

Dear CEO,

## We have a problem.

*We can no longer deny or minimise the negative impact of leadership simply paying lip service to culture and values.*

Recent culture-related headlines, embroiling organisations from ITV, to the CBI, Odey Asset Management or the Metropolitan Police, have highlighted the impact of an unhealthy organisational culture – including catastrophic damage to people, reputation and value. We are in the midst of a culture crisis in the UK.

Calls for change are coming clearly from the bottom up in our workforce. A new generation prefer businesses that are more ethical and environmentally friendly, according to the World Economic Forum. Workplace activism is demanding that employers enshrine values and ethics into their business model, not just profit. The shift to hybrid and flexible working models has been seismic. The 'great resignation' and the 'war for talent' are not to be dismissed as trends or buzz phrases, because at their heart lies something serious - the dynamics between employer and employee are facing a historic shift.

## Culture is a fundamental risk to all businesses

*Boards should be treating this with urgency and actively foster an inclusive and productive corporate culture.*

And yet, our recent [Hidden Talent report's](#) analysis of over 1,000 listed companies tells us that only eighty-one (2.3%) executive members across almost 4,800 executive board seats hold positions outside of CEO, CFO or Company Secretary. Within this small group are just two People officers.

So in the midst of these shocking cultural crises, how are boards tackling people and culture? We asked our Women on Boards members, serving on boards across all sectors. A strong majority (82%) stated that people and culture was a 'top level' or 'significant' area for their boards. Despite this, only 27% of board members surveyed said they draw on specialist HR expertise and 40% stated that the quality of people and culture discussions were 'weaker' than other topics.

So why, as the research suggests, are those at the top not taking corporate culture seriously? Urgent action is now required by chief executives across all sectors to cultivate a healthy corporate culture.

## Change starts with redefining board-ready talent.

*It's time to elevate HR and People expertise to UK boardrooms and to the highest strategic level.*

Boards should be in no doubt that the time for articulating, establishing and embedding their corporate culture is now and those that move beyond lip service will be more likely to thrive, perform better and be more resilient.

*If we are to take anything away from the recent scandals hitting British institutions, it's that a healthy culture is of fundamental importance to the success of an organisation and to the people it employs.*

Fiona Hathorn,  
CEO and co-founder of Women on Boards UK