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Spotlight on
Workplace Culture

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the scoop

Adjusting to the Shifts in Workplace Culture

Organizational culture and the forces that shape and nurture it have undergone seismic shifts since 2019, before the start of the COVID-19 pandemic, writes author Jeff Faber, GBA, RPA. In his article, "Workplace Culture Is Changing: How to Adjust to the Shifts," on page 3, Faber explains that the increase in remote and hybrid work arrangements, accelerated retirements and a new generation of workers are partly behind this culture transformation.

The following statistics offer some additional insights into the trends highlighted in Faber's article.
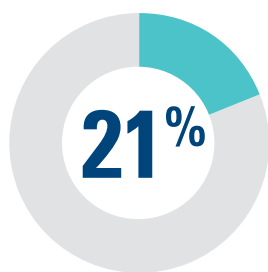
21%

of U.S. employees strongly agree that they feel connected to their company's culture.

Source: Gallup.

The Four Most Common Themes in Employee Reasons for Leaving a Job in 2023

- **41%** Engagement and culture
- **28%** Well-being and work-life balance
- **16%** Pay and benefits
- **12%** Managers and leaders

Source: "Indicators: Employee Retention & Attraction." Gallup.

EXIT

TOP 5

Benefits and Drawbacks of Hybrid Work for Organizations

BENEFITS

- **58%** Reduced burnout or fatigue
- **50%** Improved retention
- **31%** Greater productivity
- **27%** Bigger talent pool
- **25%** Improved employee value proposition

DRAWBACKS

- **48%** Decreased workplace communication
- **44%** Decreased collaboration
- **43%** Negative impact on workplace culture
- **21%** Lower productivity
- **15%** Decreased creativity or innovation
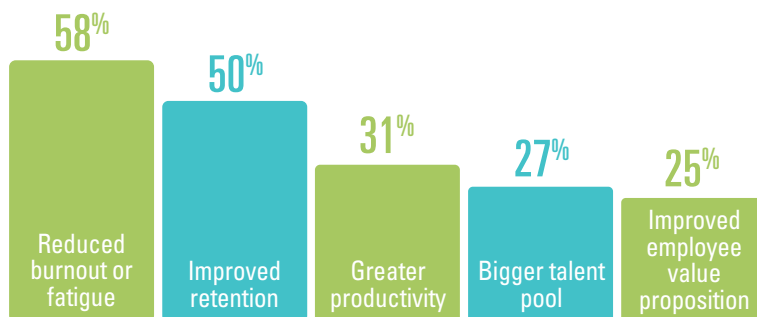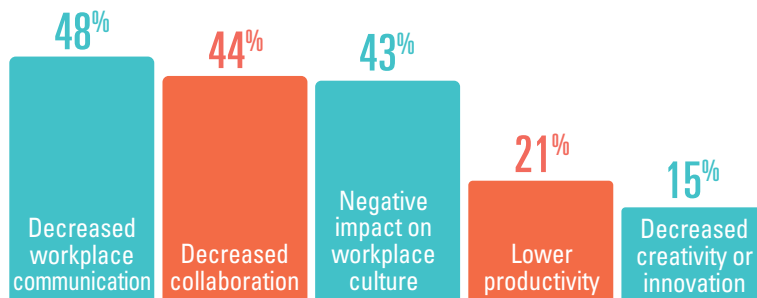
Source: Ben Wigert, Jim Harter and Sangeeta Agrawal. "The Future of the Office Has Arrived: It's Hybrid."

Workplace Culture Is Changing— How to Adjust to the Shifts

by **Jeff Faber, GBA, RPA** | *Hub International*

I t's not your father's (or mother's) corporate culture . . . or yours either.

In fact, today's organizational culture and the forces that matter in shaping and nurturing it aren't the same as they were even five years ago. That was 2019, before the COVID-19 pandemic forced seismic shifts in workforces and workplaces and the kinds of norms, values and behaviors that form the foundation of every organization's culture.

It means that the words of management guru Peter Drucker have taken on new relevance as organizations strive

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AT A GLANCE

- The COVID-19 pandemic and resulting shift to remote work are factors in the changing workplace culture. Other impacts include an increased number of retirements and an incoming wave of younger employees.
- Organizations that want to strengthen their culture should consider cultivating human-centric managers and understand how personalization affects employee attitudes.
- A more open communication environment is likely to increase productivity and innovation. When employees feel they are seen, heard and considered, the workplace is more supportive and less prone to politics and fear of reprisals and judgment.

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for success in a fast-changing business climate: "Culture eats strategy for breakfast." Here's what's important to know.

What's Behind Today's Culture Changes

Remote work, necessitated by the pandemic, is commonly named the chief culprit for the change in culture as video meetings supplanted face-to-face interactions around conference tables, over cubicle walls, in breakrooms and at water coolers.

But other, more complicated factors have also been at work. Some argue that accelerated retirements with the pandemic—about 2.4 million more[1] than otherwise would have been expected—effectively removed many of the best cultural enforcers[2] from the workforce. Long-tenured talent reinforced the pillars of the organization and now were either gone or "still on mute."

The incoming wave of employees often has not shared the same values, beliefs and attitudes. That's not a positive or a negative. It's just different. Their expectations are different—perhaps shaped by the pandemic—along with the behaviors that manifest the culture. They typically value personal space and virtual environments over commutes and believe that their productivity won't suffer if they're not located in the employer's physical space and time line. They also value more personal communication.

Culture is no less important to U.S. employees in 2024 than in 2019, but what influences a culture has shifted. According to Gallup research:[3]

- How people are managed is four times more important than work location in shaping their engagement and well-being.
- Only 23% believe they get sufficient recognition for their work.
- Merely two in ten employees feel connected to their organization's culture.
- While nine of ten workers would report unethical behavior at work, just four in ten do so when they have firsthand knowledge of it.
- Only 23% of employees strongly agree that they trust their organization's leadership.

An organization's culture can be managed only insofar as its leaders model behaviors that uphold aspired-to values and beliefs. Moreover, those leaders should pay close attention to things that really matter to their people—and find ways to deliver that meet or exceed expectations.

Communications and the Importance of the "Why"

As the saying goes, "When the why is clear, the how is easy." Employers often fail to explain the whys behind their decisions and actions to the detriment of employee trust and, ultimately, a beneficial culture.

Take the return-to-office edicts, whether it's three days a week mandated by some firms or the five days that Wall Street firms especially have required.

A satisfactory—and reasonable—why speaks volumes about an organization's values. That could be: "Our youngest and newest employees have

expressed the need to work together, in person, telling us they believe they learn best in groups. Moreover, they don't feel connected to the company, their co-workers or workplace when they work remotely."

What could be less convincing is this sort of why: "Because studies have shown it will give us better productivity." That's actually research being applied to real life, which doesn't reflect the nuances behind the remote work vs. office work debate that can affect a culture.

Ultimately, the matter of why ties into the important role of communications in shaping and strengthening an organization's culture. Priority and urgency of the message are critical aspects, and so are the skill and thoughtfulness with which it's crafted. But employers may well fall down by not having cultivated more humanistic managers who understand the impact of personalization on winning the hearts and minds of their people.

Human Managers for a Human Workforce

In nominating 2024's best companies to work for on Glassdoor,[4] many employees cited culture, using terms like *collaborative, genuine, inclusive* and *supportive*. To that end, an organization that cultivates more human managers is likely bolstering a highly effective culture.

What makes a boss "human?" It's not a matter of asking about employees' kids' birthday parties or their vacation plans. Of course, there's nothing wrong with well-meaning and unforced interest. But human-centric managing is

more about building trust in interpersonal dealings by mixing candor with caring or ensuring an environment of accountability and caring. For example, human managers can tell people positively how to improve in performance reviews without attacking them personally.

Gartner, Inc.[5] has found a 37% increase in the number of employees who consider themselves highly engaged if they consider their boss human. Only 29%, though, describe their boss as such.

Ensuring that managers are behaving humanistically is the challenge. It takes training to encourage more sensitivity and empathy in how they deal with others. A big part of that requires them to step away from themselves and look at the job, workplace and culture from the individual employee's perspective.

Human-centric leaders understand that their people are not cookie-cutter automatons; recognizing employees as individuals and treating them accordingly still nets good results. Indeed, Gartner also found[6] that human-centric work design—"flexible work experiences, intentional collaboration and empathy-based management"—is 3.8 times more likely to create high-performing employees who are 3.2 times more likely to stay on with their employer.

It also adds mortar to a strong foundation of organizational culture.

The Personalization Factor

A lot has been written about the trend toward personalization, particu-

larly in the crafting of employee benefit packages that respond to individual needs and work-life stage. There's no question that this thrust can not only help employers attract and retain talent but is also likely to improve worker engagement and satisfaction.

A human-centric manager is more likely to know and present options that could directly benefit that employee. Say an employee has been coming into work late several days in a row. Many managers would just start docking her pay. But a humanistic manager would ask about it, find out that the woman's child care had fallen through and provide her with information about the company's emergency backup care option.

Apply this personalization perspective to return-to-work mandates and how they are managed. At least one study[7] found that employers debuting or doubling down on mandates did not boost their financial performance with them. Compliance has not necessarily been easy, and it's sparking an "avalanche" of claims,[8] especially by those with physical or emotional illness under the Americans with Disabilities Act provisions.

The personalization factor may be missing in such policies—an element that might give people more "black and white" around the rules, accounting for individual situations. Providing better notice might help. But it also might take providing sufficient resources (as well as time) to help people through the transition—whether for child care, elder care or reasonable accommodation for physical or emotional disabilities.

Viewed through the wider lens of organizational culture, benefits are only one area where personalization—or taking a more humanistic view of employees as individuals—influences the employee experience and the organization's long-term success.

A fairly simple case in point:[9] If an average, 10,000-employee firm doubled the number of employees who strongly agreed they had been recognized or praised for their work in the previous seven days, it would realize a productivity gain amounting to $91,989,474 in cost savings, according to research from Gallup and Workhuman. Clearly, recognition matters and is a sure way not just to keeping people fulfilled but to keep the business humming. And cost savings aside, happier employees should result in happier customers.

Of course, it all requires employers to really know their people beyond the broad outlines of generational segmentation. To say an employer knows someone because they are a Millennial or a Boomer is superficial and rife with problems. Personalized surveys (relying on open-ended questions instead of the traditional "strongly agree to strongly disagree" scale) and a workforce persona analysis (a deep dive into what makes people tick) can help guide policies and decisions that deliver optimal employee experiences and a strong culture.

What Employers Can Do

Organizations that make their culture a priority are more likely to be successful over time. A Stanford study found that "culture-fit" startups whose founders made "culture first" their pri-

ority had a significantly lower failure rate[10] than others of the 200 startups studied.

Here are three steps to help guide firms as they seek to strengthen their workplace cultures.

Turn a Mirror on the Organization

Self-reflection is a good starting point. It begins with leaders and senior management assessing their perspective of the organization's culture—its values and mission, norms and behaviors, and, most importantly, its why.

It's just as important for organizations to think about the perspectives of others in the organization, up and down the ladder. What's an entry-level employee's experience? How well are managers' and leaders' words understood and felt? Does that person have the agency and ability to make positive changes?

Organizations also should consider: Does their culture speak for them, or does the culture speak about them? For meaning, think about an employee at a backyard barbecue with friends being asked what it's like to work at her company. Is she going to bring up positive, high-quality employee experiences, like a manager who noticed how she excelled at certain assignments and gave her the opportunity to grow those capabilities? Or will she mention the more stressful, poorer quality experience of trying to find affordable and available child-care services after a policy change on flex work?

Company leaders may give this question their best guess and gut re-

sponse, but if they are completely honest with themselves, they will admit they don't know. In fact, the executive team that claims to truly understand the organization's business culture is likely to be disconnected from it.

A chief financial officer at a company the author knows insisted he had a keen understanding of and was well-connected with his firm's corporate culture. His proof point was how he often ate lunch with junior staffers working occasionally in the office. The CEO of the company jumped in to point out that the man's practice of spending three months every year on a yacht in Greece would suggest that he wasn't connected to the culture. He was adrift. Nor was it likely that employees lunching with him would be honest about what was going on in their worlds and the role that the business culture played.

Explore the Disconnect Between the Organization and Employees

Every organization has a why that should serve as the standard for its brand—and what its culture strives to measure up to. For example, cycling leader Trek's why is "betterment" of the planet. Etsy's is to "keep commerce human" as it supports independent artists in making and selling special products. Through thousands of nonprofit talks, TED's why is simply to "spread ideas."

But do these whys align with employee perspectives? What do they think is the why of their organization, going beyond simply to make money? What does it mean to employees to work at their companies? How do they think the why is—or should be—lived in a way that invigorates the culture?

More generally, employee benefits also are important to supporting and serving a company's why, serving most employees most of the time uniformly, or some on their worst days.

The way to identify any disconnects is to ask. A task force comprised of managers and interested employees could be formed to take on the challenge of identifying targeted employee groups for their perspectives on the company's additive values. One-on-one discussions are one way to get input. Focus groups can be scheduled. Surveys that solicit true commentary, not a range of responses from strongly agree to strongly disagree, have considerable value. (But they must be read. Notes have to be taken.)

AUTHOR

Jeff Faber, GBA, RPA, is the chief strategy officer for global insurance brokerage Hub International's employee benefits practice. He is responsible for the development and execution of cutting-edge cost-containment, risk-reduction and employment-enhancing initiatives. He leverages data into information and information into action to help clients realize their objectives and find new frontiers.

Make Employees the Hero of the Story

What really matters when it comes to culture is what it means to employees.

Employers often make the mistake of adding a new benefit and focusing on the benefit itself. Consider the example of a late-night meal service. Employers spend time and ink on communicating the what and where of the benefit but avoid the why and how. Which matters more to the end user? Is it knowing that they have access to a late-night meal service after 7 p.m. if they are in a service area? Or is it knowing that the company recognizes that employees sometimes have to work beyond the normal course of business and that is why, after surveying what might matter most, the company is adding access to this. Better yet, because of the survey and listening tours, employees voiced that a late-night meal service would be a welcome addition to the employee value proposition. Employers could create communications emphasizing how one employee saves three hours a week and is probably 1,500 calories healthier because she uses this meal service. Her family likes the new tasty options. Making the employee the hero allows others to see themselves in the role. It's less about "what we did for you" and more about "how and why you can benefit."

Conclusion

A human-centric management approach can create a positive culture where employees are front and center and creating moments of high-quality employee experiences is encouraged. When employees are seen, heard and considered, the resulting environment is more supportive and less

prone to politics and fear of reprisals and judgment. A more open communication environment is likely to increase productivity and innovation, and it is just more fun. Isn't that what all employers want? A workforce that's not just happier and more productive, with fewer people leaving for greener pastures? **BQ**

Endnotes

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