A photograph of two women wearing face masks, looking down at a document on a table. The document contains a bar chart titled 'Profitability trends' and a pie chart. A large blue diagonal graphic is overlaid on the left side of the image.

# COMPANY CULTURE

in the Wake of COVID-19  
and Civil Unrest

**HR** Daily Advisor



2020 has been a trying year for people across the globe and even more so for HR professionals in the United States. Between keeping employees safe from COVID-19, remote work challenges, and the civil unrest that's spilling over into the workplace in the wake of the George Floyd murder and other racial injustices, HR professionals are going through an unprecedented era of change. How HR teams and employers handle this change in the months ahead will either make or break their organizations' culture.

As employers were forced to move to a remote setting, many questioned how the lack of in-person face time would impact the corporate culture that was in place before the pandemic. Although employees proved to be successful with remote work, HR pros and employers are still trying to determine how to improve or revamp their culture to match the times.

This report, "Company Culture in the Wake of COVID-19 and Civil Unrest," features key insights from over 600 HR professionals and employers across the nation and was conducted throughout August and September 2020. Respondents were asked to weigh in on how they've adjusted to the times and how their culture has been impacted as a result.

## DO ORGANIZATIONS EVEN HAVE A CULTURE IN PLACE?

In order to determine how the pandemic and civil unrest have impacted corporate culture, we must first determine whether organizations even have a defined "culture" in place. Fortunately, roughly 72% of respondents say they have a defined "culture" in place at their organization.

*HR Daily Advisor* has written countless articles on the importance of corporate culture and why it is a key component to attracting and retaining top talent. We're pleased to see that a majority of respondents see the importance of having a defined culture, but are these cultures being impacted by the pandemic? Let's find out.

## DOWNSIZING HEAD COUNTS THROUGHOUT THE PANDEMIC

Despite the high unemployment numbers nationwide, 62% of respondents reveal they have not had to reduce head count or downsize in the months following national stay-at-home orders and safety precautions. Unfortunately, the remainder of respondents weren't so lucky. Whether it was through layoffs (12%), furloughs (11%), or some combination of the two (14%), 38% of employers had to reduce head counts in the wake of the pandemic.

For those employers that had to reduce head counts, we asked respondents to choose from all the applicable options to showcase how they determined whom to lay off or furlough. Respondents indicated they evaluated past performance reviews and laid off/furloughed poor performers (33%), laid off or fired recently hired workers (19%), and/or used a force ranking method (11%). But for 55% of respondents, there were "other" strategies being used to determine how to reduce head counts.

Our consensus, based on responder insight, is that when it comes to determining whom to let go in the middle of a pandemic, it really just boils down to the company itself. For instance, one respondent said, "The decision was made based on job responsibilities, i.e., Bus Drivers were furloughed because clients weren't coming into our facility." Another respondent said that "their business model changed so drastically, due to social distancing," that they were forced to eliminate workers in those positions.

Budget cuts, business need by function/department, seniority, skill set, and nonessential status were also identified as ways to determine which employees to furlough or lay off.





# HOW DOWNSIZING IMPACTS CULTURE, MORALE

Drilling down further among respondents who say they had to downsize or reduce head count, we also inquired about the strategies HR professionals used to communicate this change, how they managed workloads in the aftermath, and how they planned to bring workers back once they were able to safely do so.

When it came to communicating layoffs and furloughs to impacted employees, a majority (52%) of respondents say *managers* called employees to inform them they had been laid off/furloughed, while almost 40% say HR called employees to inform them of the change. Nineteen percent say a written letter was mailed to impacted employees, and 14% say the organization sent out an e-mail to the entire workforce announcing the change.

For 29% of respondents, there was some combination of verbal/written communication, and interestingly enough, of these 29%, 3% say they were still in-house at the time of their downsizing, so they were able to communicate the change in person.

As for communicating the reduction in force (RIF) to the entire organization, a majority (51%) say HR/managers communicated the change to direct reports via various channels of communication, almost 38% say a companywide e-mail was sent announcing that employees were laid off or furloughed, and 14% say they only notified employees who worked directly with the laid-off/furloughed workers.

For nearly 20% of respondents, the change was communicated in a companywide meeting, with some respondents saying this was in person and others saying it was via Zoom or Microsoft Teams. Additionally, almost 8% of respondents say they announced their RIF in a press release.

When organizations are forced to downsize, who's left to pick up the slack? Usually, it's the

remaining employees. Respondents were asked to select from a variety of choices of strategies they used to distribute the leftover work. At least 80% of respondents say they assigned the work to the staff who remained, 33% say they canceled projects/assignments altogether, and almost 5% say they hired freelancers to help pick up the slack.

Seventeen percent of respondents also shared some of the other strategies they used to redistribute work, and we received a number of interesting write-in answers: "Some cross-trained employees were moved to areas that had more work. A small percentage of our products have seen increased sales during the pandemic, so the workloads have been managed in a very customized way," says one respondent.

Another respondent shares, "The workload had decreased significantly, so we had just enough people to cover [it]." Decreased workloads due to a lack of business was cited by many respondents who chose to share their "other" strategies, which is good news for their remaining workers.

When employees are forced to pick up the slack, it can result in more stress, more burnout, and increased turnover. This is a terrible combination for organizations that are focused on improving, or creating, a great corporate culture. However, for the organizations that were forced to downsize, a majority (55%) say the morale at their company was somewhat positive or very positive after the downsizing occurred.

But as a result of downsizing, at least 43% of respondents say these layoffs and/or furloughs *did* have an impact on their corporate culture. Yet, the majority say they're either unsure how the downsizing impacted their culture or there was no impact at all.

It's refreshing to see that a majority of employers say their culture wasn't impacted by the downsizing, but we're unsure of how these organizations determined this. Typically, you survey workers to gauge their sentiment toward change, but only 21% of respondents say they surveyed employees to get their feedback. We were unable to determine "other" ways employers are gathering feedback to determine how they were able to say their culture wasn't impacted.

# BRINGING WORKERS BACK

Even though the economy hasn't recovered, 53% of respondents are making plans to bring back their laid-off or furloughed workers. But, almost 26% say they have *no plans* to bring workers back, and 21% say they *don't currently have plans* to bring workers back but hope to soon.

For the 53% who say they're bringing workers back, we dove a little deeper to uncover *how* they determined who would return. Respondents were asked to select which strategies applied to them, and most (50%) say they brought workers back as the need for these workers increased. Eight respondents even said they've brought *all* furloughed workers back at the time of this writing.

For those who had to put some thought behind whom they were bringing back, evaluating past performance reviews seemed to be the most popular method, cited by 39% of respondents. Over 19% say they hired back the recent new hires who were laid off or furloughed, and 11% used a force ranking method. But for 6% of respondents, there was no "bringing workers back," period. These respondents ultimately decided to hire new workers and did not bring back any former ones.

Because communication is a major factor in a great culture, we wanted to know if respondents communicated with staff about bringing workers back; 69% say they *did* announce that the company would be bringing back furloughed/laid-off workers. And these announcements helped improve the morale for at least 54% of respondents. However, it may still be too soon to tell how this change has impacted *culture*, as 41% of respondents say they are unsure of the impact this change has had on culture.



# KEEPING WORKERS SAFE DURING COVID-19

Fear of catching COVID-19 has been on everyone’s mind, and it should come as no surprise that 84% of respondents say their employees are concerned about their health and safety when returning to the workplace. HR pros are faced with the difficult task of not only keeping themselves safe but also keeping their organizations’ workforce, customers, vendors/suppliers, and contractors safe, as well.

Respondents shared the following ways in which they’re keeping workers safe throughout the pandemic:	
We ask any employees who are not feeling well to stay home.	89%
We require the use of face masks (or personal protective equipment (PPE)) for all workers, vendors, and customers who enter the premises.	83%
We allow workers to work remotely.	78%
We only allow a certain number of workers in meeting areas and keep them socially distant.	73%
We require temperature checks at the start of every shift.	55%
We moved office furniture and cubicles apart to allow for social distancing and to adhere to Centers for Disease Control and Prevention (CDC) guidelines.	45%
We have implemented staggered work schedules.	41%
We have placed direction signs throughout the building to guide the flow of traffic.	36%
We have installed single-use offices so employees can work mask-free in their own enclosed space.	27%
We have implemented one or more testing strategies.	21%

Additionally, 19% of respondents shared some of the “other” strategies they are using to keep workplaces safe, like forcing workers to quarantine for 14 days after potential exposure; implementing germ-killing technology, like UV light sterilization; conducting “COVID” questionnaires at the start of every shift; and following CDC and state guidelines.

If 84% of employees are concerned for their health and safety, it should come as no surprise that workers are onboard with the new changes. At least 61% of respondents say employees have been “very receptive” to the change, and 29% say workers have been “somewhat receptive.” In stark contrast, just 4% of respondents say workers were “somewhat resistant” to the change, and not even 1% (0.38%, to be exact) say their workers were “very resistant” to the change.

# IS VIRTUAL HIRING JUST A PANDEMIC FAD?

We were honestly shocked when we read the stat that only 38% of respondents had to reduce head count despite the record-high unemployment rates across the nation. With so many respondents not having to downsize, it should come as no surprise that a majority (69%) say they are currently hiring in the middle of the pandemic.

As many organizations turn to remote work to keep employees safe, some (22%) are even turning to a fully remote hiring process. However, for others (35%), the hiring process has turned into a hybrid model of sorts, with some components being done in person, like I-9 verification, and others being strictly online, like new hire training. On the flip side, 12% say they source and interview candidates virtually but bring them in to do onboarding.

When we asked if respondents had implemented a digital hiring process, a few weighed in on how they’re currently hiring in the pandemic, and based on some of the responses, it doesn’t seem like virtual hiring will be as popular as remote work is. As one respondent puts it, “Legally we need to sign documents, for this someone needs to be in the office to put a wet signature [on paper].”

Some respondents say it also depends on the position. “We use a very customized combination of hiring process steps, depending on the position, location, and technology available. Our job postings and applications are online. We have reduced the use of agencies to save costs, and our internal recruiter screens resumes online, followed by phone screening. Some interviews with the hiring manager can be done over Zoom, but for maintenance and production positions, we’re still bringing candidates in to interview and tour the plant before a hiring decision is made,” adds another respondent.

For these reasons, it’s no surprise that a majority (49%) of respondents say they’re unsure of whether they’ll continue to use virtual hiring strategies once the pandemic passes. However, there’s one hiring practice that we believe can weather any storm, and that’s candidate communication.

As we’ve reported in the past, a positive candidate experience can have a great impact on your bottom line, and many candidates say the key to these great experiences is consistent and clear communication. With so many questions surrounding the workplace and COVID-19, wouldn’t you want to make sure you were communicating to candidates the measures your organization has put into place to keep everyone safe?

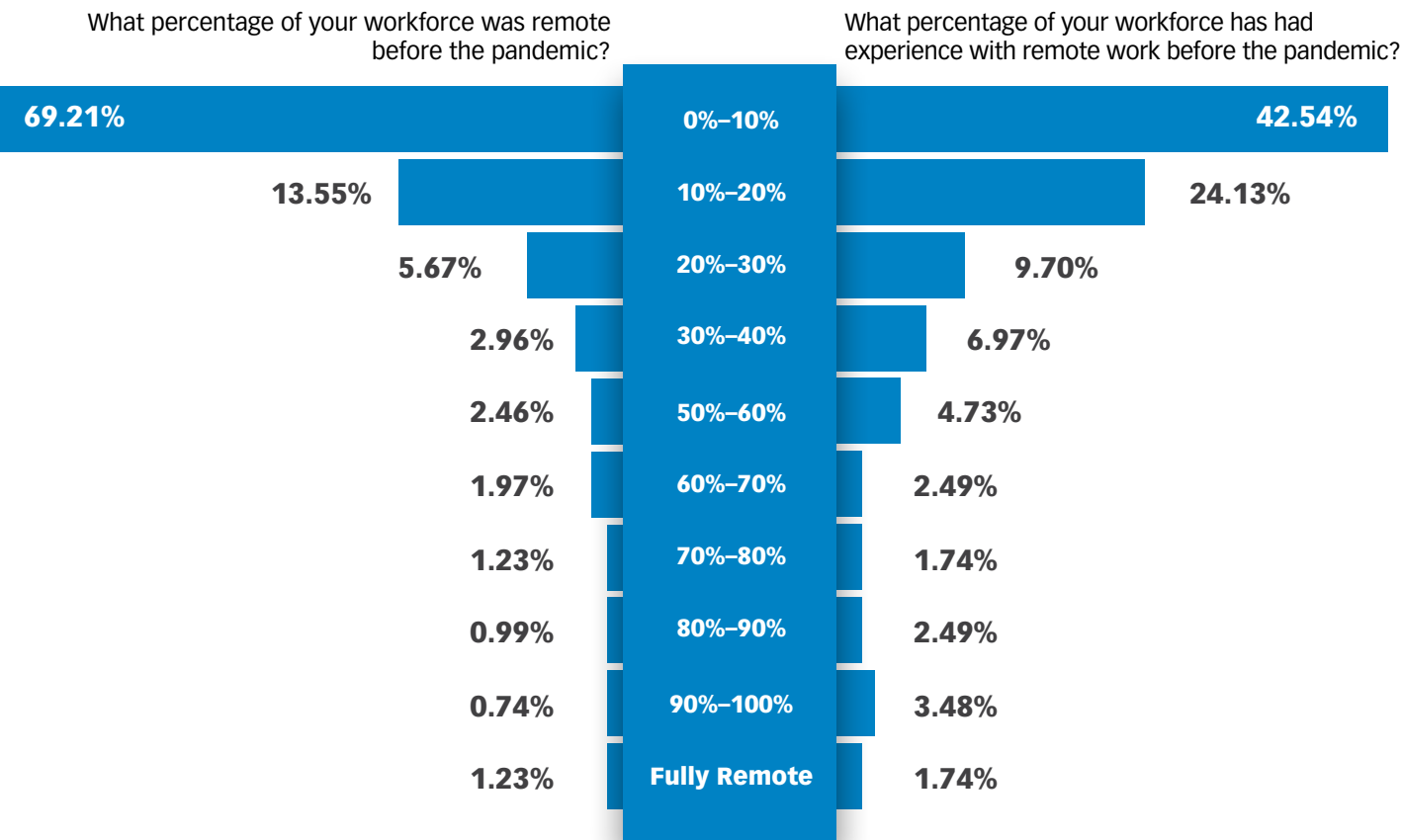
We’re pleased to report that 79% of respondents agree and have been communicating their safety measures to candidates as they go through the hiring process. Communication goes both ways, so we asked respondents if *candidates* were sharing their health and safety concerns about working for their organizations. While roughly 25% of respondents said “no,” candidates didn’t express concern; 45% said yes; and 30% were unsure.

We’d like to reiterate that clear and consistent communication is key to creating a great experience, but this strategy also sets the tone for what it’s like to work at your organization. If candidates have a bad experience to start, they may be reluctant to accept your offer. And for tenured employees, mixed messages make for a messy corporate culture.



CAN EMPLOYEES SUCCESSFULLY WORK FROM HOME?

As if COVID-19 hasn't ruined enough, corporate cultures are also on the line while HR professionals try to figure out how to align their culture with the remote times.



As the data reveal, remote work was new to many, and what is shocking is that a majority (49%) didn't offer any training to employees who were new to this arrangement. For the 42% of respondents who did offer training, over half (51%) said the training was either "somewhat" or "very" effective.

Despite pre-pandemic rumors that remote work was unproductive, employees across the nation have proven they can successfully work in a remote setting. And our respondents share this sentiment.

When asked, on a scale of 1 to 10, with 1 being "Not Very Well" and 10 being "Very Well," how well has your workforce **adjusted** to remote work, the average response was 8, meaning remote workers were able to adjust pretty well. In fact, when weighing all the averages, it seems more respondents gave workers an average between 8 and 10, while few ranked workers between 1 and 7.

Adjusting to remote work and remaining productive while working in this arrangement are completely separate issues. We asked respondents, on a scale of 1 to 10, with 1 being "Not Very Well" and 10 being "Very Well," how **productive** their workers have been while working from home. Despite past misgivings some employers may have had about remote work, the data are clear: Workers can be just as productive (if not more, depending on the position) in a remote setting as they can be in an office environment.

The average response was 7, which is slightly less than how respondents rated workers' adjustment to remote work, but it should be noted that more respondents rated their workers at a 9 compared with the very few who ranked workers between 1 and 6.

HOW REMOTE WORK IS SHAPING CORPORATE CULTURE

As the data show, workers were able to adapt to the new working environment and successfully work from home, but how impactful is a remote corporate culture?

While most respondents (43%) say they have not developed a remote culture, at least 31% have. One of the most common themes among respondents who created this culture was making sure employees had the chance to stay connected while working from home. Respondents implemented a variety of strategies for keeping workers virtually connected. Some of the more popular strategies were hosting virtual happy hours, trivia nights, team meetings, coffee breaks, and more.

We're also happy to report that some respondents are understanding of the mental health concerns caused by the pandemic and, as a result, have implemented virtual support groups for workers to connect and share their concerns while getting support from management and peers.

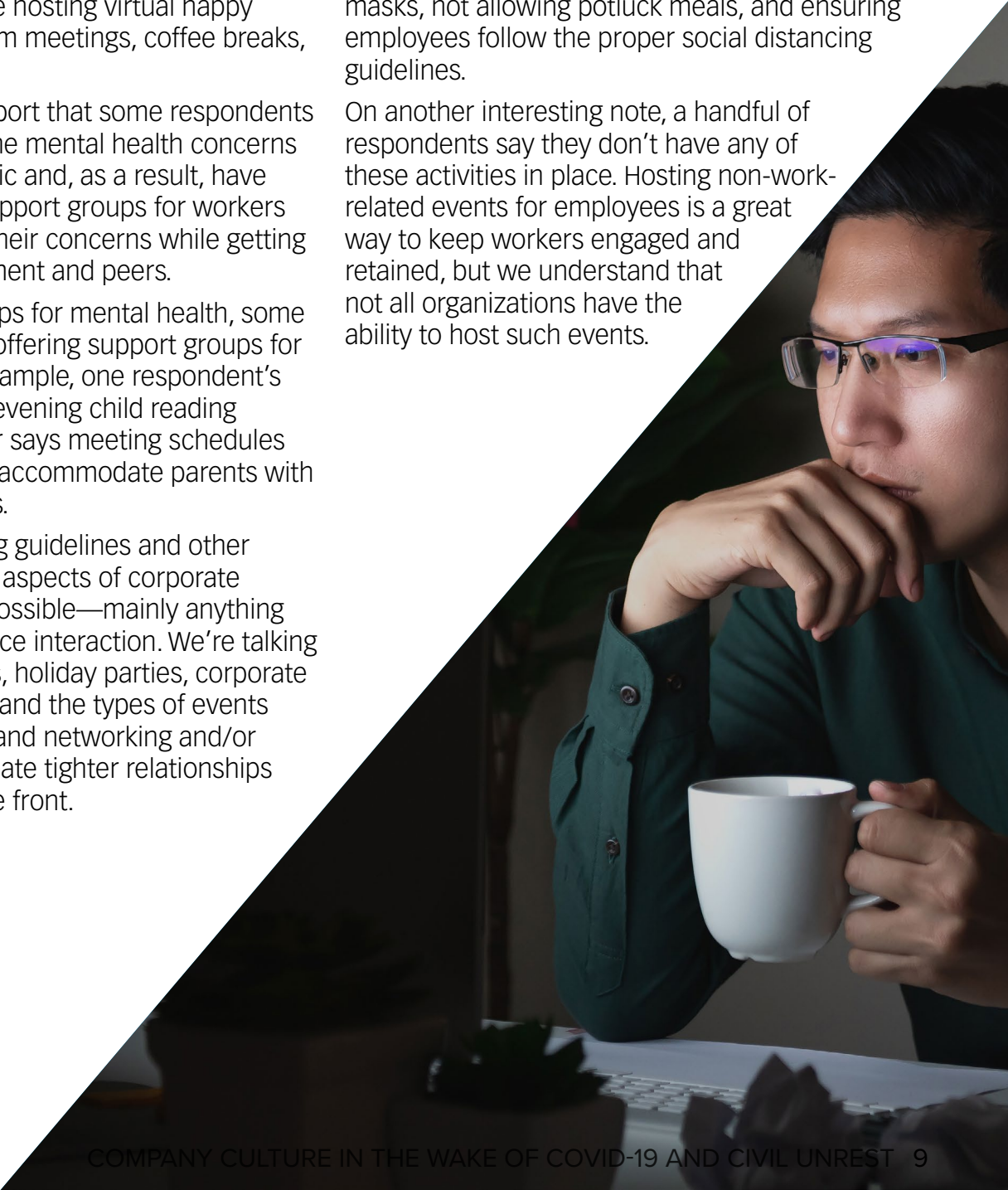
On top of support groups for mental health, some respondents are even offering support groups for working parents; for example, one respondent's organization offers an evening child reading program, while another says meeting schedules have been adjusted to accommodate parents with school/childcare issues.

Due to social distancing guidelines and other safety protocols, many aspects of corporate culture are no longer possible—mainly anything that requires face-to-face interaction. We're talking about company picnics, holiday parties, corporate retreats, teambuilding, and the types of events that inspire teamwork and networking and/or allow employees to create tighter relationships and unite as a cohesive front.

Because this was an open-ended question, it's hard to quantify how many respondents have adjusted their activities, but the common consensus is that whatever can be done virtually has been moved to a virtual format, and anything that absolutely requires an in-person presence has been canceled.

There are some outliers to these data, however, as we still have to factor in employers with essential employees. For these respondents, they have taken all precautions to keep workers safe by holding activities outside, requiring the use of face masks, not allowing potluck meals, and ensuring employees follow the proper social distancing guidelines.

On another interesting note, a handful of respondents say they don't have any of these activities in place. Hosting non-work-related events for employees is a great way to keep workers engaged and retained, but we understand that not all organizations have the ability to host such events.





So on that note, we wanted to know how HR pros engaged workers in a remote setting. If you’ve heard of the 2020 phenomenon known as “Zoom fatigue,” then you can probably guess how HR pros are keeping workers engaged: by having lots and lots of Zoom/Microsoft Team meetings. But the nice part about these meetings is that they’re being scheduled for the right reasons: employee support, training, checking in to say hi, etc.—basically all the ways you can remind your workforce that you haven’t forgotten about them just because you can’t see them and that you still care! It’s those types of interactions that will keep workers engaged.

Additionally, respondents say they’re conducting virtual town halls to help gather employee feedback and put concerns at ease. Others have implemented virtual watercoolers so employees have a place to still chat about non-worked-related things. When it comes to engaging workers in a remote setting, communication seems to be the key. In almost every open-ended response, some form of communication was cited as a way to keep workers engaged.

And the things you say to your workers will go a long way toward engagement and retention. For instance, one respondent shared what is communicated to workers: “Be positive and have a great attitude and do not listen to all the news. Focus on family and friends and loved ones; life is too short.” It’s this type of messaging that reminds employees that we’re living in uncertain times, but we’re all in this together!

In the aftermath of COVID-19, we predict that “togetherness” will have a huge impact on your corporate culture, and the recent racial injustices across the nation will drive inclusion more than ever before.



## DEI AND CORPORATE CULTURE

In the wake of the George Floyd murder and renewed interest in the Black Lives Matter movement as a result, racial and social justice is top of mind for some workers, and these employees started to demand that their employers support the movement, as well. Some big brands came out in support but quickly came under fire for the working conditions and other inequalities.

As Maurice BP-Weeks, Co-executive Director of the Action Center on Race and the Economy, a nonprofit focused on racial and economic justice, told *The Washington Post*, “Corporate statements supporting Black Lives Matter stand empty without meaningful actions.”

For our survey respondents, roughly 49% say their organization *did not* address the recent civil unrest and communicate to workers that it supports black lives, while 40% of respondents say they have addressed this issue at their organization. And much like the remote work strategies mentioned throughout this report, there were a variety of ways employers addressed this matter.

Some common ways respondents acted were by offering diversity, equity, and inclusion (DEI) training; communicating the organization’s mission and values and how it supports the movement and its staff who want to get involved; creating DEI committees and support groups; donating to various causes; encouraging workers to get involved; and reinforcing their antidiscrimination and harassment policies.

We can understand why almost half of respondents didn’t address the civil unrest; whether it was because they didn’t want to get into the politics of it or thought it might disrupt the workplace, one positive stat that comes from all this is that 71% of employers *are* taking an active approach to hiring diverse talent.

Respondents were asked, “In what ways are you making your company more diverse and inclusive?” Respondents listed all the following ways they’re taking an active approach:	
Creating zero-tolerance discrimination and harassment policies	73%
Including an equal employer opportunity (EEO) statement in every job posting and application form	63%
Offering flexible scheduling for working parents	41%
Updating policies, branding, and marketing materials to be gender-inclusive	35%
Implementing diversity and inclusion training for employees	29%
Removing gender pronouns from job descriptions and postings	29%
Offering generous leave packages	22%
Offering mentorship programs	20%
Creating employee resource groups to empower employees and make them feel connected	16%
Offering female leadership programs to develop female talent for future leadership roles	15%
Offering customized benefits to fit employees’ unique needs	15%
Adjusting compensation practices to be more inclusive	13%
Hiring chief diversity officers to help boost the organization’s diversity	6%

It’s important to remember that diverse talent also has unique needs, so taking a one-size-fits-all approach to your DEI initiatives may not work out. We suggest getting employee feedback to help guide you when trying to create a more diverse and inclusive culture.



## HOW HAS CULTURE FARED SO FAR?

2020 has uprooted life as we know it, and corporate cultures everywhere are taking a hit. So, how confident are respondents about the future of their culture?

Overall, sentiment seemed to be positive. Respondents are optimistic that their culture will weather the storm. As one respondent says, “I believe the culture of our organization will survive this pandemic and continue to improve.” And another adds, “In some ways the pandemic has brought us closer together since we’ve been called to find new and innovative solutions to comfortable, long-standing practices.”

But others aren’t as optimistic. As one says, “[I am] concerned about long term morale and clear vision/direction. Would like to see our culture and brand identity more clearly honed and defined.” And some even go on to say that their cultures could use some improving: “Our company culture could use improvement like with many companies; however, I feel our company tries its best to be inclusive and create a culture that is positive and safe for all.”

At the end of the day, a little effort goes a long way when it comes to creating a diverse, inclusive, happy, and healthy culture. As we’ve learned from this report, communication and flexibility are key to keeping workers productive and happy; remote work can be productive, but remote networking is still lacking; and corporate culture is still just as important as it was before the pandemic.

# HR Daily Advisor

100 Winners Circle, Suite 300

Brentwood, TN 37027

Phone: 800-727-5257