



6 ways to help your employees thrive during business change

With global economists still predicting slow growth in 2023, organisations worldwide are continuing to battle the impacts. The 'polycrisis' of concurrent and connected issues the world is facing seems set to persist. Consequently, organisations have been forced to think differently about almost every aspect of their business models. There is agreement amongst CEOs¹ of the critical importance of reinventing their businesses for the future not only to ensure sustainable growth, but to survive.

The shape and scale of reinvention, and the level of strategic ambition required, will differ depending on sector and operating context. However, in all cases there will be significant risks to and impacts on people.

In its 2023 Global Human Capital Trends report, Deloitte recommends that organisations should expand their focus beyond the operational and financial. It suggests that viewing risks through a human lens can improve resilience, business performance and longer-term viability².

The colleague cost of change

C-suite conversations about improving productivity, reducing costs, and gaining efficiencies have been stepped up. Faced with declining sales or revenues, organisations may be considering downsizing, outsourcing, property consolidation, and more, to realise cost savings. All of which have a significant impact on the workforce, resulting in concerns about job security and risk of redundancy.

In addition, the scale of today's issues means that those affecting businesses are also impacting on colleagues' personal lives. Increasing living costs, economic instability, sky-high inflation, record fuel and energy prices, affordability of housing and childcare, and pension fund performance are all potential points of stress and worry for employees, which can take a toll on mental health and wellbeing.

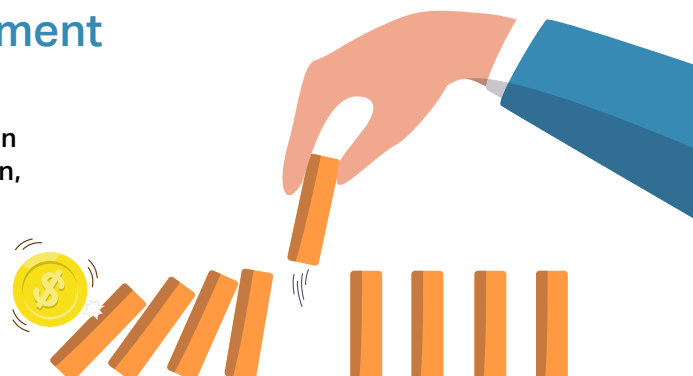
There are also important cultural challenges. While some people embrace change, for many, it can be daunting. This has always been the case, but is more acute in today's climate, with concerns about how jobs will change through automation or digitalisation of business processes, and worries about possessing a relevant or competitive skill set for the future.

Fundamentally, successful transformation or reinvention requires the support of your people. Colleagues require reassurance and inspiration about both the future for the organisation, and their role within that.

The financial cost of disengagement

The potential conflict of interest between what an organisation wants to do, and the perceived impact on its people can have consequences for your reputation, and/or your bottom line.

- 1 PwC 26th annual global CEO survey
- 2 <https://www2.deloitte.com/us/en/insights/focus/human-capital-trends.html#elevating-the-focus>



In the extreme, this conflict can lead to costly industrial action, as we've seen in the UK with teachers, nurses, rail workers, and employees of Royal Mail and Amazon. In non-unionised environments, the repercussions generally manifest in decreasing engagement, which in turn leads to increased attrition, and/or a reduction in productivity.

The link between engagement and business performance is long proven. The Engage for Success evidence report³ showed organisations with higher levels of engagement also had twice the net profit, 2.5 times revenue growth, 12 times higher customer satisfaction, 18% higher productivity, and 40% lower workforce attrition.

So, ignoring colleague welfare and engagement is a significant risk, even more so in times of change.

Back to being human

At least two of the 'big four' professional services firms⁴ recommend organisations should consider the potential human risks of business change. And, as we have already explored in our previous article on reinventing the world of work, understanding human behaviour and what makes people tick is fundamental to an organisation's survival.

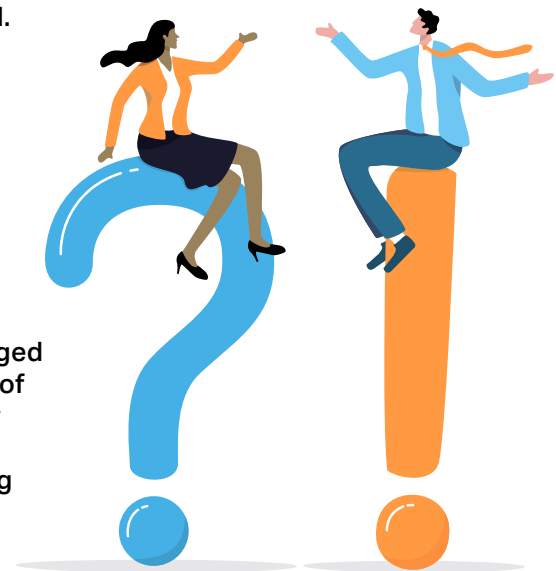
The question then must be, how can organisations balance financial and operational demands with human needs, and deliver workplace reform alongside ensuring employee welfare?

Here are **six human-centric tips** to engage people in your organisational change journey, reduce risk, and use people power to actively solve business problems:

1. Build understanding of your people and their needs

Understanding what is important to your people is critical. While the economic climate leads us to draw some conclusions about employees' financial concerns, we should also avoid assumptions and stereotypes. Pay and benefits are of increasing importance – a recent study by Gallup found that 64% of respondents cited an increase in pay and benefits of critical importance for choosing their next job⁵, but there are other key factors that influence colleagues' choices:

- **Workplace flexibility** – in a post-pandemic world our expectations about where and how we work have changed radically. In a survey of workers conducted by EY, 80% of employees want to work at least two days remotely per week⁶. While a Randstad survey found that 45% of respondents would only work jobs with accommodating hours⁷.



3 Engage for Success, Nailing the Evidence 2012 <https://engageforsuccess.org/nailing-the-evidence/>

4 EY and Deloitte - 2022 research by EY and Oxford Said Business School and Deloitte Global Human Capital Trends

5 <https://www.gallup.com/workplace/389807/top-things-employees-next-job.aspx>

6 EY Work reimagined survey 2022 https://www.ey.com/en_uk/workforce/work-reimagined-survey

7 https://workforceinsights.randstad.com/hubfs/Workmonitor/2023/Randstad_Workmonitor_2023.pdf?hsLang=nl

- **Work-life balance and wellbeing** – the same Randstad survey found that 61% wouldn't take a job if it disrupted their work-life balance.
- **Choice and influence** – workers are looking for greater say in designing their workplace experience. A 2022 US study showed that 'no opportunities for advancement' (63%) and 'feeling disrespected at work' (57%) were reasons why they left an organisation⁸.
- **Belonging and inclusion** – a desire to achieve a sense of workplace belonging in a team or organisation is shaping career decisions, with 54% saying they would leave their job if they didn't feel that belonging⁷. Two in five Gen Zs and millennials have rejected a job or assignment because it did not align with their values around societal and environmental impact, and diverse and inclusive cultures⁹.

These are themes to be aware of, but ultimately, investing in understanding what matters to your people is essential for successful engagement in today's changing world.

2. Listen to, and amplify employee voice

Engage for Success cites employee voice as one of the four enablers of engagement¹⁰. It can help organisations to improve efficiency, collaboration, decision-making and innovation, and identify customer needs or highlight issues. And, as we've seen, employees are looking for an even greater input into the workplace experience.

The Covid pandemic forced many organisations to consider how they maintain dialogue with colleagues in the short term. In today's world of hybrid working, many organisations are now refining their employee voice strategy. While most consider channels and tools, we'd recommend a focus on the more fundamental principles of creating successful dialogue between an organisation and its people:

- **Active listening** – have an open mind about what employees have to say, accept perception is as valid as reality, and don't second-guess issues or concerns.
- **Create a safe space** – ensure a climate where people feel they can speak up and know there will be no negative repercussions on jobs or career development from doing so.
- **Be inclusive** – there will be those who are willing and able to share feedback, views, or ideas more easily. It is worth investing time in ensuring a variety of mechanisms to include your harder-to-reach employees
- **Be prepared to act on the findings** – seeking employee feedback is a risk. Through asking you create an implicit assumption that there will be resulting action. If leaders are not willing to act on the findings, it is better not to ask at all.



8 Kim Parker and Juliana Menasce Horowitz, "Majority of workers who quit a job in 2021 cite low pay, no opportunities for advancement, feeling disrespected," Pew Research Center, March 9, 2022

9 Deloitte 2023 Global Human Capital Trends

10 <https://engageforsuccess.org/the-four-enablers>

3. Keep people connected

In our last article we talked about the human desire for meaning. There are also clear commercial benefits for building a clear line of sight between what an individual does, and how it impacts purpose.

Gallup research¹¹ shows that a business's performance is directly linked to its employees' understanding of its purpose.

Among survey respondents, four in 10 strongly agree with the statement, "The mission or purpose of my company makes me feel my job is important." By moving that ratio to eight in 10 employees, organisations could realise a 41% reduction in absenteeism, a 50% drop in patient safety incidents and a 33% improvement in quality.

There are some key principles that organisations can consider in order to keep that connection front of mind for colleagues:

- **Create and articulate a clear narrative** – define where the organisation is headed, and what that means, so that people can connect their role with an overall goal/purpose.
- **Position decisions in line with purpose as well as business beliefs and principles** – this ensures that colleagues understand the link between why the business exists, where it is headed, and what that means for what they do, and how they do it.
- **Use communication and storytelling** – share progress and proof points, bring purpose to life, and make it authentic and meaningful.

4. Get specific on your desired behaviours

Even if people are 'bought in', accept the rationale for change, and understand its implications, changing mindsets is only part of the challenge. In most organisations, there is also likely to be complex collective behavioural change needed.

For example, being more agile and responsive requires colleagues to feel empowered and supported by leaders. It requires collaboration across departments, and a continual focus on learning and development so that roles and responsibilities can evolve.

Multiple behaviours, multiple audiences. This can be daunting, but there are some things that you can do:

- **Define desired behaviours and audiences** – be specific which behaviours you want to see adopted, by whom, and by when.
- **Design targeted interventions and actions** – make these desirable behaviours easier to achieve.
- **Start small, then scale, using learnings to adapt your approach** – this will help to embed and sustain the changes you're looking for.

5. Create opportunities for collaboration

Organisations with higher levels of colleague involvement in designing and implementing organisational change are more likely to experience positive outcomes.



11 Gallup <https://www.gallup.com/workplace/327371/how-to-build-better-company-culture.aspx>

Specifically, those that said they co-create with their workers stated they were 1.8 times more likely to have a highly engaged workforce, and 1.6 times more likely than their peers to anticipate and respond to change effectively¹².

It is not just collaboration on business change that is essential. The benefits of colleague collaboration include quicker problem solving, the spread of ideas, increased innovation, reduction of silo thinking, and a more prevalent growth mindset.

Here are some ideas to get started or refine your approach:

- **Use a range of tools and techniques** – in a hybrid working environment, the nature of collaboration has changed, as impromptu in-person opportunities lessen, and more digital collaboration tools are more prevalent.
- **Build connections** – encourage peer-to-peer networks to create regular dialogue and sharing of issues and ideas.
- **Include your customers or clients** – most organisations tap into customer views, but consider a regular platform for dialogue directly between customers and employees as well as traditional research.

6. Reconsider the role of leaders and managers

The new challenges faced by organisations may require a different approach to leadership. If traditional hierarchies have shaped your leadership culture, this may not suit a less formal, cross-functional, collaborative way of working. In the face of change, project-based matrices work better and are easier to adapt than rigid reporting lines. Similarly, leaders who have relied on face-to-face engagement may need to adapt in a hybrid world.

‘Human leadership’ is key: authenticity, emotional intelligence, empathy. Leaders need to focus on outcomes not outputs. Skills possessed by many, but not all, leaders. In a Gartner survey of HR leaders, 90% believed that to succeed, leaders must focus on the human aspects of leadership. Yet, a survey of employees found that just 29% report that their leader is a human leader¹³.

The same principles apply to managers as well. For some time there has been compelling data that shows managers are the primary influence on colleague engagement¹⁴. Worryingly, research also shows the demands of today’s working environment have left managers completely out of their depth¹⁵.

There are some steps you can take:

- **Be clear about expectations** – ensure leaders and managers understand what they need to do, and how they need to do it. This will include clarity on behaviours in line with organisational beliefs.



12 Deloitte 2023 Global Human Capital Trends

13 <https://www.gartner.com/en/newsroom/press-releases/06-23-22-gartner-hr-research-identifies-human-leadership-as-the-next-evolution-of-leadership>

14 Gallup data shows 70% of the variance in team engagement is determined by the manager <https://www.gallup.com/cliftonstrengths/en/350423/influential-good-manager.aspx>

15 Gartner – 9 Future of work trends for 2023 <https://www.gartner.com/en/articles/9-future-of-work-trends-for-2023>

- **Focus on skills over processes** – often engagement activities are centred around opportunities, events, or communication channels. Consider as well the skills required to successfully engage. Many leaders or managers achieve their position by dint of their performance in their previous role, and their skills aren't necessarily transferable. Build engagement and communication skills into development programmes alongside functional or commercial capabilities.
- **Ensure there is organisational integrity and no say-do gap** – Ralph Waldo Emerson got it right when he said, 'what you do speaks so loudly I can't hear what you say'. Always important, but especially through turbulent times. Consider how leaders and managers are held to account for their behaviour as well as performance, and ensure those who are great are recognised and used as role models.

Case study: A strategic cultural journey

DSM is a global leader in science-based nutrition, health and sustainable living. In 2019, it recognised the need to transform its culture to match its new strategic direction, while ensuring employees felt the culture remained cohesive.

Its approach was to align its cultural journey with its philosophy of the organisation as a group of ships all headed in the same direction. In this 'flotilla' concept, DSM sets a shared strategic and cultural destination, while empowering leaders to guide their teams on the journey in a way that works for them, with light-touch guidance from the centre. Instead of adding complexity to its cultural transformation, this approach simplified it.

At the heart of the cultural journey was the Culture Compass – an elegant model with DSM's purpose at its centre, surrounded by simple, memorable cultural attributes. The Compass not only had the flexibility for local interpretation, but also the scope to resonate across the global business.

This non-prescriptive and very human-centric approach enabled DSM's teams to own their local cultural journey, while still aligning with corporate goals. The success was evidenced in recent employee surveys, where the culture programme and Culture Compass were shown to have contributed to an increase in feelings of employee inclusion and satisfaction with DSM's culture. For example, the survey prompt "DSM has a climate in which diverse perspectives are valued" jumped from 68% agreement in 2019 to 74% in 2021. In addition, Glassdoor's ratings of DSM's culture and values increased from a 3.5-star average to more than 4 stars (out of 5).

Act now

Understanding the human implications of change has never been so important to ensure your business survives and thrives. Act now to take steps to being a more human organisation. We can help you get started.



Let's talk...

call Elaine on 0845 607 0000 or email elaine.smith@corporateculture.co.uk to explore how you can start your journey to becoming more human.



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