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# E2: Can leadership style influence whether a company works remote or in-office?

## SUMMARY KEYWORDS

people, remote, business, leader, office, leadership, leadership style, talking, culture, remotely, work, conversation, difficult, environment, home, question, hiring, thought, managers, trust

## SPEAKERS

Karen Kirton, Lachy Gray

### Lachy Gray

Welcome! In this episode, we're going to talk about how the workplace reflects the owner CEOs leadership style, and the extent to which the decision to go back to an office or remain remote or go hybrid is a reflection of the latest management style. Is an interesting one, Karen. I've been thinking fairly about it. From my point of view, I think if a leader likes to work in an office sense or walk amongst staff, have face to face meetings, create personal connections in person and I imagine that they will encourage a return to an office. Similarly, if a leader is comfortable working remotely and communicating with the staff remotely then I imagine that they'll be more likely to stay away from working remotely. I just did some research for this episode like, I came across some really interesting quotes, Goldman Sachs CEO David Solomon says "An investment bank in the US called remote work an aberration, that we're going to correct as soon as possible."

### Karen Kirton

Wow!

**Lachy Gray**

Incoming Amazon CEO Andy Jassy plans on making Amazon, an office centric business signing there's just this connection in chemistry you get this bonding you get the person I missed that. So I think that there are a few underlying themes at play that we can explore today. The first one being, how a leader likes to work and to what extent that influences the workplace that they lease. Keen to hear your thoughts, Karen.

**Karen Kirton**

Yeah, so interesting, and particularly around Amazon because I have a fascination with Amazon. Well, firstly because anyone I think that's like Jeff Bezos, you just have to pay attention to because it's so interesting what he's been able to build and his own style and how he's done that which is really questionable on cultural workplace levels. So, the quote that you gave is interesting to me because I would think they would want to be office centric because they are really quite a command and control type of culture. That maybe, I wouldn't say hiding behind that, but yeah maybe there's some like unconscious thinking there in terms of because their culture is so hard and fast performance base, like they say, at Amazon. You know when you hit the wall you just climb over it like that there's just no excuses right like apparently you know it is brutal, and the leadership team there never shied away from that to say oh I know that what the employees are saying is incorrect like they agree with it. So how do you continue to have that kind of culture if you're not in the office. So I find it interesting that he's quoting on different reasons there. But yeah, that's so true right because the things that we like, we assume other people like. So if I like to be at home I'm going to assume that everyone else wants to be, as well. I wonder when you were looking at that where you sign to reflect on yourself and the reasons why you decided to go remote.

**Lachy Gray**

Absolutely!

**Karen Kirton**

Because if you liked being in the office if you were a massive extrovert, do you think you would have made the same decision?

**Lachy Gray**

That's the million dollar question, isn't it? It's a good one. It's about something I've been asking myself a lot. Like, how do you separate personal preference from what's best for the business? Because I guess it to some extent you can, you can try to be objective, but I think it's impossible to fully remove any bias, or preferences.

**Karen Kirton**

And do you need to?. I guess this is the other question. There will be people listening to this saying well it's my business, I can do what I want.

**Lachy Gray**

Yeah! But, I mean what, what makes up a business? I think people and the culture. Critical foundational to success. The business is more than the leader, I think. So I'm very mindful of my personal preference, and how that shapes the business, and I'm very keen in trying to foster an environment that is collaborative, and benefits all. So, to what extent? Yeah, I've influenced where we are now so yeah, I absolutely have, but I've also tried to have a lot of conversations with the team about what their preferences are as well. But what do you think?

**Karen Kirton**

Yeah, I think that, yes, there's an element of the leader owner needs to lead the business so yes what they think is going to work best for the business is going to override. But if you, let's say you have all of your staff say "Well, I really want to work in an office" and you'll say, "Well, sorry I don't want to. I've now moved to Adelaide. So I'm not having an office anymore." Well, yeah, you're right, you're not gonna have a business because those people are going to leave, and vice versa. If you say well you all need to come into the office in the middle of the city, five days a week, and I want to work from home, then yes you can make that decision, but you better be prepared for the consequences. I guess I'm just going through my mind. I'm thinking about businesses that I work with and know all that I'm kind of connecting and kind of later and what I know of their personality with decisions that they've made and I think there is a connection. There certainly. We spoke about it in the last episode, there is a spectrum of people that want different things out of the office so there is no perfect solution but I think that, Yes, there is definitely a reflection of someone's management style into how they're working. So the next question is, well what happens if that person sells the business, or that CEO resigns or then what? So you know if you've made the strategic decision to work a particular way, what happens if that person then goes to the next person that walks in and has a completely different mindset? Or you know with you, you've got a partnership. What happens if Mark as your partner, turns around and says no, this isn't working anymore. Then what do you do? I'm assuming that you and Mark have this conversation on a regular basis.

**Lachy Gray**

Sure. I still think it's a tough question to answer, isn't it? I think Yahoo's it is an interesting example, if you remember, was that, I think 2013 the new CEO Marissa Mayer ordered an into remote work. This is for a tech business. In an effort to improve communication and collaboration which Yahoo believed was best achieved in person. I remember thinking at the time, I was like, wow, that's just, it just blew my mind that a tech business would force everyone back into the office. I believe staff could still work remotely. I don't think it was completely made a threat, but that was certainly the impression it was given. That wasn't an internal email that was sent. No, I don't think it was supposed that they compete to be communicated in public but. So yeah, if, then, for a new CEO to then come in and flip that. I just don't. It's very, very challenging. I think it's within the context where we are now aware. So business owners have had to make that decision or we are making that decision. This is why I'm remindful of some businesses making quite firm decisions such as we'll be remote forever. Nothing. How can you say that? How can you know that? You know what works now may not work in the future. What I know about my own human behavior is very hard to go back on something, especially something that is said publicly.

**Karen Kirton**

Yes.

**Lachy Gray**

I think it makes it very difficult for future leaders of the business to. So you may think about something like Twitter, which has come out publicly saying, you know, we're willing to let employees work remotely, it's almost a wish. What about if Jack Dorsey steps down and you see it comes in and wants to change that?

**Karen Kirton**

Yeah. Atlassian is the same right? They did it very early on as well and said okay, everyone can now work from home, and great attention grabbing headlines aren't they? So I know that when I was looking into these and I was talking to business owners including you about shift to remote work and I was trying to find somebody that has been an office base and then obviously though the lockdown had to

work remotely but then made the decision to go back to full time office working. I did find different businesses like this, but I couldn't get anyone on to have an interview with me. So, you know, whether just for the ebook or for the podcast. I did wonder whether some of those attention grabbing headlines, make people feel like, well, if my business isn't 100% working from home, you know, I'm going to be judged. So bit concerned about how they would be perceived, whereas in reality, that wasn't the angle I was coming from. I'm just genuinely interested. What do you think was missing in being remote and that you're getting, you know, when you're in an office some conversations that I did have. I guess we're on the record. It was more around firms that are more professional services like accounting type companies, where they've got more than one person working on a client, and they felt that it was much more efficient to do that in an office and to do it face to face. The other area I found it happening a lot is digital creative advertising top agencies. You know, because for two reasons they said, firstly, you know it's really difficult to be creative or create a creative in isolation. So, you know, part of the way that they do things is about bouncing stuff off each other. That's more difficult remotely. The other reason was that those agencies tend to have higher percentages of people early on in their career. They found that they preferred office working because they wanted to learn of the more senior members of the team. So I found that really interesting and so when you're talking about, well is it the latest style. Well, it probably is as well because the leader would have those types of businesses would have a similar style and that's how they've landed in accounting or creative. But I also, you know, I do think that, yeah, their reasons made perfect sense and I think that, you know, they're the ones that know their business, and as long as they can have staff that are happy with those arrangements and continue to be able to attract people into their business, then it probably works really well for them.

### **Lachy Gray**

Yeah, absolutely. You're going back to the David Solomon quote from earlier. In the article he talks about his concern for new interns coming in H.I I think he could bring in 1000s of them. He was concerned that they would miss out on the in person culture, which is to your point, how do you train and you I guess immerse people starting out in their career, in your culture remotely. It's difficult. But what I find interesting too and I do think that every business is different, every culture is different, and the people are different within it, so I don't think there is a one size fits all. I am interested though in how people arrive at these decisions. To what extent is the team. The organization, the people in the organization, to what extent are they involved in that decision? Because I don't think that the last 12 months is a good example of what remote work can be. Because I think for many businesses, we were forced into it. We were scrambling and then we had this existential threat happening at the same time so mentally draining. However, hopefully coming out of it now. It's quite a different environment to be thinking and planning for the future so if you're thinking about it well I think that we do work best together. So for example for the creative agency. Is it an opportunity to experiment with that and have for a period of time do that and then for a period of time work remotely and try to innovate, an idea remotely, and then compare the two. Is that happening, or is it more so just to, we know how we worked pre COVID. We experienced COVID, and we really feel that this is the best way to go.

### **Karen Kirton**

Yeah, I think it's the latter because like it makes sense intellectually right to compare the two and say well what actually works better, but there's a lot of energy and time and money that they would have to invest into that. You're right, people just literally packed up their desk and walked out to the opportunity to compare it's difficult. I think when you're paying for an office space, you know, you just kind of use it.

### **Lachy Gray**

Well yeah,

**Karen Kirton**

You need that burning platform, don't you? Like if your office space is up to lease, then yeah, you might be doing that comparison and say okay, well, what's going to work but yeah. I think, going back to your original question, I did a leadership workshop yesterday and we were talking in three different leadership styles and we use the Situational Leadership Model as well. So, you know, our directors, so that more authoritarian types of leaders, are they more likely to return people to the office? Are we assuming that it's only those types of command and control, I'd say you do type leaders that are doing that? Because I don't think it needs just that type but I do think they're more likely to, aren't they?

**Lachy Gray**

That's my assumption, but are they more likely to work in an industry or for a product or service? That way that's true as well. For example, a more traditional culture like law or investment banking, or even accounting, so I think it's very difficult to separate the cause and effect. We won't know whether they had that personality going into that industry, to what extent that industry shaped them. To what extent the culture shaped them, and then they get to this point where we're now trying to understand their motives and their decision making, without any of the prior context. But I do think that there are some commonalities across industries so yeah like investment banking. I wrote about a few banks who are keen to globally, were quite keen to bring people back into the office and mentioned things like personal connection, and also maintaining a company's culture, which is what the JP Morgan CEO Jamie Diamond. That was his rationale, which I thought was really interesting because often it's more so about connection and innovation, whereas he actually thought remote work was hurting their culture. Though, even within industries, yeah, there's not a it's not a blanket rule so apparently a lot of European bank bosses are looking at incorporating work from home. So, there may be even cultural aspects to this that are like a country on a societal level, let alone within an organization that are influencing some of these decisions too.

**Karen Kirton**

Yeah, for sure, and I think as soon as you said that he thought it was impacting on their culture. To me that comes back to, there's got to be something going on with their leadership. Because I think going into remote working puts a lot more work and effort and intention into the leaders of the organization. If you're not skilled up for that, then I can see how that would impact on your culture, because you don't have leaders that actually know how to motivate and engage and bring people together, let alone in a remote environment, which is just adding an extra level of complexity.

**Lachy Gray**

What do you think, remote leaders need to lead effectively?

**Karen Kirton**

I think you, you need a mindset of my job first and foremost is actually to lead by people. I think a lot of people don't have that. I understand why, because their mindset is first and foremost I'm a CFO or I'm an engineer or whatever it might be, because that's how they've started their career. But the reality is that the more senior you become in an organization, the less your role is actually about whatever technical expertise you have. It's all about the people. You know, you just, you're trying to motivate and encourage and get your teams to perform, so that you can get the results you're not doing it for yourself anymore. So I think that's a really big shift for a lot of people. I don't necessarily always see it happen, you know, including at the top of the chain as well so if you don't have someone leading the business that understands that, then you're not going to get that through the rest of the business, either. You know, I don't know a lot about Goldman Sachs, other than the fact that they're massive. They're worth billions of dollars at a very old company. So, do they have that type of contemporary thinking in place. Maybe not. Maybe they're just sending their managers to offer their yearly leadership training but

they're not actually, you know, embedding. What's going on through the year and you know, monitoring, you know, do they actually like that people or is it more than just you know trying to wring everything out of them so you know and I say that many times over the years I know I'm biased because I have an HR background but you know there's a lot of people that hide behind the HR person. You know they just think well we've got to do with people, that's not my job and remote work he just doesn't allow that. You can't have your HR person manage your team for you in remote working. I think that's where it can really impact on that cultural base.

### **Lachy Gray**

That's an interesting point, isn't it? Because you know the traditional, I guess, top down. You could even say the command in control hierarchy ranks very much like a pyramid. HR is there especially to a larger business. Yeah, they sort of run buff aren't they? Between the leadership and in the minions. I've always sort of thought that to be a bit strange, because from my perspective I see my job is largely about people and making sure that we have the right people in the right jobs and they're happy to stick around and remove barriers out of their way. If I had a team, sort of between me and my people, I would find that really challenging. But if I was trying to pitch you that. So if I've come if I'd come from that kind of structure to then have to go remote work as you say, and I'm relying on the HR person paying that interface and all of a sudden they're not there, and I need to do it by myself but I don't have those skills so it's exponentially more difficult. It's not like being in an office environment and being told, okay, well, the HR, we're getting rid of HR so you need to handle all those conversations and the training and the coaching and so on. But you also need to do it when you're remote. You might be able to see the people so much and they might be in totally different locations in different time zones. Looking at it from that perspective, I do have a lot of empathy. Because I mentioned that it's extremely difficult. With that context, looking through that lens, the decision of whether to return to work in an office makes more sense because there's potential for a lot of pain on a remote work path into the future.

### **Karen Kirton**

Yeah, absolutely. I think that there wasn't time to upskill managers of organizations, either. So, you know, perhaps that's part of the reasons for some of the organizations when they're pointing to culture, it's actually well, you know, we're starting to see these dips and dives but it's because we haven't invested over time. In our managers to become leaders. That's starting to show itself, but I also, I do personally think based on what I've seen in the research that I've read that there is enormous value in having face to face connections, does that mean to sit one day in the office or work or whatever, I don't know, I think every business is going to be different in terms of what that looks like. But I do think that there is benefit in face to face. There's part of me that kind of likes the discomfort and the challenge of having to learn something new. You know, having to learn or how I manage and motivate and empower people, particularly new people. When I don't have that relationship and that existing trust in a remote environment and if you're a command and control type of leader, how do you bring in a new person?

### **Lachy Gray**

Well that's right. But isn't it interesting, you know, to what extent the existing culture will influence this decision making. Because if the culture is unhealthy. I was talking about the last episode - it's not the trust. Very difficult to add in remote work or to make remote work, work, and even to have the mindset, like you mentioned before. I would question whether that mindset of being open and willing to really graft and get stuck into it and make mistakes and fail and be vulnerable, and to say I don't know exactly how it's gonna turn out. But we're going to do it together. I don't know how possible that is, if the culture is not there to support you. So is that influencing this decision kind of making as well.

### **Karen Kirton**

Yeah, absolutely. I think the top of the organization. So, you know, we're kind of making I think mental assumptions or I am as we're talking about, you know, knowledge workers but if I start thinking about other companies where, you know, they might have what types of landscaping business so they'll have people, you know, out and about but then they will have an office as well. So then you've actually got two different sets of employees in your business. So then, are you making the decision based on the fact that many people need to have an office and be out and about and therefore everyone else works in the office as well. You know, the other aspect is just in your those types of businesses and if you have let's say support staff, you know, administration of marketing and sales, etc. You know, they paid under an award. Then our industrialized system doesn't cope with this idea of remote work. So, you know I think about businesses where, you know, some of them I know, I did speak to. Who you know they've gone remote because they're only small anyway. So it was an easy decision to stay remote, they didn't have an office, but then they've hired a new person who's under the clerk's award. She's very happy to just kind of work in and out of school runs and whatever you know works perfectly for her to be remote so she can still do the 20 hours a week and do it all over the shop, but the actual award doesn't allow you to do that you've got to pick the days, you've got to pick the times, you've got to have a minimum of three hours. So that's where I see the leadership style being really interesting as well because I might have a leader who is actually much more of the coaching style is very open to someone just needing to work the hours they need to work and having the freedom and the empowerment to do that. But then saying to me, how do I write this into an employment contract. It's like, well, actually, you just can't. So there's also that it's a conflict in leadership styles sometimes in terms of the decisions being made about remote work but then you've also got the legislative framework as well which I think can add an extra dimension.

### **Lachy Gray**

Oh yeah, for sure. I think it's fair to say that the legislation, often behind isn't? It takes a while to catch up. I think to your point, I am mindful that my perspective on this is very narrow. Because I saw from from the sidelines a number of our customers who are in the exact scenario that you mentioned were possibly the majority of the workforce was still working together in office or depot's environment, but then the management, or the knowledge workers or the pointy heads what do you want to call them, could work remotely. Just the risk in creating this "us versus them" environment, because the decision we made had to be made very quickly. Then well for the people on the ground. Looking at these people who can work remotely and say, "Well, I'm working remote, because it's the safest thing to do" and it's like well "what about me?" I don't have that choice. I mean how that was communicated internally I don't know, but it must be very very challenging.

### **Karen Kirton**

I think it does go to leadership style as well. So, I think, again, if you're a more open, supportive type of leader, you would probably still have turned up at the depot once or twice a week or whatever, right? Even though the other staff are working from home and just to have that visible leadership. Whereas if you're more of a, well, that's just the way it is. You guys have to work in the field and I get to work at home and too bad. Then you're going to create a huge rift, because they already always as is. Whenever you have a business with people in the field and people in the office, it's always us and them. You know what I think I'll probably every business actually has enough of them it's classically marketing and sales and operations and sales. HR and finance or whatever, there's always us and them so I think you just you just exacerbate it by giving people. Perhaps a perceived privilege, and no doubt then people say well yeah, are they actually doing anything, are they just working from home in inverted commas? Which I guess goes to the, you know productivity tracking type software that's available and how that's exploded over the last 12 months as well. I think that's what I found interesting, and I don't want to put the leadership styles to age because I've you know I've come across people that are much more senior in their career and fantastic coaches and delegators, you may know. But there are definitely people that are, you know, more senior in their career and you know maybe directors of

boards or what have you. I still have a very old style, what I would call an old style of leadership being that more authoritarian. So that's usually the question is, well how do I know that they're doing what they're meant to be doing. So therefore, let's you know, stick the software in rather than actually looking at, what have we designed the roles to give us outcomes rather than just a ticket list of tasks. So I think if you got that type of leadership at the top, then yeah, that is definitely going to impact, even if you're remote you'll have tracking software which obviously that has cultural impacts or, you know, you go back to the office so you can be sure that everyone's sitting at their desk every day.

### **Lachy Gray**

I think nothing kills culture, and trust faster than surveillance.

### **Karen Kirton**

Yes.

### **Lachy Gray**

Because what's the message that it sends is that I don't trust you and I'm going to watch you. I heard about this too early on about companies installing surveillance software on because I had to because I had to let their staff work remotely they didn't want to, I had to. I thought this was a disaster. How am I going to know that they're actually doing work, you know, install surveillance software. I just thought, wow. How are we it's such different ends of the spectrum in 2021. I do think it comes back to trust. As you said a focus on outcomes rather than time spent. It reminds me of those stories about people in Japan. Essentially, waiting until the manager leaves and then later for the people just sitting there waiting, it could be midnight, and the manager goes and they all go. I think it's got a turn so prevalent and I know that's true around the world. The fact that is still a thing and we're trying to use technology now to facilitate it. It just blows my mind, and rather than having a conversation about well, that's just the way to try to resolve a root problem, which is that, as a leader, you don't actually know what your people are working on, you don't know what the outcomes are and you don't know how to measure them. Yes, the easy option is to say, Okay, well we'll solve this via surveillance, but instead, what about having that conversation is to will. What is it yeah what, what is a successful day look like, and why should that be any different, whether someone's remote or in the office. Similarly, if you're in the office, he hears stories about people that leave the jacket on the back of the chair. That's the signal that they're in the office but they could be anywhere. So how is it any different if you could gain the system in the office and you can gain the system, when we're remote. That's my take on it.

### **Karen Kirton**

Yeah, it was it was a bugbear of mine even before COVID was when managers would stand up in team meetings and praise people because I you know Lachy worked all weekend or, you know he was up until eight o'clock last night in the office and I have had conversations people over the years to say "Look, I know that you're, you're trying to show appreciation that they've done these extra hours but, what's the message that you might be giving to the rest of the team about what it is that you actually appreciate because it happens." It doesn't take very long, everyone starts to think oh gosh he doesn't think that I'm actually working. So now I'll take a three hour lunch but then I'll stay here until 7pm. Or you know, I'll make sure that I get in at six o'clock tomorrow morning and tell everybody, and yeah it's not good it's not good for anyone you know but we're humans and we have a need for impression management, and as a leader, I think sometimes we forget how much our behaviors and our words impact on other people.

### **Lachy Gray**

Oh absolutely. Absolutely! I'm starting to read people saying in the news that they'll leave their jobs if their employees don't offer remote work and don't treat them better in working remotely. Do you think they will start to vote with their feet in that way?

**Karen Kirton**

This is an interesting one, because I think we've got a bit of a glut at the moment of people that would have left their jobs last year but weren't because of COVID. So they've stuck around. So I'm expecting that yes it will seem that people are voting with their feet but I think they're probably people that would have left anyway. Because, you know, understandably, no one really was. Not a lot of people resigned their jobs last year. So I think that, yes, in terms of the media I expect, at some point this year we're going to hear about all these people that have left their jobs and gone somewhere else. But I do think there will be people that will also leave, maybe not because they can't work from home anymore but perhaps the way that it's been done. So, I think, you know, if you've been remote for a year. Then all of a sudden it's like okay guys in two weeks time, you know, full time back to the office. Then you know that's obviously going to have a massive impact on people, that's a huge change. If I think about all of the change programs that we do when we all left the office so you know we made sure managers were checking in with people we had, you know employee assistance programs available for counseling and they were all very worried about people's mental health and well being. Is that happening when people are going back to the office? I don't think so. So I think there's a lot of effort into that change process, back then, but there's not as much now. So I think that will impact people how they feel that they're, they're treated. But I also have to say that in the recruitment that we've done for clients, you know, previously, you wouldn't have candidates asking about working from home. You know, you would have them asking about flexibility, but you know we're saying, it's a question from everybody. So, you know, particularly if you're based in the city. So, I used to work from home, what does that look like for how many days, because I live in the Blue Mountains and I'm going for a job in the city and it's five days a week in the office, then you know what I'm just not gonna apply for it. It is a candidate market right now in many sectors because they just haven't been people leaving and we don't have the immigration that we had. So you know it's a very very tight market. You know that's across lots of lots of different industries. You know I was talking to a speech pathologist and she used to get 60 applications for a job and now she gets zero. You know, someone was looking for apprentices and you know, can't get anybody, and yeah just lots of different types of roles and types of industries, I'm just hearing the same thing we just can't find anybody. Which means, for some of those jobs you've actually got to go and search, you've got to go find people on LinkedIn and you've got to say hey, will you come and they're like well at the moment I'm working three days a week at home. What are you offering?

**Lachy Gray**

Wow. Yeah, that's right. If that happens often enough. Do you think that could influence a leaders, decision making, and whether they offer remote work?

**Karen Kirton**

Yeah, but does it get back up to the later and I guess it depends on the size of the company so in a small company, then, yes, I think it will because it's going to be really, really painful. But as you get into a bigger organization like if you start getting over 60 to 70 people, the top of that organization isn't going to feel the pain just everyone else. But what about because you've done some recruitment over the last 12 months. So, did you find that it was appealing to people that you're working remotely?

**Lachy Gray**

On the whole, Yes. But it's difficult to know, isn't it? Because they're kind of pre qualified people who chose to apply for the role, we're very upfront about the fact that we're fully remote. Interestingly, one candidate who, excuse me, we quite liked. He dropped out sort of halfway through the process. Due to

the fact that we were remote, and he, on reflection, felt that he really wanted to work in an office in person and he was actually in another state. So it just wasn't going to be possible.

**Karen Kirton**

Yeah.

**Lachy Gray**

So I think that's really valuable to have those conversations. But it does put a lot back on the person upon the candidate to think about their preferred style. This is something that I'm very curious about. You read about people saying I love working from home and I want to do it in the future. It's a giant experiment in my mind, and especially even for me like I love working from home we're a fully remote business. I'm very mindful of what the long term effects. We don't know. We're just at the beginning. So, you know I'm very mindful of that. That's why I think that having conversations about it and what works and what doesn't, because there's a lot of both sides. What are we learning and what are other businesses doing? I never want to feel locked into how we're gonna be fully remote forever. That we may need to go back into an office in some capacity, but the mindset is well, the office and remote work are ways to work, what works best for us. As a team where we are right now, and then that our team will hopefully grow and change. In six months, we'll have that conversation again. For me it's more about the underlying principles, which I hope it should apply regardless of how we're working, which are things like focus on trust, focus on communication and communicating with context, which I think really breed that healthy culture, which should be resilient to things, unexpected situations like what we've seen the last 12 months.

**Karen Kirton**

Yeah. I think it's, it's really the first time that the way that we work is like what is our physical workplaces on the business strategy. But that's really, I've never seen that before. But I think if it's not on your business strategy now it needs to be for the reasons you've just outlined, because it is ever evolving. Yeah, as people get more confidence in the economy and you know hopefully the borders start to open up and we start to get people moving around and traveling and we get immigration happening again. How do you attract people into the business? Then you've also got again the industrial landscape, which says, "Well, you might want to have a work in the office environment, but your employees have the right to request, flexible work arrangements," and yes you can deny them under you know what they call reasonable business grounds but if you've just spent a year working from home. Then what are your reasonable business grounds who say you can't keep doing it anymore? I think that's a really difficult position for the businesses because there is that long term impact that we are unaware of in many ways, and some businesses are trying to, you know, I guess I don't say hedge their bets, but you know that they're trying to make sure that they're getting what they think would be the best of both worlds by having people working from home and working in the office but then if you get everybody putting in a flexible work arrangement to say well we all want to work from home. Yeah, then that's tough whereas before COVID where people were putting in those arrangements, the managers say there's no way everyone can work from home. Right? I can't remember who it was, I heard someone the other day and, while the mini podcast I was listening to and you know, as I said it "Imagine, like if a government department had decided last year." Let's actually research whether we can all work from home, and you know it would have taken six months and a ton of very smart people to do a very long paper, that would say well no, this is just far too difficult, we just can't do it, or is actually, you know it happened overnight. So yeah and I think that's a struggle for some leaders that, you know, and perhaps you know that don't have that culture of trust and empowerment and don't have leaders that are upskilled to then try and explain to an employee why they want them back in the office. It's very difficult. Yeah.

**Lachy Gray**

Especially for businesses with 1000s of employees need to have clear processes and guidelines don't you? You can't keep flipping back and forth. So I do appreciate that as well. I think that certainty and consistency is really, really important. So, it's easy for me to say as a small business owner that we experiment and we can change really fast. Which is, that's not true of everybody.

**Karen Kirton**

No. But it's great right like it's one of the benefits of having a smaller business like these massive corporations because you can't please everyone if you have 1000 people. You can't please everyone if you have 100 people.

**Lachy Gray**

And people. Yeah!

**Karen Kirton**

At least if you have 20,30,40 people you can actually talk to everyone. 1000 people, yeah it's just dead in the water. I think. So should we talk about the news article I found?

**Lachy Gray**

Yeah.

**Karen Kirton**

So I actually did a Google search of styles of leadership, I was just quite curious as to how many results there would be. There were over 2,750,000,000 which I can't even, like, get my head around how there are that many web pages that I consider to include something around styles of leadership. But I did come across an article, which was entitled to finding remote work a struggle, here's how to get your team back on track, and so that wasn't particularly stuck out at me, because I thought Yeah, you know, in terms of leadership styles. For a lot of people, they are finding it a struggle. You know, and it could be if you're even if you've got a coaching or a supportive type of leadership style, it can be a struggle because you want to be able to have that back and forth and, you know, eyeball the person and be able to, you know, actively listen to them. So let's talk about this new form of leadership in the course of using the word agile because everyone uses it. But, you know where those command and control styles are being replaced and we're looking to encourage more collaboration and accountability. So I found a really interesting article actually because it's more around let's not have rules, let's just have this general idea of what leadership looks like and then this is how we, you know, try and then get that happening and. That's what made me start to think about well, how many leaders have actually had any real development and help with their skills over the past 12 months in managing a remote workforce, other than this, your Trello account and your Zoom login. So, but anyway so they talked about, you know, very simple, articles, most of these they give you a couple of things then you got to go and work it out for yourself but, but it was about, you know, not being scared to actually have a laugh so you know, being nice to each other, you know, goofing around having fun. I think, yes, that's probably more difficult to do remotely. So I said the way to do that is to try and be more empathetic, which to me just means that, you know, you're having more connections with your people because you have to make more intentional connections remotely, you're not going to say someone when you're making a coffee. Then, you know, looking at just having really good habits so which for me is back to actually being intentional about what we're doing and making sure that you know we're having regular connections with people, regular meetings checking in, you know how you're doing, and then the tools so you know, what are we actually going to use in terms of technology and what does that look like. So I thought, although the contents of the article itself didn't give a lot of meat on the bones. I liked the

concept of, you know, are we actually moving to a new style of leadership, along with a new style of the workplace, or are people that have that older style of leadership are they going to hang on to it.

**Lachy Gray**

Very interesting isn't it? My initial reaction is that as humans we only change for 1000s of years, so we're still the same, we're still thinking the same irrational way. We're emotive, so it's not so much the hardware, it's just the environment has changed and what's required up is all this is changing. Perhaps, we don't have as much experience in literature to fall back on, because in some ways I think remote work has been a bit of a fringe experiment over the past few decades. Yeah, some companies have done it but they've kind of been a bit sidelined who think well that's fine for them. Now it's coming to the mainstream if so, okay, but we don't really know and I don't think it's been really talked about. Yeah, like what does it look like to be a leader when you're remote? Especially if the mindset is well we're gonna get back to being in office as soon as we can so we don't, we're just going to survive this bit. Then we'll get back and we can do what we used to do.

**Karen Kirton**

Yeah, good point.

**Lachy Gray**

But actually, and I think we're going to talk about this in a future episode, it seems as though many businesses are going into a hybrid model, which is arguably the most challenging of all. So what's required of the leader in that kind of model.

**Karen Kirton**

Yeah, no, absolutely and are they ready for it, do they even want this?

**Lachy Gray**

Whoa, yeah. Yeah, absolutely. That's gonna be interesting isn't it because from a hiring perspective, if we're hiring a leader. We're in a hybrid environment. Like I would want to know about their experience with that previously. How have they adapted to it and the challenges they might have only been doing it for a few months. So, how much can you really know? So we're all kind of learning together. Which is fine, if we're in agreement if that's what's happening. That we're going to have a learning mindset, and that we're going to make mistakes, and we're going to try new things, and we're not going to know all the answers, and that's okay. But that's I guess being vulnerable and that's scary. Going back to culture if the culture is not there to support us in doing that, then we're pretty much doomed to fail.

**Karen Kirton**

Yeah, absolutely. I like what you said that made me just think that it's a really good opportunity for companies to go back to their leadership charter or their leadership principles or whatever it is that people can have to say "Okay, well let's all get together as a leadership group and let's actually start thinking about what do we need to do differently in a remote environment or what do we need to dial up or dial down really." Because we probably are doing the same things but we just need to do some of them, a hell of a lot more.

**Lachy Gray**

Yeah, absolutely. Similarly the article that I found that I had a similar experience. I actually found it harder than I thought I would to find some quality articles. It was very difficult. One of the things that I look towards as companies who have been working remote for a long time to get an understanding of what because they've been trying an experiment for many many years and automatic in the US is one so the founder of automatic was the founder of WordPress blogging software. So I found an article by a

lady who works at Automatic for 10 years, and they've been fully remote that whole time. She was talking about some of her leadership lessons, and some of the things that she raised were things like creating or fostering psychological safety through vulnerability, rather than physical proximity or presence.

### **Karen Kirton**

So how do you do that?

### **Lachy Gray**

How do you do that? So, they still meet up in person. She said, I used to meet up once a year, as a whole company, and they used to talk about projects and do a hack week and so on. But then they kind of evolved it to just getting together and talking about how they're going and what's difficult, and what's challenging and trying to build that trust when they're all together. She talks about deliberate time and space for connection, whether that's online or offline. So, remote meetups. But even just during the week scheduling that time I guess it could even be one on ones, or like we've spoken about before, you know, we do "Donut catch up week" that's where you just have 30 minutes to talk about anything about work. Deliberate space and time for sharing ideas and innovation which I think is one of the largest or most prevalent counterpoints to remote work is that it's how you innovate? We've certainly found that as well. I mean, we use a tool called Mirror to do online, and whiteboarding and brainstorming and so on, though. I don't think that it fully replicates the experience of being together in a room and that's okay so that's why we do our offsites for that reason. But he also said that remote work isn't for everyone so they really focus on hiring self starters who are comfortable in that environment, so they actually start to qualify. I think the written skills become really important too because the mode of communication kind of changes from synchronous, you know what we're doing now. What most meetings are when you're in real time to an asynchronous where there's a lot more writing and pre-reading. Then you might have a meeting if you feel it's necessary. So they actually start to look for really good writers, and know the importance of that in a leader as well, which is very difficult. If that's what's expected of you now, but that's not what you feel really strong at. Lastly is just back to the need to change the way that you lead meetings. Just on that point, you know, pre reading, giving people who are less confident speaking up, especially on the Zoom is there a lot of people can feel like a bit of an interrogation. Where you and I've talked about Silent meetings before she mentions that where you're having everyone read a document say that you're doing it at the same time in the same space so you're connected in that way, but there's no one talking, there's no one to lead in that conversation at that point. So a couple ideas that I thought was, was quite interesting. Certainly mirror, what I've tried to put into practice at Yana with, with varying degrees of success. Do any of those resonate with you?

### **Karen Kirton**

Yeah! I think the point about hiring as well as I think. Yeah, that takes a certain sophistication to be able to say "okay we want to hire a self starter" but how do we determine that? So how do we actually recruit for that, and that's where you know you'd need to have psychological testing and, you know, probably work assignments and things set up to help. Because if you say to somebody who is a self starter, of course they're gonna say yes. You know, an automatic, some massive organization so no doubt they have that in place but yes I think that's a really interesting thing to reflect on as well is how to use your hiring change, and how do you actually get some of the, you know, what's traditionally big business stuff into a small business? There are certainly ways to do it but just to make that part of how you're hiring people. Without them, unintentionally discriminating or biasing who you're bringing in as well. I think that's really interesting. It's kind of a segue, but I was talking to someone the other day who was looking for a job and he showed me a job ad for an Operations Manager. It wasn't a small business

but it said, you know, don't send us a resume, complete this assessment online, and if you basically come out of the assessment as someone that we think will work in our organization will be in touch. I found that really fascinating and I said to him when you do it, can you please screenshot it for me because I want to see what they're using. Because, like I get it, I think that there's enormous benefit in using those types of assessments if they've got, you know, scientific validity, and they're reliable, but at the same time there's always that risk of creating a homogenous workforce. Yeah, so that part that you just said that really stuck out to me, definitely the asynchronous communication like that's just, yeah, that's a huge, I guess benefit in many ways of remote working is that you can actually turn off your notifications and your emails and just shut down and do some work. I think that's something that a lot of people learn over the last 12 months, like you can't be available the entire day like you would be in an office. Because in an office if you want to go and have some quiet space you would go to a coffee shop or go and find a meeting variable whatever people forgot that when they went remote and all of a sudden they were bombarded with everyone wanting their time. So I think asynchronous communication is really important if you want to have a successful remote working.

### **Lachy Gray**

There's a bit of paradox in a way isn't it? As you assume if you're remote from the office. You need to be more connected, when in actual fact, you have more control over how you communicate, but again, depending on the culture, right? So, if you know that your leader, your boss, trusts you to do the work. Whenever it works best for you, and you're totally comfortable doing that. If that's not the case and you have to show proof that you're online, you're hyper connected in a way, and you can't take the breaks, and you can't maximize the opportunity that you have to be out of the office. Just to go back to the hiring tab she does say in the article that automatic offers a paid trial. See that both sides really get a feel for what it's like to work in that distributed environment, and make sure that the candidate. It's what they want to do, and it's what they expected.

### **Karen Kirton**

Which again you need very strong leaders to have that, because who wants to have that conversation, just I will actually lock it in this week, you know, you're not meeting our values you're not behaving the way that we want you're performing. So you must have very strong leadership and trust in your leadership to be able to have those difficult conversations in a respectful way to be able to do that. So, that you know that they have been doing this for a very long time so they've clearly built really good cultural systems in place to make sure that they can do that. Yeah and I find it fascinating really because I was even, you know, as you were talking, thinking like if I was a manager who had a very high style of delegation in my leadership. So, you know, I basically just expect people to get on with it, do the job, very hands off, and I'm just giving them the work and then, you know, really don't check in with them again. But then as an employee and we're remote, I actually need time with you because I do want to check things I want to get decisions made. But I can't get in touch with you all remote because not everyone's using technology either there are a lot of managers out there that just don't want to use Zoom or Teams or whatever. So the only way I can get in touch with you is by calling you, but I know I can't call you because I can see your calendars booked out. So three weeks goes by, and I don't speak to you. So that's a, I think another kind of way that this can play out with leadership styles that people may not have thought about and I think it comes back to what you said before about, you know, we just went into a mode, and it was just a period of time and then we're going to go back again so I don't need to do anything differently. So before my people had to set a meeting to meet with me they still needed to do that still. I think that becomes really challenging if you're not having that interaction with your leader on a regular basis. When you're remote, not to check in on you but, you know, just to say hi, as they would do if they walked past your desk.

### **Lachy Gray**

You're being set up to fail.

**Karen Kirton**

Yeah, you aren't really.

**Lachy Gray**

Really?

**Karen Kirton**

For some people they might think I'm doing the right thing because I'm empowering my people, but they're not actually really understanding or asking the question about, you know how much time of mine do you need and how do we need to work together in this environment?

**Lachy Gray**

Right. Yeah, so it's that expectation setting conversation around. Well, how's this actually going to work or what does it look like on a day to day or week to week basis. Documenting I think ideally, those expectations.

**Karen Kirton**

Yeah but for some people that's like kryptonite. I like the idea of having to actually put down how much I get to talk to my team and to make sure that I do it. It would just be like no that's far too structured. I don't want to do that. But I think, you know, in a remote you kind of have to in some ways.

**Lachy Gray**

Well that's the thing right there. There are some critical success factors I think. That would be one of them. If that is sort of adverse to that, I think that's a really strong signal that remotes, probably not. Not right. Yeah, at this point in time. It doesn't need to be so deliberate. I think that's what I've learned is that it's sure another way of working, being fully remote but it actually requires a lot of deliberate thought and planning to make it work and that's ongoing, as well. I question whether that sort of deliberation was ever done with an office, because we all just did it. So you have a business, you go to work, you go to work in an office, if that's the type of the nature of the work that you're doing. It just wasn't any thought about it and there would be chairs in there and desks and some meeting rooms and that's what everybody did. But now, with some businesses going remote, where's the rulebook. Because so much of it is intangible. It's much harder to look at other businesses that are doing so how are you actually doing it. You can't say it.

**Karen Kirton**

Yeah, it's all the unsaid things right, it's those culture pieces.

**Lachy Gray**

Yeah, all the unsaid things, there's no office you can walk into and get an immediate sense of culture and what the environment is, what's on the walls and you can see how people interact with each other and how the office has been set up. That is one thing that I do miss that sense of belonging, that sense of place. This is our place. How do you create that remotely?

**Karen Kirton**

I think you need to give us the answer in 12 months.

**Lachy Gray**

Will I work on that, will I? Thanks, Karen.

**Karen Kirton**

Now can I give you my question without notice.

**Lachy Gray**

Please.

**Karen Kirton**

I think it's easier this way. So, we've been talking a lot about leadership styles, but you haven't talked about your own so how would you describe your own leadership style?

**Lachy Gray**

Awesome.

**Karen Kirton**

Of course

**Lachy Gray**

I really try to be a coach. That's the kind of mindset that makes sense to me, which is to understand what someone's trying to achieve and to guide and support them towards achieving it. By asking lots of questions and by listening and by giving feedback when needed. I value communication a lot. Communication with context. I'm very comfortable delegating almost to the extreme. Possibly before people are even ready. Because I assume that they will speak up and they will communicate back to me, where they're at, if they need ahead, and so on. So, that's how I try to approach it, although it does need to be modified depending on yeah I think seniority, and, you know, for a new starter for someone who's new to a role, and young, and it might be their first role in a corporate business. This can be a very different requirement to someone with a lot of experience. So that's a good question though because it's not something that I articulate, very often.

**Karen Kirton**

Because you don't go for interviews.

**Lachy Gray**

That's true.

**Karen Kirton**

I wonder if you ask the question of your team how they would describe your leadership style. That could be a good piece of homework for you.

**Lachy Gray**

That's a great idea.

**Karen Kirton**

Some reality checking, I suspect they would say the same, but I think it's interesting. Yeah, experiment.

**Lachy Gray**

That's a great idea. Okay. Question on the spot for you. How would you advise the leader of a business that could go fully remote, the employees are keen to and culturally ready yet the leader prefers to have everyone in the office.

**Karen Kirton**

Yes, that's a really tough one. Yes, I've had this happen as well. It's just there's so many variables to these. So, I think, first things first. Do you actually have an existing office space? So is there a financial imperative? Then I'm going to assume that's the case, because if people want to go back to full time offers, then they're not going to do that unless they have the space to go to so I'm going to assume that's the, so the next question is why. I did have this conversation with someone, probably, towards the end of last year. It was that well, you know, you need to be able to articulate to everybody. Why you're going back, and it needs to be around. It's not a trust issue that's the first thing that people think. So, you know, you've got to elaborate on the fact that, hopefully, people have, you know, actually been productive and in my experience, I haven't come across businesses where they felt that people were less productive remotely so you've got to be able to say okay well, yes, you know, we have been more productive, it's not that we don't trust you, then what is the reason. If you can't articulate the reason in a way that you feel comfortable with putting on the front page of The Daily Telegraph, then you need to reconsider your decision. That would be my advice, in a nutshell. Yeah, because there are a lot of variables and I think that for some businesses, yes full time in the office is the right decision. So, if you can articulate it and tell me what it is, and it makes sense to me and you'll be like, yep, if that was leaked, I wouldn't have a problem with standing up and owning that, then you're fine. If you can't do it then that's where you need some more self reflection to understand why am I pushing for this. Yeah.

**Lachy Gray**

That's a great answer, it's a really tough question, and I do love that test I think Warren Buffett talks about a lot. Don't do anything in business that you wouldn't be comfortable saying on the front page of a newspaper. I think it's a very good hallway test.

**Karen Kirton**

Yeah, for sure, and especially these days where, well it's probably not the telegraph anymore it's probably just Twitter. But you know, it's a very possible thing that people will leak something into social media or, you know, get disgruntled or you know even if they don't you, if you lose the locker room it is so hard to bring it back, and it becomes one of those stories that will just be company law forever, that you know we worked for you remotely and then we were all forced back five days a week with no reason and yeah it's very hard to pull back from that. So that communication change pace is absolutely essential.

**Lachy Gray**

Okay, we've covered a lot of ground. On this episode, I really enjoyed digging into it, and I hope there's value there for our listeners and so until next time. Be good remotely.

**Karen Kirton**

Yes, excellent! Thank you so much Lachy.

**Lachy Gray**

Cheers!