

Redgrave



**Culture Matters:
Nurturing tomorrow's
leaders through a strong
workplace culture**



Is your company culture doing enough to support tomorrow's leaders?



Strong leadership is the backbone of any thriving organisation. But what if the very culture that shapes future leaders is lacking? Many companies face a disconnect between the workplace culture desired by younger Gen Z and Millennial workers and the reality they experience. To bridge this gap and fully harness the potential of the next generation, a robust and dynamic company culture is essential.

In our recent report on the [impact of workplace culture](#), we demonstrated that an exceptional workplace culture can have a profoundly positive effect on a company's overall success – thanks to its ability to drive employee performance and engagement.

The research also proved that leadership teams have a significant role to play when it comes to shaping a positive workplace culture.

However, our findings showed a gap: in many cases business leaders are failing to lead by example.

We wanted to understand this disconnect better, particularly how it might be impacting younger generations – **Gen Z and Millennials**. After all, as both today's business leaders and the business leaders of tomorrow, the future of workplace culture is in their hands.

Put simply, Culture Matters in business

Given the link between culture and business performance, it's vital for current leadership to embrace a strong cultural precedent for younger generations. This doesn't just benefit younger generations now, but equips them with the experience and knowledge to lead a thriving workplace culture in the future.

In the current competitive job market, talent acquisition and retention have become increasingly challenging. Factors such as declining birth rates, the retirement of baby boomers, historically low unemployment rates, continual volatility, and innovation have contributed to a persistent talent and

skills shortage. Against this, Chief HR Officers must pivot their focus to boost productivity, promoting internal mobility and rethinking talent pipelines. This reorientation demands strong leadership capable of nurturing an authentic, inclusive environment underpinned by psychological safety, that meets individual needs.

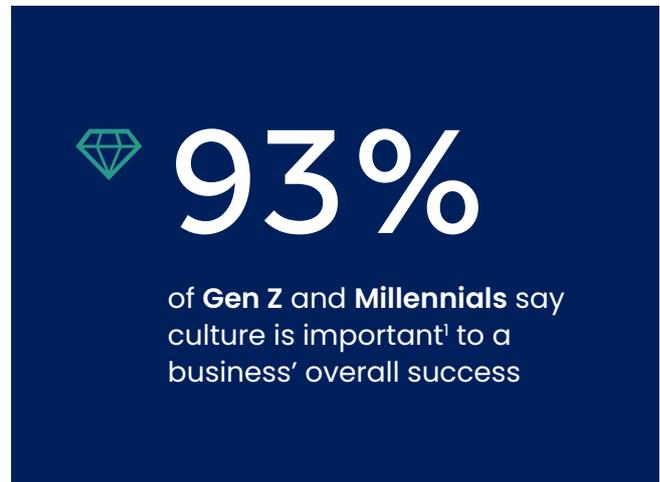
With that in mind, we explored our data further to shed light on the attitudes of Gen Z and Millennial employees regarding workplace culture. We also explored how well today's business leaders are doing when it comes to guiding the leaders of the future.



Future leaders understand the importance of culture, but is this the reality at the top?

The research shows a clear message: future business leaders recognise the importance of workplace culture on business performance and resilience.

In fact, over **9 in 10** (93%) Gen Z and Millennial office workers surveyed say culture is important¹ to a business' overall success. Further reinforcing this message, the majority recognise culture's important¹ role in successfully overcoming adversity including economic uncertainty (77%), a financial recession (79%), external market challenges (76%) and other unforeseen challenges (81%).



Interestingly, the study also shows a correlation between how well Gen Z and Millennial workers rate their leadership's cultural alignment and their own views on workplace culture.

Those who see strong cultural alignment among leaders are far more likely to believe in the importance of culture themselves. For example, just over **4 in 5** (81%) Gen Z and Millennial office workers surveyed who rated leadership's cultural alignment as **excellent** say culture is very important to a business' overall success. Additionally, **3 in 5** (60%) say a **good** workplace culture is very important for successfully navigating through a merger/acquisition.

On the other hand, only 40% of those who gave their leaders' cultural alignment a **poor**

rating say culture is very important to a business' overall success, with less than 18% saying culture is important for successfully navigating through a merger/acquisition.

This shows that Gen Z and Millennial employees' attitude towards culture is heavily influenced by the actions of current leadership teams, and how well they champion it. When leaders actively advocate for and exemplify a positive culture, younger employees are more likely to recognise its value and importance, placing a higher value on it.

However, as evidenced in our findings, many of today's leaders are failing to demonstrate their commitment to achieving a positive workplace culture to the younger members of their workforce.

Current business leaders are not pulling their cultural weight

Our research indicates that current leadership teams may be failing to recognise the impact their involvement in workplace culture can have on younger employees.

Less than a quarter (23%) of Gen Z and Millennial office workers surveyed feel their leaders always demonstrate their company's cultural values and 35% are very confident in their leaders to make decisions that are aligned with their company's culture.

27%

say the cultural alignment of their business leaders is **excellent**

Even more concerning is that less than **1 in 5** (19%) of these office workers say their employer is good at inspiring leaders.

Meanwhile, just 27% Gen Z and Millennial office workers surveyed say the cultural alignment of their business leaders is excellent.

19%

say their employer is good at **inspiring leaders**



These findings suggest that in the eyes of Gen Z and Millennial workers – *tomorrow's leaders* – current leadership teams are falling short on workplace culture and must make a concerted effort to improve if they wish to inspire and get the most from their workforce.

Where are business leaders going wrong?

According to our research, the leadership qualities that Gen Z and Millennial office workers say shape a constructive workplace culture are those that inspire trust, collaboration, and a sense of belonging:



However, it's in precisely these areas that current leaders are failing to meet younger workers' expectations.

In fact, a minority of Gen Z and Millennial workers feel completely comfortable sharing ideas for better working practices (43%), expressing their opinions openly in team meetings (38%), providing constructive criticism / feedback (31%) and airing any grievances (29%).

Similarly, under **3 in 10** think their employer is good at treating people as individuals (28%), encouraging a supportive environment (26%), respecting boundaries (25%) and being transparent and having open communication (24%).





Why current leaders should invest in workplace culture

Our findings clearly show that business leaders have some work to do to create a workplace culture that supports and inspires future leaders.

When leaders prioritise building a strong culture, it can result in significant rewards.

Increased performance and engagement: Over **7 in 10** (71%) Gen Z and Millennial office workers who rate the cultural alignment of their leadership teams as excellent report a positive impact on their productivity. Meanwhile, 71% of these respondents say it has a strongly positive impact on their desire to go above and beyond, and 71% say it has a strongly positive impact on their job satisfaction.

Loyalty and retention: When younger workers feel valued and supported by a positive culture, they're more likely to stick around. The findings reveal that **7 in 10** Gen Z and Millennial office workers surveyed who rate the cultural alignment of their leadership teams as excellent, strongly agree that they desire to stay in the company long term, while three quarters (75%) of these respondents strongly agree that they are dedicated to their business' success long term.



So, how can leaders bridge this gap and cultivate a thriving workplace culture?

Overall, our findings show that business leaders have a pivotal role to play in nurturing a positive workplace culture that supports and inspires their younger workforce.

It's also clear that current leadership teams' alignment with cultural values is responsible for shaping future leaders' attitudes towards culture.

However, the research reiterates that when it comes to workplace culture, many leaders often fail to demonstrate their dedication to building a workplace culture based on desirable qualities such as good communication, kindness and transparency.

Leaders who overlook these qualities not only miss out on immediate performance gains, but they risk compromising the future of workplace growth and success by failing to develop and inspire the next generation of leaders.

We share five considerations for leaders to cultivate excellence in the workplace:

1. Foster an inclusive and safe culture:

Promote psychological safety and authenticity where younger employees feel comfortable sharing ideas, concerns and constructive criticism, without fear of retribution. This helps create a culture of inclusion where everyone feels valued and respected.

2. Wellbeing Matters:

Recognise the importance of mental health and wellbeing. Implement programs and support structures that promote flexibility, demonstrate genuine care for employees and truly support individual's and their preferences.

3. Over-communicate on company purpose, performance and goals:

Leaders need to be upfront and honest, regularly communicating company goals, challenges, and successes. This can build trust and engagement, helping everyone to feel their work contributes meaningfully to a shared purpose.

4. Embody the company's values and ensure accountability:

Be transparent, approachable, and foster a culture of kindness and empathy. Hold all leaders accountable for upholding company values, and reflect this in performance evaluations, promotions and pay decisions.

5. Invest in training and mentorship:

Support the development of your people by investing in programs that enhance emotional intelligence and communication skills, vital to thrive in today's workforce.



Leaders who fully commit to building an exceptional workplace culture are setting their businesses up to reap significant rewards: a more engaged workforce, lower turnover rates, and a future of dedicated and innovative leaders.

At Redgrave, we pride ourselves on our deep understanding and expertise in navigating the nuances of organisational culture. Our People & Culture Practice, with its rich insights and experiences, is committed to guiding our clients in finding leaders who are both culture shapers and performance enhancers, ensuring a harmonious and prosperous ecosystem.

Author



Naomi Barton, Partner,
Head of People &
Culture practice

Notes:

1'Very important' and 'Fairly important' answers combined.

Research conducted by Censuswide, on behalf of Redgrave Search with a sample of 2015 Office workers in the UK including 1205 Gen Z and Millennial Office workers (18+) (Excluding sole traders) between 07.11.2023 - 13.11.2023. Censuswide abides by and employ members of the Market Research Society which is based on the ESOMAR principles.

We're a global search firm with a relentless passion for people. We help leaders shape the future of their businesses by delivering solutions that complement their culture and their ambition.

We don't just say we're different, we behave different. We bring the right people into our business to help you find the right people for your business. Grounded by our commitment, resilience and transparency, we don't drag our feet when it comes to delivering transformational results.

We work hard, and we listen, challenge and communicate honestly. We believe that great leaders are the key to building a fair and sustainable world. It's our job to find those great leaders.

4th Floor

2 Savoy Court

London

WC2R 0EZ

+44 (0)20 7806 1610

www.redgravesearch.com

info@redgravesearch.com