

# Culture that counts: what you need to know

## What 'Culture' means

'Culture' is the collective understanding of how things are done in an organisation. Shaped by the attitude and mindset people share, the behaviours people see, the decisions leaders make, the actions people take and the expectations and standards that are reinforced. It shows up in everyday moments: how people work together, how teams respond to pressure, how openly people speak up and how effectively the values are practiced. 'Culture' is what people consistently see, feel and experience across the organisation and can be precisely defined.

## Where Culture makes the difference

Culture influences trust, risk and performance. It shapes how confidently people contribute ideas, respond to challenges and take ownership. When culture is strong, people are clearer on what is expected from them and better able to make decisions and take actions that support the organisation's goals and ambitions.

For Boards, culture provides insight into whether strategy is being enabled or undermined by the way the organisation actually operates. Research from McKinsey & Company found organisations in the top quartile for organisational health deliver 3 times higher total shareholder returns.

## How strong Cultures support organisations

Culture should be in service of the organisation's strategy. It's not about creating a nice place to work – it's about creating a place that enables the right mindset and behaviour. Though often (mis)viewed as intangible, research increasingly shows a strong link between culture, employee engagement and business outcomes. **Gallup's workplace research** consistently finds organisations with high employee engagement experience stronger productivity, profitability and retention.

In complex or high-risk environments especially, culture plays a critical role in creating both psychological and operational safety. **A PwC study** found employees with the highest levels of psychological safety were 72% more motivated than those who felt least safe. Organisations with strong trust, accountability and psychological safety are better positioned to respond to change, innovate continuously and sustain long-term performance.

It also plays a key role in attracting top talent and creating competitive advantage – according to **Builtin 88% of talent** considered culture an important factor when choosing where to work. People want to work for organisations where leadership is trusted, behaviours are consistent and employees feel valued and heard.