



**AUT**

# **Organisational Culture in the Finance Industry of New Zealand and its Impact on Wellbeing**

Research study findings: Dr Roy Smollan, Department of Management, Technology and Organisation, AUT.

# Why the finance industry?

- Criticised in many countries for the global financial crisis, overselling to customers, long working hours, and exceptionally high performance expectations.
  - 100-hour work weeks (Son, 2021)
  - Demands for return to the office (Colvin 2023)
  - Performance reviews “to identify and potentially cull the bottom 5% to 10% of employees” (Kidwai 2022), “rank and yank” (Giumetti et al., 2015)
- Many New Zealand banks and insurers are owned by Australian companies.
  - Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Commonwealth of Australia, 2019)...led to reports by...
  - Financial Markets Authority/Reserve Bank of New Zealand, life insurers (2018) and banks (2019), requiring adherence to codes of conduct, particularly regarding treatment of customers.



# The aims of the study

- To understand the similarities and differences between organisational cultures in the finance industry (and then other industries).
- To assess the impact on performance and wellbeing.
- To explore the relationship between performance and wellbeing

# Organisational culture

- Structure
- Language
- Rituals & ceremonies
- Stories & legends
- Values and conscious beliefs
- Assumptions: non-conscious, taken for granted beliefs

McShane et al., 2016

“the norms that characterise a group or organization”  
(Chatman & O’Reilly, 2016)

“the taken-for-granted values, underlying assumptions, expectations, and definitions that characterize organizations and their members”  
(Cameron & Quinn, 2011)

“the tacit social order of an organization” (Groysberg et al., 2018)

The way we do things around here.



# Sub-cultures

- Divisions, departments, sub-departments
- Hierarchical levels + roles
- Gender, ethnicity, age +
- These are not always in alignment with each other or the wider organisational culture.
- Silos exist – different priorities, inadequate cross-functional communication.
- Influenced by the style of leadership



# Stress/wellbeing in the NZ workforce

## Workplace Wellness Report 2023

*Wellbeing is not merely the absence of stress – it is a positive feeling of competence and connectedness at work.*

“The 2022 results saw organisations reporting greater stress/anxiety levels amongst their staff.”

“**General workload** remained the biggest work-related stress issue...for non-work-related stressors it was financial concerns...and relationships.”



# Method

*24 interviewees in the finance industry of New Zealand 2020-2021*

<b>Sector</b>	Banks 9, investment funds/investor advice/stockbrokers 8, insurance 3, finance software 2, consulting 2
<b>Gender</b>	Men 15, women 9
<b>Age</b>	Range 23-61, average = 41; 20s-4, 30s-7, 40s-7, 50s-5, 60s-1
<b>Ethnicity</b>	European 17, Māori 4, Pacific Island 3, Asian 4 (some identified with two or more ethnic groups.)
<b>Level</b>	Senior manager 9, middle manager 5, employee 10 (no first-level managers)
<b>Length of service</b>	Range 2-33 years, average = 7 years
<b>Length of interview</b>	Range 48-77 minutes, average = about 60 minutes

# Questions were asked on...

- Values
- What the participant liked/disliked about the culture
- Impact of the pandemic on the culture
- Inclusiveness and diversity
- Teamwork
- Autonomy
- Work-life balance
- Training and development
- Remuneration
- Concern for customers
- Concern for performance
- Concern for staff wellbeing

*Not all produced strong reactions, positive or negative, regarding the impact on performance and wellbeing.*



# Performance expectations

Workload, quality of work, timeliness+

Smollan & Mooney, 2024

- Workload

“Sometimes I might work 50 hours a week, but then there’ll be a week where it will dip back down to maybe 35 hours.”

- Impact of lockdowns

“Because we were at home it meant that we worked a bit more overtime, because that’s something **inherent within us in terms of the culture**. So that probably didn’t play out well for the first part, but something we kind of got a bit more used to.”

- Self-expectations

“I’ve always liked stressful environments...But still, **if you’ve got a high-performance expectation**, which we do have, it can create stress, especially if you make a mistake.”

“**I have really high expectations of myself**. I think my adjustment’s more about adjusting down, not up, or performance, because I think that if the culture is to be efficient and effective, I want to do it all and go overboard.”

# Inclusiveness and diversity

- “No matter who you are, you’re absolutely treated with respect, and that applies to whatever level of diversity you are as well...and that **creates a really open culture where people feel like they can be themselves** and actually promote positive and constructive approaches to how we do things, which is fantastic. “
- “The old culture...was like the **boys’ network.**”
- “I am probably the only [one from my ethnic group]. The firm got kind of labelled **pale, male, stale.**”

# Teamwork

- “Covid made it really hard so there were weeks where we just had to get the work done, but that’s where teamwork really came into it where **we just rallied around each other and picked work up if someone couldn’t deliver.**”
- “Ownership of projects was weaponised. You almost had your own hashtag on a project.”
- “There was a lot of emphasis on generating revenue and if you upset a few people along the way that was kind of seen as ok. **It was a pretty toxic culture in that regard.**”



# Work-life balance

- “When I first joined the division, I was told **face time** is very important...the intent of that comment is **literally being at your desk.**”
- “I think we talk about it a lot, but I do feel that the balance between work and life, there’s **always a tendency more towards work...** There’s not a balance at the moment and it comes through our surveys and stuff that we are overworked and short-staffed.... **there’s a lot of stressed people out there.**”
- “The right thing to do is to provide plenty of opportunity for people to be fulfilled and have a really fruitful life outside of work... **So we’re super-flexible with people on balancing things.**”



# Customer service

- “The customer is at the forefront of everything that we do, and **absolutely the culture is built around the customer.**”
- “Number one is when it comes to customers it’s about doing the right thing, **and if that means you’ve got to take short-term pain** because in the long-term it’s the right thing to do, so that’s always been a mindset pre-lockdown; and even during lockdown those things were always there.”

# Autonomy + Compliance

- “Organizational culture to me is first of all, in the banking industry it has to be **compliance**.”
- “**We do have a risk culture here**... everything that we do, you have to assess it before you do anything...we have so many processes that makes you aware of what you have to look for before you start any initiative.”
- “**[the culture] is quite conservative** where we’ve got stewardship of a substantial portion of people’s wealth and we are concerned around what we do and what we change, which is both a **blessing and a curse**.”

# Concern for wellbeing

Many highlighted the positive steps the company had taken before, and particularly, during the pandemic era.

Wellbeing initiatives included:

- Employee Assistance Programmes
- Food sent to employees' homes
- Social Zoom/Teams sessions
- “pulse checks”
- “wellness windows”
- “wellness channels”
- “wellness days”
- “wellness tips”
- “mental health first-aiders”

Some found that the time and energy it took to counsel staff and/or clients was draining.



# Outcomes of performance expectations

Performance



Wellbeing

**“I have enjoyed pushing myself to the limit** and learning new things and I certainly think **that’s what we get from our culture; there’s an element of excitement and curiosity to try new things.** And it’s encouraged to push yourself to be the best that you can be.”

“...the culture of just gritting your teeth, getting it done, so I did what I needed to do to make myself at least feel better in the short term.” He added, “I kind of feel like **I had PTSD over it...I had a bit of fear and dread** or something...So maybe I’ve attached this feeling of burnout and stress to particular activities.”

# Overall

Although I was expecting criticism of the finance industry cultures, mostly based on reports from other countries...

- **Most participants felt that their organisations had generally positive cultures** (only one had a very negative view of the culture, calling it toxic).
- **Most believed that the organisation really cared for the staff.** This was the case before the pandemic and was enhanced through and after the various lockdowns.
- As previous studies have shown, high performance can be accompanied by employee wellbeing but can also undermine it.



Dr Roy Smollan, AUT

09 921 9999 ext 5390

[roy.smollan@aut.ac.nz](mailto:roy.smollan@aut.ac.nz)

[www.aut.ac.nz](http://www.aut.ac.nz)

<https://academics.aut.ac.nz/roy.smollan>

<https://nz.linkedin.com/in/roy-smollan-3b7b2677>