

A board's response to the coronavirus crisis



Recent experiences from the boardroom: a view of culture

Boards have been dealing with a wide range of challenges for a number of weeks as we remain in lockdown in the face of the pandemic. In this short series of interviews with board members, I discuss their recent practical experiences. Today, I speak to a board member (BM) with particular expertise in people and culture, to understand how the board and its leadership team continue to give culture a strong focus when the entire workforce is working remotely. This interview has been anonymised.

Hanif: Culture has been an important focus for your board over the last 15 months. I am particularly interested to learn how your board has maintained this focus when everyone is working remotely, from home. But can I start by asking about the context – your business and why culture is so important to your board?

BM: We're a privately-owned energy trading business and, though there is no requirement, we've brought in outside board members to provide scrutiny and challenge, and to encourage diverse thinking and innovation. All our directors, believe that creating the right culture, driven by aligned values, will improve performance. There is a lot of research to support the link between culture and results – though perhaps less so in relation to a trading environment, where traders are usually strongly motivated by personal reward and the situation can be less collaborative.

Our work to date has brought people together, and we have achieved greater transparency and a much more supportive environment. However, there is nothing like an imminent crisis to make change happen. We are faced with completely unusual circumstances – the oil price has crashed in part due to geo-political circumstances and, together with the pandemic, this is the most critical situation that our company has faced in our ten-year existence.

All our staff, both back office and traders, are now working from home. A few months ago, we would not have envisaged this could be done. A split second can count in trading, and connectivity was the major concern for traders working from home. The ability to oversee their activity and to engage with them during the trading day was another.

We've been able to transition swiftly to effective remote working, in part, because we started

ordering the necessary technical 'kit' early on, once we knew that lockdown was likely in the UK. So, we were well prepared from a systems and technology point of view. However, it is the progress we've made in developing our culture in recent months has been a crucial enabler.

We've worked hard recently to create a 'psychologically safe' environment such that there has been greater transparency and support for traders and the back-office team alike. It has meant creating a culture where it's okay to ask for help, give honest feedback, be innovative – all whilst promoting accountability.

Hanif: How has the pandemic and the working from home environment affected your endeavours to develop the right culture?

BM: Feedback from both the front office and the back office about the culture change initiatives we have undertaken to date has been very positive. Perhaps surprisingly, we are finding that the current environment is particularly accelerating the culture change we are looking for amongst our front office trading teams. It has helped them recognise the contribution of others, in particular the efforts of the IT team to set them up to trade from home and to provide them with vital technology-oriented support. Relationships with teams creating broader relationships that support trading activity and with the back office also have benefitted. It has led, in a short time, to better collaboration across the organisation.

The board has been very explicit from the outset about the behaviours that are expected when everyone is working from home. Regular and open communication underpins effective working in this environment and the executive team, supported by the board, have introduced

mechanisms to support this, including:

- daily calls for the front-office team; these calls also include key members of the board
- daily calls for the back-office team; board members regularly attend and traders participate as guests to provide updates
- occasional all-company calls with announcements and information.

We also have worked to maintain a strong social element. This has included 'laptop lunches' to bring people together socially, and Friday drinks on-line to mirror the until-recently existing practice. To celebrate and recognise everyone stepping up, the board bought everyone dinner last week. This was home delivered, of course.

Hanif: Presumably, different staff members have taken to home working in different ways?

BM: Most definitely. Those who are more extrovert can find it hard to get used to being home without the usual interaction that comes of being office based. But they have taken to the regular communications and the virtual social events well. Others who are quieter may prefer not to participate in everything, so very little is mandatory. One thing we make sure is that our people and culture team checks in at least weekly with each individual member of staff. The conversations can be quite broad – ensuring they have all they need or checking whether there is anything they are struggling with. All this is on a strictly confidential basis to provide emotional support that is necessary to ensure everyone's wellbeing. For those who have found it hard to manage in this environment, we have also organised mentors for them to speak to and to support them when needed.

Hanif: What's changed in relation to the role of the board and what it has done in these extraordinary circumstances?

BM: At board level, whilst we have not had additional board meetings, but board members are in regular contact on audio and video calls as necessary. We have been using video calls for a while as some board members are based

overseas, and this has always worked well.

Our staff are generally relatively young so none of our traders has experience of trading in a bear market. Our board members' expertise has been very valuable to them and this has been shared widely across the trading team.

Financial risk is, of course, also a major concern. We initially reduced exposure to enable the transition to home working. Once we had confidence in the systems and processes, in about three weeks, we were back operating normally. One of our board members, with particular expertise in risk, has been a regular participant in the executive risk committee to add an extra pair of eyes. Indeed, a few of our board members have become more involved than usual, but this is the right thing for staff and for the organisation right now.

Some recruitment, in particular of certain senior executive and senior trader roles is continuing as we see opportunities to recruit from a wider pool. This will benefit us as it is vital we recruit both on capability and on cultural alignment. And, as mentioned earlier in our conversation, our board members also take part in organisation-wide meetings or team meetings where appropriate. The main purpose of this participation is to provide support and advice.

Hanif: And, finally, how do you see the last few weeks affecting the future for the organisation?

BM: The recent events have reinforced our vision of the firm and accelerated the development of organisational culture. It could well also lead to lower staff turnover in future as staff tell us they have appreciated the direction of cultural change and the support they are now receiving in uncertain times. We will, of course, also look at what lessons there are to be learned which we can be embedded in to create the right culture. The aim will be to continue to introduce more diverse and innovative thinking into the company.

Hanif: Thank you for a very interesting discussion. It's been fascinating to learn how and why culture remains a priority for you.

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