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The C-suite Agenda

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Contributors

Rohan Banerjee
Culture editor at Digital Frontier, with experience covering business strategy, leadership, marketing and finance, among other topics.

Sam Birchall
Staff writer at Raconteur, focusing on the inner workings of the finance function and the trends shaping the future of financial leadership.

Sam Forsdick
Senior writer at Raconteur, leading its coverage of HR. He analyses the trends shaping the function, offering insights and advice for people professionals.

Tamlin Magee
Senior technology writer at Raconteur. He's interested in big ideas shaping business tech and the impact on people and society.

Raconteur

Special projects editor
Ian Deering

Contributing editor
Neil Cole

Commercial content editor
Laura Bithell

Commercial content executive
Jessica Lynn

Commercial production manager
Emily Walford



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POLICY

Election essentials: what the result could mean for UK plc

British voters head to the polls on 4 July to choose a new government. What are UK business leaders hoping for – and what should they expect?

Sam Forsdick

The UK general election is to be held next week and business leaders will be paying close attention to the promises of the main political parties before deciding where to pledge their support.

After weathering the headwinds of the Covid-19 pandemic, inflation and global supply chain disruption in recent years, what business leaders desire most is some predictability. Speaking to Sky News, Aviva CEO Amanda Blanc says: “We want consistency and stability. Whoever wins the election, we want it to be decisive and for there to be certainty for us to be able to invest in things like UK infrastructure.”

For Romi Savova, CEO of Pension-Bee, any government that wants to prove it is truly pro-business must commit to “creating an environment that supports innovation and growth”. She adds: “This includes backing digital advancements and ensuring a stable regulatory landscape that allows businesses to thrive and continue serving their customers effectively.”

Any new government must also develop a long-term vision for the labour market. That’s according to Doug Rode, managing director for UK and Ireland at recruitment company PageGroup.

In his opinion, an incoming government must address issues around the apprenticeship levy, improve training opportunities and review how immigration can help to close skills gaps. “There are levels of inertia around the current skills agenda that would be worthwhile addressing,” he adds.

In its Business Manifesto, the Confederation of British Industry (CBI) has called for a new trade strategy, changes to the planning system and greater investment in net zero. CBI CEO Rain Newton-Smith says: “We want to see a new government deliver a bold pitch to investors across the globe, restore the UK’s competitiveness and double down on our climate commitments and opportunities.”

Earlier this month, the British Chambers of Commerce (BCC) released its five-point action plan, which it would like to see an incoming government implement. It includes a green industrial strategy, better skills planning, business rates reform, closer ties



with the EU and an AI leader appointed by the government.

Each of the main parties agrees on some general points. The nation’s approach to apprenticeships and training needs to be overhauled; lingering economic inactivity must be addressed; and more must be done to solidify the UK as a leading jurisdiction for investment and the development of advanced technologies. But each party has different plans to achieve these goals.

Labour, historically viewed as the party for workers, has spent the last few months attempting to court business chiefs. The party’s manifesto lists economic growth as a “number-one priority”, promising to cap corporation tax at 25%, enhance research and development and introduce a £7.3bn National Wealth Fund to accelerate the green transition and create 650,000 new jobs.

The party’s efforts have won the support of more than 120 British

business leaders, who signed a letter of support for Labour. The signatories included JD Sports chair Andrew Higginson, Atom Bank CEO Mark Mullen, the UK president of WPP Karen Blackett and the restaurateur Tom Kerridge.

However, critics have described the list as “poor”, with Higginson being the only current chair or CEO of a FTSE 100 firm to commit their name to the list. Some 34 of the country’s biggest companies have opted to remain politically neutral.

Labour has also pledged to overhaul the UK’s “outdated employment laws”. Under a Labour government, expect a ban on zero-hours contracts, an end to the practice of fire and rehire and the introduction of day-one rights relating to sick pay, parental leave and unfair dismissal.

The Conservatives, meanwhile, have emphasised tax reductions and looser regulation in multiple areas

of their manifesto. The party is proposing a mix of tax reliefs and other support measures aimed at reducing regulatory burdens on SMEs.

The Tories have also pledged to reduce employee National Insurance by another 2p and introduce a ‘triple lock plus’ scheme, which would raise the tax-free pension allowance every year in line with the triple lock.

They have also been critical of Labour’s plans for greater protections of workers’ rights, including restrictions on the use of zero-hour contracts and increases to sick pay. Chancellor Jeremy Hunt has warned that the proposals could create a “French-style, inflexible labour market”.

There is a focus on green investment across each of the manifestos. Labour says it’s going to mandate that UK-regulated financial institutions and FTSE 100 companies develop credible transition plans that align with the climate goals of the Paris Agreement. The Greens, meanwhile, promise £40bn a year of green investment, a carbon tax to accelerate the green transition and nationalisation of rail, water and five big energy companies.

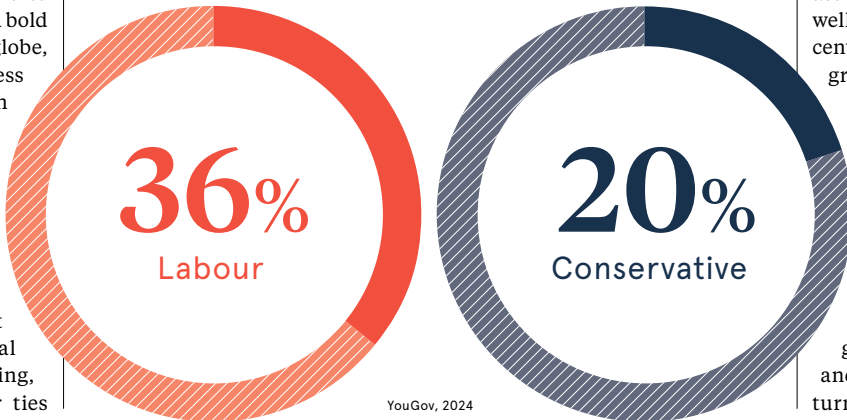
Artificial intelligence is the main driver of tech policy for both the Conservatives and Labour. The Conservatives have pledged £1.5bn for large-scale compute clusters and committed to a £2bn increase in R&D spending. They promise to weave digital technologies such as AI into the fabric of the public sector, including the NHS. There are concerns, however, that this would lead to significant job cuts. Indeed, the Tories have stated their intention to cut civil service jobs to pre-pandemic levels.

Labour’s proposals focus more on infrastructure and regulatory initiatives. The party intends to create a Regulatory Innovation Office, which will speed up regulatory actions across the government, as well as a National Data Library to centralise existing R&D programmes and ensure “data-driven public services”. Labour also promises to build new data centres with involvement from central government.

Whichever party emerges successful, it’s unlikely that businesses’ entire policy wish-list will be fulfilled. At the least, they will hope for greater consistency of policy and stability after the political turmoil of recent years. ●

BRITS PREPARE TO CAST THEIR BALLOTS

Share of UK adults intending to vote Labour or Conservative in the 4 July general election, as of 18 June



INSIGHT

Which employment bills will survive the general election?

Jo Mackie, partner and director of employment at Burlington Legal LLP, summarises what the outcome of the general election could mean for employment law in the UK

With a general election looming, the UK is entering a period in which all bills that have not successfully made it through the parliamentary process are scrapped and no new legislation can be enacted.

But prior to the dissolution of Parliament, there is a short period of wash-up where any bills that are part way through the legislative process are pushed through. Several employment laws were left in limbo following the general election announcement and only some of them have made it to wash-up. Here are the main changes still on the cards that employers should be aware of.

A new statutory code around dismissal and re-engagement will come into force on 18 July. The code increases the consultation requirements for employers who wish to change their staff’s terms and conditions of employment and are part of a crackdown on the practice of fire and rehire.

The new code is made under the Trade Union and Labour Relations (Consolidation) Act 1992. It stipulates that fire and rehire, while not unlawful in itself, must only be used as a last resort. Employers must be transparent that a failure to agree changes may result in dismissals. It robustly states that “a threat of dismissal should never be used only as a negotiating tactic in circumstances where the employer is not, in fact, contemplating dismissal as a means of achieving its objectives”.

However, the rules around fire and rehire may change again, should Labour win the general election. The party has pledged to ban the practice completely within its first 100 days of government.

The Paternity Leave (Bereavement) Act 2024 was also saved during the wash-up period. Once in force, it is likely to provide leave of up to 52 weeks for partners and fathers, where the mother of their child has died in the first year of birth or adoption of that child.

The 2024 Act has significant support across parties, so there is little doubt it will come into force in the next parliament, regardless of who wins the election.

The Workers (Predictable Terms and Conditions) Act 2023 will allow some workers to ask their employer for a predictable working pattern, including the right to ask for a fixed number of hours per week or particular days per week. The right will apply to short-contract workers – those engaged on fixed-term contracts of less than 12 months.

Employers can turn down a request if there is a legitimate business reason for doing so, in the same way that they can for flexible working requests.

It’s also interesting to see what employment legislation didn’t make it through wash-up. The proposed Unpaid Trial Work Period (Prohibition) Bill, the Fertility Treatment (Employment Rights) Bill and the Bullying and Respect at Work Bill all fell by the wayside.

I predict that the consultations over an extension to the minimum service strike laws for the education sector will continue into the new parliament. The consultation on this was launched in November 2023 but has still to be completed.

A proposed reintroduction of employment tribunal fees is still under consideration too. Consultation closed in March but no firm response or decision has been put in place. Given the significant delays faced by employment tribunal claimants across England and Wales, it’s worth betting that a fee of some sort will be reintroduced.

This is unlikely to be costly, as any indication of denying access to justice will inevitably bring a challenge, so expect the order of fees to be around £100 to £200 per claim issued. ●



Jo Mackie
Partner and director of employment, Burlington Legal LLP

The rules around fire and rehire may change again, should Labour win the general election

Mindful leadership is essential for the expat workforce

Global mobility means more people are working in different countries across the world. Yet, this demographic faces unprecedented work-related mental health challenges and leaders must implement effective solutions

As global mobility continues to grow, employers urgently need to get to grips with the right support in order to improve the mental health of their non-native workforce.

Although the situation is little recognised today, many people who do not live in the country where they were born are struggling in a workplace context.

In fact, the findings of AXA – Global Healthcare’s A Global State of Mind report reveals that a huge four out of five (80%) non-native employees are experiencing mental health challenges due to their work environment. Compared with their native colleagues, they are significantly more likely to experience stress, anxiety and loss of self-confidence.

Unsurprisingly then, just under half (49%) of the 1,458 people they surveyed across 16 countries said they had experienced burnout because of their job, 14% higher than for native employees.

While specific reasons for this scenario vary widely from country-to-country, common causes include language barriers, cultural differences and feelings of isolation due to a lack of adequate social networks locally.

The challenges facing non-native managers

The problem is even more marked among non-native managers. A significant 58% indicated they had experienced burnout, compared with 52% of their native colleagues. Non-native managers were also 23% more likely to have taken sick leave over the last year than native ones.

But as Samantha O’Donovan, chief people officer of AXA – Global Healthcare, points out: “It’s a scary situation for businesses. Productivity will



be impacted and having people off sick is a big risk.”

The main issue is that not only do non-native managers face the same feelings of dislocation as other non-native workers, but they are also members of the so-called ‘squeezed middle’ management tier.

This means they are under pressure to deliver operational priorities while also being accountable for leading their team effectively, such as being responsible for employee wellbeing even when they may be struggling themselves.

Common challenges include adjusting to a new environment, unfamiliarity with cultural codes and overcoming language barriers, often with little support.

The repercussions of non-native managers struggling in this way can be considerable. Possible knock-on effects among employees include disengagement, poor productivity levels and, ultimately, retention issues.

At a time when people are becoming increasingly mobile and non-native workplace populations are growing, the business risk is clear. So, what can employers do about it?

Creating a culture of trust

A culture of trust in which employees at all levels feel able to share wellbeing challenges must be built. O’Donovan explains: “It’s about fostering a culture of trust across the lifecycle of the employee. It starts when you’re recruiting, not just when they’re struggling with mental health issues.”

This consideration is especially important among non-native workers. Despite poor mental health rising among this group, only 48% said they would be willing to discuss their problems or ask their manager for

help, reaffirming the need for mental health training.

The benefits of mindful leadership

Non-native managers could also benefit from cultural integration and awareness training to support their own wellbeing.

For non-native employees more generally, international private medical insurance may provide a vital lifeline. Such insurance offers each employee a universal experience of care that is personalised to their own requirements.

AXA-Global Healthcare’s virtual Mind Health Service enables workers to speak to a qualified psychologist, wherever they are in the world. This is available without a doctor’s referral and doesn’t require employees to inform their manager, removing the fear factor.

“Wellbeing is very personal, so creating an environment where non-native employees feel safe asking for support is key. But managers also need to be equipped with the right skills and information to confidently know where to refer people for professional support,” O’Donovan shares.

Ultimately though, ensuring managers at all levels become more mindful of, and better equipped to deal with, the wellbeing challenges facing their non-native employees, the better the workplace will be for everyone. No matter where they live and work.

For more information please visit axaglobalhealthcare.com



Building a culture of security is everyone's responsibility

How can companies become more resilient by embedding risk management and security throughout the operational culture?

Before the digitisation of the workplace, security was more straightforward. The doors were locked at the end of the night. The workplace was secure. Now, every single device is a virtual door into a company's operations. Every device is a portal for security vulnerabilities to be exposed.

In the same way that employees are expected to lock the doors to the office, operational security is everyone's responsibility. To ensure that is embraced across the organisation, companies need to create a culture of security, empowering every single employee to protect the business and its assets.

"There's this increasing desire to do digital transformation and modernise ways of working. That's great. But there's this paradigm shift that needs to occur. There's a dichotomy between the need to digitally transform and also be secure in doing that," says Red Hat's principal cybersecurity lead Robert Erenberg-Andersen. He advises companies to prioritise both digital transformation and the embedding of a secure culture at the same time to ensure digital transformation is carried out safely and responsibly.

At a recent roundtable, experts shared their opinions on and experiences with operational security. They found that often security is seen as the natural opposite to digital transformation. It has also traditionally been the purview of the CISO or CIO alone. But a single person or team is not enough to build a secure business.

The realities of the modern workplace also reflect that. Remote workers, non-desk-based workers and the proliferation of devices – from printers to tablets to mobiles to computers – mean there are more security risks than ever before. But instead of seeing that as a

vulnerability, business leaders can consider the ways a cultural shift can create opportunities.

Karl Hoods, group chief digital and information officer for the Department for Energy Security and Net Zero, says that creating a culture of security will allow an organisation to transform more effectively and creatively. It will facilitate greater digital opportunities because it gives the business a strong foundation on which to grow. "Security isn't just about delivering a new service or set of services in a discreet and isolated way," he says. "It has to be in conjunction with digital transformation so that it's seen as an enabler, rather than a gatekeeper."

Being an enabler is a common goal for those responsible for crafting secure operations. Eric Liebowitz, chief information security officer at Thales, says "enabler mode" is how operations security teams can "focus on how they enable the business quickly." He adds: "It doesn't have to be a digital transformation. It could be a specific project that we need to help people navigate," he adds, "It could be a specific project that we need to help people navigate."

Building that culture requires employees to be empowered to prioritise security and be held accountable for it. Employees have to understand the ways in which they can build security into whatever they are doing. But they also have to buy into the reasons behind doing so. Leaders need to communicate the value of a secure culture to ensure people don't feel like security is a chore, but a tool toward improving business resilience.

From an operational perspective, getting employees aligned behind the organisational objectives and empowered to act in secure ways is the key to creating a secure culture from the ground up. But, companies must also



If every employee is empowered to protect themselves and the business' assets, a culture of security will create a stronger, safer company

see a level of collaboration among leaders to ensure this continuous improvement is prioritised as new technologies are implemented and strategies change.

Not only is this valuable from a cultural perspective, it also ensures that risk is owned by the right person. If a security risk is the responsibility of someone who does not hold the budget to deal with the ramifications of the impact, Erenberg-Andersen says, they are the wrong person to own that risk. He advises leaders to take responsibility for operational risks, thereby prioritising

security as a matter of business-critical decision-making. If an attack happens, he says, leaders have to be accountable. "When you have that accountability, then you also have the vested interest in doing it the right way."

Part of getting business leaders to support this shift is for CISOs and technologists to present security in terms CEOs and board members understand. A secure business also eliminates financial and operational risk. That is something leaders care about.

But another key challenge in getting leadership buy-in is that boards see cybersecurity and operational security as a one-off transformation or cost.

"They see it as a discrete activity," says Liebowitz. "Security isn't just a technology/cyber team issue" because attacks can affect critical business operations, disrupting things far outside of the realm of the tech team's remit. That ripple effect makes security business critical for every team.

Richard Jones, head of information assurance and cyber security at Leidos, agrees: "Everyone wants to keep the business going. There's a shared goal of resilience. If everyone understands

that their job is to keep their business resilient, then everyone can start to play a part in defending from a cyber perspective, reacting from a cyber perspective and then forecasting."

Getting leaders and employees to understand the critical nature of security to business resilience is the first step. Then, companies must commit to continuous improvement. Security isn't just something to be invested in, deployed and then forgotten about. It must be continuously present across all business operations and able to adapt to changing needs.

Tulsi Narayan, senior vice-president of cyber and intelligence at Mastercard Europe, advises "constant vigilance" and continuous monitoring leveraging technology rather than periodic monitoring, improvement, and training to help employees consider security as part of their daily work. "You can't digitalise in a rush. Embedding security in the culture of an organisation is only achieved when you enable people to understand the security need, engage with the results from continuous monitoring, and react effectively based on the results," she says.

Sanjit Shewale, global head of digital business line at ABB Process Industries, likens it to digital transformation. Over the course of the digitalisation of business over the past decade or two, companies have come to realise that digital transformation is not achievable in a single project or investment. It requires constant adaptation. Security requires the same thing. "It is not a start and end programme, it's continuous," Shewale says, advising leaders to act collaboratively and build in security education so that employees are aware of the risks they can help mitigate. "I really think that collaboration from the leadership level down permeates throughout the organisation. Prioritising it is something you can no longer afford not to do."

If security is not seen as something that prevents innovation and change, but rather, facilitates it safely, it can help companies solve problems. They can digitalise and evolve while building a stronger, more cohesive culture. "Technologists need to understand the core of how businesses operate and make money and profit. But the business needs to understand how tech is enabling that because they are inextricably

intertwined now; you can't separate them," says Erenberg-Andersen.

Leaders sometimes see digital transformation as the diametric opposite of operational security. But, with a commitment to empowering employees and building a culture of security in which continuous improvement results in business resilience, companies can embrace all the opportunities and freedom digitalisation offers with limited amounts of risk.

Every single device a company uses is a potential risk point. But, just like locking the office door, if every employee is empowered to protect themselves and the business' assets, a culture of security will create a stronger, safer company.

For more information please visit redhat.com



How can companies create a culture of security?

At a recent roundtable, technology, cybersecurity and IT leaders discussed the value of embedding security in an organisation. They asserted the importance of operational security in protecting a business and its assets

Robert Erenberg-Andersen
Principal cybersecurity lead
Red Hat



“In order for organisations to effectively enable a culture of security, they have to create a culture of safety and a culture of empathetic collaboration. We need to be prioritising each other's activities and not just our own, and seeking out areas by which we can apply our own expertise and specialisations to further the work of others in order to achieve a common mission.”

Karl Hoods
Group chief digital and information officer
Department for Energy Security and Net Zero



“To create that culture, we've got to stop seeing security as a discrete activity. It is a part of everything that we should be doing. That flows all the way through from investment through to board level accountability, and day-to-day working. It's a two-way street where we have to kind of collaborate and work very closely with all business areas, and they need to understand what we're doing is trying to enable them to succeed in their outcomes.”

Richard Jones
Head of information assurance and cyber security
Leidos



“Encouraging the ability to make a contribution for the benefit of the organisation you're in and potentially supporting the organisations that you're collaborating with as well, is going to be a vital part of good corporate behaviour or organisational behaviour going forward. Activity that promotes effectively looking after the community you're in, when it comes to cybersecurity, I think is going to be a pivotal change in the way companies behave with each other and the organisations that work with each other.”

Eric Liebowitz
Chief information security officer, Americas
Thales



“Security is everyone's responsibility, not just tech teams'. A lot of companies will have tens of thousands of employees, thousands of servers, hundreds of applications; we have to protect them and get it right every time. The bad guys only have to get it right once. And so with small security teams, I think the thing we can do is empower our employees to understand security and take a role in protecting our assets and making sure that they do the right things to protect our systems and data so that we're all part of the solution.”

Tulsi Naryan
Senior vice-president, cyber and intelligence solutions, Europe
Mastercard



“First, we need to shift to security by ideation and then design. I think we have to incorporate it into every aspect of the digital journey and it's not a one shot, it has to be a continuous affair to be relooked at and made sure that processes products go to market through, are fully safe and secure.”

Sanjit Shewale
Global head of digital business line
ABB Process Industries



“To create this culture of security, I think it's vital that there's open communication and collaboration among the organisation. Not only internally, but across different sectors; different organisations need to come together. Providing information on cybersecurity, its benefits, and its necessity for reaping the rewards of digitalisation is crucial. That comes down to education as well. You cannot forfeit safety in order to achieve that. Instilling this education, instilling the mindset going forward, is going to be critical. That's how we're going to be able to create that culture of security.”

Boring offices are costing you business and talent

Leaders must create flexible and inspiring office spaces to meet the diverse needs of the workforce – or risk losing talent

Every business leader knows that people and property are your biggest costs, and equally your biggest assets. Leaders also know that the relationship between the workforce and the workplace is still finding its rhythm in a hybrid-hungry world; somehow, they must work together in symbiosis.

The question is, how?

In the late 1950s, German brothers Eberhard and Wolfgang Schnelle pioneered an office design movement known as Bürolandschaft. The concept was open-plan workspaces that encouraged collaboration between workers and sought to end eras of sterile office booths and organisational silos. Fast forward seventy years and times have changed accordingly. The open-plan office is commonplace and opportunities for socialisation between teams are plentiful. Now, we acknowledge that our professional lives require synergy between work, rest and play.

But, take caution. We have entered a new era of office languor, characterised by an absence of choice when it comes to our workplace surroundings. In years gone by, the physical office has dictated our working habits. Today, human behaviour has evolved. With working practices now more diverse than ever, it's time for the office environment to catch up.

"We still see too many workplaces with seas of desks and a lack of variety that fails to cater for the individual," says Leeson Medhurst, head of strategy at Peldon Rose, London's leading design and build experts. "Neglecting to implement choice in workplace design is a fatal form of self-sabotage," he adds. "If ignored, this is your business's kryptonite and a sure way for people and property to fall out of sync."

Choice in today's world is everywhere. In fact, it's demanded, and Medhurst attests that office design, as it currently stands, is failing to accommodate our hunger for it.

The Workplace Strategy team at Peldon Rose is a specialist team operating as professional advisors, consulting with businesses on their office real estate strategies. With forensic rigour, the team works to gain an understanding of what businesses need from their future workplace. This takes place through qualitative and quantitative data collection and analysis, underpinned by a prolonged immersion into a company's culture.

"The pandemic did a lot of things in the world, but in our world of workplace strategy and office design, it provided proof of concept," Medhurst states. "Offices still prevail. People are driven by community and a sense of belonging – the workplace provides opportunities for connection that you



simply can't replicate elsewhere." This, Medhurst says, is the reason why we're not still sitting alone at home, office blocks deserted and city streets barren of activity. An innate desire for human connection shapes our behaviour, and this need to interact with one another touches all aspects of our lives.

"Humans value the social sphere of life and worklife is no exception," he says. "The problem is, we're still in the infancy of hybrid working and business leaders are frustrated. They're struggling to get people back in to experience the unique benefits of the workplace."

In 2023, the Virgin Media Business Movers Index revealed that 92% of companies have now enforced some form of in-office policy to bring staff back to face-to-face working. "Leaders want to know if and when to navigate return-to-office mandates," Medhurst says. Currently, there is a pattern where office attendance peaks on Tuesday, Wednesday and Thursday resulting in a lack of occupancy equilibrium. Leaders want to tackle this and to do so successfully, they need to know how to attract, win and retain top talent.

"In the media, there's talk of dictates and workplace incentives like free food, but the mere mention of those

perks frustrates me. It's too simplistic, and I'd encourage business leaders to feel the same," Medhurst says. "If you're serious about implementing successful people and real estate strategies, you need to take several steps back and forensically scrutinise how human behaviour has evolved at work, and how the workplace can unlock people's potential. The answer lies in creating autonomy and novelty."

Medhurst points to the 'novelty paradox' to explain the reasoning behind this approach. The novelty paradox is a human bias towards things and concepts that are new or undiscovered. If employers want to attract and retain the top talent, a one-size-fits-all approach to office design must retire.

Instead, workplaces must strive to inspire. Not only does this mean

creating an office space to engage employees, but a commitment to make office design shapeshift throughout the duration of a lease. Why? It allows our working environment to remain one step ahead of our ever-waning boredom thresholds and meet the societal thirst for novelty. If leaders don't actively create, and recreate, workspaces to engage and inspire employees, they will lose talent.

"The pendulum of power has shifted towards the labour workforce," says Medhurst. "No matter what form your in-office policy takes and how vigorously you enforce it, if workers' needs aren't met, then businesses will lose the war for talent. If you're not having conversations about how to support the workplace needs of your entire workforce at C-Suite level, then you're already behind."

The expectations of workers were laid out in an in-depth study by real estate insights firm JLL last year. The Regenerative Workplace Report revealed a desire for wellbeing oriented offices. Some 45% of workers cited relaxation spaces as key to restoring their wellbeing and achieving sustainable performance at the office. Forty-one percent (41%) of workers also put outdoor spaces in their top three expectations for a modern workplace.

But there are limits. Not every business has the capacity for outdoor space. An office can only go so far in serving every aspect of an individual's needs, which can change hour-to-hour, day-to-day. The answer to designing and building office spaces that serve the varying expectations of employees, Medhurst reiterates, is choice.

"Provide workplaces that are flexible and fluid, adaptable in a way that enables autonomous control over one's environment. This will empower employees to mould their surroundings in real-time as they do at home, choosing how to thrive in order to deliver their best work. Choice is inspiring and its impact on performance shouldn't be underestimated."

So, are your people and property high up enough on your boardroom agenda? You might not be reconsidering your office real estate strategy right now, but it's time to get to know the non-negotiables for when you do.

For more information please visit peldonrose.com

Peldon Rose

INTERVIEW

'You can show a fun, energetic, slightly cheekier side'

Waitrose marketing chief **Nathan Ansell** explains how the supermarket chain is expanding its marketing strategy to embrace modern media channels and finding success through savvy sponsorships

Rohan Banerjee

Nathan Ansell began his journey to the Waitrose C-suite on the shop floor.

Stacking shelves and talking to customers offered an "organic" insight into how retail works. "It's good to have first-hand knowledge and understanding of what you're selling," he says. For Ansell, marketing is about much more than sales figures. "You have to understand what people like, what they're asking and what they're looking for."

Ansell developed his interest in human behaviour while studying psychology at Swansea University. "That's what marketing is all about, right? It's about how you understand human behaviour," he says.

And this interest in what makes customers tick is propelling Waitrose's marketing efforts in a new direction. Ansell, who acknowledges the retailer's average customer tends to be higher up the socioeconomic scale, is driving the company to become more relevant as shopper choices are increasingly being shaped by the cost-of-living crisis.

At a time when people are prepared to pay a premium to skip adverts, Ansell is acutely aware of how challenging his job has become. Faced with shortening attention

spans, inculcated by a culture of social-media scrolling, he suggests that the best ways for brands to achieve cut-through is to be bold, distinctive and, crucially, relevant. Ansell explains that good brands are "relentless, they're realistic about the challenges they face and they drive relevance."

Waitrose is expanding its marketing strategy to embrace more modern media channels, particularly those social platforms that are popular with younger shoppers.

"We're now live on TikTok and Instagram. Social media reach is up about 40% year-on-year, which is a deliberate effort, and we're working with lots of new influencers."

One example of this is a campaign Ansell's team ran for Valentine's Day. Waitrose paired with reality TV personality Sam Thompson, who is best known for his appearances on *Made in Chelsea* and *I'm a Celebrity... Get Me Out Of Here!* Thompson's Instagram post showing off the supermarket's meal deal amassed 32 million views.

The focus on high-profile partnerships is paying dividends, but beyond online media, Waitrose is also finding success with sponsorships.

The retailer has made the strategic decision to partner with television programs where it might find new audiences, such as Channel 4's prime-time cooking competition *The Great British Bake Off*.

Unlike many of his marketing peers, Ansell does not believe that TV advertising is dead. He points out that the average UK consumer is still watching three to four hours of television a day. There are great opportunities if marketing chiefs can identify the right partners.

In the run up to Christmas last year, one such partner was the singing competition *The Voice*, which Ansell said offered an opportunity to display a new face of the brand.



"You can show a fun, energetic, slightly cheekier side," he says. "And, you can do it in a way that builds frequency over time. You're building a relationship with that audience group of 8 million potential customers who are tuning in on a weekly basis."

Celebrity endorsements, too, are a strategy that CMOs should be exploring, provided they feel authentic, rather than contrived. It's not enough to simply put a product into a celebrity's hands. It's best to choose a personality that is relevant to the brand and who genuinely has something to say.

Waitrose runs its own podcast, *The Dish*, which is hosted by TV presenter Nick Grimshaw and Michelin-starred chef Angela Hartnett. Guests on the show have included stars from Monty Don to Dua Lipa. One particularly noteworthy episode featured culinary heavyweight Gordon Ramsay, who endorsed the supermarket's food and drink as worthy of placement in his own restaurants.

There is a strategic balance to be struck between passive and active advertising, notes Ansell, as well as a need to "integrate" brands more into people's wider life and interests.

Even in the digital age, he suggests, on-site customer experience is

hugely important. Adapting Waitrose's physical stores to offer more interactive opportunities is part of a wider strategy to evolve perception of the brand beyond simply shopping. Its King's Cross branch, for instance, hosts regular cooking classes and community clubs.

Ansell also points to Waitrose's portfolio of brand partnerships. It has joined forces with Caffè Nero, for example, to provide members of its loyalty card scheme with a free coffee while they shop. In return, Caffè Nero's coffee products are placed front and centre in Waitrose stores.

It also has an arrangement with Waze, the satellite navigation software company, which highlights its stores and provides real-time directions, based on traffic updates and road conditions. If someone is driving and suddenly realises they need something from the shop, this is a good way of making Waitrose their default, Ansell explains.

And, although he stresses that brand trust and value for money are arguably more important than price, Ansell insists that Waitrose is sensitive to tight budgets brought on by the cost-of-living crisis.

He rejects the idea that Waitrose is just for wealthier people, pointing out that the chain's customer

base increased by 7% in 2023 to nearly 14 million people, encompassing a spectrum of household incomes.

Ansell admits that Waitrose is not cheap, but it is also not the obscene luxury that some social media accounts would have you believe.

He adds that where a product involves special craftsmanship, or contains particularly high-grade ingredients, marketers should not be shy about advertising it. "Consumers want to know what they're paying for. Even in the cost-of-living crisis, people are prepared to pay for quality products, so you've got to show them that quality," he explains.

Ethics, too, is increasingly important, says Ansell.

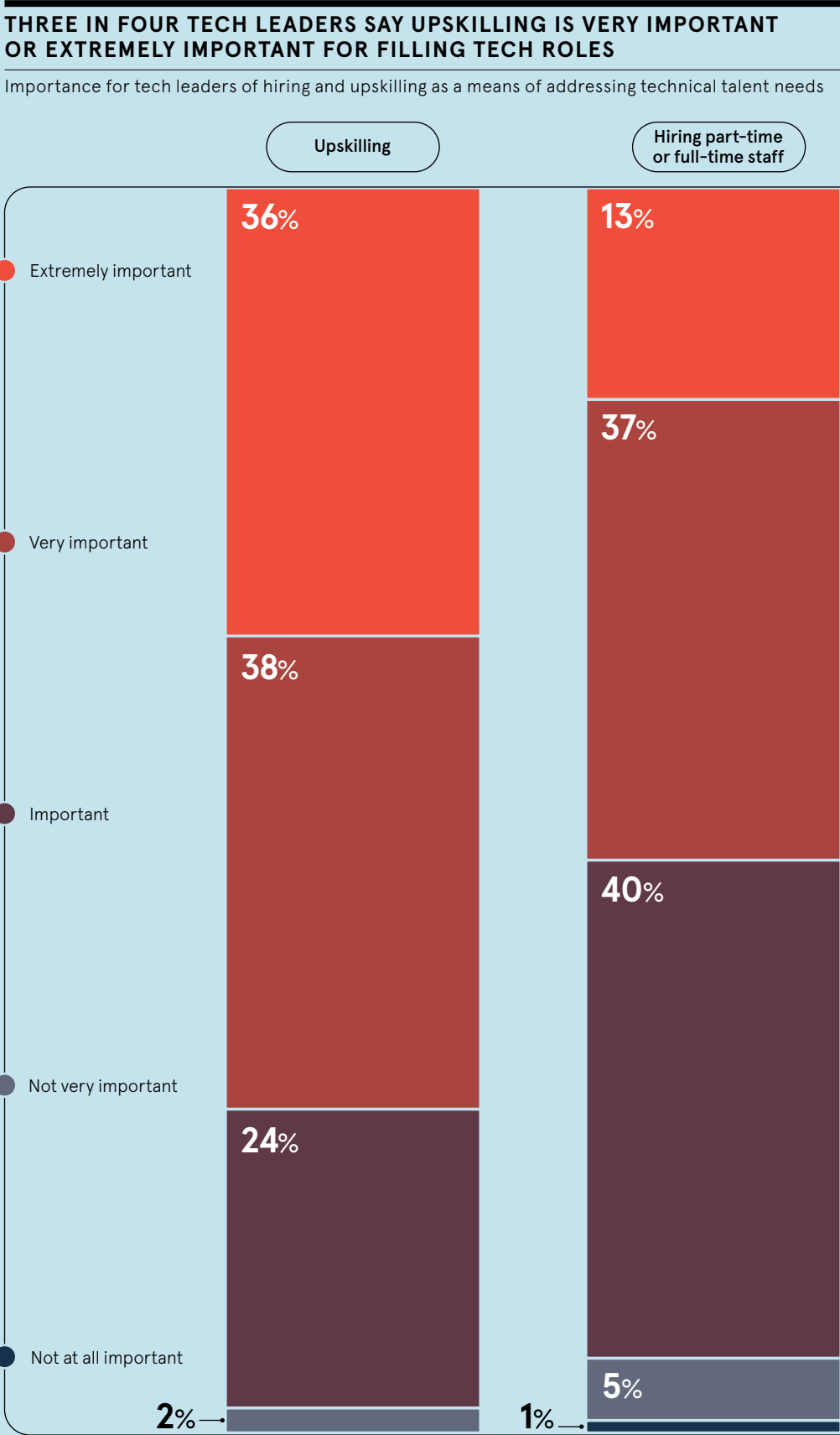
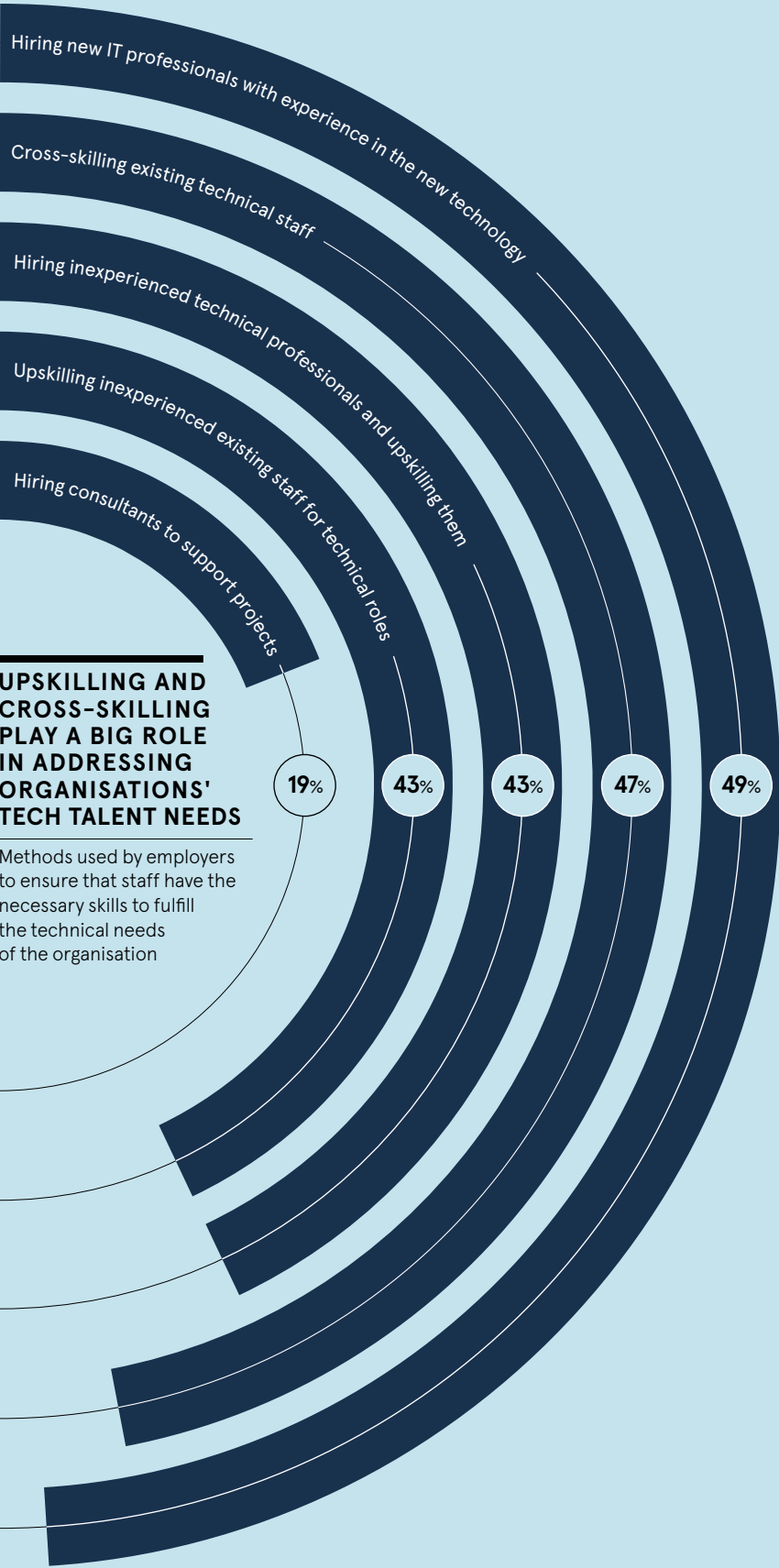
Consumers are concerned about issues such as animal welfare and sustainability. Waitrose therefore highlights its efforts to use only sustainable suppliers through product labelling and signage.

Where consumers may be anxious about their spending, Ansell says that marketers should aim to reassure them that the brand they're buying from is trustworthy, ethical and offers value for money. And, although it's not essential, working with influencer-partners and sponsors to help to spread that message probably wouldn't hurt. ●

UPSKILLING FOR TECHNICAL ROLES

Business strategies are increasingly shaped by opportunities created by digital technologies. Senior leaders therefore must ensure that their employees are equipped with the technical skills necessary to make the most of such opportunities. With tech skills in short supply in the labour market, employers are opting to upskill existing staff to fulfill the needs of the organisation

The Linux Foundation, 2024



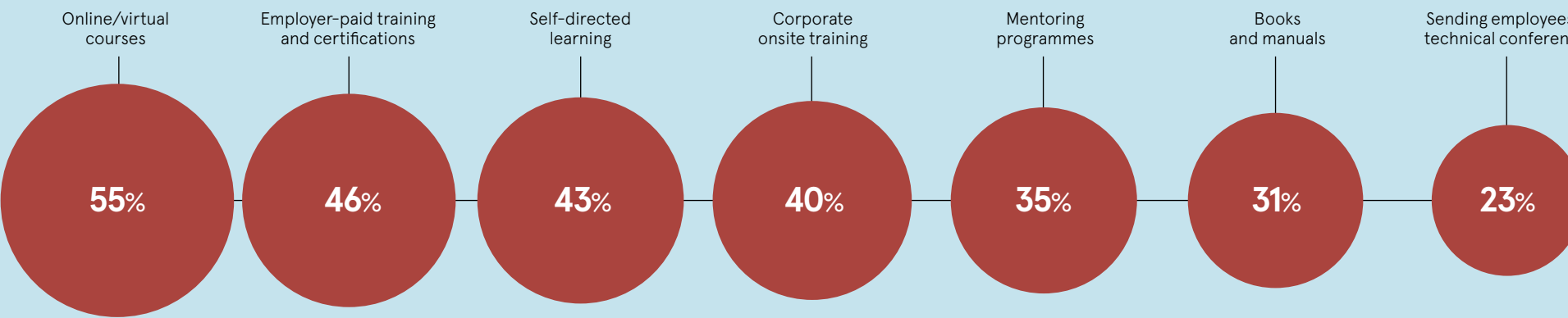
THE BENEFITS OF UPSKILLING

Share of tech leaders citing the following as benefits of cross-skilling and upskilling to address technical talent needs



HOW DO FIRMS TRAIN AND DEVELOP TECH SKILLS IN THE ORGANISATION?

Training and development opportunities used by organisations to upskill and certify technical staff



THE CHALLENGES TO UPSKILLING

Main challenges to upskilling and cross-skilling technical staff according to tech leaders





COMMUNICATION

Why CFOs need to be exceptional communicators

The stereotype of the cold, charisma-free finance chief persists, but the pressure is on CFOs to add consummate soft skills to their mastery of the hard numbers

Sam Birchall

During a heated town-hall meeting in May, Google employees subjected their CFO, Ruth Porat, to a grilling about the firm's latest round of redundancies. They quizzed her on the selection process, with one attendee complaining that they felt they were "playing a game of ping-and-hope-to-hear-back to figure out who lost their job. Can you speak to the communication strategy?"

This case highlights the importance of communication skills in the finance chief's evolving role. Many businesses have come to expect their CFOs to explain the tough choices they've had to make with clarity and confidence, handling potential conflicts effectively and maintaining the trust of employees in so doing.

Tom Berry is UK managing director of communications agency MikeWorldWide. Also the deputy editor of Financial Director maga-

zine in 2001-05, he has been a keen observer of how the emphasis on CFO communication has changed over the years.

A decade ago, the focus was on transparency in financial reporting. This was the age of regulation and compliance, he says, noting that it was "the first time that finance leaders felt the very real threat of public exposure and even jail time" for transgressing.

Discussion about ensuring compliance has focused more on effective corporate governance since then, as Berry explains: "The issue of transparency in this context is all about being open about the decisions you are taking, the role you want your people to play in those decisions and how you measure success."

This has meant that the skills required of an effective CFO are "much softer, even though the decisions they must take are just as hard as they've always been", he says.

It's also becoming more important for finance chiefs to be storytellers. Sharing the numbers is no longer enough; CFOs need to be able to articulate a clear narrative that employees can relate to. That's the view of Victoria Lewis-Stephens, co-founder and managing director of United Culture, a specialist in engagement and communication.

"Without this, it's more difficult for people to connect what they are

“It's not always a natural position for them. These communication skills just aren't taught during accountancy training

doing from day to day with the growth and prosperity of the business," she says.

The closer CFOs are to the business, the more effectively they can allocate resources. They therefore need to understand what motivates employees (and customers), argues Lewis-Stephens. Without such insights, she says, "it's hard to ensure that budgets are spent on the real priorities".

Another recent trend suggests that soft skills will only become more sought-after in finance chiefs. The proportion of CFOs becoming chief executives in the UK increased from 21% in 2019 to 30% in 2023, according to data from executive search firm Heidrick & Struggles. Taking on the top role will inevitably entail spending more time on communication strategy.

Deservedly or not, finance chiefs are still widely perceived as having poor communication skills. A 2022 survey of non-financial managers by Oracle NetSuite, for instance, found that 40% felt that their CFOs were falling short in this respect. Clearly, there is room for improvement.

"It's not always a natural position for them. These skills just aren't taught during accountancy training," Berry observes.

He adds that phenomena such as the rise of hybrid working have meant that many finance chiefs are operating "in an increasingly fragmented environment", which doesn't help them to connect meaningfully with people either.

Gianpiero Petriglieri is an associate professor of organisational behaviour at Insead business school and an expert on leadership in the workplace. In his view, the most engaging finance chiefs are "connectors of people and ideas, rather than facts and statistics".

They minimise the financial terminology they use when conveying a message, focusing instead on clear concepts that non-experts can understand and act upon. These may differ depending on the audience. Communication tactics that engage certain stakeholders may not work for others.

"Find a common language. Spend time getting to know these different groups. Ask them what their concerns are and what motivates them," Petriglieri advises, adding the substance of the message is usually more important than the style in which it's delivered.

Adrian Talbot, CFO at marketing firm Miroma Group, agrees that finance chiefs can make a bigger impact as communicators by deepening relationships and building their credibility. He is "always looking for opportunities to engage with different parts of the business", going so far as to start a band with his colleagues.

This has helped to foster trust in him as a leader, Talbot says, adding: "When it comes to pulling the company through a crisis, employees are more likely to sit up and take notice because I've spent time developing relationships."

Finance chiefs do not have to go to such lengths to reach this point, of course. Talbot's advice is to "spend half an hour each day walking around the office and chatting to people. Ask questions and encourage feedback. This will create a culture of openness and collaboration."

In his view, CFOs should embrace their natural curiosity by venturing beyond known territory in the organisation, rethinking how their communications can add value.

Berry stresses that it's up to the CFO to "humanise" the finance team by becoming a "visible and friendly" presence in the organisation. This, he believes, will help to "build bridges, not walls".

Talbot makes a conscious effort to be as approachable as possible. He attends all new business events and speaks at every weekly all-staff meeting, for instance, even if that's to make a brief statement.

"I believe in getting out from behind the spreadsheet and engaging in the business for personal benefit, as well as raising the profile of my team," he says.

Determined to shatter the stereotype of the "cold, introverted finance chief", Talbot is even putting himself forward as a contributor to podcasts and professional events.

"In times of crisis, staff look to the CFO to communicate transparently and empathetically," he says.

Talbot was acutely aware of this at the start of the Covid crisis, which is why he chose to call every member of staff and have a five-minute conversation with each of them.

Berry recalls how one finance chief he knew would start every board meeting "by asking everyone: 'How are you feeling today?' It was their way of bringing any issues to the surface straight away."

The CFO may be responsible for the hard facts and figures of a business – but their interactions and communications with the rest of the business should be anything but. ●

Q&A

Beyond the forecourt: unlocking the potential of tech in auto retail

Tom Kilroy, CEO of Keyloop, explains why automotive retailers must embrace technology to provide better customer experiences and streamline operations for a competitive edge

Since the covid pandemic, consumers have become ever-more accustomed to using digital devices and platforms to research products, learn about services and process their transactions.

But the automotive retail industry, which has long prided itself on providing premium in-person experiences, remains some way behind other industries on its digital transformation journey.

Tom Kilroy, CEO of Keyloop, a global leader in automotive retail technology solutions, explains how retailers can transform and remain relevant by evolving their customer experience with technology.

Q Why do automotive retailers need to embrace technology?

A Ecommerce consumer platforms (think Deliveroo) have developed simple and frictionless digital experiences that have changed how people expect to interact with retailers. Buying or servicing a car is very different to ordering a takeaway, but automotive retail can and should be easier to deal with. Customers don't want to feel under pressure to make a decision at a dealership forecourt. They want to be able to use a website or app to compare or research different models, do virtual tours of cars before booking a test drive or compare financing options.

Q Is there a risk that technology could hamper the premium experience retailers deliver in person?

A We believe the opposite is true – technology can help retailers to reinvigorate relationships with customers by creating thoughtful interactions and joyful experiences. The days when retailers were able to check in personally with customers on an annual basis to review their needs are gone, because customer behaviour has changed.

Instead, digital interactions (including email) can provide regular, personalised communications based on previous purchases in a way that isn't intrusive and deliver relevant and useful advice. Tech also reduces friction. If your car needs a service, push

notifications can alert you ahead of time and help you book in and understand the price. Then when the car is on the service ramp, if it needs a new set of brake pads, a simple approval button via an app can save time, rather than arranging a phone call. We've seen this digital approach implemented by other sectors, such as the mortgage industry. This has made it easy for consumers to apply for a mortgage without needing to book an in-person meeting or a call with a broker.

Q Could technology play a role in the transition to electric vehicles?

A Definitely. Currently, retailers struggle to advise consumers on whether they're a good candidate for an electric vehicle (EV) or not. This is because getting data around people's driving habits, for example the number of long journeys they make or where they live and work in relation to charging infrastructure, can be difficult to acquire. However, most of us have location and journey data already in our phones and we'd be happy for that to be used responsibly to give us the right advice on what car to buy.

The EV transition also presents a huge opportunity for retailers to win customer loyalty. According to McKinsey, the proportion of owners willing to change their car brand for better technology and performance, has grown from 33% with internal combustion engines (ICE) to 66% with EVs. This means that whenever there is a technological improvement in vehicles, there is double the propensity to change amongst buyers. And with EVs improving their technological specs all the time, the challenge and the opportunity for retailers is clear.

Q Do automotive retailers and manufacturers need to become content creators?

A The industry is heading in that direction. In other industries, such as insurance or mortgages, we used to have a community of brokers, because the customer found it hard to understand the market. The broker



“Technology can help retailers to reinvigorate relationships with customers by creating thoughtful interactions and joyful experiences

It is end-to-end technology, meaning it's there every step of the way – from discovery, to intent, to purchase and then ownership. Every single one of these moments can be fueled and joined up by technology that's focused on improving the customer experience and making them advocates. Our tech and Experience-First approach is 100% focused on delivering this.

Q What can automotive leaders do to help with this change?

A One thing leaders need to do is explain to their staff that AI or technology will improve the customer experience and, ultimately, sales and retention. If their business doesn't adopt end-to-end technology, their competitor is likely to and that could mean they'll lose market share.

Leaders also need to reassure staff that tech won't take people's jobs away. They need to show that it will elevate everybody's performance by giving them the tools to do their jobs better. Importantly, it will also give them the time to do the areas of the job they're best suited to. If they don't, there is a risk that workers will reject change, so leaders need to advise and educate to make the transition as smooth and effective as possible.

Q What impact will technology have on the industry in the future?

A Technology will make owning a car a more joyful experience.

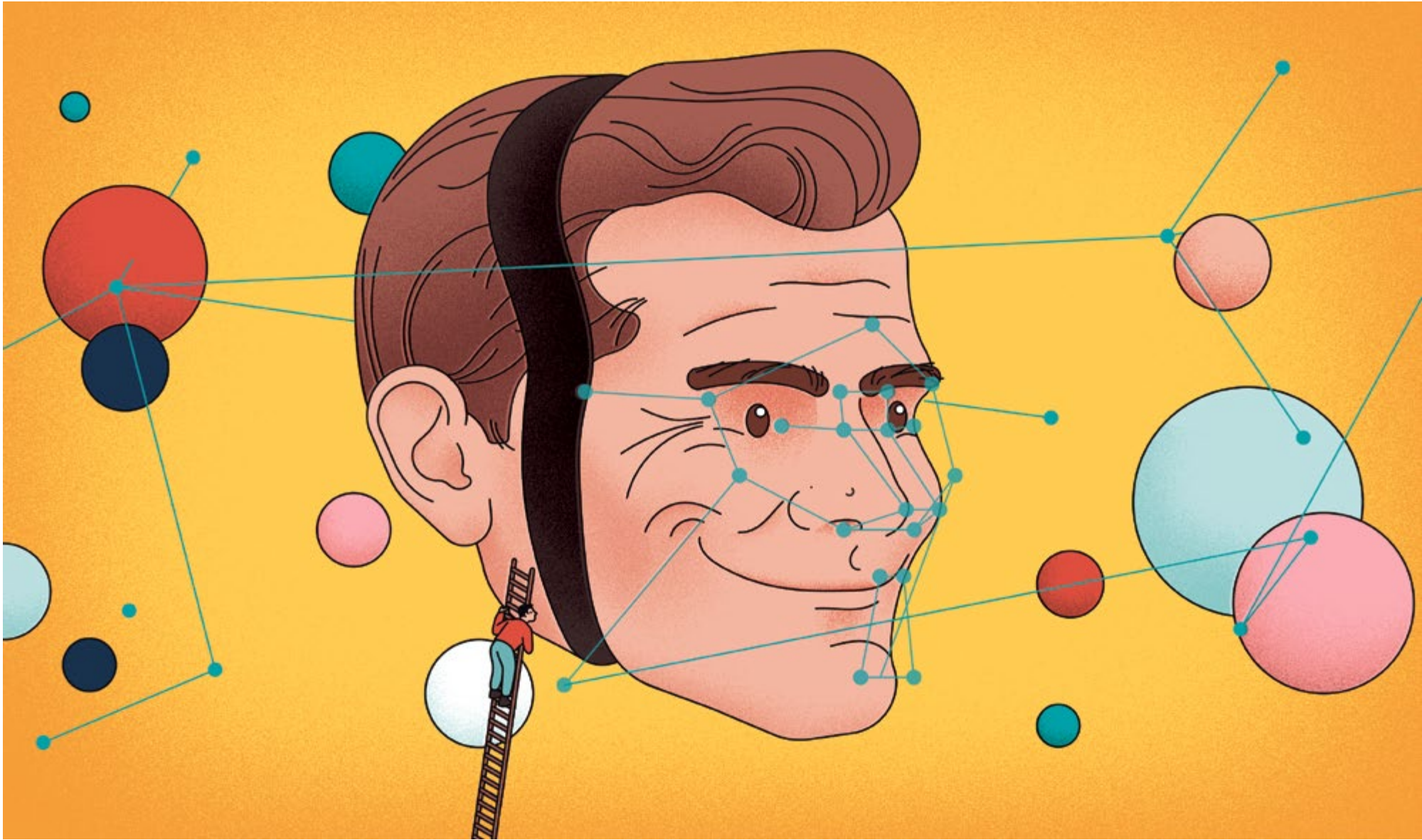
Tech can really enhance the buying experience by making it much easier for consumers and by building trust through quality, detailed advice. But it also has the potential to transform aftersales.

Our online booking system technology makes it quicker, easier, and more convenient for people to book their service online at a time that's convenient for them and the retailer. We know that this is key to building loyalty. A study by McKinsey showed that 53% of customers consider a better aftersales experience to be more influential than the purchase experience in the entire customer journey.

If you would like to read more about the transformation of the automotive retail industry and how you can apply these lessons to your business, download Keyloop's Experience-First whitepaper *Revolutionising Automotive Retail through Technology*



keyloop™



AI FRAUD

How to detect a deepfake

Fraudsters are making increasingly sophisticated AI-powered clones to dupe businesses and consumers. There are some telltale signs to watch out for, but these won't last long as the technology advances

Tamlin Magee

Deepfakes, which use AI to create convincing mock-ups of real people, have gone mainstream. Cybersecurity experts have warned about such counterfeit videos for years, but only recently have these become sophisticated enough that they're practically indistinguishable from the real thing.

Fraudsters once used so-called spear phishing to target the email in-boxes of business leaders. Now they're digitally cloning those leaders – as the CEO of advertising giant WPP, Mark Read, warned in an internal memo after deepfakers mounted an unsuccessful attack using his likeness.

Deepfake apps are selling well on the dark web, largely because they automate much of the process for their criminal clientele. And they're being put to devastating use. In January, for instance, an employee at a multinational firm in Hong

Kong sent fraudsters £20m after they instructed her to do so in a phony video call involving likenesses of their CFO and several other colleagues.

Deepfake tech is advancing all the time, but it has become hugely more sophisticated this year, reports Dr Andrew Newell, chief scientific officer at authentication firm iProov.

"In the early days, deepfakes weren't good at all," he says. "Over the past four months, they have become

very, very good. We think spotting these things is almost impossible." Any perceptible flaws in the latest attacks are probably because the perpetrators are still using relatively old methods. The most advanced tech on the market can handle light and shade well. This means that one of the dead giveaways of a deepfake – the misplaced or absent shadow – is becoming rarer.

A criminal will typically use a so-called injection attack, where a deepfake is covertly inserted into a video stream so that it looks like it's coming from a real camera. They map the face of their target – the "source face" – on to their own face and gain control over the source's facial movements and the lighting. Applying this power in sync with speech-generation tech, the attacker effectively has a clone at their disposal, which is run through an emulator or virtual webcam.

Newell notes that several deepfake kits offer a comprehensive package featuring face-swapping software, a virtual camera emulator and insertion tools.

"In the past, you'd have needed a relatively high level of expertise to make the deepfake and inject it," he says. "Now, you can download these kits and, with the same tech, make a face swap and inject it in one go."

Despite the rapid advance of deepfake tech, some cybersecurity experts note that there are still some telltale signs to look out for – although these might not exist for much longer.

One such expert is Simon Newman, CEO of the Cyber Resilience

Centre for London, a government-funded not-for-profit body helping businesses and charities to improve their defences. He says: "It's becoming much harder to spot deepfakes, but there are a few things you can do."

Look for details on the face of the person that don't appear natural – perhaps unusual lip colours, facial expressions or strange shadows.

The inside of the mouth is sometimes a dead giveaway, says Newman, who advises: "Look for blurring, as criminals often neglect this area."

He suggests looking at the head when compared with the neck or other parts of the body. Try to spot strange movements or see if they're out of sync. Do the lips appear to be moving as they would with the matching words? Do the surrounding facial expressions look natural?

It's also important to be able to distinguish different types of deepfakes. Face swaps are a little easier to spot in their current form, says Dr Martin Kraemer, security awareness advocate at KnowBe4. But he adds that fully synthetically generated video sequences can be harder to decipher and have improved "considerably" this year.

Kraemer advises looking at the edges of the speaker's face to detect signs of a swap. The age of the person's face might seem to differ from that of the rest of their head. Shadows around the eyebrows might look unnatural too.

Such signs are much less reliable where fully synthesised videos are concerned, Kraemer says, but you

can still look for the "right" kind of body language. Someone's eye movements generally support the statements they are making. Optical gestures in deepfakes are often repetitive, rather than supportive of the spoken word. Also, someone's lip movements may sometimes not sync with what they're saying.

Many deepfakes use exceedingly precise enunciation, he adds. "No one speaks consistently like a news anchor, in an overly polished and meticulous way. Watching out for irregularities – or too much regularity – works for now. But I wouldn't rely on that in the near future."

Newell stresses that no one should be too confident that they would always spot a deepfake attack. His firm is trying to combat the threat by creating an ID system that resembles public key encryption. When participants are on a call, iProov's verification tech will light up the speaker's face via the device camera and project a pattern of colours unseen by the human eye on to it. Only the authenticator knows what that pattern, which is different on every call, should look like. If there's a match, this is evidence of "liveness" and the participants don't have to do anything to prove it.

There's little doubt that detecting the technical flaws in deepfakes will become ever more difficult as the tools continue to be refined. Maintaining a high level of contextual alertness may therefore prove the most powerful way for employees to counter the risk.

Kraemer says that it "remains most important to develop critical thinking and emotional awareness for combating manipulation attempts from social engineers".

Instead of focusing on people's eyebrows in a Crime Scene Investigation-style attempt at digital forensics, try to think about the stated purpose of the call and how the participants are interacting. In short, does anything seem out of context?

It may already be too hard for the average person to spot the physical signs of a deepfake, argues Lucy Finlay, client delivery director at ThinkCyber, a provider of risk awareness

training. She says that attackers will often try to instil a sense of urgency, putting their targets under time pressure to do their bidding.

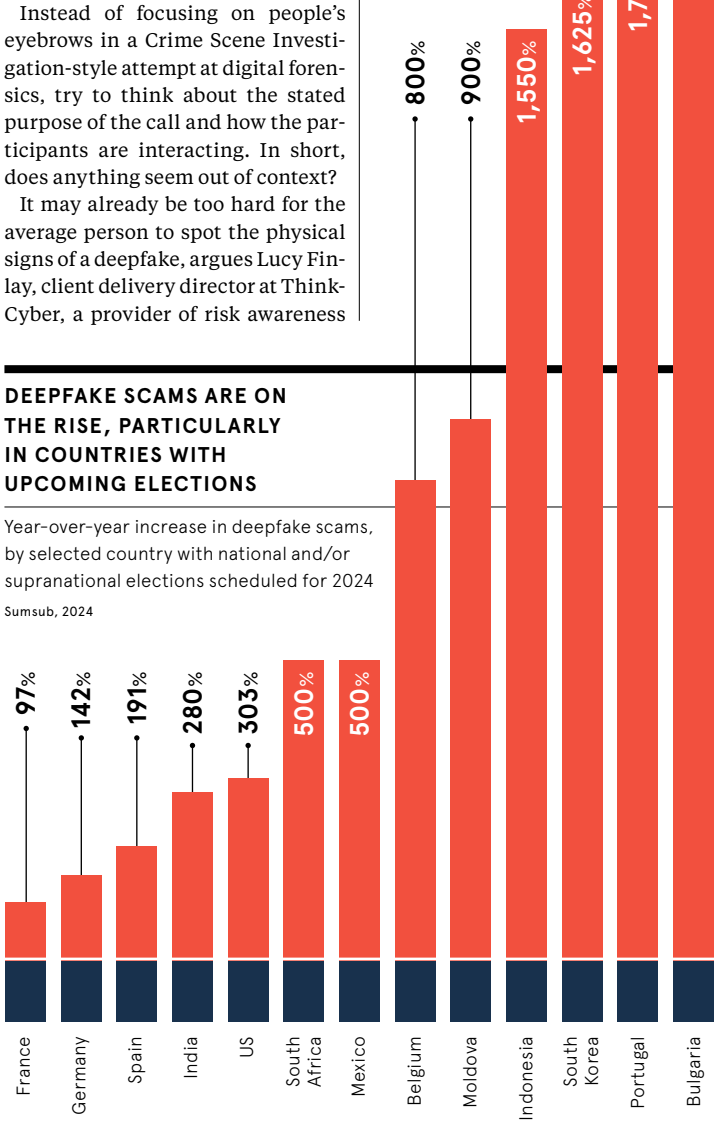
People are more susceptible to being duped when put under stress. They tend to display what Finlay calls "system-one thinking", where they behave intuitively and automatically, as opposed to "system-two thinking", which is more considered and logical.

"My go-to advice is: pay attention to the context," she says. "Does what you're seeing and hearing make sense? What is the person trying to get you to do and how does that make you feel? Is it inciting some strong emotion?"

Avoiding a deepfake scam therefore may no longer be a matter of trusting your eyes to detect deception. It could soon become more of a case of trusting your gut.

Year-over-year increase in deepfake scams, by selected country with national and/or supranational elections scheduled for 2024

Sumsub, 2024



“Over the past four months, they have become very, very good. We think spotting these things is almost impossible



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Reframing risk: how CISOs can shape boardroom discussions on cyber threats

In the age of AI, CISOs must guide firms through intricate regulatory landscapes, demonstrating how compliance can mitigate risks and enhance data security to form a robust cybersecurity strategy

Cybersecurity threats are a serious risk for any business – a recent UK government survey reported that 50% of UK businesses have experienced a breach or attack in the last 12 months, rising to almost three quarters of large businesses. New technologies mean new risks, as well as new regulations to navigate.

To succeed in the current environment, business leadership needs to understand the risks both as they exist now and as they evolve. Being able to execute proper management of these risks is key to maximising opportunities for their organisation: the role of a CISO has never been more critical to the overall business success of an organisation.

Cyber threats can take many forms – stealing data, holding data hostage, extortion, ransomware and corporate espionage. As technology continues to evolve, the threats evolve too. Ken Deitz, CISO of cybersecurity firm Secureworks, points to AI as an example of this: "If you're trying to build and operate generative AI services, there's a new threat landscape – whether through prompt injections that trick the AI into providing answers that it shouldn't provide, data poisoning that trains the AI to act in incorrect ways, or a myriad of other threats."

There's more cause for concern than AI potentially opening holes for attackers to use – it can also help them create new forms of attack. "Just like good companies are trying to use AI to make their workforce more efficient, the threat actors are also trying to gain efficiency and knowledge from AI," says Deitz. That comes both in the form of helping attackers improve their code and tooling and in providing new tools.

There's been a rise in new cyber attacks, from efficiently generating convincing phishing emails targeted at victims in multiple languages to deep fakes that can be used to impersonate key personnel and authorise



fraudulent financial transactions. The rapidity of technological change means it's imperative for firms to dedicate resources to keeping up with new threats. Simply preparing for what exists now isn't enough when the landscape is changing so quickly.

It isn't just threats that are evolving; the regulatory environment is also shifting, especially for companies currently operating in, or looking to expand into, different markets. Even understanding which set of regulations need to be adhered to can be complex. In Europe, companies need to understand legislation from both the EU and individual countries, whereas in the US privacy laws vary between different states – and all these considerations may interact depending on where data is being stored and processed. Companies need to protect

themselves against cybercriminals, but they must simultaneously ensure they don't risk fines or prosecution because of how they manage customer data.

From red tape to resilience

Regulatory compliance doesn't have to be seen as a burden. In fact, it can reduce the damage that cyber attacks can cause. Deitz explains how data compliance can help companies reduce the chance of putting their business in jeopardy. "Companies are trying to gather data, they're trying to analyse data and they're trying to use that data to improve their business, to make money, to do many things," he says.

"But there is a point when it can become toxic. Having large amounts of readily accessible data can become an issue, not just for regulation but also during any sort of security incident." Deitz suggests companies should reduce the amount of data they have, concentrating efforts on maximising the effectiveness of the data they're collecting while minimising the volume of it. This is the best way to keep one's customer and teammate data safe.

Ensuring that the data a firm holds is compliant with the regulatory regime it operates in might feel like an overwhelming amount of red tape. However, in the event of a cybersecurity breach, a compliant business will be exposed

to less risk than a non-compliant one. Deitz warns that firms should be concerned not just with the safety and security of their services and products, but customer privacy and individual privacy. "If you go in with those design principles, it's going to be a lot easier," he says. The same underlying principles can help firms mitigate against regulatory and cybersecurity risks. Businesses should be building a security culture that encourages every team to instinctively reduce exposure.

A CISO's role can be seen primarily as defensive. There's an assumption that CISOs deal purely with loss prevention, justifying any cost to the business purely on the basis that it reduces the chance of security incidents that will have a far greater cost. In actual fact, the role of a CISO should be about creating opportunities for a business. Growing a business always entails taking on risk and cyber threats are a key part of that. Implementing safeguards to protect against those threats allows a business to grow more quickly, take on new customers and drive revenue. Rather than simply preparing for worst case scenarios, the CISO can and should be seen as someone who is laying the groundwork for the best case scenarios.

Failing to take cybersecurity seriously can come with a heavy cost – in 2023 the average worldwide cost of a

data breach was reported to be nearly \$5m – so it is undeniable that every firm needs to take action against the risks involved. While it may not be an area that business leaders would choose to spend money on in an ideal world, it's important not just to view mitigation as a 'defensive shield' but as an integral part of how a modern business operates, from senior leadership across the entire firm.

A CISO needs to ensure they're not just managing risk as though it was a separate business department, but that they're winning support from leaders across the entire organisation. While rapid technological change is enhancing business operations, AI is also allowing cyber criminals to become more sophisticated in their approach, increasing the risk-factor CISOs must combat. Building a business culture that drives growth, navigates compliance and protects against risk effectively is imperative in the face of a rising tide of cyber attacks.

For more information please visit secureworks.com

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WORKPLACE

People and place: how HR took over commercial real estate

Decisions about corporate real estate were once the responsibility of the finance or operations chief. But HR executives now have much greater influence as companies continue to re-evaluate the purpose of the office

Sam Forsdick

The office is no longer simply a place to work – it's now vital for promoting employee experience and establishing a strong corporate culture and organisational identity. HR leaders therefore are becoming more involved in decisions about corporate real estate.

Around a quarter (24%) of real estate professionals reported directly into HR last year, according to research from commercial real estate firm CBRE. "Even in companies where there is no direct line to the CHRO, we're seeing a growing partnership between HR and real estate," adds CBRE's head of human capital consulting, Georgina Fraser.

Rather than being perceived merely as a cost centre, corporate real estate is increasingly seen as an enabler to the core business and a function that can support talent attraction and retention and improve productivity. This means it

has developed a "natural alignment with HR, whose raison d'être is to look after people", Fraser adds.

Peter Miscovich is global future of work leader and executive managing director at real estate services company JLL. He traces this change back to the 2010s, when the likes of Google and Facebook (now Meta) established suburban campuses for their workforces.

"As the Silicon Valley tech firms put a much greater focus on the role of the workplace as a talent attraction tool, we saw HR becoming more engaged in workplace strategy," he says.

The pandemic accelerated this trend, as HR was tasked with establishing hybrid working policies, ensuring workplace health and safety and motivating the return to office, he explains, adding: "As a result, corporate real estate teams have had to align much more with HR leadership."

OFFICE SOCIAL

CBRE, 2023

Primary reasons that employees would choose to come into the office

Team connection and community

58%

Collaborate face to face

43%

Tools, technologies or spaces

26%

Work/home boundaries

20%

Amenities

16%

Focus

15%

Better physical setup

12%



You can't just delegate it, you need to be prepared to get your hard hat on and get stuck in

Miscovich recalls that earlier in his career the corporate real estate function would report almost exclusively into the finance or operations chief, chief administrative officer or chief procurement officer.

"The emphasis used to be on making real estate cost-effective," he says. "Location was less of an issue, as there was an expectation that people would move to wherever the enterprise was located, but these considerations have shifted more in favour of the worker."

The rise of hybrid working has forced many companies to change their approach to workspace utilisation and design. Businesses now often refer to making the office a "destination" that employees want to commute to, rather than just a place of work.

Sharon Doherty, chief people and place officer for Lloyds Banking Group, is well-versed in balancing HR and workplace priorities. She oversees 60,000 employees and 1,000 buildings, including the bank's branches and head offices.

Doherty's first experience with the construction and design of corporate buildings was during her time as HR and change director at Heathrow, from 2002-07. During this

period she was heavily involved in the development of the airport's Terminal 5 building.

The knowledge gained from this experience is something Doherty has kept with her. "I would find it odd not having places as part of my remit. For me, it shouldn't be seen as something unusual," she says.

But, in terms of the planning required for each business function, there is a significant difference between matters of people and place. While an organisation's people strategy might be redesigned every few years, a firm's real estate strategy is less likely to go through frequent changes.

"It's an agenda that people need to take a five- to 10-year view of," Doherty explains. "It's a different cadence, so you need people that have that longer-term perspective."

Health and safety, maintenance and sustainability are all key considerations when designing a corporate real estate strategy. These can be technically complex issues and those who oversee them can be held personally accountable should some violation or harmful incident occur. "As head of place, you're balancing business-critical issues and over-seeing a big budget, so you can't afford to get things wrong," Doherty adds. "You also have to manage a massive cost centre that goes right across the balance sheet in a way that HR's normal costs do not."

HR leaders who want to take control of corporate real estate need to be financially astute and have an interest in areas such as sustainability and construction that do not typically fall within their remit. Doherty says: "You can't just delegate it, you

need to be prepared to get your hard hat on and get stuck in."

But despite these differences, there are several reasons why HR is well-suited to weigh in on corporate real estate decisions.

Some elements, such as the ability to design engaging workspaces that enable new ways of working, are "in the sweet spot" for an HR director, she explains. Lloyds, for instance, implemented some people-centric designs in its recently opened Wellington Place office in Leeds, which features a games area, workplace hub and treadmill desks.

Greater involvement of the HR team could also help to make the built environment more inclusive. Based on their insight, an employer may choose to fit out prayer spaces, gender-neutral toilets, wellbeing rooms for returning parents and quiet zones for neurodiverse employees, for instance. HR leaders will be most familiar with the people-centric considerations motivating such adjustments.

Despite overseeing both people and places in previous roles, Doherty says she had to "fight" to have both included to her remit when moving to Lloyds. "Before I joined, there was a view that places should sit under the COO," she explains.

While it is still unusual for businesses to combine these two roles, for Doherty, the pairing of people and place just makes sense. "For me, it's such a big part of the people proposition – to attract, retain and increase the productivity of our talent – it was too important to let someone else take care of it." There are a growing number of HR leaders who think the same. ●

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