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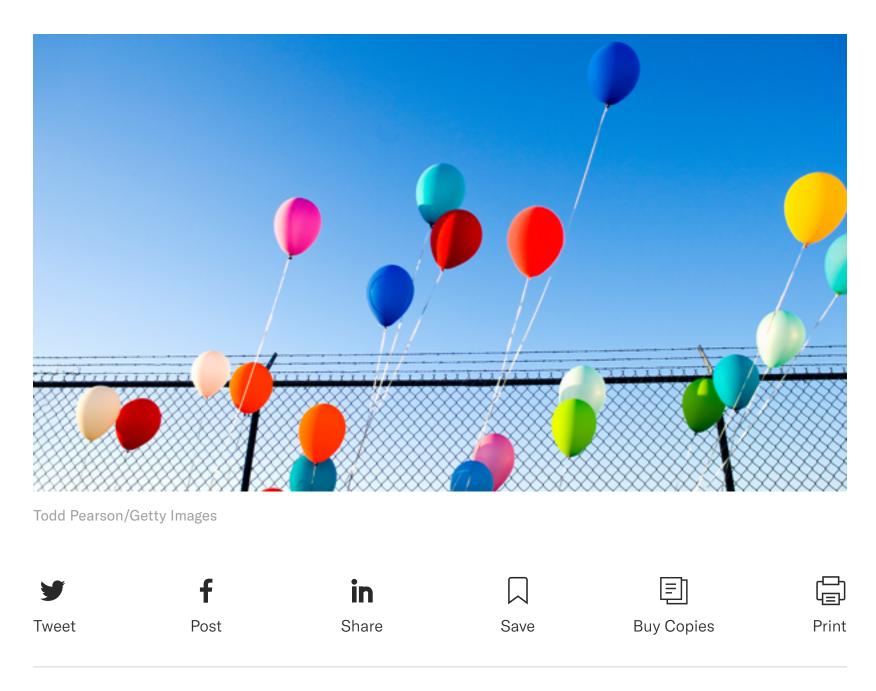
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Organizational Culture

Don't Let the Pandemic Sink Your Company Culture

by Jenny Chatman and Francesca Gino

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Summary. The vast increase in remote work caused by the pandemic threatens to weaken even strong corporate cultures. To make sure this doesn't happen, leaders need to make sure their cultures are adaptable. Three practices can help: 1) Hire and promote people who are... **more**

If you are like many of the executives with whom we've been talking over the last few months, you and your leadership team invested years cultivating an effective culture — one that is both *strategically relevant*, because it prioritizes the behaviors essential to the success of your business, and *strong*, in the sense that employees trust that it is real and value it. Such cultures help companies attract and retain great people and contribute to fantastic bottom-line performance.

But the Covid-19 pandemic could weaken your organization's culture.

Will your culture take a hit because people can't meet in person, making it harder to solidify their shared beliefs? Will they be less able to use your culture as a roadmap for making good decisions in a tumultuous time? How can you continue to build and leverage your culture while your organization is operating mostly remotely?

Research has shown that even when you create a culture that is strategically aligned and strong (that is, widely shared and intensely valued), it won't help you over the long run unless you also develop a culture that is *adaptive* in real time. In fact, a study that one of us (Jenny) conducted found that organizations that were strategically aligned, strong, and had built in the capacity to adapt quickly to dynamic environments earned 15% more in annual revenue compared to those in the same industry that were less adaptable.

Cultural adaptability — which reflects your organization's ability to innovate, experiment, and quickly take advantage of new opportunities — is especially important at this historic moment. Leaders must continue to cultivate their company's culture to help people stay focused on the most important initiatives even as they contend with the unprecedented challenges and continuously changing conditions presented by the pandemic.

What practices can you apply to ensure that your culture becomes or remains adaptable? Here are three ideas:

1. Hire and promote people who are resilient, adaptable, and

exhibit grace under fire. These are the scrappy people who will dig deep and use their ingenuity to navigate the complex uncertainties presented by the pandemic. These people are *rebels* — they show up with both curiosity and perspective, embrace novelty, leverage differences, and keep their heads even when the world is turned upside down. They create positive change.

Of course, if your culture is not yet adaptable, be candid when hiring such people. Tell them that you are looking to them to serve as change agents.

2. Curate and communicate examples of how the organization is adhering to its cultural values through new practices. Because things look so different in a Covid world, you will need to actively seek out, curate, and highlight new examples of your desired culture.

The leaders of a major pharmaceutical company that is headquarterscentric realized that Zoom meetings, necessitated by shelter-in-place orders, offered a much-more-level playing field for employees in other locations, enabling the company to be more inclusive, one of its core values. So the company instituted a new operating norm: If one person needs to attend a meeting remotely, the meeting will become remote for everybody.

Similarly, a retail chain that values openness and transparency started to conduct regular virtual forums during the pandemic that were open to all employees. In the forums, leaders listen to what is on people's minds and answer their questions. And once the shelter-in-place order forced it to have employees work remotely, a media-entertainment company that had previously discouraged remote work realized that not embracing it was inconsistent with its values of autonomy and responsibility. Leaders conveyed this insight to employees explicitly in their internal communications and have committed to offering options for remote work even after the pandemic ends.

3. Model transcendent values. When the pandemic started, leaders of &pizza, a Washington, D.C.-based pizza chain that serves creative, oblong pies, decided this would be the perfect moment to leverage their culture. As they told one of us (Francesca), their founding philosophy was "doing good while being good" — to both serve and reflect the communities where their shops are located.

The leaders of &pizza created an initiative in March 2020 to provide free pies to health workers in hospitals dealing with Covid-19 patients. And recognizing how the pandemic might strain their own "tribe" (i.e., its employees), they raised workers' hourly pay and increased their benefits — for instance, they offered free access to Netflix and paid for their travel to work. The company also gave employees who wanted to join protests after the killing of George Floyd paid time off. The company has retained 90% of its employees, and the 10% who left are mainly people who asking to be let go because of personal reasons. (Before the pandemic, its normal turnover rate was 10%.)

It is very likely that your organization has already adapted more quickly and effectively during the pandemic than you ever thought possible. Build on that progress by communicating that accomplishment to your employees and instituting the practices we've described. Doing so will almost certainly strengthen your culture — one that will help your organization better contend with whatever lies ahead.



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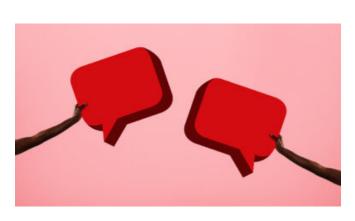
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