



BRINGING RELATIONAL WEALTH & ECONOMIC WEALTH INTO HARMONY

By Kerry-Lyn Stanton-Downes

There is a tension that exists within every organisation between the relational and the economic, as thinkers and business leaders including Susan Davies, Simon Sinek, Gary Vaynerchuk, Amy Edmondson and many others recognise and have spoken about in valuable ways. But in this article I invite you to explore with me

how relational wealth – the reservoir of resilience, strength and flexibility we create by relating to one another with curiosity, with a willingness to navigate difference, with candour – can be balanced with economic wealth to deliver a powerful new synergy that will be utterly transformative for organisations.

In the first article I suggested that the mental health epidemic sweeping the globe is the result of ‘relational poverty’, and that we can only truly address it by prioritising relational capacity – our ability to regulate emotions, co-create solutions, and cultivate connection, growth and thriving in the face of constant change.

The second offered a brief overview of the neuroscience and psychology that explains how this new relational way goes to the heart of our needs as human beings and as teams.

“Relational wealth is not an alternative to economic wealth but in fact the key to it”

Throughout, I've been eager to make it really clear this is not about hippy-ish New Age thinking or indulging the every whim of each individual on our teams. But now I want to offer more depth on that point. It is essential to see that relational wealth is not an alternative to economic wealth but in fact the key to it. The two are mutually supporting and mutually galvanising, with relational capacity the essential underpinning of agile, responsive, innovative organisations.

Balancing them is not about prioritising the emotional and psychological needs of individuals over the economic ones of organisations. It's about making organisations the healthy and dynamic relational spaces they need to be to empower each and every individual to be fully and effectively in service of the shared enterprise that is the organisation.

The changing needs of the workforce

So balancing the relational and the economic is essential. But, in this historical moment, that involves some specific new challenges brought by the younger generations who have entered the workforce and are now coming to dominate it.

There's been a shift in the corporate world in recent years as millennials and then Gen Z have begun to make up a larger and larger proportion of our teams: a new expectation has arisen that emotional and psychological needs will be prioritised in the workplace.

The reasons for this are varied, including increasing levels of alienation outside of work and digital social media taking the place of healthy human interaction – and, of course, some legitimate complaints about how businesses have in the past been run. At the same time, until recently in many economic areas this has been accompanied and partly enabled by a de-prioritisation of immediate profit, with funding relatively easy to secure and future potential the principal measure of value.

“Relational capacity is the essential underpinning of agile, responsive, innovative organisations.”

There were always problems inherent in this. I'm not saying that work shouldn't be a source of fulfilment and joy – we should do our best to make it those things wherever possible! But it won't be that all the time, and it is a mistake to think that is what it's for. This is where we've let down the generations that have joined the workforce in the past two or so decades. We've not allowed them to get accustomed to and comfortable with the natural tension that exists between creativity and a sense of meaning and belonging on the one hand and delivering concrete results on the other.

And now, as funding has become more scarce and pressure has grown to deliver on potential, we're coming to the crunch.

“A new expectation has arisen that emotional and psychological needs will be prioritised in the workplace”

Everywhere we look, value creation is giving way once more to cash flow as the key business priority, and generations of the workforce are having to learn some hard economic lessons from which until now they have been largely protected – in a nutshell, that businesses need cash to survive, and that no number of customers or projections for future growth can change that.

These new generations are on the whole not adequately prepared. It's not their fault, but they aren't – and the reasons are varied.

What's been lost

Millennials and Gen Z-ers alike are bringing many valuable changes to the workplace that reflect their different socioeconomic values and priorities. In some ways, though, those values and priorities also reflect some real disadvantages in terms of personal development. Largely priced-out of goals such as house-ownership that motivated older generations to economise and think long-term, they are understandably often more invested in mental health and the experience economy than longer-term economic prospects that seem unattainable for them.

By and large, these generations have also not had the experience of traditional hierarchies, of sitting at the feet of great leaders and paying their dues through running the hard yards.

Talent has been at a premium, allowing employees increasingly to dictate terms to employers and creating more 'horizontal' work environments. Young workers are accustomed to bringing their 'whole self' to the workplace and to having their psychological and emotional needs accommodated, while 'authenticity' has come to be so highly prized that often it takes precedence over traditional priorities such as performance. Bosses, often called 'mate' or 'buddy' by their employees, are eager themselves to foster peer-to-peer relationships with their teams, and the rise of email and LinkedIn has created a situation where every employee has access to top-level executives – and feels entitled to be engaged with directly!

“Important structures for learning and growth have been lost, and we now have a generation that simply has not built the kind of resilience that was once commonplace”

Incredibly important structures for learning and growth have been lost, and we now have generations in the workforce that simply have not built the kind of resilience that was once commonplace. So we face unique challenges as employers and leaders in terms of giving the younger generations the experience, cultivation and character-growth they need to fulfil their potential and perform the way they need to in organisations.

“New generations' demands for more people- and values-centric work environments are prompting us to make long-overdue changes”

An epochal opportunity

But as I mentioned in the first [article](#), these challenges should really be seen as an epochal opportunity to make our businesses better than they have ever been. Because the new generation's demands for more people- and values-centric work environments, though they may go too far in some instances, are also prompting us to make long-overdue changes. These changes are urgently needed in the face of shifts already underway due to automation and AI, shifts that impact employees and leaders alike – and making them will allow us to embrace and adopt a new relational paradigm that will empower us all to be more effective, resilient and productive than ever.

Relational capacity, which is how we can achieve a synergistic balance between relational and economic wealth, is the answer.

Aligning relational and economic wealth

As I've said, there can seem to be a tension between the two kinds of 'wealth' we're talking about. On the employee side, particularly for millennials and Gen Z, the demand that the financial needs of the organisation sometimes take precedence over the individual desire for fulfilment and self-direction can seem unfair. On the leadership side, negotiating between financial imperatives and the need for a healthy team can seem to be a zero-sum game between two competing sets of interests.

But in fact by developing relational capacity this tension can be successfully navigated and the dynamic turned on its head, transformed from one of conflict to one of synergy.

“We need to live by the four fundamental values that underpin relational capacity”

To build relational capacity we need to accept and truly believe that we are relational by nature: the brain is a relational organ, and where we are on the mental health spectrum is a result of how we relate to others and they to us. We also need to live by the four fundamental values that underpin relational capacity; we will come back to these in more depth, but for now we can simply note them:

- Reciprocity: the mutual exchange and interdependence of actions and emotions between individuals, leading to healthy and sustainable relationships.
- Self-awareness: the capacity for self-reflection and introspection we need to develop a deep understanding of our own thoughts, emotions, sensations and experiences and their impact on others.
- Effective communication: the recognition of the need for clear, open, and honest communication in building and maintaining healthy relationships.
- Empathy: the commitment to actively seek to understand one another's perspectives and experiences and respond with care.

“If immediate economic requirements are pursued at the expense of relational health you set yourself up for failure not far down the line”

We need to bed these down in our organisation at every level – and later in this series of articles I will guide you through the 3 Ps (Principles, Practices and Processes) that will get us there! By doing so we will put ourselves in a position where every stakeholder knows and feels deeply that they and everyone else are in service of a shared goal and at the same time they themselves are valued and able to share their own needs, goals and aspirations.

As a leader, by doing so you will position yourself to be able to communicate, effectively and without conflict or drama, that nobody will benefit if basic business needs are not attended to. You will be able to have potentially hard conversations without causing the kind of rupture and conflict that result in team breakdown and ultimately quitting (whether quiet or loud).

“You will be able to have potentially hard conversations without causing rupture and conflict”

You will empower yourself to create the mutual awareness in your team that everyone is in service of the business success that is in the end what puts roofs over heads – but without browbeating, without buried stresses and without unexpressed tensions.

This is crucial, because if immediate economic requirements are pursued at the expense of relational health you set yourself up for failure not far down the line. You might meet this month’s target for economic wealth, or this year’s. But if you fail to attend to your relational wealth at the same time, you will be left with a team unlikely to have the resilience, commitment and investment to meet next year’s, and all the new challenges on the horizon.

A hyperconnected world

There are other things to consider as well. A recent example of the failure to balance the relational and the economic that I found incredibly disappointing was how Google handled its mass redundancy processes. It’s an organisation that takes great pride in being a great place to work, projecting an image of itself as results-focused yet welcoming, inclusive, values-driven and concerned with the well-being of its employees; yet when thousands of those employees were to be let go earlier this year the news arrived overnight via email.

Imagine the distress of the individuals concerned at finding Google’s actions could be so at odds with its declared values. Imagine the unease experienced across tech – and beyond – at how even a great company can struggle deeply to balance its relational and economic commitments.

“Relational capacity, which is how we can achieve a synergistic balance between relational and economic wealth, is the answer”

In our hyperconnected world, this kind of news spreads like wildfire and tells not only potential employees but also the public – on whom Google relies for its economic wealth – that Google is not fundamentally a trustworthy organisation that means what it says.

The relational organisation will be the economically successful organisation

So this is where the balance lies between relational wealth and economic wealth: not in making compromises with which no-one will really be happy, and not in ‘values’ that we fail to embody when it counts, but in recognising the essential synergy of the economic and the relational and committing fully and equally to both, ensuring organisations are able to fulfil their true potential both now and in the longer-term.

“To build relational capacity we need to accept and truly believe that we are relational by nature”

Thank you for joining me in this brief introductory journey into the relational paradigm! I've now shared the central ideas – the ‘what’ – and I hope you'll join me in the next three articles, where I will talk in more depth about the ‘how’: the principles, practices and processes by which you can put the relational front and centre in your own organisation, preparing it to thrive in the face of any change, uncertainty and upheaval.

E: kerry-lyn@capacityatwork.com

W: capacityatwork.com

Li: [linkedin.com/in/kerry-lyn-stanton-downes/](https://www.linkedin.com/in/kerry-lyn-stanton-downes/)