Pandemics are Global, Culture is Not

The COVID-19 coronavirus pandemic has proven beyond a doubt that economies and workforces are global.

During the past few months, unemployment has increased by an alarming rate. Those employees who still have work have had to make sacrifices as they shift to telecommuting and try to remain productive during a tumultuous time. In case there was any lingering doubt, 21st century companies depend on global markets in order to survive. This said, it is critical for businesses to understand how different cultures shape international and cross-cultural work.

This paper will outline how differences between Italian and American cultures have led to the creation of divergent work styles, how new methods such as smart working or telecommuting have been implemented within the US and Italy, and what those differences mean for life after the coronavirus pandemic.

Work Culture in Italy and the US



It comes as no surprise that European and American cultures are vastly different. The cultural contrast between Europe and the U.S. are apparent even when it comes to work life balance. A 2012 report conducted by the European Union revealed that not only did Europeans tend to work fewer hours than Americans, but their most important personal values were health, followed by love, and finally work. This deeply contradicts US cultural values.

This is not to say that Europeans do not value work. In Italy

in particular, over half of all Italians interviewed believed that their work life was integral for their happiness. In fact, Italy was reported as the 3rd highest country in Europe to agree that a satisfactory work life was important for individual happiness. Additionally, Italians were split almost evenly over whether work or spare time was more important. Evidently, Italians do believe that work is a driver to success; however, many still highly value personal time and family time.

In the office setting, studies have shown that Italians respect seniority, age, and position. They also value personal relationships with co-workers, and openly discuss religion and politics at work. Italian leadership styles are known for being adaptable, yet hierarchical. In Italy, work is typically done individually rather than in a team setting. At work, Italians value trustworthiness, the ability to make decisions based on both emotions and logical reasoning, and educational attainment. Many Italians make decisions based on what is recommended by upper management.



Comparatively, a study done about American culture revealed that Americans value freedom of speech and freedom of religion, followed by free enterprise systems and equality. Americans also embrace systems and processes that are efficient and equitable. Americans highly esteem companies that have a well-defined culture and mission and value employee engagement. American also want tolerance and acceptance in the workplace. In a study conducted by Medium, 34% of Americans said that they expect companies to respect differences at work, even though sexism, racism, and ageism is still prevalent in the workplace. Generally, Americans believe that hard work leads to success, that change is important for growth, and that uniqueness and individuality should be respected. 77% of Americans believe that people are motivated by their own self-

interests. Americans are known for working long hours and rarely taking vacation days, and many rarely digitally disconnect from their workplaces, even after they leave the office.



In fact, American life is so ingrained with work life that Americans have coined the term "workaholics" to refer to individuals who become so obsessed with work that they compromise their personal lives for the sake of their jobs. Often, "workaholics" are willing to make major personal sacrifices for their jobs and may even develop health problems such as stress and anxiety from work.

Interestingly, half of the American workforce had "workaholic" tendencies which translate into unhappiness at work. According to The Conference Board, 53% of Americans do not like their jobs, and 79% of individuals will leave their jobs sometime within their life because they do not feel appreciated at work.

While both Italians and Americans look for individual self-fulfillment through work, while the Italian workplace is more flexible while the American workplace tends to value speed and efficiency. Italians expect top-down leadership styles, hierarchy, and decisions to be made by upper management, whereas Americans expect "flat" and equitable organizations.

Smart Working & Telecommuting in Italy and the U.S. Before COVID-19



In both Italy and the U.S., technology has allowed remote work to be an alternative to office work. Europeans refer to working from home through utilizing technology as “smart working,” whereas Americans engage in “teleworking.” Although smart working and teleworking were both born from the same concept of working off-site, there are a few differences. Employees who engage in smart work can work from anywhere—the home, the library, or a local coffee shop—without additional tech support. Telework, on the other hand, assumes that an employee is specifically working from home and may need special technologies or equipment supplied to them by their employer.



On one hand, employees may prefer remote work because it is more flexible and less micromanaged. Remote work reduces commute time and expense, lessens office stress, increases options regarding where to live, and allows employees to compete for jobs across the country without worries about having to move. Having more job applicants benefits companies as well, because an increased applicant pool would ensure the hiring of the most productive, qualified employees. There are other advantages to remote work for companies as well. Research from Milan’s Polytechnic Smart Working Observatory has shown that if more employees engaged in smart work, Italian companies could reduce costs by 9 billion Euros and grow productivity by 27 billion Euros. The link between remote work and productivity was bolstered by a Stanford University investigation of a Chinese company located in China in 2017 revealed that employees are 13% more productive working from home compared to working at the office.



However, these results may not tell the entire story. The effects of remote working for workaholics, for example, is pervasive as it encourages individuals to work more during off-hours, creating a widening schism between low and high performing employees. This makes a healthy work-life balance even more impossible to attain for all employees, as some people will work all the time and others will struggle to keep up to the new standard set by the workaholics. Other employees claim that remote work impedes their creativity and prevents them from easily collaborating with their colleagues. A study regarding remote workers at IMB in 2017 revealed that those who worked from home were actually less productive because they were not working alongside other individuals. Working together boosts efficiency and allows people to quickly discuss innovative ideas and resolve conflicts with one another. Additionally, working with colleagues in an office can boost employee morale.

Italian legislation passed in 2017 protected employees who decided to engage in smart working. This law requires employer to provide a written contract outlining how the employee would be compensated for their work compared to how other employees are paid, the method in which work should be conducted, the hours of work, the technology used, the right for an employee to have work/life balance, and finally, disciplinary procedures if an employee does not follow the terms of the employment contract.



U.S. federal law has less oversight, requiring only that teleworking be defined in an employment contract and stipulating that all national and local laws regarding employment, minimum wage, tax regulations, and immigration be followed.

Despite the possible advantages of remote work and its

protection under law, few Italian and American workers have engaged in remote work. By 2017, only 7% of Italian employees engaged in smart work, and only 2.9% of American workers telecommuted. Even by early 2020—before the COVID-19 coronavirus pandemic—remote work had only grown by 1% in each country despite the growth of technology and the broader acceptance of remote work as a viable work option. Whatever its advantages or disadvantages, however, remote work is sure to increase in the foreseeable future due to the COVID-19 pandemic and aftermath.

Work After COVID-19: Successes and Precautions for Global Businesses



The COVID-19 pandemic has forced economists and employers to predict how work will be conducted once life goes "back to normal." For both Italy and the U.S., two of the hardest hit nations, the coronavirus will have long-lasting impacts on their economies. In Italy, 25 million jobs have been lost due to the pandemic. As of April 15, 2020, over 20 million American workers have filed for unemployment. Clearly, the coronavirus pandemic has already influenced the day-to-day life of individuals. It is critical to prepare for how the pandemic will shape work in years to come.

The Italian government and companies have already developed supportive plans for their workforces. In March, the Italian government allocated 25 billion Euros for business and industries, which includes compensation funding for employees. Companies are even going beyond government regulations to protect the welfare of their employees. For example, as soon as the government deems it safe to reopen, luxury automotive company Ferrari will implement their "Back on Track" plan

which would reopen two Ferrari factories. This plan calls for conducting health screenings of all employees and using app tracking to determine whether individuals have been exposed to the coronavirus. Ferrari is also investing in special insurance coverage for employees who contract the coronavirus and arranging for special accommodations so infected employees can self-isolate. Luxottica Chairman Leonardo Del Vecchio will be giving all factory employees a bonus of 500 Euros per month once factories open back up and will not cut year-end performance bonuses if an employee has been sick and absent due to the coronavirus. Executives are planning on taking pay cuts to finance these activities. Additionally, factory closures in August will be reduced from three weeks to one week, and employees will receive two to three weeks of vacation time.



U.S. companies have acknowledged that work will be completely disrupted. Employers of office workers are planning on remote work arrangements for months to come, and are considering the possibility of returning to the office once quarantine restrictions are loosened. Companies that are unable to give employees the option to work from home are trying to figure out how to safely bring employees back to the office. In the U.S., there has been a push by the federal government to reopen the U.S. economy as fast as possible. JPMorgan Chase CEO Jamie Dimon is considering using antibody testing on employees and letting individuals who have the proper antibodies to return to work. Tyson, the largest American meat company, is installing temperature scanners to reduce the risk of spreading the coronavirus and will immediately send home workers with any COVID-19 coronavirus symptoms. Tyson’s executives are considering keeping the scanners in place even when global situation has improved. Other manufacturing companies will be keeping their workers safe by reducing how many employees can be in company cafeterias at one time, and

even making workers eat lunch in their cars to prevent overcrowding. Major airline companies such as United Airlines have gone so far as to state that if demand for airline services continues to fall, the company will have to lay off employees. At the same time, consulting firms in the U.S. are analyzing how these changes will impact company culture in the long-term in order to prepare for large scale shifts. The federal government has tried to help individuals by providing $1200 stimulus checks to people who qualify as well as aid to small businesses. Another federal relief bill is currently in the works.

Cultural Implications of Going Back to Work



In addition to the practical and logistical considerations of reopening the workplace, cultural values and norms are shaping the way that Italian and American employees will return to work. The Italian government is considering measures to bring back younger workers first, and then older workers. This would protect the health of older employees, potentially at the expense of the young. This move clearly reflects Italy's hierarchical workplace culture, loyalty to family, and respect for people in senior positions and older workers. At the same time, Italian executives are still deferring to the government to decide when to reopen, which is congruent with cultural values of hierarchy. Italians highly value health, healthcare, and overall wellbeing, and are more willing to stay home until the government deems the situation safe.



As previously mentioned, American employees value strong corporate culture and team collaboration. But recent reports from large consulting firms highlight that disruptions to workplace are already happening, even if these changes are antithetical to the American worker. And the coronavirus pandemic has only accelerated these unwelcome changes. Studies show that company cohesion erodes as more employees engage in remote work—which is inevitable during and after the pandemic. Not only will the pandemic force more workers to telecommute, it will impact where Americans choose to live. Economists are expecting jobs and individuals to leave large cities such as New York and Los Angeles for fear of future pandemics. Mixed with remote work, this concerning situation could create a growing culture of disengagement from work and less unity between teams. To counter-act this situation, which would be not only demoralizing for workers but potentially unproductive for businesses, companies must recognize that corporate culture is a meaningful value to Americans and should be accounted for while prioritizing economic gains in the global economy. Corporations doing global business during this coronavirus pandemic must also be cognizant of how the interpretation of American values enshrined in the U.S. Constitution has dictated how some segments of the public has reacted to the mandatory shuttering of most businesses. In states such as Michigan, Ohio, Kentucky, and Texas, groups of people have been congregating in front of state capitals to protest stringent “stay-at-home” orders. These bold groups embody the values of American individualism, personal choice, freedom of speech, freedom of assembly, and the right to work, as they are willing to restart the economy and return to work at the expense of certain individuals who may become severely sick and even die. Some Republican government officials, such as Texas Lt. Governor Dan Patrick, have even suggested that it was acceptable for senior citizens and others whose health is more precarious in face of the coronavirus to be potentially

sacrificed for the good of the economy—an idea that while outrageous to many Americans is totally anathema to Italian sensibilities and values.

What's Next? The Increasingly Important Role of Corporate Culture



Once scientists develop a COVID-19 coronavirus vaccine, global organizations will need to rethink their international policies not only to ensure profitability and employee safety, but also to maintain and strengthen company culture. In fact, during this fragile time of rebuilding, developing and projecting an identifiable corporate culture should be of utmost importance for executives. The priority should be on developing cohesion, which can help businesses improve decision making and long-term viability. Companies with strong corporate cultures are better able to retain employees, efficiently complete tasks, and maintain a clear set of standards and expectations for employee interactions. Creating a global corporate culture, however, requires employers to deliberately and thoughtfully analyze various aspects of the company and then modify them as needed. According to research from Korn Ferry, international companies should at least establish common practices for all employees across the globe, such as shared compensation practices, recruiting policies, or verbiage within the company. Then, the company needs to build an internal "brand," or a set of shared values, such as integrity, excellence, and teamwork. These values should be broad enough so that individual employees can determine what these values mean to them, but must also be adaptable to a company's local cultures as well. It is worth noting that while a broad set of values can help guide an organization, it is up to the employees within in the company to accept and embrace them.



As companies deliberately build or rebuild their guiding values, they must be careful to balance corporate culture with local cultures. Dutch company TNT, for example, prided itself on being an efficient, flat organization. However, once it began operating in China, it needed to change its style to adapt to local conditions. Changes to TNT in China included creating more hierarchy in its structure and fostering relationships based on efficiency. Employers looking to expand globally should take into consideration how their local cultural assumptions and conditions could affect international employees from a different set of values.

As the world re-opens for business after the COVID-19 pandemic, global companies must be knowledgeable not only of the myriad of new national laws regulating the comeback, but must re-evaluate the strength and durability of their corporate culture. Each country—and each employee—has experienced the coronavirus pandemic differently. International corporations must also be prepared for potential pushback or resistance when revised corporate policies are incongruent with a national culture. Though corporations, employees—and even pandemics—are global, culture matters.

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