



Strategic work flexibility

KPMG Board Insights podcast transcript



An interview with Cali Williams Yost, founder and CEO of Flex+Strategy Group.

Announcer: This is the KPMG Board Insights podcast, and this episode is about the board's role in strategic work flexibility.

Welcome to the KPMG Board Insights podcast, brought to you by the KPMG Board Leadership Center. The KPMG Board Insights podcast series features conversations with directors, business leaders, and governance luminaries to explore the emerging issues and pressing challenges facing boards today.

In this episode, Stephen Brown, senior advisor with the KPMG Board Leadership Center, talks with Cali Williams Yost, CEO and founder of Flex + Strategy Group, about the board's role in understanding strategic work flexibility and the questions directors should be asking to help their companies operationalize it.

Stephen Brown: I'm Stephen Brown, senior advisor at the KPMG Board Leadership Center. Welcome to the podcast where we talk to experts about critical priorities for board and corporate leaders. In this episode, we will discuss strategic work flexibility. The pandemic has accelerated implementation and adoption of many new behaviors, including working from home, which is often thought of as part of a complete flex work strategy. However, historically, flex work strategy in corporate America was quite short on the strategy part.

On this podcast, we want to focus on the imperative of corporate leaders to get the strategy part right as we prepare to reopen. Specifically, what's the role of the board in thinking or rethinking flex work strategy? Our expert today is Cali Williams Yost, chief strategist

and futurist of the Flex Strategy Group, a firm that advises companies on reimagining how, when, and where work gets done. She's a noted author and frequent media commentator. Most recently she was featured on the subject of flex work strategy on MSNBC and USA Today. Welcome Cali, and thank you for joining us.

Cali Williams Yost: Thank you, Stephen. It's great to be here.

Stephen: So first, why should boards be concerned with strategic work flexibility? In the modern corporate era, we put so much on boards to handle just about everything. And now what we're saying on this podcast is that you have strategic work flexibility to add to that list of things that you have oversight responsibilities for.

Cali: Well, I have to say right now there is a lot coming at board members and the leadership that they guide and advise. But to be effective in your oversight responsibilities, especially right now in this COVID crisis, and ask the right questions, you really do need to understand what strategic work flexibility is or flexibility in how, when, and where work is done. And how to operationalize it again, to get the organization through these sort of real-time, now challenges with how you're going to continue to operate in this pandemic. But then also looking forward to the future and what is next for the organization.

I like to tell the story, I recently talked to a client who she just recently retired as the chief legal counsel for a large utility. And in that capacity, she advised the board and she said to me, it was funny before she worked with us she said, 'I had a whole set of problems related to talent, adoption of technology, resource optimization, innovation, performance that I didn't even realize could be solved by putting strategic work flexibility in place in my organization.' So again, it's the now, it's dealing with all the crisis-related issues that

you have to advise leadership on, and knowing what flexibility is and how to operationalize it will help you do that. But also, it's going to set your organization up and you understanding how it's set up to help guide the future.

Stephen: Absolutely. And at the end of the day, how people work or how people get back to work post-COVID is an issue around risk, strategy, talent, capital allocation, all those things, which we typically demand that boards have oversight over.

Cali: Exactly. And you think about it, not understanding many organizations were caught short with the pandemic and they weren't ready to make that quick pivot in the way people worked. And that was a risk issue that hopefully boards now are beginning to understand.

Stephen: Mm-hmm. So let me go a little bit deeper here. You had an op-ed in *USA Today* recently in which you said, 'Historically, flexible work has been missed, understood, and undervalued.' Can you talk about why this concept is misunderstood and undervalued?

Cali: Well, I think historically flexibility has been seen in many organizations as a policy, a perk, a program, mostly as it relates to women. And even more recently trying to attract millennials who unfortunately then the label was put on them that they wanted flexibility, so they didn't want to work hard, which actually was not what they were saying. But again, it was this misunderstanding. And I also think there was an element of inertia in terms of, because there wasn't a perceived value that was worth the effort to do the work to make the strategic shift in the culture and the operating model, people didn't do it.

And I think a big part of that was they didn't know what to do. What is strategic work flexibility? And so the goal really is to get boards to understand that what strategic work flexibility is, is the infrastructure, for sure, it is the technology, it is the workspace on but also off-site. And it's also the process to determine where and when work is happening. So all of those things together are the infrastructure of flexible work. And a board member needs to understand those three elements of that infrastructure need to be working together and in concert. But that's not enough. Then you need the culture of shared leadership between managers, teams, and individuals. And that's a whole set of skills that those three levels need to partner together to then plan, coordinate and execute, and then leverage that infrastructure to get the job done and execute the priorities of the organization.

So when they have that picture in their minds and they understand what goes into implementing and reimagining the way work is done, in a way that's part of the culture and part of the operating model, then they're able to guide leadership to say, 'Okay,

so make sure if you're making a decision about where people are working, you're also thinking about how does the technology affect that. And is there something related to the time people are working that we have to think about? And do people have the skills they need in order to leverage those different pieces of the infrastructure we need to execute flexibility in a strategic way?' So that's really, at the end of the day, I think, it has been historically a combination of misunderstanding, inertia because of that misunderstanding, but then also not knowing how to move forward. So hopefully we can change that.

Stephen: Certainly. And then in this environment, in the COVID or post-COVID world, is this something which, and leaders are prioritizing all the time. Is this something that is important but not urgent? Or now has to become urgent and important?

Cali: Well, actually, interestingly enough, it's always been urgent. It's just I don't think leaders have understood that by not taking it seriously, by not seeing it as part of the strategic priorities of the organization, they really were missing out on a broad range of potential impacts. But now this has really forced the issue. I think we've seen with COVID, it really broke through that inertia and leaders are seeing this was a powerful business resilience, operating resilience, business continuity strategy for our organization. If they were caught off guard, if they didn't have that seamless culture-based approach to flexibility, they still were able, in many cases, to continue to operate, it was kind of random and not organized, but they were able to push through to the other side. And that has raised the awareness that, wait, we can do a lot of the things we really didn't think we could do in a very remote and flexible way.

What I hope leaders realize, and especially board members realize, is that talent has always been a very strong strategic imperative for embracing flexibility in the workplace. What is ultimately going to happen is the genie's out of the bottle and people understand they can work flexibly. And that's going to give you the ability to attract and retain and motivate the most wonderful, diverse, knowledgeable workforce on the other side of that. It's going to allow you to leverage your resources more efficiently and effectively. People are actually using the technology that you have invested all this money in that was probably wildly underutilized before. Now people are really using it and leveraging it. And the same with your workspace.

You may have a chief financial officer come to you as a board member and say, 'Okay, let's just get rid of our workspace.' Well, you want to say, 'Well, hold on. People still maybe want to come to the office, but we can leverage our technology, we can leverage flexibility to allow us to maybe have less workspace and optimize that in a better way.' So again, it's always

been a strategic imperative. There's been so much that you can get from it that I don't think leaders truly understood. And I think the awareness is there to now move forward and truly take advantage of it, now and then for what's next.

Stephen: You've been at this for over two decades. And in that time, you've seen a number, unfortunately, a number of crises. Is there any lesson that we can learn from either 9/11 or 2008, the financial crisis, and the choices that management had to make then, and comparing it to choices management has to make now about talent?

Cali: Well, back in the financial crisis, one of the things I was very actively involved in was trying to get leaders to understand that layoffs were oftentimes an unnecessary blunt instrument. Meaning there were stages to that. And of course, there's going to be potentially reasons that you have to let a certain segment of your workforce go. But there are stages that you could go through, such as, you could put it out there to the workplace, especially right now, people who are parents and are grappling with the very, very real reality of 45 million children who are not in school and all the other millions that are not in childcare.

You could go out and you could say, 'Who would like to reduce their schedule? Who would either like to take a sabbatical?' And you may have many parents, and when I say parents, I think board members need to understand the default thought that this is just mothers that are challenged with this is not accurate. There are many, many, many fathers, equal number of fathers, who are just as challenged. And so maybe for a period of time, you would have a group of people say, 'You know what? I'm raising my hand. I'd love to reduce my schedule. I would love to take a sabbatical, even go to a contract-based interaction with the organization.' And so, again, to be creative about how you stay connected to this talent.

It's interesting in 2008, people were just letting people go right and left. And then literally two, three years later, they were starting to really scramble to find that talent. And even just four months ago, I'm sure you were hearing as a board member, "One of our top challenges is we've got to attract and retain a diverse knowledgeable workforce." So now, three months later, you want to try to minimize as much of letting that go as you can. And the strategic application of flexibility in the way people work is a really powerful way to do that. And that would be one of the biggest lessons, I would say, from the financial crisis that I hope leaders learn from.

Stephen: So Cali, if I'm a board member today and I'm dealing with a lot of issues, and we all know that board members must walk and chew gum at the same time, we've got to think through capital allocation, liquidity,

operational issues, and also human capital issues. So if we just take that part of human capital issues, what are some of the questions I should be asking about how our employees work and human capital?

Cali: I've mentioned some of these issues already, but let's pull them all together into what some of the key questions might specifically look like with some of these human elements that you may have to address. So let's take the mental health issue again. So you're a board member, so you may want to ask these questions of senior leaders all together. So, how is mental health affected by how we're communicating right now and using technology? Do people have the right remote work setup? If traveling less, could we set up their spaces remotely to be more comfortable and effective for them? What are the childcare and eldercare responsibilities of our people? Do we know what they are and how it is affecting them? And what are some of the supports that we could offer? Do managers have the skills and tools to lead a flexible, distributed team? Do people know how to plan and communicate their boundaries?

These are all questions that go toward that mental health issue but they all interact with one another. And a board member asking those questions could be very effective in guiding leadership to see it that way. Another issue would be resourcing. So, what is the amount of resourcing we need? And what do we have right now to execute the business priorities? What are our workspace needs if we think about a hybrid, onsite, remote work model going forward? How can we flexibly stay connected to talent? Maybe we can still reduce costs. Could we help them work flexibly? Could we offer sabbaticals? Could we reduce schedules? Could we offer contract-based work? So again, all those questions go towards that issue of resourcing that leaders may not see as being interrelated, but really do impact what ultimately the outcome would be.

Another area of human-related capital would be loyalty, culture, and commitment. And that really goes back to prioritizing health and performance right now. And so, how are we letting people know we care? So are we asking them how they would like to work? Have we said, 'How have you been working?' And what ultimately would that look like now and as we go along and realities change? How are we measuring performance in a way that builds trust? And how have we found creative ways to leverage technology to replicate that water cooler interaction that maybe people feel they're missing that would make them feel more connected to the organization? So again, that's the issue of loyalty and culture and commitment, but all those different pieces feed into that. And by asking those questions, you'll help leaders see the interconnectedness and move forward in terms of addressing them in that way.

Stephen: Well, thank you there. And you brought up the issue of mental health, which is extremely so important during these days. And I'd like to think of a point, and I know you've mentioned before, you've written about it in the last couple months, of employees using video communications platforms and feeling burned out. And you told me, and I'd like for you to tell that story quickly, employees who were burned out using a particular video communication platform, so they called the hotline, not of the company, but of the video communication platform and said, 'Look, we're burned out.' And the platform actually had some instructions about the time allotment for video meetings. And what was that?

Cali: Yes, actually, we had a client that was finding that people were very burned out and they realized that part of it had to do with how they were communicating and using technology. And of course, right now, we all know that there's this explosion of the use of video conferencing platforms. And they realized that people were just burning out by the amount of time they were on these video calls. So they called the actual provider of the video conferencing platform and said, 'We're having this problem. What do you think?' And that provider said their research and their expertise is telling people that they should make those calls half the amount of time.

There's some kind of a mental load that happens when you're on video that is not replicated when you're face-to-face that does make people tired. And so they essentially went out and said, 'You know what? Let's try to cut down,'—not only the amount of video calls we're doing, because I think that was becoming sort of a default go-to, rather than really a necessary channel to use all the time—and they said, 'and when you do use a video call, then why don't you try to cut it down and make it shorter?' So again, you think about this issue of mental health and you're a board member, you want to make sure it's not just the default is, 'Oh, hey, we have to give people more EAP services,' which are very important, but also to say, 'what's happening in terms of how they're communicating and how they're working right now?' And that was one of the issues, it was around technology. So, it's something to think about.

Stephen: What a great public service announcement. Cut your video meetings time and the amount in half. And I'm sure everyone would appreciate that. And quite frankly, it's funny, but it's really serious. And this is something which board members can whisper in the ear to management that they have to be concerned about it and act upon it. So thank you, Cali, for that. What's the path forward? As you stated so eloquently earlier, the genie's out of the bottle and you can't put it back in, and as you prepare to return to work the idea that you're going to go back to how you worked back in January of 2020 may not be optimal. So what's the path forward for leaders?

Cali: So I think for a board member, first and foremost, the path is to understand that any type of path forward is going to have to be something that's cross-functional. So, it really is going to require all different areas of the organization, all different facets of leadership to come together to determine what that is going to be. Because I think there has been a default in the past to say when it comes to flexibility, 'Oh, that's something HR would handle.' And HR absolutely plays a role, but really this is about IT, the CFO, the chief operation officer, the facilities, HR, and legal, and the business coming together and really stepping back and saying, 'Okay, what can this look like?'

I think in terms of a near-term plan, I think, obviously, you want to make sure that you are putting your health and safety of your people first. And that's really critical. There's been a lot of research done on the importance right now of building that culture of trust and empathy, but also pairing that with performance. And as long as people feel like you care about them, and you're taking their health and well-being into consideration, they are able to meet you halfway, and they understand the performance priorities that they have to help the organization achieve. So keeping that those two pieces together. And in terms of the next stage, medium-, long-term plan, you can go back to that model of the infrastructure and that shared leadership, that marriage between the two, and see how all those pieces are aligning in your organization, where you may need to make changes in your workspace redesign. Well, do that with thoughtfully, thinking about how technology can support that in terms of how, when, and where people can work to leverage that workspace, but then also work remotely as well. And that's something to remember too. When I say, 'the genie's out of the bottle,' people now know that they can do part of their jobs—maybe not onsite exactly how they did before, they may want to come back to the office—but they may know that, 'When I have to do focused work, I'm better when I'm not here.'

So making sure the leadership team is allowing that and giving people the skills and the tools and the ability to partner with everybody they work with in their business to determine how, when, and where they could work best and allow that creativity and innovation to happen. And again, as I said, not only is it going to be business continuity, operational resilience, which everybody has seen in real-time is very critical, you'll get all of these other strategic imperatives addressed.

Stephen: Well, Cali, thank you so much. I think as we close here, the key thing, there's so many key things that occurred in this conversation, but utmost is that the genie's already out of the bottle. So the transformation on how we work already happened due to this crisis. But it's for leaders now to figure out how to put order to it. So thank you, Cali Williams Yost, chief strategist and futurist at the Flex Strategy Group. We really appreciate your insight and it's giving us a lot to think about. Thank you very much, Cali.

Cali: Thank you, Stephen.

Announcer: Thank you for listening to our podcast episode on the board's role in strategic work flexibility. Be sure to visit the Board Leadership Center website at kpmg.com/us/blc for more resources and information for board members and business leaders, and be sure to subscribe to the Board Insights podcast to be notified of new episodes.

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