Chapter 27 Steering Through the Storm: HR's Strategic Role in Managing Culture through Uncertainty

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The Certainty of Uncertainty

In the current business landscape, uncertainty has transitioned from a periodic challenge to a permanent state. Whether the catalyst is a global pandemic, disruptive technologies like AI, or the complexities of social and political unrest, the pressure on organizations is relentless. For Human Resource practitioners, these periods of volatility are not merely realities to be managed but serve as the ultimate tests of an organization's cultural integrity.

Cultural Clarity

While corporate culture is often dismissed as an aspirational set of ideals or public relations exercise, in times of crisis, its role as the ultimate anchoring tool framing people management decisions and actions becomes clear. For organizations where cultural conversation and actions are embedded, authentic (i.e. rhetoric matches reality) and consistent, culture serves as a grounding and 'go-to' that enables organizations to stay true to their purpose regardless of broader environmental shifts. Research highlights how culture and values served as critical guiding principles leveraged by Chief Human Resources Officers (CHROs) to navigate the global pandemic (Collings et al., 2021). Culture can be understood in multiple ways from 'how people act when no one is looking' to the 'glue' that binds the organization. In terms of actionable insights for HR decision making, culture is likely best understood as patterns of behaviours or norms that are reinforced by people and systems (O'Reilly, 2025). Behaviour is the critical word here; with appropriate consideration, articulation, and reinforcement behaviours can underpin success and effective performance. On the flip side, the absence of culture clarity can lead to misalignment, misdirected behaviours, and ultimately value destruction. As Tim Hourigan, Retired CHRO of Home Depot captures '*Associates watch actions more than words, it's a case of I hear what you say, but I see what you do'*.

Crisis Mode: Culture as a Bedrock Framing HR Decisions

Too often the HR focus in organizations is consumed by 'the what' of HR policy or strategy (HR content) as opposed to the 'why' and 'how' things are done (HR

principles and HR process). This creates challenges as the content of HR policy can frequently evolve and shift. By contrast, dedicating time to understanding, observing and directing behaviour in the form of culture and values can serve to anchor discussion and frame choices. Having cultural clarity as a foundation becomes all the more important in times of crisis as it provides stability and familiarity, reducing the risks of incoherent, inconsistent or isolated responses born of fear or uncertainty.

The critical role of culture and values in framing people management decisions aptly illustrated through the example of how The Home Depot navigated the Covid-19 pandemic, not least its unwavering commitment to associates and customers. In the context of unprecedented uncertainty, The Home Depot doubled down on its eight core values and inverted leadership model. Core values at The Home Depot include 'taking care of our people', 'respect for all people', 'doing the right thing', 'building strong relationships', 'giving back', 'excellent customer service', 'creating shareholder value' and 'entrepreneurial spirit'. Notably there was an honest acknowledgement of 'constructive friction' between competing values and the associated trade-offs that had to be made to maintain the company's mission e.g. between shareholder returns and stakeholder protection via taking 'care of our people' by 'doing the right thing'. By way of example, The Home Depot took the proactive measure of limiting store hours and capacity (100 people) months before the National Retail Federation (NRF) guidelines were introduced. This decision was made to prioritize associate safety and maintain essential services irrespective of immediate revenue implications and the risk of losing sales to competitors. Associates were also provided with an additional two weeks paid time off, or six weeks for at-risk employees. These types of actions demonstrate the impact of values in practice, privileging doing the right thing and protecting associates. The embedded culture and values at The Home Depot are therefore '*not ornamental, but an actual decision-making framework*' helping to devise responses and decisions to meet demands from customers, associates, the community, and shareholders when no templates existed and knowledge of the situation was evolving and uncertain.

Culture as a Constant HR Consideration

It is important to note that culture cannot be simply called into action in times of crisis, it needs legitimacy and longevity as a constant consideration for HR. The effective navigating of crisis at The Home Depot echoes and reinforces long-standing attempts to privilege associates and provide an empowered environment e.g. associates being provided 50-dollar discretion to resolve any disagreements about marked-down items at the till. This reality is reflected in initial interview questions through to actual experiences in store. Rather than being directive on political issues or taking a corporate stance, The Home Depot approach emphasizes HR educating and supporting associates on voting or how a process works aligning with their Value Wheel principles of privileging individual decision-making and the business's role as a supporter of its people.

A critical role for HR in managing culture is therefore ensuring that a strong foundation exists *before* a crisis occurs. At The Home Depot, this foundation is built upon two specific and symbiotic pillars, both the Value Wheel and an Inverted Pyramid leadership model. The latter positions frontline associates and customers at the top

while senior leadership exists at the bottom of the pyramid in a supportive role. This logic draws from a simple premise of The Home Depot's founders Bernie Marcus and Arthur Blank; *'put customers and associates first, and the rest will take care of itself*'. Framed this way, a move to a senior role is viewed as a 'demotion' in terms of hierarchy, because it brings more pressure and a greater requirement to support others rather than having people do work for you. The inverted pyramid is lived in action, as the founders' imprint still holds true with senior management spending much of their time in-store as first-name associates, learning with and from peers and customers.

HR's Cultural Toolkit

So, what role can HR play in sense-checking and embedding organizational culture? Critical from Tim's experience is ensuring the culture is being *'lived on the frontlines'*. There are multiple ways HR can explore and assess this reality. First, and perhaps the most common approach, is capturing hard data in the form of pulse surveys and stakeholder input ensuring that values are understood and being reflected in daily interactions. Second, comes the active approach of management by walking around (MBWA) in the form of active observation and participation. In the context of The Home Depot's inverted pyramid, this means putting on the same apron as frontline associates visiting stores and helping customers without their titles being advertised. This allows HR and leaders to hear 'two-way conversations' and identify disconnects between the 'Store Support Centre' (corporate office) and the reality of the frontline. Third, is enabling and creating the psychological safety for empowerment and discretion. This cannot simply be stated but must be demonstrated and woven into HR practices from questions asked in recruitment and behaviours socialised in induction, through to how associates are rewarded and recognized in stores. HR's role is '*to ensure these levels of latitude are clear and that associates are not reprimanded for exercising the empowerment they were promised*'. Critical is developing leadership competency models in order to select, develop, and train leaders to reflect core values while also having a mechanism to measure whether leaders are living those values in real-time.

As organizations grow, and founders or critical senior managers move on, there is a risk that culture can become '*varied*' or '*diluted*'. At this point it is important that the culture is appropriately codified. At The Home Depot this ultimately led to the creation of a Chief Culture Officer (CCO) role tasked with capturing oral histories and anecdotes to document the 'original thinking' behind the business, coupled with real-life examples and stories of values in action. This included an example of a 70-year-old hardware associate who refused to stay home despite having six weeks of paid leave because he wanted to help associates help out customers.

Summary

Overall, HR can play a vital role in helping organizations steer through uncertainty via the lens of an established culture. HR's role as cultural guardian means it must ensure that values are clearly articulated and consistently applied as reflected from company

strategic decisions through to day-to-day interactions. Critical here is avoiding any disconnect between an ‘aspirational mission’ and an ‘actual mission’, a fault line which will only be further exposed in times of crisis. HR’s responsibility is to be honest about what the company is, fostering values that are of value to stakeholders and developing leadership models that understand and reinforce these. On this basis, and as The Home Depot case illustrates, culture can serve as a foundation for decision-making and (re)framing the behavior required for uncertain times. As the oft heard saying reminds us ‘*if you don't stand for something, you'll fall for anything*’.

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Zoom AI meeting summary and discussion points

Zoom auto generated transcript (9,505 words)