

Culture Eats Strategy for Breakfast: Fact or Fiction ?



Culture is employees' experiences at work and what is lived and experienced by all at the company. It is the spoken and unspoken rules of engagement that define what it means to be part of a team in terms of how people show up, treat other people on the team, how they approach their work and carry out their tasks. A positive employee experience, driven by an engaging culture, resonates throughout the organization.

In an increasingly complex world, where companies are struggling to retain competitive advantage, culture takes on greater significance. At Primus Partners, we undertake regular Culture Surveys, to gain perspectives from the workforce in both public and private organizations. We use this data to deep-dive into implications of culture on business strategy, and people interventions that may be required to shape business success.



I. Culture and Strategy

A Symbiotic Relationship

In Our Survey, We Found That **99% Of Respondents Agreed** That Culture Is An Essential Partner In Determining The Success Or Failure Of Company Strategy. Culture And Strategy Are Interdependent And Have An Impact On Each Other's Success.

There are many theories on the impact that culture has on strategy. Our Culture Survey insights presented some interesting findings. In our Culture Survey, **99% of the respondents agreed** that culture was an essential determinant of company strategy.

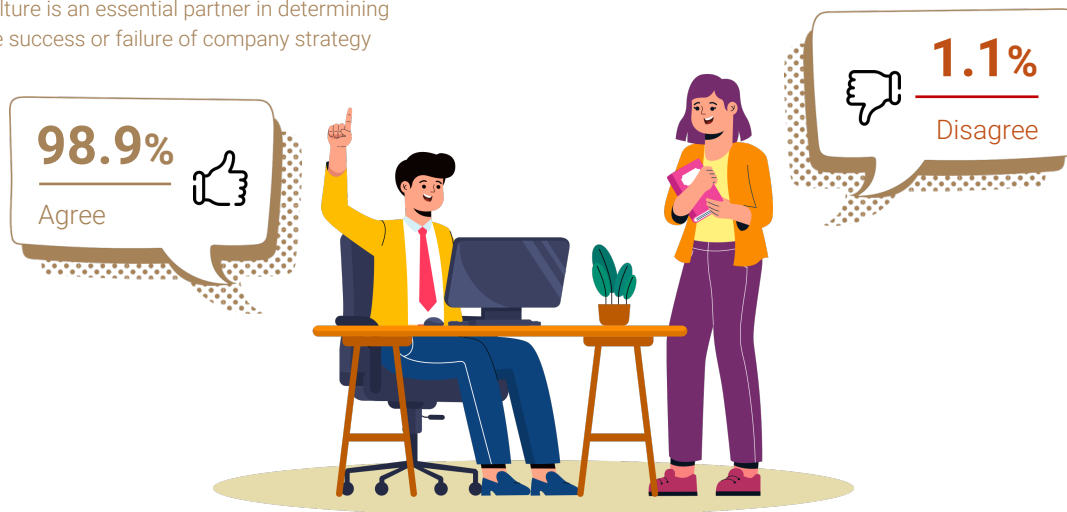
We have also seen examples of well-known companies that have seen immense success and growth, when their cultures are aligned to business vision and goals.

Zappos and Netflix are prime examples of how a strong workplace culture can drive success and influence strategy. In each case, leadership recognized the equal importance of culture and strategy in shaping the company's growth trajectory.

Zappos is renowned for its unique culture—centered on values like "**Deliver WOW Through Service**" and "**Create Fun and A Little Weirdness**"— which truly drives its success. By implementing holacracy, a management style that removes traditional hierarchies that encourage flexibility and employees to make their own decisions, Zappos has established a work environment where engagement is high, and turnover is low. This culture-first approach suggests that when employees are motivated and happy, business thrives naturally.

Netflix has an innovative approach to managing employees and fostering a unique corporate culture. Its culture of freedom and responsibility is not just a set of values; it is a fundamental way of operating that permeates every aspect of the company. This approach is built on the belief that by giving employees the freedom to make decisions and the responsibility to deliver results, Netflix has fostered a high-performing, innovative workforce that can adapt to change and drive the company forward.

Culture is an essential partner in determining the success or failure of company strategy



On the other hand, we have also seen cases of businesses failing when their organization culture is not aligned to business strategy. There have been mergers of some large well-known companies that have served as prime examples of how cultural mismatches can undermine even the most strategically sound business moves.

In the case of merger between two large international companies, the distinct differences between one company's hierarchical, precision-driven culture and the other Company's decentralized, more relaxed approach created friction that hindered operational efficiency. Despite efforts to integrate, cultural clashes led to lower revenues, higher costs, and a drop in share price, demonstrating how vital it is for organizations to focus on cultural alignment in cross-border mergers.

Similarly, a merger between two technology companies faced challenges due to conflicting corporate cultures. One company's conservative, engineering-focused, consensus-driven approach clashed with the others aggressive, sales-oriented,

rapid decision-making culture. This cultural misalignment led to internal conflict and contributed to a significant loss in market value.

Another significant merger, often cited as one of the most disastrous deals in history, primarily due to the clash between the primary company's fast-paced, tech-driven culture and the others traditional, media-centric approach.

This cultural disconnect resulted in internal conflicts, employee disengagement, and ultimately the **loss of over \$99 billion** in market value. These cases underscore the importance of prioritizing cultural integration alongside financial and operational alignment in mergers and acquisitions.

For employers, investing in a positive culture yields numerous benefits, such as increased productivity and profitability. In order to understand the impact that culture can have on strategy, and ultimately business growth, we also analyzed the various facets of culture that organizations must focus on.

II. Culture Drivers:

What Impacts Culture, Impacts Business

Our survey has highlighted **5 key elements** to driving impactful culture in an organization

Based on the analysis of our Culture Survey, we have found that there are a few important elements that drive culture, and thus business outcomes. Some critical factors include:

93% of respondents **agreed** that an organization's values have a direct impact on its culture.

A Values | Organizational values have an overwhelming impact on Culture

In our Culture Survey, we found that an organization's values have a direct impact on its culture.

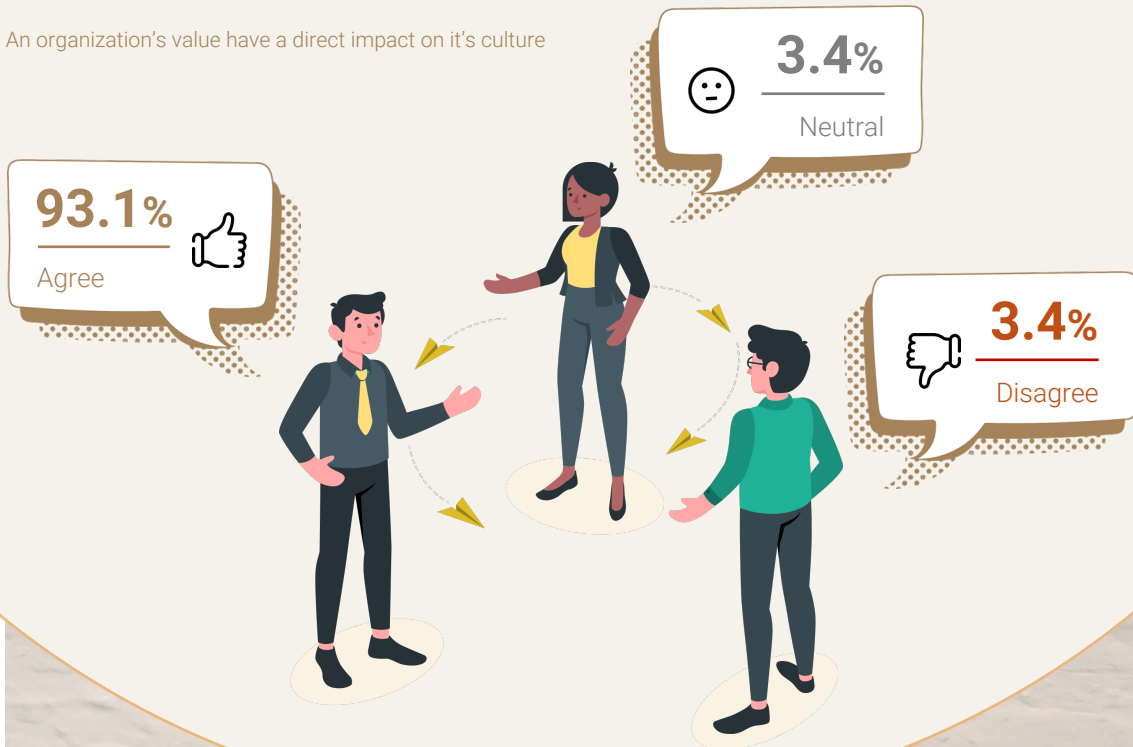
An organization's value statement is a critical part of its offerings. What is crucial though is that the values must be lived by the organization, and also communicated regularly to stakeholders.

Culture is sometimes seen as internal to organizations, but it is on display in every customer interaction. Attitudes and behaviors shape the external customer experience, and potentially even the organization's brand. Added to that, consumers are increasingly choosing to buy products and services from organizations that resonate with their belief systems.

In fact, consumers have gone on to boycotting big brands that have supported governments which have gone to war, which has had an adverse impact on their profitability.

Organizations that have internal systems aligned to its values, such as its performance management systems or rewards and recognition systems, are more successful than their competitors. Value statements thus must in essence reflect business strategy. In order to achieve organizational success, an organization must deeply ingrain them into its culture by linking values to behaviors and lean on this to drive performance.

An organization's value have a direct impact on it's culture



B Leadership | Strong and effective leadership and direction is a key component driving culture

93% of respondents believed that leadership drives culture.

Leaders are important influencers in shaping the culture to meet the needs of the organization and the customer. A strong organizational culture starts with effective leadership.

Leadership drives culture of an organization



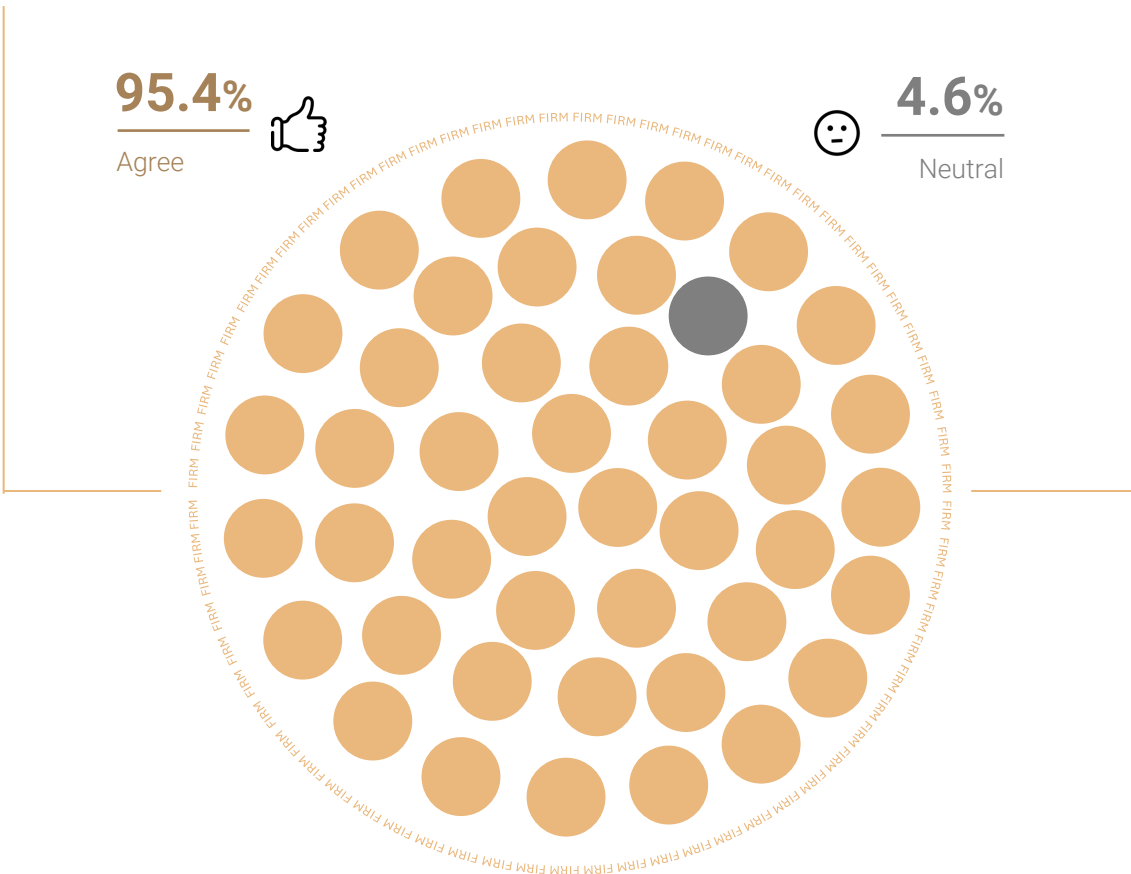
In light of this, companies must design interventions that develop their leaders and create cohesive leadership cultures that span the entire organization. Some suggestions include leadership development programs and promoting leaders from within the organization through effective succession planning.

C Teamwork & Collaboration | An organization which has a culture where teamwork and collaboration is encouraged and promoted would be more successful than others

95% respondents agreed that teamwork and collaboration have a notable impact on the culture of an organization

Studies have repeatedly highlighted the correlation between teamwork, collaboration and positive work cultures.

Collaboration and teamwork are essential components of the company culture



A positive team culture and collaborative work environment have a direct impact on employee retention, employee productivity, and employee engagement, all of which drive business success.

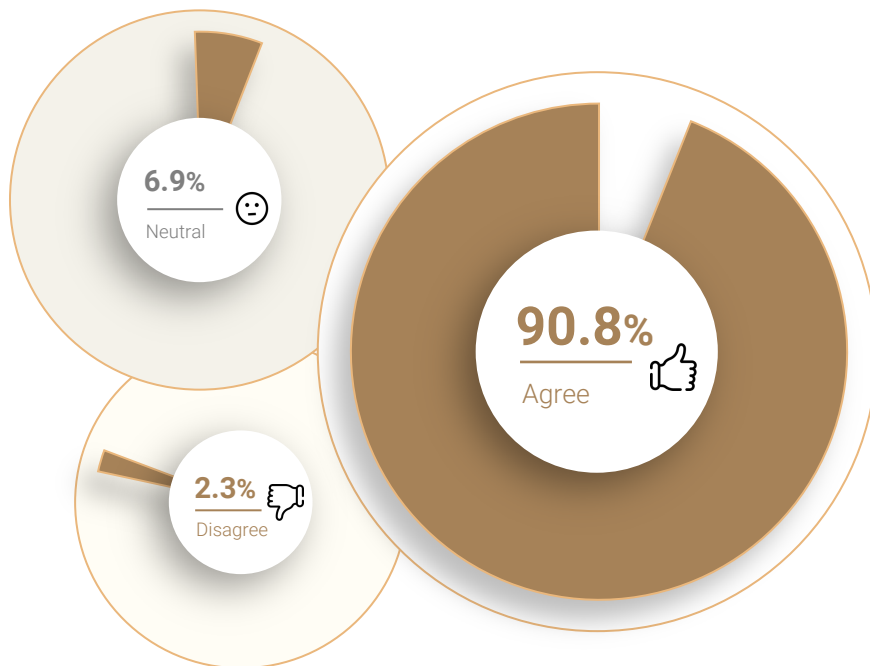
Companies must work to foster trust, transparency and open communication within teams to ensure successful implementation of strategy.

D **Work Life Balance** | Work life balance is seen as an important component of driving organizational growth and employee retention

91% respondents agreed that work life balance is important to the overall culture of the organization.

Recent incidents in various companies in India have highlighted serious concerns about workplace stress and mental health issues, which have a direct impact on workplace culture. The fallout in the media has led to a significant dent in the reputation of these leading companies. Employees have reportedly faced overwhelming pressure due to high expectations, long working hours, and demanding environments, leading to tragic outcomes such as deaths due to mental health struggles. These events have sparked widespread discussions about the need for companies to prioritize employee well-being and work life balance.

Work life balance is important to the overall culture of the organization



What emerges from our analysis is that organizations can no longer ignore or overlook their culture but must put in place interventions to mould it and align it to business strategy.

Companies that adopt policies such as flexible work, hybrid work, remote work and employee-friendly progressive leave policies may be most successful in the long-term.

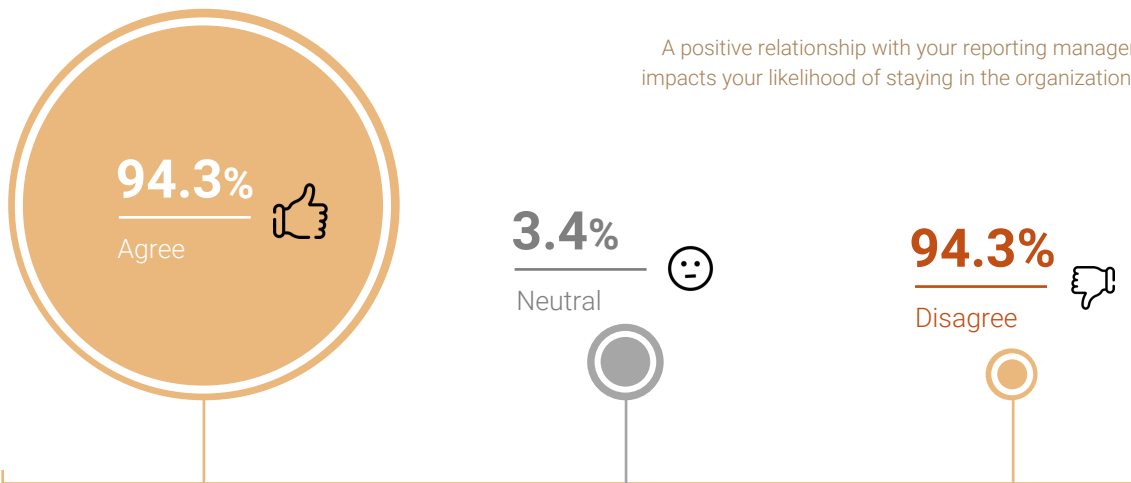
E Relationship with Reporting Managers | The reporting manager, in many cases, is the one who is the representative of the firm and its culture for the employees

94% of respondents agreed that a positive relationship with their reporting manager significantly influenced their decision to remain with the organization.

Our survey also highlighted that Managers who prioritize their employees' growth and development create a positive impact on individual performance, job satisfaction, and retention rates. This highlights the critical role of managerial relationships in employee retention and overall job satisfaction, and hence is a key

driver for building a positive workplace culture. Organizations that design interventions and invest in improving people skills of its managers, especially initiatives around coaching and mentoring employees, will have a more robust and high-performing culture and would see higher retention rates of its employees.

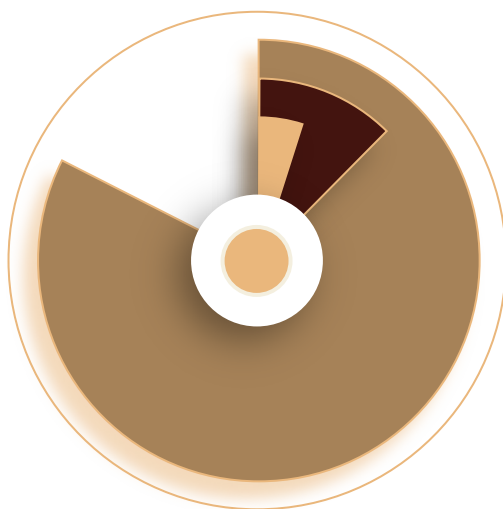
A positive relationship with your reporting manager impacts your likelihood of staying in the organization.



III. Culture Experiences Vary Across Generations and one size fits all approach may not work: GenZ v Millennials

Millennials are impacted by an organizations purpose, whereas **GenZ** place more importance on mental health.

Understanding workplace expectations across generations is crucial for employers looking to create a satisfying and inclusive work environment for all. Our Culture Survey has revealed that 81% of respondents agree that employees from different generations often experience culture in distinct ways.



Employees from different generations may have different cultural experiences within the organization

80.5% Agree

13.8% Neutral

5.7% Disagree

The findings of our survey also highlight that Millennials and Gen Z share certain priorities, yet their motivations vary. For Millennials, an organization’s purpose significantly influences their decision to join a company, with **58% of Millennial respondents indicating this as a key factor**. They seek workplaces that align with their values and offer opportunities for personal growth and fulfillment.

On the other hand, **71% of Gen Z respondents said that mental health is a non-negotiable factor of workplace culture** and that it cannot be compromised on. Gen Z expects employers to put their employees' well-being first and create supportive work environments.

Hence, organizations must curate programs that bring different generational experiences into the limelight, in order to foster a culture that works for all.

IV. Culture : An Essential Determinant of Talent Management Strategy

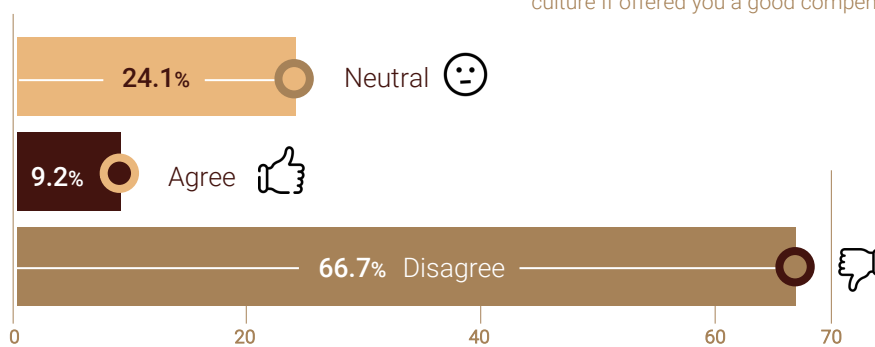
Employees join and leave organizations basis their experience of its culture.

A positive Culture can help a company attract and retain talent | **67%** of respondents stated they would not join an organization irrespective of the salary offered if it doesn't have a positive culture. Similarly, **73%** of the respondents suggested that they are more likely to leave an organization if they don't find a cultural fitment

Interestingly, an important statistic that was highlighted in our Culture Survey was that **67% of respondents would not join an organization with an unhealthy workplace culture, even if it offered them a handsome compensation package.**

Culture thus cannot be ignored. Organizations must keep a pulse on their culture, through interventions such as Culture Surveys and Engagement surveys help to better understand their workforce. These surveys enable companies to identify problems and provide tailored solutions that meet employee needs in a timely manner. Further, initiatives such as well-planned onboarding of new employees, coaching middle management, and transparent communication strategies will help create a positive work culture

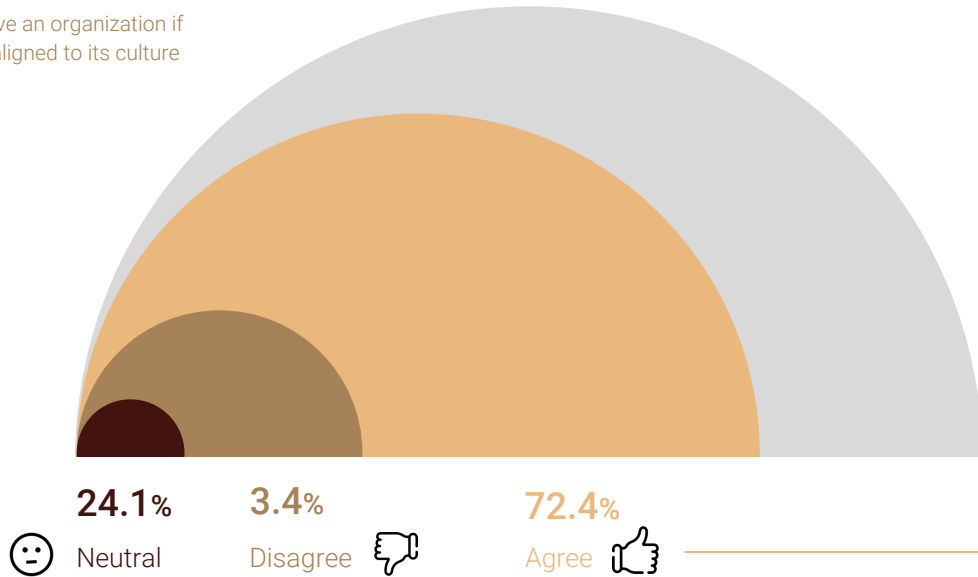
You would join an organization with unhealthy work culture If offered you a good compensation package



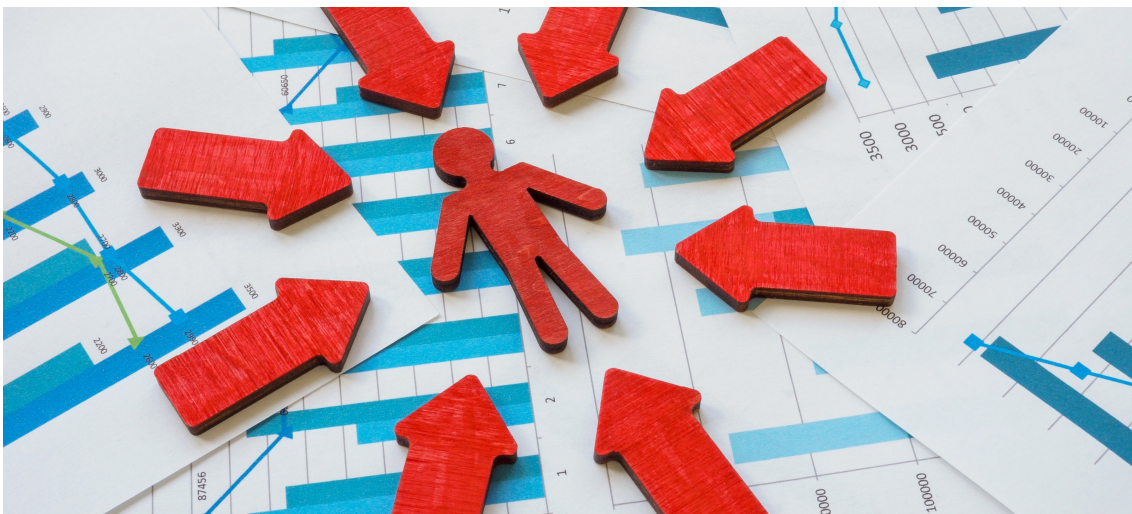
Additionally, **72% of respondents stated that they would leave an organization if they were not aligned to its culture.** This highlights the importance of culture in defining the talent attraction and retention strategy of organizations.

Culture thus cannot be ignored. Organizations must keep a pulse on their culture, through interventions such as Culture Surveys and Engagement surveys help to better understand their workforce. These surveys enable companies to identify problems and provide tailored solutions that meet employee needs in a timely manner. Further, initiatives such as well-planned onboarding of new employees, coaching middle management, and transparent communication strategies will help create a positive work culture

You would leave an organization if you were not aligned to its culture



At Primus, we work closely with both public and private organizations and advise them on their people strategy and have found that organizations that focus on shaping their culture have an advantage over others when it comes to growth, business strategy and overall organizational success. Therefore, when we relook at the phrase “culture eats strategy for breakfast”, we would heartily affirm that it does hold true even to this day.



V. Recommendations

Organizations that have internal systems aligned to its values, such as its performance management systems or rewards and recognition systems, are more successful than their competitors. Companies can work to design a framework which links values to reward and recognition systems, and performance management systems so that organizational behaviors can be moulded to drive its culture.

Companies must design interventions that develop their leaders and create cohesive leadership cultures that span the entire organization, including focused leadership development programs and promoting leaders from within the organization through effective succession planning.

Companies must work to foster trust, transparency and open communication within teams to ensure successful implementation of strategy. This can be achieved through training programs and well-defined change and communication management frameworks.

Companies that adopt policies such as flexible work, hybrid work, remote work and employee-friendly progressive leave policies may be most successful in the long-term.

Initiatives such as well-planned onboarding of new employees, coaching middle management, and transparent communication strategies will help create a positive work culture.

Organizations that design interventions and invest in improving people skills of its managers, especially initiatives around coaching and mentoring employees, will have a more robust and high-performing culture and would see higher retention rates of its employees.

Organizations must curate programs that bring different generational experiences into the limelight, in order to foster a culture that works for all. Interventions that are customized to different groups, such as GenZs and millennials will result in a more inclusive work culture, which directly impacts talent retention and attraction.

Organizations must keep a pulse on their culture, through interventions such as Culture Surveys and Engagement surveys help to better understand their workforce. These surveys enable companies to identify problems and provide tailored solutions that meet employee needs in a timely manner.

PRIMUS

PASSION

for providing solutions to help clients achieve their goals

RESPECT

for all and alternate viewpoints

INTEGRITY

of thoughts and actions

MASTERY

of our chosen subject to drive innovative and insightful solutions

US

representing the Primus collective, where each individual matters

STEWARDSHIP

for building a better tomorrow



PRIMUS PARTNERS[®]

Solutions for Tomorrow

Primus Partners has been set up to partner with clients in 'navigating' India, by experts with decades of experience in doing so for large global firms. Set up on the principle of 'Idea Realization', it brings to bear 'experience in action'. 'Idea Realization'— a unique approach to examine futuristic ideas required for the growth of an organization or a sector or geography, from the perspective of assured on ground implementability.

Our core strength comes from our founding partners, who are goal-oriented, with extensive hands-on experience and subject-matter expertise, which is well recognized in the industry. Established by seasoned industry leaders with extensive experience in global organizations, Primus Partners boasts a team of over 250 consultants and additional advisors, showcasing some of the finest talent in the nation.

The firm has a presence across multiple cities in India, as well as Dubai, UAE. In addition, the firm has successfully executed projects across Africa, Asia Pacific and the Americas.

India Offices



Bengaluru

91 Springboard
Business Hub 175, 176
Bannerghatta Rd,
Dollars Colony,
Bengaluru – 560076



Chandigarh

2nd Floor, Netsmartz,
Plot No. 10, Rajiv
Gandhi Chandigarh
Technology Park,
Chandigarh – 160019



Chennai

147, Pathari Rd, Door #3,
WorkEz Hansa Building,
RK Swamy Centre,
Thousand Lights,
Chennai, TN - 600006



Delhi

1 to 7, UG Floor,
Tolstoy House,
Tolstoy Road,
Connaught Place
New Delhi - 110001



Kolkata

Siddhartha Apartments
4th Floor, 188/2,
Block J,
New Alipore,
Kolkata - 700053



Mumbai


601, 6th floor,
Raheja Centre,
Nariman Point,
Mumbai,
MH - 400021

International Offices



Dubai

United Arab Emirates



Dammam

Kingdom of Saudi Arabia

www.primuspartners.in

info@primuspartners.in

[in](#) Primus Partners India

[X](#) @partners_primus

[@primuspartners7128](#)