

A NEW BALANCE: NEW DEMANDS ON BUSINESS SUSTAINABILITY

By James Law

Things have changed

Moving into the third year of the pandemic, the way teams work and expect to work together has changed significantly. While the move to work-from-home is the most obvious shift, there are more complex workplace trends that businesses will need to consider: changes in employee expectations, a lower tolerance for unproductive norms associated with older ways of working and shifts in how team members define value. In many ways, businesses are now experiencing more acutely, the pressures triggered by digitization over a decade ago.

These very human and volatile factors put high pressure on how company cultures and organizational dynamics respond to remain sustainable. In particular, these pressures are riskier for creative small- to medium-size businesses, as each team member is a significant contributor.

While everyone is continuing to learn to meet these new dynamics, a few key trends are emerging:

Mission is critical

The purposes of businesses are being challenged by many employees. More and more, team members are thinking about the “why” of what they do. Businesses with unclear and poorly defined missions will experience attrition and challenges in hiring and retaining new staff members. “We aim to please customers,” may no longer be enough. Why are you pleasing customers? And to what end?

In particular, small- and medium-sized businesses are often resource-limited in their ability to offer competitive compensation, so providing your employees with a clear purpose-alignment is key to a good talent strategy.

Culture: it is more than fun

Culture has become a beast of a business pressure very quickly. Over a few decades, organizations have gone from not caring about culture, to organizing “Friday drinks”, to now facing employee and talent attrition despite their best efforts. In simple terms, culture is the expectations that



employees and leaders have around work, from the explicit aspects, like whether someone can self-manage their working hours, to the more tacit ones, such as how employees know they will be treated when bringing up a new idea or concern to leadership.

As businesses become increasingly digital, skills are becoming more portable and self-learning platforms make it easy for talent to fill in knowledge gaps in a few weeks or months. Therefore, creating more reasons for employees to stay, and aligning these with the overall strategy of your business, is important to an organization's sustainability.

Distributed work is here to stay - the employee-leadership dynamic will need to change

Employees are deep in the work and so they are often more attuned to emerging risks and opportunities than leaders may be. While each role brings value, how well they work together determines success. As work is now distributed and remote (and unlikely to revert), leaders who prefer to control and know everything will find it hard to manage their businesses effectively.

While this may be a blow to ego, aligning with key team members on what information they can provide to leadership, how it will be translated and how leadership will react is critical to forming new reporting and operating systems for this era. This will lead ultimately to a shift in responsibilities, how roles are defined and how team members are compensated for their contributions. These are difficult, but critical conversations and decisions.

Summary and insights

While some of this may seem like a headache for leadership, it should also be seen as an opportunity to become more effective. By crystalizing a business' why (mission), how (culture) and who (employee-leadership dynamic), talent and organizations can naturally find each other in a highly dynamic job market. If a business is still struggling despite a clear definition of these aspects, it may be worth considering whether its mission, culture and dynamic fit within the current climate. Remember: employees are also consumers, so a lack of talent may also be a signal reflecting the quality of your value proposition.

About James

James is a design, innovation and foresight professional who is dedicated to building businesses that do better. He has helped grow organizations from start-ups to scale-ups, trying to put people at the centre of their growth and work. Always open to new experiences, James is happy to share what he has learned in hopes of hearing about lessons learned by others.