

Going Green, Keeping the Team, and Living the Dream: A Recipe for Happy Employees - with added ESG

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The post-pandemic workplace environment has provided organisations with the normalisation of digitally-supported, working-from-home practices. With the shift and continued potential for hybrid work to continue in the long-term, it is important to consider the impact of a positive attitude toward this form of work on individual and organisational outcomes, and its ensuing, complementary role on an organisation's ESG.

The Hybrid Workforce

The COVID-19 pandemic has accelerated the shift towards remote work, with organisations implementing work-from-home policies, including the hybrid approach to work - with some days spent in the office and others spent working from home.

This hybrid model can provide several benefits to both employees and organisations. Organisations can witness increased job satisfaction and a positive impact on work-life balance for employees, and remote work can be associated with lower stress levels, and increased work engagement (Grzegorzczuk et al, 2021). Hybrid work models can also lead to increased productivity through a reduction in distractions and a decrease in time spent commuting.

Whilst we do acknowledge that face-to-face collaboration can lead to better innovation and problem-solving with team members being able to build trust and share ideas more effectively, a hybrid work model can provide the best of both worlds, allowing employees to work in an environment that suits their productivity and collaboration needs.

From a fiscal perspective, a hybrid work model can reduce costs for organisations. This reduction in costs can arise from lower office space requirements and ensuing operational costs, reduced commuting costs, and decreased absenteeism due to illness. Further, as employees value flexibility and may be more likely to stay with a company that offers a hybrid work model, hybrid work model could increase employee retention, reducing the cost of turnover.

Importantly, a hybrid work model can also promote diversity, equity and inclusion in the workplace (Dowling et al, 2022). Remote work could enable companies to attract and retain diverse talent, including individuals with disabilities, caregivers, and individuals from underrepresented groups. By allowing employees to work from home, organisations can eliminate barriers to entry and promote a more diverse and inclusive workforce.

Ultimately, a hybrid work model can provide several benefits to both employees and organisations, including increased job satisfaction and work-life balance, increased productivity, cost savings, and a more diverse and inclusive workforce. By offering employees flexibility in where and how they work, companies can attract and retain top talent while promoting a positive work environment.

The role of culture in the workplace

Organisational culture plays a significant factor in shaping the behaviour and values of individuals in a workplace. A positive organisational culture, characterized by shared values, beliefs, and attitudes, can have a profound impact on individual and organisational outcomes.

One of the critical benefits of a positive organisational culture is its impact on employee satisfaction and commitment (Jigjiddorj et al, 2021). When employees perceive a positive culture in their workplace, they are more likely to experience higher job satisfaction and increased levels of commitment to their organisation. A positive organisational culture reduces employee turnover intentions, ultimately leading to lower staff turnover rates. This is significant, as high levels of staff turnover can negatively impact organisational outcomes, including increased recruitment and training costs, reduced productivity, and lower employee morale.

A positive organisational culture can also have a significant impact on employee motivation and performance, increasing an employee's sense of ownership and control over their work, leading to increased motivation and higher levels of job performance. In addition, it can improve job autonomy and employee well-being, ultimately leading to increased work engagement and job satisfaction.

Another essential aspect of a positive organisational culture is its impact on innovation and creativity. A positive organisational culture, characterized by open communication, collaboration, and a willingness to take risks, can be positively associated with innovative behaviour amongst employees. This is important as innovation and creativity are essential for organisations to remain competitive in their respective markets.

It is also essential to note that a positive organisational culture can have a significant impact on team dynamics and outcomes. This can lead to increased communication and cooperation among team members, ultimately leading to higher levels of team performance. Furthermore, a positive organisational culture can improve the quality of relationships between team members, leading to higher levels of trust, respect, and psychological safety.

Overall, a positive organisational culture is essential for organisations to achieve their desired outcomes, including employee satisfaction, motivation, innovation, and teamwork. Organisations should, therefore, focus on developing and promoting a positive culture to achieve these outcomes. It is essential for managers and leaders to understand the importance of organisational culture and its potential impact on their organisation's success.

Attitudes toward Hybrid Working

Bringing these two elements together, a positive attitude toward hybrid, working-from-home practices can lead to increased job satisfaction and work engagement (Uru et al, 2022).

Hybrid work models can have a positive impact on mental health outcomes, as employees with a positive attitude toward hybrid work can experience reduced levels of burnout and increased levels of mental health. This is important as burnout has been linked to negative outcomes including reduced job satisfaction, decreased work performance, and increased absenteeism.

A positive attitude toward hybrid, working-from-home practices can also lead to increased productivity. Employees with a positive attitude toward hybrid working had higher levels of productivity compared to those with a negative attitude. This is important as increased

productivity can lead to improved organisational outcomes, such as increased revenue and profitability.

It is important to note that a positive attitude toward working-from-home practices can also have a positive impact on team outcomes. Employees with a positive attitude toward hybrid work can have better communication and cooperation with their team members. This is important as effective teamwork has been linked to improved organisational outcomes, such as increased innovation and customer satisfaction.

How this all impacts an organisation's ESG

In recent years, Environmental, Social, and Governance (ESG) has emerged as a critical concept for investors, companies, and policymakers. ESG refers to a set of non-financial performance indicators that allow investors and stakeholders to assess a company's social, environmental, and governance practices

Definition of ESG

The concept of ESG emerged in the 2000s as investors began to focus on the non-financial aspects of company performance. ESG refers to the three main areas of focus: environmental, social, and governance.

Environmental factors include a company's impact on the environment, such as its carbon footprint, energy use, and waste management.

Social factors relate to a company's relationships with its employees, customers, suppliers, and the wider community.

Governance refers to a company's internal management structure and its adherence to ethical and legal standards.

The Importance of ESG

ESG has become increasingly important as investors seek to align their investments with their values. This approach is known as Socially Responsible Investing (SRI) and has gained popularity in recent years. Institutional investors consider ESG factors in their investment decision-making process (Sciarelli et al, 2021), and as ESG principles evolve, we see a growing demand from consumers for companies to demonstrate their commitment to sustainable and socially responsible business practices.

Organisational Culture and ESG

A positive organisational culture contributes to ethical behaviour and responsible business practices, which are essential elements of the ESG framework, and promotes a sense of social responsibility, leading to better social outcomes and higher job satisfaction among employees. Complementing this, a positive organisational culture is associated in a positive manner with social responsibility practices, including community involvement and employee welfare and is associated with more effective implementation of sustainability policies.

In summary

The adoption of ESG principles has been shown to benefit companies in various ways. Companies with strong ESG performance tend to have higher financial performance, lower cost of capital, and lower risk of negative events such as lawsuits, scandals, and regulatory fines. Companies with strong ESG performance tend to attract and retain more talent, have better customer loyalty, and enhance their reputation and social license to operate.

A positive work environment has a significant impact on promoting the principles of ESG in an organisation. In this post-pandemic environment, in the supporting of ESG principles, organisations should aim to foster a positive culture that promotes purpose, employee engagement, and ethical behaviour to achieve sustainability objectives, thus, creating a culture of responsible business practices, contributing to better social outcomes and a stronger commitment to corporate governance.

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