



Rotterdam School of Management
Erasmus University

European Businesses Face a "Productivity Paradox" as Workforce Feels Valued but Frustrated by Lack of Speed and Empowerment

Release of EU-funded report 'Culture Compass 2026' which explores productivity and corporate culture in Europe

ROTTERDAM, February 23, 2026 – European companies have built workplaces where employees feel valued and engaged, but there's a catch: they're struggling to get things done quickly. A new study developed by the Rotterdam School of Management – Erasmus University and Meet Your Purpose, a think tank focused on organisational culture, reveals this critical contradiction at the heart of European businesses.

The "Culture Compass 2026" report, released today, surveyed over 540 managers and junior employees across Austria, Germany, the Netherlands and Switzerland. The findings show that 42% of organisations have a dominant "Clan" culture—think collaborative, family-like environments where teamwork matters. Yet 41% simultaneously identify "bureaucratic and slow decision-making" as one of their biggest weaknesses.

This "Productivity Paradox" suggests that the region's highly collaborative cultures are inadvertently creating a bottleneck that stifles innovation and speed. Employees feel valued but frustrated by their inability to act quickly and make decisions.

"Our data shows that European companies have successfully built cultures of trust and collaboration, but that it has come at a cost: an innovation deficit where only 11% of those surveyed find European firms results-driven," said Professor Joep Cornelissen, Academic Director at Rotterdam School of Management, Erasmus University. "The challenge for 2026 is not to dismantle these people-centric cultures, but to evolve them—to decouple collaboration from consensus and empower teams to be both cohesive and decisive."

Innovation, values gaps and the potential of tech

Co-funded by the European Union, the report was conducted between August and October 2025 and looked at aspects like values, skills, culture, strengths, weaknesses, opportunities and threats. Findings included:

1. Dominance of the "clan" culture creates an innovation gap: 42% of organisations are dominated by a collaborative "Clan" culture. In stark contrast, only 11% are driven by a results-oriented "Market" culture and 30% by an innovative "Adhocracy" culture. This imbalance reveals a significant "innovation deficit". Organisations prioritise internal harmony far more than external adaptability and creativity.
2. A changing strategic landscape: The greatest opportunity for companies lies in Technological Advancements (52%), while the biggest threat is Economic Uncertainty (56%). Internally, the greatest strength is High Employee Engagement (42%), while the biggest weakness is Bureaucratic Decision-Making (41%).
3. Though engaged, employees find a values gap: Employees' personal values (such as Integrity and Honesty) don't always align with what the organisation prioritises in practice (such as Teamwork and Results-orientation). What employees consider important personally doesn't match what the company actually rewards and emphasises.
4. **Variations in cultural patterns according to sector and countries:**
 - Technology Sector (Highest Adhocracy at 16%): Shows commitment to innovation but struggles to maintain agility as companies grow.
 - Healthcare Sector (Extreme Clan at 58%): The "family" approach drives excellent patient care but creates blind spots for operational efficiency.
 - Public Sector (High Hierarchy at 31%): Driven by stability and procedure, making agile transformation particularly difficult despite high employee engagement.
 - Country Variations: Germany's strength in engagement is offset by bureaucracy, while Switzerland's customer focus is hampered by similar procedural issues.

In its first edition, the Culture Compass, also includes advice for companies and their leadership. The report highlights that the bottleneck for innovation and productivity it's not companies' workforce but their leadership and urges leaders to shift their approach from rule enforcement to outcome enablement to drive productivity. For example, the authors of the report suggest adopting "disagree and commit" protocols and dedicated innovation zones to accelerate execution while maintaining psychological safety.

Additionally, they also encourage leveraging human-led AI workflows to further empower staff, transforming a supportive culture into a powerful differentiator for talent recruitment. Ultimately, the report underscores how the focus of its senior teams should evolve from operating like managers to enablers.

According to Hartmut Hübner, Co-founder of Meet Your Purpose Cooperative and co-author of the report, “firms should balance the trust of a family-oriented environment with the high-speed agility and innovation of a startup. Our goal with the Culture Compass is to provide leaders with the data and insights they need for this transformation.”

The results of the Culture Compass are well aligned with other reports like the Atlassian’s State of Teams or McKinsey & Microsoft’s 2025 research which highlighted a significant perception gap: while c-suite leaders were 2.4 times more likely to blame employee readiness for slow AI adoption, employees were 3 times more likely to use AI than their leaders realised.

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About Rotterdam School of Management, Erasmus University (RSM)

Rotterdam School of Management, Erasmus University (RSM) is one of Europe’s top-ranked business schools. RSM provides ground-breaking research and education furthering excellence in all aspects of management and is based in the international port city of Rotterdam – a vital nexus of business, logistics and trade. RSM’s primary focus is on developing business leaders with international careers who can become a force for positive change by carrying their innovative mindset into a sustainable future. Our first-class range of bachelor, master, MBA, PhD and executive programmes encourage them to become critical, creative, caring and collaborative thinkers and doers. www.rsm.nl

About the Culture Compass 2026

The Culture Compass 2026 is a comprehensive study co-funded by the Erasmus+ programme of the European Union, based on data from over 540 respondents from Austria, Germany, the Netherlands and Switzerland. The study was conducted by Rotterdam School of Management, Erasmus University together with Meet Your Purpose Cooperative.

For more information and to access the full report, please

visit: <https://docs.google.com/presentation/d/1XzLBJwTUcJOpR9kTUM7RM9MWJeHqWBNV/edit?usp=sharing&ouid=111606556616065983561&rtpof=true&sd=true>

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