



► Data use

Ultimately, the systems and tools are available, the people are wilfully, (albeit ignorantly), handing over their data, and people are willing to work and learn.

The issue comes in when an organisation uses this information to punish rather than to coach and develop. Where organisations have a culture of using systems to implement punitive measures rather than using data for learning and development.

It is up to the executive leadership to ensure the ethical use of data to build and strengthen their teams, rather than an investigative tool to punish poor performers.

This kind of change will also shift general perceptions around data and data protection, inspiring people to wilfully provide their data with the knowledge that they have control over it, and it will be used to bring greater value into their lives. Much like a dead horse, you cannot beat a car into performance, you must find and fix the problem.

Framing for sustainability

Our primary questions should be concerned with how we can create effective feedback loops to motivate our staff.

What kind of data we are gathering, how data can be used to bring value to our organisation, and how best we can learn about, and understand our employees, to develop individually customised employee value propositions that will motivate the highest level of performance in our organisation.

It is not the answer we are most concerned with, but the question which defines what the answer will ultimately be. It is our application of morality and ethical principles that will shift perceptions and create internal success.

A car can take you where you're going, but only if you drive in the right direction, the vehicle is well maintained, and its various needs are met. We must ensure that we check our dashboards as often as possible and respond to any warning lights in a regular, agile, and efficient manner.

Ongoing feedback on critical measures is key for sustainable individual and organisational performance. ■

Applying algorithms to workplace conflict

The NBA was recently rocked by footage of Golden State Warrior teammates involved in a fistfight during practice. It is certainly not the first time athletes at the highest level have been known to have the pressures of working together getting the better of them.

It is no different in the workforce, where high-performing individuals are required to collaborate under the pressures of often unrealistic deadlines. Add in the complexities of working remotely, and COOs and team leaders have a very expensive problem waiting to happen.

Managing people is not easy & is under increasing scrutiny

Global research and consultancy firm, Forrester, has pegged 2022 as the year executives are 'forced to care' about employee experience (EX).

The company says ^[1] that EX has become fairly mainstream on the leadership agenda, pointing out the US' Securities and Exchange Commission has even mandated quarterly and annual reports that include details of how listed companies plan to handle human capital. ^[2]

These human capital KPIs will ask companies to report on what they are doing to address the attraction, development, and retention of personnel. It also requires a view on the stability of the workforce, such as voluntary and involuntary turnover rates.

This is likely to expand in coming years and Forrester and others see human capital reporting gathering momentum in the same way ESG reporting has.

Conflict has a measurable impact

The repercussions of how companies treat employees, especially as it pertains to hybrid and remote work, has also been thrown into the spotlight with much being written about the Great Resignation and quiet quitting.

As executives we should be doing everything we can to

ensure we hold onto scarce skills by creating environments where workers can deliver their best. A big part of an optimal work environment is one that is low in distractions and drama - a work environment that has as little conflict as possible.

Quantifying the cost of disputes is not easy, but the UK public body that helps companies with conciliation and arbitration, Acas, published a report ^[3] last year in which it estimates that workplace conflict costs UK employers £28.5bn every year. This amounts to an average of just over £1,000 for every employee, every year.

What makes up that cost to companies goes far beyond the lost productivity and missed deadlines. When teams experience conflict they lose focus. Individuals find it increasingly difficult to work in unsettled environments and companies can spend hundreds of thousands and rands replacing team members that quit as a result of fraught workplaces.

More than just these direct costs, the time and attention required of management to deal with internal conflict quickly stacks up and can have catastrophic consequences for companies.

Early interventions achievable with algorithms

Running a growing software development company depends on teams working closely together through development, testing and refining processes. These teams often face really tough deadlines and each member of the team has a very specific role, but must also be able to jump in to help one another when needed.

Interpersonal relationships are complex at the best of times. For example, in a team of eight, each team member has a direct relationship with every other member. That's 56 relationships that need to be managed by team leaders and project managers.

In our own business we saw that it can be an apparently benign issue that can suddenly escalate if not detected and moderated early. What's more, the contagion effect can last for months after the incident, poisoning the work environment

and, if left unchecked, can lead to poor delivery at best and multiple resignations at worst.

It was this challenge of early detection and intervention that gave us the idea of turning our software development skills to building a system that could help us minimise the fallout of team discord.

By applying an algorithm to our data, the software can give insight into the relationships between team members and how that could impact current projects. We have found that the software is able to detect points of potential conflict between six weeks to two months before a human would.

We saw that early intervention slashed staff turnover by 50 percent in the first year. Considering replacing a developer was costing upwards of R100,000 each time there was a resignation, not to mention the lack of continuity and lost IP, it's easy to see that early intervention was having a material impact on operations.

While we are nowhere near a world where machines could or should replace humans when it comes to complex human capital management, by analysing responses our software is able to detect around 80 percent of potential team issues, pre-empting conflict before it reaches senior management. This doesn't just preserve management focus, but it puts project managers and team leads back in control of their departments and helps create a work environment that is primed for profitability. ■



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[1] <https://www.forrester.com/blogs/predictions-2022-employee-experience-future-of-work/>

[2] <https://corpgov.law.harvard.edu/2020/10/14/the-new-sec-regulation-s-k-rules/>

[3] <https://www.acas.org.uk/costs-of-conflict>