

Workplace Transformation for Driving Employee Engagement and Cultural Change

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Summary

Issue

On November 22nd, Telstra held a Human Resources (HR) Executive Roundtable in Sydney to discuss workplace transformation from the perspective of this department. Workplace transformation is the idea that employees no longer 'own' desks, have assigned seating or even work in a traditional office environment. Instead, work is set up around specific tasks or activities carried out through the day. It is also typically built around the notion that more employees will be remote-based, mobile-enabled and will need better tools for collaboration.

The delegates represented a number of industries including energy, financial services, media, pharmaceuticals and healthcare. There were two presenters from HR. The first presenter was from Telstra who highlighted HR's role in supporting the business going through a transformation; as well as the need for workplace transformation, concerns of employees, the goals and principles it set out to achieve, the outcomes and lessons learned. The second was an HR executive from an international industrial and electronics firm that set out on a workplace transformation journey. This presenter also touched on other experiences from a previous role working with one of the world's largest software companies. She highlighted common touchpoints on what it takes to deliver a successful activity-based working environment.

This evening was the first in a series of three roundtable events on workplace transformation which was hosted by Telstra. Representatives on this night came from HR and talent management. This was followed by facilities

management (FM) and concluded with a final round table of CIO and IT leaders. One of the underlying objectives was to get different perspectives around workplace transformation from the lines of business (LoB). GlobalData presented the argument that it is an organisational imperative for HR, FM and IT to work together in order to deliver a successful workplace transformation project for continuous feedback from each round of delegates. This session also included questions and answers after each presentation, two moderators and a healthy debate through the evening. HR executives spoke directly with each other, under Chatham House Rules, to sharing thoughts, views and common experiences. Attendees were at different phases. Some have completed several successful projects; others were in the middle of a project or even at the very early stages of evaluation.

GlobalData kicked off with a presentation highlighting the results from a survey of over 200 HR executives in Australia on their views around workplace transformation. In terms of corporate priorities for HR departments was the need to build up leadership at all levels, increase employee engagement and reduce staff turnover. One of the key objectives was to contextualise these priorities to workplace transformation and consider ways technology could enable these business outcomes. GlobalData considers the area of workplace transformation within the HR sphere of influence, the level of cooperation and interdependencies with other LoBs and what we thought were the 'real life' challenges with implementing activity-based working models from the view of HR.

A Telstra HR executive presented on her 'personal experiences' on driving corporate-wide transformation that enabled implementing completely new workforce policies and processes in Telstra's retail operations. She provided key lessons learned in how to manage transformations and the need to build up support from within and to empower local leaders. Some central messages included the need for strong messaging from the top down (e.g., no such thing as over-communication) to ensure, for example, employees understand the rationale behind the changes. In the case of Telstra, there was focus on employee empowerment, by simplifying the process and giving frontline staff the tools to support customers. The goal is to provide faster response to customers and deliver a better experience. Remote and activity based working was just one of the ways a broader corporate transformation was achieved.

The next presenter was from the industrial electronics firm and one of the main discussion points in this session was changing the behaviour of people, the key elements of managing cultural change, concluding with a framework for change management which touched the use of data, ambiguity, partnering with influencers and starting over.

Perspective

Current Perspective

Representing the people and human side of the business, the role of HR in workplace transformation can be absolutely the most challenging. Digital transformation has created an existential threat to some businesses who could find themselves relegated or sidelined by the next new competitor has found a way to digitally enable their business at the expense of the established brands, slow movers and internal resisters. The movement towards workplace transformation is driven by other external factors, such as the threat of competition and the need to recruit and retain 'top talent' and build up a continuous leadership pipeline. The successful implementation of workplace transformation will be an HR department who understands people, the financials of the company, one

that communicates and creates the cadence of corporate accountability. HR will also have a razor sharp focus on end-user experience at every step of the way. While HR is very much at the front lines of changing corporate culture, they must also be able to work effectively in their spheres of control within a broader framework. Best practices appear to be one step ahead of change and able to enlist local managers as project owners and evangelists. Data should be the basis of communication. And when a project is finished, start over.

Change Management and Continuous Improvement

For many in HR, workplace transformation means not only understanding the people but the business itself, including the overall corporate direction and strategy. For a successful workplace transformation, new business processes for how employees work will need to be created. These workflows need to be communicated constantly and embedded into the business logic. While most of these new processes will be nearly 100% digital, automated and mobile-enabled, they will also need to be flexible enough to change on the fly. Employee buy-in and continuous

feedback are both important and in equal measure. While working with a cross-functional team of executives and LoBs is important for defining KPIs, they can never be too prescriptive either. The practical experience from the delegates has been a trend of employees finding new ways of working never envisioned by project stakeholders.

Keep it Simple and User Friendly

One of the most commonly cited expected benefits of workplace transformation is increased agility and flexibility for the organisation and for the employees. In order to build in that agility, a guiding principle of any transformation should be to keep processes as simple as possible. Employees become disengaged with laborious or unnecessary reporting practices; business happens slower

and customer experience is negatively impacted when it is conducted on outdated legacy computer and IT systems. Delegates agreed that designing workspaces, HR policy and IT environments that are intuitive, engaging and user friendly for both employee and customer leads to a more agile business and more engaged workers.

Separation Anxiety

While many agreed that new ways of working like hot desks, activity-based working, increased employee mobility and flexibility, and a better work/life balance were desirable goals and a means to increase employee engagement and retention, delegates also expressed concern that new ways of working might encourage system abuse by employees in some circles and will need to be managed. Some delegates highlighted issues such as decreased productivity when workers forget the “W” in “WFH”. This is another area where IT and HR can work together to enable better outcomes, with seamless transitions between office and home IT environments,

advance communication and collaboration tools and access management platforms, managers can still feel close to employees while allowing for flexibility. One delegate commented how that while how her employees are tied to their desk – even when remote – it was important for offering personalisation and flexibility. In this case, the employee was the contact centre agent feeling comfortable putting on a load of washing while supporting inbound enquiries. It also speaks volumes of how performance metrics within the contact centre and customer engagements have changed. This reflects the new realities with delivering a strong customer experience.

Follow the Leader

Transforming a large organisation is a complex and messy process, and bumps along the way can easily derail momentum. Managing the people during a transformation can often be the most difficult task. The workforce at a large organisation is very diverse and each employee will react to change differently. A strong buy in from the top can help ensure corporate messages and values, for example, are instilled from the start. At the same time, communicating the rationales and benefits of the change to the employees can help secure buy in from the onset and improve engagement. The delegates

seemed to have also agreed that identifying leaders and local champions at all at all levels of the business was one of the critical success factors. Employee experience should be considered at each step, talent must be harnessed (e.g., one great employee is worth three good employees) and change management should be congruent with the business vision and strategy.

GlobalData Essential Guidance

Reach across the aisle.

HR should reach out to other lines of business to understand their goals and vision of the company. A deeper understanding of business and a unified front can build a stronger case to management for changes that increase engagement and reduce attrition, but don't necessarily show up in the balance sheet. Identify KPIs like employee churn/retention/satisfaction/NPS that can be used as tangible measures to demonstrate the benefits. Use data analysis to identify processes that can be simplified or eliminated to show room for improvement.

Transformation one step at a time.

Trying to implement workplace transformation can be daunting and will certainly get a lot of push-back. Moreover, some functions tied to equipment and systems are therefore less mobile. Going at the process piecemeal can be more effective than wholesale change. Transforming workspaces one location or even one floor at a time can help improve the process as it's happening. Organisations can also identify units that are more receptive to change (usually the more IT savvy groups) and start the process there. Celebrating successful changes along the way can increase buy-in from both management and the employees.

Start over again.

Ongoing management remains a challenge. Once a transformation is complete, it is important to ensure employees continue new work practices, business process and technology to achieve the desired outcomes. Some delegates suggested that it is important to look at new goals, KPIs and scorecards to drive the next wave of outcomes. Workplace transformation is iterative and evolutionary.

Next Steps for Human Resources

As the saying goes, 'culture eats strategy for breakfast' and any company disconnecting the two puts their success at risk. Workplace transformation is a change management process that works to the alignment of people, space and strategy. Practically, this is an integration of HR, facilities managers and IT against a framework with executive sponsorship. While HR and facilities are generally natural allies, more work needs to be done bringing corporate leadership and IT to the table, which are important stakeholders for workplace transformation. These points of disconnection need to be resolved in order for HR (in partnership with others) to have the best chance of success. However there are some tactical wins HR can accomplish in the interim with a little more alignment with their IT department. For example, the overriding need to build up leadership at all levels speaks to the need to have more digital learning platforms for employees to skill up at their own pace, train and specialise in preparation for the next role. Likewise the need to increase employee engagement (as this drives higher retention, satisfaction, customer engagement and profitability) can be achieved through the right collaboration platform, typically one that has some social network dynamics, offers a capability for employees to

share experiences, find subject matter experts and create communities of interest. Making the right technology choices – in partnership with IT – brings HR one step closer.

There are other challenges at play as well. Nearly all companies will highlight the need to change culture, yet most executives cannot describe what they want to achieve let alone disseminate a clear message about culture through their organisation. Other lines of business while agreeing on many fundamentals of workplace transformation and tying in into corporate strategy and culture will have limited data sets. Working within the sphere of influence, HR can play a major role in bringing together people and stakeholders in working groups. A cross-departmental sharing of data (especially with CXO, FM and IT) could be the first steps in using common business language and working on ways to drive better outcomes by changing behaviours.

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