FUTURE OF WORK:

Organizational Resilience and the Changing Employer-Employee Relationship

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The Future of Work:
Organizational Resilience and the Changing Employer-Employee Relationship

A client of ours recently began inviting employees back into the office to work, after many months of everyone working from home full-time due to the COVID-19 pandemic. The company's office building is newly renovated, and the space offers the very best of modern office design. And yet, after experiencing a significant amount of time working in a completely different way, most employees have not wanted to come back to the office. With a 50% capacity limit, the company asked employees to sign up for the days they will work in the office so that they could manage capacity requirements. Less than 20% of employees signed up for any day at all. Like office workers everywhere, these employees have changed over the past several months, and the vast majority no longer want the same kind of work structure they had before.

We repeatedly hear business leaders ask, "How do we bring people back into the office?" But this question assumes a return to a previous normal, to ways of working that still mostly stem from the industrial revolution and are not necessarily fitting for today's knowledge and creative work. The COVID-19 pandemic has forced us to live, work, and interact with others and the world in different ways. While virtual work was already part of the environment prior to the pandemic, the sudden switch to extensive remote office work offers an opportunity to reevaluate what work structures make the best sense going forward.

> It is probably accurate to say that most of us have been personally and profoundly affected by all that has happened over the past year.

Along with the pandemic, the United States has also experienced an intense shift in political dynamics as well as the accelerated awareness of racial justice. Following the death of George Floyd in May 2020, the Black Lives Matter movement has brought these issues to the forefront, and many companies are now actively engaging in discussion of these dynamics.

It is probably accurate to say that most of us have been personally and profoundly affected by all that has happened over the past year. While we acknowledge the desire to put things back together as soon as possible, to move forward and "get back to normal," sudden and significant environmental events that move us out of our comfort zone provide an opportunity for creativity and innovation. They invite us to reframe our understandings in important ways, drawing us to greater breadth and depth. A saying often attributed to Winston Churchill at the end of World War II is "Never let a good crisis go to waste." We have experienced crises and are now in the ideal space to explore new and different ways of organizing and working together.

After living through such an intense time – and knowing what we know now – what reorientations are necessary to enable organizations and their people to flourish and thrive?

ORGANIZATIONAL RESILIENCE AND RELATIONSHIPS

The COVID-19 pandemic and the rising awareness of racial justice are loosening and reframing some of the boundaries we had become accustomed to in organizational life, accelerating many of the trends that were already underway. These events have been shocks to organizational systems, exerting tremendous pressure and requiring organizations to change in order to continue existing and performing. They are simultaneously testing organizational resilience and helping to create and reinforce it. At the heart of organizations that endure is the ability to stay nimble and maintain resiliency in order to successfully capitalize on opportunities and weather whatever other storms lie ahead.

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Organizational resilience is created through four core characteristics, or pillars:

• organizational purpose
• flexibility/agility
• resilience fitness
• relationships.

Organizational Purpose	Flexibility /Agility	Resilience Fitness	Relationships

Pillars of Organizational Resilience

Organizational purpose, why the company exists above and beyond making a profit, serves as a kind of glue that holds people together and provides direction and a touchstone from which to make decisions and navigate uncertainty. Agility is enabled by having systems and culture in place that allow the organization to move and shift as necessary, preventing it from breaking when forced to bend. Resilience fitness involves a number of practices – monitoring and interpreting situations, testing boundaries, scenario planning – to clarify and deepen understanding of the environment and the organization's capabilities, ultimately preparing the organization to act and react with knowledge and effectiveness.

The final pillar of resilience is long-term positive relationships. Positive relationships enable a sense of being "in it together" when a significant change or crisis comes along. Positive relationships foster engagement and commitment, where people pitch in to help rather than jumping ship or simply going along in a state of numbness. At the same time, because flexibility and agility are also characteristics of resiliency, organizational relationships evolve and change as necessary to meet new needs. They are positive and strong, but they are not stagnant.

Organizations have many significant relationships. They have relationships with customers, suppliers, strategic partners, the community, government, and regulating bodies. In this article, we focus on perhaps the most primary organizational relationship – the relationship with employees.

THE CHANGING EMPLOYER-EMPLOYEE RELATIONSHIP

While always evolving, the employer-employee relationship has been experiencing significant movement over the past year. The pandemic and societal energy around racial justice offer an opportunity for profound change, inviting companies to relate to employees in a broader and more human way, to see and support more of the

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whole person. As illustrated in the figure below, we will explore three areas of the changing employer-employee relationship - remote work, mental health, and engagement with society – and how these shifts impact and are supported by the employee value proposition, talent strategy, company culture, organizational structure, and the capabilities necessary for leaders and employees.

External Events

- Covid-19 Pandemic
- Growing Awareness of Racial Justice

Shifting Employer-Employee Relationship

- Remote Work
- Mental Health
- Engagement with Society

- Employee Value Proposition
- Talent Strategy
- Company Culture
- Organizational Structure
- Leader and Manager Capabilities

ORGANIZATIONAL RESILIENCE

REMOTE WORK

One of the pandemic's important lasting legacies may well be more extensive remote work. While virtual work has been increasing for decades, widespread remote work during the pandemic has changed perceptions of the practice. According to an August 2020 study by the Center for Digital Future, most office workers said they would prefer to work in the following ways if given the choice:

• 30% would never go into the office
• 37% would go into the office once a week or so
• 23% would go into the office multiple times a week
• 10% would go into the office for all work

Would never go into the office — **30%**

Would go into the office once a week or so — **37%**

Would go into the office multiple times a week — **23%**

Would go into the office for all work — **10%**
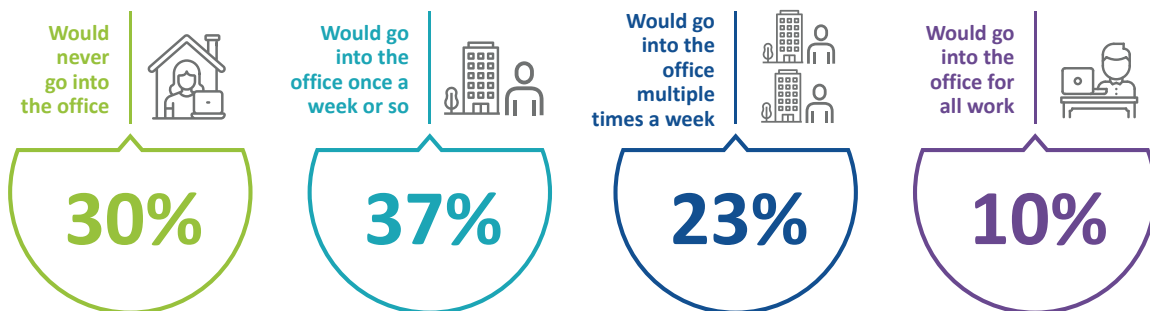
Ongoing remote work is also gaining support among company leaders. A survey by Colorado SHRM found that 97% of Human Resources leaders rated their company's experience with remote work during the COVID-19 pandemic as "very positive" or "positive." This experience has perhaps helped companies – many of whom may

have been resistant to remote work before the pandemic – to see it as a viable option for the future. One-third of companies in a national survey said that they expect 40% or more of their employees to work remotely at least three days per week post-pandemic. Wherever the numbers end up, it seems that remote work is likely to be a more permanent part of work life moving forward.

On one level, flexibility with time and place of work, characteristics of remote work that are attractive to so many people, may be viewed as simply a benefit or perk that companies offer to employees. With remote work, employees enjoy relaxed work attire and lack of a commute. They have more freedom and autonomy to work at the times that best fit their needs and can often more easily manage the dynamics of personal and work demands. While these are typically positive experiences for many people, it is important to note that any remote work arrangement should recognize employee differences. For instance, people who are more introverted may prefer more time working from home, while kinesthetic learners may struggle meeting with colleagues and clients solely through video and phone. Life stage and personal living situation also impact how much one enjoys and is productive working virtually. Overall, remote work does not fit everyone equally, even people in the same job role, so sensitivity to the differences and offering some degree of choice can help employees and teams find the right mix.

> With remote work, "work" ceases to be a place, at least not in the traditional sense of a shared company office.

The benefits of a virtual workplace extend to the organization as well. Companies benefit from reduced cost for office space, employees' greater ability to focus on "deep work," and access to a wider variety of talent. Organizations also potentially benefit from more satisfied and engaged employees.

In even more significant ways, virtual work environments involve a different kind of employer-employee relationship. With remote work, "work" ceases to be a place, at least not in the traditional sense of a shared company office. When work is not a place, the relationship between the organization and employees cannot be built on physical presence. Work becomes more about outcomes and performance than physical proximity and collective space. Managers must rely less on seeing people and observing their activity and focus more on work outcomes. It means that employees need to buy in to greater accountability for the work they do.

The same time-same place characteristic of the traditional office provides important elements for culture, connection, and the experience of belonging: physical space that holds people together, physical symbols and behaviors that promote company values and culture, and opportunities for informal interactions that foster innovation and connectiveness. Research suggests that loneliness is one of the downsides of long-term remote work. When people are working in different places and to some degree at different times, leaders and managers must give much more conscious attention and purposeful action to foster connection and belongingness, grow and support the culture, and provide opportunities for informal interactions.

Some tips for fostering connection and informal interaction include:

- Invest in technology tools to support communication, collaboration, and ease of interaction
- Institute ceremonies to bring people together, such as a quick check-in about how people are doing at the beginning of team meetings
- Require in-office workdays to provide opportunities for informal interaction
- Hold some meetings in person – e.g., town halls, brainstorming meetings, some training sessions, new hire orientation, etc.
- Establish windows of time when people are required to be accessible

- Encourage more one-on-one conversations between managers and employees, and among colleagues
- To avoid fatigue, mix scheduled and unscheduled communication, and utilize a variety of communication channels
- Build in extra time to scheduled meetings for informal conversations
- Include human elements in some meetings – for example, take time during an all-hands meeting for a slideshow of pictures that employees voluntarily submit

MENTAL HEALTH

A second area of the shifting employer-employee relationship is in mental health and well-being. The pandemic experience is compelling employers to support more of the 'whole person,' including employees' emotional and mental health.
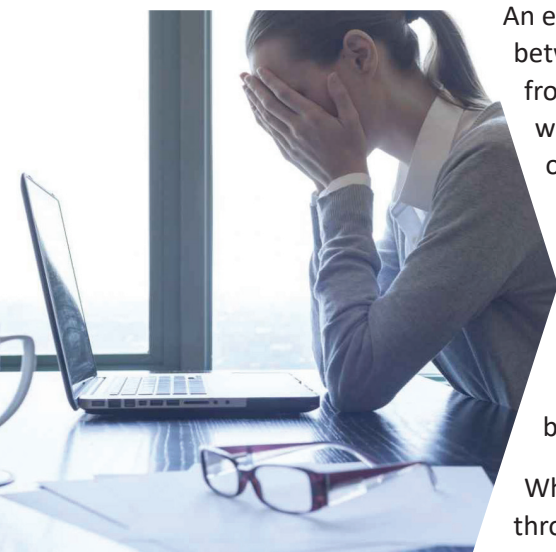
An element of the flexibility offered by remote work is that the boundaries between personal and work lives become more fluid and blurred. While working from home, children might show up mid-video call to ask for a snack or help with homework. We may set up workspace in the dining room or start a load of laundry while thinking about how to respond to an email. Extensive remote work has lifted the veil between work and personal lives to a far greater extent than most people have experienced. For some, this fluidity brings greater ease in managing the variety of their responsibilities. For others, blurred boundaries can mean they never experience a break from work and are at greater risk for burnout. Depending on a person's life and home situation, a stronger boundary between work and personal life may not only be welcome and beneficial to getting work done, but it may be essential.

While the physical health of employees has clearly been a central focus throughout the pandemic, we also know now that mental health issues have skyrocketed. Employees who are struggling with their mental health are far more likely to miss work and to be disengaged. Even before the pandemic, the World Health Organization estimated that depression and anxiety disorders cost the world economy $1 trillion in lost productivity. These challenges and others have a profound impact on employees and their interaction in the work environment.

A 2021 study by CirrusMD showed a 300% increase in 2020 in patients presenting with behavioral health concerns – a staggering increase, with the trend continuing as the year went on.

Employee Assistance Programs provide an important resource and are a start in supporting employees with their mental health. The pandemic experience is highlighting the need for companies to do more, elevating employee mental health and well-being to a priority along with other health and safety issues. A focused push around mental health wellness includes educational efforts to increase awareness and partnering with healthcare providers to offer help that meets people where they are, such as chat-based therapy interactions. It is also essential to equip managers with the ability to recognize signs of mental health distress and to have the courage, understanding, and empathy to effectively engage in discussions about mental health with employees.

Even when opportunities for support are available, one of the greatest barriers to reaching out for help is the stigma people tend to experience around mental health issues. Education and awareness help, but the most profound way to normalize discussions about mental health is for influential people to share their stories. Public figures, such as Olympic swimmer Michael Phelps, have recently opened up about their struggles with mental

health. Geoff McDonald, the former Global Vice President of Human Resources at Unilever, speaks openly about his experience with depression and anxiety with the aim of helping to reduce the stigma, encouraging people who are struggling to ask for help, and ultimately offering hope.

In addition to programmatic interventions, mental health and taking care of the whole person presents a critical area where companies must invest in building the skills of their managers and leaders. Relying solely on the EAP or other programs to address the impacts of mental health issues in the workplace is not enough, as managers are the people on the front lines of these issues and their impacts. Organizations need to make mental health a part of working with the whole person and ensure that managers can effectively address these needs.

ENGAGEMENT WITH BROADER SOCIETY

Organizations' relationships with the broader society have also been changing, an evolution that impacts the employer-employee relationship. While opportunities to engage with society are always available, the pandemic, and to a larger extent, the increasing focus on racial equity and justice, have invited organizations to speak up and take action.

We seem to have reached a tipping point where companies are seriously accepting their role in systemic racism and their responsibility to do something about it. Taking steps to dismantle racism for long-term impact is clearly a multi-layered effort that includes self-examination of biases, opening dialogue around issues of race, amplifying diverse voices, providing education and training on anti-racism, and incorporating DE&I into company strategy and practices. As organizations move toward more deeply embracing diversity, equity, and inclusion, they strengthen the foundation of trust and psychological safety in the workplace. This is another aspect of embracing the whole person, welcoming a variety of understandings, experiences, knowledge, and perspectives - and ultimately bringing greater richness to work communities.

> Organizations need to determine which issues they will take a stand on and establish appropriate ways of engaging and taking action on those social issues.

The stances that companies take regarding racial justice and other social, political, and environmental issues are an important part of the relationship with employees as companies define their role and voice in society, connect that with their purpose and corporate identity, and make explicit to employees. These actions also open the door to allow broader dynamics to enter and change the organization and its people through formal initiatives and, perhaps even more importantly, through more open dialogue around topics that may be hard - yet are necessary - to discuss. Organizations need to determine which issues they will take a stand on and establish appropriate ways of engaging and taking action on those social issues. As Patsy Doerr, Global Head of Corporate Responsibility and Inclusion at Thomson Reuters has said: It will no longer be a choice for companies to embed social impact into their business and brand strategies – it will be required to thrive and compete for talent, customers and investors.

The three areas of the changing relationship with employees outlined above – remote work, mental health, and engagement with society – are helping to broaden the perspective of an employee to a more human level, leading organizations to more fully embrace and support the whole person. These areas have the potential to move the relationship toward further depth and strength, contributing significantly to employees' sense of connection and ultimately to organizational resilience.

IMPLICATIONS OF THE CHANGING RELATIONSHIP

The changing relationship between employers and employees has significant implications for how organizations lead and manage their people. The pandemic has caused lasting shifts in the workplace, from the increase of remote work to organizational engagement with the broader society, and these changes are forcing companies to rethink various aspects of how they manage, organize, and support their people. We'll discuss five areas that both reflect and help to move forward an evolving relationship with employees:

• Employee Value Proposition

• Talent Strategy

• Company Culture

• Organizational Structure

• Leadership and Employee Capabilities

Employee Value Proposition

The employee value proposition is probably the most direct implication of the changing employer-employee relationship. It articulates to current and potential employees precisely what they can expect from the company and what the company expects from them in return.

As relationships with employees change, organizations need to thoughtfully consider and define the employee experience they want to create, keeping in mind that people are wanting and expecting different things than they did just a year ago.

Essential characteristics of the employee value proposition include:

• The organization's purpose – why it exists, its mission and values, how it contributes to the world

• Stances on issues of diversity, equity, inclusion, justice, and the environment

• How the organization embraces and values the 'whole person'

• Flexibility offered around work time and place

• Expectations for employee accountability

• How the organization views sense of community and employee engagement

• The benefits of being part of the organization in all forms (compensation, benefits, belonging to a community, etc.)

The employee value proposition is central to a number of talent processes. It forms messages to potential recruits, anchors the culture, helps managers make people-centered decisions, frames rewards and benefits, and forms the basis for many of the value exchanges between the organization and employees. Based on both changing company conditions and changing employee expectations, redefining the employee value proposition and its flow-through impacts on talent processes is essential.

Talent Strategy

In addition to the employee value proposition, forward-looking companies will also reexamine other facets of their talent strategy, the core issues of which are: what talent is needed, how do we find and attract those

people, and how can we most effectively manage and develop them. Along with the necessary leader and employee capabilities, which we discuss further below, the shifting employer-employee relationship means reconsidering key elements of talent strategy.

Sourcing Strategy   **Contingent Work**   **Performance Management and Career Development**   **Compensation**

- **Sourcing Strategy** – One of the tremendous benefits of more widespread remote work is that it allows organizations to tap into a wider variety of talent markets, whether their goal is to find and source less expensive, differently skilled, and/or more available talent. Sourcing strategies are also an important driver for an organization's diversity and inclusion goals.

- **Contingent Work** – The pandemic has forced a re-examination of how work gets done and by whom. Many organizations have had to make hard decisions regarding layoffs and furloughs and to reconsider the composition of their workforce going forward. Organizations must determine how contingent work might be part of their talent strategy, including what work is appropriate to be done in that manner. Contingent labor not only allows for flexibility in sourcing and managing workforce size and cost, but it also enables organizations to focus on increased support and resources for their internal employee base. These strategies must be carefully crafted and grounded in principles that align with the goals and culture of the organization.

- **Performance Management and Career Development** – Changes in remote work and the employer-employee relationship necessitate that companies rethink key talent processes such as performance management and career development. Performance management must become a more dynamic process that reflects the new realities of work and does not rely on physical presence for accountability. Performance management must also become a vehicle for driving engagement and productivity in addition to holding employees accountable in an environment that is radically different for most companies. Similarly, career development must look different in the new workplace as working conditions and market opportunities change and new skills are required in today's environment.

- **Compensation** – Because compensation signals what is important and motivates employees toward particular behaviors, it must be aligned with the changing employer-employee relationship. While job-based pay is the most common approach, pay-for-performance has been a popular trend. In highly virtual environments, some degree of pay-for-performance may be especially important since managers need to manage their teams more around performance and productivity. Another alternative is a skill-based or competency-based pay structure, which might make sense for some organizations as new skills are required for success in the work environment. Some organizations are taking blended approaches that emphasize and balance multiple factors. Compensation strategies must also take into account pay equity, an important foundation for diversity and inclusion efforts, now backed by strong legislation in many states to mandate a greater focus on equity.

All of these areas need to evolve together in a cohesive talent strategy that reflects the new realities of work. Organizations need talent strategies that are more dynamic and can more rapidly evolve compared to what they had pre-pandemic. For example, organizations must be able to quickly identify changes in demand for skills and react more quickly to changes in the environment such as increased or decreased restrictions.

The key foundation for agility in talent strategy is enhanced workforce analytics. Workforce analytics (especially predictive ones) give companies the intelligence they need to respond to changes rapidly and effectively, and to optimize productivity, cost, flexibility, and resilience. Effective analytics can also help organizations measure their progress around key areas such as diversity and inclusion, employee well-being, and a host of others. The right workforce analytics allow leaders to build talent strategies that are more dynamic and better prepared to adapt to changes in the environment.

Company Culture

Culture is the cornerstone for overall organizational health and sustained performance. It holds people together and provides focus on what is important. To take seriously the issues and ideas presented in this article and enable employees to flourish at work, organizations need to go far beyond simply extending policies and adding on programs at the periphery. They need to embed changes in the culture. In what ways does the culture aid work coordination and nurture a sense of belonging in virtual environments? How does it support inclusivity? To what extent do people feel comfortable raising difficult and sensitive issues, and how well can they participate in healthy and constructive dialogue?

Fully integrating these and other aspects of a desired culture into the organization requires conscious attention to a comprehensive set of levers that create and support the organization's culture, including:

• Characteristics, capabilities, and behaviors of senior leaders

• Stories told through formal and informal communication

• Staffing, selection, and succession processes and practices

• Supporting information systems and knowledge sharing

• Operational and process changes

• Employee skills and abilities

• Ceremonies and events

> The traditional organizational structure is also built on the notion of positional "power over" others, not a great foundation for embracing the whole person and enabling a sense of belonging and connection.

One of the most important exercises companies can do today is take a focused look at their culture to identify the facets that have been disrupted by the pandemic and need to change to reflect the new reality. For example, if part of the culture was getting together monthly in large groups to celebrate results or key employee milestones, can that still be done? If not, what will replace the positive impact the ceremonies had? This is a simple example, but when the foundations of a culture are not recognized, there is real danger that culture will be eroded as workplace policies and practices evolve.

Organizational Structure

Many of us have long been aware that traditional hierarchical structures are out of date. They fail to enable flexibility and don't necessarily match the way most work is done today. The traditional organizational structure is also built on the notion of positional "power over" others, not a great foundation for embracing the whole person and enabling a sense of belonging and connection. Perhaps the radically changing employer-employee relationship will help to evolve organizational structures away from traditional models, creating more effective ways of fostering a sense of community and coordinating work.

The pandemic has highlighted the need for more organizational flexibility and resilience, and today's structures are often weak in both areas. Many organizations make large-scale changes to their structure and then essentially freeze that structure in place until the next big reorganization. It is possible for organizations to build more flexible and resilient structures – such as a collection of small, flexible teams - that evolve as the organization's needs change, rather than requiring periodic large-scale reorganizations. These types of models will become more and more essential to an organization's success. Whatever forms organizations take, the future of work is less likely to include boxes and lines and more likely to center on connectivity.

Leader and Employee Capabilities

One of the most important actions that organizations need to undertake is enhancing capabilities to align with the new priorities. This includes building very specific skills required by the new work environment as well as higher level skills that change fundamental approaches to management and leadership.

Some of the newly required capabilities include:

• Empathy, dialogue, and working through critical and difficult conversations

• Engaging and connecting with others in a virtual world

• Ensuring accountability and productivity without "walking around"

• New technology skills (communication, collaboration, etc.)

• Diversity, equity, and inclusion, including the ability to surface the benefits they bring to an organization

• Understanding, supporting, and speaking to mental health and well-being

• Fostering innovation in a new work environment

These skills, many which are complex, demand attention as the relationship between the organization and employees expands.

In addition, organizations must also develop capabilities to support resilience and agility. One of the most important is the ability to move forward in the face of ambiguity. Ambiguity is highly present in events never experienced before, disrupted processes with no back-ups, and having to take stands in areas previously minimized. Building skills to understand complex environments and the appropriate methods to make decisions in the context of ambiguity should be high priorities for organizations. These skills allow leaders and employees to have confidence in finding paths to generate results while not getting stuck in indecision and anxiety.

The capabilities we have mentioned here require far more support than a workshop or certificate allows. They require systemic change, working at all levels – individual, team, and organizational - to recognize, address, and integrate the needs of people into the ways that leaders lead and employees relate to one another.

LOOKING TOWARD THE FUTURE

This is a prime moment to actively and fundamentally reformulate organizational practices and approaches to people and work. We can take this opportunity to build relationships that are more human in nature and to build organizations that are more flexible, interconnected, and ultimately more resilient. As the future of work emerges, this is the time to strengthen company culture and ensure that leaders and employees are prepared to meet what lies ahead. These actions provide benefits far beyond responding to a pandemic. Organizations that embrace these changes move toward a future where stronger partnerships, greater agility, and enhanced resilience allow them to better achieve their mission and stay prepared to deal with whatever shocks the future brings.

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About hrQ

hrQ, a LandrumHR company, works with organizations to simplify their people equation. Organizations that emphasize people strategy create a better place for people to work and drive bottom line results. Focused on strategic human capital consulting, interim resourcing and search, hrQ helps clients deliver their people strategy.

hrQ's parent company, LandrumHR, offers HR outsourcing, insurance, and workforce solutions. The company's full-range of integrated offerings make the business of people easier.

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