

Disruption: A story of opportunity in 2022 and beyond

Grasping the new business
opportunities in a post-Covid world

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Will your business grasp the possibilities of the new world of work?

The way we work has fundamentally changed since the pandemic – which means businesses are now rewriting their story for 2022 and beyond.

While it's true that our approach to work was already changing before March 2020, Covid has turbo-charged the pace of this change; setting new expectations about how we work, while challenging old ways of implementing change.

Suddenly those previously long-term transformation plans became a 'must do' rather than a future 'nice to have' – which demanded flexibility and agility from leaders and employees alike. Response to change had to be quick – after all, no one had the 'how to' playbook or 'best practice' guide for these circumstances.

Although this undoubtedly meant a lot of uncertainty, it's also created opportunity for flexible businesses to leapfrog their competitors – by adapting already outmoded business models and showing what new ways of working can achieve.

In 2022, there's a realisation that some level of uncertainty and disruption may be here to stay. External disruptors, market changes, rapid digital adoption are all combining to create faster change. That's why the capabilities that any organisation will need to foster – those of flexibility, resilience, innovation, experimentation, and collaboration – are more crucial than ever.

Here at Curium, we've listened closely to the stories from our clients and partners to explore three 'meta-trends' at play: our changing relationships to work; redefinitions of leadership roles; and ways of dealing with uncertainty.

Our research involved 23 in-depth interviews with company leaders and industry experts alongside 62 responses to our survey from executive and senior leaders, between October and December 2021.

A changing relationship to working life

There's a new and evolving relationship with work. Employees are seeking not just flexibility but also agency. People's work goals have moved away from the traditional promotion-loyalty-advancement model based on financial compensation.

The importance of wellbeing, mental health, and work-life balance has increased as employees aspirations have shifted to seeking fulfilment outside work, especially among younger generations. An unwillingness to sacrifice work-life balance to access the fastest routes to top leadership is reflected in decisions to work part-time and earn less to create more time for themselves.

For Generation Z in particular, income is now considered a less important factor in their choice of career than for previous generations.

“65% of employees say the pandemic has made them rethink the place that work should have in their lives; 56% say it has made them want to contribute more to society.” (Gartner, 2021)

This shift, along with the battle for talent, is changing the way many businesses are thinking about themselves as an employer. Companies must develop and adapt their employee value proposition, including increased focus on:

- The company's ESG stance (particularly: the environment – looking at carbon footprint across operations and supply chain; diversity & inclusion).
- The employee motivation for work (having a clear and consistent purpose and mission).

However of those we surveyed, only 26% thought having a value-driven purpose embedded in organisational culture a priority (see fig.1). And out of those who prioritised having a value-driven purpose embedded in organisational culture, 62.5% do not agree that their company does that.

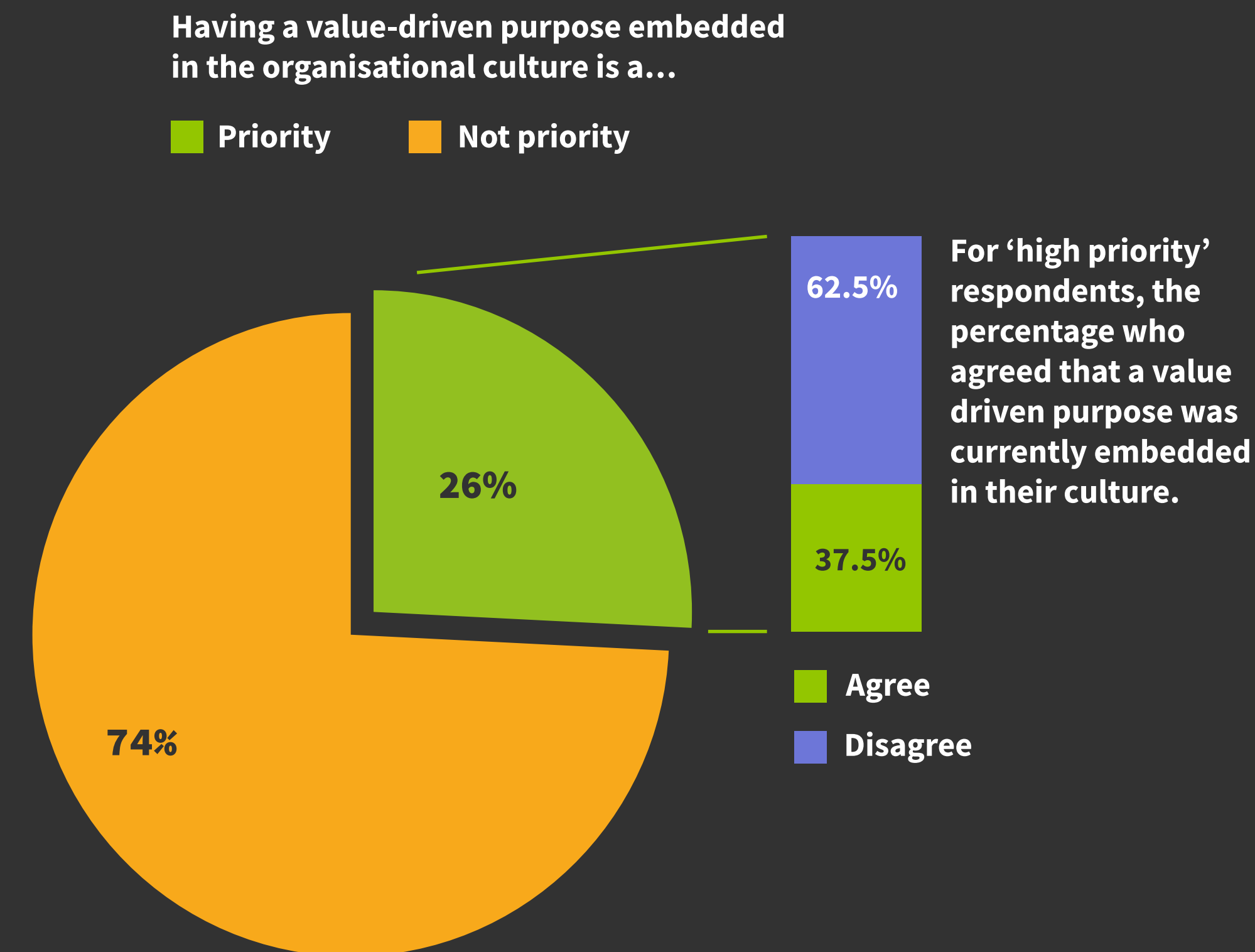


Fig 1. Percentage of respondents prioritising having a value-driven purpose

A changing relationship to working life (cont)

With increasing labour shortages across different sectors, companies are now recognising the value created by their own workforce (especially relevant in professional services with little differentiation).

According to Ninder Johal, CEO of Nachural: “Rather than focusing on the bottom-line profit, loss, and balance sheet, [companies are] probably going to be measured in the future on how well they recruit”.

In addition, changing demographics mean people are living longer and retiring later which provides the opportunities to reskill.

This all highlights two key points: firstly, companies need to develop staff to avoid high costs and low skill levels; and secondly, upskilling existing staff could even prove a competitive advantage.

The need to equip a workforce to adapt to ever increasing change (driven by accelerated technology innovation, global competition, shifting ways of working, changing customer desires and demand) has never been so crucial.

That’s why organisations need a strategy and operational plan for their HR value chain, particularly focused on successfully retaining and developing talent. One key part of this strategy is a shared vision that makes any organisation attractive to potential employees and aligns with their values.

One of the major shifts in this area is the ongoing adoption of hybrid working, a vital way for organisations to meet employees’ new expectations.

Mark Stelmach's story...

“Although things have been ridiculously unstable, our organisation has come out of the pandemic stronger.

As the third largest employer in Derby and being a contact centre, we were already used to high churn, high attrition. Broadly speaking, the East Midlands' talent pool was running dry for us pre-pandemic – so the working from home model has allowed us to reach far more talent, which has been amazing. We've had some brilliant people 'come in the door' including talented salespeople and customer service advisors.

But... it's all been double-edged. Our employees are now in the driving seat a bit more. They can easily come to us but just as easily leave us and move to another contact centre; because flexible working has made it all possible.

Ultimately, salary is one thing, but I believe that people now want more than just monetary reward. They want to feel valued. They want to see a career path. They want the additional benefits (as a commission-based business, we assess how people |

earn commission as well as offering Sky TV packages and dental care). People simply want more. Flexibility is the main demand. Every candidate is saying: 'I don't want to do nine to five. I don't want to do that many late shifts.

I don't want to do every weekend'. If you have your old-school hat on that says 'Well, I'm the employer - I'm in charge' then you're just not going to be a sustainable organisation. Instead of spending their time commuting, people now want that time to exercise, go for coffee, or see their friends. It's about lifestyle.

That's why I've never had so many part-time staff – it's increased from 56 people to 180 people because they're now choosing to reduce hours and income. So I believe that companies which don't adapt and offer hybrid working are in trouble.

Today, my main priority is retention. By being more humane, making sure candidates can see a clear career path and taking lots of sub actions, we focus on their early working life journey.

That's because, if employees typically stay longer than six months, then they'll usually give you over 12 to 18 months of service. So again, I'm really drilling down into what that early life career journey looks like and how engaged our new employees actually are at work.

To conclude, my umbrella statement would be that we can't run contact centres by having a 'one size fits all' policy. You can't just tell candidates: 'Here's our shift patterns, here's the way we work, now crack on'. You've got to adapt and think 'how will this person learn?', how do we get the best out of that individual?

It takes a lot more effort and investment, but we've got to do it because employers are not in the driving seat anymore. This is currently an employee-driven market.”

(Mark Stelmach, Director of Sales Operations, Firstsource)

Redefining leadership roles

“Creating a cohesive organisational culture in a hybrid working environment is important,” believes Henrietta Brealey, CEO of Birmingham Chamber of Commerce. “Businesses surviving on the fumes of their previous culture now need a proactive strategy to maintain a culture and/or build it if there are lots of new employees coming into the business or lots of changes already taking place.”

To foster this culture of trust and connectedness within a hybrid world, leaders will need to develop a new set of capabilities.

Mentoring and coaching are now a core capability for organisations. This is especially true to support new starters and for junior employees – helping them develop, form relationships and progress. But it’s also vital to enable employees to take personal accountability and take ownership of their work, their contribution and ultimately their career.

Communication skills, always essential, are now even more so in a hybrid world. So organisations will need to recognise the need to up-skill their leaders to communicate and manage in different environments:

- Learn how to create the conversations to allow ideas to be shared.
- Avoid non-inclusive informal decision making
- Constantly check employees’ wellbeing and create a feedback culture.

Task-based conversations with teams should be focused around clear purpose of activities: what ‘good’ looks like, what the team need to focus on, and what resources and tools are needed to achieve it. This creates the kind of environment which enacts ‘intent-based leadership’*, ‘tell me what you intend to do to meet our purpose and objectives’ rather than ‘I will tell you what to do’.

Overall leadership changes include stronger empathy with individual behaviours and preferences, and a more personal management style with a human face. For instance, working virtually has enabled colleagues to see into leaders’ homes: ‘leaders sharing more aspects of themselves and helping break down some barriers.’ (Gratton, 2021).

Building a greater sense of trust

Hybrid working has highlighted the need for more intentional leadership, especially in demonstrating trust.

Although research already indicates that “Managers say they are more trusting of their teams since lockdown” (Forbes et al., 2020), this mutual trust needs to continue.

Leaders need faith that staff can manage work without being monitored – which involves offering guidance and support but not enforcing work schedules or micromanaging. Meanwhile, employees need faith that they won’t be disadvantaged by a lack of office presence, but assessed based on their contribution.

In the US, for example, a recent study showed that: “2 in 3 remote workers believe in-person interactions are important for advancing their careers” (Prudential Financial, 2021)

Leaders should also know that the right things are being worked on at the right time. To help with this, they should clearly state and share their expectations, have regular checks-ins on progress, ensure wins are celebrated and shared along with open discussions on any risks or issues that colleagues need to understand. By mutually agreeing, understanding, and regularly communicating these parameters, supportive leadership can thrive.

Mark Taylor's story...

“RSM UK is a 4,000 person strong business, including 250 people in our Birmingham hub, dealing with audit, compliance, tax advice, accounting, transactions work, corporate finance restructuring, and consulting for a huge variety of organisations but with a focus on the middle market.

If someone had suggested a client video call back in February 2020, there would have been some funny looks exchanged – we just didn't do video calls before the pandemic. But we've now embraced the technology and our business model has adapted quite easily to remote working.

However, I believe that there remain some big questions about the sustainability and long term implications of remote learning and working – and what it means for business leadership.

Around 1,000 of our people in the UK weren't in the business in March 2020. So it's quite sobering to reflect that 25% of my colleagues didn't even know the pre-pandemic firm; they haven't got that reference point.

We recruit hundreds of young people every year to train as accountants. But their education is about much more than just exams, obviously. So the big question is, how much does flexible working compromise the learning by osmosis of real-life interaction with colleagues?

That's why we have to be really careful that we don't end up with underdeveloped junior people – because they won't acquire all the skills needed to take their career on to supervisor, manager and beyond just by sitting at home with a spreadsheet.

If you've not really observed the dynamics of team management close up, you're going to be far less prepared when that forms part of your role.

These human issues are all part of the fabric of an organisation. That can be hard to quantify. People interacting with people can generate value in unexpected ways. For instance, I've managed to build up a network of contacts around the country over the years, which naturally embeds me within the organisation.

Many of these social elements are also really important in terms of mobility, diversity and, inclusion within the business.

We want to reap the benefits of a diverse workforce with diverse perspectives and inputs and have invested a lot in recent times on initiatives which help ensure that individuals feel included – it's an area we've really focused on.

I'd also hate to think of our business as becoming a kind of mercenary operation where we buy the services of people based on price, through an arms-length interaction that's transactional.

A strong cultural connection with the business, fostered through in-person interaction, is a key factor in winning the battle to get the talent we want and need.

In professional services, it can already be hard enough to find valid points of differentiation.”

(Mark Taylor, Regional Managing Partner, RSM UK)

Creating more connection and belonging

“It’s important to build those formal moments to bring people together – crucial when operating in high trust environments,” argues Paul Faulkner, Chief of Staff at RCL Partners – Richardson Group. “There’s the risk that the job becomes a transactional process without relationships and the culture element.”

A shared mission and vision is also a major consideration for building organisational harmony. “Harnessing individuals’ alignment around a core mission is also enacted by their connection through shared values and vision,” explains Sarah Smith-Walker, CEO of Shakespeare Martineau. “Due to remote working, these aspects are even more important. As a result: organisations should be spending more time checking those aspects in the hiring process and making sure they are forming relationships with new joiners at every level.”

Networking and social interactions remain vital. With fewer networking opportunities in a hybrid world, there may also be less chances of learning about different opportunities.

Alex Turner, joint Managing Director of TheBusinessDesk.com, believes that meeting in person can be not just more productive, but also less confrontational. “People are better with their choice of words and there is less opportunity for misinterpretation,” he suggests. “If coming to the office, it becomes crucial to have dedicated spaces – areas for collaboration and areas for focused time, and privacy.”

That’s why, in a hybrid world, organisations need to proactively foster social connections within the office – using intentional gatherings to foster a sense of belonging and reinforce company culture. It’s being more purposeful about how time in the office is used – it’s not just about working in the office on Wednesdays or Thursdays but using the time to connect and collaborate.

Dealing with uncertainty

Coping well with uncertainty is essential. Firstly, this involves becoming more comfortable with being uncomfortable. Rather than building 10-year plans, it means switching to short term plans and recognising the need to build new capabilities to quickly respond to market events and opportunities.

This nimble approach will also need faster decision-making, being more flexible in terms of both internal ways of working as well as the company's external strategies. However, the trick will be to remain focused while being able to pivot quickly where needed. Successful organisations will need to balance strategic thinking with this agility.

Secondly, having the same vision and strategy may work as long as it still creates clear competitive advantage. What may need to change is how this strategy is deployed, how operations are shaped, and how tactical decisions are made.

Thirdly, it's about embracing a culture of experimentation where innovation is at the heart. Rather than a big bang transformation approach, change should be incremental. It's vital that organisations go through multiple tests and learn cycles, embedding learning as they go.

Leaders will need to develop capabilities to foster creativity, innovation, and collaboration. This will involve a greater understanding of the external world, outside of their organisation, to identify new opportunities and take risks; which, in turn, will ensure innovation.

“It doesn't matter what industry you're involved in – everybody has gone through some kind of restart exercise,” explains Tracy Westall, Executive Chair of Curium.

“One business I know has now realised that they can offer 24-hour support to their customers by operating in different time zones, without paying overtime because they [the employees] are actually working normal hours.”

Accelerated adoption of digital

The pandemic accelerated the adoption of digital technology especially associated with remote working. Rather than adoption of digital technology for its own sake, there are two core lenses which are more useful:

- internally - how to shape ways of working and automate to bring higher efficiency
- externally - how to provide a better and seamless experience to customers

“A company that celebrates a “rapid digital transformation” might mean that they have modernised their IT, but they haven’t fundamentally changed the way they work.” (The Financial Times, 2021).

Small and medium organisations face an acute challenge with digital transformation, often lacking the internal technical know-how and capabilities for transition.

However, blind adoption of technology could further exacerbate inequalities (such as the danger of shifting from digital-first to digital-only for public services). This illustrates that, despite the need for rapid adoption, these actions still require careful consideration.

Jacqueline de Rojas CBE, President of techUK and Co-Chair of IOCoding, encourages organisations to look at technology more holistically.

“The pandemic has accelerated the need and reliance on technology for sure,” she confirms. “However, organisations should be looking at making sure they’re solving the right problem.”

You can digitally transform all day long but you shouldn’t simply automate the processes that you had before, you really have to transform the business. The genius in the room is the person that understands the problem you’re really solving.”

Peter Sanderson's story...

“Like most organisations, we’ve seen a massive shift toward digitalisation and remote working. We did what might have taken us two years in just two weeks – by adapting very quickly.

The technology and ways of working have proved more efficient and also better for the environment. Actually, we probably have stronger client relationships too, as a result of remote working practices.

Our tNPS scores rose through the pandemic which I believe is due to how the organisation responded without any interruptions in service. By being able to maintain our existing level of service, the feedback is much stronger because customers expected some kind of degradation – whereas actually we improved our service by making things available much quicker than before. For example, we altered our renewal invite process during the pandemic from 21 days pre-renewal date to 30 days – because postal services could have been potentially impacted.

We also proactively reached out to our customers to make sure they felt supported and implemented other propositional changes. That involved huge levels of support for customers that might have been financially vulnerable during the pandemic, including tracking every customer review.

In terms of my colleagues, I react and adapt to their needs in an individual and unique way – some are comfortable working remotely on their own initiative, while others need to be much more supported. We took that approach with the return to work, too.

We probably wouldn't be against an environment with more numerous permanent homeworkers. There's certainly benefits from coming into the office but the question is ‘does that need to be done five days a week in an office or can it be done two days a week in an office and three days out?’.

Certainly, our employee Net Promoter scores have remained very strong throughout this entire period, and we recognise that actually building people skills,

capability, and retaining talent in our organisation is absolutely critical to everything we do as a business.

Looking at the broad organisational challenges, what do the next 12-18 months look like? Things are continually evolving.

In 2022, life is hopefully about getting back to more normality and meeting people face to face. During a typical day in our organisation, you can see what's actually happening on the floors of our offices – and then you might have a pizza and Diet Coke with a colleague where you’ll learn about what’s happening and where we can potentially improve our services. Meeting in real life can often be more productive than remote meetings.

Overall, we have realised that we can make change happen even quicker than we ever expected. That's been the big lesson learned here at Zurich.”

(Peter Sanderson, Head of Personal Lines Operations, Zurich)

Our final thoughts...

This report reminds us again how the pandemic has undoubtedly been hugely disruptive for businesses – and, most importantly, has proved a catalyst for significant change.

The stories and feedback from our clients and partners illustrate the resilience, strength, and adaptability that different kinds of organisations have shown during this unprecedented era.

Right now, the ‘Great Resignation’, the four-day week, and the consolidation of hybrid working are among the most relevant conversations that both employers and employees are having.

But we may still have a bumpy economic road ahead, with further disrupters such as inflationary pressures, competition for skills, digital technology adoption and the switch to a net zero economy.

Uncertainty is here to stay, it seems. This brings risks but it also brings huge opportunities. By embracing change and creating a diverse, innovative workforce which is adaptable to change and supported by a values-led culture, your organisation can be future-proofed and ready to flourish.

Here at Curium, we passionately believe that putting people at the heart of any transformation is the key to this success. Your ability to seize the opportunity and execute your plans is what will truly differentiate you.

So what is your story and how are you going to write it?

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