

Technology vs Culture:

How small businesses can have the best of both worlds

A look into the future of the workforce with insights from the Northside Innovation Community

The Future Ready White Papers

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THE SMALL BUSINESS IMPERATIVE: TECHNOLOGY OR CULTURE?

The workforce is the fuel that powers today's most innovative businesses. To gain the competitive edge, many businesses have turned to technology and culture to maximize productivity and engagement, changing the way we work in exciting and unfamiliar ways. While these new approaches promise big results, a tension has emerged as technology drives change at a rate that is difficult for teams to respond to with minimal cultural disruption. Drawing on the expertise of the #smallbizinsider Northside Innovation Community, we explore how small businesses can find the right balance for their companies to thrive.

CULTURE

Culture is the 'sum total of the DNA of the people in your company'

- Culture is the single most important issue for companies, as they struggle to keep up with and respond to shifts in culture and demands from employees.
- 95% of candidates said culture was more important than compensation
- 87% of companies cite culture as a top challenge
- 94% of executives and 88% of employees believe a distinct workplace culture is important to business success

TECHNOLOGY

"The ubiquity of tools and the facility with which companies leverage them allows office environments and ways of working to change dramatically- both positively and negatively."

- Mike Samson, crowdSPRING Co-founder
- New technology ranked as the top investment priority in 2015 for small business owners.
- 20% of organizations felt on top of the impact technology with have on the workforce
- 24% reported "actively considering the evolving and multiple visions of the future as part of our long-term business planning"

"The art of progress is to preserve order amid change and to preserve change amid order."

- Alfred North Whitehead, 19th century British mathematician and philosopher

^[1] https://www.youtube.com/watch?v=nDStFRcXhJQ

^[2] http://d2mtr37y39tpbu.cloudfront.net/wp-content/uploads/2015/08/DUP_GlobalHumanCapitalTrends2015.pdf

^[3] http://www.forbes.com/sites/joshbersin/2015/03/13/culture-why-its-the-hottest-topic-in-business-today/2/

^[4] http://www.inc.com/paul-spiegelman/company-culture-matters-to-employees-survey-says.html

^[5] http://www.inc.com/paul-spiegelman/company-culture-matters-to-employees-survey-says.html

^[6] http://www.emarketer.com/Article/Will-Tech-Reap-Benefits-of-Small-Business-Spending-2015/1012133

^[7] http://www.pwc.com/en_GX/gx/managing-tomorrows-people/future-of-work/assets/pdf/future-of-work-report-v23.pdf

^[8] http://www.pwc.com/en_GX/gx/managing-tomorrows-people/future-of-work/assets/pdf/future-of-work-report-v23.pdf

^[9] http://www.clemmergroup.com/articles/balancing-technology-management-leadership/

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WHAT'S YOUR POLICY PLAY?

Policy is one of the most significant factors in business success. It is also one of the most varied across businesses. With lightning-fast technology changes, even the newest policies are quickly outdated as businesses strive to improve productivity, engagement and profit.

Remote Work Policy Side by Side: Kaplan Test Prep vs Yahoo

"There has been a significant shift in the culture of our small business, and many small businesses, as the remote workforce has taken root... There's actually been an increase in productivity, an increase in worker satisfaction, a decrease in turnover. I really do believe that it's because of the flexibility that the remote workforce has."

- Mike Samson, Co-Founder crowdSPRING

"It's not what's right for Yahoo right now. It was wrongly perceived as an industry narrative. People are more productive when they're alone, but they're more collaborative and innovative when they're together. Some of the best ideas come from pulling two different ideas together."

- Marissa Mayer, Yahoo CEO

Policy and the ways it is carried out reflect the priorities of management, and when involved, employees. A changing workforce means increasingly diverse preferences and needs.

30%	would be happy for their employers to have access to their personal data
65%	want to work for an organization with a powerful social conscience
46%	of HR professionals expect at least 20% of their workforce to be made up of contractors or temporary workers by 2022
30 - 4	of companies allow for some form of remote work.

\$100 million:

losses Zappos
eliminated from wrong
culture fit hires by
prioritizing culture
through its hiring policy.

TAKEAWAY: Rather than implementing new policies to compete, step back and ask, 'What is the need? Is it relevant? How will it be implemented?" Technology and culture are key factors in business success, and they should be taken into consideration before creating policies, not just as methods of carrying out existing policies.

^[10] http://innovationinsider.northsidefestival.com/home/2015/7/30/chicago-meetup-the-future-of-the-workforce-workplace [11] http://fortune.com/2013/04/19/marissa-mayer-breaks-her-silence-on-yahoos-telecommuting-policy/

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^[16] http://www.businessinsider.com/tony-hsieh-zappos-company-culture-2010-10

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NEW TOOLS FOR NEW WAYS OF WORKING

As the lines between skillsets, professional hierarchies and work/life are blurring, the workforce is more diverse and dynamic than ever before. So are its needs. Collaboration tools like Google Docs and Basecamp respond to the need and increasing demand for autonomy and flexibility. At the same time, this independence has the potential to negatively impact how colleagues connect. Some companies have started using tools like Campfire and Slack to balance increased flexible and asynchronous collaboration with more persistent means of engaging and connecting employees.

76% 25% 21%

of employees feel that technology has had an influence in the way they work in the past year

of employees believe technology brings people together

of employees believe technology creates separation

"Expectations of employees and management have changed as technology has enabled people to constantly be seeing, hearing and learning new things. In order for a modern day organization to build culture, its technology has an imperative to respond to those expectations and empower people to learn and grow as quickly as they do in their everyday lives."

- Zachary Johnson, CEO Syndio

TAKEAWAY: Tools are policies in practice. Even more important than keeping up with technology is making sure tools fit the priorities and needs of the team. Keeping broader organizational culture in mind, tools adopted should be based on need on a team by team basis, rather than on an enterprise-wide plan.

^[17] http://i.dell.com/sites/doccontent/corporate/secure/en/Documents/infographics-evolving-workforce-employees-2014.pdf

^[18] http://i.dell.com/sites/doccontent/corporate/secure/en/Documents/infographics-evolving-workforce-employees-2014.pdf

^[19] http://i.dell.com/sites/doccontent/corporate/secure/en/Documents/infographics-evolving-workforce-employees-2014.pdf

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BUILD AWARENESS TO THRIVE IN AN EVOLVING WORKFORCE

"The structuring of expectations is the single pattern that contributes positively to productivity and satisfaction." -John Gabarro, Harvard University

With an unprecedented level of transparency of companies' policies, companies are adopting progressive policies to attract talent. In addition, employees are advocating for more flexible ways of working, but many of the impacts of these new cultural approaches and technologies are not always apparent.

Companies need to educate employees on what policies exist, why they're in place, how they impact the company, and how to adapt to new practices.

OPEN-OFFICE PLANS: INCENTIVE, IMPACT, AND RESPONSES

70% OF U.S. OFFICES NOW HAVE NO OR LOW PARTITIONS:

- Maximize space
- Minimize office costs
- Increased transparency / supervision of employee behavior
- Laid-back, innovative environment

- 2x loss of productivity in open office plans
- 50% of employees reported issues with lack of sound privacy
- 30% of employees reported issues with lack of visual privacy
- <10% of employees in traditional and open office</p> settings reported issues with interaction

Just as professional development is crucial, it's increasingly necessary to prepare employees for the shift in skills and approaches these new practices impose in often an unexpected way.

For example, to maximize the positive outcomes of an open workplace, companies could:

- conduct a workshop on strengthening focus,
- increase awareness through forums and article sharing
- facilitate shared behavioral norms
- offer appropriate tools (e.g. noise canceling headphones and speaker phone)
- and establish alternatives such as phone booths or dedicated quiet spaces.

TAKEAWAY: New workplace culture and technology trends venture into unfamiliar territory and can have unexpected challenges or side effects. Employees need to be prepared for the new, rapidly evolving life skills of the modern workforce and empowered to understand need and implication of new policies and tools. When employees understand where decisions come from, they are better placed to adapt personally and to contribute professionally.

^[20] https://www.knoll.com/media/18/144/WP_FiveTrends.pdf

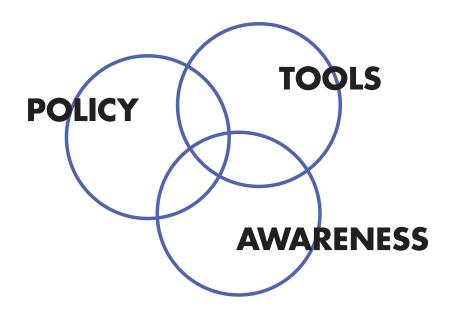
^[22] https://www.washingtonpost.com/posteverything/wp/2014/12/30/google-got-it-wrong-the-open-office-trend-is-destroying-the-workplace/ [22] http://money.usnews.com/money/blogs/outside-voices-careers/2013/12/04/how-to-survive-in-an-open-plan-office

TECHNOLOGY + CULTURE: FINDING YOUR BALANCE

Together, your policies, the tools you use to put them in practice, and how you build awareness around your policies and tools determine the returns of technology and culture at your company. Each are inherently valuable and mutually reinforce the others.

In the modern workforce, no single approach is right. To successfully navigate new technology and culture programs:

- Policy needs to be informed by technology and organizational values, and enforced through awareness.
- **Tools** can only work if they fit your culture, meet employee expectations and needs, and are introduced to employees appropriately.
- **Awareness** is crucial in effectively choosing and adapting to the new tools and policies of the modern workforce.



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- [1] https://www.youtube.com/watch?v=nDStFRcXh|Q
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