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# A Holistic Approach to Navigating the New Workplace



By [Mark Mortensen](#) , INSEAD

## **How to foster a thriving and sustainable workplace culture to contend with the realities of the new office.**

The end of Covid-19 workplace disruptions has ushered in a fresh set of challenges for organisations. Chief among them has been establishing new office policies for a workforce that has [largely embraced flexible work](#) and has expressed a desire for this to become a permanent fixture.

But organisations across various sectors have implemented strict return-to-office mandates, including the tech giants that were quick to make the switch to remote work when the pandemic hit. These have often been met with resistance from employees: Roughly [30,000 Amazon workers](#) spoke out against the company's back-to-office policy in an internal petition, and employees at Apple, Meta and Google have also conducted similar protests.

On top of balancing these disparate needs, both employers and employees must grapple with the current uncertainties facing the workplace and society. Although employees seemingly had the upper hand during the Great Resignation, the ongoing cost-of-living crisis, looming recession and [mass](#)

**layoffs** may have shifted the balance of power in favour of employers. Meanwhile, employers must juggle economic pressures with growing competition to attract and retain top talent.

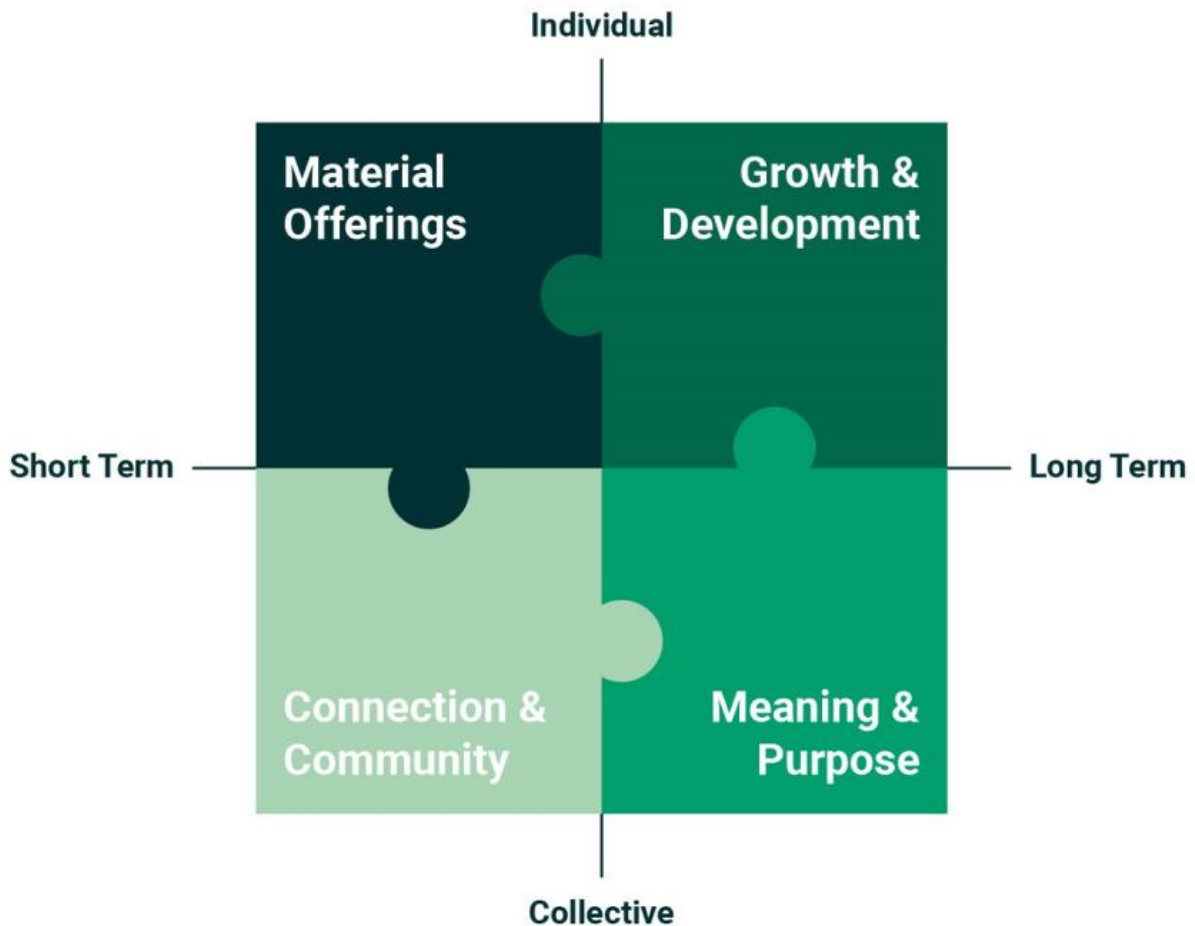
Against this complex backdrop, there is a pressing need to agree on the **ground rules of the new workplace** and foster a culture and environment that promotes employee retention and engagement, as well as organisational performance.

## **A holistic approach**

Working in collaboration with **Amy C. Edmondson** from Harvard Business School, we recognised that the simple strategy favoured by many organisations – asking people what they want (be it flexible work, salary bumps or other perks) and trying to give it to them – unfortunately has a major flaw. While enticingly straightforward, this method presents a trap by focusing on the single elements that first come to mind, lending a transactional nature to the employer-employee relationship.

It may also not be the most effective tactic. For instance, given that flexibility is top-of-mind for many workers, employers who adopt this strategy could be tempted to offer employees hybrid or remote working arrangements and leave it at that. However, we found that most people we spoke to who worked remotely felt less connected to their companies than when they went to the office. Organisations may end up trying to buy loyalty by giving employees something that in fact reduces loyalty – this doesn't work, and it's certainly not sustainable.

In response to this, we devised the integrated employee value proposition (iEVP) – which we previously covered in a *Harvard Business Review* **article** and an INSEAD Knowledge **podcast** – as a way for companies to adopt a more balanced approach to the process. The holistic system is comprised of four interrelated factors: material offerings, growth and development, connection and community and meaning and purpose.



The four factors run along different dimensions – short-term vs. long-term, individual vs. collective. However, they should be treated as interdependent parts of an integrated system and addressed holistically to ensure that a focus on one doesn't undermine another.

Take, for example, one of the most significant current demands from employees: the ability to work remotely. While some may be delighted by the opportunity to do their jobs from home (what we call material offerings in our model), for many this may come with associated costs. A [Generation Lab poll](#) that surveyed 544 college students and recent graduates in the United States revealed that 74 percent would miss the office community (connection and community) when working remotely, while 41 percent were concerned about missing out on mentoring (growth and development).

As this one example illustrates, these factors are inextricably interconnected. While the iEVP is no silver bullet, it can help organisations frame, address and meet employee needs in a balanced and comprehensive way that

ultimately benefits all parties involved.

### **Going beyond material offerings**

Many companies tend to zone in on material offerings when trying to meet the needs of employees. Besides compensation, this includes aspects such as the physical office space, equipment, commuting subsidies, flexibility and other perks. These are generally the easiest levers to pull, are the most straightforward to measure and negotiate and are immediately appreciated. For example, it doesn't take much to give a bonus, make the call to allow employees to work from home or stock the office pantry with free snacks.

Material offerings are certainly important and should not be overlooked. However, approaching this in isolation tends to address only the material aspects of jobs that are relevant to people in the moment. Besides being easy for rivals to imitate or even outdo, they also have the least enduring impact on retention. An over-reliance on them can result in a race to the bottom as employers strive to outbid one another for talent. Organisations should therefore integrate these immediate offerings with more lasting long-term solutions.

### **Providing opportunities to grow and develop**

A second element of the iEVP is giving employees opportunities for growth and development. This encapsulates the various ways in which a company helps workers acquire new skills and become more valuable in the labour market, such as by offering training, promotions and assigning them to new roles.

One of the big reasons people stay at organisations is because they are able to progress in their careers. This is a source of engagement, energy and fulfilment that represents an important piece of the puzzle that companies should not overlook.

### **Creating connection and community**

A third aspect of the iEVP is connection and community – the relationships employees form with co-workers. Strong social ties function as a crucial support network, foster mutual accountability and make employees feel like they are appreciated and valued for who they are. This gives rise to an energising culture that allows people to express themselves candidly and fosters a deeper sense of belonging.

Unsurprisingly, Covid-19 workplace policies have directly impacted this. **Research conducted** by Microsoft and the University of California, Berkeley found that remote work made relationships between co-workers more siloed and reduced collaboration.

These interpersonal bonds matter immensely to people, and neglecting to foster the conditions for their growth can negatively impact retention. We spoke with a young computer scientist who left a coveted role at a large financial services firm as its work-from-home policy meant no one was in the office. She decided to take a job at a tech company that required workers to report to the office at least four days a week because she valued the camaraderie and energy that came naturally with physically working alongside her colleagues.

### **Developing meaning and purpose**

Prior to the pandemic, the most important topic among management thinkers was meaning and purpose. These are the organisation's aspirational reasons for existing and are the answer to the central question of why employees do the work that they do.

Paying attention to this aspect of the iEVP can help ensure alignment between employees' personal values and objectives and those of the company. Several studies support its importance to employee retention. For instance, **research shows** that some individuals will accept lower salaries for doing meaningful work, something we have also witnessed in our analysis of different organisations.

But problems could arise if meaning and purpose are addressed in isolation. For instance, UNICEF's mission to protect the world's children is arguably one of the most compelling and motivating purposes out there and has long been a primary asset for attracting and keeping talent.

However, investigations in 2018 and 2019 revealed that UNICEF's mission-related "results at all costs" culture had fostered bullying and harassment and triggered many departures. In our discussions with senior UNICEF officials, there was a recognition that they had unwittingly created a toxic culture by promoting the organisation's purpose in isolation. To fix this, they eventually launched initiatives to balance purpose with employee development and building connection and community.

## **What should leaders do?**

The iEVP provides a common language to help employers and employees come to the table and facilitate a conversation. However, to implement this effectively requires commitment, time and effort to ensure that the four factors are being addressed holistically.

This could necessitate the restructuring of internal processes, as many organisations currently manage the four components separately: HR oversees growth and development, while the C-suite owns meaning and purpose. Companies also tend to tackle the factors sequentially rather than together, which overlooks how changes in one factor impact others.

The first step is to collect and measure data with respect to what your company is currently offering in terms of the four factors, how employees experience them and what employees want. Companies invest countless hours and consulting fees in compensation benchmarking, but rarely measure what their own employees think, particularly in terms of purpose, advancement opportunities and community.

To aid in this process, we developed an online instrument that allows individuals and organisations to measure, visualise and analyse their iEVP ([available online here](#)). The tool maps individual needs against what people feel they get from their organisations. Armed with this data, both individuals and organisations can better understand where they stand and where gaps – and thus opportunities – exist.

### **Dialogue and flexibility are key**

Once you've obtained this data, you can use it as the basis for conversations between the different parties. When doing so, it's important to ensure you're discussing the iEVP in an integrated way and are explicit about how the factors are related. This can reduce disagreements and misunderstandings around the reasoning behind key decisions.

When recruiting, ensure you have thoughtful, structured conversations with candidates about the relationships among the different components. By determining if the needs of potential employees are aligned with those of the organisation, you can reduce costly hiring mistakes. Explicitly discussing the rationale underlying your iEVP can also help you craft an offer that is more compelling than those of your competitors.

If you're implementing new or updated policies, clearly explain to existing employees why it's necessary, how it will benefit them and how the policy relates to the four factors. This can help employees think about its broader effects and recognise any trade-offs they might overlook. Remember that an organisation doesn't just hand over culture to their employees – it is something that is built collectively.

The final piece of the puzzle is creating something sustainable. Decisions made regarding the iEVP must not be rigid or fixed. Instead, set an “expiration date” for when to revisit them to determine whether certain policies need tweaking. Companies undergoing a major merger or acquisition may need to do this more frequently.

Employee needs are dynamic and should be reassessed on a regular basis. As Covid-19 showed, the world isn't going to stand still, and organisations must be prepared to adjust accordingly. Ongoing measurement is critical to evaluating how relationships among various elements within the system may shift as tensions or reinforcing loops strengthen over time.

Getting this right isn't merely about attracting and retaining talent. It's also about developing an employee experience that benefits the mental health and well-being of your staff and an organisational culture where people are more engaged, put in more effort and feel more motivated. If done well, it shifts the focus of leaders and employees from what they want in the moment to what they need to build a thriving and sustainable future for the organisation and themselves.

#### **Find article at**

<https://knowledge.insead.edu/career/holistic-approach-navigating-new-workplace>

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#### **About the author(s)**

**Mark Mortensen** is an Associate Professor of Organisational Behaviour at INSEAD. For more than 20 years he has helped leaders understand and adapt to how work is changing -- currently with a focus on remote and hybrid work and the changing employee value proposition. At INSEAD he directs numerous company-specific executive education programmes, including **Emerging Leaders in a Digital Age**, and teaches the OB core in the MBA and EMBA.