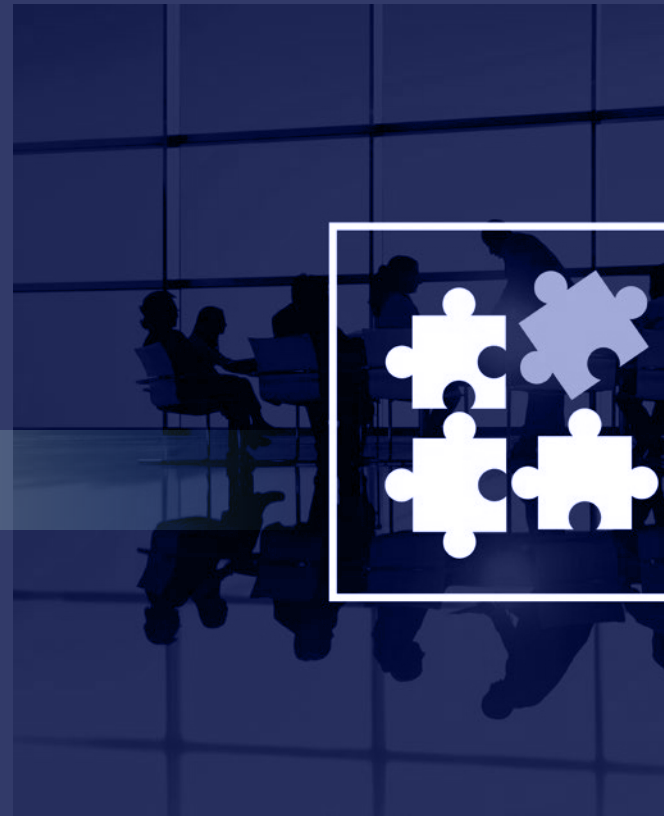


Diagnostics 4Business

· INSPIRING SUSTAINABLE TRUST ·



WINNING BUSINESS LEADERS
IN 2022 MUST SUCCESSFULLY
AND ETHICALLY NAVIGATE THESE
10 BIGGEST BUSINESS TRENDS,
BY FOCUSING ON GROWING
STAKEHOLDER TRUST



In a post-COVID world, defined by climate change awareness, mental wellbeing, diversity and inclusion and Brexit, ten new business trends are emerging. For businesses to grow, maximise these trends, and manage risks, good business ethics will be required to address these trends effectively.



• TREND 1: SUSTAINABLE, RESILIENT OPERATIONS

Organizations must seek to reduce or eliminate the environmental costs of doing business. Decarbonizing the supply chain is a sensible place to start, but forward-thinking businesses are looking beyond the supply chain to improve sustainability and resilience across all business operations. In a world that is embracing sustainability, any business that ignores it and/or fails to effectively promote its efforts is likely to struggle to achieve growth - **Employee and shareholder trust in sustainability initiatives will be key to success.**

• TREND 2: BALANCE BETWEEN HUMAN WORKERS AND INTELLIGENT ROBOTS

The growth in AI systems, across all business sectors, that take on tasks that were previously done by humans, leaves employers with some key questions: how do we find the balance between intelligent machines and human intelligence? Which roles are best suited to humans? How can we prepare their organizations and people for the changing nature of work. - **Ethical governance will be key to successful employee transition and ethical use of AI.**

• TREND 3: SHIFTING TALENT POOL AND CHANGING EMPLOYEE EXPERIENCE

The way we work is evolving, with more younger people entering the workforce, more gig workers, more part-time, remote, and hybrid workers. The traditional full-time, office-based employment will be a thing of the past, as organizations shift to hiring people on a contract basis. Some of them will work 100% remotely - **Organisations need to adopt new ways to recruit, engage, manage, motivate and retain their workforces.**

• TREND 4: FLATTER, MORE AGILE AND DIVERSE ORGANIZATIONS

Traditionally, organizations have been very hierarchical and rigid in their pyramid structures. In a post-COVID (Zoom) world, leaders recognize the need for flatter, more agile structures that allow the business to quickly reorganize teams and respond to change and emerging opportunities.

These new structures will be more like flexible communities and require new ways to communicate, unify and manage a workforce to deliver results, while continuing to appreciate, motivate and nurture employees.

In this environment, businesses will need to change the makeup of their teams to contain more multi-racial, multi-cultural and diverse managers and executives, to ensure business growth and innovation - **Increased communication and empowering employees to navigate and succeed in this new structure will be the key to growth and induce employee trust in the organisation.**

• TREND 5: AUTHENTICITY AND TRANSPARENCY

Today's consumers, and in particular millennials, are seeking a more meaningful connection with brands. And this need for connection has given rise to authenticity as a business trend in its own right. Authenticity helps to foster human connections – because, as humans, we like to see brands (and business leaders) display important human qualities like honesty, reliability, empathy, compassion, humility, transparency and maybe even a bit of vulnerability. Data shows that consumers want brands (and leaders) to care about issues and stand for more than just turning a profit - **Effective communication of an organisation's business ethics will be essential to induce trust with its customers and other stakeholders.**

Sources: Forbes Magazine, Noel Hodson TW2000, Hickmandavies research and BEA research





• TREND 6: PURPOSEFUL BUSINESS

This trend is all about ensuring your organization exists to serve a meaningful purpose – and not just serve up profits to shareholders. Purpose defines why the organization exists. Importantly, a strong purpose and ethos communicates a business striving to serve its community better - **Effective communication and demonstration of how an organisation's business ethics link to its purpose is essential for an organisation to be perceived and considered as a contributor to society.**

• TREND 7: CO-OPERATION AND INTEGRATION

Today, most things can be outsourced. Businesses are becoming more interconnected and interdependent. It is becoming increasingly difficult to succeed without close partnerships and associations with other organizations. In practice, this means greater supply chain integration, more data integration and sharing of data between organizations and more ethical partners that align to an organisation's ethos - **Aligning the ethics of an organisation with its business partners' ethos is key to ensure a trusted and transparent supply chain.**

• TREND 8: NEW FORMS OF FUNDING AND ESG EXPECTATIONS

The ways in which companies can generate finance are also changing. New platforms and mechanisms have sprung up to connect businesses with investors and donors – think crowdfunding, initial coin offerings (ICOs), tokenization and special purpose acquisition companies (SPACs). Many of these new methods are driven by the decentralized finance movement, in which financial services like borrowing and trading take place in a peer-to-peer network, via a public decentralized blockchain network - **Transparency and accountability in an expanding AI world are essential to deliver ethical behaviour at every step of the blockchain. Some investors are only considering organisations with strong ESG.**

• TREND 9: DATA SECURITY

The rate at which data is used to drive business growth to analyse, manipulate, and manage to gain insight on markets, customers and competitors is growing exponentially. This comes with an ever-increasing challenge for CEOs and boards, who are ultimately liable, to ensure they keep any data that they have on consumers and employees confidential and secure. It seems that hardly a month goes by without a widely published security breach. The reputational risks for trust to companies can take years to repair. Notwithstanding the enormous fines which can be levied by governments on organisations who don't secure their customer data. New ways to monitor and mitigate cybercrime are constantly evolving. Organisations need to keep pace while minimising risks internally, as their workforce talent pool structures change - **Ethical data governance will be essential to successfully navigate the continually evolving data securing issues.**

• TREND 10: RISING INFLATION

For many years, inflation rates in much of the world remained low and were of little concern to most procurement, supply-chain, and operations leaders. Now, however, we are in one of the hardest inflationary environments that services industry has seen in decades. It is anticipated that this trend will continue for at least the next 24 months. For governments, dealing with inflation is a delicate balancing act. If the breaks are slammed on too hard, a country could see the other side of inflation, which is a recession. Organisations also face a tough juggling act in trying to anticipate government moves and finding creative ways to deal with supply inflation - **With the right ethical approach and built trust, companies can enhance their price negotiation capabilities, long-term resilience and stakeholder trust in their supply chain.**

Sources: Forbes Magazine, Noel Hodson TW2000, Hickmandavies research and BEA research

