



THE CULTURE EFFECT: WHY A POSITIVE WORKPLACE CULTURE IS THE NEW CURRENCY

Throughout a Lingering Pandemic,
Workplace Culture Proves a Resilient,
Invaluable Commodity Among Workforce

In 2019, SHRM published the High Cost of a Toxic Workplace Culture, revealing the cost of turnover due to workplace culture over the last 5 years: \$223 billion.

The world of work changed in 2020. Now, more than a year later, we surveyed thousand of working Americans, to understand the impact of COVID-19 on workplace culture.

Data collected (May 27, 2021 – June 29, 2021)

- **2021 SHRM Executive Culture Survey** - 305 executives
- **2021 SHRM People Manager Survey** - 1,000 people managers
- **2021 SHRM HR Culture Survey** - 875 HR professionals
- **2021 SHRM Omnibus survey** - 1,324 Americans, including 771 working Americans

Culture is critical!

- **74% of working Americans state that their organizational values helped guide them through the pandemic.**
- **94% of People Manager state that a positive workplace culture creates a resilient team of employees.**
- **62% of HR Professionals state that it has been difficult to maintain workplace culture during the pandemic.**

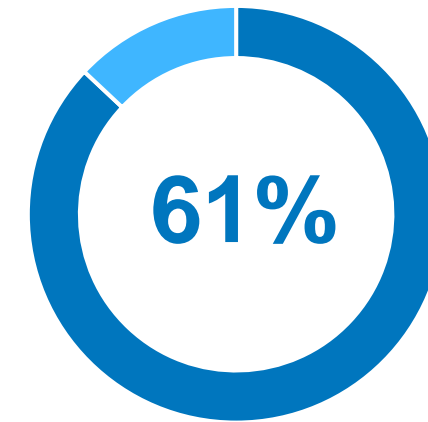
The great news is that working Americans are productive at work, and People Managers and HR professionals know how to help employees be productive at work.

- **94% of working Americans** indicated that they are productive at work
- **94% of People Managers** agree or strongly agree that they know how to help employees be productive at work.
- **85% of HR professionals** agree or strongly agree that they know how to help employees be productive at work.

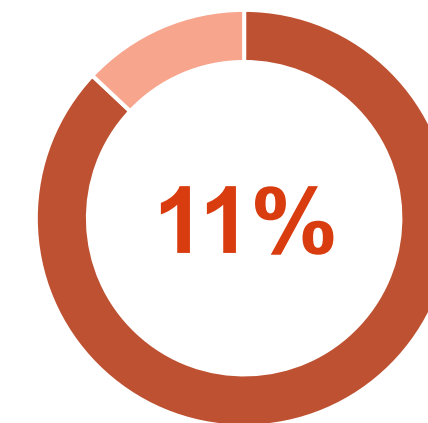
Also, nearly everyone agrees that culture is important to an organization's bottom line.

- **84% of working Americans** believe that a great workplace culture positively contributes to their organization's bottom line.
- **97% of Executives** agree or strongly agree that they believe that a great workplace culture positively contributes to their organization's bottom line.
- **94% of People Managers** agree or strongly agree that they believe that a great workplace culture positively contributes to their organization's bottom line.
- **96% of HR professionals** agree or strongly agree that they believe that a great workplace culture positively contributes to their organization's bottom line.

However, not all employees agree that their organization has a good workplace culture.



3 out of 5 Working Americans (61%) rate their workplace culture as good or very good, whereas...



1 out of 10 (11%) would rate their workplace culture as poor or very poor.

Work is making employees feel exhausted – no matter if they are working Americans, People Managers, or HR professionals.

- **Nearly 3 out of 5 working Americans (59%)** leave work feeling exhausted.
- **54% of People Managers** leave work feeling exhausted.
- **56% of HR professionals** leave work feeling exhausted.

Not all employees feel emotionally safe at work – even though most People Managers and HR professionals think they know how to make employees feel safe.

- **1 out of 4 individuals (26%)** do not feel emotionally safe at work.
 - **93% of People Managers** agree or strongly agree that they are able to help their employees feel emotionally safe at work.
 - **91% of HR professionals** agree or strongly agree that they are able to help their employees feel emotionally safe at work.

Employees indicate that they have a difficult time balancing their work and home commitments – even though People Managers and HR professionals think they know how to help employees manage this.

- **1 in 3 working Americans (33%)** indicated that their organization's culture makes it difficult to balance their work and home commitments.
- **88% of People Managers** agree or strongly agree that they know how to help their employees balance their work and home commitments.
- **77% of HR professionals** agree or strongly agree that they know how to help their employees balance their work and home commitments.

Working Americans are noticing that their people managers may not lead by example – even though managers think they do.

- **96% of People Managers** agree or strongly agree that they lead by example.

YET

- **32% of working Americans** do not think that their manager leads by example.

Working Americans also notice that their people manager doesn't always encourage a culture of open and transparent communication – even though managers think they do.

- **95% of People Managers** agree or strongly agree that they encourage a culture of open and transparent communication.

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- **27% of individuals** do not think that their manager encourages a culture of open and transparent communication.

The good news is that most people think that their organization is committed to improving organizational culture – and nearly all executives are committed to improving it.

- **Nearly 7 out of 10 working Americans (69%)** believe their organization is committed to improving organizational culture.
- **82% of People Managers** agree or strongly agree that their organization is committed to improving organizational culture.
- **74% of HR Professionals** agree or strongly agree that their organization is committed to improving organizational culture.
- **96% of Executives** agree or strongly agree that they are committed to improving organizational culture.



**So, what can you do as an Executive
to improve organizational culture?**

Offer leadership training to People Managers.

- **More than 1 in 4 People Managers (26%)** indicated that their workplace doesn't provide leadership training.

Get feedback from employees to assess your workplace culture.

- **68% of HR professionals** indicated that their organization uses staff surveys to assess workplace culture, with the most HR professionals indicating that they do staff surveys annually.
- **90% of HR professionals** indicated that their organization uses informal conversations to assess workplace culture, with the most HR professionals indicating that they use informal conversations daily.