Unlocking the Human Heart:

Reaffirming the Importance of Company Culture in the Era of AI

Culture is a Critical Success Factor

In a world where technology reigns supreme, we must not forget the heart of our organizations—the culture. The beating heart of company culture guides our values, beliefs, and actions towards a higher purpose. Fulfillment, communication, trust, and diversity form the cornerstones of a transformative culture that fuels growth and fulfillment in our work. By championing culture, we ignite a flame of inspiration that empowers leaders and employees to make a profound difference, leaving a powerful, lasting legacy that impacts customers and the community.

Culture is not just a buzzword. It's the very heart of a company. Culture is the shared values, beliefs, attitudes, customs, and behaviors that define an organization. Vital elements of culture include purpose, communication, trust, transparency, diversity, inclusion, accountability, and innovation. When these elements are nurtured and aligned, they create a culture of good that fosters employee engagement, productivity, and well-being. Therefore, culture is how most employees feel, believe, and behave most of the time.

In the realm of culture, where values and beliefs intertwine, lies the power to unleash the true potential of our organizations. Purpose guides our journey, infuses meaning into every action, and fuels a collective sense of mission. Effective communication serves as the bridge that connects hearts and minds, fostering collaboration and understanding. Trust, the bedrock of solid relationships, empowers individuals to take risks, grow, and flourish in an environment of safety and support. Transparency, like a crystal-clear river, flows through the veins of our culture, enabling open and honest dialogue that builds trust and cultivates unity.

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Diversity and inclusion, vibrant threads in the tapestry of our culture, celebrate human brilliance, amplify perspectives, and drive innovation.

Accountability, the unwavering compass that steers our actions, ensures that we honor our commitments and take responsibility for the impact of our choices. And in the crucible of innovation, we forge the future, breaking free from the shackles of the status quo and embracing the possibilities that lie beyond.

The outcomes are transformative when these elements converge, harmonizing with the rhythm of our collective voices. Employee engagement soars as individuals find purpose and fulfillment in their work, igniting a flame of passion throughout the organization. Like a symphony of synchronized effort, productivity reaches new heights as teams collaborate seamlessly, driven by shared values and a common vision. Well-being blossoms as trust and support create an environment where individuals can flourish, nurturing physical, mental, and emotional health.

The force of culture, which holds deep significance, shapes our core and influences most employees' daily emotions, beliefs, and behaviors. It creates a tapestry of connection, giving us a glimpse into our shared humanity and our impact on the world. By championing the elements of culture, we embark on a mission to inspire success, purpose, greatness, and a legacy that surpasses time's limitations. As you see in the graphic below, a functional workplace culture fosters a positive and supportive environment where employees feel valued, inspired, and motivated. This type of culture leads to increased productivity, higher employee engagement, and improved overall well-being. In contrast, a dysfunctional workplace culture creates a toxic and negative atmosphere, resulting in low morale, high turnover rates, and decreased productivity.

Figure 1: Comparing Company Culture and Employee Belonging Scores

	CURRENTLY **HAPPY** WITH CURRENT POSITION	PLANNING TO **QUIT** IN THE NEXT SIX MONTHS
THE WORKPLACE CULTURE AT MY COMPANY IS **FUNCTIONAL** AND **SUPPORTIVE**	**77%**	**44%**
MY MANAGER **HELPS** AND **SUPPORTS** ME TO PERFORM AT MY BEST	**70%**	**34%**
I FEEL **APPRECIATED** ON A REGULAR BASIS FOR MY CONTRIBUTIONS TO THE COMPANY	**52%**	**25%**
MY COMPANY FREQUENTLY PROVIDES OPPORTUNITIES FOR **RECOGNITION** AND **APPRECIATION** FOR MY WORK	**61%**	**33%**

Source: 2023 Lighthouse Research & Advisory Performance, Engagement, and Culture Enablement Study (n=1,000 workers)

The power of authentic connection between leadership and their employees resonates with a profound truth. As leaders grow through transformative leadership development, they unlock the key to creating relationships in their organizations. When the virtuosos of leadership connect with their employees at the depths of their souls, a sense of trust, engagement, and collaboration elevates, giving rise to innovation, productivity, and collective success. Through this bond, leaders inspire their teams to embrace their true potential, creating a legacy of profound impact. When leaders connect with their employees, they help foster a culture that permits employees to be their authentic selves. When an employee has a sense of connecting with leadership and other employees, it creates a higher level of trust, engagement, and collaboration. Zavida witnessed the transformation of one of their employees into a tech-savvy individual after introducing him to HiBob software, helping him create his first email, and providing guidance on computer usage. The employee trusted his leadership and found a new way to engage with his leaders and teammates.

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Challenges and Priority of Culture

However, issues can arise within the culture when employees feel disconnected from the company's mission, vision, and values. They may feel unsupported, undervalued, or unheard. These issues can manifest in various ways, from high turnover rates and low employee morale to conflicts between employees and management. Addressing these issues quickly and proactively is crucial to maintaining a healthy and positive workplace culture. We can weave a tapestry of belonging in the sacred realm of workplace culture, where purpose and connection converge.

Lighthouse Research and Advisory's P.E.A.C.E. 2023 research discovered that a functional and supportive culture is the key that unlocks the door to a profound sense of belonging. The psychological definition of belonging is feeling accepted, respected, and appreciated by our direct leaders. Companies are looking for ways to create this sense of belonging, engagement and employees who are happy with their work. We found that when you make those three factors, research shows 2x more likely that those employees have a manager/leader who helps and supports them to perform at their best.

Culture is a priority because it directly affects employee well-being and business performance. Our study found that companies that employees recommend as a great workplace are 9x more likely to feel appreciated for their contributions to the company. People want to know that what they do matters, but more importantly, they feel a sense of appreciation. Prioritizing a positive culture yields tangible benefits by enhancing employee satisfaction and business success. By creating an environment where employees feel valued and appreciated, organizations can foster a motivated workforce that is more likely to thrive and recommend the company as a great workplace. One key outcome of a great culture that impacts the company is retention. Employees want to be and stay with a company that creates a good culture.

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The Value of AI in Building Culture

While artificial intelligence (AI) may initially seem at odds with creating a positive workplace culture, it can bring significant value to a company's culture. AI technology can handle administrative tasks like scheduling, data analysis, and report creation, allowing employees to focus on more meaningful and fulfilling work.

Additionally, AI can help identify areas for improvement within a company's culture by analyzing employee feedback and highlighting areas that may need more support or attention.

Culture is the foundation upon which companies are built. Key aspects such as purpose, communication, trust, diversity, and accountability must be nurtured and aligned to create a positive workplace culture. Issues must be proactively addressed to maintain a healthy and productive culture when they arise. Prioritizing culture leads to happier, more engaged, and more productive employees, ultimately driving business success. Finally, AI technology can bring significant value to a company's culture by freeing up time for employees to focus on meaningful work and identifying areas for improvement.

There is true, transformative power in workplace culture amplified through AI and technology. In this digital era, leaders and managers have a remarkable opportunity to harness these tools, igniting a new level of performance and connection within their organizations. By seamlessly weaving technology into their culture's fabric, they enable teams to thrive and unleash their full potential.

In this journey, leaders become architects of a culture that uplifts and empowers, creating an environment where every individual's unique talents are embraced. AI and technology, when purposefully integrated, enable leaders to nurture a culture that fosters innovation, collaboration, and meaningful human connections. It is not just about automating tasks or improving efficiencies; it is about tapping into the workforce's brilliance and awakening the organization's true heartbeat.

By embracing AI and technology within their culture, leaders can unlock new productivity levels, agility, and employee engagement. They can create workplaces that inspire and enable individuals to bring their whole selves to work, making a lasting impact and leaving a legacy of purpose.

Case
Studies

In the following pages, you will learn how three different organizations prioritized intentionally developing employee-focused cultures.

- Medidata Solutions
- Zavida Coffee Roasters
- US-based Insurance and Financial Services Firm

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Case Study: Medidata Solutions

About the Company

Number of employees:
2000

Industry:
Technology

Headquarters:
New York

Technology Partner:
BlueBoard

Medidata Solutions is a U.S.-based SaaS company with over 2,000 employees, headquartered in New York. In 2018, the Global Rewards team realized that employee interests, lifestyles, and needs were changing. The company's rewards and recognition program needed a refresh **to better motivate employees towards shared goals and behaviors.**

They began by building a business case rooted in data and deep insights. Their first focus was on **employee retention.** The team also knew whatever changes they introduced would **need to work for a diverse employee population**—not only were they responsible for serving a global team but also a team with several generational segments, all of whom want and need different things.

First, they gathered external data, which divides employee needs and interests in their benefits offerings by job level/seniority, generational segments, and associated gender. The consistent theme across all segments was **flexibility**—validating an existing hypothesis they had around the **power of choice.** The team needed to design a total rewards program that appealed to employees of all levels and ages.

Next, the team looked inward better to evaluate Medidata employees' interests and core values and determine which employer value propositions were most important across employee segments. They analyzed the company's primary job functions (the groups that make up the greatest employee populations at Medidata), including Software Application Development, Product, and Data Science. While different in job function, these groups ultimately ranked the same two value propositions by the greatest need: **good work-life balance and excellent compensation and benefits.**

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The team leaned on one additional resource to drive their recognition and rewards strategy—Medidata's **internal employee engagement survey.** That year's report marked two big areas of opportunity:

1. Employees wished their company offered more flexible work options (this was important across the board, but even more so with Medidata's growing working parents population).

2. Employees wanted to be seen and valued for their contributions (i.e., not feeling recognized meaningfully).

The Global Rewards team began building a flexible and personalized recognition and rewards program that delivered across three key areas:

● **Social:** The team wanted to create opportunities for peers to celebrate each other's accomplishments and offer exciting rewards to share and socialize.

● **Flexible and financial:** Financial well-being is top of mind at Medidata, with many employees living in markets where the cost of living is high (like NYC). They wanted a program that allowed flexibility, with various means for managers to reward their employees' great work.

● **Experiential:** The team wanted to ensure employees had a choice between a spot bonus and experiential rewards. So they partnered with Blueboard to offer employees their choice of a meaningful and memorable experience or adventure, brought to life with ease through our celebrated Concierge service.

The Global Rewards team's vision and strategy were to align Medidata's recognition and rewards program directly with its mission and company values. They constructed the program into three specific programs outlined below, in the order of how many employees they affected (from company-wide to top performers):

● **Daily recognition:** The team wanted to facilitate the opportunity for daily recognition all the time, so they built a program that supported regular, year-round appreciation of employee performance and achievement from both peers and managers. Recognized employees get their choice of a Blueboard reward or spot bonus.

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- **Quarterly Achievement Awards:** They also wanted to ensure the program enabled the best performance to rise to the top. They rolled out Quarterly Awards aligned to the mission and values set by Medidata's leaders (President & CEO) each year. These Quarterly Awards recognize the great work of four individuals or teams in their four company pillars: Master the Core, Innovate and Disrupt People, and Financial Metrics.

- **Founders Awards:** A Founders Award is given to the top team or individual throughout the year for the highest recognition. Along with their reward, these recipients receive a trophy and get featured in a video that is shared company-wide to celebrate their achievements further.

The team knew communication would be key to the recognition program's success. So, they laid out a strong and frequent communications plan to educate, inspire, and motivate Medidatians to participate in the new rewards and recognition program:

- **BrandBuilder initiative:** BrandBuilder is an internal employer branding initiative to gather and share Medidatian recognition stories,

- **Internal communication:** Internal blog posts/articles to outline the communications strategy that is posted to Medidata's intranet, Medex,

- **Sharing stories:** Multiple communication channels (Slack, Medex) to feature stories and videos as employees go out and about on their Blueboard reward experience

The team crafted a program designed with both internal and external data signals and insights in mind, so of course, they crafted an equally well-designed plan for measuring the program's effectiveness. They wanted to make sure the program would be 1) highly utilized and 2) able to move the needle on recognition sentiment (improving employee engagement stats around employees feeling adequately seen and valued for their contributions). They use three main tools to measure performance:

1. **Annual employee engagement survey,**

2. **Utilization reporting via Blueboard's Admin Tools reporting suit,**

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3. Employee feedback and focus groups, including Blueboard's post-experience engagement survey data collected in the platform once an employee completes their experience:

"When managers can give the employee their choice of an experience, it creates a memory. And that memory is always tied to your company. Giving them a spot bonus will probably pay for a bill, and they're not going to remember that in a year. Versus an experience that will last for their lifetime."

—Carrie Thiesen, former VP of Global Total Rewards at Medidata

Medidata has sent hundreds of employees on Blueboard rewards since beginning their program in 2018, and their program continues to be a huge internal success. While data is shining across the board, these top metrics have been most valuable to the Global Rewards team when championing the Blueboard partnership:

- **4.9/5:** Rewarded employees felt appreciated for a job well done when receiving their Blueboard reward

- **4.85/5:** Employees felt motivated to perform at a higher level after completing their Blueboard experience

- **4.8/5:** Employees believe Blueboard rewards are a great tool for retaining top talent

- **97%:** Medidata employees have a 97% approval rating for their Blueboard experiential rewards

Employees who say they work for an organization with a supportive culture are 3x more likely to say they feel accepted, respected, and appreciated by their leader.

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Case Study: Zavida Coffee Roasters

About the Company

Number of employees:
60

Industry:
Food & Beverage

Headquarters:
Canada

Technology Partner:
HiBob

How Zavida Coffee Roasters uses Bob to modernize processes and boost engagement among a traditional workforce

Zavida is a Canadian coffee roasting company, with its headquarters and manufacturing plant based in Concord, Ontario, and an additional site in Montreal from a recent M&A. As a traditional company employing factory workers—some of whom have been with the company for 30 years—everything was paper-based and manual. They had paper-based employee files and time off request sheets, did performance reviews on paper, and posted announcements on a bulletin board. With a one-person HR team managing all things HR across two sites and the company in a growth phase, it was clear they needed to modernize and streamline their HR processes. Zavida's HR Manager, Brittney Sim, had used Bob at a former company and understood the value it could bring to Zavida, so she made her case to the CEO. Implementing Bob transformed Zavida's HR processes and company culture, and their people love it, too.

Introducing an HR software solution to a traditional workforce.

Zavida's workforce has corporate employees who run the business and traditional workers who work on the factory floor. Zavida's factory workers didn't have computer access during the workday, and several didn't own a computer or have an email address. How could Zavida engage its people to embrace a digital HR platform as part of their daily work?

Brittney understood the challenges of implementing an HR platform for their factory workers and took a slow and steady approach that ensured everyone received training and support. Before implementation, she trained the management team on how to use Bob. She gave them access to the platform two weeks before launching it company-wide

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to ensure they felt comfortable using Bob and could answer questions from their teams.

To get their factory workers started, she set them up with email addresses and filled out their profiles with basic information taken from payroll. Then, she invited them to a meeting where she explained more about Bob, showed them how to add their superpowers and hobbies, and explained how it will help them to get to know each other better. She also showed them how to use Bob to request time off in place of the paper-based forms they had used before.

As part of rolling out Bob, the company made WiFi, laptops, and tablets available for their people on the factory floor and encouraged them to also use Bob's mobile app for easy access on the go. An incredible 80 percent of their people downloaded the app and use it regularly to engage with each other, celebrate birthdays and anniversaries, and request time off.

After a short learning curve, Zavida's people have embraced Bob. Brittney explains, "We had this one employee over 60 years old who didn't know how to use a computer. He didn't even have an email address. We gave him an email and set him up on Bob, and now he's on Bob the whole time! He comments on the pictures and wishes everyone a happy birthday. He loves Bob and was just so thankful that someone took the time to show him how to use it." And as for the rest of their people, Brittney added, "Bob just makes it fun for our employees. It's like their own social platform for work."

"That's why I chose Bob. I was used to it, loved the platform, and never wanted to work without it. One of the first things I said to the CEO was that I need Bob, and it was an easy sell." —Brittney Sim (HR Manager) Zavida Coffee Roasters

Streamlining HR processes from onboarding to payroll

With just a one-person HR team responsible for the welfare of employees on two sites, manually running HR using emails and spreadsheets took up too much time. Zavida needed a solution to help them automate HR and ramp up their processes in line with their growth.

Using Bob, Zavida has streamlined its HR processes across the board, from onboarding to performance management to payroll. Now, when they have a new starter, rather than HR needing to write an email to IT, an automated notification is sent that informs IT to contact

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the new hire's manager to see what equipment they need. They've also set up their task lists in both English and French so that their people in Montreal can keep working in their native language.

Zavida has also upgraded its performance reviews from a paper-based system. They created a custom review using the same questions they had used in their paper-based reviews, as they wanted to keep it as close to the previous process as possible without introducing too much change. However, rather than just the top-down review they had before, they added self-reviews to give their people a voice for the first time. The company ran a training session on how to fill out the self-review in Bob and gave their people time to work on it during working hours so they wouldn't have to invest their own time. Zavida has also introduced KPIs and goals as part of the performance management process, which managers and employees define together. Goals can include learning a new skill, such as how to use a new machine, or taking a course in computers or Health and Safety. They've seen a great response to this initiative, with their people feeling appreciated and empowered to learn new skills.

Bob has also helped Zavida to stay compliant, providing an easy way to send out updates to their people and a single source of truth for employee data. Brittney explains, "In the last couple of months, new policies have been released in Ontario, and it's easy to send those out to our people using Bob. There's also compliance when it comes to payroll. In the past, I had to keep files of everyone's timesheets, but now, we can just refer back to Bob. Also, Bob has a trail, so I can go back and see the changes if I delete something. And, when we are audited, they are happy with Bob and the data it provides us for compliance purposes."

Bob has helped Zavida to modernize their HR processes, engage their people to become more computer-savvy, easily communicate company-wide in English and French, and stay compliant with new policies and legislation. And they look forward to using even more Bob features as the company grows.

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Main takeaways

- Bob helped Zavida modernize their HR processes and save time.

- 80 percent of Zavida's people have downloaded the Bob mobile app and love using Bob as a social platform for work.

- Zavida moved from paper-based performance reviews to running performance reviews in Bob and introduced self-reviews in addition to manager reviews, giving their people a voice.

- Using Bob, Zavida can create tasks and send comms easily in English and French for their Ontario and Montreal offices.

- Bob provides an easy way for Zavida to update their people about Ontarios' new policies and stay compliant.

Employees who say they work for an organization with a supportive culture are 2x more likely to say they're happy in their current position with no plans to leave.

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Case Study: Insurance and Financial Services Firm

About the Company

Number of employees:
5,000+

Industry:
Insurance

Headquarters:
US-based

Technology Partner:
Quantum Workplace

The Great Resignation and Great Retirement have impacted organizations everywhere. Hiring and retaining top talent is challenging. Many companies are throwing money at the problem through raises, bonuses, and sometimes unsustainable salary and wage increases just to fill positions. The trouble is, that's not always enough and doesn't fix underlying issues.

Quantum Workplace research shows the top three reasons people leave their jobs are lack of career growth, pay, and feeling undervalued or underappreciated for their work. Pay is only part of the equation to create an environment of employee success. Without that environment, organizations can't deliver quality customer services and will fail to achieve their business goals.

In 2020, a 100-year-old insurance provider struggled to fill technology positions and had high employee turnover in their first two years of employment. The organization knew they needed to act so that these challenges didn't have a tremendous impact on customers and business success. They placed talent as a key investment area and set out to continuously improve the employee experience. Their objectives were to attract and retain top talent, engage employees, make progress toward DEI goals, and align everyone with the organizational vision.

To accomplish this, the insurance services firm relied on Quantum Workplace for a full range of surveys that would give them the necessary insights to take appropriate action. They wanted to improve the employee experience at every level. They knew the pandemic had affected employees, so they launched onboarding, exit, and pulse surveys to dig deeper into the employees' voices.

One pulse survey analyzed post-pandemic work arrangements. This survey created work arrangements catering to employee needs and facilitated better hybrid work environments.

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Acting on other survey insights led to a 94% favorability rating from 30-day new hires and an 86% employee retention rate. Favorability increased across all employee levels, but incredibly by 22% at the senior vice president level. In their May 2022 engagement survey, their engagement index increased by two points, with 35 of 36 items increasing in favorability. The inclusion index increased by more than 4.5%.

Learning and growth are an essential part of the organization's work culture. The goal was for 90% of associates to make progress toward their growth goal using the Quantum Workplace platform. The company accomplished the impossible, with 93% of employees reporting progress toward their learning and growth plans in 2021.

Using Quantum Workplace helped the organization gather valuable employee insights on topics that are instrumental to organizational success. These insights gave them the information they needed to improve engagement in all phases of the employee journey. The organization also exceeded expectations with employee growth and tracked progress toward organizational goals.

Engagement and growth are vital pillars of employee success, and due to what the organization has accomplished with its workforce, it is strategically situated for business success.

Employees who say they work for an organization with a supportive culture are 3x more likely to say their workplace culture fosters a sense of community and belonging among employees.

About Lighthouse
Research & Advisory

Through a blend of advisory, proprietary research, and events, the team at Lighthouse Research & Advisory sets a new standard for analysts and influencers in HCM to help our partners achieve real results. We bring innovative, groundbreaking insights and expertise and have worked with the largest HCM providers in the world as well as a wide range of new and established firms.

Advisory

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Events and Content

Our lead-generating livestreams and events like HR Summer School have reached tens of thousands of HR professionals in recent years, and our reports and speaking demonstrate that we know the HR audience better than anyone. We're not traditional analysts that are detached and inaccessible— we measure our success in the impact we have on the human resources profession.

Research

Our team surveys thousands of employers and workers annually across topics like:

- *Talent acquisition and candidate trends*
- *Learning and employee mobility*
- *Mental health and employee benefits*
- *Performance, retention & engagement*
- *Frontline worker trends*
- *HR technology usage and adoption*

Some of these studies are scheduled in advance based on inputs from our Research Advisory Board (executives at employers representing millions of global workers). Other studies are custom projects designed to provide product/market validation, buyer insight, and other value from quantitative and qualitative data.

Learn more at LHRA.io