The 6 Essential Aspects of Workplace Culture To Focus On Today
All around the world, corporations are investing significant resources to improve workplace culture with mixed results. How about you? Are your culture-building efforts creating a great employee experience? Are they attracting good people and inspiring them to achieve? Are they driving business results? Or are they going to waste? Discover how focusing on the right culture priorities can help you influence greatness in your organization in this new joint study by the O.C. Tanner Institute, Y2 Analytics, and Harvard Business School professor, Ashley Whillans.

Workplace culture is trending everywhere. In 2014, culture was declared the most popular word of the year by Merriam Webster. In 2015, Deloitte research listed culture as a top-three business challenge for leaders. In 2016, 80 percent of executives rated employee experience as an important issue they need to tackle. These explain why the culture-chasing trend has led to waves of new initiatives from office space redesign to wellness programs, and perks from on-site massages to sushi hour. These days, it seems everybody wants to keep up with Google or Apple and other trendy corporate cultures. But can you really create a successful corporate culture by copying someone else’s? Which cultural traits will make your company a magnet for top talent? Inspire people to achieve? Make them want to stay?

Want help sifting the good from the bad before your money’s spent? Read on. After talking to nearly 10,000 employees around the world, we’ve discovered the 6 aspects of culture to which every organization should be paying attention. For a complete methodology report please see the last page in this whitepaper.
KEY INSIGHTS

• The most commonly used term to describe current workplace culture is ‘stress.’

• The terms ‘meaningful,’ ‘peace,’ ‘strong,’ and ‘collegial’ were among the most commonly used in uniquely describing ‘good culture.’

• The terms ‘lack,’ ‘poorly,’ ‘negativity,’ ‘unhappy,’ and ‘toxic’ were among the most commonly used in uniquely describing ‘bad culture.’

• Ultimately, there are 6 aspects of culture that people look for in a great place to work: purpose, opportunity, success, appreciation, wellbeing, and leadership.

• **Purpose** means connecting employees to your organization’s reason for being or the difference you make in the world.

• **Opportunity** means providing employees the ability to learn new skills, develop, and contribute.

• **Success** means giving employees the opportunity to innovate, do meaningful work, and be on winning teams.

• **Appreciation** means acknowledging and recognizing employees’ outstanding work and unique contributions.

• **Wellbeing** means paying attention to and constantly working to improve employees’ physical, social, emotional, and financial health.

• **Leadership** means connecting employees to purpose, empowering them to do great work, and creating a sense of camaraderie.

• Organizations that marginally improve in each of these six areas see dramatic improvements in recruiting, engagement, tenure, satisfaction, and other business metrics such as revenue growth and expansion.
Our comprehensive review of culture-building frameworks yielded dozens of approaches and hundreds of drivers that claim to enhance corporate culture. This is not too surprising. The word ‘culture’ has many meanings both inside and outside the workplace. A simple Google search of the term ‘culture’ returns almost two billion results alone. As a point of reference, a Google search for the pop star Justin Bieber has one quarter that many results at a half a billion. With so much information on culture, the only thing that is clear is that there is lack of clarity, plus some confusion and disagreement about what culture actually means.

To get further clarity on what workplace culture is all about, we asked almost 10,000 employees around the globe to describe their organization’s culture with a single word or short-phrase. Some very positive words such as ‘friendly,’ ‘happy,’ and ‘great’ were among the most frequently used by employees to describe their current workplace culture; however, the single most commonly used word that employees used to describe their current organizational culture was ‘stress’ and the word ‘average’ also made it into the top 5 most frequently used words. Figure 1 shows the most commonly used descriptors. Larger words were used more often to describe their current organization’s culture.

The single most used word to describe current organizational culture is ‘stress.’
Figure 1: Words employees use to describe their current organization’s workplace culture.

With stress being the most commonly used term to describe workplace culture, it isn’t surprising that a lot of employees aren’t satisfied with their current workplace cultures. We asked employees to rate how satisfied they are with their organization’s culture using a 100-point scale. The higher the rating the more satisfied an employee was with their current culture. The average score for employees was only 65. In most college classes this would yield a C grade at best. Figure 2 shows the full distribution of satisfaction, but there is clearly a lot of room for improvement.

On average, employees only rate their current workplace culture at 65 on a 100-point scale.
In addition to asking employees to describe their current workplace cultures, we also asked them to describe what they perceive to be ‘good culture’ and what they perceive to be ‘bad culture.’ A lot of terms were used to describe both ‘good culture’ and ‘bad culture’ depending on the context. For example, the term ‘employees’ was used 1,186 times in describing good culture, but it was also used 891 times in describing bad culture. There is similar crossover among terms like ‘people,’ ‘organization,’ ‘managers,’ ‘environment,’ ‘colleagues,’ ‘respect,’ and ‘everyone.’ These areas can be powerfully divisive depending on how well the organization is tackling them.

By removing all the terms that were used to describe both ‘good culture’ and ‘bad culture,’ the differentiating aspects of ‘good culture’ become clear. The most common term used to uniquely describe ‘good culture’ was the term ‘pleasant.’ Also terms like ‘meaningful,’ ‘peace,’ ‘strong,’ and ‘collegial’ were among the most used in describing ‘good culture.’ On the other end of the spectrum, words like ‘lack,’ ‘poorly,’ ‘negativity,’ ‘unhappy,’ and ‘toxic’ were terms used in describing ‘bad culture.’ Figure 3 shows the most commonly used unique descriptors of both ‘good culture’ and ‘bad culture.’

**Figure 2:** All things considered, how satisfied are you with your current organization’s workplace culture? Please respond on a scale from 0 to 100, with 0 being completely dissatisfied and 100 being completely satisfied. The average score is only 65.
An employee who participated in a focus group in Sydney, Australia may have provided one of the best summaries for what workplace culture is all about. She defined culture as, “The sort of things that the company provides that you don’t think are big things, but they actually play a big part in keeping people.” In the end, culture is a culmination of a lot of factors that ultimately retain your current employees, engage them in great work, and make your organization a magnet for new talent.

This idea of culture can exhibit itself in many ways, but in the end, our research concludes that what’s most meaningful to employees about workplace culture comes down to six key areas. Naturally, given such a broad topic, there are other aspects of culture that we don’t consider here that may affect culture in small ways, but based on our findings, these six areas are the fundamental building blocks that support the essence of great culture. These are the things people seek most in a great place to work. They attract talent, inspire and enable people to do their best, and keep good people around for the long haul. These building blocks are depicted in Figure 4. They are purpose, opportunity, success, appreciation, wellbeing, and leadership.

Figure 3: Left: Words employees use to uniquely describe ‘good culture.’ Right: Words employees use to uniquely describe ‘bad culture.’

In the end, the most meaningful aspects of culture to employees are purpose, opportunity, success, appreciation, wellbeing, and leadership.
**Figure 4:** The six aspects of great culture that are most important to employees.
Purpose is soul. Too many organizations have not clearly articulated nor communicated their reason for being (or in other words, the difference their company makes in the world). But aligning to purpose is a bedrock principle in creating a successful culture. People long to connect to something bigger and more important than themselves. So corporations need to connect the ‘why’ of their organization to the goals, longing for meaning, and desire to have an impact that live inside every employee. We heard employees say over and over again that they are no longer satisfied going into work each day and leaving with a paycheck. Employees want to feel like they are changing the world. They want to understand how their organization offers its customers, community, and society something they can’t possibly get anywhere else. And, perhaps most importantly, they want to understand where they fit into that organization and how they individually help achieve that purpose.

The value of understanding purpose was well articulated by a focus group attendee in London, England who said, “I think seeing the company vision, and that you’ve bought into that vision, and you understand where we’re going, and where your job fits into that vision and how you can help achieve that, that’s really important to me...What journey are we going on?”

“A great anecdote that captures the importance of organizational purpose is an unconfirmed exchange between a janitor and President John F. Kennedy just as NASA was getting started: “What do you do?” President Kennedy allegedly asked the janitor during a visit to Cape Canaveral. “Well, Mr. President, I’m helping to put a man on the moon” was the janitor’s supposed response. In reality, every employee needs to be able to say, “I understand how my role helps my organization succeed at [insert purpose here].”
At face value, articulating purpose may seem like common sense, but we found that this is a common area where a lot of organizations struggle or outright fail. Take into consideration the following statistics we found in regard to organizational purpose:

- 71% of employees say their organization has a clear purpose.
- 62% of think their organization positively affects the lives of others.
- 40% of employees think their organization only cares about its profits.
- 1 in 5 employees believe there is no reason for their organization to even exist.
- 63% of employees believe their organization makes a social impact
- Only 54% of employees say their organization’s purpose motivates them.
- 30% of employees say their organization’s purpose does not reflect what is important to them.

The reality is that some organizations don't have purpose, other organizations have purpose that doesn't inspire or reach high enough, some organizations just don't communicate their purpose very well, and a very small minority have a strong, clear purpose that resonates with all employees. The good news is, any organization can take the time to soul-search and discover its essence and find a way to articulate it in an inspiring, culture-building way.

Opportunity does not equal promotion. Too many organizations equate the term opportunity exclusively with career pathing. They approach providing growth opportunities vertically, including the recent trend of micro-promotions, and never horizontally. While it is clear that the idea of being promoted and moving up the org chart is important to employees, it is not synonymous with opportunity. It is not even the sense of opportunity that employees crave. In fact, often times promotion is only important to employees because it is the only sense of opportunity they are given not because they aren't willing to accept other forms of opportunity. A focus group attendee in Toronto, Canada explained it this way, “There should always be some learning from it. Help me grow. I need to be challenged… It shows that [the employer] is helping you grow. Willing to invest in you.”
All throughout our research process we heard employees describe the deep impact being part of ‘special’ projects has on them. They want to be involved in doing important work. Employees at all levels exhibited a strong desire to feel like they have “a seat at the table” and are given the opportunity to help influence important decisions. They want to be stretched in ways that allow them to learn new skills and make connections with other employees they may not normally interact with. With that in mind, here is what employees said about opportunity:

- 59% of employees believe there is a ceiling of advancement for them within their current organization.

- Only 55% of employees agree that they regularly learn new, valuable things in their current role.

- More than 1 in 3 employees are ‘often’ bored with their work responsibilities.

- 44% of employees feel stagnant or stuck in their current role.

- Nearly half of employees believe their skills are underutilized in their current role.

- Only 51% of employees feel like they work on projects that are visible across the organization.

- Under half of employees say they help influence important decisions at work.

- Only 55% of employees have seen personal growth since starting at their organization.

A lot of organizations don’t have the luxury of a rapid-growth environment that allows employees to quickly move up in an organization. But anchoring opportunity to promotion severely limits the options organizations have to give employees a sense of opportunity.

“There should always be some learning from it. Help me grow. I need to be challenged. I, personally, don’t like routine, so challenging work is critical. It shows that [the employer] is helping you grow. Willing to invest in you.” – Focus Group Attendee in Toronto Canada
Organizations can fulfill employees’ needs for opportunity by simply giving them opportunities to participate on cross-functional teams, learn, grow, provide input, expand responsibilities, and get exposure to other business functions regardless of their actual title.

**Success** means winning. The primary attraction of success is that people love the idea of being on “a winning team.” Whether these feelings are prompted at the organizational level or prompted at the team level, our research indicated that successful outcomes are an important part of any culture. On one level, we discovered that many employees wanted to work for industry leading organizations. A focus group attendee in Toronto, Canada began his response with a question, “How serious are they in their business? I want to look for a company that is probably number one in their industry. I want to work with them because I know that I'm going to get the experience, more learning, and I'm going to be pushed and get more professional development in the coming years. So, of course, I want to be on the top of the industry ladder.” Another perspective from a focus group attendee in New Delhi, India indicated, “the first impression is the building” and that a modern building was a signal of how successful the company is.

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**Success is organizations that allow their employees to innovate and revel in both successes and failures. It is teams reaching goals and everyone bringing their best work to the table.**

While these exterior indicators of success held marginal importance, we found that the most powerful level of success was centered around the individual employee and the great work they do and witness others doing. It is the degree to which an organization allows their employees to innovate and revel in both successes and failures. To experience personal and shared victories. It is building goal-oriented workgroups where everyone can bring their best work to the table.

Successful organizations are more innovative, more focused, more productive, and intent on making a difference customers love. When an employee expands the influence of their job, when they go beyond what is
expected, when they purposefully create improvements that benefit others, this is when they feel the most successful. And those feelings of success prove cardinal in building a great culture. Here are some key statistics about success:

- Fewer than half of employees feel like their organization is the best in their industry.
- Only 46% of employees say working for their organization is like playing for a winning team.
- 42% of employee believe it goes unnoticed when they reach a goal.
- 1 in 5 employees say they do not do their best work because no one else in the organization does.
- Only 55% of employees say their organization has a reputation for being a good employer whose people do great work.
- 22% of employees say their organization rarely sets goals.

Employees want to feel like they have all the tools (e.g. permission, tools, budget, etc.) necessary to accomplish something great. They want to take pride in their work. They want to feel accomplished and contribute in meaningful ways. They want to have some sense of control over not only what they do, but how they do it. Whether or not the overall organization is successful, it is most important to assure employees that they themselves are making a positive impact.

Appreciation is essential. Appreciation comes in many forms, but overall it encompasses all things that an organization does to show an employee that they are valued. Many of these needs are covered in benefits packages, but once those basic needs are met, genuine recognition for their output, talents, and contributions becomes very important. This can include both formal and informal employee recognition, as well as just good team dynamics where peers and leaders are verbal with praise and openly celebrate when great things happen. Appreciation is about people in the organization being observant and taking notice when anyone does something well. An employee in a focus groups held in Sydney, Australia said, “It feels good when your leaders are observant. It’s not like you’re looking for acknowledgement, but it’s good to be noticed and appreciated for a job well done.”
A widespread frustration that we heard repeatedly centered on employees feeling like their organization didn’t genuinely appreciate them. A focus group attendee in Columbus, Ohio described how recognition sometimes goes wrong because it simply is not connected to accomplishments people are proud of: “Somebody had to be recognized every month. It was very formal. It became a joke, you know, because there were twelve people in the department. So we would cycle through, then start over every year. It was meaningless. Less than useless. It didn’t do anything for the morale.”

With that in mind, here are some statistics our study found relative to appreciation:

- Almost half of employees believe their organization takes them and other employees for granted.
- Only 43% of employees think their organization rewards high performing employees.
- 1 in 3 employees feel like they don’t receive enough acknowledgement from their team members.
- 36% of employees rarely observe others giving each other recognition when great work is done.
- More than 1 in 3 employees say the recognition they receive feels like an empty gesture that isn’t meaningful to them.
- Less than half of employees say they always feel appreciated at work.
- Only 51% of employees say the recognition they receive is authentic and sincere.

Often times employees associate respect with appreciation. When employees feel appreciated for the work they put in, they feel as though the organization respects them as a person and respects the quality of work they do.

“It feels good when your leaders are observant. It’s not like you’re looking for acknowledgement, but it’s good to be noticed and appreciated for a job well done.” –Focus Group Attendee in Sydney, Australia
Wellbeing is multi-faceted. Corporate wellbeing is quickly evolving beyond programs focused exclusively on the physical health of employees to a more holistic vision. Employees, more than ever, want their employers to respect emotional, social, and financial needs in addition to their physical health. While employees view work as an important part of their life, they also have a strong desire to better connect with themselves, people around them, and the world as a whole. Employees respect the fact that sometimes work needs to just get done, but if they are consistently expected to work through the night, employees get angry. One focus group attendee in Sydney said, “It’s the difference between being made to feel guilty if you leave at five or being made to feel guilty if you stay at five. When the work needs to be done, it can be done tomorrow and it’s okay rather than when you’re expected to work crazy long hours.”

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Overall, many employees also expressed a desire to simply be treated like adults. “I work hard for my company because I know the company cares about us. We have flexibility and we don’t abuse it. Everyone is happy,” said a focus group attendee in Singapore. People are more connected now than ever before. They are constantly connected to work via smartphones and the internet, but employees also have a strong desire to feel more connected to the people around them. Consider some statistics about wellbeing from our study:

- 40% of employees agree that their job creates a great deal of negative stress in their life.
- Only 58% of employees say their job allows them to balance their work and personal life.
- Almost half of employees believe that productivity and bottom lines are more important to their organization than people.
• 36% of employees believe their situation at work is hurting their ability to be happy in other aspects of their life.

• More than 1 in 3 employees say their job has a negative effect on their physical health.

• Only 53% of employees feel a sense of belonging at their current organization.

• Only half of employees think wellbeing is a strong part of their organization’s culture.

In the end, employees want to be treated as people and not just as a means for the organization to make a profit. Employees appreciate environments where their wellbeing is considered and acknowledged. They want to be trusted to have an honest relationship with work in an environment where they are able to say, “I need a day off” and that is OK. Employees simply want employers to recognize their physical, emotional, social, and financial needs equally.

Leadership is polarizing. It was perhaps one of the most divisive topics. Almost every employee had both positive and negative examples of leadership from their work experience. Some key trends exhibited as we talked to employees about leadership were mentorship, trust, shared responsibility, collaboration, giving credit, camaraderie, and advocacy. Overall, employees were especially keen on differentiating between bosses who tell you what to do and leaders who do their best to help you accomplish something.

A focus group attendee in Toronto, Canada said, “I’d like mentorship – somebody who is going to help guide me through murky waters of corporate or business life. Somebody who will give me honest feedback about what steps to take on a project, a new opportunity, or a tricky situation.

“I’d like mentorship – somebody who is going to help guide me through murky waters of corporate or business life. Somebody who will give me honest feedback about what steps to take on a project, a new opportunity, or a tricky situation. Some guidance and leadership, not just a boss.”

– Focus Group Attendee in Toronto, Canada
Some guidance and leadership, not just a boss.” In a lot of instances, the relationship between employee and leader was representative of the relationship an employee has with the organization. For example, a focus group attendee in London, England said, “I do my best work when the company delivers on its promises, because I feel like I should deliver on mine...The tone flows down.”

Overall, many employees repeated the famous saying that employees don’t leave organizations, they leave their leaders. Our research shows that leadership is important precisely because leaders are fundamental in delivering the other aspects of culture. However, of the six areas that define a great workplace culture, leadership is where a lot of organizations seem to have particular struggles. Consider the following statistics from our study:

- More than 1 in 4 employees do not trust their direct manager.
- 35% of employees do not trust senior leaders at their organization.
- Only 56% of employees say their manager knows how to share responsibility with them and their team members.
- About half of employees say their direct manager motivates them to do their best work.
- 31% of employees do not trust their direct manager to stand up for them or have their back.
- Only 42% of employees say their direct manager causes them to focus outside themselves and make them part of something bigger.
- Almost 1 in 3 employees say their direct manager doesn’t know people on their team as individuals and that they are all just workers to him/her.
- 31% of employees say their direct manager often takes credit for their work or ideas.
- Only 57% of employee have a relationship with their direct manager that makes it easy to go to them with questions or concerns.

Perhaps the most startling statistic yet is the large number of employees who do not trust their direct manager and the even larger percentage that do not trust senior leaders. In the current work environment, leaders are not successfully motivating employees, sharing responsibilities, advocating for their employees, nor doing enough to drive passion and commitment. Leaders are an essential ingredient to a successful culture, but there is much room for improvement.
CONCLUSION

Clearly, there is a lot of work that can and should be done in regards to corporate culture. Over the past decade, organizations have struggled to understand why their employee experience isn't moving the needle on attracting great talent, inspiring employee engagement, and keeping great people around. We have found that the more organizations try to force loyalty and engagement on their employees the less they get. What today’s organizations must do is create an attractive workplace culture employees want to engage with—a place where people choose to work, find it easy to engage and do their best, and sincerely desire to stay. Narrowing any organization’s culture-building effort to the six key factors of an attractive workplace culture is the right place to start.

Our research shows focusing on these six areas yields incredible business results. When we compared average companies to companies who do marginally better on purpose, opportunity, success, appreciation, wellbeing, and leadership, we saw staggering improvements like these:

- 54% more likely to have employees that are Promoters on the standard NPS scale
- 53% more likely to have highly engaged employees
- 29% more likely to have employees innovating and performing great work
- 27% more likely to have increased in revenue last year
- 22% less likely to have experienced layoffs in the last year
- 25% more likely to have teams growing in size instead of stagnating or decreasing in the last year

This simple framework simplifies workplace culture in a way that helps leaders feel empowered to shape the work environment (and the resulting employee experience) by focusing only on those things that matter most. It is, of course, essential that the resulting culture drives business results. From what we discovered, focusing on these six aspects of culture does just that. As stated at the beginning, there are hundreds and maybe even thousands of factors that contribute to corporate culture, but it would not be reasonable nor feasible for any organization to address all of them, all of the time. Rather, our research suggests that if an organization focuses on the six culture-building essentials, and does them well, it will connect with what’s most meaningful for employees, become an irresistible place to work, and ultimately achieve financial success as a result.
ASSESSMENT

Would your organization be interested in assessing your culture using the framework outlined in this research report? If yes, please email culture@octanner.com to be put in contact with one of culture and engagement specialists. Mention this white paper for special pricing.

Getting your culture right leads to better business outcomes. We will analyze your employees’ workplace perceptions, compare results to relevant benchmarks and present actionable recommendations. The assessment can augment your existing survey strategy or replace your current employee engagement survey. In addition to the six aspects of culture, the assessment utilizes a standardized engagement index and net promoter scoring to measure satisfaction and retention so that you will have a clearer picture of your company culture and know where best to focus efforts, year after year. We will empower you to understand your culture and take action on results. Partnering with you, we will design effective employee measurement as we facilitate the distribution, collection and analysis of your company results. Then we’ll walk through the analysis with you, making actionable recommendations.
METHODOLOGY

This study began with a comprehensive review of engagement and culture models currently being used in business settings. Overall, over thirty models, all of which were published publically by third party organizations like Deloitte and Aon, were reviewed. Upon review, a theory as to which aspects of culture were most important was developed. Once aspects were identified, an additional literature review was conducted for each area with an emphasis on work published in business magazines and academic settings.

Further analysis was done in a qualitative setting in the form of focus groups. We conducted six sets of two focus groups each in Columbus, OH, US; Toronto, ON, CA; London, UK; Sydney, AU; Singapore; and New Delhi, IN during the month of April 2017. These groups were made up of eight to ten full-time employees working for mid- to large-sized companies (i.e. companies with at least 500 employees), between the ages of 25 and 50. These groups largely validated our initial theory on corporate culture and highlighted large similarities across cultures.

Finally, a large-scale quantitative survey was conducted in order to further validate the qualitative research findings. We sampled from full-time employees in 12 countries including the United States, Canada, Mexico, Argentina, United Kingdom, Germany, South Africa, China, Japan, India, Singapore, and Australia. Online survey invitations were sent to panelists recruited from various panel vendors. Surveys were translated to ensure that a respondent could take the survey in their preferred language. Overall, we received 9,622 completed responses. Responses were collected in May 2017.

As a key portion of the quantitative study, we developed indices for each of the six fundamental aspects of culture. The components of these indices were chosen because they succinctly capture latent features of company culture. We scaled each component according to its factor loading and validated the resulting index’s predictiveness on each respondent’s overall satisfaction score for the given aspect of culture. Each of the indices forms a substantively powerful predictor of employee engagement, great work, and company growth. Together the six indices quantify and benchmark company culture.

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