PEOPLE

& CULTURE

REPORT 2023

This report offers an overview of a global research survey, created by People and Culture Association (PCA), and held between May and September, 2023, to study the dynamics of the People & Culture function within organisations

pca The People &
Culture Association

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Foreword

> **"** ———
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> In the past, the defining characteristic of HR was 'policy first'. The defining characteristic of people and culture is 'people first'.
>
> ~ David Liddle, President, People and Culture Association (PCA)

Welcome to the inaugural annual people and culture report brought to you by the People and Culture Association (PCA). I am proud to be founder and president of the PCA. I am equally proud to be working with so many wonderful people professionals and business leaders who share my passion for purpose driven, values based and person centred cultures – transformational cultures.

People and culture is an exciting new way of thinking about human resources. It is an ambitious function driven by a focus on creating human and humane workplaces where our people can thrive, our teams can perform, and our organizations can flourish. By rejecting the tired and broken HR paradigms of the past epitomized by rigidity, retribution, complexity and bureaucracy, the new people and culture function is adding considerable value to our organizations. This value is measured in terms of enhanced strategic value, social value, stakeholder value, and shareholder value. I refer to these as the four values of people and culture.

No longer viewed with suspicion or mistrust, the people and culture function acts a powerful enabler within the modern organization. They align the needs and aspirations of the business with the needs and aspirations of its workforce. To do this, they create purpose driven, values based and person centric workplaces where each employee is treated as a human being, not a human resource.

In the past, the defining characteristic of HR was 'policy first'. The defining characteristic of people and culture is 'people first'.

This report makes for fascinating reading, and it provides a unique insight into a rapidly growing and exciting new function within our workplaces. I would like to take the opportunity to congratulate the PCA coordinator, Jonathan Rodrigues for producing such an outstanding piece of work.

I hope that you enjoy reading it as mush as we enjoyed producing it. We are here to answer any questions you may have and please join the PCA and become part of an exciting global movement.

The future of HR is people and culture!

David Liddle
President, People and Culture Association

Executive Summary

As nascent as it may seem, the people and culture profession requires personnel armoured with skills and temperament that lie beyond the usual human resource management essentials of policy and compliance.
This survey report echoes the writing on the wall - People and culture is a collaborative, transparent and inclusive approach to managing people.

> ❝
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> The purpose of the P&C function is to ensure the People strategy aligns to the overall business strategy, balancing the needs of the employees and the organisation, and ensuring a culture that is fully inclusive, champions diversity and equality, and encourages collaboration
>
> ~ Jonathan Rodrigues, Coordinator, People & Culture Association

Overview

There is a dynamic shift towards a people-centric workplace culture, with organisations across the globe investing in developing people-skills and designing a transparent, sustainable, restorative and collaborative workplace culture. People and Culture professionals are looked up to as leaders who can create and maintain a culture of support and wellbeing.

Trailblazers in the People and Culture space are building strategies for workplaces where every individual matters and has the opportunity to make a difference to the team's performance with meaningful, diverse and interesting roles.

Around 190 participants took the People and Culture Research Survey, and interestingly, 6 out of 10 people say they still haven't embraced People and Culture at the workplace.

Scope and limitations

The sample size is a healthy demarcation of the people professionals in various sectors as outlined on Pages 6-7

The survey provides for both a quantitative (via close-ended questions) and qualitative (via open-ended questions) study of the transition from Human Resources to People and Culture.

There are no interviews designed for this study and therefore, there was no opportunity to expand on some intriguing responses by participants of the survey. We didn't have explicit permission from the participants to cite their names and organisations with the comments / testimonies on the survey report. Therefore, respecting the confidential nature of the responses, but also to offer context to the quotes, the report this year only acknowledges the designations of the participants' quoted.

Methodology

The PCA Survey was made accessible as an open-invitation
to leaders and managers in the people management profession to throw light on
the successes, challenges and the future of HR - People and Culture

The survey provided participants with two kinds of questions: close-ended
questions offering a quantitative analysis, as well as open-ended
questions, offering a qualitative study on organisations transitioning from
HR to People and Culture

Questions (All questions were voluntary / optional)

1.   Has the HR department in your organisation transitioned to People and Culture?

2.   What is the purpose of the People and Culture function in your organisation?

3.   When and Why did you make the transition from HR to People and Culture?

4.   How long did it take you to make the transition from HR to People and Culture?

5.   Have you developed a People and Culture strategy or blueprint?

6.   How did you use an evidence-based approach to support the transition from HR to P&C?

7.   What benefits has the transition to People and Culture offered?

8.   Which models or frameworks have you used to support the transition to P&C?

9.   What expectations do you have for the People and Culture function at your organisation?

10. If you haven't transitioned to People and Culture, tell us why…

11. What assistance would you require to make the transition from HR to People & Culture?

12. What needs to be done to grow and develop the People and Culture function?

Study Sample

190 people took the People & Culture Survey, 2023

Importantly, the sample of participants who took the survey represented diverse roles within the people and culture function at various organisations

The participants held designations such as:

- Head of People & Culture
- People Manager - Learning & Development
- Employee Experience Manager
- Coordinator, Employee Engagement
- Director of HR & OD Operations
- Learning and Talent Systems Manager
- Senior HR Business Partner
- Director of EHS (Environmental, Health & Safety)
- Global Head, People and Talent
- Head, Organisational Development
- Director, Culture & Wellbeing
- Lead, Equity, Diversity and Inclusion
- HR Integration Manager
- Resourcing and Wellbeing Manager
- Head of Culture Transformation
- Senior VP, People & Engagement
- Chief Operating Officer
- Asst. Director, People & Resources
- Director, Learning and Effectiveness
- Organisational Design Partner
- Assistant Legal Manager

(This is not an exhaustive list)

Study Sample

190 people took the People & Culture Survey, 2023

Importantly, a large majority of the participants who took the survey represented organisations with over 500 employees

The participants represented sectors such as:

- Banking & Finance
- Non-profit
- Recruitment and Talent
- Healthcare
- Education
- Fin-tech
- Artificial Intelligence
- Health and Social Care
- Manufacturing
- Advertising
- Hospitality
- Public Sector Housing & Real Estate
- Government
- Broadcasting
- Electronics
- Information Technology
- Renewable Energy
- Automobile Manufacturing
- Construction
- Pharmaceuticals
- Transport

(This is not an exhaustive list)

Human Resource Function to People & Culture Function

The Evolution:

42%* say their organisations have transitioned to People & Culture

42

*Approx 80 of the 190 participants who took the survey

Around 65% participants claim they were able to implement the transition within 3-12 months, whereas 35% admit it took them nearly two years to change over to a sustainable system of **#puttingpeoplefirst**

With a clear focus on business and people, instead of processes and rules, many organisations are embracing the evolution of HR to People & Culture.

So, what led to this evolution?

HR was mainly focused on administrative tasks and it needed a much wider scope and focus influencing key decisions and "shaping the culture of the organisation and it's most valuable assets, the people". For some, it was the negative employee engagement survey results, while for others, it was a growing frustration that "HR was not partnering with business or our people to deliver the working environment and overall coherent purpose we wanted," that led to the transition.

I joined the company and the former structure was very transactional and focussed on HR process and not our people. I had the desire to make a change.. to create an environment where everyone is respected, supported and valued.

~ Global HR Manager

REASONS FOR CHANGE

Post Covid-19, leaders and managers in organisations recognised that the workplace had changed. Employees' expectations in terms of organisational support had evolved. People were starting to review their work life balance in more detail and we looking for roles with a more cultural fit to their lifestyle and values.

A Director of Learning and Development, who took the survey, says, "In order to ensure we kept up with the market demand we reviewed how the HR function supported the business. Culture plays a massive role in our business and it's something we pride ourselves on so it was important for us to adapt and change to the evolving needs to our current teams and future workforce."

As stated above, it is an imperative and an expectation today that organisations are leaning in to support employees. In any industry, where competition for good talent exists, this is a requirement in order to rise to the top and win the best talent. On an interesting note, some participants of the PCA survey confess they had "no clue" what they were getting into and simply made the transition as it was "pushed by the senior management."

> ~ to put people before process
>
> ~ to align values and focus on our people
>
> ~ to better employee experience
>
> ~ to be more innovative in employee retention
>
> ~ to highlight importance of equity, diversity & inclusion
>
> ~ to improve employee engagement
>
> ~ to clearly define our cultural and ethical standpoint
>
> ~ to gear the business and its people for growth
>
> ~ to synergize company values & employee purpose

How are leaders driving the transition to People & Culture ?

Organisations have begun to internally introspect their workplace culture, carefully reflecting upon conversations between HR and employees, and hosting workshops on how to align individual and organisational values and behaviours.
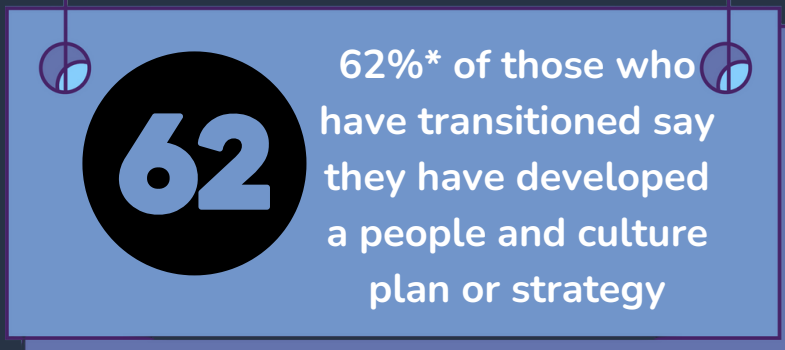
1. "We used a mix of evidence based and the voice of our employee through **engagement surveys**, focus groups and more." ~ *People Manager, Learning & Development*

2. "External research, employee listening and **HR metrics**, surveying leadership on what they think the business needs most to determine the top most priorities."
~ *Global Head, People Experience*

3. "We created a framework that is more **employee led,** rather than leadership led. What this means is that for any policy/change we implement, we want to collate input about it, then implement it and then collect feedback again." ~ *People and Culture Manager*

4. "We noticed trends when **recruiting** and spoke with multiple recruiters about the difference and impact they had experienced since Covid-19. We also carried out surveys with our own team to assess what support they were looking for on return to the office" ~ *HR Director*

5. "We demonstrated the **value add** to improving the culture and working alongside the business instead of supporting the business." ~ *HR, Products and Services*

6. "**Engagement data** identified the areas that needed to be worked on. These were not HR processes but rather more of a focus on company values and behaviours. Interviews with senior managers and also front line managers gave valuable insight." ~ *Chief People Officer.*

7. "The evidence was mainly anecdotal rather than metrics, but it was manifested in unsatisfactory manager / colleague interaction, where managers weren't empowered to answer colleague issues and avoided direct questions that they felt they couldn't answer. **Exit interviews** pointed to a belief that the company was resistant to change. Widespread informal 'interviews' on the workplace perception of culture and the company values revealed a need to take action in manager upskilling, bringing the values to life." ~ *Head of People & Culture*

Noticing the little gains and positive sparks of the transition to P&C

The Evaluation:

62

62%* of those who have transitioned say they have developed a people and culture plan or strategy

*Approx. 48 of the 190 participants who took the survey

Interestingly, just **26%** of the participants, who claim to have developed a P&C Strategy, wish to go public with their blueprint of how they plan to transform their workplaces to suit the modern-day expectations of **#employeeexperience**

One of the key benefits is distinguishing between the different functions. The HR teams are now able to do their job and focus on their main priorities, whilst having the support from the P&C experts. This also means that people and culture managers are able to influence leaders more effectively and take a lead on areas that can have the most impact in the business.

It's enabled P&C personnel to grow areas of their business that wouldn't have otherwise had the attention it deserves (e.g. wellbeing, DE&I, benefits, L&D, people centred change projects, etc). As one participant of the PCA survey says, "The impact we have had is to show the business and our leaders that the role of cultural development is just as important as the day-to-day tasks of traditional HR."

The transition to people and culture has Increased talent retention, better communication, increased DEI, business growth, openness around wellbeing, mental health and more...

~ Lead, Diversity and Culture

What's Working?

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(there is)… higher employee engagement, high retention, better company culture, genuine compassion, integrity in the working culture of my organisation….

~ Director, People Operations

For many organisations, the transition to People and Culture has contributed significantly to the growth of the organisation not only in size, but profit too. Some say it has "**contributed to higher employee engagement, people are proud to work at the company."**

People and Culture is about the employee journey and experience in the organisation; from recruiting to training and professional development, indirectly ensuring that people feel they belong at the organisation. Embracing the shift, as some participants of the PCA survey admit, has also "**contributed to having a much more diverse workforce with people feeling part of an inclusive culture".**

Quite significantly, as an HR Manager who took the survey puts it, People and Culture has enhanced wellbeing and communication within the organisation, and "**removed any stigma attached to 'HR' created a more engaging workforce where P&C is trusted to lead and guide the organisation."**

What's Different?

The PCA study prompted participants to reflect on the changes they have introduced and the consequences of introducing a transformational culture at the workplace.

A HOLISTIC APPROACH

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More holistic approach - move from managing a team to leading a team and more focus on authentic leadership and better demonstration of living values in what we do from strategy through to holding 1:1 conversations

~ Director, People Operations

HR AS VALUE ADDING FUNCTION

Business leaders see us a more value-adding function, than just a transactional service provider, we've increased employee engagement across the board, and we've significantly reduced HiPo turnover and succession gaps. All of this coincides with a period of business performance over the last few years

~ Resources and Wellbeing Manager

PEOPLE-OPS SQUAD

The team thinks of the PeopleOps squad as first and foremost a culture-driven department instead of a run of the mill HR department. They recognise that the PeopleOps squad is here to execute the team's ideas and only facilitate, not dictate

~ Assistant Director, Legal

MORE PARTNERSHIPS

Our talent teams work better together - we have more partnership between front line and our talent teams. We are improving our talent data collection and will eventually use it to improve talent performance

"

~ VP, People & Engagement

... more success stories of the transition to P&C

INCREASED INVOLVEMENT

"

Increased involvement of the people team in business decisions. Tailored engagement activities which has decreased attrition. Leadership team now working as a high performing team.

~ Director, Culture & Wellbeing

EFFECTING CHANGE

It allows us to really understand what our people want from their employment and to be able to actively affect change by actioning and implementing things based on the feedback of our employees

~ Head of Talent & Recruiting

ORGANISATIONAL GROWTH

It contributed significantly to the growth of the organisation not only in size but profit, it has contributed to higher employee engagement, people are proud to work at the company, it has also contributed to having a much more diverse workforce with people feeling part of an inclusive culture.
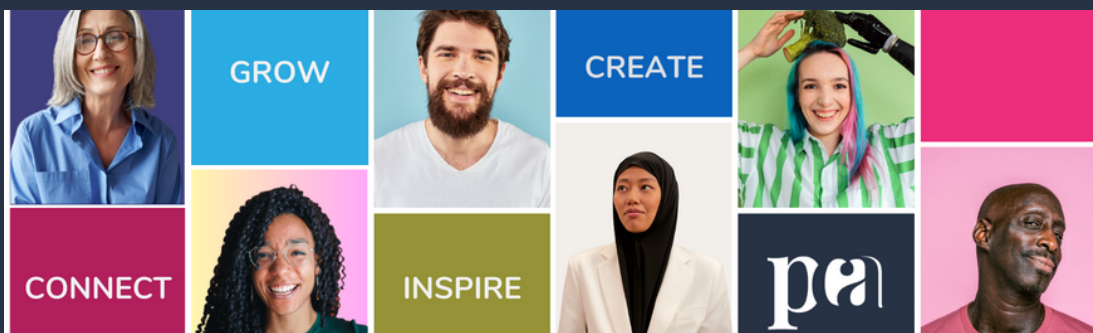
~ Chief Executive Officer

BUSINESS SEES GOOD HR

Very low attrition, improved recruitment (quality and quantity), high levels of trust and honesty, an enjoyable work environment, higher levels of job satisfaction, vastly increased reputation of HR - the business now understands what good HR is and the benefits.
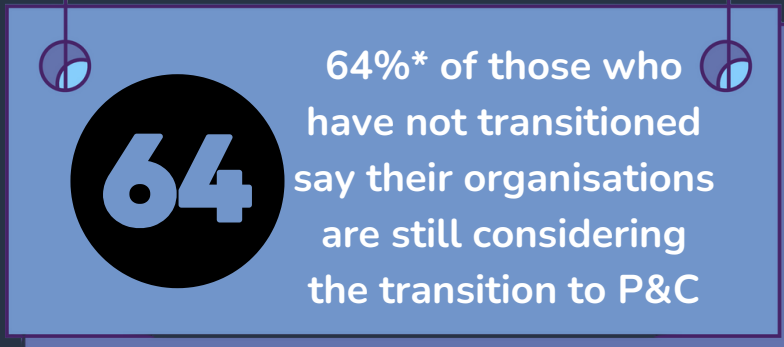
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~ HR Director, Global Operations

Did we miss out on your success story? Write to us - i**nfo@peopleprofessionals.org**

Why are some still on the fence in regard to transitioning to P&C

The Emerging Allies

64%* of those who have not transitioned say their organisations are still considering the transition to P&C

64

*Approx. 70 of the 190 participants who took the survey

Transitioning to People and Culture is not a race, and at the same time, it doesn't need to be a marathon either. Most participants in the survey are noticeably convinced of moving to a person-centric system, but clearly highlight senior leadership buy-in as a major challenge for change to occur.

Timeline for Transition in the Future:

53%
Next 6-24 Months
Most support P&C; and keen on evaluating successful case studies

21%
Next 3-6 Months
Organisations are building the foundation, focus is on leadership

19%
After 2 years
Some are not yet convinced of the need to transition to P&C

7%
Next 1-3 months
A few have begun the transition, focus on developing blueprint

We need more information/assistance to understand how to make transition and what is involved, as clearly there is a lot more than just labelling the HR function as People and culture

~ Chief Operating Officer

Assistance in transitioning to People & Culture?

Participants of the survey were unsure of what kind of assistance they would require, quite specifically, but were clear that they **"need to demonstrate to senior leaders the business value of transitioning"**.


Funding, awareness and senior-leadership buy-in are crucial to even considering the creation of a People and Culture function within the organisation.

PCA Survey Participants highlight a few more:

- ☐ Diagnosis & Review of Existing Culture
- ☐ Expert Advice & Consistent Mentoring
- ☐ Developing a Sustainable Strategy
- ☐ Sensitising and building a team of Leaders
- ☐ Capacity-Building via Training & Coaching
- ☐ Access to case studies, frameworks, models
- ☐ Collaboration - HR, P&C & Management

What is the preferred framework / model to execute transition?

40%	15%	8%
Transformational Culture	Systems Thinking	Theory of Change
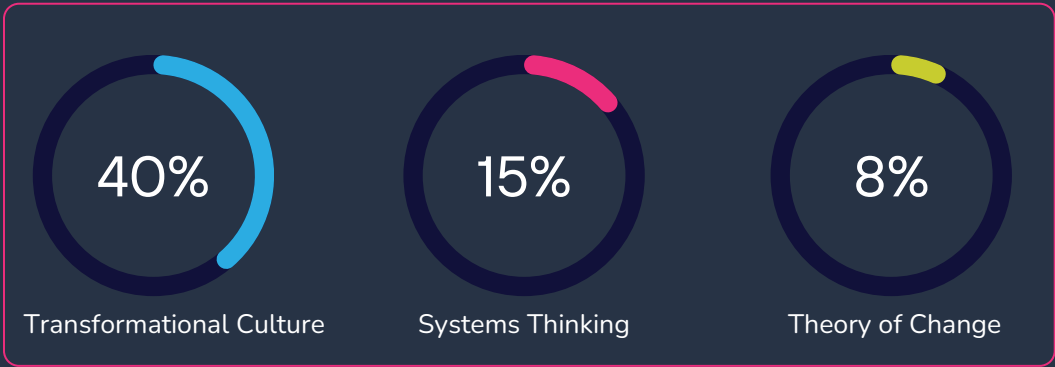
The **Transformational Culture Model by David Liddle** is the preferred model for 40% of the participants of the PCA survey who have transitioned from HR to People and Culture.

There is clear plea from most participants of the survey for a clear People and Culture model. In his book, David lays out '**People, Culture, Strategy and Justice**' as the pillars for transforming workplaces into transparent and inclusive cultures that put people before process and policies.

The Skeptics – Not willing to transition?

Some organisations do not see value in transitioning to People and Culture at this point of time. As one participant put it, "**HR is too busy recruiting and firing people in this economic climate**."

Confusion, lack of conviction and resistance to change are the obvious reasons why some organisations are unwilling to embrace change.

PCA survey participants highlight a few more:

- [ ] Business is priority
- [ ] Team is too small to invest into P&C
- [ ] Lack of points of reference for success
- [ ] Leadership prefers the transactional HR
- [ ] HR is asked to multi-task with P&C duties
- [ ] Lack of funds, resources/collateral/tools
- [ ] Cost-cutting, HR team reduced in capacity

The CEO is neither interested in People, nor Culture
~ Head, Organisational Development

The above statement is a harsh reality of what many organisations are battling through at the modern workplace. To paraphrase some testimonies from participants of the survey, organisations are simply putting together stop-gap measures and appointing 'people and culture committees', constituting senior leadership and HRM personnel from within the existing personnel.

Our SLT holds ancient views of HR, so despite having fresh minds on the team who have been suggesting a change in organisational culture, there is resistance to change.
~ Employee Experience Manager

The writing is on the wall for those struggling for change – No Senior Leadership Buy-in!
They still hold a traditional model of HR as largely operational and administrative in terms of on-boarding, contracts, payroll and the occasional employee relations case. They do not see the expertise in strategic areas such as workforce planning, culture and OD.
~ Director, Culture and Learning

Conclusion and Recommendations

The primary objectives of the People and Culture team is to enhance the employee experience.

The People and Culture team works to create a positive work environment that promotes employee well-being, satisfaction and growth.

In summary, as a People and Culture team, people managers prioritise the employee experience and business partnership, while recognising the importance of fostering a positive work environment in alignment with HR practices and overall strategic objectives. This includes implementing programs and initiatives that support work-life balance, career development and employee recognition.

By focusing on the employee experience, People and Culture teams aim to increase employee morale, productivity, and ultimately, employee retention.

Additionally, the People and Culture team acts as a strategic partner to the business. They collaborate with leaders and managers across various departments to understand their needs and align HR practices with the organisation's goals. This involves providing guidance and support in areas such as talent acquisition, performance management, employee relations, and organisational development to name a few. By partnering with business, the team contributes to the success and growth of the company.

Next steps

There is work to be done for the growth and development of the People and Culture function. Survey participants mentioned various elements that require urgent attention if organisations are to successfully transition from HR function to People & Culture function, and integrate the two services. Below is a listing summary:

	Recommendations	Priority
1	Awareness & Education	● HIGH
2	Training & Coaching	● HIGH
3	Research & Literature	● HIGH
4	Networking & Reflective Practice	● HIGH
5	Evidence-based Case Studies	● HIGH

PEOPLE & CULTURE

Members & Experts who have shared their insights with PCA

DAVID LIDDLE

ANGELA LEWIS

MARIE COOMBES

COLIN RULE

DAVE ULRICH

VICTORIA STAKELUM

JASON GHABOOS

ADÉ ADENIJI

JO WRIGHT

SHERIE HOLDING

NICOLE GODETZ

CASS POTTER

ANGELIQUE SLOB

RICHARD FEW

ANNE KIELY

TILLY HARRIES

RAFAEL GUPER

ROSHINI BAHAL

LUKE O'MAHONEY

MICHAEL LANG

EMMA LANGMAN

AVERIL LEIMON

MICHAELA SMITH

DAVID HOWELL

SUSAN TERRY

GINETTE OLIVER

MARTIN CLEWORTH

THAL VASISTHA

NICKY EYRE

JENNIFER GEARY

*This is not an exhaustive list

Join us at the International People & Culture Week, 2024

Write to: Info@peopleprofessionals.org

1-7 MAY 2024

peopleprofessionals.org

Thank you!

Jonathan Rodrigues, Coordinator

The People & Culture Association