Future of Work Research

inventium

The trends shaping how we work in 2024 and beyond.

Table of Contents

Budyeri Kamaru!*

If you are here for a dose of inspiration and insight, you've come to the right place.

Employees and leaders are the heart and soul of every organisation. They will influence customers, business growth and achievement towards a compelling mission. Their level of impact cannot be taken for granted - engaged employees are 14% more productive (that's equivalent to 86 extra minutes each day!) and absenteeism reduces by 81%[1].

Off the back of the pandemic, some things have become clearer about work and our relationship with it, such as our desire for greater flexibility.

But many things have become murkier and even more complex - from our quest for greater connection in a hybrid world to the role of artificial intelligence (AI) in our job description.

'Growing expectations' and 'constant change' were two common phrases we heard during our research with cross-industry executives across Australia.

The mood in our conversations was almost always the same - excited, yet hesitant. Convinced of the need for something better but not quite sure of the path forward. Committed to their people with genuine care, yet frustrated with an inability to find impactful solutions to create better organisations.

This white paper is designed to give leaders practical insights and strategies to help them target their efforts on strategies that will create better workplaces. In the words of organisational psychologist Adam Grant, *"The most meaningful way to succeed is to help others succeed."*

We hope you find a treasure trove of insights here that will help you, and those that you lead, succeed.

Organisations that prioritise and prepare for the changing nature of work and the needs of their people will be better positioned to foster a positive workplace culture, drive performance and innovation, and maintain a competitive advantage in today's dynamic business environment.

We're ready - are you?

Charlotte Rush
Organisational Psychologist
Head of Growth, Inventium

---

*Hello! in the Gadigal language

[1] Gallup. (2022, August 13). Workplace: Employee Engagement vs. Employee Satisfaction and Organizational Culture. Retrieved from https://www.gallup.com/workplace/236366/right-culture-not-employee-satisfaction.aspx

Acknowledgement of Country

The team at Inventium would like to acknowledge the Traditional Custodians of the lands that this research was written - the Gadigal people of the Eora nation, and the Wurundjeri people of the Kulin nation, as well as the Traditional Custodians of the lands on which you live, learn, and work from as you read this.

The artwork pictured is titled "DHAAY!" by KC Rae, a Gamilaraay First Nations artist.

Dhaay means 'This way' in Gamilaraay. This piece is an homage to the journey Inventium takes in supporting our clients to embed people-centric solutions. In essence, it captures Inventium's ability to point to best-practice solutions and say to our clients, "This way!".

kcrae-aboriginalartist.com.au

Executive Summary

Seven insights and trends shaping the future of how we work.

1. Redefining the Silent Pact: the evolving challenges in employee-employer expectations

Post-COVID, employee expectations for flexibility and work-life balance are reshaping the psychological contract - the unwritten, unspoken set of expectations and obligations between an employee and their employer. This shift brings new priorities to the forefront, contrasting employers' focus on financial performance. As costs climb - putting greater pressure on organisations to perform - the pressure is mounting for employees to deliver. But, what will happen if their expectations are not met?

2. People leaders are walking on a higher than ever tightrope. But who will catch them if they fall?

Caught between executive pressures and team expectations, people leaders must navigate a complex landscape. They're tasked with unlocking team potential while managing a broader set of responsibilities, from hybrid work arrangements to providing emotional support. In addition, the rise of 'cancel culture' from below can compromise leaders' psychological safety. And as leadership responsibilities expand, the question arises: how do we safeguard the wellbeing of our leaders amidst these growing demands?

3. Mastering rapid adaptation is critical to success in an increasingly complex world

Organisations must evolve swiftly to keep pace with technological advancements, structural changes, and global challenges. The fast paced and unrelenting nature of change can be overwhelming for employees, making it tough for them to adjust and integrate changes smoothly into their work. Some leaders express frustration at the very-human response to overwhelming change and uncertainty: inertia and small steps when leaps and bounds are required. So how can organisations attract and develop people who are primed for and excited about change - and not just of the incremental variety?

4. 'Hybrid by Design' vs. 'Hybrid by Default' leads to very different outcomes

Many organisations struggle to see hybrid work's bottom-line impact, potentially due to using outdated practices unsuitable for hybrid environments, despite flexibility being a key employer offering. The challenge lies in fully integrating hybrid practices into how an organisation works, from communication, career development, and wellbeing, through to decisions about promotions and performance. This is critical in order to leverage the potential benefits that hybrid offers, including improved talent attraction and retention. Hybrid, by default, is not the key to success.

5. How can we manage people when we still can't measure them?

The challenge of accurately measuring people-related practices remains a significant hurdle for organisations - whether they're aimed at promoting career development and growth, enhancing employee wellbeing, fostering inclusion, or boosting efficiency and productivity. This limits an organisation's ability to innovate and effectively manage their workforce. In the face of these measurement challenges, executive scepticism is growing - why bother making strategic decisions on faulty data?

6. Leaders are questioning "What is my role?" when it comes to employee health and wellbeing

The evolution of the workplace has significantly changed leaders' roles, especially regarding employee health and wellbeing. This shift challenges leaders to redefine their involvement in employee wellbeing. However, the complexity of mental and emotional health raises ethical concerns about managers acting as therapists without proper training. Without clear roles, understanding, or support for leaders, how can we expect organisations to significantly shift the dial on deteriorating employee health and wellbeing?

7. A myopic 'survival' focus threatens the future of brilliant workplaces

Increasing complexity, uncertainty, and a challenging economic environment are pushing organisations into 'survival mode'. This mindset can impact an organisation's perception of opportunities and decision-making, where immediate gains are favoured over long-term investments. In addition, the complexities of AI integration highlights the need for balancing technological advances with societal and ethical considerations. The increased focus on cost and the need for productivity improvements continues to place pressure on employees to deliver, but at what human cost?

Top recommendations for organisations and people leaders to ensure your organisation thrives in 2024 and beyond

Focus areas for organisations:
1. Understand and keep organisational promises to your employees (Refer to Insight 1)
2. Support the supporters (Refer to Insight 2)
3. Embrace the "I don't know" through a culture of experimentation (Refer to Insight 3)
4. Invest in well-organised hybrid (Refer to Insight 4)
5. Develop the expert skills of measuring people practices (Refer to Insight 5)
6. Define the role of leaders in employee health and wellbeing (Refer to Insight 6)
7. Invest in non-replaceable skills now to get ahead in the future (Refer to Insight 7)

Specific focus areas for people leaders:
8. Build your capability to have challenging conversations (Refer to Insight 2)
9. Demonstrate 'enough' authenticity and establish boundaries (Refer to Insight 6)
10. Fight tunnelling by creating 'mental slack' in people and teams (Refer to Insight 7)

How to Navigate This White Paper

This white paper is designed so that readers can easily navigate through and focus on insights that provide the most value to their own workplace.

In the first section, which is the main focus of this paper, you will find seven insights derived from 15 in-depth interviews and a review of the latest workplace literature. Each insight is accompanied by 2-3 recommendations based on challenges faced by organisations, including perspectives from our executive sample and data from leading public and research institutions.

The second section summarises key workplace trends identified from a thorough review of literature across November and December 2023. These trends played a crucial role in shaping the interview framework and forming the basis of the insights presented in this report. This section also includes Inventium's top recommendations to ensure organisations are primed to embrace the future of work.

As you read through the insights, keep in mind that they are interconnected and build upon each other.
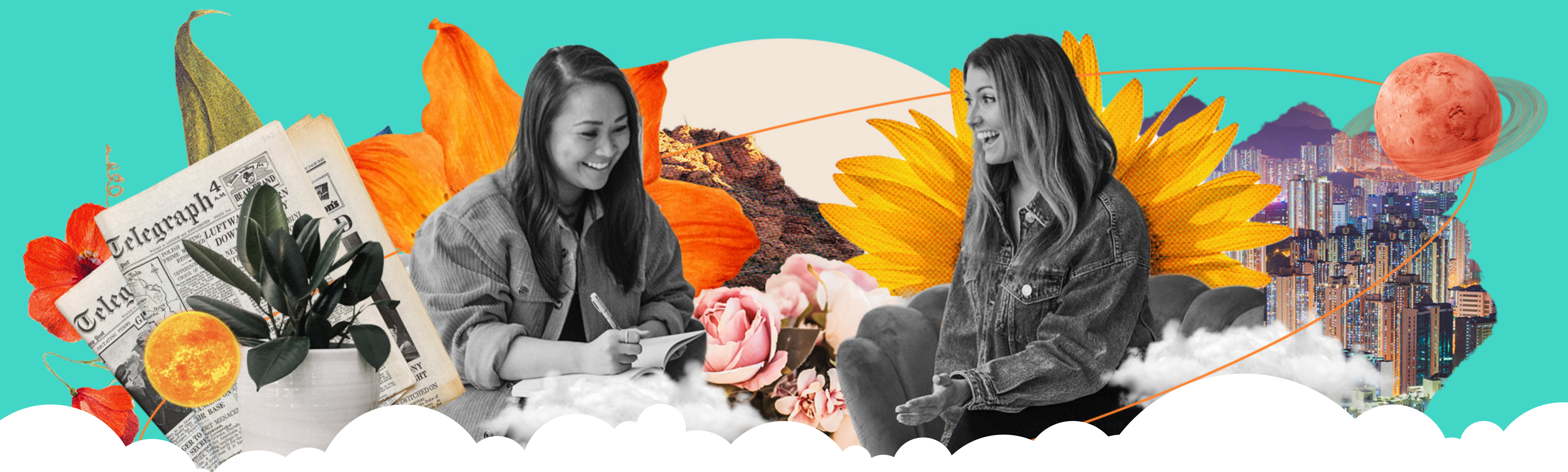
Insight 1:

Redefining the Silent Pact: the evolving challenges in employee-employer expectations

01

Insight 1:

Redefining the Silent Pact: the evolving challenges in employee-employer expectations

Challenges

The psychological contract has shifted for employees

The COVID-19 pandemic sparked an unprecedented work experiment, thrusting roles previously bound to the office into the realm of flexible, home-based setups. It also led to a big change in the psychological contract between employee and employer, including expectations relating to security at work, work-life balance, work conditions, career opportunities and financial compensation.

Post-COVID, employers are struggling to have their expectations met

This shift in priorities and expectations can be jarring for leaders, many of whom belong to an older generation, with a different mindset and priorities. And when leaders feel they are already being accommodating to the needs of their workforce, it can be hard to know when enough is enough.

The domains of the psychological contract that have shifted significantly post-COVID include:

- Work-life balance - increasingly referred to as "life-work balance" or "work-life integration"
- Flexibility - increased focus on autonomy around when, where and how work is done
- Empathetic leadership - showing compassion and care for employees
- Diversity and inclusion - people bringing their whole selves to work and being accepted regardless of race, gender, religion, sexuality, etc.

"Many of our leaders and team who are from Gen X, had a very different experience of entering the workplace, joining during a recession. I'm still grateful to have a job which is a very different experience to some of the following generations whose expectations are shaped very differently."

Executive, Retail Organisation

The threat of psychological contract breaches is increasing

It's important for leaders to understand that amidst this shifting dynamic, there is a greater threat of Psychological Contract Breaches (PCBs).

Psychological Contract Breaches (PCBs)

PCBs refer to the subjective experience where one person feels that the other has failed to fulfil their obligations and promises.

Demands by employers that are deemed unreasonable by employees can signal a lack of trust. Breaks in organisational trust are a precursor to a PCB. For example, a global decision to enforce three days per week in the office was met with significant resistance at Moët Hennessy, despite having settled comfortably into a 50% home, 50% office local approach.

"There were questions of trust. Do you not trust us? Why do we have to? Is there a problem?"

**Christina Bridgeland,
Human Resources Director,
Moët Hennessy**

"Working in a hybrid environment with inexperienced managers who aren't equipped to manage performance in this new context can lead to more monitoring behaviours by management, which can also erode trust."

Charlotte Rush, Inventium

Opportunities for organisations

In a hybrid world, make your rules for communication explicit

The loss of trust can prompt a PCB, which in turn results in a further erosion of trust. People leaders should be particularly aware of the vulnerability of trust when there are changes in ways of working (e.g. changing your organisation's hybrid work arrangement). These are critical times when people leaders should seek to reconfirm trust with their employees.

One way to do this is to make the implicit, explicit. Ways of communicating often arise organically, without much deliberation. But a sudden change in communication can prompt an employee to question their leader's trust in them (e.g. a shift from casual chats to formal 1-on-1s).

A co-created "Team Communication Guide" [2] is one way to encourage dialogue and agreement on how your team communicates. In times of change, leaders should come back to agreed ways of communication and confirm that these are still mutually desirable. If not, these changes can be explicitly re-contracted.

Team Communications Guide

- What do we use synchronous communication for?
- What do we use asynchronous communication for?
- As a team, do we default to asynchronous or synchronous communication?
- What does 'urgent' actually mean?
- Which communication channels do we use for what types of communication?

© Inventium Toolbox Pty Ltd
Commercial in Confidence

inventium

Create consistency between the external and internal image of your culture

It can be jarring for employees to have an internal experience of their organisational culture that does not align with an external image (e.g. an organisation is positioned as a leader in innovation where an employee cannot get support from their manager to test a new idea). This can threaten organisational trust.

At Inventium, our leading people-practices are often referred to in the media. For example, our "Gift of the Fifth" four-day week (4DW) policy. These external conversations can make it seem like all employees take a 4DW every week, which is not the team's reality. In response, we consciously focus on communicating the realities of the 4DW externally, for example by reporting statistics on how often the team does take it (70-80% of the time).

[2] Inventium. (2023). How to create a team communication guide. Retrieved from: https://inventium.com.au/inventium-lab/how-to-create-a-team-communication-guide/

Keep organisational promises

Organisational promises to employees can be explicit (e.g. career development opportunities) or implicit (e.g. recognition of an employee's efforts). Breaking these promises, even if they are unsaid, can lead to a PCB.

"While focussing on addressing performance issues, it's not uncommon for leaders to overlook the importance of regular check-ins with both top performers and consistent contributors. In neglecting these check-ins, the risk of losing your most talented and reliable team members increases."

Aly Solly, Inventium

One way to manage this is through conducting "entry" and "stay" interviews, as recommended by Organisational Psychologist Adam Grant[3]. An "entry interview" occurs within an employee's first 1-3 months and seeks to discuss their expectations and experiences during onboarding. A "stay interview" is designed to identify factors that make employees stay and identify any areas that need improvement to retain top talent. These regular interviews can allow organisations to understand employee expectations and deliver on organisational promises.
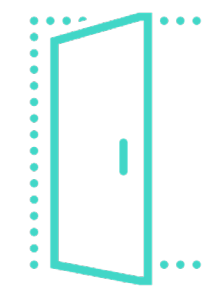
Questions to ask in an Entry Interview

- What are you hoping to gain from this role?
- What do you think you can contribute to the company?
- How do you prefer to receive feedback and recognition?
- Where do you see a gap between what we say and what we do at our organisation?

Questions to ask in an Stay Interview:

- What do you enjoy most about your role?
- What are the most challenging aspects of your job? Why?
- What motivates you to stay with our organisation?

[3] Burton, A & Confino, P. (2023, January 25). Adam Grant says the 'dumbest' time to run exit interviews is when employees quit. Here's when you should conduct them instead. Fortune.https://fortune.com/2023/01/24/adam-grant-says-the-dumbest-time-to-run-exit-interviews-is-when-employees-quit-heres-when-you-should-conduct-them-instead/

Insight 2:

People leaders are walking on a higher than ever tightrope. But who will catch them if they fall?

02

Insight 2:

People leaders are walking on a higher than ever tightrope. But who will catch them if they fall?

Challenges

The growing job description of a manager

"Management is the only job that you don't practise before you do it."

Adam Grant

The responsibility of leading teams has always been significant. But never before have we asked so much of our people leaders. We expect our managers to be technically advanced, capable of driving performance, maintaining culture, responding empathically to emotional challenges, motivating their team and supporting their wellbeing and growth.

Many managers are not equipped with the right skills.

> **Only 34% of Australian Organisations**
>
> have provided training to line managers on how to manage remote/hybrid work[4].

Management roles, often characterised by their reliance on "soft skills," continue to suffer from a lack of sufficient training.

Changes in legislation are also placing greater pressure on leaders to understand their responsibilities, particularly regarding psychosocial hazards. Initiatives such as Diversity & Inclusion, which used to be primarily managed by HR, are increasingly becoming the responsibility of business leaders, adding more tasks to their already extensive list.

[4] AHRI. (2023). Hybrid & Flexible Work: Practices in Australian Workplaces in 2023. https://www.ahri.com.au/wp-content/uploads/AHRI-Research_Hybrid-Flexible-Working-Practices-in-Australian-Workplaces-in-2023.pdf

Cancel culture has entered the workplace

Cancel culture is a social practice where individuals or groups are publicly called out, boycotted, or shamed for actions or statements deemed offensive, often via social media. However, this social phenomenon is entering the workplace, with leaders feeling the pressure to get their messages right, or risk cancellation.

"I can see how leaders get tentative about getting up in front of large groups and having conversations now, because you're inevitably going to stuff it up once or twice, and you just feel like you're getting thrown to the wolves."

Executive, Technology Organisation

This cultural shift is propelled by a younger generation who have been raised in an age of social media. These employees have high expectations for organisations to wield their influence responsibly.

As workforces become increasingly diverse, the default assumption of a shared worldview between leaders and their teams is no longer viable, increasing the likelihood of communication errors and mistakes.

This environment raises critical questions about the space for leaders to learn from mistakes without fear of being "cancelled."

Opportunities for organisations

People Leaders: Build your capability to have challenging conversations

"People are opting out of vital conversations about diversity and inclusivity because they fear looking wrong, saying something wrong or being wrong. Choosing our own comfort over hard conversations is the epitome of privilege, and it corrodes trust and moves us away from meaningful and lasting change."

Brené Brown

Before getting into a challenging conversation, Brene Brown recommends that leaders create a "safe container" by asking the team what they need to feel open and safe in the conversation. To do this, take 20 minutes to create psychological safety at the start of a conversation:

1. Invite everyone to write down one thing they need from the group in order to feel okay sharing and asking questions, and one thing that will get in the way (e.g. unsolicited advice giving).
2. Review the items and work together to come up with some ground rules (e.g. stay curious and be honest).
3. Leaders can also ask "What does support from me look like?" (e.g. show compassion). This provides an opportunity for clarity while also holding the team accountable for asking for what they need.

Establishing accountability is also more challenging in a hybrid context and setting clear expectations early in a manager-employee relationship is paramount. According to business and leadership coach Mark Green, accountability is 'ownership of an outcome'.

A culture of accountability is about achieving a results-based mindset versus an activity-based mindset across teams at every level of your organisation.

Leaders can encourage accountability with their team through 3 building blocks:

Attention - Ensure they know you are paying attention - reinforce the timeline, the importance, and the expectations.

Context - Explain the context - why this matters (to me and/or the organisation).

Expectation - Communicate your belief in them. "I have high expectations and I'm confident you can reach them".

A

C

E
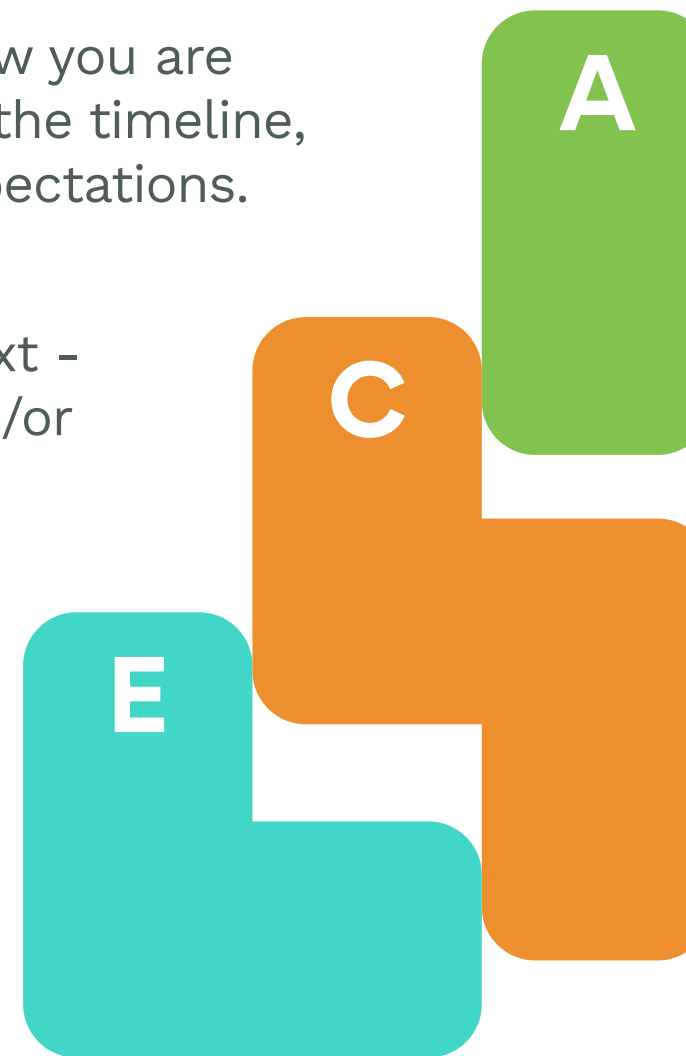
Setting clear expectations does not mean that leaders need to have all the answers. A coaching-led approach to leadership is increasingly important in uncertain and ambiguous contexts. It is a proven way to tap into providing more autonomy and empowerment to employees. When we coach, we let go of the need to have all the answers, we ask probing questions and we listen more than we speak.

Powerful and simple coaching questions to take into your next 1-on-1

- Can you tell me more?
- What is the real challenge here for you?
- What's important here for you?
- And what else could you do?

Support the supporters

Find ways to create a support network for managers at work. One approach is to create manager-to-manager support groups, which provides a psychologically safe space to practise having vulnerable conversations with their peers.

> **Zillow, a real-estate marketplace, drives manager support by having managers participate in one-on-one peer discussions to address current challenges. These sessions, rooted in psychological safety, allow for open, vulnerable exchanges about self-care and supporting team well-being.**
>
> (Story sourced from HBR[5])

Organisations can also think about structural changes to reduce the number of direct reports or responsibilities for managers, so they can dedicate more quality time to supporting their team members.

According to CultureAmp[6]:

↓ No. of Direct Reports

⊕ **"My manager cares about my wellbeing"**

⊕ **Manager stress levels improve**

• The number of direct reports a manager has influences employee perceptions of whether their manager cares about their wellbeing. The fewer direct reports a manager has, the more positive this perception.

• The number of direct reports also contributes to the amount of stress managers are under - the fewer direct reports, the better.

The entire organisation benefits when senior leaders are also great managers. Top performing organisations experience higher net promoter scores (NPS), more positive perceptions of leadership, and greater company confidence – all of which are associated with higher organisational performance metrics.

5 Kropp, B., Cambon, A., & Clark, S. (2021, April 15). What Does It Mean to Be a Manager Today? HBR: https://hbr.org/2021/04/what-does-it-mean-to-be-a-manager-today
6 Culture Amp. (2023). State of the Manager - 2023 Report. https://www.cultureamp.com/resources/report/state-of-the-manager-2023-report

Insight 3:

Mastering rapid adaptation is critical to success in an increasingly complex world

03

Insight 3:

Mastering rapid adaptation is critical to success in an increasingly complex world

Challenges

Racing against technological change

"Is the pace of change of technology matching our ability to absorb it? That's the question I have on a daily basis."

Dom Price, Work Futurist, Atlassian

Technological advancements are outpacing human adaptability, posing significant challenges for organisations. The swift evolution of AI serves as a prime example. Leaders are urgently developing AI policies to address customer privacy, ethics, and employee management, amidst growing concerns about the mental strain on workers. This dynamic environment often leads to motivational challenges among teams, struggling to keep up with the relentless pace of technological changes and updates.

"Someone said to me, 'Am I inventing the technology that gets rid of my job?'. None of us know the answer to that question. You might be creating this technology that disrupts your industry and your job - that's a weird conflict to be holding in your head at the same time."

Dom Price

As complexity and uncertainty increase, incremental change is all that is deemed possible

Leaders are often frustrated by employees' inclination towards incremental improvements amidst rapid change. Yet, from a human perspective, this cautious approach is natural and expected. Large-scale changes demand considerable mental and emotional effort, potentially overwhelming individuals and leaving them uncertain about how to begin or proceed.

Smaller, incremental changes are less daunting and mentally taxing, thus more appealing to many. As creatures of habit, humans find that significant changes challenge them to break old habits and establish new ones—a process that is difficult and demands ongoing effort and motivation.

[4] AHRI. (2023). Hybrid & Flexible Work: Practices in Australian Workplaces in 2023. https://www.ahri.com.au/wp-content/uploads/AHRI-Research_Hybrid-Flexible-Working-Practices-in-Australian-Workplaces-in-2023.pdf

In contrast, incremental changes facilitate a gradual adjustment of habits, making this approach more manageable and sustainable over time.

However, in the face of big and rapid change in the external environment, an incremental mindset simply won't suffice for organisations that want to survive, and indeed, thrive.

Opportunities for organisations

Attract and develop people who are primed for change

"Don't hire for talent, knowledge, or skill. Hire for the motivation and ability to learn. As the world changes, betting on experience can leave you stuck in the past. Investing in agility sets you up to shape the future."

Adam Grant

Organisations need to deliberately attract and develop people who are primed for change. This is a key focus area at Seek, especially as they grow throughout the APAC region. Seek assesses agility throughout their recruitment processes.

People who thrive through change have high levels of "learning agility". This is the desire and ability to learn from experience, then apply learning to other situations.

Look for people in your team who exhibit the following qualities:

- Resiliency (bouncing-back from setbacks)
- Ability to learn from experiences
- Willingness to change routine habits
- Possessing a strong need for growth

Thriving in the face of uncertainty and ambiguity is also a critical focus area for leadership development, not only as a personal trait but also the ability to support a team through the challenges of change.

For aspiring leaders, being able to speak to experiences where you have responded positively and proactively in the face of uncertainty will be critical for success in a market that favours ambitious leadership.

"It's not change per se, but the amount of change that we see organisations struggle with. There's a feeling that they can only absorb one big change at a time. Yet, to stay ahead, they need the capacity to navigate through multiple big changes in parallel."

Zoe Aitken, Inventium

Embrace the "I don't know" through a culture of experimentation

"Adopting an innovation mindset is not merely a matter of implementing a set of tools or methodologies; it requires a fundamental shift in how leaders approach problem-solving."

Zoe Aitken, Inventium

Innovation and experimentation are increasingly seen as critical processes to successful organisational operations and problem solving. Experimentation provides a process by which people can openly acknowledge what they do not have the answers to.

Experiment Loop:

Hypothesis

Iterate

Design + Build

Analyse
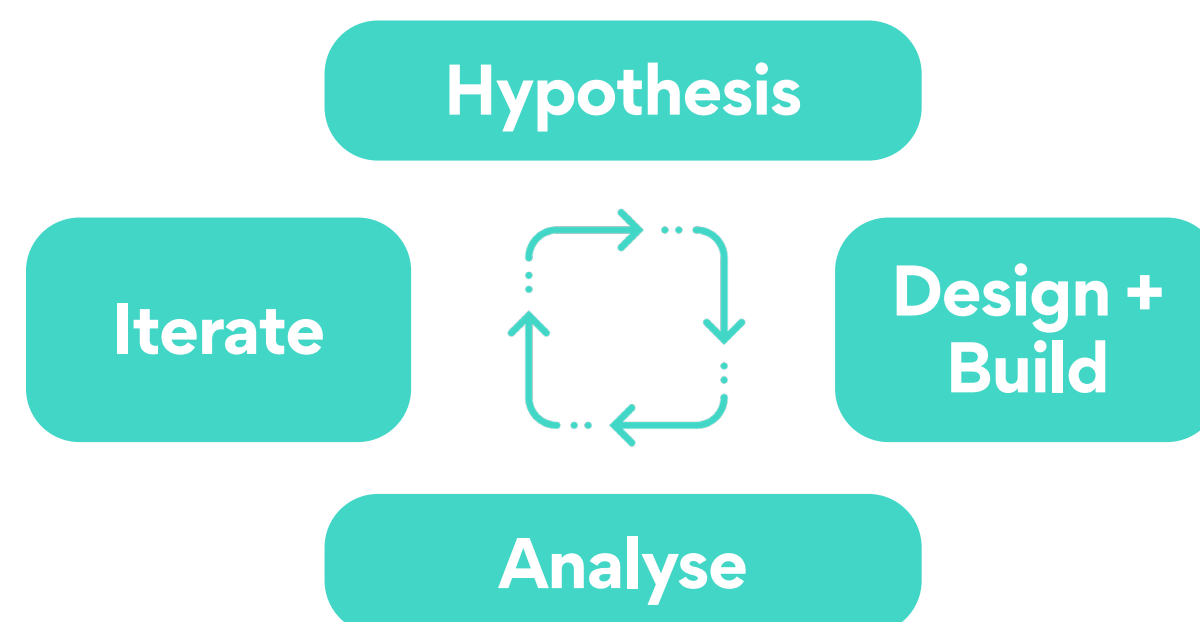
However, it can be hard to embrace experimentation in organisations with a low tolerance for failure. Therefore, leaders need to focus on the following principles:

- **Connect to the 'why':** Experimentation can take you down a pathway of uncertainty and unexpected learnings. It is important to anchor teams in the 'why' - what is our purpose, and what problem are we trying to solve?

- **Get clear on what we are trying to learn:** Write down everything that is known about an idea or project (and the evidence you have to support that). Then, write down all of the unknowns and focus on testing these 'hypotheses' one by one.

- **Find progress in learning:** Chunk ideas down into learning milestones to take the emphasis off 'success' or 'failure' and provide people with a motivating sense of progress.

- **Reframe failure:** Thomas Edison, inventor of the light-bulb, famously once said that "I have not failed. I've just found 10,000 ways that won't work." Leaders need to reframe failure as an opportunity to learn. This means focusing on and capturing what is learnt from each experiment.

Language leaders can adopt to role model experimentation:

"My hypothesis is that <A> will lead to <B>"
"I don't know the answer to that, but I want to find out."
"Let's aim for progress over perfection"
"I failed. Here's what I learnt and how I am going to do better next time."

Insight 4:

'Hybrid by Design' vs 'Hybrid by Default' leads to very different outcomes

04

Insight 4:

'Hybrid by Design' vs 'Hybrid by Default' leads to very different outcomes

Challenges

The double-edged sword of hybrid: flexible work needs a flexible policy.

For employees in roles that can work hybrid, there are three groups:

those that want to **come to the office** the majority of the time

those that are happy to **juggle time spent at home and the office**

and those that **don't want to return to the office.**

This can create a cultural divide.

Post-COVID, flexible work remains gendered.

According to the Diversity Council Australia, men continued to use far less flexible work options than women in 2023 (57% versus 72%).

Amongst this diversity, leaders are expected to find solutions to appease all. Managing the tensions across employee groups is something leaders will need to continue to be cognizant of, as autonomy, fairness and trust remain top of employee minds.

"We can't have a 'one way' for this. Some principles are agreed. But it needs to be applied differently based on situations. And that does cause tension. It really does."

Cheyne Woolsey, Chief People Officer, Healthcare Australia

8 D'Almada-Remedios, R. (2024). Inclusion@Work Index 2023–2024: Mapping the State of Inclusion in the Australian Workforce Synopsis Report. Diversity Council Australia. https://www.dca.org.au/research/inclusion-at-work-index-2023-2024

Feelings of connection have dropped post-pandemic

Connection remains a critical focus area across workplaces in Australia. The workplace provides people with the opportunity for connection and meaningful relationships, which can be protective during times of stress.

The shared challenge and hardship of the pandemic created greater solidarity, empathy and caring within society. And yet, according to the Diversity Council Australia's Inclusion@Work Index 2023-2024[6], workers feel less connected to their team post-pandemic.

78% of workers

stated that they feel accepted by their coworkers, a decrease from 85% during the pandemic in 2021, and 86% in 2019

71% of workers

reported they feel they belong as part of a team, a decrease from 77% in 2021, and 78% in 2019. (DCA[6])

Meetings are increasingly relied upon as the hybrid workplace's Swiss Army Knife. According to Atlassian's 2024 research[9] on meetings, *"many managers try to build personal connections between teammates by bringing them together in meetings.*

Yet 55% of people say they feel lonely at work, even on days when they attend lots of meetings".

Despite the benefit for employees, organisations are yet to see a positive ROI on hybrid work

"Culture is depleting in front of you. Productivity increasingly is declining, capacity to develop people is challenging and when people are at home, health and wellbeing challenges become much more acute."

Executive, Financial Services Organisation

While flexibility is a critical part of an employer's value proposition, many organisations are struggling to see a meaningful impact of hybrid work on their bottom line. This may be due to organisations relying on practices and processes that are not fit for purpose in a hybrid world.

For example, a reliance on synchronous communication (meetings) at the expense of asynchronous communication (i.e. non-live communication) can be problematic. It is also challenging for leaders to build culture and engagement that is not co-located 100% of the time. An increasingly diverse workforce, made up of people who want and value different things, can make this all the more complex.

Opportunities for Organisations

Well-organised hybrid

> **Professor Nick Bloom, a global leader on hybrid work, says organisations can reap a 3-5% productivity benefit when they invest in "well-organised hybrid".**

He suggests firstly getting people into the office on the same days **("anchor days")**, and being intentional about what is worked on in the office when the team is together. This will enable more in-person collaboration and socialising.

Well-organised hybrid hinges on a leadership style that prioritises output over hours. By emphasising results over hours, leaders can shift discussions with their teams towards achieving goals, rather than closely monitoring how much time is spent on tasks.

"Most leaders say they care about output over hours. However, few set goals or genuinely monitor performance in this way"

Dr Amantha Imber

Leaders should collaborate with employees and teams to pinpoint what productivity specifically means for them, depending on their unique objectives and purposes, rather than relying on 'pseudo-productivity' - *"the use of visible activity as the primary means of approximating actual productive effort"* (Cal Newport, Georgetown University).

Connection is king

Connection reigns as the most motivating driver for enticing employees into the office. Research[10] from a sample of over 20,000 workers across 34 countries in 2023 found that the top two employee-perceived benefits of working from the office are **"socialising with co-workers"** and **"face-to-face collaboration".**

Top Benefits of Working on Employer's Business Premises   **© ifo Institute**
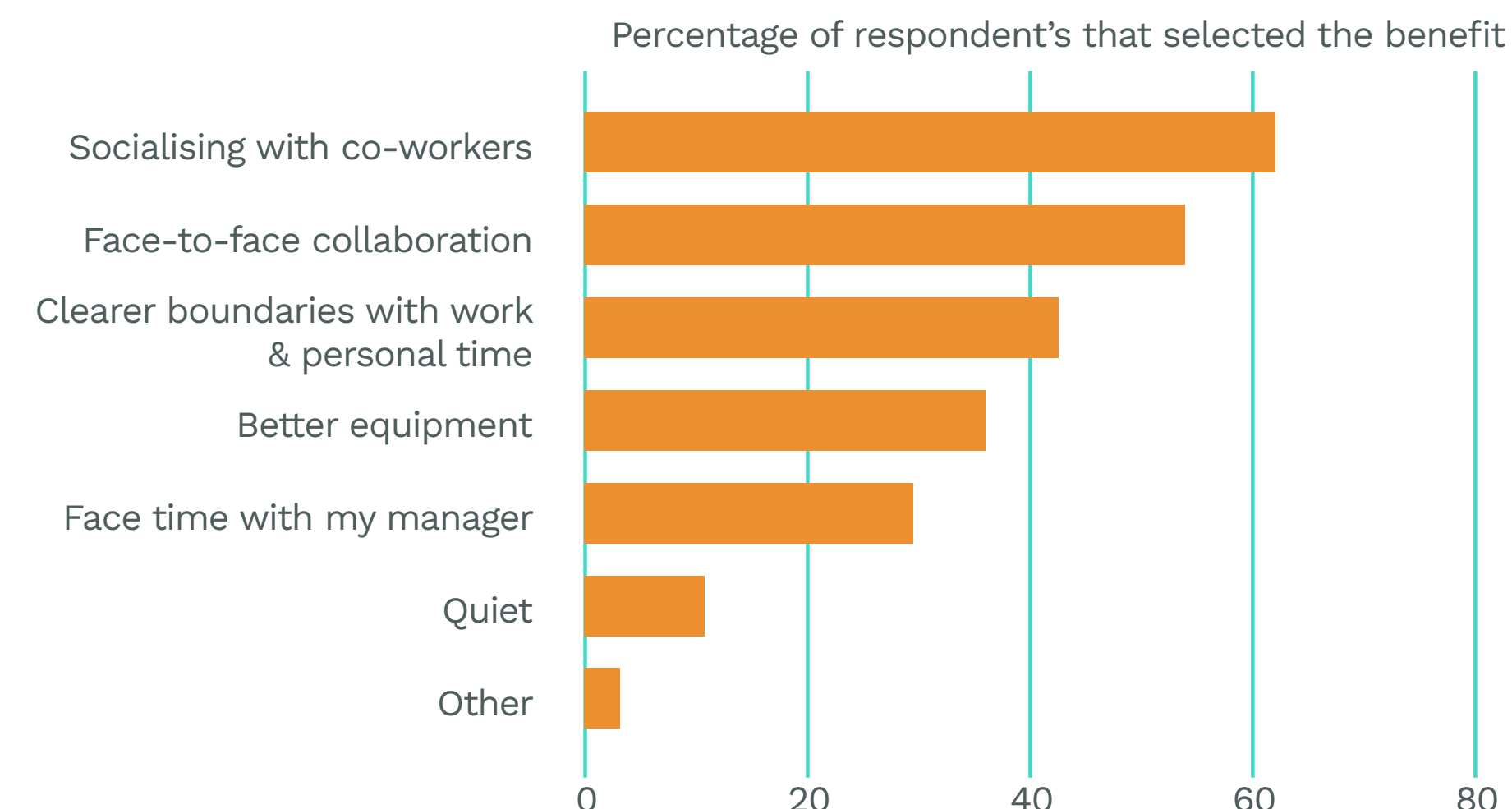
Percentage of respondent's that selected the benefit

8 Atlassian. (2023). Workplace Woes: Meetings Edition. Meet the #1 barrier to productivity. Atlassian. https://www.atlassian.com/blog/workplace-woes-meetings
10 Aksoy, C, G., Barrero, J.M., Bloom, N., Davis, S, J., Dolls, M. & Zarate, P. (2023). Working from Home Around the Globe: 2023 Report. EconPol Policy Brief 53, July 2023. https://www.econpol.eu/publications/policy_brief_53

According to Atlassian's research[11] intentional in-person gatherings boost team connection more than sporadic office attendance.

Since 2022, Atlassian has run **"Intentional Togetherness Gatherings"** (ITG's) that are 3-5 days in duration and focus on relationship building and progressing mission-critical projects.

The events boosted connection by 27% and this boost lasted 4 months.

These ITG's are especially effective for new hires and new graduates. In addition, their internal data show that team connection drives up productivity.

Prioritise knowledge retrieval over knowledge transfer

Remote and hybrid workplaces need to create systems that favour:

knowledge retrieval **over** knowledge transfer

In a traditional office environment, the focus is on knowledge transfer - the ease by which someone can quickly get information from another.

In contrast, knowledge retrieval involves creating systems that allow team members to independently locate and use information when needed, without being hindered by differences in time zones or the availability of others.

"Writing down a company's culture, values, and workflows is the only way to scale knowledge across time zones when you don't have an office as a crutch. It's imperative that organisations create systems which prioritise the speed of knowledge retrieval, not the speed of knowledge transfer."

Darren Murph, Head of Technology Strategy Communications at Ford[12].

[11] Sands, M. (2024, Feb 12). Office attendance doesn't drive team connection. So what does? Distributed Work, Atlassian. https://www.atlassian.com/blog/distributed-work/intentional-togetherness-research?utm_source=newsletter-email&utm_medium=email&utm_campaign=work-life-blog-feb-28-2024_EML-17774&jobid=106432538&subid=1546035287
[12] Inventium (2022). Inventium's Workplaces of the Future. Virtual event.

Insight 5:

How can we manage people when we still can't measure them?

05

Insight 5:

How can we manage people when we still can't measure them?

Challenges

Organisations don't know how to measure critical people-related outcomes

Most organisations leverage engagement surveys to gather employee feedback. And while some are early in their journey - focusing on capturing retrospective, self-report data - others are looking for better ways to prevent rather than treat issues in the workplace, particularly in relation to wellbeing.

"What I wanna know is, how do I get early signals and have more conversations so that we prevent burnout being an issue? How do I get the signals that teams are thriving, surviving or struggling, which is a lot harder in a distributed world, right? And it doesn't mean I need another wellness app."

Dom Price, Work Futurist, Atlassian

Effectiveness of interventions is unknown

A lack of precise measurement tools obscures the true effectiveness of organisational interventions. And if you can't measure initiatives accurately, there is no way of knowing their impact.

Further, when implementing policies, processes or activities designed to create a more inclusive organisation, it can be hard to see an impact when organisations are relying on employees' willingness to self-disclose personal information.

"I think the biggest challenge we have is the ability to know our own data. We want 5% of our workforce to be people with a disability - that's the broad global ambition. But we have the initial challenge that people don't need to disclose (whether they have a disability)."

Shruti Ganeriwala, Head of HR, Unilever ANZ

⁸ D'Almada-Remedios, R. (2024). Inclusion@Work Index 2023–2024: Mapping the State of Inclusion in the Australian Workforce Synopsis Report. Diversity Council Australia. https://www.dca.org.au/research/inclusion-at-work-index-2023-2024

Leaders have been burnt by metrics telling them a story that isn't reflected in their perceived reality

Leaders are beginning to question the value of investing resources into gathering employee data. One executive questioned whether engagement surveys do indeed capture honest data after experiencing an organisation-wide agile transformation that resulted in significant cultural upset, yet was not reflected in the end of year engagement scores.

"When you talked to people, everybody was so angry and upset. And they had an engagement score of 81 originally. And then after the transformation, the engagement score moved down (only) 2 points. My hypothesis is that because we now have this KPI at every level of management, nobody is telling the truth because that could impact themselves."

Executive, Financial Services Organisation

Leaders are also struggling to see the impact of initiatives that may take months to implement when employee expectations adjust upwards far quicker than an organisation can respond to.

For example, one leader from a multinational organisation shared that their people indicated that career development and growth was an area for improvement.

They implemented a range of initiatives including providing more transparency on roles and progression opportunities, educating people on how to create a development plan and having quarterly check-ins with managers on these employee development plans.

However, when the results for the next engagement survey were released, there was no significant change on the careers and growth sub-factor. Not only was this frustrating, it led the organisation to question whether the effort was worth the investment.

Opportunities for Organisations

"As my motorbike instructor kept chanting at me, "Look where you want to go!" - because you'll end up driving towards whatever you're looking at (yes, even the bushes as I found out). It's the same with metrics. You need to look where you want to go."

Evelina Bereni, Inventium

Fall in love with the problem, not the solution

The human brain is naturally wired to jump into solutions mode and solve problems immediately. However, a critical component of problem solving is ensuring that you deeply understand the specific problem you are trying to solve. A well-defined problem often suggests its solution, and effective problem identification is critical to efficient and effective problem-solving. Leaders and HR teams should ensure they are spending more time on correctly identifying and deeply understanding the people-related problems they are trying to solve, rather than jumping straight into solutioning.

Gather initiative-specific measures

When implementing initiatives (e.g. a change to a parental leave policy), gather initiative-specific measures, rather than relying on a general engagement survey to be a catch-all. In order to do this, organisations must have a deep understanding of the problem they are trying to solve and the hypotheses to test in implementing a new initiative.

The danger in relying on overall engagement scores is that an improvement (or drop) in these scores may be driven by an external factor, which makes it hard to determine whether the investment in specific policies is in fact actually addressing the problem and resulting in a positive return for the business.

Don't just rely on lag metrics, make sure you also incorporate lead metrics.

Lead metrics are predictive indicators that provide early signs about the future performance of a process or outcome (e.g. hours of training provided). In contrast, lag metrics are outcome indicators that reflect the results of actions already taken (e.g. employee satisfaction scores). Use lead metrics to help make real-time adjustments, and lag metrics to evaluate overall success and inform long-term strategy.

Examples of lead metrics:
- hours of training provided
- frequency of one-on-one meetings with managers
- usage of vacation days / planned leave

Examples of lag metrics:
- employee satisfaction scores
- employee turnover
- incidence of workplace injuries

Insight 6:

Leaders are questioning "What is my role?" when it comes to employee health and wellbeing

06

Insight 6:

Leaders are questioning "What is my role?" when it comes to employee health and wellbeing

Challenges

Leaders are expected to add 'therapist' to their job description

"Employees are not getting the support they need - and how can they when their manager is most likely not a trained therapist? Likewise, managers are feeling out of their depth, yet feel they can't say no to employees needing emotional support. And being a psychologist, I think this is really problematic"

Dr Amantha Imber, Inventium

Progressive companies attribute parts of their success to years of encouraging employees to "bring their whole selves to work." But with this invitation comes complexity. *"Where does the line start and stop? What is an employer responsible for giving and doing versus what is your personal stuff?",* questioned one executive of a global technology company.

Leaders must now consider how to support their teams not just in their professional lives, but as whole individuals with complex lives outside of work. For employees, their manager is often their first point of contact for emotional and wellbeing support.

"We're moving toward someone who has to be almost like a social worker or school counsellor to support their employees as they confront challenges, both at work and in their personal lives," explains Brian Kropp, Chief of Research at Gartner. **"If you don't want your employees talking to you about their personal situations and needs, and you're not going to be there to support them, odds are you shouldn't be a manager."**

Employees expect more support, but executives are unaware.

Employees and executives alike are increasingly expecting organisations to take an active role in supporting the health and wellbeing of its workforce. And it's a top priority for all -

75% of employees and 89% of the C-suite say that improving their wellbeing is a top priority for them this year[13], which surpasses career progression.

However, there are significant gaps around expectations when comparing employees with executives. Research by Deloitte[14] found that in 2023, **most employees' health worsened or stayed the same** from the previous year, yet more than three out of four **executives said their workforce's health had improved.**
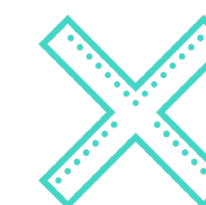
Opportunities for Organisations

Recognise that your current wellbeing initiatives are not shifting the dial
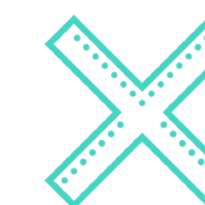
Recent research from the University of Oxford[14] found that nearly all wellbeing interventions, including resilience training, access to sleep apps, and online coaching, did not benefit employee well-being (there was one exception: volunteering).
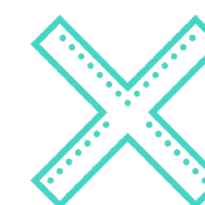
Resilience training	Sleep apps	Online Coaching	Volunteering
✗	✗	✗	✓

When it comes to wellbeing, organisations globally are falling prey to the 'addition bias'. Research has shown that when individuals are asked to solve problems or improve something, they are more likely to think of adding new features, elements, or components rather than removing existing ones, even when subtraction would be more effective. However, a more effective strategy, and one that executives and employees alike are requesting, is a reduction in workload and demands.

13 Deloitte. (2023). Six leader/worker disconnects affecting workplace well-being. Issue 32: 2023. https://www2.deloitte.com/us/en/insights/environmental-social-governance/six-leadership-disconnects-affecting-workplace-satisfaction.html
14 Fleming, W. J. (2024). Employee well-being outcomes from individual-level mental health interventions: Cross-sectional evidence from the United Kingdom. Industrial Relations Journal, 55, 162–182. https://doi.org/10.1111/irj.12418.
15 Gallup & Bentley University. (2023). Business in Society Report. How to make workers happier? https://www.bentley.edu/files/gallup/Bentley_Gallup_Business_in_Society_Report.pdf

The top two hurdles preventing people achieving their wellbeing goals are:

30% - A heavy workload or stressful job

27% - Not having enough time because of long work hours.

A 2023 survey from Gallup and Bentley University[15] found the three workplace policies workers say will help their wellbeing are:

- **limiting work** outside of typical hours,
- implementing a **4-day workweek,**
- incorporating **mental health days.**

Four Day Week Toolkit
Leader Workbook

inventium

Define the role of leaders in employee health and wellbeing

Employers need to proactively define the role of people leaders in employee health and wellbeing. Part of this task involves defining what is not the role of a people leader - and is instead the role of a psychologist.

"To be able to look after people in a scaled way you need to have really amazing leaders at every level, because if someone is struggling with something, it's that person's manager who's going to see it first and really understand it. So ensuring we have leaders who are attentive and create an environment where somebody is okay to talk about how they're feeling, that's what unlocks the difference"

Executive, Technology Organisation

People leaders need to demonstrate 'enough' authenticity and establish boundaries

Employees are bringing their whole selves to work. But this can be jarring for leaders. Here are some practical tools to help people leaders to demonstrate authenticity and establish boundaries at work.

1. Authenticity

It can be hard to know exactly how authentic to be at work, especially when you are a leader. A particularly challenging part of this is knowing how to lead when you are personally feeling low. How do you motivate your team with positivity, but also be real with them during a challenging time?

Organisational Psychologist, Paul Mitchell recommends adopting a 'goldilocks approach' by giving just enough of yourself. His advice is to use the "4P's"[16] in leader conversations with their teams:

- **Powerful** - Start with a powerful statement, "I believe in our team"
- **Part** - Give a part of yourself, "There's a part of me that is feeling low"
- **Permanence** - Acknowledge that it isn't permanent, "And I know it's going to get better"
- **Partnership** - Ask for support and partnership, "If there is anything I can do differently, let me know / Let's collaborate to make things better"

2. Boundaries

Boundaries are the expectations and needs that help us feel safe and comfortable in relationships. We spend so much time at work, so it is important that we set boundaries in our work relationships. Leaders can encourage people to be the boss of their boundaries by using this 3-step process developed by relationship therapist Nedra Glover Tawaab:

- **Identify the boundaries you need to set** - for example the hours that you work and how you prefer to communicate
- **Think about how and when to make the statement** - setting boundaries is common during a recruitment process, or when we start a new job. However, regular 1-on-1s with a people leader, or your annual performance review conversation are also good points in time to set and communicate boundaries.
- **Stick to the boundaries you set** - when you break your own boundary, you are teaching people that the boundary is not real.

"We'll be really clear with you on what's expected of you to deliver in your role and to do well, and to progress, and to get promoted and get a pay rise. But you need to be really clear with me - if I've set a meeting at 4:30pm, and you need to go pick up your kids at that time, just let me know."

Executive, Technology Organisation

[16] Mitchell, P. (2024, March). How to lead when you're feeling low. https://www.linkedin.com/feed/update/
urn:li:activity:7171232902943268866/?commentUrn=urn%3Ali%3Acomment%3A(ugcPost%3A7171232268936577024%2C7173268520762368000)&dashCommentUrn=urn%3Ali%3Afsd_
comment%3A(7173268520762368000%2Curn%3Ali%3AugcPost%3A7171232268936577024)

Insight 7:

A myopic 'survival' focus threatens the future of brilliant workplaces

07

Insight 7:

A myopic 'survival' focus threatens the future of brilliant workplaces

Challenges

Increasing pressure for employees to deliver results, immediately.

Amidst the growing pressure on organisations to perform in an economically challenging environment, the pressure continues to flow down to employees.

According to Gallup[17], Australians have the second highest regional percentage of daily stress. Research by SuperFriend[18] with a 2023 sample of over 10,000 Australian workers found that almost one in three workers reported some symptoms of burnout, while one in 20 reported being "completely burned out".

"In these times of uncertainty there's more pressure on all teams. When in fact, employees are working hard and they're trying to do everything they can. But unfortunately, results may not be coming through due to many different factors. It's a cycle: companies are expecting more, employees are working harder and it is having an impact on the work environment and mental health."

Christina Bridgeland, Human Resources Director, Moët Hennessy

Princeton University's Eldar Shafir and Harvard University's Sendhil Mullainathan highlight how a scarcity mindset (which many organisations are currently in) consumes significant cognitive resources, focusing them on immediate concerns at the expense of broader, strategic thinking.

This 'tunnelling' effect leads to a reduced capacity for problem-solving and planning, impairing our ability to engage in systems thinking and proactive problem prevention.

[17] Gallup (2023). State of the Global Workplace - 2023 Report. https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx
[18] Superfriend. (2023). SuperFriend improves workplace mental health in Australia. https://www.superfriend.com.au/

The human cost of our profit-focused pursuit of AI

And as organisations continue to explore the opportunity that AI presents, the question remains - what will be the long-term effects of today's AI investments on the future workforce?

"If we go and use AI and all we do is go after profit and productivity, then we will see a mass exodus of people from the workforce. What does that mean for society? Let's think about that before we hit the button, because it's a human deploying it. So let's think about the human impact before the human hits the button, even though that human hitting the button might not be impacted themselves."

Dom Price, Work Futurist, Atlassian

Opportunities for Organisations

Invest in non-replaceable skills now to get ahead in the future

AI is the future with **86% of all occupations predicted to be affected**[19] (Deloitte access economics, ACS Australia's Digital Pulse 2023). Yet organisations will continue to be led, made up of, and serve humans, so it is critical to invest in developing the non-replaceable skills of the workforce.

In a workplace where AI is prioritised, there are two critical skills to invest in developing in people:

1. Building employee capability in generative AI:

According to Microsoft[20], "as AI reshapes work, human-AI collaboration will be the next transformational work pattern—and the ability to work iteratively with AI will be a key skill for every employee". Organisations need to invest in helping their people learn:

- **When** to leverage AI,
- **How** to write great prompts,
- **How** to evaluate creative work,
- **How** to check for bias.

[19] Deloitte access economics (2023). ACS Australia's Digital Pulse 2023. https://www.acs.org.au/insightsandpublications/reports-publications/digital-pulse-2023.html#:~:text=ACS%20Digital%20Pulse%202023%20%2D%209th%20Edition&text=This%20year%2C%20the%20ninth%20edition,of%20skills%20needed%20to%20capitalise
[20] Microsoft. (2023, May 9). 2023 Work Trend Index: Annual Report - Will AI fix work? https://www.microsoft.com/en-us/worklab/work-trend-index/will-ai-fix-work/

2. Critical thinking:

The growing accessibility of information has elevated the importance of critical thinking - the evaluation of information, arguments or ideas to reach a conclusion or solution. Having access to information is no longer a source of advantage. It's how you analyse, evaluate and make decisions based on that information that sets people apart.

As organisations continue to leverage AI to improve organisational performance, it will be increasingly important for employees to be able to use their judgement to stress-test AI-generated insights and recommendations.

"Judgement is such a critical aspect of the workforce - we have to be increasingly better at applying good judgement and if you are going to rely on the machine to tell you if you're right or wrong - you've got to use it or lose it."
Executive, Financial Services Organisation

In the face of economic uncertainty, adopt a 'progressive focus'

Research that explored the strategies companies deployed during economic downturns identified four distinct profiles that describe how organisations typically respond:

Prevention-focused

These companies primarily make defensive moves and are more concerned than their rivals with avoiding losses and minimising downside risks.

Pragmatic-focused

These companies combine defensive and offensive moves.

Promotion-focused

These companies invest more in offensive moves

Progressive-focused

These companies deploy the optimal combination of defence and offence.

Importantly, organisations that had a **progressive focus were 37% more likely to outperform their rivals on both top- and bottom-line growth after a recession.**

Compared to 21% prevention, 26% promotion, and 29% pragmatic focused organisations.

Progressive organisations leverage selective defensive moves - focusing on cutting costs by improving operational efficiency (rather than cutting the number of employees). Their offensive moves involve developing new opportunities by investing in R&D and marketing, and investing in assets such as plants and machinery. These organisations show the strongest performance, on average, in sales and EBITDA growth after a recession.

Fight tunnelling by creating 'mental slack' in people and teams

To combat 'tunnelling', create 'mental slack' by freeing up time or resources. At an organisational and team level, this means carving out dedicated time for long-term planning and problem solving. During this time, teams can focus on identifying and preventing problems from occurring (i.e. upstream thinking), or systematically reducing the harm caused by those problems.

In addition, leaders must take responsibility for minimising the cognitive load that teams may experience. Without mental slack, teams won't be able to think systematically.

"When you spend years responding to problems, you can sometimes overlook the fact that you could be preventing them."

Dan Heath, bestselling author and fellow at Duke University's CASE centre

[20] Gulati, R., Nohria, N. & Wohlgezogen, F. (2010, March 10). Roaring Out of Recession. HBR. https://hbr.org/2010/03/roaring-out-of-recession

Future of Work Trends:

External Factors

Environmental factors   **Social trends and cultural factors**

Legal factors   **Political factors**

Economy   ## Future of Work Trends   **Technology**

Attraction and retention   **The organisation of work and people**   **Diversity and inclusion**

Health and wellbeing in the workplace   **Employee development and growth**

Flexibility at Work   # Workplace   **Technology and generative AI**

Trend 1:
Flexibility at Work

Hybrid work has offered a new avenue for flexible work, however, this only applies to just over one-third of the Australian workforce. Organisations are facing challenges in making flexible fair - how work for on-site employees can be designed more flexibly, as well as effectively implementing hybrid work for those who can work in this way. The lack of training and infrastructure for hybrid work poses barriers to realising its full potential, including improved health, and wellbeing and productivity.

Trend 2:
Health and wellbeing in the workplace

This trend is having the most significant impact on organisations. Initiatives are happening at two levels: preventing and protecting employees from psychosocial hazards, and actively promoting the health and wellbeing of employees to thrive.

Trend 3:
The organisation of work and people

Increasingly, organisations are shifting towards a more adaptive, team-oriented, and collaborative organisational structure to meet the demands of a rapidly changing business landscape, however, the 'right' structure can be difficult to identify. A strong focus on fostering high performing teams is a significant feature.

Trend 4:
Employee development and growth

Employee development is progressing from point-in-time training events to an ongoing cycle of continuous improvement and growth, and employees increasingly expect this commitment from their employer. Common areas of focus include advanced leadership, resilience, agile work methods, and effective team communication, aligned with role and business requirements.

Trend 5:
Technology and generative AI

Organisations are at different stages of adopting new technologies, with many prioritising incremental improvements to existing systems. The rapid pace of technological change is creating great uncertainty, however, embracing innovative methods can offer a competitive advantage. Crucial skills like digital literacy and technology confidence are highlighted, despite potential resistance to implementing new technologies.

Trend 6:
Attraction and retention

Organisations are aligning their Employee Value Propositions (EVPs) with evolving employee needs and expectations, while emphasising the importance of creating an inclusive workplace culture to attract and retain talent. Candidate markets are generally stabilising with the exception of competitive sectors (e.g., retail) and specialised areas such as cybersecurity, which are still very much a candidate's market.

Trend 7:
Diversity and inclusion

There is a genuine desire to embrace diversity beyond mere box-ticking, driven by the increasing expectations of the younger generations coming into the workforce. A key challenge for leaders is how they can balance the desire to focus on and celebrate differences, whilst ensuring everyone feels included.

What can organisations & leaders do?

Based on Inventium's research, here are the top recommendations for organisations and people leaders to ensure your organisation is primed to embrace the future of work. These are based on the "Opportunities" sections listed under each of the seven captured insights.

Focus areas for organisations:

1. Understand and keep organisational promises to your employees (Refer to Insight 1)

As expectations continue to shift for both employees and employers post-COVID, organisations must work hard to understand and keep promises made to employees. Importantly, these promises are often unwritten. Turning interactions that are often implicit or explicit, such as agreed ways of communicating, is one way to address this. Others include creating consistency between the external and internal image of your culture, and proactively engaging in "entry" and "stay" interviews with employees to better understand expectations.

2. Support the supporters (Refer to Insight 2)

As the job description of a manager continues to expand, there is increasing pressure on our leaders to meet expectations from the business above as well as the teams that look up to them. It is important for organisations to support their supporters - the leaders who focus every day on supporting their teams. Reducing a people leader's span of control, investing in building their capability, and creating support networks are all ways in which organisations can set their leaders up for success. As one Executive said to us; "If our leaders fail, we fail."

3. Embrace the "I don't know" through a culture of experimentation (Refer to Insight 3)

Never before has information been so accessible, and yet, never before has it been more important for leaders and teams to be able to say, "I don't know". The constant nature of change means accepting that what is true today, may be false tomorrow. Therefore, it is critical to build a culture of experimentation, where a learning agenda is prioritised. Leaders must create and communicate a clear vision (our 'why') and role model the behaviours critical for embracing experimentation.

4. Invest in well-organised hybrid
(Refer to Insight 4)

Many organisations continue to operate under 'hybrid by default' - relying on practices and processes that are not fit for purpose in a hybrid world. Beyond changing how individual employees work in a flexible workplace, organisations must invest in new processes, policies, and decision-making that align with a dispersed workforce. Well-organised hybrid involves being intentional about what activities are best conducted in-person versus at home, leveraging connection as a critical motivator for hybrid employees, and shifting ways of working to prioritise knowledge retrieval over knowledge transfer.

5. Develop the expert skills of measuring people practices
(Refer to Insight 5)
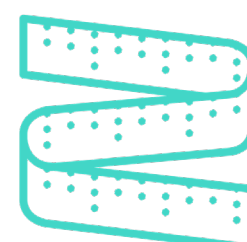
To see a return on investment in people and culture, organisations must be able to effectively measure the impact of their people practices. In the same way that organisations invest in understanding their customers' problems, leaders must deeply understand the problems their teams come up against. Organisations must capture initiative-specific measures, rather than relying on a general engagement survey to be a catch-all. Focusing efforts on understanding and tracking lead metrics, as well as lag metrics, is critical to adopting a more nimble approach to managing people and culture.

6. Define the role of leaders in employee health and wellbeing
(Refer to Insight 6)

A focus on wellbeing 'initiatives' and benefits is not having a meaningful impact on improving employee health and wellbeing. Instead, the relationship an employee has with their people leader remains an untapped opportunity in this area. People leaders have the opportunity to remove barriers, address work challenges, and be present for an employee in need. However, many people leaders do not know what their role is (and isn't) when it comes to employee health and wellbeing, and also lack the skills to respond to employees in need.

7. Invest in non-replaceable skills now to get ahead in the future **(Refer to Insight 7)**

AI is intricately enmeshed in the future of work. Yet organisations will continue to be led, made up, and serve humans, so it is critical to invest in developing the non-replaceable skills of the workforce. Two critical skills for your workforce include building employee capability in generative AI and critical thinking

"What are the opportunities or focus areas for your organisation moving forward?"

"Simplification in the face of compliance. And innovation helps us to simplify."

Louise Baxter, CEO & Executive Director, Starlight Children's Foundation

"What are we doing for the ageing population? How are we helping them transition to retirement? I think we don't do enough to help people through this life change... I think that is going to cause mental health and social wellness issues."

Noelle Amm, Human Resources Director APAC, CooperVision

"Over the next 18 to 24 months, we do anticipate to see quite a reshape of the whole organisation just in relation to - what are our core skills? What do we offshore? What do we give to third party vendors? What do we give to consultants?"

Executive, Retail Organisation

"There's no point in hiring people from underrepresented groups if they arrive and don't feel like they belong, or that they're included. That's just a waste of everyone's time and energy. And we've vulnerably learned that the hard way. So, to focus on inclusion and balance from the outset, is the next sort of frontier."

Executive, Technology Organisation

"How do we continue to make our team's lives easier, focus on their wellbeing, but work better and more efficiently. That's what I would love to make a difference on."

Christina Bridgeland, Human Resources Director, Moët Hennessy

"Our business is focused on technology. And AI is ultimately a huge opportunity for us to get to places much faster than we otherwise would. And the big example we're focused on for this now is knowledge management."

Bianca Bates, Deputy CEO and Chief Client Officer, Cuscal
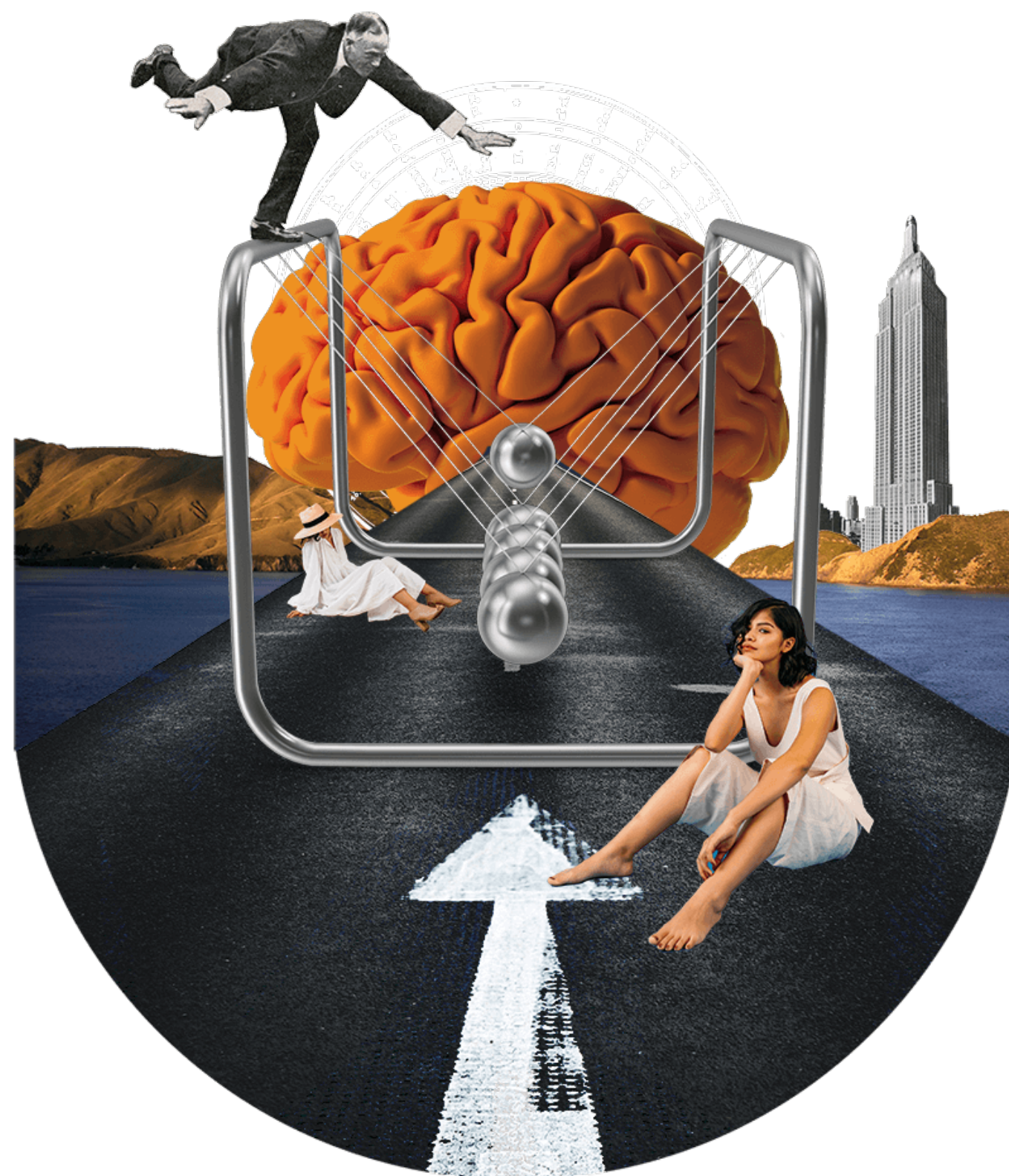
Specific Focus Areas for People Leaders:

1. Build your capability to have challenging conversations *(Refer to Insight 2)*

People leaders continue to be leveraged as a scalable mechanism to effect change across an organisation. The ability to engage in effective challenging conversations is a critical skill for people leaders. Three ways to do this are by creating greater psychological safety in conversations with your team, fostering greater accountability and asking coaching questions in 1-on-1's

2. Demonstrate 'enough' authenticity and establish boundaries *(Refer to Insight 6)*

Amidst increasing demands for organisations to support the health and wellbeing of their people, leaders must find the sweet spot of demonstrating 'enough' authenticity, but not too much to damage credibility and trust. Establishing boundaries at work and working with people to help them maintain those boundaries is also critical to productive and healthy relationships at work.

3. Fight tunnelling by creating 'mental slack' in people and teams *(Refer to Insight 7)*

A challenging economic environment is putting greater pressure on people and teams to do more with less. This pressure creates a 'scarcity mindset', which puts focus on immediate concerns at the expense of broader, strategic thinking. Leaders can play a critical role in creating 'mental slack' in people and teams by freeing up time and resources. Carving out dedicated time for long-term planning and proactive problem solving is one way to do this. Where possible, people leaders should also aim to minimise the cognitive load that teams experience so that they can continue to think systematically.

"What impact have the workplace trends had on you personally as a leader?"

"I think it feels exciting as long as you are able to create an environment where the other leaders in the business are also excited by change because things are always changing."

Executive from Seek

"I'm absolutely loving it, because, as an HR Person, the opportunity to work on these things is amazing. To be part of designing and implementing a four-day week was amazing, and now to be part of the discussions on what this means for us? It's an amazing time to be in the business and to be in the industry."

Shruti Ganeriwala, Head of HR, Unilever ANZ

"If I'm wearing my Atlassian hat - I'm super excited. We could do a huge amount with technology if we choose to, the opportunity is endless. But if I put on the other hat as a dad of 18-month-old twin boys - I'm shooting myself. I'm nervous because I don't know what the future of work looks like, and I want to find out. For all the excitement I feel, I think a healthy bit of pessimism might do us the world of good right now. And if we don't have that pessimism or scepticism, I think we'll write a bunch of cheques that we later look back on and go - we shouldn't have cashed that one."

Dom Price, Work Futurist, Atlassian

"I'm really enjoying the complexity of it. The lack of easy answers to it. There are no easy answers, and you gotta hold things lightly."

Executive, Financial Services Organisation

"Sometimes I do question myself, 'Should I do that or not? How is this going to be received?' But then I stop, and I think, I am the most senior female leader in the business, and if I can't do it, how is anybody else going to be able to it? So it's more about me trying to make a change for all the other females in our business."

Christina Bridgeland, Human Resources Director, Moët Hennessy

Thank you for reading

Thank you to Sam Bala, for all your hard work in contributing to this research, and our colleagues at Inventium.

Thank you also to our research participations. Without your input, the way forward would look a whole lot murkier.

References:

1. Gallup. (2022, August 13). Workplace: Employee Engagement vs. Employee Satisfaction and Organizational Culture. https://www.gallup.com/workplace/236366/right-culture-not-employee-satisfaction.aspx

2. Inventium. (2023). How to create a team communication guide. https://inventium.com.au/inventium-lab/how-to-create-a-team-communication-guide/

3. Burton, A & Confino, P. (2023, January 25). Adam Grant says the 'dumbest' time to run exit interviews is when employees quit. Here's when you should conduct them instead. Fortune.

4. https://fortune.com/2023/01/24/adam-grant-says-the-dumbest-time-to-run-exit-interviews-is-when-employees-quit-heres-when-you-should-conduct-them-instead/

5. AHRI. (2023). Hybrid & Flexible Work: Practices in Australian Workplaces in 2023. https://www.ahri.com.au/wp-content/uploads/AHRI-Research_Hybrid-Flexible-Working-Practices-in-Australian-Workplaces-in-2023.pdf

6. Kropp, B., Cambon, A., & Clark, S. (2021, April 15). What Does It Mean to Be a Manager Today? HBR: https://hbr.org/2021/04/what-does-it-mean-to-be-a-manager-today

7. Culture Amp. (2023). State of the Manager - 2023 Report. https://www.cultureamp.com/resources/report/state-of-the-manager-2023-report

8. Cavanaugh, C. & Zelin, A. (2015). SIOP white paper series: Want More Effective Managers? Learning Agility May Be the Key. University of Akron. https://www.siop.org/Portals/84/docs/White%20Papers/LearningAgilityFINAL.pdf

9. D'Almada-Remedios, R. (2024). Inclusion@Work Index 2023–2024: Mapping the State of Inclusion in the Australian Workforce Synopsis Report. Diversity Council Australia. https://www.dca.org.au/research/inclusion-at-work-index-2023-2024

10. Atlassian. (2023). Workplace Woes: Meetings Edition. Meet the #1 barrier to productivity. Atlassian. https://www.atlassian.com/blog/workplace-woes-meetings

11. Aksoy, C, G., Barrero, J.M., Bloom, N., Davis, S, J., Dolls, M. & Zarate, P. (2023). Working from Home Around the Globe: 2023 Report. EconPol Policy Brief 53, July 2023. https://www.econpol.eu/publications/policy_brief_53

12. Sands, M. (2024, Feb 12). Office attendance doesn't drive team connection. So what does? Distributed Work, Atlassian. https://www.atlassian.com/blog/distributed-work/intentional-togetherness-research?utm_source=newsletter-email&utm_medium=email&utm_campaign=work-life-blog-feb-28-2024_EML-17774&jobid=106432538&subid=1546035287

13. Inventium (2022). Inventium's Workplaces of the Future. Virtual event.

14. Gallup (2023). State of the Global Workplace - 2023 Report. https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx

15. Superfriend. (2023). SuperFriend improves workplace mental health in Australia. https://www.superfriend.com.au/.

16. Deloitte access economics (2023). ACS Australia's Digital Pulse 2023. https://www.acs.org.au/insightsandpublications/reports-publications/digital-pulse-2023.html#:~:text=ACS%20Digital%20Pulse%202023%20%2D%209th%20Edition&text=This%20year%2C%20the%20ninth%20edition,of%20skills%20needed%20to%20capitalisehttps://www.microsoft.com/en-us/worklab/work-trend-index/will-ai-fix-work/

17. Microsoft. (2023, May 9). 2023 Work Trend Index: Annual Report - Will AI fix work? https://www.microsoft.com/en-us/worklab/work-trend-index/will-ai-fix-work/

18. Gulati, R., Nohria, N. & Wohlgezogen, F. (2010, March 10). Roaring Out of Recession. HBR. https://hbr.org/2010/03/roaring-out-of-recession

19. Deloitte. (2023). Six leader/worker disconnects affecting workplace well-being. Issue 32: 2023. https://www2.deloitte.com/us/en/insights/environmental-social-governance/six-leadership-disconnects-affecting-workplace-satisfaction.html

20. Fleming, W. J. (2024). Employee well-being outcomes from individual-level mental health interventions: Cross-sectional evidence from the United Kingdom. Industrial Relations Journal, 55, 162–182. https://doi.org/10.1111/irj.12418.

21. Gallup & Bentley University. (2023). Business in Society Report. How to make workers happier? https://www.bentley.edu/files/gallup/Bentley_Gallup_Business_in_Society_Report.pdf

22. Mitchell, P. (2024, March). How to lead when you're feeling low. https://www.linkedin.com/feed/update/urn:li:activity:7171232902943268866/?commentUrn=urn%3Ali%3Acomment%3A(ugcPost%3A7171232268936577024%2C7173268520762368000)&dashCommentUrn=urn%3Ali%3Afsd_comment%3A(7173268520762368000%2Curn%3Ali%3AugcPost%3A7171232268936577024)

Appendices

1.   Organisational Profiles

We interviewed executives from 15 organisations across Australia. A breakdown of those organisations is below.

- Almost half (n=7) were national (Australian) organisations
- Organisations were either medium or large in size. The number of employees in Australia ranged from 200 to 25,000, with an average number of employees of approximately 2,000.
- Organisations came from the private, government and not-for-profit sectors, and represented the following primary industries:
  - Technology & innovation
  - Professional, scientific and technical services
  - Retail trade
  - Education
  - Healthcare
  - Finance and insurance
  - Transport and storage

The following organisations agreed to be identified as part of this project. We respect the anonymity of the remaining organisations who took part.

- Deloitte
- Starlight
- Seek
- Unilever
- Moët Hennesy
- Atlassian
- Coopervision
- Healthcare Australia
- Cuscal

2. Methodology

The research was conducted between November - March 2024 and a mixed-methods approach was used.

A review of the academic and grey literature was first completed, leading to the identification of nine emerging workplace trends. These trends informed the development of a pre-interview survey and a discussion guide for qualitative interviews with 15 organisational leaders from medium to large national and multinational organisations.

The data collection process involved administering the survey, followed by a 45-60 minute in-depth interview with each leader aimed at exploring the opportunities and implications of the identified trends. Thematic analysis was then conducted on the survey data and interview transcripts to identify common themes from the results. This led to nine trends being reduced to seven and the findings and key insights were extracted from the data.

If you are a bit of a science nerd like us at Inventium and would like more detail on how we did this research please feel free to reach out!

As with any research project there were some limitations we would like to call out.

Firstly, the sample is not representative of all Australasian organisations and employees:

- Not all industries were represented, and a majority were large organisations.
- The small sample size (n=15)
- The qualitative participants were senior leaders only, and did not include other roles including front line staff, middle management etc. The desktop scan helped to reduce some of this limitation by including literature with a sample from any employee group or level.

Secondly, we used software to transcribe interviews and this brought with it some occasional errors with wording (in our case we used Zoom). However, a majority of these were minor and both interviewers kept their own interview notes to provide an additional reference point.

inventium

Let's Connect:

hello@inventium.com.au

Visit us at:

inventium.com.au