



# Workplace culture: What does good look like?

---

September 2023

Fostering a positive workplace culture should be a top priority for all businesses. It impacts all aspects of an organisation from employee retention and attraction, through to customer engagement. There is a reason for the statement "*culture eats strategy for breakfast*". Recent headlines have highlighted the reputational damage which can be caused when poor behaviour escalates. We take a look at what good looks like and what steps employers can take to ensure ethical values and behaviours are cascaded throughout the organisation.

---

## **The importance of workplace culture: A closer look at the "S" factor in ESG**

Workplace culture lies at the heart of any business. Often employers will know what culture they would like, but embedding it so that it is lived and breathed by each and every employee can be a real challenge - it can't just be words. According to research carried out by Culture Shift, two thirds of employees would not accept a job with a company known for having a toxic workplace culture, 71% of investors would not invest in a company that has a poor reputation and 46% of employees said they would not apply for a job with a company that has poor Glassdoor reviews.

At a time when people will not visit a restaurant without checking the reviews first, it is unsurprising that review websites of employers are an essential component of the recruitment process. Working for an organisation with a genuine commitment to a value-led purpose and conscience is an increasingly important prerequisite for top talent. Reputation is critical and the right behaviours have to be lived every day by those at the top of organisations.

It is not a surprise that those organisations who focus on a strong workplace culture inevitably perform better financially, and this is increasingly reflected in the growth of stakeholder interest in how organisations perform on Environmental, Social and Governance ("ESG") metrics as part of evaluating business impact.

Committing to and implementing an ethical, responsible and authentic business strategy that unlocks human and social capital is key.

## **How can employers actively design and enhance workplace culture?**

### **Stress test your culture**

Employers should take steps to ensure the organisational culture is truly aligned to its values. Workplace culture audits are invaluable when it comes to stress testing organisational culture, helping to measure how well the organisation's values are being reflected in the day-to-day actions of the workforce and highlighting any risk areas enabling the organisation to take informed remedial action.

### **Meaningful commitment to inclusion and diversity ("I&D")**

I&D is a critical enabler of a positive culture.

I&D is a strategic business priority led from the top and disseminated throughout the entire workforce. Employers which treat I&D as an HR-only issue will struggle, employers which treat it as a board issue will fare better and those which truly manage to make it "an everyone" issue will optimise the impact of their actions and more likely make a difference across the organisation. Yes, purposefully aligned policies and procedures are an important part of the I&D journey, however employers which are able to embrace inclusion as a measureable, risk-based and business-driven imperative are more likely to prosper. Active participation and ownership by senior business leaders in I&D initiatives will help to drive culture and values in an aligned direction, as will a zero tolerance approach to those within organisations who do not behave inclusively.

---

## Supporting employees' mental health and well-being

As we have emerged from the pandemic into an economic crisis, the impact of the past three years on employees is clear. As stated by Mind, research has consistently shown that when employees' well-being is supported they perform better and the culture of the organisation improves, as people feel valued.

Employers which are able to show a genuine commitment to supporting mental health and well-being through employee engagement will benefit from increased productivity, higher retention rates and reduced sick days. Creating an open dialogue is key to ensuring employees are able to speak up when they are struggling and that no stigma will be attached should they raise concerns. Again, leaders can play a vital role here by providing a safe space to discuss mental health issues and providing support when needed. Ensuring all staff are trained on mental health and well-being, particularly line managers, is a step in the right direction.

Senior employees can lead by example by setting the tone – for example by making it clear that employees are not expected to reply to emails outside of normal working hours (except in an emergency) or that flexibility will not impact on career progression.

From a well-being perspective the four-day working week trial, where workers receive 100% of pay for 80% of their hours, has been considered a success with 92% of participating businesses continuing with their new working patterns. The trial was organised by 4 Day Week Global and monitored by Oxford and Cambridge University and Boston College academics for a six month period. 2900 employees took part in the trial and the results showed much improvement in employee well-being. 39% considered they were less stressed, 40% experienced improved sleep and 54% found work-life balance had improved. Over the trial period, stress and burnout for employees both significantly declined with 71% of employees reporting lower levels of burnout. According to the reported results the vast majority of companies were satisfied that business performance and productivity were maintained. This indicates that whilst this may not be the answer for all organisations, flexibility, understanding of and investment in employee well-being is becoming a strategic priority alongside other social and human capital factors.

## Proactive assistance with the cost of living crisis

With the economic climate impacting both employers and employees, employees are often demanding a more competitive pay package and employers are struggling to meet this demand with their overheads soaring. The Reward Management Survey carried out by the CIPD has found that in the UK, over a quarter of employees are finding that money worries impact their ability to do their job. Many organisations are looking at different ways to help support their workers, from implementing a financial wellbeing policy to reviewing benefits packages, to ensure employees are making savings where they can.

With financial reward not always being an option for employers who themselves are struggling with the current economic difficulties, being creative around benefits packages including travel subsidies, holidays, childcare support and enabling employees to access more person specific terms of employment in addition to having a positive workplace culture can be a real differentiator, helping to attract and retain talent. Creating a foundation of trust and dignity within the workforce is more important than ever.

## Comment

Workplace culture is not an action which can be carried out and ticked off the to-do list, it is an ongoing mindset for the organisation that requires dynamic oversight and explicit shaping and design. Inevitably the world continues to change and new challenges are presented. Businesses which are able to adapt and evolve with the changing times and look ahead to what is on the horizon will stay one step ahead of the curve. Unlocking a positive workplace culture is a business force for good. It is essential for leaders to create an inclusive and prosperous environment for their employees, customers, suppliers, shareholders, investors and communities.

# The conversation doesn't stop there...

## FCA speech on cultural evolution: How culture must change to meet expectations

Emily Shepperd, Chief Operating Officer and Executive Director of Authorisations at the FCA delivered a speech to the Westminster Business Forum highlighting the importance of culture for confidence and how it can dictate bottom lines.

Tracey Groves and DWF's employment team comment on the role the Consumer Duty will play and how firms will be judged on what tangible changes they are driving across their culture and behaviours, in order to prioritise good customer outcomes.

[Read our article here](#)

## Sexism in the City: MPs launch inquiry into sexism and misogyny in the City

Through an inquiry into sexism in the City, the Treasury Committee called for evidence on the barriers faced by women in financial services.

With the submission for evidence deadline now closed, DWF's team of experts comment on the importance of getting ahead, the ramifications if firms fail to do so, and why this increased pressure from parliament matters to all business leaders.

[Read our article here](#)



At DWF, we can provide:

- Workplace culture audits to stress test organisational culture identify potential behavioural risk exposure and develop risk-based remedial interventions that will actively mitigate culture risk.
- Independent reviews and/or design of ethical conduct and business integrity frameworks aligned to corporate purpose, valued behaviours and regulatory risk and compliance requirements (including ethical decision-making and ethical business scenario analysis).
- Inclusion and diversity strategic design, development and implementation including dashboards, data and metrics, and global good practice.
- Tailored executive education programmes via Responsibility (our ESG educational programme) to embed cultural change and bespoke experiential learning and development training for all employees and directors on inclusive skills and behaviours. For our latest brochure, please [follow this link](#).

*If you would like further information please get in contact with our contacts below.*



**Tracey Groves**  
**Head of ESG & Sustainability**

[Tracey.Groves@dwf.law](mailto:Tracey.Groves@dwf.law)  
**M:** +44 (0)7842 324547

[Visit my profile](#)



**Kirsty Rogers**  
**Global Head of ESG**

[Kirsty.Rogers@dwf.law](mailto:Kirsty.Rogers@dwf.law)  
**M:** +44 (0)7808 975 877

[Visit my profile](#)