

CEO Connection Calls

Responding to Omicron

Summary of conversations with 25 CEOs from 8 to 15 March 2022

It's a matter of perspective - *Microscopes* and *Telescopes*

The immediacy of the Omicron surge meant all participants spoke about the constant “day-to-day” issues requiring adaption and change – or the **microscope** issues in front of them.

The more transmissible but less deadly Omicron strain in NZ also allowed CEO participants to look through the current crisis to medium term opportunities and challenges – or the **telescope** issues ahead.

Microscope issues

CEOs are hanging in there...with sense of hope

There was a shared sense of fatigue across the CEOs on the calls, balanced with some hope of things getting better. Whilst there were constraints under the Traffic Light Red settings, there was also acknowledgement that there were also considerable freedoms for business to operate within.

Almost all CEOs talked about executive teams being stretched with the constant day-to-day planning changes demanded to maintain sufficient workforce and supplier capacity.

The Forum is currently piloting a CEO wellbeing offering – *Be well to Lead Well*. This offering is a recognition that in order for CEOs to lead effectively and do their work, their wellbeing is critical – a variation on the airline idea of ensuring you have “your oxygen mask on first” to be of use to those around you.

The approach being piloted currently utilises an evidence-based wellbeing assessment, follow up one-on-one discussions with Forum partners Leading Safety and a facilitated workshop with a small group of CEOs to reflect on how to apply lessons and insight across their executive teams. We will update members on the outcomes of the pilot.

RATs

Private supplies of RATs have been reported as fine, with market access finally flowing well.

The free Ministry of Health provided kits were generally considered not worth the administrative effort and down time. The case-by-case approach was overly time-consuming and threshold for businesses to receive bulk supplies was set too high, meaning even reasonably large businesses were excluded from the scheme.

Approaches to RAT deployment varied:

- Some were using RATs as a 100% daily surveillance tool for everyone – often due to export market requirements
- Some were using them as voluntary tests for people to access the office
- Others had very clearly “risk focused” strategies for RATs surveillance, targeting their self-defined “critical” workers.

Many have sent packs of RATs home with workers for family use – in recognition of where the transmission risk will originate. These CEOs also reported a direct engagement lift from their people as a form of wellbeing intervention.

Reframed risk – from *fatal risk* to a *disruption risk*

Some CEOs reported that various staff and some clients had wide ranging risk appetites – meaning inconsistent responses re office and site working, mask requirements and vaccine pass access. The recent relaxation of many COVID controls will serve to further widen the range of business risk interpretations.

There was a sense across some of the calls, that the shift in the nature of the Omicron risk (more transmissible-less fatal) had not been clearly reframed by government, creating unnecessary confusion and anxiety amongst the community and workers.

One CEO provided a compelling articulation of their risk-based approach for remote working – anchored to the key question of *where does the greatest risk of infection exist?* Previously, workplaces had been a major source of risk exposure, making home a safer place to work from. Currently, home is now the more likely place of infection – meaning workers were free to return to the workplace.

Engage, communicate, and stay calm

A recurring theme through all Connection Calls has been the importance of CEO and organisational engagement with the workforce and key clients/suppliers to ensure 2-way communication of issues and responses. Equally as important, these engagement and communication efforts have allowed for a message of reassurance, calm and hope.

In almost every group, the hardwired value of “connection” across teams, with other organisations and the senior team had proved invaluable – to identify solutions, but also maintain wellbeing.

Disruptions

The levels of workforce disruptions varied across the participants – with more than 85% of participants reporting under 20% of workforce disruption. Supply chain appeared to be a bigger pain point, with 30% of respondents indicating a higher level of disruption, with transport providers being the most commonly impacted area.

One local government CEO talked about the “social disruption” of protests in front of Council buildings – as they were seen as an extension of “the Government”. This constant, and at times confronting, level of frustration was having an impact on some staff. Other CEOs talked about the indirect impact of the Parliament Occupation as an additional stressor playing on the minds of the wider workforce.

Conversely, and positively, one CEO reported that recently-retired workers had voluntarily returned to the business to provide specialist cover for critical manufacturing processes.

Working from home

Almost all CEOs reported utilising some levels of working-from-home arrangements. Some reported that there was growing fatigue by managers and workers alike accordingly.

A small group of CEOs signalled a nagging concern about whether those working from home were fully productive, creating concerns about workload fairness. Others were less concerned about worker productivity and essentially believed this spoke to more the fundamental question of trust within the organisation.

Some leaders indicated a concern about a growing “fortress mentality” with some people taking an almost zero tolerance approach to any level of workplace interaction.

There was a diverse range of responses to working from the office – with some formally closing the office unless by formal exemption due to at-home risk factors. While others had a voluntary approach throughout the surge whereby people could exercise their own risk judgement.

Telescope opportunities

CEOs also had a range of ideas about where leadership was needed to restore our confidence and get the business and our people back to productive work again.

There was widespread agreement that “getting back to normal” was effectively impossible, due to:

- The fact that we have learned new ways of working that people will want to hold on to
- An ongoing uncertain and dynamic environment stemming from persistent public health concerns, geopolitical instability in Ukraine (and potentially wider) and wider and macro-economic instability

“Flexibility for all”

A rich discussion emerged about the imperative for CEOs and boards to engage in sustained and iterative discussion with their people to redefine and explore what *flexibility* means. There was universal agreement that in a skills constrained market, future flexibility will be a critical element to recruit and retain staff.

One CEO spoke of their commitment to “flexibility for all”, utilising a set of 5 “flexibility elements or variables” picked up from a recent Harvard Business Review paper (see appendix for high-level outline – *A Flexibility Primer*).

This approach broadens *flexibility* from a binary “home or office” discussion, to one that includes other dimensions people and the business can agree that allow for flexibility. Culturally this means site-specific or operational workers for whom “working from home” is not an option feel recognised and included.

Other examples of what CEOs were thinking about was the option of considering “sabbaticals” for (especially younger) staff who may want to head overseas – so rather than leaving the business permanently, can leave for an agreed period, but return to the organisation.

Another CEO spoke about ensuring all flexibility options needed to meet 3 criteria – good for the individual, good for the team, and good for the businesses.

In all examples, there was recognition that finding the right flexibility balance demands an engaged process with the workers and managers alike that will need to evolve and change over time, rather than simply “fixed and forgotten” from the top.

Building a “thriving workplace”

Extending the concept of *flexibility*, a recurring question for a number of CEOs was what the modern new workplaces of the future will look like, given the increased demand for home working and public health work design lessons.

These discussions subsequently converged on the leadership needed to enable and design *thriving workplaces*. The vision of *thriving workplaces* included design and layout considerations to:

- Foster and encourage social connection
- Easily accommodate both “physically distanced” work arrangements, and “critical worker bubbles”
- Build in healthy ventilation and natural airflow options
- Facilitate flexible worker and customer flows

Proactively “designing in” some of these lessons from the last two years was seen as both a risk management approach but also an additional element of staff recruitment and retention. Some of the costs for this design commitment could be offset by savings from reduced floor space requirements in many offices resulting from the inevitable move to greater flexibility.

There was agreement about the need for sound design principles, good approaches and effective examples. As a result of these discussions, the Forum has subsequently commenced some scoping work on what some appropriate guidance could look for to support CEOs pursuing this investment.

Mainstreaming “mentally healthy people” as a core capacity

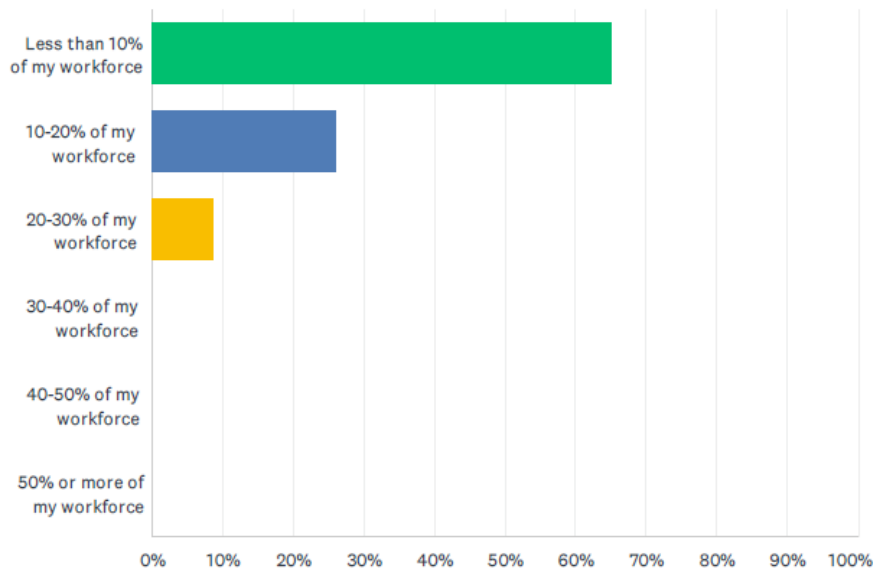
There was almost universal recognition that mentally healthy people – at the executive and throughout the organisation – is a core capacity for an organisation to flex and respond to crises, as well as thrive.

A number of CEOs discussed their strategic commitment to hardwire mentally healthy work design into their People Strategies as a core capacity rather than a discrete programme. The Forum’s [Protecting Mental Wellbeing](#) provides a framework and indicative process in support of this approach, in addition to the wellbeing facilitator development we’re currently delivering.

Disruption survey results

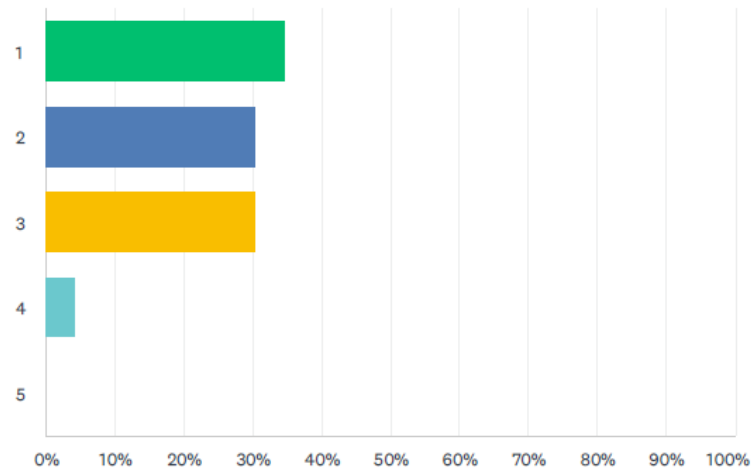
Q1 How much workforce disruption are you currently experiencing?
(Percentage of workers who are unable to come to work due to illness or household isolation requirements).

Answered: 23 Skipped: 0



Q2 What level of disruption are you experiencing to your supply chain of key services or products (1 - minor, 5 - supply chain is suspended due to major disruption).

Answered: 23 Skipped: 0



A Flexibility Primer

A look at five different types of flexibility your organization can consider and how they might be bundled.

Policy type	Policy examples	Bundling option	Employee benefits	Employer benefits
Schedule Employees can vary their schedules to meet daily, weekly, or monthly expectations.	<ul style="list-style-type: none"> •Flextime •Compressed workweek •Shift-swapping •Self-scheduling 	Schedule Place Continuity Workload Mode	<ul style="list-style-type: none"> •More control over days or hours worked •Less time commuting •Greater ability to meet nonwork needs during regular work hours •Greater feeling of control 	<ul style="list-style-type: none"> •Greater productivity and employee focus •Less absenteeism •Less overtime
Place Employees can work away from their employer's work site using technology or other types of communication.	<ul style="list-style-type: none"> •Telework (using technology to work from any location) •Remote work (living outside the geographic area of the employer) •Telecommuting (working from home) •Hoteling/satellite offices 	Schedule Place Continuity Workload Mode	<ul style="list-style-type: none"> •Less time commuting locally •Less exhaustion from global or national trips •Freedom to live closer to family or friends 	<ul style="list-style-type: none"> •Less turnover •Lower overhead costs •Larger talent pool
Continuity Employees can choose when to take time off without losing their jobs.	<ul style="list-style-type: none"> •Leaves (family, sick, maternity, paternity, education, military) 	Schedule Place Continuity Workload Mode	<ul style="list-style-type: none"> •Time to give birth, care for a child or parent, attend school, serve in the military, or recover from illness •Ability to return to work sooner when combined with job sharing or part-time work •Less burnout •Time to nurse or bond with a child 	<ul style="list-style-type: none"> •Less turnover •Retention of quality employees
Workload Employees can opt for a less-than-full-time schedule in return for a commensurate cut in pay.	<ul style="list-style-type: none"> •Job share •Part-time work •Lighter workload 	Schedule Place Continuity Workload Mode	<ul style="list-style-type: none"> •Less overload or burnout •Decreased work-family conflict 	<ul style="list-style-type: none"> •Less turnover •Retention of quality employees
Mode Employees can vary the degree to which they work off-site.	<ul style="list-style-type: none"> •Site work •Hybrid •Remote 	Schedule Place Continuity Workload Mode	<ul style="list-style-type: none"> •Ability to coordinate and accomplish work using technology •Ability to mix modes for varying types of work tasks 	<ul style="list-style-type: none"> •Greater productivity •Lower office-space costs

Source: "Flexible work schedules," by E.E. Kossek and J.S. Michel (2009); "A Review of Telework Research," by D.E. Bailey and N.B. Kurland; and "Balanced Flexibility," by E.E. Kossek, R. Thompson, and B. Lautsch (2015).



Source - *The Future of Flexibility at Work*, Ellen Ernst Kossek, Patricia Gettings, and Kaumudi Misra (Harvard Business Review, September 2021)