The Importance of Culture In Hybrid Work

You Don’t Need to Return to the Office for Your Culture

The Moments That Matter for Culture in the Hybrid World

Fortify Your Learning Culture for the Hybrid World
As organizations reorient themselves for a hybrid future of work, a key concern among HR leaders and CEOs is how to build and maintain an organizational culture when employees no longer share the experience of going into the office and working together every day. They worry that as more employees work fully or partly in a remote environment, the cultures they worked so hard to shape over many years will begin to erode. This fear has motivated some organizations to bring employees back into the office full-time, even when that might not be the best choice for employees or the organization. We observe a widespread belief that the benefits of hybrid work are offset by the loss of cultural cohesion.

For those reasons, one of our signature research studies for 2022 investigates the problem of culture in a hybrid world. In that research, we found that the trade-off of flexibility and culture is a false choice: Organizations can have both, but to do so, they must be more intentional in keeping employees connected to their culture. This idea of culture connectedness underlies our conclusions: To experience it, employees must not only understand and believe in the culture but also identify with it, care about it and feel that they belong. The importance of culture connectedness in the hybrid world is in keeping with the many other ways in which the employer-employee relationship has become more human during the pandemic.

This issue of HR Leaders Monthly explores the findings of our culture study in detail to illuminate the many facets of culture connectedness. In these pages, our research team describes what culture connectedness means, how to measure it and why it matters so much today. We explore the moments that matter in creating a connection to culture in the hybrid world, examine the power of microcultures and explain why you don’t need to bring everyone back to the office to maintain your culture. Other articles look at what these findings mean for learning and development, and how the multigenerational workforce should influence the way HR leaders think about culture. Finally, we feature an interview with Cisco’s Fran Katsoudas and Great Place to Work’s Michael C. Bush on the next evolution of inclusion in today’s changing work environment.

The conclusions of this research are optimistic, pointing to a brighter future for organizational culture than many HR and business leaders may think possible. The message we hope to convey is that hybrid work doesn’t have to fragment your workforce or your culture, but sustaining and strengthening culture today requires a new, more deliberate approach. By making smart investments in culture connectedness, HR leaders can improve employee morale, engagement and retention, and ensure their organizations thrive in the hybrid future.
Organizations have historically invested heavily in aligning the workforce with their culture. In a hybrid world, however, CHROs must also intentionally invest in providing employees a sense of connection to culture to sustain workforce performance and intent to stay.

In a February 2022 survey, we asked executive leaders what their biggest strategic challenge was when it came to managing a hybrid workforce; adjusting their current culture to support a hybrid workforce was the most commonly selected challenge.\(^1\) Forty percent of HR leaders say they have increased their culture budgets since the beginning of the pandemic.\(^2\)
CEOs also rate culture engagement and morale as their top concern when it comes to office and home working policies for knowledge workers, and CHROs are under pressure to make progress. Accordingly, HR leaders are working even harder to understand what culture means for employees and why it is important for their health and performance.

And undoubtedly, it is important: Seventy-six percent of employees said culture is very or extremely important to be effective in their job. If the most common shorthand for culture is “how we do things around here,” hybrid work has raised the question: What is culture when there is no one “how” and no one “here” anymore?

Tasked with answering this daunting question, 61% of HR leaders unsurprisingly agree that, compared to a fully on-site work model, culture is more important in a hybrid work model to achieve organizational goals.

We define culture as made up of three essential components, all of which are necessary for culture to exist (see Figure 1):

- **Identity** — “Who we are”
- **Purpose** — “Why we exist”
- **Community** — “How we treat each other”

Hybrid work does not fundamentally change this definition of culture. Regardless of the location where employees work or the amount of time they spend working in-person with their colleagues, culture is still composed of identity, purpose and community. Organizations spend much effort and time carving out what that
identity and purpose is, and building community around it. They may also seek to transform these components based on their organizational goals. But what hybrid work fundamentally changes is the experience of these three components. Whether we are in-person or not, in the office or at home, in meetings or alone, changes how employees experience identity, purpose and community.

**Employees Must Be Aligned and Connected to Organizational Cultures**

How employees experience culture is important to ensure culture succeeds. This insight is not new, and was clear already in 2017, when we investigated a crucial aspect of creating a culture that performs: alignment. That research established the importance of employee alignment with organizational culture, which means:

- Employees know what the culture is.
- Employees believe the culture is right for us.
- Employees are able to demonstrate our cultural behaviors.

Traditionally, leaders have invested heavily in driving workforce-culture alignment, whether through implementing culture training to teach employees about the culture, deploying resonant culture communications to help them buy into it or encouraging leader role modeling to help them demonstrate it. The hybrid experience of culture calls the effectiveness of these efforts into question: Can virtual leader role modeling of culture be just as powerful? Can culture training that happens via a screen replace the passive absorption of culture that happens when employees sit in a cubicle?

The evolution of hybrid work during the pandemic has created alignment challenges, but it has also revealed another concept just as crucial to creating a culture that performs: connectedness. Employee culture connectedness is defined as:

- Employees identify with the culture.
- Employees care about the culture.
- Employees belong within the culture.

Alignment and connectedness are two equally important measures for ensuring culture performance. Together, they work like the left and right sides of the brain (see Figure 2). They operate together and contribute to culture’s impact. An employee who is aligned (the more rational side) but not connected (the more emotional side) is simply complying with the expectations of the culture, rather than feeling any kind of attachment to it.

During the great remote work experiment, as in-person interactions decreased and time spent at home increased, leaders began to worry about culture connectedness. Can employees identify with a culture, care about it and feel a sense of belonging if they are primarily experiencing it at home, isolated? The HR leaders in our study were right to be worried about connectedness: Our data shows only 1 in 4 hybrid or remote knowledge workers are currently connected to their organization’s culture.

However, whereas the risk to alignment can be more easily attributed to hybrid work, connectedness is less certain. The
connectedness crisis can easily be blamed on a loss of interpersonal experiences, happy hours and company perks, but there is also a growing realization that connectedness was perhaps rarely driven strategically or intentionally prior to the pandemic. Questions about the extent to which certain employee segments ever felt like they truly belonged or could identify with a culture that may have been defined primarily at the top are increasing. These questions are driven primarily by experiences these segments may not have been able to relate to.

If culture is made up of identity, purpose and community, leaders have a clear mandate and rare opportunity to use hybrid work as a reset for driving connectedness to these three components — identity, purpose and community — more intentionally. They can start by involving employees more directly in defining these components, as people are more emotionally invested in things they help create. Employees are much more likely to identify with a cultural identity they helped craft, care about a cultural purpose they helped define, and feel a sense of belonging in a community that is inclusive and accepting. The shift of power to the employee over the course of the pandemic can serve as a catalyst for culture connectedness, if only leaders are intentional enough to leverage it.

1 Managing Reopening Plans and Retaining Talent Amid New COVID-19 Variants and the Great Resignation (23 February 2022), n = 210
2 2022 Gartner Culture in a Hybrid World HR Leader Survey, n = 235
3 2022 Gartner CEO and Senior Business Executive Survey, n = 374
4 July 2021 Gartner Human Deal Benchmarking Survey, n = 1,779
5 2022 Gartner Culture in a Hybrid World Employee Survey, n = 6,758

The 2022 Gartner CEO and Senior Business Executive Survey was conducted to examine CEO and senior business executive views on current business issues, as well as some areas of technology agenda impact. The survey was conducted from July 2021 through December 2021, with questions about the period from 2021 through 2023. One-quarter of the survey sample was collected in July and August 2021, and three-quarters was collected in October through December 2021. In total, 410 actively employed CEOs, and other senior executive business leaders qualified and participated. The research was collected via 382 online surveys and 28 telephone interviews. The sample mix by role was CEOs (n = 253), CFOs (n = 88); COOs or other C-level executives (n = 19); and chairs, presidents or board directors (n = 50). The sample mix by location was North America (n = 176), Europe (n = 97), Asia/Pacific (n = 86), Latin America (n = 40), the Middle East (n = 4) and South Africa (n = 7). The sample mix by size was $50 million to less than $250 million (n = 58), $250 million to less than $1 billion (n = 81), $1 billion to less than $10 billion (n = 212) and $10 billion or more (n = 59). The survey was developed collaboratively by a team of Gartner analysts and Gartner’s Research Data, Analytics and Tools team. Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.
Many organizations are calling for a return to the office to maintain their culture; however, employees now expect more flexibility in their work lives. HR leaders should recognize returning to the office is not the only way to connect employees to the culture, and it may even be counterproductive.

**Hybrid Work Creates Uncertainty About Culture**

Ninety-six percent of HR leaders say their organizations have already adopted or are planning to adopt a hybrid working model, but many senior leaders still want employees to return to the office. In fact, when we surveyed employees in late 2021, we found the percentage saying their leadership preferred they return to work in person after the pandemic had increased since 2020, from 60% to 66%.

In 2020, organizations worried about the impact of remote and hybrid work on productivity. But after two years of working from home with no demonstrable loss of productivity, leaders have...
largely accepted that productivity is not under threat. Today, instead of productivity, one of the most common reasons given for a partial or full return to the office is organizational culture. That leaders want to return to the office isn’t surprising. The majority of business leaders learned to manage in an office environment, where their employees were visible by default. Without that visibility and the togetherness of being in the same physical space, they feel they have less control, and “culture” is an easy rationalization for trying to regain that control. This justification is not completely baseless: For many leaders, the erosion of culture is a legitimate concern. It is also one shared by HR leaders, who identify adjusting culture as the No. 1 challenge in setting a strategy for hybrid work (see Figure 1).

For leaders and employees alike, the shift to remote and hybrid work has challenged conceptions of what work culture is. Knowledge workers used to experience culture through in-person interactions, and by walking around the office and passively observing others while at their desks. The cultural experience is much different when employees are alone at their computers in their living rooms or they go into the office and only a handful of people are there. The uncertainty brought about by this change has leaders worried.

**Flexibility Can Strengthen Connectedness to Culture**

But employees today value autonomy and flexibility. Over the past two years, employees who have been able to work remotely have gotten used to having more control over how they balance their personal lives and work, and they don’t

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**Figure 1. Hybrid Concerns of HR Leaders and CEOs**

<table>
<thead>
<tr>
<th>CEOs’ Top Three Concerns About Office and Home Working Policy for Knowledge Workers</th>
<th>HR Leaders’ Most Challenging Aspect for Setting Strategy for a Hybrid Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Collaboration/Innovation</td>
<td>2. Collaboration/Innovation</td>
</tr>
</tbody>
</table>

n = 374  
Source: 2022 Gartner CEO and Senior Business Executive Survey

n = 210; 235  
Source: Managing Reopening Plans and Retaining Talent Amid New COVID-19 Variants and the Great Resignation (23 February 2022); 2022 Gartner Culture in a Hybrid World HR Leader Survey
want to lose this autonomy. Fifty-two percent of employees say the ability to work flexibly will affect whether they decide to stay at their jobs.\(^2\)

Culture may be important, but is it a valid reason to force employees back into the office? Our research shows culture and flexibility aren’t actually in competition. When looking at how connected an employee is to organizational culture, the data indicates the more flexibility employees have, the more likely they are to feel connected.\(^5\) Instead of seeing flexibility as an obstacle to culture connectedness, organizations should consider flexibility a crucial part of driving it, which makes sense if one accepts culture is not just about the perks of office life. It’s not just about having a shiny new cafeteria, or standing desks or a ping pong table. Those are all nice to have, of course, but employees live their organization’s culture in the work they do, the impact they have and the relationships they are part of. Employees can and do experience culture in the office, but that’s not the only place it exists.

Connectedness is identifying with the culture and feeling a sense of belonging within it — and that doesn’t just happen in the office or around other people. Employees feel a sense of belonging when they are able to be themselves and live their own values. For some people, that will mean coming into the office and building social connections. For others, though, connectedness to culture might come through the feeling that their organization trusts them to work from home as much as they want. These employees might even benefit more from having fewer in-person interactions, which can make them more meaningful when they do occur. In this way, hybrid work gives us an opportunity to be more inclusive of different ways of engaging with culture. A culture that is designed to be experienced only in one way (through the office) cannot be fully inclusive. Indeed, many employees didn’t feel like they fit in with the office-based cultures of yesterday.\(^6\)

Forcing all employees to come back to the office doesn’t make them more connected to culture; it has the opposite effect. Employees who work fully on-site are the least connected when compared to their hybrid and remote peers.\(^7\)

However, in-person experiences can still be a powerful tool to build connectedness to culture, as long as organizations are intentional and transparent about it. In many cases, it might be up to employees and teams to decide when to meet in person. And beyond culture, there are other reasons people might want to come to the office, such as for development, collaboration or network building.

Senior leaders are not wrong to be concerned about culture, but the reality is that employee flexibility, not a return to the office, is what enables culture connectedness. Many employees already understand that, and organizations need to be transparent with them about when and why meeting together in person is valuable. If we are intentional about using the opportunities that hybrid work gives us to strengthen connectedness to culture, employees can thrive as individuals and as a community.

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\(^1\) 2022 Gartner Culture in a Hybrid World HR Leader Survey, n = 235.
\(^2\) 2021 Gartner Hybrid and Return to Workplace Sentiment Survey (fielded in October 2021), n = 3,000.
\(^3\) 2021 Gartner Hybrid Work Employee Survey (fielded in December 2020), n = 4,000.
\(^5\) 2022 Gartner Culture in a Hybrid World Employee Survey, n = 3,917 hybrid/remote knowledge workers.
\(^6\) A Two-Year, 50-Million-Person Experiment in Changing How We Work, New York Times
\(^7\) 2022 Gartner Culture in a Hybrid World Employee Survey, n = 6,758.
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The Moments That Matter for Culture in the Hybrid World

by Jordan Smith

Organizations struggle to transfer the “something special” of their culture from an in-person to a hybrid or remote environment. To fill this void, CHROs need to understand what moments in the employee experience really matter for culture connectedness, regardless of location.

Before the pandemic, leaders relied on the office to generate feelings of culture connectedness among employees. In-person interactions were frequent and unplanned, occurring in moments such as daily lunches in the breakroom, watercooler chats or catching up with a colleague at the vending machine. The frequency of these interactions changed drastically with the arrival of COVID-19 and the forced switch to remote work, and it’s changing again as many organizations switch to a hybrid work model.

One might expect that as employees begin to spend more time together in the office again, connectedness will once again take care of itself. However, hybrid and remote knowledge workers currently meet with their teams in person an average of two days per week, compared to four days per week before the pandemic.¹ This amount of in-person face time may not be enough for connectedness to happen on its own.

Hybrid work is here to stay, and CHROs need to get to the root of the something special that occurred when employees were all together before the pandemic. If they don’t, organizations will pay the costly price of high turnover and general employee dissatisfaction in their roles. They also need to know where to intentionally scale up efforts to make employees feel connected so they are not wasting resources on ineffective measures.
Is the Something Special of the Office Lost Forever?

The nature of that something special is no mystery: Working in a shared space creates connectedness through proximity. When used with intention, the office has the potential to bring great value by fulfilling the innate human desires to feel close to other people, experience a sense of belonging and see the impact of work that’s being done. In our research on how to foster connectedness in a hybrid world, we realized not one, but two types of proximity occurred in the pre-pandemic environment that carry over to the hybrid world today: physical proximity and emotional proximity.

Physical vs. Emotional Proximity

Physical proximity happens when an employee is being seen. It occurs when employees are in the same physical space at the same time (like the office). Emotional proximity is when an employee feels seen. It happens when employees feel recognized and valued. In other words, when employees feel connected to something bigger than themselves (for example, a team, a project or a purpose), they experience emotional proximity.

In a pre-pandemic on-site environment, physical and emotional proximity played off each other without employers having to think about it. Our data shows hybrid and remote knowledge workers are 2.8 times more likely to experience emotional proximity — feeling seen — when they are experiencing physical proximity — being seen.¹ However, when we take a closer look at the effects of each variation of proximity individually, it becomes clear that the underlying driver of connectedness is not actually the fact of being present in the same physical environment.

According to a 2022 Gartner survey, the extent to which employees are connected to culture can increase by up to 27% when employees experience emotional proximity.¹ Physical proximity alone, on the other hand, was found to have no impact on culture connectedness.¹ (see Figure 1).

Figure 1. Maximum Impact of Proximities on Employee Culture Connectedness

Maximum Percentage Increase

Experiencing emotional proximity can increase an employee’s culture connectedness by up to 27%.

n = 3,917 hybrid/remote knowledge workers
Source: 2022 Gartner Culture in a Hybrid World Employee Survey
Instead of requiring employees to come back to the office more often, leadership should find ways to create and nurture emotional proximity without relying on physical proximity. They need to create new strategies to help employees feel valued and part of something bigger again, regardless of location.

There are opportunities to drive emotional proximity in any work environment. Employees can feel seen in their organization while working in a variety of environments and settings. Our research shows 55% of those who spent most of their time on-site in in-person meetings said they experienced emotional proximity, as did 54% of employees who spent most of their time remotely in virtual meetings (see Figure 2).

Having established that emotional proximity can be experienced from anywhere, the next question is where CHROs can cultivate it. By taking a look at the moments that matter for culture in a hybrid environment, CHROs can make informed, targeted improvements in the employee experience without spending time and resources on efforts that produce minimal return. Areas to target for improvements include leadership activities, learning and development strategies and performance management processes.
The Top 5 Moments That Matter for Culture Connectedness

We surveyed nearly 4,000 hybrid and remote knowledge workers from a variety of organizations and identified the ones that felt culturally connected to their organizations. To be considered culturally connected, employees had to report feeling like they identify with, care about and belong within the organization. We then investigated the moments in the hybrid and remote workplace when these employees felt the strongest cultural connection (see Figure 3).

Figure 3. Top Five Moments When Culturally Connected Employees Experienced Culture Strongly

1. Peer Recognition
   About 3 in 5 culturally connected employees say moments of peer recognition created a strong sense of culture. These were the top-ranked moments where culturally connected employees felt culture strongly. CHROs can promote peer recognition in a hybrid and remote setting by:
   - Making time for moments of gratitude in team meetings
   - Encouraging employees to write notes of appreciation
   - Making more personal moments feel important, such as through a virtual birthday celebration or e-gift contribution to an employee’s wedding registry

2. Performance Reviews
3. Manager Support on a Difficult Experience
4. Celebrating Successful Work Outcomes
5. Observing Senior Leaders Talking About Organizational Purpose

n = 949 hybrid/remote culturally connected knowledge workers
Source: 2022 Gartner Culture in a Hybrid World Employee Survey
By creating an intentional space for peer community-building and acknowledgment, employees feel significance as individuals and team members, and know they are valued contributors within the group.

**2 Performance Review Feedback**

Performance reviews were the second-ranked moment where culturally connected employees (58%) felt a strong sense of culture.¹ Leaders should take the time to recognize and acknowledge individual employee contributions to the team’s success. When improvement is necessary, managers should be supportive and offer solutions to help employees reach their goals while also taking into account their personal life circumstances and well-being. Accounting for the impact of personal factors in performance feedback is a powerful signal that organizations care about their employees as people, not just workers, and prioritize the wellness of the employee over work outcomes.

**3 Manager Support During Difficult Experiences**

In a hybrid and remote environment, employees endure a wide range of experiences and are sometimes unable to escape personal distractions when working from home. Fifty-five percent of culturally connected employees experienced a strong sense of culture when managers supported them through difficult moments.¹ Managers should prepare for personal disruptions in employees’ lives to have a more pronounced impact in a hybrid workplace and devise an empathetic strategy for handling disruptions in project workflows. While this support might not come naturally at first, managers can develop empathy like any other skill — with training and practice. Some methods for fostering empathy include vulnerable conversation practice, creating a network of support or reprioritizing workstreams.

**4 Celebration of Successful Work Outcomes**

Fifty-four percent of culturally connected employees said celebrating successful work outcomes was a moment when they felt a strong connection to culture.¹ In a hybrid environment, projects and workflows can feel like they all run together, and something else is always on the to-do list. When employees are partially working from home, after a project is finished, they can often feel like there is no conclusion or closure to working with a team. Leaders should take advantage of the virtual environment and create time to recognize and admire a job well done. By acknowledging and rewarding success, team members feel appreciated and acknowledged, even in the absence of physical proximity.

**5 Leaders Talking About Organizational Purpose**

The fifth most common moment when culturally connected employees felt a strong sense of culture was when they heard leaders speaking about organizational purpose (53%).¹ Leadership should frequently highlight the purpose of individual employee roles, teams and the company as a whole. Doing so helps employees see that, even from their homes, they are contributing to something bigger than themselves in their community and, depending on the organization, a global scale as well. When employees feel they’re part of something bigger than themselves, they feel connected to culture regardless of their location.
Conclusion

As employees continue to navigate new and increasingly varied hybrid work arrangements, CHROs must work harder than ever to keep employees emotionally invested in the organization. In a hybrid world, leadership must be intentional about where it directs resources to make employees feel connected to the organization’s culture. With a culture strategy focused on emotional proximity, that culture can flourish regardless of employees’ location.

¹2022 Gartner Culture in a Hybrid World Employee Survey.
As organizations develop their hybrid work strategies, they must decide how much flexibility to offer their employees in terms of when, where, how and how much they work. In our 2022 Gartner Culture in a Hybrid World Employee Survey, we asked employees what kinds of flexibility their organization has offered them and analyzed the impact of that flexibility on employees’ culture connectedness.

Employees with more flexibility were much more likely to demonstrate high levels of culture connectedness. Only 18% of employees who say they lack flexibility are highly culturally connected, compared to 40% of employees who have flexibility in their work location and schedule. Among employees who enjoy radical flexibility—that is, flexibility in their work location, schedule, work volume, the teams they work with and the projects they work on—53% showed high levels of culture connectedness (see Figure 1).

HR leaders are already responding to employee demands for flexibility, and they recognize its importance in hybrid work design. These findings further augment the case for flexibility not only as a tool for driving employee engagement and retention, but also to reinforce culture connectedness in a hybrid workforce.

Figure 1. Percentage of Employees with High Culture Connectedness by Degree of Flexibility

<table>
<thead>
<tr>
<th>Flexibility of:</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of Flexibility</td>
<td>18%</td>
</tr>
<tr>
<td>Flexibility</td>
<td>40%</td>
</tr>
<tr>
<td>Radical Flexibility</td>
<td>53%</td>
</tr>
</tbody>
</table>

n = 3,917 hybrid/remote knowledge workers
Source: 2021 Gartner Talent Analytics Survey
Today’s workplace is hybrid by default.

Accepting hybrid as a permanent feature of the modern workplace actually creates an opportunity for organizations to evolve their approach in two key areas: reshaping culture and equipping leaders.

Leverage this 12-month roadmap to evolve culture and leadership for a sustainable hybrid workplace.

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In a world where organizations fear hybrid employees’ shrinking social ecosystems are compromising their connection to organizational culture, HR leaders can strengthen this connection by helping microcultures thrive.

CEOs rank culture engagement and morale as their No. 1 concern about office and home working policies for knowledge workers. Because traditional views on organizational culture hold it only occurs when a critical mass of people are gathered in one place, the hybrid work environment is often perceived as a threat to culture. The fear is that hybrid workers’ shrinking social ecosystems will cause their weak ties — work relationships with those outside of their direct teams (for example, people they might bump into in the break room) — to become even weaker. Weak ties are considered essential in connecting employees to the organizational culture, and leaders worry the loss of these ties will diminish those connections.

But weak ties aren’t responsible for all, or even the majority, of an employee’s cultural experiences. Strong ties — relationships with team members and direct managers — have always been the dominant vehicles for connecting employees to culture, and they are becoming even more important in the hybrid world. Microcultures — the shared identity, purpose and community created by smaller groups of people within an organization — tend to form among employees bound by these strong ties. In a hybrid environment where employees have smaller but tighter social networks, organizations should help microcultures flourish to sustain and strengthen culture connectedness.
Strong Ties Are More Effective in the Hybrid World

The good news is that while weak ties are becoming weaker in hybrid organizations, strong ties are becoming stronger. Our research shows that, for most hybrid or remote knowledge workers, team members are the only people they interact with several times a day. Many employees have found that seeing a more human side of their teammates as they work from their homes has made these relationships more empathetic. Furthermore, hybrid or remote knowledge workers believe strong ties are most effective at connecting them to culture, ranking team members and direct managers as the top two influencers of their connection to culture (see Figure 1).

As hybrid or remote knowledge workers develop fewer weak ties and stronger strong ties, HR leaders need to think differently about how to connect these employees to culture. Rather than cultivating a single macroculture and relying on weak ties to disseminate it throughout the organization, as in a traditional approach, they should embrace the development of multiple microcultures and set them up for success. However, leaders have not typically prioritized nurturing microcultures. In fact, most organizations have — at best — only tolerated microcultures, and fearing toxicity, some have even discouraged them.

Legacy Attitudes About Microcultures

Only 13% of HR leaders say teams at their organization are encouraged to set their own behavioral norms.

Only 22% of HR leaders agree their organization encourages subcultures, which is a more common term for microcultures.

To help microcultures thrive, CHROs should take these three actions:

- Take a minimalist approach to macroculture to make room for microcultures.
- Localize cultural meaning-making to uncover and troubleshoot team culture.
- Encourage team-driven norms to set microcultures up for success.

Figure 1. Top Culture Influencers in the Hybrid World

<table>
<thead>
<tr>
<th>Culture Influencer</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Team</td>
<td>65%</td>
</tr>
<tr>
<td>Your Direct Manager</td>
<td>60%</td>
</tr>
<tr>
<td>Your Peers Outside Your Team</td>
<td>51%</td>
</tr>
<tr>
<td>The CEO</td>
<td>48%</td>
</tr>
<tr>
<td>Your Manager’s Manager</td>
<td>47%</td>
</tr>
<tr>
<td>A Senior Leader (e.g., SVP)</td>
<td>46%</td>
</tr>
<tr>
<td>An Executive Leader Other Than a CCO</td>
<td>43%</td>
</tr>
<tr>
<td>The Chief Culture Officer</td>
<td>43%</td>
</tr>
<tr>
<td>A Business Unit Leader</td>
<td>41%</td>
</tr>
<tr>
<td>HR</td>
<td>33%</td>
</tr>
</tbody>
</table>

n = 3,129 to 3,876 hybrid knowledge workers

Source: 2022 Gartner Culture in a Hybrid World Employee Survey.
Case in Point: Culture Compass

Royal DSM

Royal DSM’s Culture Compass may look simple, but a lot of work went into its creation. HR leaders conducted interviews and focus groups with employees at all levels, from executive leadership to early career employees, to determine what cultural concepts mattered at Royal DSM. As opposed to just getting leadership’s perspective on culture, this approach conveys that microcultures are valued because they uncover the cultural attributes that are essential at the team level.

After collecting diverse perspectives, HR leaders synthesized the feedback to find six simple words that resonate throughout the organization (see Figure 2). They were sure to present these six words without description in the Culture Compass, so teams could define for themselves what they mean and look like in their context. They placed the company’s purpose at the center of the compass to signify that, as long as you’re contributing to this purpose, you are a part of Royal DSM, no matter what day-to-day culture looks like on your team.

Take a Minimalist Approach to Macroculture to Make Room for Microcultures

An important first step in supporting microcultures is to take a minimalist approach to your organization’s macroculture, which is the broader culture shared by teams and individuals throughout the organization. To do so, you must make your organizational culture framework simple, not complex, and directional, not prescriptive, to allow space for microcultures to exist.

Instead of imposing cultural norms on teams, a minimalist approach to macroculture establishes a starting point for microcultures to define what culture means to them, along with a set of guardrails to prevent unhealthy divergence from the overall culture. Because it is simple, a minimalist macroculture is easy to remember and engage with. Because it is directional as opposed to prescriptive, it allows teams to choose the norms and behaviors that work best for them and their specific work contexts, which becomes foundational to their microcultures.

Royal DSM’s minimalist macroculture, encapsulated in their Culture Compass, was created as a tool to help teams identify and optimize their own cultures.

Figure 2. Royal DSM’s Culture Compass

Purpose is central and conveys that unity is driven by a shared purpose above all else, not prescribed norms and behaviors.

Simple, description-free language makes cultural attributes easy for employees to remember, relate to, and use on their own.
Localize Cultural Meaning-Making to Uncover and Troubleshoot Team Culture

Many organizations rely on senior leaders to communicate to employees about culture, which results in a generalized message about what culture should mean to them. To ensure microcultures thrive, organizations must localize cultural meaning-making as opposed to generalizing it. Localizing cultural meaning-making allows employees to define what culture means to them in their context. This process can be as simple as enabling employees to have conversations about culture with members of their teams (see Table 1 for sample conversation questions).

Localizing cultural meaning-making is crucial for microcultures because it validates and troubleshoots the culture that already exists on teams. In terms of validation, allowing teams and individuals to localize cultural meaning-making sends a clear message: You are a creator of culture, and the culture you create matters to the organization. In addition, candid conversations about culture on teams can help employees troubleshoot what does and doesn’t work, and convey to them that, as owners of culture, they have the power to influence it for better or for worse.

Table 1. Sample Culture Conversation Questions

<table>
<thead>
<tr>
<th>Questions for One-on-One Conversations</th>
<th>Questions for Group Conversations</th>
</tr>
</thead>
<tbody>
<tr>
<td>What does “courageous,” “caring” and “collaborative,” or “taking responsibility,” “championing sustainability” and “delivering value” mean to you?</td>
<td>What do we all value about our team and how we work together?</td>
</tr>
<tr>
<td>How do they reflect or support your own values?</td>
<td>How can the compass help in highlighting the positive things we’re doing and identify new ways of working?</td>
</tr>
<tr>
<td>How do they differ, and why might that be?</td>
<td>How can we use the compass to improve our team performance?</td>
</tr>
</tbody>
</table>

Source: Adapted From Royal DSM
Encourage Team-Driven Norms to Set Microcultures Up for Success

Encouraging team-driven norms helps optimize team effectiveness and allows microcultures to flourish because it helps reduce work friction that might contribute to unhealthy team cultures. Reducing this friction is imperative because employees now rely on fewer interactions with a smaller group of people to connect them to culture, increasing the risk that toxic or dysfunctional team cultures will drive them away.

In a hybrid workforce, team members’ divergent flexible work patterns can challenge norms about when and how work gets done. Virgin Money ensures the healthy functioning of flexible teams through its “team rhythms” approach to collaboration norms.

Conclusion

The shift to hybrid work has changed who the typical employee interacts with during their typical workday. The prevalence of weak-tie interactions that characterized so much of prepandemic culture has been significantly diminished. But the loss of weak interactions is not a nail in the coffin for culture because strong ties have become even stronger, and they’re exceptionally effective at connecting employees to culture on the team level. HR leaders, therefore, need to shift culture strategies to invest in and support microcultures by:

• Taking a minimalist approach to macroculture
• Localizing cultural meaning-making
• Prioritizing team effectiveness

Because culture is an increasingly important differentiator in the current high-turnover environment, taking these three actions will help set your organization up for success in the hybrid world.

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Case in Point: Team Rhythms

**Virgin Money**

Instead of relying on manager-led team norms to ensure team members can coordinate flexible work patterns, Virgin Money’s solution is to get all team members involved in setting a team rhythm: that is, the where and when of team activities as well as the rationale behind these decisions. To develop team rhythms, Virgin Money supplies three parameters of choice:

• Operational requirements in the workflow
• Core working hours — social work and solo work
• Key meetings and communications

Team rhythms help microcultures thrive because getting the entire team involved in creating a plan for the team to work best together mitigates the risk that some employees will feel slighted or unseen. In doing so, it opens up space for team cultures to become well-functioning and pleasant social groups for employees to engage with daily.

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1 2022 Gartner CEO and Senior Business Executive Survey
2 2022 Gartner Culture in a Hybrid World Employee Survey; n = 3,917 hybrid/remote knowledge workers
3 2022 Gartner Culture in a Hybrid World Employee Survey; n = 3,917 hybrid/remote knowledge workers
4 2022 Gartner Culture in a Hybrid World HOF Survey; n = 235 HR leaders

The organizations profiled in this research are provided for illustrative purposes only and do not constitute an exhaustive list of examples in this field, nor an endorsement by Gartner of the organizations or their offerings.
Organizations are under continued pressure to manage a highly volatile business environment. HR leaders must adapt and evolve their own role, functional strategy, operating model and talent to drive business outcomes.

This toolkit provides actionable resources to support four goals of successful HR transformation:

1. World-class leadership
2. A modern HR operating model
3. Future-proof HR team competencies
4. HR technology enablement

Download Your HR Transformation Toolkit
Employees can struggle to make new connections and build relationships in a hybrid work environment; as a result, L&D may struggle to establish a productive learning culture. This research explores three ways L&D leaders should fortify learning culture for hybrid work environments.
The hybrid world has fundamentally changed the way employees interact with one another and with L&D, which makes instilling and maintaining a productive learning culture harder. A productive learning culture consists of three elements:

- **Learning experience** — Employees’ overall experience as they find, enroll, participate, learn, apply and share skills and capabilities
- **Learning capability** — An employee’s personal motivation, behavior and attitude toward learning
- **Learning environment** — An environment that is safe, open, fair and relevant (see Figure 1).

The hybrid work environment creates new challenges in all three areas. Relatively little training is happening in person, but formal virtual learning sessions without additional coaching are the least effective approach to learning relative to other alternatives. Many informal meeting opportunities are no longer practical; employees may struggle to connect with others who could help coach new skills or spark new ideas for development opportunities. Additionally, hybrid learning can pose unique access issues for some workers, especially frontline workers who work varied schedules away from computers, and learners who may require additional support to absorb virtual learning materials. With 70% of HR leaders expecting that at least 50% of their workforce will remain hybrid even after the pandemic, the learning challenges associated with hybrid work are here to stay. Physical distance and reduced interpersonal interaction in the hybrid environment now push L&D leaders to facilitate intentional, connected learning, where they connect the right people, resources and information to support and advance learning when employees need it most. Without intentional, connected learning, employees will struggle to access the support they need to learn and apply new skills. To facilitate this support in a hybrid environment, L&D leaders need to fortify their learning culture for the hybrid world in three ways:

- Develop an equitable learning experience.
- Foster learning capability through connection.
- Create a transparent learning environment.
- Develop an Equitable Learning

**Figure 1. The Pillars of an Intentional, Connected Learning Environment**

![Figure 1. The Pillars of an Intentional, Connected Learning Environment](image-url)
Develop an Equitable Learning Experience

Employees have different development needs, and they might require different support to learn similar skills. Meeting the wide variety of employee skills needs and learning styles throughout an entire organization is often challenging. However, understanding these needs and learning styles is a critical element of creating an equitable learning experience. A one-size-fits-all approach to learning experience is likely to leave many learners behind and most disadvantage those who need additional support or accommodations. While the solutions L&D provides need to be scalable, many organizations have found adjusting learning offerings to accommodate the needs of underrepresented talent has also benefited the wider employee population.

In the hybrid environment, L&D must guide employees toward support, because employees are less likely to make spontaneous connections that can help them develop. However, the more tailored support doesn’t always have to come directly from L&D. Managers need to be able to understand employees’ needs as a critical starting point to personalize learning support. At eBay, HR leaders helped design a performance management structure that helped managers coach more often and on topics that employees identified as critical for them (for more details, see eBay’s Performance Success System). Peers can also provide more personalized support. L&D leaders should look for avenues to connect employees who require more tailored support to peers who can provide it, as Fujitsu did with its BuddyConnect app for neurodiverse employees.

Case in Point: Fujitsu’s BuddyConnect System

Fujitsu

Leaders at Fujitsu have recognized neurodiverse individuals bring a unique perspective to the workspace and a skill set that can drive significant competitive advantage. However, entering a new workplace and team can be particularly challenging and stressful for neurodiverse individuals. By focusing on simple changes or adjustments to workplace practice, Fujitsu enhances these individuals’ ability to participate within the workplace environment. Fujitsu has worked with specialists in autism and neurodiverse individuals to develop a smartphone app called BuddyConnect to help individuals access support at work. Fujitsu’s BuddyConnect is focused on creating better support for neurodiversity in the workplace, with inclusion paramount as diversity increases. The app connects the individuals to a well-being tracker, hotline, chat and other features designed to create a support ecosystem.

Foster Learning Capability Through Connection

When asked to describe the learning culture at their organization, most executives say it’s “check the box” or “compliance-driven.” A productive learning culture is important; it can improve employee skills preparedness (the extent to which employees have skills needed for their current role and future careers) by up to 56%. A big part of what makes a productive learning culture is employees having good learning capability. Here we found employees who are proactive with their learning have significantly higher skills preparedness than employees who expect more support for learning. Indeed, 44% of employees say they want more control over their own learning. To facilitate greater employee ownership of their learning, L&D can put in place infrastructure that connects them to experiences and people who can help them build critical skills. EY is one example of an organization that has done this successfully. To facilitate greater employee ownership of their learning, L&D can put in place infrastructure that connects them to experiences and people who can help them build critical skills. EY is one example of an organization that has done this successfully.
Case in Point: “It’s Yours to Build” Growth Experiences

EY

To create “It’s Yours to Build” growth experiences, EY’s HR team helps employees access opportunities and develop skills outside their assigned job. EY’s in-progress tools, such as its “Talent Marketplace” platform and “EY Ripples” program, show experiences available to employees that they upload themselves. Talent Marketplace focuses on internal opportunities, similar to other learning platforms, while EY Ripples focuses on external volunteering or community opportunities.

Employees determine which opportunities are a good fit for them based on their capacity, the prospect’s alignment with their personal interests and their ability to commit to the specified time frame. EY’s HR team gives employees choice over which experiences they invest in based on the factors most important to their needs and interests.

Create a Transparent Learning Environment

The hybrid environment can be opaque for both managers and employees. Fifty-seven percent of HR leaders say managers have less visibility into employee work patterns in a hybrid environment. As a result, managers may misdiagnose the root causes of performance issues, leading them to miscalculate learning needs. At the same time, employees may struggle finding peers to support their learning or spark new development ideas. Forty-seven percent of employees say they have trouble making connections in the hybrid environment, and interactions with “weak ties,” such as co-workers outside their immediate team, have fallen to less than once a week on average. These disconnected feelings can make employees less willing to candidly disclose development needs or seek peer support.

To help with this gap, the first step is for managers to foster an environment where employees are comfortable sharing their development needs. To help managers lead employee-centric coaching and develop constructive team environments, L&D leaders can offer them this toolkit: Connector Manager Support — Making the Employee Connection. To help managers increase transparency on their teams, they can use this tool: Increase Team Transparency to Support Skills Sharing.

The next step is for L&D to help employees and managers be more aware of the skills the organization needs to develop and how they might relate to an employee’s current skill set. Schlumberger’s skills portfolio system helps facilitate this type of transparency by showing employees the skills they’ll need for future opportunities and making managers aware of current employees’ skills and experiences.

Case in Point: Adaptive Career Logic

Schlumberger

To facilitate open dialogue about skills between L&D and employees, Schlumberger developed an employee career portfolio platform called a “skills backpack.” Instead of focusing on traditional role progression through a set of competencies and behaviors, employees share a broader set of information via their “backpacks” in an online career center. These backpacks include the skills they’ve gained and their exposure to different environments, experiences, personal brands and networks. Meanwhile, Schlumberger cascades its strategic workforce plan to ensure employees know where they are going and what roles and skills will be needed when. This two-way dialogue fosters an open culture, in which employees are aware of and rewarded for taking on and sharing new opportunities.
Upcoming Virtual Events

Gartner regularly hosts virtual events across a variety of Human Resources topics. These webinars present an opportunity for you to gain insights from our research experts on making better decisions for your function and organization.

The Opportunity in Disruption

By facilitating intentional, connected learning, L&D can flip some of the challenges of the hybrid learning environment into strengths. By helping employees make connections for personalized learning — which helps them take more control over their development — and being more transparent about skills needs, L&D leaders will build a stronger learning culture.

1 2020 Gartner L&D Disruption Survey; n = 942 employees.
2 Gartner Workplace Reopening Amid Vaccine Rollout Webinar Poll, (16 March 2021); n = 227 HR leaders.
3 2020 Gartner Learning Culture Survey; n = 30 L&D leaders.
4 2021 Gartner State of Learning Culture Employee Survey: The survey was conducted online from 15 June through 6 July 2021 and contains responses from 3,544 full-time employees across 12 countries and 24 industries. The objective of the survey was to understand the current standing of various aspects of organizations’ learning cultures. The survey design and development, administration and data analysis was done by Gartner’s HR Practice research team.
5 2021 Gartner Hybrid Work HR Leader Survey; n = 75 HR leaders.
6 2021 Gartner Hybrid and Return to Work Sentiment Survey; n = 3,515 employees.

The organizations profiled in this research are provided for illustrative purposes only and do not constitute an exhaustive list of examples in this field, nor an endorsement by Gartner of the organizations or their offerings.

Gartner Panel: New Opportunities for Talent Analytics in the Hybrid World

Attract Critical Talent With Flexible Work Models

Sustain Workforce Resilience – The Managers’ Role in Reducing Workforce Burdens

Outpace Your Labor Market Competition With Talent Intelligence

The Gartner 2022 HR Trends: Budget, Efficiency, and Functional Planning
How to Build a Supportive Work Culture for a Multi-Generational Workforce

by Piers Hudson

The pandemic has changed many employees’ expectations of their employer, but it has affected each generation differently. To overcome generational divides in a transformed work environment, CHROs must shape a culture that helps employees recognize each other’s needs, contributions and experience.

Organizational culture has always had to accommodate the different needs and working styles of different generations. In the prepandemic world, when most employees worked in person full-time and everyone’s 9-to-5 experience was similar, this was relatively easy: Workers could naturally observe each other’s work habits and what each of their colleagues contributed to the organization. The current environment, characterized by more hybrid work and higher turnover, provides less opportunity for this understanding to build among employees, so CHROs must be more intentional about shaping a culture that enables different generations to work well together. To do so, CHROs must first appreciate how the disruption and change of the past two years have affected employees of all ages and how experiences, expectations and needs differ among generations. They must establish channels for employees to build an empathetic understanding of and respect for these differences, as these are less likely to develop organically in a more fragmented workplace.
This step entails:

- Encouraging understanding of individual employees’ personal needs
- Identifying areas of unique value
- Removing barriers to the transfer of knowledge

**How the Pandemic Has Affected Different Generations**

In general, younger workers are more likely to feel the pandemic has made them rethink their relationship to work. Seventy-one percent of millennial workers say the pandemic has made them “rethink the place that work should have in their lives,” versus 62% of Gen X workers, and 51% of baby boomers (see Figure 1). Younger workers are also more likely to say they would consider changing industries or taking temporary work, and they want to contribute more to society. Generational differences are also apparent in their expectations of workplace flexibility. Over 60% and 53% of millennials and Gen Z employees say workplace flexibility would impact whether they stay with an organization, but only 45% and 37% of Gen X and baby boomer employees say the same.¹

These shifts in expectations are likely to cause suspicion between different generations of workers, particularly in hybrid settings, because individual employees’ contributions become less visible to peers. Increases in “nonlinear” work patterns (for example, logging out for childcare and logging back in later) or flexible work schedules may cause some employees to question their colleagues’ work ethic or commitment to the team’s goals. This situation is particularly likely when colleagues don’t share flexibility expectations.

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*Figure 1. Employees’ Reactions to the Pandemic*

Percentage Agreeing or Strongly Agreeing: The Pandemic Has Made Me ...

- **Rethink the Place That Work Should Have In My Life**
  - Gen Z: 60%
  - Millennial: 71%
  - Gen X: 51%
  - Baby Boomer: 62%

- **Long for a Bigger Change in My Life**
  - Gen Z: 44%
  - Millennial: 57%
  - Gen X: 71%
  - Baby Boomer: 62%

- **Less Likely to Stay With Any Employer for a Long Time**
  - Gen Z: 29%
  - Millennial: 45%
  - Gen X: 46%
  - Baby Boomer: 45%

- **Want to Contribute More to Society**
  - Gen Z: 58%
  - Millennial: 65%
  - Gen X: 49%
  - Baby Boomer: 38%

n = 2,244 employees

Source: 2021 Gartner Employee UX Survey
Overall, smaller percentages of older workers than younger workers say they are worried about the downsides of remote working — such as isolation from colleagues, receiving fair bonuses or finding “stretch” opportunities — probably because their careers and networks are more established. Where Gen X and baby boomers express most concern, and are closer to younger colleagues, is around the difficulty of being visible to senior leaders in a hybrid setting. This concern reflects not only the greater importance these generations attribute to “people management” as a reason to continue working at their organization but also their lower satisfaction with this aspect of the employee experience. Only 52% of baby boomer workers agreed or strongly agreed that leaders at their organizations respected employees. The older generations are also less likely to feel their organizations foster a good connection between them and their manager. Here again, less visibility and fewer touchpoints with managers in the hybrid setting exacerbates the problem. Older workers may misinterpret the actions of senior leaders with less in-office context. They may also fear their particular contributions, such as supporting newer workers or influencing manager decisions, will be less obvious or appreciated. Solving this problem will be important as turnover increases and organizations need these types of contributions to ensure continuity.

### Encourage Understanding of Worker’s Personal Needs

The pandemic brought the conflicts between employees’ work and home life priorities into sharp relief, but again, these conflicts differed among (and within) different generations of workers. Misunderstandings about what workers are now demanding in terms of flexibility, and why, threaten to damage intergenerational working relationships. Schroders and Hilti are two examples of organizations that are counteracting this risk by deliberately empowering employees to understand and articulate their needs. Schroders ensures all employees have a dialogue with their manager about flexibility, and it structures these discussions in such a way that individuals must consider their own needs alongside those of the team and the client. This kind of practice can help build trust between different generations of workers by ensuring every employee’s chosen way of working has been considered in a consistent way. It also helps build greater self-awareness, even among workers who may not want flexibility, regarding other forms of support they may need. This can help create a baseline dialogue about personal needs among all generations.

**Case in Point: Team Resilience Workshop**

**Hilti**

Self-awareness and dialogue between employees is a feature Hilti also recognised as important to ensure good team collaboration. In a 2021 case, Hilti ran structured “care and perform” exercises with teams to help them manage increasing workloads, in which they would work together to identify the influences on individual workers that were driving unnecessary workloads or stress. They considered factors not only from within the team, but also driven by other teams or outside work pressures. Team members were encouraged to identify stress factors by wearing heart monitors throughout the workday, which helped them become more aware of their stressors.
Identify Areas of Unique Value

If building self-awareness and dialogue about individual needs can help reduce suspicion among generations, this process will work best when tied to discussions about the different types of value employees of different generations can bring to the team or the organization. In a hybrid setting, managers and colleagues struggle to know what different skill sets or experience each employee brings to the table. This lack of visibility is particularly likely to affect older workers’ feelings about their contributions being recognized.

Virgin Money has anchored its discussion of workplace flexibility on the value that different roles bring to the organization and their colleagues. This focus on the value each role brings, helps build respect among colleagues as they begin to understand why different roles may have different types of flexibility, based on what individual colleagues are contributing. Silicon Valley Bank has taken this step to a more individual level with its employee experience “blueprints,” where employees map out the particular skill sets they can bring to their teams and the ambitions they have for their roles.

These “blueprints” are partly intended to help ensure managers can manage employee expectations of what experiences can and cannot be accommodated within the team’s context. However, in a setting where employees and managers cannot easily see how each member of their team contributes to shared work goals, these types of blueprints can also be a powerful tool. Managers can use them to position different team members to support one another, based on a deeper understanding of their skills and experience.

Remove Barriers to the Transfer of Knowledge

Even if employees are encouraged to understand each others’ needs and the unique value they bring to the team, this understanding may still be limited by the practical barriers to transferring knowledge in a hybrid setting. Here, too, generational differences come into play: Seventeen percent and 21% of Gen Z and baby boomers say they are completely effective at transferring skills and knowledge to colleagues, compared to 27% of millennial colleagues.
To start removing these barriers, CHROs need to encourage workers to reflect on how they have acquired new skills and then provide platforms for them to share this knowledge with others. Recognizing this need, EY established a campaign and platform called “It’s Yours to Build,” which allows employees to share how they have gained knowledge and skills from different on-the-job and life experiences. The platform and associated guidance give workers a structure to help them articulate what they have learned and receive recognition for doing so and opens up knowledge-sharing networks that may have become more limited in hybrid work settings.

Enabling knowledge transfer is also increasingly crucial in an environment of increasing employee turnover, especially at organizations where older or more experienced workers play a big role in providing continuity or onboarding new colleagues. In this case, organizations may need to look at the structure of roles within a team to understand how to best retain institutional knowledge without putting an undue burden on senior employees.

**Conclusion: Establish Intentional Connections Between Generations**

In an age-diverse workforce, organizations will continue to need cultures that support the various needs of different generations of workers. However, as different workers’ needs and contributions become less visible to their colleagues in a hybrid environment, culture can weaken as a result of tensions between different generations. To face this challenge, CHROs need to be more deliberate about building understanding of the needs of different generations and link it to greater transparency on the unique value each generation brings. Rather than depending on this understanding to emerge naturally, they must ensure employees have a structure and process for sharing their needs, experience, skills and knowledge. Taking these steps can help ensure employees of all generations are more tolerant of one another’s different preferences, while still contributing to one another’s goals.

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**Case in Point: Minimize Disruption From Talent Mobility and Redeployment**

**TDECU**

During the pandemic, credit union TDECU had to move employees between roles when demand for branch staff dropped as branches were forced to close, while demand for mortgage negotiators increased. The abrupt shift of branch staff to negotiation roles could have caused friction between incoming and existing team members, but TDECU smoothed the transitions by breaking down roles into their component activities. TDECU adjusted negotiator roles in a phased way, so that incoming team members could contribute from day one by taking on more of the tasks that fit with skills from their previous roles. Meanwhile, the burden on more experienced workers to teach new team members came in phases, rather than all at once. The more gradual transition freed up more of their time to focus on more specialized activities where they could develop their own skills. Read the full 2021 case study, Minimize Disruption From Talent Mobility and Redeployment (TDECU).

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1. 2021 Gartner Hybrid and Return to Workplace Sentiment Survey: This survey, conducted in October 2021, polled 3,000 employees from a wide range of industries, functions, geographies and current work statuses to understand their preferences and challenges related to current and future work design.

2. IQ22 Global Labor Market Survey: The IQ22 survey was based on responses from around 17,995 employees globally. Responses were collected monthly across 40 different countries in 15 languages and were then aggregated to generate quarterly findings. Generations are defined as follows: Generation Z: 17 to 25 years, millennials: 26 to 41 years, Generation X: 42 to 57 years, baby boomers: 58 to 71 years.

The organizations profiled in this research are provided for illustrative purposes only and do not constitute an exhaustive list of examples in this field, nor an endorsement by Gartner of the organizations or their offerings.
Top 5 Priorities for HR in 2022

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- The 5 initiatives CHROs and HR leadership are prioritizing in 2022
- Common challenges HR leaders are facing in each priority
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Download Report
An Inclusive Future for All: An Interview With Cisco’s Fran Katsoudas and Great Place to Work’s Michael C. Bush
by Caroline Ogawa

Cisco’s Fran Katsoudas and Great Place to Work’s Michael C. Bush explore the broadening definition of inclusion and growing employee expectations. Using examples from Cisco’s globally-recognized inclusive strategy, they share ways CHROs can prepare for the next evolution of inclusion.
Michael C. Bush
CEO, Great Place to Work

Michael C. Bush is CEO of Great Place to Work. His global research and analytics firm produces the annual “Fortune 100 Best Companies to Work For” list, the “World’s Best Workplaces” list, the “100 Best Workplaces for Women” list, the “Best Workplaces for Diversity” list, and dozens of other distinguished workplace rankings around the world. Bush is the former CEO of Tetra Tech Communications, a former member of President Obama’s White House Business Council and a founding board member of the private equity seed fund Fund Good Jobs.

Francine Katsoudas
EVP and Chief People, Policy and Purpose Officer, Cisco

Francine Katsoudas is the executive vice president and chief people, policy and purpose officer of Cisco. In this role, she oversees critical functions that instill Cisco’s conscious culture, contribute to the company’s overall performance and advance Cisco’s purpose to “Power an Inclusive Future for All.” A 25-year veteran of Cisco, Fran has extensive experience leading organizational transformations, driving large scale growth, cultivating successful leaders and teams, and constructing an employee-first culture.

Fran Katsoudas and Michael C. Bush recently joined the Gartner Talent Angle podcast to discuss the broadening definition of inclusion and ways to foster trust, empathy and belonging. The following insights are excerpted from that conversation. To hear the full interview, listen to this episode on Gartner’s Talent Angle podcast (see Talent Angle Podcast: Building Inclusive Organizations With Cisco’s CHRO Fran Katsoudas and Great Place to Work’s CEO Michael C. Bush).

We’ve seen organizations place a growing focus on inclusion over the past few years. Can you share what that has meant for you and for Cisco?

KATSOUADAS: Inclusion is at the heart of everything that we do. What’s unique at the moment is that the definition of inclusion is getting broader and interconnected. When we talk about inclusion, not only are we talking about ensuring every single employee has a voice at the table — that we have inclusive hiring practices and we ensure we’re showing up for our communities in an inclusive way — but you’re also starting to talk about recognizing that our people want to work differently. That means where they work, how they work and how many days they work. Inclusion will be an important theme, but I think the definition is getting broader by the moment.

Our employees’ definition of inclusion varies, based on who they are and their life experiences. For us at Cisco, we work really hard to be a great place to work for all and to have practices and processes across the company that see all. I think it also means we have to call out those places where we don’t see that fairness and we have to drive transparency around how we get there. For us, this definition of inclusion is about ensuring that all our demographics are seen and heard, and that really pushes out into how we respond to the digital divide, to social justice, to sustainability, to work. I think the definition will continue to broaden.
What did you learn from studying organizations that don’t just have a great culture, but rather, that have a great and consistent culture for everyone? And how is that related to inclusion?

BUSH: Without inclusion, there is no trust. People have to feel like they’re part of something and that they’re needed. They have to feel that they have something to offer and that you care about them. Organizations have learned that things have changed and they don’t have a choice now to care about people or care about inclusion. They lost that choice a couple years ago, because when you don’t care about those things, people will leave you and go somewhere else.

During the pandemic, companies were sometimes the one constant thing that people could hang on to during this tragedy. They couldn’t see their family. Their institutions were shut down. Their social networks evaporated. But the one thing they could hang on to was their employer. And some employers responded with, “What can we do? Tell us what’s going on. What flexibility do you need? What can we do to help you be able to teach your kids, who are now at home? What can we do to get toilet paper to your parents?” Those companies are reaping the rewards. And they did it for the right reasons. They had no idea those things were essential. They didn’t know about a “great resignation,” but they did it. And high-trust companies were rewarded.

It doesn’t matter the resources that you have. You can find a way to treat people with respect and honesty and fairness and equity. Your values already say that’s what you do. So now it’s about doing those things. It absolutely starts at the top.

During the past few difficult years, what have organizations done to better understand employees’ needs?

KATSOUĐAS: You have to establish trust. You have to demonstrate through very public forums, the fact that the company is learning, and the leaders are learning. Something that we believe very strongly at Cisco is that our people own the culture. And now we’re starting to say our people also own purpose. And what that means is that if you own it, we believe you show up differently to it. And it allows you to reach out and say, “Fran, I think you got that wrong.” Listening together with the trust and the willingness to change and realize that something that made sense a year ago or two years ago doesn’t necessarily make sense now, I think that is incredibly important.

BUSH: Listening is the most important skill for leaders. Great listening is emptying your mind and changing your point of view and learning, driven by curiosity. If you’re not willing to change after having a conversation with an employee, what’s the point of the conversation?

KATSOUĐAS: At Cisco, we talk about empathy being a superpower. And we have the expectation that all our leaders understand the experience of all. [Our Chief Inclusion and Collaboration Officer] Shari Slate built a belief at Cisco that all our leaders also needed to be a sponsor for someone different from themselves. And today, 100% of vice presidents sponsor someone who is different. And what’s beautiful about that is when you, as a company, have 100% of your vice presidents learning, listening, advocating, it starts to change the culture of the company.

Sustainability is a priority for Cisco, so how are you tying those investments back to employee inclusion?

KATSOUĐAS: Our purpose at Cisco is to power an inclusive future for all. It’s something that we established about two years ago, before we understood the pandemic was upon us. And we recognized that as we navigated through the pandemic, we just continued to question the way in which we were showing up.

First of all, our employees and our candidates who are out there in the world want to work for a company that they believe is doing good in the world and will leave the world in a better place. They are looking for companies to address sustainability and the digital divide and social justice. For each of us, we have to figure out, as companies, how does the work that you do intersect naturally with these areas?

As an example, at Cisco, our technology can play a huge role in providing everyone with access, and with that access, can help them with education and their careers. And so our technology is a part of how we address the digital divide. We also understand that if we build technology, it can not only connect our customers, but also reduce energy consumption and make their organizations better for the
planet. That's a win-win. Finding that intersection is incredibly important.

**BUSH:** I believe that great companies are moving aggressively in the ESG area, not because of the government or because of what the CEO believes. And it's not just pure capitalism. It's because of their people. It's because of the respect these organizations have for their people. These are people-first companies, and they'll change, which is what great leaders do. Not because of what they believe in, but because of what their people believe in.

A lot of companies like Cisco are using their employee resource groups as a way of finding out what can be done in the community and how the company can help. When deciding where to commit, where to invest, they use the power of their people. And every great company I can think of on our list has a very active employee resource group network, where they can tap in and get excellent information about what's going on with people from the different affinity groups in their organization.

**What do you expect to see over the next few years around the topic of inclusion?**

**KATSOUĐAS:** I think as we move forward, we're going to see that inclusion is going to focus on well-being and the way in which we work. What our people want is a customized work experience. And when you recognize that every single person has a different load that they're dealing with and different family issues, seeing them and recognizing that they have to work differently is a big sign of inclusion. This move to well-being and the customization of the work experience is going to keep a lot of us on our toes.

**BUSH:** I think companies are already separating themselves from other companies. The gap is getting wider between great companies and not-great companies. You can see it in their retention rates, in their resignation statistics, and in their ability to hire. It's already happening. Great companies are going to get rewarded for the way that they treat their people. And leaders of great companies are going to follow their instinct a little less and follow their people more.
Metrics of the Month
July 2022

Metrics of the Month features snapshots of data from our Global Talent Monitor reports, which track worldwide trends in employee experience and perceptions. In keeping with this issue’s theme, this month’s metrics focus on employees’ labor market perceptions and intent to stay.

**Organizational Culture:** How do employees perceive their organization’s cultural awareness and behavior over time?

<table>
<thead>
<tr>
<th>Month</th>
<th>Mindset</th>
<th>Knowledge</th>
<th>Culture</th>
<th>Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec '21</td>
<td>32%</td>
<td>29%</td>
<td>26%</td>
<td>31.6%</td>
</tr>
<tr>
<td>Aug '21</td>
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<td>29%</td>
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<tr>
<td>Oct '21</td>
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<td>31%</td>
<td>27%</td>
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</tr>
<tr>
<td>May '22</td>
<td>33%</td>
<td>31%</td>
<td>27%</td>
<td>30.4%</td>
</tr>
</tbody>
</table>

**Radical Flexibility:** Which of the following types of flexibility does your organization offer?

- Work Where You Want: 36.1%
- Work When You Want: 32.4%
- Decide How Much to Work: 30.6%
- Decide What You Work On: 27.2%
- Decide Who You Work With: 20.3%
- None of the Above: 30.5%

**Personal Development:** Which of the following opportunities does your organization provide? Opportunities to pursue ...

- Skills Useful in Your Job: 60.9%
- More Employable Skills: 30.8%
- Skills Useful in Personal Life: 32.7%
- Personal Interests: 27.8%
- Nontraditional Career Paths: 15.8%
- None of the Above: 20.9%

Source: Gartner Global Labor Market Survey, June 2021-May 2022

Note: All metrics are measured monthly and contain responses from an average of over 3,000 employees across various geographies and industries. “Knowledge,” “Behavior,” and “Mindset” capture employees’ perceptions of how well culture is understood, practiced and believed in at their organization, respectively. “Culture” reflects their overall perceptions of organizational culture.