Episode 1: How to manage workplace culture whether you WFH, in-office, or use a hybrid model

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SPEAKERS

Karen Kirton, Lachy Gray

Lachy Gray

All right, Karen. So, what is culture, from your perspective?

Karen Kirton

Oh that's a good question. So, people usually say that culture is the way that we do things around here. You know, that's a pretty famous and easy to understand definition and it's true that you think it's a bit more than that, as well. Because if you think about the way that we do things around here, that really

dives into a lot more things because you start getting into personality and ethics and you know what's tolerated and what's not. Then going into what we're talking about today with remote work. If you can't see somebody, then how are you doing things around here and how is it demonstrated? I think that is culture, a common concern about remote working because of that. So, what were your thoughts? How do you maintain a culture when you're doing your full time remote working?

Lachy Gray
Yeah, I've heard you say, like all explained culture in that way before I quite like it. It was the way we do things around here. I think it is the behaviors that we collectively agree are okay and those that aren't okay that we actively discourage and feedback on. So I think wrapped up in that is, you know how we communicate and treat each other, regardless of whether we're in person or remote. But I think what's interesting about it too is that, I think that's often not written down. So I think the agreement is sometimes implicit, and we learn by observing how other people treat each other at work. So, if we're in an office it's a little bit easier because you know even how the environment is set up physically, what's on the walls, how people treat each other at work we're taking all that in and that is very different when we're remote. I also like to think of it in terms of the behaviors that we walk past and don't speak up about.

Karen Kirton
Yes, that's true.

Lachy Gray
Like, they're the ones that, especially when we're new, we think "Oh, okay, so, so that's okay." Then, the culture is being shaped by that, but by no one particularly in an explicit way. So, from our experience, shifting to remote we've actually had to proactively ask ourselves, well, what does that look like and what does a healthy culture look like when we're remote? Whereas we hadn't really done that before when we were together in an office.

Karen Kirton
So intangible isn't it and in business we like things that are easy to see and to measure. I think culture is one of those things that everyone seems to get. Yes, culture is important, but what the hell do we do about it. We actually get a positive culture and if we don't have a positive culture, how do we turn it around, which is actually really difficult. One thing you might not know about me I don't think we've ever discussed this, but I'm a mad NRL fan. One of the reasons I think that I love football so much is because it is that microcosm of a workplace, right. So, whenever anyone does something bad off the field the first thing they talk about is the culture of the club. You know the first thing they talk about is, well why did the coach allow that? What leadership is the chairperson? I find it really fascinating that we accept that, when it comes to sporting teams because we can see it, it's a little bit more tangible, if you like. Every football team has exactly the same amount of money to spend, they have a salary cap. So, salaries are not a part of it. The reason that you are a better team or not a better team, everyone talks about culture. When it comes to a workplace we really struggle with that and we still talk about -

must be about your innovation, must be about your product, it must be that you know, you're paying your people more but actually they are little bits of pieces of an organization but at the end of the day, you know, business isn't a business you don't have people in it, and people will work to a culture. So I know that you have that psychology background as well and I remember going to talk about organizational citizenship behaviors. So how do you encourage people to show those positive behaviors helping other people in the team, volunteering, extra things. You're making positive comments about the organization. When you said before about new people, so have you mentioned about someone coming in and I'm actually the person helping me is not helping me, they're not volunteering for anything and they're making negative comments about the organization as a new person they are massive signs about what the culture like, and it really does shape, I think how productive and organizations will become.

Lachy Gray
For sure! Yeah and I think sport is interesting because, I guess I think of a sports team, especially at the professional level as a high performance team. When I look at it through that lens, I think, well yeah, the culture is really important because they've got a really specific goal and a need to work together. Then, for some reason it doesn't always translate to the workplace. I think some workplaces might see themselves as a high performance team that possibly many times. That's something that I like to think about a lot. You know what makes a team a high-performing? What does that look like in the workplace? I think you touched on, it's often when things go wrong, or when the culture is clearly unhealthy, that we speak up as "Oh gee, yeah, how could they do that" and it really needs to step in there so perhaps we touch on that next I mean, what does an unhealthy culture look like?

Karen Kirton
I think everyone could tell what an unhealthy culture looks like. You know as soon as you walk into an organization. It's people who talk about it, feel, because it's so intangible and it's, you know, as humans, you know those feelings are often things that we can't verbalize but we just, we know that it's there. But you do get a lot of gossip and distractions, and the classic absenteeism and turnover, but I think a lot of the times it's more that underlying anti social counterproductive behaviors that the business owners and managers don't necessarily see because it's the person on the floor saying "Hey Lachy can you help me out with, blah blah blah." "No, that's your customer." You know, and it's hard to quantify that and employees won't bring that up because then they feel like they're whinging. If they say to their boss or you know, look I work alongside both of these customers but he keeps on getting me to do it you know a lot of people aren't going to do that. So it just festers. I think that's where eventually, you find that managers and business owners get really frustrated because "why can't I just get people to do what I'm paying them to do". A lot of the time it's not because you don't have skilled people, but you know they have just learned a particular way of conforming, because of what they're seeing around them.

Lachy Gray
So if we follow that line of thought. Who's responsible for the culture?

Karen Kirton

Now, we are going into a segway!. I think everybody in the business is responsible for the culture because at the end of the day, and I know it is one of those classic things, "we spend so much time at work…" but it is true we spend so much time at work. For the most part, I believe that we all wake up in the morning wanting to do a good job, and not many people that wake up in the morning and say you know what, I want to really annoy my coworkers today. I want to really not perform and have my boss really angry at me, and not many people do that. So I think if we come off everybody wants to go to work, to do a good job. Everybody wants a sense of accomplishment, and they want to be able to enjoy what they're doing with the people and we ensure that we all have a responsibility to the culture, but you also need somebody that is intentional with the culture and I think that's where it comes down to people like yourself Lachy that are actually owning the business, or even senior managers of your organization or any leader in an organization, what are the things that you can do that show those behaviors and the different types of processes that you can take that continue to embed the type of culture that you want. So, what are the behaviors you will accept and what don't you accept, and what are the things that you value and don't value. Now I'm going to get back to you and say what are the things that you do, to be intentional with your culture?

Lachy Gray
I think having consistent and transparent communication is really important, and talking through what our expectations are of each other. Having that written down, which will probably evolve over time. Yeah I guess it should evolve as new staff join the business and the culture evolves, you know I used to think that we'd created the culture. You knew people who joined would be part of it and contribute to it, but it was somewhat fixed and then, you know, over the last couple of years I've realized that culture is really the sum of everybody who works in the business. So each new person is going to contribute something new and the culture is going to evolve as a result. So in some ways that's really scary, because it's not a fixed thing in my eyes. So instead, I tried to think about, well, what are the underlying frameworks and foundations to support a healthy culture. So I think communication is a big one. Having clear expectations, especially from leadership and things like it's okay to make a mistake. What to do if you make a mistake? Who do you speak to what's the process, the fact that, you know, for in our business, we won't blame people. Instead, it's more important to me that we learn off the back of it so we'll do a post project review for example or a post mortem and say okay well what happened here. How are we going to use these learnings to inform what we do in the future? I think asking, starts with what's important to them. What does a healthy culture look like to them? How do they want to be communicated with? How do they want to be treated? Therefore it's culture is a collaboration in itself. Of all these people who are choosing to come together, there has been a lot of time together, but how do they actually want to work. Then trust I think is fundamental, really, which is again it's quite difficult to pin down, isn't it? I don't think it's something that you can snap your fingers and say okay well we're all going to trust each other now.

Karen Kirton
Did you ever do that thing when you went on an off site and you all had to fall backwards on to your coworker? It's the worst thing ever. Just that is not how you build trust. But you're right, it's so important you just can't demand, trust, it builds over time in really small moments that you wouldn't expect actually, just when trust builds. I liked the idea that the culture isn't fixed, because I think that does go to the core of all of these. That if you're, not thinking about your culture or you're not being intentional in

terms of what are the things that we need to do to show the right culture. Then, those new people that you're bringing in, and the people that are leaving, but they all have a massive part define what their culture then starts to look like. I remember this old story, actually maybe it was a real experiment about monkeys with bananas. They put a gang of monkeys into a cage, and there were bananas at the top of a ladder, and every time the monkeys tried to get to the bananas, they would get an electric shock. So they learn very quickly to not get bananas, and then what the researchers did was take out a monkey or put a new one, because the first thing a new one does is tries to learn. Now that's about this new monkey is not getting electric shock. What happened, so the old monkeys grabbed those monkeys and start actually fighting the monkey to make sure it doesn't go up and get the bananas, so they do this over and over and over again until eventually the only monkeys left in the cage are the ones who never got the shock, but none of them ever try to get the bananas. So, it's me, that is an example of when you get these toxic workplaces, and I've seen unfortunately, a number of them. There's always an element of blame. Well, it's just that one person, that's the reason why we have this toxic workplace, you know, we just can't get rid of them and then we'll be fine. Of course, what happens is you get rid of them but you still have a toxic workplace. Because it's even though it might start with that one person it's now actually become the way that you work. Yeah, it's very very difficult to then call that out and try and change it, particularly the larger and larger business becomes because through that time we've also lost a lot of good people who say "I just cant work here any more".

Lachy Gray
Well, that's right and I like that you refer to them as a gang of monkeys. It's so serious. It reminds me of a great quote that the tradition is peer pressure from dead people. I think it's a similar thing that often where we do things and we're not quite sure why but it's just the way it's done and no one can really remember what the initial rationale was. So I think we can have the best intentions, but if we're not supported and encouraged to speak up and to question and to make change, then it won't happen because the structures that are in place, just kill that any motivation or desire to change and then we fall in with the pack. So I think that's a part of the culture as well as talking about some of those structures, for example, giving and receiving feedback that is fundamental, because there will be things that we need to speak up about. We will need to give each other feedback. We will need to have difficult conversations. If we're not encouraged to do that, and we're not trained in how to do it. Well, it's highly unlikely that we are though, I do it and be, do it well. I think part of giving feedback is assuming positive intent. So, if you do something in the workplace, for example, it really frustrates me. I can try and change my lens on that and say well if I assume positive intent, perhaps Karen didn't do that intentionally, but she doesn't know what the impact is on me, but I want to share that impact with her of-that-behavior. So we can align going forward. So I think that's really powerful and is a really important way to try to change culture and it also helps build trust. What we found is that positive feedback is what feels good. Regularly receiving and giving positive feedback feels good. That we need to do it, so that when the time comes to have a difficult conversation, there is some level of trust there. So that if I'm giving you some constructive feedback say that you can then assume positive intent on my side and know that I'm not trying to just put you down or, you know, for the sake of my career or my next promotion. Remember readings and research about couples therapy, and they said that they could, the researcher said they could essentially tell you how successful healthier a couple's relationship was based on the feedback that they gave each other. That it needs to be in a ratio of, kind of five positive feedback to one to one negative. That's how important it is and also how much the negative sticks in

our mind. This doesn't feel good and you know we push back on it, and that's what we remember, even though we've received all these other positive feedback. So, yeah, feedback is one way I think that is super important to try and help build or change a culture.

Karen Kirton

Yeah, and I find that fascinating because I will would say the vast majority of organizations don't concentrate on feedback, or they do it really poorly. That's the reason why most people hate performance reviews. I think if I took 100 people and said what's the one HR process in your organization that you detest. I think the majority would say that it's around performance reviews. I think it does come down to, we're not training people in mindsets, so it's just what you were saying in terms of, well I have positive intent, if that is part of your culture that we actually believe in positive intent and we believe in training people and giving positive and negative feedback. That can be really life changing to people, because when I am talking to you about an issue you know that I'm not doing it for various reasons. But it also is skilled in how to give me that feedback as well. Yeah, I find that there's a push to like quarterly feedback from you know the old ones to the new performance appraisal system, which is great. But people are still really unskilled and how to do that. So, I have received so much feedback over the years of all this is just so time consuming. Like how many direct reports, do you have, I have four. So it's really time consuming to spend four hours a quarter giving feedback to your employees. I think that, yeah, I'm not trying to say that to be mean but I think when you bring it back down to. It is actually a really short investment of time, but it can have a huge impact on somebody, they don't know if they're working on the right things. If you know they don't know that you always ignored them because they're always played and never said it. You know, it really is a massive cultural indicator of how you actually manage performance and behaviors and how you get feedback from people on that.

Lachy Gray

Yeah, it's interesting, isn't it? I think there is a cost of doing nothing. Like, there's a cost to the status quo. It reminds me of that quote around training, you know, when the two managers are talking about training and one says well you know what happens if I train this person up and they leave. The other says what happens if you don't and they stay. I think that's fantastic. That's how I think about it. I mean, to make change, it has to be an investment of time and perhaps that's a reprioritizing of where time is spent and a talk about well, discussion around what's valuable here, right, what do we value as a business. I agree that it is an investment, and everybody needs to be on board with it, but I think especially for feedback. I mean, the results are just massive. Not just professionally but personally as well. That feels good because in a day you know where people are surrounded by people every day of our lives. So imagine if more of us are better at actually communicating with each other. I think it's super powerful.

Karen Kirton

I like the customer experience as well right so I'm sure there are probably people listening to this and saying well that just might work in my business because we're too small and I can't afford to train people up but it doesn't need external training. It can be people in a room with some good information that you research and actually talk through things. But I think that you're right, if you don't do it, what's

the cost, and even if that still feels a bit intangible in terms of culture. Imagine if you could train up your people to actually give or receive feedback, and think about that positive intent on your end customer interactions. You know that's going to be quantifiable, because then you're going to get more positive reviews, people are going to give you a return business, especially in businesses where you have more technical people and the more task and process focused. So often you can find that the communication to customers is very task process focused. So, you're lucky to get "a high Lachy" and it's just, you know, "here's your 12345 things that you need to do". Here you need to actually bring some of that human element in there that actually does need to be trained in that consult a natural thought process to go into that more people focus on things. But if I bring it back to a remote workplace I will look at you know these fully distributed workforces. They do seem to be more about tech companies, or it's a company that always works that way so they start off, remote and they build themselves that way. What are your thoughts around organization but the moment where they've been remote for a year? You know what they do at this point today? Staying remote is harder than going back to the office? I know you've made your own decision so perhaps you can talk through that a little bit.

Lachy Gray
Yeah, it's a question isn't it and I think everyone's unique in this regard. I'm really mindful of that. I guess again, I'll talk about my decision, sort of making process around this. We went fully remote last March, after working mainly in an office and then everyone worked from home a couple of days. We are a tech company as well. So I'll speculate on why that might be more prevalent for tech companies. I guess, more likely to be using the tools that make it easier to work remotely. So things like Slack, things like Zoom or Microsoft Teams for video calls, things like Asana for task and project management so everything's already in the cloud. So there's really matters whether you're in the office or not. I think, you know, for me, one of the benefits from this. We can call it an experiment. Remote experiment is being more intentional, thinking about how we want to do our work. So previously, you know, there's a team who's growing, and we thought well we just, we need an office. That's just what we did. We were encouraged to work from home for a couple days, where it made sense, but we didn't really think about how we wanted to do our best work. This experience has forced us to do that. Going fully remote, we've had to be intentional about it. It's not all let's replicate what we were doing in the office, remote from March last year, we said to ourselves, no, no, we're going to really embrace this remote work environment. Which has required us to do a whole bunch of research into how we actually do that. It is very different, I think. So for us, this is probably a longer term decision, it wasn't so much. We'll wait for COVID and then we'll reevaluate. We gave up our office. We embraced fully remote, and that's the plan, there's no plan to go back at this stage. However, we're not in that camp of fully remote forever. Because I don't know what the future holds. So, I would hate to close out a potential Avenue. After another year or so, we might get sick of it and we might want to change. So, it's more about having an ongoing conversation with the team, about how we want to do our best work, and how we facilitate that and at this point in time, remote work is still how we feel we can best do that. What's your perspective on that?

Karen Kirton
I think there's definitely a spectrum so there seems to be this assumption in the media that everybody wants to open up pajamas forever, and I just don't think that's true. I know that's not true because I talked to people that were desperate to get back to the office. I'm talking about workers, I'm not talking

about leaders. I wanted to get back into the office because they wanted to see their team members. Because not everybody has a home that is conducive to working from it, you know, then that's the reality. So there's a physical aspect, there's also, you know there are a bunch of people I probably put myself in that camp. They're actually really surprised by the isolation of working at home and how much energy you can actually get by working with others. So prior to COVID. It's a bit ironic but I used to work from a co-working space but I like being around people, even if they're people that are not personally working with, I like the energy of it. So for me it was a huge shoe to work at home, and I don't particularly like it. I don't hate it but I don't particularly like it. But there are definitely people out there that just really do hate it and can't cope. There are also people that are in your like share houses, the very ones working for Deloitte and one is with KPMG, and what they do? It was like, ah, when you're both working for competitors and you're in the same house so I think you know what I'm seeing some statistics where it's probably, you know 10 to 15 maybe 20% of people that actually prefer to work in an office on an ongoing basis. So, more often than they want to work from home. Then you've got the bulk of people that are in the middle and this is why I say its a spectrum that are actually happy to do both so and most of it comes down to commuting time. People just don't want to get on a train, particularly in Sydney, it doesn't really matter where you'll be, to go to train or bus. It's probably going to be at least a 45 minute journey. Right? No matter where you live in the city for some people to walk longer, you know, some people might be a little bit smaller but if you then put the time on to get to the actual bus or the train and wait for it to come and you know all of that so you're talking, an hour one ways that's two hours a day of commuting time it's an average so people are happy to say goodbye to the commuting time, but maybe not to the actual office environment. Then you've got the other smaller percentage of people that are 10 to 15 20% that are happy to be in their pajamas very much. But I think that what I'm saying at the moment with organizations is definitely a push back to an office where they have an office. So if I'm spending a lot on my own office space, every year or every month it's very difficult to then say okay well we're not going to use that anymore. That's what we got this idea of this hybrid office coming about, which I actually think is going to be more difficult. Then, perhaps choosing one or the other. So I think the easiest option is to go back to the office because we've done it before everyone knows how it works. Long term, I don't think it's the right option for organizations because over time, they will find that they'll lose their ability to attract, really great people. Because everyone's now got this assumption that you can work from everywhere. But as a short term option I can say that that's easy. Then I think that hybrid work is going to create its own ecosystem of tools and different roles to play. There's going to be lots of different kinds of software that's going to come up out of this. I think there's going to be lots of different HR processes that will be created out of this to try and get the most productive part and work available. I think, as an example, the reason I say that is that you have ever been on a video call, but you've got some people in the room and some people on the screen?

Lachy Gray
Oh yeah.

Karen Kirton
And how was that?

Lachy Gray
Terrible!

Karen Kirton
Yeah it's awful, right?

Lachy Gray
The worst!

Karen Kirton
It is the worst experience that it is not productive at all. So, I was at a workplace yesterday actually where I'll speak about these because it's an open plan office, and they're going back to the workplace, a couple of days per week, but everyone will have different days. Which means that you're still going to be having Zoom or Teams or whatever it is that you're, you're still going to be having meetings on its platforms but some people will be in the office and some people will be at home. So all of a sudden you need to make a choice. So do we actually put a framework in the organization that says, if people aren't gonna be in the office, then you must do it online, everyone's online, you know that's more productive than how they get a bit of both. Then you don't have that main meeting works. So do you have people sitting in his open plan office, or with their headphones, or trying to talk over each other in their online meetings. Do you know what I mean?

Lachy Gray
Absolutely.

Karen Kirton
These are things that I don't think have actually been nutted out yet because we just haven't done it for long enough. Organizations are early just starting to trial this stuff out, you know what days do we go into we have a common theme day, all day, what happens if I have to collaborate with another team and they don't go in the office that day and yeah I think it's fascinating to me. I think it's a, it's a real kicker There's a lot of benefits to it but it's complicated and I think it's gonna take a lot of work to get it right.

Lachy Gray
Yeah, it's a giant experiment, isn't it? Every business is different and every culture is different and I think that's challenging too. I think perhaps prior, it was mostly office bound there was some work from home and there was a minority of companies who were fully remote. But now everyone's had a taste of it. Well, a lot of knowledge workers have had a taste of it. So now it's a real mishmash, which is potentially more challenging.

Karen Kirton
Everyone talks about barbecues right like as soon as you come across, you know, a new person or you're talking to somebody you haven't seen for a while, the first question everyone is asking, is, are you still working from home?

Lachy Gray

Yeah, that's right. Everyone has an opinion on it, which I think is great because we're talking about how we should be doing work in the 21st century after really not changing much in 100 plus years. Which still blows me away. I mean, the thought of people traveling in the same direction at the same time, causing congestion and traffic. Every day, Monday to Friday, doing the same on the return journey just blows my mind away, that's even a thing. So I think it's a perfect opportunity to have the conversation about all, how we want to do it. I mean, we've got the technology. We've shown that. But it raises questions that are difficult to answer I think. Such as, what is the purpose of an office?

Karen Kirton
Yes.

Lachy Gray
So what's your answer to that, I mean what do you think the purpose of an office is?

Karen Kirton
Yeah, and I think this is where it comes down to, are you choosing an option, because it's the most convenient right now or have you chosen for an intentional reason? Because I had this conversation with a client last week and said well what is the purpose of your office? Why are we going back to the office? There wasn't really an answer other than for financial decisions. So that to be that's not enough like I think I get it that sort of as an initial springboard but I think you have to have a purpose and you have to clearly communicate that to everybody. So the office is for example, collaboration, it's for social learning, it's for when we have big projects we all come together as a project team in an office and then yet we might go away and I'll do things elsewhere. But those human connections and that trust. I think it is much better served when you're together first. I think it also comes down to what's the type of culture that you had before. So, if you had a culture that was heavily built on hierarchy, then how do you even take that remote, and nobody wants to come out and say, well, we want to go and come back to the office because we believe in hierarchy. Even if that's the truth, they're not going to say that. So what they do they become even more controlling and monitoring software and all sorts of productivity, checking, which then just exacerbates that hierarchy of control culture so I don't think I'm answering your question because I don't know yet, like I've looked at some of the research where they've asked employees, what's the purpose of the office and I said well it's about social learning. It's about getting together, having coffee, having lunch. It's you know, having those water cooler talks. It's having things that are very structured but they feel unstructured. So, it's about the business and creating opportunities for people to actually get together in what feels like an unstructured way, because you're just learning off each other what's going on. By just, you know, being around each other. Yeah interactions just those you know what was happening on your weekend, you know, they usually, you know flow into other conversations that you don't necessarily get online. But when they ask business owners, what's the purpose of an office they said its for training, and for meetings, you know, so it's still very much that, I guess, old school before 2020 thinking about why people come together. So I think there's still a difference and not really understanding. I think now between what the employee wants from an office, and what a business owner wants for an office

Lachy Gray

Acknowledgement of the different perspectives. Yeah, that's really important because from a business sides perspective, it's potentially frightening to start that conversation because what if you don't like the answer. What if people say oh I want to work remote or you get some people say well what remote some people say hard but and some people say in the office anything oh well, it's an absolute mess, and you're trying to recover from COVID and generate revenue and keep people employed. So I empathize with that. But I think it's also the reality of the position that we're in. We do have an opportunity to have this conversation and if we're not having it with our staff, then they will have it with another employer. Yes there are businesses that are sorting this out. I think the interaction is an interesting one. So, I was reading an HBR article from 2019. It was looking at open offices, and businesses that switch to open offices, and this research found that face to face interactions has actually fallen by 70%, because the majority of people were communicating with their own team, even though they were surrounded by hundreds or thousands of colleagues. So, yeah, I don't think there's a silver bullet. I think that how we were doing it prior to COVID wasn't necessarily fantastic either. I mean that we'll move on to hot desking.

Karen Kirton
Yeah, and activity based working I think are hard to find now.

Lachy Gray
To be sure to jam as many people in as possible. Save on space, save on rent and also acknowledge that a percentage of staff always away on labor for whatever reason are not in the office so yeah it doesn't make sense to have a desk and a chair for every single person.

Karen Kirton
Or a cooling idea though. Who do you know that likes hot desking or activity based working?

Lachy Gray
Well. Exactly. What I heard anecdotally from friends who work for those big organizations, was that people would go back to the same desk.

Karen Kirton
Yes. Yeah, I think like whenever you get on a train or boss, it's always the same people in the same seats. We are creatures of habit.

Lachy Gray
Right.

Karen Kirton
The same thing happens with that hot desking or you know whatever you want to call it because we want to see at the same place we want to put out things at the same point. So what ends up happening is the new kid in the block that walks in and doesn't know that that's your seat, and suddenly there's conflict, because you've sat in the seat, even though they thought it was hot desking. I personally have never seen it work because humans don't, we're just not wired like that, we like things to actually be consistent.

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Lachy Gray

Yeah, I agree, and just tying out that that article suggested that the focus should be on collaboration, and how to facilitate that, which I think is true regardless of whether you're in person in office or your remote. But again it's going to be different for every business, so it's more so how do you facilitate that conversation around how we work. I'm hoping that the research will try and catch up, but there will be some mistakes made for sure, there has to be, because that's a part of learning. We're all learning, we're all heading into this uncertain zone where we have been overweight since March last year, and that's going to continue but it's also a huge potential upside. If we can if we can get this right.

Karen Kirton

Yeah, and I think our expectations as employees have shifted massively over the last year, for those who worked in an office like that I understand there are a lot of industries that this is not applicable for in terms of remote working. But for those who used to work in an office, the expectations are quite different, and I've been a part of some hiring over the last 12 months for different clients, and it's been really, really hard. Because, firstly, people haven't been moving, because there's so much uncertainty. You know you had a job, and outside your probation you have a company doing pretty well in your job, keep whatever it might be, you know, really unlikely to move. So not a lot of skilled people that sort of match the job frame outside that said that we're applying for jobs. Then you add in, I think, at every second interview, it was a question of everybody, you know, are you working from home? What are the flexibility options? Yeah and I think that the expectations have shifted. Because I remember going to an actual working conference. I think it was within the 2018 or could be 2019, and you're talking to companies like BHP and Telstra but they've had a work from anywhere philosophy for quite some time. But even though they have that philosophy, it still came down to the individual managers, and there was still that silent negativity towards those who worked from home, which goes back to the culture piece. So even though the policies within a supported, you know, higher level company communications and all the really nice videos for all around how we support these, the actual on the ground, what your teammates think of you. They don't want you working remotely then it became really difficult so I think that has shifted now, because people are now much more open to it. But what does that mean, ongoing? I don't know, it's fascinating to me. I was talking to a friend to her company who said they're going back to work one day a week and her words to me, she's having a big tantrum about it because her perspective, and you know she is an IT person so she can do her entire job from her days at home. She doesn't want to go into the city and she has changed her family life really around the fact that she's not commuting anymore. So she said well I'll do it one day but if they try and make it two I'm quitting. So, I think that's what's going to be an interesting issue is how many people that are going to be in the marketplace because they want more flexibility than what the company is now offering.

Lachy Gray

Do you know what the rationale was from the business for going back one day?

Karen Kirton

Yeah, it is, well, it's around the space, because they're paying for a space but it was also around and I actually agree with this, long term there are benefits to being together for culture and collaboration and social learning. I agree with that. But I think each business is very different, and she works for a large

company so they've said, you have to be one day a week and it has to be the same day as the rest of your team members. I understand that because they have to try and manage it somehow. But you're trying to give a rigid rule, into something that's quite actually flexible like you. You want to go back to the office for collaborative social learning, but it's only committed that one a week. You know what I mean like so, I get it, because it's a big company, you got to actually have some form of framework but I think the ideal situation is probably more along the lines of, if you have the ability to and I guess that's where it comes back to you know, why is it always tech companies that can do this. Kind of like what you do, whereas you all work remote but then you come together, when you need to for specific purposes.

Lachy Gray
I empathize with an organization because we need to be kind of damned either way, regardless of what they do. Perhaps that's part of the challenges that everyone's eyes have been open now to what's possible, and we've tailored now working situations to our personal situations, kids and everything else. So there's no way that we can really please everybody, which is one of the beautiful things about being a leader isn't it. It's going to be making someone unhappy.

Karen Kirton
Everyone's favorite job is people management.

Lachy Gray
Yeah! I think as well we've talked about this before. There are unintended consequences, especially of something like hybrid where you have tiered employees potentially. So, and one of the things I think about there is for those employees who are in the office if the senior leaders are in the office, they get access to them more readily than someone who's working remotely, who doesn't. But even saying that, I still think it's a matter of identifying what could go wrong and identifying the recent is talking about it, no different to how we would approach a big decision, or putting together a risk register to all about talking about what could go wrong, what's working, what's not working, how can we control for those things, and in just experiment, and keep that conversation going. So to try to design something that could potentially be better than anything we've done previously. That's what I think is really exciting about. So I just hope that we don't lose this opportunity to really think about how do we want to work in the future, and to experiment with some new things, cause, be very easy to go back to what we were doing, which I don't think was necessarily there was no silver bullets there from what from my experience.

Karen Kirton
Yeah, but I think it's something you just said to me, they've got access to the same team because you're in the office. There's something that we've been talking about with working remotely is how tis could improve the participation of women in the workforce. So then what happens, if you're in a hybrid situation. We know that women still do the bulk of the parenting in households across Australia, then they're not going into the office so much they don't have the access to notice senior managers so are we actually going to see not issues of participation but are we going to exacerbate the gender pay gap through how they are working. We're not gonna discuss that today…!

Lachy Gray
Future episode.

Karen Kirton
You know, just popped into my mind as you were saying that because we know that's always been an issue and part of the reason for the gender pay gap is. You know those small interactions that people have, which is why, you know from graduates right through and you do see differences in paid people doing the same jobs. So, there's a lot. There's a lot around news that I think it will take us years to kind of get a handle on. Even then it's just a work in progress, right, like we haven't said that awful COVID word yet. But the reality is we're going to keep having lockdowns and there are some modeling this morning. It's not really that pretty until you get 75% of your population vaccinated, but even then, you're still probably gonna have snap lock downs, a couple of days. So I think the more that we actually accept that this is on- going. Why communities now need to live and work. Then, it needs a whole lot of attention, doesn't it?

Lachy Gray
I think so. Reminded of the term anti fragile that Nassim Talebhas written a book about it that essentially shows that we're very good at creating quite fragile systems, with very small margins for error. Then these black swan events come along that we never can predict, but they happen and they have widespread consequences. So how do we use this as an opportunity to be more anti fragile, which I think distributed work or remote work has that opportunity. The same is true if there's an issue with power, for example, in the office, or people can't get into the office, or they can't commute there for whatever reason or the trains, not working, then they just work from home, no problems. So what if we work backwards from that desired outcome which is work from anywhere. You've got the tools, the technology, the processes, and it's expectations are set. Then we work backwards from there and say, okay, so how does an office space, in person, catch up. How that plays into that causes remote work to play into that, so that we can be flexible and actually thrive in this environment, rather than just survive and be feel constrained and frustrated by. So that actually is a segway if he wanted to talk about our in the news, or around the traps section.

Karen Kirton
So,

Lachy Gray
Do we move on to that?

Karen Kirton
Yeah, what do we get?

Lachy Gray
So, on that topic I found an article called micro hubs are the future of working by a guy called Sebastian David Lee's and he's idea is that the micro hub is a small office of size six to 30 people in a suburban area.The idea is that it's a decentralized kind of distributed approach to offices. So, a company with a few 100 people in a large office would actually instead have smaller location based offices. So probably

similar to a co-working space but it might just be everybody working for the same business. The idea is that it's located closer to where people live. So the commute is shorter, you get the social connection. So as you promote the local economy and then the decentralized environment, yeah it makes it more robust to external events like power failures, water leaks, poor internet. So if one little micro hub is affected, you just move on to the next one. I thought that was really interesting, and in this article, it then draws similarities to how our car operates as a collection of cells that are geographically distributed in. Yeah, exactly. I mean if you can, if you can move past that kind of terrorist element, I think he's got a point and it's actually what I read before about some of the challenges that the US Army had fighting, our product for this reason because the US Army's was very hierarchical, and a lot of information asymmetry, so a lot of context and information for decision making was at the top, but had to change that whole structure, because they were just too slow. So I think it's quite an interesting concept, and you're still using an office as such but it's for a totally different purpose.

Karen Kirton
Yeah, and I think you probably could get people like we work, whatever actually creating a lot more smaller office spaces in suburbia. Because if I think about a micro hub, the first thing I think of is you know who's going to buy the milk and who's going to complain because the vacuum hasn't been done so. I think it's easy to get distracted with the hygiene factor resolusi you have. That's why coworking is so popular, really, if you have something with someone else it's dealing with all that you can just walk in and out as you want. So, you know, perhaps, rather than having a more situated city, it's actually bringing them much more into suburbia. I do remember and I just can't think of the company name but they went around to cafes and said will you go onto our platform is basically you've got a table that someone considers a workout and you could just like book basically a table at the cafe. Which was an alternative to many to actually subscribe to a co-working space. That's quite clever. Then I had a client who actually sent me an article, which I haven't used in years into what we're talking about pitches that in Ireland in the public service, they want to try and get them into regional areas. So they say okay we're going to have part of the public service working remotely. We want them to go to regional areas and the best place they can work in the regional areas is in the pubs.

Lachy Gray
That's a coincidence.

Karen Kirton
Yes, tying into any stereotypes at all, which, for me, I'm like, Oh, it's a bit dark and dingy isn't it in a pub, but that also makes sense because culturally, you know, that's where people congregate and, you know, that is it's kind of like a town hall right it wouldn't really work in our culture but we do have a cafes. So yeah, if you know that you can go to any suburb at any time, and basically, book a desk and not feel like you're wasting your money and sitting around for coffee for more hours. You know that could be a good option for people.

Lachy Gray
That's fantastic. Yeah, my brother in law is English and he was talking about this recently that you know the pub was the community gathering place. That's where everyone goes there pretty much every day.

That's where you get your social connection so yeah I like that, looking at existing ways that we connect and then how do we add work on to that, rather than work being a separate thing. We have to travel far for and change our routine; life has to kind of be modified to suit work. So that's really powerful.

Karen Kirton
Yeah, it's nice like.I think it's an exciting change in the way that our communities work is to actually think about and genuinely think about the top network like dogs for a while. Is it actually genuinely thinking that how do we have worked fit into our lives, rather than the other way around. While still being really productive members of that workplace in society, all those sorts of things, but it's an interesting shift. Now, you know, the last segment is a question without notice. So my question to you today is, if you had a dream job that isn't what we're doing, so you can't look at Yarno. What's your dream job, anything, no barriers?

Lachy Gray
Would probably be in a similar role.

Karen Kirton
Now that's cheating. You can't say that.

Lachy Gray
I'm not finished yet. Because I loved it, so we would need to be something where you're working with a small, high performing team, where we're making bets on the future, lots of experiments and so on. I would love to be doing something like that in clean technology. So, it would have been the City of Newcastle 100% renewable. There's a renewable precinct being developed up here in what is true traditional coal and steel industries. So I would love to probably get involved in that area, and yeah use my skills. Because I think that is the future really wise, so that was a tough one.

Karen Kirton
All right.

Lachy Gray
Yeah, sorry not sorry

Karen Kirton
We may ditch this segment, we'll see.

Lachy Gray
My questions are nicer. How would you guide a new growing business, who approaches you for advice on what type of working environment they should create for their staff?

Karen Kirton

This is easier because I have done this. So, I have a philosophy that I heard years ago in some conference so I can't take credit for it but it's called ATP, which is ask the person. So I think that's the first thing that you do is, because usually at that point you know talking micro businesses that have maybe two or three people, is to actually talk as a group, and you know I won't use a client as an example, I'll use my own business as an example. You know we came together as a group, couple months back, and I use co working spaces for meeting rooms and that's how we get together and we talked about it, like, how do we actually want to work and what works for us. I think that the benefit you have and it's a huge benefit when you're starting out is that you can create whatever you want. There's also a huge risk when you're starting out because you become really dependent on those people in your teams. So if you're making a decision for how you're going to work in the future, not including their input. But that's a massive risk for you as a business owner because you actually can become really incredibly reliant on those other few people and, you know, you need them on board, you need to work as a team.

I still get a bit surprised when, I sent some Easter gifts to a consultant in my team and I got a message back saying "my daughter thinks you're the best boss ever". I jolted a bit about the word "boss". So, and I know that I'm not trying to say that not giving away responsibility, you know, yes I'm leading the company I'm making decisions around the organization but I do like to work with people as a team rather than having that, you know, boss employee mentality or that parent child kind of behavior that can go on. So I think that's the thing for businesses starting out, is get the right people with you and then just keep asking them and working with them. I feel quite strongly that if they give an opinion that you don't, like then they're probably not the right person for business, because, particularly at that micro level, you've got to have people that you just have huge amounts of trust that you can work together really really well. Then secondly, I would say, do you actually need an office? So that's what we're talking about. What's the purpose because offices are expensive. So, do you need an office, and I do have a client and he does need an office and there are reasons for that but I won't get into but it's the type of business they have it's very client facing, and they do need an office. So then it's like okay so within that structure meeting in the office, what's the flexibility that you're going to offer that's actually trying to think about all those things up front, because hopefully what happens is your micro businesses grow very quickly, and before you know it, you've got 10 people, and then things get really complicated. So you haven't thought about those things, yet, then all of a sudden you're on the fly, trying to work things out. It goes back to culture, and that you haven't been intentional with your culture and suddenly you've got people that aren't engaged, their productivity is shifting, they start to gossip with each other and you're like hang on a second. So why did I hire people again and can't go back to being a solo person. So that's the very long answer to that question, thank you for giving me an easy one.

Lachy Gray
Oh, that was great. Ask the person, I like it.

Karen Kirton
Ask the person. It's always been my philosophy, and I think in terms of culture, written down a couple of things that we've talked about today, but I think in particular that I really, really appreciate it essentially the culture isn't big. I think that's one takeaway from all of this is, how do we actually have something that's so intangible like culture on an organization agenda, and in our strategic plans and in the way

that we actually run our business because it is a huge risk to the business and it's not stable. So, what do we actually do to recognize that. That's my takeaway for today.

Lachy Gray
Yeah, I think we've covered a lot of ground. Anyway, I always appreciate your perspective because it's much broader than mine in terms of who you're speaking with day to day. I think my takeaway is that this is a really important conversation to be having as to how we are going to shape our workplaces for the future, and to try to be open minded and engage with our teams as to what works best and do that regularly because it will change. But there's huge potential upside if we can get this right, so I definitely think it's worth any heartache, along the way.

Karen Kirton
Absolutely!