

Organisational culture

Explore the CIPD's point of view on organisational culture, including recommendations for employers

A positive organisational culture allows employees to understand their organisation and feel that their voice matters in driving the business towards a common purpose. Continually evaluating culture is important because having shared, clearly defined values will influence the standard of an organisation's customer service, as well as the satisfaction and retention of its people.

Organisational culture is an important concept to the people profession. The work of HR, L&D and OD influences and is influenced by organisational culture because, at its heart, every organisation is made up of human relationships and human interactions. Culture is therefore central to the role of the profession and must be managed and developed accordingly.

Organisational culture is a crucial topic for senior HR professionals, governance professionals, executive teams and corporate boards. A commonly used quote from Peter Drucker, the influential management academic, that 'culture eats strategy for breakfast', stresses that without an effective and healthy corporate culture, organisations will be unable to deliver against their strategy and meet their business objectives. [Culture and behaviour](#) are also core knowledge elements of our new Profession Map.

Committing to cultural change in an ever-evolving work environment is vital, particularly given the high rate of failure among change initiatives. To maximise the benefits and ensure the commitment, engagement and retention of their people, organisations must ensure that culture change is managed properly.

At the CIPD, we conduct a culture audit every two years and have recently refreshed our values to align with our purpose and objectives. These processes were led from the bottom-up, developing values through engagement with all staff. Culture audits carried out over time will track against the new organisation values. Our CEO and senior leadership team have direct responsibility for progress in changing CIPD culture in line with our new values.

When attempting to make cultural change, there are several things that organisations should consider:

- Convey the vision and need for change to the wider organisation: the small number of people involved in initiating change take time and care when doing this and can

therefore easily justify their decisions. Those hearing about change for the first time, however, do not share this privilege. Organisations need to ensure employees connect with the vision and need for change and understand its benefits, rather than feeling the negative effects of an upheaval.

- Avoid fanfare around culture change: taking a low-key approach and making incremental changes should be more effective than announcing change at an event, for example, where it may cause more chaos than excitement.
 - Grasp the potential of key stakeholders: As well as managers as key enablers of their staff, leaders of networks and employee resources groups must be involved in the implementation of culture change to ensure its success. Working alongside those who share the organisation's vision will be more conducive to creating shared values than parachuting in new leaders.
 - Avoid immediately reorganising: Instead, clarify the vision and ensure there are management roles and systems that support this vision.
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Reports

- [Creating learning cultures: assessing the evidence](#)

Guidance and factsheets

- [Organisational culture and cultural change](#)
- [Organisational development – the state of play and beyond](#)

External resources

- Edgar H Schein: [*Organizational culture and leadership*](#)
- PwC: [*Where organizational culture is headed*](#)
- MIT Sloan Management Review: [*A new era for culture, change and leadership: a conversation between Edgar H Schein and Peter A Schein*](#)