



[Spotify Episode 3: Hybrid work the new normal](#)

E3: Hybrid working the new normal?

people, office, thought, hybrid, space, culture, staff, zoom, atlassian, meeting, roles, remote, business, workplace, employees, home, bit, company, talking, build

SPEAKERS

Karen Kirton, Lachy Gray

Lachy Gray

Welcome to today's episode where Karen and I are going to have a chat about hybrid work. Hybrid has become somewhat of a buzzword, I guess, especially in the last 12 months or so, as businesses have had to respond to very much a changing work situation. I think hybrid work for me is where staff are working some of the week in the office and some at home, which I don't think is new at all since we've been doing it for a very long time. However, I think what has changed is perhaps there are many more businesses doing it now the time to transition has been extremely short, with perhaps some businesses having no time at all to prepare for the move. So really looking forward to getting stuck into hybrid work, and understanding your experiences with your clients, Karen, and I thought here we could start with what's your take on hybrid work? What are you seeing out there at the moment?

Karen Kirton

Yeah, I was gonna ask you what's your definition of hybrid work. I think you're right it's become a buzzword, maybe you can call it hybrid agile workplaces just to make it even more buzzy. But yeah, I think it is different to different people. So I think there's a hybrid work, where you've got Atlassian you

know so they came out just in the last week or so, and Cannon-Brooks said that he's actually really concerned about workers being burnt out with hybrid work. So for that reason, they say we're basically going to work from anywhere, policy, and then now only expected to come to the office four times a year. So, technically is that hybrid work because they still come into the office and they're still keeping office spaces. Like I know somebody who works for Atlassian and, you know, even through all the lockdown he was still going into the office because he doesn't have the home space to be able to work. So they're still keeping offices that are still hybrid or are that remote, and then you've got offices that have mandated set days for people to come in. So, is that hybrid work or is that just, we're sticking our toes into the idea that people can continue to work remotely but we're still going to have this structure around it. I think there's a real spectrum of hybrids, which is why it's probably so much in the news as well because everyone's trying to work out well, what is it and what does it mean to me. I am seeing it across that spectrum as well so I think organizations that have gone fully remote and now trying to think about, well how do we have some office time, even if it's not an office space. I've definitely seen and even just myself, I've been in the city so much more recently. A lot more workers on public transport like the roads have been a bit crazy for a little while but public transports are now getting back to, you know, pandemic type levels or pre pandemic. I should say levels of occupancy on the trains and the buses so there are definitely more people coming back into the office so you know. But is that hybrid when you're saying "Well you have to come in on Monday and Tuesday every week," or is it just trying to replicate an office but allowing people flexibility. What are your thoughts?

Lachy Gray

Yeah, it's a good question, isn't it? I don't think there is one definition. So, I think for me the way I think about it is, where do you do, the majority of your work and is the company maintaining an office of some description. Where staff can go into, though, I guess, more specifically, I think of hybrid workers where your workers are going in every week into a physical space to do work and that's, I guess, expected in some ways. He's probably two to three days in the office, and then the rest of time he is remote. So when I think of hybrid work that's what I'm thinking of.

Karen Kirton

Yeah and I think that's, that's right because then that's where you've got all the questions about well what is the office for. So, the people that are doing hybrid work are because they have an existing office space, or is it because they actually feel that this is the better way to move forward. I think that's the question as well.

Lachy Gray

You're asking the tough questions early because it's right, isn't it? It's so nuanced. I think there's so many variables. Last episode, we talked about leadership stars. We think how they can influence leaders' decisions on where to work and I think that is very, very true. I think that is a key variable having. Yep. Paying for office space, already locked into a lease halfway through a five year 10 year lease. Weighing up the cost of breaking versus trying to reuse that space to better suit this type of work. I think you would be more likely to be motivated to try to make it work versus perhaps a business where the lease is nearly at an end. They are more likely to experiment with going fully remote and save that cash. They were spending it on rent or lease and putting it into more regular catch ups or off sites,

which is what we've done at Yarno. But the thing for me too is I think one of my concerns with it, is just the speed of the transition. I think, you know, with most business decisions, especially impactful ones. He would ideally like it to be done deliberately with a fair bit of time to really work through the upside downsides. I don't think that's true in this case. So, it's like trying to build something in motion. When you're in motion this is very very difficult. So, I think, perhaps our experience of hybrids right now, even with a very quick transition isn't the best indicator of what it could actually be like if it was fully planned. What's your take on that?

Karen Kirton

Yeah and I think you're absolutely right, because I think you know, technology has been great, and a lot of people have embraced you know Teams and Zoom and whatever else I thought I knew people a year ago that never even heard of Zoom, was I think now, like, 80% of the planet, I was. But it's not actually keeping up. So, we're looking at the research at Stanford around Zoom fatigue. So they said that it hasn't been designed with how the human brain works in mind. So when we're on Zoom, we have these big squares of people sitting in front of us, including ourselves. The reason it's so tiring is because that's not how our brain can't cope with that. We process so much information that we're not even aware of. We normally don't sit in a room with 10 people immediately in front of us and a mirror. That's what Zoom is. You know, we're looking at ourselves in the mirror, which is unnatural. We don't do that when we're in a meeting room with people. Then we've got all these little faces directly in front of us, which is also not how we would normally sit together and I thought that was fascinating, because it's so true, you know, zoom, had an amazing year. Obviously you know Teams are starting to catch up now you know Slacks, but their own version is everyone's trying to catch up on how we do these video calls but I think they've put a lot into security, quite rightly. I'm not saying that was a bad thing. There are a lot of issues, initially with security and you know making sure that's a stable platform. But I think the next generation is actually, how does this work for human beings like how do we put that human centered design into it so I think when technology catches up with that component that's going to be the key to real hybrid working. At the moment, you're right, we did it so quickly. Overnight we all left the office and went home, and then went, Oh, okay, well, you know, like community transmission, paying for an office, you know, whatever the reasons are, but we'll start going back into the office but I don't know that. Well, I haven't seen a lot of technology catching up with how that works. I haven't seen a lot of strategy, out of organizations or even you know, I've read a lot, and all the research that I've seen. I'm not seeing a lot of examples of people that have got a good strategy around. It's just let's replicate the office on the days but in the office. Then we have our days at home so it seems to be more of a flexibility mechanism benefit for staff, versus hybrid work is actually beneficial for other reasons.

Lachy Gray

I think that's true. That Stanford Research is super interesting. Certainly resonates with me. I often minimize Zoom on a video call, we'll say "Hi!", especially for interviewing, because we've been doing all their interviewing at the Zoom. I actually minimize it. I just listen, which I actually, I would argue, can be I think a superior experience because we just don't have the visual cues and information just focused on listening, taking notes. I actually really enjoy it. I think that reminds me of a book Good to Great, that talks about technology as an accelerator of existing momentum rather than the tech being the be all and end all in itself. I think through that lens, yeah I mean Zoom is just a way to connect, but it's not a silver bullet. I think this is what we're finding isn't it? That it doesn't replace the conversations with our colleagues and peers about how we actually want to work, which can be tricky because we might not know, because this is also new. But I think for me, hybrid, I think it's actually the most difficult. If we've

talked about everyone in the office. We've talked about the other extreme, which I guess is a fully remote hybrid being somewhere in the middle. In my experience, I've actually found it to be the most difficult and I think if we start with meetings. I think those meetings where some of the team are in the office. Some of you are joining remote. So you've got sort of a group who are together, and then a bunch of individuals. In my experience being remote is sort of connecting in that scenario, it's quite easy to feel disconnected and out of touch. You know, everyone in the group is laughing, having some banter. If the microphone isn't really good, if the internet connection isn't really good, then even being that half a second behind I would feel totally out of step, and I would often just go on mute. Even if, when that group is talking, sometimes it sounds like they're underwater because they are so far away from that microphone. So I found it quite difficult to have that conversation. One solution I've heard of companies trying to level the playing field is asking everyone in the office to join the meeting remotely. I think I read that same Atlassian article and they said if one person is on Zoom and everyone's on Zoom, which is, this is a big change when you think about it, to the asking everyone who's in person. It's essentially like the lowest common denominator for everyone to be on Zoom. So this is all new. Very interesting.

Karen Kirton

Because when I read that my initial thought was, yes, I agree, because it's awful. When you are in a meeting, and you've got some people that are in a room with some people online, and you know just what you're saying with your excuse about muting yourself like Jay Z, you just, that's a signal to everyone isn't it? Like if someone has to mute because they're just not understanding what's going on like that's, yeah that's not working. But then I did, I thought the same as you like, is that just going, you know like, it was a common denominator type thing like, is that really right. If we think that, you know, people get fatigued from being online and work better together in person but then we're making them all go online. You know, I'm saying it in some workplaces at the moment, where they've said, okay, you know, someone's online and everyone's online they haven't quite mandated it to the same level. But you'll have people around the office in open plan offices sitting there on Zoom with their headphones in, on the same meeting, but, like, a couple meters from each other, with a whole bunch of other employees around and going, this is noisy. You know, that's the other thing, it's like the noise levels because instead of having six people in a meeting room which they would have 13 months ago. You know, there might be four people on the floor all on the same zoom call into their homes. So you've now got yeah this noise of listening to other people's meetings that you wouldn't have had previously we just wouldn't have thought to do that. So do you then build more meeting rooms, well that's expensive. I saw a company's someone I was talking about this too and he just went to Melbourne, and came across this organization that is creating pods that go into an office. So they're kind of like a telephone box in an office. They've got one for the single and ones for four people. They've got their own air conditioning systems and are quite expensive. But you know, are we going to end up with all these offices with pawns so that people can have those hybrid meetings and then it comes back to the question which you told me was a bit hard, sorry for the start which is know what's the purpose of the office. Yeah because that then sends you back around the circle to what are we mandating days that people come together.

Lachy Gray

Exactly. You can still come back to that question of what's the purpose of the meeting. So I think it's tricky to write because you start to pull on that string and then it all unravels because you know how far back to you. Purpose of a meeting, what's the purpose of an office, who am I, existential really quickly. But I do think there is value in using this experience which might not be ideal and it might be frustrating to say okay, well, what's the purpose of the meeting? Pre COVID, we were all in the office, very easy to get everyone in for a meeting, even on an unscheduled one, and it ended up sitting there and chatting away. So, yeah, is it to get everyone on the same page or is it to give a status update. How many meetings, actually required, do they need to be done synchronously or can they be done asynchronously. Then when we really feel that we need to have a meeting, we're going in with eyes wide open. There's an agenda shared or pre-reading shared prior, and everybody's agreed that time together is going to be really valuable and we need to do it in a meeting. The way that we're going to run the meeting is everyone's on Zoom but here's some guidelines and here's some ways to make this the best experience that we can which may be, yeah, everyone has video off, we focus on audio. If you're not talking go on mute. I don't know but at least we have that conversation, as to how we are going to adapt to the situation that we might feel forced into and it might not be ideal, but it is kind of where we're at. That, or I should say, and I think it comes back to culture, in many ways, and if the culture is healthy, and there are those communication frameworks in place, then those conversations are probably happening. If the culture is not so healthy, potentially, it's been exacerbated by situations like this and make it even worse. So, I am mindful of looking at it through rose colored glasses. I think, as we've said before, everybody's experienced that this is quite unique, I think. Perhaps it was somewhat related to the role that I play at work. So, I came across some HBR Harvard Business Review articles about this, that was sort of talking to me. Does being in the office or being remote access to different types of roles, which I thought was quite interesting. So, if your role is more of a strategic one where productivity is a key focus, and you want to have a couple of hours of unbroken work. Then, where you do that work is perhaps less important. So remote might be a better choice. Whereas, if you're a team manager and communication and coordination are important, it might be more of a balance, and requires some deliberate thought, or, if you're a product innovator - cooperation and communication are important. There seems to be this theme that innovation requires face to face contact and that you really need to be in the office. So I thought that was another way. Interesting way of looking at it, even within the same company and within teams, is do we use that role and what's required of everyone in a role as a way to inform decisions around hybrid or not. What are your thoughts on that?

Karen Kirton

I'm just getting down this rabbit hole of complexity in my head right now because let's say you've got the role. But let's, add in for a moment, human me personality. Okay, so, I might have a role that is strategic and HBR article is saying, well that would potentially benefit from remote work for thinking time. But maybe my personality is that actually, I need to be around people to be strategic. There are people that like noise, and like the, you know, bars of the office to help them to be more productive. So, I think you've got the role type but then you've got the individual's personality, you've got the introverted or extroverted. Then we're layering in we've got five generations in the workplace at the moment. Do you know what I mean like it just as you go down this rabbit hole. It's like, yeah, just because if I say well you know I've got 30 staff and then I start nominating well these are the roles that I think can be done at home and these are the ones that I think can't be, or suddenly do we have a two class system, you know, workplace. Then I've got people within those two arbitrary groups that I've just done that will say well, for my personality that doesn't work, I'm an introvert, I'm an extrovert. You know my home

space I just, yeah, I think it starts to really get complex. I don't know. I often wonder whether it's just my own lens and frame of reference that leads me to think certain things. Because I do, I don't know, I just intuitively agree that for real innovation ideas I think there's a huge benefit to bouncing that off people and it doesn't mean you physically have to be in an office. Can you do it online, like you know that that's a lot of other questions but I think it is hard to truly innovate on your own. So I do agree with that bit, and I think that some roles are probably more prime than others but I think once you add in people, as with all things once you add in people. It becomes really complex. Yeah and even, you were saying before, like when you are remote and other people are in the office and you're having a meeting that starts to create that two class system as well, right? Because other people that are in the office, because they're more connected to each other, are seen as more productive than those who aren't there. So, if you then change the role or so you label the roles and you say well these roles can go from having those roles to work in the office. Do you then end up with two cultures where it's like, well, they're the people that are at home because you know, they don't do anything. Because we love, you know, ingroups and outgroups so it's just a human condition we like to do that. I don't know the answer. I don't think anyone knows the answer. But I think there's just so much to consider here which makes it so complex.

Lachy Gray

Absolutely! You know, my team is 12 People. Can't imagine what this is like for hundreds or 1000s of staff. I do think that the "us versus them" lens is an interesting one. I came across a bit of research about this in terms of, is there a power information asymmetry because your colleagues in the office. On the same day as the head of HR or the CEO, they get time within that you don't. I guess along the same lines, if you're in the same physical location as your boss or senior manager does that keep you in front of mind, even subconsciously, and then does that increase the likelihood your efforts will be recognized? Whereas, if you're remote, you don't have those opportunities. You're not necessarily front of mind and you get out early to do some work before everyone starts or staying late that may never be recognized, because they just don't see it. Then to sort of extend that out, can that negatively impact career progression? Also, for groups such as working mums where you're working remotely is for them, again, often a godsend because they don't commute, or if they have kids that are sick, they can look after them and still work. So for them remote work is very positive and it's the most logical way for them to work. But is there an inherent disadvantage built into it because of this asymmetry. I don't know that the further I dig in, the more questions I start to ask. I can just imagine what this must be like for ladies to be going through when I don't think there is a huge amount of this literature on specific parts, but it really reduces a joint experiment isn't it? It's just started so yeah I don't really know it's not it's very hard to refer back and say oh well this is how they kind of did it in the past, it's like we'll take this bit here and we'll take this bit and try and put it together. If we're going to keep an office, we've got to think about potentially redesigning it for a new future of work that we don't really know what that looks like.

Karen Kirton

Yeah and I think, you know what, we're obviously quite interested in this topic so you know we're researching and we're talking to people you know we're getting our heads around it. But there are an awful lot of people that aren't. You know, like they're just going okay let's just go back to the office. So, where does the burning platform happen? You know it is in a year or two years, or could be earlier. Where they start to notice that they've got that splitting culture, or, you know that the participation of women in their workplace is starting to drop their promotional numbers go funny they can't hire people

like I think for a lot of workplaces, this isn't really being considered in terms of a strategic decision it's more, you know, we think this is the right thing to do and now let's just do it. But we don't actually know the consequences. We're probably not going to know for a little while. It's the same as the consequences of, you know, going fully remote we don't really know that quite yet. It interests me and it also kind of scares me a little bit for some workplaces because I think when you touch on it before it is the actual physical nature of the office I think needs to be changed and I don't think a lot of people are doing that because it's expensive. But if you're just all going back to your old desks and cubicles, then, what is that doing? I do think you need to change the physical space to have more collaboration spaces, and probably having those pods or something in the office as well, to recognize that we are working differently. You know we're not in the office, five days a week and, and I think that's a difficult thing to sell through to your own royal board. Do I want to spend all this money to actually change the physical office space as well.

Lachy Gray

Absolutely. But, I think, as we keep coming back to it, I think it's so important to go back to first principles on this stuff. When I remember when we had our office in North Sydney sub liaison and we were thinking about getting our own office space and so I spent a fair bit of time going around looking at offices and they were just so dreary and almost soul destroying. I just keep thinking to myself, I mean, it feels like they're not designed for humans. You look at, you've got two kids going through daycare, what those spaces are, they feel like they've been designed to help kids grow in a safe space and encourage creativity and collaboration. For some reason, even at school. Some schools are almost brutal in their access to their age, in how they've been designed and then, I think, some workplaces are the same. So my hope is that this is a catalyst to review that and talk about how we work and so, if it is that we want to go hybrid. Yeah, like, what are we going to use the office for and it might not be listed as wholesale change right now that if, when people come into the office, they would like to do more collaboration, or we know that they're going to be doing calls with colleagues who are remote, then what are some ways that we can facilitate that. Making sure that we've got all the, like really good technology, to try to minimize any inequality that tech can bring and the same goes for people's home offices. So when they are remote, making sure they've got a really good Internet connection microphone, headphones, camera. I am actually talking about these things because I think that sort of it's actually really exciting. My understanding is that a lot of offices were moving towards this hot desking scenario, which was a burn because you could fit more people into less space so they could save money and take into account, there's always a percentage of people off sick and on leave and whatever. So, like on paper it makes sense. Except for the fact that humans are humans and so people go back to the same desk, and want to hang out with the same people because they built those connections. So I think that was an experiment in itself, and that's probably had to change now which might not be a bad thing. So, yeah, like what does it look like if we could design our offices to suit this new world. I think that's really exciting, but also very daunting because perhaps we haven't thought about that before. I think my experience was our way of growing, and we've got a certain number of people therefore we just need an office, get an office, it gets filled out with some open plan desk and some meeting rooms and a kitchen and you're done.

Karen Kirton

If you walk into any co-working spaces. I think that's where we start to see, you know, really, whether it was intentional or not, but they really have shown what the future of the workplace should look like from

a physical standpoint because all of those co working spaces have lots of different collaboration zones, you know, lots of varying meeting rooms by different sizes. You're very flexible in terms of even the sizes of the desks. You know, I'm making a huge assumption they all look the same because I've been to a lot. Because that's what I used to use because ironically I don't like working from home so I started to use co-working spaces. But you walk in, and it has an energy about it, it feels good, and you know if you don't want to sit in a cubicle that day, then you don't. You go and sit on the lounge and, you know, depending on where you are, you could be looking at the water could be in the CBD looking at over, different office buildings like it's just, it really does play to all the different senses that we have and give us different options to work in different spaces depending on the type of work that we're doing that day but maybe also our mood. You know, I went back one couple weeks back down at Piedmont, and it overlooks the water and it's just beautiful. The people that own it, they actually own it for their own business, they have a business of similar size to yours, but they deliberately bought a much bigger space because they wanted to have all of those things they want to have the collaboration spaces and meeting rooms and be on the water etc. But they only need about a third of what they have so they actually leased the rest of it as a co-working space and employed someone that runs the office management but also happens to be the concierge for everyone else that comes in. I thought that was very clever, they need something like 80% of their co-working space to be booked to actually break even, but it means that they've got a percent of a book they're not paying any rent. I thought that's actually, that's an interesting thought because like you said some of the officers you walk in, then you just think where is the soul. So they've obviously done that, but we don't want something like that. We want something that has personality that will enable people but we don't have enough people for it so let's just take the leaf and get a bigger space, and hope that we can leave some of it out in a flexible way and that gives us this really fantastic space. I don't know there's a lot of companies that would take that leap though.

Lachy Gray

I love that. I think that's fantastic.

Karen Kirton

Is that what you're going to do in Newcastle?

Lachy Gray

Well, don't laugh. I think it's a really good idea. It's interesting, right? Does an office need to be just for your staff? Because something that I've read about every now and then is a leader might be complaining that the staff are no longer innovating. I do wonder, like if you're hanging out with the same people all the time, are you missing out? So I think one thing that co working spaces do really well is yet connected people give you different perspectives, people have different energies coming in, someone's having a hard day, someone's having a low day. So, can we embrace that concept for mutual benefit. So we talked briefly about hubs. In the first episode on culture. So, even one company could have a couple of hubs in different locations so people can still go to the office but it's not the office, it's not in the capital city, but they could also be business owners there or people from different roles and industries and so on, using that space but they actually in the same community. So I think that's really powerful that perhaps that's a benefit or being forced to look at this is that we kind of boxed

ourselves away, and the same space in the same physical environment with the same people having the same conversations. So perhaps there is a better way to do it, and we've kind of been forced to look at it. I'm very interested in that and I've had to check with my team and say look, yeah we are fully remote for now. But that can change, and it could be driven by the staff if they say look I actually really want to catch up with the team, every now and then. So perhaps hubs could be one way to do it. We could have one north of your capital city one south, and start to grow up that way. I think that's really exciting.

Karen Kirton

Yeah, I think it is exciting. I love the idea of co working spaces I just think they're so clever, rather than just paying all this money for your own lease and having to fit it out and make good at the end and you know if you get more staff and you got to try and get more space you get less you know you've got sunk costs. I just love the idea of co-working spaces because it's just so flexible, but I also really like it. Now that I sound like I'm selling co-working spaces I promise I don't have side business, I'm working spaces. But, you know, I really like the idea that you're just hanging out with different people and maybe that's my personality because I'm very fascinated with people and what they do and why they do it but I just, I really like that like, you know you're not going to hook up in the same space as your competitors but you know if you can be in other like minded businesses I think you can absolutely learn from each other. If you have a really strong culture. Let's say the other people don't, then you're just going to really make sure that you're retaining your people right. Because you're gonna keep talking to everyone else doing all that work every day. So I think you're going to do that and if you're going to either allow people into your space or you're going to permanently work out of a co-working space I think you've got to be really quite confident that you've got a good culture that you're not going to lose people. Everyone else that's working there as well, which made me that's why I like visiting them as well because most people that are active places are actually, they seem quite happy and engaged.

Lachy Gray

Pre-select the type of person. It's interesting, because as you know I've moved up to Newcastle recently and I'm trying to build my network here. I didn't know anybody and so I'm meeting with business owners and I found it super friendly and a few of them have offices here and have said, "Yeah, you're welcome to come in a day, in a week if you want to. I sort of thought, wow, I thought it was taken aback, I think, I find it so generous, and why I'm still stuck in the mentality of an office is for your staff, but it seems as though that is changing, which I think is really exciting. Just touching on the last point there, we haven't really spoken about yet, attracting and retaining talent, like, what does that look like. Does that put pressure on getting this right to? If you have two businesses who are producing similar things with similar cultures, one has kind of got their working environment and styles kind of sorted. The other ones still figure it out, and you have a candidate, interviewing at both, who is looking for some progressiveness around this and those two companies are at quite different stages. Will that affect that candidate's decision, but also then for staff, because some of the research I've looked at from PwC, out of the US was that the majority of employees that they surveyed wanted flexibility and working remotely, while it was the employers and the managers who wanted the back in the office. I definitely did not agree. So what happens if that hasn't been resolved? Will people kind of vote with their feet and actually wave around? What do you think?

Karen Kirton

I think they will. I think, like, the employment market right now is just so tight like it's just ridiculous. I just keep being told across all different types of roles in the industry that doesn't seem to matter right now. It is really really hard to get people, and then even if you get a candidate to the last stage, then you know I'm also seeing a trend of people then just not accepting the jobs. So, If you don't have something to offer, that is different, then why are they going to move? I think that becomes a choice for your organization as well. Do you want the sweatshop type hierarchical, do what we tell you to do type of culture, you have a job I'm paying you and you need to do it. Because if that's what you're looking for, then your business is not going to last for very long because that's just not acceptable to workers today and it's been increasingly that way since our wonderful Internet came into being, like, you know, when I think of back in the day when I left high school, I was looking for jobs in the local paper that's how we did it.

Lachy Gray

What's the paper?

Karen Kirton

I know right. What is it? It was a local paper as well. You know, and I had to type off with a typewriter, a letter and post with a stamp and wait for weeks to be called and get jobs. That's why people just didn't move, we didn't have the ability to move. Whereas now, it's so easy, not only to move jobs but to start your own business. You know, the barriers to entry are just so low. So I think that if people aren't thinking about these, and how do I actually make this work in the long term. I think they are going to feel the pain, I really do believe that I think for some people, unfortunately, it'll be too late, it'll just by the time they've realized they've got the pain and they, you know, they're losing money and they can't keep people, it'll just be too late for them. Looking at the World Economic Forum and the future of jobs report in a couple of years. I always find that really fascinating, and I'm one of those nerds that goes through it and starts to pull it apart because I use that as context whenever I'm doing leadership workshops as to why are we even bothering to develop ourselves, because everyone says oh I want to be a better leader, but you've got to like really dig down into that, you know, why do you want to do that. If you look at the future jobs report, and they're saying things like, they're five years from now, we're gonna divide work with humans and machines roughly equally right this is mind blowing to me. So, which means that as employees, we've got to be better at things that computers can't do. As employers, we've got to set the conditions that enable people to build those skills like analytical thinking and creativity and flexibility that computers can't do. The other thing that I found in that report really fascinating is that 84% of employees that were digitizing their work processes, to be able to expand remote working, and also over 40% said that they are going to move their workforce remotely. So, and I just like that it's messy. If you look back to the 2018 report, you know that it didn't even come into us. So, I know that sometimes people think oh this is all just futures. Yes, and I understand that and there is a little bit of guesswork to all of these but when you go back over the reports over the years you know it's not that adding a stamp these things are moving that quickly. So, yeah, as a business owner I think it's something you've just got to get on the agenda and start working out well how am I going to keep these people, how am I going to retrain them, how are we going to try and compete against other companies that are possibly offering them exactly the same money but maybe they have a much better culture than we do.

Lachy Gray

Absolutely. I think these changes happen in such a short period of time, relatively, that it is difficult to keep up to speed and I guess for people who are fearful I think I will just keep doing the same thing we've always done. That's right. I don't think that's going to hold up. I always take the viewpoint that with these predictions, sure, as Warren Buffett says, the forecast tells you more about the forecast and then what they're actually forecasting on, and I love that I think that's very true. Even if there's a sliver of truth, isn't it better to be talking about it and to prepare for that or something like that, than to dismiss it. Perhaps, what's happened over the last 12 months will be the catalyst to shift that mindset to, oh well, maybe somebody could happen again and maybe we just got to try and move through this as hard as it's going to be, to stay relevant, almost not even to innovate, but just to stay relevant. I think we're going to be forced to do it.

Karen Kirton

I've never had this before in terms of having to consider the way that we work as a strategic objective. You know, and we're seeing at the moment, a couple of community cases in Sydney. Whenever I hear that news I just brace myself. I just remember last March having to get everybody out and into their homes and, you know we're on this constant vigilance of when do we shut the office down. Do we get people together while there's community transmission happening, what do we do with our staff, and the vaccine is not going to end that. So I think that's the other thing. There's a lot of talk last year but all it's just gets through 2021 way through 2020 to 2021. You know, is it really, are you really going to see a difference over the next couple years, probably not. You know what we're being told is that until basically over 80% of the planet is vaccinated. We're living with this so, you know, this is a really interesting thing that I'm not sure a lot of organizations have on the strategic agenda. I think they have it on a risk register. But is it on the strategic agenda about how we actually work in the short, medium, long term. Then of course, our friends work in health and safety, and those considerations pop into as well, Because you are suddenly giving people more than one workplace, which is its own minefield. So I think it's just, it's fascinating, we're in a really fascinating space of time right now, and I think the opportunity there is that we are able to experiment, our employees are very forgiving of us experimenting. As long as we're bringing them along on the journey, rather than just mandating, you know, now we're all working from the office as long as we're bringing them along. I think people are happy to experiment to see what works for them if they get a say in it.

Lachy Gray

Absolutely. You know, that's a key part of learning isn't it? It's trying something, getting feedback on it, whether it worked as we thought it would, or we feel like we failed in holding promise and talking about it as a team and as a business, and then okay, well, what have we learned here, and let's use that to inform the next go. Then within a period of time whether it's monthly or quarterly, or annually, whatever we regroup again. So, yeah, I think the feedback loops are going to be shorter. We just have to adapt to that. Perhaps change our mindset that we're going to make mistakes, that we're going to have to make decisions faster than we would like. We're going to have to engage with different stakeholder groups to perhaps a greater extent than we had in the past. There's gonna be a lot of uncomfortability I guess for

some people. But I think that's the reality, and really exciting and who knows we might return to this and even six months time. Sure, it's gonna be a very different landscape.

Karen Kirton

I can't wait to re listen to our podcasts in a couple of years and to see whether we're right or not.

Lachy Gray

We will feel like our ancient history.

Karen Kirton

What were we thinking, what would we say. But you know, things are changing that far so 14 months ago. I thought that we would have had these periods of long term working from home. No way. So, yeah, we don't know what's coming next and I think as lucky as we are in Australia right now, it's still very volatile this whole situation.

Lachy Gray

Absolutely!

Karen Kirton

So should we talk about what we've seen in the news recently?

Lachy Gray

Yes, I have a feeling we've chosen the same.

Karen Kirton

Oh, probably. Should I go first?

Lachy Gray

Sure!

Karen Kirton

So, mine was the Atlassian thing, however, it was more an article in Business Insider, which was actually the CEOs of Slack, Zoom and Atlassian, they were all talking about their concerns over work from home, was that the article that you found?

Lachy Gray

I was looking just at the Atlassian article.

Karen Kirton

Okay, good. I found it really interesting that you know you've got these three CEOs of large tech companies that everyone knows their name now. So I think that in certain circles, added months ago, people knew Slack and Zoom and Atlassian but I think it's become much more mainstream that people know these now because they've had to use their platforms over the last 14 months. But a couple of things that I pulled out of it was actually the Slack co founder, which I don't even know his name until I read this article Stewart Butterfield, so his quote, he was talking about, you know, when we're hiring new people, and he said I do sometimes worry that we're running on the stored fat or the accumulated social capital that has accrued over the course of the years prior. I loved that quote, because I think that is a common concern, as we've hired new people over the last four months, but it hasn't worked, because we've already got our culture already we've already got that social capital. So what happens in the year in two years in three years, you know, how are we actually going into this process of hybrid work because, you know, is that part of the benefit of hybrid work is because we're saying well there we can onboard people, you know actually physically together, which seems to be more effective than not being able to do that. So, even though the article is actually that part of it that I was more interested in because I thought, yeah, that is, to me that's just summing up a lot of concerns that I have heard from other people.

Lachy Gray

Yeah, yeah, it's a good point, isn't it? I think that how we hire will change as well depending on our work situation. So, over the last 12 months. Perhaps just prior, we were hiring without knowledge of what was coming which was very difficult. I think that is hopefully changing now. I think what's interesting to me is like, there's the attributes of who your heart is, will that change. Now as a result of the working environment changing. For example, automatic who have fully remote business. It's run by one of the WordPress, by the WordPress founder, Matt Mullenweg. So they really put a lot of emphasis on writing skills, because so much of their work is done asynchronously. I know they are a tech company that do a lot of things that are very specific to them but because they're fully remote for a very long time, they have optimized for that, all the way through to hiring attributes that they look for. So, but I do see that in terms of the, how different is the experience for somebody who's been at the company for a long time, has a sense of the culture, everybody knows who they are, how they work. They value, in a sense, to go remote versus somebody joining brand new, you have to build all those connections and rapport

from scratch, potentially remotely. That's a very very different experience. So I think that's quite an interesting point.

Karen Kirton

Yeah, absolutely. I think the other thing you're talking about least a bit today but with the visiting the office four times a year, it did make me think about, you know, leadership and we always talk about visible leadership how important it is, you know, to walk the floor for people to see you to model their behaviors. Then you've got the leader of Atlassian saying is probably I think I go to office four times a year. So that kind of made me think about that as well and does this actually change what we think, effective leadership is. I think the hybrid office is going to impact our expectations of leaders as well.

Lachy Gray

Absolutely. Yeah, I think, ladies have a challenge for sure. So, the Atlassian article was in the Sydney Morning Herald, and just spoke to their team about any policy where their staff around the world, coming work for locations where Atlassian has an office. So they expect their staff to be in an office on average around 50% of the time, but only require them to travel to the nearest office four times a year. Then those office visits more resemble a work conference where you kind of networking and so on. I thought that was quite interesting because it certainly has that sense of when you do catch up, but it's very different. That's my experience with our team. But then Cosio goes on to say that he thinks that requiring staff to return to the offices a certain number of days a week, is not really enabling them to work from different locations and all you're doing is a certain bit of commuting time. He reckons that those companies are going to struggle to attract and retain talent, and I'll probably go back to the old way of doing things. Because it's inertia, he said. So he sort of gets throwing some shade at hybrids, which who knows, and I think it's quite interesting to draw out these sorts of decisions like that's a fairly significant decision isn't to say. Well here's how we're going to do it into the future. Here's how we're going to work into the future. This is for a company that's building a brand new office building in the CBD.

Karen Kirton

Yeah that's right.

Lachy Gray

Which they're gonna keep as to my understanding, but they don't want to develop anymore. So I really draw a line in the sand there, who knows. This is the thing we'll find out with hybrids, I guess it is a giant experiment. Whether or not people looking for jobs will vote with their feet in that way, and to what extent that influences things, your time will tell.

Karen Kirton

Yeah and I think, let's not forget it makes a good headline.

Lachy Gray

Absolutely.

Karen Kirton

So I think some of the big tech companies that have come out with very bold statements, yeah there's obviously some strategy there around PR and the tech industry is very difficult at the moment to employ into. So you know that they're trying to make a statement, which is fair enough. But yeah, what does that mean, longer term will be interesting. I remember years ago I saw someone speak. I forgot what the company was. I think it was in New Zealand. They were like an actuarial firm, it was not a very exciting industry and the CEO read some research, and said that, you know, if you pay people for five days but said they only have to work for, they'll be more productive. So you may remember this and so they did it, and it just made headlines around the workforce. Then, the CEO and the HR manager, they'd start doing all these speaking tours across all these different countries. I remember at the time and I met the HR manager. We were having a conversation, yeah absolutely lovely woman but I did wonder if it was very early on in the experiment. I don't know what happened afterwards but the way that they measured success was based on the employees saying that they felt it was better. It's hard to imagine there will be employees that would say, working four days and being paid for five. I keep thinking about that when I'm reading research about productivity of employees at the moment in terms of hybrid work or remote work. A lot of it is based on the employee's perspective. I think we've just got a long way to go. I think there's still a lot of research and experiments that need to be done over the next couple of years to actually determine more that human centric approach, I think, like, as humans, how do we work this. Then once we have that as a baseline, what does that look like in terms of the workplace and then each individual organization within, you know, be able to take that and cherry pick what they need, you know to suit their culture really but that's what I would like to see next rather than just keep on saying these tech founders come out which is fascinating, but it's, I think I need a little bit more scientific study behind this.

Lachy Gray

Yeah, they are still in the limelight don't they?

Karen Kirton

Oh yeah, you know. Why not? Your billionaire that can wear jeans to work, then you know. So, actually, I wouldn't want to be a billionaire, I think I feel so guilty with that much money, I'll be giving it away but yeah, I like the idea of people that have had a lot of drive and really great ideas have built great stuff. I think they got a lot to offer the world in general really but maybe not the front pages of the Sydney Morning Herald every week.

Lachy Gray

Oh yeah, because at the end of day, they don't have any advance information for us. I mean they've just making calls based on what they've seen and their experience. So, yeah, I agree. That's important to remember.

Karen Kirton

I.T companies have become where the rock and roll stars haven't known so I'm sure that's why you started a tech company was it?

Lachy Gray

Yeah yeah yeah. T shirts and on the front page, hasn't happened.

Karen Kirton

That's a shame.

Lachy Gray

All right, so question for that matters.

Karen Kirton

Yes, oh scared.

Lachy Gray

No, no, I've been nasty this week which you haven't been in the past

Karen Kirton

I was last week.

Lachy Gray

For those companies, they are struggling with hybrid work right now, how would you guide them over the next six to 12 months?

Karen Kirton

Why are they struggling?

Lachy Gray

I think perhaps there's a disconnect between what the staff want and what the employers and latest want. They're looking for some guidance because it's all getting a bit too hard feeling overwhelmed by all the very obvious various options that they could be doing. They're just not sure. They are just ready to go.

Karen Kirton

I thought that was gonna be an easy question. That's really hard but all the reasons that we spoke about today. But I think, yeah, probably where I would start is, what's the strategy? What's the purpose of the office? What are you hearing from people? So I was talking to someone the other week, who's an HR manager. She said they all went back to the office two days a week, and then everyone was so unhappy about it they reduced it back now to one day per week. So I think that part of it is understanding. Well, you know, if it's not working then why isn't it working, what can we do about it but I think a couple of key things is you've got to invest in your leaders. So, whatever that strategy is over the next one to three years, you need to make sure that you're investing in your leaders over that period because they've got a much bigger job to do now with harder work. It is not easy. We really need to invest in the skills in people to be able to do that. So I think that's one of the things. I think the other thing is the physical office space which was spoken about so what are you doing about the physical space, because you need to make sure that you're accommodating for people that will be online and offline and the noise and, etc. Also looking at well whenever your lease is up or whatever it is, then what? Because I think that people would be happier going into an office if it wasn't in the CBD, which can create its own problems. So, if you have a list of CBD is generally easy for everyone to get to on public transport. But if you start going into little hubs around the city, it makes it harder for you to find people? So I think there's a bit of strategy around that as well. But yeah, I would say if someone keeps asking for help from that and it probably take almost a day in a room with the senior management team and data from the staff say, okay, what are we hearing what are we saying, you know, what's our business strategy, where are we going to go over the next one to three years and now how do we match our actual how we work strategy to that, because it's big. Part of it's going to be do you want to be on the forefront, or do you want to actually try and keep it a status quo for the moment until we know more until we get more examples of what's happening out there. Yeah, there's a lot of questions that go into that.

Lachy Gray

Great answer.

Karen Kirton

Oh, thanks. That was tough.

Lachy Gray

That was harder than I thought.

Karen Kirton

It's really tough.

Lachy Gray

I thought that was a great answer. Yeah!

Karen Kirton

Okay, so my question for you. Now I feel like I need to change it to make it harder but you know one of the reasons that we can sit here and talk for a long time about people and culture is because you have a natural interest in it. I think that, you know, for a lot of managers and leaders they know that people and cultures, important, but they may not necessarily make that intentional time to spend on it so I'm just curious. How much time do you think that you spend on people and culture in your normal work week? Do you think you have the right balance between what you're spending on people and culture and what you're spending on the rest of your business?

Lachy Gray

That's a really good question because it's something I've been thinking about recently, when I meet business owners trying to ask them. How do you spend time in the week? Everybody allocates time differently. I do spend a fair bit of time on culture. I think because of the arrangement that Mark and I have where he's focused on sales and I am very much focused on the strategy and the team. So I think that definitely influences things. I would spend at least 50% on Team, check-ins, one on ones, planning, communication, thinking about tools and ways to improve our culture, running feedback sessions, and so on. I think it's something that I really believe in and I'm reading a book at the moment called Intelligent Fanatics, which is about a group of leaders, last, probably 80 years who founded businesses who had quite unusual, I think methods, but for the time so these were like Marks and Spencer, the founder of Marks and Spencer, Sole Price who kind of influenced Walmart and Costco and Target and Kmart. They all got this insane return by compound and returned 20% a year. So very successful but to a tee, they all said that their most important investments were their people. I know it's one of those things that kind of gets bandied around but these are people who were doing this. Yeah 60 years ago, when that was not the thing to do. It was still that factory mindset. Where these people were working in

factories, and you didn't have to pay them much at all. You didn't have to provide the working conditions, their mindset was where they should be grateful, they've got a job. But they decided to pay them more and give them time off and pay for the clothes and look after their families and so on. It just really resonates with me, so I actually wonder. I do wonder if I spent too much time on golf, because I don't know how, how well we'd know otherwise, because that's my natural inclination, but it is something that I think about a lot.

Karen Kirton

No, I'm obviously biased. But yeah, I honestly think it's fantastic. I think you're a role model for a lot of leaders that do say well you know, we understand people, you know, the main competitive advantage about business but I don't have time to do that. So maybe we can do a research study on Yano, when in 20 years you become the next Atlassian and how you made your, you know, first trillion dollars and we're able to wear jeans and be on the front page of the Sydney Morning Herald.

Lachy Gray

Goals. Yeah!

Karen Kirton

Small goals.