

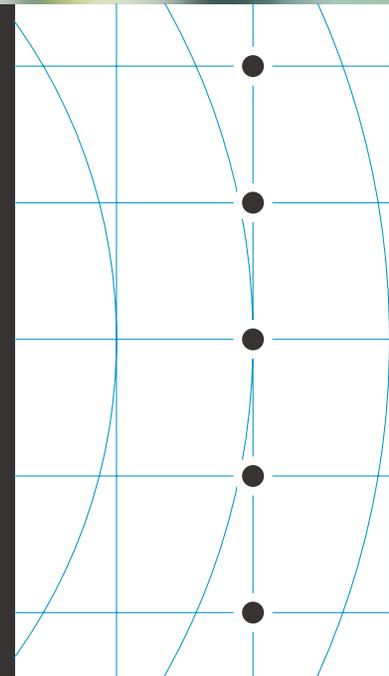


 AvreaFoster

Building a Caring Culture

In an Environment of Employee Disengagement

Applying a corporate communications lens to address the present employee mindset and identify the four elements of a caring culture.



Part of your business feels different. It's the human side.

With employee disengagement and economic anxiety looming large across industries, the challenge of course correcting these trends is being laid at the feet of executives.

Though supply chains, global trade and unemployment have stabilized in the years since the pandemic, something that hasn't rebounded is employee mental health and happiness. In fact, it's quite the opposite and the trends we see are enough to warrant examining how a company's culture cares for its employees.

In this guide, we'll address the role of corporate communications in an environment of employee disengagement. We'll reflect on how internal expectations have changed over the last several years, what can be done to meet them, and why it matters — now more than ever.

EMPLOYEE MENTAL HEALTH IS A MEASURABLE ISSUE.

68%

ARE NOT
ENGAGED
AT WORK¹

18%

ARE ACTIVELY
DISENGAGED¹

75%

ARE ANXIOUS
ABOUT THE
ECONOMY²

61%

ARE
CONSIDERING
RESIGNATION³

¹ U.S. Employee Engagement Needs a Rebound in 2023, Gallup, January 2023

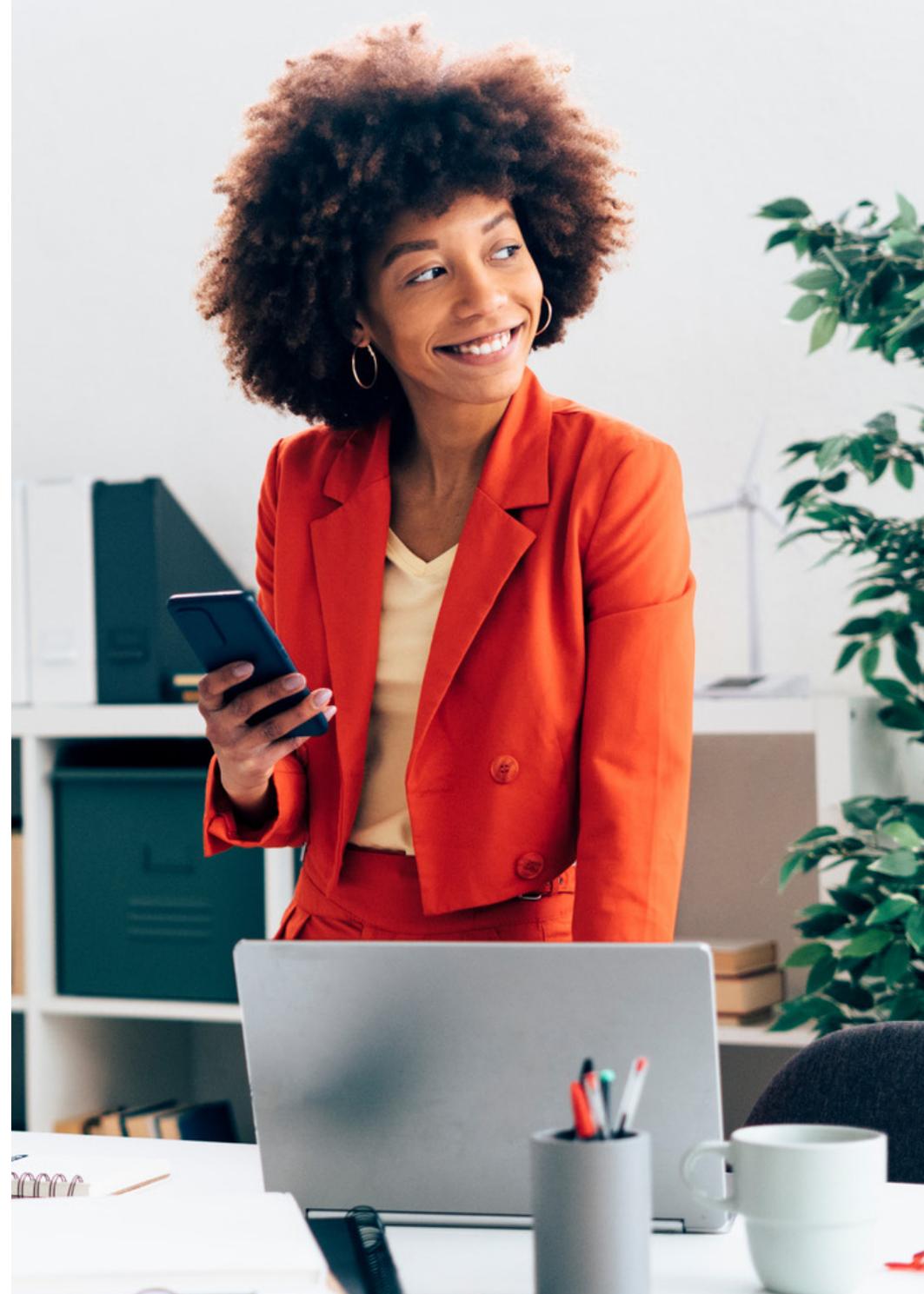
² Creating a Happier Workplace Is Possible — and Worth It, Harvard Business Review, November 2023

³ More than half of U.S. workers want to quit their jobs in 2023, a new survey shows, Business Insider, January 2023

Your company culture mattered before. Today, it matters more.

If you're reading this, odds are you get it: Culture matters. Perhaps your company had a strong culture before these seismic shifts in workplace realities and expectations happened. Maybe your employees were engaged and productive, satisfied and loyal. If so, good on you. For a corporate communications professional, that's not an easy outcome to achieve under any circumstances.

But now, you're being asked to rise to the challenge and face the ultimate internal communications test — using company culture to elevate employee engagement and satisfaction while the business world at large is failing to do so.



How have employees' mindsets and desires shifted over the past few years?

Over the course of the last three years, the relationship between employees and their workplaces has changed in many ways, resulting in challenges that are difficult for employers to manage. At once, there is an increased desire for hybrid work models or fully remote jobs alongside a growing sense of isolation and social disconnection. These two seemingly incongruous needs have to be addressed simultaneously.

Another gap that has widened in the years since the pandemic is the chasm in employee engagement between the average business in the U.S. and those considered to be Best Practice organizations by Gallup⁴. At the close of 2022, the U.S. employee engagement average sat at 32% — dropping two points from 2021. For Best Practice organizations, the mark was 72% — rising two points from 2021.

What these high-performing companies know is that building a caring culture is the ideal salve for workplace-driven mental health challenges and worker apathy. Your employees are right in front of you, whether remotely or in person and, as the communications leader in your organization, you have the unique opportunity to rewire their neural pathways.

⁴ U.S. Employee Engagement Needs a Rebound in 2023, Gallup, January 2023

WHICH EMPLOYEES ARE STRUGGLING THE MOST WITH ENGAGEMENT?⁴

Employees under 35 had a drop in engagement at double the rate of those over 35.

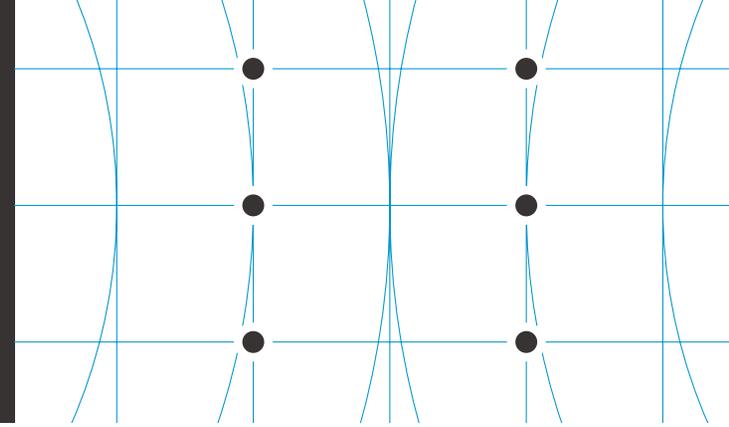
Women saw a decrease in engagement at four times the rate of their male counterparts.

In-office employees with jobs considered remote-ready suffered the largest decrease in engagement.

WHAT ASPECTS OF COMPANY CULTURE ARE MOST IN DECLINE?⁴

- Clarity of Expectations
- Connection to the Employer's Mission or Purpose
- Opportunities to Learn and Grow
- Opportunities to Do What the Employee Does Best
- Feeling Cared About at Work

Caring is an act of strength and a muscle built over time.



A happy workforce is a productive one, and an unhappy workforce can be detrimental to a business. Given the many surveys that have been conducted to show that employees really care about company culture and being connected to it, one might argue that it should always be at the top of your agenda.

Immediately following the massive shift toward remote work, many businesses took that approach — opening communication channels, extending an ear to employees to ensure they are cared for, and clarifying how each individual contributes to the greater organizational purpose.

For some companies, that meant stepping out of their comfort zone and embracing their ability to connect on a more personal level. We invite you to think about the following four elements of a caring culture as an extension of those efforts.

ENGAGED EMPLOYEES DRIVE MORE STABLE, PRODUCTIVE BUSINESSES.

Businesses in the upper quartile of engagement are **21%** more profitable.⁵

Employees who are more connected to company culture estimate a **62%** increase in their tenure with the organization.⁶

⁵ Employee Engagement on the Rise in the U.S., Gallup, January 2018

⁶ U.S. Employee Engagement Needs a Rebound in 2023, Gallup, January 2023

Honesty has never been more valued by employees than it is now. From the CEO addressing the company to broad corporate communications to direct dialogues with superiors, employees are clamoring for clear, reliable messages. It's not always easy, but leaders who embrace vulnerability and empathy are key to endearing a brand to its stakeholders, both internally and externally.

What lessons can be learned from the most successful and transparent business leaders? Don't beat around the bush. You know that if you don't control the narrative, your employees will invent one that is likely to negatively diverge from your own. To put it another way: If a topic or stressor has even casually crossed your mind, your workforce has likely been obsessing over it.

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Organizations viewed by their employees as high-trust and transparent are 76% more engaged and 21% more profitable.⁷

⁷ The Case For Transparency In The Workplace, And Its Impact On Organizational Performance, Forbes, June 2023



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HOW DO YOU BUILD TRUST THROUGH TRANSPARENCY?

- Create consistent, reliable communication channels and don't avoid tough conversations. Employees will notice if positive news is delivered face-to-face, but negative updates are delivered via email.
- Ensure communication is two-way. Ask for feedback on the way in which employees receive communication and how in the loop they feel.
- Communicate goals and objectives as effectively as you communicate timely updates. Forecast, don't just report.
- Prioritize individual communication that helps chart development paths for employees. Don't leave them in the dark about their individual growth.

Purpose-driven companies know what it means to shape a culture around why the organization exists and the positive impact it creates in the world. In addition to inspiring and engaging employees, organizations with a strong purpose have been shown to demonstrate high performance rates. According to research cited by Harvard Business Review, companies that embody a mindset of Conscious Capitalism — meaning the company should ethically serve everyone they impact — including their employees, communities and the environment at large — have 1,646% investment returns.⁸

On the flip side, quiet quitting and attrition both have been directly linked to a lack of enthusiasm or sense of meaning at work. Part of what drives workplace happiness is a sense of connectedness to colleagues and the larger purpose they're all supporting together. If the connection between individual efforts and the larger goals is nonexistent, eventually apathy will set in. A shared vision has become an absolute requirement for engagement.

“ Without a sense of purpose, no company — either public or private — can achieve its full value. ”

**LARRY FINK, CEO,
BLACKROCK INVESTMENTS**



Just saying the word “personal” in a corporate environment can make some companies uncomfortable. But the lines between work and personal life have been irrevocably blurred and each now bleeds into the other. Even for fully remote teams, virtual meetings take us into one another’s homes, where a portion of the real estate is dedicated to work. At the same time, hybrid and remote work have reduced watercooler conversations to a few instant messages throughout the day, creating a sense of isolation from one’s coworkers.

As simple as it sounds, proactively asking about an employee’s family can go a long way. With the right strategy, sharing personal stories and prioritizing mental health can help your workforce maintain a positive perspective and foster a sense of belonging.

Leaders should model gratitude and self-care. In practice, that can mean formalizing a simple recognition process. At AvreaFoster, we submit weekly high-fives that celebrate the contributions of our coworkers. It takes five minutes at most from everyone’s week, but has a marked impact on how close-knit our team feels. But without the leadership-provided tool to make it happen, it likely wouldn’t.

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When employees feel like they belong and are connected to their team, they report a **62%** increase in their estimated tenure with the employer.¹¹

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70% of people report not having a close friend at work⁹ and that lack of connection has a cost. Did you know the mortality impact of loneliness is the same as smoking **15 cigarettes** a day?¹⁰

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HOW DO PERSONAL STORIES MAKE EMPLOYEES FEEL?

Employees don’t want to follow leaders they don’t really know, or work alongside colleagues with whom they don’t feel personally connected. Equally important, when an organization invites employees to share elements of their personal lives, it makes them feel understood and like they belong. Each day, they bring more of themselves to work and unhealthy competition or animosity between coworkers fades away.

⁹ The Power of Work Friends, Harvard Business Review, October 2022

¹⁰ Loneliness and the Impact, Cigna Health and Life Insurance Company, January 2020

¹¹ Creating a Happier Workplace Is Possible — and Worth It, Harvard Business Review, November 2023

The real test of a strong culture is its ability to respond and adapt to change. Your organization likely underwent some rather significant changes during the pandemic, and your culture today is partially defined by those shifts and the those that never shifted back. Some of these new, innovative approaches have proven profitable, but how are they impacting employee happiness and well-being?

It's estimated that up to 50% of the global workforce is in a state of quitting, with even more at least considering resigning from their current employer.¹² At the same time, 82% of employees are saying that work location flexibility does or would make them happier.¹³

This is a challenging topic for leaders to navigate, with questions persisting regardless of the structure: How is remote work impacting engagement? Are we striking the right balance with a hybrid model? How happy are our employees with a 100% in-office arrangement? No matter what, the answer is to listen and remain open.

And flexibility should extend beyond just where employees work. Consider new ideas regarding when employees work and how they get work done. In industries less suited to hybrid or remote work, different methods of easing employee burdens are still available. Consider the 2023 United Auto Workers strike, which centered on the campaign for a four-day workweek.

82%

OF EMPLOYEES SAY
THE FLEXIBILITY
TO WORK FROM
HOME MAKES THEM
HAPPIER.¹³

60-
80%

OF OFF-SITE WORK
RESULTS IN THE
OPTIMAL BOOST TO
PRODUCTIVITY.¹⁴

HOW DOES OPENNESS TO CHANGE MAKE EMPLOYEES FEEL?

Employees want to contribute in a place that allows them to do their best work in a way that works best for them. The sales team may prefer newly discovered virtual tools; some members of the team may come into the office four days a week, while others don't come in at all. When employers remain open to change, it opens up possibilities for employees, which makes for a more hopeful, more enthusiastic workforce.

¹² Is Quiet Quitting Real?, Gallup, May 2023

¹³ Creating a Happier Workplace Is Possible — and Worth It, Harvard Business Review, November 2023

¹⁴ Coordinating Hybrid Work Schedules — 5 Important Findings, Gallup, November 2022

Transparency. An active purpose. Personal stories. Flexibility.

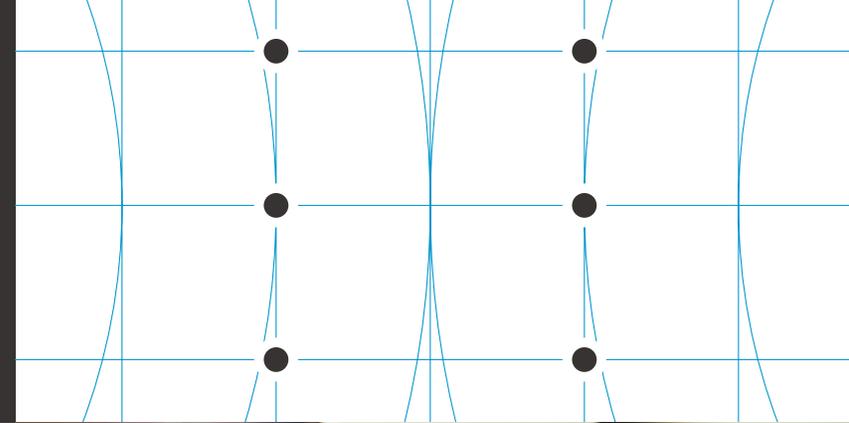
Creating a caring work environment can be difficult at first, especially given the potential challenges of employees' mindsets. Now more than ever, corporate communications stands to play a vital role in how employers respond to the new needs and vocal demands of employees at large — both to retain and recruit effectively.

It's not just about setting expectations; it's also about setting the tone — hopefully one that will ensure your employees feel connected and cared for on a deeper level than ever before.

“Brick by brick, my fellow citizens. Brick by brick.”

ROMAN EMPEROR HADRIAN

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