Rebooting your culture for hybrid work

Insights from industry experts, academics, and entrepreneurs
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Hybrid work is here to stay, and it’s an opportunity to make work better

The pandemic shattered myths about the ability of knowledge workers to get their work done from home. Productivity actually rose during the past two years. And for millions of Americans working from bedrooms, kitchens, and home offices, the new arrangement was a net positive: more flexibility, fewer interruptions, and no soul-crushing commutes. The benefits were so compelling that nearly 44% of workers now say they would quit or look for a new job rather than go back to the office five days a week, according to a survey by economists from Stanford University, the University of Chicago, and Instituto Tecnologico Autonomo de Mexico.

Employers are listening. The same survey showed that by September 2021, 1 in 4 had announced plans to offer some kind of hybrid work model post-COVID, up from just 16.5% 10 months earlier. An additional 14% of employers are planning to be fully remote, while a similar percentage had yet to make its intentions clear. Fewer than half of employers (47%) said they had no plans to offer a work-from-home option post-pandemic.
While many executives worry that hybrid work will have a negative impact on company culture, a growing chorus of voices suggest the opposite could be true. Companies that reimagine work around employee well-being could end up with stronger, happier, more cohesive, and effective workforces.

If my employer announced that all employees must return to the worksite 5+ days a week the month-after-next, I would:

- **Comply & return**: 56.4%
- **Return & look for a WFH job**: 36.6%
- **Quit, even without another job**: 7.0%

*Source: Survey of Working Arrangements and Attitudes, Stanford, University of Chicago and Instituto Tecnologico Autonomo de Mexico*

"This is such an opportunity for a reset—in universities, companies, and industries." — Sherry Turkle, a professor of the Social Studies of Science and Technology at MIT
As we come out of the pandemic, there's going to be a reorientation where everything centers around the employee. Employee choice. Employee flexibility. To me, that's the headline.

Employees are everything

“We’ve been OK with remote work for the past two years. At the same time, there’s a magic to that in-person energy and spontaneity that comes with feeding off of each other disagreeing, then agreeing, and disagreeing again. It’s better for ideation, brainstorming, strategy development, and creative thinking. But if we go to the office and we’re all sitting in cubes where we can’t really see each other, that’s not going to work. We need more open environments, more collaboration zones, and more meeting rooms, because the activities we’re going to come to the office for are not the activities we were coming to the office for 20 months ago.”
Tech can improve work and level the playing field

“As soon as we enter a phase where some people are in the physical office and some people are at home, we have to make sure we maintain a level playing field. We’re going to see the introduction of a lot more tech into conference rooms—more cameras, more immersive technology—so if you are home, you’re not at a disadvantage. Tech can dissolve that divide between the remote worker and the in-office worker.

Similarly, if you haven’t invested already in digital onboarding solutions and digital employee experience, you’re going to find yourself at a talent disadvantage. It’s all about employee choice and convenience.”

Employees care about ESG. You should too.

“Stop thinking about ESG (environmental, social, and corporate governance issues) as some big fancy report that you’re going to issue to Wall Street. More and more employees are becoming aware of it, care about it more, and care about what their company’s doing about it.

Think about creating employee apps to gamify and reward certain behaviors, whether it is traveling less, how you use your laptop, or what materials you source. If everyone is trying to get on some ESG leaderboard in a fun way, it increases employee engagement. People are investing in those things, because we all need to treat our planet better.”

What people want most in their office going forward in the U.S.*

*Source: Survey conducted by Steelcase
People are resigning at these massive rates because they don’t feel valued and understood. What’s most important is that we really, deeply understand and support each person on our team.

FOCUS ON WHAT MATTERS TO EMPLOYEES

“Employers believe that the most important things for workers are compensation, benefits, and flexibility. They are important. But a recent McKinsey survey shows that employees consistently say that among their top priorities are factors like feeling valued by their organization and their manager, trust with their colleagues, and a sense of belonging. These things matter more now than they did 18 months ago.

And now it takes a lot more intentionality to really understand your employees, especially in a hybrid workplace. It’s important to go beyond the tactical day-to-day work to create meaningful team experiences that encourage deeper conversations, understanding, and trust.”
INVEST IN BUILDING COMMUNITY

“There are cost savings to the distributed nature of teams. Use those funds you might have been spending on rent for periodic physical gatherings of people. Do it as often as you can. Those retreats should be part work-oriented, with activities like vision-setting and strategic planning, and part community-building and fun. When you consciously invest in the connection between people in addition to just their productivity, they work much better together, even when they are apart.”

Jennifer Dulski is the founder and CEO of Rising Team, a company that provides team-building tools for managers, and a lecturer on management at the Stanford Graduate School of Business. Prior to Rising Team, Dulski led Facebook Groups, spent four years as president and COO of Change.org, and was co-founder and CEO of The Dealmap, acquired by Google. Dulski writes frequently about management and leadership for LinkedIn Influencers, Fortune, and Huffington Post.

Why do people quit?

Source: McKinsey & Company

**TOP 3 REASONS CITED BY EMPLOYERS:**

1. Compensation
2. Work-life balance
3. Physical and emotional health

**TOP 3 REASONS CITED BY EMPLOYEES:**

1. Didn’t feel valued by their organizations
2. Didn’t feel valued by their managers
3. Didn’t feel a sense of belonging at work

MAKE WORK PLAYFUL

“The absolute best way to build culture is to invite the team in to build it together. They’ll have way better ideas for what to do than if you do that top-down.

Work has to be a little bit playful, and the key to thriving communities is shared traditions. So give employees room to create those traditions, whether it’s themed meetings or dress-up days or Slack channels that become conduits for fun community-building. Participation should be optional. You don’t want to force people into doing something they think is goofy. But I have seen that even the biggest skeptics can be won over by the joy that comes from shared experiences.”
Hybrid schedules should aim to level the playing field for in-person, hourly workers.

Fairness and good management in a hybrid world

Up your performance management game
HYBRID SCHEDULES SHOULD AIM TO LEVEL THE PLAYING FIELD

“If you have a ‘2-3’ hybrid plan (two days in office, three days at home), it’s important to make sure not only that people are in two days, but they’re mostly at home on the other days. Otherwise there’s the risk that certain demographics come into the office five days a week, get promoted, pull ahead, and another demographic falls behind.”

[Our survey data shows women with children, people of color, and people with disabilities tend to prefer more work from home.]

OFFER FLEXIBILITY FOR IN-PERSON, HOURLY WORKERS

“The hybrid folks are getting a good deal. And they are the higher-income employees. The lowest paid tend to be those who have to be fully on-site. [Many] are upset.

There are two solutions. One is higher pay. The other is greater flexibility. You may offer them to work 10 hours a day for four days a week. You may offer a 7:30 a.m. to 8:30 p.m. shift for three painful days, followed by a four-day weekend. I wouldn’t force anyone to do that. But I’d give it as an option. Set up anonymous surveys and ask them what they’d like.”

The value of hybrid work that people report is equivalent to about a 7% to 8% pay increase, on average. That’s the same value as a classic pension in the U.S. or a health care plan.

Nick Bloom
Disconnect between employers and female employees

Women want more work-from-home days than men. Employers, not so much.

Women: 49%  
Men: 43%

Women want more work-from-home days than men (49% of the time vs. 43%).

Their employers plan to offer them fewer work-from-home days (19% vs. 23%).

Source: Survey of Working Arrangements and Attitudes, Stanford, University of Chicago and Instituto Tecnologico Autonomo de Mexico

UP YOUR PERFORMANCE MANAGEMENT GAME

“Make sure performance management is good. A lot of firms, for whatever reasons, do what I would call ‘management by walking around’ [to see if employees are busy]. Obviously, when people are remote, that’s hopeless.

The solution is to put in place performance management software and processes, 360 reviews, etc. That takes time and effort. You just need to put money into it. You can probably get away with bad performance management when everyone’s inside five days, but now you just can’t get away with it.”

Nick Bloom is a professor of economics at Stanford University and the Stanford Business School. He is also the co-director of the Productivity, Innovation and Entrepreneurship program at the National Bureau of Economic Research (NBER), and a fellow of the Centre for Economic Performance and the Stanford Institute for Economic Policy Research.
Weaving diversity, equity, and inclusion into everything

JACQUI CANNEY
CHIEF PEOPLE OFFICER, SERVICENOW
WRITE A NEW DEI-FOCUSED PLAYBOOK

“People around the world are reckoning with racial and social injustice. As leaders, we need to focus on the actions we can take within our own organizations and teams to make long-overdue progress, so all people are treated fairly and equitably. Our overarching goal should be to weave diversity, equity, and inclusion into everything we do.

Nobody has all of the answers. Leaders need to write a new playbook when it comes to diversity, equity, and inclusion.”

EMBRACE A LEARNING MINDSET ROOTED IN DATA

“We will need to approach this work by learning continuously. We must listen to employees, measure our progress, and refine our approach as we go. Employees will tell us where we need to improve and how we can strengthen our strategy.

We also need to use our data to anticipate trends and act quickly. For example, if we see that more women choose remote work because of the flexibility it offers, we want to have the ability to intervene before we see major disparities in career progression. That will help create a more equitable experience for everyone.”

“From my point of view, fostering an inclusive culture is the future of work. Organizations that create a deep sense of belonging will hold the key to growth.

Jacqui Canney
EQUALIZE COMPENSATION AND CREATE NEW OPPORTUNITIES

“Manage pay equity on an ongoing basis, and do regular analyses and adjustments to achieve it systematically and companywide. Establish affinity groups to unify employees, foster that sense of belonging, and create space where everyone’s ideas are welcome, valued, and respected.

People have an insatiable desire to learn and grow, so create new paths of opportunity for all workers. Offer future-readiness development programs that create space for career growth and empower managers to be inclusive leaders. Establish new partnerships to support employees—for example, programs to help women transition back after a career break, and new leadership development opportunities for traditionally underrepresented employees.”

Jacqui Canney is chief people officer for ServiceNow and leads all talent strategies for its rapidly growing global workforce of more than 14,000 employees. Passionate about diversity, inclusion, and belonging, Canney also works across all levels at ServiceNow to develop and execute initiatives designed to drive meaningful, sustainable change and bring to life one of ServiceNow’s company values: embrace diversity, create belonging.

Remote work contributes to a sense of inclusion for Black workers

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<th>Work satisfaction</th>
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<tbody>
<tr>
<td>Black employees</td>
<td>White employees</td>
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Source: Future Forum Survey
People, purpose, and performance
If organizations want to get the best results from new ways of working, rather than replicating analog practices and processes with digital ones, they should step back and reevaluate how and even why we did them.

FOCUS ON THE WHOLE PERSON

“One of the silver linings to the pandemic is that it exposed us as whole people. Once we've seen our colleagues in their homes, with their families, pets, etc., we can't unsee it. They're no longer just an employee, they are a person with a whole life—one that doesn't start at 9 and end at 5. How do we address that? I think a lot of it comes down to purpose. People talk about engagement, but I'm just so much more convinced that it's having a sense of purpose.”

BE INTENTIONAL ABOUT VALUES

“We can learn lessons from organizations that worked virtually before the pandemic. The CEO of a 1,000+ employee all-virtual company, for example, explained the need to be very intentional about tying all they do to the company’s values. Whether it's something as simple as calling a meeting or something complex like launching a new product, it’s always tied to their shared purpose and values. As a result, everyone knows the role they play in something bigger.”
TRAIN MANAGERS AND EMPOWER EMPLOYEES

“We’ve known for decades that people work best when they are managed and measured by what they do, how they perform against metrics, and not by how many or during what hours they work. Managers who manage by results are relieved of the burden of constantly checking up on their people. Their role becomes one of a coach whose job it is to ensure his team has the training, resources, and environment they need to do their best work.

I’d say 70% of leaders understand we’re not going back to the prepandemic work experience and are planning for greater flexibility in the future. The rest, who expect the end of the pandemic to bring a return to the way we worked before, have their head in the sand. That’s just not going to happen. You have to train all managers to create measurable goals, and to create relationships with their people that foster trust.”

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Kate Lister is president of Global Workplace Analytics, a research and consulting firm that helps employers understand and prepare for the future of work. Lister has been helping public and private sector employers optimize their telecommuting/remote and flexible work strategies for nearly two decades. Her research has been cited by hundreds of publications including the Harvard Business Review, New York Times, Wall Street Journal, Washington Post, and many others in the U.S. and abroad.

Table: Younger employees are struggling with engagement more than older generations

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<td>Boomers</td>
<td>12%</td>
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<tr>
<td>GenX</td>
<td>13%</td>
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<tr>
<td>Millennials</td>
<td>14%</td>
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<td>GenZ</td>
<td>16%</td>
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