

# Reimagining Culture

for Today's  
Workplace

## Examining Workplace Culture

The pandemic has significantly impacted how people think about work. In turn, the evolving perceptions are driving changes in workplace culture, which plays a central role in employee performance and satisfaction, as well as recruiting and retention strategies.

To explore the concept of culture and how it influences employee behaviors, organizational health, and business performance, **Alison Salka**, LIMRA and LOMA Senior Vice President and Director of Research, led a panel discussion with workplace culture experts from McKinsey and Co.

### PANELISTS



**Neel Gandhi**  
Partner  
McKinsey & Co.



**Brooke Weddle**  
Partner  
McKinsey & Co.

View the *Reimagining Culture for Today's Workplace* webcast at [LIMRA.com](https://www.limra.com).

## A WORKFORCE IN TRANSITION

**40%** of employees said they are at least somewhat likely to quit in the next three to six months

**36%** of employees who quit in the last six months did so without having a new job in hand

**53%** of employers said they are experiencing greater voluntary turnover than previous years — and 64 percent expect the problem to continue or worsen over the next six months

Source: McKinsey & Co.

# WHY CULTURE MATTERS



McKinsey has done research that has pinpointed **37 behaviors that drive long-term performance**. The idea is you can drive long-term performance by focusing an equal measure on culture. The analytics we've done suggest that organizational health and culture are not just correlated with performance, but, rather, there's a causal relationship between the two, meaning culture drives performance.



We did research around the management practices that mattered the **most for high-performing companies**, and we found two elements of culture were particularly helpful.

- 1** Being able to innovate rapidly and being creative about driving bottom-up innovation
- 2** Locking in the innovation as standard operating procedure

When companies do these well, not just during the pandemic but overall, we find that they drive long-term performance that can be measured by a whole host of outcome metrics, including total returns to shareholders, profitable growth, and revenue. That is the business case for culture.

Brooke Weddle



## WHAT IS CULTURE?

### BEHAVIORS

Underpinned by MINDSET and BELIEF  
Underpinned by a company's VALUES

Brooke Weddle

# RETHINKING CULTURE



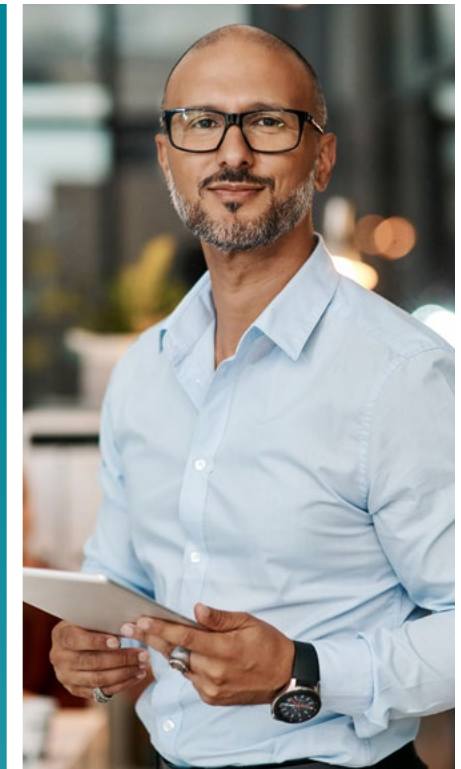
“ There is a broad recognition that culture needs to look and feel a little different in a hybrid environment. That doesn't mean that the culture of an organization needs to be fundamentally different just because it's hybrid. But how you maintain it — how you think about making sure that culture is the touchstone of the organization — does look and feel different in a hybrid environment.

Neel Gandhi



Companies with **healthy cultures** have **3x greater** total **returns** to shareholders.

Source: McKinsey & Co.



“ The vast majority of companies are thinking about how to be purposeful about culture and having those markers of culture show up in different kinds of environments, including for employees who are remote. The interactions between teams, between an employee and their manager, and between the broader organization and leadership look and feel a little different. The need to be intentional and have the conversations that are critical to maintaining culture are important.

Neel Gandhi

# HOW TO REFRESH AND REBUILD CULTURE



McKinsey did some research on the concept of social capital. When you think about social capital, think about it in terms of connectedness, the concept of trust and how we are connected to one another in a relational way. What we found was **14 percent of employees felt less connected to one another during the pandemic** and a similar number felt their networks had not grown. So, **we are not reinforcing the ties that help to drive a strong culture** in an organization. In that way, a refresh is needed even for a company with a very strong culture.

**It's completely possible to foster connectivity in a hybrid working environment.** A lot of it comes down to micro habits. We're seeing companies start to practice more one-on-ones and a lot more skip-level meetings to give employees deeper in the organization connection points with more senior levels. We're also seeing practices being reintroduced, like how to use OKRs (objectives and key results) to align in a systematic way around outcomes in a way that helps employees understand their purpose relative to the end outcomes of a team or a project.

Brooke Weddle



## TOP THREE FACTORS EMPLOYEES CITE FOR QUITTING

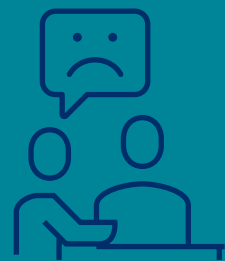
**Employees** leaving organizations are more likely to cite **relational reasons**, while their **employers** focus on **transactional ones**.

Source: McKinsey & Co.



### 54%

didn't feel valued by the **organization**



### 52%

didn't feel valued by their **managers**



### 51%

didn't feel a **sense of belonging** at work



# THE ROLE TRAINING PLAYS



A lot comes down to managers being aware of the sorts of risks that the world in which we're working brings. It highlights the **importance of being purposeful about how we invest in the capabilities of our managers.** How is this a moment where we are much more intentional about how we get people exposure and how we think about the things that qualify folks for advancement and development?

Neel Gandhi



When we go back to this idea of what kind of culture do we want — what's our North Star — many organizations are saying that, if the North Star has evolved, then we need to build new muscles. **When you reflect on where you want to head as a culture, you will likely need to build capabilities in the new behaviors that you want to live into as a culture.**

Brooke Weddle



**What we've found is an increasing focus on helping managers understand the sets of behaviors and micro habits that you should be focused on day-to-day to drive a more inclusive environment.** A lot of the things that go into that are the same things that have gone into being a good people manager for a very long time. But the importance of them has increased. We need to make sure managers see that part of their job as important as they might see some of the technical or performance-related ones.

Neel Gandhi

# HOW CULTURE OVERLAPS WITH PURPOSE

“ **Two thirds of US-based employees during the pandemic reflected on their purpose in life.** Nearly half of those same respondents said they’re reconsidering the kind of work they want to do because of that reflection. So, clearly, there’s a **huge opportunity to understand what an employee’s purpose is** and connect that back to work.

Brooke Weddle

“ **This question of purpose is so important for the life insurance industry.** This is a business where you are helping people in what are often some of the darkest moments of their lives. I think most folks in this industry feel that. But I also think it gets talked about really infrequently. The connection to the purpose of this business can get lost a little bit in all the things that we’re trying to do, but that connection to purpose in life insurance is something that may be clearer than in many places.

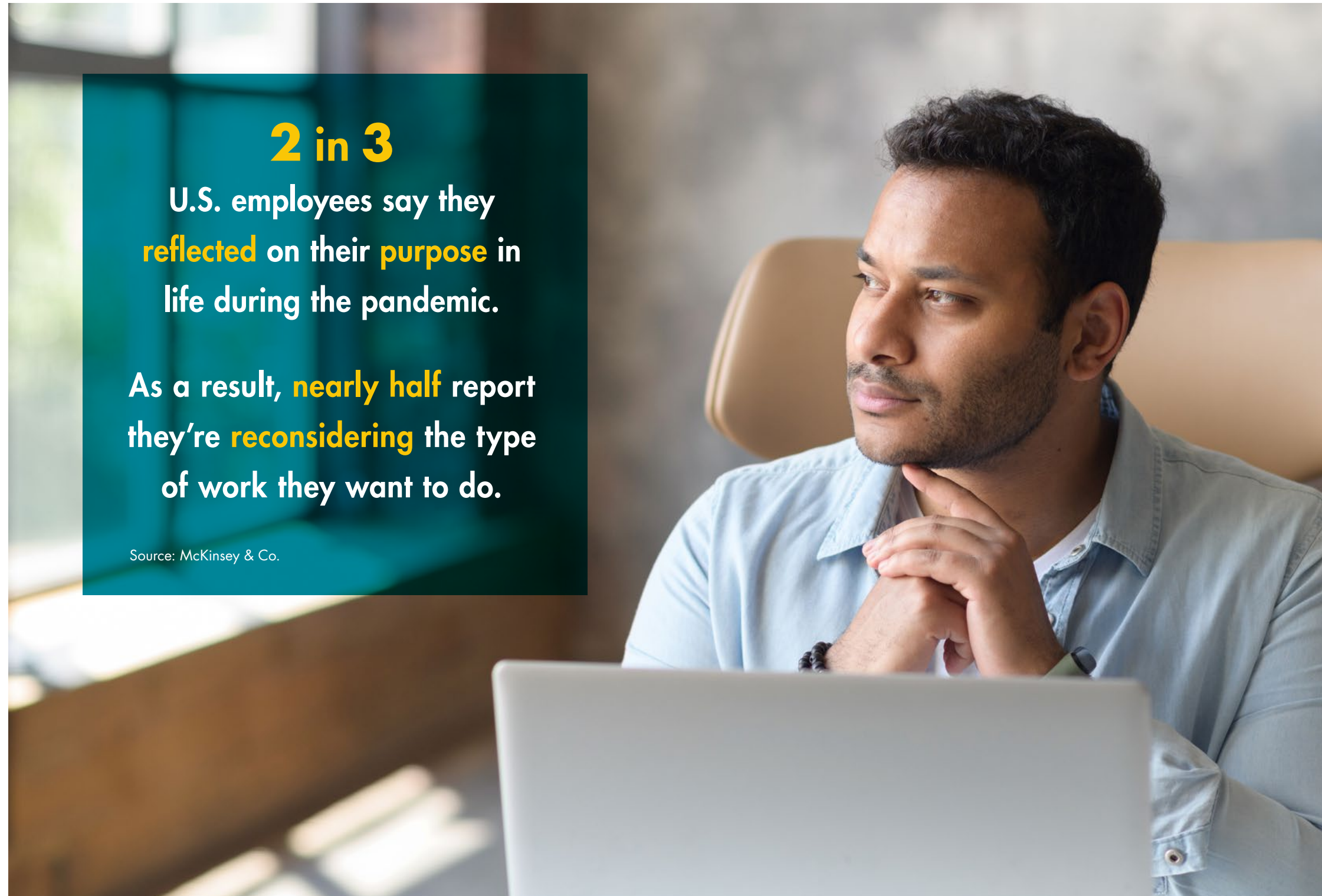
Neel Gandhi

**2 in 3**

U.S. employees say they **reflected** on their **purpose** in life during the pandemic.

As a result, **nearly half** report they’re **reconsidering** the type of work they want to do.

Source: McKinsey & Co.



# CULTURE AND THE EMPLOYEE EXPERIENCE



When we think about employee experiences, there are several dimensions — purpose, belonging within the team, and social connections. There's also an element of employee experience that is the day-to-day experience on the job. What are the barriers in terms of being able to get your work done? What are the tools that are there to support you? What is the physical environment? We're definitely seeing insurers use the pandemic to ask, 'Can we reinvent that experience a little bit?'

Onboarding is a critical moment in an employee journey with an organization. It's also a high-value one. If you get someone up to speed and productive sooner, your likelihood of keeping them longer-term goes up dramatically. [It's important to] be quite prescriptive about the experiences that someone should have in an onboarding journey. Who do you need to talk to, and can we schedule that for you? When do you need to have certain interactions with your manager? You can't leave it to chance; you have to make sure they happen.

**Neel Gandhi**



The natural experiment of the pandemic proves innovation does not need to happen in person. But how do you build it in? A lot of people go into the office now, and they're sitting at their computers because their colleagues are not in on the same day. That doesn't sound like a great outcome for in-person work. So, how do you construct experiences in the office so they're meaningful? Chunking up the work, depending on the type, activity, and understanding of where it is best performed is hard work, but that's the direction we're moving in terms of how to lead and manage in a hybrid working model.

**Brooke Weddle**



# ARE HYBRID WORK ENVIRONMENTS HERE TO STAY?



[Hybrid work] is here to stay. Habits are forming and have been formed. I think hybrid is an essentially permanent element of how we work — in different degrees and with different modes.

Neel Gandhi



I think there will be more hybrid options out there and not just because employees want them. I think we have learned that you can be productive, you can innovate with hybrid. And there are also cost savings associated with that. Companies are already making pretty significant moves on the real estate front to reflect some of the bets they're making with respect to hybrid work. So, I think we have laid the foundation for an enduring change on this front.

Brooke Weddle

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