

The image features a modern building facade with a grid of windows, partially obscured by a semi-transparent green overlay. The top left and bottom left corners are solid blue. The main title is centered in white text on the green background.

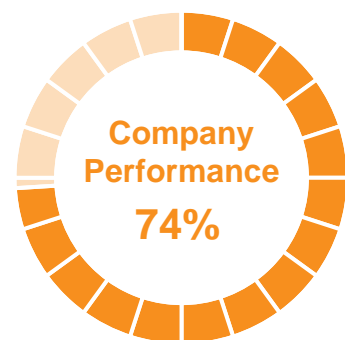
# Surviving and Growing in an Uncertain Environment

COVID-19 has disrupted how businesses, people and entire countries have gone about their day at a level never seen before. But is disruption the right word? Disruption creates an image of things eventually going back to how they were... but evidence is showing that rather than causing a disruption, COVID-19 has been the greatest **accelerator** in recent memory.

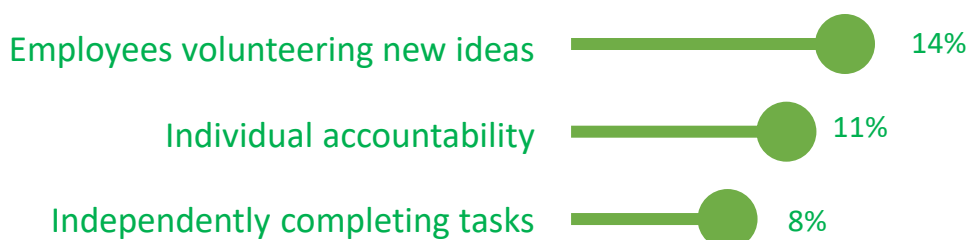
Since the beginning of 2020, businesses within Australia and New Zealand have had to adapt rapidly to changing requirements – even on a daily basis. While a portion of these changes have been underpinned or supported by government funding or best practices, many businesses have had to take it upon themselves to resolve these external issues, and the high performing businesses have turned these external threats into ongoing successes.

Restaurants have adapted by providing efficient take away options, delivery or ‘make our favourite meals at home’ – all solutions to increased government regulations. Those businesses that moved quickly and invested into these secondary revenue items have found an improvement in market share and, when inhouse dining returned – rapidly improving bottom line results. Now they can continue with their existing business as well as the added revenue of takeaway, delivery or food box services. It isn’t just the hospitality industry that has taken advantage of the shifting dynamics either. Across the board, adaptive businesses have at least maintained strategic alignment levels as their pre-pandemic counterparts, albeit going about it a different way.

Reviewing data from the leading Australasian SME business analysis tool, the [STAR Workplace Program](#), Employer Satisfaction (67%), Employee Satisfaction (73%), Company Performance (74%) and Overall Strategic Alignment (72%) have changed by less than 1% when compared to pre-pandemic results. High Performing businesses have used the changing market to adapt their own business model while maintaining the same level of strategic alignment.



## The Changing Dynamics of Strategic Alignment



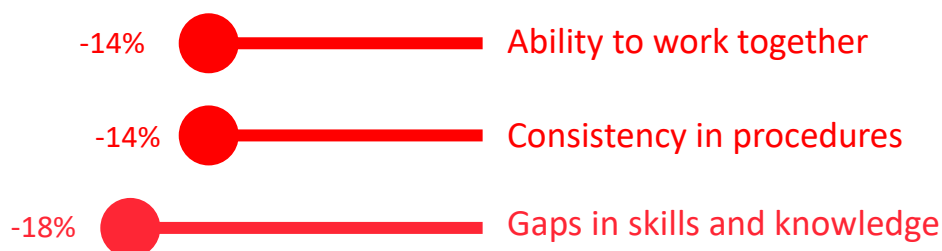
Strategic Alignment within Australasian businesses have been benchmarked since 2009 using the STAR Workplace Program. During the COVID-19 pandemic, several of the key metrics that support strategic alignment saw dramatic shifts from their pre-pandemic levels.

**Employees volunteering new ideas** increased by 14% on average. Considering how businesses had to adapt their business model and move a large number of employees to remote work, an increase of this level is significant. High performing businesses invested in platforms that allowed remote work and the added benefit of remote feedback. Employees were able to provide genuine ideas without the fear of being shot down in a face to face discussion. Furthermore, employees were spending more time in their home environment with the ability to think about work – it was no longer easy to compartmentalize work when you left the office. This continued to allow employees to develop new ideas in their day to day – not just when ‘at work’.

Bucking the long standing belief that employees working remotely won’t perform as if they were onsite, **Individual Accountability** increased by 11%. With clearer direction and the added requirement to document achievables thanks to remote working platforms, individuals were 11% more accountable for their individual performance than pre-pandemic. Businesses looking to maximise their return post-COVID will need to ensure that these platforms remain a part of the organisation, regardless of where work is being performed.

As businesses became more remote, employees became more autonomous with their roles, resulting in an increase of 8% in **Independently completing tasks**. As employees were generally left to their own, business owners found that this improved their ability to complete tasks as they were no longer confined to pre-existing procedures and were trusted to find their own way. Businesses looking to maintain this momentum should look at the processes that individuals have been utilizing in their home environment to streamline businesses going forward. However, it is not all positive, with several key metrics declining over the same period.

## The Changing Dynamics of Strategic Alignment



Without the ability to discuss outcomes or processes across the office, **Gaps in skills and knowledge** decreased by 18% on average. This shows a weakness in a businesses ability to capture knowledge in a succinct manner and effectively communicate that across the workforce remotely.

As an add-on to the Gaps in knowledge and skills, **Consistency in procedures** decreased by 14%. While this in itself is an expected weakness of a sudden shift to remote work, the longer that businesses continue with these inconsistent practices, the longer it will take them to return to their desired, reliable outcomes. As highlighted in previous research papers by HR Coach, employees benefit from consistent and ongoing feedback on their performance. Without the natural atmosphere of the office to align everyone's procedures, these are bound to drift further and further from the originally agreed upon process.

With the lack of connectivity that comes from working in close proximity with colleagues, employees **Ability to work together** decreased by 14%. There are two factors at play here, not only is it harder to work together through remote platforms, but being physically distanced impacts on work relationships, just as it would with romantic ones. Without the daily interactions in the lunchroom, around the printer or at the coffee machine, employees lack the emotional goodwill associated with work relationships. When things then go astray, there is no reserves in the relationship bank to help ease tensions, and employees resist working together. Continual investment in the 'team' may help alleviate this anchor point.

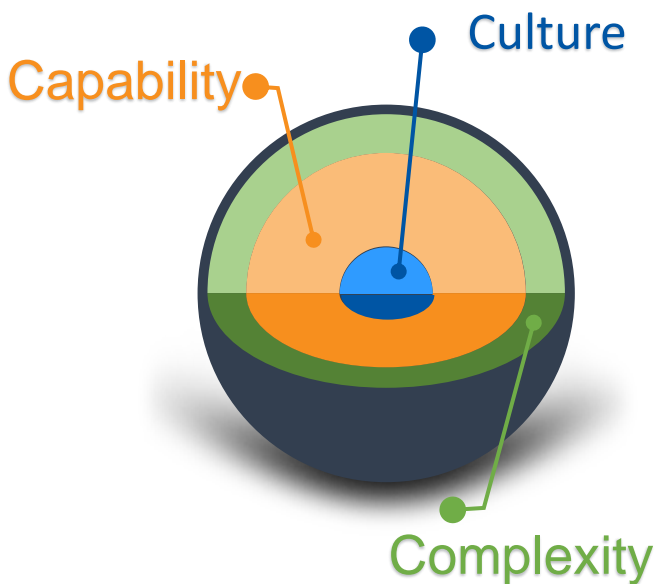
Understanding these shifting Strategic Alignment results may help springboard previously high performing businesses into the post-pandemic boom. Businesses that have seen an improvement in employee volunteering new ideas, individual accountability and independence in completing tasks can maintain their improved results while adjusting their focus on improving their weaknesses that have become apparent during COVID-19.



## Accelerating through the curve

While most businesses and employees alike would like to believe that they just need to hang on until a vaccine is effectively rolled out and life will return to normal, it is becoming more apparent that we are already in the new 'normal'. If a business is to survive, and ideally thrive in this environment, they must lean into the acceleration rather than just hold on for a reprieve.

In order to keep their foot on the pedal, there are three factors a business must consider: Culture, Capability and Complexity.



### Culture

Regardless of the business size, it is the culture of the business that leads the way in how it adapts, changes and rises to meet the demands of its stakeholder. At the core of any significant change to the status quo is the culture of business.

Businesses that invest in understanding and improving their culture, both management and employee, will continue to outperform those that don't. Culture itself is a lead indicator of business performance, harnessing this key metric will help springboard Australasian businesses into the post-covid boom.

### Capability

While it is often said that “culture eats strategy for breakfast”, it is having the right capabilities at the right time which allows businesses to digest the breakfast they are trying to eat. Understanding the capability of your business and your employees ensures that you aren't overpromising in critical times. In uncertain times, businesses often only have one opportunity with stakeholders and overperforming against deliverables is key to capitalising on the expanding market.

### Complexity

The amount of time that a business has to manage complexity has been significantly reduced, forcing businesses, customers and employees to adapt to new business environments at a rapid pace. Ensuring that you have the correct procedures and key employees in place, before needed, is key to ensuring a quick turn around to further expand on your market.

## The HR Challenges in an Uncertain Environment

There are many HR challenges that businesses face when growing through an uncertain environment. As the COVID-19 situation continues to evolve, businesses must continue to be adaptive to the external factors that impact their operations. Forecasting the future pains of SME's in Australasia is never easy, however businesses should be mindful of:



**START NOW**

Surviving in an Uncertain Environment Essentials	Solutions that Work
Assess where the business is right now	<p>Complete an assessment like <b>Business Health Check</b>, assessing where your business is right now. It will take you 15 minutes and help you resolve the priorities to focus on.</p> <p>Your HR Coach can send you a link in 24 hours and you could meet inside 5 days to review the detailed results, benchmarked to Australasian businesses.</p>
Build a financial forecast/cash flow forecasting model for FY 2021/22	<p>Build your own, using data from first 6 months of 2021 or get your accountant to build one. Assume maintenance or improvement in sales activity</p> <p>Your HR Coach may be able to assist you, using their <b>Profit Driver</b> model.</p>
Develop a Business Growth Plan for 2021/22 with managers and employees	<p>Build a <b>Business Growth Plan</b> for your business, with input from Managers and employees.</p> <p>Your HR Coach can structure and facilitate a one day workshop for all participants to build the plan, if required.</p>
Implement an appropriate Employee Assistance Programme	<p>Your HR Coach can provide details of a national EAP provider who specialises in the SME market and prices their services very cost-effectively.</p>
Reconnect with your existing customer base and assess potential activity for FY	<p>Identify your key customers and assess potential activity for the FY</p> <p>Your HR Coach can work with you to <b>'Accelerate your Customer Engagement'</b>.</p>
Implement new business structure, appoint the right people to the right jobs, measure engagement and alignment of managers and employees	<p>Align the structure with your business activity/ Fill vacancies with great candidates/ Ensure contracts maximise flexibility, to align with future business activity/ Retain some flexible work arrangements/ Measure employee and management culture, engagement and alignment - and remeasure in 12 months/ Improve 2-way management communication and feedback in the business. Keep your annual employee turnover below 7%.</p> <p>Your HR Coach can support you with all of these requirements. Assessment tools (<b>Fusion or STAR</b>) benchmark results to 800 Australasian businesses.</p>
Review all policies and procedures to minimise COVID-19 outbreak risk to employees	<p>Review and update policies and procedures to minimise COVID-19 outbreak risk to employees and managers. Implement and enforce social distancing and isolation arrangements. Split work teams wherever possible</p> <p>Your HR Coach and our OHS business partner can work with you to minimise this risk.</p>

HR Coach Australasia consists of an Independent Member Network delivering human resource and strategic alignment solutions to businesses.

## About HR Coach Australasia

HR Coaches work with businesses to establish and maintain the link between People and Business Strategy to improve performance and profitability. HR Coach has researched the Australasian small to medium business sector for the last 20 years and Coaches use this research, patented tools and methodologies to deliver solutions for businesses that are practical, timely and effective, every time.

Like what you have read? Why not check out some of our other research papers:



### Satisfaction Doesn't Mean Profit

Examined the use of Employee Satisfaction as a metric for business performance.



### Cultivating Management Culture

Identified the link between management culture and business performance.



### Unlocking the Code for High Performing Businesses

Identified what separates high performing businesses from their low flying competitors.



### Unlocking the Workplace Generational Code

Identified the similarities and differences between the five generations now at work

For more information, get in touch:

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