



Adapting to the 'New Normal'



George Arhin

George Arhin is the PwC Ghana Assurance Leader and West Market Area Mining Leader.



The 'new normal' has become a familiar term in the corporate environment as businesses deal with various ways to sustain operations in the face of the lingering COVID-19 pandemic. Adapting to this 'new normal' broadly revolves around people and technology.

This article deals with how employees, management and leadership in organisations should be adapting to the 'new normal'. For the purposes of this article, employees refer to staff who are below management level; management refers to unit and department heads who drive the accomplishment of a company's objectives through the workers they oversee; and leadership refers to senior management and executives within organisations. They make the fundamental decisions of the organisation and inspire and motivate management and employees.

Employees

A common feature of the new normal is working remotely. The two main concerns when it comes to working remotely is ensuring that there is minimal disruption to the flow of work and quality is not compromised. To ensure adherence to these, employees are required to stick to a routine irrespective of their location of work. This involves setting up a simple workspace and sticking to a predetermined work schedule as a way of maintaining consistency. In many instances, employees have the flexibility of creating their own work schedules and agreeing work schedules with superiors in order to maximise productivity. Consistency on the part of both subordinates and supervisors will largely contribute to the smooth progress of work.

The need for frequent communication in this era cannot be overemphasised. Team members need to check in regularly on each other not only for work purposes, but also to verify their safety and well-being.

Additionally, challenges employees face in carrying out work need to be communicated on a timely basis in order to manage expectations. As companies continue to develop new ways of carrying out work, staff also need to provide feedback on these new methods so that the necessary updates are made.

Agility is a crucial trait required to stay relevant as work continues to evolve amidst the disruptions. Many companies have resorted to the increased use of technology to ensure continuity of work. Staff need to embrace this new way of working by using the tools made available by leadership. Adequate training may be required to get used to these new tools. However, it is up to employees to transform the skills acquired through training into capabilities by using these tools to carry out work and deliver desired results.

Management

Management play an important role in navigating the 'new normal' as they interact more frequently with staff and bear the responsibility of supporting staff at the workplace. This role comes to play in managing the changes introduced to the workplace.

While it may be easy to identify which areas to provide support to staff, there is also the need to create avenues for staff to communicate the support they require in carrying out their work for timely resolution. Providing the necessary support to staff is key to ensuring continuity of work as companies navigate the 'new normal'.

Evaluating employees is tricky in these times of prolonged absence of face to face interactions since traits that are observed rather than measured such as interpersonal skills and commitment to work, may be eroded from the appraisal process. However, a fair appraisal is essential to drive performance and motivate people. It is necessary to redefine and communicate what is important to the organisation and enforce this through the appraisal process. Management needs to go beyond the traditional approach, see the big picture and acknowledge any additional effort from staff as they cope with the disruptions of working remotely. There is also the need to make a conscious effort to overcome any form of bias in order to strengthen trust in the appraisal process and in the organisation.

Working capital management can be challenging in the face of prolonged uncertainty. The ability of management to critically analyse their organisation's financial demands and proffer appropriate liquidity plans and strategies has come to be of the utmost importance in keeping solvent in these times. This calls for short-term cash flow forecasts modelled against the best-and-worst-case scenarios and review of current cash processes and controls. Management needs to embark on effective working capital management. This includes but not limited to maintaining a list of key suppliers and critical payments that must be made to ensure operational continuity; directing efforts in identifying opportunities to conserve cash by, for example, cutting down on expenses that are not central to the running of business operations if demand has fallen. Finally, management should identify pockets of excess working capital and establish initiatives to quickly convert it into cash.

Leadership

The manner in which organisations adapt to the new normal largely depends on the top hierarchy who make all the important decisions. Sustaining revenue, profitability and cash flow is a key decision area in the era of the 'new normal'. The outbreak of COVID-19 has triggered changes to consumer behaviour compelling businesses to rethink their product and service offerings. Hence, it has become increasingly critical that businesses continue to innovate bearing in mind both the short and long term innovation strategies. Businesses should also focus on changes in consumer preferences and needs to drive improvement and sustainable growth. According to the Global PwC Survey conducted in June this year, almost two-thirds (63 percent) of CFOs are looking to generate revenue by changing or refreshing their product and services mix.

Another key decision area that is receiving a lot of attention in this era is investment in technology. Technology has become fundamental to a company's strategy to develop new ways of working, secure newly implemented remote working practices and ensure continuity of core IT and IT security functions. Decisions regarding investment in the right type of technology to support business operations need to be made in a timely manner. Investment in technology is usually costly and the services of consultants may be required to ensure the right investment is made. There is also the need to ensure that the appropriate infrastructure is in place to secure cloud and other IT systems in order to effectively manage IT-related risks. Cyber risk is heightened as more business functions are hosted on cloud and other web-based platforms. Cyber attacks can severely impact companies in the form of loss of funds and interruptions to operations. Consequently, there may be the need for leadership to assess and obtain cyber insurance in order to mitigate any cyber risk.

Increased work flexibility has been identified as a factor that will make organisations stronger over the long term (PwC Global CFO Pulse Survey, June 2020). In this regard, it is important for leadership to continually rethink the way work is carried out. This is necessary in order to accommodate flexible working policies to ensure the continuity of business activities. Depending on the type and size of the organisation, some significant changes could be made. Leadership should deliberately channel effort towards managing the change process to ensure that employees and management do not feel threatened by the change(s). It is also important to regularly share relevant information directly with employees and management so that they have a first-hand understanding of how the organisation is evolving in these uncertain times.

Conclusion

While the looming uncertainty presents various challenges to businesses, there are long term benefits for businesses who pull through. These businesses would have discovered new ways of ensuring continuity of operations, developed new products and services to meet changing consumer needs. They will also be able to sustain or increase revenue, accelerate the use of technology in their operations, improve on efficiency, and so on. In order for a business to pull through however, a collaborative effort by leadership, management and employees is required. It is important for individuals at all levels in the organisation to have an awareness of the times and adapt quickly in order to survive.

Want to know more? Let's talk.

You can contact me by sending an email to george.arhin@pwc.com and copy in Prince Adufutse prince.adufutse@pwc.com

Business School

Please see www.pwc.com/structure for further details. Enquiry and registration: Please contact Salome Aku Duse on 0302 761500 or via email to gh_businessschool@pwc.com

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