

Optimistic, ambitious, and smart – these are common characteristics of our clients: experienced business leaders of companies usually turning over between £5m and £50m.

So, following 12 months of new and unexpected major world events, we asked these leaders of mid-tier companies about the biggest challenges they are facing as a business, from a people perspective and personally as a business leader.

Here were their top 5:

- 1. Recruitment and retention of good people with one comment summing this up as 'It's chaos out there!'
- 2. Uncertainty in the economic outlook rising inflation, ongoing unexpected events, perhaps soon a general election it's all change, all the time
- 3. Loss of consumer confidence threatening a slowdown in sales
- 4. Disruption and cost increases in the supply of raw materials
- 5. Impact on margin and profit

We may all be operating in this same economy, but we certainly aren't all in the same boat.

Alex Kinchin-Smith, MD People Puzzles

What makes us different from the rest?

There are also companies thriving and growing so fast they are struggling to keep up with demand. The world is changing, and some companies are finding it easier to adapt.

These very commercial business issues identified by our clients sit alongside the other big people issues of the last two years: the great resignation, the challenge of running a company, promoting wellbeing, managing remote and hybrid working, and actively supporting and developing company culture.

At People Puzzles, our board-level HR Directors specialise in helping companies to develop a people strategy that builds solutions to these challenges into the rolling people planning for the business.

In this report, we discuss the survey's key people-related concerns, and what can be done to mitigate the challenges being faced – or turn them into opportunities.

We hope you find our insights useful.

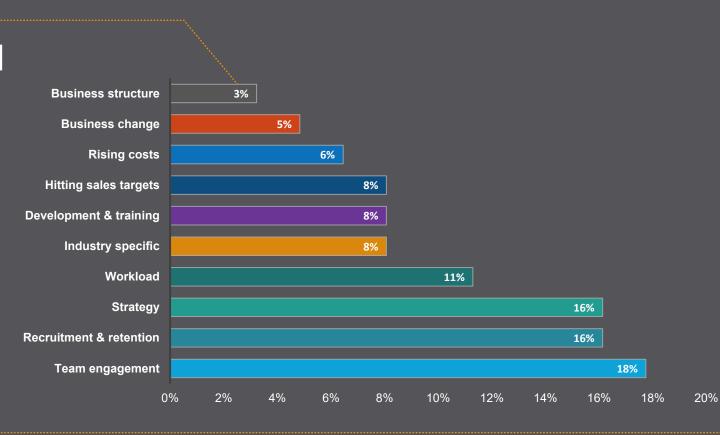
It's all about the people.





Having an empowered and engaged team

When asked the question 'what is the biggest challenge you faced as a business leader?', having an engaged team was high on the list.



18% of responders highlighted their biggest challenge as a business leader was driving team engagement.

Not surprisingly, some companies that found this easy pre-covid are realising that this needs more concerted planning efforts than it did when everyone was in the office every day.

Even though the data is from a few years back, we know that engaged teams have lower turnover, 21% greater profitability, 17% higher productivity and 10% higher customer ratings than disengaged teams.

One respondent said a key challenge as a business leader was around "engaging the workforce, we have seen a shift in employee expectations over time and this has been accelerated since the pandemic".

Whilst another explained their biggest challenge as a business leader was "keeping focus and maintaining the energy and passion after an exhausting two years and to communicate with my team to inspire them to lead well".

Employee engagement is a vital part of your overall business success. Ensuring your employees are engaged in their work not only means they are more motivated and in line with their company's goals but will generally be happier in themselves. It's important to understand what motivates your team and drives them to be personally invested. It can be different things for different people and change over time – it tends to be aligned with several key drivers.

Highly engaged teams. Energy and focus.

[1] https://www.forbes.com/sites/forbeshumanresourcescouncil/2018/06/22/four-lessons-from-companies-that-get-employee-engagement-right/?sh=5d2044d021bd



Understanding the key drivers of employee engagement can help to empower your team to be more proactive

Having an engaged and empowered team will encourage them to be more proactive. This not only helps to drive business performance, it will also help to free up your time to focus on the business itself.

Purpose

This driver reflects on how important or valuable someone feels their contributions are. Be clear on everyone's roles and goals – people perform better when objectives and explanations are clear. This may need a rework of job descriptions, responsibilities and what good looks like on a regular basis.

Empowerment

Provide your team with the resources, authority, opportunity and motivation to shape their work, and perform their best. Be available and responsive with open lines of communication. If they are waiting on a decision or direction from you, it can block processes and cause unnecessary delays.

Advancement

Place employee development at the heart of your company policy. Understand what your team really want to do and give them opportunities to stretch and challenge them to develop their potential. Ask what you can do to enable them to do their jobs better, offer training, mentoring or other resources to broaden their skills.

It's all about the people. Engage, empower, motivate.

Impact

Listen to your team. Give constructive and positive feedback, even if celebrating the small things. Bring celebrating the positives and accomplishments of your team building into your daily culture.

Belonging

This driver is about creating an employee connection, and making them feel a sense of shared culture, values and kinship. Be inclusive and create an environment of identity and acceptance.





Leading an ambitious business continues to be one of the most challenging, interesting, difficult, and enjoyable jobs in the world. Whether your focus is on stability, survival, growth, or something in-between, we know that getting all the people stuff right is time-consuming and hard work!

At People Puzzles, we love helping business leaders adapt to today and plan for the future. Our team are people experts, always starting with the business strategy, and working that into what the business needs from its people to succeed over the short and long-term.

Our mission is to help our clients find the best solutions to their people challenges, build a great place to work, and build successful and healthy businesses.

