



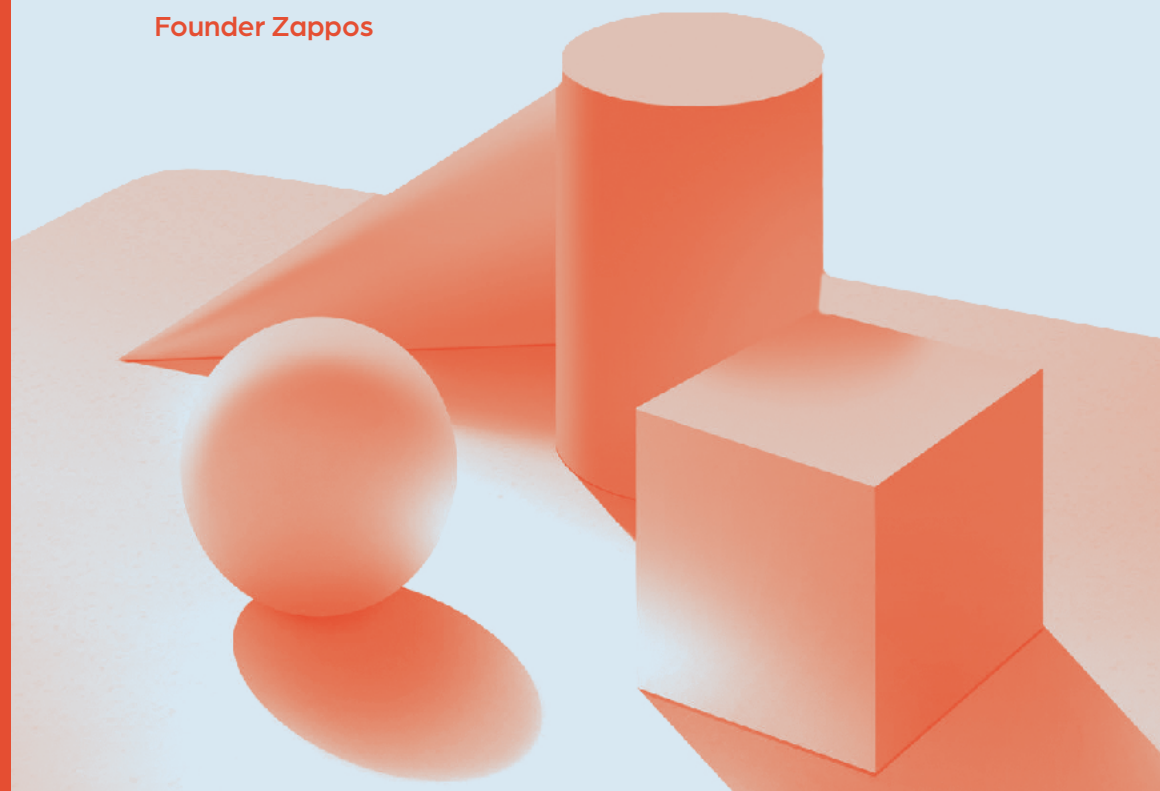
Post COVID-19 Corporate Culture



**WE DECIDED
THAT IF WE GET
THE [CORPORATE]
CULTURE RIGHT,
MOST OF THE
STUFF, LIKE
BUILDING A BRAND
AROUND DELIVERING
THE VERY BEST
CUSTOMER SERVICE,
WILL JUST TAKE
CARE OF ITSELF.**

TONY HSIEH
Founder Zappos

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About Tejarah Talks

Tejarah Talks is organized by Oman Business Forum in association with the Ministry of Commerce, Industry & Investment Promotion. With a firm focus on Oman's current and future business, export and investment environment, Tejarah Talks is a series of informal, interactive evening discussions that brings together some of Oman's most inspirational and innovative thinkers and doers to share their stories, insights and ideas with an enthusiastic crowd. It is a platform for positive interaction.



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Tejarah Talks 'Post COVID-19 Corporate Culture' 30 March 2022 was moderated by His Highness Sayyid Dr. Adham Al Said, Founder, The Firm. The panelists were Sir Charles Shaw, CEO, Bondoni; Shatha Al Maskiry, MD, Protiviti Oman; Dr. Ghalib Al Hosni, Chief People Officer, Omantel; and Saif Al Manji, Managing Consultant, Quintal Ventures

Post COVID-19 Corporate Culture Panelists



Sir Charles Shaw
CEO, Bondoni



Shatha Al Maskiry
MD, Protiviti Oman



Dr. Ghalib Al Hosni
Chief People Officer,
Omantel



Saif Al Manji
Managing Consultant,
Quintal Ventures

A Mash-up

Corporate culture is a mixture of the company and its employees' characteristics and personalities that create the general tone of the organization. It is a mixture of leadership, values, behaviour, interactions and benefits. Quite simply, it is a living ecosystem.



Instilling a healthy culture requires ongoing leadership, courage and commitment from the top. It is up to management to take ownership for setting the cultural expectations of the company, articulating and embedding those expectations in policies, procedures and training used in the organization's day-to-day operations and regularly reviewing and auditing the effectiveness of those arrangements.

Resigning from Goldman Sachs in 2012, Vice President Greg Smith wrote in a controversial New York Times op-ed.¹

“Culture was always a vital part of Goldman Sachs’s success. It revolved around teamwork, integrity, a spirit of humility and always doing right by our clients. The culture was the secret sauce that made this place great and allowed us to earn our clients’ trust for 143 years. I am sad to say that I look around today and see virtually no trace of the culture that made me love working for this firm for many years.”

Smith blames the demise of Goldman Sachs’s culture on its transformation from a partnership to a publicly traded company. While disputed by the company, Smith’s remarks raise several important questions.

.....
How can we measure corporate culture?
.....

Does corporate culture – however defined and measured – affect a company’s success? If so, why?
.....

And how can different governance structures enable or curtail the formation and preservation of a value-enhancing corporate culture?
.....



Corporate Culture Comes in Many Stripes

Culture affects every aspect of a company, from the public's perception of the brand, employee job satisfaction to the triple bottom line. Because there is so much at stake, it is important that corporate culture be adaptable and open to improvement – which starts with being able to articulate just what kind of culture the company has. While no two cultures are exactly alike, there are defining characteristics that tend to place organizational cultures into one of four categories.



Conventional

Often, the language used by conventional corporate culture focuses on meeting quotas and reaching targets. It attracts people who are competitive and want to win. In conventional corporate culture, management expects employees to work hard, perform in a high-pressure environment and reach company goals.

Team First

A company with a team-first corporate culture makes employee engagement a top priority. Frequent team outings, opportunities to provide meaningful feedback and flexibility to accommodate employees' family lives are common traits of a team-first culture.

Team-oriented companies hire for culture fit first, skills and experience second. Why? Because they know happy employees make for happier customers. It is the ideal culture for any customer service-focused company to embody, because employees are more likely to be satisfied with their work and eager to show their gratitude by going the extra mile for customers.

Elite

Innovative and pushing the envelope, companies with an elite culture hire confident, capable, competitive candidates. The result? Fast growth and big impact in the market. Many companies with elite cultures are out to change the world. Their customers are often other businesses that need their products to remain relevant in a new and fast-moving business environment.

Horizontal

Horizontal corporate culture is common among start-ups because it makes for a collaborative, everyone-pitch-in work setting where job titles are unimportant. These typically younger companies have a product or service they are striving to provide, yet are agile and able to respond quickly to changes in the market and customer feedback. They do whatever it takes to keep the customer satisfied – their survival and long-term success depends on it.

Real Purpose

In periods of uncertainty such as the COVID-19 pandemic, strong corporate culture is even more important as organizations need to leverage every competitive advantage they have. A Glassdoor Mission & Culture Survey found that over 77% of adults across four countries – the US, UK, France and Germany – would consider a company's corporate culture before applying for a job there and 79% would consider a company's mission and purpose before applying.² Over half of the 5,000 respondents said that corporate culture is more important than salary when it comes to job satisfaction.³

77% of adults would consider a company's corporate culture before applying for a job there

79% of adults would consider a company's mission and purpose before applying

USA

UK

Germany

France

Omani businesses in multiple sectors are evaluating and updating their core values and purpose to make sure they remain relevant in a post-COVID new world order. Indeed, to keep employees engaged and attract values-driven consumers, company actions must be led by brand purpose. A company's brand purpose needs to be well-defined, understood and infused across the organization via all touch points – in everything it makes, says and does.

Purpose is the galvanizing force – something bigger than a company's commercial offering – that people can believe in to drive innovation to all parts of the organization. Today, people have higher expectations of the organizations they work for, purchase from or invest in. Employees, consumers, shareholders, suppliers, governments and communities demand responsible organizations that are grounded in purpose and committed to delivering long-term value.

In this world of heightened corporate social responsibility and the renewed shift toward stakeholder capitalism, the promises companies make must be kept – and the only way to keep brand promises is with a purpose-driven corporate culture. However, Gallup data revealed that less than a third of employees strongly agree their company "always delivers on the brand promise."⁴ These employees not only lack fulfillment and engagement their unmet expectations inevitably lead to inconsistent customer experiences that leave brand promises unmet and customers disengaged.

In the final analysis, the most important common element to all healthy corporate cultures is purpose – the reason why an organization exists and what it is trying to achieve and the gravitational force that aligns the interests of employees, customers and shareholders.



5K

5,000 respondents said that corporate culture is more important than salary when it comes to job satisfaction

Fast Paced High-Stress

A company's main priority is to give its customers a great experience and deliver exceptional products or services. To achieve this, a firm needs to develop a solid cultural foundation that guides its employees in interacting with customers and producing innovative outcomes.

Failure to develop a positive corporate culture often creates a toxic work environment with low productivity, high turnover and revenue loss. Seventy two percent of organizations in PWC's 2021 Global Culture Survey of 3,200 leaders and employees worldwide report that fostering a healthy corporate culture drives successful initiatives, allowing employees to perform more effectively.⁵

People today are under intense pressure to be "ideal workers", totally committed to their jobs and always on call. Often this comes with less-than fair pay and the requirement to work long hours and over weekends. This is an ill-advised approach that often backfires. According to recent research, a fast-paced, high-stress environment actually damages productivity over time. People who consistently push themselves too hard are subject to anxiety, stress and ultimately burnout. Employers also need to understand the hidden costs associated with continuously expecting people to over-perform.



According to the Global Workplace 2021 Report 43% of respondents in over 100 countries claimed to have experienced work stress, up from 38% in 2019.⁶

A recent WHO-led study estimates that depression and anxiety disorders cost the global economy US\$1 trillion each year in lost productivity.⁷

An ILO report revealed that stress, excessively-long working hours and disease contribute to the deaths of nearly 2.8 million workers every year, while an additional 374 million people get injured or fall ill because of their jobs.⁸

Employee disengagement is another price of operating a fast-paced, high-stress environment. Organizations with poor employee engagement experience lower productivity, profitability and lower share prices over time.

Lack of loyalty leads to high employee turnover rates. The cost of high employee turnover will also be experienced in higher recruiting and training expenses.



374mn

374 million people get injured or fall ill because of their jobs



Unhappy, Unfulfilled People

According to an MIT study between April and September 2021, more than 24 million American employees left their jobs, an all-time record. The cost of that turnover is an estimated US\$223 billion.⁹ Billions of wasted dollars. Millions of miserable people. Omani organizations that want to succeed in the post-COVID-19 era must make sure employees feel valued, respected, connected, supported and productive to prevent them from turning to competitors with better culture.

McKinsey research on the Great Resignation found 54% of employees who quit felt their employers did not value them.¹⁰ This shows how recognizing the work done by employees can go a long way in boosting staff morale, motivation and the economy as a whole.

If the past few years has taught us anything, it is that employees crave investment in the human aspects of work. Employees want a renewed and revised sense of purpose in their work.¹¹ They want social and interpersonal connections with colleagues and managers. They want to feel a sense of shared identity. Yes, they want pay and benefits but they also want to feel valued by their organizations.

24mn

American employees left their jobs during COVID-19 pandemic

US\$223bn

The cost of that turnover

Employees crave investment in the human aspects of work.



Sense of Belonging

Ninety three percent of respondents in Deloitte's 2020 Global Human Capital Trends research agreed that belonging drives organizational performance.¹² Clearly, employees should feel comfortable at work, including being treated fairly and respected by colleagues. They should feel connected to the people they work with and the teams they are part of – and they should feel they contribute to meaningful work outcomes – understanding how their unique strengths are helping their organizations achieve.¹³



A study by BetterUp found that workplace belonging can lead to an estimated 56% increase in job performance, a 50% reduction in turnover risk and a 75% decrease in employee sick days. The study also found that a single incidence of "micro-exclusion" can lead to an immediate 25% decline in an individual's performance on a team project.

Workplace

25%

"Micro-exclusion" can lead to 25% decline in an individual's performance on a team project



56%

increase in job performance



50%

reduction in turnover risk



75%

decrease in employee sick days



Are Hybrid Workplaces Here to Stay?



The pandemic has permanently changed the way we live and work. Indeed, some argue the future of work has been completely re-invented. Today, many Omani employees want to continue to work from home, at least some of the time. A recent Gartner report reveals that 75% of hybrid or remote knowledge workers say their expectations for working flexibly have increased, and four out of 10 employees are at risk of leaving if obliged to return to a full-time, in-person office environment.¹⁴ Forward-looking Omani organizations appreciate what is at stake. They are heeding this warning and rethinking their workplaces, work models and workflows from the ground up.

Gen Z The Times They Are A-Changin'

There are more than 2 billion people in the Gen Z age range globally.¹⁵ These individuals, born between 1997 and 2010, represent about 32% of the total global population – and it is predicted that by 2025, Gen Z will make up about 27% of the global workforce and the business world needs to prepare for what is ahead. In fact, in a Great Place to Work survey Gen Z returned lower marks for their employers than any other generation and were more likely to intend to leave.¹⁶

32%

Gen Z make up 32% of the global population

73%

73% of Gen Zs said they look forward to going to their workplace, a full 10 points less than other generations

32%

32% more likely to leave than Millennials

27%

Gen Z will make up about 27% of the global workforce and the business world needs to prepare for what is ahead

76%

76% said they feel their company provides a psychologically and emotionally healthy place to work, compared to 83% for other generations¹⁷

69%

Only 69% of Gen Z feel they are paid fairly, 7 points below other generations

Gen Z are more discerning than other generations when it comes to finding a sense of purpose in their work, with an 8-point drop from other generations for the statement, *"My work has special meaning."*



Compared to its immediate predecessors, Gen Z is unique in several respects. When it comes to their relationship with technology, they are a fully digitally native generation. They came of age in a world where content and information became increasingly free and where one-click online ordering is the norm and they are arriving on the work scene with different ideas to their predecessors.

The core values of this generation are reflected in their prioritization of social activism and the importance they place on working for organizations whose values align with their own. The challenge for Omani organizations will be to carefully articulate a set of ethics and values, then adhere to them. They will also need to demonstrate commitment to a broader set of societal challenges, such as sustainability, climate change and diversity.

Diversity, Equity & Inclusion

The importance of diversity, equity and inclusion in corporate Oman is gaining widespread public attention. Being inclusive of all will help attract the next generation of high-performing Omani and international Gen Z talent. Creating brand experiences for people of all backgrounds and abilities will attract more people to local firms, products and services. Better yet, it is important to include people who represent the full spectrum of the company's consumer base in the co-creation or user-generated design and marketing process.

Having diversity in the workplace offers fresh perspectives and opinions for different situations. Cultivating an inclusive workforce makes employees feel safe and comfortable to be themselves, which boosts employee engagement, satisfaction and productivity.



A seminal McKinsey report involving 366 public companies across Canada, Latin America, the UK and US found that ethnic, racial and gender diverse companies were more likely to have financial returns above their industry mean.¹⁸

McKinsey&Company



The report also discovered companies who have less diversity in the workforce performed low and are statistically less likely to achieve above-average financial returns.

Purpose for Good

Stakeholders will only believe in a company when its employees are true believers and who behave on brand at every turn. To rise to this challenge, many Omani companies are building a purpose-driven corporate culture – and specifically, one that is energized by a compelling purpose for good.


Although measurements for socially responsible organizations have been around for a while, ESG criteria are increasingly at the forefront of investor, board, management and consumer conversations. ESG will soon be the basic social yardstick by which every Omani organization's corporate culture will be measured.


The world of work has experienced a huge shift in the past few years and it would be a lost opportunity to sleepwalk back to the old ways without proper thought about the future. That starts with thinking about what corporate culture really is, what it is for and what it looks like.



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	3 Ibid
11	4 Gallup, Bring Customers Into Clear Focus
12	5 PWC, Organizational Culture: It's Time to Take Action
13	6 NTT, Global Workplace Report 2021
	7 WHO, Mental Health & Substance Use
	8 ILO, Safety & Health at the Heart of the Future of Work
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	10 McKinsey & Company, Great Attrition or Great Attraction? The Choice is Yours
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19	14 Gartner, Future of Work Reinvented
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	16 Great Place to Work® Institute, What We Know About Gen Z in the Workplace
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