



OpX Trends Report

2021 - 2022



Executive summary

Productivity is a key concern today. Business leaders must focus on the hybrid workforce, purposeful leadership, and people and culture.

Australia has faced a productivity crisis for some time now, and the pandemic and subsequent lockdowns have only escalated the situation. In early 2020, Australia experienced negative gross domestic product (GDP) in two consecutive quarters – officially placing the economy in recession, the first in almost three decades. While GDP rebounded in the second half of 2020, in 2021, economists cautioned that recovery for Australia would take years.

The productivity crisis isn't only a challenge for the Australian Government. Business leaders are managing teams working remotely 18 months into the pandemic, with multiple lockdowns impacting the nation every few weeks. This ongoing disruption has presented significant headaches for leaders and workers alike – how do you manage productivity and performance in a remote working environment?

Having worked with more than 60 companies and implemented 200 operational excellence projects nation-wide, Enlighten recently launched a survey of centre of excellence professionals from some of the country's largest organisations.

The survey captures the pulse of front-line leaders on the current state of operational excellence, the key trends underlying it, and the strategies companies are implementing to drive an engaged workforce during these challenging times.

Our survey's findings are centred around three themes: the hybrid workforce, purposeful leadership, and people and culture. The survey findings indicate that productivity is the current primary operational excellence trend, followed closely by workforce management and flexibility, and creating more value.

The future of work lies in flexibility and the hybrid workforce, with technology and high-quality data to play important roles in optimising workforce management, whether in the remote or hybrid workplace, or even across borders and geographies. Workplace flexibility will be critical in raising and maintaining productivity.

Based on our findings, Australian leaders have much work to do to navigate these tumultuous times and adapt to a changed work environment. Respondents said they felt insufficiently supported by the senior leadership in their role to drive operational excellence. Engaged, purposeful and visionary leadership is vital to driving ongoing change in Australian organisations to support future business success.

Finally, there is the key theme of people and culture. Thanks to COVID, never has the employee been more in control of driving and defining their own work journey. There is a huge opportunity for the future hybrid workforce to innovate, empower and enable these new working experiences for the organisation and its leaders. Effective, authentic and consistent communication plays a key role in building a more positive and engaged culture, especially in a remote working environment.

You will find in this report insights and tips to help guide you through these challenging times. As part of future-proofing your organisation, we also invite you to participate in Enlighten's "Universe of Findings", an initiative capturing data about the hybrid workplace, to allow for better decisions and predictions about the future of work. You can find more information in the "What's Next" chapter.

Andrew Johansen
Co-Founder and Chief Operating Officer

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Productivity and the hybrid workforce

The hybrid workforce is the way forward. In light of this, addressing the productivity crisis requires leaders to manage teams differently.

Productivity on the minds of leaders

Productivity is on the radar for centre of excellence professionals as they continue to navigate uncharted waters in 2021. For 37 per cent of respondents, productivity is the main trend for 2021–2022, followed by workforce management and flexibility (25 per cent), and creating more value (25 per cent).

Figure 1:

What are the main operational excellence trends for 2021?



This is no surprise given the productivity crisis that Australia faces at present, and the challenges at both the macro- and micro-economic level. With ongoing change caused by the pandemic, traditional operating and business models must adapt to deliver the desired business outcomes in the future – or risk becoming obsolete. According to McKinsey, “Only 11 per cent of companies think their current business models will be economically viable through 2023.”

Most enterprises are aware that they urgently need to build new digital businesses; not only to be productive but to remain viable too.

Hybrid workforce is here to stay

Following productivity, workforce management and flexibility are rated highly among the key focus areas and trends for the second half of the year and beyond. Again, this is not a surprise, but the finding does suggest that the concept of a hybrid workforce isn’t going to lose momentum anytime soon. Leaders will need to proactively plan for and continue to cater to the hybrid workforce.

Leaders must acknowledge that the future lies in the hybrid workforce. This new norm demands a very different way of managing people to ensure teams are fully engaged, productive and collaborative while also allowing people more freedom in achieving a work-life balance.

Investing in workplace flexibility promises significant benefits to productivity by ensuring employee buy-in, earning the organisation their trust, respect and commitment; higher morale with the additional control employees are afforded over their own lives; value-add through highly engaged employees who are more driven to produce results even off-time; and even the ability to attract a broader pool of talent enticed by the solid workplace culture on offer.

How can you address these trends?

With so many competing priorities, where do you start? Here are our tips on how to boost productivity, create value and harness a hybrid workforce:

- **Embrace new operating models.** Traditional business models will no longer be relevant. Make sure that you use data to drive your new decision-making, to ensure the roadmap to your organisation's goals is firmly grounded and aligned with what's possible. Revisit how you recognise and reward employees, shifting focus from outputs and roles to outcomes and skills. Align laterally and communicate the strategy, vision and values to all team members.
- **Build a culture that embraces metrics, measurement and continuous improvement.** Studies show that, on average, less than half of an organisation's structured data is actively used in any decision-making – and less than one per cent of its unstructured data is analysed or used at all. The modern organisation needs a single source of truth – a single view of a company's performance as a whole and its key business metrics.

A data-driven culture helps increase the flexibility of your workforce, improve efficiency and boost productivity. You will be able to track performance in real time, supporting more agile decision-making. Data can also support more effective working from home, as it allows an organisation to provide support and coaching where needed.

- **Allow freedom of choice.** In a hybrid workforce, giving employees a choice of how and where they work will mean some people will seek high personal engagement and collaboration in an office space, while others will be happier and more productive working from home. Flexibility is crucial to maximise productivity. Leaders must shift to measuring productivity in terms of outcomes, and recognise when to be vulnerable and compassionate, and when to challenge.



“We must reimagine the hybrid workplace. Our leadership mindset is no longer based on a physical space. The workforce is more flexible with times and location with the challenge to maintain productivity, culture, security and diversity.”

Tracey Van Weelde

Director, Van Weelde Holdings

**LEADER'S
QUOTE**

“Why does it take a pandemic to get this sort of behaviour change that we’ve seen? What is it about human nature that peoples’ behaviours and ways of working become so embedded that it takes a global crisis for people to take a step back and think actually, there’s a different way?”

*Gary Howard
Chief Transformation Officer, PEXA*

Engaged, purposeful leadership

Consistent, purpose-driven and agile leadership will enable leaders to drive operational excellence and business results.

More leadership support is needed

According to the survey data, Australian business leaders need to do more to support organisational change and operational excellence in their businesses. Only 27 per cent of professionals surveyed said that their senior leadership provides excellent support when it comes to operational excellence; half (53 per cent) reported receiving only moderate support and 20 per cent of survey respondents feel under-supported.

Figure 2:

How well does your business support you in delivering operational excellence?



Consistent and engaged leadership is critical

Consistent leadership is desired by Australian professionals as they try to work towards driving operational excellence in increasingly remote working environments. The majority (62 per cent) of survey respondents reported that the senior leadership team delivers a very mixed response when it comes to supporting their business's centre of excellence team.

Inconsistency was the main reason cited to explain why professionals feel they are only moderately supported when it comes to driving and delivering operational excellence in their business.

Figure 3:

What makes you say you are receiving only moderate support excellence?



Leadership must be prioritised

The road to sustainable transformation is long and convoluted, and barriers of resistance, resources and time are inevitable. Ongoing and undivided support from senior leadership helps to get people onboard for change. Leaders must place purpose-driven, data-grounded and agile leadership at the heart of business, specifically by promoting and encompassing a leadership spirit that will contribute to redesigning a responsible, inclusive and high-performing business.

Purposeful leadership is all about when a company is doing good and engaging their people, which leads to an organisation that functions more effectively and is aligned internally; the flow-on effect of purposeful and consistent leadership is higher engagement, and hence higher productivity and performance.

A purposeful workplace drives employee engagement

In today's new working environments, people have choice and can participate how they want to. People are aligning themselves with organisations that have purpose, that mirror their own values, where they can take pride in their efforts and feel a sense of accomplishment.

People are seeking organisations that actively support flexible work, balancing working from home with office-based work. As our survey responses indicate, consistency and transparency are essential when it comes to empowering people remotely and more work needs to be done on this in the future, starting at the very top.

How can you lead in a more purposeful and agile manner?

Here are our tips on how leaders can be more engaged and purposeful as they support their remote centre of excellence teams:

- **Promote a culture for excellence and be present.** Keep lines of communication open, check in with team members individually, and ensure employees relate to the vision and understand their role in contributing to the goal. Be clear on purpose – know what you stand for, why you're here, and your role in and impact on society.

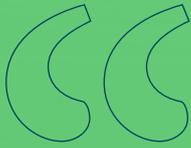
- **Focus on the employee experience (EX).** Tailor EX to the hybrid operating model and leverage technology to support this, by installing robust digital infrastructure to accelerate seamless digital working. Create safe environments for innovative ideas, allowing employees space and freedom to bring new ideas to life. Leaders need to be present, available and empathetic.
- **Practice inclusive leadership.** Authentic leadership delivered with empathy and transparency encourages autonomy. Make personal, authentic connections with team members while they work remotely. Intentionally drive diversity within teams, and create frameworks to protect and nurture innovative ideas. This will help ensure your business model remains viable in the future.



“What I hadn't prepared myself for was how I had to change individually, my leadership style and my communication style, to really adapt to this new way of working. For me, it was about what role can I play to actually take it to the next level and really drive engagement and improvement, and the customer experience?”

Adriana Sheedy

Executive Director, Operations, ING Australia

**LEADER'S
QUOTE**

“A leader’s mindset has to change to embrace an everywhere workforce. Outcomes should measure performance and not activity. To retain talent and to have a motivated hybrid workforce, intentional and compassionate leadership is required to enhance the employee experience of both in-person and digital connections.”

Jasmine Antonious
Chief Operations Officer, Kansu Capital

People and culture

With hybrid working, more than ever, leaders need to use the best-fit tools and channels to enhance and uplift communication.

Communication is a priority for business leaders

Our findings indicate that communication is a vital tool that leaders rely on to address the issue of an under-engaged workforce. Building on the assumption that a hybrid workforce will be the new norm going forward, 75 per cent of executives are encouraging active communication tactics and leveraging more flexible working arrangements to build an engaged workforce in this new working paradigm.

Figure 4 :

How are you helping to build an engaged culture in the hybrid workplace?



Transparent, open and empathetic communication is key

Effective and consistent communication has become the foundation on which the hybrid workforce rests. Given that teams could be distributed across locations, geographies and time zones, connecting and conversing freely with team members requires a culture that promotes transparent and inclusive communication.

As already outlined, purposeful and authentic leadership helps create and foster such a culture, but leaders also need to provide safe spaces – whether physical or virtual – that help cultivate connection, collaboration and meaningful conversation, to better build a sense of community.

Everyone in the organisation must also be mindful of conscious and unconscious biases in our language, processes and systems. Whether this is in the form of automated algorithms that skew decisions in favour of one group over others, or in the use of slang terms that might have derogatory connotations, sensitivity is critical.

Use the right tools to keep communication open

Leaders need to explore the most suitable tools to allow employees to stay connected, bringing online and offline communications together. Recent research suggests social media in the workplace can help build communication and trust and develop shared vision and network ties amongst employees. This can benefit work performance directly, but also by improving the employee experience.

How do you enable and support better communication

Transparent communication tools and methods engage your team members, create presence and encourage knowledge sharing in your workforce. Here are some tips on how to build a culture that fosters more honest, healthy and productive communication in your organisation:

- **Create workspaces that cultivate connection and trust.** Invest and build safe, creative, interactive virtual or physical spaces where collaboration and innovation can occur. This helps create a culture of trust. A culture of trust contributes directly to efficiency and productivity, but also impacts these indirectly by raising employee engagement through a positive business culture and work environment.
- **Think about skills not roles.** Driven by technological advancements and the untethering of work and the office, organisations now can tap new talent pools and new geographies, which will enable companies to innovate, compete and thrive. Keeping in mind a ‘work anywhere, anytime’ world, now is the perfect time to revisit your talent acquisition and recruitment strategies. You can win the war for talent by redefining your strategies.

- **Check for and remove bias.** Be mindful of your speech, behaviour and thinking patterns – and be open to feedback and change. Conflict is unavoidable, but with open, transparent communication, mutual learning and/or compromise can be achieved. Provide technology and tools to embrace different thinking and types of problem-solving. Consciously take the time and effort to check for bias in technology solutions; for instance, ask yourself, “How can we make procurement processes more inclusive?”



“Intentional leadership and the power of building a strong and inclusive culture can reset organisations and provide safe work spaces for people to grow and bring their best work.”

Jacqui Nelson

CEO, DekkoSekure

LEADER'S QUOTE



“My AHA moment is that the human brain and the human body is very adaptable; it can change, no matter what. If you talk about change differently and about the positives of it, staff can go along far more quickly.”

*Dascia Bennett
CEO, Super SA*

Leaders' viewpoints

Learn from your peers – business leaders across various sectors share their insights and learnings from the last 18 months.



"It's a matter of your wellbeing. If you have support and you are mentally ready, then you're able to do what we need to do. At work, we take it for granted that we just see you. Your people are the main assets and if you look after them, they will eventually look after the client, the company, everything else."



Lisa Chung

Head of Process Excellence and Change, Australian Institute of Company Directors



"We coined the phrase 'the COVID way', which meant you're not dropping any of the important things but getting together and quickly getting to resolutions. That proved to me that harder discussions, harder targets and having a team really committed to that, in an agile-type manner, is a very, very good way that I can do it."



Peter Knoblanche

CEO, Rabobank



"Sometimes when you look at change, we're a bit timid. We tend to take a slower approach. Last year, my 'aha' moment was jumping in boots and all: learn, continue to learn, readjust, learn, readjust."



Craig Rice

Operations Leader, Pacific, Mercer



"The key to success lies with compassionate leadership, innovation, a focus on customer and employee experience and requires transparency, visibility and data."



Vanessa Sulikowski

Distinguished Engineer, CISCO



"The future of work is now. With the hybrid workplace well and truly established as normal practice over the past year, the question is not whether this way of working will continue, but rather how quickly organisations will adapt and create ways for their people and the company to thrive."



"Companies that shift from traditional KPI-driven performance management to becoming a learning organisation will capture an unfair share of the talent as people's expectations from their employers evolve to more purposeful and inclusive cultures."



Wen Smallwood

Strategic Advisor, Accenture

What's next – a universe of findings

To thrive in the new age of business, we need to blend data-driven decision-making with purposeful and agile leadership.

Data and facts: a firm foundation for business decisions

Centre of excellence teams play an even more critical role in organisations than before. With pressure mounting as companies strive for operational excellence in a fast-changing environment, navigating uncharted territory with precision and purpose is a challenge that all leaders and COE teams face.

The key for the future lies in access to regularly updated and real-time data. This allows organisations to readily benchmark their performance to their industry peers while also understanding industry norms, strategies, models and appropriate and relevant targets.

Over the last 20 years, Enlighten has built a rich database of performance data and continues to build on this with data around the hybrid workforce and around the employee's preferred place of work: home or office.

To drive results-driven solutions that will help empower organisations on their continuous improvement journey, Enlighten is inviting organisations to join the "Universe of Findings" initiative to better understand how their business is tracking towards Attainment to Plan. This is essentially how well the business is aligned to what the employee's desired preference is for working from home and or the office, and the correlation with performance outcomes.

This then allows businesses to make decisions grounded in fact-based findings and hard data, rather than applying a feeling or theory as to what works best for the business in terms of the New Way of Working.

To sign up and take part in a "Universe of Findings" for businesses to benchmark how well they are tracking against other businesses in the market, visit: <https://enlighten-opex.com.au/opx-trends>

Here are some questions to ask yourself in the meantime when it comes to defining your hybrid workforce model approach:

- Where do your employees work best?
- What do your people want?
- Do different models impact productivity, service and engagement at an individual, team or group level?
- How does your strategy compare with others in the market?
- Do different market strategies yield different results?
- Is your attrition and sickness changing, and is it due to your operating model design?
- What are the financial ramifications of what's occurring?
- Do we need to rethink our current strategy?

ABOUT US

To meet our vision of being the partner that business leaders want to work with, we understand that a strong, experienced, effective and visionary team is needed, with the energy, commitment and drive to succeed. We deliver on our promise through our leading propriety methodology that combines business experience, technology and data analytics.

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