Workplace Culture:

What Is It and Why Is It Important

Workplace culture is one of those terms that gets thrown around a lot in companies and organizations, but what exactly does it mean? More importantly, why should we care about it? In simple terms, workplace culture refers to the **shared values, beliefs, behaviors,** and **attitudes** that shape how things get done within an organization. It's the personality of a company – the vibe you feel when you walk through the office doors or join that Zoom call.

In this article, we'll dive into what workplace culture truly is, why it matters more than ever in today's work environment, and how it affects both employees and businesses. We'll also back things up with some key stats and insights.

What Is Workplace Culture?

Workplace culture is like the **DNA** of a company. It's made up of various components including:

LEADERSHIP STYLE
How do the leaders communicate and make decisions?

COMMUNICATION
Is it open and transparent or top-down and restrictive?

VALUES AND BELIEFS
What principles guide the company's decisions and behavior?

WORK ENVIRONMENT
Is the office space designed for collaboration, or does it prioritize quiet, individual work?

COMPANY POLICIES
Are there flexible work hours? How does the company handle employee development, diversity, inclusion or mental health?

ZenHR

These elements come together to create the overall experience of working for a company. It's more than just how people interact at work. It's about what the company stands for and how that translates into day-to-day life for its employees.

The Importance of Workplace

You might be wondering, "Does workplace culture really make a difference?" The short answer is absolutely. A strong and positive culture can transform a workplace, leading to **happier employees, better teamwork, and higher productivity**. On the other hand, a toxic culture can cause high turnover, low morale, and burnout.

01 EMPLOYEE ENGAGEMENT AND SATISFACTION

One of the most significant benefits of a positive workplace culture is its impact on employee engagement. When employees feel connected to the company's mission, values, and each other, they're more likely to feel invested in their work.

Organizations with high employee engagement are 21% more profitable than those with poor engagement levels.

21%
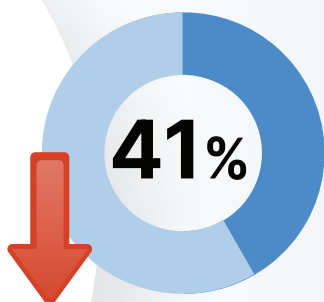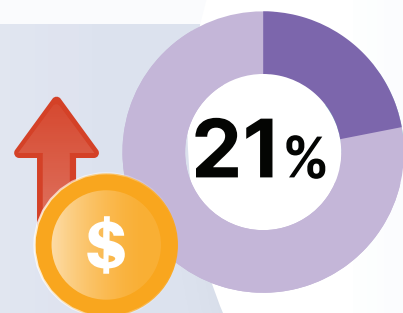
*On top of that, highly engaged teams experience 41% lower absenteeism rates.*

41%

Source: Gallup

A strong workplace culture encourages employees to bring their best selves to work, which **naturally boosts** morale and job satisfaction.

01 ATTRACTING AND RETAINING TALENT

With the rise of remote work, companies can no longer rely solely on fancy office perks like free snacks or gym memberships to attract top talent. People want more than that – they want a **great culture.**

77% of workers consider a company's culture before applying.

77%

56%
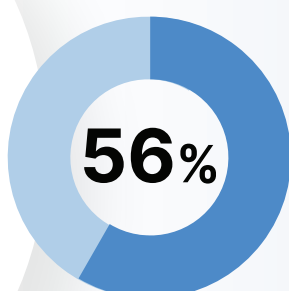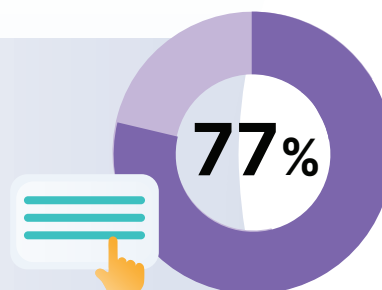
56% say that culture is more important than salary when it comes to job satisfaction
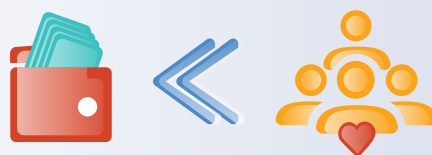
Source: Glassdoor

A company with a strong, positive culture becomes a magnet for skilled professionals. But it doesn't stop there. Good workplace culture is also key to retention. After all, employees are much more likely to stay at a company where they **feel valued, supported, and part of something bigger than themselves.**

03 BOOSTING PRODUCTIVITY

Think about the last time you were in a positive, motivating environment. Chances are, you felt more energized and focused on your tasks. The same is true in the workplace.

A good company culture **nurtures collaboration, innovation, and employee well-being,** which in turn boosts productivity. When employees feel safe to share ideas, take risks, and work together, they're more likely to come up with creative solutions and push the company forward.

Companies with strong cultures are 4x more likely to be innovative and agile.
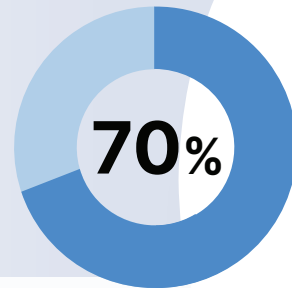
Source: Deloitte

zenHR

04 CREATING A SENSE OF BELONGING

Humans are social creatures by nature, and we all want to feel like belong somewhere. A positive workplace culture fosters inclusive where employees **feel respected and part of a community.**

70% of workers say that a sense of belonging is critical to their **job performance.**

Source: SHRM

70%

Companies that actively promote **diversity, equity,** and **inclusion** are more likely to create environments where people feel accepted and comfortable being their authentic selves. This ultimately leads to stronger teams and better business outcomes.

How to Build a Positive Workplace Culture

If you're looking to strengthen or improve your company's culture, it's not something that happens overnight. It takes time, commitment, and continuous effort. But here are a few practical steps to get started:

01 Define Your Core Values

What does your company stand for? What values are non-negotiable? Clearly defining and communicating your core values helps set the foundation for the kind of culture you want to build. Whether it's teamwork, innovation, integrity, or diversity, make sure these values are more than just words on a wall.

02 Lead by Example

Company culture starts at the top. Leaders set the tone for how employees will act and interact. If you want to promote open communication and respect, leaders should demonstrate those behaviors in every interaction.

03 Prioritize Employee Well-being

A healthy workplace culture recognizes that employees are people first. Offering flexible working arrangements, supporting mental health initiatives, and promoting work-life balance all go a long way in making employees feel supported and valued.

zenHR

98% of people say a flexible work schedule positively impacts their work-life balance, leading to better mental health and productivity.

Source: SHRM

98%
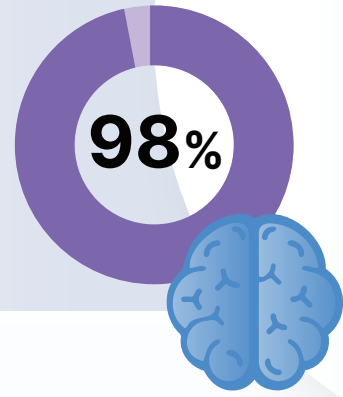
04 Encourage Open Communication

Communication is the backbone of any healthy workplace culture. Foster an environment where employees feel comfortable voicing their opinions, asking questions, and providing feedback. Regularly checking in with employees and offering platforms for feedback ensures that everyone feels heard and valued.

05 Recognize and Reward Good Work

People thrive when they feel appreciated. Whether it's a shout-out in a team meeting, a company-wide email, or a formal rewards program, recognizing employees' hard work and contributions reinforces a positive, growth-oriented culture.
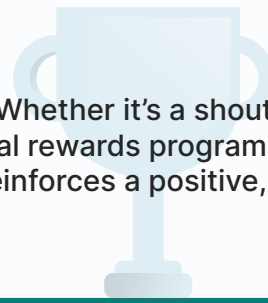
The Risks of a Negative Workplace Culture

We've talked a lot about the benefits of a strong, positive culture, but what about the risks of a negative one? **Toxic workplace cultures** are often marked by poor communication, high stress, and lack of respect. This can lead to:

INCREASED TURNOVER
Employees will leave if they feel unappreciated or mistreated.

LOW MORALE
A negative atmosphere kills motivation and can lead to burnout.

DECREASED PRODUCTIVITY
When people are disengaged, they're less likely to give their best effort.

DAMAGED REPUTATION
A bad workplace culture can harm a company's reputation, making it harder to attract top talent or even customers.

1 in 5 workers have left a job due to toxic workplace culture, and companies lose an estimated $223 billion over five years due to culture-related turnover.
Source: SHRM

zenHR

Technology with the power to transform HR

—

sales@zenhr.com

KSA	+966 54 129 8521
JO	+962 6 577 7500
UAE	+971 58 816 7685

Request a Demo

zenhr.com