2023

State *of* Culture

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

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HELPING NAVIGATE CHANGE®

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HELPING PEOPLE THRIVE®

The third in a series of annual research reports designed to help all people better understand *and shape* the cultures of their organizations *in practical ways* that yield significant and sustainable performance results.

Welcome to the third Global State of Culture Report! This annual research study is our way of contributing to a collective understanding of the topics of organizational culture and climate and the relationship that these constructs have on performance. Our research also includes a variety of areas 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.

One exciting addition to this year's annual report is our ability to see culture data over time. This year's State of Culture Report includes a year-over-year analysis depicting how certain key areas of organizational culture have evolved in the past year. As our database matures with each year's iteration of the State of Culture Study, our team will continue to report on cultural insights and trends that may have gone otherwise unnoticed.

As organizational cultures evolve over time and members of a group learn what works and what does not, it is our responsibility to create a forum that shines a light on these topics. An increasing number of leaders have acknowledged the impact organizational culture has on business performance. Therefore, the insights in this report are our way of adding breadth and depth to our collective understanding of the human element, specifically as it pertains to an organization's ability to achieve its mission and vision. With the added layer of time-based analysis, our long-term research goals for the State of Culture Report include understanding cultural trends and how they impact organizations of varying industries and sizes, generating predictions and insights on developing cultural trends, and creating industry-specific "culture profiles" based on growing empirical data we collect.

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 into 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 gC | GGS Research Team

The 2023 State of Culture Report is the culmination of a year of research involving a diverse pool of respondents representing a global cross-section of organizations. It provides insight into organizational culture and climate as well as change practices and best practices that are being applied in industry today.

Research has yielded several key insights into aspects of organizational culture that link to a variety of performance outcomes as well as the practices that drive results in the day-to-day. We explored several key aspects of organizational functioning that our clients have shared as critical topics for them and their teams, which include coaching, wellbeing, and stress management.

This year's research has the advantage of comparison. The similarities and differences in data from this and last year's study has shed light on how the topic of culture and climate may evolve over time. The culture that develops within an organization is a summation of what members of the group believe, assume, value, and how they interact daily. These elements create a unique social and psychological atmosphere which shape people's behavior and how, inevitably, the organization performs. We believe that by focusing on the everyday actions and habits of employees, culture can gradually evolve until the new way of working becomes the norm. These behaviors bring clarity—aligning team members over time on the 'right' path forward.

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.

Background + Framework

This section provides an overview of the Culture Mosaic survey and assessment tool used as the basis for this report.

Mosaic

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

Theoretical Background

In our fast-paced world, adaptability is key for individuals and organizations to stay relevant. Research consistently shows that organizational culture plays a crucial role, not just in adapting to change but also in excelling amidst it. The authors of this report, backed by extensive experience, have been deeply involved in shaping successful organizational cultures. Our hands-on involvement with diverse teams globally, coupled with years of research, led to the development of the Mosaic Performance Framework. This practical framework helps us grasp and communicate culture and climate effectively, giving organizations the tools they need to navigate change smoothly.

Literature strongly supports the significant impact of organizational culture on performance. It influences various aspects of sustainable workplace dynamics, including productivity, adaptability, customer satisfaction, loyalty, employee engagement, organizational citizenship behaviors, and safety.

Mosaic Performance Framework

Sustainable organizational performance is dependent on a multitude of factors—a mosaic—that must be carefully managed, balanced, and adapted to best meet the challenges presented both in the external environment and internal context.

The Mosaic Performance Framework is a battery of assessments designed to be used together over time to give leaders the insight they need to proactively shape their performance. Rooted in Quinn & Rohrbach's theoretical model known as the Competing Values Framework, the Mosaic Performance Framework provides organizations with the ability to understand how their culture, leadership, and workforce capability create a dynamic that either supports or derails their ability to achieve their goals (Quinn & Rohrbaugh, 1983).

This Framework consists of three separate assessments: The Culture Mosaic, Team Mosaic, and Leadership Mosaic. For this report, we focus on the Culture Mosaic. The Culture Mosaic hones in on the work practices and behaviors that high-performing organizations display, and links those behaviors to key performance outcomes. It also explores how the natural dynamic tensions that exist within an organization can impact culture change efforts. Specifically, progress in one area of organizational culture may come at the expense of other important areas of culture. The Culture Mosaic seeks to understand and manage these dynamic tensions while providing a framework to institute meaningful culture change within an organization. To concretely examine these tensions, we distinguished values in four distinct categories: Inspire, Deliver, Enable and Adapt, each comprised of three subcategories.
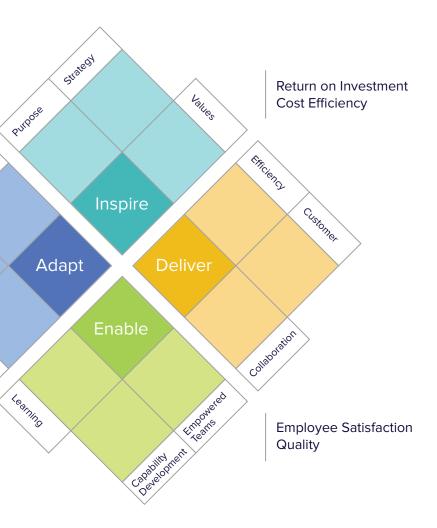
The Culture Mosaic is comprised of four dimensions of organizational culture and climate that impact organizational performance:

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.

Learn more about The Culture Mosaic

Methodology

As industry across the globe continues to grapple with major disruptions associated with 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 Culture Mosaic 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. This year's insights are drawn directly from respondents representing various organizations, roles, industries, and regions. Also, we examine this year's results compared to the 2022 State of Culture study to glean insights into trends that may be worth following in the coming years.

The Survey

The 90-item State of Culture Survey consisted of questions on a 5-point Likert scale and open-ended free-response questions. Topics in this year's study included a wide variety of items pertaining to organizational culture, climate, performance, wellbeing and coaching. Every respondent received the full battery of items.

Target Population

Since any given organization naturally creates its own culture (and sometimes sub-cultures) our target population for gathering responses to the State of Culture Survey was any employee who experienced their organization's culture in some way. We sought responses from individuals in the public, private, and nonprofit sectors and aimed to gather responses from organizational leaders and individual contributors alike. To segment our pool of respondents, we asked them

to optionally self-report other demographics such as age, education level and gender. Our sample of respondents also included both HR and Organizational Development (OD) professionals as well as non-HR/OD professionals.
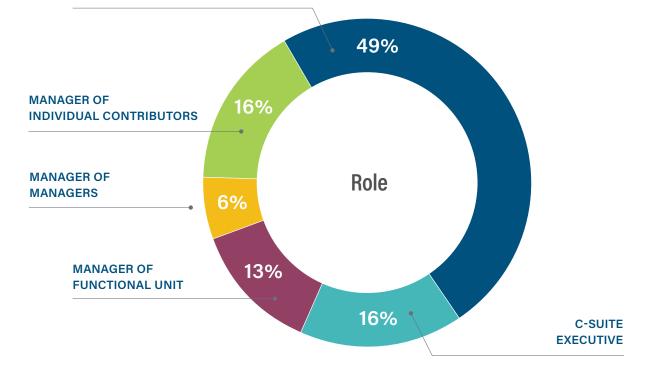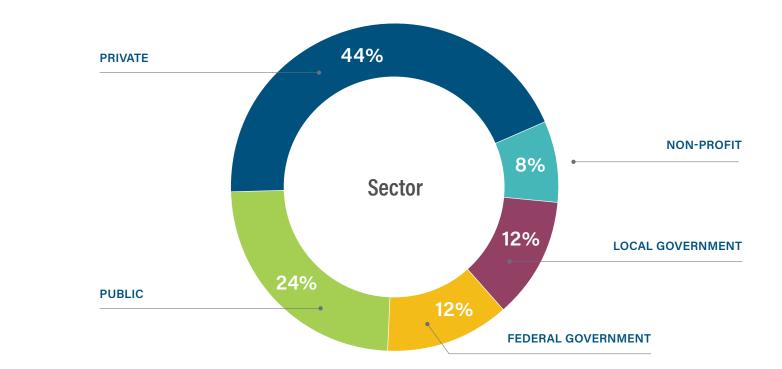
Data Collection

The survey was administered using Qualtrics, an online survey platform, and data was collected for a period of several months spanning from January to June, 2023. Professional and personal networks of the research team, word of mouth, and social media promotion was utilized to recruit respondents via a snowball sampling approach.
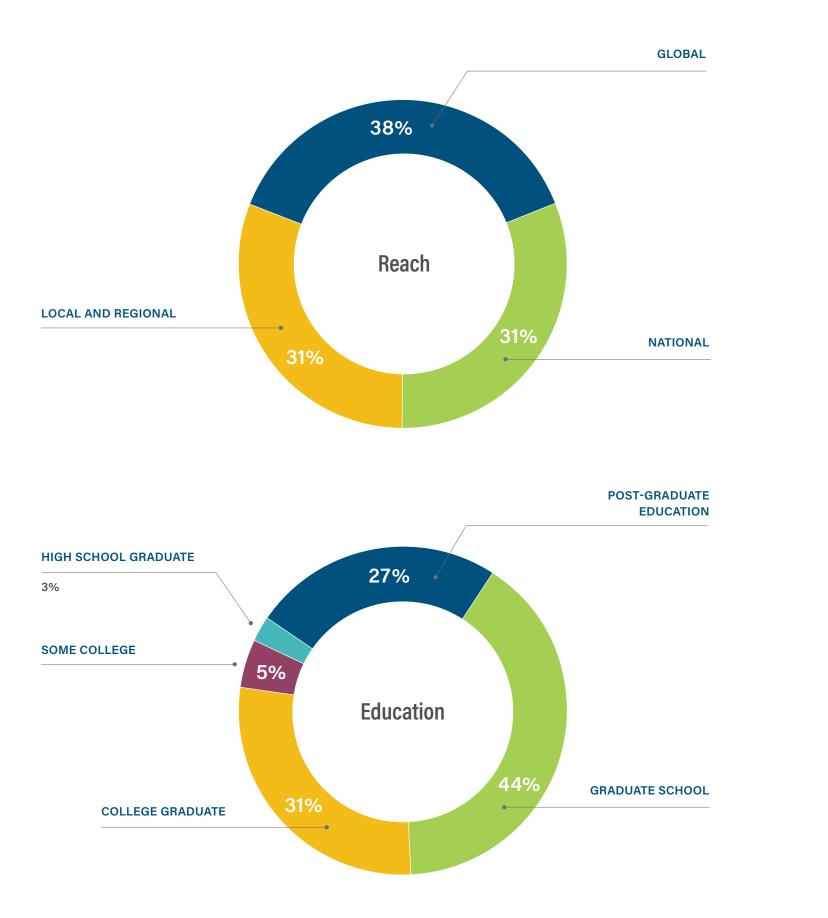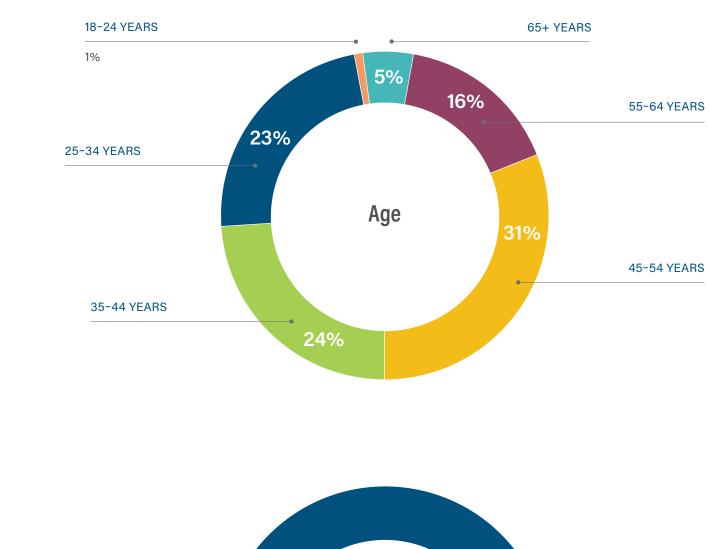
Who Took the Survey

In this year's State of Culture Survey, we gathered insights from a diverse group of respondents, painting a vivid picture of today's organizational landscape. Among the participants, 34% were individual contributors, while 66% held managerial or leadership roles, ensuring a balanced perspective across professional levels. The sectors represented were wide-ranging, with 44% from the private sector, 24% from the public sector, 12% from federal government, 12% from city/state/local government, and 8% from nonprofit organizations.

Additionally, the survey highlighted the global influence of organizations, with 31% operating locally, 38% nationally, and 31% globally. Gender diversity was nearly equal, with 48% male, 47% female, and 3% identifying as other genders. Education levels varied, with 3% high school graduates, 5% some college, 31% college graduates, 44% graduate school graduates, and 27% post-graduate qualifications. The survey spanned multiple age groups, from 1% aged 18-24, 23% aged 25-34, 24% aged 35-44, 31% aged 45-54, 16% aged 55-64, to 5% over 65, providing a comprehensive view of the multi-generational workforce.

Role

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

Sector

- PRIVATE — 44%
- NON-PROFIT — 8%
- LOCAL GOVERNMENT — 12%
- FEDERAL GOVERNMENT — 12%
- PUBLIC — 24%

Reach

GLOBAL
38%

NATIONAL
31%

LOCAL AND REGIONAL
31%

Age

18–24 YEARS
1%

65+ YEARS
5%

55–64 YEARS
16%

25–34 YEARS
23%

45–54 YEARS
31%

35–44 YEARS
24%

Education

POST-GRADUATE EDUCATION
27%

HIGH SCHOOL GRADUATE
3%

SOME COLLEGE
5%

GRADUATE SCHOOL
44%

COLLEGE GRADUATE
31%

Gender

FEMALE
47%

MALE
48%
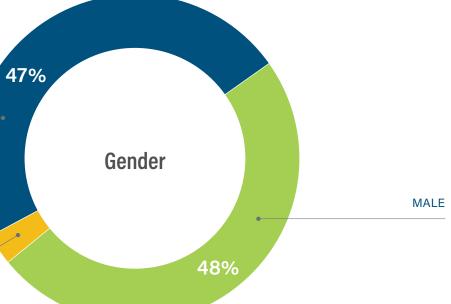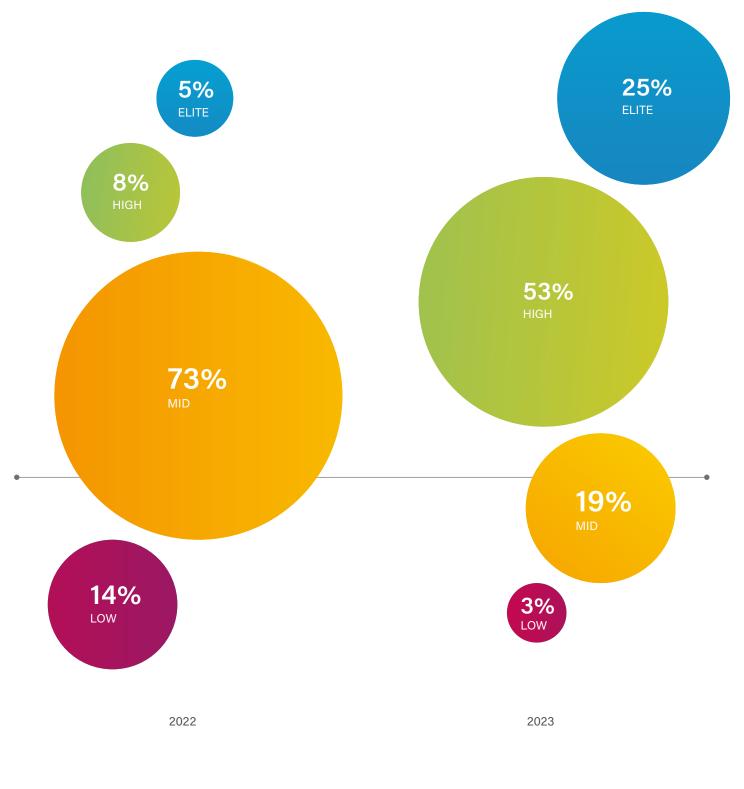
OTHER
3%

Performance Clusters

Figure 1. This year's data has been examined in four performance clusters, Elite, High, Mid and Low Level Performers. It is compared to our 2022 data above.

Performance Clusters

To provide our respondents and readers with a benchmark of their organization against others, we present data by performance cluster. Performance clusters were created by inputting respondent's answers to specific questions related to organizational performance into the Mosaic Performance Framework. Output from this allowed us to assign respondents to a performance cluster. This year's data has been examined in four groups: Elite, High, Mid, and Low Level Performers. We present our 2023 findings below, as well as a year-over-year comparison with the 2022 performance cluster data *(see fig. 1)*.

Examination of Performance Clusters

We began by comparing two groups, the low-performance group and elite-performance group. Different elements from this year's State of Culture survey were examined to understand both the relationships of organizational performance and culture, as well as the difference between low-performing organizations and elite-performing organizations in order to draw contrasts between the two in relation to the behaviors that are consistently demonstrated in each.

Elite-performing organizations scored significantly higher across each Culture Mosaic factor than low-performing organizations. Notably, there is a correlation between organizational performance and scores of organizational culture as identified in the Culture Mosaic. Organizational performance decreased from elite- to low-performance clusters, as do the scores for culture. Though the difference between the elite-performers across the Culture Mosaic is markedly higher than the difference between the medium- and high-performers. Top scoring organizations clearly excelled in a number of areas, including:

1. Having a clear and compelling organizational purpose that inspires employees.

2. Recognizing the importance of mental health, including dialoging about anxiety and stress, supporting mental health, and allowing for mental health days.

3. Leveraging coaching for its employees, including coaching from supervisors and formal, professional coaching opportunities; coaching is viewed by these organizations as a core component of success.

In the State of Culture study, we asked respondents to imagine a ladder where the top represents the best possible life (10/10) and the bottom represents the worst (0/10). We asked respondents to select which "step" of the ladder they currently found themselves, followed by where they think they will be in five years. Interestingly enough, low-performers and elite-performers scored their organization's current performance and predicted/expected performance almost identically. This average was higher than both the medium- and high-performers. Both elite- and low-performers indicated that they were at approximately a step 7/10 currently in their organization and expected to be at a step 9/10 in five years. Whereas medium- and high-performers indicated that currently they were at approximately 6.5/10 on the organizational ladder and expected to only be at 8/10 on the organizational ladder in five years. Not only is the overall expected increase in steps higher in the low and elite groups compared to the medium and high groups (expected 2 step increase vs. a 1.5 step increase), but the overall positioning on the ladder is also higher. Therefore, it seems that even though employees may rate their organization low in cultural performance, they remain optimistic about the future. This view also appears to be shared by employees who consistently rate their organization high in cultural performance. We interpret this data to mean that there may be a shared sense of optimism among these differing groups in terms of the future. While intriguing and noteworthy, this connection is one that warrants further research to clearly define.
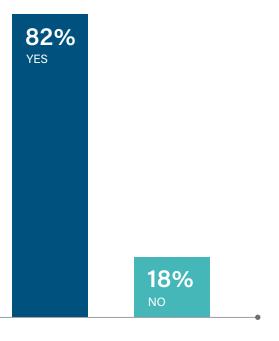
Three
Key Findings

Over the years, our research has illustrated the reality that a great many factors influence and shape the cultures that develop within organizations. This year, we focused on three aspects of organizational life that we felt would help add clarity to our shared understanding of culture as a driver of performance. We asked respondents multiple questions about how their organizations define, measure, and shape culture with regard to employee **well-being**, **coaching**, and **stress management**. Based on the data collected, we were able to extract the following findings around how culture and climate are viewed and intentionally, or unintentionally, shaped.

1
Findings:
Well-Being

82%
YES

18%
NO

ALL RESPONDENTS

Should organizations be responsible for employee well-being?

Figure 2. An overwhelming majority of respondents believe that employers should be responsible for employee well-being.

Workplaces play an enormous role in our lives and can have a significant effect on our mental health and well-being. Research has identified employee well-being as a critical aspect of organizational performance and the topic is becoming popular as people consider how it fits into their workplace. As a result, employers are faced with questions. Not only must they determine the best methods of fostering well-being—they must also determine exactly what well-being is and the various ways it impacts their organizations. Whole well-being is measured by how an individual views life events and is measured through their satisfaction with their life (Deiner et al., 2017). When someone is flourishing, their well-being is seen through healthy relationships, engagement, emotional regulation, and a lack of fear, anger, or anxiety (Adler & Seligman, 2017; Csikszentmihalyi & Seligman, 2000; Seligman, 2011).

This year, we set out to measure various facets of well-being, including overall happiness at work, alignment with organizational values, and wellness programs. A person's well-being can be influenced by a myriad of factors both in and outside of work. We focus on how organizations impact the well-being of their employees and how well-being impacts organizational performance.

Organizational Impacts on Well-being

It may not be a surprise that work life has a tangible impact on a person's well-being. In the free response section of the survey, participants shared thoughts on well-being stating, "Employee wellness should be top priority because research shows happy employees improve the bottom-line in multiple ways", as well as "Employees deserve to work with employers who respect and facilitate well-being whenever possible." Overall, more than 80% of the individuals surveyed indicated they believe that employers do have responsibility for employee well-being *(see fig. 2)*. Even a mere belief that organizations have a responsibility to facilitate well-being

> "Companies should be as invested in *employee well-being* as they are *in growth.*"
>

for employees showed promising results. Individuals who rated organizational responsibility for well-being as high had more positive scores on all aspects of the Culture Mosaic compared to those who believe that organizations do not share responsibility for employee well-being *(see fig. 3)*. Therefore, well-being appears to support a positive work culture overall and employers are strongly encouraged to consider how comprehensive and effective their well-being programs are currently.

Impact of Well-being on Performance

When examining the total scores of individuals who reported either improvement or decline in well-being, trends emerged that organizations who inspire, enable, deliver, and adapt for their employees show tangible benefits in both internal satisfaction and external output. Since satisfaction is an indicator of overall well-being, organizations with a higher score on the Culture Mosaic in enabling behaviors like highly collaborative work style, opportunities for professional development, and high growth have a cyclic effect likely to contribute to enhanced well-being among it's employees.

Survey items aimed at well-being and coaching provided insight into organizational health and performance levels. Anecdotally, employees felt that "companies should be as invested in employee well-being as they are in growth." A respondent stated that well-being is an investment in each employee and, "employers should invest in developing a partnership with employees to support their well-being." If nothing else, another respondent states, "companies should highlight well-being as a priority and request feedback about what individuals need/want from their employer." Coaching plays an important role in accounting for the well-being of employees by assessing feedback.

Furthermore, respondents who rated that organizational growth either moderately or significantly improved, scored on average 20% higher on the Culture Mosaic than those who rated that it moderately or significantly declined. Overall, respondents felt that too much focus was placed on recruiting, and not enough on retention. They felt that instead of having large recruitment budgets, companies should invest in current employees' well-being to drive performance.

Respondents who believe organizations should be responsible for employee well-being

Respondents who believe organizations should not be responsible for employee well-being

Figure 3. A belief that organizations should be responsible for employee well-being increases Culture Mosaic scores that are linked to improved organizational performance.

Well-Being

Respondents who believe that employee well-being should be facilitated by their employers will be more likely to fit into and remain with organizations that promote employee well-being.

Respondents also provided feedback on several areas of potential growth within an organization including sales growth, profits, and employee retention rates. They reported that organizations should "spend as much as resources allow" on well-being initiatives and that these initiatives should fall within the organization's top three priorities. Respondents who rated profit as either moderately or significantly improved, scored on average 18% higher on the Culture Mosaic than those who rated that it moderately or significantly declined. Respondents reporting that sales growth either moderately or significantly improved, scored about 26% higher on the Culture Mosaic than those who rated sales growth as moderately or significantly declined *(see fig. 4)*. Additionally, respondents who rated that employee turnover either moderately or significantly improved, scored close to 24% higher on the Mosaic survey than those who rated that it moderately or significantly declined. These responses are positively correlated to how employees rate their well-being. Furthermore, respondents who rated employee well-being as either moderately or significantly improved, scored 32% higher on the Culture Mosaic than those who rated that it moderately or significantly declined.

Respondents who reported an increase in employee well-being over the last year had more positive responses to elements of well-being covered within this year's Culture Mosaic. Participants reported 22% higher ratings on being happy with their work, 20% higher on feeling energized by work, and felt 40% more valued than individuals who felt well-being had declined or not improved. Further, participants who reported well-being had improved, scored 36% higher on the Culture Mosaic when asked if their employer considers and supports their mental health. Also, respondents who stated that employee well-being had improved in the past year scored 24% lower than those who responded that well-being had declined in the past year when asked if they feel the only way for them to get the compensation they deserve is to change jobs and/or organizations.

Ultimately, respondents who believe that employee well-being should be facilitated by their employers will be more likely to fit into and remain with organizations that promote employee well-being (Amin & Akbar, 2013). This creates an opportunity for employers that prioritize well-being to positively affect their organization's performance, in direct and indirect ways.

Respondents who reported an increase in sales growth
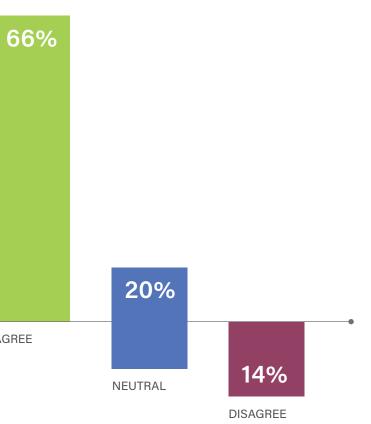

Respondents who reported a decrease in sales growth

Figure 4. The diagrams above visually show how Culture Mosaic scores are correlated with organizational sales growth.

2

Findings:
Coaching

66%

AGREE

20%

NEUTRAL

14%

DISAGREE

Would coaching be beneficial to employees within your organization?

Figure 5. An overwhelming majority of respondents believe that coaching would be beneficial to employees within their organization.

The International Coaching Federation defines coaching as "partnering with clients in a thought-provoking and creative process that inspires them to maximize their personal and professional potential. The process of coaching often unlocks previously untapped sources of imagination, productivity, and leadership." In this year's survey, respondents mentioned that coaching would be beneficial for goal planning, employee growth and development, and for measuring key performance indicators. *Figure 5* clearly shows that a vast majority (66%) of survey respondents believe that coaching would be beneficial in their organization.

A more in-depth look allows us to see several facets of coaching and how each plays a role in implementing
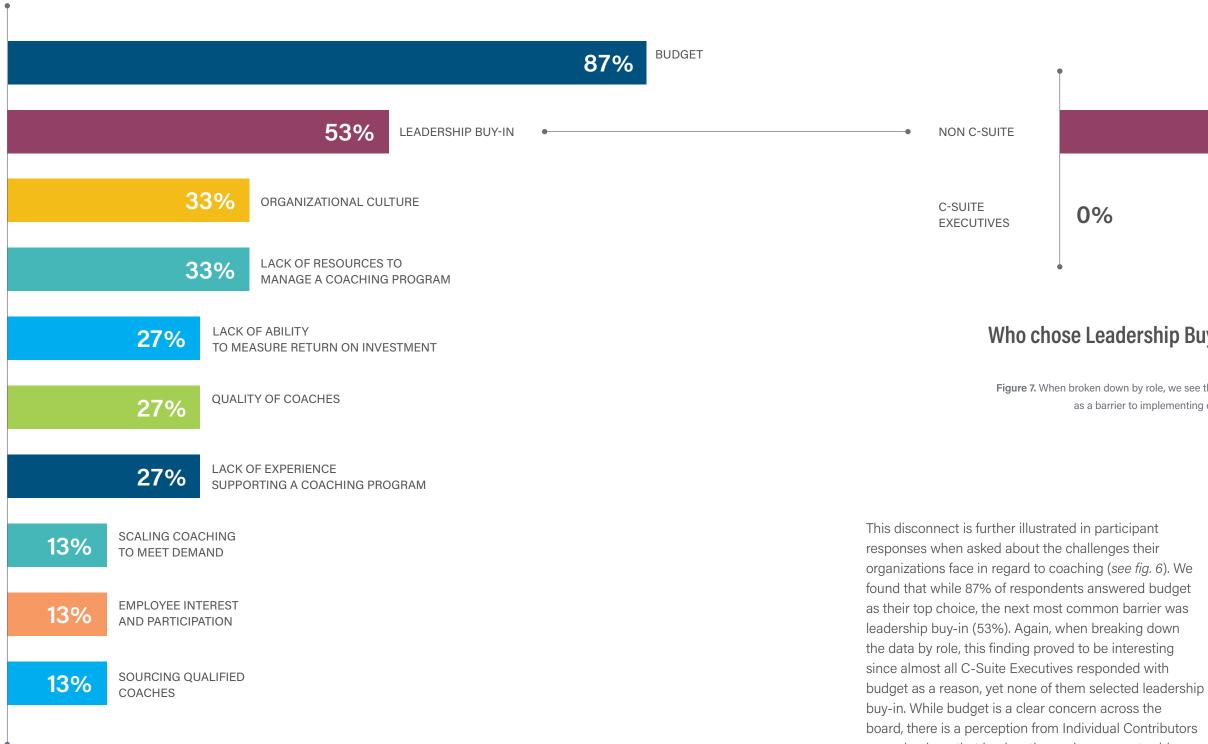
it within an organization. In our free response section, respondents expressed a variety of opinions on the topic of coaching. A respondent in the organizational role of Manager thought that coaching, "would give more targeted direction and feedback for employee growth." In contrast, another respondent who is an Individual Contributor stated that their current organization, "never discuss[es] goals—personal or organizational" and that, "Communication is nonexistent so I feel completely disconnected from my colleagues and my organization." This reveals that there are different views and experiences present between organizational roles—such as Managers and Individual Contributors—when it comes to coaching.

87% BUDGET

53% LEADERSHIP BUY-IN

33% ORGANIZATIONAL CULTURE

33% LACK OF RESOURCES TO MANAGE A COACHING PROGRAM

27% LACK OF ABILITY TO MEASURE RETURN ON INVESTMENT

27% QUALITY OF COACHES

27% LACK OF EXPERIENCE SUPPORTING A COACHING PROGRAM

13% SCALING COACHING TO MEET DEMAND

13% EMPLOYEE INTEREST AND PARTICIPATION

13% SOURCING QUALIFIED COACHES

53% NON C-SUITE

0% C-SUITE EXECUTIVES

Who chose Leadership Buy-In as a barrier to coaching?

Figure 7. When broken down by role, we see that no C-Suite Executives chose Leadership Buy-In as a barrier to implementing coaching within their organization.

Which challenges to coaching does your organization face?

Figure 6. While budget and leadership buy-in were most cited as challenges to coaching, other categories brought to light by the Culture Mosaic allow organizations to better understand the unique resources needed to overcome these challenges.

This disconnect is further illustrated in participant responses when asked about the challenges their organizations face in regard to coaching (*see fig. 6*). We found that while 87% of respondents answered budget as their top choice, the next most common barrier was leadership buy-in (53%). Again, when breaking down the data by role, this finding proved to be interesting since almost all C-Suite Executives responded with budget as a reason, yet none of them selected leadership buy-in. While budget is a clear concern across the board, there is a perception from Individual Contributors emerging here that leaders themselves are not sold on the importance of coaching. Regardless, at least 66% of respondents believe that coaching would benefit employees. If an organization's budget is the primary concern, leaders who show commitment to prioritizing coaching would alleviate concerns of leader buy-in.

Additional comments from our free response questions, put coaching in a positive light saying that it, "would help

identify goals, blind spots, and opportunities." Another respondent mentioned that, "A coach would likely hold me more accountable than my current support system." Participants also provided their thoughts stating that,

"coaching can provide an alternate perspective in many areas and promote alignment if things are unaligned. It can also be a way to prepare oneself for the next role. Many times, coaches have an ability to see strengths and guide the individual toward a role they may not have otherwise considered."

In the end, investing in employee development through coaching can provide monetary benefits in both the short and long term. Leaders who prioritize coaching and professional development can see short term benefits to the organization, such as increased efficiencies, higher quality work outputs and enhanced employee engagement. Long-term benefits to investing in coaching include lower turnover, enhanced creativity, and an overall healthier organizational culture.
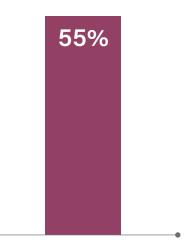
Figure 8. Our study showed that although employees feel appreciated, they're often overwhelmed in their work duties.

Organizational Stress Points

While approximately 60% of participants reported that they feel appreciated for the value they bring to the organization, 55% of respondents reported feeling overwhelmed by their workload *(see fig 8)*. This demonstrates a level of dedication from employees that leaders can leverage by working to reduce stressors that impact their team members' ability to get the job done. Reported stressors fell under four main categories: task management, a lack of resources, role overload and ambiguity, and poor communication. Regardless of the cause, leaders have an opportunity to facilitate a dialogue with their team members to better understand the stressors and anxieties related to their work that contributes to their feelings of being overwhelmed.

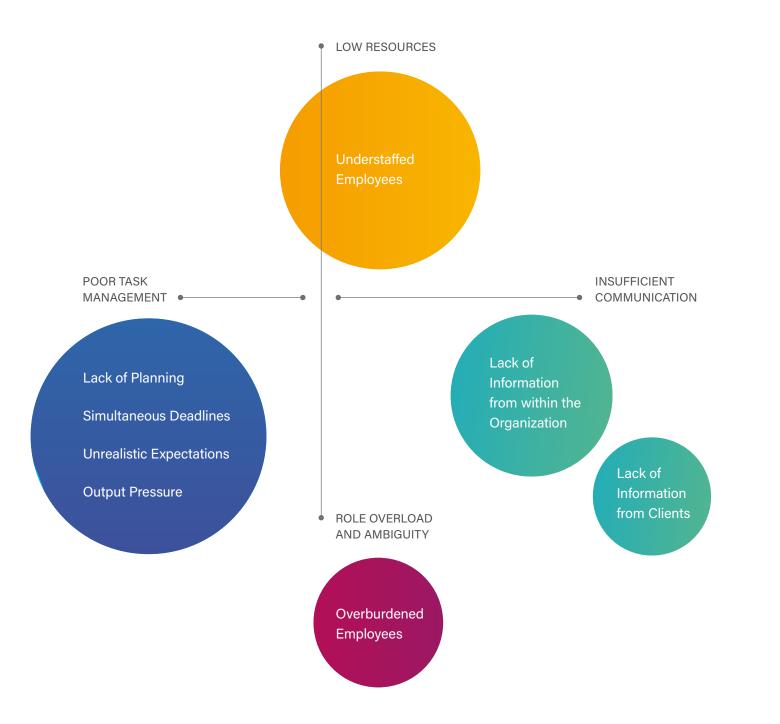Leaders can also help their teams by discussing task management to see how they can better spread tasks out or come up with ways to reduce workload burden. Identifying and automating repetitive tasks can be a very useful exercise to reduce task burdens for employees. Addtionally, it's important for leaders to ask which tasks require the most time and energy from their teams in order to find creative ways to reduce the demand that these larger tasks have on employees.

Poor Task Management

Respondents cited lack of planning, especially poor goal planning, as a major work stressor. One example given within sales goal planning was, "Our sales goals keep going up, so we never reach our target." Also listed

3

Findings:
Stress

LOW RESOURCES

Understaffed Employees

POOR TASK MANAGEMENT

INSUFFICIENT COMMUNICATION

Lack of Information from within the Organization

Lack of Information from Clients

Lack of Planning

Simultaneous Deadlines

Unrealistic Expectations

Output Pressure

ROLE OVERLOAD AND AMBIGUITY

Overburdened Employees

Connections between the Most Commonly Reported Stressors

Figure 9. Stressors in the workplace come from many sources. The diagram above highlights key areas in which stress plays a role in contributing to an overburdened employee.

as work stressors was having multiple deadlines in the same week, unrealistic expectations set by leadership, and pressure to maintain high levels of output.

Low Resources
Resources, especially low levels of staffing, were high on the list of work stressors in this year's study. Respondents who rated that employee turnover either moderately or significantly improved scored, on average, 24% higher on the Culture Mosaic than those who rated that it moderately or significantly declined. This demonstrates how closely turnover is linked to organizational culture. The cascading effects of turnover can impact many areas of an organization. In several cases, respondents stated their experiences saying, "Reduced headcount has resulted in fewer people doing the same amount of work. This increases the objective level of workload experienced in my day-to-day". Another repsondent points out that there is a "lack of resources and staff to accomplish workloads, insufficient guidance or support from leadership and no end in sight to increased demands."

Role Overload and Ambiguity
These increases in demand—with no additional resources—often lead to role overload and ambiguity where employees feel overburdened with too many tasks. Furthermore, a full 40% of respondents felt they could not decline a new project they did not have the capacity to support. They reported, "The constant stressor for me is when my employer continues to add to my workload because I am reliable and competent. My colleagues are allowed to have a lighter workload based on their abilities." Another respondent solidified this finding stating, "Everyone's plates are so full because of an inability to hire due to financial pressures."

Role ambiguity was also a concern in this year's survey. "It is difficult to navigate a workplace without clearly defined expectations. My work is time sensitive. It is

frequently difficult to quickly find answers to questions, preventing progress", stated one respondent. Role ambiguity causes stress when there is no clear way in which to obtain needed answers to complete tasks. Also, role ambiguity often results in unnecessary duplication of efforts, re-work, and a lack of clear decision-making authority.

Role ambiguity and overload can be managed by increasing the collaboration between leaders and their team members. Having distinct and separate lines of effort across employees—and ensuring the roles are understood and managed—would improve these points.

Insufficient Communication
Finally, communication concerns were presented by respondents including organizational communication and communication between customers and clients as concerns. "Clients…can have unrealistic demands and provide insufficient information. Other departments… tend to provide partial information and incomplete solutions." Organizational concerns also include stress from, "managing major projects that require consensus from differing perspectives." Communications concerns are further supported by the previously mentioned concern that only half of respondents felt their team encourages open dialogue about stress at work. Also, only half of respondents felt they could have an open dialogue at work about stressors and anxiety.

Leaders have an opportunity to alleviate these concerns in several different ways. Seeking employee feedback on existing processes, explaining the "why" behind decisions, hosting town hall meetings, and seeking input from team members ahead of important decisions are all ways to enhance the relationship between leaders and their teams. These activities, and many others, can be low-cost/high-reward leadership practices that can be implemented in relatively short order.
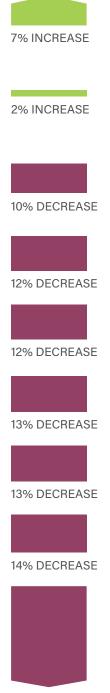
Year-over-Year Analysis

This new addition to the State of Culture study explores data from year-to-year, allowing timely comparisons in organizational culture over time.

	2022	2023	
GROWTH	34%	41%	7% INCREASE
EMPLOYEE ENGAGEMENT	20%	21%	2% INCREASE
ABILITY TO ACHIEVE STRATEGY	24%	14%	10% DECREASE
NEW PRODUCT DEVELOPMENT SPEED	26%	15%	12% DECREASE
CUSTOMER RETENTION	24%	13%	12% DECREASE
ORDER PROCESSING SPEED	18%	5%	13% DECREASE
INNOVATION SPENDING	33%	20%	13% DECREASE
ORGANIZATIONAL SAFETY	17%	3%	14% DECREASE
EMPLOYEE TURNOVER	39%	8%	32% DECREASE

Improvement Status by Performance Category

Figure 10. Survey respondents reported on performance improvement across several categories. Data from 2022 is compared to that in 2023. *Note that percentage discrepancies are due to rounding.*

Growth

Organizational growth showed the most improvement in this year's survey, followed by a slight increase in employee engagement.

In 2022, an overall improvement in organizational performance was seen from previous years due to some of the lessening direct impacts of the COVID-19 pandemic. This year, however, organizations faced economic, social, and political challenges that, overall, had an adverse impact on organizational performance.

When compared to 2022, only two areas surface where we see an improvement in organizational performance —organizational growth and employee engagement. With 41% of respondents indicating an improvement in organizational growth we see a clear increase from 34% the year before. Furthermore, 21% of respondents indicated improvement in employee engagement, which increased slightly from 20% in 2022. This is promising in terms of early indicators of stability. We suspect (and hope) these metrics will gradually improve each year as organizations and their employees settle into their post-pandemic environments.

However, there were seven other organizational performance categories in 2023 that saw a decrease of 10% or more in respondents indicating improvement. The performance category in 2023 that saw the largest decrease in improvement was employee turnover. Only 8% of respondents in 2023 indicated an improvement in

employee turnover compared to the 39% of respondents in 2022. The other performance categories that saw a 10% decrease or more in improvement in 2023 includes customer retention, new product development speed, innovation spending, order processing speed, ability to achieve business strategy, and organizational safety.

Performance categories experiencing the largest year-over-year change (*see fig. 10*), can be partially explained by the lingering effects of economic volatility in our markets caused by the COVID-19 pandemic. What we typically see after a large impact event is a period of volatility that gradually decreases to form a new baseline. This is known as regression to the mean. Since, at the time of this publication, we are in the period immediately following the COVID-19 impact event, performance factors such as employee turnover that saw such a large year-over-year change can likely draw causal connections to the pandemic. Return to office policies, layoffs due to over-hiring, and changes in economic inflation all have roots in the pandemic while impacting employee turnover measurements. However, as we continue to distance ourselves from such a large impact event we should see these factors settle into a more consistent year-over-year measurement.

Between Group Analyses

Here, we dive deeper into the data by comparing perspectives across various demographic groups.

Elite-Performing Organization Scores

Performance Cluster

The relationship between organizational culture and business performance continues to provide clarity and support the benefits of having "positive" workplace culture on business outcomes. When we look at groups by performance cluster, we see that elite-performing organizations scored highest in the Culture Mosiac on Deliver, followed by Adapt and Inspire *(see fig. 11)*. The smallest gap between elite- and low-performers was in the area of Enable. However, elite-performers were, on average, almost 3 points higher on a 5-point Likert scale.

Beyond the culture factors that we examined in the Culture Mosiac, we compared elite-performers with low-performers across this year's focus areas of Wellbeing and Coaching. It was found that both elite-performers and low-performers agreed that organizations should be responsible for employee wellness, while medium- and high-performers felt the opposite—that organizations should not be. We found that elite-performers excelled when it came to employee wellness with respect to feeling valued, declining projects when lacking capacity, taking vacation, and having support for mental health.

Furthermore, elite-performers on average indicated their organizations use both internal and external coaches, where low-performers indicated that neither internal nor external coaches are used. Low-performers overwhelmingly agreed that working with a coach would be beneficial for success at work and professional growth where medium- to elite-performers indicated

only somewhat in agreement on both accounts. Since low-performers aren't being coached despite recognizing the benefits of coaching, it stands to reason that low-performers would experience similar benefits to elite-performers (feeling valued, declining projects, taking vacation, mental health) if they were offered coaching. Elite-performers also indicated that supervisors played an active role in coaching and that coaching is viewed by the organization as a component of success.

Organizational Role

Exploring data by organizational role reavealed several important differences to our research team. Areas that surfaced within our respondents answers were connected to compensation, coaching and well-being.

Compensation

Despite 81% of respondents agreeing that their total compensation meets the needs of themselves and their family, 52% agreed that the only way to get the compensation they deserve is to change jobs and/or organizations. This indicates that, while employees feel they can provide for themselves and their family, they still feel undercompensated for their work.

As one might expect, C-Suite Executives were the role with the highest average score when agreeing that their total compensation meets their needs and that of their family. That said, Individual Contributors received the second highest score following them. Furthermore, when asked if the only way to get the compensation they
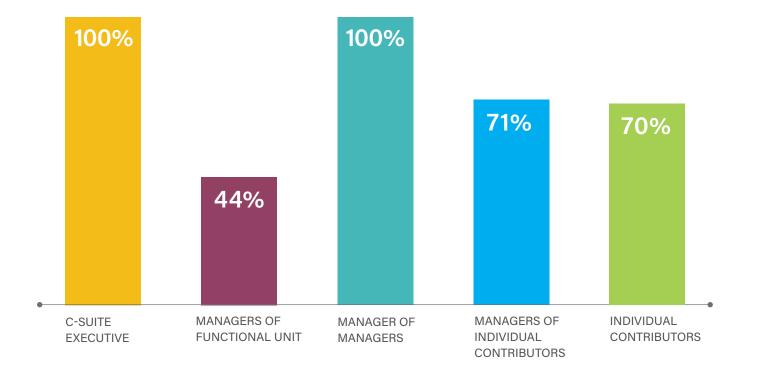

Low-Performing Organization Scores

Figure 11. Culture Mosaic scores of elite-performers and low-performers showing the most difference in the Deliver category.

Would support from a professional coach contribute to success at work?

Figure 12. The above diagram shows that C-Suite Executives and Managers of Managers scored considerably higher than Managers of Functional Units regarding coaching as a contributing factor to success in the workplace.

deserve was to change jobs or organizations Individual Contributors had the lowest average score compared to all other roles.

Coaching
When respondents were asked which employees would benefit from coaching, 88% responded with C-Suite Executives or Managers of Managers, while 75% responded with Individual Contributors and Managers of Individual Contributors. Though, only 60% of respondents said that C-Suite Executives and Individual Contributors actually receive coaching, as well as 40% saying Manager of Individual Contributors and 30% saying Manager of Managers. This split indicates an

awareness of the importance of coaching, despite either a reluctance or inability to put it into practice.

When asked about challenges to coaching that their organizations face, the most common reason was budget, with 87% of respondents answering this way. The next most common barrier, selected by 53% of respondents, was leadership buy-in. This finding was interesting, since almost all of the C-Suite Executives responded with budget as a reason, yet none of them selected leadership buy-in. Though the reason for this split is not clear, there does appear to be a miscommunication when it comes to a lack of coaching. SInce budget is a concern across the board, there

appears to be a perception that leaders themselves are not fully sold on the importance of coaching. While this may be true in some cases, at least 75% of respondents believe that coaching would benefit employees as previously stated in this report. If budget is the primary concern, leaders who show commitment to prioritizing coaching would alleviate concerns of leader buy-in.

Furthermore, only 21% of respondents reported that they were offered professional coaching at their organization, but 31% stated that their organization views coaching as a key component of their success. The data clearly indicates that C-Suite Executives, with very high average scores on the Culture Mosaic, are the primary beneficiaries of professional coaching efforts. Every other role's average scores was nearly half that of C-Suite Executives. In addition, while most C-Suite Executives indicated that their organization views coaching as a key component to their success, all other roles felt differently. What is also striking is that Managers of Managers, the next highest role, rated both of those questions the lowest on average. This indicates that coaching is viewed solely as being useful for growing executive leadership.

When asked if they agree that support from a professional coach would contribute to success at work, C-Suite Executives and Managers of Managers scored considerably higher on average than Managers

of Functional Units *(see fig. 12)*. This finding may be influenced by a belief that professional coaching is only beneficial to executive level positions, although since Individual Contributors and their managers also rated this question quite highly, this could be debated. More data is needed to make a claim about this finding, including the industries of the respondents, their personal thoughts on professional coaches, and whether they have received professional coaching in the past.

A related question shows similar findings. We find that Managers of Individual Contributors and C-Suite Executives scored higher than Managers of Functional Units when asked whether working with a professional coach would facilitate their professional growth. This split may indicate personal experiences regarding professional coaching, yet it could also correspond to a larger phenomenon where people managers and executives value coaching more than managers of functional units. As with the previous question, the reasoning for this split is not clear, yet this provides an interesting avenue for follow-up research.

It should come as no surprise, that C-Suite Executives answered more positively than other groups when asked if they have been offered professional coaching by their organizations and if their organizations view coaching as a key component to their success. In practice, C-Suite

Wellness

C-Suite executives scored higher than any other role in the level of satisfaction with their organization's wellness and well-being support programs.

Executives are more likely to receive professional coaching, and therefore view their organization as one that values coaching. In addition, C-Suite Executives also scored higher than all other groups when asked if they are coached by their supervisor. Organizations appear to maintain a culture where the executive leaders are coached and mentored by their supervisors, yet do not provide the same service to the rest of their staff.

Well-Being
When asked if their team encourages open dialogue about anxiety and stress at work, C-Suite Executives scored much higher than other roles. They also scored higher on average on questions about mental health, including employers considering and supporting employees' mental health and being comfortable taking a mental health day. This indicates a clear gap between the experiences executives have with mental health as opposed to their subordinates.

C-Suite Executives also expressed that they are satisfied with the current wellness and well-being support and/ or programs being offered by their employers and that

their organization is committed to the wellness of its employees. They are also very interested in participating in wellness offerings. These are both scores that are considerably higher than the other groups. Again, the pattern seems to indicate that executives have a more positive outlook on the mental health considerations of their organizations than those at lower levels. It could also be the case that wellness programs are not offered to all levels, only those at the top.

Tenure
As with roles, there were considerable differences in responses depending on employees' tenures. Depending on the question, those who have been with their organization for more than 15 years scored higher than other subgroups, which may be expected when we assume that individuals who have been with their organization for more than 15 years are more likely to feel satisfied by their organizations and in their work. Questions about well-being in particular saw respondents in this subgroup answer quite highly—indicating that they strongly agree that they are happy with their work and that the work is personally satisfying.

Additional differences came to light between subgroups. For example, respondents who have been with their organization between 5 and 7 years scored considerably higher than those who have been with their organization between 11 and 15 years when asked if they feel comfortable declining a project at work, and when asked if their team encourages open dialogue about anxiety and stress at work. These questions are connected in that feeling comfortable declining projects due to time, workload, or mental health limitations may be a direct result of open dialogue surrounding the topic of anxiety and stress. While this is merely a correlation, it opens the door for questions about why respondents feel comfortable declining projects and the tangible impact of open dialogue about stress and anxiety at work.

When we look at the tenure subgroups, it is not immediately clear why those who have been with their organization for 5-7 years rate these questions considerably higher than those who have been with their organization for 11-15 years. However, we may be able to shed more light on this question when considering a different example. When asked if they feel comfortable taking a mental health day if they need one, respondents who have been with their organization for less than 3 years scored higher on average than those in the 11-15 years group. Again, we see individuals in the 11-15 years subgroup expressing that they are unable to put themselves and their well-being first. In contrast, those

who are new to their organization feel comfortable taking a mental health day if they need it, either because their organization has developed a culture that enables this or because these individuals value this more highly.

Another related finding is that those who had a tenure of 11-15 years at their company scored the lowest average score when asked about changing jobs to receive adequate compensation, while the highest average score goes to those with a tenure of 3-5 years. This could be due to stagnation in upward mobility, and a lack of communication about why that might be. More comprehensively, we see that respondents with 11-15 years do not feel their well-being is supported, whether that takes the form of discomfort taking mental health days, excessive workload, or a lack of openness regarding stress at work. Further evidence of this can be found when looking at the results of the question, "How satisfied are you with the current wellness and well-being support/programs offered by your employer?" Again, those in the 11-15 year group scored considerably lower than all other groups. Clearly, there is a trend and a disconnect between what these individuals are seeking and the reality of their organizations. And while research has shown that support for employee well-being increases engagement and reduces turnover, there are clearly other factors at play that these respondents value since they have remained at their respective organizations for so long.

While many of the insights identified, support and show additional support, to insights found in previous literature, we are pleased to have further validated the significance of these relationships while exploring the impact of well-being, coaching and stress on the topic of organizational culture. These findings support the notion that organizations who create a clear and aligned culture—able to manage the competing tensions that exist in a dynamic business environment—are those best positioned to thrive in the long-term.

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

The 2023 State of Culture Study represents a small part 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 topics 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 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 to adapt their practices to drive success.

Partnerships make our research possible. We welcome you to become a sponsor for the 2024 Global State of Culture Study.

Learn More

Final Thoughts

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

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:

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