

INDUSTRY SURVEY



THE PANDEMIC
WORKPLACE:
IMPACT ON
TEAM CULTURE,
RECRUITMENT
AND RETENTION



FOUNDED IN 1993

EXECUTIVE SUMMARY

Most of Corporate America has responded to the global pandemic by establishing remote officing and flexible work schedules wherever possible. Nearly every American office worker has been required to adapt to significant changes in communication, work routines and socialization. These unforeseen changes have presented new opportunities related to workplace flexibility. But they have also raised concerns related to nurturing a strong team culture, recruiting and retaining talent, and assessing cultural fit remotely.

The single most marked finding in the Pandemic Workplace Survey is the impact of remote work on the ability to build critical relationships and camaraderie. These are key elements of team culture that influence the fit of new hires and the retention of professionals throughout the progression of their careers.

The survey reveals the glimmer of a silver lining. Remote work offers flexibility which seems to have contributed to greater productivity and job satisfaction. It also opens access to a broader talent pool when relocation is off the table as a requirement for employment.

But at the same time, the findings expose significant and concerning deterioration in camaraderie and culture-enhancing activities like building critical relationships, onboarding, training, mentoring and coaching.

The takeaway? Leaders will need to discover better ways to continue the benefits of remote and flexible workplace options even after the pandemic subsides. At the same time, they will need to tune-up their recruitment and retention practices in this new reality to:

- Effectively evaluate cultural fit in new hires
- Develop better onboarding processes
- Help their teams build camaraderie and critical relationships
- Facilitate growth opportunities for team members

The path forward is unlikely to lead back to the pre-pandemic workplace. Hybrid models with greater flexibility and remote work options will become much more common in many organizations.

At a deeper level, the pandemic workplace points out that leadership skills must evolve. Organizations will need to reconsider and redefine the skills and qualities of the people who are managing teams. These leaders will need to cultivate relationships and build a strong, compatible culture, even when their team is dispersed most of the time.

After the pandemic subsides, the challenge will remain: Even if people can do their work from home productively, can they build their careers strategically? Can companies build high-performing teams and cultures?

Best Practices for the New Reality

In the new “work-from-home” reality, leaders must be adaptive in their people management skills and team development practices.

To recruit and retain top talent, they will need to be more intentional in assessing fit.

Evaluate these Issues:

- Do you have an objective view of your team culture and how remote work has changed it?
- Have you assessed what qualities and attributes you value in team members now that your team is dispersed?
- Have you previously relied on the on-site interview to provide the a “gut-level” sense of fit?
- Is your current reference checking process cursory or robust enough to probe for candidate fit?
- Are you aware of new talent pools that have opened now that relocation is may no longer be a deciding factor in whom you hire?

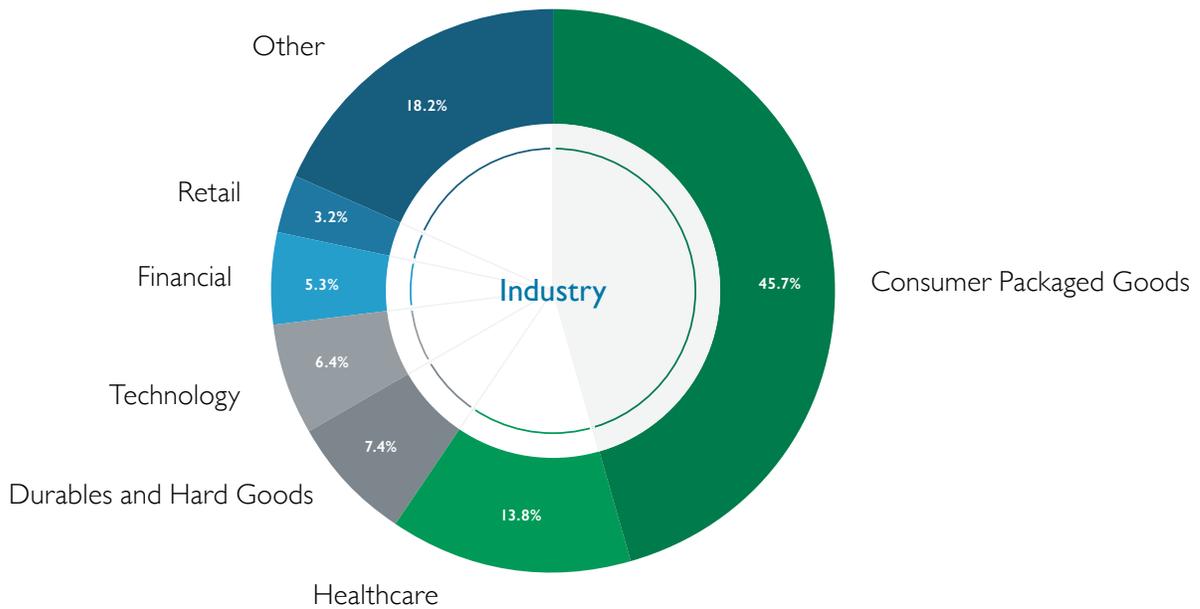
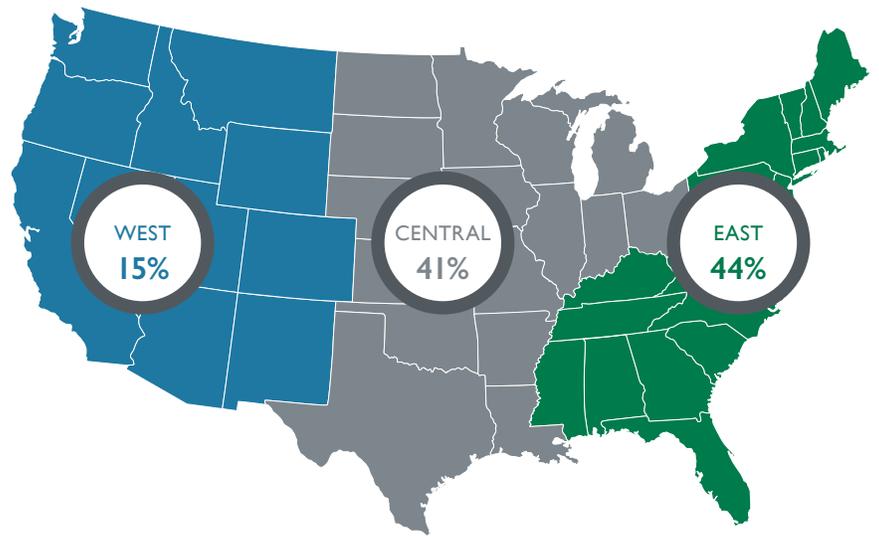
PROFILE OF RESPONDENTS

The Pandemic Workplace Survey reports the perspectives of marketing and consumer insights leaders who – pre-pandemic – typically worked with their teams in corporate office settings. This is an important distinction to note, because the survey is not intended to represent service, manufacturing or other employees who do not have the option of working from home.

The survey was conducted in October 2020. The 115 respondents are decision-makers working predominantly in the consumer packaged goods industry. However, some respondents represent durables, healthcare, financial services, technology and several other consumer-facing segments of the economy.

The geographic distribution of survey respondents generally aligns with the relative concentration of consumer packaged goods companies across the United States.

Geographic Location



Job Function



- Analytics & Data Science
- Innovation
- General Management
- Qualitative & Quantitative
- Brand
- Other

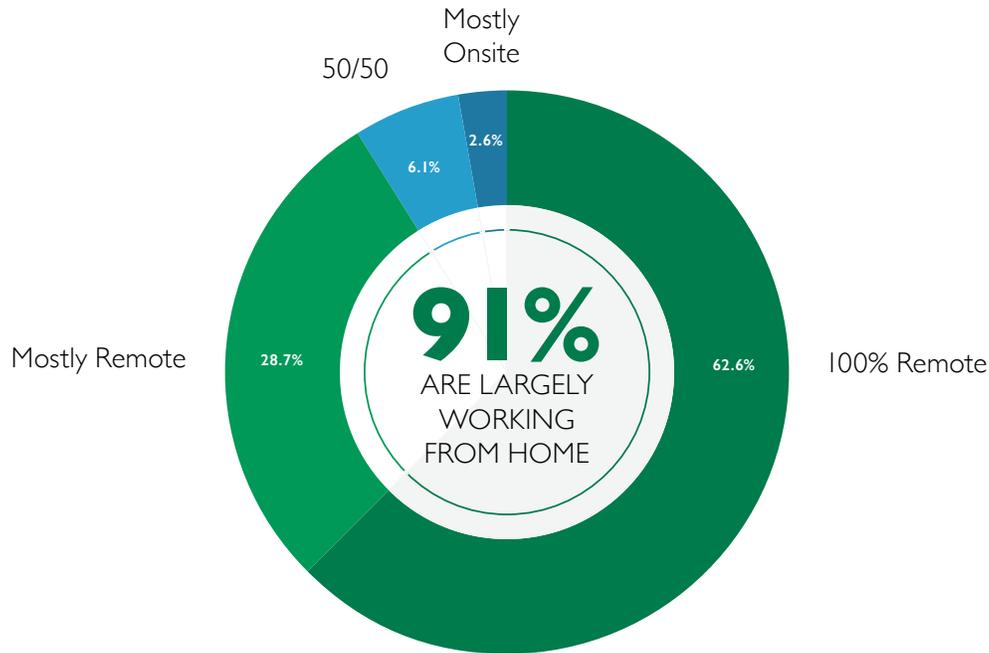
Team Size



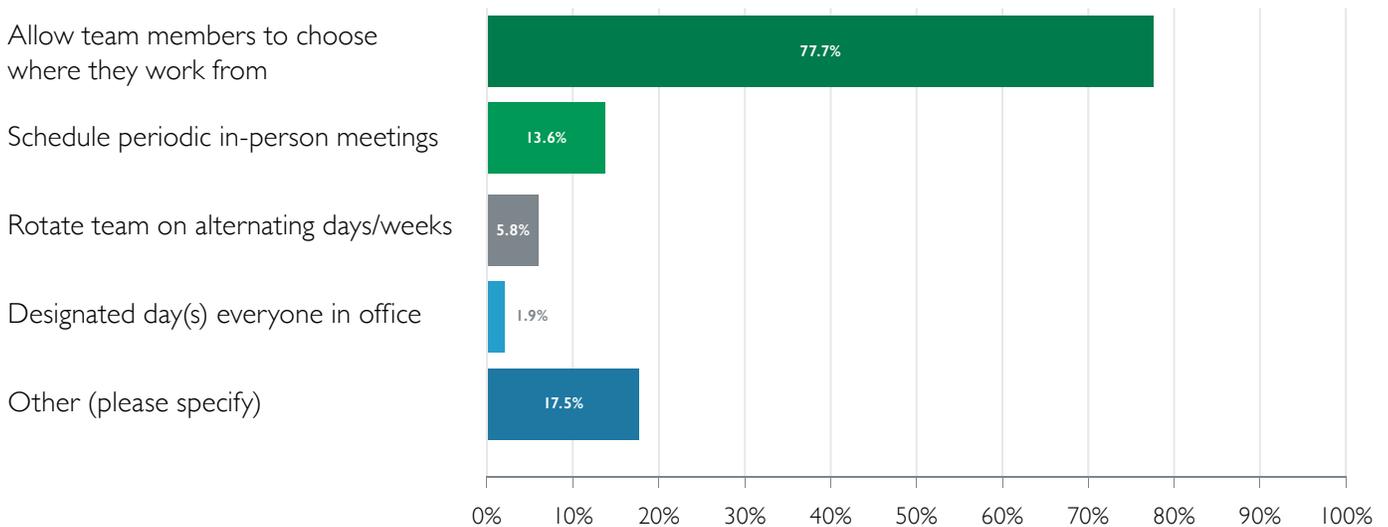
- Greater than 50
- 10 - 25
- 26-50
- Fewer than 10

The vast majority of respondents (91.3%) supervise teams that have been working remotely nearly all the time during the pandemic. A significant number (77.7%) allow flexibility in where their team members may work, and very few (14%) attempt to schedule periodic in-person meetings or occasional visits to the office.

Q What is your team's current mix of remote and in-office work?



Q Which of these best describes how you are managing remote or flexible work? (Check all that apply)

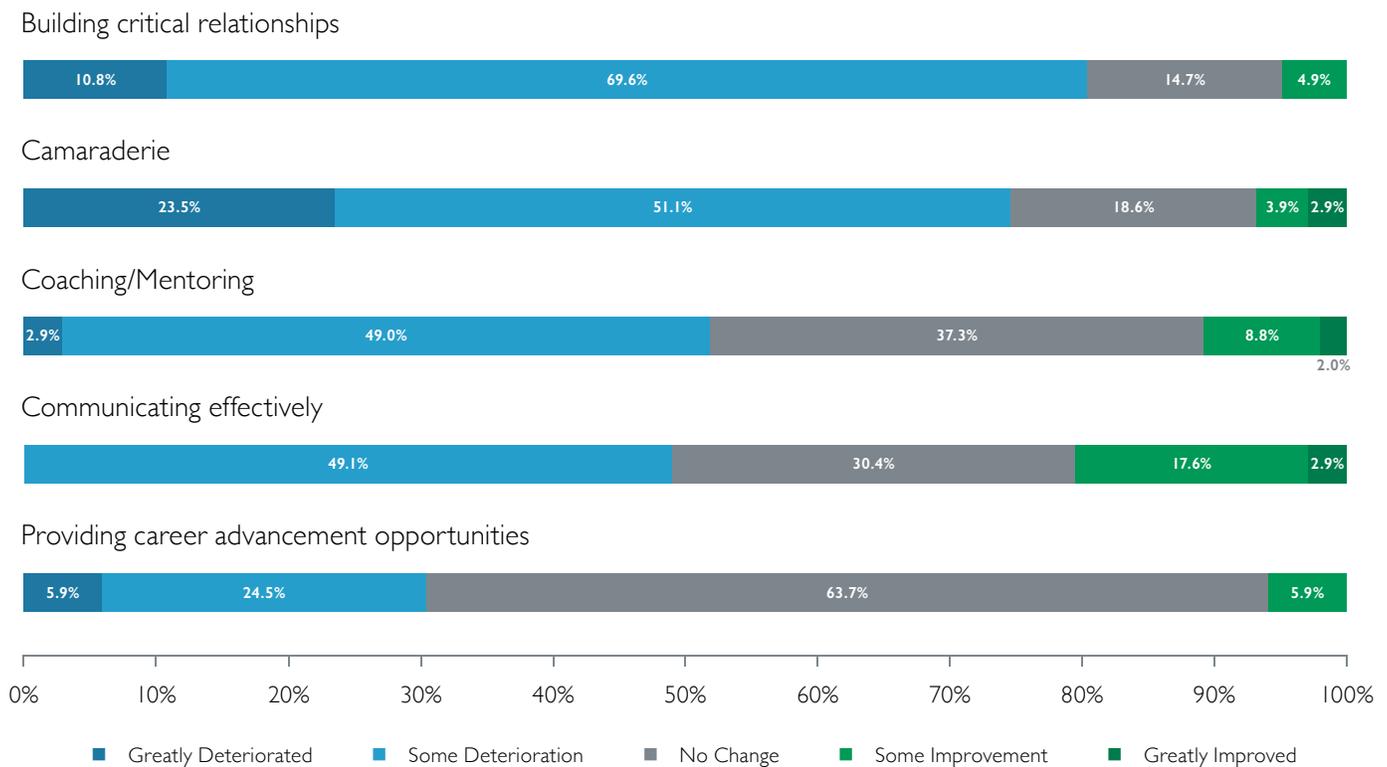


IMPACT ON TEAM CULTURE AND PRODUCTIVITY

The impact on team culture has been significant. The majority of managers reported deterioration in the key areas of building critical relationships (80.4%) and camaraderie (74.6%).

Around half of respondents report having more difficulty in coaching and mentoring (51.9%), and communicating effectively (49.1%). Slightly less than one-third (30.4%) have seen deterioration in providing career advancement opportunities for their team. But, advancement opportunities may begin to suffer if the deterioration continues in the foundational elements of culture previously mentioned.

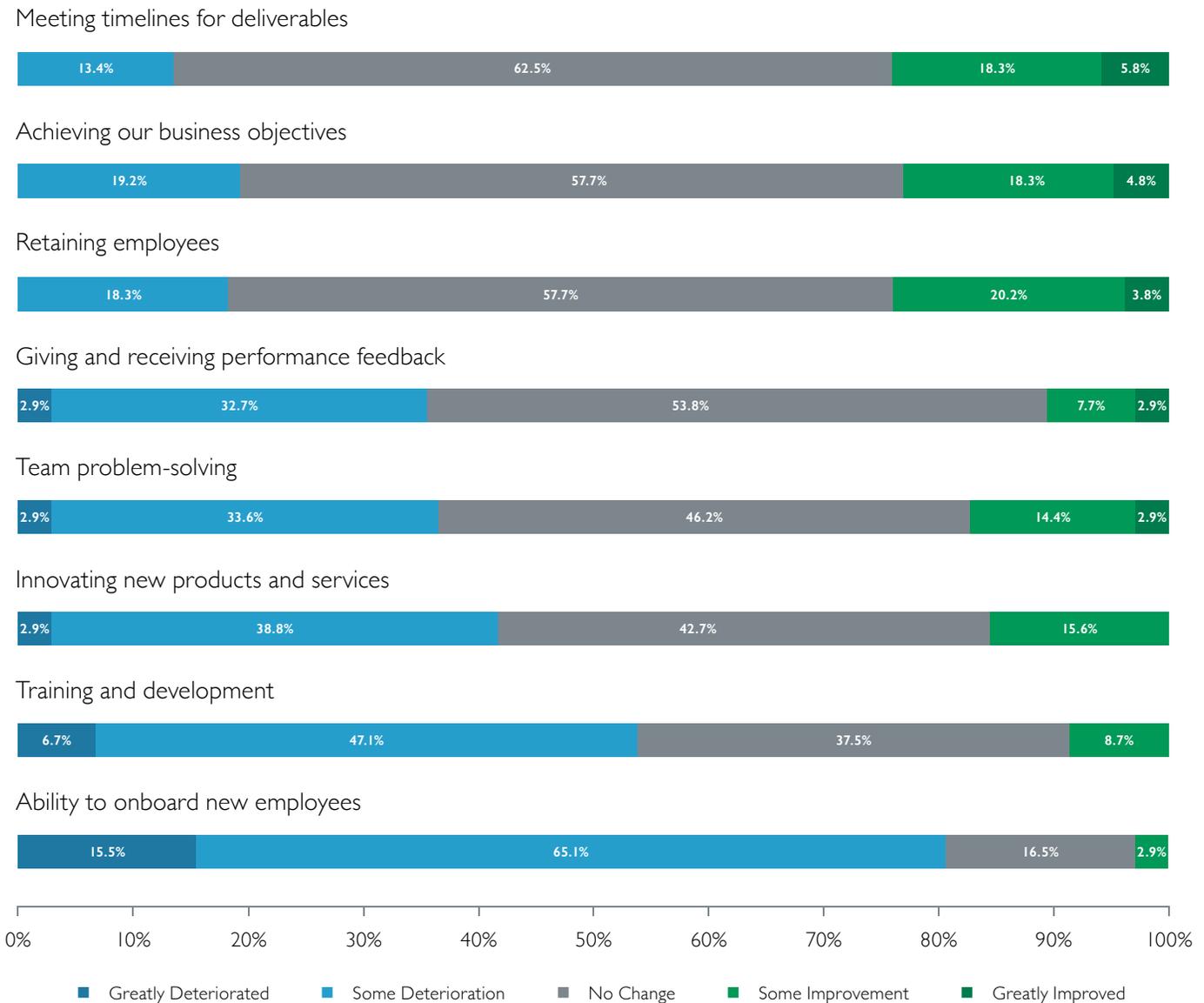
Q How have these attributes of team culture been affected by changes in remote or flexible work?



“Ensuring connectedness across the team and especially for those who are more junior in the organization is challenging. We struggle to create supportive professional relationships to facilitate growth and achieve goals more than before.”

The impact on productivity during this same period was largely unaffected or somewhat improved. More than eight-in-ten managers reported that their teams were still able to meet timelines for deliverables (86.6%) and achieve business objectives (80.8%). Fortunately, retaining employees remained unchanged or improved for 81.7% of the respondents. However, this may be short-lived the longer remote work continues for reasons examined below.

Q What are the effects of a remote work environment on your ability to function as a team?



Deterioration begins to show in areas that depend more heavily on team activity. More than one-third of managers reported they have experienced some deterioration in innovation (41.7%), team problem solving (36.5%) and sharing performance feedback (35.6%).

Of even greater concern is deterioration reported by managers in areas that impact recruitment and retention. The majority of managers experienced deterioration in onboarding (80.6%), and training and development (53.8%).

IMPACT ON RECRUITMENT AND RETENTION

Assuming the pandemic requires office workers to remain off-site through June of 2021, respondents expect that the remote workplace dynamic may become a factor in their ability to hire and retain team members. But the dynamic appears to cut both ways.

More than half (53.0%) believe they may lose team members if they require them to return to the office – in favor of a job that allows more flexibility. And less than a quarter (23.4%) believe they may lose team members who want to return to working in an office, if they aren't able to offer that option once again.

About half (52.0%) believe they will be able to more easily hire their candidate of choice if they remove relocation as a requirement. But, the majority (70.7%) do not believe that work-from-home flexibility will enable them to hire or retain professionals at a lower salary if they happen to be working remotely from a lower-cost-of living location.

Q Assuming you continue at the same mix of onsite/offsite work until June 1, 2021, state your level of agreement with these statements about recruitment and retention:

We may lose team members:

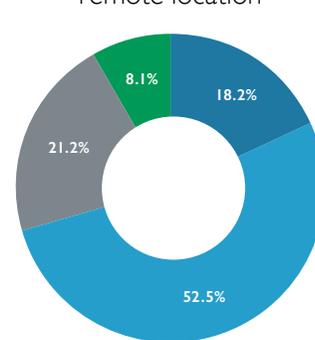
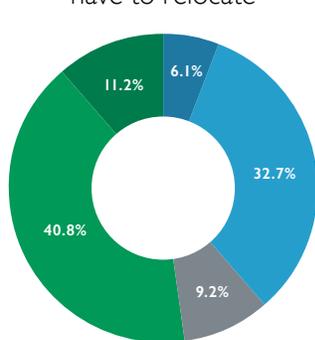
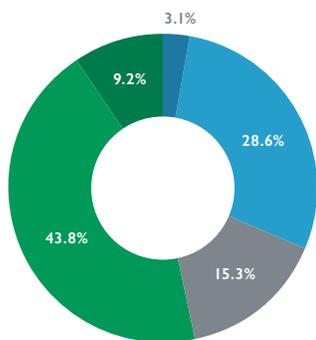
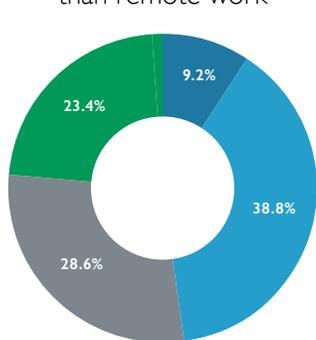
We will be able to:

... because working in an office with teammates is more appealing to them than remote work

... to a company that no longer requires work on-site

... more easily hire candidates of choice because they don't have to relocate

... hire / retain at lower salary due to lower cost of living in their remote location



■ Strongly Disagree ■ Disagree ■ No Opinion ■ Agree ■ Strongly Agree

“We do not offer remote work without extenuating circumstances at home. Therefore we will lose good talent to other companies offering more flexibility.”

If the pandemic subsides as expected by the middle of 2021, managers will need to be intentional, strategic and equitable in offering work-from-home and other flexible work options. There is no one-size-fits all solution because it will impact every team differently, based on the mix of experienced and newer members, and the nature of the work.

The insights of two respondents crystallize the opportunity and challenge of incorporating a greater degree of flexibility into the post-pandemic workplace.

“To recruit and retain highly skilled personnel these days, it is necessary to offer the option and flexibility of working where they prefer. The biggest challenge is in hiring young, inexperienced people who benefit from having someone readily available to ask a question. Training is a challenge that takes deliberate effort and creativity. But, in a time when you can jump on and share screens with little effort, even that is doable, if not optimal.”

“I think majority of employees are happy to be able to work from home, even though some may already realize the adverse impacts on their team camaraderie, team building, working relationships and skill building. Most realize that, at some point, we will be back in the office, albeit with potentially more flexibility to work from home more regularly.”

The issues that managers face with regard to recruitment and retention are multi-layered. The uncertainty around budgets and future workplace arrangements has delayed hiring plans. For those who have been hiring, the difficulty of assessing fit without an on site interview is a significant challenge.

Some managers observed that it is easier to retain team members due to concerns about job security, while others reported that furloughs eroded their commitment to ride it out with their current employers. Others reported that remote work makes it easier for their employees to network and interview for new jobs under the radar.

POSITIVE LEARNING FROM REMOTE WORK

Silver linings identified in the Pandemic Workplace Survey fell into broad categories. The common themes underscore the realization that adversity creates opportunity for people to evolve, and the corporate perspective on work flexibility will evolve as well.

This pulse check -- well into the COVID-19 pandemic -- revealed that most managers had made the pivot to work-from-home. Their teams are in a productive mode and able to deliver on their current business objectives.

PRODUCTIVITY

- People can be trusted to work remotely
- Greater flexibility and efficiency at home without commute and office distractions
- Virtual meetings can be effective and efficient

MANAGEMENT

- Securing better talent without relocation is possible
- Managers have to be more purposeful about remote work relationships
- In-person time together will still be needed

QUALITY OF LIFE

- Compatible with whole life approach among Gen Y&Z
- Great for introverts; harder for extroverts
- Greater personal flexibility but requires greater self-discipline

TECHNOLOGY

- Better utilization of technology can improve efficiency
- People are accelerating their tech mastery
- Technology improves geographic communication

“I think there are some major pluses to a mostly remote environment. My team loves it. They are happier. But more importantly, they are more productive. There are less distractions that occur in the office. And if I need everyone to come in to harness the power of the team, we can still do this.”

“Flexibility is now and will continue to be one of the most important benefits to employees. It’s easy to provide and beneficial to the P&L, but it requires stronger people managers than most companies have right now. The positive learning is that strong people managers/motivators might start to get more recognition than in previous work models.”

Where communication is concerned, the pandemic has leveled the playing field for team members who have been working remotely all along. Everyone has now experienced the challenges of virtual meetings and team-based work equally. The pandemic has given managers and co-workers the opportunity to structure meetings, project assignments and informal interaction with greater intentionality to make them work for the entire team.

“Many relationships are nurtured by quick coffee breaks, and lunches that could be spur of the moment. Now, you need to schedule these interactions.”

However, planning and building for the future is an emerging challenge. The longer that live, in-person interaction is limited, the less certain it is that managers will be able to build high performing teams with strong cultural fit, opportunities for advancement and long-term retention.

“We’ve been incredibly focused and productive. That said, I’m now starting to see the cracks, and while eight months is a long time, we already had our established goals/objectives/KPIs for the year prior to work-from-home. As we lay the groundwork for 2021, I’m seeing gaps, and communication challenges that I fear will manifest themselves moving forward.”

CONCLUSION

The single most marked finding in the survey is the impact of remote work on the ability to build critical relationships and camaraderie. These are key elements of team culture that influence the fit of new hires and the retention of professionals throughout the progression of their careers.

The path forward is not likely to lead back to the pre-pandemic workplace. Hybrid models with greater flexibility and remote work options will become much more common in many organizations.

Managers need to approach recruitment very differently to address the challenge of hiring for fit virtually, and then onboarding and mentoring new hires with less in-person interaction.

At a deeper level, the pandemic workplace reminds us that leadership skills must evolve. Organizations will need to reconsider and redefine the skills and qualities of the people who are managing teams. These leaders need to cultivate relationships and build a strong, compatible culture, even when their team is dispersed most of the time.

After the pandemic subsides, the challenge will remain: Even if people can do their work from home productively, can they build their careers strategically? Can companies build high-performing teams and cultures?

ABOUT O'CONNELL GROUP

Founded in 1993 by veterans of the CPG industry, we're a leading executive search firm in consumer marketing and insights. We serve companies nationwide, from America's largest CPG leaders to entrepreneurial and private equity-backed enterprises. Our clients include consumer-driven, non-CPG companies who want to hire CPG talent.

We partner to build strong, lasting relationships with professionals on both sides of the hiring equation – those who hire and those considering new roles. As a trusted advisor, we provide counsel, expertise and guidance, so companies and candidates make the best decisions. We pride ourselves in not just filling jobs, but in building careers and companies.

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