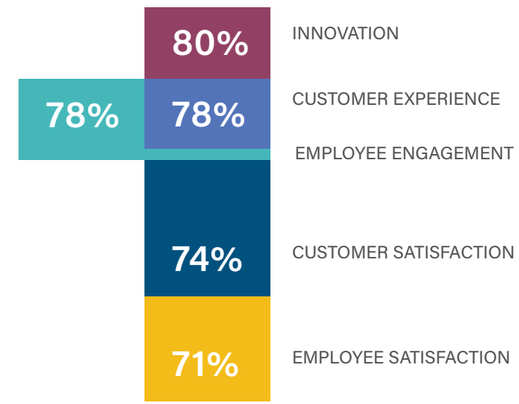
Shaping Culture in Organizations

While understanding that culture and climate are important factors in successfully achieving performance and the execution of business is abundantly clear from the data (and decades of empirical research), it seems obvious that many organizations still struggle to translate that understanding into action. Our respondents highlight this by revealing that elite performers reported their efforts as having a fairly significant positive impact, while low performers reported just the opposite. The question now becomes: does culture drive a flywheel effect that sets the conditions to drive change or does the ability to drive change help to create a culture that is able to perform? There may be a chicken and egg situation here, where each bolsters and sets the conditions to positively impact the other.

With 58% of respondents reporting that their organizations do not currently have a formal method for assessing their culture and climate, and over 90% of senior leaders reported that culture is fairly or very important to the success of their organizations, questions begin to arise, such as:

- What are the factors that prevent organizations from taking a more proactive approach to understanding and shaping their culture in order to yield the potential performance benefits?
- If formal methods of assessing the culture of an organization are not being used what, if any, informal methods are being utilized and to what effect?
- Without formal measurement processes, how do organizations create tangible and measurable change over time in their organizations as it relates to culture?

One factor that we wanted to explore in this year's study was the extent to which internal change agents



Performance Outcomes Percieved to be Most Affected by Culture

Figure 5. Shows the business performance outcomes most impacted by culture as reported by respondents.

responsible for defining, designing, and evolving culture and climate are armed with specific skills and training in the field. Perhaps unsurprisingly, elite performers reported significantly higher rates of having trained experts (either internal or external) to support such efforts. The data shows that 48% of elite performers reported having skilled professionals tasked with defining, designing and changing culture, compared to only 15% of low performers (*see fig. 4*).

The pressing reality and challenge for many organizations is simply the pace of change which forces people to continuously adapt and readapt so much, so fast that a wide variety of negative outcomes begin to emerge or come to a head. Despite this significant and chronic momentum for continuous change, only 57% of respondents in senior leadership roles reported that their organization cultures are evolving rapidly enough to stay competitive. This presents a significant dilemma as organizations globally compete to stay competitive without destroying themselves from within.

Culture and Organizational Performance

In an organizational performance context, our interest in the topic of culture and climate stems from a desire to understand first, how various aspects of culture relate to performance outcomes and, second, how best to shape our cultures to drive the various outcomes we desire.

When asked what performance outcomes respondents felt their cultures impacted the most, the more "human" or interpersonal outcomes clearly received higher scores (*see fig. 5*). With 70% or more of respondents indicating that outcomes such as innovation (80%), customer experience (78%), employee engagement (78%), customer satisfaction (74%), and employee satisfaction (71%) it is clear that respondents perceive culture as having a more significant impact on the

43%

of senior leaders do not think their organization is keeping up with culture change at a pace required to stay competitive.

human or experiential side of their businesses. Though an interesting fact to note is that their "Ability to achieve their strategy" came in at 69%. So while the relationship between culture and strategy is less of a "human" outcome, it is clear that culture plays a fundamental role in driving the behaviors required to execute the strategies of organizations and should be acknowledged.

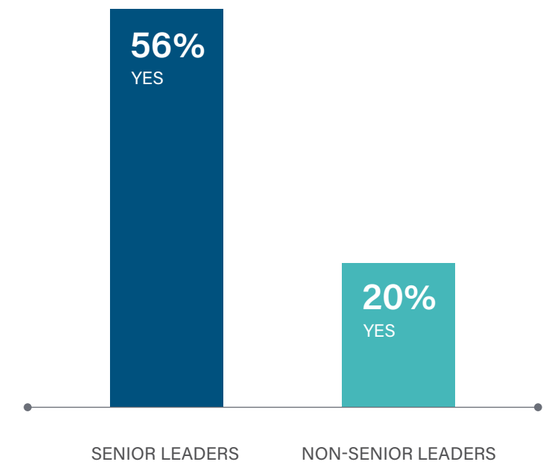
Conversely, those business performance outcomes that respondents felt were less impacted by their cultures and climates included efficiency (57%), profit margin (43%), return on investment (43%), velocity to deliver (37%), safety (35%), and sales growth (33%). Even though decades of empirical research show a significant relationship between culture and climate and these more "hard" performance metrics, it is interesting to note that respondents tended to to see less of a direct link. This should be noticed as it may be a reason why some business leaders do not see or understand the critical force that culture plays on the performance of their organizations.

Additionally, 85% of senior leaders reported that culture impacts innovation and customer experience most in their organization, with customer satisfaction, employee experience and employee satisfaction rounding out the top five. However, 43% of senior leaders do not think their organization is keeping up with culture change at a pace required to stay competitive.

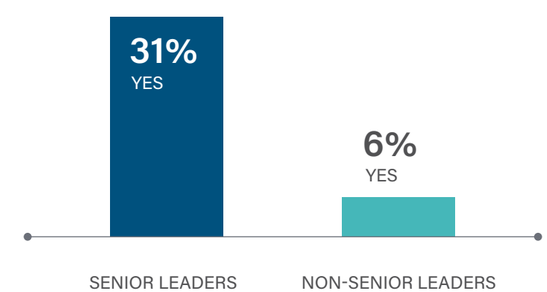
When asked to evaluate their organization's performance compared to last year, 56% of senior leaders reported that customer satisfaction has increased to some degree (combining scores for moderately and significantly increased), compared to only 20% of non-senior leaders (*see fig. 6*). Similarly, when evaluating product/service quality, 44% of senior leaders report some type of increase compared to only 22% of non-senior leaders. There seems to be at least two times more positive outlook by senior leaders on customer satisfaction and product/service quality than non-senior leaders.

When asked to evaluate their organization's performance compared to last year, senior leaders (31%) were over five times more likely to report that employee engagement has significantly increased, compared to only 6% of non-senior leaders (*see fig. 6*).

Our data suggests there are several areas where senior leaders and their constituents have very different perspectives of the culture within their organizations. This disconnect can exacerbate existing cultural challenges, hinder operational efficiency, and impact employee morale and well-being.



Has customer satisfaction increased compared to last year?

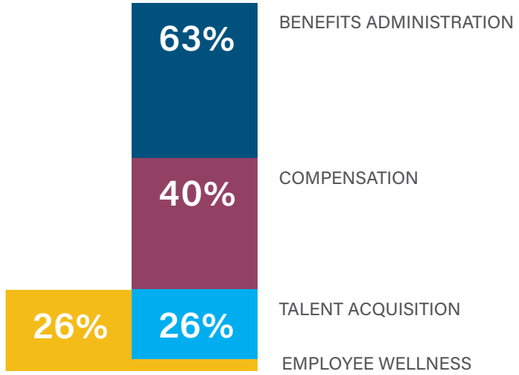


Has employee engagement increased compared to last year?

Figure 6. Survey responses from multiple questions show a significant differences in the way senior leaders and non-senior leaders view their organization's accomplishments.

Findings: Talent in the New Reality

In this section, we delve into how the changing world of work is impacting the talent management processes.



Most Outsourced HR Functions

Figure 7. According to our survey respondents the most outsourced human resource functions tended to be the transactional processes stated above.

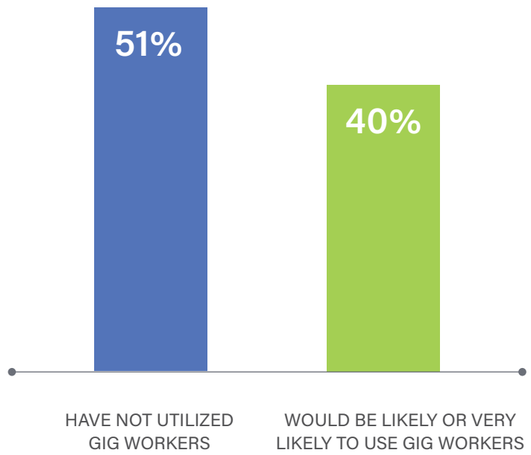
As organizations continue to find new models of operating that drive sustainable performance in a global, tech-enabled economy, many have adopted practices that once may have been considered inconceivable. Disruptions associated with the COVID pandemic and changing relationships with work like the "Great Resignation", for example, made it necessary for many to completely rethink the way business was conducted.

Thus, a new aspect of our research for the 2022 report is the topic of outsourcing. Our team looked at this area through two lenses. First, the outsourcing of HR functions and, second, the use of gig workers by our respondent's organizations.

HR Outsourcing

While most (70%) of respondent organizations reported outsourcing at least some HR functions, it seems that outsourcing in the HR space will continue to grow over time. When we looked at the responses of senior leaders, a full 63% reported that their organizations would look to outsource various HR functions in the future. Respondents clearly agreed that organizations that outsource tend to target the more transactional processes such as benefits administration (63%), compensation (40%), talent acquisition (26%) and employee wellness (26%) (*see fig. 7*). Additionally, respondents chose to retain direct control over the more interpersonal HR processes including employee relations, learning and development, and organizational development/internal consulting. Only 14% of respondents reported that their organizations outsource people analytics.

Of those who reported their organization outsources people analytics, the primary drivers for outsourcing HR functions were a lack of internal subject matter expertise and to take advantage of HR technology capabilities. Also, these respondents unanimously reported that senior leadership interest in the topic of culture has been increasing in their organization.



Outsourcing to Gig Workers

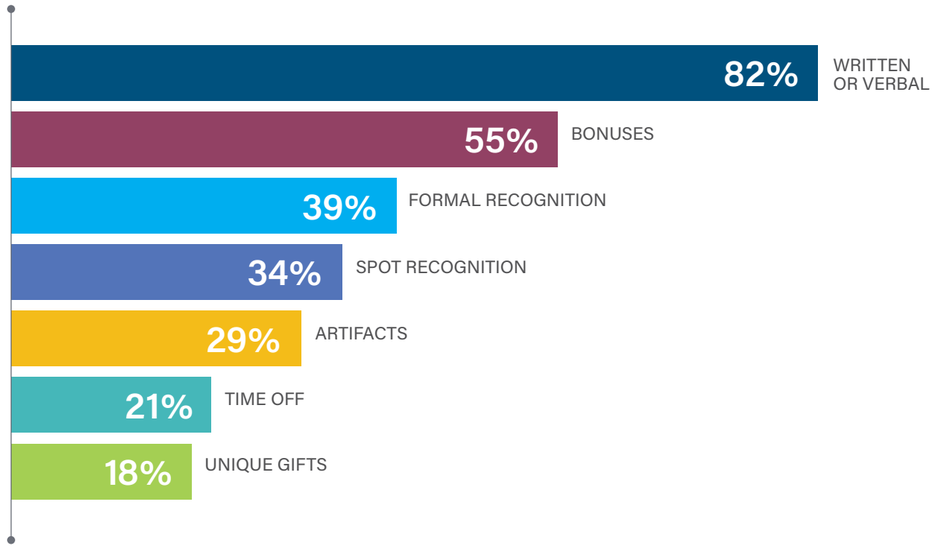
Figure 8. Though a significant portion of the survey respondents have not utilized gig workers in their organizations, many of them are willing to try in order to fulfill their talent needs.

Overall, decisions to outsource various HR processes were overwhelmingly driven by a lack of subject matter expertise (63%) and cost savings (44%). This, coupled with respondents identifying talent retention and turnover as upcoming major business disruptors, may indicate that companies are increasingly leaning on external vendors to provide specialized workforce solutions. In this case, organizations will face an added layer of complexity when seeking to drive meaningful culture change. Some challenges may include in-group and out-group tribalism, competing goal alignment, vendor staffing continuity (keeping the same people working on your account), and potential complications arising from vendor personnel having to operate in two different cultures (one within their own company and the one within the client company).

The Gig Economy

While many organizations are not newcomers to the strategy of outsourcing various HR, and other business functions, more than half of the respondent organizations (51%) do not currently, and have not, utilized gig workers to support their operations. That said, a full 40% of respondents reported that their organization would be likely or very likely to utilize gig workers in the future (*see fig. 8*). What we did not clarify with this year's survey is the extent to which this reality has been driven by either of these two ideals: (1) a perceived value in engaging gig workers to support strategic performance and/or (2) an acknowledgement that the ways in which workers choose to engage moving forward will require organizations to embrace new ways of work in order to acquire the talent they need to be successful.

FINDINGS: TALENT IN THE NEW REALITY



What rewards and recognition does your organization utilize to reinforce desired behaviors?

Figure 9. Survey respondents selected a variety of ways in which they seek to retain talent through rewards and recognition.

Findings: Preparing for and Responding to Disruption

Here we discuss the aftereffects of the pandemic including return to the office, employee retention and impacts on business performance.

73%

of respondents within organizations who had full staff return to work reported that their return-to-office strategy was either very or extremely effective.

Return to the Office

When respondents were asked about different return-to-office methods, 30% of organizations had their full staff return to office and 38% elected a hybrid or fully remote model.

Within organizations that had full staff return to work, 73% reported their return-to-office strategy was either extremely effective (33%) or very effective (40%).

Organizations that chose a full staff return-to-office model reported several benefits to this decision. Employees were happy to begin building strong relationships again and experienced improved efficiencies resulting from face-to-face interactions. Team members also experienced improved morale resulting from the feeling that the situation was returning back to normal and that they would be safe within their spaces.

Within organizations that chose a hybrid or full remote model, 67% reported their return-to-work strategy was either extremely effective (17%) or very effective (50%).

Organizations that chose a hybrid or full remote model reported their own benefits as well. Employees felt a sense of flexibility, satisfaction, and trust in their abilities to add value in this environment. Feedback also indicated hopes for improved recruitment and retention, which our research team will continue to monitor and measure for future reporting.

The "Great Resignation"

The "Great Resignation" was a topic that seemed to embed itself in daily conversations in the last year. It refers to the record number of people voluntarily leaving their jobs since the onset of the pandemic. Our research attempted to explore this concept in the context of culture and identified several points of note.

When respondents were asked to indicate the top factors that drove resignations in their organizations, elite performing organizations reported "inadequate pay and/or benefits" and "a lack of ongoing investment in the skills of employees" as having the most impact. Low performing organizations were less clear, indicating that all options presented had a similar negative impact on employee retention.

54%

of elite performers say employee wellbeing in their organization has increased over the past year.

Changes in the ways people engage with their work and employers will no doubt continue to evolve as technology changes and advances. It is clear that top performing organizations will be those that fairly compensate their employees and also support their professional development and growth.

Culture Impact on Business Performance

When asked to evaluate their organization's performance over the last year, the topics of employee wellbeing and employee engagement surfaced, revealing a large difference between elite and low performers. Our data shows that 54% of elite performers reported that employee wellbeing in their organization has increased over the past year, while only 12% of low performers acknowledge this.

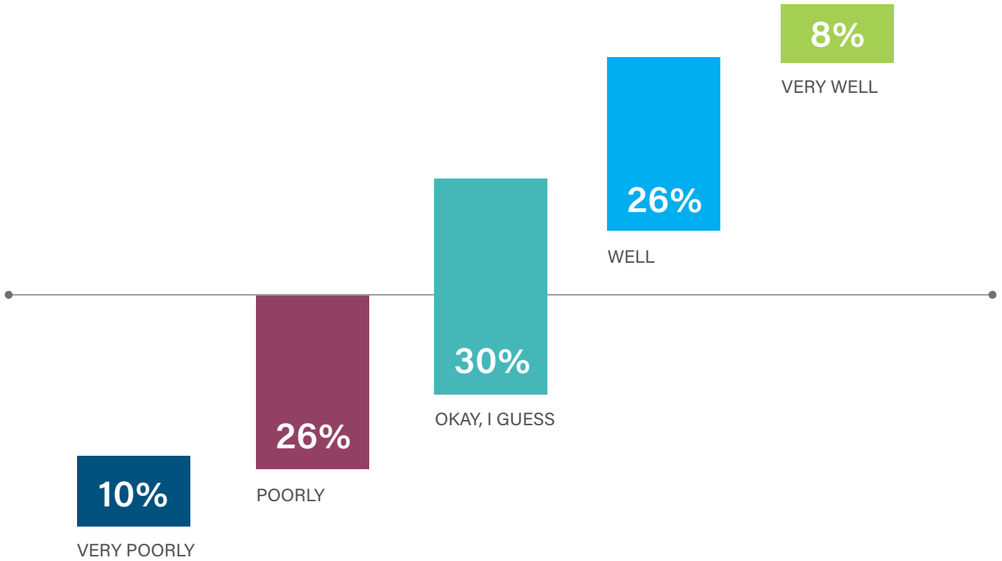
This could indicate that those who report a healthier culture tend to also report higher employee wellbeing and engagement compared to those who report a less healthy culture. These two topics are important to monitor within an organization, as previous studies have shown that improving employee wellbeing can reduce turnover and increase productivity.

Furthermore, the top scoring categories among elite performers are as follows:

- Employee Engagement
- Innovation Spending
- New Product Development Speed
- Product/Service Quality
- Customer Experience
- Organizational Safety

It appears that a strong positive correlation exists between a healthy culture (as measured by the Culture Mosaic) and the items previously listed.

Another aspect of business performance is being able to effectively handle major disruptions (*see fig. 10*), which include not only addressing external customer needs, but also those from within an organization. We sought to understand how workers felt about their own organization's readiness in predicted as well as unforeseen disruptions. Overall, respondents throughout our survey were scattered when it came to confidence in their organization. With less than half of respondents feeling secure in their organization's ability to navigate major disruptors, there is a clear opportunity here to invest in employee satisfaction and wellbeing. These investments in the core of an organization can help reduce turnover, improve morale and retention, and ensure the people within the organization are prepared to navigate any disruptions together as a team.



How well do you feel your organization is prepared for major disruptions?

Figure 10. This question reveals that less than half of survey respondents feel confident in their organization's ability to be prepared for disruptions, now and in the future.

Findings: Between Group Analyses

Diving deeper into the data by comparing perspectives across various demographic groups uncovers several interesting findings.

The Gender Gap

When this year's survey data was examined by gender, some very interesting patterns emerged that bear discussion. While several of the findings were found to be significant, we acknowledge that the overall sample size is somewhat small and additional study would be required to ensure that these observations generalize to a larger population.

Figure 11 on the following page shows the variation in perspective on a wide variety of items in this year's study. One thing is clear—females have a much more negative perspective on the cultures of their organizations when compared to their male counterparts. The question is, what is behind this? We explore this on several levels in the following sections.

Organizational Change

With regard to the topic of organizational change, female respondents were five times more likely to report that communicating change is often done at the last minute. Females also reported that people and teams within their organizations are more likely to have changes thrust upon them, with little opportunity for discussion at three times the rate of male respondents (Females 33%; Males 9%). Additionally, while most male respondents (75%) feel that cultural change is happening at the pace required to stay competitive, females held a less favorable view, with only 42% agreeing. Females reported five times more than males that when it comes to change, their organizations underestimate what is needed for success—expecting that it will "just happen".

Females are more than two times as likely to report that organizational change is usually met with a lot of resistance, while males are almost twice as likely to report that organizational change is easy to implement in their organization. Females are also four times more likely to report that risks are often ignored, hidden, or poorly managed compared to their male counterparts.

Diverse Perspectives

A second area of significant difference in perspectives in this year's study is the area of diversity of perspective. Female respondents were five times more likely to report that diverse perspectives are not valued within their organizations as they challenge the status quo.

Learning and Development

When it comes to developing the knowledge, skills, and abilities of staff, females are three times more likely to report that workforce development is either disregarded entirely or simply paid lip service. This was reinforced by the finding that male respondents are two times as likely to report that learning and development is a real priority. Perhaps most striking was the finding that female respondents are nearly six times more likely to report that the capability of their workforce limits performance due to critical knowledge and skill gaps.

Tangentially related to learning and development is the area of growth opportunities. With female respondents reporting at a rate of two and half times their male counterparts, that opportunities to contribute and progress are more readily available to some groups rather than others (Females 32%; Males 13%).

Involvement and Decision-making

The research team found clear differences between male and female respondents in the amount of involvement in planning and decision-making as well. Female respondents are five times more likely to report that employees have no involvement in linking strategy to their work than their male counterparts. They also reported at three times the rate of male respondents that decision-making almost always rests with senior leaders, even on small matters (Females 32%; Males 9%). Another finding revealed females reported, at a rate of nearly two to one, that their organizations' processes for making decisions is not understood or transparent. Finally, female respondents were almost three times more likely to report that decision-making is often at odds with their organizations' values.

With regard to organizational planning, male respondents reported that business planning for the future is taken seriously and that their organization's ability to respond to adverse events will be a source of strength at a rate of nearly two to one when compared to females. Interestingly, males were two times as likely as females to report that their organization's plan for achieving their strategy is inferior to their competitors. Female respondents are also twice as likely as males to report that the immediate business needs of their organizations often compromise their stated strategy and longer-term aspirations.

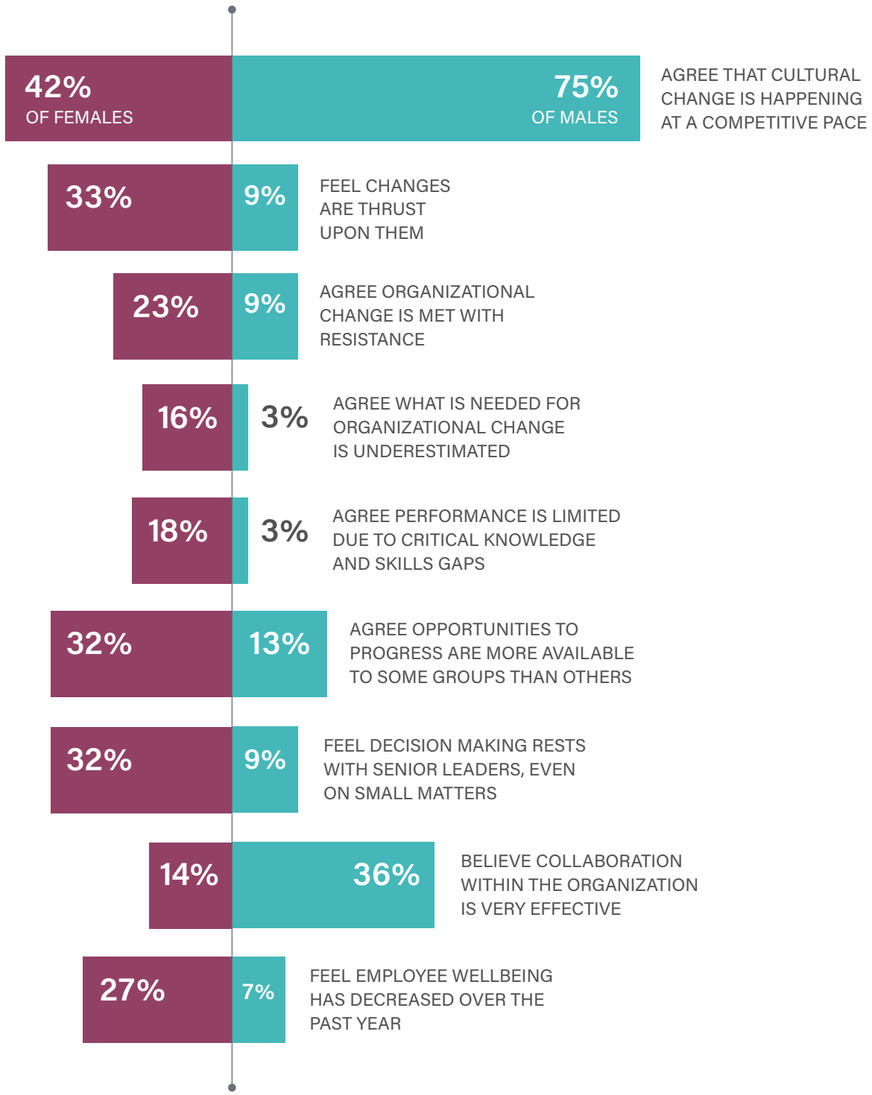
Team Dynamics

Female respondents to this year's survey were six times more likely to report that individual and team success on their teams is left to chance and that employees are left to sink or swim. On the topic of team interaction, no male respondents reported that disagreements are rarely addressed, while their female counterparts disagreed, with their data showing 14% of respondents feeling that disagreements tend to get swept under the rug. Furthermore, male respondents reported that collaboration across the organization is the norm and that their organizations are very effective at collaboration, female respondents did not agree at a rate of more than two to one (Males 36%; Females 14%). Females were also four times as likely to report that speaking up is uncommon and that people rarely say what they think. These findings support the notion of an underlying gender-based difference in how interpersonal dynamics impact the workplace. In this case, females are reporting a much less favorable experience than males.

Wellbeing

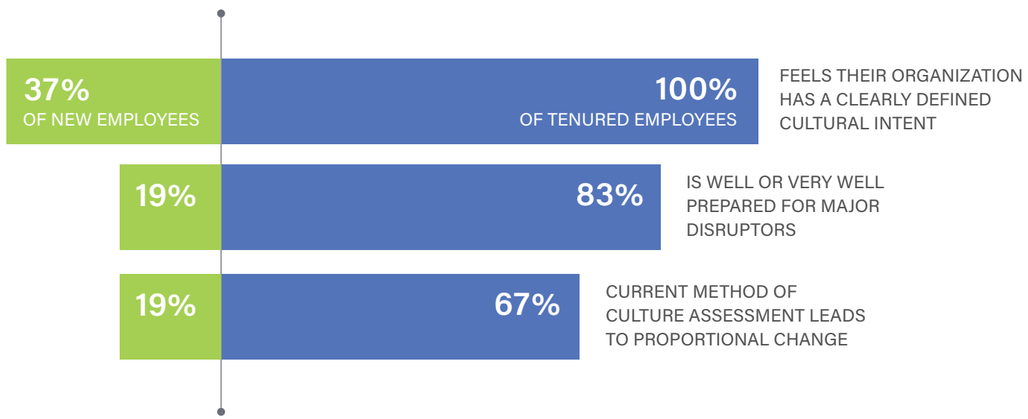
Females are four times more likely than males to report that employee wellbeing has significantly decreased over the last year (Females 27%; Males 7%).

While the notion that perceptions, lived experiences, and workplace disparities are not new concepts, it is striking that these factors continue to be such a force in today's business environment. Again, this clear difference in perspective raises questions about what might be behind them. Additional research is certainly warranted to zero in on the factors that are driving such large differences in perspectives.



Culture Perspectives by Gender

Figure 11. Perspectives reported by female respondents seem to have a more negative perspective than their male counterparts.



Culture Perspectives by Tenure

Figure 12. A significant difference exists when it comes to culture perspectives between new and tenured respondents.

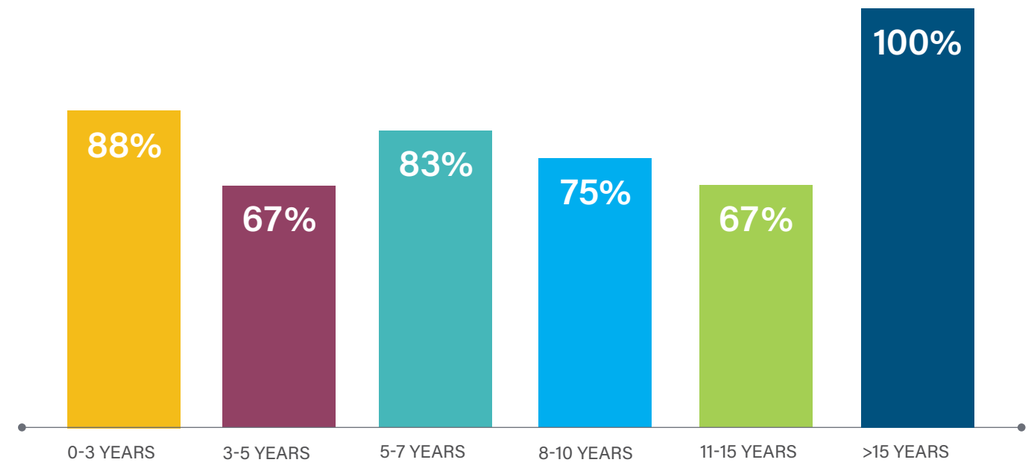
Organizational Role

In order to better understand the perspectives of this year's survey, the research team examined the data by organizational role. The data was examined at two levels—senior leaders (C-suite and Managers of Managers), and non-senior leaders (Managers of Individual Contributors and Individual Contributors). While it is not uncommon in our work to see variations in perspective across different levels of an organization, the results of this year's survey found that these misalignments are occurring in many more organizations than we may have realized previously.

Our study found several differences in how senior leaders perceive culture within an organization compared to non-senior leaders. For example, senior leaders were over two times more likely than others to report that the way teams work in their organization is valued and consciously managed to enable high performance. There is also a large gap in the perception of organizational values, as senior leaders were more than two times more likely to report their organization's values are clear and consistently demonstrated. Non-senior leaders showed significant disagreement, indicating that higher levels in organizations do not see culture the same way as their subordinates. This is further evidenced by senior leaders being twice as likely than others to report that people and teams are involved in shaping changes that impact them. Also, non-senior leaders report more often that people and teams have changes thrust upon them with little opportunity for discussion.

Tenure

Analysis of the data segregated by tenure within an organization was conducted by examining tenured respondents (15 or more years with their organization)



How important is culture to the success of your organization?

Figure 13. Although gaps exist between less tenured and more tenured perspectives on culture, there is an agreement across all tenure levels that culture is either fairly or very important to the success of an organization.

to less tenured respondents (0 to 3 years with their organization) and revealed some interesting insights.

Newer employees are much more likely to report that their organization does not have a clearly defined cultural intent. There is an inverse correlation here, as 38% was reported by less tenured employees, while 100% of tenured respondents reported affirmatively (*see fig. 12*).

More findings show that 83% of tenured respondents think their organization is "well" or "very well" prepared for major disruptors that may affect culture in the next three years, compared to only 19% of less tenured respondents. There is also a disagreement among these respondents when asked if they are seeing culture change happen in their organization at a pace required to stay competitive. The majority of less tenured respondents say "No" while 83% of tenured respondents say "Yes". Finally, the data revealed that less tenured respondents are over three times less likely (19%) to report their organization's current method of culture assessment leads to proportional cultural changes and outcomes than tenured respondents (67%).

These findings are significant and should not be overlooked. Based on the data, we must ask ourselves why such disparities exist. Are organizations losing their way due to significant changes and challenges that we face or are we simply not communicating well enough to and with our less tenured staff in helping them develop a clear understanding of our intent and actions?

Considering this, we are hopeful to see a notable set of data showing that all tenure levels strongly agree that organizational culture is fairly or very important to the success of their organization (*see fig. 13*). They also agree that culture is absolutely critical to supporting business performance.

Final Thoughts

In this section, we share our final thoughts and expectations for future reports.

While many of the insights identified have been found in previous literature, we are pleased to have further validated the significance of these relationships while further exploring the impact of outsourcing, rewards and recognition, major business disruptors, and the "Great Resignation" on the topic of organizational culture. These findings support the notion that creating a clear and aligned culture that is able to manage the competing tensions that exist in a dynamic business environment are those that are best positioned to thrive in the long-term.

While there are a variety of ways to create clarity and alignment with regard to assessing and understanding organizational culture and climate, the current study has shown that the Culture Mosaic serves as an accurate indicator of aspects of organizational culture that drive a variety of performance outcomes.

The 2022 State of Culture Study represents the start of an ongoing research effort to explore how culture and climate serve to support or derail organizations and their efforts to achieve their strategic imperatives.

As our team transitions to preparing for next year's study, we look forward to increasing the overall response rate and developing clear insight of how things change over time.

In demanding and dynamic times such as we find ourselves in today, it is imperative for us to work together to understand what aspects of culture and climate are driving the performance outcomes we desire. Unfortunately, understanding is not enough. Without the ability to make timely and effective decisions based on that understanding and without being able to drive sustainable change in organizations, many leaders and organizations will find themselves continuing to struggle as the world around them continues to evolve.

We hope that the annual State of Culture Study and Report will serve as a valuable tool for leaders to understand what best-in-class organizations are doing as a way of adapting their practices to drive success.

Click here if you would like to get a link to the 2023 Global State of Culture Study survey or report when they are available.

If you would be interested in sponsoring the 2023 Global State of Culture Study, click here for more information.

About gothamCulture

gothamCulture is a management consulting firm that draws on our associate's comprehensive expertise and experience in the areas of culture, leadership, and people strategy to provide innovative solutions and client-service excellence. Our work is guided by our deeply held shared values, including a commitment to each other and our clients, Unwavering Integrity, Maniacal Pursuit Of Excellence, Relatable Expertise, and Authentic Community. For more information, visit:

gothamCulture.com

Author Bios

Chris Cancialosi
Chris Cancialosi, Ph.D., ACC is Managing Partner and Founder of gothamCulture. He is a recognized expert in the fields of leadership and organizational development, with focus on the role of leaders in shaping high-performing cultures. Prior to founding gothamCulture, Chris held leadership positions at JetBlue Airways and Human Performance Systems. Chris also served in the US Army as a battalion operations officer and Blackhawk helicopter pilot. You can connect with him here:
chris.cancialosi@gothamculture.com

James O'Flaherty
James O'Flaherty, Senior Associate at gothamCulture, is a former US Marine Captain who has held numerous leadership billets throughout multiple combat deployments to the Middle East. Since transitioning to the civilian world, James has gained experience in the franchising, technology, and consulting industries. He earned his MBA at Villanova University and a Master's in Behavioral and Decision Sciences from the University of Pennsylvania. His professional experience includes working alongside clients in the public, private, and nonprofit sectors to impact their organizational culture with a focus on sustained improvements in team morale, productivity, and effectiveness. You can connect with him here:
james.oflaherty@gothamculture.com

ACKNOWLEDGMENTS AND AUTHORS

Our Sponsors

We would like to extend a special thank you to our sponsors who helped make the 2022 State of Culture of Report a reality. These organizations are committed to continuing to develop our collective understanding of the topic of organizational culture and helping organizations shape the cultures of their organizations. If you would like to sponsor the 2023 State of Culture Study and Report, email us at:
info@gothamculture.com

SolutionPoint+

Solution Point Plus is a team of nationally recognized experts in de-escalation training. Specializing in customizing 40-hour Crisis Intervention Training models that rely on collaborative partnerships within local communities. Offering the premier 24-hour de-escalation training for mental health providers and clinicians. All work begins with the individual in mind prioritizing self-awareness, self-care, and introspection as the structural components of the programs.
solutionpointplus.com

RevTech

REVTech is a full-service, woman and Veteran owned technology firm. A certified Service Disabled Veteran Owned Small Business (SDVOSB) focusing on technology consulting services for both public and private sectors. Services include software development and implementation, project & program management, managed services, and strategic initiatives.
revtechllc.com

GovStrive

GovStrive is an industry leader in stabilizing and innovating federal Human Resources and Civil Rights organizations. GovStrive offers best-in-class management consulting, managed services, and workforce solutions—focused on people, process, and technology to create opportunities for federal clients to drive program maturity and operational efficiency.
govstrive.com

Gotham Government Services

Gotham Government Services (GGS) provides government, military, and commercial clients with training solutions and instructional facilitation support services in workforce development. GGS also provides training and development services, including a full range of instructional systems design and human performance technology.
gothamgovernment.com

Acknowledgments

The annual Global State of Culture research is a true collaborative effort that includes input and insights from industry peers, clients, colleagues, and industry professionals in a variety of fields of expertise. Each year's research questions are designed based on literature review as well as our experience and conversations with a wide variety of thinkers. We thank you all for your desire to think and to learn with us.

This work would not be possible without the support of a wide variety of people though there are a few individuals who we would like to extend a special thanks to for making the 2022 Global State of Culture Report a reality.

We thank our research team members James O'Flaherty his stalwart focus and dedication to data analysis and report drafting.

The authors would also like to thank Andrea Bennett for her support with the overall publication of the research, her editorial feedback, and her efforts to increase the reach of our research year after year.

We would like to thank Kristin Mudd for her creative guidance and her ability to translate numbers into visuals that resonate with readers. Kristin is the force behind the report design and layout.

Finally, a heartfelt thanks to Tim Bowden and Kate Gerasimova for their input on the research questions as well as their keen editorial eye.

To reference this report, use: **gothamCulture.** *2022 State of Culture: Annual Report, Insights into the evolving role of culture and climate from around the globe.* https://gothamculture.com/wp-content/uploads/2022-State-of-Culture-Report.pdf

© 2022 gothamCulture LLC, All Rights Reserved

gothamCulture®

HELPING NAVIGATE CHANGE®