Remote Work: Is It a Virtual Threat to Your Culture?

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Your organization's culture is one of the most valuable assets at risk during COVID-19. The common threads and social norms that previously brought your people together aren't the same now that a lot -- if not the majority -- of employees are working from home and there are <u>new</u> <u>uncertainties around every corner</u>.

Culture can be understood as "how we do things around here." Right now, the *how* is changing daily -- <u>and in some cases, forever</u>. This brings quantifiable risks to your business, with research showing an immediate impact on employees' sense of belonging and your overall employment brand. Culture can be understood as "how we do things around here." Right now, the *how* is changing daily -- and in some cases, forever.

For many employees, long-term remote work may be preferred. But while the commute time has decreased, so have the opportunities for critical relationship-building at work. Gallup has found that employees who do not work in the same location as their manager are:

- 10 percentage points less likely to say someone cares about them at work
- 10 points less likely to say they are recognized for their contributions
- five points less likely to feel like their opinions count

And for those individuals with an absolute preference for working in person, the disengaging effects of remote work can be as serious as 17% lower productivity and 24% higher turnover. Gallup data also show that even without being forced to work virtually, about 60% of employees (virtual or not) cannot fully agree that they know what their company stands for. Employees who work virtually are even more disconnected from core cultural components. Remote employees are seven percentage points less likely to see their connection to the mission of the company. When employees aren't aligned with what their company stands for, it puts their company's reputation on the line.

Consider the comments that might hit Glassdoor when an employee doesn't understand the direction their company is going and feels distanced by the change. Or the impact of a comment to an important customer that puts the credibility of the company in question.

With the pivot to virtual work, it's even more important for organizations to clarify what their culture is and intentionally manage this clarity through the employee experience.

How to Mitigate the Risks of Remote Work and Sustain a Culture

Gallup recommends two steps to build a strong virtual culture that mitigates the risks of virtual work:

- 1. Define the drivers that create your culture -- which you need to protect to ensure employees' sense of belonging and a strong employment brand -- today.
- 2. Measure the central elements of the employee experience that create your culture -- key moments and behaviors -- with a more frequent cadence to preemptively address cultural risks.

Define Your Culture Drivers

To protect the drivers that create your culture and mitigate the risks of virtual work, you need to put strategies in place that create a shared way of doing things. But before you can protect your culture, you must know what drives it. Organizations need to know more than how to describe their culture. They need to know the drivers of the culture -- the values, beliefs, traditions, structures, unwritten rules, behaviors and the repeated moments that make up the employee experience and create the culture. These culture drivers either help or hinder employees' ability to perform.

Before you can protect your culture, you must know what drives it. Organizations need to examine each point of the employee experience through scientific methodology to not only define their shared culture but also define and understand the drivers that create the culture. Only then, managing the culture drivers, can organizations be intentional and proactive about transforming a high-performing culture. For example, Gallup found one client's culture valued the deep relationships people built through work. Some of the drivers of this relationship-based culture were project-based teams that spent time together in person. In those in-person settings, information, expertise and best practices were organically shared as they came up in the course of the work. If an initiative needed to get approved, people didn't go through a structured process that this culture felt squashed innovation and the chance for new ideas. Instead, ideas for new initiatives were vetted through a series of trusted relationships before being brought to final decision-making. Virtually, this relationship culture was at risk.

Measure Your Culture Drivers

With virtual work increasing the risk of cultural breakdown, it increases the need for providing frequent feedback to employees about what matters most to the organization.

Using the world's largest database of teams and cultures, with data from over 70 million employees, Gallup has identified globally benchmarked items that an organization can survey to <u>measure</u> <u>common culture drivers</u> that are predictive of positive business outcomes like collaboration, innovation, purpose and customer orientation.

In the case of the organization whose culture is driven by getting work done through collaborative relationships, they mitigated the risk of a virtual workplace by instituting a quarterly survey that measures the following:

- There is cooperation between my department and other departments with whom I work.
- My team takes time to reflect on and discuss how we can make things better.
- My organization has systems in place to encourage collaboration.
- At work, I have a lot of strong personal partnerships.

The combination of these survey items led to the creation of an index that the organization can use to benchmark themselves against the world. Gallup found that for those with top-quartile scores for this index, 75% of employees were engaged, compared with only 4% of employees in the bottom quartile. And Gallup research has shown time and again that <u>highly engaged work units outperform</u> the rest. A baseline measure of your organization's culture drivers provides a starting point to measurable preservation efforts and ongoing improvement as virtual work puts a strain on shared cultures -- those previously reliant on people sharing the same physical space.

Make Your Virtual Work Strategy a Source of Long-Term Cultural Strength

Virtual work and cultures are present, and some may be here to stay. And a virtual culture has its benefits. Gallup has found that those who work virtually have more autonomy over their work and are 15 percentage points more likely to feel like they can do what they do best every day. Organizations like IBM, Yahoo, Aetna and others have experimented in the past with virtual cultures and later abandoned them, concluding that the benefits to in-person collaboration were too valuable to forgo and the risks to virtual working too great to take on.

With limited options today, many organizations are faced with the complex challenge of optimizing the benefits and mitigating the risks for remote teams. Gallup can help manage both. We partner with organizations to define and measure the drivers of high performance. When you preserve what is validated to make your culture high-performing and intervene with data-driven solutions for your employee experience, you create a strong culture that can survive in any work environment.