

WORK



# Work and Corporate Cultures: Options, Requirements and Priorities

Issues for those reviewing, seeking to change, or working with cultures to consider. Professor Colin Coulson-Thomas.

**W**orkgroup, workplace and corporate cultures can affect the potential for obtaining productivity and other improvements. Changing cultures can also result in consulting opportunities for practitioners. Whether or not a particular culture is appropriate for one or more of the range of tasks being undertaken across an organisation is an issue that may need to be addressed. A different balance between

the needs of certain communities, functions and workgroups and those of a total organisation might need to be struck. What is best for one group or team might not be appropriate for another. Cross boundary, border and function and multi-function, location and national working are increasingly required. Where knowledge and other silos inhibit communications across them, culture and other changes may be needed for effective

organisational transformation<sup>1</sup>.

Some cultures are more enabling of productivity improvements than others. Unionised cultures may link changes to wage negotiations. Much depends upon what we mean by productivity and culture, and how we define them. Productivity is often viewed as a comparison of output or what is produced with inputs required by the production process. It can be an important contributor to performance, value added and economic growth. It could be looked at from a time, cost or other perspective, for example labour, material, natural resource or energy productivity. The emphasis is sometimes upon output per unit of a scarce or valuable resource, a limiting factor, an opportunity cost or a negative consequence. In relation to culture, where, when and how might it need to be considered? What cultural factors, issues or questions should practitioners be aware of or may have to address?


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, board or adviser might wish were the case and would better reflect their or an organisation's objectives, priorities and values. Yet many cultures and deeply ingrained attitudes, behaviours and views have proved very difficult to change<sup>2</sup>. People can 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. Values themselves can be the basis of a distinct values-based approach to leadership<sup>3</sup>.

### Homogenous and/or Diverse Cultures

Single culture entities and workforces are rare, especially in democracies. The cultures of some military units, other uniformed services, and certain religious communities may come close to homogeneity, but dealing with rogue and/or distinct elements might still remain a challenge. Various levels of staff college and specialist training centres are evidence that not all groups within a workforce may be expected to behave in the same way. Homogeneity and conformity can be more likely in authoritarian societies, especially where behaviours are monitored, and dissent is discouraged and even punished. Steps may be taken to increase alignment and bring errant deviants or outliers into line. Surveillance arrangements might also be tightened to monitor compliance with expected behaviours and identify possible sources of challenge and dissent. Awareness of what cultural and other changes might be welcomed or tolerated as well as possible could be helpful ahead of an assignment.

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, tribal, nationality, caste and other factors. In turn, these could influence aspirations and what people consider is possible, affordable and desirable. Efficiency improvements in one context might be viewed as working people harder in another. Behavioural elements can be affected by incentives, rewards and penalties. Processes and





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support tools may 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<sup>4</sup>. They can be designed to increase competence and understanding with each use as well as productivity and performance.

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

### **Challenges to Corporate and Workforce Cultures**

Attempts to establish or modify evolving workplace cultures can face challenges. Sometimes while wider changes and transformation programmes or journeys are underway there may be aspects of an existing culture that an organisation might wish to retain<sup>5</sup>. 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 could 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 might need to be made between the interests of different groups. Practitioners may need to be aware of and address inter-group sensitivities.



Efforts to integrate minorities could 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. These can also affect productivity initiatives. While an established and entrenched culture may be supportive of certain special and vested interests, it should be sufficiently flexible to 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 sidelined, ignored or excluded. People sometimes notice and focus on aspects of a culture favourable to themselves and their work as practitioners, while unaware of or ignoring those that alienate, exclude or annoy others.

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

### **Cultural implications for Certain Developments and Trends**

In the event of acquisitions and takeovers, aspects of the cultures of one or more of the parties sometimes inhibits or prevents integration. Some boards also discover that their efforts to build a distinctive culture has created a barrier to integration and embracing a wider range of interests. Merger, acquisition and collaboration discussions are often delayed and on occasion frustrated by incompatible systems, technologies and cultures. Bringing different national cultures together may also represent a challenge and what works in one location or business might not be appropriate in another<sup>6</sup>. Ideally a culture should be tolerant of and encourage flexibility, diversity and openness. Compatible cultural evolution is more likely if common challenges and corporate, stakeholder and workforce purposes are either aligned or shared. This could be achieved by a focus on collective survival. Differing workplace cultures can lead to divergence and a buy-out, divestment or other separation.

Certain global trends have implications for cultural unity, acceptable diversity and mutual trust and respect. Fragmentation and polarisation can be exacerbated by misinformation, disinformation and fake news and 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 may be viewed as a fundamental divide and lead to conflict. Cultural symbols may come to be regarded by some people as oppressive.

### **Appropriate Corporate and Workplace Cultures**

Changing an organisational culture can represent a significant challenge<sup>7</sup>. 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 include reaching an under-utilised capability, group or partner, making more extensive use of digital technologies, or encouraging the wider adoption of AI within workplace practices and processes<sup>8,9</sup>. Some cultures may be more attuned to these purposes and more welcoming towards them than others. Workplace cultures within companies that operate internationally and in multiple jurisdictions can find that employment and labour laws and practices vary greatly in relation to gender, minorities and equal opportunities. Local infrastructures may also prevent operations in some locations from fully embracing applications of certain digital and other technologies. This might inhibit efforts to use them to improve productivity and performance in the places concerned.

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 might be slow to change and expectations relatively fixed. The framework within which people, customers and regulators operate 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 may cause problems. Workplace and corporate culture might have to encourage the following of procedures and adherence to 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 might welcome variety, options and possibilities. Fashions can also change. Creativity, innovation and entrepreneurship may be required. A corporate culture might have to dissuade staff from 'going automatic'. It may have to encourage more people to take ownership of individual customer requirements, behave like business partners, and think for themselves about how to differentiate, secure a premium and best satisfy them at a profit to the company.

### **Accommodating Differing Cultural Requirements**

For those interested in moderating or strengthening cultural

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factors that influence behaviours, and especially collective responses, priority could be given to the 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 can 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 continuing 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 should reflect the various activities being undertaken at each location, be empathetic and 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 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 could become increasingly difficult for senior executives and managers alone to determine responses whose adoption and implementation will need to accommodate such 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 have to be engaged, involved and contribute. Multiple cultures may need to be accommodated and aligned, including in projects and initiatives to boost productivity, performance or resilience.

### Establishing a Security Conscious Culture

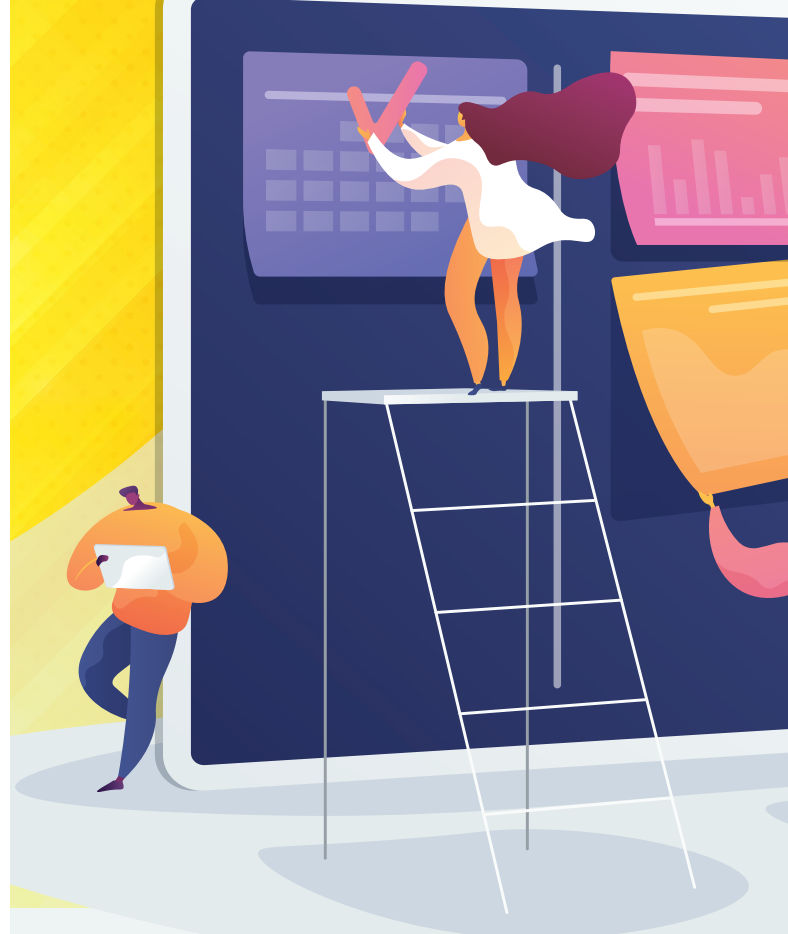
In relation to cyber security, the use of ransomware has increased in many jurisdictions. Their sources can be difficult to trace if a crypto currency is demanded. Some may feel that paying up could prove less disruptive than attempting to recreate whatever information, systems or other capabilities to which access is being prevented. Ransoms paid could fund further attacks. Defences are only as strong as the weakest link within connected software or along a supply chain. An attacker, whether state sponsored or otherwise, could use AI to help identify a weak point. A company or individual might feel insignificant and not likely to be a target. 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. Vacancies among a cyber security team or absences on holiday 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 is more important. Wherever people are involved, thought should be given to building a security culture<sup>10</sup>. A total workforce, their families, business partners, digitally connected parties and perhaps a whole community ought ideally to be encouraged and helped to become security minded. 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 could have implications for cyber security. Vigilance is needed in many jurisdictions where 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 undesired directions.

### Meeting Multiple Challenges in Various Situations

Ideally a corporate culture should enhance resilience and required attitudes and behaviours that are relevant for addressing multiple and/or macro challenges such as AI adoption, or sustainability and existential threats<sup>11-13</sup>. 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 on available resources, natural capital is being run down and critical minerals are increasingly scarce, the careful husbandry of what remains to address negative externalities and support necessary transitions and serve the needs of future generations becomes critical. 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. They can undermine democracies and the willingness of people to engage and become more actively



involved in adaptation, mitigation, preparation and the search for alternatives and possible solutions<sup>13</sup>. Democracy and participation are undermined when people feel overlooked, forgotten, marginalised or powerless in the face of multiple challenges. If people feel they are not benefitting, their loyalty may become strained, and their resolve undermined. They might become more vulnerable to distortions, fake news, lies, conspiracy theories and divisive narratives. Rather than contribute to required collective responses they may turn on suggested scapegoats.

Given contemporary challenges, 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, welcome 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 origins should be recognised and where appropriate rewarded. To encourage further members of workforces to tune in, react and respond, those who are positive and willing to act as catalysts, and 'have a go' should feel their initiative is welcome and benefits themselves and others.

### Responsible Corporate and Workplace Leadership

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 and quickly respond to sudden and unexpected developments. When and where their aspirations are not met, and they are not empowered they may become disaffected. They could 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 might find its culture and practices are producing insufficient people with the qualities needed to rise to the occasion and help.

Leaders, managers and practitioners may have to become more culturally aware, sensitive and tolerant. Implementing changes across a diversified and culturally diverse company could become more of a challenge<sup>14</sup>. Assessments might have to be made of whether certain critical cultures are helping or hindering what is required to be more resilient and productive, and to prepare for and cope with global risks and existential threats. Are there cultural barriers that may 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 groups to review their positions and adjust? Which incentive, reward and/or support options should be considered and deployed, where, when and along with what other measures?

Senior practitioners and advisers should not overlook the cultures of boards and leadership teams. They may appear or be a narrow and exclusive culture and skill set, that is not representative of the range of interests and stakeholders which an organisation could serve. They might be narrow, exhibit groupthink and be dominated by special or vested interests. Whatever was accomplished or missed in the past, their composition, focus, perspective and priorities may 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 might have to be reviewed. A wider range of advice and support might have to be engaged. Leadership they provide may have to be shared and embrace wider collaboration.

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