



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

EXECUTIVE SUMMARY

Culture is the social operating system shaping organizational values, defining how people work and determining how they succeed within an organization. Workplace culture is dependent on the people establishing it and is active and always changing.

In 2019, SHRM published *The High Cost of a Toxic Workplace Culture*, revealing toxic workplace cultures had cost U.S. employers \$223 billion over the previous five years.

The world of work changed in 2020, as employers and employees navigated a pandemic, forcing businesses to create new ways to keep employees and customers safe while maintaining business continuity. Now more than ever, workers are leaning on their workplace culture and trusting in organizational values, as 74 percent of working Americans believe their organizational values helped guide them through the pandemic.

SHRM set out to better understand the wide range of working Americans—from executives and people managers to HR professionals. In May and June of this year, we surveyed hundreds of workers, gaining insights on workplace culture so organizations can analyze and leverage it.

While many feared the worst in early 2020 (and for good reason), SHRM found that the COVID-19 pandemic could not overshadow the resiliency of the American worker. We also found ways for organizations to strengthen their workplace culture, ensuring workers are empowered in good times and bad.



KEY FINDINGS

74% of working Americans claim their organizational values helped guide them through the pandemic.

53% of working Americans who have left a job due to workplace culture report leaving because of their relationship with their manager.

94% of people managers agree a positive workplace culture creates a resilient team of employees.

52% of people managers spend an average of one to 10 hours per week managing their workplace culture.

54% of people managers report they leave work feeling exhausted.

26% of people managers indicate their organization does not provide them with leadership training.

62% of HR professionals agree it has been difficult to maintain workplace culture during the pandemic.

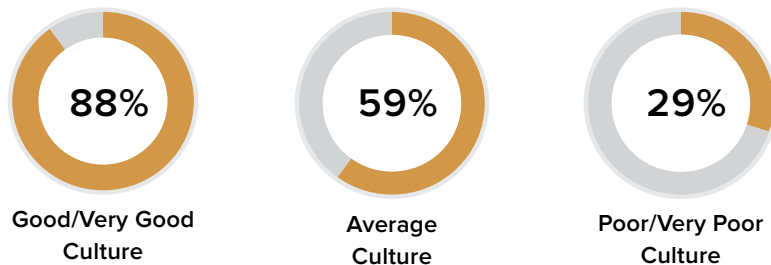
97% of executives agree their actions have a direct impact on workplace culture.



IN A CHANGING WORLD, ORGANIZATIONAL VALUES LEAD THROUGH ADVERSITY

Organizational values are shaping cultures and steering workplaces through the COVID-19 pandemic. Nearly **75 percent of working Americans** claim their organizational values helped guide them through the pandemic.

WHEN WORKING AMERICANS THINK HIGHLY OF THEIR WORKPLACE CULTURE, THEY ARE MORE LIKELY TO INDICATE THEIR ORGANIZATIONAL VALUES HELPED GUIDE THEM THROUGH THE PANDEMIC.

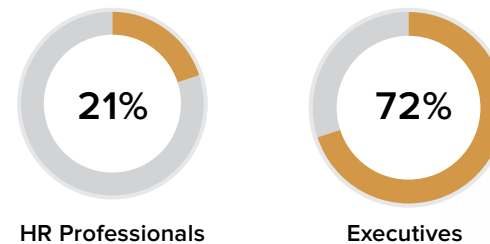


Working Americans who rated their culture as “good” or “very good” were more likely to indicate their organizational values helped guide them through the pandemic (**88 percent**), as compared to workers who rated their culture as “average” (**59 percent**) and the **29 percent who rated their culture as “poor” or “very poor.”**

N E A R L Y 75 PERCENT OF WORKING AMERICANS CLAIM THEIR ORGANIZATIONAL VALUES HELPED GUIDE THEM THROUGH THE PANDEMIC.

Some organizations have taken the opportunity to strengthen their values.

HR PROFESSIONALS AND EXECUTIVES WHO INDICATE THAT OVERALL WORKPLACE CULTURE HAS IMPROVED SINCE THE BEGINNING OF THE PANDEMIC.



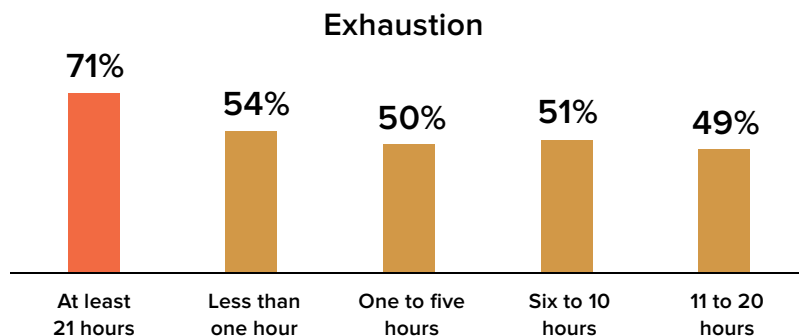
More than **1 out of 5 HR professionals** say their overall workplace culture has improved since the beginning of the pandemic, and **72 percent of executives** agree. Also, 41 percent of people managers claim their employees’ health and well-being have improved since the beginning of the pandemic.



EXHAUSTION, OTHER WORKPLACE CHALLENGES PERSIST

While individual and organizational responses to the COVID-19 pandemic are ongoing, significant workplace challenges remain. Nearly 1 in 4 HR professionals (24 percent) claim their overall workplace culture has worsened since the beginning of the pandemic.

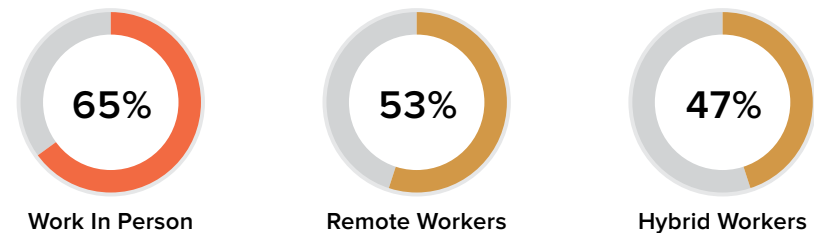
PEOPLE MANAGERS WHO SPEND AT LEAST 21 HOURS WEEKLY ON CULTURE ARE MOST LIKELY TO INDICATE THEY LEAVE WORK FEELING EXHAUSTED.



Exhaustion emerged as a common theme in recent months. Over half of people managers (54 percent) report they leave work feeling exhausted, and it's especially true for those heavily involved with implementing workplace culture. Those who spend **at least 21 hours weekly on culture** are more likely to leave work feeling exhausted (**71 percent**) than those who spend **less than one hour (54 percent)**, **one to five hours (50 percent)**, **six to 10 hours (51 percent)**, or **11 to 20 hours (49 percent)** weekly.

Fifty-six percent of HR professionals who serve on the front lines establishing organizational values report feeling exhausted. Nearly two-thirds of HR professionals (62 percent) agree it has been difficult to maintain workplace culture during the pandemic.

WORKING AMERICANS WHO WORK IN PERSON ARE MOST LIKELY TO INDICATE THEY LEAVE WORK FEELING EXHAUSTED.

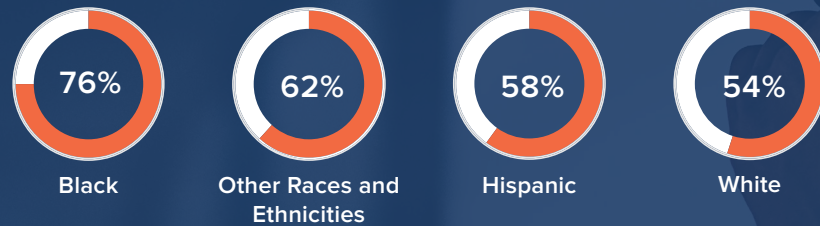


While many employees shifted to remote work, those who work in person experienced greater exhaustion than their virtual counterparts. Americans who **work in person** are most likely to indicate they leave work feeling exhausted (**65 percent**), as compared to **remote workers (53 percent)** and **hybrid workers (47 percent)**.

BLACK WORKERS, WOMEN CARRY A HEAVIER BURDEN

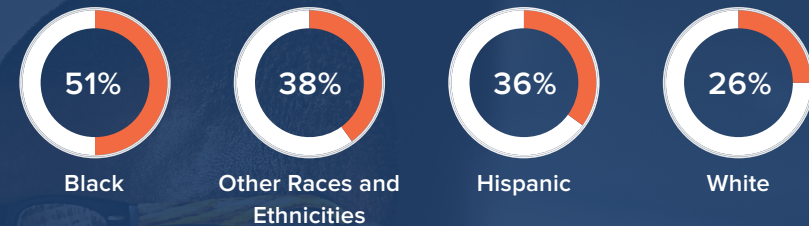
While feelings of exhaustion transcend race and gender, working Americans who identify as **Black** are more likely to indicate they leave work feeling exhausted (**76 percent**), as compared to working Americans who identify as **white** (**54 percent**) or **Hispanic** (**58 percent**). More than 6 in 10 working Americans who identify as **other races and ethnicities** (**62 percent**) also report feeling exhausted when they leave work.

WORKING AMERICANS WHO IDENTIFY AS BLACK ARE MOST LIKELY TO LEAVE WORK FEELING EXHAUSTED.



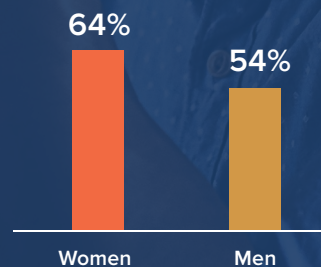
Similarly, working Americans who identify as **Black** are more likely to claim their workplace culture makes it difficult to balance work and home commitments (**51 percent**), as compared to working Americans who identify as **white** (**26 percent**). Meanwhile, over one-third of working Americans who identify as **Hispanic** or **other races and ethnicities** also have difficulty balancing work and home commitments due to workplace culture. (**36 percent** and **38 percent**, respectively).

WORKING AMERICANS WHO AGREE THEY HAVE DIFFICULTY BALANCING THEIR WORK AND HOME COMMITMENTS DUE TO WORKPLACE CULTURE.

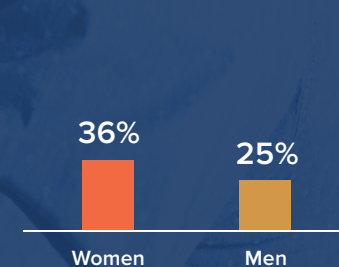


Regardless of race, female employees tend to feel more exhausted while working during a pandemic. **Women** are more likely to report they leave work feeling exhausted (**64 percent**) than **men** (**54 percent**). For women, exhaustion and irritation are inextricably linked: **Female workers** are more likely to say their workplace culture makes them irritable at home (**36 percent**), as compared to **25 percent of men**.

WORKING AMERICANS WHO AGREE THEY LEAVE WORK FEELING EXHAUSTED.



WORKING AMERICANS WHO AGREE WORKPLACE CULTURE MAKES THEM IRRITABLE AT HOME.



PEOPLE MANAGEMENT IS MORE IMPORTANT THAN EVER

To address exhaustion and other workplace challenges, people management is critical. Now more than ever, effective people managers represent the difference between retaining employees and losing them. In the past five years, more than half of working Americans (53 percent) who have left a job due to workplace culture report leaving because of their relationship with their manager. Effective people management is also synonymous with a strong workplace culture, contributing to the resiliency needed to navigate the pandemic. More than 9 out of 10 people managers (94 percent) agree a positive workplace culture creates a resilient team of employees.



One to 10 Hours per Week

MORE THAN 50 PERCENT OF PEOPLE MANAGERS SPEND BETWEEN ONE AND 10 HOURS PER WEEK MANAGING CULTURE.

People managers play a pivotal role in shaping workplace culture, ensuring employees remain satisfied and motivated at work. More than half of people managers (**52 percent**) spend an average of one to 10 hours per week managing their workplace culture. Almost 3 out of 10 people managers (28 percent) spend more than 11 hours per week doing so.

97 PERCENT OF EXECUTIVES AGREE THEIR ACTIONS HAVE A DIRECT IMPACT ON CULTURE.

When people managers take the time to strengthen workplace culture, employees recognize and appreciate their efforts. Employees look to executives for morale, and workplace leaders have an opportunity to highlight their care and compassion. In fact, **97 percent** of executives agree their actions have a direct impact on workplace culture.



COMMUNICATION IS KEY INGREDIENT FOR PEOPLE MANAGERS, BUT TRAINING OPPORTUNITIES ARE LACKING

When it comes to putting communication into practice, people managers are at the forefront but often face disadvantages due to lack of training.

SHRM research shows **26 percent** of organizations decline people manager requests for further leadership training, deeming it “nice to have” but not necessary to job performance.

Despite this, of Americans who say workplace culture improved since the beginning of the COVID-19 pandemic, **59 percent** credit communication. Nearly 6 in 10 HR professionals (**58 percent**) say the same, in addition to **49 percent** of people managers and **48 percent** of executives. Other reasons for improvement include trust, transparency and a shift to remote work.

Among working Americans whose workplace culture worsened during the pandemic, **51 percent** cite a lack of communication. At least **50 percent** of people managers and HR professionals agree, in addition to highlighting changes to employee workloads.

COMMUNICATION
IS KEY
INGREDIENT



THE RISE AND FALL OF WORKPLACE CULTURE THROUGHOUT THE COVID-19 PANDEMIC

Some organizations have seen their organizational culture improve since the beginning of the pandemic.

Working Americans	HR Professionals	People Managers	Executives
14% of working Americans indicated that workplace culture has improved since the beginning of the pandemic.	21% of HR professionals indicated that overall organizational culture has improved since the beginning of the pandemic.	38% of people managers indicated that overall organizational culture has improved since the beginning of the pandemic.	72% of executives indicated that overall organizational culture has improved since the beginning of the pandemic.

Top reasons organizational culture has improved since the beginning of the pandemic.

Communication (59%)	Communication (58%)	Communication (49%)	Communication (48%)
A shift to remote work (44%)	A shift to remote work (48%)	The organization's trust in employees (39%)	The organization's trust in employees (45%)
Transparency about the organization's future (38%)	The organization's trust in employees & changes to workload (36%)	A shift to remote work (35%)	A shift to remote work (44%)

Some organizations have seen their organizational culture worsen since the beginning of the pandemic.

Working Americans	HR Professionals	People Managers
13% of working Americans indicated that workplace culture has gotten worse since the beginning of the pandemic.	Almost a quarter (24%) of HR professionals indicated that overall organizational culture has gotten worse since the beginning of the pandemic.	11% of people managers indicated that overall organizational culture has gotten worse since the beginning of the pandemic.

Top reasons organizational culture has worsened since the beginning of the pandemic.


Communication (51%)	Changes to workload (59%)	Changes to workload (58%)
Changes to workload (47%)	Communication & employees voluntarily leaving the organization (50%)	Communication (52%)
Employees quitting (39%)	A shift to remote work (42%)	A shift to remote work (44%)

CONCLUSION: IN AN EVER-CHANGING WORLD, WORKPLACE CULTURE MUST REMAIN STRONG

As the COVID-19 pandemic lingers, what comes next? In today's ever-changing world, now more than ever, workplace culture reigns supreme. Now is the time to build on the progress of recent months and double down on clearly stated organizational values. These values must be embraced by those at all leadership levels and then down to the employees they manage.

Regardless of the challenges posed by the pandemic, talent needs to be nurtured and valued. Organizations must move past “just getting the work done” and begin thinking long term—with their employees' concerns top of mind. As organizations strengthen their values, strong HR teams should offer stability and keep workplace cultures on track to drive business goals and help retain invaluable talent. Only with HR professionals at the forefront can organizations build better workplaces.

HR professionals, executives and people managers need to ensure their organizations can sustain the positive culture shifts cultivated during the pandemic and utilize findings to improve processes, should another crisis arise. Whether it's COVID-19; mass turnover; or a rallying cry for diversity, equity and inclusion, crisis breeds opportunity for improvement within an organization and the way it embraces the needs of its employees. These opportunities, while difficult to navigate, should be utilized to cultivate and create impactful change.



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METHODOLOGY

The 2021 SHRM Omnibus Survey was conducted from May 27 through June 2, 2021, using the AmeriSpeak panel®, NORC at the University of Chicago's nationally representative, probability-based panel. Online and telephone interviews using landlines and cellphones were conducted with 1,324 adults. Some questions in the survey were asked to all respondents, and others were asked only to a subset of 771 adults who were either working as a paid employee or have been laid off or furloughed due to the COVID-19 pandemic.

The 2021 SHRM Executive Culture Survey was conducted from June 1 through June 7, 2021. Online surveys were conducted with 305 adults who self-identified as holding a vice-president or above role at a company of at least 50 employees. Respondents were sourced from Lucid.

The 2021 SHRM People Manager Survey was conducted from June 2 through June 8, 2021. Online surveys were conducted with 1,000 adults who self-identified as people managers of at least one employee. Respondents were required to be employed as a paid employee or have been laid off or furloughed due to the COVID-19 pandemic. Respondents were sourced from Lucid.

The 2021 SHRM HR Culture Survey was conducted from May 27 through June 29, 2021. Online surveys were conducted with a random sample of 875 adults who are members of SHRM. Respondents were required to be employed as a paid employee or have been laid off or furloughed due to the COVID-19 pandemic. Respondents represented organizations of all sizes—from two to more than 25,000 employees—in a wide variety of industries across the United States.

ABOUT SHRM

SHRM, the Society for Human Resource Management, creates better workplaces where employers and employees thrive together. As the voice of all things work, workers and the workplace, SHRM is the foremost expert, convener and thought leader on issues impacting today's evolving workplaces. With 300,000+ HR and business executive members in 165 countries, SHRM impacts the lives of more than 115 million workers and families globally. Learn more at [SHRM.org](https://www.shrm.org) and on Twitter @SHRM.



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YOU TO MAKE LASTING, MEANINGFUL
CHANGE IN THE WORKPLACE.



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