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The Great Transformation?
The Cultural Implications of COVID-19
By Crystal Wiedemann

Seemingly overnight, the COVID-19 pandemic ushered in a formidable global disruption both in its magnitude and in its intimacy. Referred to as "The Great Pause," it forced individuals, organizations, and even humanity at large to stop, look inward, and then shift how they operate in the world. What did that shift entail? And how great was it?

Barrett Values Centre recently conducted a global values assessment to better understand the impact the pandemic has had on cultures of organizations and what is being called for going forward to help us recover and thrive in this new future being created. Analyzing the responses of nearly 1,400 employees around the globe, it is clear that people and organizations alike are reprioritizing the values that guide their decision-making.

THE CULTURAL IMPACT OF COVID-19

While there have been global crises before, never has one affected as many lives so directly in our lifetime. The enforcement of social distancing and physical health precautionary measures has closed schools, ended professional sports seasons, shut down airports, and forced many businesses to cease operations, while others adapted to carry on virtually. Such dramatic environmental changes have led to a shift in values, both individually and collectively.

A SHIFT IN PERSONAL VALUES

Personal values reflect what matters most to us as an individual, thus shape the way we behave. When personal values are in alignment with those of the organization, employees feel a sense of connection and are able to bring their full selves to work in commitment to its purpose.

Personal values are fairly consistent over time, but when life conditions change, it can cause people to shift their values and reevaluate the order of their priorities. We have seen such a shift in personal values take place because of this pandemic.

When compared with personal values Pre-COVID, we have seen four new values emerge in top priority during the pandemic: **making a difference**, **adaptability**, **well-being**, and **caring**. The values of **continuous learning** and **family** were already present Pre-COVID and have since increased in priority. This shift in values reflects the need that people are feeling to take care of one another amidst the changes and uncertainty in the current culture.

> *Well-being* has shifted from **#26** to **#5** in importance to people personally during COVID.

NEW EMPLOYEE EXPERIENCE

Amid the rush to adhere to the new rules and regulations brought on by the pandemic, there have been dramatic changes in the way employees experience their cultures.

A powerful way to assess an organization's culture is to measure where the focus of energy is concentrated. When we look at the values before and during COVID-19 and categorize them into key business focus areas, a clear shift in focus is revealed. The traditional "process" focus on finance and effectiveness has been replaced by a **focus on people**, **agility**, and **communication.**

As you can see in the diagram below, the overall percentage of organizational values before COVID-19 were concentrated on finance and effectiveness, but that number was greatly reduced during COVID-19. Instead, the energy has shifted to an increase in values around agility and innovation, employee well-being, and direction and communication.

> During COVID-19, *results orientation* as an organizational value has shifted from **#2** to **#25**. *Achievement* has shifted from **#6** to **#50**.

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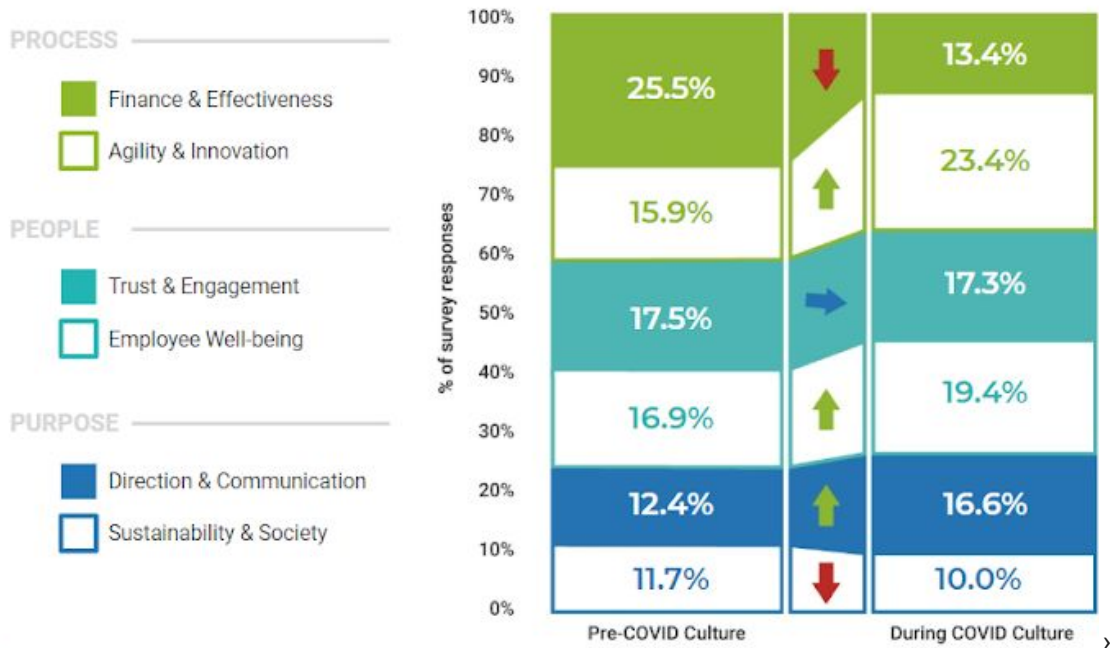
FROM CONTROL TO ADAPTABILITY

This worldwide pandemic has greatly disrupted business operations, and we are seeing organizational cultures respond with unprecedented levels of adaptability and agility. Ready or not, digital transformation has been thrust upon organizations, and many are realizing its inherent advantages for efficiency. The current COVID-19 culture is clearing away rigid structures to embrace change and prepare for even more innovation moving forward.

> During COVID-19, *agility* has moved up from **#43** to **#8**.
> *Digital connectivity* has moved up from **#50** to **#2**.

FROM PERFORMANCE TO PEOPLE FOCUS

The current pandemic has caused organizations to focus on their employees' needs and, in many ways, compelled them to put people first. During COVID-19, organizational cultures are reflecting the importance of employee health and well-being, caring, and work/life balance.

> During COVID-19, *employee health* has moved up from **#61** to **#5**.
> *Caring* has moved up from **#25** to **#4**.
> *Well-being* has moved up from **#57** to **#16**.

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CULTURES ARE HEALTHIER

The necessary adjustments to enable the changes mentioned above have included relinquishing some of the potentially limiting values that may have been holding organizations back. Although this time has been characterized by fear and stress in many ways, there has likewise been a greater emphasis on coming together to weather the storm, and thus we have actually seen a drop in potentially limiting values being experienced in organizations.

These potentially limiting values represent a dysfunction in an organization, which we call **Cultural Entropy®**. Cultural Entropy includes such values as **power, control,** and **blame**, among many others. Overall, entropy across the 38 industries included in this study has declined from 20% to 17%.

> *Bureaucracy* has shifted from **#3** to **#52** as an organizational value during COVID-19. However, *caution* has increased from **#75** to **#18**.

WHAT IS NEEDED TO RECOVER AND THRIVE?

When we asked participants to describe the values and behaviors that would best help their organization recover and thrive in the future, we found that there was a strong alignment between what people were currently experiencing during COVID-19 and what they wanted to see in the future.

A metric we use for analyzing how confident employees are in the future direction of their organization is the number of matching values between their current culture and the desired culture. This number of matching values has **tripled** since before the pandemic. This means that many of the values within organizations now are what employees are asking for going forward.

ON THE RIGHT TRACK

The organizational values that are a new part of employees' experience because of COVID-19 — and which employees would like to carry forward into the new normal — indicate a desire to continue being responsive to the environment and finding better ways of working together. In particular, employees would like to see a continued emphasis on the values of **adaptability**, **agility**, **digital connectivity**, **information sharing**, and **work/life balance** as we look ahead to post-COVID recovery.

> Organizations are **3X more aligned** with the desired culture of their employees now than they were pre-COVID.

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NEW DIRECTIONS

COVID-19 has brought about a new and improved way of working together and a positive shift in organizational values, but the transformation is not complete. To enhance recovery, employees are asking for even more **communication, innovation,** and **collaborative** ways of working together. Employees would also like to return to a pre-COVID focus on fostering their engagement.

Post-COVID, *Innovation* has shifted from **#34** to **#7**.
Shared vision has shifted from **#93** to **#16**.

DIFFERENT PRIORITIES BETWEEN LEADERS AND EMPLOYEES

Looking ahead towards a post-COVID recovery, leaders and staff appear to have different priorities in terms of what would make the organization thrive. Leaders desire an even greater focus on agility and innovation, while also thinking more in terms of society and sustainability. Staff, on the other hand, have a clear desire for greater direction and communication and want to continue to focus on working together by building trust and engagement.

It is natural for leaders and staff to have differing priorities due to the nature of their perspectives in the organization, but the degree of separation here could be a cause for concern. This offers leaders an opportunity to find additional ways to keep employees informed and connected so everyone can move forward together.
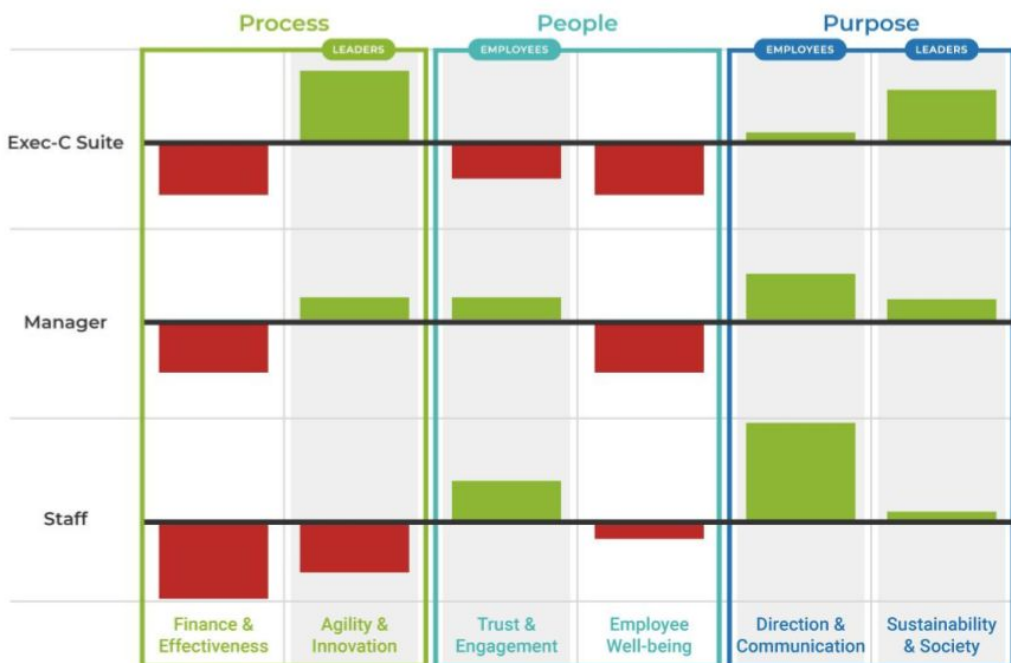
Employees are placing **15X more emphasis** than leaders on **the need for continued direction and**

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communication going forward.

IS YOUR ORGANIZATION SET TO THRIVE?

Despite the fear, loss, and uncertainty brought about by this pandemic, we have seen numerous examples of people coming together to support one another and address the challenges it has triggered. The results of the Global COVID-19 Culture Assessment are also pointing to a similar positive trajectory happening inside organizations as people are being prioritized over process and adaptability outshines control. The degree of transformation we have seen in the last six weeks would normally have required at least five years to take place.

As organizations continue to respond to changing economic, market, and regulatory conditions, the decisions you make affecting your business model, strategy, and the well-being of employees are directly tied to your culture and values. Understanding the shifts in your unique culture, and what is being called for, offers a great advantage to merge what you do with how you do it.

Will this great pandemic transform business as we know it? The answer to that question is still unknown. Whatever the future may hold, organizations will need strong cultures to support them through this period of uncertainty. As research has continued to show time and again, healthy organizational cultures are more resilient and lead to both more engaged and productive employees, as well as greater financial performance over the long run.[12]

About the Global COVID-19 Culture Assessment: We surveyed more than 2,500 people across the globe, representing 38 different industries. Using an online assessment, we asked participants to identify their top personal values, the values prominent in their organization before COVID-19, the values present during COVID-19, and the values that they think would best help their organization to recover and thrive after COVID-19. The participants were 63% female, 36% male, ranging in age from less than 24 years to greater than 74 years. Half the sample was between the age of 40-55. Of the 1,387 employees who participated, 300 were C-Suite/Executives. The global survey was conducted between April 21st and May 5th, 2020.

LEARN MORE ABOUT THE ASSESSMENT

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[1] Seppala & Cameron (2015). Proof that positive work cultures are more productive, *Harvard Business Review*

[2] Boyce,et al. (2015) Which comes first, organizational culture or performance? A longitudinal study of causal priority with automobile dealerships. *Journal of Organizational Behavior*, 36, 339-359.

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