A New Perspective on Organizational Culture In Emergency Situations

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Abstract

Many studies consider organizational culture (OC) responsible for successful companies. It is a unique element that can shape the identity of each business. Companies around the world invest time and energy to build their best working culture. Moreover, the year 2020 proved that pandemic crises, within a short period, can challenge what companies have done for years. Modern economy and its OC are profoundly affected by this unprecedented situation. This study is exploratory and aims to have new insights on the OC in emergencies caused by global pandemics. Academic literature and international media are used to analyze the situation, seeking to explore a new approach toward the way businesses changed their activity. As a result, a curve is proposed about the organizational culture changes due to an emergency.

Keywords: Acculturation, Culture Shock, Emergency, Organizational Culture.

1. INTRODUCTION

Organizational culture (OC) reveals the synergy of the company through the coordination of its resources. Human resources represent people with different backgrounds who interact with one another, aiming to perform through complementary skills. Business founders are also people with personal experience who create the OC by pursuing their values, norms and beliefs. Those values, norms and beliefs are shared with the other members of the company, building a special bond between them. But OC is a dynamic phenomenon that evolves as time passes due to different factors. New employees joining the company, changes in the environment where the activity is pursued, new technology and other elements will give a different shape to the OC. According to Schein [1], there are three crucial dynamics regarding culture: creation, evolution and managed change. All these three phases are essential processes that help us understand better the OC of each business. Warrik [2] stated that organizations should assess their culture regularly, implying that OC is always transforming itself.

Organizational culture is considered an asset that evolves sustainably, but pandemic crises of Covid-19 is rapidly modifying it. This new unprecedented situation is affecting the way people behave and also the way companies manage their activity. These unique circumstances influence organizational culture at a global level. Businesses all over the world faced unknown conditions, and as a result, they changed their way of doing things. The government set necessary measures aiming to protect people’s health. The new mission of business was to incorporate the primary necessities of people. For this reason, the daily routine was adjusted with the intention to support everyday life.

Scholars have always emphasized the importance of a strong OC and at the same time, the ability to be flexible. During the global pandemic, fundamental values [3] have gained more attention, which reveals the strength of culture. It means that at the core of whatever individuals or business do are values and norms.
People and the economy are in front of an emergency. According to a study [4], emergencies are; “situations we are not familiar with—nor likely to be familiar with—and by their mere happening create acute feelings of stress, anxiety, and uncertainty”. Although, pandemic crises of Covid-19 affected modern economy in unexpected ways, history has shown that it is not the only one that world had gone through. In such emergencies, our current assumptions should be ignored [5], so people can see new opportunities. In this perspective, organizations are in front of challenges that need action. Pandemic is testing the ability of companies to adapt and to create a new environment.

2. LITERATURE REVIEW
2.1 Organizational Culture
Many definitions are given to OC, but we will briefly present the one that can help us understand better the focus of this research. According to van den Berg & Wilderom [6] “Organizational culture is a shared perception of organizational work practices within organizational units that may differ from other organizational units.” The practice is set in the centre of this definition because OC goes beyond values, norms and beliefs. It shows the unique identity that companies create by sharing their perceptions about their every day practices. The way things are done in the company, which represent the OC, resulted in being vital because they were able to define successful companies.

2.2 Culture as a Process of Transformation
Schein [7] stated that “For an organization, one of the most powerful triggers to change is the occurrence of a disaster”. According to him, learning and change are the elements that can help us understand the evolution of culture. OC is always a subject of transformation, but during situations where significant changes happen, the process is more evident and rapid.

Reasons given by scholars for these transformations are many. Some basic categories are brought by Schein [7]. They are called disconfirmation. It represents the process that makes members of the company change their beliefs. Reasons presented are:

- Economic
- Political
- Technological
- Legal
- Moral
- Internal

All of them are factors that can affect the OC of businesses because when a new circumstance is present, OC needs to adapt. As a result, change in practice will bring a difference in culture.

Another crucial element that can affect OC is communication. Communication is essential in emergencies, and due to new conditions, it might change its form. The immediate result is the virtualization of communication [8] which is the main factor that can revolutionize culture. After a literature review on opportunities that might emerge from Covid-19 [5], the model of communication resulted in being a visible one for the Covid-19. At the same time, going to ‘work out of the comfort zone’ is seen as a hidden opportunity.

Culture unites its members because they shared history [9]. A global pandemic is a history that people are sharing. Suddenly, the global organizational culture is going toward the same path. The way companies used to work has now rapidly changed. New measures and methods of dealing with Coronavirus are putting companies toward the same solutions which include working from home, internet and other on-line applications.

During this period, society and business are going through a culture shock. Acculturation curve [10] is designed to explain people’s feelings when they deal with a foreign culture. It is presented in the figure number one.
As can be seen from the figure above, negative and positive feelings change dramatically during a short period. During this time, emotions change due to the new environment. Emotions change because of the contact that people have with new practices. Those changes can emerge at different levels during different periods. For example, when people go to other places, initially they will experience positive feelings. But, when they stay longer, adaptation difficulties will come up. Positive attitudes will start to drop, and after some time, they will turn into negative ones. When the adaptation happens, negative emotions tend to go into low levels. After all these phases, the stable state will come, where people tend to experience negative, positive or no feelings at all about the situation that they went through. This process of adaptation now can be considered real for the whole population and businesses as well.

2.3 Epidemics and Pandemics Around The Globe

The modern economy is hit by a global pandemic, initiated in China from November-December 2019, and within months it is spread to the rest of the world. In March 2020, Covid-19 was announced as a pandemic by WHO (World Health Organization). Although Coronavirus is considered unprecedented, it is not the only pandemic that humanity has known. Several epidemics or pandemics happened in different periods. Although we might find similar situations, the impact of each one is not the same since they have happened in different time periods.

Considered as the worst disease in history, ‘The black death’ (1346-1353) killed mostly poor people around the world. Religion gains more importance. Quarantine, a place used to isolate people or animals aiming to avoid contagious diseases, resulted in an effective measure in reducing the infection.

Spanish flu (1918-1919) is another pandemic that caused many victims. It is called ‘the great shutdown’ due to many restrictions that people faced [11]. Schools and other businesses were closed during this period. There were fines for coughing, sneezing or spitting in public [11].

2.4 Pandemic Situation Due To Covid-19

Everyday routine, a so-called regular in our society, is considered dangerous for people’s health. In this new situation, the world explored new ways of collaboration. Companies put in practice a new approach in a new and insecure environment. Global companies and also SMEs were in search of new paths on how to help people and how to stay on business by being useful. Now more than ever, companies around the world aim to support society with their expertise and resources. Many companies changed their way of doing business [12].
some companies served people every day, others sent their employees at home and reorganized their activity online. Some businesses were able to deal with this situation [13] by finding new options for satisfying the necessities of their customers. Other firms completely changed their production activity toward new products that society need the most right now. For example, Ferrari, LMVH, distilleries etc. started to produce medical facilities to face the pandemic needs.

Globalization and technology for decades have worked to improve the quality of life, keeping people united. For decades, they have been able to share their products all over the world. From March 2020 globalization and technology have taken another direction. Closed borders and social distancing changed the way people used to live and work. Technology is used to work, learn and communicate with one another during this difficult time.

Beside overcrowded hospitals, other organizations like cleaning companies, supermarkets, news organizations and other online services (NETFLIX) have experienced unexpected demand. However, the high demand and the pressure to cope with the requirements imposed by governments have affected the way companies operate in the market. Although many companies are out of the market, bills need to be paid, and for this reason loans, tax reliefs and cash grants are offered to them. Businesses that survived Spanish flu [14] stated that the main reason that kept their activity is that they were able to preserve the core and at the same time, stimulate progress. People should be trained and encouraged to be flexible and creative [4] because, in this way, they will be able to promote growth even in difficult situations.

Another element that deserves our attention is teams' cohesiveness [15] in emergency situations. Quarantine forced people to work from home, and as a result, they spent time together in new circumstances. The fact that elements of their everyday life are shared with one another is an essential ingredient that can strengthen their cooperation. Working remotely is showing the ability of individuals and companies to be flexible. They have demonstrated their ability to stay motivated and also to encourage others. According to a study [16], some of the problems of small businesses were not only the reduction in demand but also employees' health. As a result, working on a team might be affected during this time.

Working from home resulted in being a unique experience for Switzerland [17]. It is considered the workplace of the future. In December 2015- January 2016 [18] resulted that 25% were freelancers who worked from home and also 28% of the employees worked from home for one-half day a week. It reveals that some people used to work from home even before Covid-19.

2.5 The Situation After The Lockdown
Businesses are allowed to open their activity but only if they can cope with the social-distancing and also other disinfection requests like hand-sanitizing. Customers should stay two meters far from one another. As a result, companies are working under their standard capacity to comply with the rules and regulations. Face masks are mandatory for places or situations that cannot respect the social-distancing. For all companies, hand sanitizers should be present at the entrance and exit.

Plexiglas barriers are taking place in commercial businesses [19] as a necessary measure to fight the spread of Covid-19. Companies like, Facebook, Twitter [20, 21] announced that they would be working remotely for 2020, showing that essential things have changed in our society due to Covid-19.

3. METHODOLOGY
The reason behind this study is that OC is one of the main factors that has rapidly changed during the pandemic of Covid-19, and it deserves to be analyzed further. As an exploratory study, it aims to have new insights into OC and emergency situations.

Literature about OC is explored, and then it is examined in the light of the Covid-19 pandemic. Information is gathered from online resources that present how the world is dealing with this unprecedented situation. This paper is prepared during May - July 2020.
4. DISCUSSION AND RESULTS

4.1 Organizational Culture and External Environment

Seel [22] stated that "culture is the result of all the daily conversations and negotiations between the members of an organization”. It means that culture can't be changed due to a strict plan, but comes naturally from the cooperation and the daily routine. Another definition of OC [22] is “Organisation culture is the emergent result of the continuing negotiations about values, meanings and proprieties between the members of that organization and with its environment”. As we see, environment and culture are related with one another. As a result, environment can be considered essential to the culture.

When we speak about the business environment in the global sense, globalization comes to our mind. Globalization, an investment that humanity have dedicated too much time and energy, resulted in being the main element that has increased the spread of the Covid pandemic [23]. The reason is that there were no plans to deal with global disease transmission despite the suggestions of research studies [24]. Globalization encouraged organizations all over the world to work together, learn from one another and support one another. The global cooperation in the modern economy was at its highest level. In this perspective, companies brought different cultures from all over the world. As soon as Covid-19 hit the world, organizations were forced to change almost all the methods they used. A subject that needs to be emphasized is that companies didn’t have any plan for a crisis of this level [25]. It means that the culture of emergency planning was not supported enough by companies [26]. However, now that we have seen what emergencies like pandemics can do, society and companies should dedicate time to emergency planning. It might be the number one lesson that Covid-19 taught us.

“Organizational culture is the pattern of basic assumptions which a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration,” wrote Schein [27]. In this sense, during Covid companies learned to cope with unprecedented situations, aiming to adapt their internal culture to the new external environment. The famous representation of OC as an onion [28] can help us understand better how this adaptation happens. At the center of the onion, there are basic assumptions or values. Exposed values present the next layers, and around them, there are artefacts. According to this perception, practice is the process that integrates all the elements together. As a result, if the practice is changed, other components will change as well. Atkinson [29] also stated that “time spent thinking and conceptualizing without action is time wasted”. In this perspective we can say that during the pandemic companies went into action because there were no other possibilities to deal with the situation. We can also say that actions taken by many companies resulted in being productive and supportive.

4.2. OC and Emergencies

As we can understand, groups need a certain time to create their work culture, but in an emergency, the amount of time is shorter. This study aims to underline that companies can change their way of working even in critical situations. In the literature, there is a gap in the intersection of emergency and organizational culture. The reason stands on the fact that till now, OC is mainly studied in normal conditions. As we said earlier, the culture of emergency planning was not practiced by companies in general. In this sense, people were able to take time and share their assumptions about the values that they represent. During this process, everything came naturally or unconsciously [30] from daily routines, implying that OC needs a relatively long time to be built.

Many researchers have studied acculturation ([31], [32], [33]) and culture shock [34]. Those concepts are seen in the individual aspect of being an international student. Results show that individual cultural values during the process of acculturation change slowly in the first ten years [33], implying that a long time is reserved for adaptation. In a global view, contradictory facts emerged during Covid-19. Experience showed us that, OC can be affected by short periods but only if companies are under extreme conditions or emergencies. For example, telework emerged during Covid-19 revealed the possibility to redesign some processes or jobs [35]. Another study [36] concluded that working from home has changed the OC in Indonesia. In other words, pandemic opened different dimensions to the way we can manage our resources.
4.3 A New Perspective on Organizational Culture

The world was unprepared for global health crises on these dimensions, showing that this is an unprecedented situation for the modern economy which resulted in affecting life for real. New circumstances brought a unique experience. As a result, we can now add global pandemic crises as a reason for cultural changes. This essential factor should be incorporated in the literature, emphasizing the significant role that pandemics can play in the market. The global epidemic of Covid-19 was a shock that had a substantial impact on the way organizations did their activity. The rapid change pushed companies toward new limits. The new reality is focused on how to fulfill peoples’ essential needs, being always cautious. As a result, leaders were able to adopt new methods. Technology advancement help companies to adapt quickly.

During a short time, the whole world faced significant changes. Almost every economic activity was closed. People stayed in quarantine, and the majority of the organizations were forced to go on a break. The new situation imposed new ways of doing business. An adaptation of the acculturation curve [10] is used to understand better how the global cultural change happened. It is presented in the figure below.

![Cultural Change Curve](image)

FIGURE 2: Curve proposed for cultural change in organizations due to Covid-19.

As can be seen from the figure, during the first phase, people are experiencing a culture shock. Their feelings are harmful due to the rapid change. Within months, businesses close their activity, unless they offer products of primary necessity. The lockdown and quarantine affected the global economy negatively. The supply and demand went on a shock.

The second phase represents the time that society and economy were preparing to reopen their activity. Adaptation is going to slowly decrease culture change because businesses need to adapt to new rules and regulations. The intention is to perform daily activities but with the necessary measures to ensure people’s health. Companies changed their norms and procedures to minimize the spread of the virus.

Regarding the third phase, it shows a possible situation which reveals a difference between the actual general OC and the new cultural position. People are now conscious that there are new possibilities to live and work. The curve shows that during this phase, different paths can be possible. Are the new ways of dealing with the health crisis, going to stay for long in our society or not? It is difficult to predict but intense experiences can be memorized for a long time. Schein [9] wrote, “If people share intense emotional experiences and collectively learn how to reduce anxiety, they are more likely to remember what they have learned and to repeat that behaviour to avoid anxiety ritually”.

Other pandemic cases have shown that society might be affected by more than once. For example, the Spanish flu had three waves during 1918-1919 [37]. Therefore, [38] Covid-19 might repeat itself in other levels soon. However, it is impossible to forecast the behaviour of the Coronavirus since no exact information is known, and no vaccine is available about it.

For the above curve, it is built the table number one, which represents the rationale. Factors that justify each phase are described at the table.
Phase

<table>
<thead>
<tr>
<th>a</th>
<th>b</th>
<th>c</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture shock</td>
<td>Re-adaptation</td>
<td>Long-term scenario</td>
</tr>
<tr>
<td>- Quarantine</td>
<td>- New regulations are given from governments</td>
<td>Scenario nr. 1</td>
</tr>
<tr>
<td>- Negative feelings</td>
<td>- New arrangements and the latest equipment on all institutions or companies. (for example, hospitals, hotels and restaurants, gyms, markets, construction, schools)</td>
<td>Coronavirus will no longer affect people on a large scale</td>
</tr>
<tr>
<td>- Uncertainty</td>
<td>- New investments aim to adapt the activity to the new situation</td>
<td>- Life starts to come closer to the way people and organizations used to work before Covid-19</td>
</tr>
<tr>
<td>- Border restrictions</td>
<td>- Social distancing and hygiene measures</td>
<td>- New regulations due to Covid-19 might continue to be present in everyday life</td>
</tr>
<tr>
<td>- Demand and production shock</td>
<td>- New technological devices are created and adapted like; infrared thermometers, tools that help maintain the distance between employees, phone applications that can detect on distance people with Covid-19.</td>
<td>- Companies might keep some of their practices even after this situation</td>
</tr>
<tr>
<td>- Social distancing and hygiene measures</td>
<td></td>
<td>- People and governments might continue to support local businesses</td>
</tr>
<tr>
<td>- Work remotely</td>
<td></td>
<td>- Countries might begin to diversify their portfolio in a more profitable manner</td>
</tr>
<tr>
<td>- E-learning</td>
<td></td>
<td>- Travel and tourism are reduced in a sustainable way</td>
</tr>
<tr>
<td>- Change in the production line for some companies</td>
<td></td>
<td>- People might be more conscious about the well-being of our planet</td>
</tr>
<tr>
<td>- Unemployment and financial problems</td>
<td></td>
<td>Scenario nr. 2</td>
</tr>
<tr>
<td>- Governments’ aid package</td>
<td></td>
<td>Society and organizations might face other lockdowns due to different waves of Covid-19</td>
</tr>
<tr>
<td>- The local businesses are supported</td>
<td></td>
<td>- The curve might repeat itself but in different levels</td>
</tr>
</tbody>
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**TABLE 1:** The rationale of the global acculturation curve caused by Covid-19.

According to the elements that are presented in the table above, organizations are changing their work culture. An element noted even from other studies [39]. It implies that an emergency is considered a field that needs further research since studies show [40] that a few scholars have dedicated their work to crisis and how they are managed.

5. **CONCLUSIONS**

The emergency of Covid-19 proved to be extremely important for the organizational culture. New situations can modify OC and can bring new insights to the way companies organize their work. Flexible companies proved their ability to manage insecure situations. New opportunities emerged, and some companies were able to take advantage of them.
This case study revealed that culture within the company could be hugely changed during an emergency and mainly due to global pandemics. Moreover, pandemics can influence all the other factors that change OC in a normal situation.

The main contribution of this study is the suggestion of a curve which represents a global cultural change for organizations in an emergency. The individual acculturation curve is modified, aiming to create another perspective on the OC in a global version, based on the experience of Covid-19 pandemic. This study proved that short periods under extreme conditions could change OC. The intention is to put forward the idea that changes in the daily work practice due to emergencies can transform OC. As a result, pandemics or emergency can be added in the literature as an essential element that can change even the values and beliefs.

To conclude, significant elements that emerged during Covid-19 that can affect the OC are considered:

- Social distancing
- New ways of communication
- On-line working and learning
- New work practice
- Focus on the fundamental organizational values

The integration of the elements above helps us understand better the new path that the modern economy is going through. Health crises made companies to change their way of doing business, and some of them came across positive experiences, which can continue to be performed even after the Covid-19. This unprecedented situation might be the start of a new era.

6. LIMITATIONS AND FUTURE SUGGESTIONS
This study is limited only on a general view of the OC in emergency and how businesses manage the situation. Since primary needs emerged during a short time, companies explored new opportunities. These new practices or cultural changes have been the main focus of the research.

Future research is highly recommended to study pandemic or emergency of Covid-19 in the light of OC because they can provide important suggestions for the future. It would be a significant contribution if researchers will study the impact of Covid-19 on corporate culture in the long-run. Qualitative or quantitative studies can be useful to examine the transformation that elements of the organizational behavior might have had, such as communication, leader's behavior, values and beliefs. Other specific problems that certain industries might have had during a pandemic can help researchers and managers to create a better picture of the Covid-19. Moreover, it would be interesting to study how new jobs are designed or see how organizations have redesigned their structure during Covid-19 and even how they will change after Covid-19.

7. REFERENCES


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