Are you in the culture club?

The state of UK working culture from those at the top

A research piece
from

MVMNT

Are you in the culture club?

Poor working culture is said to cost the UK economy around £23.6 billion every year and features at the top of practically every list of employees' top reasons for resignation. Meanwhile, studies are regularly proving that good working culture has a significant positive impact on virtually every business metric – particularly creativity, innovation, productivity, decision-making and, ultimately, profit.

Working culture also has a crucial role to play in the diversity and inclusion movement that is currently gaining significant momentum. Employers across the UK are finally becoming increasingly aware of the significant business benefits of D&I - rather than just the moral implications. However, without a positive working culture, and certainly a properly inclusive culture, true diversity is unachievable. No matter how good you might be at attracting and recruiting diverse talent (and there are few that can genuinely boast excellence in this field), without the right culture it will be incredibly difficult to hold onto those you want.

So, with this in mind, working culture surely should be a key ongoing focus for any forward-thinking, business-minded employer. Well, according to the 2018 Breathe HR report 'The Culture Economy', 60% of UK business leaders consider culture to be something that is just 'nice to have' rather than a specific priority.

On reading this, and considering all the evidence at hand, we found it hard to believe that such a significant majority of leaders would still be so dismissive and slightly blinkered when it comes to culture. We always say that people are the beating heart of any business - and those that aren't investing in the culture that their people are operating in are doing them a massive disservice.

We wanted to delve more into UK leaders' take on culture and this research piece was born as a result. We asked business leaders, directors and founders to take part in a survey designed to gain their opinions, thoughts and general understanding of what workplace culture is and what it really means. Just under 200 leaders from varied UK businesses took part in the study, giving us a great sample from which to gain a clear idea of the 'view from the top'. Is culture being ignored or overlooked? Do those at the top still see it as a commodity, rather than a priority? Do those in control really understand what a positive culture really involves and requires?

Read on to find out…

65%

of leaders

feel that culture should be controlled from above

Only 30% say it comes from below
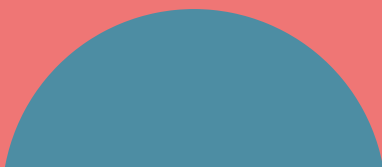
The C-word

Part of the reason that the 'culture is nice to have' statement is so absurd is that culture exists whether or not those at the top contribute to it. The moment that you put more than one individual into a single workplace, a culture immediately exists and will then continue to develop.

The first thing that we wanted to look into was our participants' take when it comes to where culture comes from and who controls it. Is it the company's leaders? Is it HR? Or, is it the people?

We were surprised that over 65% of respondents felt that culture is controlled from above, rather than the people within it. Much like not believing that it exists, a leader who believes that they control the culture within their organisation places themselves in danger of underestimating how much is happening, either without their knowledge or out of their control.

People control culture - without them there wouldn't be one and without their buy-in it is impossible to change.

This isn't to say that, as a leader, you can't influence culture. It is incredibly important that those at the top play an active role in shaping the culture that exists within their businesses. However, without your people onside it is virtually impossible to successfully change aspects of working culture.

Understanding that culture is driven from below is the first step in understanding that it is not up to management to control workplace culture – rather put the right conditions in place for a positive culture to develop. Doing this in collaboration with your people not only helps ensure their consensus but will also provide crucial insight into what changes are needed.
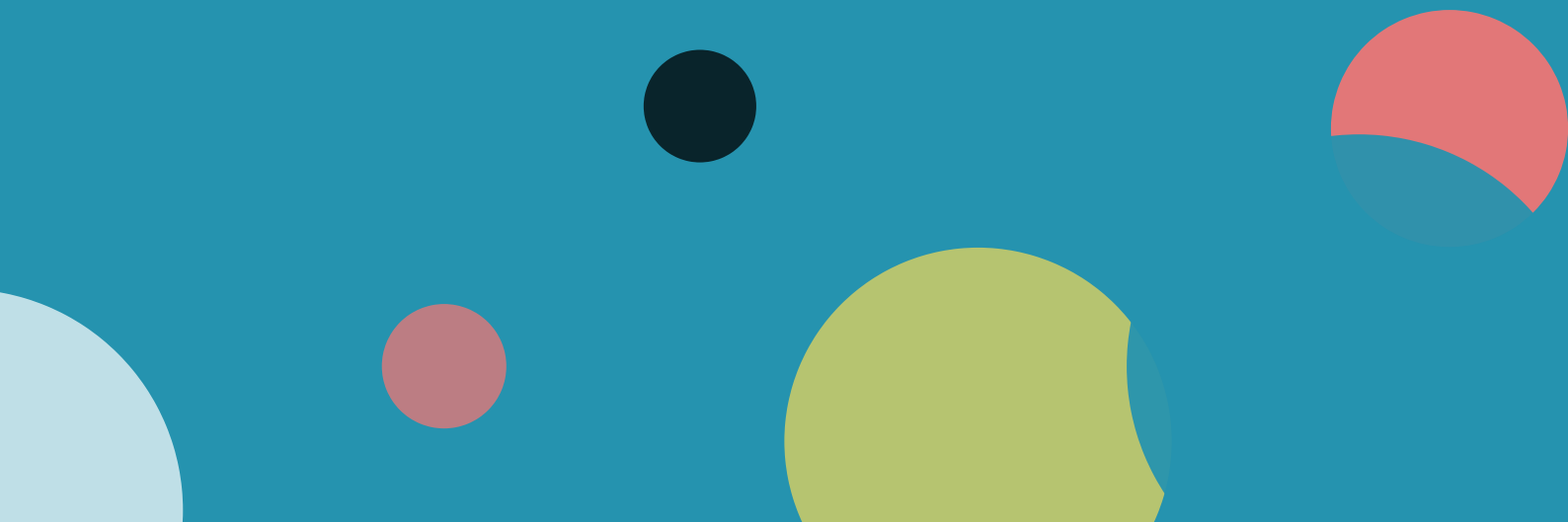
Only 16%

feel their management team is representative of the communities that exist within their organisation.

Someone like you

Very much like career progression opportunities, positive culture relies heavily on your employees feeling like they are represented amongst the senior leadership team. Clear role models prove that anyone from any of your internal communities can progress. Without these, those from underrepresented groups can quickly feel disillusioned.

The most public cases of this have come along with the increasing issues surrounding the gender pay gap. One of the key causes of the gender pay gap is not just women not getting paid the same as their male counterparts, but also the lack of women in more senior positions – especially when it comes to senior leadership and board positions. In FTSE 100 companies, at the time of writing, only 17.3% have directorships held by women and this drops to only 13.2% in FTSE 250 companies.

In fact, there are more people named Dave or Steve than there are women leading FTSE 100 companies.

Now, we're using gender as a specific example but the same could be said of any community that exists within your organisation. If members of this community do not feel they are represented at a senior level then they will not feel that they have a future with you.

We found that a mere 16% of those that took part in our study felt that their management team was representative of the communities that existed within their companies. This means that within the other 84%, there are likely to be people that are unsure whether there is a career path available for them at their current employers. This will be having a huge impact on their motivation and likely the quality of their work, it will also be impacting the culture that exists within that workplace.

There is no simple fix when it comes to addressing this issue and it would be wrong to expect it to be sorted overnight. The first step lies in acknowledgement and visible positive action in the right direction. This will have a huge impact on the cultural issues that underrepresentation might be causing. It is then up to you to follow through and ensure that progress continues to be made.
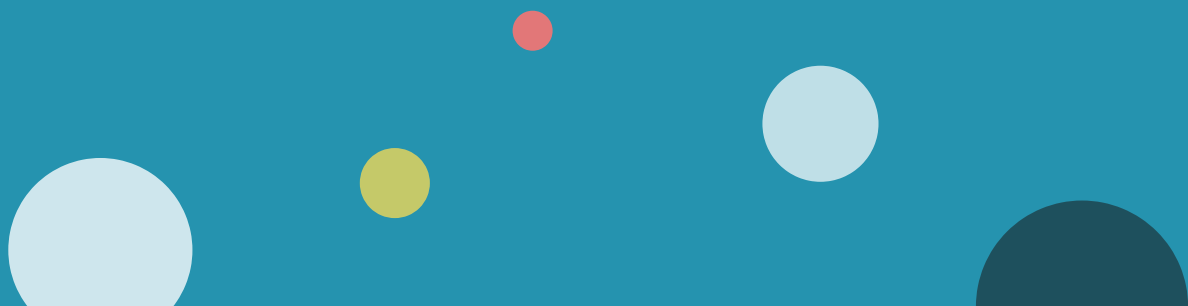
63%
of leaders
are unsure if there is a sense of belonging in their organisation
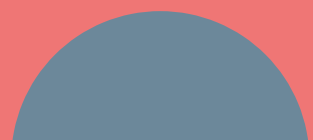
Somewhere we all belong

There are a number of crucial components that positive working culture relies on and none are more important than safety. If an individual doesn't feel safe in their workplace then there is no chance they will ever be able to perform to anywhere near their potential.

Now, safety comes in a number of forms – the most obvious being physical safety. Imagine trying to complete even the most basic task if you're constantly worried that your computer was about to burst into flames or the shelf above your head might collapse, dropping a stack of heavy books on your head.

Emotional safety is much the same and this is why inclusion is so important. An inclusive working environment is one where every person feels welcome, valued and, most importantly, that they belong – all contributing to a feeling of safety. When we don't feel like we belong somewhere, it's the emotional equivalent of sitting under that suspiciously unstable shelf that's bending under the weight of its contents.

What we're getting at is: belonging is important, very important.

We were therefore obviously concerned to find that almost two-thirds of the leaders that took part in our study were unsure whether there was a sense of belonging in their organisation.

Anyone in this position should make inclusion and belonging a priority moving forward. When employees feel they belong, productivity, creativity and innovation will be at their highest. Staff turnover will be at its lowest. Focus can shift to growth instead of worrying about replacing people - saving not only time but lots of money.
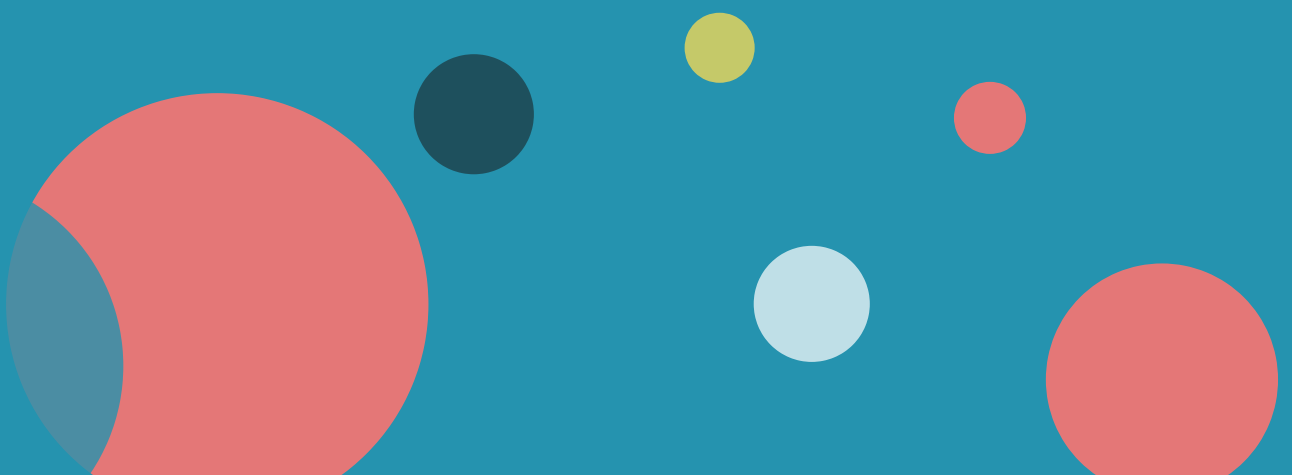
Almost
1/2
felt their people
would only have
a rough or no
idea what their
company objectives
are

We're all in this together

Shared purpose is an extremely powerful motivator as it takes the meaning of work beyond the individual and towards a greater good. It can be easy, especially in larger companies, for individuals to feel like islands or that the repetitive nature of certain tasks means they aren't contributing to the grander or wider purpose of the organisation.

If this happens on a significant scale, it can have a severe impact on working culture – as it is made up of large numbers of people who feel they aren't working to any kind of greater or common goal than the list of duties they have in front of them. This list of duties will then be a replaced by a new list, and so on. Where is the sense of value if this is what work becomes? What meaning does the work serve? What is the reward?

The fact is that no job is pointless in any company, or it certainly shouldn't be. Therefore, there should always be some way to tie it to the over-arching work and overall objectives of the organisation. However, this only works if the individuals in question know what those objectives are.

We asked our participants how their staff would respond if asked what the company objectives were for the coming year. Almost half felt that their people would either only have a rough or no idea.

Without a clear idea of the overall goals and objectives of the company, how are individuals supposed to understand the role they play in achieving them?

Purpose is quite a big topic but can be boiled down to a relatively simple concept. Your people want a reason to care about your company and it's future successes or failures. As leaders, it is up to us to give them those reasons.

As well as helping them understand the role they play in your achievements, you can also look to provide them with a sense of ownership of not only their role but also the direction of your company.

We've written before about how throwing away your mission, values and purpose, and starting over again with the help of your people can help you achieve that purpose.

Only 1 in 4

business leaders are confident they would have someone to make the step up into a vacant management position

Where do we go from here?

As discussed in the previous section, a key component of positive culture is work having meaning and purpose. This is important both in the short term (I currently contribute to the achievements of my company) and the long term (the work I am doing is contributing to my future success).

Despite what some people may say, and their actions can often back up, all people are ambitious – they want to succeed and they want to progress.

With this is in mind, it's important that your people can see the progression opportunities that exist within the organisation and the path that they might take should they stay with you. If they can't see a future with you then their focus will only be on the short-term. Now, this doesn't mean that they won't still do good work for you and perform to the level expected. However, it will inevitably limit their commitment and motivation as they will likely never see you as somewhere they will be in ten, five or even a year's time.

Our study unveiled that only a little over a quarter of leaders were confident that they would have somebody ready to step up should a management position become available. Circumstances don't always align and internal promotion simply isn't always possible.

That being said, progression planning should be part of any ongoing strategy as, when done properly, it ensures that any disruption caused by a senior departure is kept to a minimum.

A lack of internal promotion can have significant detrimental effects on a company's culture – it could point to shortage of training opportunities and the absence of trust in those who might otherwise be ready to take the step up. This, in turn, can lead to low levels of motivation and high staff turnover rates.
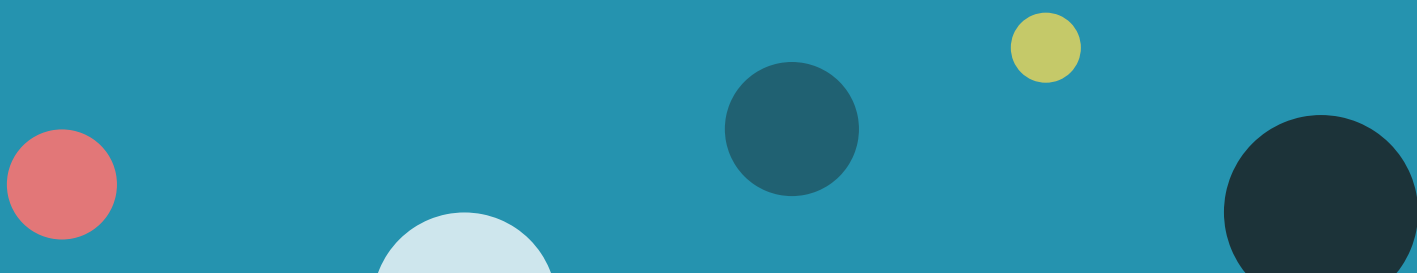
Just 50%

of managers are confident that their people know what is expected of them

What do you want from me?

When it comes to things that will turn a working culture toxic, stress is always high on the list. When your people are regularly and unnecessarily stressed at work it will have a huge impact on their performance as well as contribute massively to a negative culture.

Now, there are many things that can contribute to stress at work and some are more avoidable than others. One that we focused on for this study was understanding expectations.

If aspects of what is expected of you at work are in any way unclear, this can quickly lead to a stressful working environment and a sense of fear.

This can come with the constant feeling that at any point that you might be doing something wrong and about to be berated or punished for it. Just over half of our respondents are confident that their staff know what is expected of them. This means that nearly 50% aren't sure.

There are a number of factors that could be contributing to expectations being misunderstood or not communicated properly. It might be that a heavy workload and busy schedule make you feel that things needed to be communicated quickly and there isn't time to stop and explain things further. It might be that a noisy working environment means that sometimes things are misheard or misunderstood.

It could also be that things aren't always explained in the right way, things that make sense to us won't necessarily mean the same to others as they don't have the same background information or context.

The important thing is to establish where things are falling short and address them together – identify there is a problem and establish a solution, without placing blame.

Finally, regularly featuring at the top of employees' wish lists from their leaders are consistency, honesty and fairness. As long as when you do communicate your expectations they are done with these characteristics, you can then look forward to receiving the same in return.
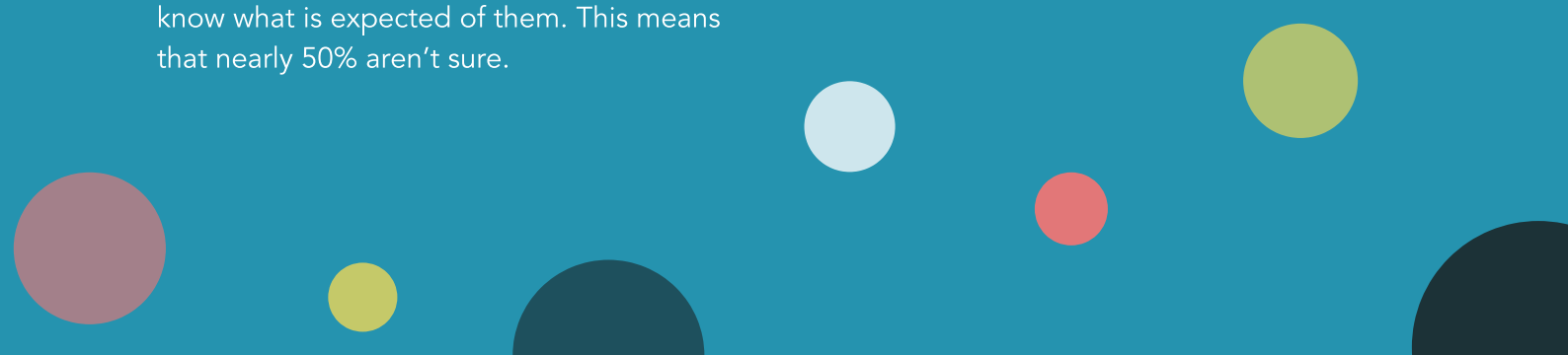
Less than
1/2
of leaders are confident that their management team would feel comfortable disagreeing with a decision they made
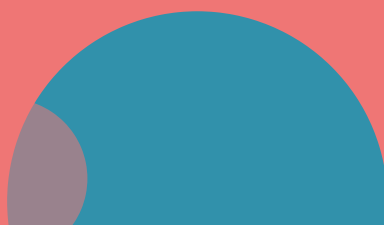
Say it to my face

A truly positive working culture is one that is open and honest and where people can feel comfortable challenging decisions that are made – providing it's done in a respectful way. A culture like this requires leadership that is secure enough to take criticism and finds value in the opinions, ideas and expertise of their people.

Our study found that almost half of the leaders that took part were unsure if their management team would feel comfortable telling them if they disagreed with a decision they made.

No company should be run like a dictatorship and a great leader surrounds themselves with a management team made up of individuals who have a range of knowledge and expertise that they don't have themselves.

In this situation, the input of your team will be crucial to ensuring that you make decisions that are best for your business and your people. In an environment where your team don't feel comfortable challenging or disagreeing with your decisions, you immediately lose the luxury of your team's diverse insight. Maybe all the decisions you make are the right ones all the time, but maybe not and wouldn't you rather know?

Creating an open and honest working environment will quickly feed down into your culture – creating a workplace where new ideas are rife and creativity and innovation thrive.
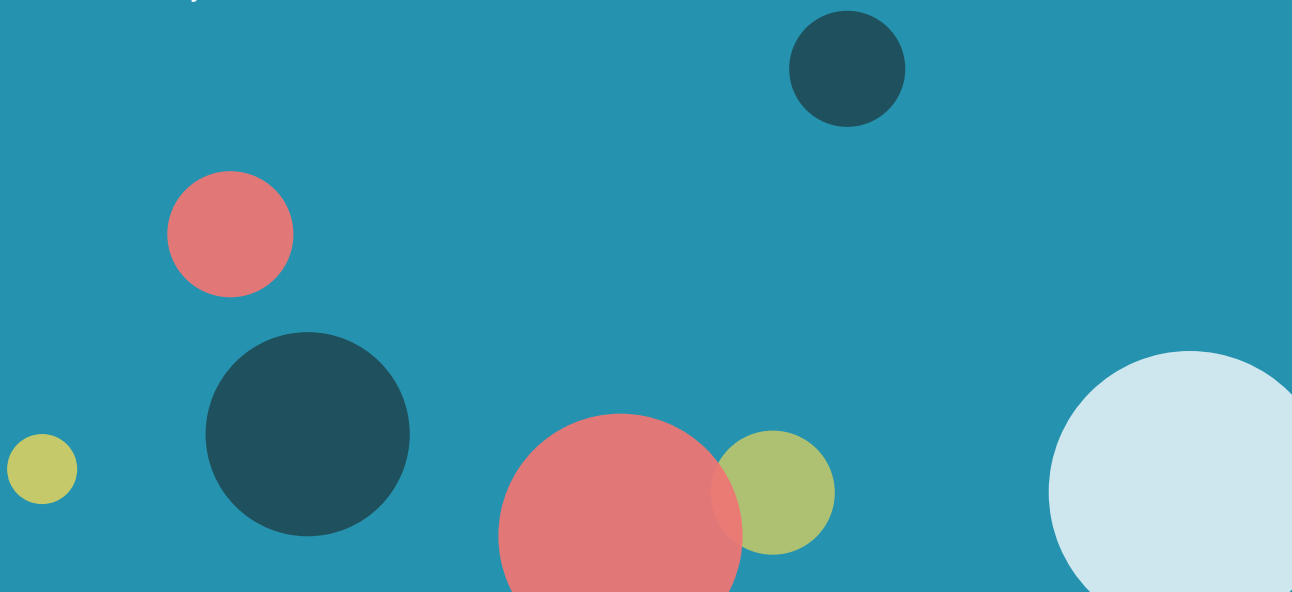
26%

feel their Christmas party is "dreaded by most, who will leave at the earliest opportunity"

Wish it could be Christmas?

No one is expecting your team to all be the best of friends and, much like family, you can't always choose your colleagues and so clashes, differences and small issues are almost inevitable. However, in a positive working environment most colleagues should get some enjoyment in spending time together and not mind spending a small amount of time socialising.

Some workplaces are more social than others, and we don't just mean going to the pub after work. This can be dictated by a range of circumstances. However, at the minimum, most will have a Christmas and/or summer party to take the opportunity to thank their people for their work and celebrate any big successes.

We find that occasions like this can be a good indicator of culture as it shows how your people are when you take them away from the working environment. When asked about their Christmas parties, only 36% of the leaders in our study felt that their people saw it as a celebration. More than a quarter said that it was 'dreaded by most who would leave at the earliest opportunity'.

Whilst you can't force employees to socialise with each other, a complete adversity to any kind of social situation is a definitive sign of poor working culture. Positive working cultures not only form bonds between staff, they provide them with a sense of value and achievement that they will want to celebrate together.

If your work social functions fall into the 'dreaded by most' category then it is worth looking at what might be causing that.

Are your functions appealing to the communities that exist in your business or are some feeling left out? This evaluation can begin within your management team. Look to establish where the issues might be and then hand over to your people to find out what they like, don't like and gain ideas for the future.
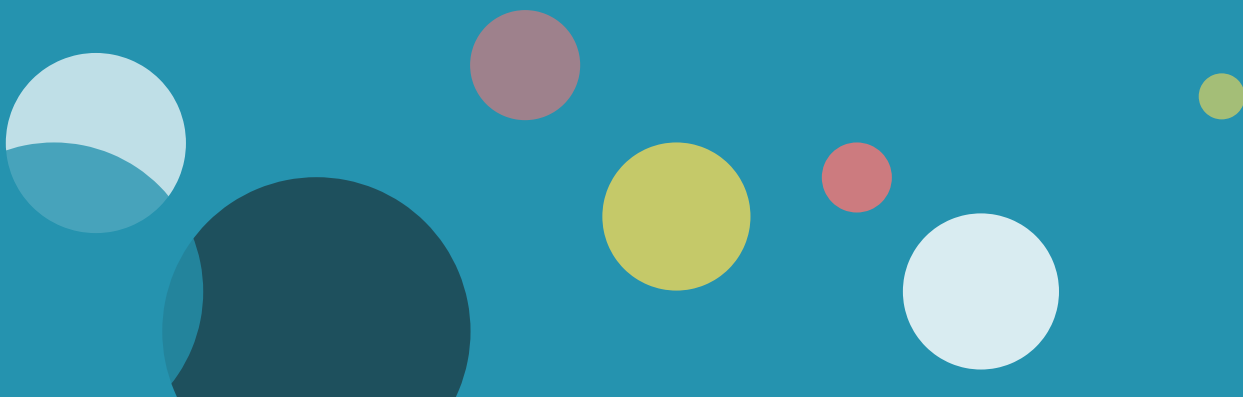
Only 1/5

of employers currently have a clear inclusion and diversity strategy in place

What's the plan, Stan?

We were surprised to find that only 1/5th of those taking part in the study felt they had a clear inclusion and diversity strategy in place. The importance of true inclusion and diversity is becoming increasingly clear, along with the significant benefits for those who commit to it. Diverse and inclusive teams have been proven to be more productive, more creative and ultimately more profitable – with boosts in innovation and decision-making also intrinsically linked.

It is still possible to make positive progress in inclusion and diversity without having a formal strategy in place. Single initiatives can make a difference and will bring with them some measurable results.

However, significant, ongoing change requires a greater commitment. Those that are seeing the biggest successes are not just those who have a clear plan in place but have made their I&D strategy part of their overall business strategy. This includes establishing KPIs to ensure that everyone is clear what is expected (see previous section) and who is responsible for delivery.

Placing this level of importance on I&D demonstrates just how seriously the business takes it and therefore significantly increases the likelihood that things will get done.

It also demonstrates to your people how important inclusion and diversity is to the company. This show of commitment can do a great deal, making them feel valued and respected and, in turn, can provide a significant boost to working culture.

Any inclusion & diversity initiative should start and finish with your people – beginning with asking how they feel, what issues exist and what they feel needs to change.

This should then lead into real change being made over an ongoing period of time, helping your people build an inclusive environment where everyone feels that they belong. Your I&D strategy should be an ongoing cyclical process as you regularly use your people as the barometer to measure whether the necessary change has taken place. Demonstrating this kind of ongoing commitment will help ensure that you keep them onside, as any necessary changes and actions will require their buy-in to ensure success.

The point

Something that our study has certainly shown is that some people out there are most definitely getting their culture right. However, it is also clear that these are the same people that are investing in it properly. Culture doesn't require massive amounts of budget pumped into it – many seem to think that in order to fix their culture they need to put in several pool tables, an open bar and bean bags for everyone. This simply isn't the case.

Culture does require investment, however time and resource are much more valuable in this instance. Take the time to understand where your culture is suffering and then dedicate the right resources to improving the situation.

Most importantly, don't then go back to ignoring it again.

As this piece has shown, there are so many elements to culture and it only takes one to go wrong for toxicity to spread and cause significant problems. Think of your culture like a garden, if you leave it untended then it will become wild and unruly. Whilst you have some control over it, you don't make it grow – you just have to put the required amount of time into ensuring that all the different aspects have the right conditions in which to thrive.

As leaders, it is up to us to be the drivers of positive culture – demonstrating our commitment and leading from the front. Sincerity is key, as genuine intentions will go a long way in gaining the support of our people. And finally, much like many things, we need to not be afraid of making mistakes. Our people will always respect positive intent with mistakes so much more than inaction - which will likely be perceived as a lack of caring.

Those of you ready to invest in your culture and people will reap the significant rewards.

You will save money from having a lower staff turnover. You will find your company's productivity increases. Your creativity , products & services will all improve, benefitting from the opinions of others. You will become a magnet for a diverse range of candidates who want to work at a place like this, where they can see people like themselves flourishing. You'll be part of the culture club!

About MVMNT

Look after the people you've already got and be more attractive to those you want.

MVMNT support organisations in the development and implementation of effective inclusion and diversity initiatives, action plans and strategy - using a combination of research, positive questioning and conversation. This helps them create more inclusive workplaces for their people and teams that thrive from a sense of belonging. MVMNT also help organisations sell themselves better to a diverse pool of candidates through developing an employee value proposition (EVP) that resonates internally and externally, and employer brand that excites the best people.

So many organisations find themselves struggling with high staff turnover, difficulties attracting and recruiting talent and an inability to meet performance or growth targets. At MVMNT, we believe that these often-crippling issues can usually be traced back to a lack of inclusion and diversity in the workplace or negative working cultures – and solved through great strategy and employer brand.

We're a collective drawing on combined experience across creative branding. storytelling and leadership and thrive on creating highly effective partnerships that help employers achieve their objectives and overcome their challenges.
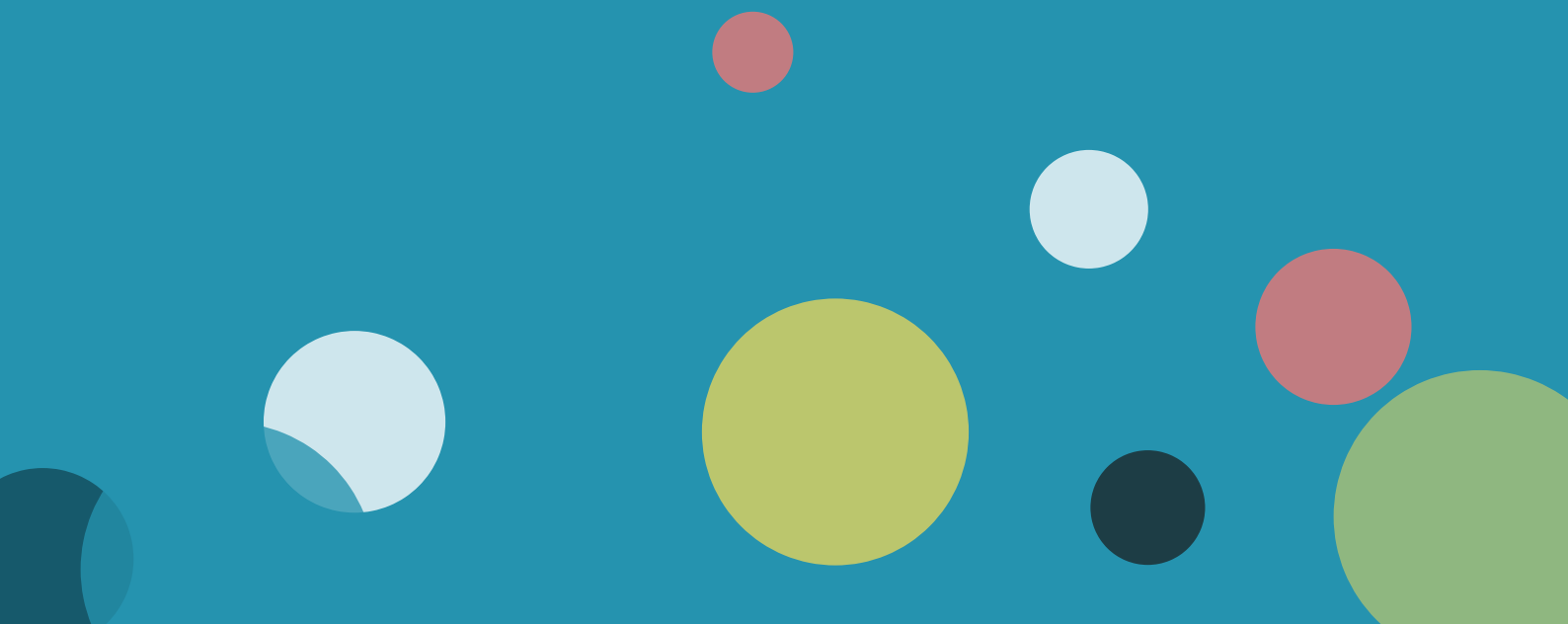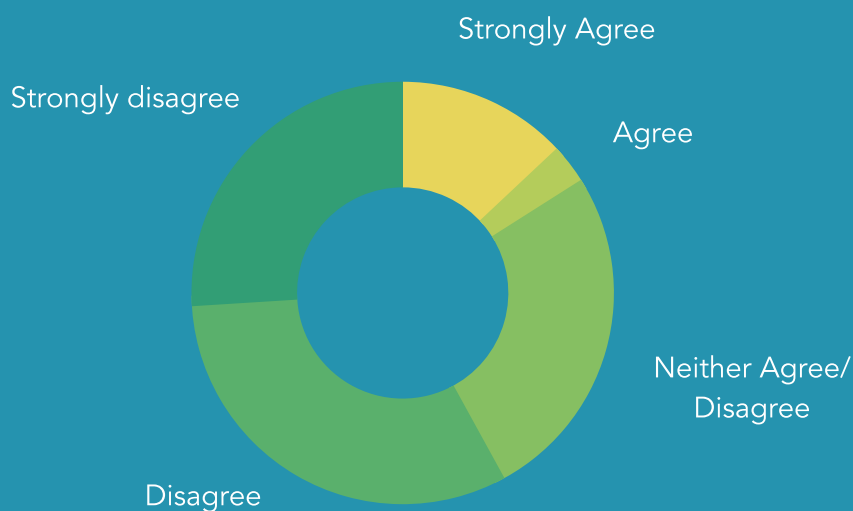
Appendix - the research

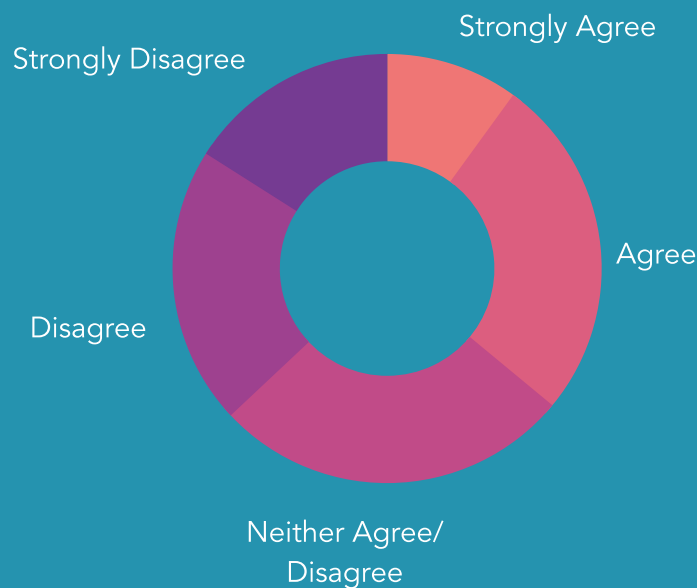## Who's responsible for driving culture at your organisation?

Our
people

Senior Leaders/
Management

HR
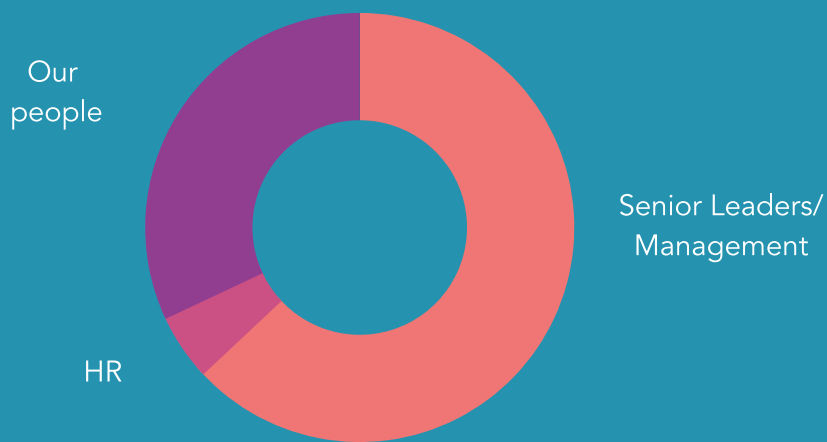
"Our senior management team is representative of the communities in our organisation"

Strongly Agree

Strongly disagree

Agree

Neither Agree/
Disagree

Disagree

Appendix - the research

"There's a sense of belonging at my organisation"

Strongly Disagree

Strongly Agree

Agree

Disagree

Neither Agree/
Disagree

If you asked a member of staff what your company objectives are, would they:

Mostly know what you're talking about

Have a rough idea what they are

Have absolutely no idea
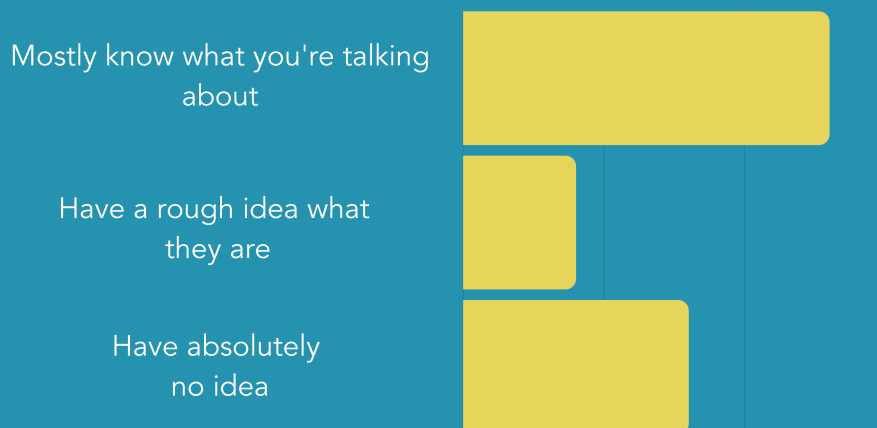
Appendix - the research

A vacancy arises in your management team, how do you fill it?

We'd have someone ready
to take the step up

We might have someone but
would also advertise externally

It would have to be
an external appointment

"My people understand what is expected of them"

Strongly Disagree

Strongly Agree

Disagree

Agree

Neither Agree/
Disagree
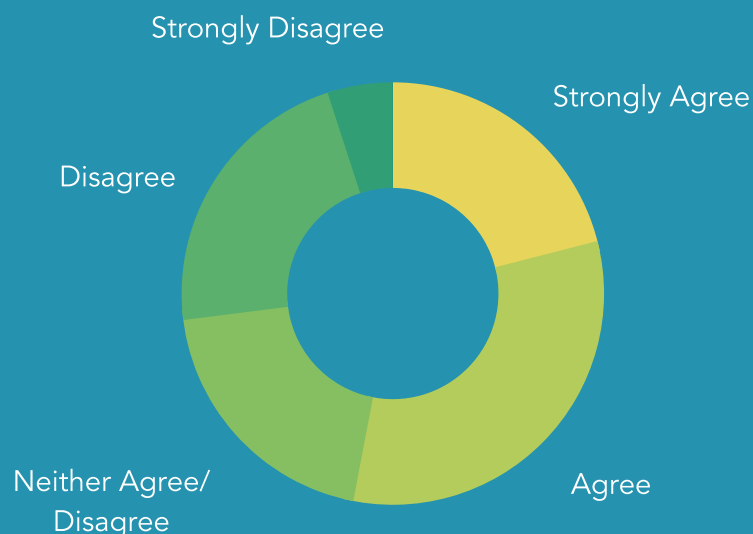
Appendix - the research

"My management team would feel comfortable disagreeing with a decision I made"

Strongly Disagree

Strongly Agree

Disagree

Neither Agree/
Disagree

Agree

Our Christmas party is:

A celebration that people
look forward to

An excuse for some people to have
a drink and unburden themselves

Dreaded by most, who will leave
at the earliest opportunity
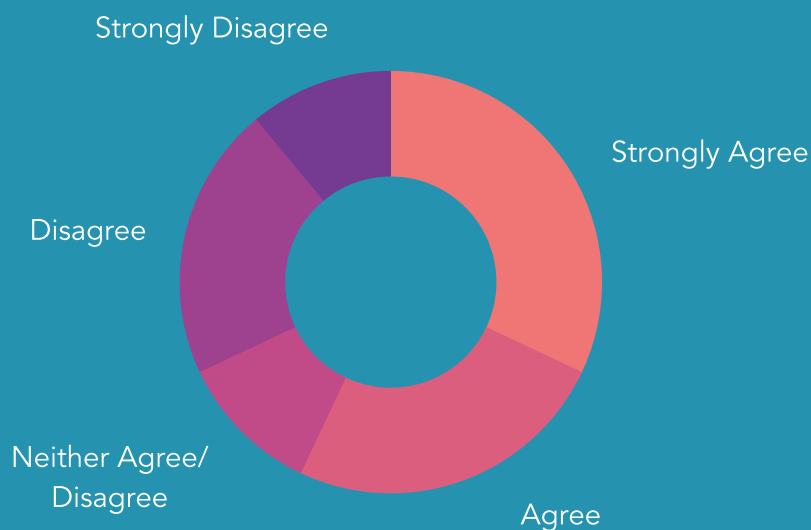
Appendix - the research

What is your position on inclusion and diversity?

I think we're strong - we have a clear strategy

It's important to us but we could do better

We're really busy so it's not a focus for us right now

We just report on equal opportunities data

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