

# Corporate culture can be tricky to define but it can make or break your business.

Experts say that a company's culture is as essential to its financial performance as the skills and experience of employees, its products and services, or the board's long-term strategy.

To maintain this competitive edge corporate culture must keep pace with changes in technology and ways of working.

The rise of remote working, "co-working" spaces and technologies such as artificial intelligence (AI), fifth-generation (5G) mobile networks and blockchain, are changing corporate culture, whole industries and how we work.

In recent months, the number of us working from home has surged due to the coronavirus, as governments and employers try to slow the spread of the global pandemic.

How can companies harness the flexibility of remote working while maintaining a strong corporate culture?

Which communication and project management technologies are most effective at encouraging teamwork among remote teams. What tasks should they be used for?

To find out, we've spoken to business leaders, workplace architects, culture consultants and progressive tech companies.



## Corporate culture and teamwork in a digital word

The phrase corporate culture strikes fear into the heart of many people in business. So says Atif Sheikh, CEO of <u>businessfourzero</u>, a consultancy that specialises in creating huge shifts in the way teams operate at all levels of business



"Corporate culture strikes fear into the heart of many people in business."

Atif Sheikh CEO **Businessfourzero**  "[The phrase] has been around for a really long time," says Sheikh. "Quite a lot of people have experienced trying to [improve] their company's culture and not made any progress."

Culture is vital to get right, though, because it drives a company's strategy and is ultimately quided by it's purpose.

"People talk about 'culture eats strategy for breakfast", says Sheikh. "I don't know why you would choose. I think you need both. You need a culture that drives delivery of your strategy, and that in turn helps you fulfill your purpose in the world."

Sheikh defines a company's culture as a "set of behaviours" that all workers should stick to and which are critical to the success of a business. Companies should pick three to four "behaviours" to define their culture, he says.

Businessfourzero helped <u>InterContinental Hotels Group</u>, one of the world's largest hotel companies, define its corporate behaviours.

The new behaviours, part of a new corporate strategy, included "talk straight" and "move fast", says Sheikh. They were chosen because they are verbs, specific and easy to remember.

Common characteristics of a good corporate culture include people being "deliberate and thoughtful every day" about their decisions they make, rather than being reactive, says Sheikh.

#### Teamwork and remote workers

Teamwork is another vital part of a good corporate culture.

However, Sheikh says that many businesses pay lip service to the importance of teamwork for remote workers and traditional office-based workers.

"I've [recently] had dinners with the HR directors and CEOs of Fortune 500 companies," he says. "We agreed that it's weird that we all know that the team is the key unit of productivity, happiness and [corporate] culture yet we spend loads of money training individuals. Why do we invest so little in teams?"

Some companies are getting it right, though.

"Cisco has got an outstanding culture and I think the key reason is because [the] focus of their business is teaching people how to be a good team member," says Sheikh. "You can't have a conversation with someone at Cisco and not end up talking about how the team's doing."

We agreed that it's weird that we all know that the team is the key unit of productivity, happiness and [corporate] culture yet we spend loads of money training individuals. Why do we invest so little in teams?

#### What makes a perfect team?

According to research by Google's Project Aristotle – in reference to Aristotle's famous quote "the whole is greater than the sum of its parts" – the most important characteristic of a great team is "psychological safety".

Psychological safety is a belief in a team that it's safe to take interpersonal risks, such as sharing an idea or disagreeing with the consensus (arguing constructively), without fearing that it will hurt your reputation, status or career, says Sheikh.

The performance of a team comes down to the "quality of the conversations and interactions between the members of the team, that allow each individual to bring their best", adds Sheikh.

There is a far weaker correlation between team performance and the collective IQ of the team, or the personality profiles of its members, he says.

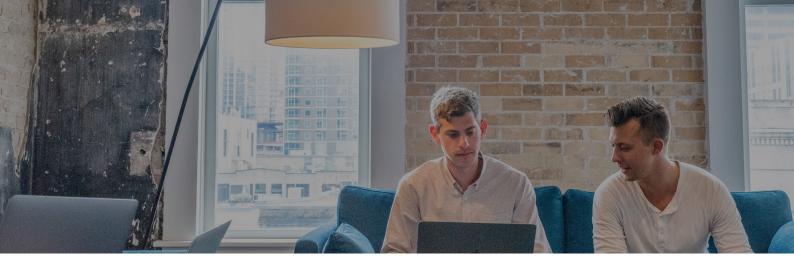


## How do companies with large remote workforces manage their teams?

"Virtual" companies, which don't have a head office, may provide some pointers.

Buffer, a software company, has more than 80 employees who work remotely in 15 countries.

It uses different technologies for different types of work communication – for example,  $\underline{\text{Threads}}$  and  $\underline{\text{Slack}}$  for everyday communication and project collaboration – and  $\underline{\text{Zoom}}$  video and audio-conferencing software for monthly "gatherings" of employees.



If employees have a serious problem or disagreement, they are encouraged to try to resolve them over a video call rather than sending numerous messages on Slack or Threads.

"It's probably 95% as good as being in the same physical space," says Courtney Seiter, Director of People at Buffer.

<u>Stanwood</u>, a digital agency for mobile app and web development, is also office-free.

Its employees also use similar technologies to Buffer and many other digital agencies, but face-to-face meetings are still important.

New team members are invited to the home of its managing director, Hannes Kleist, to cook with him and "grill the boss".

"It has been really helpful to get to know people and by cooking together it all happens in a relaxed atmosphere," says Kleist.

With remote working predicted to continue over the next decade and beyond, more companies will follow the example of Stanwood and Buffer.

They can start to experiment blending digital communication tools with face-to-face meetings and socials to encourage teamwork, clear communication and a strong corporate culture.

Each organisation will be different but carrying on with communication as usual probably isn't a viable long-term option.



## "It's probably 95% as good as being in the same physical space"

Courtney Seiter Director of People **Buffer** 



# On a mission: corporate culture and social purpose

"Our values truly are our North Star," says David McKay, Head of Culture, at Innocent Drinks. The maker of fruit juice drinks and smoothies, began in 1999 when it sold its smoothies at a music festival.



"Our values truly are our North Star."

David McKay Head of Culture Innocent Drinks It now sells its drinks in more than 30 countries and has hundreds of employees.

Innocent has long given 10% of its profits to charity and has campaigned to encourage recycling. By 2022, Innocent plans to make 100% of its bottles from recycled materials.

The company's values are key to its recruitment, says McKay.

"When I recruit, the first question I ask is, 'Why Innocent?'. And they always mention, or nearly always mention, our <u>foundation</u> [which aims to create a world where every person has enough food to live] or our commitment to sustainability.

And it's that passion for sort of sustainable capitalism or ethical capitalism that sort of makes me think, 'That person is right for this company'."

# How is Innocent ensuring that its strong corporate culture is retained as its staff work remotely?

"The shifts in how and where we work have been extremely testing for all companies," says McKay. "Our response has been to act fast to steady the ship and make sure we come out of it stronger. Regular and consistent internal comms have been central to this, whilst the health and wellbeing of our team and their families has been our top priority.

"Whilst we have done things 'centrally', what has been so impressive about our employees [is that they] have taken it upon themselves to keep our culture alive, not relying on it coming from someone else. You can see people sharing homeworking tips and tricks, social calls are going in everywhere, quizzes seem to be favourite, and people are looking out for one another. In a funny way, we're more well connected with everyone working remotely."

A growing number of businesses around the world (including Innocent) have become "B Corporations" – a global certification scheme for companies that balance "profit and purpose".

More than 3000 companies in <u>71 countries</u> and 150 industries have become B Corps.

Having a social purpose can make good business sense.

Research in the last decade has shown that consumers, investors and employees are attracted to companies with a clear social mission and a track record in ethical business.





#### **Full disclosure**

There is also increasing interest in how employers treat their workers.

Buffer has taken the unusual step of publishing on its website the salaries of all its employees.

"Transparency has been one of our values for almost the entire lifetime of Buffer as a company," says Seiter.

Buffer Salaries are calculated using a formula – so the publication of its employees' salaries probably caused fewer surprises and arguments than it would have for most companies.

Still, before publishing the salaries internally, Buffer checked that its employees understood the salary formula.

It also checked that employees were happy for their salaries to be made public before doing so.

Buffer may be something of a corporate outlier in remote working and the disclosure of staff salaries, but it's far from alone.

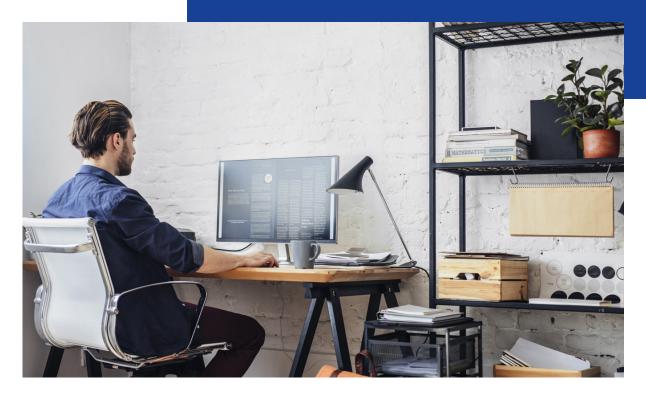
Companies are under pressure from consumers, shareholders and employees to have a social purpose beyond the bottom line and be more open about how they treat their workers.

The rise of B Corps is further evidence that ethical business is getting close to the mainstream.

Research suggests that there may be a link between strong business ethics and financial performance.

Putting ethics at the heart of corporate culture and communicating this to a growing number of remote workers is going to test many businesses over the next decade.

# Transparency has been one of our values for almost the entire lifetime of Buffer as a company



#### The changing workspace

The 'job for life' is vanishing. Many of us will change professions and trades during our careers, which are lengthening due to changes in the official retirement age.



"There has been a major shift away from traditional office set-ups."

Rosie Haslem Director **Spacelab**  More of us are going freelance – more than five million UK workers were self-employed in the final quarter of 2019, according to official figures.

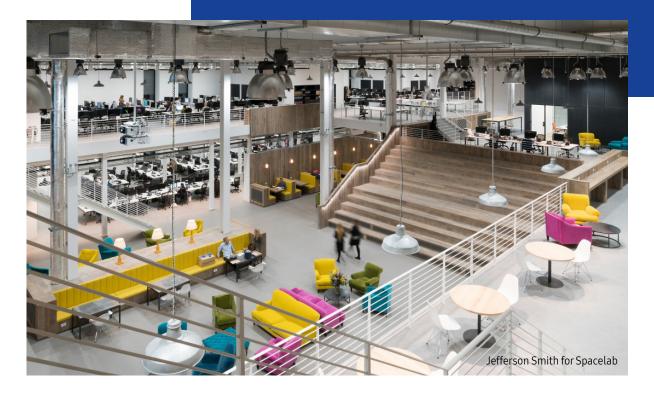
Broadband and communication and collaboration software (Skype, Zoom, Trello etc.) have made it easier to work flexibly outside the traditional nine-five work schedule.

More employees are working remotely, from home and (prior to the coronavirus) in a café or co-working spaces. How are these trends changing the look and feel of our workplaces?

One design trend is a move away from drab office cubicles and overhead strip lighting to more eclectic and informal design.

"There has been a major shift away from traditional office set-ups." says Rosie Haslem, Director at Spacelab, an architecture firm based in London. Its clients include Boden, ASOS and Virgin Money.

"Workplaces with row upon row of fixed desks, with no diversity, have connotations of repetitive, uninspiring work."



## Workplaces are looking more like high-end hotels

Workplace design is becoming more informal. "Workplace design and hospitality design are converging, as people want to work in more comfortable environments with a softer look and feel than a 'traditional office'," says Haslem.

There is more space for collaboration, such as cafés or "break-out" areas where people can work away from their desks.

#### The rise of remote working

50% of employees are working outside of their main office headquarters for at least 2.5 days a week, according to global <u>research</u> published in 2019 by International Work Group, which provides workspaces.

It remains to be seen if the coronavirus pandemic will lead to a significant increase in remote working in the long term.

One thing is clear though: remote working has already changed offices and corporate culture.

According to Haslem, in a typical business, only 67 per cent staff are ever actually in the office at any one time. Remote working plays a key role in this figure (alongside sickness, holiday and being out at meetings).

#### Co-working

There has been a huge growth in the popularity of co-working spaces in recent years.

There are now more than 22,000 co-working spaces worldwide.

And demand for any workspace to be "like a co-working space" is also on the rise, says Haslem. However, companies should be clear on what it is about a co-working set-up they actually want – and need – and whether it suits their organisation and their culture, Haslem says.

Do you want the flexible lease and collaboration opportunities of a co-working space? Or do you want sofas, coffee machines and beer taps?

"You can put a beer tap and a bar into any business," says Haslem. "But do you have the sort of [corporate] culture that will be ok with someone going and grabbing themselves a beer and sitting and having a chat at the bar?"

#### Innovative workplace designs

Changing an office design can change a company's culture.

Spacelab client, Boden, a UK online fashion retailer, was housed in a dated sixties building.

The building's design meant that staff worked on different floors, separating them and discouraging the kind of informal, in-person chats that can improve teamwork and an organisation's performance.

Boden were initially looking for a new building for the company. But when Spacelab saw the large warehouse at the back of Boden's existing building, the practice recommended knocking through into it, to create one large open space around a central atrium.

The aim was to connect everyone together and enable more face-to-face collaboration between staff

It worked.

The new building design has "completely shifted [Boden's] whole way of working" says Haslem.

Nobody has their own desk. Teams have 'neighbourhoods' or 'homezones', but everyone can also work flexibly around the building.

After they moved into their new space, email traffic between Boden colleagues decreased by 50%. Because everybody is so much more visible and connected, people now get up and go and talk to one another, rather than sending an email," says Haslem.

#### The future office

Before redesigning their workplace, companies first need to define their corporate culture.

This will shape the design of their offices and ensure that it's in sync with the company culture.

Over the next decade, current trends like co-working and more 'agile' working will continue to accelerate, fuelled by new technologies and a desire for a more stimulating work environment.

Office designs will become more diverse, says Haslem.

But even as remote working becomes more the norm, we shouldn't write off the office just yet. It will remain an important part of corporate culture.

"Those unplanned interactions you get [in person] can be so much more valuable than, say, a scheduled conference call where you're trying to find the availability of 10 people from across the globe, in different time zones," says Haslem.

"Physical space will likely taken on even greater importance post-coronavirus - to enable us to do all the things we simply haven't been able to do so well whilst physically separate from one another."

As remote working increases, companies should ensure that their buildings encourage maximum collaboration when workers do meet face-to-face.

They should also be wary of being dazzled by design fads. The design of a workplace should be in sync with the values of your business and how it works. A colourful slide and beer taps may jar with visitors if your brand and culture is cautious and conservative.





## How to future-proof your corporate culture

No one can predict the future, but it's safe to say that current trends (such as remote and mobile working and automation), are very likely to change how we work for at least the next decade.



"Technology needs to be made secure without being draconian or too complex to use"

Phil Lander
Director
B2B, Samsung Europe

To ensure that your corporate culture is adaptable, experts advise:

### Updating cyber security for a remote and mobile workforce

As more workers work outside the office, companies' cyber-security policies must balance flexible working with a centralised control of data and IT systems.

Distinctions between work and personal lives are also blurring, as more workers use their own devices ('BYOD', or "Bring Your Own Device") and use them to work outside of traditional office hours.

"Technology needs to be made secure without being draconian or too complex to use," says Phil Lander, Director, B2B, Samsung Europe. "If that happens employees will find a way around it."

For example, if a company's instant messaging platform isn't efficient, employees may use WhatsApp, says Lander. "And at that point you have an increased risk of a data breach."



Securing devices remotely will become a bigger part of companies' cyber-security. "If one of your employees leaves a work device in the back of a taxi or on a train the ability to remotely lock the device, wipe the data on the device and potentially even track the device is really important," says Lander.

#### Mental health and wellbeing

Mental health first aiders are becoming more common in offices. They are an acknowledgement that employees' mental health is a vital part of their wellbeing – and has a big effect on their performance.

At Buffer, mental health is discussed as openly as salaries.

This openness helps to create a healthier and more engaged workforce, says Seiter.

"I've noticed that we're having a lot more conversations about mental health in the workplace. So, I think that's probably going to be one that's on radars in [workplaces] in the decade to come.

"I'm hearing a lot more about burnout, the idea of chronic workplace stress and what to do about that. I know that the World Health Organisation called it a <u>syndrome</u>."

Buffer employees talk about having therapy and any mental health issues they may have, such as anxiety, depression, or obsessive-compulsive disorder.

Says Seiter: "It's very taboo right now in many organisations to [talk openly about mental health], but I do think that it's going to be something that companies are going to have to start talking about in order to have a healthy, engaged workforce, especially with the pressures of social media and everyone being online all the time."

#### Meet in person to improve remote working

Encouraging remote workers to meet in person, even just once, will build rapport and strengthen corporate culture, experts say.

Businessfourzero's Sheikh knows of one CEO who started a job at a company where the leadership team is around the world.

For the first year, the CEO insisted that the leadership team met in person, once a month, to build rapport before going back to the previous system of working remotely.

Even companies without a head office recognised the value of meeting face-to-face (for example, Stanwood's "grill the boss" dinners for new employees).

## Get employee buy in before changing your corporate culture

Technology is unquestionably changing many jobs and the skills required to perform them," says Tom Pepper, Senior Director, Head of LinkedIn Marketing Solutions, UK, Ireland and Israel. "It has made certain jobs and tasks redundant and is fundamentally changing how we work. But technology also creates many new products, services and opportunities - and alongside these, new jobs and skills emerge that didn't previously exist before.

In time, these and other technologies may change the purpose of some companies, how people work and company culture.

Company directors will need to help workers adapt to new ways of working. They will also need to explain the benefits of the new technologies and ease fears that large sections of the current workforce will be replaced by Al-powered machines.

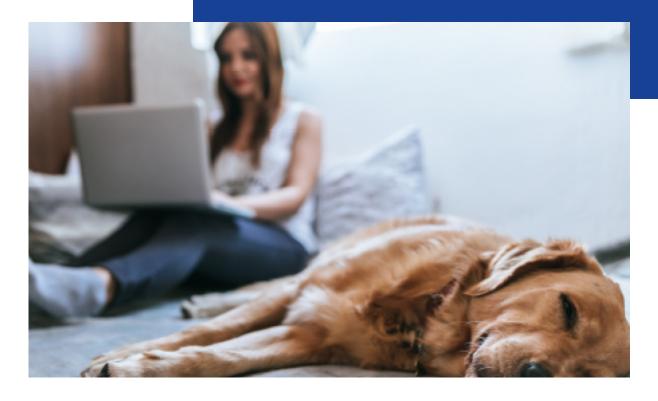
"Looking back at the previous industrial revolutions, out of every wave of innovation, we can clearly see the improvements that are born and bring a higher quality of life to people, jobs and businesses."

A <u>report published</u> earlier this year by the World Economic Forum (in partnership with other businesses, including LinkedIn), predicted that the most important jobs and skills of the future would include data and AI, engineering and cloud computing, people and culture, product development and marketing, sales and development.sort of [corporate] culture that will be ok with someone going and grabbing themselves a beer and sitting and having a chat at the bar?"



'Technology is changing jobs and the skills required to perform them'

Tom Pepper Senior Director **LinkedIn** 



# How to build winning business cultures in a digital world

How can companies maintain a strong culture while maximising the benefits of digital technologies and remote/flexible working? Most companies are still experimenting with remote working and how to combine it with a strong corporate culture, effective teamwork and solid cyber security.

#### However, good practice is emerging

The way we work and where we work is transitioning from a centralised hierarchical corporate system to something more fluid and decentralised. An increase in remote working is changing how we communicate atwork and the design of offices.

Communication technologies such as Slack and Zoom are becoming more widely used because they are often better suited than email, for example, for communication between individuals and project teams in different cities, countries and continents.

One tech start-up, Buffer, which we interviewed for this report, exemplifies this change. It does not have a head office but has developed its own digital protocols to get across the nuance of face-to-face communication between humans. For example, it encourages its remote workers to use emojis to get across emotions and humour that may be lost in a text-only message.

Its communication guidelines also include using certain technologies for certain types of communication – for example, a Zoom video call to resolve a serious misunderstanding or disagreement between its remote workers and Threads to help their workers communicate and build team spirit.

Relatively few companies will be as comfortable with remote working as Buffer. Finding the right balance between remote work and face-to-face interaction will require some experimentation. It will also change the skills needed for good teamwork – that essential but often neglected aspect of corporate performance.

These workplace trends are expected to accelerate over the next decade if, as predicted, technologies including AI and automation automate many tasks currently done by humans but create new types of jobs.

Dealing with so much change is exciting but can feel daunting. Fortunately, with a little planning and lateral thinking, a company's culture can be reconfigured for a new era of remote working and digital communication.



#### **Contributors**



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Rosie is a Director at design and Samsung Europe architecture studio, Spacelab, where she leads the research and strategy work on all projects, recently including Dyson, Asos, Ofcom, Legal and General and University of London.



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Tom is responsible for helping B2B marketers across multiple verticals to identify, target and engage the world's professionals through the LinkedIn platform.

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Responsible for the IT & Mobility market strategy for B2B for Samsung Europe. Delivering pan-European solutions, services, partnerships for large and small businesses both hardware and software to meet the needs of B2B customers.



**Atif Sheikh** CEO, businessfourzero

Businessfourzero helps businesses change faster than the world around them. They do this by working with teams from c-suite to frontline, on everything from purpose to culture.



**Courtney Seiter**Director of People, Buffer

Courtney Seiter is Director of People at Buffer, where her focus is on developing strategies to make Buffer an inclusive and engaging place to work.



Hannes Kleist Founder & MF of Stanwood

Stanwood is a digital agency for mobile app and web development with 20 employees and 20 freelancers working together 100% remotely from all over Europe.



**David McKay** Head of Culture, innocent drinks

David is Head of Culture at innocent, responsible for employee experience, property and values.