

MEDIA RELEASE

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Organisational Culture in a complex world

The Australian Institute of Company Directors (AICD) has released new guidance highlighting the increased importance of organisational culture in driving productivity and long term value creation.

Governing culture in a complex world provides practical guidance in response to the realities facing modern boards, including hybrid and remote work, the changing nature of the workforce, and the impact of automation and artificial intelligence.

In this rapidly evolving environment, where technology shapes more of how decisions are made and work is done, organisational culture is increasingly seen as playing a critical role in achieving productivity gains, innovation and competitive advantage.

The latest AICD [*Director Sentiment Index*](#) shows directors continue to rank leadership quality and workplace culture as the most important drivers of productivity within their organisations, even as they invest heavily in technology, automation and AI.

AICD Managing Director and CEO Mark Rigotti said organisational culture cannot just be left to people and culture departments to manage but is a topic that requires deliberate focus and active oversight.

“Culture influences conduct, accountability, resilience, and ultimately, financial outcomes and it must be governed with the same rigour boards apply to strategy, risk and performance.

“The clear message is that productivity gains are not just about systems and tools, but about how people lead, make decisions and set standards.

“That means asking better questions, reinforcing expectations consistently and being prepared to examine whether cultural failures point to deeper systemic issues, including at board level.”

Time and time again governance failures have stemmed from poor corporate cultures.

In its recent judgment in the Star case, the Federal Court highlighted how misalignment, weak escalation and poor information flows contributed to serious conduct and risk failures, and, it warned, that statements about culture must be more than platitudes.

Drawing on director experiences across business and community sectors, *Governing culture in a complex world* emphasises the role boards play through CEO appointment and succession, remuneration and accountability decisions, risk settings, and – critically – boardroom conduct itself.

Supporting directors to meet these evolving expectations is central to AICD's role as one of the world's leading director education institutes.

Access the Guide [here](#)

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