

The 2024 Q3 State of Culture:

Closing Gaps in Business Acumen and Financial Literacy Offers a Way to Improve and Accelerate Results

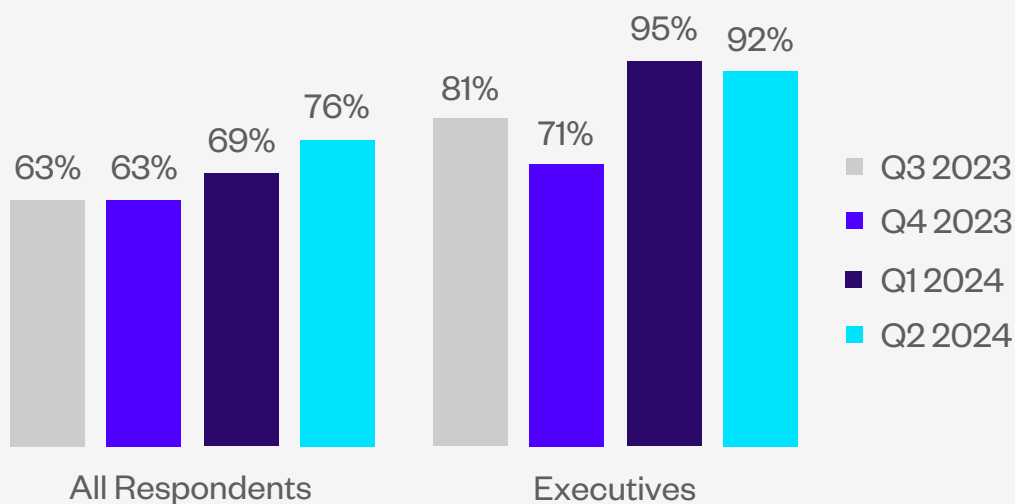
In our 2024 Q3 State of Culture survey, we've continued to capture feedback from professionals across industries to learn how their respective organizations are tracking toward goals and experiencing workplace culture. We've also explored existing levels of business acumen and financial literacy to understand how these skills manifest across organizations and roles. While organizations are more confident in their ability to achieve goals and culture is slightly improving, there's an opportunity to accelerate results by building critical skills and knowledge.

Goals in Sight With High Level of Executive Confidence

More employees said their organization is on track to reach goals over than ever (76%), beating last quarter's 69% response and far exceeding the 63% response from Q3 2023. This response likely points to continuing economic resiliency.

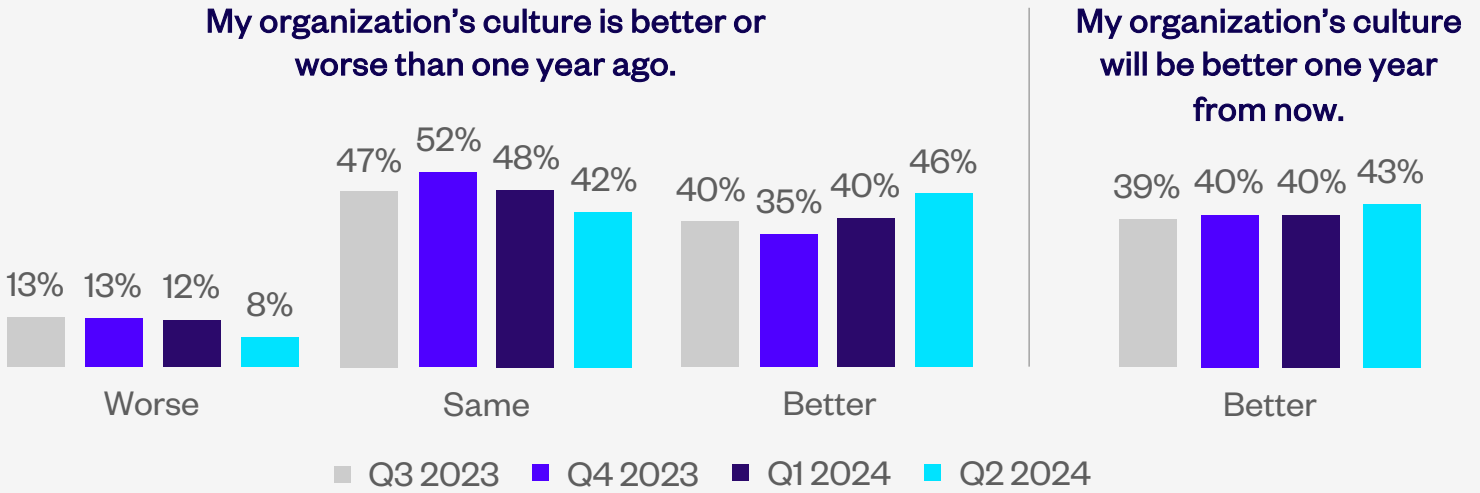
Meanwhile, 92% of executives said organizational goals are tracking, slightly lower than last quarter's 95% but still reflecting a strong positive outlook.

My organization is on track to meet its goals.



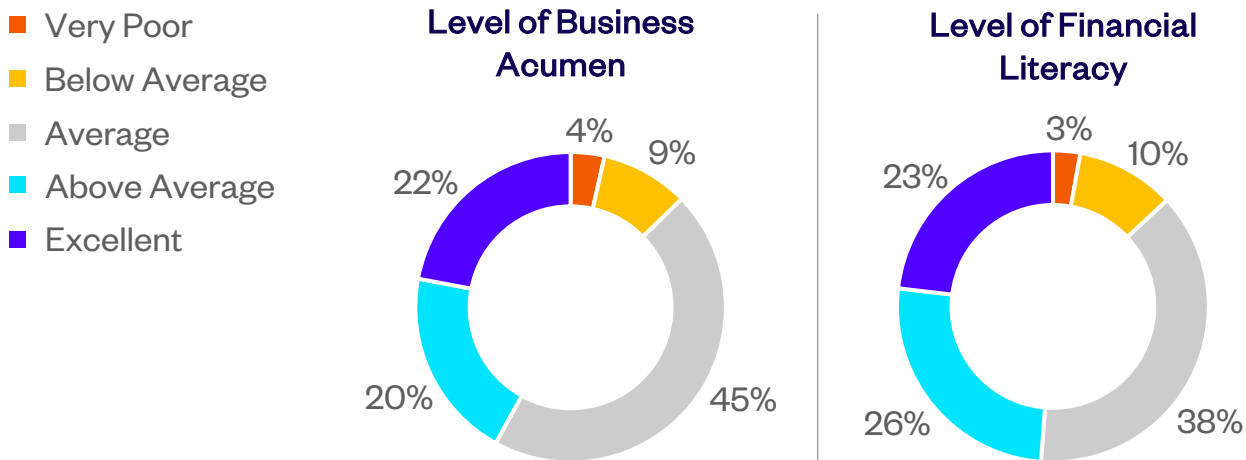
Growing Improvement in Culture

Organizational culture is better than a year ago, according to 46% of employees—a 6% boost over last quarter. More employees also expect their organization’s culture to be better in the future, which at 43% represents the highest recorded level in the past four quarters.



Business Acumen and Financial Literacy on the Line

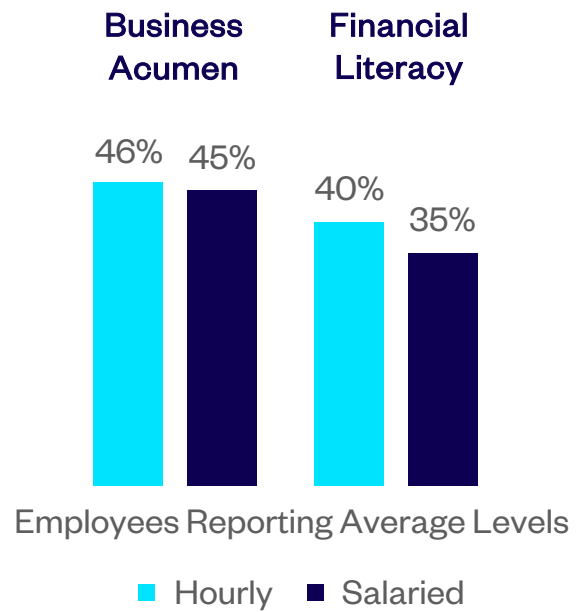
Less than half of employees said they have “Above Average” or “Excellent” business acumen or financial literacy. Most selected “Average” for both questions (45% for business acumen and 38% for financial literacy). This situation reveals gaps in knowledge that could negatively impact decision-making and potentially lead to lost opportunities.



Digging deeper, most hourly and salaried workers ranked themselves “Average” in business acumen with only a 1-pt. difference between the two groups (46% vs. 45%, respectively).

Most employees also ranked themselves “Average” in financial literacy. However, a 5-pt. spread appeared between hourly and salaried workers (40% vs. 35%, respectively).

While more hourly than salaried employees said they had an average level of financial literacy, only 22% reported having an “Above Average” level vs. 31% of salaried workers. And instead of dropping off further, nearly the same percentage of hourly employees (21%) reported having “Excellent” financial literacy.



Misperceptions and Different Expectations May Explain Hourly Employees' Knowledge Gaps

This higher self-assessment of financial literacy among hourly employees may reflect their “not knowing what they don’t know.”

It could also indicate lower expectations on the part of managers or employees themselves as to which financial concepts hourly workers should understand—and to what extent it’s necessary.

At the same time, just over 50% of individual contributors (representing mostly hourly workers) believe their managers can easily answer their questions about financial operations. This situation may leave the remaining 48% wondering how to build financial knowledge and contribute further.



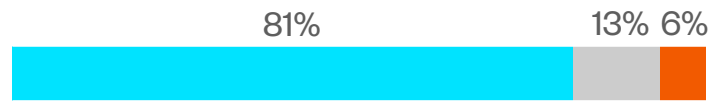
Disconnect Between Individual Contributors and Goals

Over 80% of employees said they understand how they contribute to team or departmental goals. *Yet only 66% said they understand how they contribute to their organization's overall goals.*

Fewer still (55%) said their manager could easily explain the organization's financial and business operations or encouraged employees to boost their understanding of these operations.

Financial and Goal Understanding

I understand how I contribute to my team's or department's progress toward our goals.



I understand how I contribute to my organization's overall goals.



My manager encourages employees to increase their financial and business understanding.



My manager can answer questions about the organization's financial and business operations in a way that I understand.

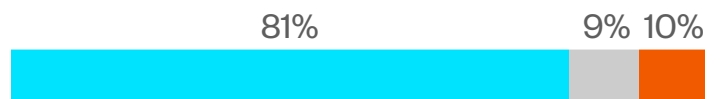


■ Agree ■ Neutral ■ Disagree

By level, employees who understand how their organization operates and makes financial decisions *plunged from 81% for senior leadership to 49% for individual contributors*, exposing a significant shortfall.

Understanding of Operations and Decisions by Level

Senior Leadership
Executives, Senior Management, and VPs/Directors.



Manager/Team Leader



Individual Contributor/Team Member



■ Agree ■ Neutral ■ Disagree

Takeaways

1. More employees agreed their culture will be better in the future, but 40% said it will stay the same, indicating some stagnation. **Organizations that regularly solicit employee feedback and apply it in relevant ways can more fully activate and benefit from the power of culture.**
2. More than 50% of respondents reported average to poor levels of business acumen. **Greater and clearer communication on organizational goals and how each person contributes to achieving them is vital for connecting the dots in decision-making.**
3. An equal number of respondents lack above average levels of financial literacy. **Organizations should strive to boost the understanding of financial terms and concepts across roles to promote better, more confident decision-making. Combined with greater business acumen, this approach encourages big-picture thinking and positions organizations to drive results successfully.**



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That Means *Business*

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