



Digital Article / Organizational Culture

To Change Company Culture, Focus on Systems—Not Communication

Leaders spend too much time on tone and narrative. Instead, they need to model the new culture they're trying to create. *by Benjamin Laker, Chidiebere Ogbonnaya, Yasin Rofcanin, Tomasz Gorny, and Marcello Mariani*

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Culture is one of the most talked-about priorities in leadership, yet one of the least consistently understood. Executives routinely declare it is a strategic imperative. They launch values campaigns, unveil wellbeing programs, revise mission statements, and deliver impassioned talks about trust and purpose. But for all this activity, something isn't working: in many organizations, we've seen that the louder leaders talk

about culture, the more performative it feels—especially when actions don't align with the message.

Culture shapes everything from decision-making norms to employee engagement, brand perception to risk tolerance. When it's mismanaged, organizations don't just lose trust; they lose traction.

That paradox became the starting point for our research. To understand how culture plays out in real time, we conducted a cross-national [study](#) as part of the “Elgar Encyclopedia of Leadership.” Our aim was to explore how senior leaders define, express, and operationalize culture—and how those efforts are interpreted by the people in the organization. Over 18 months, we engaged 164 senior leaders across North America, Europe, and Asia, from organizations in private, public, and non-profit sectors. Leaders were selected based on their active involvement in shaping cultural initiatives or overseeing major cultural change. Through in-depth interviews, team conversations, workplace observation, and with access to employee engagement data and biannual survey tracking for indicators such as trust in leadership, psychological safety, communication transparency, we examined how culture is forged not in vision statements, but in meetings, moments, and everyday decisions.

A consistent pattern emerged: many leaders treat culture as a communication strategy. They believe it lives in messaging—in the articulation of purpose, the rollout of values, the tone of internal campaigns. But culture doesn't shift because a new narrative is introduced. It shifts when systems change. When leaders take personal risks. When norms are not just declared but demonstrated.

Our inquiry focused on four key questions:

- How do senior leaders define and measure cultural impact?
- What disconnects emerge between leadership intent and team experience?
- What behaviors signal authenticity—and which quietly erode it?
- And what does it actually take to build a culture that lasts?

What we found was striking: culture doesn't fail because it's forgotten. It fails because it's misunderstood. It's treated as branding, not behavior. As output, not infrastructure. And when that happens—even the most well-meaning efforts can erode the very trust they're meant to build. Here's what we learned.

Culture Isn't a Campaign

In many organizations, work on culture begins with visible gestures. Leadership teams roll out refreshed values, commission posters, launch Slack emoji packs, or schedule empathy workshops. While the intent is often genuine, when these symbolic efforts aren't accompanied by a shift in leadership behavior, employees don't feel inspired—they disengage.

Our research found that across companies that had launched formal culture initiatives since 2022, 72% showed no meaningful improvement in employee trust, engagement, or retention one year later. Despite the visibility and investment, employees perceived these efforts as surface-level — more performance than practice.

The reverse was also true. In companies where senior leaders changed how they led—how they ran meetings, gave feedback, made decisions, and responded to challenge—trust scores rose by an average of 26%, even in the absence of a branded campaign. As one executive told us, “We didn't write our values—we reverse-engineered them from how

we wanted to behave.” Another senior leader put it simply: “We didn’t announce a culture shift. We just started acting like it mattered.”

The problem isn’t the intention—it’s the framing. Culture is still too often treated like a project: something to roll out, brand, or assign to HR. Meanwhile, underlying power dynamics, communication habits, and decision-making norms go untouched, and the deeper operating system stays intact.

Employees notice. In fact, 59% told us that senior leadership actions contradict stated values at least weekly. These aren’t abstract misalignments—they’re visible breaches that undermine credibility and sap momentum. No amount of cultural branding can offset that kind of signal loss.

Pro Tip

Before culture can be articulated, it needs to be embodied. Spend that time reviewing how your senior team actually operates. Where are decisions opaque? Where does hierarchy dominate? Where does psychological safety collapse? Start fixing those.

Values Don’t Count Until They Cost You Something

Executives often champion values like empathy, inclusion, and integrity. They appear in slide decks, onboarding sessions, and CEO town halls. But employees rarely judge values by how often they’re named. They judge them by what leaders are willing to give up upholding them.

At one global bank, equity was described as a core cultural pillar. The language was strong and visible. But executive compensation remained nearly 100% tied to revenue performance. When internal advocates pushed for incentive alignment, leaders cited market pressure and deferred action. Over the following year, internal trust scores dropped

12%, with the steepest declines among underrepresented employee groups. The signal was clear: performance still outweighed principle.

By contrast, a telecom company in Latin America tied 13% of senior leaders' bonuses to leadership quality, team development, and feedback culture. This wasn't just symbolic. It reshaped priorities and rebalanced how success was defined. Within 12 months, employee retention improved by 18%, and internal promotion rates rose — particularly in teams led by managers who engaged directly with the new expectations.

The strongest cultural signals are those that involve visible, personal risk. That might mean changing how incentives work. It might mean enforcing values even when it means losing a top performer. It might mean sharing decision-making power that used to sit solely at the top. Without that cost, values remain performative — they read as theatre, not truth.

Pro Tip

Employees aren't waiting for leaders to be perfect. They're waiting for them to be consistent—especially when it's inconvenient. Choose one declared value. Then ask: where would living this value cost us — power, money, speed, control? Then, take one visible action in that direction and be consistent.

Silence Isn't Alignment

Leaders often assume they're hearing the truth. They aren't. In environments with high-status executive cultures, silence can masquerade as alignment. But beneath the surface, employees are often withholding—their concerns, skepticism, dissent.

Our research found that in these environments, 69% of employees regularly withhold feedback or concerns from senior leadership. The top reasons? Futility and fear. Many said they'd spoken up before and nothing changed. Others feared being labeled difficult, disloyal, or high-risk.

One European tech firm tried to address this by launching anonymous Q&A forums and encouraging open challenge. On paper, the move looked progressive. But 83% of employees from marginalized groups reported never submitting a question. When asked why, they cited a lack of psychological safety and concern that anonymity wouldn't protect them from informal backlash. The format had changed—but the power dynamics hadn't.

After rethinking its approach, the company introduced a reverse Q&A format. Employee councils selected and read aloud the most critical, uncomfortable questions during executive town halls—on camera, with no pre-screening. Within three quarters, internal trust scores rose 32%. Employees said they didn't just feel heard—they saw that being heard made a difference.

The takeaway is simple but often overlooked: people speak when it's safe, when it matters, and when speaking leads to change. Culture isn't built by soliciting feedback—it's built by how leaders respond when that feedback is hard to hear.

Too often, silence is misread as consensus. But in high-power-distance cultures, silence is more likely to signal disengagement, fear, or learned helplessness. Real alignment starts with acknowledging that people won't raise the hard stuff unless you actively make room for it—and protect them when they do.

Pro Tip

At your next town hall, ask a frontline employee to open with one uncomfortable observation about culture—chosen in advance by their peers. Don't explain. Don't defend. Just listen, acknowledge, and take one visible step forward. The point isn't the question—it's what you prove by how you answer.

The Perk Illusion

When culture feels strained, many executives reach for perks. Mental health apps, free lunches, recharge days, wellness stipends—these offerings are positioned as proof points of a supportive culture. But when perks are introduced in place of real operational change, they don't just miss the mark. They backfire.

In our study, one European tech firm rolled out a full suite of benefits: unlimited vacation, flexible Fridays, daily gratitude prompts, and access to mindfulness tools. On paper, it was generous. But within three months, internal feedback scores fell sharply. Employees reported feeling more burned out, not less. The reason? Nothing about the actual workflow had changed. Role clarity remained murky. Deadlines were still erratic. Slack pings continued after hours. The message was “unplug” — but the expectation was “stay responsive.”

A similar pattern played out in a Southeast Asian media company, where management introduced digital detox days and wellness stipends. Despite the new initiatives, employees reported rising anxiety—largely because tight production schedules and last-minute editorial changes continued to drive daily pressures.

The perks became a pressure point. Employees felt guilty for taking time off, unsure of whether they were truly allowed to. One team

member put it bluntly: “It felt like we were being handed self-care instructions while the house was still on fire.”

This wasn’t an isolated case. Across the organizations we studied, 57% of employees said they felt worse after culture-enhancing perks were introduced. The most common reason? It reinforced a sense that leadership was either unaware of deeper problems — or unwilling to confront them. Instead of addressing low psychological safety, inconsistent management, or chronic overload, companies were offering a smoothie bar.

By contrast, organizations that removed surface-level perks and reinvested in structural improvements—such as manager coaching, conflict resolution, and clearer work boundaries—saw real gains. Burnout scores dropped by 22%, and perceptions of fairness and leadership care increased significantly.

The lesson: culture doesn’t improve by giving people more. It improves when you remove the things that waste their time, drain their energy, or blur their priorities. Perks are not culture. Operating norms are.

Pro Tip

Kill one popular perk this quarter. Use that budget to solve a known workflow or management pain point—something employees have been flagging but leaders have been avoiding. Then tell people exactly why you’re doing it. Signal that culture isn’t just about caring—it’s about fixing what’s broken.

Middle Managers Can’t Carry What Executives Won’t Model

In most organizations, culture flows downhill—at least in theory. Senior leaders announce a set of values or launch a new initiative, then step back. Middle managers are expected to translate intent into action, often without the training, authority, or consistency needed to succeed.

In our research, this pattern showed up across sectors. At one global services firm, 69% of middle managers said they felt solely responsible for delivering on cultural commitments. Yet only 14% believed senior leaders were modeling those same behaviors themselves. That gap — between responsibility and example—was the single strongest predictor of manager burnout across the organization.

The issue isn't a lack of belief in culture. It's a lack of modeled alignment from the top. When executives treat culture as something to delegate instead of something to live, they create confusion, cynicism, and load-bearing strain at the middle.

By contrast, one Southeast Asian conglomerate took a different approach. Instead of pushing culture downward, it started at the top—by redesigning senior leadership meetings to reinforce cultural alignment. Executives began co-creating agendas with junior staff, practicing open dissent in front of peers, and recording sessions for wider team visibility. Within a year, manager alignment scores rose 37%, and executive credibility improved across every business unit.

The lesson is clear: if culture isn't consistently modeled at the highest levels, it won't take root anywhere else. Middle managers cannot enforce what senior leaders won't embody. Culture isn't a message to be passed down. It's a behavior to be practiced up close.

Pro Tip

Once a month, invite a mid-level manager to silently observe a senior leadership meeting. Afterward, ask a simple question: What felt aligned with our stated culture — and what didn't? Then listen. You'll learn more in that one conversation than in a dozen surveys.

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If there's one finding that cuts across our research, it's this: culture doesn't fail because people don't care. It fails because power doesn't shift. Leaders talk about trust but make decisions in back rooms. They champion inclusion but reward conformity. They promote empathy but penalize dissent. These aren't communications problems. They're credibility problems.

Across every sector and region we studied, culture only changed when leaders changed first. Not in tone, but in structure. Not in principle, but in power. The most effective teams weren't following a campaign—they were following a pattern. In those environments, culture was shaped by three levers:

- **Power:** Who makes decisions, and who gets heard
- **Risk:** What leaders are willing to lose to live their values
- **Modeling:** What behaviors get demonstrated—not just demanded

If those don't shift, nothing else will.

So before you announce your next culture initiative, stop. Step back. Ask: What are we asking people to believe that we haven't yet proven through our own behavior? Lead that first. Then name it. If you want your values to land, start by leading in a way that makes them real. Let action come before announcements—and proof come before praise.

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Benjamin Laker is a professor of leadership at Henley Business School, University of Reading.

✕ @drbenlaker



Chidiebere Ogbonnaya is a Professor of Human Resource Management at King's Business School, King's College London.



Yasin Rofcanin is a Professor of Organizational Psychology and HRM at the School of Management, University of Bath.



Tomasz Gorny is a Research Assistant in the Faculty of Arts and Humanities, King's College London, London.



Marcello Mariani is a professor of management at Henley Business School and the University of Bologna, Italy.