

MIND YOUR CULTURE GAP TO KEEP YOUR TOP TALENT

Senior business leaders are increasingly concerned about finding and keeping top talent.¹ Curb recruiting costs and **boost retention** by shifting your workplace culture² to better fit what high-potential women and men want.



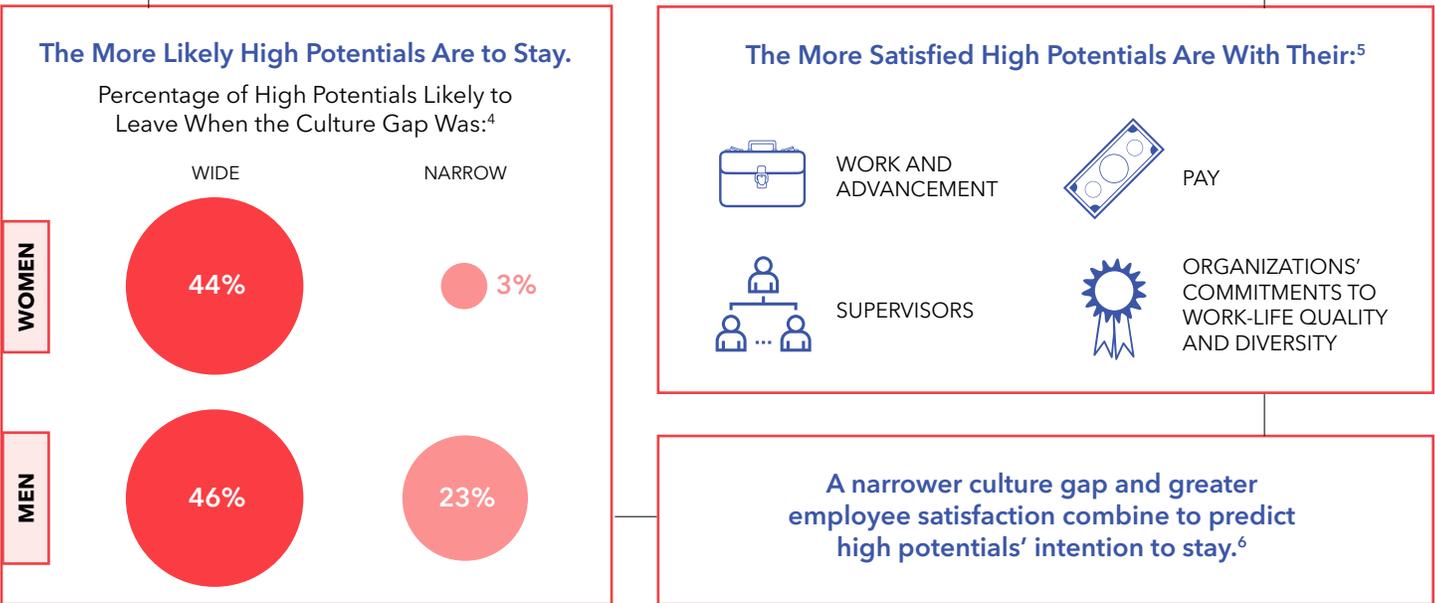
WORKPLACE CULTURE

The behavior required to fit in and be successful in an organization.

CULTURE GAP

The difference between the current and preferred workplace cultures—that is, the culture high potentials have vs. the culture they say they want.

THE NARROWER THE CULTURE GAP³



CONSTRUCTIVE BEHAVIORS

Emphasize integrity, collaboration, achieving one's potential, and supporting others.

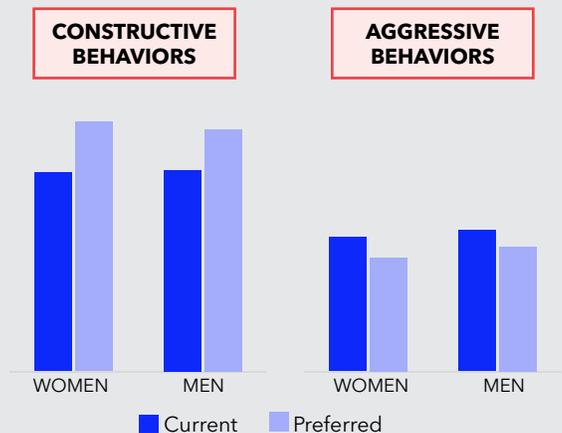
AGGRESSIVE BEHAVIORS

Emphasize perfectionism, power, competition, and opposition.

WOMEN AND MEN AGREE ON THE CULTURE GAP

Both high potential women and men would prefer to work in cultures that are more constructive and less aggressive.⁷

Both agree that the **biggest gap** in their workplace cultures is that they are **not constructive enough**.⁸





HOW YOU CAN CLOSE THE CULTURE GAP

A constructive workplace culture is better for women, men, and organizations.⁹ Companies that close the culture gap have an edge when it comes to retaining top talent—especially women.¹⁰

1 Encourage ongoing dialogue across the organization about how a constructive culture aligns with and supports your organization's vision, mission, and values.¹¹

2 Ensure transparency in your performance management systems so that employees understand how to engage in and role model constructive behavior.

3 Recognize and reward employees who model and champion inclusive, constructive behavior.¹²

ABOUT THIS SAMPLE

The sample included 148 women (30%) and 344 men (70%) who were working full time in one of 43 countries at the time of the survey and who earned their MBA degrees at premier business schools from around the globe over a span of about ten years. Of all respondents: 88% worked in for-profit corporations or professional services organizations; 12% worked for not-for-profit, government, or educational institutions; 67% worked for global organizations; 21% worked for national organizations; and the remainder worked in regional or local firms. At the time of the survey, 40% held C-suite or senior-executive positions.

SOURCES

1. CEOs from around the globe are becoming increasingly concerned about recruiting and retaining top talent. For example, in PwC's *17th Annual Global CEO Survey* (2014), "63% of CEOs said availability of skills was a serious concern, an increase of 5% on 2013." In PwC's *18th Annual Global CEO Survey* (2015), the percentage of CEOs who cited talent as a serious concern rose to 73%, a 16% increase on 2014. PwC, *17th Annual Global CEO Survey: The Talent Challenge* (2014); PwC, *18th Annual Global CEO Survey: A Marketplace without Boundaries* (2015).
2. We measured workplace culture by using items from the Organizational Culture Inventory (OCI)[®]. These items are phrased as behavioral norms (hereafter "behaviors") and fall into three distinct clusters: 1) "Constructive" behaviors, such as maintaining one's integrity collaborating with others, achieving one's potential, and supporting others to do the same; 2) "Aggressive-Defensive" (hereafter simply "Aggressive") behaviors, such as striving for perfection and power, competing with others, and opposing others' ideas; and 3) "Passive-Defensive" behaviors, such as self-protection, "going along to get along," following orders even if they're wrong, and seeking approval. In this report, we focus exclusively on the Constructive and Aggressive behaviors. The OCI[®] was developed by Robert A. Cooke and J. Clayton Lafferty and has been validated and used in numerous peer-reviewed studies. R.A. Cooke and D. M. Rousseau, "Behavioral Norms and Expectations: A Quantitative Approach to the Assessment of Organizational Culture," *Group & Organization Studies*, vol. 13, (September 1988): p. 245-273. R.A. Cooke and J.L. Szumal, "Using the Organizational Culture Inventory to Understand the Operating Cultures of Organizations," in *Handbook of Organizational Culture and Climate*, ed. N.M. Ashkanasy, C.P.M. Wilderom, and M.F. Peterson (Thousand Oaks, CA: Sage, 2000): p. 147-162.
3. We examined the culture gap by asking high potentials to rate items from the OCI[®] twice—first to tell us what it currently "takes to 'fit in' and be successful" in their organizations, and second to tell us what they would prefer it take to fit in and be successful. The greater the disparity between these two sets of ratings, the wider the culture gap. To preclude any order effects associated with completing the current items first and the preferred items second (or vice versa), the survey was programmed to randomly "assign" the order of these two sets of items—thus, some respondents completed the current items first, whereas others completed the preferred items first. In both cases, respondents rated items on a 5-point scale, with 1 being "not at all" and 5 being "to a very great extent." We created the culture-gap variable by first calculating the difference between a respondent's rating of current vs. preferred culture item-by-item. We summed these item differences separately for the Constructive vs. Aggressive behaviors so that we could compare whether there was a wider gap for one set of behaviors than for the other. We also created an overall measure of the culture gap for each respondent by summing the absolute values of respondents' Constructive and Aggressive difference scores.
4. We sorted respondents into three culture-gap categories (in as equal numbers as possible) based on their overall culture-gap scores. Approximately one-third with the highest scores (N=151) were sorted into the "wide" culture-gap group. Approximately one-third with scores in the middle (N=142) were sorted into the "medium" culture-gap group. And approximately one-third with the lowest scores (N=148) were sorted into the "narrow" culture-gap group. For the sake of simplicity, we report results only for respondents in the "wide" and "narrow" groups.
5. Culture gap is significant for all four measures of satisfaction with organization; $p < .05$.
6. Organizational satisfaction partially explains or "mediates" the link between the culture gap and high potentials' intentions to remain with their current organization. One way to think about this "partial mediation" is that the culture gap influences high potentials' intentions to remain in two ways: 1) on its own (direct effect); and 2) by influencing high potentials' satisfaction with their current organizations (indirect effect); all p values $< .05$. Combined, the culture gap and organizational satisfaction explain 53% of the variance in high potentials' intentions to remain with their current organizations.
7. The gaps between respondents' ratings of their current vs. preferred workplace culture are significant for both constructive and aggressive behavior; $p < .05$. However, the size of the gap between ratings of current vs. preferred workplace culture is larger for women than for men, for both constructive and aggressive behavior; $p < .05$.
8. The size of the culture gap is significantly larger for constructive than for aggressive behavior—for both women and men; $p < .05$.
9. Numerous studies have documented the link between workplace culture and organizational performance measures such as customer service and perceived quality of products and services. Pierre A. Balthazard, Robert A. Cooke, and Richard E. Potter, "Dysfunctional Culture, Dysfunctional Organization: Capturing the Behavioral Norms That Form Organizational Culture and Drive Performance," *Journal of Managerial Psychology*, vol. 21, no. 8 (2006): p. 709-732. Others have documented the link between workplace culture and cooperation within and across organizational units and unit-level performance. Patrick J. Murphy, Robert A. Cooke, and Yvette Lopez, "Firm Culture and Performance: Intensity's Effects and Limits," *Management Decision*, vol. 51, no. 3 (2013): p. 661-679.
10. To our earlier point, the culture gap is a stronger predictor of women's intentions to remain with their current organizations ($r = .533$; $p < .05$) than it is for men's ($r = .335$; $p < .05$); z (gender) = 2.36; $p < .05$.
11. This step and those that follow are inspired by Catalyst's Corporate Practice Change Model. Dnika J. Travis and Julie S. Nugent, *Culture Matters: Unpacking Change and Achieving Inclusion* (Catalyst, 2014).
12. To learn more about inclusive leadership, see Jeanine Prime and Elizabeth R. Salib, *Inclusive Leadership: The View From Six Countries* (Catalyst, 2014); "Quiz: Are You An Inclusive Leader?" *Catalyzing*, January 28, 2015.

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This study was authored by Cynthia Emrich, PhD.



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CATALYST
WORKPLACES THAT WORK FOR WOMEN