



## 5 Culture Trends for 2021



**In 2020 the world changed dramatically. As companies enter 2021, what workplace transformations will the new year bring? Check out our 5 Culture Trends for 2021 and see how you can be prepared to help your employees thrive, no matter what new challenges may come their way.**

## Culture Trend #1: Emerging from crisis, companies focus on culture.

As companies return from months of remote work or adjust to the new normal of remote work and social distancing, workplace culture is in flux. Some cultures need healing after layoffs, furloughs, or closures drastically changed their workforce. Others are adapting their work processes or physical environments to account for social distancing needs. Employees are adjusting as they return to the office after months of being apart. Underlying all of this is a fear of Covid-19 in the workplace and the continued uncertainty of how economies will perform, and which situations may change.

A SHRM study found two out of three companies reported keeping employee morale up to be difficult during the pandemic, and one-third said [maintaining company culture](#) was a challenge.

The actions some organizations have taken have had a negative impact on their company culture. [Pulse surveys](#) conducted by the O.C. Tanner Institute during the worst of the Covid-19 crisis found when an organization had a layoff or furlough, there was a(n):

**91%** decline in employee Net Promoter Score

**57%** increase in disengagement

**42%** increase in a tense workplace atmosphere

**75%** increase in feeling like the organization was underprepared

Trying to cut costs by scaling back employee recognition programs resulted in:

**49%** decrease in engagement

**23%** decrease in likelihood employees feel supported by the organization

**Twice** as much fear about Covid-19

Culture keeps employees connected, moving together forward toward a common purpose, which is especially important during times of crisis. This next year provides organizations with an opportunity to improve their workplace



cultures. In fact, [57%](#) of companies anticipate “major” changes to their culture as a result of the pandemic. As companies emerge from the challenges of 2020, they have two choices: to enter 2021 bruised or poised to thrive. The determining factors will be their people and their workplace culture.

**What to do:** A strong workplace culture is what will get you through a crisis successfully. Non-thriving cultures are [10X](#) more likely to be negatively impacted by crisis than thriving cultures.

But as culture is often built on shared experiences and informal interactions at work, how do you maintain culture when no one is physically together? Start by improving the six most

important elements of workplace culture: purpose, leadership, appreciation, wellbeing, opportunity, and success. Deliberately design the new employee experiences you'll have to create around these areas as employees continue to work remotely or return to the workplace.

**“We expect to see a greater and intentional focus on the human at the center of work. There is an awakening happening due to the pandemic and societal injustices that are inspiring more leaders and cultures to take a brand stand that puts humans first. People leaders that back up their brand stand with actions will result in creating better business outcomes and, at the same time, support overall well-being.”**

— KERI HIGGINS BIGELOW, LIVINGHR, INC.

Find ways to maintain connection with your people. Increase efforts to create modern leaders, who mentor and empower rather than gatekeep and control. If you need help, find a [culture consultant](#) who can aid in assessing what elements of your culture need fixing, and create a plan to get you to where you want to be.

## **Culture Trend #2: The future of work looks very different.**

Work will not be the same as we enter 2021. Remote work will still be commonplace, with many companies extending remote work until



at least mid-2021. But as organizations have adapted to virtual working, many normal work processes have changed. Research by the O.C. Tanner Institute found 77% of employees say their workplace culture will never return to pre-Covid-19 normal.

According to a study by the [New York Times](#), 86% of workers were satisfied working from home, with only 1 in 5 wanting to go back into the office full time. 40% of workers said they were taking more walks and breaks throughout the day. As employees prove that remote work can be as efficient and productive as being in the office, will the workplace look like it did last year? And while the study also showed 6 in 10 American workers cannot work from home, there is no doubt their workplace also looks different with social distancing and sanitization measures in place.

Companies have already adopted new recruiting and hiring processes, including virtual interviews. They've had to change how they manage and assess performance, give and receive feedback, and connect and show appreciation. Even the benefits that appeal to employees right now are shifting. Rather than unlimited

vacation days, paid parental leave has become important. There's a renewed focus on mental and emotional wellbeing, as remote work and social distancing often brings increased disconnection, loneliness, and uncertainty.

*What is your new normal for work?*

**What to do:** Companies need to redefine their new normal for the workplace and be able to quickly adapt to changing needs and situations. Be proactive and thoughtful about how you adjust and create new employee experiences, particularly in areas of connection like employee recognition. What is recognition's new normal? It may not be big recognition banquets or going out for a meal, but rather virtual celebrations or smaller groups of people in person. Perhaps there won't be any handshakes or hugs. But it should still include a memorable, [meaningful recognition moment](#) with peers, connection to your organization's purpose, and stories of how employees are succeeding at your organization. In the middle of uncertainty, the best recognition moments connect and nurture people, and express gratitude.

### Culture Trend #3: Renewed emphasis on inclusive workplaces.

With the events of summer 2020 (particularly in the U.S.), there has been a renewed focus on diversity and inclusion (D&I) in all elements of life, including at work. Organizations can no longer sit silently on social issues. Employees

expect their companies to speak out on issues of injustice and inequity that affect their people. This includes committing to making their cultures more inclusive of their individual employees.

Organizations are moving beyond meeting quotas and percentages in the hiring process, past unconscious bias training, and are focusing on helping every employee feel they can be their most authentic selves at work, every day. Companies should look past single categories like race, gender, or sexual orientation and see and nurture each individual. Research shows that employee intersectionality (multiple minority identities in a single employee) has an impact on their experiences at work. For example, black women have considerably different perceptions of belonging and recognition at work compared to white women, black men, and white men. And employees who feel "different" in some way in the workplace are:

**126%** more likely to suffer from severe burnout

**38%** less likely to feel a sense of belonging

**76%** more likely to have experienced a microaggression from a leader, 144% more likely from a senior leader, and 95% more likely from a peer.

As only 44% of employees say their company's diversity and inclusion efforts feel sincere, there is opportunity for organizations to improve their efforts.

BLACK WOMEN	COMPARED TO WHITE WOMEN	COMPARED TO BLACK MEN	COMPARED TO WHITE MEN
Sense of opportunity at their organization	-30%	-47%	-63%
Have received recognition in the past month	-65%	-64%	-74%
Feel like they belong	-46%	-34%	-48%



**What to do:** [Reimagine inclusion](#). Move beyond just the recruiting process and single category D&I initiatives. Build inclusion into all elements of the everyday employee experience and take into consideration employee intersectionality. Identify areas of exclusion, bias, and microaggressions and address them. Enable and train managers to create inclusive cultures, since they directly affect employee interactions and everyday experiences. See employees as individual people with individual needs and work to create an environment where all employees are free to be their authentic selves.

### **Culture Trend #4: Generation Z enters an uncertain workplace.**

Currently, Gen Z makes up roughly 1/3 of the workforce, and it's the most diverse generation in the U.S. Employees in this generation are highly connected to social issues and want to make a difference in their jobs as opposed to climbing the corporate ladder. In fact, 30% of Gen Z employees would take a 10%-20% pay cut to work for a [cause they care about](#). They also, surprisingly, crave in-person connection and want to feel they belong.

GENERATION	IMPORTANCE OF CULTURAL ASPECTS	IMPORTANCE OF JOB SECURITY	IMPORTANCE OF INCOME	IMPORTANCE OF BENEFITS
Gen Z	51%	11%	24%	15%
Millennials	41%	16%	21%	21%
Gen X	40%	18%	25%	17%
Baby Boomers	45%	17%	19%	18%

What else is important to Gen Z?  
Workplace culture.

Gen Z employees care less about the [brand](#) or reputation of an organization, and more about a sense of community and wellbeing (things like paid time off and a focus on healthier lifestyles and mental health). They also thrive under leaders who mentor them, help them belong, and recognize their accomplishments:

Gen Z employees are entering a very uncertain

MOST IMPORTANT TRAITS IN A LEADER	Gen Z
1	Makes me feel like I belong
2	Is a mentor more than a boss
3	Makes sure I am doing okay
4	Values my career goals
5	Is collaborative

time in the workplace. Many may have challenges finding a job or are deciding between working and further continuing their education. Some are waiting for the pandemic to end before they plan their next steps. In order to attract and engage Gen Z employees when work experiences are in flux, companies must connect their work to purpose, practice modern leadership, and focus on wellbeing.

**What to do:** Be sure to connect employees' work to your organization's purpose and show how employees are making a difference. This is crucial

to engaging and keeping Gen Z employees. Train leaders on modern leadership skills like mentorship, coaching, inspiring, and teaching. Have a robust recognition program that narrates what your employees are doing for clients and the company. Share employee successes with peers. Create opportunities for in-person connection if possible. Finally, know that the different generations are all more similar than they are different, and if you regularly connect their work to purpose, show you care about them, and frequently show appreciation, you'll equally inspire all the generations in your workforce.

## Culture Trend #5: Real digital transformation—but with a human element.

Advanced technology and data integration, particularly in the HR world, has been slowly trickling in over the past few years, but technology usage takes on an entirely new meaning in a post-pandemic world. Covid-19 has forced true digital transformation that companies may have had on their to-do lists for years. Technology has been used to keep us connected and productive while working remotely, and technological innovation continues as companies anticipate employees will work remotely through at least the first half of 2021. Mobile tools are more important than ever, as well as strong data security and robust internet capabilities. And the technology advancements are welcome, with 77% of employees feeling new technology will improve their work experiences.

But too often companies implement new technology without taking employees and their experiences into account. Nearly all (90%) C-suite executives say their company thinks about employee needs when considering new technology, but only [53% of employees agree](#). With more employees working remotely and scattered across the globe, or employees working with new social distancing measures in the workplace, it's even more important that the impact on employees is a priority when considering new technology.

## When organizations consider people and culture in making technology decisions, they see a:

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**6X higher likelihood of an aspirational\* engagement score**

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**7X higher likelihood of an aspirational purpose score**

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**4X higher likelihood of an aspirational success score**

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**3X higher likelihood of aspirational opportunity, appreciation, and leadership scores**

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*\* The aspirational score is an empirically based target for each of the Talent Magnets. Statistically, it is one standard deviation above the mean.*

Technology also cannot replace human interaction. New technology that facilitates remote work, social distancing at work, or changing business needs and client experiences still needs to facilitate connection and personal interaction.

**What to do:** Make employee experience the North Star when implementing new technology. Ensure new technology works both remotely as well as in the office, is [mobile-enabled](#), and makes



your employees' work processes easier, not more difficult, especially as they work from home. How well the technology [integrates](#) with other technology and into the flow of work should be a key consideration.

## Before purchasing or implementing any new technology, ask yourselves a few specific questions:

- Why are we implementing this new technology?
- How will it impact our people?
- How does it improve their everyday experience?
- How might it be a burden or negatively impact their experience?
- How does it integrate with existing tools employees already use?
- Does it make things easier for them or help them be more productive?
- How does it reflect or strengthen our company culture?

Additionally, have a change management plan that incorporates adequate communication and training. Without a plan, technology adoption drops 51% and perception of the overall employee experience decreases by 32%. Provide opportunities for human connection as much as possible. Use technology to facilitate time for teambuilding and socialization. Ultimately, your technology should facilitate connection and help your people thrive.

**For more of the latest research on workplace culture and trends, read our [2021 Global Culture Report](#).**



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