



# Culture Is Table Stakes

Why trust and belonging are key  
to business success



# Trust is the standard

Picture this. Your workforce features a few star employees who always put in extra effort to make your customers happy. One of those employees — Rachel — always has a smile on her face, has earned a few “Employee of the Month” awards, rarely takes time off, volunteers to help coach new employees, and is usually the first to pick up extra shifts. In fact, sometimes she works back-to-back shifts, and although that level of work is tiring, she never shows it. Little do you know that Rachel is overworking herself just to make ends meet, and she’s exhausted every day trying to take care of her personal and professional needs. Furthermore, her manager has informed her that despite her hard work, she won’t receive a promotion or a pay raise anytime soon due to budget constraints.

Eventually, when her job becomes too overwhelming, Rachel decides to look for better opportunities and searches for organizations that have a reputation for great culture and outstanding benefits. After a few applications, Rachel makes it to the top of the candidate pool at one of her preferred choices, accepting an offer that will provide a more positive, healthy work environment. Now you’re left without one of your best employees whom you now need to replace, knowing your next hire may take a long time to be able to handle the workload that Rachel managed so well. That’s a hit to your bottom line. So what’s the lesson here? **Creating a people-centric culture where your employees can grow and thrive is critical to succeeding in the modern employment landscape.**

The age of minimum wage jobs and bare-bones benefits is over. And that means executives, especially those running organizations with small teams where retention is a top priority, must focus on building cultures of belonging to ensure their organization’s survival. Working with restricted resources may make it seem like all you can focus on is operational stability and keeping the lights on, but even the way you see those activities can be reframed to appeal to the modern workforce. The key to getting there is centering the decisions you make about your culture, technology, and business goals on one key ingredient — trust. In this guide, we’ll look at the different cultural elements needed to build feelings of trust and belonging, how you reinforce those with technology, and how all of that can lead to both business success and recognition for your organization even in a crowded employer landscape.

**“A sense of belonging is one of the top three most important reasons employees give for leaving their job.”<sup>1</sup>**

# Culture goals

So what elements contribute to a culture of trust and belonging? Based on 30 years of research with survey responses from over 100 million employees, Great Place to Work has found that five factors are instrumental in building a great workplace. For each of the factors, we pose a few questions to help you think about how well your organization stacks up when it comes to nurturing trust.

5 factors that are instrumental in building a great workplace	
 <p><b>Fairness</b></p>	In what ways are you creating an environment where people feel respected and fairly treated regardless of their background?
	What processes do you have in place to evaluate and promote pay equity?
	What kinds of diversity, equity, inclusion, and belonging (DEI&B) initiatives is your organization engaged in and how are they measured?
	How clear are the paths to promotion at your organization and the standards/development steps needed to qualify for different roles?
	What ways are managers and leaders encouraged and educated to avoid bias in their decision making?
	Is every employee fairly compensated?
 <p><b>Credibility</b></p>	How do employees feel about their managers?
	How much do managers trust employees to work independently?
	How much do employees trust managers to set the direction for their teams, be transparent, and effectively run the business?
	How well do the actions of managers match their words, and how well do they deliver on promises?
	How do employees feel about the executives at the organization, and does that align with the culture and characteristics that your organization wants to be known for?
	Is leadership transparent about the state of the business?
 <p><b>Respect</b></p>	How easy is it for your people to meet their needs in both life and work?
	How do you ensure your workplace is a physically, psychologically, and emotionally safe and healthy environment?
	What resources, training, development opportunities, and benefits make your organization unique in how it supports employees?
	How do you encourage employee feedback, suggestions, and ideas, and how does management respond to and implement them?
	What options are in place for recognizing employees for extra effort and new, better ways of doing things?
	Do employees feel like you value them and their contributions?
 <p><b>Pride</b></p>	What characteristics of your organization make employees motivated to put in extra work, stay longer, and recommend working there to others?
	What gives employees the sense that they're making a difference and contributing to the community through their work?
	How successful do employees feel your organization is?
	How well do employees think your organization delivers for its customers?
	Do other organizations strive to be like yours?
 <p><b>Camaraderie</b></p>	In what ways does your organization encourage people to bring their whole selves to work regardless of their background?
	How do people at your organization demonstrate care for one another and collaborate?
	In what ways does your organization welcome new employees or employees switching roles?
	How does your organization celebrate events in people's lives and create a fun atmosphere?
	Does your organization offer opportunities for employees to get together casually or for volunteer work?

# How systems support culture

Cultural standards are important, but it's even more important to weave those standards into your operational processes and make them actionable if you want them to have an impact on your workforce. That means ensuring you've set up your HR and payroll technology in a way that supports trust and belonging. As a leader, you can help your team focus on the right areas and use the questions in the prior section to guide meaningful changes to your people management systems:



**Belonging:** DEI&B is more than just measuring workforce composition information and hiring for diversity — it's about taking action every day to build an environment where all your people can bring their whole selves to work, feel uniquely supported, and have opportunities to grow and thrive.

- ✓ Establish DEI&B benchmarks to see how you stack up against similar organizations. Make sure these metrics fuel automatic guidance and recommendations on next steps in areas such as pay equity, recruiting, employee engagement, and retention.
- ✓ Ensure the systems you use prioritize accessibility so everyone gets the benefit of using them. Support other inclusive experiences as well, such as allowing people to use preferred pronouns and names.
- ✓ Regularly evaluate key business practices, such as candidate screening, onboarding, performance reviews, and succession planning, using sentiment analysis and other tools to uncover and address unconscious bias.
- ✓ Put systems in place to recognize employees for their contributions as this demonstrates to your people that you value their unique potential. This helps them feel appreciated and cared for, which inspires them to continually perform well.

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***When everyone is empowered at an organization, 87% of employees feel higher levels of belonging.<sup>2</sup>***

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**Flexibility:** To respect your people's personal and professional needs, it's critical to give them the freedom to easily adjust work to fit their lives and access helpful resources wherever and whenever they might be needed.

- ✓ Provide managers with visibility into team activities and the ability to manage common tasks for their teams from a single location as well as ongoing guidance on managerial processes and timely learning opportunities.
- ✓ Give people the power to self-service when it comes to scheduling and time requests on any device so they can balance personal and professional responsibilities, which also reduces manager and HR workloads.
- ✓ Deliver information employees or managers may need about pay, benefits, onboarding, learning and development, performance, and other key areas on any device so your people can connect conveniently and feel supported no matter where they are.



**Wellbeing:** Your organization's processes should foster physical, mental, emotional, and financial wellness among employees to keep them happy, healthy, motivated, and productive.

- ✓ Offer intuitive access to a variety of voluntary benefits that go beyond just healthcare coverage, such as employee assistance programs for mental health support, mindfulness resources, nutrition and fitness support, financial advice, or charitable gift matching. Justify any costs associated with these programs through the people data you track to prove the return on investment in terms of your team's productivity, engagement, retention rates, and reductions in turnover costs.
- ✓ Make pay accessible to employees through an earned wage access solution that lets them access what they've earned in a timelier fashion and includes tools for monitoring and reaching financial goals. Ensure your pay processes respond automatically to changes in time or schedules to reduce employee anxiety about pay, minimize errors, and reduce payroll workload.
- ✓ Center operational processes on your people's needs no matter what environment they're working in, such as automatically accounting for workplace safety in time and scheduling processes at in-person locations, offering flexible time and scheduling options to both remote and in-person employees, and giving managers the proactive analysis and outreach tools needed to support all employees and to detect critical situations, such as burnout.



**Transparency:** Trust only happens when you communicate clearly and honestly, helping employees understand why decisions are made, how they influence those decisions, and how your vision for the future flows down to their specific responsibilities.

- ✓ Surveying, listening, and analyzing feedback are essential for understanding employees' individualized experiences and developing strategies to support them. Use different survey templates, such as quick pulse surveys, manager effectiveness surveys, or engagement surveys, to understand your employees' ever-evolving needs, and leverage survey reports with meaningful charts and benchmarks to share the results with the broader organization.
- ✓ Centralize organization standards, documents, announcements, events, and communications into a single location so employees can easily keep up with the wider organization and understand your vision and goals.
- ✓ Set clear, unbiased requirements across the employee lifecycle and build them into your processes as rules, such as in the templates and descriptions you use for open job requisitions, onboarding checklists for different roles, milestones to meet for different types of promotions, and other similar key moments your employees experience.
- ✓ Inform your workforce of progress and status updates on new changes, and even provide a loose timeline on when employees can expect those changes to be enacted. Seek and consider employees' opinions in the lead-up to new initiatives so they feel included in final decisions. From the C-suite down, ensure leadership is honest and open and that bad news isn't withheld or sugarcoated.





**Development:** To keep your people longer and avoid costly turnover, show them how their accomplishments lead to specific career paths and learning opportunities.

- ✓ Prioritize learning and development, and set clear outcomes, such as promotions, raises, bonuses, and performance goal completion, based on employees hitting learning milestones. Actively track which team members receive certain opportunities to ensure equal access to everyone.
- ✓ Map out career paths and succession plans for the different roles within your organization, predict the readiness of different people in your organization to move up in the organization, and have regular, planned discussions with employees on these topics to help them feel engaged in the process and have a clear vision for their future.
- ✓ Integrate career planning, mentorship, and learning opportunities into your new-hire processes to start new employees off in a way that makes them feel supported and increases their likelihood of staying with your organization.

## Business benefits

If you take the steps to create an actionable system for driving a culture of trust and belonging, the bottom line is that you as a leader will notice a substantial, positive impact not just on your people but on your business as well.



**Motivated people:** A culture of belonging where your people feel trusted, heard, and accepted for who they are makes them better at their jobs and more productive:

- ✓ Eighty-one percent of employees at Great Place to Work-Certified companies are given the resources and are experiencing workplace conditions that allow them to be more productive, whereas only 52% say the same at the average U.S. workplace.<sup>3</sup>
- ✓ Eighty-two percent of employees at Great Place to Work-Certified companies experience qualities that allow them to move fast and innovate, compared to 49% at the average U.S. workplace.<sup>4</sup>
- ✓ Organizations with strong cultures saw a fourfold increase in revenue growth compared to their competitors.<sup>5</sup>
- ✓ In a Gallup survey, researchers found that business or work units that score in the top quartile of their organization in employee engagement have nearly double the odds of success.<sup>6</sup>
- ✓ According to a study by IBM and Workhuman, organizations that score in the top 25% on employee experience report double the return on sales.<sup>7</sup>





**Purposeful HR and payroll:** When HR and payroll professionals are empowered to drive a unique and compelling culture, they become a more strategic part of your business:

- ✓ A [UKG analyst report](#) states that small to midsize organizations considered HR strategy experts are five times more likely to both use HR data to make actionable recommendations and use HR and payroll processes to set strategic direction.
- ✓ According to McKinsey, organizations that can reallocate talent in step with their strategic plans are more than twice as likely to outperform their peers.<sup>8</sup>
- ✓ McKinsey research concludes that organizations whose HR technology facilitates a positive employee experience are 1.3 times more likely to report organizational outperformance.<sup>9</sup>



**Compliance as a competitive advantage:** Investing in a people-centric culture means you're proactively doing the right thing for employees, which helps reduce potentially expensive compliance risk and keeps you ahead of regulatory change:

- ✓ Employer fines and penalties due to noncompliance nearly doubled from 2018 to 2020, from \$1.6B to \$3.12B.<sup>10</sup>
- ✓ Nearly half of HR professionals believe that Occupational Safety and Health Administration activity will continue increasing over the next few years, and 75% of HR professionals have been concerned about lawsuits related to COVID-19.<sup>11</sup>
- ✓ According to Forbes, the most diverse companies are now more likely than ever to outperform in terms of profitability than their less diverse competitors.<sup>12</sup>



**Recognition in the market:** A standout culture leads to a better bottom line as well as opportunities for certifications and awards that make it easier for your business to hire and keep top talent:

- ✓ Organizations that appeared on the *Fortune* annual "100 Best Companies to Work For" list nearly doubled the average returns for the market from 1998-2016.<sup>13</sup>
- ✓ According to *Fortune*, their "100 Best Companies to Work For" was based on employers that prioritized employee wellbeing, inclusion, purpose, listening, and caring.<sup>14</sup>
- ✓ Ninety-four percent of customers are likely to show loyalty to a brand that offers complete transparency.<sup>15</sup>
- ✓ The No. 1 reason candidates choose one job over another is organizational culture.<sup>16</sup>
- ✓ Seventy-one percent of customers prefer buying from brands that align with their values.<sup>17</sup>
- ✓ Receiving a "Best Place to Work" award leads to a 0.75% increase in an organization's stock price.<sup>18</sup>

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## Conclusion

The truth is you can't afford to ignore culture and its importance in the workplace because it plays an essential role in attracting and retaining top talent, improving employee engagement, increasing employee satisfaction and consequently customer satisfaction, and improving performance and productivity — all of which are tied to your bottom line.

**See for yourself how the UKG Ready® solution can help you build a positive culture that's the foundation of a great place to work.**

**SEE UKG READY IN ACTION**



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## About UKG

At UKG, our purpose is people™. As strong believers in the power of culture and belonging as the secret to success, we champion great workplaces and build lifelong partnerships with our customers to show what's possible when businesses invest in their people. Born from a historic merger that created one of the world's leading HCM cloud companies, our Life-work Technology™ approach to HR, payroll, and workforce management solutions for all people helps 50,000 organizations around the globe and across every industry anticipate and adapt to their employees' needs beyond just work. To learn more, visit [ukg.com](https://ukg.com).



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