

Strengthening Workplace Culture:

A Tool for Retaining and Empowering Employees Globally

Global Culture Research Report | 2022



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Executive Summary: Economic Trends Necessitate Workplace Cultural Change

Two years after the pandemic began, organizations are still adjusting to the COVID-19 world. From government shutdowns and supply chain disruptions to a mental health crisis, the pandemic has adversely affected the world of work in myriad ways. Today's employers are finding it increasingly difficult to recruit new staff, making it all the more challenging to grow their business and the economy. The elusiveness of talent is unprecedented.

But there is good news to be found, if you look for it. In 2019, SHRM published The High Cost of a Toxic Workplace Culture: How Culture Impacts the Workforce—and the Bottom Line, which outlined the monetary and psychological costs of a negative workplace culture. In 2021, SHRM published a follow-up report, The Culture Effect: Why a Positive Workplace Culture Is the New Currency, which found that positive workplace culture was a guiding light that helped U.S. workers and businesses make it through the pandemic. But do these trends also hold on a global scale? To better understand the importance of workplace culture, SHRM conducted a study in 12 countries to identify workplace trends across the globe. SHRM found, by and large, that workplace culture remains positive across the 12 countries. Even a pandemic couldn't wreak havoc on workplace culture, which speaks to the strides that organizations have made in recent years.





For the organizations that dedicated themselves to cultural change before the pandemic, their commitment to positive work environments bore fruit at a time of crisis. Workers generally feel safe and heard at work, increasing their productivity and benefiting the bottom line.

Still, organizations must remain vigilant. New economic trends, namely the Great Resignation, make it all the more imperative to prioritize culture. Based on SHRM's survey of workers from 12 different countries, workplace culture will spell the difference between success and failure in a post-pandemic world. *Now* is the time to focus on communication, transparency, trust and all of the other tenets of a strong work environment—one that puts workers *first*.

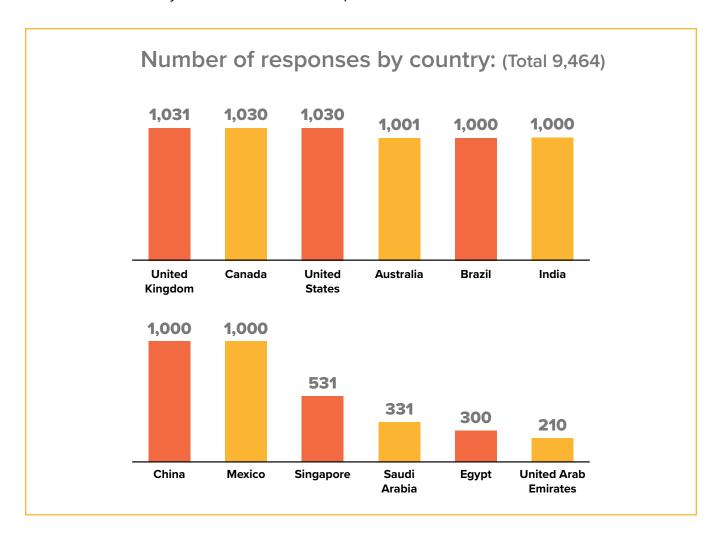
Now is the time to focus on communication, transparency, trust and all of the other tenets of a strong work environment.



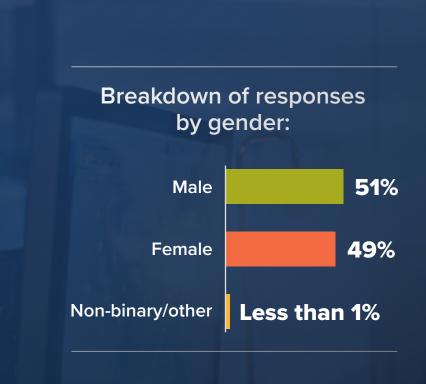


Demographics

A sample of **9,464 workers** was surveyed using a third-party online panel. For the purpose of this study, we refer to "workers" as those who are working as paid employees. Respondents were from Australia, Brazil, Canada, China, Egypt, India, Mexico, Saudi Arabia, Singapore, the United Arab Emirates, the United Kingdom and the United States. The survey was administered in September and October 2021.

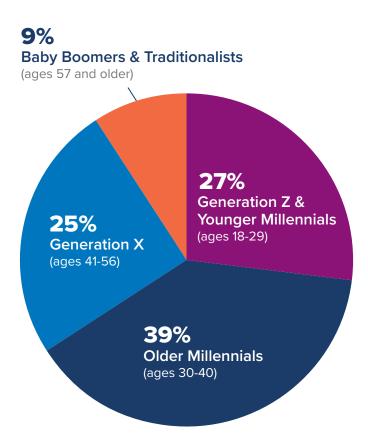




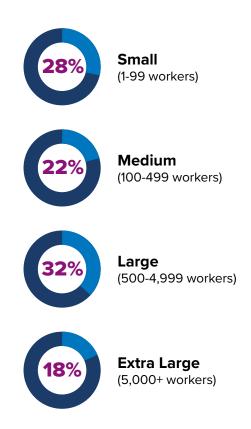




Breakdown of responses by generation:



Breakdown of responses by organization size:





Across the Globe, **Workplace Culture Stays Consistent**

Despite all of the turmoil of the COVID-19 pandemic, one factor has remained consistent—workplace culture. By and large, workplace cultures are unwaveringly positive. When asked to rate their organization's culture, 72% of workers responded that theirs was good or very good, while 20% rated it as average. Only 7% considered their workplace culture poor or very poor. Globally, 89% of workers said that, since the beginning of the pandemic, their workplace culture has improved or stayed the same.

Spotlight on India

Workers in India have extremely positive views of their workplace culture, with 87% rating their workplace culture as good or very good. Almost 9 in 10 workers indicated that their manager encourages a culture of open and transparent communication. This sentiment is echoed in the words used to describe Indian organizations: honest, progressive and empathetic.

Globally, 72%

of employees rated their workplace culture as good or very good. However, this percentage varies by country.















India

China

Mexico

Saudi Arabia

U.A.E.

Egypt



U.S.



Australia Canada





U.K.



Brazil



Singapore



Workplace cultures rated as average.

Workplace cultures rated as poor/very poor.

Workers in India, China, Mexico, Saudi Arabia, the United Arab Emirates, Brazil, Egypt, the United States, Australia and Canada are significantly more likely to rate their organizational culture as good or very good, as compared with workers in Singapore. (p < .05)



Workers use positive words to describe their workplace—

both before the pandemic and now.

Country	Top 3 Words Pre-Pandemic	Top 3 Words Now
Australia	 Adaptable Inclusive Honest 	 Adaptable Empathetic Honest
Brazil	 Honest Adaptable Empathetic 	 Honest Adaptable Empathetic
Canada	 Adaptable Honest Progressive 	 Adaptable Honest Empathetic
China	 Inclusive Adaptable Honest 	 Inclusive Adaptable Honest
Egypt	 Honest Progressive Adaptable 	 Honest Progressive Adaptable
India	 Honest Progressive Empathetic 	 Honest Progressive Empathetic
Mexico	 Adaptable Honest Empathetic 	 Adaptable Empathetic Honest
Saudi Arabia	 Honest Progressive Adaptable 	 Honest Progressive Adaptable
Singapore	 Adaptable Progressive Honest 	 Adaptable Progressive Empathetic
U.A.E.	 Progressive Honest Adaptable 	 Honest Progressive Adaptable
U.K.	 Adaptable Honest Progressive 	 Adaptable Inclusive/Progressive Empathetic
U.S.	 Honest Adaptable Progressive 	 Honest Adaptable Empathetic

Even in a Pandemic, Workers Feel Safe at Work

As the pandemic progressed, one area of emphasis became safety in the workplace. Overall, **86%** of workers said they feel physically safe at work. Even more workers **(88%)** indicated that since the onset of COVID-19, workplace safety improved or stayed the same.

But safety is not a foregone conclusion.

Organizations must have critical elements in place for safety to become a reality, including buy-in from management, employee involvement, intra-organizational communication, analyses of potential hazards in the workplace, procedures to prevent and control those hazards, and organization-wide training.1

When workers feel safe at work, they also rate their workplace culture more favorably. Those who say they feel physically safe at work are more likely to describe their workplace culture as good or very good, as compared with those who don't feel physically safe at work (77% versus 42%).

¹Developing Effective Safety Management Programs, SHRM.



Globally, 86% of employees indicated that they feel physically safe at work.



Workers in India are significantly more likely to indicate that they feel physically safe, as compared with workers in Brazil, the United Kingdom, China and Egypt. p < .05)

Spotlight on Australia

Workers in Australia feel safe in their workplace. Almost 9 in 10 (88%) indicated that they feel physically safe at work, while 89% indicated that workplace safety has improved or stayed the same since the beginning of the pandemic. Only 11% of Australian workers indicated that workplace safety has become worse since the onset of the pandemic.



However, there's more to safety than physical protection. Organizations need to foster safe environments for communication that empowers employees to speak up. Globally, over 4 out of 5 workers (82%) said they feel safe voicing their opinions about work-related issues. Most workers also said that they feel comfortable engaging in honest conversations about work topics with their managers (82%) and co-workers (89%), and they frequently have candid conversations about work with their managers (78%) and co-workers (85%).

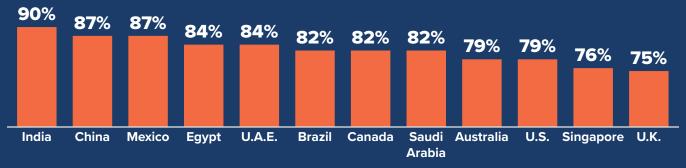
It's encouraging that the overwhelming majority of workers maintain supportive relationships with their coworkers and managers. Candidness and transparency in good faith—breed a strong workplace culture. Workers need to feel comfortable with supervisors, and supervisors must be able to have tough conversations with their subordinates.



Spotlight on Mexico

The vast majority of workers in Mexico (87%) said they feel safe voicing their opinions about work-related issues. In addition, 86% indicated that they are comfortable having honest conversations with their manager, and 81% said they frequently have candid conversations about work-related topics with their manager.

Globally, 82% of employees said they feel safe voicing their opinions about work-related issues.



Workers in India, China and Mexico are significantly more likely to indicate that they feel safe voicing their opinions about work-related issues, as compared with workers in Brazil, Canada, Australia, the United States, Singapore and the United Kingdom. (p < .05)

Even the Greatest Workplace Cultures Are Not Safe from the Great Resignation

Yet, despite overwhelmingly positive and safe workplace cultures, the Great Resignation is sweeping the globe. People are leaving their jobs at record rates. Almost half of workers (45%) have thought about leaving their current organization, and 30% have actively searched for a new job in the past six months.

Most workers who have thought about leaving their current organization work in organizations with poor cultures. Nine out of 10 workers (90%) who rate their culture as poor have thought about quitting, compared with 72% of workers who rate their organizational culture as average and 32% who rate their culture as good. Despite the relatively smaller percentage of workers considering quitting when they work in good organizational cultures, a third is still a notable amount.

Poor work cultures contribute to workers thinking about leaving those organizations.



of workers who rate their work culture as **poor** have thought about quitting.

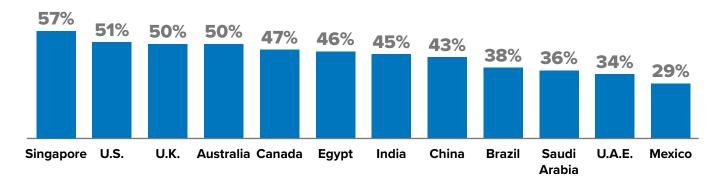


of workers who rate their work culture as **average** have thought about quitting.



of workers who rate their work culture as **good** have thought about quitting.

Globally, **45**% of workers have thought about leaving their current organization.



Workers in Singapore are significantly more likely to indicate that they have thought about leaving their current organization, as compared with workers in Canada, India, China, Brazil, Saudi Arabia, the United Arab Emirates and Mexico. (p < .05)

The results are similar for workers who are actively looking for a new job. Over 1 in 5 employees (22%) who rate their culture as good have actively looked for a new job in the past six months, and that number grows to 43% of workers who rate their culture as average and almost 2 out of 3 employees (64%) who rate their workplace culture as poor.

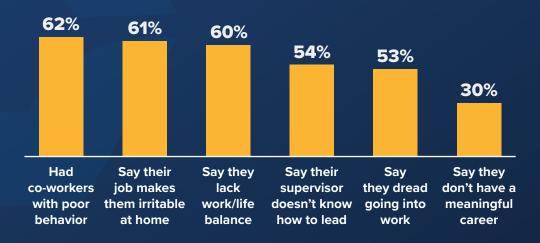
Based on these statistics, an average workplace culture isn't good enough. A good culture isn't even good enough. This leads to the question: What is driving employees to leave?

One reason employees are leaving organizations with good workplace culture is that workers may be experiencing "COVID clarity." Alexander Alonso, Ph.D., SHRM-SCP, chief knowledge officer for SHRM, explains that many employees are becoming more aware of what they really want out of a job and their life as a result of the pandemic. **Nearly 1 in 3 workers** (30%) who are actively searching for a new job say they don't have a meaningful career, compared with **10%** of workers who are not actively searching. For many workers, simply bringing home a paycheck isn't enough—they want to find purpose in their professional lives. When people don't feel like they have a meaningful career, they become less satisfied with their job, and turnover becomes inevitable.

People management also matters. Strong supervisors make their employees feel inspired and motivated at work, whereas weak supervisors contribute to irritation and dissatisfaction. Workers become disillusioned when they see their supervisor allowing co-workers to get away with poor behavior, and 62% of workers who are actively looking for a new job said they see this behavior at work. Making matters worse, over half of workers (54%) who are looking for a new job believe their supervisor doesn't know how to lead a team. A void in leadership can quickly lead to turnover.

Globally, employees are becoming more aware of what they really want out of a job and their life as a result of the pandemic.

Among workers who are actively seeking a new job:



Other factors, such as lack of a healthy work/life balance, can also lead employees to start looking for new career opportunities. When workers don't have the right balance, they are more likely to feel stress on the job, forcing them to search for greener pastures that prioritize increased flexibility. Six in 10 workers (60%) actively searching for a job claimed their organization's culture makes it difficult to balance their work and home commitments, compared with 35% of workers who are not looking for a new job. When employees don't have enough time for the important things in their lives outside of work, feelings of irritation and dissatisfaction increase. More than 6 in 10 workers (61%) who have actively looked for a new job said their workplace makes them irritable at home.

When a person is unhappy in their workplace, mustering up the energy to work is difficult. Workers who are actively searching for a new job are more than twice as likely to say they dread going into work, as compared with those not actively searching (53% versus 23%).

Negative workplace culture experiences can and will drive top talent to look elsewhere. Once an organization develops a reputation for a toxic workplace culture, recruiting and retaining talent is a challenge. Workers will punish organizations for a poor culture—by leaving.



Spotlight on Singapore

Workers in Singapore report thinking about leaving their current organization the most (57%), in addition to having the lowest culture ratings, with only 55% indicating their work culture was good or very good. Yet there is a reason for optimism, as 77% of people in Singapore indicated that their organization is committed to improving workplace culture.



Negative Workplace Experiences Are Still Common

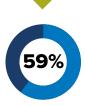
SHRM research suggests negative workplace experiences are all too common. Although 72% of workers said their workplace culture was good or very good, it doesn't mean that these workers are immune from negative experiences at work. Between incompetent supervisors and insensitive co-workers, negative experiences are contributing to employees dreading work and looking elsewhere.

Poor Management

One out of 5 workers (20%) said they can't always trust what their supervisor tells them. And there are significant differences based on how employees rate their workplace culture. Over 9 out of 10 employees (91%) who rate their workplace culture as good say they can trust their supervisor. This drops to 59% of employees who rate their workplace culture as average, and it plummets to less than 1 out of 4 employees (24%) who rate their culture as poor.



Over 9 out of 10 employees (91%) who rate their workplace culture as good say they can trust their supervisor.



This drops to **59%** among employees who rate their workplace culture as **average**.



24%

This plummets to less than 1 out of 4 employees (24%) among those who rate their workplace culture as poor.

Poor management contributes to poor workplace cultures globally.



1 out of 5 workers (20%) said they can't always trust what their supervisor tells them.



More than 4 in 10 workers (42%) have witnessed inconsiderate treatment of a co-worker by a manager in the past year.



In Canada, 37% of workers have witnessed inconsiderate treatment of a co-worker by a manager. However, 71% indicated that their organization provides a safe way to make a complaint about leaders without fear of penalty, punishment or retaliation. Four out of 5 Canadian workers (80%) indicated that their manager encourages a culture of open and transparent communication.

More than 4 in 10 workers (42%) have witnessed inconsiderate treatment of a co-worker by a manager in the past year. Inconsiderate behaviors like bullying or gossiping are destructive when left unaddressed. When supervisors are untrustworthy or insensitive to the needs of their workers, it isn't long before work environments become toxic. Workers need to feel safe in their workplace, and an integral component is ensuring all workers are treated with respect.

It's important that supervisors apply rules fairly across all employees and don't play favorites. However, 42% of workers have witnessed their manager allowing other workers to get away with bad behavior, which could include excessive tardiness or poor performance. This seems to be a common occurrence in organizations with poor workplace cultures, as 81% of employees who rated their culture as poor indicated that their manager allows employees to get away with bad behavior. Allowing employees to get away with bad behavior is also a common occurrence where employees rate the workplace culture as average (64% indicated it happens). Only 32% of employees who rated their culture as good said their supervisor allows employees to get away with bad behavior. By staying silent and ignoring the problem, supervisors are harming the morale of their workers. Worse yet, when tolerated, bad behavior is unlikely to subside.

Globally, 42%

of workers have witnessed inconsiderate or insensitive treatment of a co-worker by a manager in the past year.

53 % Egypt	50% Singapore
49% India	45 % U.A.E
45 % u.s.	44% Australia
42% Saudi Arabia	42 % U.K.
38% China	37% Canada
36% Brazil	36% Mexico

Workers in Egypt and Singapore are significantly more likely to indicate that they have witnessed inconsiderate or insensitive treatment of a co-worker by a manager in the last year, as compared with workers in China, Canada, Brazil and Mexico. (p < .05)

of workers globally have witnessed their manager allow other workers to get away with bad behavior.

























Singapore U.S.

U.K.

Canada

U.A.E.

Egypt Australia

India

Saudi **Arabia** China

Brazil

Mexico

Workers in Singapore, the United States, the United Kingdom and Canada are significantly more likely to indicate that their manager allows some workers to get away with bad behavior, as compared with workers in Saudi Arabia, China, Brazil and Mexico. (p < .05)

Mistreatment at Work

Of course, bad people managers aren't the only toxic people in the workplace. Workers must also maintain positive relationships with co-workers who may not always treat them with the respect they deserve. Slightly less than half (46%) of workers have witnessed inconsiderate or insensitive treatment of a coworker by another co-worker in the last year. This happens more often in organizations with poor (71%) or average (60%) workplace cultures, compared with those with good workplace cultures (40%). And 40% of employees who rate their culture as good have also witnessed co-workers being inconsiderate to each other. One out of 10 workers (10%) indicated that their co-workers lack empathy. This inevitably strains workplace relationships, undermining employee collaboration both within and between teams.





Half of workers in the United States (50%) indicated that their manager allows workers to get away with bad behavior. However, 67% indicated that their organization provides opportunities for workers to discuss issues without fear of penalty, punishment or retaliation.



👸 Spotlight on Saudi Arabia

In Saudi Arabia, 41% of workers indicated that they have witnessed inconsiderate treatment of a co-worker by another co-worker in the last year. But the good news is that 79% of respondents indicated that their coworkers are at least somewhat empathetic. They also feel they are able to communicate with their colleagues, as 76% indicated being comfortable having honest conversations with co-workers.

Employee Absenteeism

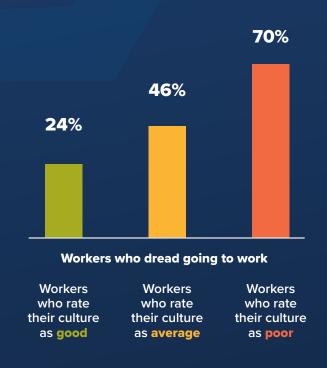
Incompetent leadership and mistreatment from co-workers make it difficult for employees to look forward to coming to work. Nearly 1 in 3 workers (32%) indicated that they dread going into work, potentially because of a poor workplace culture. Workers who rate their workplace culture as poor are most likely to dread going to work (70%), compared with workers who rate their culture as average (46%) or good (24%). A positive workplace culture fosters an environment where people not only want to be present but also want to make a meaningful impact in their role. When culture is strong, workers don't only survive—they thrive.



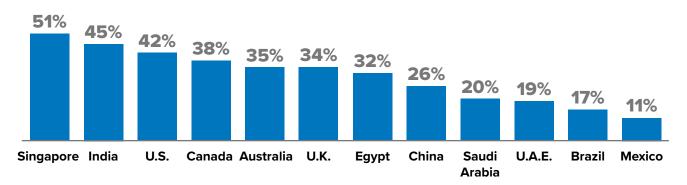
Spotlight on Brazil

Workers in Brazil have very positive feelings about their organizations. Only 17% dread going to work. More than 8 in 10 (81%) indicated that they love working at their organization because of the workplace culture. Overall, the majority of workers in Brazil (87%) are satisfied with their workplace.

Incompetent leadership and mistreatment from co-workers make it difficult for employees to look forward to coming to work.



Globally, 32% of employees dread going into work.

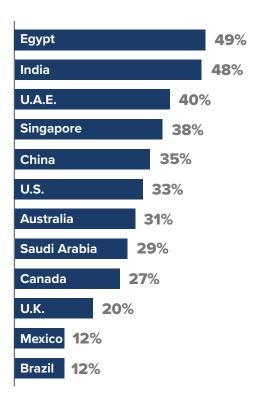


Workers in Singapore, India, the United States, Canada, Australia and the United Kingdom are significantly more likely to indicate that they dread going to work, as compared with workers in China, Saudi Arabia, the United Arab Emirates, Brazil and Mexico. (p < .05)



Globally, 29%

of employees said that they call in sick when they don't feel like going to work.



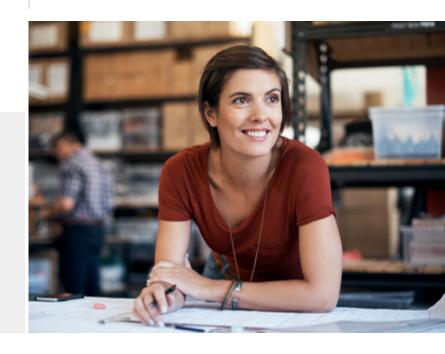
Workers in Egypt, India, the United Arab Emirates, Singapore, China, the United States, Australia, Saudi Arabia and Canada are significantly more likely to indicate that they call in sick when they don't feel like going to work, as compared with workers in the United Kingdom, Mexico and Brazil. (p < .05)



Only 1 out of 5 workers (20%) in the United Kingdom called in sick when they didn't feel like working. Yet, when they are at work, 85% of workers are engaged in their work tasks.

When employees need a day off, many call in claiming to be sick. Nearly 1 in 3 workers (29%) said they have done just that. From burnout to bullying and harassment, there are many reasons for workers to say they're feeling unwell. That feeling is also inextricably linked to turnover. Workers who have been actively looking for a new job are more likely to play the sickness card, with 53% admitting that they call in sick when they don't feel like going to work. Only 23% of people who aren't looking for a job call in sick when they really aren't. Employee absenteeism leads to a significant loss in productivity, adversely affecting an organization's bottom line. It also compounds the stress of those left in the workplace as they pick up the slack from their absent co-workers.

A toxic workplace culture is costly. Workers are reporting toxic supervisors, and negative co-worker relationships are causing employees to miss work and even start to look for a new job. The long-term impact of the Great Resignation remains to be seen, but organizations are more hard-pressed than ever to keep their current workers satisfied and keep their cultures strong.



How Organizations Can Improve Workplace Culture

In light of the Great Resignation, organizations must prioritize the recruitment and retention of talent. Attracting and keeping top talent by cultivating a positive workplace culture—is a top priority. Having an average workplace culture just isn't good enough in 2022. Organizations with poor workplace culture have a lot of work to do, but organizations with average workplace cultures also have room to improve. Organizations with good workplace cultures must continue maintaining and improving their workplace cultures or they risk losing that positive workplace culture. While employers have made strides in recent years, especially before the pandemic, that progress must be sustained.

One way for organizations to improve their culture is to focus on people management. Due to their daily interactions with employees, people managers have a major impact on workplace culture, so they must be properly trained and feel empowered to lead. Nearly 9 in 10 workers (87%) indicated that their manager contributes to setting their work team environment. Therefore, people managers need to be trained on how to be more effective supervisors, such as by building trust, eradicating bad behavior and showing empathy. Only 69% of workers claimed their direct supervisor is empathetic, so there is room for improvement. People managers need to care about those under their purview, and promoting open lines of communication is a necessary ingredient.



In China, **63%** of workers indicated that their organization provides empathy training for people managers. At the same time, **3 out of 4 workers** (75%) said their organization is empathetic. This has also impacted workplace culture, as **82%** of workers rated their organizational culture as good.

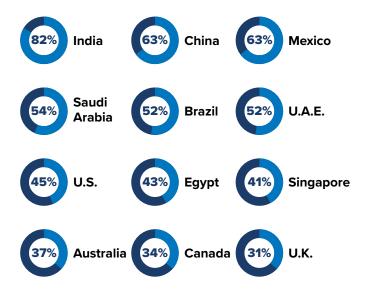


There is overwhelming consensus among workers that empathy is an essential quality of a healthy workplace (94% agree). Yet only half of workers said their organization offers empathy training for people managers. There are staggering differences between organizations that offer empathy training and those that do not:

Organizations that fail to offer empathy training leave themselves vulnerable to turnover. Such training is shown to boost engagement and satisfaction. Done the right way, people management can be the difference between employee empowerment and a talent drain.

Globally, 50%

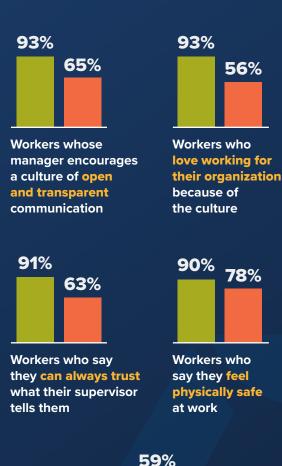
of employees said that their workplace provides explicit training on empathy for all people managers.



Workers in India, China and Mexico are significantly more likely to indicate that their organization provides explicit training on empathy for all people managers, as compared with workers in Brazil, the United States, Egypt, Singapore, Australia, Canada and the United Kingdom. (p < .05)



- Workers who work at an organization that does offer empathy training
- Workers who work at an organization that does not offer empathy training







For employees to feel like they're in the right workplace, their organization needs to demonstrate a commitment to enhancing culture.

Over 1 in 5 workers (21%) indicated that their organization was not committed to improving organizational culture. Indeed, 81% of workers who rated their organizational culture as poor indicated that their organization is not committed to improving culture. When employees work for an organization that fails to show progression, they are more likely to seek out organizations that value progress. As a result, it falls on the shoulders of people managers and other leaders to spur positive change.

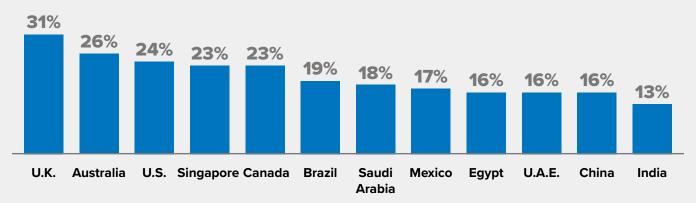
When an organization refuses to change for the better, workers begin to feel devalued as individuals. More than 1 out of 5 workers (22%) claimed that their organization does not care about them as a person. Even more strikingly, 87% of workers who rated their workplace culture as poor indicated their organization doesn't care about them, compared with only 8% of workers who rate their culture as good or very good. A positive workplace culture contributes to fulfillment and meaning at work, which employees need to experience if they are to stay put. Otherwise, organizations will find that the Great Resignation hits too close to home.

Percentage of employees who believe their organization does not care about them as a person:



Workers in the United Kingdom are significantly more likely to indicate that they don't believe their organization cares about them as a person, as compared with workers in Australia, Singapore, Canada, the United States, Egypt, Saudi Arabia, Brazil, Mexico, the United Arab Emirates, China and India. (p < .05)

of employees globally indicated that their organization was not committed to improving organizational culture.



Workers in the United Kingdom and Australia are significantly more likely to indicate that their organization is not committed to improving organizational culture, as compared with workers in Brazil, Mexico, Egypt, China and India. (p < .05)



Spotlight on the United Arab Emirates

Workers in the United Arab Emirates have very positive feelings about their organization. More than 8 in 10 (83%) believe that their organization cares about them as a person. They also love working at their organization because of the workplace culture—81% agreed. This sentiment is echoed in the words used to describe U.A.E. organizations progressive, honest and adaptable.





Spotlight on Egypt

Workers in Egypt seem to be very satisfied with their workplace culture. More than 8 in 10 (84%) indicated that their organization is committed to improving workplace culture. Four out of 5 workers (80%) indicated that they love working at their organization because of the culture. Nearly 9 out of 10 (86%) workers are satisfied at work.

For employees to feel like they're in the right workplace, their organization needs to demonstrate a commitment to enhancing culture.



of workers who rated their organizational culture as **poor** indicated that their organization is not committed to improving culture.



of workers who rated their workplace culture as poor indicate their organization doesn't care about them.

A Call for Sustained **Workplace Cultural Action**

Since March 2020, the world has changed in unprecedented ways. The COVID-19 pandemic affected every corner of daily life, leading to a Great Resignation that continues to impact organizations today.

To meet the challenges of 2022, organizations need to change with the times. This means changing workplace culture for the better. By making workers feel safe (physically and psychologically) and by opening the lines of communication at work, people managers and other leaders can improve work environments in ways that produce positive feelings and prevent turnover. Many organizations have risen to the occasion and prioritized their employees' well-being through cultural change, but some organizations have not. In a post-pandemic world, the divide between organizations that empower the individual and those that don't will continue to widen. Workers will take notice of the bad actors and choose to work for the good ones. Across the 12 countries that SHRM surveyed, one thing is clear: Workplace culture matters everywhere.

About SHRM

SHRM, the Society for Human Resource Management, creates better workplaces where employers and employees thrive together. As the voice of all things work, workers and the workplace, SHRM is the foremost expert, convener and thought leader on issues impacting today's evolving workplaces. With 300,000+HR and business executive members in 165 countries, SHRM impacts the lives of more than 115 million workers and families globally. Learn more at SHRM.org and on Twitter @SHRM.



Interested in additional resources? SHRM has a webpage dedicated to **Global HR.**

Country-specific data are available through the Country Guides section of SHRM's HR Q&A on <u>International</u> <u>Employment Law and Culture</u>.



