



# The impact of organisational culture on wellbeing in the workplace





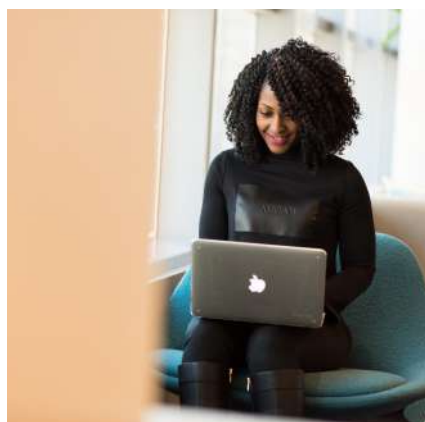
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# Executive Summary

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Wellbeing has been a concept preceding the existence of formal organisations. Although organisations have given new dimensions to the meaning of wellbeing, in today's world, wellbeing also provides new dimensions to organisations and organisational culture. This paper attempts to explore the meaning of wellbeing in different cultures and at the workplace in order to understand how organisational culture can impact it. We particularly look at how inclusive work cultures can drive wellbeing and benefit organisations. The paper concludes by giving some guidelines to organisations around how to enhance wellbeing in the workplace.



# What is wellbeing?

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While we all have an intuitive understanding of what “wellbeing” means, it would be useful for us to begin by arriving at a clear definition.

Wellbeing is an outcome – both a state of being we attain, and a self-appraisal of the circumstances of our lives – that proceeds from living a life of experiences that are intrinsically valuable to us. Thus, while there are common factors that could be thought of improving well-being (e.g., access to nutritious food, meaningful work), there is also an element of well-being that is unique to the individual [1].

Given the subjective nature of wellbeing and the numerous factors that can influence perceptions of wellbeing, it has been historically difficult to establish a definition that is widely used within public discourse.

The quest for wellbeing has been a central thread behind a lot of human thought – driving thinking into the world of ethics, politics, philosophy, administration and medicine. As we have progressed through these eras, the ways in which humans perceive wellbeing has evolved with societal, cultural and political influences. The field of study it is most closely associated with in the present day is the field of psychology.

The emergence of wellbeing within the field of psychology started to emerge in the late nineteenth century, and its flourishing over the decades has been joined by an uptick in wellbeing as a field of study within economics as well, owing to a refinement in the methods used to measure it [2]. This work has resulted in the creation of various scientific models of wellbeing – with varying levels of research underpinning them (e.g., Carol Ryff’s Six-factor Model of Psychological Well-being, Diener’s tripartite model of subjective well-being, etc.)

Before this, most of the thinking on wellbeing could be split into hedonic and eudaimonic traditions which place emphasis on different aspects. The hedonic tradition emphasizes pleasure, happiness and comfort as essential for human well-being whilst the eudaimonic tradition highlights effective and positive functioning in daily life.

The eudaimonic tradition describes autonomy, environmental mastery, personal growth, positive relations with others, purpose in life, and self-acceptance as the key dimensions that facilitate positive functioning in life, and ultimately wellbeing.

It is feasible for wellbeing to be experienced without the presence of all these key dimensions. For example, a person might have a purpose in life and positive relations with others which could be sufficient to have a high level of wellbeing. Equally, it is important to recognise that wellbeing is not a static condition as our levels of wellbeing can change at various periods of time as we navigate through the journey of life.

# Understanding wellbeing from different cultural perspectives

The foundations of a lot of the present-day scientific thought on wellbeing can be traced back to Ancient Greece where philosophers gave considerable thought to the necessary conditions for happiness [3]. Socrates considered lifelong learning as a pursuit that could result in living well and rejected the idea that the pursuit of pleasure would lead to happiness. However, some philosophers shifted away from this notion and proposed that the absence of pain and mental illness contributed to a happy life.

These notions evolved and refined and were studied with greater rigour – first philosophically, then scientifically. However, it is important to acknowledge how much of the contemporary thinking on wellbeing is western-centric – carrying forward the lineage of western classical thought and based on research conducted on western populations.

The drawback to this is that our understanding of wellbeing often doesn't fully reflect how the concept is experienced and understood across different cultures.

You may be wondering “what kind of cultural differences could exist when it comes to something as universal as wellbeing”?

One important dimension that cultures differ on is their understanding of the relationship of the individual to the group i.e., whether they are more individualistic or more collectivistic. [4]

In individualistic cultures, the freedom of the individual is of the highest importance. An individual's personal goals and desires are more important than group cohesion. Independence and self-reliance are cherished virtues. These cultural values lead people to perceive themselves as more unique, autonomous and independent.

In collectivist cultures, the benefit of the group (families, communities) is of the highest importance, and loyalty, selflessness and unity are cherished virtues. These cultural values promote perceiving the self as more interconnected, harmonious and overlapping with those to whom one is close.

Such differences are hardcoded into us. For instance, researchers Shihui Han and Glyn Humphreys attempted to study the impact of such beliefs about the self in their paper ‘Self-construal: a cultural framework for brain function [5] and found evidence that those in East Asian cultures showed a difference in brain activity relative to those from more Western cultures when presented with stimuli. Those from Western cultures showed increased activity in the part of the brain linked to encoding the relevance of a stimulus to oneself, whereas those from an East Asian culture showed greater activity in a part of the brain associated with taking the perspective of others.

What bearing does this have on wellbeing? Those from more collectivistic cultures tend to look at their well-being as more relational (e.g., their idea of wellbeing is more linked to the happiness or pride or wellbeing of their loved ones) than those from more individualistic cultures [6].

Even when measuring wellbeing, if our questions revolve more around a sense of agency people from more collectivistic cultures might be less likely to endorse them and as a result, might seem lower on levels of wellbeing. This is something more contemporary approaches to understanding wellbeing are trying to eradicate.

There are also cultural differences in whether wellbeing is understood as the presence or absence of stress and worry (rooted in western medical approaches), or of balance, harmony and calmness (rooted in eastern contemplative practices). In conclusion, when talking about wellbeing we're ultimately trying to capture how life is lived, and how it ought to be lived. And since there will always be a cultural difference in these areas, there will always be cultural differences in how wellbeing is understood.



# Why is wellbeing important within the workplace?

Despite the cultural differences, wellbeing within the workplace has and still revolves around the stress caused by the elements at work. One in three workers say that stress at work is the biggest problem in their lives affecting their quality of life, even more than debt and financial problems [7]. Wellbeing at work, according to the International Labour Organization, relates to all the aspects of working life – from the larger, concrete quality and safety of the physical environment to the abstract feelings of the workers towards their work, working environment, work climate and work organisation.

Wellbeing can determine any organisation's long-term effectiveness as it can lead to higher levels of productivity, resilience, employee engagement and performance [9][10][11]. In a review of over 330 studies on wellbeing across 1.8 million employees across the globe [12], it was found that higher wellbeing at work including wellbeing programmes were very strongly related to employee satisfaction and productivity. On the other hand, in the absence of wellbeing at work, higher turnover, absenteeism, presenteeism, poor performance and lowered quality of life were found [13][14]. Workplace stress can lead people towards unhealthy coping mechanisms like smoking (28%), taking antidepressants (15%), over-the-counter sleeping aids (16%) and prescribed sleeping tablets (10%) which lead to poor wellbeing and increased health and productivity costs for both the employees and organisations [7][15].

But this can be changed. With employee wellbeing programmes in place and engagement in physical and mental activity, employee stress can be reduced, performance and creativity can be increased and \$3.27 can be saved for every dollar spent on employee wellbeing [16][17]. For employees to be able to perform to the best of their abilities in an inclusive culture and have a better engagement, employee wellbeing needs to be kept at the centre of the business models and everyone in the organisation needs to take responsibility for it [18]. Thus, wellbeing at work is holistic – it involves the physical, mental as well as cultural aspects of wellbeing.

# What is organisational culture?

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As highlighted, wellbeing can determine an organisation's long-term effectiveness and it is important to understand how organisational culture can facilitate or mitigate wellbeing. Before we delve into this subject, it is worth briefly reflecting on the theoretical underpinnings of organisational culture which has existed within the field of management for over fifty years and is considered one of the main contributory factors to the success of an organisation. Within an organizational context, culture can be defined as a shared set of beliefs and values that informs a group's behaviour [19]. These beliefs and values develop over a sustained period and could be considered as a by-product of shared learning whereby individuals share their thoughts and feelings about the working environment and start to form a sense of identity which leads to basic assumptions about the organizational culture and accepted "ways of doing things around here". The shared set of beliefs and values are also utilised to help new joiners integrate effectively within an organisation which further reinforces the culture. However, there are several factors that need to be present within an organisation for culture to develop over time. Stability is required within a group for culture to remain constant to the extent that it survives despite staff turnover and should exist in all of an organisation's functional areas from top to bottom [20]. An important factor for consideration is that culture is not solely defined by interactions between employees but also requires a set of beliefs and values to be demonstrated cohesively and consistently within the strategy, operational processes and communication with customers and various external stakeholders.





# How does organisational culture influence employee wellbeing?

The importance of having a strong organisational culture has arguably become more pertinent during the COVID-19 pandemic as employees have re-evaluated their goals and priorities which has contributed to 'the big quit', a phenomenon whereby a vast number of employees have voluntarily quit their jobs. According to a recent MIT Sloan Management review, there are ten elements of culture that are most important to employees and in this white paper, we will focus on the three highest-ranked elements. Employees want to feel respected in the workplace whereby their perspectives are taken seriously, and they are treated with courtesy and dignity. The feeling of being respected by your work colleagues can help foster wellbeing. This also requires supportive leaders. This point brings us to the next element. Employees typically need to have a sense of autonomy whereby they feel in control of their own behaviours and goals but equally require leaders to help create a working culture where employees can thrive. This could be through implementing the right structures and processes, accommodating employees' individual needs and providing encouragement. The third element that we will discuss is the need for congruency between leaders' actions and organisation's values. It is worth reflecting on what we refer to as values as this can have different connotations. We can consider values as a form of consensus that a social group or organisation consider important for its aims and collective values [21], and there are distinct forms of values that contribute to an organisation's values [22]. Espoused values are the verbal or written statements that typically represent organizational values, but this should operate in tandem with attributed values which members generally regard as representative of the organization. If there is a disconnect between a leader's actions and the espoused and attributed values of the organisation, this could affect employee wellbeing and higher staff turnover.

Having discussed some of the key elements that help determine a strong organisational culture, we will focus our lens on the evidence that illustrates the impact of organisational culture on employee wellbeing. In a recent study, physicians in the UK reported systemic factors which negatively impacted their wellbeing [23]. Amongst these factors was a negative professional culture with an over-emphasis on personal resilience as opposed to addressing systemic issues, fear of failure and judgment from senior colleagues for raising concerns regarding workplace safety which could potentially affect career progression. It is worth noting that data collection for this study occurred before the advent of Covid-19 which isolates the pandemic from having an influence on these findings. The high incidence of burnout that was reported in this study highlights what can occur when there is limited support from leaders and an absence of a culture where employees can be their true, authentic selves. Organisations also need to consider employee wellbeing as a key component of business strategy rather than a short-term initiative. A recent Forbes report highlighted that SAP, a multi-national enterprise software company incorporated wellbeing into their business strategy which was considered a management priority by senior leadership. SAP adopted a holistic, strategic approach to wellbeing which helped to foster a healthy workplace culture and led to higher staff engagement, lower staff turnover, better productivity and bottom-line profits. This highlights the importance of organisations deploying a long-term approach to wellbeing and ensuring that it is not solely the responsibility of an HR department to implement wellbeing strategies and initiatives.

# Inclusive cultures help promote employee wellbeing

As we saw in the example of SAP in the earlier section, an organisation can shift its focus on wellbeing and improve the work culture to make it healthier and happier. This is boosted further when employees feel like they belong and are respected, valued at the workplace. This is what inclusion is and does; it fuels wellbeing in the workplace. Inclusion allows employees to bring their true selves to work and thus they are more likely to contribute, making them 6 times more creative, innovative and agile [24]. Apart from this, inclusion can impact organisational and employee wellbeing by reducing fatigue and inequity, and improving engagement, motivation and performance.

**According to Menzies (2021) [25], the inclusion and wellbeing of employees is linked in several ways. Let's investigate two of them:**

## Inclusive workplaces promote higher employee wellbeing.

Inclusive workplaces make employees happy and satisfied, because of which they are 1.5 times more likely to give their best at work as opposed to those who are unhappy. These unhappy and dissatisfied workers are more likely to feel stressed and leave their jobs. Moreover, inclusive workplaces promote higher self-esteem, belonging and a positive self-concept of employees which boosts their psychological wellbeing in addition to a better work-life balance.

## Employees who experience higher levels of wellbeing are more inclusive.

Wellbeing can reduce the 'us vs. them' phenomenon, thus, promoting inclusion. With the diverse needs of different social groups at work being taken into consideration for wellbeing, employees feel comfortable and happy to extend the same belongingness to others. With lowered stress levels, there is evidence to say that stereotyping and discrimination in the workplace also decrease.

In order to promote wellbeing, you need to focus on inclusion; and to promote inclusion, you need to focus on the holistic wellbeing of employees.

# Top tips and approaches for enhancing wellbeing within the workplace

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Wellbeing within the workplace is not anybody's responsibility; it is everybody's responsibility. Beyond individual efforts, there must be team and organisational efforts to support and encourage employee wellbeing. It is not only about providing employee wellbeing programmes, but also ensuring that such initiatives fit everybody's needs and are accessible to all. Creating an environment that advocates and promotes wellbeing is required.

**Here are a couple of things that organisations can do to enhance wellbeing within the workplace, while keeping inclusion at its heart:**

## Set a holistic understanding of wellbeing

Wellbeing goes beyond the physical environment at work and considers the emotional, psychological and financial aspects of employees. Establish what wellbeing means to employees coming from different cultures and communities of the society in your organisation. Consider everybody's needs when it comes to wellbeing – which aspects need more attention, do we need to focus on mental agility and resilience, do we focus on physical activities, do we focus on collaborative actions, how do we provide for the disabled, what psychological support can be extended, and so on. This might seem time taking, but it is important to set a direction for your inclusion and wellbeing efforts, making the latter journey smoother.

## Encourage autonomy and flexibility

Employees feeling that they have control over their work heightens their feelings of job satisfaction and achievement. Having low discretion at work has been associated with poor mental and heart health [26]. Autonomy, as referenced earlier, is one of the top three elements of a work culture that provides for promoting inclusion and independence. Flexibility can improve employees' mental health by controlling their erratic schedules and reducing stress. If workers have flexibility, they can allot their time to wellness initiatives in the organisation and even prioritise those outside of work to maintain the work-life balance.

## Create forums, support groups, working groups and clubs

There is never a one-size-fits-all solution to anything in the world, especially when we are talking about unique, individual beings. Providing a space or different spaces to all as per their needs to share their thoughts is crucial to maintain wellbeing of employees. A variety of clubs and groups can be created to meet different objectives of different people in the organisation. This will allow to create belonging among the employees and thus reduce psychological distress.

## Build psychologically safe spaces

Psychological safety is about opening, voicing out and sharing your thoughts and beliefs without any fear of being embarrassed or rejected by others in the team. Such psychological safety of learning, contributing and challenging can allow employees to perform their best and be happy and healthy. Make vulnerability, empathy and authenticity a part of your culture and leadership. Inclusive leaders can strengthen workplace wellbeing.

## Establish employee wellbeing programs with regular check-ins

Once any initiatives have been undertaken, ensure that there are periodic check-ins as required to understand the dynamic requirements of employees. The establishment of wellbeing policies and programmes is to provide a framework to the employees to get them started on thinking about wellbeing and to show genuine solidarity towards the holistic wellbeing of employees. This will only be strengthened by the regular check-ins where all employees have equitable opportunities to contribute. Things like wellbeing assessments, insurance policies, sick leaves, wellness leaves, etc. need to be put in place for those who need them.

## Bring external expertise

Having an external expert on board gives a third person perspective on the issues that may not be visible to the insiders of an organisation. While many policies and structures can be put in place by organisational leaders and employees, expertise in providing mental health support or wellbeing assistance can be professionally provided by the specialists. This can also strengthen the organisational resolve towards wellbeing by displaying genuine interest and care towards investment in employee wellbeing.

# Conclusion

Wellbeing at the workplace is an integral part of organisations and their cultures as it can drive employee satisfaction, performance and motivation. This paper explored the meaning of wellbeing which goes beyond just the physical wellbeing and encompasses psychological, financial and holistic wellbeing as well. When organisations can promote wellbeing through their policies and structures, employees feel included and, in turn, further enhances their wellbeing. Organisations can decide on an understanding of wellbeing for themselves by considering their contexts as well as of their diverse employees with periodic check-ins and assessments about where they are and where they need to be. Beyond just wellbeing programmes, it is crucial to create an environment of inclusion and autonomy which supports and advocates wellbeing in all their initiatives. If inclusion is kept as the business core, wellbeing is sure to follow.



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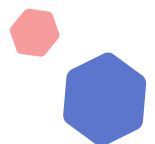
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# About In Diverse Company

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In Diverse Company is an Equity, Diversity and Inclusion consultancy that helps organisations create, measure, and enhance workplace inclusion through a combination of technology, data science and human lens. We look at Inclusion, Leadership, Learning, Engagement and Wellbeing differently.

With many organisations undertaking digital transformation and working through unprecedented times, leaders are facing new challenges when it comes to employee engagement and learning. To support these organisations, In Diverse Company's globally based academics, psychologists, analysts, and data scientists provides tailored recommendations that move culture, behaviours, and habits through team learning and help create a more inclusive environment.

We have been working with global organisations across multiple industries and the public and private sectors since 2019. We are proud of how far our clients have come during this time. We use our learning from our wide client base to continue to develop and enhance our products and better understand challenges faced by organisations today.

If you are interested in our services or want to chat with us about your ED&I challenges, please email us at [info@indiversecompany.com](mailto:info@indiversecompany.com).



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