

CULTURE AND TALENT INDEX 2025 BENCHMARKING STUDY



Study Background and Context

The 2025 Culture and Talent Index (CTI) Benchmarking Assessment evaluates how organizations cultivate workplace culture, manage human capital, and compete for top talent in a rapidly evolving economic landscape. Developed in a collaboration between Red Castle Human Capital® and Hinton and Company®, this study provides a structured framework for understanding organizational strengths and challenges across sectors.

Beginning in spring of 2025, the CTI was distributed to HR leaders working in corporations operating throughout the southeastern United States. Informed consent was obtained and all respondents were assured confidentiality.

The first objective of the CTI is to benchmark organizational culture and talent strategies. Here we define, track, and compare how organizations rate their workplace culture, leadership quality, and employee experience using validated frameworks that classify culture type and strength.

Second, we evaluate how these factors influence organizational performance relative to competitors across dimensions, such as innovation, profitability, and leadership. These insights identify areas of strategic advantage or vulnerability. Aggregated findings contribute to broader discussions on regional and sectoral workforce development, helping policymakers, educators, and business leaders align efforts to strengthen talent ecosystems.

Third, we evaluate human capital capabilities. By measuring workforce capabilities and adequacy, we identify gaps between current and aspirant talent and strategic goals. We also provide benchmark estimates on turnover, growth, compensation, and HR infrastructure. The survey tracks the presence and maturity of key HR capabilities—such as leadership development, workforce analytics, and flexible work policies—highlighting trends in talent strategy evolution.

In sum, this CTI is intended to shed new light on the workforce and cultural strengths of participating firms so that they can accentuate their HRM practices. The CTI Benchmarking Analysis offers a data-driven lens with which to evaluate these competencies relative to peers.

Respondent Profiles and Resources

Respondents were employed at a variety of domestic and international companies, including US- and European-headquartered firms that were founded on average 48.06 years ago, with average annual revenues of \$74.4 million USD, and 548.7 employees, indicating strong representation from mid-market firms.

We inquired about HRM resources and the HRM workload ratio that assesses the ratio of employees to HRM professionals. The average respondent organization employees a team of 2.92 HRM professionals, with an HRM workload ratio of 80.77. These numbers compare favorably with prior benchmarking studies from Red Castle Human Capital (i.e., 2019 HRM workload ratio of 143.03).

Firms in the sample grew at a year-over-year rate of 12.97%, experienced increasing annual turnover (2024 mean rate of 28.62% compared with 26% in 2023), and 3.4% unfilled vacancies. Likewise, the mean workforce size in our study grew at a year-over-year rate of 12.97%, representing 71.1 new employees on average. Assuming 12 hours of indirect time per turnover or new employee, HRM professionals in our study spent the equivalent of 2738.57 hours per year on staffing, representing the annual labor of 1.4 full-time HRM professionals, or roughly half of available HRM resources per respondent organization.

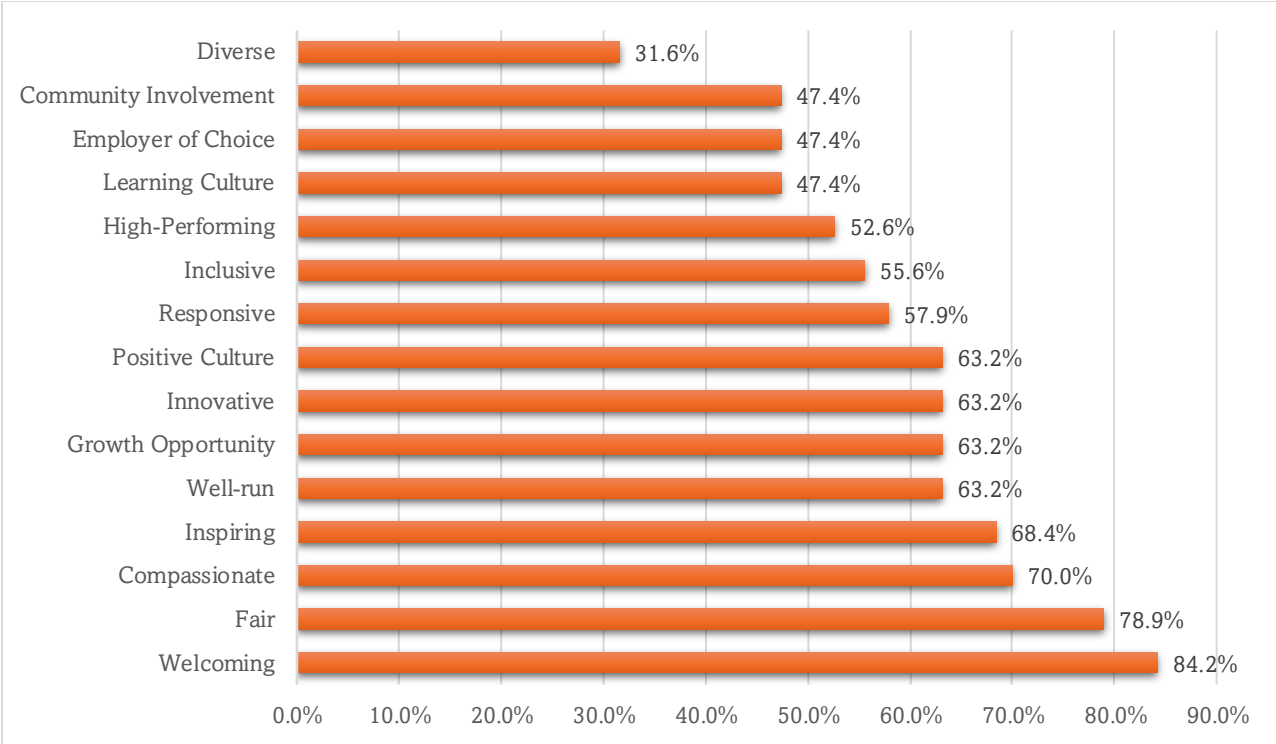
Although staffing due to growth is a strategic and proactive investment, staffing due to turnover represents a significant operational impediment that reduces the capacity of any HRM team to support other firm-specific strategic initiatives, including training and development, strategic compensation and benefits, compliance, succession planning, safety management, and performance management.

Respondent Metrics
Workforce Growth: 12.97%
Annual Turnover Rate: 28.62%
Annual Estimated Staffing Time: 2738.6 hours

Climate and Culture Benchmarking

We also assessed organizational climate strengths, culture, and engagement using Red Castle Human Capital’s proprietary measures. Regarding climate, respondents were asked, “How would you describe your organization, ranging from Poor (1) to Outstanding (5)?” The following chart highlights the percent strength of each climate feature.

Figure 1. Quick View of Climate Strengths (0 – 100%)



Respondent organizations generally rated low on climate strength artifacts overall, with a mean score of only 59.2% out of 100%. As the chart highlights, respondent organizations were stronger on their Welcoming climate (84.2% strength), Fairness (78.9%), and Compassion (70.0%).

However, Diversity (31.6%), Community Involvement (47.4%), Employer of Choice (47.4%) and Learning Culture (47.4%) all lagged, with low scores under 50%. The following table highlights each climate feature and its definition.

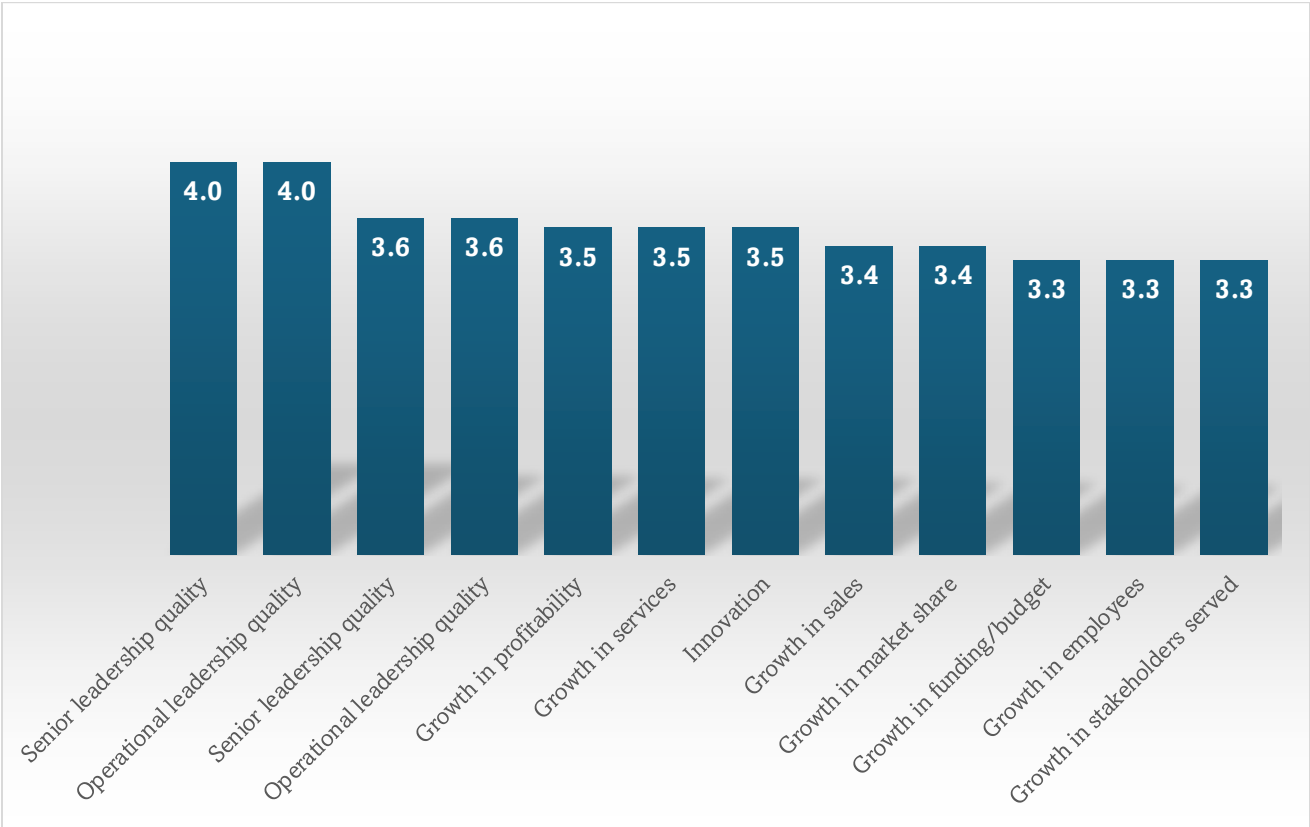
Table 1. Climate Strengths Defined (Range 0 – 100%)

Climate Feature	Strength (%)	Description
Welcoming	84.2	Fosters psychological safety and belonging; linked to improved recruitment, retention, and engagement.
Fair	78.9	Equitable treatment and transparency; predicts lower turnover and better client outcomes.
Compassionate	70.0	Emphasizes empathy and support; associated with well-being and reduced burnout.
Inspiring	68.4	Motivates through vision and meaningful work; enhances commitment and performance.
Well-run	63.2	Reflects operational efficiency and leadership; contributes to stability and trust.
Growth Opportunity	63.2	Supports career development and learning; linked to job satisfaction and retention.
Innovative	63.2	Encourages creativity and improvement; drives adaptability and competitive advantage.
Positive Culture	63.2	Promotes shared values and morale; enhances engagement and effectiveness.
Responsive	57.9	Agility in addressing needs; supports service quality and adaptability.
Inclusive	55.6	Ensures diversity and belonging; improves outcomes for marginalized groups.
High-Performing	52.6	Emphasizes excellence and results; linked to productivity and success.
Learning Culture	47.4	Encourages knowledge sharing and development; supports innovation.
Employer of Choice	47.4	Reflects reputation and satisfaction; attracts and retains top talent.
Community Involvement	47.4	Engagement with communities; builds trust and pride.
Diverse	31.6	Values varied perspectives; foundational for inclusion and innovation.

Organizational Performance

Respondents also rated the performance of their respective organizations relative to competitors across a number of dimensions. Anchors ranged from Much Worse (1), Somewhat Worse (2), About the Same (3), Somewhat Better (4), and Much Better (5). Organizational performance scores are shown below.

Figure 2. Performance Dimension Scores



As can be observed, respondent organizations had high-quality senior- and operational-leadership quality (i.e., mean ratings of 4.0/5.0), while respondents were about the same as competitors across most other growth metrics. The most significant development areas were in *growth in employees* and *growth in stakeholders served*, suggesting participating firms were attempting to grow efficiently in existing markets.

Operational Report Card

We also asked respondents to grade their organizations from A (Exceptional) to F (Failing) across a number of operational areas. The average GPA for respondent organizations was 2.66/4.0, or a C letter-grade average.

Grade Definitions and Benchmarks

- **A (3.5–4.0):** Exceptional performance; strong alignment with best practices and employee expectations.
- **B (3.0–3.49):** Above average; generally effective but with room for improvement.
- **C (2.5–2.99):** Average; meets basic standards but lacks consistency or excellence.
- **D (2.0–2.49):** Below average; indicates areas needing attention and improvement.
- **F (<2.0):** Poor; significant issues requiring urgent intervention.

Culture. Organizational culture encompasses the shared values, beliefs, and norms that shape behavior and decision-making across the enterprise. A strong culture aligns with strategic goals, fosters trust, and enhances employee engagement. Literature emphasizes that culture is both a driver of performance and a reflection of leadership priorities, influencing everything from innovation to ethical conduct. **Grade: 2.8/4.0**



Training Opportunities. Training opportunities refer to the availability and quality of learning experiences provided to employees. These include formal programs, on-the-job learning, and professional development. Research shows that robust training systems improve skill acquisition, job satisfaction, and retention, while also signaling organizational investment in employee growth. **Grade: 2.4/4.0.**



Supportive Leadership. Supportive leadership is characterized by empathy, accessibility, and encouragement from supervisors and managers. It contributes to psychological safety, motivation, and team cohesion. Studies highlight that leaders who support their teams foster higher performance, lower stress, and greater organizational commitment. **Grade: 2.9/4.0.**



Fair Pay. Fair pay reflects the perception of equitable compensation relative to role, performance, and market standards. It is a foundational element of organizational justice and is closely tied to employee morale, retention, and trust. Literature underscores that perceived fairness in pay is more influential than absolute pay levels in shaping employee attitudes. **Grade: 2.6/4.0.**



New Hire Experience. The new hire experience includes onboarding, orientation, and early integration into the organization. A positive experience accelerates productivity, builds engagement, and reduces turnover. Research supports structured onboarding as a key factor in long-term employee success and cultural assimilation. **Grade: 2.6/4.0.**



Workload. Workload refers to the volume and intensity of tasks assigned to employees. Balanced workloads promote well-being and productivity, while excessive demands can lead to burnout and disengagement. Academic studies link workload management to organizational resilience and employee sustainability. **Grade: 2.6/4.0.**



Senior Leadership. Senior leadership sets the strategic direction and tone for the organization. Their visibility, integrity, and decision-making influence culture, trust, and performance. Literature emphasizes that effective senior leaders are transparent, visionary, and aligned with stakeholder values. **Grade: 2.8/4.0.**



Promotion Opportunities. Promotion opportunities reflect the perceived fairness and accessibility of career advancement. They are critical to motivation, retention, and talent development. Research shows that clear pathways for promotion enhance engagement and reduce turnover, especially among high-potential employees. **Grade: 2.28/4.0**



Customer Focus. Customer focus is the degree to which the organization prioritizes and responds to customer needs. It drives service quality, innovation, and competitive advantage. Studies highlight that customer-centric cultures outperform peers in satisfaction, loyalty, and financial outcomes. **Grade: 3.2/4.0.**



Efficiency. Efficiency refers to the optimal use of resources to achieve organizational goals. It includes streamlined processes, reduced waste, and effective time management. Literature links operational efficiency to profitability, agility, and employee satisfaction, especially in dynamic environments.



Human Capital Capability Assessments

We collected data on firm-specific human capital capabilities across a number of dimensions. Respondents were asked to indicate whether they currently possessed a capability, lacked the capability, were building the capability, or the capability is not applicable to their business model. The table below highlights the results of this analysis.

Table 2. Human Capital Capabilities

Human Capital Capability	Currently Possess	Lacked	Acquiring
Family Leave	82%	12%	6%
Human Resource Information Systems	71%	6%	24%
Accessibility Strategy	71%	24%	6%
Family-Friendly Workplace Policies	59%	6%	24%
Remote/Virtual Work Options	53%	29%	0%
In-House Workforce Analytics	47%	24%	29%
Flextime Scheduling Options	47%	35%	6%
In-House Leadership Development	41%	29%	29%
Staffing Strategy	41%	24%	35%
Succession Planning	41%	29%	29%
Pay-for-Performance Incentives	35%	29%	29%
Workforce Culture Strategy	35%	18%	47%
Pay Transparency	18%	71%	12%
Childcare or Childcare Subsidies	0%	0%	0%

Firms had the strongest human capital capabilities in family leave (82% current), HRIS (71% current), and accessibility strategies (71%). This reflects a commitment to employee support and retention, relatively robust infrastructure with which to manage HR processes and data, and a proactive approach to inclusivity and compliance. However, childcare or childcare subsidies (0% current), pay transparency (18% current), culture management (35% current), and pay-for-performance (35% current), succession planning (41% current), and staffing strategies (35% current) were gaps. Given the amount of time respondent HR teams spend on staffing, it is possible that greater effort is given to operational demands than strategic value-creation.

Benchmark Estimates

We benchmarked the dominant culture for each respondent organization, asking them to characterize their culture based on the following:

- Adhocracy: Emphasis on innovative outputs, transformation, and agility
- Clan: Emphasis on participation, cooperation, collaboration, and employee development
- Hierarchy: Emphasis on efficiency and consistency by developing formal rules, rules, and operating procedures.
- Market: Emphasis on goal achievement, profitability, and results orientation

As is evident in Figure 3, a market-based culture is the most dominant form represented, followed by hierarchy, clan, and adhocracy. Culture strength was generally low in this benchmarking study, with only 5% of respondents indicating that their culture was universally understood with no variability throughout the organization. Fully 50% of respondent organizations indicated that their culture is weakly understood with significant variability throughout the firm, suggesting a developmental area of opportunity.

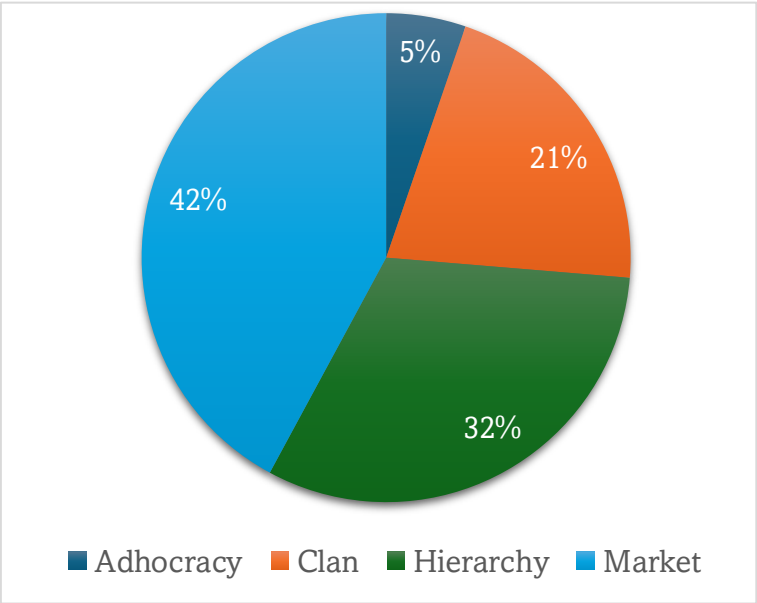


Figure 3. Dominant Culture Forms

HR Benchmarks

Human Capital Quality. Respondents also reported the quality of their human capital, shown below in tabular form. **As is evident in this table, human capital quality was characterized as very low overall, with only 16% of firms reporting that their human capital was Good and none reporting their human capital was Excellent.** These data suggest a need to accentuate learning, training, and development opportunities, along with adapted staffing practices, to enhance human capital quality overall.

Terrible	11%
Poor	21%
Average	53%
Good	16%
Excellent	0

**Table 3.
Human Capital Quality**

Compensation Targets. We asked respondents to indicate their target compensation percentile relative to market rates, with options ranging from 90th percentile to the 10th percentile, or unknown. Of the 83% who knew their organization’s compensation targets, 0% were in the 90% percentile, while a majority of companies (i.e., 67%) targeted compensation in the 50% percentile or below. Low target compensation negatively affects human capital attraction, recruitment, selection, and retention, representing a potential culprit for the low human capital quality ratings shown above.

Human Capital Challenges. We allowed respondents to discuss human capital challenges that they are facing, and the qualitative insights reinforce the quantitative inferences drawn above. Compensation and benefits, leadership development, and succession planning were the most prevalent themes, followed by training and development, talent acquisition and recruitment, turnover and retention, workforce culture and consistency, external barriers, and HR systems and scaling.

Qualitative Themes	Percent of Comments
Compensation and Benefits	26.70%
Leadership and Succession	20.00%
Training and Development	20.00%
Talent Acquisition and Recruitment	20.00%
Turnover and Retention	20.00%
Workforce Culture and Consistency	13.30%
External Barriers	13.30%
HR Systems and Scaling	6.70%

Table 4. Qualitative Comments

About the authors: Red Castle Human Capital is a succession planning and workforce analytics consultancy based out of Knoxville, TN. Find out more information at www.redcastlehc.com.

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