

Leading by Example: Creating Competitive Edge by Prioritising Workplace Culture

Foreword

At Redgrave, we've observed a shift in how culture is perceived. More and more, the businesses we work with are recognising that a thriving culture is a vital component of a winning business strategy. As the Managing Partner of a successful leadership advisory firm, I've seen firsthand the transformative power of culture within organisations.

In 2024, our **#CultureMatters** campaign initiated an important dialogue about the impact of workplace culture on performance. This year, we've gone deeper, with a new study that demonstrates the competitive advantage that can be achieved by prioritising culture.

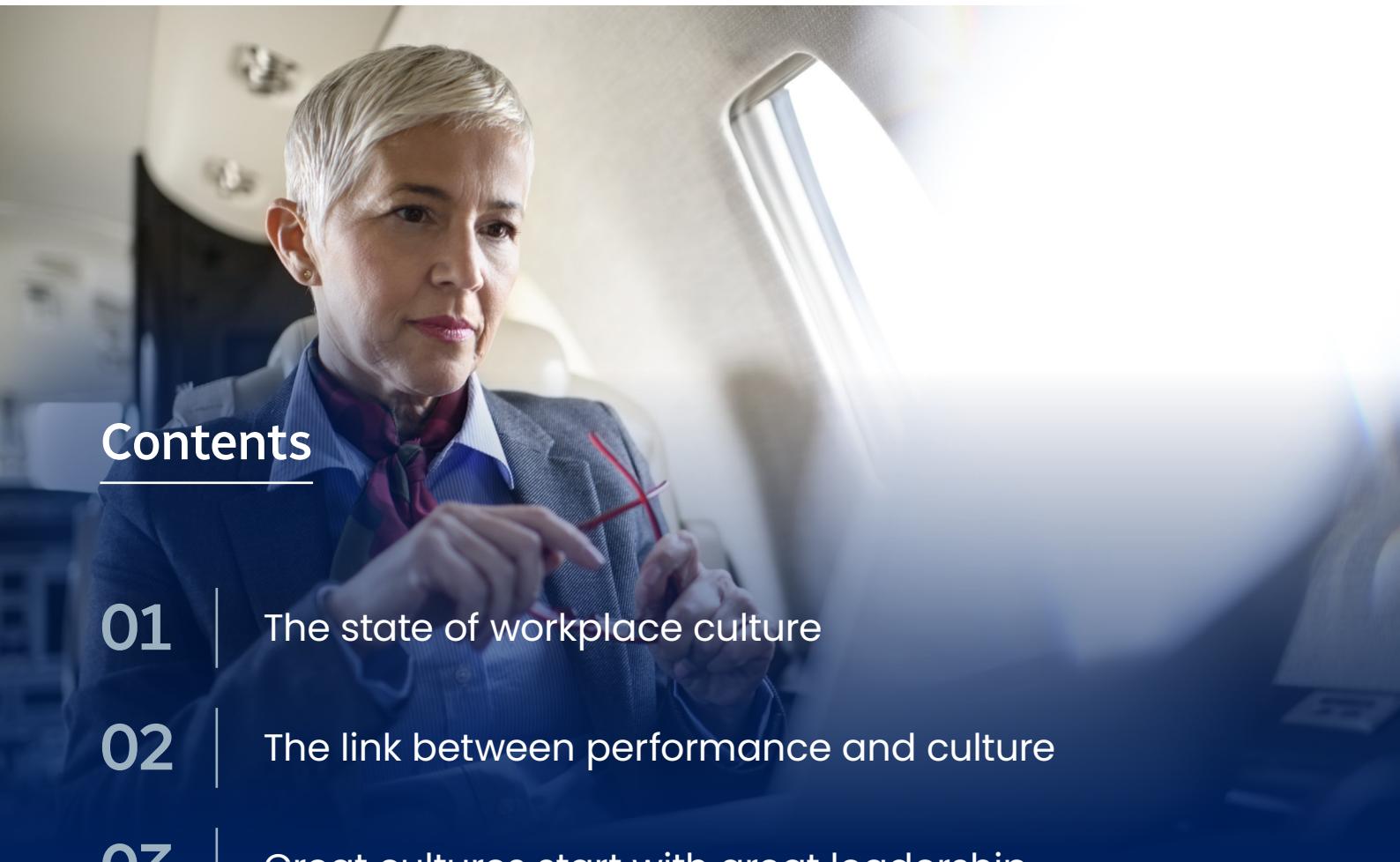
The findings are very insightful. Our survey of both UK and US professionals reaffirms that when it comes to company culture, excellence needs to start at the top, with the leaders of businesses.

Aligning and integrating cultural values with strategic objectives and planning is a major opportunity for leadership teams, one that will ultimately drive positive and sustainable business outcomes.

The insights within our report reinforce the important role that business leaders have in prioritising culture, as well as how doing so will lead to higher performance now and in future.



David Angel
Managing Partner



Contents

- 01** | The state of workplace culture
- 02** | The link between performance and culture
- 03** | Great cultures start with great leadership
- 04** | The cultural advantage: Why leaders should prioritise workplace culture
- 05** | What can leaders do to prioritise culture?
- 06** | The consequences of neglecting company culture
- 07** | The future of workplace culture

Methodology

Research conducted by Censuswide, on behalf of Redgrave Search with a sample of 1,519 white collar workers in the UK and USA (18+). Including 750 directors and above, 375 middle managers, 375 non-managers and 100 directors+ in Private Equity. Research was run between 24.10.2024 and 05.11.2024. Censuswide is a member of the British Polling Council and abides by and employs members of the Market Research Society which is based on the ESOMAR principles.

Section 1

The state of workplace culture

According to our survey, the outlook on workplace culture is overwhelmingly optimistic. In fact, our findings highlight a significant uplift in positive perceptions, with 86% of survey respondents saying their workplace culture is excellent or good, while just 4% say it is poor or very poor.



86%

say their workplace culture is excellent or good

Vs

4%

say their workplace culture is poor or very poor

This is compared with data from our **2024 study**¹, which revealed that 69% of respondents gave their culture an excellent or good rating, indicating that workplace cultures have improved over the past year.

This positive trend suggests that efforts to enhance workplace environments are paying off, with survey respondents having plenty of good things to say about the current workplace culture in their organisation.

Top five words survey respondents associated with their workplace culture.

1	Supportive	43%
2	Collaborative	34%
3	Innovative	34%
4	Relaxed	32%
5	Competitive	26%

¹ Data taken from a previous survey carried out between 07.11.2023 – 13.11.2023 which asked a sample of 2,015 office workers in the UK (18+) (Excluding sole traders) 'How would you rate your workplace culture?'. This is being compared to a survey carried out between 24.10.2024 – 05.11.2024 which asked 1,519 white collar workers in the UK and USA 'How would you rate the current workplace culture at your organisation in general?'.

◆ Section 2

The link between performance and culture

In last year's report, we established that there is a strong link between workplace culture and performance.

This year's findings reaffirm that narrative, with many respondents believing that workplace culture has a positive¹ impact on various KPIs that are vital for gaining a **competitive advantage**.

For example, 78% say their organisation's workplace culture has a positive¹ impact on employee performance, while almost three quarters (74%) say the same goes for financial performance.

At the same time, survey respondents acknowledge that their workplace culture is beneficial when it comes to their personal commitment to their company, specifically their desire to stay at their company (77%), their productivity (76%), and their motivation (74%).

Q. What impact, if any, does your organisation's workplace culture have on the following?

% of office workers surveyed who say their organisation's workplace culture has a positive¹ impact on...

Employee performance	78%
Employee engagement	77%
Brand reputation	76%
Employee attraction	75%
Employee retention	75%
Financial performance	74%

Q. To what extent does your workplace culture help the following?

% of office workers surveyed who say their organisation's workplace culture helps² their...

Desire to stay at the company	77%
Productivity	76%
Motivation	74%

¹'Significant positive impact' and 'Somewhat positive impact' responses combined.

²'My workplace culture significantly helps this (positive affect)' and 'My workplace culture somewhat helps this (positive affect)' responses combined.

It's no wonder then that 62% recognise that workplace culture is very important to their organisation's overall success.

However, the findings also show that when organisations go the extra mile to achieve a truly exceptional workplace culture, this is even more likely to have an impact on business outcomes. In fact, 82% of respondents with an **excellent** workplace culture say culture is very important to their organisation's overall success, while only 53% of those with a **good** culture say the same.

82%

of respondents with an **excellent** workplace culture say culture is very important to their organisation's success

Unfortunately, however, it appears there is still significant room for improvement with many businesses missing out on the enhanced benefits that come with a best-in-class culture:

Less than half (42%) of survey respondents say their workplace culture is **excellent**, indicating a considerable opportunity for organisations willing to invest in developing their workplace culture.

We explore what businesses can be doing to achieve an **excellent** culture and, how to realise the many potential performance benefits that come with such investments.



◆ Section 3

Great cultures start with great leadership

The link between leadership and culture is undeniable.

Not only do 88% of office workers surveyed agree¹ that leadership style dictates workplace culture, 91% agree¹ that a positive culture is dependent on effective leadership.

There is also evidence to show that strong leadership is at the heart of cultivating an exceptional workplace culture.

For example, while 38% of survey respondents with a **good** workplace culture strongly agree that leadership style dictates workplace culture, 70% of those with **excellent** cultures say the same.

91%
agree¹ that a positive culture is dependent on **effective leadership**

88%
agree¹ that **leadership style** dictates workplace culture

Similarly, while only half (50%) of respondents, who gave their workplace culture a **good** rating, strongly agree that a positive workplace culture is dependent on effective leadership, this figure rises to almost three quarters (74%) of those with **excellent** workplace cultures.

workplace culture rating	Excellent	Good
% who strongly agree that a positive workplace culture is dependent on effective leadership	74%	50%
% who strongly agree that leadership style dictates workplace culture	70%	38%

But what should leadership teams be doing to achieve cultural excellence? And how can workplace culture set organisations apart from the competition?

¹'Strongly agree' and 'Somewhat agree' responses combined.

◆ Section 4

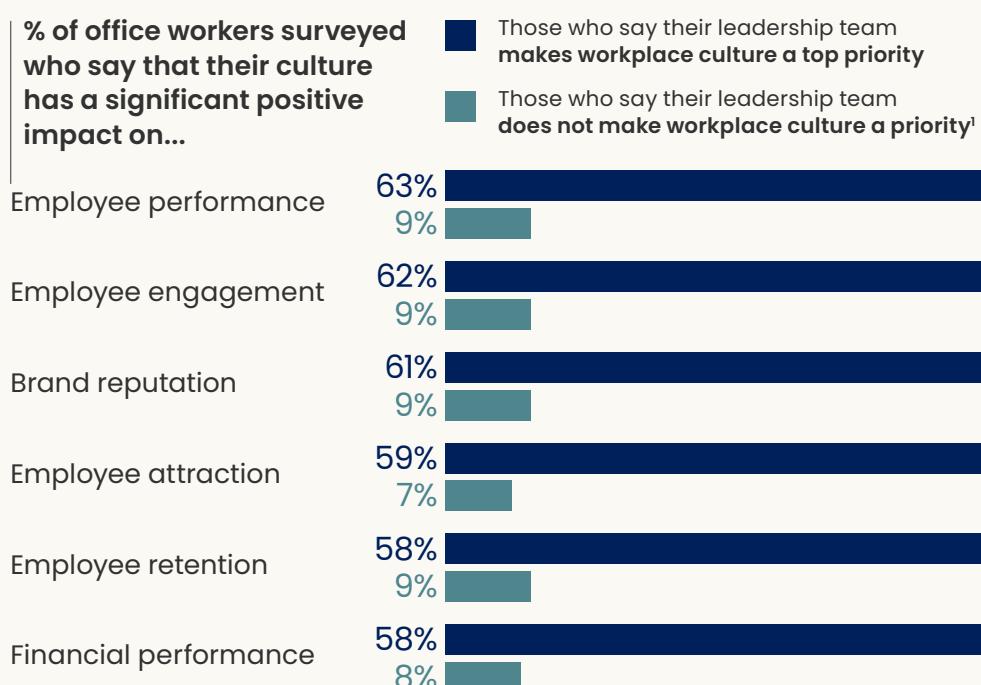
The cultural advantage: Why leaders should prioritise workplace culture

Culture is more than just a collection of values, it's a driver of performance, innovation, and long-term success. Leading organisations recognise that embedding culture as a core strategic priority unlocks a powerful competitive advantage.

For organisations to experience the performance benefits of cultural excellence, they must treat culture as a strategic business priority. Evidence shows that organisations whose leadership teams prioritise culture report superior results: 70% of survey respondents who say culture is a top priority for their leadership team, report having an **excellent** workplace culture. In contrast, just 13% of those from organisations where culture is not a priority¹ report having an **excellent** workplace culture.

Prioritising culture not only shapes a positive work environment, it also impacts important KPIs.

For example, almost two thirds (63%) of those surveyed whose leadership team makes workplace culture a top priority, say their culture has a significant positive impact on employee performance, compared to just 9% from organisations where culture is not a priority.¹



Those who say culture is very important to their organisation's overall success:

84%

whose leadership team makes workplace culture **a top priority**

Vs

26%

whose leadership team **does not prioritise¹** workplace culture

It's not surprising then that 84% of respondents whose leadership team makes workplace culture a top priority say culture is very important to their organisation's overall success. On the other hand, just 26% of those where culture is not a priority¹ share this view on the importance of culture in organisational success.

These findings clearly highlight the transformative power of prioritising culture when it comes to maximising organisational success.

As it stands, however, many organisations are missing out on the performance enhancements that evidently come with leveraging culture as a strategic asset. After all, only 42% of survey respondents say that workplace culture is a top priority for their leadership team.

Just

42%

say workplace culture is a top priority for their leadership team

Corporate culture is more than an internal asset – it also drives regulatory requirements, particularly in sectors like financial services. Regulatory bodies such as the **Financial Stability Board (FSB)** and the **Office of the Superintendent of Financial Institutions (OSFI)** have developed guidelines focused on the role of culture in promoting compliance and ethical behaviour within firms. Similarly, in the United States, the **Federal Reserve (Fed)**, the **Office of the Comptroller of the Currency (OCC)**, and the **Securities and Exchange Commission (SEC)** have reinforced the value of corporate culture in mitigating risks, preventing misconduct, and ensuring fair decision-making. This regulatory emphasis requires that financial institutions actively manage their culture to ensure clear accountabilities and promote good conduct.

Leaders who intentionally treat culture as a strategic asset, one that directly impacts performance, engagement, and overall business success, are more likely to realise cultural advantage, positioning themselves to deliver results that surpass their competitors.

¹'It's not much of a priority' and 'It's not a priority at all' combined.

◆ Section 5

What can leaders do to prioritise culture?

We've already established that business leaders have a key responsibility for creating and sustaining a strong workplace culture. Our research highlights several areas where business leaders can focus their efforts to effectively prioritise and reinforce a strong workplace culture.

One standout finding is the strong correlation between leadership focus on culture and the clarity of cultural communication.

Leaders who make culture a top priority are significantly more effective at embedding these values across their organisations. In fact, over three in five respondents whose leadership teams make culture a top priority say their leaders clearly define (62%) and communicate (61%) their organisation's cultural values very effectively. On the other hand, neglecting culture can lead to ambiguity, misalignment, and missed opportunities for organisational cohesion. This is highlighted by the 6% whose leadership teams don't prioritise culture reporting clear and effective communication of organisational values.

By prioritising culture, leaders can set the tone for a thriving workplace; one where employees feel connected, motivated, and aligned with their organisation's mission.

% of office workers surveyed who say their leadership team does the following very effectively



¹'It's not much of a priority' and 'It's not a priority at all' combined.

Placing culture at the heart of strategic decision making

82%

whose leadership teams **incorporate cultural values into strategic planning** to a great extent say workplace culture is very important to their organisation's overall success

Leaders who place culture at the centre of their strategic decisions are more likely to achieve sustained business success. Embedding cultural values into organisational strategy not only aligns the workforce but also drives performance, innovation, and employee satisfaction.

In fact, 82% of those surveyed, where business leaders incorporate cultural values into strategic planning to a great extent, say workplace culture is very important to their organisation's overall success. However, among those whose leadership teams don't prioritise integrating cultural values into their strategies, 28% share the same view.

Respondents who say their leaders incorporate cultural values into strategic planning

81%

Those whose business leaders **make culture a top priority**

6%

Those whose business leaders **do not make culture a top priority**

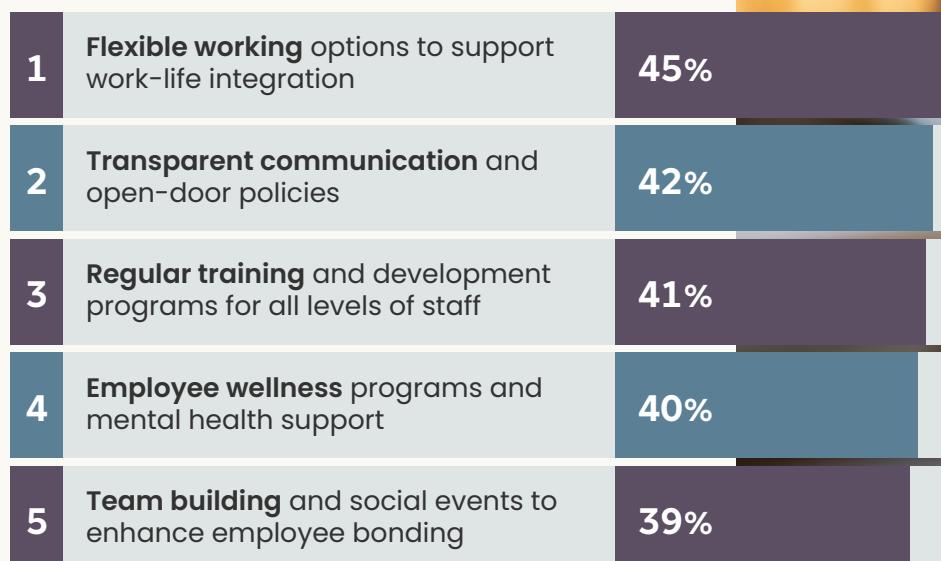


Aligning culture with employee retention

To fully leverage the benefits of incorporating cultural values in strategic planning, leaders need to take proactive action, particularly when it comes to employee retention. Our research shows that almost all (96%) respondents whose leadership teams prioritise culture say they align culture with long-term employee retention.

Leaders who prioritise culture employ a variety of strategies to retain their talent effectively.

According to our respondents, these are the top five initiatives:



The message is clear: business leaders need to prioritise cultural alignment in their strategic approach to maximise the benefits of a strong, values-driven workplace culture. Doing so not only propels positive business outcomes but also sets a foundation for sustainable success.



Section 6

The consequences of neglecting company culture

Understanding the stakes involved in prioritising corporate culture is crucial for every business leader. From integrating cultural values into strategic planning to boosting employee retention, there's a lot that goes into truly prioritising culture.

While consistently nurturing company culture requires ongoing effort, the benefits they bring outweigh any potential downsides. According to our data, 79%¹ of those surveyed say they have seen culture deterioration impact organisations, with many highlighting adverse outcomes including increased turnover and difficulty retaining talent (32%), decreased employee morale and job satisfaction (32%) and reduced productivity and operational efficiency (31%).

Crucially, where they have experienced a decline in culture, a lack of clear leadership and direction was largely to blame. In fact, this was among the top three primary causes of deteriorating workplace cultures according to those we surveyed.

Top primary causes of deteriorating workplace cultures

1	High stress levels and unreasonable work demands	33%
2	Lack of clear leadership and direction	28%
3	Inconsistent communication from management	28%

The findings highlight just how important it is for leadership teams to fully commit to prioritising company culture, ensuring cultural values are the guiding force behind business strategies.



¹'Reverse of "N/A no impacts" and 'N/A I have not seen culture deterioration in an organisation before'.

Section 7

The future of workplace culture

While a positive workplace culture provides a solid foundation for businesses, it must remain flexible to effectively support employee needs and stay relevant amid global and economic shifts.

Our survey reveals that 91%¹ participants report that their cultures have evolved over time, demonstrating responsiveness to changing circumstances. One third (33%) say their organisation has increased the focus on employee wellbeing and mental health, while 29% say it has promoted a culture of learning and skill development, highlighting a shift towards continuous personal and professional growth.

Looking ahead, respondents are optimistic about the future of their workplace cultures, with 78% saying they expect to see a positive² evolution at their organisation over the next five to 10 years.

Top five ways office workers³ expect their workplace culture to evolve in future:

1	Greater focus on work/life balance and flexibility	48%
2	Greater focus on employee wellbeing	47%
3	Greater focus on diversity and inclusion	40%
4	Greater focus on sustainability	38%
5	Greater focus on employee belonging and trust	34%



Encouragingly, 36% of respondents go as far as saying they expect to see a major positive evolution at their organisation. However, the findings reveal that this depends on the extent to which leadership teams are prioritising culture now.

While just 6% of survey respondents whose leadership teams don't prioritise culture⁴ expect to see a major positive evolution over the next five to 10 years, 61% of those whose leadership teams make culture a top priority believe this will be the case.

Once again, the results highlight the importance of prioritising culture. Leadership teams who commit to this now will help to ensure the success of their organisation for years to come.

% of respondents who expect to see a major positive evolution in the next five to 10 years



¹'Reverse of 'N/A it has not adapted its workplace culture'.

²'Major positive evolution' and 'Moderate positive evolution' responses combined.

³Office workers surveyed who think the future of workplace culture will evolve in their organisation.

⁴'It's not much of a priority' and 'It's not a priority at all' combined.



Prioritising workplace culture for sustainable success

- 1 Leadership sets the cultural tone.**
Strong leadership is the cornerstone of a thriving workplace culture. By making culture a top priority, leaders can empower employees, foster innovation, and maintain a competitive advantage for the future.
- 2 Prioritising culture drives higher performance.**
Organisations with excellent workplace cultures consistently outperform their peers. However, this relies on leaders recognising the importance of culture and committing to making it a strategic priority. Employee engagement, attraction and retention, and financial performance all improve when leaders prioritise culture.
- 3 Culture and strategy go hand in hand.**
Leaders who prioritise culture understand that culture and strategy are linked. By placing culture at the heart of decision making, organisations can enhance their chances of sustaining long-term success.

Reflections on the findings from the leader of our People & Culture Practice

These insights highlight that workplace culture is now a key driver of business success, not just an HR concern. Organisations with strong, values-led cultures see measurable gains in performance, engagement, retention, and financial outcomes. When leaders embed culture into strategy, communicate values clearly, and align culture with retention efforts, they create a lasting competitive advantage.

At Redgrave, we're driven by a passion for helping our clients find exceptional leaders who have the right skills and expertise, but also understand the impact that an excellent workplace culture can have on performance and business outcomes.

Our commitment involves continuously refining our own cultural ethos, creating a thriving environment where our clients and colleagues prosper together.

A strong workplace culture is now a tangible competitive advantage.



Naomi Barton
Partner, Head of People & Culture Practice

“Culture is the only competitive advantage your competition can’t copy.”

Naomi Barton

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.

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