

BEST OF
TED

Fresh thinking from the world-famous incubator of ideas

ABIGAIL DISNEY

Documentary film producer and social activist

Dignity isn't a privilege

"For almost a century, Disney has turned a pretty profit on the idea that families are a kind of magic," says Abigail Disney. "That's why it turns your stomach a little bit when I tell you that Cinderella might be sleeping in her car." The truth, she says, is that much has changed in the world of work since her grandfather, Roy, ran the business with younger brother Walt. Disney, though, is far from the worst offender. There are lots of well-meaning CEOs, says Disney, but they're working in a much more cut-throat context. The good news is that "expectations and contexts are made and they can be unmade".

REBECCA HENDERSON

Economist and business school professor

To save the climate, we have to reimagine capitalism

Markets only work when prices reflect real costs, says Rebecca Henderson, but right now prices are out of whack: "We're letting the firms that sell fossil fuels, and indeed anyone who emits greenhouse gases, cause enormous damage for which they do not have to pay." Business needs to step up, she says, suggesting four pillars of change: build a business that can set the right price and still be profitable; persuade competitors to do the same thing; make sure investors understand there's money to be made; and push government to put the right price into law.

**AMY C EDMONDSON**

Harvard Business School professor

How to lead in a crisis

Sometimes a crisis comes along that upends everything, but one thing is for sure: more are coming. "Upheaval creates fear and, in the midst of it, people crave security, which can incline leaders toward the usual tropes of strength, confidence, constancy, but it won't work," says Edmondson. "We have to flip the leadership playbook." Leaders, she says, must learn to communicate often and with transparency, act with urgency, hold purpose and values steady, and give power away.



Mindset shift needed to attract new talent

AT A TIME WHEN disruptive forces are transforming the global economy, businesses need to look beyond traditional means of acquiring talent if they are to thrive, especially when it comes to attracting staff with digital skills.

"Three disruptive forces are redefining the rules of global competition," says Jim Hemerling: "First is the social tension driven by rising discontent with capitalism and increased strain on the natural ecosystem. Second is economic nationalism and heightened geo-political conflict. Third is the technological revolution fuelled by the exponential growth of global data and digital technologies."

Against this backdrop, traditional methods for attracting talent, such as careers fairs, university outreach programmes and lateral hires, are no longer sufficient. Companies, says Hemerling, must "change their underlying mindset and reconceive how they are attracting talent".

Younger generations are looking beyond highly structured careers, with ever-increasing responsibility, he adds: "They desire continuous experiential learning on the job, as well as the chance to do meaningful

work, make a difference in society and find fulfilment outside of work."

Those companies that are already going beyond traditional tactics "are reimagining how they are building, buying, borrowing and bridging when it comes to talent", especially digital skills given those with non-traditional backgrounds often have the knowledge organisations need to get ahead of disruption.

Some of the methods employed by these firms are outlined in *Beyond Great*, co-authored by Hemerling, Arindam Bhattacharya and Nikolaus Lang. These include new ways to identify staff. When users type specific software terms into Google, for instance, they see a coding challenge that, if completed, could lead to a job interview.

Buying in talent through M&A activity has continued in recent years, they add, while some firms are investing in start-ups for the same reason. The rise of crowdsourcing platforms is also driving the use of 'borrowed' talent, while some companies are helping staff to move on to new opportunities internally.

Jim Hemerling is an author and senior partner at Boston Consulting Group

Boston Consulting Group: TED



DAVID LIDDLE

BUSINESSES WILL PAY THE PRICE FOR UNDERESTIMATING THE VALUE OF FAIRNESS

A FEW WEEKS ago, I facilitated a roundtable conversation in a previously high-performing team that had become dysfunctional. Employees were falling out with each other over seemingly trivial issues, motivation was at an all-time low and productivity had taken a downturn. A deep dive into what was going on revealed one core issue at the heart of the problem: the perception that since the team had returned from furlough, people were not being treated equitably and an unfair culture had taken hold.

I suspect this is a situation that is being played out in organisations everywhere. In the rush to get operations back on their feet, managers have gone into survival mode. The old 'rules' about who did what and how have been thrown out of the window. Employees are being expected to go the extra mile, picking up work previously outside their remit or working long hours to cover for ill or isolating colleagues.

In the early days of the pandemic, people willingly pulled the stops out to deliver what was being asked of them. Niggling issues and concerns got pushed under the carpet as everyone pulled together to try and support the business. However, as many managers are now learning, that situation isn't sustainable. Firms can only rely on goodwill for so long. If they want

their employees to thrive and give their best, the development of a fair and just culture has to be right at the top of their agenda.

But why is this so important? Research has shown that our desire for fairness is hard-wired. A 2017 study by American psychologists found that it is ingrained in children by the age of 12 months, and is key to their understanding of how the social world operates. The well-known SCARF model, developed by David Rock, also

"Firms can only rely on goodwill for so long. The development of a just culture has to be right at the top of their agenda"

identifies fairness as one of the five domains that activate the threat or reward circuitry of the brain. A perceived increase in fairness, for example, provokes a similar response to receiving a pay rise.

Interestingly, people are equally likely to react to extremes of fairness at both ends of the spectrum. We have an aversion to being treated less favourably than others, but many of us also feel uncomfortable if we perceive we are getting an unfair advantage over our peers.

Ensuring they are creating a fair playing field for their team can be a real challenge for managers. Often

organisations haven't invested in developing the level of interpersonal and communication skills this calls for, and managers lack the courage and skills to handle conflicts, complaints and concerns effectively.

The behavioural frameworks and people processes that would support an equitable environment are also lacking in many businesses. When things go wrong, for example, managers try and solve them with damaging and divisive disciplinary and grievance procedures, rather than using open, honest, face-to-face dialogue to get people back on track.

Instead of treating stressed people with compassion, listening to what they have to say and helping them find a constructive resolution, we plunge them into formal processes that offer an illusion of fairness. The result? Relationships are irretrievably damaged, talented people head out of the door and, ultimately, no one wins.

At a time when many businesses are struggling for survival, we have to shift this thinking and find ways to create workplaces that are people led and values focused. If we make values the golden thread that underpins everything the organisation does, it will be clear to managers and employees how they are expected to behave and what should influence the decisions they make.

David Liddle is TCM Group CEO and author of both *Managing Conflict* and *Managing Culture*