

The Culture Conundrum: Creating Success in a New Era

Regional Survey of Virginia Business Leaders

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CONDUCTED BY:



Introduction

It is unquestionable that COVID-19 has impacted the way our community functions – from the delivery of services and products to the engagement of our employees and our brand experience. How each organization responds to this evolving crisis will require both short-term and longer-term steps to ensure stability and sustainability, to rebuild clarity of purpose and to deliver value to the people and communities we serve.

This research study developed collaboratively by Floricane, Elevation Advertising, the Community Foundation for a greater Richmond, Brand Planning and The Hodges Partnership, in partnership with Virginia Business, is designed to help our business community develop a better understanding of the ways we can best adjust to the extended impacts of COVID-19. The survey is targeted to senior leaders of both for-profit and nonprofit organizations across multiple sectors throughout the commonwealth of Virginia.

Our teams are passionate about and committed to Virginia as a great place to live, learn, work and thrive. We welcome the opportunity to learn with you during this time of adjustment and reinvention.

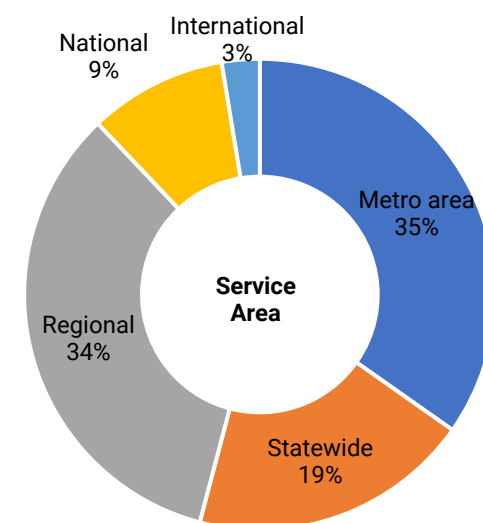
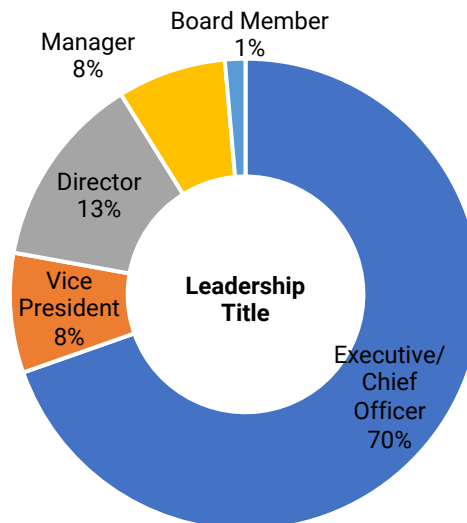
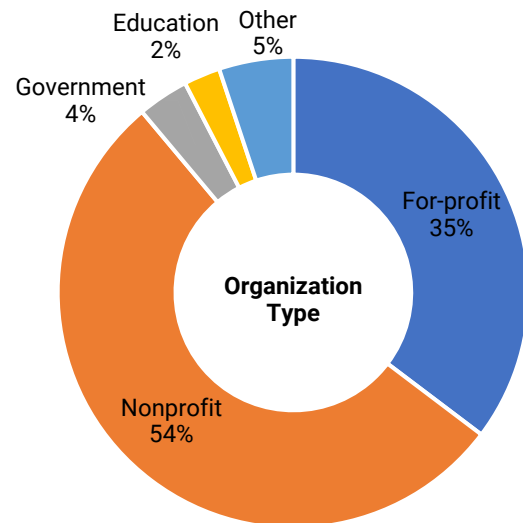
RESEARCH PARTNERS:



Snapshot Survey

To better understand how Virginia businesses are adapting to a COVID-19 world, an online survey was administered May 19-31, 2020, among 365 business leaders in Central Virginia plus representatives from Greater Hampton Roads and Northern Virginia.

The participants in this survey were obtained via Virginia Business subscribers, Community Foundation for a greater Richmond contacts, Virginia CEO Council members, Virginia Bankers Association members and other business networks. The majority of participants represent the chief officers of their organizations, with operations ranging in size from more than 250 employees to less than 10, serving customers globally to individual metro areas. The sample is roughly evenly divided between nonprofit and for-profit organizations, representing a wide variety of industry sectors.



Executive Summary

- 1** Despite plans to reopen the commonwealth, many business leaders still view the COVID-19 crisis as a major threat to their businesses, as they remain uncertain about what the future holds.
- 2** The negative impact on revenue is nearly universal across businesses of all types, sectors and sizes, as the majority of Virginia business leaders report losses due to COVID-19.
- 3** The loss of human connectiveness is as big an issue for business leaders as their loss of revenue.
- 4** Virginia business leaders are actively charging ahead – adapting, reinventing and expanding their businesses to embrace a new era.
- 5** Currently and going forward, Virginia business leaders recognize the immediate need to hone their focus on building employee engagement, morale and internal and external communications.
- 6** Virginia business leaders are determined to lead their organizations through the COVID-19 crisis and are optimistic about their organizations' ability to survive COVID-19.
- 7** Business leaders recognize the need to band together and give back to the community they call home.
- 8** There are several indicators that the business world has changed forever, with one of the most desired tools for managing the COVID-19 crisis being technology.

The Negative Impacts Of COVID-19 Span The Entire Organization

TAKEAWAY

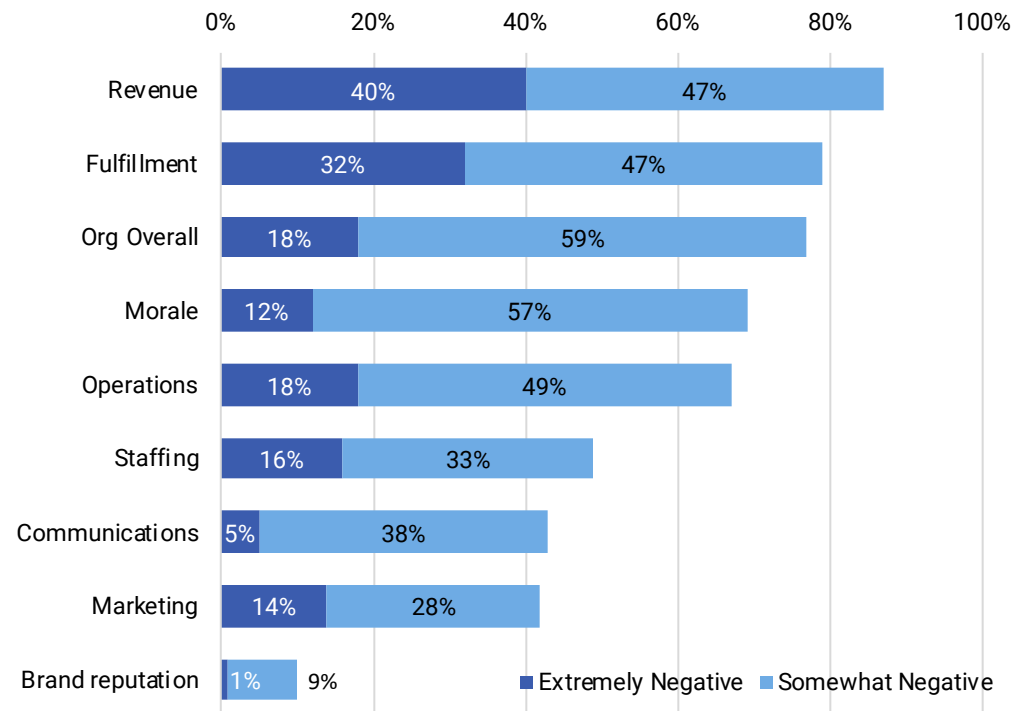
The negative impact on revenue is nearly universal across businesses of all types, sectors and sizes, as the majority of Virginia business leaders report, as nearly 9 in 10 business decision makers have experienced a loss in revenue due to COVID-19. The revenue of both for-profit and nonprofit organizations has been equally affected by COVID-19 (“extremely” negative for 39% and 34%, respectively).

COVID-19 has had a similar impact on product or service fulfillment, as affirmed by nearly 80% of Virginia business leaders. Other major areas in which COVID-19 has had negative impacts include employee morale and operations and fulfillment.

INSIGHT

Guide your organization’s reactions to change. It is important to develop clear strategies that harness this continued disruption – not an effort to get back to business as usual, but an actionable plan to move forward that gets back to business in unusual times.

What level of impact has the COVID-19 crisis had on the following areas of your organization?



The Greatest Loss For Organizations Is Much Deeper Than Dollars.

TAKEAWAY

The loss of human connectiveness is as big an issue for business leaders as their loss of revenue due to the inability to connect fellow human beings in person – including staff, customers, members, etc.

When asked to describe the biggest impact COVID-19 has had on their organizations, business leaders most often mention the lack of personal connection and difficulty in engaging and building relationships virtually.

INSIGHT

Humans are a social animal, and this study provides further evidence of the strong need for human connectedness and the power of brands that facilitate and prioritize personal connections.

In your own words, what is the biggest impact the COVID-19 crisis has had on your organization?

“It is more difficult to engage and build new relationships virtually.”

“Not being able to have in-person connections and programs.”

“Ensuring we maintain a strong cultural connection with staff working from home.”

Nonprofits Are The Pacesetters For Change.

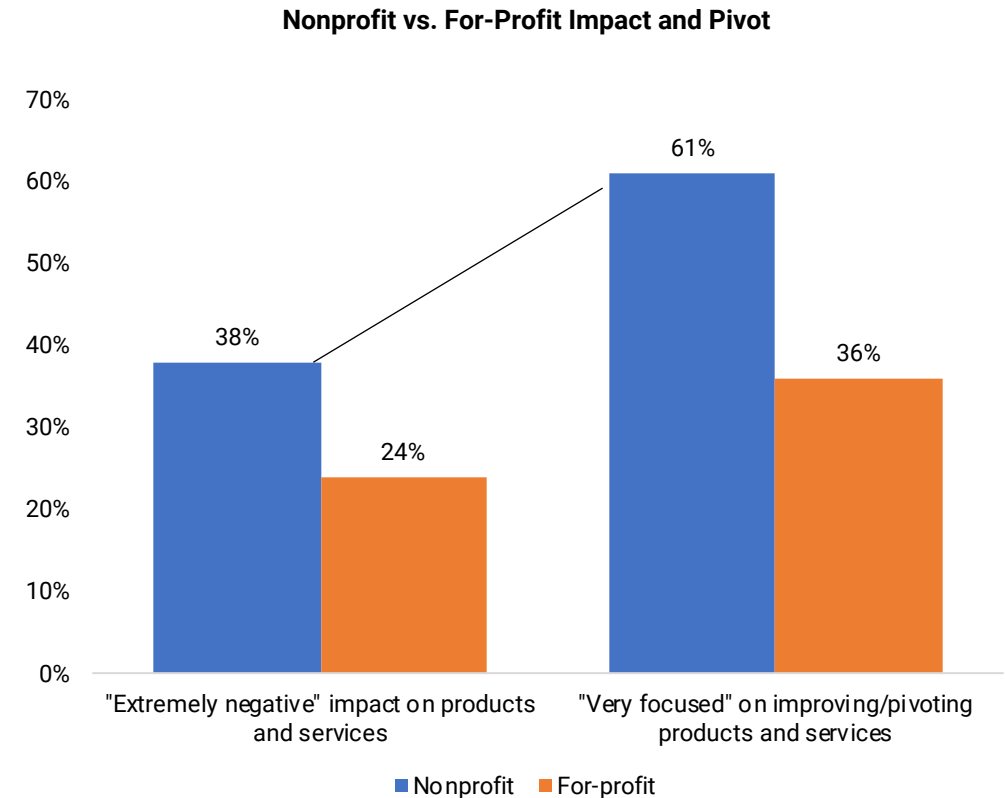
TAKEAWAY

COVID-19 has had a greater impact on product/service fulfillment by nonprofits than for-profit organizations (38% vs. 24% “extremely” negative). As such, nonprofit decision makers are even more focused on improving/pivoting their products/services – 61% “very focused” vs. 36% of their for-profit colleagues.

Going forward, nonprofit decision makers are more likely to be focused on building morale (63% vs. 47% are “very likely”) and more likely to be communicating with stakeholders (72% “very likely” vs. 46% among for-profits) than their for-profit colleagues.

INSIGHT

Businesses – both for profit and nonprofit – are being forced to quickly evolve and adapt. While the pace of change is fast, it’s important that organizations and individuals dedicate energy and resources to capacity building for their leaders and staff.



Corporations Are Not Far Behind.

TAKEAWAY

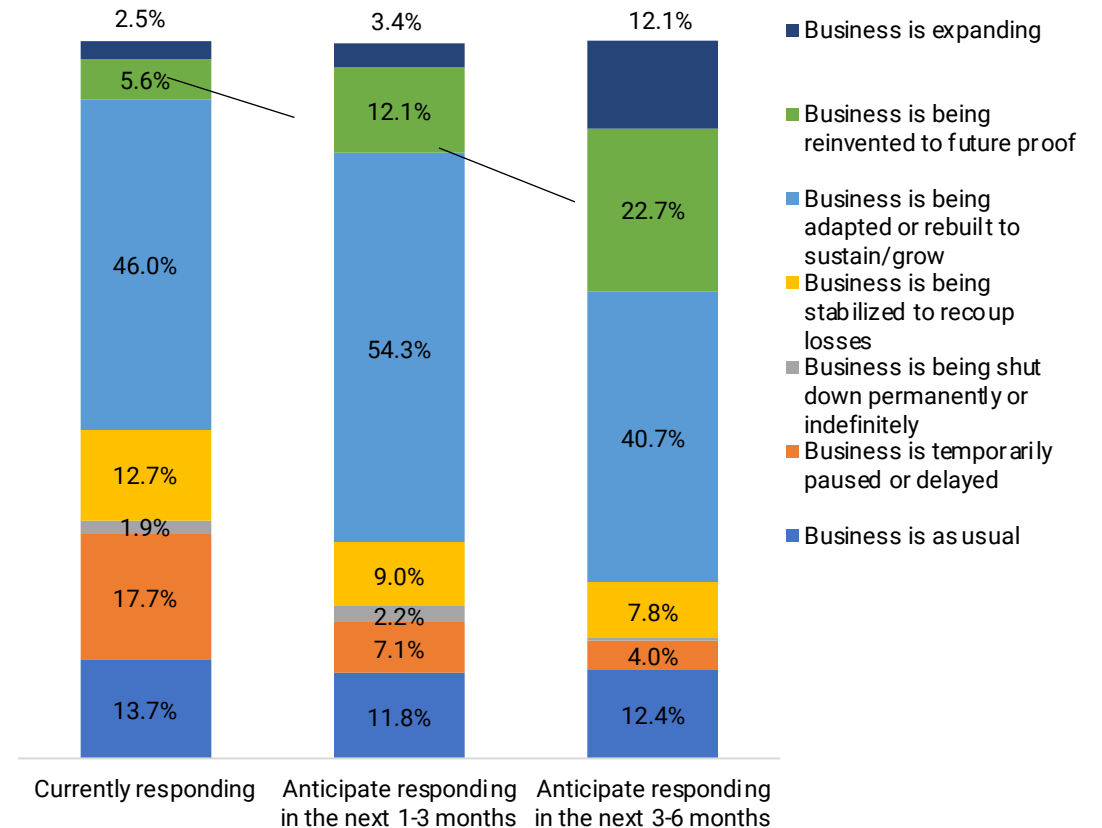
Leaders are responding with plans to accelerate their business forward as they embrace organizational changes with an optimistic outlook over the next six months. Nearly half of Virginia business decision makers are currently responding to the COVID-19 crisis by adapting or rebuilding their businesses to sustain/grow (46%). Almost a quarter of organizations plan to reinvent in the next 3-6 months.

“This crisis has forced us to rapidly make changes in our organization that would have taken years in normal times. We are planning for many of these changes to remain in place.” – Executive Leader

INSIGHT

Brands must rethink how they do business and that includes a careful and thoughtful approach to marketing and openness to considering new ideas – and possibly, a different way of doing things. It begs an answer to the question, “what do my customers need from me right now?” and “how can I help them?”.

Which of the following best describes your organization’s response to the COVID-19 crisis?



Source: Virginia Business Leaders Survey, May 2020

Reopening Is Happening — But Slowly.

TAKEAWAY

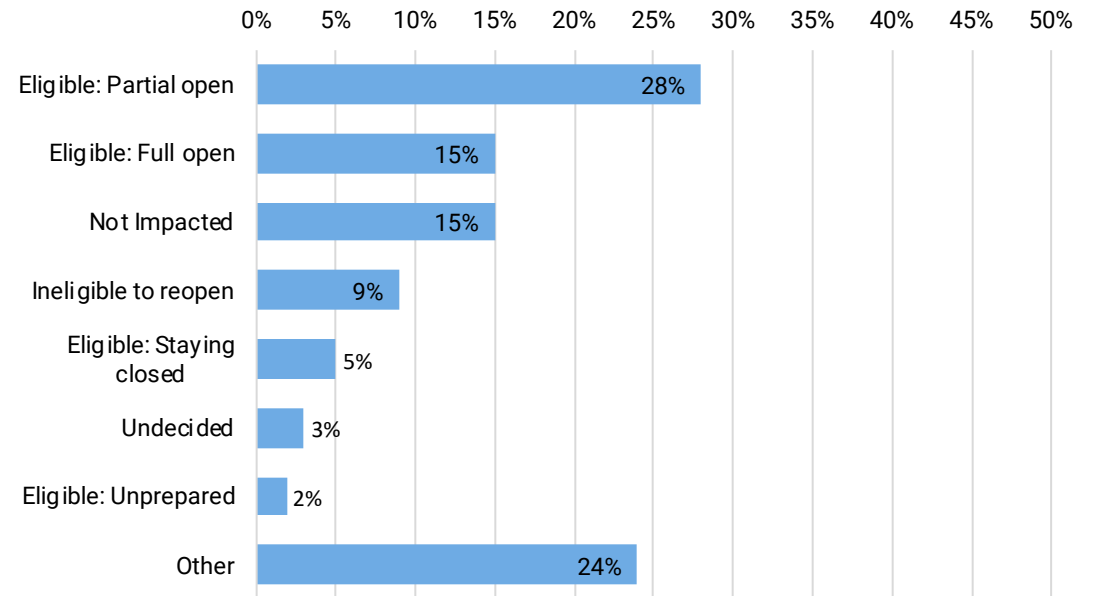
86% of business decision makers whose businesses are eligible to reopen under Virginia’s Phase 1 are planning to at least partially reopen in the next 1-2 months; 30% plan to fully reopen and 56% plan to partially reopen.

However, nearly a quarter of Virginia business decision makers state that they never closed – merely operated remotely.

INSIGHT

Developing a clear plan for a phased reopening of your business isn’t helpful to your employees or your customers unless you’ve developed an equally clear plan to communicate – before, during and after you reopen. Communicate clear expectations and guidelines and model the behaviors you want others to exhibit as your teams get back to work safely.

Which of the following best describes your organization’s plans to reopen in the next 1-2 months in accordance with the restrictions outlined in the Phase One plan to reopen Virginia?



Yet Reopening Doesn't End The Threat To Business, Nor Backfill Lost Revenue Streams.

TAKEAWAY

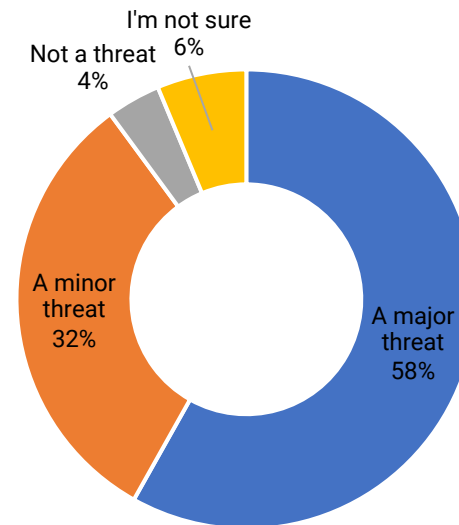
Despite plans to reopen the commonwealth, many business leaders still view the COVID-19 crisis as a threat to their businesses, as they remain uncertain about what the future holds. Nearly 60% of Virginia business leaders believe COVID-19 is a “major” threat to their businesses – especially older decision makers (62% for age 55-64 vs. 52% for age 35-54), while nearly a third believe it is a “minor” threat.

The loss of revenue as a result of COVID-19 is by far the greatest concern for Virginia business leaders. 71% of Virginia business leaders are at least “very” concerned. This extreme concern is even greater for nonprofit than for-profit organizations (47% vs. 37% are “extremely” concerned).

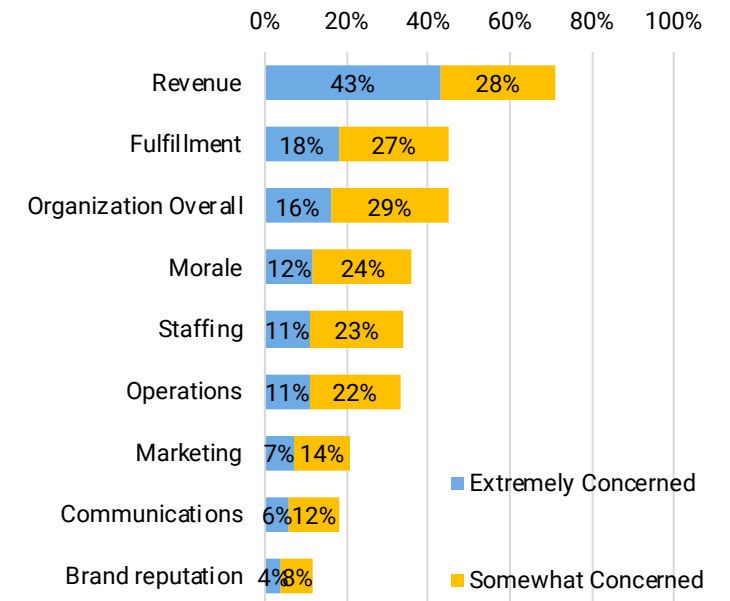
INSIGHT

What's becoming increasingly clear is that our organizations, and the communities we serve, are suddenly on an unexpected trajectory. The ripple effects of this year – with all its complexities – will reshape how we work moving forward.

How much of a threat is the COVID-19 crisis to your business?



To what degree are you concerned about the following areas of your organization in light of the COVID-19 crisis?



Source: Virginia Business Leaders Survey, May 2020

Communication Facilitates and Restores Connectedness.

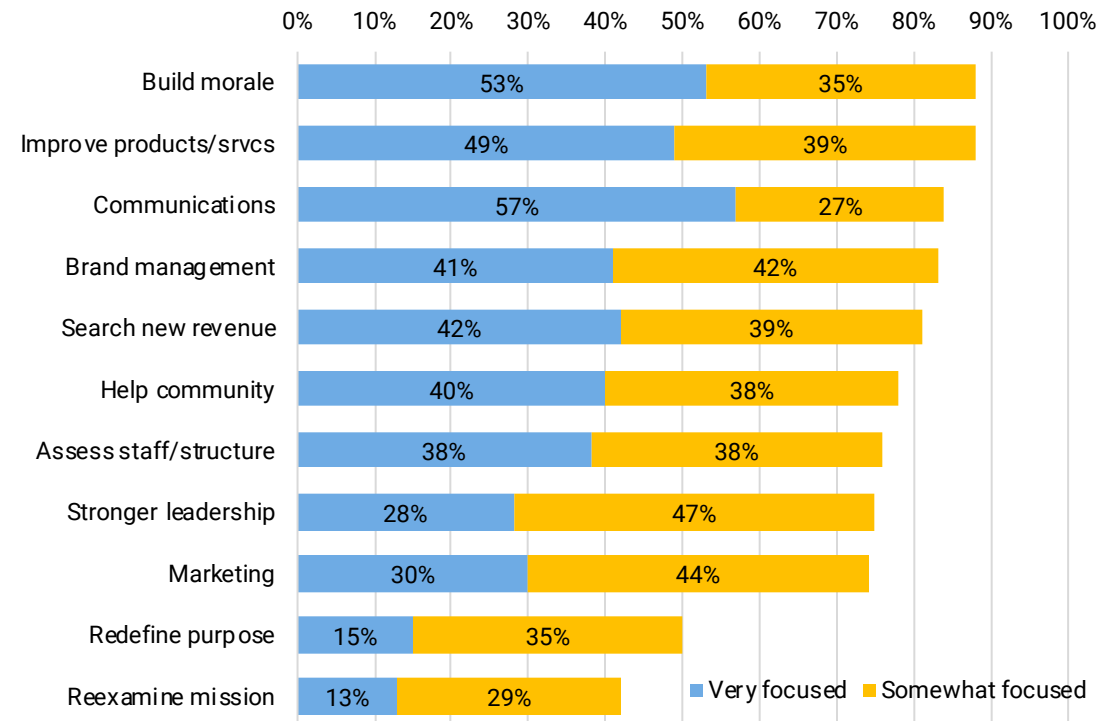
TAKEAWAY

We are witnessing a rebirth of the business community with attention to issues that may not have received enough attention previously. Currently and going forward, 88% of Virginia business leaders recognize the immediate need to hone their focus on engaging with employees to build/maintain morale and improve or pivot products and services. 84% of Virginia business leaders focus their efforts on communications to internal and external stakeholders and 83% are searching for new revenue streams and managing brand reputation.

INSIGHT

How you communicate is your moment of truth. As your primary vehicle for engaging people to stand beside you, support you, join you or buy from you, your communication should be purposeful, specific and clear. It's how you tell your story that allows people to connect with your brand – providing context, meaning and differentiation in a world full of so much noise and so many choices.

To what degree are you currently focused on the following areas within your organization in light of the COVID-19 crisis?



Organizational Culture Is The Focus For The Future.

TAKEAWAY

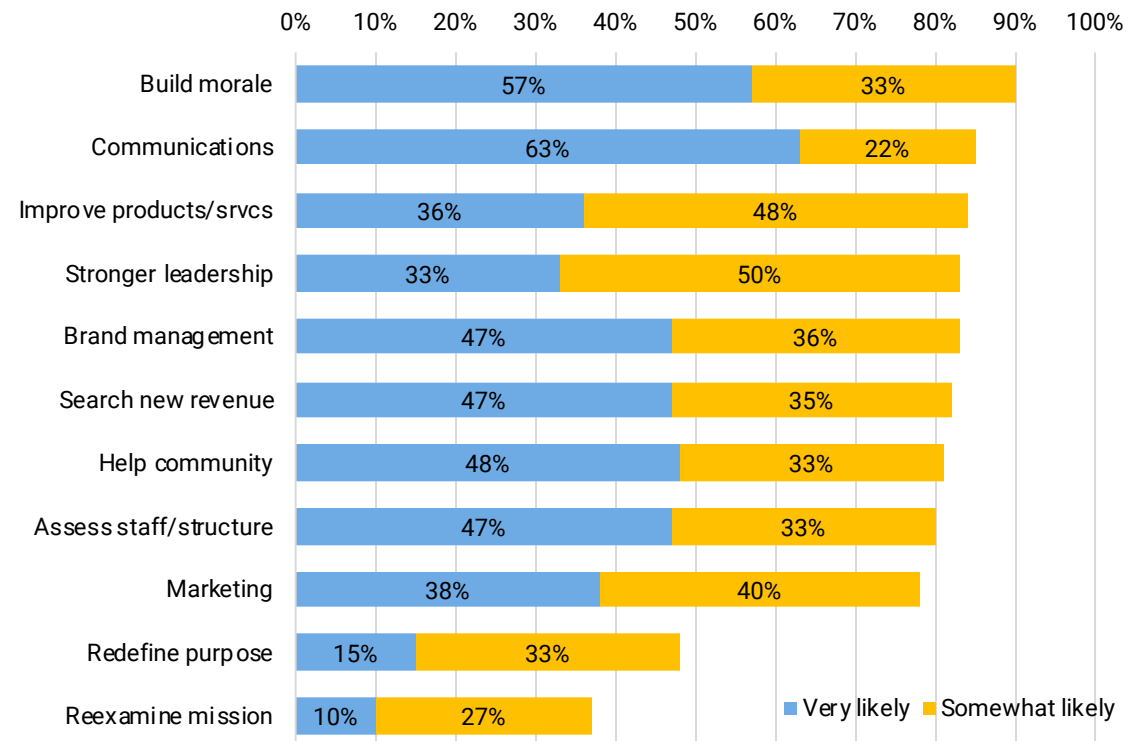
When asked for future organizational changes that these business decision makers are most likely to make, their agenda is very similar to their current focus. This is not surprising, given the difficulty of creating plans for a very uncertain future.

Future agenda items are focused on building morale – cited by 90%, closely followed by communicating with internal and external stakeholders – 85%.

INSIGHT

In many regards, an organization's culture speaks more profoundly to its purpose and mission – its reason for being – than any other aspect. A compelling corporate culture, when clearly identified, is the horsepower behind compelling brands. That is why thinking about ways to maintain a strong corporate culture among remote employees will be even more important moving forward.

How likely are you to make future changes to the following areas within your organization in light of the COVID-19 crisis?



The Culture Conundrum: How Do You Maintain Culture In A World With Less Contact?

TAKEAWAY

While business leaders search for a crystal ball and new revenue streams, there are several indicators that the business world has changed forever.

One of the most desired tools for managing the COVID-19 crisis is technology to better facilitate remote operations and enhance communications, undoubtedly signaling the adoption of a new way of doing business for many organizations.

INSIGHT

Many people are asking “does an organization’s culture survive as the workplace becomes more ‘remote’?” Our belief is that it does, but leaders must become even more intentional about developing and maintaining that culture. That is accomplished through engaging all employees, including them more in the process of culture and then reinforcing all of it through a combination of communications and touchpoints that are consistent over time.

What tools or resources do you wish you had to help your organization manage the crisis?

“More technical and digital capacity and readiness within my organization and within the community.”

“Dependence on technology to connect and continue operations.”

Though The Current Focus Is Internal, The Community Remains Of Vital Interest.

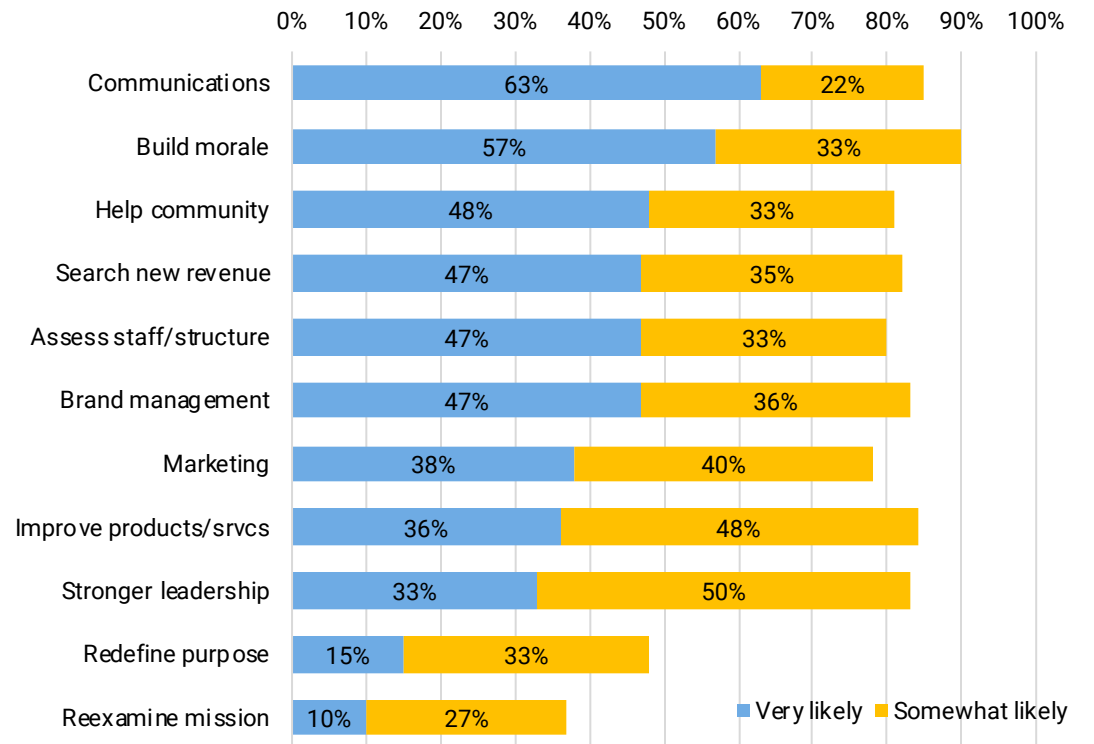
TAKEAWAY

Business leaders in nonprofits and for-profits alike recognize the need to band together and give back to the community they call home. 81% are focused on helping the community.

INSIGHT

Individuals, corporations, businesses and nonprofits are all looking for ways to contribute to and engage with the community during these challenging times. It's important to look for community-identified needs and support them in effective ways. Strategies that are based on values, reflection, inclusive conversations and meaningful dialogue are more likely to meet the greatest needs of the community and encourage engagement from everyone involved.

How likely are you to make future changes to the following areas within your organization in light of the COVID-19 crisis?



As Challenging As Today Is, Businesses & Nonprofits Remain Optimistic.

TAKEAWAY

Virginia business leaders are confident and determined to lead their organizations through the COVID-19 crisis and remain optimistic about their organizations' ability to survive.

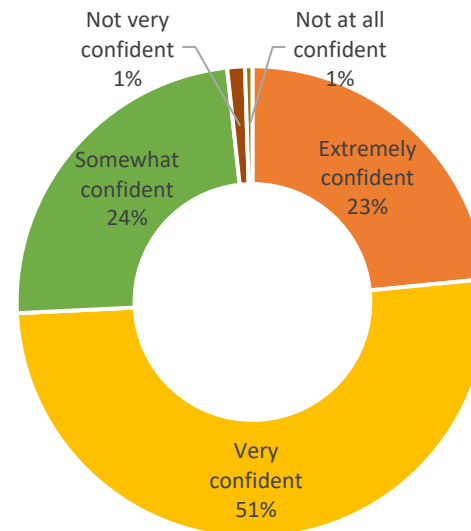
When asked to assess their organizations' outlook – from not surviving to being well-positioned for the future (using a score of 0 - 100) – the average score provided by Virginia business leaders is 78.

Leaders experience a mix of emotions, as they are equally stressed as they are confident, and equally anxious as they are optimistic.

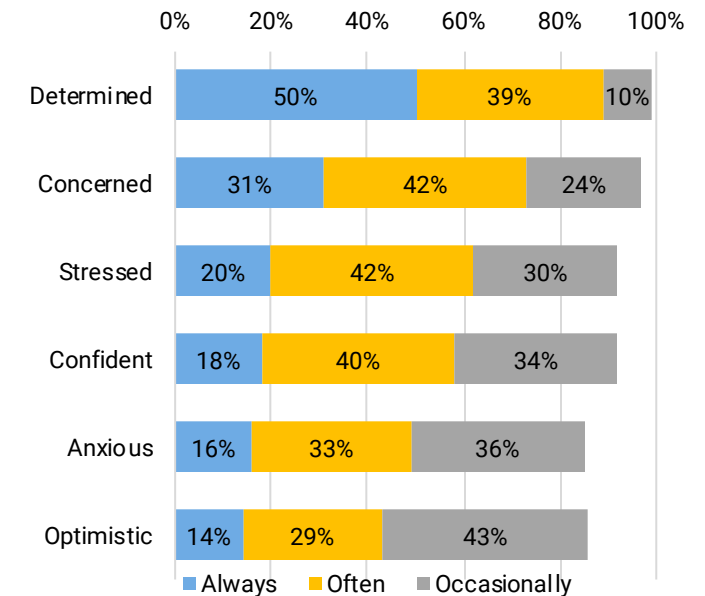
INSIGHT

A resilient spirit persists in Virginia, as businesses band together to help each other move forward, more connected than ever, and with an overwhelming sense of pride in creating a better future.

How confident are you in your ability to lead your organization through the COVID-19 crisis?



To what degree are you personally experiencing the following emotions in your day-to-day work?



Source: Virginia Business Leaders Survey, May 2020

8 Things You Can Do Now

TAKE ACTION

Here are 8 things to consider as you navigate the road ahead.

1 CULTIVATE CULTURE THROUGH HUMAN CONNECTION

Identify new ways to strengthen relationships, build shared clarity and appreciation for the individuals that are critical to your organization's forward momentum and success.

2 RE-ORIENT AROUND PURPOSE

Center around the ways in which your purpose as an organization and the core values that shape the way you operate matter most deeply at this particular moment of change.

3 ASSESS THE NEEDS OF EMPLOYEES AND CUSTOMERS

Gather perspectives from employees and customers about their challenges and their needs to better guide your business decisions and maximize your opportunities.

4 DEVELOP A STRATEGY TO STABILIZE AND TRANSFORM

Build a strategic playbook for your organization that guides employees around the work required to stabilize the business, navigate new change and adapt to the future.

5 BUILD NEW PATHWAYS TO ENGAGE WITH PEOPLE

Explore opportunities in a socially distanced world to create more human touchpoints that engage on both a transactional level and an emotional level.

6 CREATE CLEAR COMMUNICATIONS

Craft a process for consistent communications to employees, customers and other partners that provide clarity, energy, optimism and value about your business.

7 IDENTIFY AND SHARE YOUR STORIES

Put language to the stories – of your employees, your community, your customers – that will shape how the world thinks about your organization's response to this transformative time.

8 STAY AGILE, AND READY FOR THE NEXT CHANGE

Develop and grow your people in ways that build resiliency and agility for what comes next.

WE LOOK FORWARD TO CONNECTING

Contact Information

TO LEARN MORE, VISIT:

TheCultureConundrum.com

FOR MEDIA INQUIRIES, CONTACT:

Jon Newman

The Hodges Partnership

(804) 357 4871

jnewman@hodgespart.com

