# 1 Does It Really Matter?



## An Executive Team in Crisis

It was the height of the COVID-19 pandemic, and I (Natalie) was staring at my laptop looking at a grid of small boxes. I was facilitating a virtual leadership training with the C-suite of an Ohio-based healthcare system. There were about 12 people in the virtual room, and their faces carried the strain of being in crisis mode. They faced daily staffing issues, critical supply shortages, policy changes by the hour, and the constant weight of leading teams through fear and exhaustion. We were there to talk about workplace culture: a topic that in normal times can feel optional. But this wasn't a normal time for anyone. From the moment we began, they seemed all in, asking questions, naming system issues and failures, and sharing frustrations they rarely had an opportunity to voice out loud. The more they spoke, the more they leaned into each other, and the training shifted from just another virtual training to something that felt really needed and necessary.

Halfway through, Jerry, their CFO, unmuted, leaning toward the camera. His voice was steady and also had some urgency. "Look, this is a good conversation," he said, "but we have to prioritize safety, efficiency, and accuracy, and we're drowning. This culture stuff sounds great in theory, but how do we know if this is worth the investment? Is there any proof it's worth it?" The digital room went still. It seemed like Jerry just asked the question everyone had been thinking but hadn't said out loud.

## Is Investment in Culture Change Worth It?

Just like Jerry and his team, any person or organization that decides to invest time, money, and energy into an initiative should ask: "Why are we doing this?" Particularly for organizations, if the initiative doesn't serve a purpose, solve a problem, or meet an important goal, then resources would be better invested elsewhere.

Until relatively recently, it's been somewhat challenging to answer the question "Is it worth it to invest in designing and nurturing an intentional culture?" with empirical data and hard evidence. Culture has often been difficult to define, misunderstood, and confused with perks or morale and seemed too abstract to measure. But new research is emerging regularly and here's what we know:

If any of the following are important to your organization . . .

- Reducing turnover
- Improving engagement (which we define as "the degree to which people give discretionary effort")
- Reducing healthcare costs
- Improving the reputation of your company
- Maintaining or improving the physical, emotional, and mental well-being of yourself or your people
- Better leveraging diversity and increasing a sense of inclusion and belonging
- Innovation, learning, and navigating change
- Increased profitability and long-term financial health . . .

. . . then you need to pay attention to workplace culture.

## The Research

There is a growing body of evidence supporting the fact that investing in workplace culture generates measurable results. Here are three examples of more recent research:

- Deloitte's 2025 Global Human Capital Trends Report found that companies with strong cultures saw up to 30% higher innovation, 40% better retention, and 21% greater profitability.[1]
- SHRM's global 2024 study notes that employees in organizations with good or excellent cultures are nearly four times less likely to seek new jobs, and more than 80% would recommend their employer to others—a clear indicator of enhanced retention and brand reputation.[2]
- A 2022 study by Charles and Donald Sull published in MIT Sloan Review[3] revealed two significant facts:
  1. The single best predictor of high turnover is a toxic culture.
  2. Toxic culture is *10 times more important* than compensation in determining whether an employee will stay with the organization or find employment elsewhere. Ten times!!

It's important to know that research on culture extends back decades. Another example:

- A 1992 study from Harvard Business School professors John P. Kotter and James L. Heskett[4] compared companies with strong workplace culture to those without. They revealed that over an 11-year period:
  1. Companies with strong cultures increased net income by 756%
  2. Compared to only 1% growth of companies with less effective culture

## Your Intuition and Experience

While we've intentionally included empirical data that can help even the most skeptical person consider the value of improving culture through the financial return-on-investment lens, another way to consider the benefit of investing in workplace culture is to consider your own experience.

Think about the different places you have worked throughout your career and how each environment and set of co-workers empowered you or diminished you. Consider how some of your past work cultures have made you feel valued, while others have left you feeling incompetent, unnecessary, or “too much.” Some have brought out the best in you and leveraged your strengths, while others have tried to keep you small. Some have energized you and connected you more deeply to purpose and meaning, while others have taken the wind out of your sails.

Those times you were feeling valued, competent, and energized? You were most likely working in a healthier culture or subculture that contributed significantly to your experience and that meant the organization benefitted from a better version of you. Those times you’ve felt excluded, undermined, micro-managed, or frustrated? Just the opposite.

Nearly every person we meet has had experience with culture that helps them recognize how it impacts them. Rebecca shared one of hers at the beginning of the book. Natalie’s goes like this . . .

## Natalie

It was 1998. I was sitting in my office at San Diego State University when someone peeked in, grinning, and said, “I’m just going to close your door.” Not to block out sound for me, but to contain it, because my student staff and I were in my office laughing so hard we were in tears. That was normal for my office, the loud one.

I’d already done my morning loop, checking in with supervisors and peeking into fitness classes, before stopping by Eric’s office, my boss and a campus veteran. I launched into the latest story about my student team: someone had turned a storage closet into a bed, complete with yoga mat and lights out and they were sleeping in it. Life in a brand-new campus recreation center was unpredictable, messy, and magical.

We were the first team, building something from scratch. A diverse group spanning generations, backgrounds, and experience levels, we managed hundreds of student employees who were enthusiastic but imperfect, sometimes oversleeping, showing up late, or causing chaos without meaning to. But our leadership team clicked. We worked hard, played hard, laughed loud, and leaned on each other. We shared advice, admitted mistakes, and celebrated everything from chili cook-offs to creative innovations. I won our creative innovation award one year and saved the department thousands of dollars. I used my award money to throw a party for the team. We always celebrated our wins. It wasn't perfect, but it was collaborative, creative, and full of purpose. It always felt like we were in it together.

And then, things changed.

The campus grew. Some of our team moved on or changed departments. Most significantly, a new boss arrived with a command-and-control style of leadership: his way or no way. The laughter faded. I stopped dropping by to say hello and instead avoided my new boss. I kept my struggles to myself. Meetings went from lively to cautious; it no longer felt safe to disagree or try new ideas. The thing is, no one intentionally decided to ruin the culture, but over a few years, our healthy culture slipped away like a song fading out. Eventually, I left the job I once loved.

As I look back on this experience, here's what I realize:

When culture changes for the worse, it rarely changes overnight. It erodes slowly, through small moments of what's encouraged, what's tolerated, what goes unspoken. Leadership sets the tone, often without realizing it. The same invisible current that makes a workplace feel alive can just as easily drain its energy. If we don't tend to culture intentionally, we risk losing what makes people love coming to work.

## Your People Are Your Greatest Asset . . . or Are They?

You've probably heard that an organization's employees are its greatest asset.

From our experience, this adage is true, but only partially. What makes this idea *more accurate and concise* is to take it one step further to recognize this:

**It's not just that an organization's people are its greatest asset. It's that the *relationships between those people* are their most valuable assets.**

If you think about all the amazing accomplishments that happen in an organization that help fulfill the mission and meet strategic goals, *very few* of those things happen through the energy of a single person working alone. More often than not, greatness comes from people working together: collaborating, innovating, problem-solving, adapting to change, navigating different perspectives to get to the best idea.

Research by Timothy Clark[5] and his organization The Leader Factor indicates that organizational performance is enhanced when people in the organization can do four things together:

- Feel included
- Learn quickly (at or faster than the rate of change)
- Contribute fully
- Challenge the status quo

Think about these four ideas for a moment. These are not things people experience or do alone. They all happen *in relationship* with each other.

So the truth is this:

No matter what business result or key performance indicator you aim to achieve, or what strategic plan you have laid out, or what goals you want to meet, the most direct route to success lies in fostering healthy relationships among your team members. As you'll learn in the next chapter, *culture is all about relationships*.