

# Evolving Workforce Cultures

Issues for Corporate Boards to Consider

---

## Prof. Colin Coulson-Thomas

President, IMS and Director-General, UK & Europe  
Institute of Directors, India



Discussions of culture, whether about a national, corporate, or workforce culture, tend to assume a greater degree of homogeneity than may exist or would be desirable. Considerable effort and expense can be devoted to creating a particular culture or changing aspects of a perceived existing culture in ways that would better reflect what a leader or board may wish would be the case and might better reflect their objectives, priorities, and values. Yet many cultures and deeply ingrained attitudes, behaviours, and views have proved difficult to change. People may resist what they perceive to be an assault on their deeply held beliefs and values. Authoritarian societies may have to use propaganda and indoctrination to achieve conformity.

### Cultural homogeneity or diversity

Single-culture entities and workforces are rare, especially in democracies. Cultures of some military units, other uniformed services, and certain religious communities may come close to homogeneity, but dealing with rogue elements might remain a challenge. Various levels of staff college and separate specialist training centres are evidence that not all groups within a workforce may be expected to behave in the same way. Homogeneity and conformism may be more likely in authoritarian societies, especially where behaviours are monitored and dissent is

discouraged and punished. Steps may be taken to increase alignment and bring errant deviants or outliers into line. Surveillance arrangements may be tightened to monitor compliance with expected behaviours and identify possible sources of challenge and dissent.

Elements of culture can range from beliefs, values, and principles to how people behave, communicate, and relate to each other, authority, challenges, and opportunities, whether within work groups or families, communities, and societies. They may be influenced by political and religious views, professional ethics, social mores, ethnicity, gender, tribe, nationality, caste, and other factors. In turn, these may influence aspirations and what people consider possible, affordable, and desirable. Behavioural elements can be affected by incentives, rewards, and penalties. Processes and support tools might make it easier for people and work groups to do what is desired by an entity or community and more difficult to do what is discouraged. They can be designed to increase competence and understanding with each use.

Resilient cultures enable adaptation, evolution, and flexibility. The more entrenched a culture is, and the greater its alignment with a particular set of objectives and priorities, the more of an obstacle it may become when these are changed. The stronger and more distinct

and fixed a culture is, the more problems it may cause in the event of joint ventures or collaboration with other groups that have quite different cultures. A diverse culture may more easily absorb them. As global risks crystallise, existential threats loom, and challenges multiply, transition journeys may have to be undertaken, and the need for collective responses is likely to grow. Boards should be vigilant. Might attitudinal and behavioural requirements for coping and surviving change more quickly than aspects of workforce and corporate culture can evolve?

#### **Possible challenges to corporate and workforce cultures**

Attempts to establish or modify evolving workplace cultures can face challenges. The treatment of ethnic, national, religious, tribal, or other minority groups and those who are gay or transgender can differ significantly across and between jurisdictions. It can range from imprisonment, death, and various forms of discrimination to indifference, toleration, inclusion, and/or support. When there is suspicion or hostility between different minorities within an entity, community, workforce, or society, steps to accommodate or support one group may increase tensions and alienate others. A careful balance may have to be made between the interests of different groups. Decision-makers might need to be aware of and address intergroup sensitivities. Efforts to integrate minorities may also alienate a majority, and tensions can run high when an established majority feels threatened by the interests of minorities.

In relation to the future, awareness, anticipation, and foresight might be required. A culture should be able to accommodate trends, emerging risks and looming threats, possible as well as likely scenarios, and requirements for survival and effective responses to shared problems. While an established and entrenched culture may be supportive of certain special and vested interests, it should be sufficiently flexible to

“

Resilient cultures enable adaptation, evolution, and flexibility. The stronger and more distinct and fixed a culture is, the more problems it may cause.

accommodate others and necessary or inevitable differences. It should enable and/or facilitate rather than inhibit and/or prevent needed collaborations. Required groups should feel welcomed rather than side-lined, ignored, or excluded. People sometimes notice and focus on aspects of a culture favourable to themselves while unaware of or ignoring those that alienate, exclude, or annoy others.

A workplace culture may need to embrace and accommodate people and groups in diverse situations and locations. An evolving culture could move closer to some groups and away from others. Individuals within groups can also diverge as they develop and their situations, circumstances, and issues that affect them change. Common elements may help to facilitate communication and interaction across unit, function, locational, and other boundaries. The extent to which this is needed might vary by sector and because of policy shifts and technological changes. For example, a retreat from globalisation and greater emphasis upon national self-sufficiency could lead to more emphasis upon a greater diversity of workplace cultures across international operations to suit each location and context.

### **Accommodating developments, events and trends**

In the event of acquisitions and takeovers, it may be found that aspects of the cultures of one or more of the parties inhibit or prevent integration. Some boards also discover that their efforts to build a distinctive culture have created a barrier to integration and embracing a wider range of interests. Merger, acquisition, and collaboration discussions are often delayed and sometimes frustrated by incompatible systems, technologies, and cultures. Ideally, a culture should be tolerant of flexibility, diversity, and openness and encourage them. Compatible cultural evolution is more likely if common challenges and corporate, stakeholder, and workforce purposes are either aligned or shared. This might be achieved by a focus on collective survival. Differing workplace and/or unit cultures can sometimes instigate and/or support a buyout, divestment, or other separation of a group that feels 'detached'.

Certain global trends have implications for cultural unity, acceptable diversity, and mutual trust and respect. Fragmentation and polarisation can be exacerbated by bias, misinformation, disinformation, and fake news that increase divisions. Differences that were once tolerated may no longer be accepted by some and lead to intolerance, fracturing, and hostility. Political leaders are sometimes tempted to gain support by scapegoating a minority group. This can cause friction, division, and ostracisation within a workgroup. Greater use of social media and algorithms that favour more extreme views may lead more people to conclude that their views are incompatible with those of others, including work colleagues. One-time friends may become enemies. Religious differences might be viewed as a fundamental divide and lead to conflict. Cultural symbols could come to be regarded by some people as oppressive.

### **Differing cultural strategies**

Developments that are perceived as desirable, fundamental, and/or inevitable may lead to a particular cultural strategy aligned with a corporate objective or board aspiration, such as inclusion, diversity, or embracing one or more emerging technologies. Examples could be reaching an underutilised group, making more extensive use of digital technologies, or encouraging the wider adoption of AI within workplace practices and processes. Some cultures could be more attuned to these purposes and welcoming towards them than others. Workplace

cultures within companies that operate internationally and in multiple jurisdictions may find that employment and labour laws and practices vary greatly in relation to gender, minorities, and equal opportunities. Local infrastructures might also prevent operations in some locations from fully embracing applications of certain digital and other technologies.

Workplace cultures should be appropriate for tasks being undertaken, issues encountered and the requirements for effective, efficient, competitive, safe and profitable operations. In one sector or function, the emphasis could be upon standardisation, uniformity and compliance. Requirements may be slow to change and expectations relatively fixed. The framework within which people operate, customers and regulators may require uniformity, the adoption of common standards, and the treatment of all customers equally. These behaviours might be expected by those seeking to purchase what they perceive as a commodity at an acceptable price. Those who do things differently could cause problems. Workplace and corporate culture may have to encourage the following of procedures and adherence to common corporate policies and rules.

Elsewhere and/or in different circumstances and contexts, differentiation, tailoring and responding to the distinct preferences and requirements of individual customers may be the key to higher margins, retention and competitive success. There may need to be more toleration and active encouragement of variety and giving customers a choice. Purchasers and users often welcome variety and choice. They may want to feel distinctive or special. Fashions may also change. Creativity, innovation and entrepreneurship could be required. A corporate culture may have to dissuade staff from 'going automatic'. Directors might have to encourage more people to take ownership of individual customer requirements and relationships, behave like business partners, think for themselves about how to differentiate, secure a premium, and best satisfy them at a profit to the company.

### **Focusing and broadening cultural awareness**

For those interested in moderating or strengthening cultural factors that influence behaviours, and especially collective responses, priority could be given to areas of greatest risk and existential threats. Many of these are inter-related, and derive from human aspirations, activities



and lifestyles. In some cases, there may be a need for both short-term reaction and longer-term mitigation, and the development of less fossil fuel and scarce resource intensive and more responsible and sustainable alternatives. Certain threats such as global warming and climate change may affect many corporate, community and societal activities, services and infrastructures and most members of workforces and their families. Because of their voracious energy demands a corporate culture could encourage more responsible use of AI, blockchain and digital technologies to slow the rise in CO2 emissions.

Corporate culture initiatives have sometimes focused on aspects of performance. Where improvements are sought in multiple areas, positive impacts may be more likely when individual, workgroup and corporate aspirations, requirements and preferences are aligned. Working arrangements, conditions and practices ought to reflect the various activities being undertaken at each location. They should be empathetic, inclusive and encourage fulfilment and well-being if they are to increase satisfaction and reduce unwanted turnover. Where retention is an issue and vacancies are proving difficult to fill, more attention might need to be devoted to development activities, succession planning and the building of a workforce culture that attracts the talents needed for future operations.

The wide range of challenges, impacts and responses required across different activities, functions and locations is such that while boards may still be required to establish and review a shared purpose and strategic direction, it may become increasingly difficult for senior executives and managers alone to determine how to react and possible options and initiatives. Their adoption and implementation may well have to accommodate a wide range of modifications appropriate for a diversity of situations and circumstances. A larger number of interests, stakeholders, supply or value chain partners, members of the workforce and other parties might also have to be engaged, involved and contribute, especially if collaboration and collective action is needed. Multiple cultures may have to be accommodated and aligned.

### Building a security conscious culture

In relation to cyber security, the use of ransomware has increased in many jurisdictions. Its sources can be difficult to trace if a crypto currency is demanded. Some victims may feel that paying up could prove less disruptive than recreating whatever they cannot access. This can fund further attacks and defences are only as strong as those of the weakest link along connected software or a supply chain. An attacker, state sponsored or otherwise, could use AI to help identify a weak point. A company or individuals might feel insignificant and not likely to become a target. However, perhaps they could provide access to larger prey to which they are connected. State actors can also pre-position malware in infrastructures and utilities to be activated when required to damage or disrupt a target. Vacancies among a cyber security team, or absences on holiday, maternity leave or training, can increase vulnerability.

In an era in which 100% security may be impossible and just about anyone might be a target, a security culture in which everyone takes responsibility for being vigilant and careful becomes more important. A total workforce, families, business partners, digitally connected parties and perhaps a whole community should ideally be encouraged and helped to be security conscious. Boards should be mindful of all those whose welfare could depend upon a company and cultural factors such as differing approaches to trust and taking responsibility that might have implications for cyber security. Action is needed in many jurisdictions as the efforts of some to secure alignment, promote common interests and build unity is being undermined by others who are seeking to divide. Growing fragmentation and polarisation suggest possible workplace cultural evolution in undesirable directions.

### Encouraging required responses to multiple challenges in many situations

Ideally a corporate culture should enhance required attitudes and behaviours that are relevant for addressing multiple challenges. Examples of areas to encourage are frugality, living in harmony with the natural world rather than degrading it through over-exploitation, and cultural factors supportive of responsible consumption and leadership. When there are multiple claims upon available resources, natural capital is being run down and critical minerals are increasingly scarce, careful husbandry

of what remains might address negative externalities, support necessary transitions and serve the needs of future generations. A culture initiative could increase awareness of the importance of biodiversity and respect for ecosystems and the natural world. It could also aim to increase trust and promote unity.

Intervention to bridge divisions and build trust and unity is increasingly necessary to counter misinformation and disinformation which threaten to undermine democracies and the willingness of people to engage and become more actively involved in preparation, adaptation, mitigation and the search for alternatives and possible solutions. Democracy and active participation are undermined when people feel overlooked, forgotten or marginalised, or powerless in the face of multiple challenges. When people feel they are not benefitting, their loyalty may become strained, and their resolve undermined. They might also be more vulnerable to distortions, lies, conspiracy theories, divisive narratives and fake news. Rather than contribute to needed collective responses they may blame suggested scapegoats.

Given contemporary challenges, risks and existential threats, a willingness to confront rather than avoid them and take difficult decisions is increasingly likely to be required. Ideally, a corporate culture should encourage 'can do' attitudes, be welcoming of ideas and suggestions, and inspire creativity, innovation and enterprise. While directors, executives and managers should be role models of required aspects of culture, when people are set free and encouraged to think, question and suggest, good ideas sometimes arise from many places and different levels in organisations. Their originators should be recognised and where appropriate rewarded. If those who are positive and willing to act as catalysts and 'have a go' feel their initiative is welcome and benefits themselves and others, further members of workforces may be encouraged to tune in, react and respond.

### Corporate and workplace cultures and the board

Talent retention, filling certain slots, building an executive team and succession concern many CEOs and boards. In some jurisdictions, employees may seek greater autonomy, flexibility, freedom and control of their lives. Locally, their greater involvement might also be required to cope with sudden and unexpected developments and quickly respond to them. When and where their

aspirations are not met, and they are not empowered, they may become disaffected. They might look elsewhere for a more accommodating and understanding culture. With senior management already stretched and struggling to handle a growing number of challenges requiring their attention, a company may find its culture and practices are producing insufficient people with the qualities to rise to the occasion and help.

In future, directors may have to be more culturally aware, sensitive and tolerant, especially of diversity. Assessments might have to be made of whether certain critical cultures are helping or hindering what is required to be more resilient, prepare and cope. Are there cultural barriers that might have to be addressed or general corporate-wide cultural change initiatives that should be modified or discontinued? Who among role models and/or influencers could be enlisted to tackle individual cultural inhibitors and/or obstacles, and help certain groups to review their positions and adjust? Which incentive, reward and/or support options should be considered and deployed, when, where and along with what other measures?

Directors are a key workgroup. Many boards represent or have the appearance of a narrow and exclusive culture and skill set, that is or may not be representative of the range of interests and stakeholders which an enterprise serves or could serve. They are narrow, often exhibit groupthink and may be dominated by special or vested interests. Whatever might have been accomplished or missed in the past, their composition, focus, perspective and priorities might have to change. How they operate, who they engage and empower, what they delegate and to whom, when and where, with whom they collaborate, and elements of their culture may have to be reviewed. A wider range of sources of help might need to be engaged. Aspects of the leadership they and senior executives have provided may have to be shared. ■

**\*Prof. Colin Coulson-Thomas** holds a portfolio of leadership roles and is IOD India's Director-General, UK and Europe. He has advised directors and boards in over 40 countries.