

Business Leaders' Forum

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About

The Environment Analyst Sustainability Delivery Group hosted a Business Leaders' Forum exploring the operational challenges thrown up by the 'new normal' environment of hybrid work. The closed session was conducted over Zoom and allowed participants to discuss the ramifications of remote work for company strategy, retaining talent and client interaction.

The discussion focused on:

- The impact of remote work on mental health, company loyalty, mentoring and efficiency
- The divergence of expectations as to what the 'new normal' should look like
- An ongoing war for talent that leaves managers at a disadvantage
- How to combine the best aspects of remote work and face-to-face interactions
- Whether consultants can build strong relationships with clients through virtual platforms
- What approach will clients take to in-person meetings
- Placing employees in the ESG narrative

Recommendations and takeaways:

(i) Amid a war for talent, business leaders feel reluctant to require employees to return to the office even part-time for fear of resignations. There is a need to rekindle employees' attachment and "emotional connection" to their companies and their co-workers.

(ii) Create "touchpoints" – specific days when employees can meet and work in person, whether once a month or more frequently. This can lead to employees interacting outside of work and opting to collaborate on their own initiative.

(iii) Employees of different ages and levels of seniority have very different opinions and interpretations of hybrid/remote work. There is a "divergence of expectations" over what the new normal will look like that is in part generational.

- (iv) New employees in particular are often keen to return to the office, and risk missing out on the mentoring and knowledge transfer that in-person meetings facilitate.
- (v) Firms that do require employees to return to the office need to avoid reimposing the worst aspects of the old pre-pandemic “routine”. This includes unnecessary travel and unproductive meetings.
- (vi) Do not assume that the pre-pandemic approach to onboarding and mentoring was perfect. This is an opportunity to refocus on how best to interact with existing staff and new hires.
- (vii) Although the new normal has created frictions, it has also dramatically reduced firms’ carbon footprints and environmental impact. The decision to restart work-based travel should be considered with this in mind.
- (viii) As clients start to firm up their own strategies to meetings in the “new normal”, this will help dictate consultancies’ approach. “If clients want us to go to them, we go to them”.

The forum began with a brief presentation from EA director Ross Griffiths, outlining related findings from our Future of Consultancy [report](#), based on a survey of our members in Nov/Dec 2021.

Over 50% of respondents worked from home in 2021, but this is expected to fall to 28% in 2022. Although there is a shift back toward office work, employees will still work an average of 2.9 days per week.

Executives have to consider employee-well being, profitability and how to manage teams that want “the best of both worlds” when it comes to hybrid work

Business confidence in the environmental & sustainability (E&S) sector is higher than before the GFC, reminiscent of the early 1990s. But many respondents flagged staffing as a major challenge. Increasing competition from other professional service providers has escalated the talent war.

Salaries and bonuses are rising, and this trend is likely to continue against a backdrop of high inflation. How and when rising costs are passed on to clients is a key dilemma for E&S business leaders.

Antea Group’s Alizabeth Smith gave an industry perspective and on the challenges of finding and onboarding new staff

The ‘talent war’ is on from the UK to Kenya, Smith said. Antea has found the most successful route to finding new talent is a 1-to-1 approach: having individual leaders within the company talk to peers, classmates and former colleagues about opportunities at the firm. Antea now offers a bonus for an employee that successfully refers a contact that is then hired and passes a six month performance review.

Antea has set up the parameters of a “total worker health” concept. This includes a mentoring programme to help new entrants adjust to the new pace, particularly if they are joining from a different sector.

Across Antea's clients – in the popular press – there is an increasing focus on “wellness programmes” for employees. These can offer perks from private cooking classes to tailored gym packages. But Smith notes that these amenities have proved less popular among staff returning to the office compared to financial consulting and mental health services.

“This is interesting, especially when you think about how much gets invested into those programmes,” said Smith.

On the talent war front, Smith noted a “void” in the talent pool. Contributing factors include low graduation rates three years previously and the great retirement.

Placing employees in the ESG narrative

“One thing we noticed is that some employees are feeling lost in the messaging,” said Smith, using the example of a senior auditor questioning how their work fits into the ESG movement. Antea used an approach originally designed for a client, but which turned out to be an excellent framework for employee engagement.

This involves listing all the things a firm provides to clients and placing them within the various reporting paradigms. This helps staff realise that even a standard task or process has an ESG component. Antea also trained its staff to talk about the link between their role and the broader ESG framework.

Antea's clients and employees are better and more meaningfully connected to the ESG journey. This leads to a “well informed employee that understands how they fit into the ESG narrative and can talk to clients out in the field,” said Smith.

Diverging opinions

During subsequent working groups, participants discussed the key new normal workplace and staffing issues they are facing and what solutions might be available.

Business leaders noted that expectations around hybrid working arrangements varied widely. One executive reported that younger employees are “chomping at the bit” to see their colleagues in person again and benefit from the social and interactive aspects of office work. This includes being seen to contribute and helping pave the way for future promotion.

Older cohorts on the other hand can perceive the commute into work as a “chore” and resent the burden. Some executives felt that the most senior staff see the value in returning to the office. The most recalcitrant group are mid-level employees, especially those with young children. “We've had to deal with a divergence of expectations,” said one executive.

A lost generation

Participants are particularly concerned that younger employees who have spent a larger proportion of their careers in remote or hybrid work will have less emotional attachment to their employers and colleagues. This could have implications for turnover, but also poses a problem instilling new hires with the necessary skills and industry knowledge.

Executives felt mentoring was far harder and less effective through virtual platforms. The mid-level staff best placed to pass on knowledge may be the most reluctant to return to the office. “We can’t have a lost generation of consultants that don’t get the mentoring and guidance they need,” said one executive.

Making sure that new employees of whatever age and level of seniority fully understand the ESG paradigm is also much more onerous without some degree of in-person interaction.

An employee market

Executives agreed that the current market is one that overwhelmingly benefits employees. All firms are struggling to source talent to fill gaps in E&S teams, and this puts managers in a difficult position. Most described their approach to nudging staff back to the office as one of “encouragement” rather than instruction. “We know we have to be flexible or lose people,” said one. What remains to be seen is just how long this will last.

Touchpoints

One executive outlined an approach that met with admiration and approval for other participants. The firm created “touchpoints” – a specific date each month when staff would come together and work at a coworking space. Very few staff were keen to be in the office five days a week. But a single day across an entire month is a relatively light commitment and one that can have an outsized impact. The touchpoint led to staff meeting up outside of work and arranging to collaborate on projects on their own initiative.

Business leaders felt the best approach to touchpoints was both to provide amenities – food and drink – and to make sure that the gathering was productive from a work perspective. There is a need for “intentionality” in bringing people together to build team spirit. Firms with staff that are primarily engaged in on-site work have to make sure that these employees are not left out, said one executive.

The client question

The issue of how clients approach face-to-face meetings is “another layer” on top of how to manage employees. Clients’ needs are paramount, and here firms felt they had less flexibility on how to respond. As one executive said “If clients want us to come to them, that trumps the decision of where to be.”

Clients are navigating the same issues and what they decide could help dictate how consultancies approach the question of hybrid work. One executive reported an initial increase in clients asking for a return to face-to-face meetings was then followed by a shift back to virtual meetings in order to save time.

Executives also felt that – as with employees – there is tremendous value to meeting clients in person. One enduring theme is that as the sector develops towards partnering and higher value solutions, it increasingly involves listening to and engaging with clients – not simply providing technical solutions. For clients with whom consultancies had existing relationships pre-pandemic, virtual platforms may be less problematic. But some participants felt it remains to be seen whether they can build similarly strong relationships with new clients they have never met face-to-face.

One participant cautioned against a return to the pre-pandemic, carbon-intensive travel schedule that characterised much of the market. The best approach would be to allow virtual meetings to complement more considered in-person discussion. “A little bit of face-to-face helps..building relationships that I can develop further online,” said one executive.

The best of both worlds

The experience of firms’ in North America has been very different from that of companies in Europe. Some were largely virtual even before the pandemic, others focused entirely on face-to-face meetings. Similarly, there is no “one size fits all” approach to navigating the new normal, but there is a core need to provide a catalyst that will bring employees together in ways that contribute to a shared “sense of value and purpose”, one participant said.

Some firms are encouraging staff to be in the office two or three days a week, others are suggesting 10 days each month. But executives noted that no-one is keen to bring back onerous commutes, unproductive meetings and unnecessary travel. There could be a tendency to romanticise the past. “We shouldn’t assume that what we used to do was better than what we do now,” said one executive. “We assumed training and interaction was happening, but maybe it wasn’t.”

Business leaders should embrace the efficiency and cultural shifts that have emerged with hybrid working. If staff are required to come to work, it should be productive, purposeful and clearly recognisable as such.

Virtual vs. geographic considerations

The teams that were put together to serve clients during the pandemic were often done so virtually, with little thought to physical location. These teams were designed by choosing staff best suited to the task. The possibility of switching to in-person client meetings or site visits throws up the issue that these same staff members may not be in locations where in-person meetings are straightforward.

“We’ve seen teams that now need to do site visits and these people are miles away,” said one executive. “If we need to be in front of clients....we need to be factoring that in.”

Roundtable participants:

Bob Beinstein	ESG Market Lead Americas	AECOM
Alizabeth Aramowicz Smith	EHS Senior Consultant and Health and Safety Practice Leader	Antea Group USA
Chantelle Ludski	Chief Executive Officer - North America	Anthesis Group
Brooke Bonkoski	Senior Vice President, Operations Director	Arcadis
Matt Gardner	Senior Technical Director	Arcadis
Juliette Linford	Practice Manager	Atkins
Chris Scott	Vice President - Sustainability and Resilience	Black & Veatch
Alex Ferguson	Managing Director	Delta Simons
Zara Ahmad	Environmental Consultant	ERM
Kurt Beil	N Hemisphere Environment Lead	GHD
Simon Copping	Managing Director (UK and Ireland)	Golder
Faith Welling	VP, Corporate Responsibility	ICF
Lynsey Clarke	Divisional Director of Sustainability	Jacobs
Chris Sowerby	Director	Jacobs
Julia Barrett	Technical Principal	Mott MacDonald
Jennifer Kohlsaatt	Senior Vice President & Regional Practice Leader - Environment	Mott MacDonald
Matthew Hunt	Director	RHDHV
Andrew Frost	Associate Director - Climate Change and Sustainability	Thomson
Diane Woodall	Vice President, People & Organization	Wood
Jack A. Schiavone	Senior Vice President, Industrial Sector	Wood
Nick Jarritt	Director – Climate Risk, Water Management & Environmental Policy	Wood
Lauren Anderson	Market Research and Corporate Sustainability Analyst	Woodard & Curran
Julian Rose	Managing Director & Co-Founder	Environment Analyst
Lisa Turner	Membership Development Manager	Environment Analyst
Ross Griffiths	Operations Director	Environment Analyst

Amanda Rafferty	Community & Events Director	Environment Analyst
Liz Trew	Co-Founder & Director	Environment Analyst
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Credits:

This roundtable was organised by *Environment Analyst's* [Sustainability Delivery Group](#). With thanks to EA team members Steven Gilmore (who authored this report), Ross Griffiths, Amanda Rafferty and Julian Rose for their work on the roundtable. Contact Julian Rose for more information on this meeting and on the Sustainability Delivery Group: julian@environment-analyst.com.