

The Top 3 Post-COVID Cultural Shifts Organizations are Facing

The ESG Opportunity

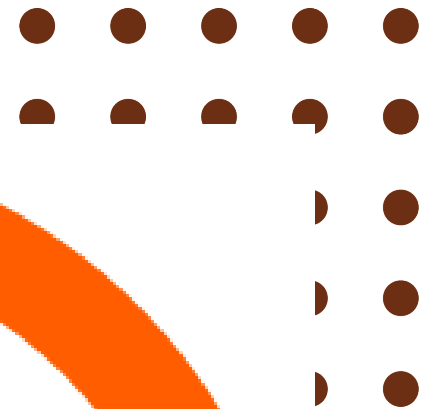
Dr. Debra L. Brown



Elon Musk

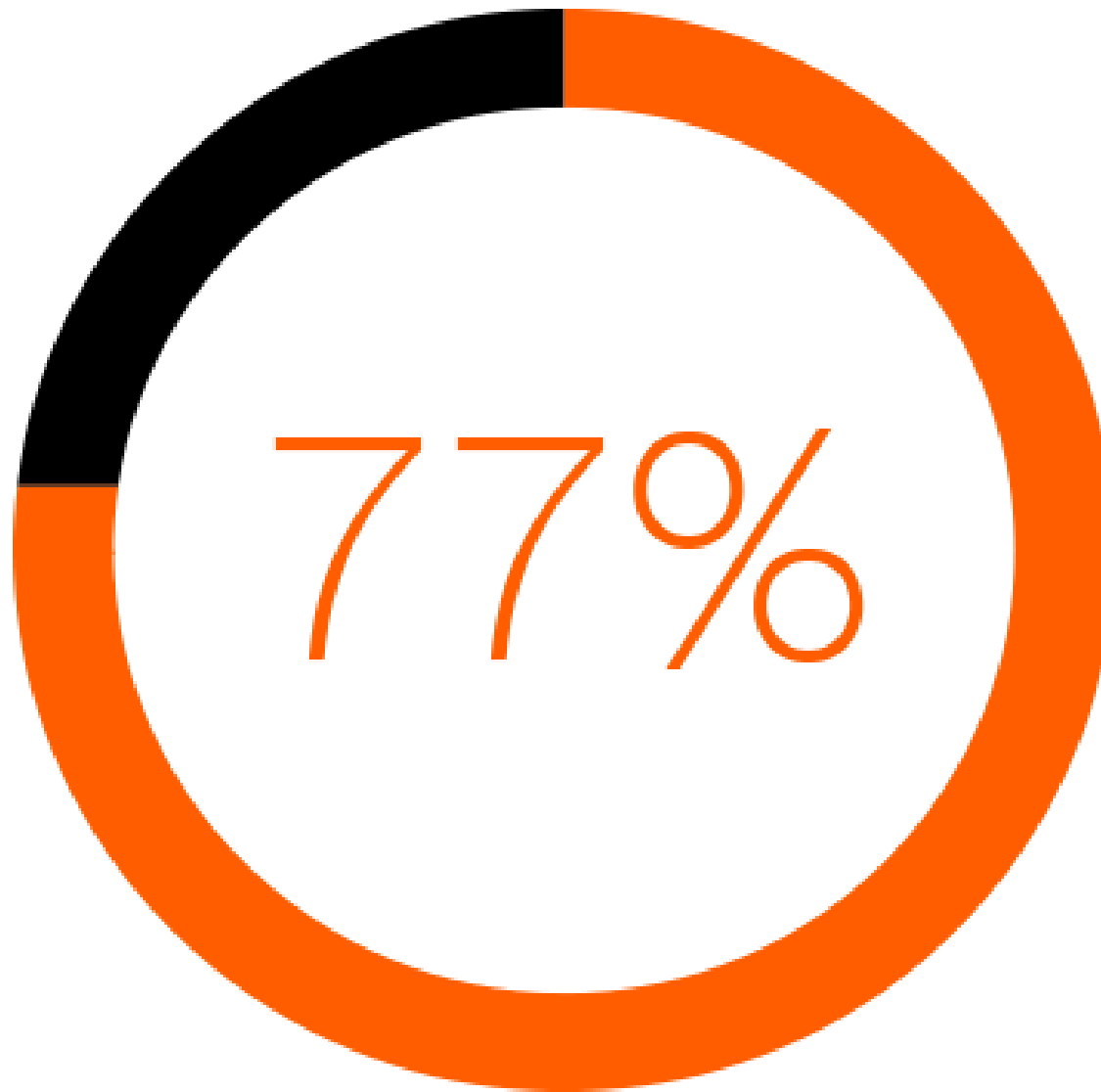
“They should pretend to work somewhere else.”





The Research

“Working remotely a few times month can increase productivity by 77%”





What is the Definition of Culture?

Cultural Nesting

Global and Macro Culture

Global, National, ethnic, religious culture heavily influences organizational culture

Unique aspects of member affiliations influence organizational culture

Organizational Culture

Formed by Sector

Impacted by Leadership

Shaped by History

Subculture & Micro-culture

Inter-related subgroups and teams that serve the organization

“The Way We Do Things Around Here”



Culture is Defined As:

A pattern of shared basic assumptions learned by a group [BOARD] as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

Edgar H. Schein



Culture

- **RIGHT AND WRONG:** Forms our sense of what is **right and wrong** (correct ways of thinking, feeling, believing, acting);
- **SHARED EXPERIENCE:** Those things that are right and wrong are arrived at through **shared experience** – they can be **shared, learned** and must be **taught to newcomers** for their use; and
- **PROBLEM SOLVING:** There is general group consensus that those right and wrong thoughts, feelings, beliefs and actions will **solve the problems of the organization and lead it into future** success inside and outside the organization.

Shared Experience is the Key!

To:

- ✓ Form
- ✓ Embed
- ✓ Change
- ✓ Lead

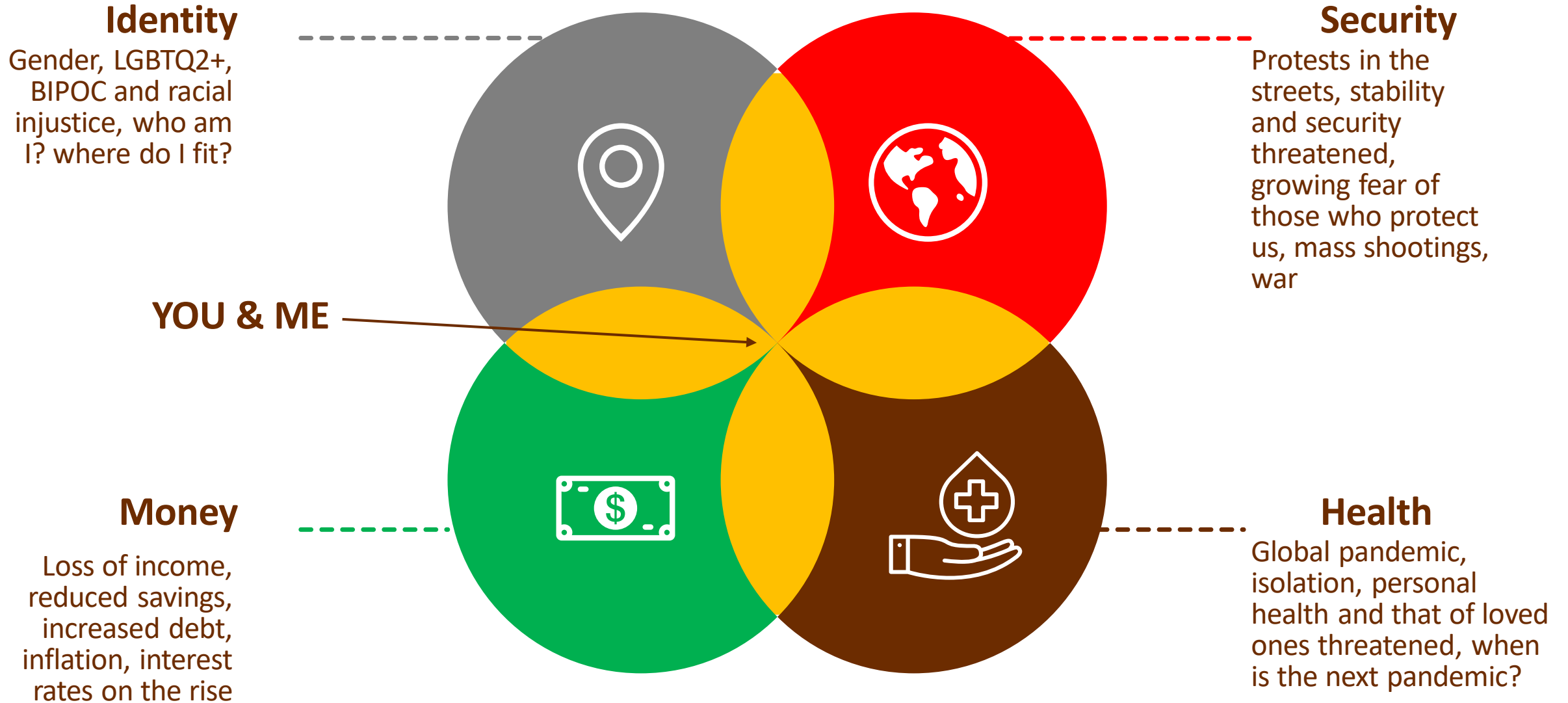
Culture



Shared Experience

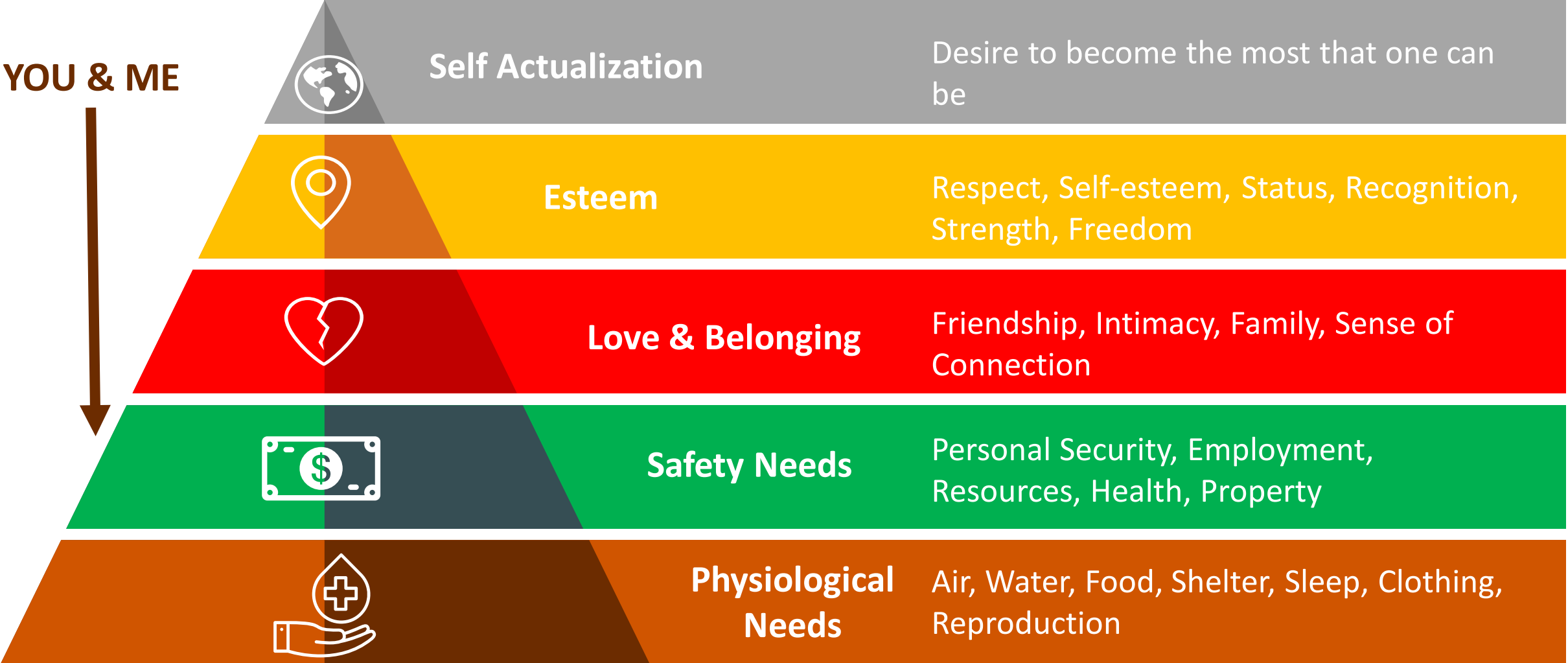


Adapting to Macro Culture Shifts



Maslow's Hierarchy of Needs

YOU & ME



The Pre-requisites to Culture Change

- Consistent, hard work
- Committed, capable and sustained leadership
- Deep understanding of the basic underlying assumptions and cultural norms that are at play
- Broad commitment to shared experience – in time and money
- Built consensus on the non-negotiables
- But the most important pre-requisite to culture change is

A Burning Platform





“If you are not leading
your culture, your culture
is leading you!”

Dr. Debra L. Brown

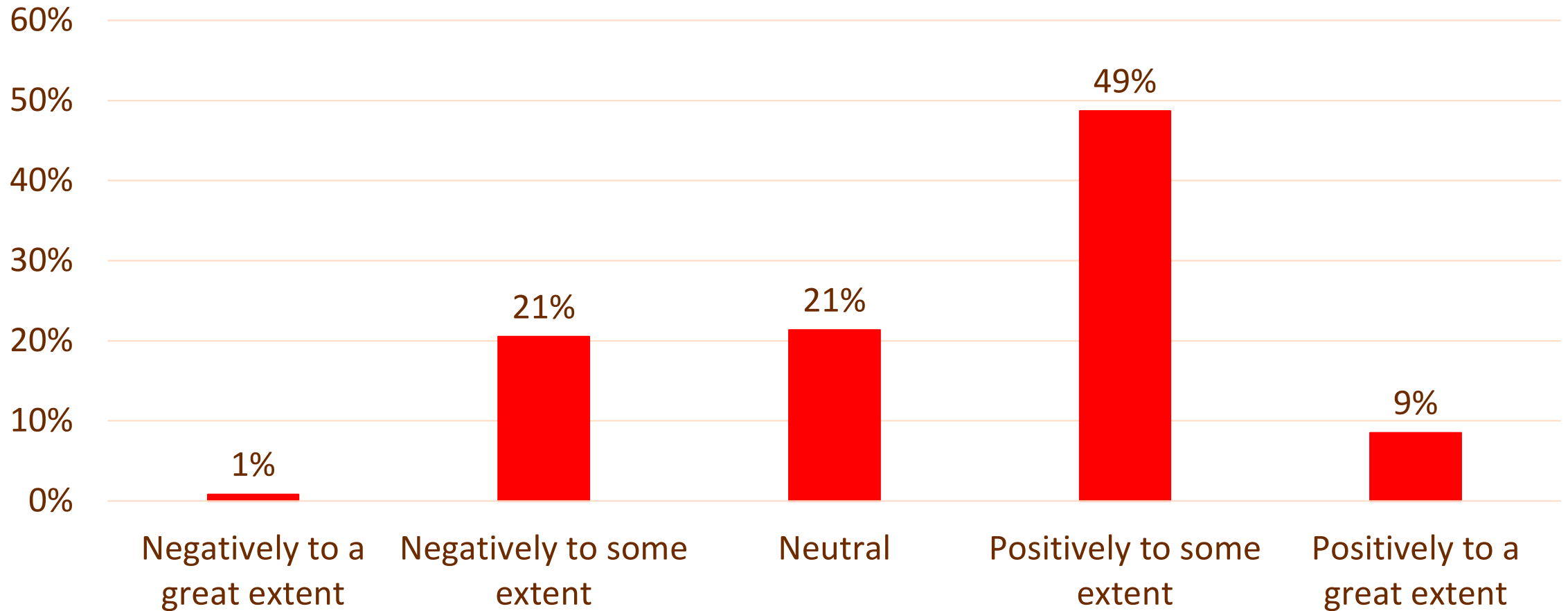


“The only thing of real importance that leaders do is to create and manage culture.”

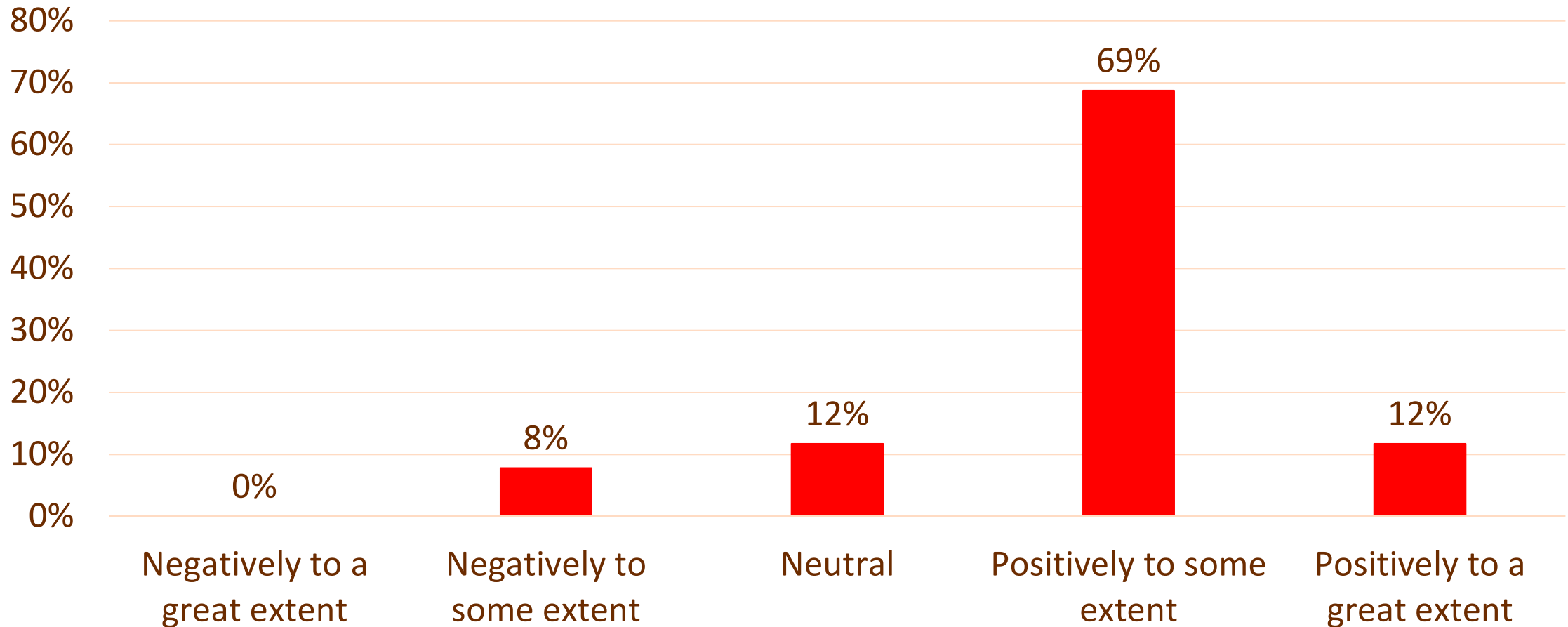
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To What Extent Has Your Own Way of Thinking Changed Through the Pandemic?



To What Extent Do You Expect Your Organization's Culture to Change in the Immediate Future?



When the way we think changes, the way we interact changes. When the way we interact with one another changes, culture changes.





A Top Governance Imperative

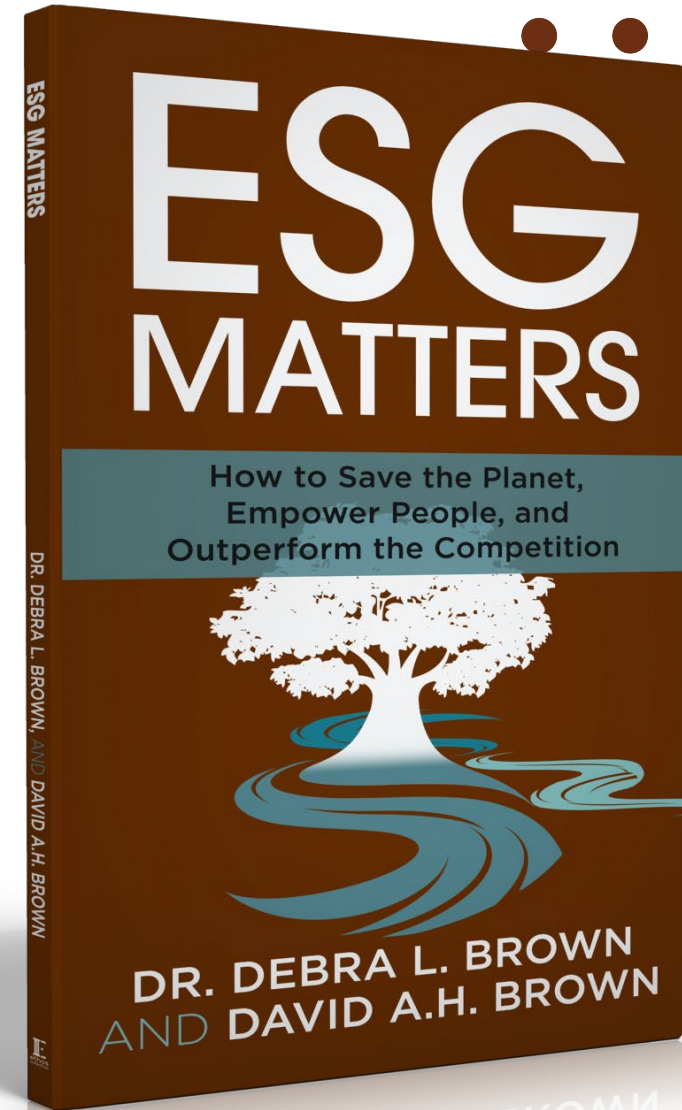
“Oversight of corporate culture should be among the top governance imperatives for every board, regardless of its size and sector.”

NACD Blue Ribbon Commission

3 Macro Shifts

ESG

- E: Environmental Awareness heightened by Climate Change
- S: The Search for Identity
- G: Decreasing Trust in Institutions, Corporations, and Governments



E: Environmental Issues

Environmental Awareness and Growing Evidence of Climate Change



Saltwater Brewery



So, what is the link between COVID and Environment – the E of ESG?

- People all over the world had a shared cultural experience that taught them the impacts to the planet of human activity.



The Statistics

4 in 10 business travelers say they will *never* travel for business again.



Environmental Sustainability as a Corporate Value

- ✓ Your people will readily accept this cultural norm.
- ✓ The COVID period has made them more alert to it.
- ✓ They will embrace and support it.
- ✓ Talent will be drawn to you.



S: Social

Social Relevance and Identity



Talent Strategy

Impacts of COVID and The Great Resignation



The Passion Paradigm



REMEMBER... **DO** WHAT
YOU **LOVE**
AND
LOVE WHAT
YOU **DO**

Heroes in the C-Suite



The Perfect Storm

- Job switching
- Leaving industries or the workforce completely
- Retiring early
- Raising the bar
- Difficult to hire and retain
- Driving compensation ever higher



The Coles Notes

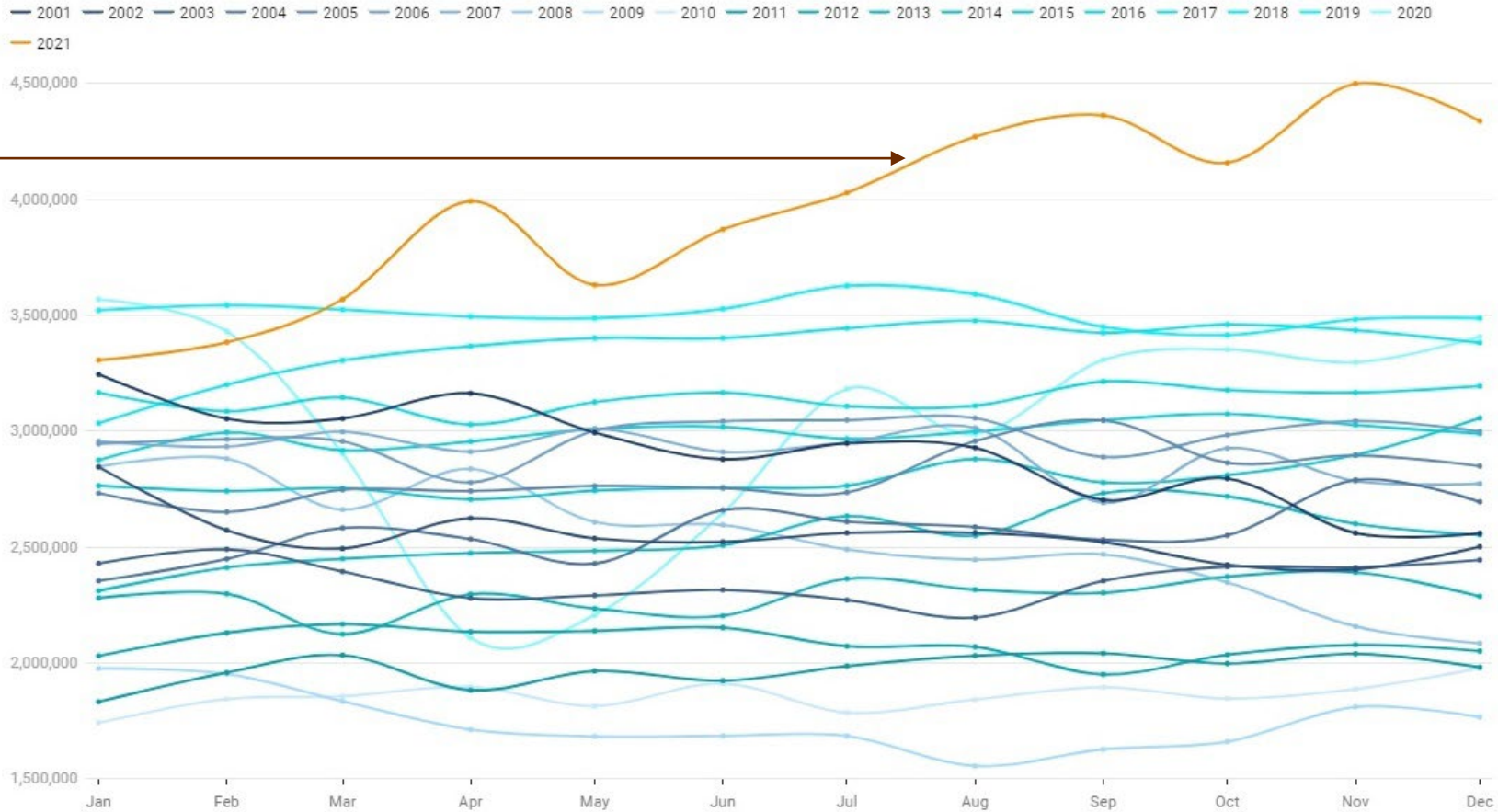
- Passion and love for the job and mission
- Physical health and fitness
- Workload and work-life balance
- Mental and emotional health
- Flexibility and more personalized benefits
- Compensation and other “table stakes” (e.g. traditional benefits, perks, coaching, mentoring, development and advancement opportunities)



2021

Quitter's Market

Many factors have led to the historic quits levels—the ongoing pandemic, new vaccine mandates and a strong candidate's market are just some considerations that may be leading more workers to put in their notice. The last nine reported months (April through December) have seen the largest exodus of employees on record. **Hover over each line to see more details about the year and how many workers quit each month.**



Note: December 2021 data is preliminary.

Chart: Mauro Whiteman • Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, December 2021. • [Download image](#) • Created with [Datawrapper](#)

McKinsey 2021

- Study from across 5 countries (Australia, Canada, Singapore, the UK and the US)
- 40% of employees somewhat likely to quit their job in the next 3 to 6 months.
- 18% said they were almost certain they would be quitting.
- These numbers held across all five countries.
- And it held across all levels of the organization from the C-Suite down.
- The number of departing CEOs in the final quarter of 2021 was up 16 percent on a year-over-year basis.



What's Behind It All?

- Tired
- Grieving
- Desire for purpose
- Need for connection
- Need to feel valued



My Own Experience

One left to fulfill their passion in a completely different field.

One joined because they wanted something more – to connect with their passion for governance.

Another seriously contemplated a change, but decided to stay if they could work from home

Another wanted to work remotely from home, but in another country

Another moved several Provinces away to work from home

And don't get me started on the pets!



G: Governance

Trust in Government Institutions,
Business, Media, Police



The Trust Bump



Trust is a Must!

- ✓ Begin with your own employees
- ✓ Trust is a competitive advantage
- ✓ Embed trust as a corporate value
- ✓ Take advantage of the “trust bump”
- ✓ People will be more willing to trust now than they may have been in the past

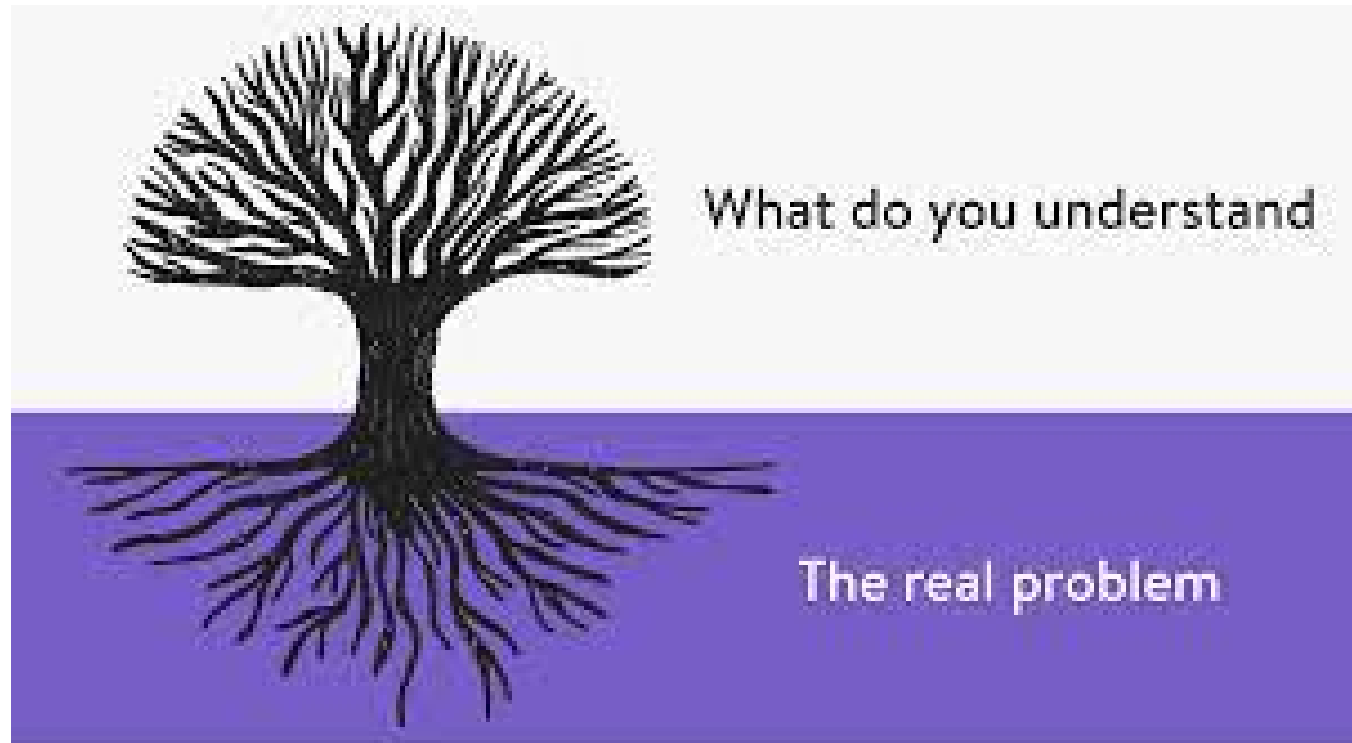
“A lack of trust is a significant threat to an organization’s ability to grow.”

PWC



The Board's Response

- **Understand the Problem:** You can't fix what you don't understand.



The Board's Response

Listen to and Learn from Your CEO

Listening
=
Learning

The Board's Response

Set Direction

Ensure:

- ✓ Set goals and targets
- ✓ A frank assessment is undertaken of your true succession risk
- ✓ There is an even more robust and proactive succession plan
- ✓ The organization is a place people can be passionate about
- ✓ The organization invests in a fulfilling employ experience
- ✓ The organization provides benefits that are aligned and tailored to employee priorities



The Board's Response

Gain Reasonable Assurance – The Control Side of the Governance Coin

- Monitor what is happening by tracking HR metrics closely
- Refresh your suite of performance metrics
- Obtain segmented reporting
- Track your trend line
- Seek information and metrics at the strategic level



Metrics Tell the Truth



COMPANY ESG RISK RATINGS **NEW** LOGIN MENU

Tesla Inc

Industry Group: Automobiles Country: United States Identifier: NAS:TSLA

ESG Risk Rating

31.3 High Risk



Last Update: Apr 7, 2021

Ranking

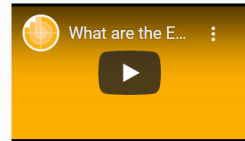
INDUSTRY GROUP
Automobiles 50 out of 72

GLOBAL UNIVERSE
Global Universe 8451 out of 13707

Find a company by name or ticker

Or Explore our Research Universe

What are the ESG Risk Ratings?



More information for
Corporates | Banks and Lenders |
Investors

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