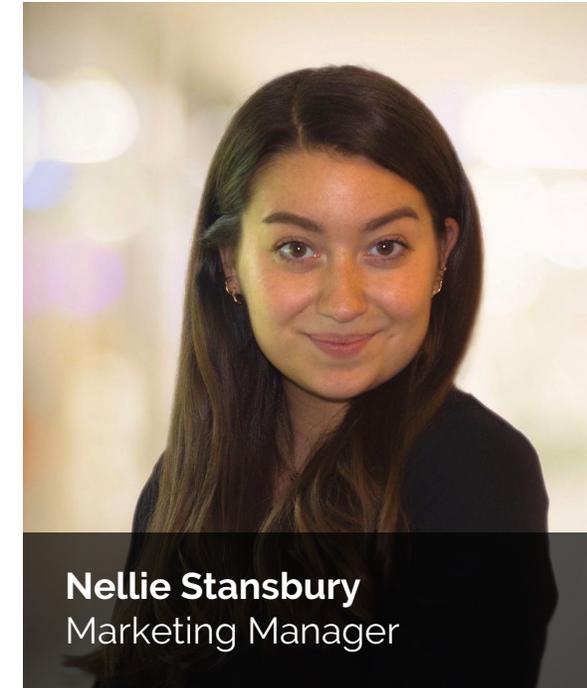




# COVID-19'S IMPACT ON ORGANIZATIONAL CULTURE PART 2:

Trends From Benchmarked Data

# Today's Speakers



# Today's Agenda:

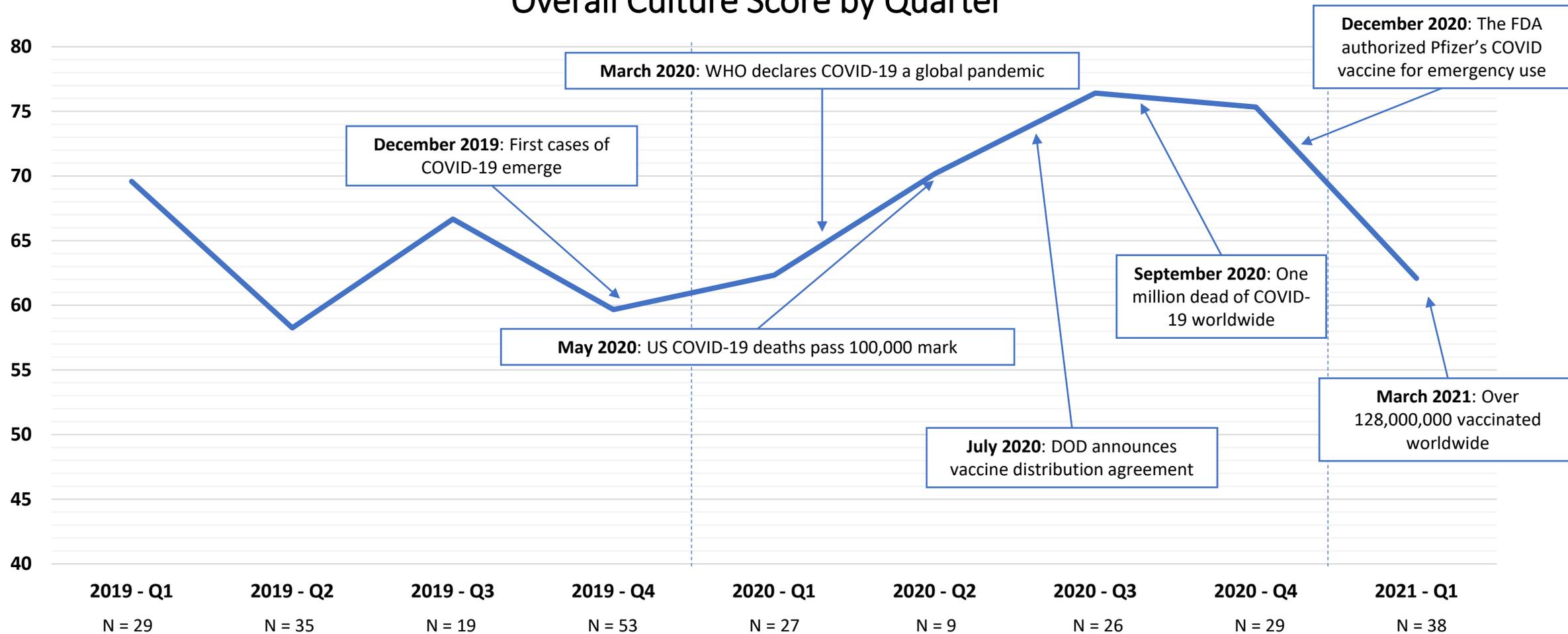


- What trends have emerged in our benchmarked data during the pandemic?
- What early trends have we seen in 2021? How have these changed in the last 2 months?
- How do we interpret these trends?
- What insights have we gained from the past year?



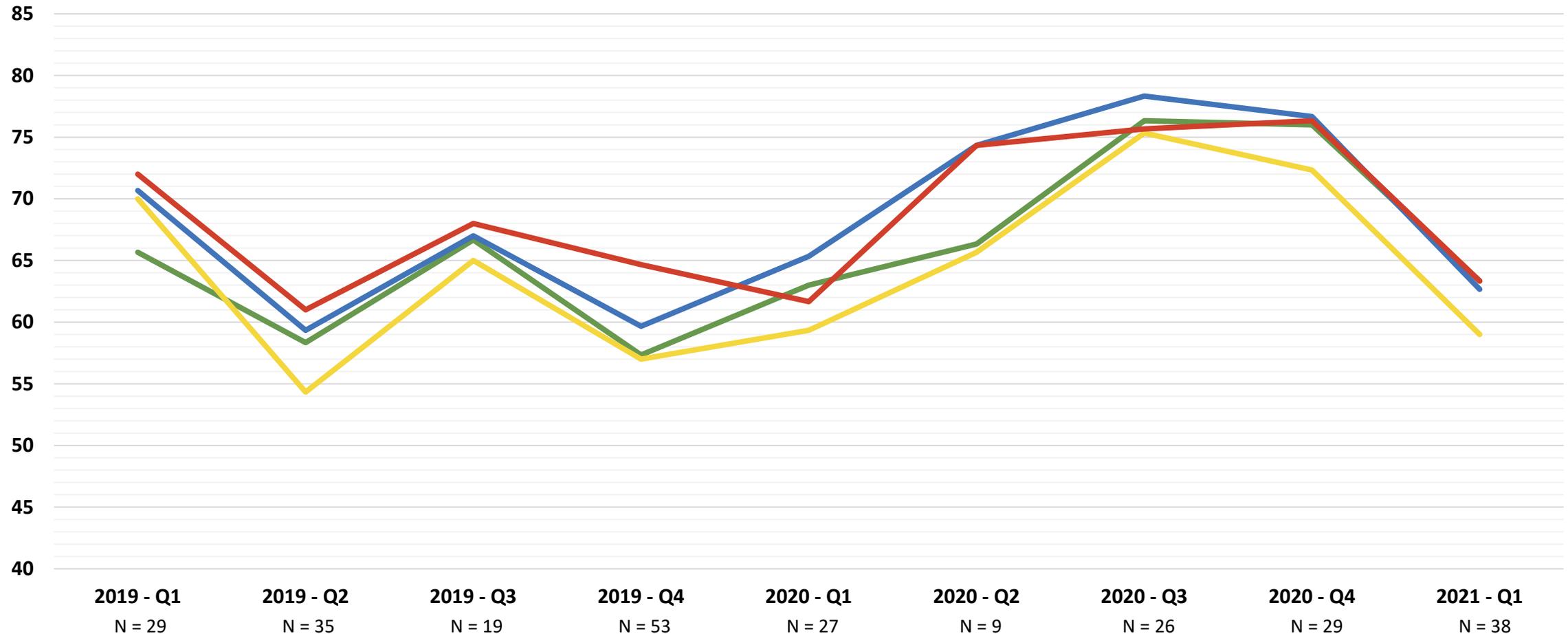
## Overall Trends

## Overall Culture Score by Quarter



## Culture Trait Score by Quarter

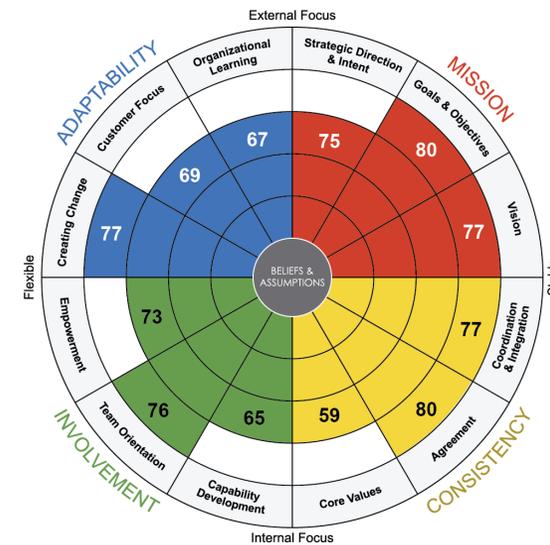
Involvement Consistency Adaptability Mission





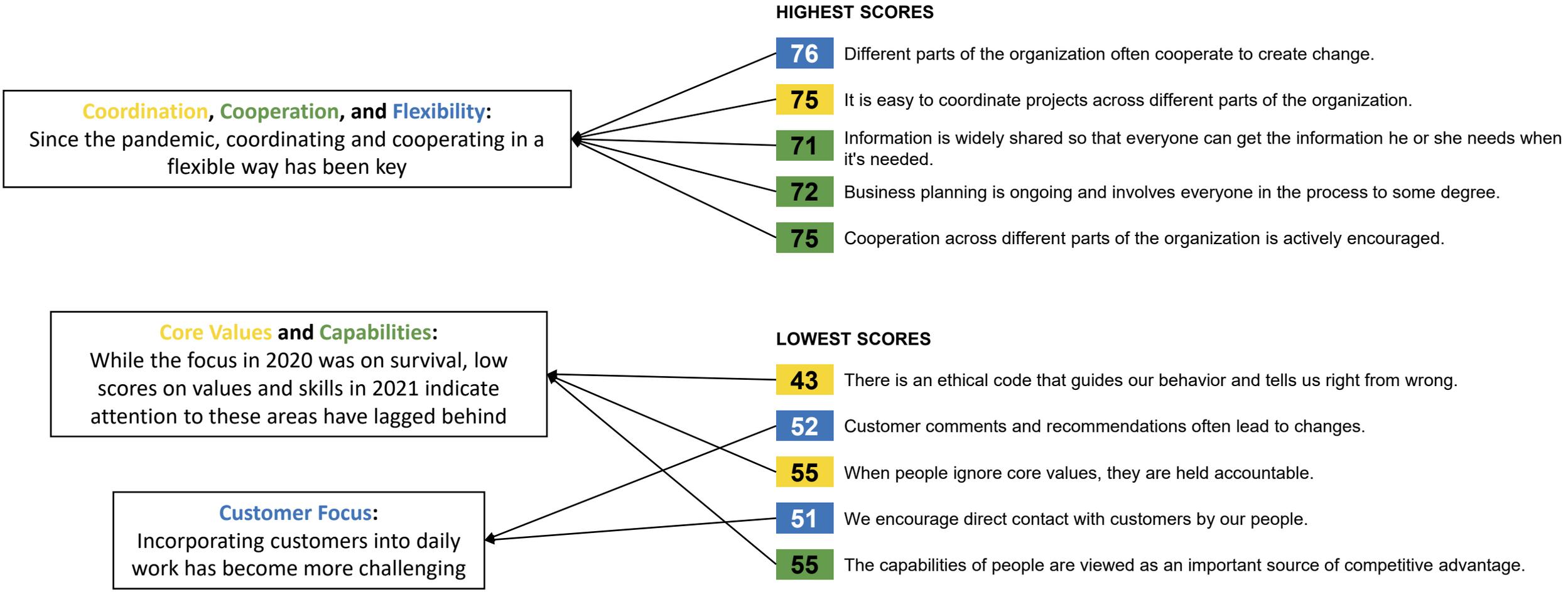
## *The Results Were Very Positive*

Item Text	Percent Favorable Average
1. I understand my organization's recommended policies and practices for working effectively.	93%
2. I have the tools and technology that I need to work effectively.	89%
3. The goals and priorities for my work are clear to me.	90%
4. I am aware of the key priorities that my teammates and colleagues are working on.	83%
5. I feel that our organization is taking care of me.	88%
6. I believe that my voice is being heard by leadership in our organization.	76%
7. I have the support that I need to manage my work-life balance.	80%
8. I feel that we are keeping in close contact with our customers.	84%
9. We are coordinating effectively across different parts of the organization.	77%
10. I believe that our organization is adapting effectively.	88%





## 2021 Trends





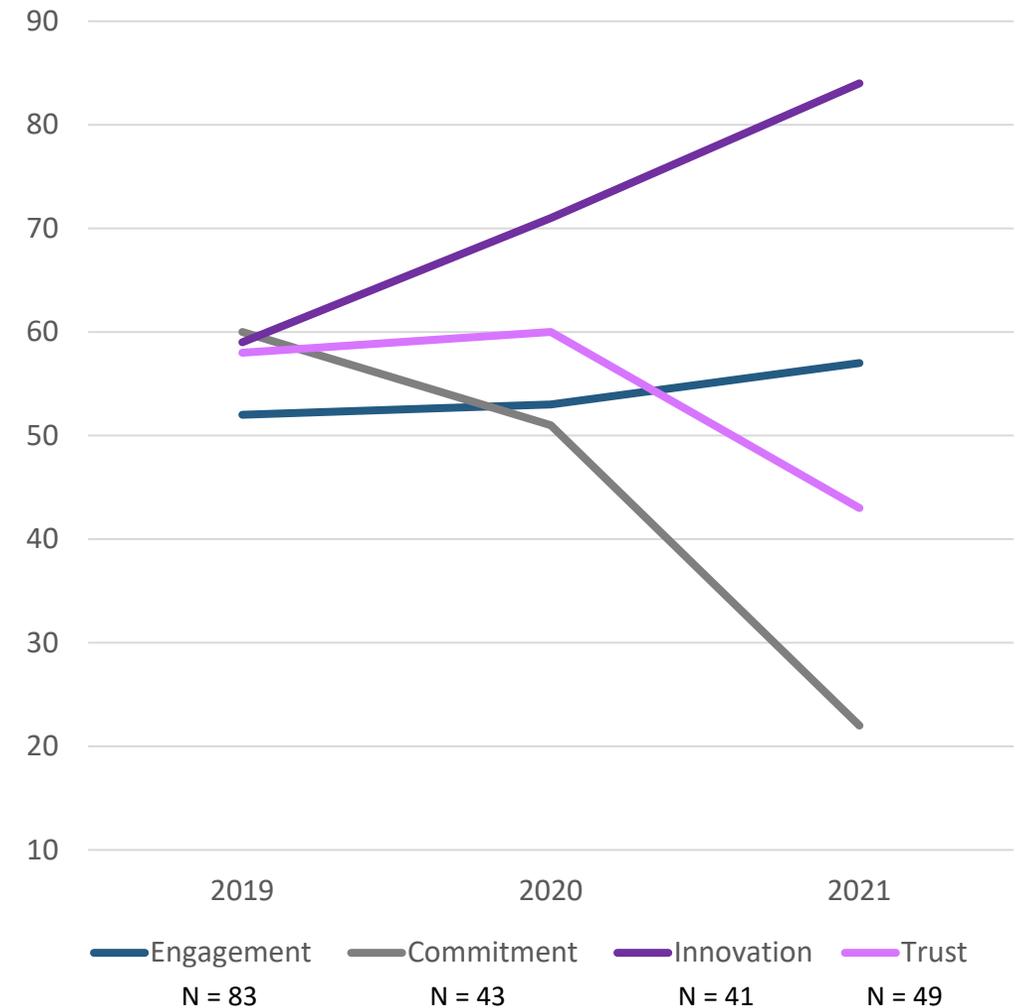
# Module Trends

# Overall Trends for Modules: Through February 2021



## From January 2019 to February 2021

- **Innovation** gradually increased to record levels
- **Trust** held steady in 2020, but dipped in the first quarter of 2021
- **Engagement** has held steady throughout, just above average
- **Commitment** has declined, sharply so far in the first quarter of 2021



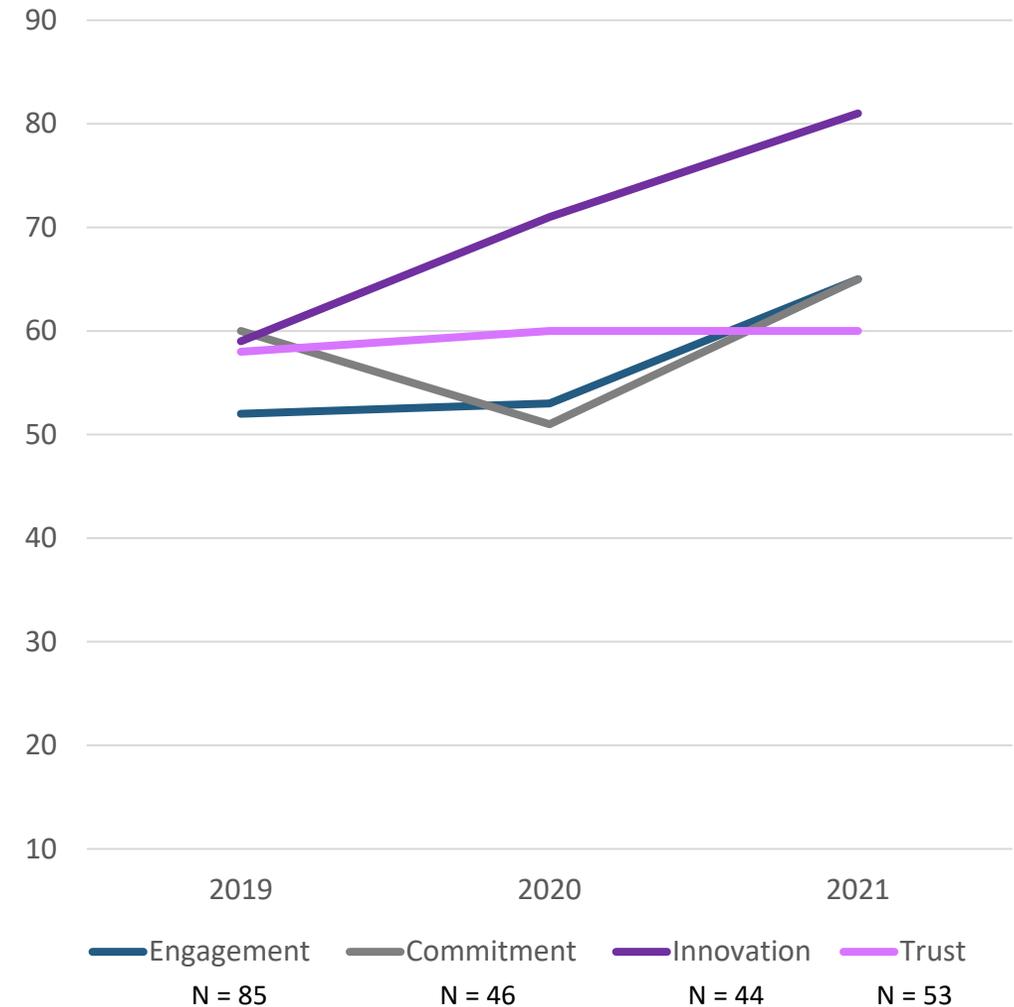
\*Note: Results for each module in 2021 are based on a small sample size (N < 10) from Jan 1 to February 27.

# Overall Trends for Modules: Through April 2021



## From January 2019 to April 2021

- **Despite dipping early in 2021**, module scores seem to be trending towards average levels
- **Innovation** has gradually increased to record levels
- **Trust** held steady from 2019 to 2021
- **Engagement** held steady from 2019 to 2020 and has increased so far in 2021
- **Commitment** rebounded in 2021 after a dip in scores in 2020



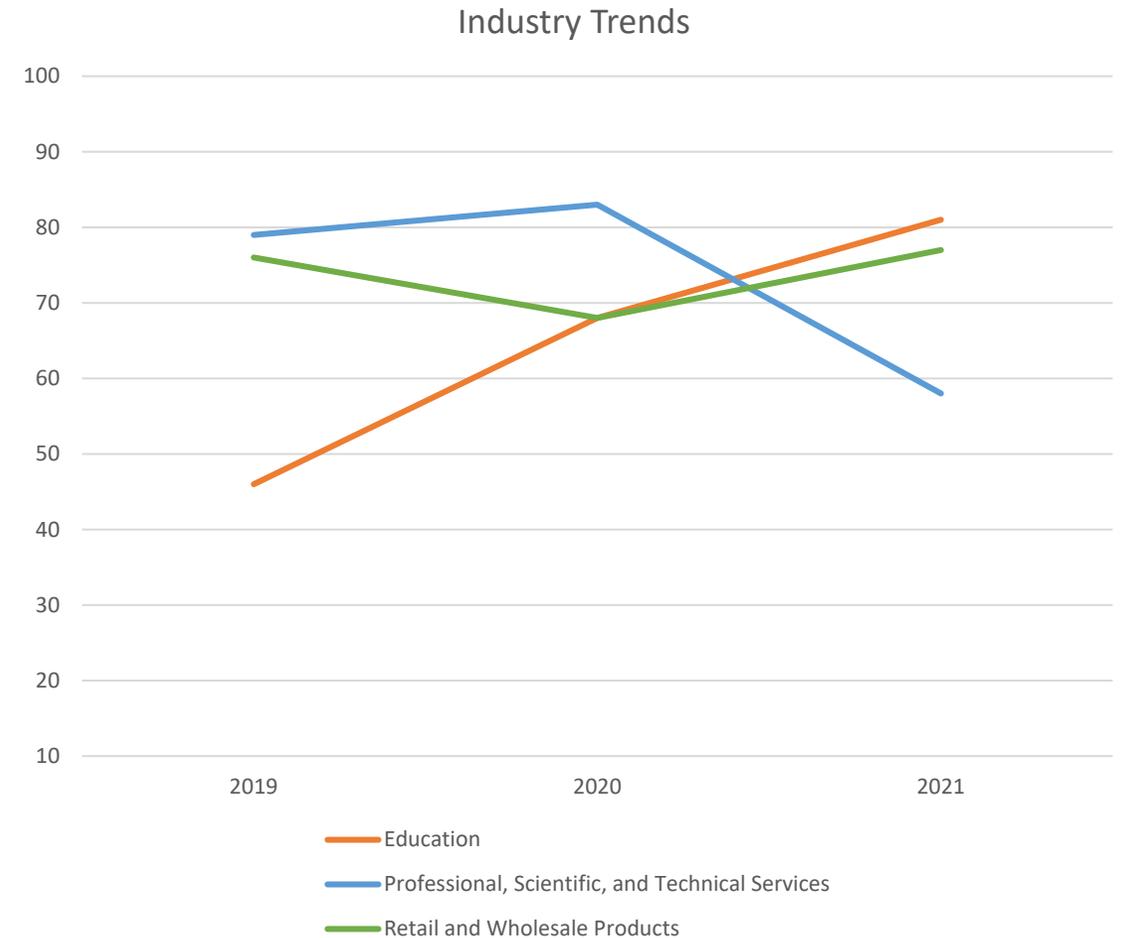
\*Note: Results for each module in 2021 are based on a small sample size (N < 12) from Jan 1 to April 30.



# Industry Trends

# Overall Trends for Industry

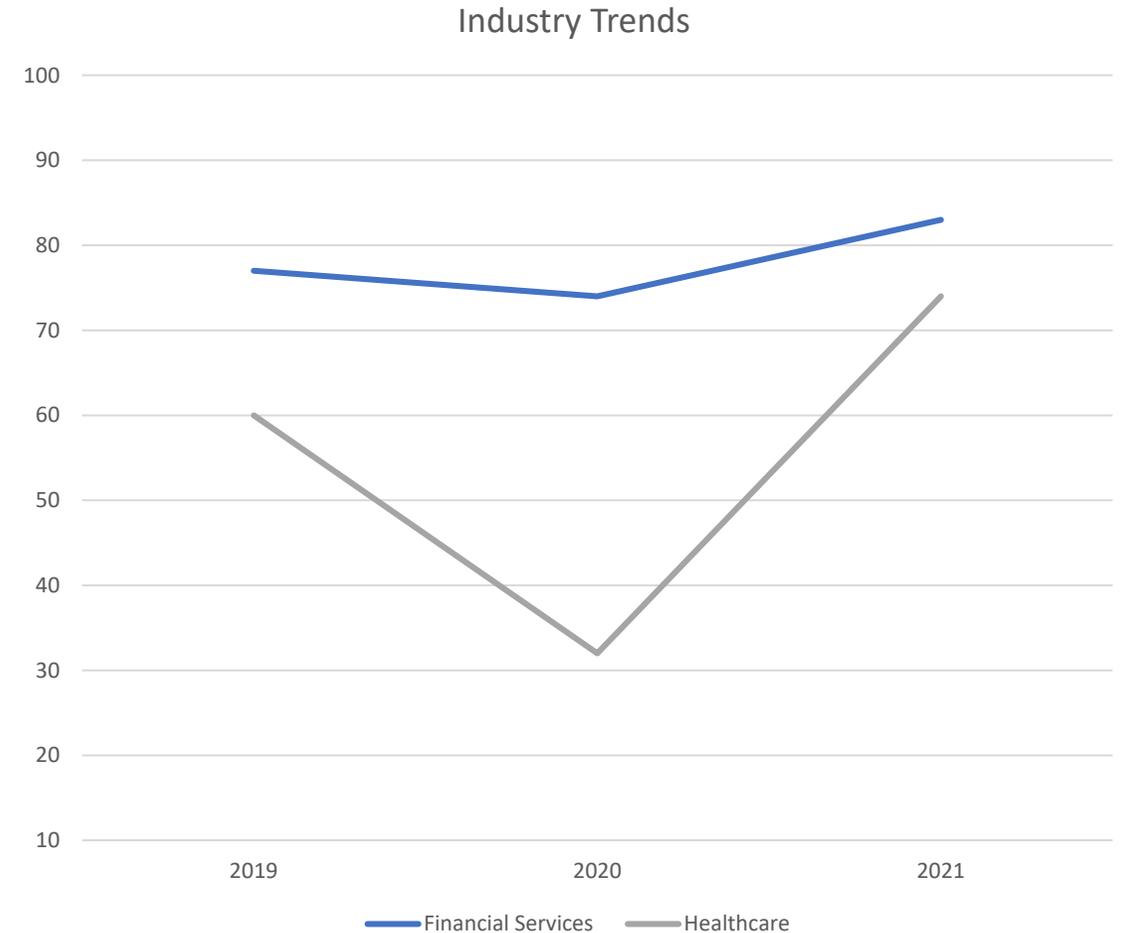
- **Education** organizations have continually increased from 2019 to 2021
- **Professional, Scientific, and Technical Service** organizations increased slightly in 2020, but have dropped so far in 2021
- **Retail and Wholesale Products** organizations slightly decreased in 2020, but have returned to similar levels as 2019



Note: Trends reflect 7 to 15 organizations in 2019, 4 to 12 in 2020, and 4 to 8 in 2021, indicating somewhat anecdotal trends.

# Anecdotal Trends for Industry

- **Financial Services** organizations had steady scores around the 75<sup>th</sup> percentile from 2019 to 2021
- **Healthcare** organizations sharply dipped in 2020, but have rebounded to pre-pandemic levels in 2021



Note: Trends reflect just a handful of organizations in 2020 (N = 9 & 3) and 2021 (N = 2 & 2), indicating very anecdotal trends.



## Main Takeaways

# What do we do with this?



- Communication and transparency are key during a crisis
  - The most improved item and a key determiner of a strong culture during COVID?
    - “We make certain that everyone is informed about what is going on across the organization.”
- Leverage improvements in **Creating Change**, **Organizational Learning** and **Capability Development** to internalize learnings, plan what the future of work looks like in your organization, and continue to build on **Innovation**
  - Organizations must be capturing learnings from the disruption to design new work models
  - Organizations must be targeting specific skillsets to develop as new work models are adopted
- As employees become aligned to new work models, it may be time to revisit the organization’s **Core Values** and rethink **Customer Focus**
- Even though **Commitment** scores have stabilized, don’t lose sight of the potential for future voluntary turnover



## **Questions/Comments?**

We've dedicated this time for an open conversation.



# Appendix

# About Denison

- Established in 1998
- Headquartered in Ann Arbor, Mi.
- European Office in Zurich, Switzerland
- Global consultancy expertise in *over 50 countries*
- *World class diagnostics*, robust research
- Focused on large-scale *organizational culture transformation & leadership development*



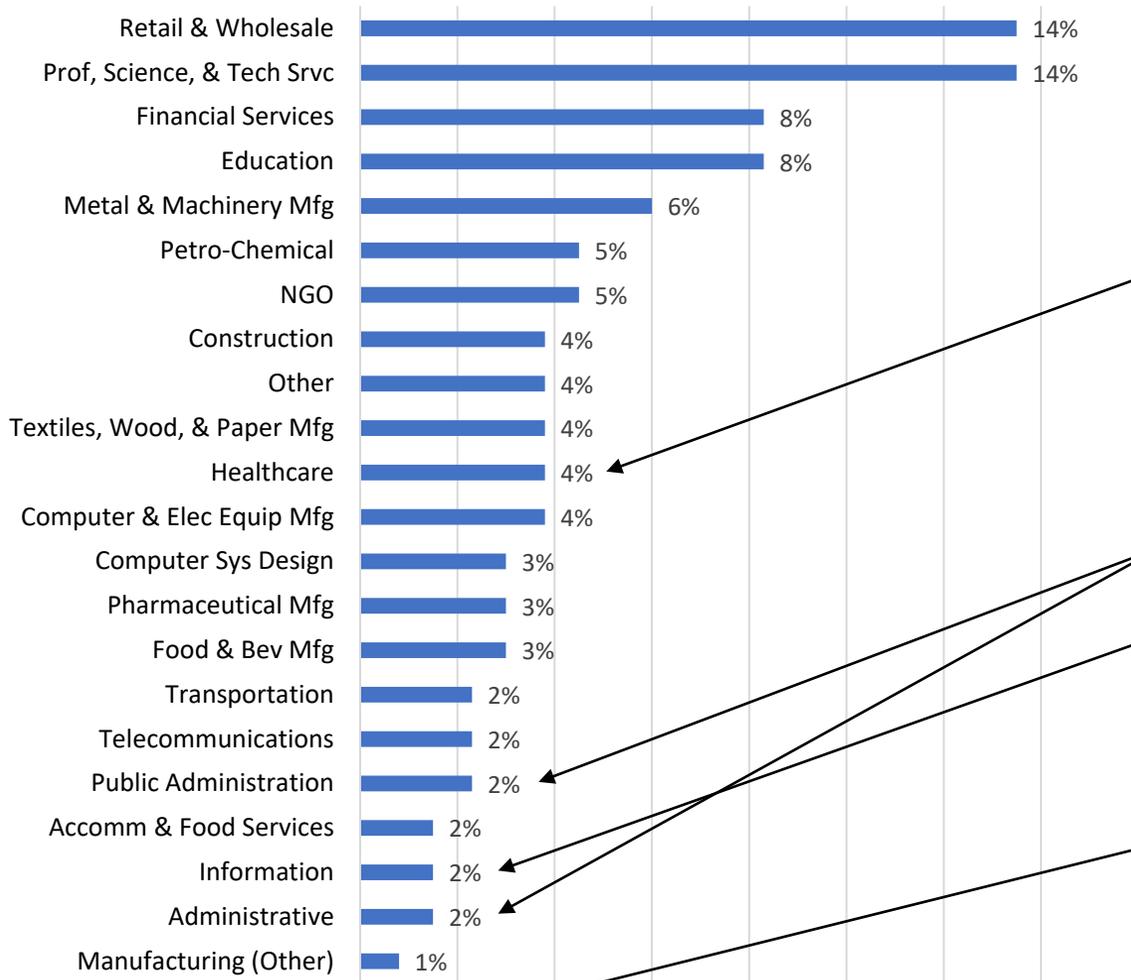
## **Our Mission is to improve the performance of organizations by transforming their culture and leadership.**

Our global practice grew from a set of diagnostic assessments, rooted in our research linking organizational culture and leadership to business performance. Our global team combines our **robust research**, **world-class diagnostics** and **change expertise** to help organizations, leaders and change professionals create honest conversations that lead to thoughtful actions and improved business performance.

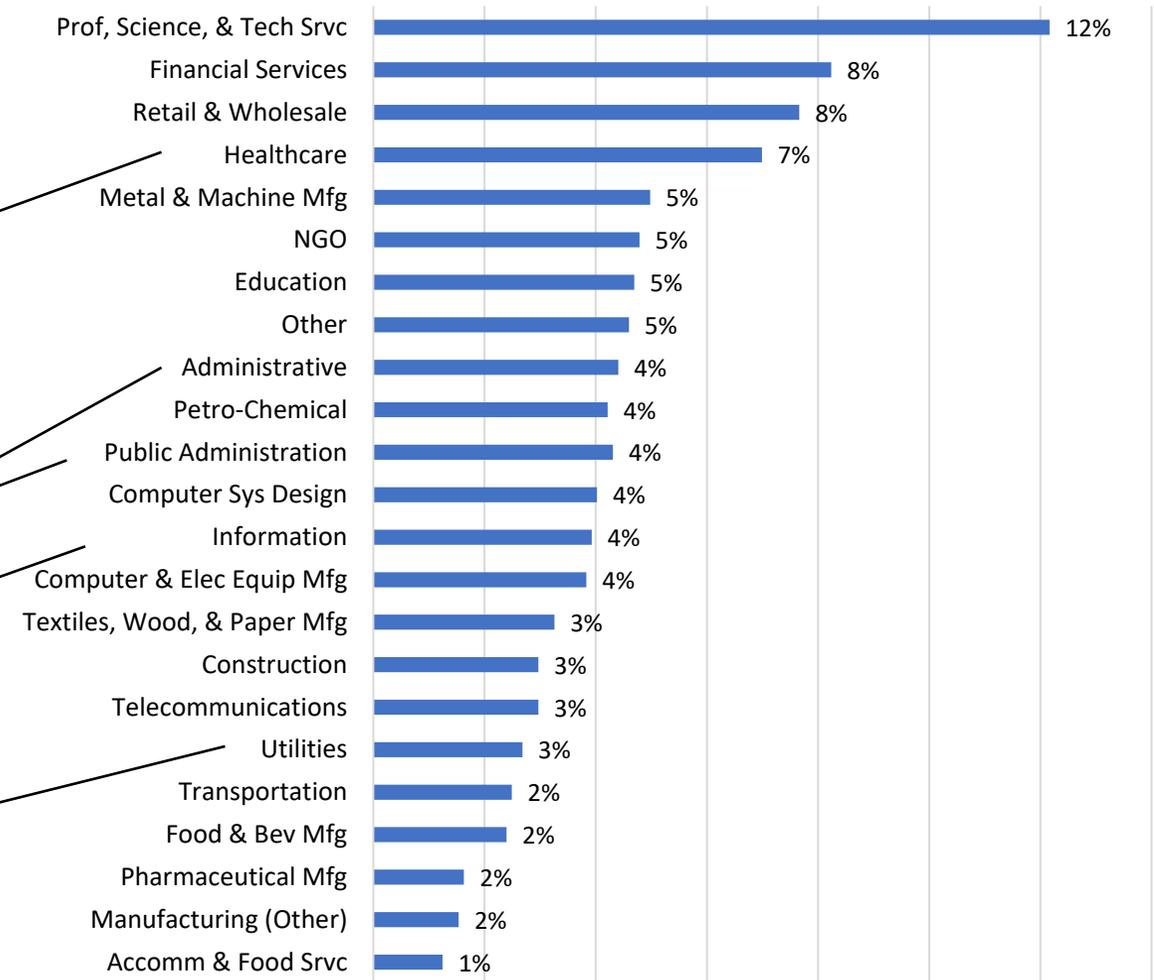
# Overall Trends for Industry



## 2020 to 2021 Industry Representation



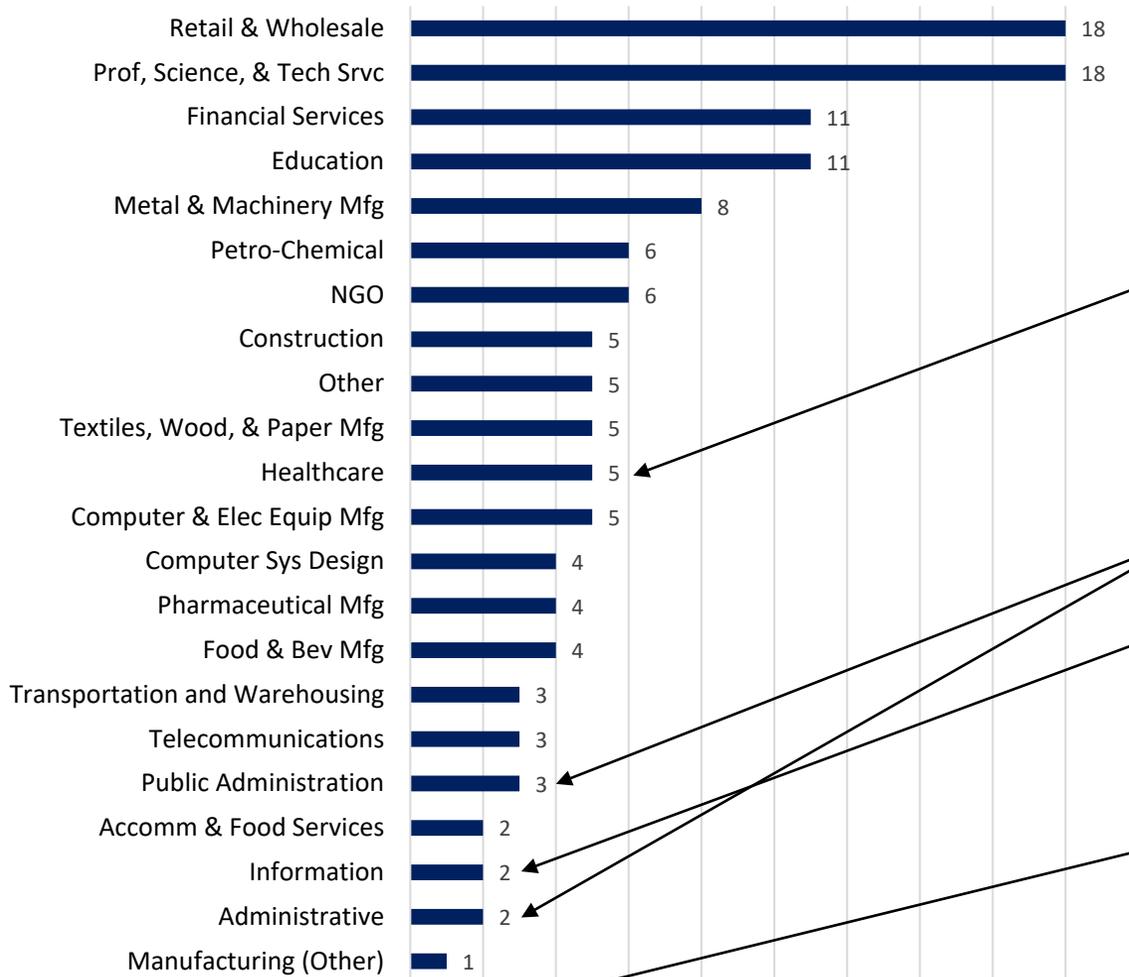
## 2019 Benchmark Industry Representation (12-year band)



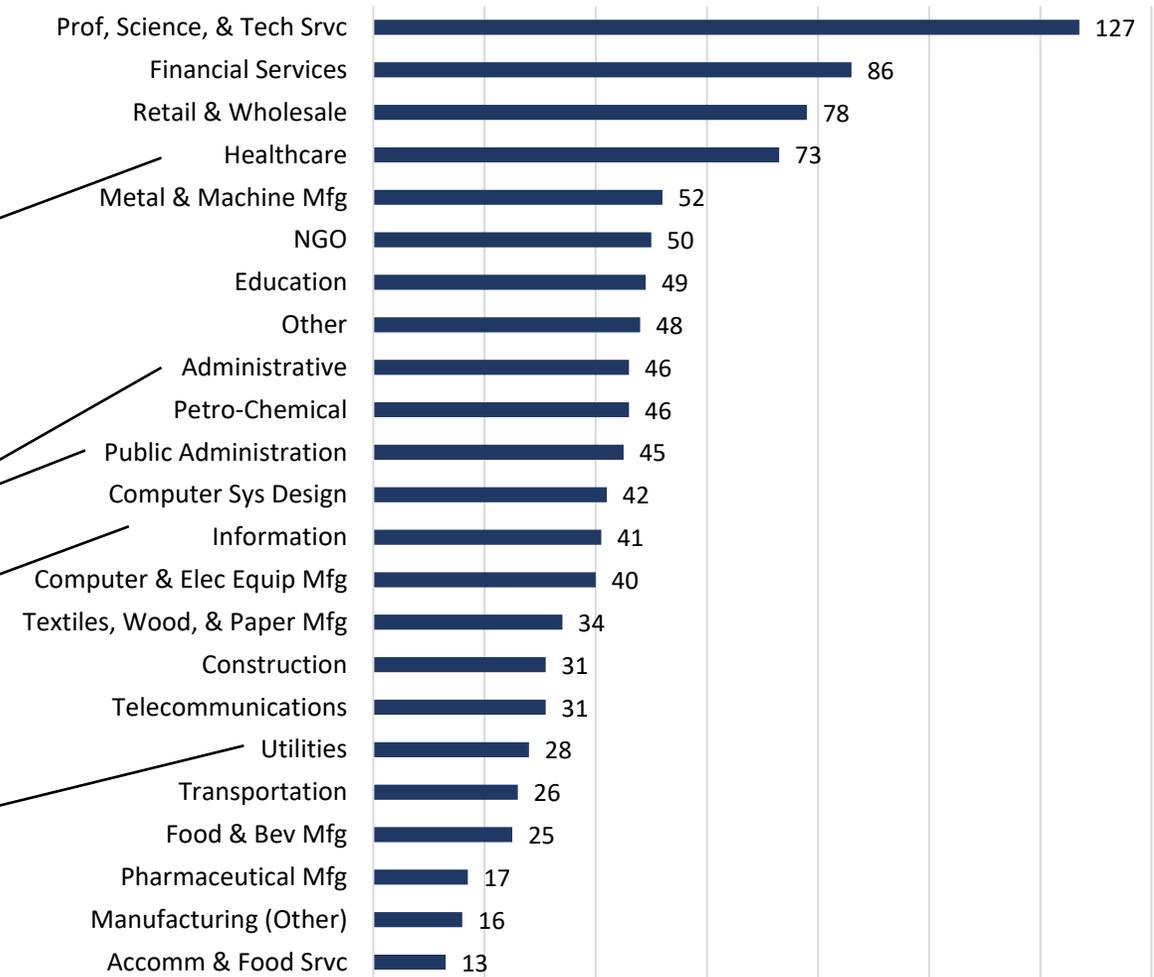
# Overall Trends for Industry



### 2020 to 2021 Industry Representation



### 2019 Benchmark Industry Representation (12-year band)





# Early 2020 Trends



**Why? And So What?**

# What does this mean?



- Communication and transparency are key during a crisis
  - The most improved item and a key determiner of a strong culture during COVID?
    - “We make certain that everyone is informed about what is going on across the organization.”
- **Adaptability** and **Involvement** are more important now than ever to enable flexibility
  - Organizations must be capturing learnings from the disruption to design new work models
  - Organizations must be targeting specific skillsets to develop as new work models are adopted
- As employees become aligned to new work models, it may be time to revisit the organization’s **Core Values**
  - This area lagged behind before and during COVID while organizations focused on survival and the BLM movement demanded greater accountability
  - This may be an area that needs to be refreshed, either by updating the values themselves or reclarifying what they mean to the organization
- Internalize learnings from **Innovation** and consider future voluntary turnover from decreasing **Commitment**

# What do we do with it?



- Affirm clients in the importance of nurturing culture, because organizations need their people to step up in times of crisis
  - Pay special attention to **Adaptability** and **Involvement** first, but don't overlook **Core Values**
- Be confident in the validity of the global benchmark – some aspects of culture are more salient than ever, but the ability to use to a global standard is still valuable for determining in-house trends and external comparisons

## **Step 1 – Data Cleaning**

First, we downloaded and cleaned all data collected between January 1, 2019 and March 1, 2021. We narrowed this dataset by removing all projects that were not the standard 48-item culture survey, and those that did not have a sufficient number of respondents for their organization type. The data were then aggregated to the organization level for analysis. The data cleaning led to 136 organizations who closed their survey in 2019, 91 in 2020, and 36 in 2021.

In addition to culture data, we reviewed data from our modules – Engagement, Commitment, Innovation, and Trust – using similar data cleaning processes. The total number of organizations from 2019 to 2021 ranged from 41 to 82.

## **Step 2 – Descriptive Analysis**

Next, we analyzed the means, SDs, and percentiles across overall culture scores, trait scores, index scores, and item scores. Using this information, the data were visualized through typical reporting styles (e.g., circumplexes, high/low item charts) and additional figures (e.g., line graphs) to display data trends over time.

# Sample Size Information

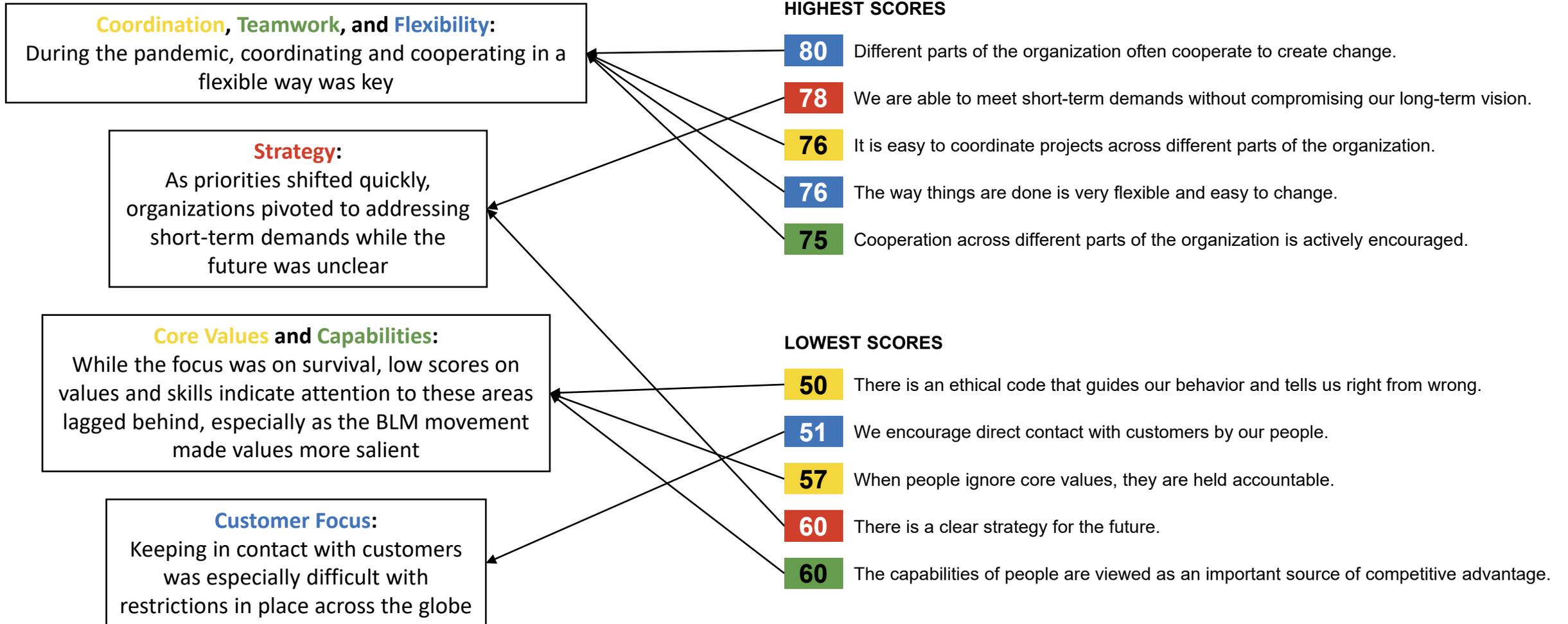


Year & Quarter		Number of Organizations	Average Size of Organization	Range
2019	Q1	29	574	6-5,826
	Q2	35	530	6-6,186
	Q3	19	289	10-1,546
	Q4	53	1,307	11-29,013
2020	Q1	27	241	10-2,173
	Q2	9	492	31-1,707
	Q3	26	1,691	14-21,1685
	Q4	29	1,112	18-20,051
2021	Q1	36	208	14-1,558



# Item Trends

# Overall Trends by Item



# Overall Trends by Item

## MOST IMPROVED

**Communication:**  
Communicating and keeping employees informed in the midst of uncertainty

**Empowerment:**  
Informing and involving employees so they can make decisions

**Creating Change:**  
Bouncing forward by building on the learnings from the disruption the pandemic caused

**+15** We make certain that everyone is informed about what is going on across the organization.

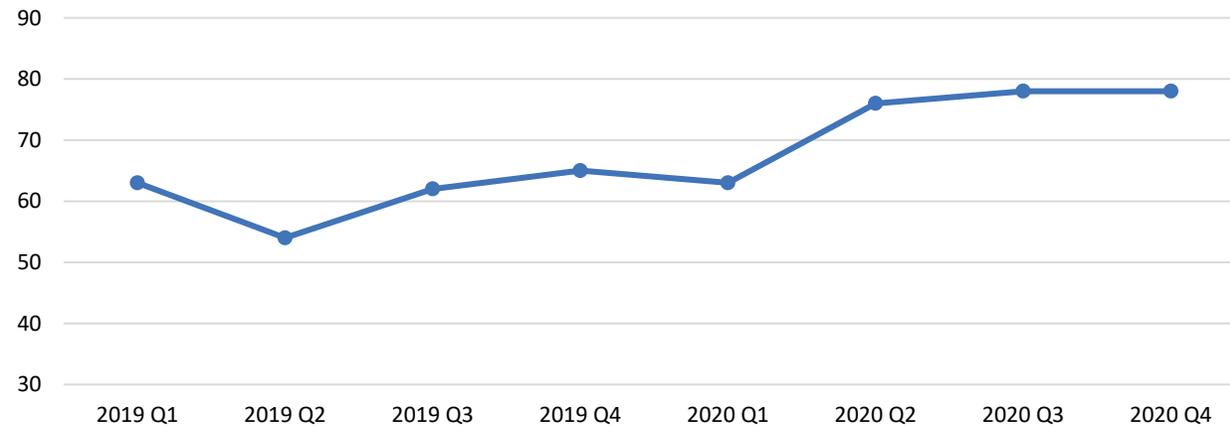
**+14** New and improved ways to do work are continually adopted.

**+13** Decisions are usually made at the level where the best information is available.

**+13** Information is widely shared so that everyone can get the information he or she needs when it's needed.

**+13** Business planning is ongoing and involves everyone in the process to some degree.

We make certain that everyone is informed about what is going on across the organization.



# Overall Trends by Item

**Responding to Change:**  
An agile response to disruption in the business environment leapt 25 percentile points at the onset of the pandemic

**Consistency:**  
The pandemic's impact meant doing business was no longer consistent

**Customer Focus:**  
How to meet customer needs and incorporate comments varied

**Ethics and Behavior:**  
In the wake of George Floyd's death and the social unrest that followed, standards of ethics were challenged

## MOST FLUCTUATION\*

**10.8** We respond well to competitors and other changes in the business environment.

**9.3** Our approach to doing business is very consistent and predictable.

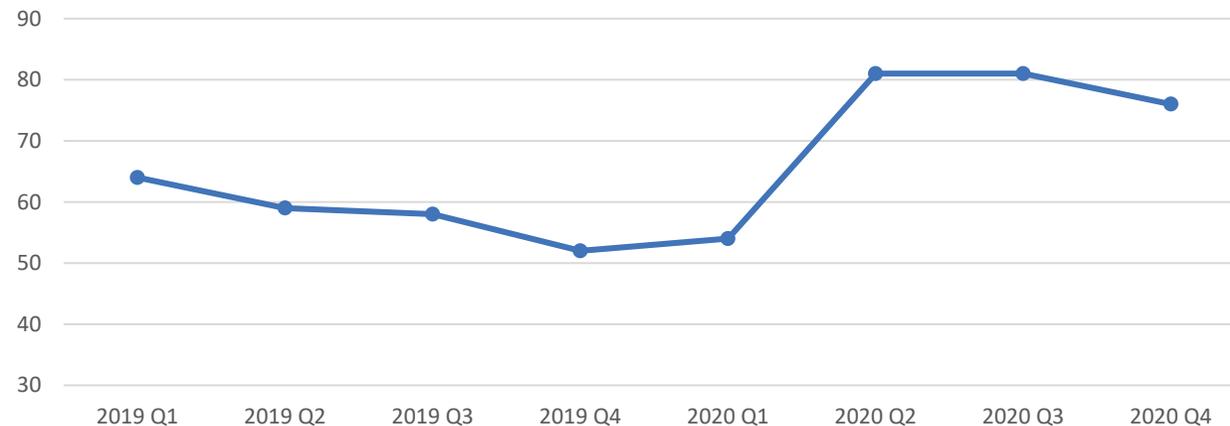
**9.0** Customer comments and recommendations often lead to changes.

**9.0** There is an ethical code that guides our behavior and tells us right from wrong.

**8.8** There is a clear agreement about the right way and the wrong way to do things.

\*Note: Numbers denote quarterly percentile SD from 2019Q1 to 2021Q1

We respond well to competitors and other changes in the business environment.

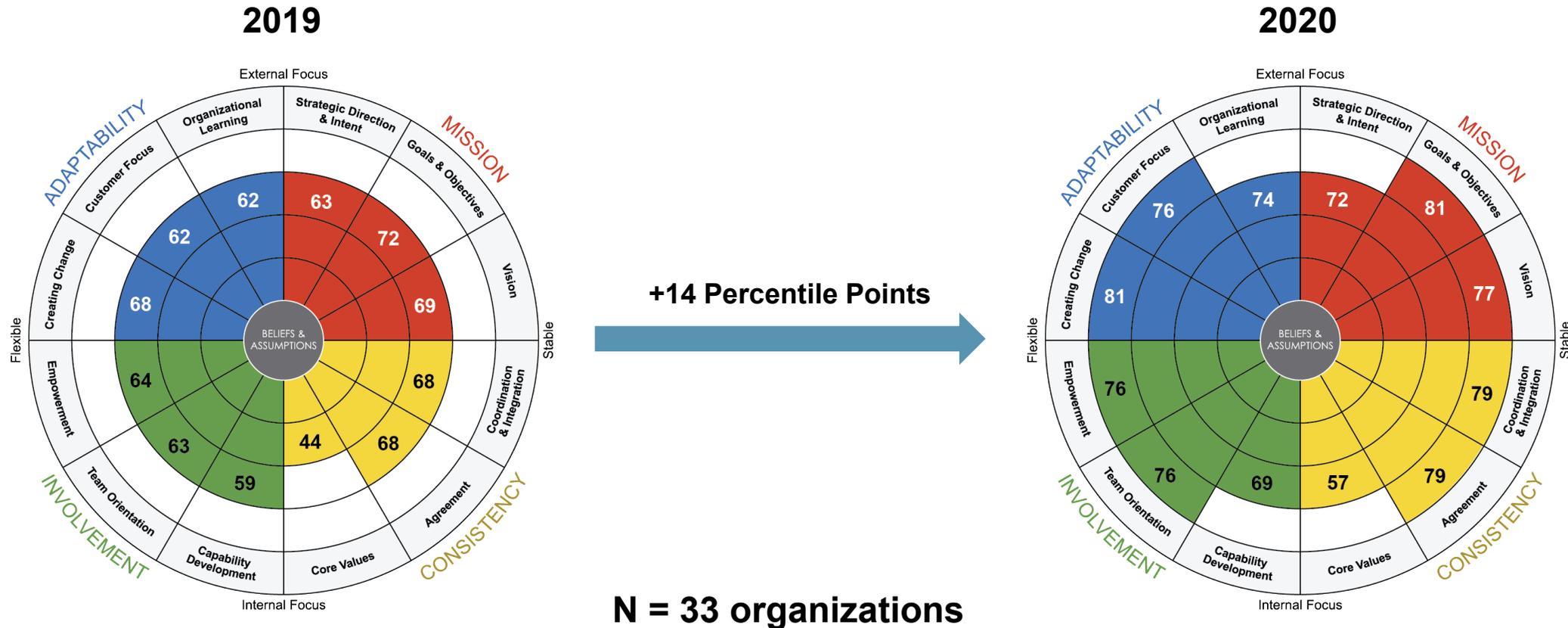




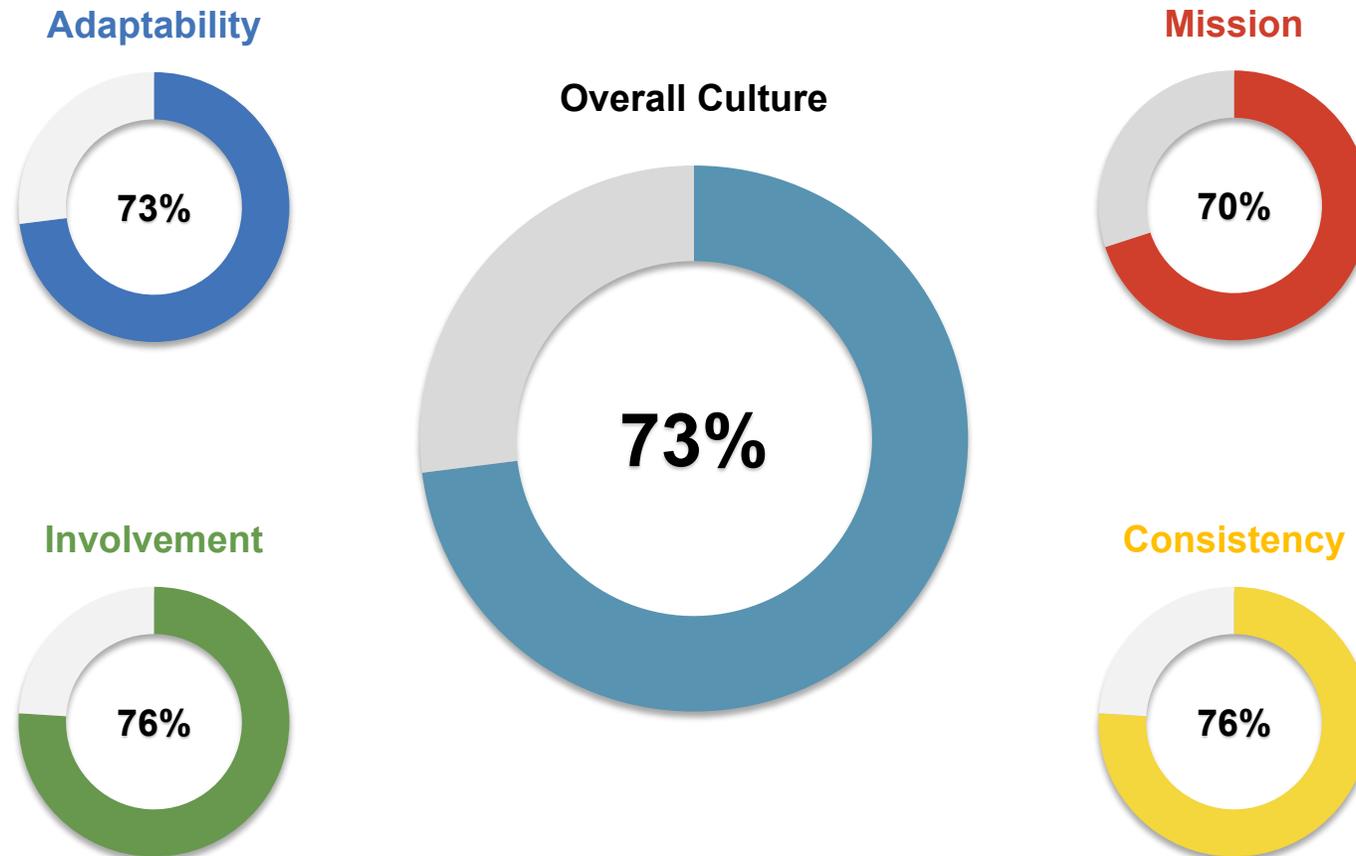
# Trends for Repeat Organizations

# Repeat Organizations

- 33 organizations completed the D48 in both 2019 and 2020
- Generally, these organizations have above-average culture
- Between 2019 and 2020, these organizations improved by an average of 14 percentile points



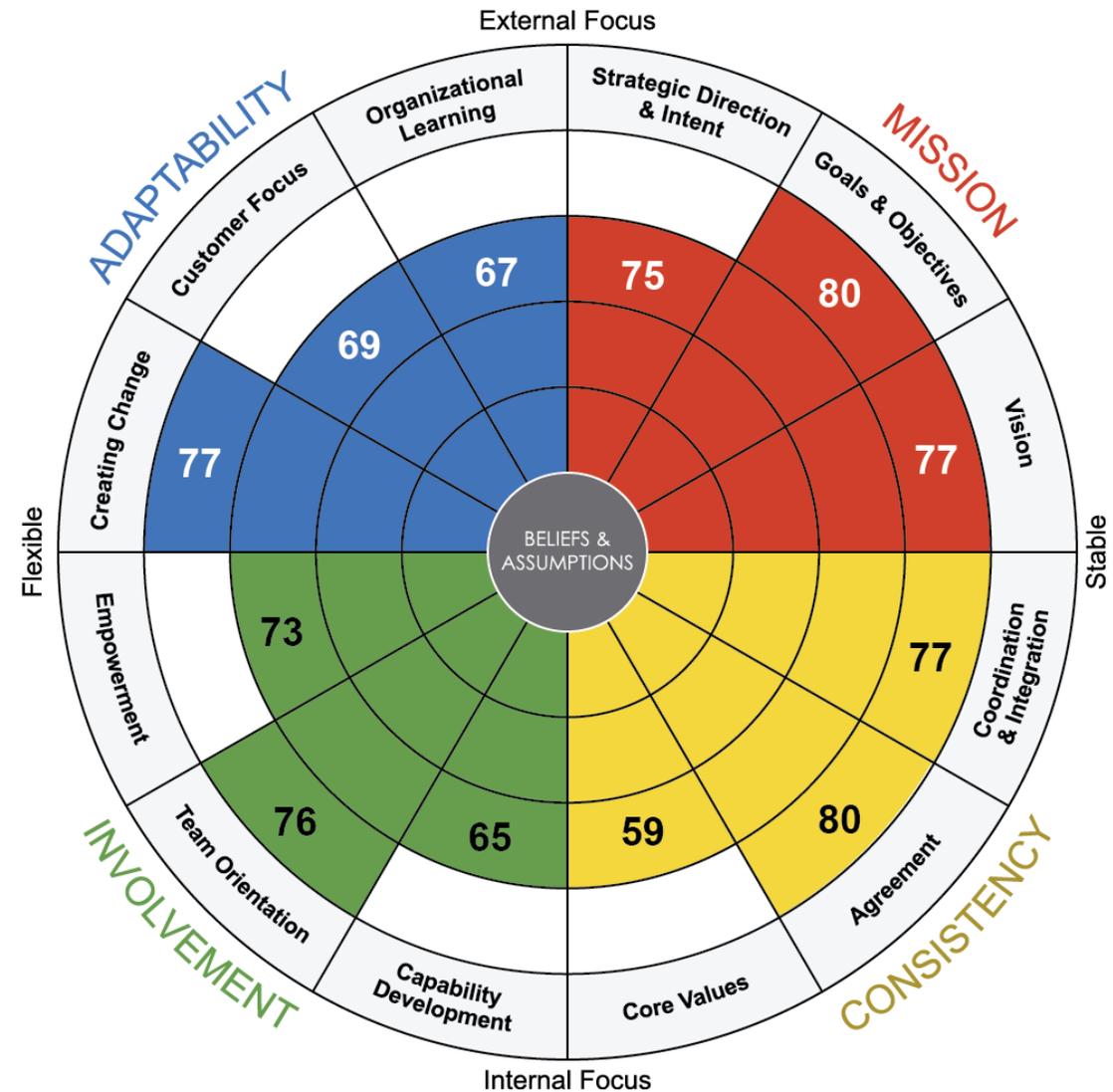
Of the 33 organizations that completed the D48 in both 2019 and 2020, 73% had stronger overall culture scores in 2020 than 2019





## Similar Research

- This is the profile of all of the companies that have taken our resilience survey
- It shows that one reason that the resilience scores are so high is that the organizations that chose to do our resilience survey are well above average
- If the resilience sample was average, the scores would all be 50<sup>th</sup> percentile
- So, the high scores here mean that leading organizations are taking action and remaining resilient



“At first glance, you might expect COVID-19 to be a disaster for corporate culture. The widespread shift to remote work — half of employees in the U.S. were working from home in April — decreased the face-to-face interactions that reinforce organizational culture. The economic downturn in many industries and a spike in layoffs threaten to unravel the social fabric that holds companies together.

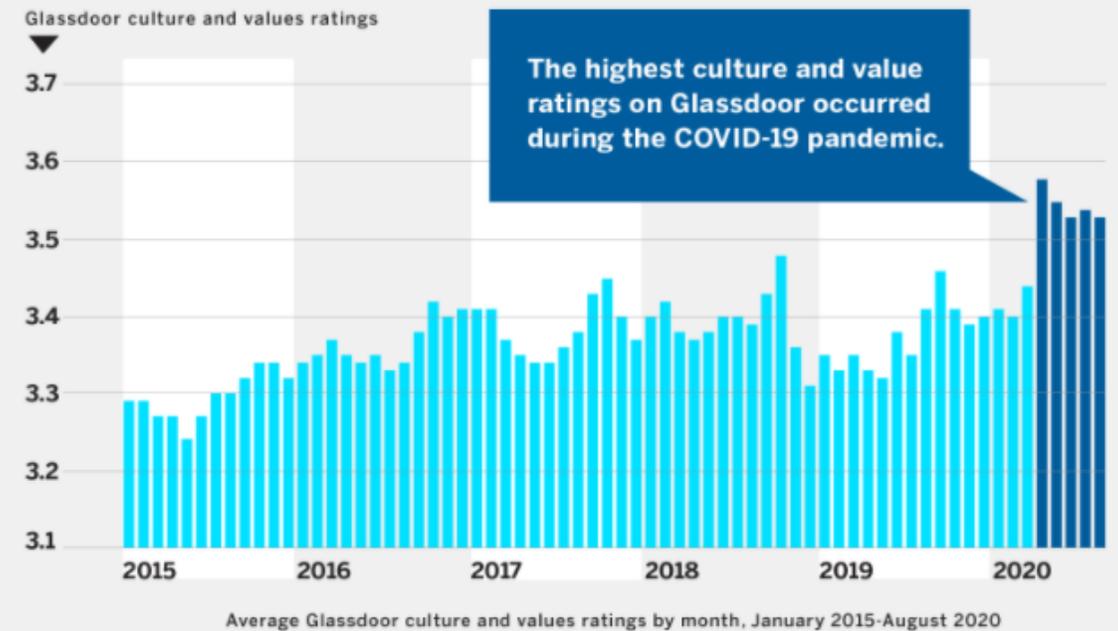
Our ongoing analysis of 1.4 million employee-written reviews on Glassdoor, however, tells a very different story.”

## Top Cited Reasons for Positive Scores:

- **Communication:** Top team communication, honesty and transparency of leaders, organizational transparency and communication
- **Integrity:** Ethical behavior, regulatory compliance, leaders' fairness and embodiment of corporate values

## Company Culture and Values Ratings Before and During COVID-19

The average culture and values rating across the Culture 500 companies spiked during the early months of the COVID-19 pandemic in the U.S. (April-August 2020), and those five months occupy the top five spots in terms of average culture and values ratings for the preceding five years.



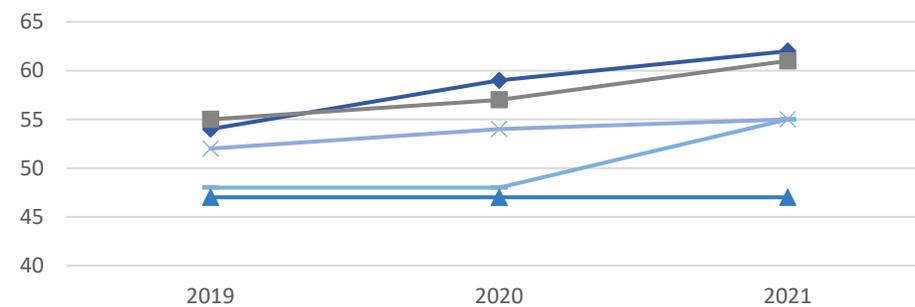
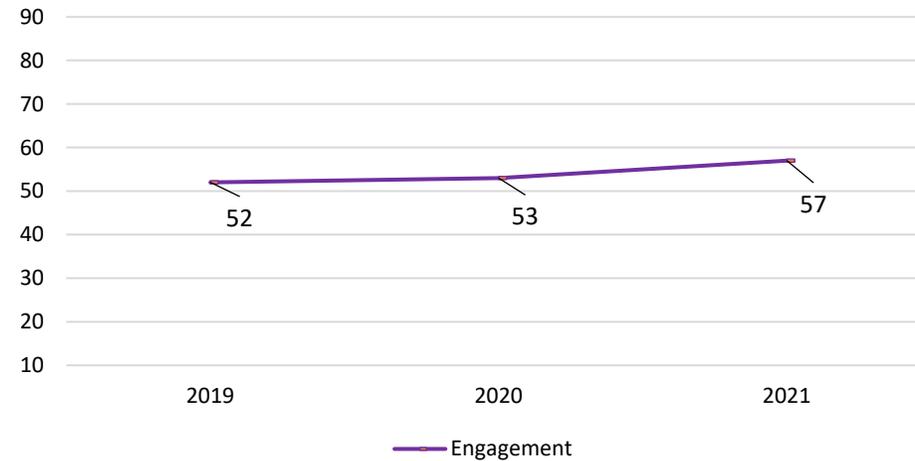


## Module Trends

# Overall Trends for Engagement



### Engagement

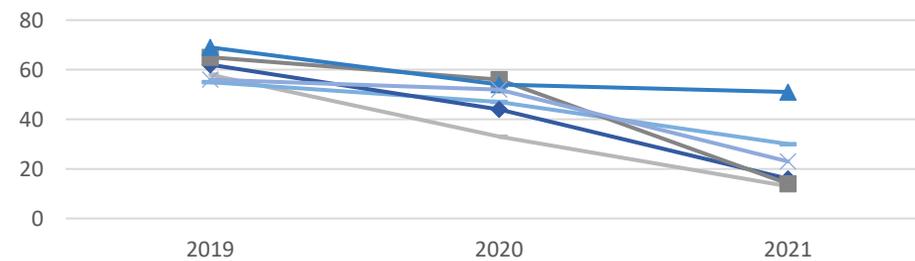
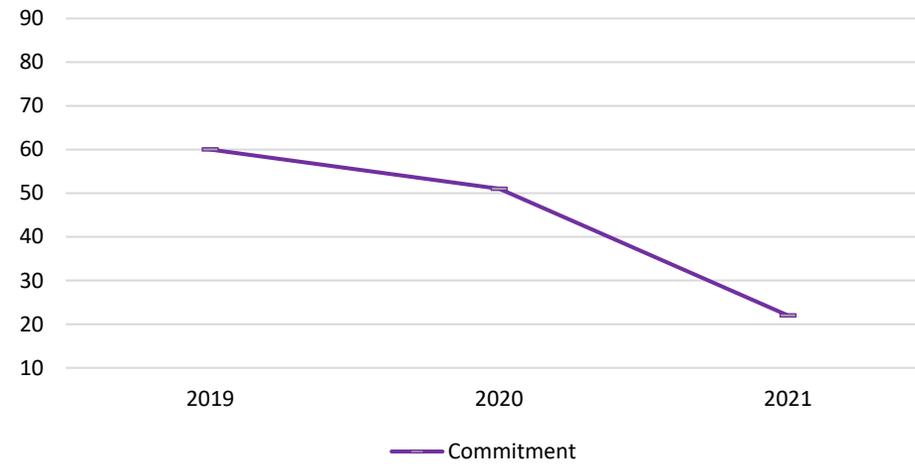


- My work drives me to go the extra mile.
- I am enthusiastic about working for this organization.
- I am proud to work for this organization.
- I am passionate about my work.
- My work energizes me.

# Overall Trends for Commitment



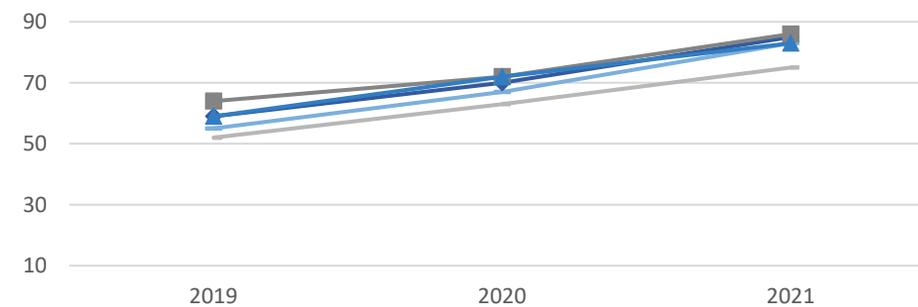
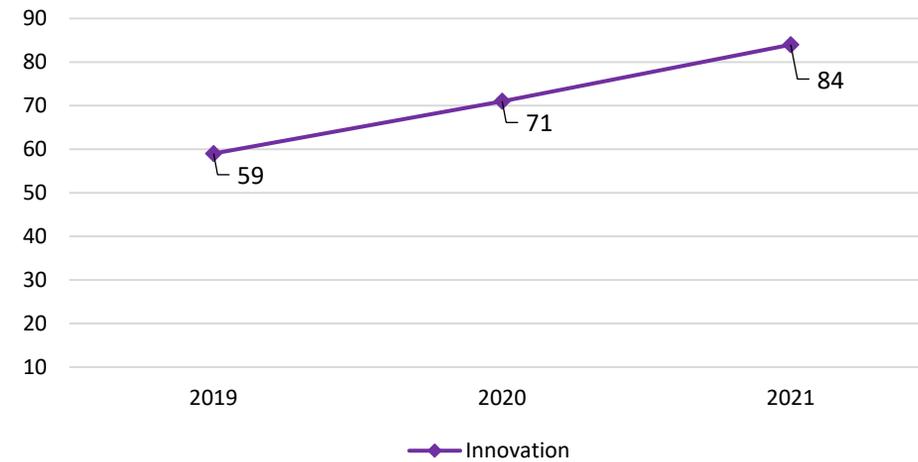
### Commitment



- I am highly committed to this organization.
- I would recommend working for this organization to others.
- I feel a strong personal connection to this organization.
- It would be difficult for me to leave this organization.
- I continue to work here more out of choice than necessity.
- I rarely think about looking for a job with another organization.

# Overall Trends for Innovation

## Innovation



— People are encouraged to be creative.

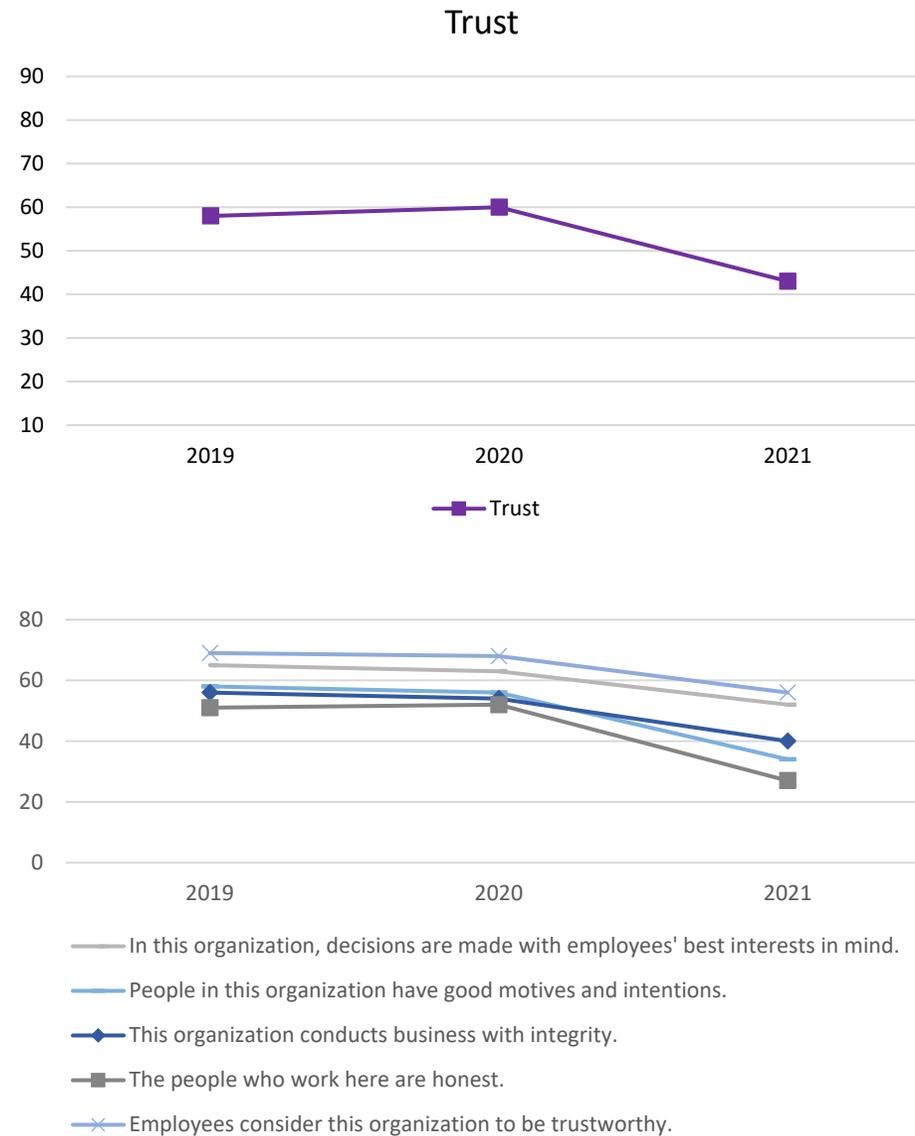
— We are able to implement new ideas.

— New ideas are continually evaluated and improved upon.

— Support for developing new ideas is readily available.

— Innovation is a large part of our business activities.

# Overall Trends for Trust



## RESILIENCE- Overall

ASSESSMENT & SUPPORT

During the COVID-19 crisis...



### COVID-19 Resilience Assessment

- I understand my organization's recommended policies and practices for working effectively
- I have the tools and technology that I need to work effectively
- The goals and priorities for my work are clear to me
- I am aware of the key priorities that my teammates and colleagues are working on
- I feel that our organization is taking care of me
- I believe that my voice is being heard by leadership in our organization
- I have the support that I need to manage my work-life balance
- I feel that we are keeping in close contact with our customers
- We are coordinating effectively across different parts of the organization
- I believe that our organization is adapting effectively

