

Optimising culture

Your unique advantage



By **2025**
Millennials and Generation Z
will make up

50%

of the global workforce



No ownership

Uber, the world's largest taxi company, owns no vehicles

Facebook, the world's most popular media owner, creates no content

Alibaba, the most valuable retailer, has no inventory

&

Airbnb, the world's largest accommodation provider, owns no real estate



1800

new start up businesses every day

75

years to get the telephone to 50 million users; smartphones took less than a decade



100

hours of peer created on-demand video content is uploaded on YouTube every minute



The world is being disrupted...

Is your organisational culture keeping you ahead?

We are the most connected generation in history, in an 'always-on' digital world. Technological breakthroughs are colliding with other megatrends of demographic and social change, disrupting the world we live in. This change is occurring at a pace faster than ever before. Embracing this are the 'Millennials¹', the first 'digital natives²', followed by Generation Z³ together now forming a significant proportion of the global workforce'.

We expect information at our fingertips, access to services without the commitment of ownership, and prioritise personal fulfilment and rich experiences. As a result, trends such as the 'sharing economy⁴' and peer-to-peer networks have emerged, demonstrating the new world in which we want to live. These bold expectations affect our society, our customers and our institutions; they are non-negotiable.

Businesses are not immune - adjusting their strategies to adapt, with the COVID-19 pandemic presenting even more challenges and opportunities. Crucially, there is an increasing recognition that the strength of organisational culture will determine the speed and success or failure of these endeavours. At the same time, there is a growing expectation for businesses to 'do the right thing'. All organisations have a culture - the shared beliefs and unwritten rules which drive how employees behave. Increasingly, employees and customers alike expect organisations to get this right. Optimising your culture is your unique advantage and will enable you to:

- Be the change - Does your culture foster entrepreneurship and innovation?
- Be resilient - Do you have a risk aware culture?
- Empower your people - Do your working practices reflect the new needs of your workforce?
- Create meaning - Does your culture inspire shared purpose and belonging?
- Build trust - Are you known for 'doing the right thing'?

Culture can happen by default or you can design it. To remain competitive, businesses need a fresh approach to culture that reflects new values, attitudes and lifestyles.

Is your organisational culture keeping you ahead?

⁽¹⁾ Millennials or Generation Y are individuals who were born between the early 1980s to the early 1996s.

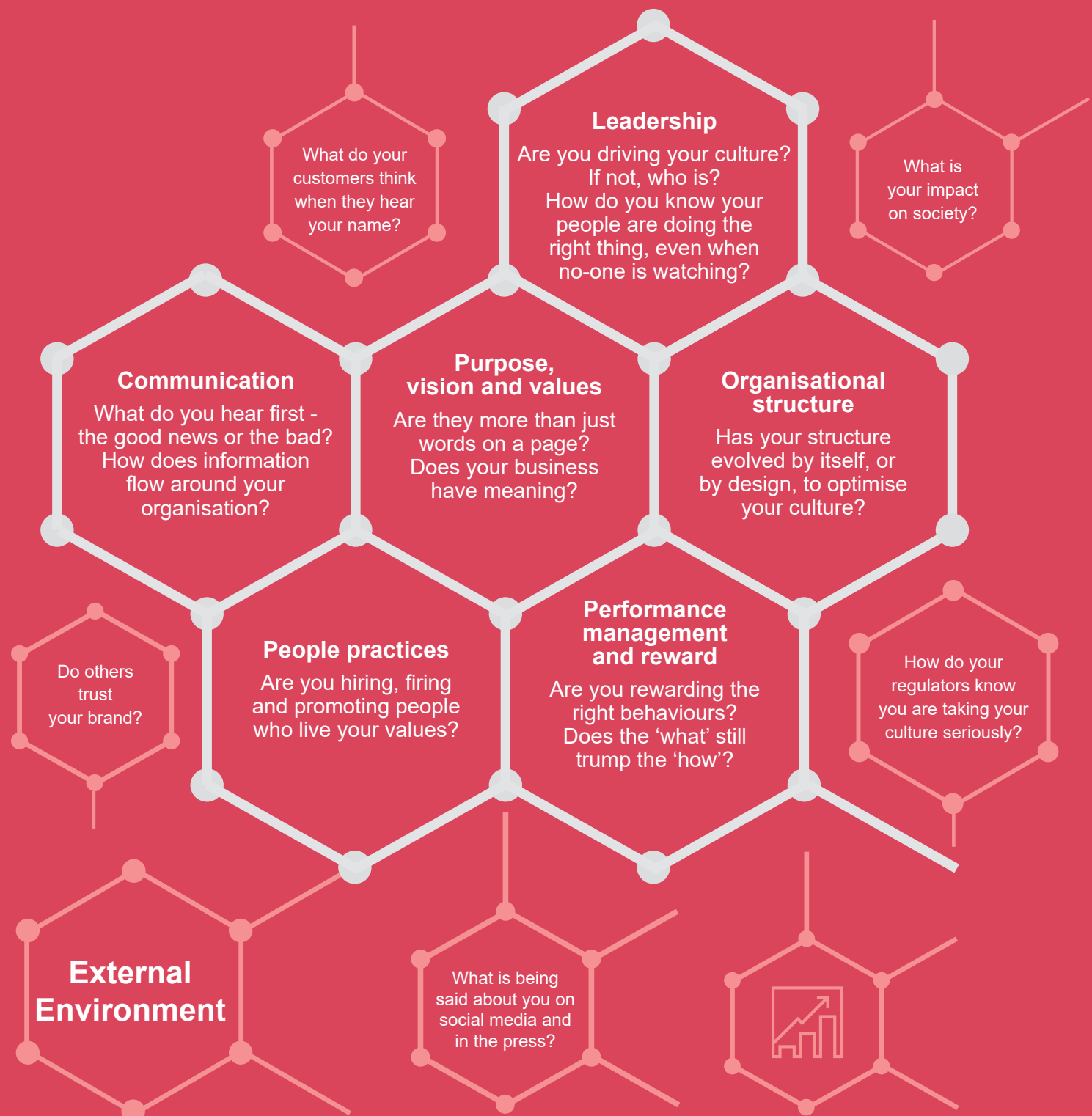
⁽²⁾ Digital natives are individuals born into the digital world, have access to networks and technologies and have the skills to use them.

⁽³⁾ Generation Z are individuals who were born after 1997.

⁽⁴⁾ Sharing economy is peer-to-peer based sharing of access to goods and services.

Culture can happen by default or you can design it

Corporate cultures are intentional - they are built by design. Strong culture happens when it becomes a focus point, through setting clear purpose, vision and values which are aligned to the organisation's strategy. These values, and the behavioural expectations which support them, should be reinforced both formally and informally through leadership, communications, organisational structure, people practices, and performance management and reward. Ultimately your culture will impact how you interact and are perceived by the external environment – culture is key to your reputation. A trusted reputation takes years to build; your culture can safeguard it.



You can take tangible action:

Define your cultural aspirations in line with your strategy

Define a meaningful purpose, supported by a clear vision and values. Identify and provide memorable behavioural expectations that support your strategic priorities and your business objectives.

Assess your current culture

Only by assessing culture can you know if you are creating a unique competitive advantage. You can understand culture through assessing behaviours and reinforcers with approaches drawn from organisational psychology combined with assurance expertise.

Identify your behavioural priorities

Certain interactions can have a disproportionate impact on outcomes; fine tuning behaviours during these interactions can have a big impact on culture. Develop teams by reworking processes, routines and working practices to sharpen behaviours at key 'moments that matter'.

Intervene to evolve and align your culture

Strong formal and informal reinforcement can be achieved through the alignment of leadership, communications, organisational structure, people practices and performance management and reward with your organisation's values. All of these work together to create the desired external interactions with customers, regulators, shareholders and wider society.

Monitor your progress

There is an increasing expectation to demonstrate that culture is governed, measured and monitored on an ongoing basis. You can design behavioural measurement frameworks, establish governance structures to oversee culture and some organisations are starting to explore public reporting against values.

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“Forming and sustaining a culture is a constant process requiring commitment, perseverance and continuous focus and monitoring by the board and management.”

Group of Thirty (G30)

Define your cultural aspirations in line with your strategy

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Identify your behavioural priorities

Intervene to evolve and align your culture

Monitor your progress



“If you get the culture right, most of the other stuff will just take care of itself.”

Tony Hsieh

“Drawing on principles of behavioural science, we get under the surface of an organisation to deliver rich cultural insights to inform tangible action.”

PwC



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