ENGAGE
2022

THE COMPANY CULTURE REPORT

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by THE CENTER FOR SALES STRATEGY

If The Great Resignation Defined 2021, What Is The Narrative Of 2022?

For many employees, their 2022 stories are those of new beginnings, settling into current roles, or a new position in a different organization after two years of social and economic upheaval. For others, anxiety lingers around continuing to balance a new form of work life, one that includes both virtual and in-office spaces. Overall, there seems to be equal doses of **optimism and uncertainty** occupying employees' predictions for the near future.

Whether an employee is getting a brand-new start or adjusting to their new workplace norm, it's important to understand the greater impact these changes have on employee engagement. At **Up Your Culture**, **we define employee engagement as an emotional commitment and willingness to give your best at work**. In other words, when employees are engaged, they feel as though they have a stake in the game and a strong sense of purpose. Not only do they choose to stay in their jobs, but they are also willing to give everything they have to achieve success in their roles.

It's clear that high employee engagement is imperative in every aspect of the workplace, now more than ever. In March, we launched the first ever Engage survey to help us answer the question: How engaged are employees today?

In the *ENGAGE 2022: The Company Culture Report,* we take a deep dive into the survey results, providing you with data, insights, and expert strategies to help improve overall culture and employee engagement.

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Employee Engagement

There are three levels of employee engagement: engaged, not engaged, and actively disengaged. It's important to understand the key differences between these three levels.

Imagine all of your employees sitting around your company campfire. Those "engaged' are actively rubbing sticks together to create the spark and they are constantly stoking the fire. Those "not engaged" are lounging around the campfire with their feet kicked up, and those "actively disengaged" are dumping water on the fire and removing logs.

> **82%** OF SURVEY RESPONDENTS BELIEVE UP TO A QUARTER OF THEIR COWORKERS ARE **ACTIVELY DISENGAGED.**

Actively disengaged employees aren't just dumping water on their own campfire. Remember, your entire company is sitting around it. As the fire dwindles, everyone is affected. 82% of survey respondents believe up to 25% of their coworkers are actively disengaged. Those numbers can prevent revenue growth and stifle the morale of people who currently identify as engaged employees.

THREE LEVELS OF EMPLOYEE ENGAGEMENT

1. **Engaged**
Actively working to create a spark and constantly stoking the fire.

2. **Not Engaged**
Making no effort, feet kicked up.

3. **Actively Disengaged**
Dumping water on the fire and removing logs.

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Active disengagement could have roots in several areas left hollow by a lack of healthy work culture. Through a wider lens, when asked whether their workplace culture was better or worse than the previous year, **31% replied "worse."**

60% BELIEVE THAT UP TO A QUARTER OF THEIR CO-WORKERS ARE **NOT ENGAGED**.

When asked what percentage of full-time employees at their company are engaged, 80% responded "half or more." At first glance, that appears to be a healthy number of employees tending to the fire. However, 60% of employees believe that as many as 25% of their co-workers are not engaged.

The degree of disengagement we have found could point to many different phenomena and may go hand in hand with those 31% who believe that their work culture is worsening. News reports abound around how many companies have been operating with "skeleton crews," either from purposeful downsizing or the inability to find enough talent. Let's also not forget the many organizations still bouncing back from the economic challenges of the past two years and continued uncertainty for the future.

It is worth noting that shaky levels of engagement, no matter the root cause, can lead to a certain behavior known as "quiet quitting." This is where unhappy employees show up in their duties only as much as is required to keep the job they desperately need, but no longer want. The idea of "quiet quitting" is not only disheartening on a personal level but should also be a loud enough signal for a company to move mountains to reinspire and reengage their employees.

Discovering initial signs of disengagement within an organization can be daunting and, sometimes, shocking. However, even if your campfire flames are dwindling, it is not too late to tend the fire. Oftentimes, establishing and nurturing missing elements in employee engagement can re-engage an entire workforce.

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What Does This Mean?

DISENGAGEMENT IS CONTAGIOUS.

A shocking number of people believe that their coworkers are either not engaged or actively disengaged with 60% of respondents **believing that a quarter of their coworkers are not engaged** and 82% of respondents believing that a **quarter of their coworkers are actively disengaged**. In other words, a lot of people are convinced that those they work with are not fully activating their talents, striving for success, or reaching their potential. If you have ever been surrounded by people who are not excited about something, you've probably found that your own levels of excitement can be pulled down. Disengagement is contagious in the workplace.

A PLAN IS NEEDED. NOW.

Most people have felt increasingly challenged at work since the onset of the pandemic in 2020, which makes it even more concerning that 31% believe their work culture will only get worse moving forward. Company leaders need to pause, take a good hard look at their current culture, and identify exactly what needs to be done.

### COMPANY PRIDE IS THE ANTIDOTE.

There is a significant movement driving people to consciously check out at work. "Quiet Quitting" is about employees taking pride in doing as little as possible at work while keeping their paychecks. This toxic movement can only thrive in an environment where employees lack a strong sense of pride in the work they are doing. Their lack of company pride creates a vacuum that needs to be combatted quickly.

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How Can Companies Improve This?

Culture is powerful, and you're going to have one whether you like it or not. The first step is to <u>identify the current level of employee engagement</u> on your team and determine which cultural factors are driving that engagement. Then, select an aspect of your culture that needs improvement to drive engagement and ask yourself what you can specifically do to improve in that area. Post a reminder, flag your calendar, and enlist an accountability partner to ensure you give your strategy the attention it deserves.
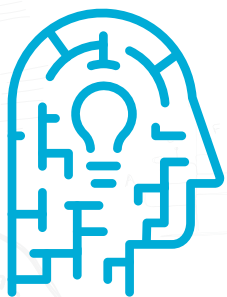
Encourage other leaders on your team to identify a strategy of their own to improve in that area of focus and work together to intentionally create the culture you want to have there. Remember, when you get the culture piece right, your employees will become invested in the mission, engage their talents, and reach their full potential. In turn, your customers will benefit, and your business will win!

At the start of your process, we recommend using a Culture and Engagement Survey that focuses on the <u>Four Engagement Elevators</u> and can point to exactly which factors are driving engagement or dragging it down in your company. Don't be fooled into trying to fix all the items that receive low scores. Instead, identify 1 or 2 items that have a high impact on employee engagement in your specific workplace and create a handful of strategies your leaders can use consistently to quickly move the needle.

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Working From The Office Vs. Hybrid/Remote Work: How Is It Impacting Company Culture?

MANY ARE STILL DETERMINING WHAT TYPE OF WORK WORKS FOR THEM.

Very few survey respondents are working from an office full-time. 73% report their current work model is either remote or hybrid. It turns out more than half (58%) of internal meetings are being held virtually and the rate of virtual external meetings is on the rise.

With local, state, and federal pandemic guidelines being loosened, many wonder what the future holds for "how" and "where" work takes place. Those hoping for a permanent return to the office may be disappointed. While remote work is projected to drop by half over the previous year (from 24% to 12%), that doesn't mean people are necessarily going back to the office full time. Hybrid models are expected to rise significantly from 48% to 62% of workers.

57% OF THOSE SURVEYED PREFER A HYBRID WORK MODEL.

This anticipated rise in hybrid work appears to be in line with employees' preferences with 57% of respondents saying that the hybrid model works best for them. If that number is surprising, consider how they responded to questions surrounding remote and office work.

73%

RESPONDENTS WHO CURRENTLY WORK EITHER REMOTE OR HYBRID

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Only 1 out of 4 (25%) people prefer a fully remote model. Most people surveyed expressed a need for some in-person interaction at work and 80% say that in-person meetings leave them feeling more energized.

> ONLY **25%** OF PEOPLE PREFER A FULLY REMOTE MODEL OF WORK.

At the same time, the notion of permanently working from the office does not seem to garner any higher enthusiasm. Just 19% of those surveyed prefer a fully in-office model, which is 6% less than those who prefer remote.

> JUST **19%** OF THOSE SURVEYED PREFER A FULLY IN-OFFICE MODEL, WHICH IS **6%** LESS THAN THOSE WHO PREFER REMOTE.

How much does your work model impact your company culture? While it could be easy to believe that physical togetherness in an office improves company culture, that is not always the case. **If company leaders are intentional about building and improving a strong company culture and elevating employee engagement, it becomes significantly less important where the work takes place.** In reality, the health of a company's employee engagement is not so much determined by physical proximity as by the culture grown from within, whether grown intentionally or not.

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What Does This Mean?

YOUR EMPLOYEES HAVE DIFFERENT NEEDS.

Everyone has a unique workstyle, thriving in different environments and under different conditions, which means each of your current employees likely has a different preference when it comes to their work model. The most important job of a manager is to develop each person on the team individually, holding distinct expectations for their performance that are tailored to their unique needs.
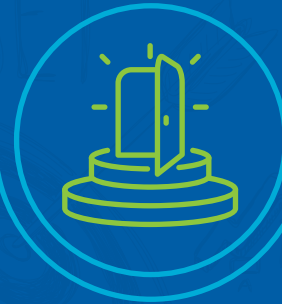
YOUR WORK MODEL AFFECTS YOUR RECRUITMENT EFFORTS.

Candidates pay close attention to your work model and will preferentially apply only for jobs that allow them to have the work structure they prefer. Companies will better recruit strong candidates by determining the expectations they will have for employees moving forward (in-office, remote, or hybrid) and sharing those expectations widely.

YOU NEED A STRONG CULTURE NO MATTER WHERE THE WORK GETS DONE.

Regardless of your work model, you will benefit most by building a culture that is completely untethered from the office space itself. If your company culture revolves around morning in-person huddles, group lunches, donuts in the break room, and ringing a bell to celebrate success, you won't be able to fully translate that in a hybrid or remote model. If instead, your culture revolves around a Shared Mission, a strong sense of belonging, and feelings of passion and purpose about the work, suddenly the location from which people work becomes inconsequential.

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How Can Companies Improve This?

FOR CURRENT EMPLOYEES:
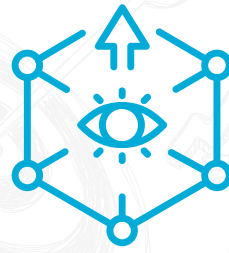
Recognize that each person you manage is wired differently. Use a tool like **Up Your Culture's** Growth Guide to effectively learn what makes each person tick and discover how you can help them thrive in their role.

Increase engagement by talking about your vision frequently, pointing to where you expect the company will be in 1, 3, and 10 years. Discuss the role each person plays in that vision and ensure they feel as though they have a stake in the game.

Create opportunities for people to share success stories and amplify examples of great work being done. Inspire your team by connecting those tangible examples to your **core values and your vision**, pointing to what's ahead.

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How Can Companies Improve This?

FOR JOB CANDIDATES:
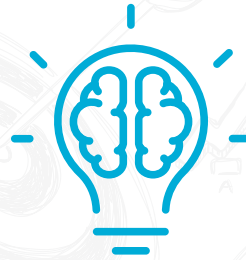
Make sure your job postings clearly articulate your current work structure (in-office, remote, or hybrid) as well as what you expect in the future.

Consider the unique workstyle of each job candidate to ensure a good match. For example, if you expect your new hire to work fully remote or even hybrid, make sure they have the innate qualities that are necessary for success. Use a validated talent assessment to understand how likely they are to successfully organize their work, prioritize their tasks, and manage their time in a remote environment. Also consider their people acumen and need for in-person interactions at work.

Create consistency in your interview process, paying attention to both **talent and fit**. Once you have identified a job candidate who has the innate talent you need for success in the role, use a strong interview guide, like the Culture-Fit Interview Guide by **Up Your Culture**, to get a better feel for how they will fit into your culture.

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People Want To Be Developed.

HIRING FOR TALENT, STRENGTH MANAGEMENT, AND GIVING EMPLOYEES THE FEEDBACK THEY CRAVE.

61% WORK FOR COMPANIES THAT USE A TALENT ASSESSMENT FOR HIRING.

Fostering and maintaining a healthy company culture begins with finding the right candidates for each role. An effective and increasingly utilized tool in the hiring process is a validated talent assessment. 61% of those surveyed said their company uses validated talent assessments during the hiring process and another 57% confirmed those assessments are also utilized to coach and develop their strengths. The ongoing use of talent assessments points to a common truth: understanding the unique strengths of an employee allows you to grow them as an individual, and growing each individual grows the organization.

57%
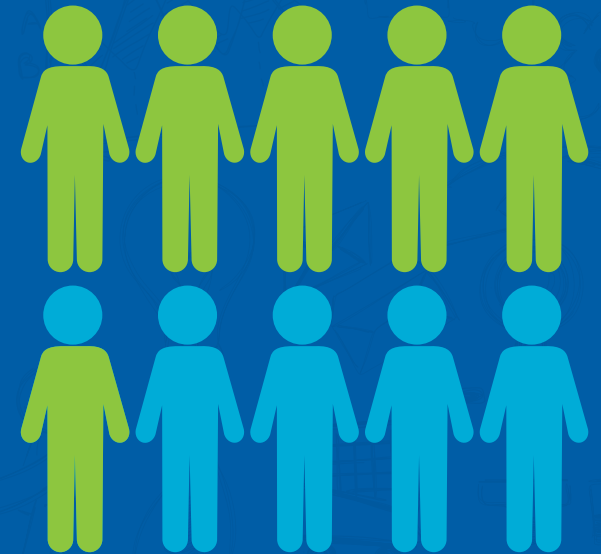
RESPONDENTS CONFIRMED THAT TALENT ASSESSMENTS ARE UTILIZED TO COACH

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79% REPORT HAVING RECEIVED MEANINGFUL FEEDBACK ON THEIR PERFORMANCE FROM A MANAGER IN THE LAST 6 MONTHS.

After understanding and coaching to their unique talents, providing people with regular performance feedback is the most critical element in employee growth. Effective feedback leads to increased confidence, enhanced skills, and improved performance.

Thankfully, 79% report having received meaningful feedback on their performance from their manager in the past six months. Unfortunately, 15% have gone more than a year without such attention and coaching. Human nature drives people to crave feedback and even the most experienced employees want to know how they are performing.

15% HAVE GONE MORE THAN A YEAR WITHOUT RECEIVING MEANINGFUL FEEDBACK ON THEIR PERFORMANCE FROM THEIR MANAGER

Employees also want clear expectations so they can focus their energy on the right priorities and the right tools to achieve success. 33% of respondents were hazy or felt unclear about the specific results their company expects of them. Another 31% do not believe they have the tools needed to perform the duties of their position.

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What Does This Mean?

IMMEDIATE AND DETAILED FEEDBACK DRIVES ENGAGEMENT.

The absence of regular, meaningful communication can slowly lead to intense employee dissatisfaction. Without consistent performance feedback, many can develop the impression that the work they perform has little to no visible impact. Employees crave feedback and they deserve the attentiveness and opportunities for growth that it can provide. Annual performance reviews just are not enough. If someone is doing something exceptionally well or is struggling to meet expectations, it doesn't make sense to let them know many months later. Instead, feedback should be given as quickly as possible following the activity itself.
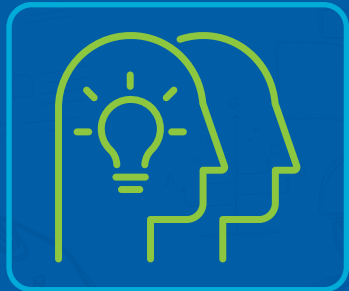
BRING THE RIGHT PEOPLE ON BOARD AND ALIGN THEM WITH ROLES WHERE THEY WILL SHINE.

If you are currently using a validated talent assessment to understand the unique strengths and weaknesses of your job candidates, you are ahead of many of your competitors. Understanding a candidate's innate abilities will help you bring those on board who have the right ingredients for success in the job and put them in the right roles.

MAKE SURE YOUR PEOPLE KNOW WHAT SUCCESS LOOKS LIKE.

If you want to win a game, you need to know how to play. Providing employees with clear expectations is like giving them the rules of the game. It sets them up for success!

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How Can Companies Improve This?

Keep using a validated talent assessment to help you identify those who have the innate behaviors for success in the role. The earlier you use your talent assessment, the better! Ideally, talent assessments can be used before you even meet a candidate. If the candidate doesn't have the must-have talents that align with your position, the talent assessment saves you valuable time and energy.

Use a relationship development tool like the Growth Guide to better understand your employees, their personal goals, what motivates them, and what they want from you as their coach. Whether you are in-office, hybrid, or fully remote, this instrument will give you the insight you need to powerfully engage each individual you manage.

Don't put that validated talent assessment in the drawer after you make your hire. Keep it front and center so you can coach your people to maximize their strengths and continue to improve their performance over time.

Although people need constructive criticism so they can adjust and improve, they tend to need positive feedback at a much higher rate. The optimal ratio is typically 5:1. Don't be fooled into thinking that positive feedback feels good but constructive criticism helps people improve. On the contrary, when you give someone specific feedback on exactly what they did right, they are able to repeat those behaviors more often and improve their performance. Consider how you can provide your employees with specific feedback about what they are doing right more often.

Provide employees with clear expectations and let them know how you will measure their performance. Paint a clear picture of what success looks like for each person and regularly discuss how they are doing against these expectations.

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Clear Values And An Expressed Mission And Vision Lead To Motivated And Intentional Employees.

WHEN A NORTH STAR IS SHINING, EMPLOYEES WILL POINT AND FOLLOW.

A company's **mission, vision, and core values** function as a guiding light for the entire organization. If communication is unclear around these basic aspects of a company's identity, that same lack of clarity can bleed into the work and wellbeing of its employees.

We asked respondents if their company had a purpose statement (often called a reason for being). 69% said, "yes," however more than half (54%) were not confident they knew what it was. 31% had no idea what their company's purpose statement was or if they even had one.

36% STATED THEY ARE NOT MOTIVATED BY THEIR COMPANY'S LONG-TERM GOALS.

RESPONDENTS THAT SAID THEIR COMPANY HAD A PURPOSE STATEMENT

YES: **69%**

NOT CONFIDENT: **54%**

NO IDEA: **31%**

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57% of those surveyed stated that their company either does not have a set of core values or they are not aware of what those values are.

When asked if they are motivated by the long-term vision of their company, 36% of respondents replied "no" or were not even aware of what their company's vision was in the first place. Similarly, more than 57% of those surveyed stated that their company either does not have a set of core values or they are not aware of what those values are. This is an area where any number is too large.

From these figures, it's apparent that there are large swaths of employees who have little to no idea what their company stands for or what it plans to achieve. This begs the question, if someone doesn't know and connect with the Shared Mission of their company, how can they be engaged?

Disengagement can come from a whole host of pre-existing work culture issues, but a lack of clear communication around a company's basic identity plants hearty seeds of disenchantment early on in an employee's role.

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What Does This Mean?

MOST PEOPLE AREN'T CLEAR ON THE CORE VALUES OF THEIR COMPANY.

That means they don't know which behaviors lead to "winning" and which ones will not be tolerated. That's a tough position for people to be in. Human beings are tribal by nature, gathering with others who have similar goals, customs, and commonly accepted behaviors. If your employees don't know what those accepted behaviors are, they cannot completely feel as though they are a part of your tribe.

A STRONG SENSE OF PURPOSE SERVES AS FUEL.

If you have ever asked someone about their job and noticed their eyes light up as they tell you about it, chances are they feel a strong sense of purpose in their work. When we feel connected and purposeful in our work, we have more energy and passion to do that work and that energy translates into engagement.

WE NEED TO KNOW WHY.

It's not enough to have a reason for being or purpose statement. If your employees don't know what it is, you may as well not have one at all. Your reason for being tells your employees, customers, and the community, why you exist. It's the "why" behind all the work that you do.

PEOPLE NEED CLARITY.

Every employee should know what their goals are and what success looks like. Chances are, they have personal goals that fuel them as well; things they're working toward that you may not be aware of.

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How Can Companies Improve This?

Make sure your people feel connected to the company mission and purposeful in their work. Ask questions about their own personal mission and discuss how they align with the mission of your company.

If you haven't identified a reason for being that clearly explains why your company exists and why your people work so hard at what they do, it's time to do that. Think beyond revenue and profit to the larger, more meaningful reason your company exists.

Once you have landed on a strong reason for being that you believe connects all your employees, it's time to roll it out in a big way. You should talk about it often and connect the day-to-day work people are doing to that larger "why."

At the same time, commit to establishing a clear set of core values that will guide the behaviors of your people. These can't just be words on a wall. Instead, they need to be elevated to become the core behaviors that are expected of all employees. Also, they should be used as a measuring stick for all job candidates, ensuring that every person hired innately values those same behaviors.

Meet with your direct reports regularly to discuss their personal growth goals and clearly communicate their importance to the long-term vision of success for the team.

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Where Do We Go from Here?

LITTLE BY LITTLE MAKES A LOT.

We have experienced a lot of volatility in the labor market over the last year causing many leaders to shift much of their focus to finding and gathering the right people around the company fire. It may feel disheartening to learn that only 50% of those surveyed believe employee retention will improve this year, but the good news is that a strong focus on employee engagement can greatly slow the flow of people out the exit door and attract the best new talent.

73%

EMPLOYEES THAT FEEL AS THOUGH THEIR OPINIONS MATTER IN THE COMPANY

50% of those surveyed believe employee retention will improve this year.

While feelings of uncertainty are potent and palpable, there are just as many numbers pointing to a brighter future. For example, 73% of employees feel as though their opinions matter within their company. Also, when asked how well different departments collaborate and communicate with one another, 86% replied "good or extremely well." These are all key factors in culture improvement and as cultures improve, so does employee engagement, company performance, and revenue.

When you get the culture piece right, your employees will become invested in the mission, engage their talents, and reach their full potential. Hone in on your existing culture and identify one area of focus to improve upon; cultivate your "why," or reason for being, and make sure to share it with everyone in a meaningful way; and remember, each person you manage is wired differently and you have the opportunity to help each of them thrive in their roles.

It takes a small spark to create your campfire, but it takes a lot of care and attention to keep it burning brightly.

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About Up Your Culture

Up Your Culture is a division of The Center for Sales Strategy (CSS). CSS has nearly 40 years of experience improving business performance to drive lasting results.

As a company, we always had a good culture, but we wanted it to be great. We began paying a lot of attention to employee engagement, measuring it and implementing strategies based on what we learned. Over the years, we learned which engagement levers to pull and how to pull them. We boosted our own culture and increased our employee engagement. Now, our clients turn to us for help.

Up Your Culture specializes in meeting companies where they are to increase productivity by elevating employee engagement. If you engage your team, you grow your business!

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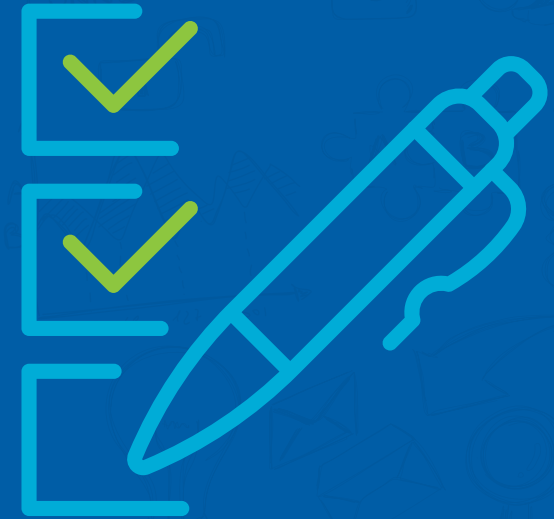*by* THE CENTER FOR SALES STRATEGY

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Methodology/Notes On Data

Up Your Culture, a Company Culture and Employee Engagement Firm, conducted an online survey in March of 2022.

Surveys were shared with the public. Results were produced by 162 respondents spanning 21 different industries with a heavy concentration of surveys stemming from Broadcast Media and Marketing & Advertising. Company size ranged from 1-25 to over 1000 employees with reported job functions falling into the following categories: Owner/Partner, Manager, C-Suite, and Employee. 96% of those surveyed work for US-based employers.

Numbers have been rounded for readability.

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