

STEP-BY-STEP GUIDE:

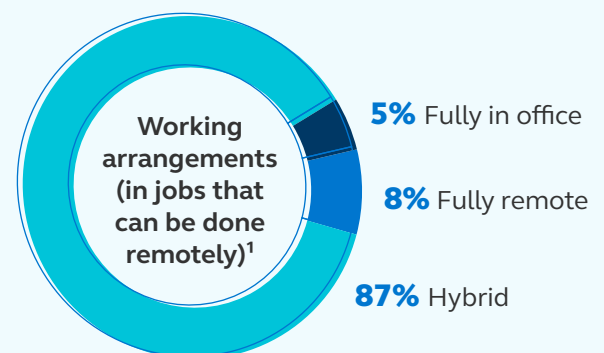
Build your hybrid work culture plan for 2023 and beyond

Office culture once meant bagels in the break room on Friday mornings, spontaneous brainstorming sessions, not-so-surprising parties for everyone's birthdays, and leader-employee touchbases over coffee. Business owners had eyes on how their employees interacted, responded to stress, and engaged during company presentations.

Now? Workplaces across industries look and feel a lot different. Businesses estimate that about half of their jobs are being done in a hybrid work arrangement. And nearly three-quarters of businesses say their remote and hybrid work arrangements will be permanent.¹

Work culture is adapting in light of our new work arrangements. But it's just as important as it has always been. It remains essential for recruiting and retaining talent. And it's simply good for business.

48% of jobs are being done in a hybrid capacity.¹



73% of businesses are planning on permanent remote and hybrid work.¹



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Kara Hoogensen, senior vice president for specialty benefits at Principal

What is work culture today?

Work culture may no longer revolve around free food, but it's still about connectivity and being an appealing workplace to new and existing talent. It's about making sure your employees feel valued—and supporting them emotionally and logistically.

It's also leading with purpose to help your employees connect the details of their daily work to how your

60%

of employees say company culture can remain strong when working remotely.¹

business contributes to a better world. Your company culture should deliver the "why" of work.

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6 steps to build your work culture plan

STEP 1:

Ask your employees what makes them feel valued.

When we talk about work culture, we're talking about creating a work environment that supports employees to do their best work, through both the explicit ways that work gets done and the unsaid ways of interacting. Culture is a product of the people that make it up. So the natural place to start is by asking your employees what's important to them, including what makes them feel valued.

There's a persistent perception gap between employers and employees, spanning opportunities for advancement, work-life fit, satisfaction with managers, and, of course, satisfaction with compensation. For instance, 79% of workers want

at least one additional employee benefit, but only 42% of employers are interested in adding one, according to our research.²

79%

of workers want one additional employee benefit.²

BUT

42%

of employers are interested in adding one.²

Operating in a hybrid environment can exacerbate the already difficult task of reading employee sentiment. Compensate by experimenting with new

ways of listening. Maybe you collect insights and perspectives from routine virtual one-on-ones, or directly ask about the ways people feel valued—or less than valued—in quarterly reviews. Encompass everything from compensation packages to daily interactions. “Don’t underestimate the impact that every small interaction can have on making or breaking company culture,” Hoogensen says.

You may also benefit from the blunt honesty of anonymous feedback. It can be as simple as using free online survey tools ([get examples](#)).

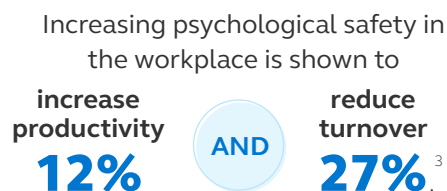
“Then, if you’re hearing themes, be receptive and responsive to those issues,” Hoogensen says. Use your insights gained to help inform the rest of your work culture plan, as follows.

STEP 2:

Foster communication, connection, and psychological safety.

The goal here is two-fold: Leaders, talk regularly with your team to stay tapped into what and how they’re doing professionally and personally.

“But don’t try to build communication and connection just for the sake of it,” Hoogensen says. “These are important contributors to building an environment of trust and psychological safety—one in which people feel they can bring their whole selves.” Sending a supportive text message if someone calls in sick or seems off in a meeting can go a long way.



It’s not all on you and your business’s leadership, though. Also encourage employees to connect with each other. A lot of informal self-care at work takes place when employees share with each other how they’re problem-solving on projects, feeling about the news, or spending the weekend. Casual virtual coffee breaks and more formal virtual events alike can provide a morale-boosting sense of connection.

PROS OF A PEOPLE-FIRST CULTURE

“People-first cultures are rooted in a philosophy that values people over profits. The ironic twist is that when employees are valued as whole individuals and provided the opportunity for well-being, connection, and fulfillment, companies are generally more innovative, resilient, and even profitable.”

Peggy Shell,
CEO and founder of Creative Alignments

Want to go above and beyond? Consider bringing the group together for an in-person offsite or occasion, even if it means some remote employees need to travel to the office.

Just remember to read employee sentiment as you go. “If people are Zoomed out, more Zoom meetings aren’t going to be effective,” Hoogensen says. The same goes for travel. “Make sure leaders in the organization have their pulse on how employees want to be communicated with and what ultimately leads to meaningful connection for them—both in aggregate and on an individual basis.”

BUILDING CAMARADERIE AMONG COLLEAGUES

Employee resource groups can promote connection, community, and inclusion. While they’re often based on culture or identity, you can form groups based on any life experience, such as:

- working parents,
- fully remote employees, or
- new team members.

STEP 3:

Replace control with accountability.

If you shifted from everyone in the office to a lot of people working hybrid or remote, you're likely feeling a loss of control, suggests Ina Purvanova, Ph.D., professor of leadership and management and department chair at Drake University's College of Business and Public Administration. And it's natural to feel as such. But achieving true workplace flexibility may mean finding ways to hold people accountable without holding them to prescribed ways of working. Think of it as a switch from counting hours to counting contributions.

"How do you feel when someone trusts you? Valued, accountable, and responsible," Purvanova says. "Let go of that instinct to control and replace it with trust."

72%
of businesses
report consistent
productivity
despite remote
work.¹

vs.

82%
of employees
report effective
time management
during remote or
hybrid work.¹

DOS AND DON'TS OF ACCOUNTABILITY



Do ask employees to note any planned, significant time away on a shared calendar.



Do set measurable goals for teams and track accountability. Be transparent with team members on how their performance is stacking up to what they're accountable for.



Don't question why someone didn't reply to a chat in less than 10 minutes.



Don't activate your employees' webcams or otherwise excessively monitor them.

STEP 4:

Support your employees' mental health in and out of work.

When asked about their top concerns at the given moment, employees answered "my mental health and well-being" above being able to work remotely or even being able to keep their current job.¹

Widespread remote and hybrid work have introduced plenty of conveniences, but there are complications, too. Some employees can feel isolated and alone, or unhealthy and unseen. All these add to the stresses of coping with a workplace transformed by the new technology and routines of a global shift.

What you can do is support your employees with mental health resources, like an employee assistance program (EAP). Make sure they know they can use it—stigma free and confidentially—for everything from daily life assistance to treatment to emergencies.

Staying in close communication, monitoring for burnout, respecting flexible schedules for work-life fit, and ensuring employees feel valued further serve to promote their well-being.

"It comes back to creating an environment where employees are going to be best positioned to deliver their best work. If employees feel they're supported while at and away from work, they have more mind space available to deliver great results at work," Hoogensen says.

More:

[Get our step-by-step guide to supporting employee mental health.](#)

5 PRACTICES OF A PSYCHOLOGICALLY HEALTHY WORKPLACE

The American Psychological Association lists these five practices as the foundation for a psychologically healthy workplace:

1	2	3	4	5
Employee involvement: Empower them and give them autonomy.	Work-life fit: Job flexibility helps support personal responsibilities.	Employee growth and development: New skills and experiences boost job motivation and satisfaction.	Health and safety: Training, safeguards, screening, and more help protect workers and businesses alike.	Employee recognition: Compensation and other affirmations drive employee engagement.

STEP 5:

Ensure your work perks suit all employees—in-office, hybrid, and remote.

The job market has evolved far beyond pensions and lifelong employees. Attracting and retaining top talent today means distinguishing your business by providing benefits and perks that evolve based on trends and employees' needs.

The winning combination often starts with established benefits, such as retirement, health, and income protection insurance (life and disability)—which employees have shown increased interest in since the pandemic—plus new perks catered to a hybrid workforce.

Consider how some pre-pandemic favorites might no longer make sense for everyone. An onsite gym? Commuter benefits? Bring your dog to work day? Rather, hybrid and remote employees may prefer reimbursements for local fitness classes, stipends for home office supplies, and pet insurance for their four-legged office mates. Another popular benefit in today's hybrid world: telehealth.¹

Rather than assuming what your team is interested in, though, use this as an opportunity to connect and involve them in decision making. Set up a benefits discussion with a representative group of employees spanning all working arrangements and various demographics. Or send survey questions allowing all employees to rank both existing benefits and potential new ones.

12 HYBRID-FRIENDLY WORK PERKS TO CONSIDER

- House cleaning services
- Wi-Fi reimbursement
- Coffee shop credits
- Fitness programs
- Professional development opportunities
- Workstation and office supply stipends
- Pet insurance
- Travel discounts
- Caregiving support
- Telehealth services
- Mental health benefits
- Flexible monthly stipends for employees to use as they see fit, or access to a choose-your-own perks platform

STEP 6:

Live your core values.

“Employees who are aligned with the company mission, feel connected to leadership, and know their talents are being tapped are actively engaged in work,” says Peggy Shell, CEO and founder of recruiting firm [Creative Alignments](#) in Boulder, Colorado, a Principal client. “Their energy is productive and they row in sync toward shared goals. Conversely, employees who are disconnected from leadership and believe their energy is being wasted feel depleted and miserable. They’ll likely hamper progress.”

“Effective leadership is about bringing people together and making them feel like they’re working together and contributing to a common cause,” Purvanova says. “And that can be more difficult in hybrid or remote. It requires much more purposefulness and intentionality.”

Remind your team what you’re collectively working toward by writing out or recirculating your business’s

core values. Consider leading virtual presentations by touching on how the work supports your broader purpose. And then bring it home for employees (or have managers do so) by discussing how their individual roles contribute.

Thinking more globally, consider whether you’re a company that takes a stance, and for what. Sixty-five percent of the workforce cares about what companies stand

for: whether they’re socially and environmentally conscious, what issues and movements they speak up about, and what organizations they support.⁴

It may feel polarizing at first, but as Shell says, acknowledging shared values “helps people feel connected and ‘in it’ together, creating culture from the inside out.”

65%

of the workforce cares about what companies stand for.⁴

There’s plenty to miss about pre-pandemic work culture. But perhaps being more intentional in how you connect with employees and operate in your workplace—wherever you are—will prove to foster stronger-than-ever camaraderie and employee satisfaction.

And because work culture evolves (it always does), keep this guide in your back pocket for reference. “People change, and the environment changes. Make a deliberate effort to revisit these steps on a periodic basis,” Hoogensen says.

With any luck, you’ll set your business up for long-term success and keep your team just where you want them: dialed in, from anywhere.

¹ Principal Financial Well-Being Index™, 2022.

² Principal survey of 100 businesses (Principal customers) and 100 employees (of other businesses), February 2022.

³ Gallup study: How to create a culture of psychological safety, 2017.

⁴ Gartner research: Why engaging with social and political issues is a non-negotiable, February 2022.

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