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## How to overcome the people paradox

Managing people can be one of the most challenging aspects of running a business, even though people are a key driver of sustainable value. There are many factors that contribute to the difficulty of managing people as an asset, including the shortage of available and affordable talent, the changing nature of work, the complexity of human behaviour, and the need to balance short-term and long-term goals.

In this blog post, we will explore what we call the People Paradox - the challenge of managing people even though they are a core asset in your business.

### **The Changing Nature of Work**

The nature of work is constantly evolving, driven by factors such as technology, social change and generational change. This makes it difficult for businesses to manage people effectively, as you must continually adapt to new ways of working and new expectations from employees. For example, the rise of hybrid work has created new challenges for businesses, such as how to maintain a sense of team cohesion and ensure that employees feel connected to your organisation. Managing people effectively requires a flexible, adaptable yet fair approach. Businesses must be willing to experiment with new ways of working, such as remote work or flexible schedules, and be open to feedback from employees on what works and what doesn't. It's also important to keep up with local changes to legislation to ensure you are upholding workers' rights, including in areas such as diversity, equity and inclusion. Providing support to employees and leaders to help everyone adapt to new ways of working is essential.

### **The Complexity of Human Behavior**

Human behaviour is complex and can be difficult to predict or influence. This can make it challenging for businesses to manage people effectively, as they must navigate a wide range of personalities, motivations and situations. Some employees may be highly motivated by career status and financial rewards, while others may be more motivated by a sense of purpose or a desire for work-life balance. Managing people effectively in this context requires empathy, an appreciation of human behaviour and the ability to tailor management strategies to individual employees and teams. This may involve creating personalised development plans, providing regular feedback and recognition or offering incentives and flexible work options suitable to the type of work that the team performs.

### **Balancing Short-Term and Long-Term Goals**

Managing people as an asset requires businesses to balance short-term and long-term goals. While it's important to meet short-term performance targets and deliver immediate results, businesses must also invest in their employees' long-term development and well-being.

This can be challenging, as short-term pressures can often take precedence over longer-term investments in people. For example, many businesses have learned the hard way that deep short-term job cuts may harm their business in the long-run. You may lose customer relationships, organisational knowhow, or lose trust with your remaining employees. To be effective, businesses must have a clear understanding of their long-term vision and the role that people play in achieving that vision. You also should be willing to invest in workforce development, even if this requires short-term sacrifices or delays in meeting performance targets. Thinking of people as an asset to your business can at times be difficult and challenging, but it is also essential for driving sustainable value. To manage people as an asset businesses must be flexible and adaptable in the face of changing work patterns, have a deep appreciation of human behaviour, and balance short-term and long-term goals. With the right approach, businesses can unlock latent potential in their people and achieve sustainable success over the long term.

## **Making it happen:**

Atlassian is a software company based in Australia that has grown rapidly in recent years. One of the keys to their success has been their focus on managing people as an asset. They have a strong company culture that values transparency, collaboration, and personal growth. They also invest heavily in employee development, offering a wide range of training and development opportunities to help employees grow and advance in their careers and benefit from the company's growth. As a result, Atlassian has been able to attract and retain top talent, driving sustainable growth and value for the company.