

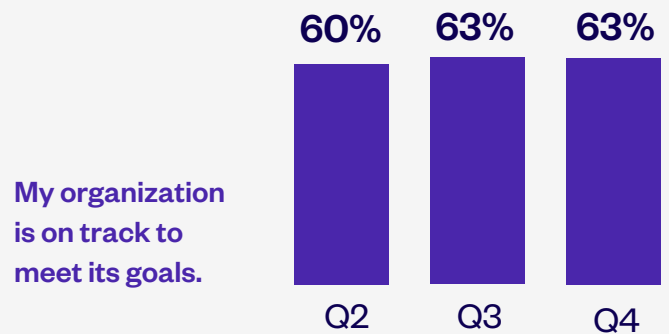
The 2024 Q1 State of *Culture*: Sustained Optimism Overshadows Mixed Feelings Over Comp

Our 2024 Q1 State of the Culture report takes a look back at last year, including trends that we saw continuing throughout 2023 and any differences we noted among what survey respondents identified as the best and worst things about their cultures. While there are some reasons to feel good about the state of culture, there are areas where further examination would help organizations and specific industries identify, then make, targeted and beneficial changes.

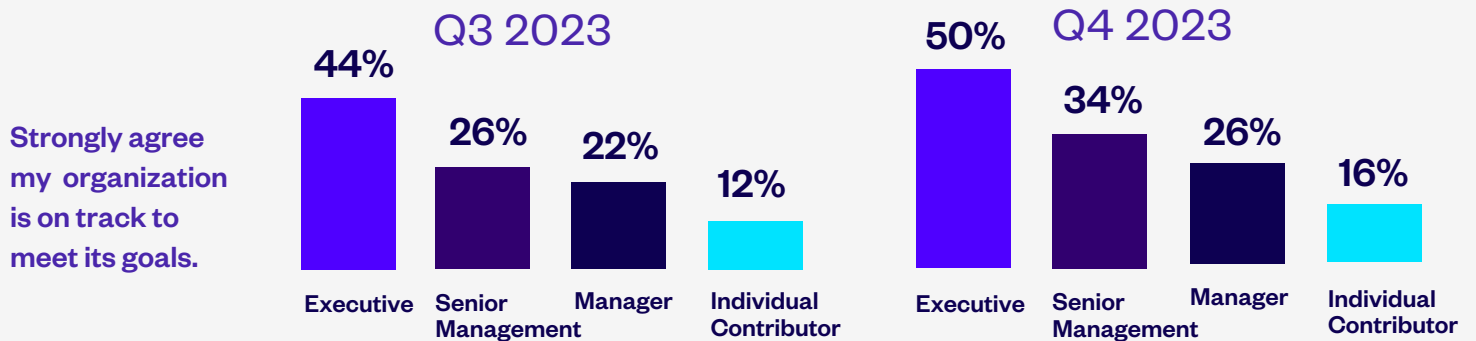
Optimism in Organization’s Ability to Meet Goals Shows Stability

While 8% of people surveyed in Q4 of 2023 said their organization would not meet its goals, 63% of respondents said their organization was staying on track—in line with the similar positive sentiment reported earlier in the year.

That upbeat perspective also appeared among the different roles of survey participants, as evidenced by the uptick in the chart below.

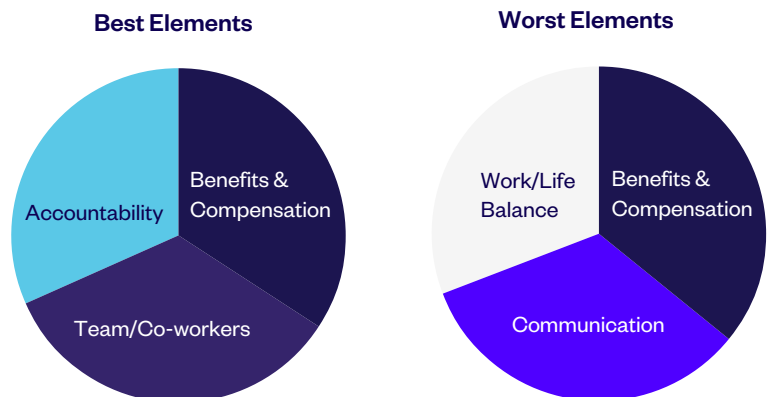


Higher Quarter-to-Quarter Confidence Across the Organizational Spectrum



A Mixed Picture of What’s Working and What’s Not

What respondents rated the best in organizational culture was often at odds with what ranked among the worst. For example, while Benefits and Compensation came in second as the best element of organizational culture, it topped the list of the worst elements. Work/Life Balance wasn’t far behind on the “Worst” list, perhaps reflecting the tug-of-war between remote and return-to-work policies.

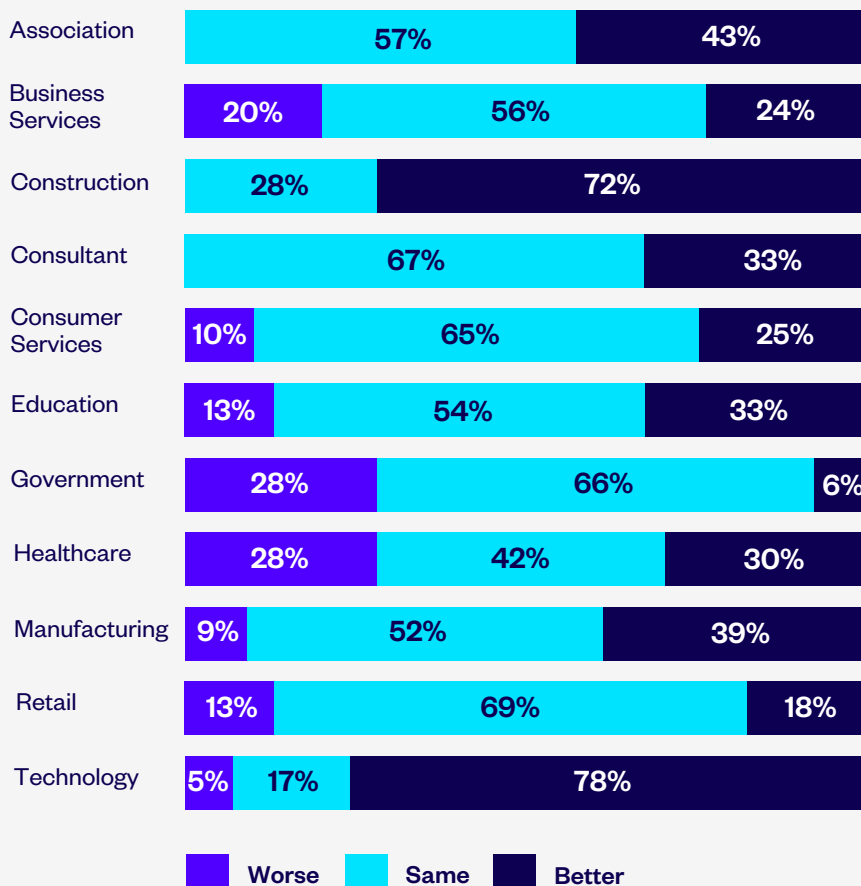


Signs of Culture Erosion in Some Sectors

Compared to other industries, more Government, Healthcare, and Business Services respondents reported their organizational culture was worse in 2023 than one year ago. Of note, both Government and Healthcare respondents identified poor communication as a major concern, while Business Services respondents identified benefits and accountability as downsides.

On the upside, Construction and Technology reported the highest year-over-year improvements, with economic growth, continued consumer confidence, and increased interest and adoption of new technologies including AI all likely contributors.

My organization is better or worse than a year ago.



Takeaways: A Call for Action

It's promising that nearly two-thirds of respondents continue to believe their organization is on track to meet goals. Yet peeling back the layers there remain areas of opportunity to improve culture.

1. Opposing rankings for Benefits and Compensation point to the potential need for greater transparency of the responsibilities and pay associated with each role, whether recruiting or promoting from within.
2. An ongoing commitment to clear and transparent communications will go a long way toward gaining and sustaining alignment on goals and what's needed to achieve them.
3. Work/life balance has gained traction in some organizations, but there's more work to be done. Actively solicit feedback across the organization regarding how to better support employees in this area. At the same time, eliminate low-value programs or initiatives.

Build an Impactful Culture