Rethinking
WORK & THE WORKPLACE

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-May 2022

issue theme

rethinking work and the workplace

In his book, The Second Machine Age, MIT professor Erik Brynjolfsson describes a future in which machines are becoming increasingly capable of performing many tasks that have traditionally been done by human beings. This trend is already well underway, and it is transforming the nature of work and the workplace.

In the past, work was often physical and repetitive, and it could be done by people with little education or training. But as machines have become more sophisticated, they have increasingly replaced humans in performing these tasks. Today, many jobs require higher levels of education and training, and they are often more creative and challenging.

The workplace is also changing. In the past, work was often done in factories or offices, but today it is increasingly being done remotely, through telecommuting and other forms of flexible work arrangements.

These changes have profound implications for individuals, organizations, and society as a whole. They are raising important questions about the future of work and the workplace. What will work be like in the future? What will the workplace of the future look like? How can we best prepare for these changes?

These are just some of the questions that we will be exploring in this issue of Emergence. We hope that you will find it to be an interesting and thought-provoking read.

We hope you enjoy this issue of Emergence!

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Managing Editor & Publisher

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Welcome

When science fiction author William Gibson, widely credited with pioneering the cyberpunk subgenre, coined the phrase "The future is already here-It's just not very evenly distributed", he may not have perhaps had the changing nature of work and the workplace in mind. But it is a sentiment I think fits very well for this edition of Emergence.

As someone who has spent a lot of my career helping people and organizations navigate the Future of Work question, I was delighted to be invited as Guest Editor to this edition of Emergence and to help shape the theme of "Rethinking Work and the Workplace". I was especially happy to do so for the Business Agility Institute community, given a shared conviction that future of work readiness and agility are essentially two sides of the same coin—the former being such a critical need for the times we live in today and the latter being such a primary underlying capability required to enable and future-proof our organisations and our workforces for generations to come.

The timing of this edition is also very welcome, given the bumpy transition to post-Covid work models being currently experienced all over the world. We all know that we are in an exceptional, once-in-a-generation shift in re-considering how, where and even why work is done. While the trends underlying this transformation and the solutions being tested as we speak are not necessarily that new (particularly to this community) what is unique is the broad-based, cross sectoral and synchronous nature of how these changes are now being experienced on a global scale-and no longer just the lived experience of the workplace pioneers and early adopters who have been creating their own future of work for many years.

In a way this edition is a celebration and appreciation of such pioneers: those who have been agitating and leading by example towards better work and better work models since before it was fashionable to do so.

Their experience and knowledge is now finding value and a need from a new audience of organisations of all shapes and sizes as they look for solutions on how to shape the next phase of work for their own situation, context and culture.

One of the frontiers in work design over the last couple of years that has been and will continue to be encountered by everyone is the question of where work is best done and why. The idea of work being something we do and not somewhere we go is now a mainstream agenda item as work models are being redesigned around the world.

Radical work and workplace flexibility is no longer a fanciful idea that might have previously applied to some fortunate workers in niche sectors and work cultures. It is now something that is a tangible way of life for vast categories of jobs, big and small, around the world. The world has now been awoken all at once to new possibilities for work and working life.

The work of our amazing article contributors assumes and reflects this new reality and the new order emerging for a human oriented, 21st century working world. Their stories and ideas enclosed in this edition are from the experience and reflections of future of work activists and pioneers who are already there and who generously share their realities and lessons from the new world of work with us.

By way of a general structure to this edition, there are three broadly distinct but overlapping sections:

What's next for work design and the employee/employer relationship

- Helen McCarthy kicks off with her insights into what we can expect in the next phase of work and work design.

- Kevin Mulcahy, co-author of the *Future Workplace Experience* then tackles the employer/employee divide, outlines three key gaps that must be addressed in shaping this new world of work, and discusses how we bring along an emboldened workforce with new expectations regarding work and working life.

How are organisations changing their approaches, assumptions and models in response

- Recognising these shifts to work and work design, Nicole Braukmann highlights the new age reality and need for leading through emergent change, and how to create a sense of belonging in dealing with complex and ongoing disruption

- Jardena London takes up this theme of the change challenge and the need for us to acknowledge the realities of pain and loss, and how we must learn to heal before we can expect people to really reinvent and jump onto the next wave of change

- Evan Campbell shows us how, in

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setting organisational strategy itself, a rethink is needed as to how strategy is developed, deployed and executed

- Organisational Design is a common theme in this journal and Marianne Roux reflects on her experience and lessons learned in approaching this much-needed activity in a more dynamic and continuous way

- The Leadership challenge is picked up by Pete Behrens who describes a direction of travel from leadership to learnership in navigating the next phase of work and organisational evolution

- Ray Mckenna reflects on the lost world of employee benefits and rewards and the opportunity that now exists for employers to reimagine, refresh and creatively differentiate their employer brands in a volatile war for talent

- While Covid has triggered a major rethink to work and working life, Natal Dank and Jean Cushen skilfully demonstrate that the urgency around sustainability and climate change should have and will have a major impact upon the next phase of work, how organisations are managed, and how employees are attracted, retained and developed.

Tales from the front line and those shaping the future of work

- Timm Urschinger share their experience in shaping the future of work from a leader's perspective

- Ulrich and Marie Lages discuss the Big Bang at IBEO and how their previous (and successful) model or work was torn up and reinvented in a day

- Susanne Taylor shares her reflections on Self Organisation and Self Management at Gini and how this distinction has helped give clarity in executing new work models of work

- Barbara O'Connor talks about her work, experience and learnings as a leader in Umum after the Great Reset

- Finally, Matias Nino shares his lessons learned at REI systems, leaving us with a highly appropriate and hopeful message in his article, Forget the New Normal, Find the New Awesome.

Thank you to all our authors for these diverse, heart-felt and hard-earned insights which we hope you will benefit from and that you will use to inform and ignite your own future of work strategies and plans.

Kevin Empey

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Work Design 4.0 – and What We Can Expect Next

Helen McCarthy

Over the last decade, dialogues around the future of work have mainly been associated with job automation. In the context of a global pandemic, ongoing geopolitical crises, and growth concerns, rapid change has become the present-day reality for a broad base of international organizations. At the same time, organizations are dealing with inflation, recessionary pressures, and continued supply chain disruptions. This has brought about a major acceleration of digitalization, a rise of new ways of working, a major labour crunch, and sustainability concerns. It is exactly at this time that organizations are realizing that they can't retain the talent necessary to be successful, leading to crippling talent shortages. Organizations simply can't find enough people to replace the ones they are losing or to fill new roles being created. There seems to be no short-term solution and traditional ways of addressing these challenges aren't providing the answers. We must look to Work Design to address these challenges if we wish to stay adaptive and resilient for the future.

Digitalization and AI advanced dramatically during the Covid-19 pandemic. This, combined with the democratization of work—the growing ability to decouple work from traditional confines of space, time, and structure-has exponentially accelerated the future of work. Leaders need a new operating system that better supports the high degree of organizational agility required to thrive amid rapid change and disruption, and that better reflects the fluidity of modern work arrangements. It is in this context that, within the last two months alone, leading works in this field have been released. These include *Redesigning Work* by Lynda Gratton (MIT Press, March 2022) and *Work Without Jobs* by Ravin Jesuthasan and John Boudreau (MIT Press, March 2022). These core works provide a helpful set of answers and a new approach to addressing these challenges in a human-centric way, as opposed to a purely financial and productivity perspective. They argue that, for work to remain "future-fit", a new "operating system" is needed to ensure the perpetual reinvention

and agility of work.

What's in a title like *Work Without Jobs?* Is it about job elimination and increased work? Is it about not having jobs or job security? On the contrary, it's about increasingly more flexible work and expansively less rigid jobs. Reimagining work design and challenging previously held assumptions around how work is constructed is a logical expansion upon the exponential changes we have seen over the past 20 years regarding how and where work has evolved. The overarching idea is that people will be engaged in work in far more fluid ways than the term *job*, with its implication of a finite set of specific responsibilities. This contrasts sharply with the traditional work operating system that is characterised by work as intact and mostly stable jobs, full-time employees inside a fixed organization boundary, and workers as jobholders with capabilities to fulfil job requirements.

We are seeing people functions acting as work architects by collaborating with business functions to inspire a new way of constructing work. They do so by asking questions such as:

1. How will we redesign work to enable talent to flow as seamlessly as possible while enabling its perpetual reinvention?
2. How will we re-envision the talent experience to meet talent where they are and on their own terms?
3. How do we prepare leaders,

workers, and HR systems for this new world of perpetually upgraded work, while continuing to build sustainable employment practices?

This is where the new operating system for work comes into play. The four principles of the new work operating system are:

1. **Start with the work (current and future tasks) and not the existing jobs**

This transcends the legacy of jobs and allows us to see what we do today and what is to come, unencumbered by the notion of a person in a position. For example, in one media company, an internal talent marketplace allowed an accountant to land a role providing voice-over narration for an upcoming film trailer. In the traditional job-based system, the accountant's hidden capability would have remained invisible. In the new system, where both the deconstructed task and workers' deconstructed capabilities can be seen and matched, the accountant landed the role and thus brought more of their whole person to the organization.

2. **Achieve the optimal combination of humans, equipment, and technology.**

Much of the automation we've been promised for the last decade either didn't happen or happened in places we didn't notice (like global supply chains). Soon, all of that may very well come home. Covid-19 was the

nudge, inflation was the shove, and if the war in Ukraine continues, it will really force a reshoring of supply chains. If we are going to make more things at home, we will have to grapple with the reality of relatively expensive labour. How do we deal with that? Huge amounts of automation.

Does automation always kill jobs? Not necessarily. Automating a process generally boosts profit margins and lowers costs, which creates capacity for expanding output and creating more work, not less. It will vary sector by sector but the final destination of reshoring is what will determine the degree of automation; for example, if you reshore to economies such as the US or Europe—where labor is less available, possessing the largest expense in the manufacturing chain—then greater automation will be necessary to make the enterprise viable. The future of work

there fore needs more deliberate attention to the design of work itself and not just where and when work in its current form is performed.

For example, equipment like hoists reduce the manual and physical labor in healthcare. With rapid digitalisation, organizations must ensure that they are responsibly and sustainably automating. When you start with the job, you very often end up in a binary relationship with automation where it becomes a substitution for human labor. However, when we start with the component tasks and activities, you see a complete picture of where certain tasks are substituted, where they are augmented with automation, and where new human work is being created.

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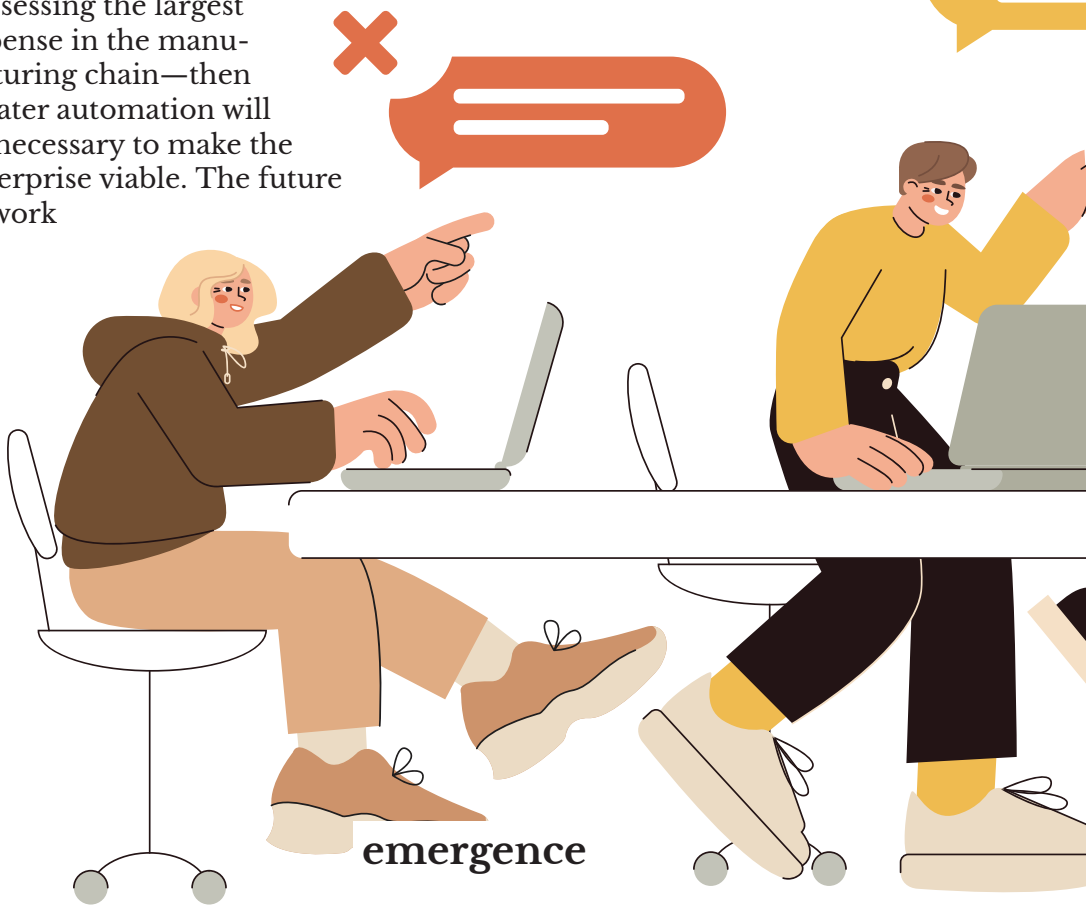
3. **Consider the full array of human work engagements.**

The new work operating system considers that work can be done by regular employees, but it also embraces the increasingly diverse array of alternative work arrangements—often called a talent ecosystem. For example, employment, gig, freelance, alliances, projects, crowdsourcing, and internal talent marketplaces are all part of the ecosystem that connects talent to work through flexible engagement mechanisms. A vital part of this is the "new currency" in the form of deconstructed "skills" rather than intact jobs. For example, the distribution facilities of a consumer goods company needed packers and pickers while an airline was furloughing baggage handlers during the pandemic. Though job titles differed, the skills-based approach revealed that the work of the two jobs matched, and the two companies could share talent across their organizational boundaries.

4. **Allow talent to "flow" to work versus being limited to fixed, traditional jobs.**

How do we allow talent to flow to work in ever more agile constructs versus being limited to fixed, traditional jobs, in turn increasing the agility of the enterprise? The new work operating system is predicated on the "many-to-many" relationships between deconstructed skills and work tasks, in which skills are matched to a variety of work arrangements that range from gigs to tasks to assignments to traditional jobs.
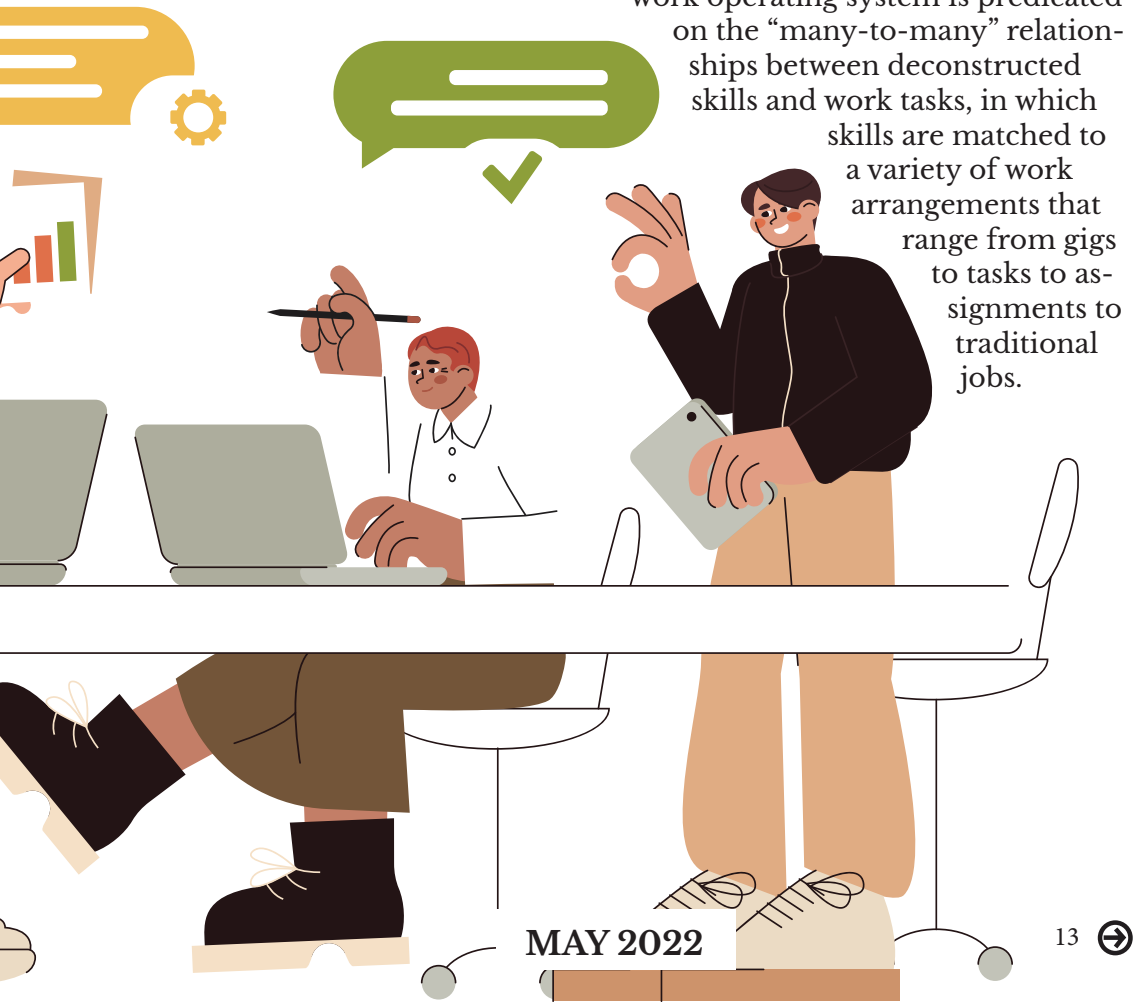
For example, in a retailer, the role of a packer can be fixed with regular full-time employees performing the work. Gig talent from a variety of sources can flow to the work of picking and assembling totes, while a senior packer can operate in a hybrid role dedicated to the regular senior packer job. This senior packer would be expected to flow to the additional task of training new gig workers as they arrive.

Unilever's framework for the future of work involved every one of their employees having a future-fit conversation about how they would ensure their personal well-being as well as their professional relevance. They are constantly developing new forms of employment whereby employees have the option to move between fixed and flex employment. The company has already had great success with its Flex Experiences platform that uses AI to quickly match

people with project opportunities. During the global pandemic, around thirty thousand different people took on new work via this platform, as they were given the space to flow to work more seamlessly. By redefining the work system, Unilever enhanced business agility to move beyond the limitations of employees in jobs to a boundaryless ecosystem of work arrangements, thus accelerating their agility and flexibility.

The HR Team at Genentech, a leading biotechnology company, recently applied the four above principles to great effect. Genentech had long sought to increase the flexibility with which its talent engaged with work, so as to increase both engagement and retention while also making the company attractive to new hires. They embarked on an agile transformation journey to develop a future working strategy. First, they assembled an agile cross-functional sprint team and began

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by developing a set of principles that would guide their work and the strategy's development. Next, they deconstructed a representative sample of jobs to identify the optimal location, times, and means of the component tasks for each job, with the goal of providing more flexible work options to more of the workforce. A core component of this activity was to categorize component tasks along three continuums. The "when" continuum analyzed the time sensitivity of the task, the "where" continuum looked at whether the task was location dependent, and the "how" continuum looked at the degree of human interaction required to perform the task. For example, the job of a lab assistant might appear to have limited options for flexibility given the more visible aspects of the job, like conducting experiments using specialist equipment. However, that role also includes tasks like reviewing research reports and analyzing experimental data. These tasks do not have time constraints, and can be performed independently, anywhere. Deconstruction was essential to enabling Genentech to create a more inclusive and equitable flexible work strategy.

Work design builds for workforce employability and sustainability as well as organizational agility and resilience. The significant supply and demand gap in both skills and workers has highlighted the role that organizations play, not just in ensuring their sustainability but also in safeguarding the future employability of their people. The

pandemic underscored the importance of a skills-based talent model and agile work design in building the workforce of the future. This was evident when a global insurer took all of their data scientist roles out of the functions and created a global, virtual cloud-based and skill-based shared data science organization where everyone was paid based on their skills. The insurer reorganized work into projects that were posted on an internal marketplace, which matched the work to the skills of the workforce. This includes direct skills, but also other markers such as experience, level of interest, and people with adjacent skills who could address legacy issues of bias, capacity issues, and DEI considerations. An added bonus is that, as organizations move to skill-based architecture and have the technology in place to enable a talent marketplace, they also gain data volume, velocity, and variability. This data can indicate what skills are trending up or down, as well as recommend learning courses to employees along with the wage premium that would result.

More than ever, organizations are instilling a mindset of lifelong learning, democratizing work opportunities, and helping workers of all backgrounds and generations pave a pathway to create sustainable outcomes for both employers and employees. ⓔ

Negotiating the Great Reconnection

Kevin Mulcahy

During the pandemic a significant number of employees working remotely began slip-sliding away from their organizations' mission, culture, and values. They began losing their emotional connection to their work, their sense of purpose, and other aspects of the employee experience (EX) that are crucial to the success of agile organizations.

Now, as the world enters the post-pandemic era, business leaders are seeing EX as a strategic issue worthy of investment at multiple organizational levels. But numerous studies and surveys show significant discrepancies in how leadership and employees envision the future of the workplace and the EX within it. The following are three important disconnects between employees and employers, along with strategies that responsive, forward-looking agile organizations are developing to address these potential pain points as they navigate the uncharted waters of what we're calling the Great Reconnection.

Disconnect No. 1 – Employees demand work–life balance and shared values

For many workers, the pandemic has provided clarity on what is and isn't important in their lives. In North America, 52% of survey respondents claim they are now more likely to prioritize health and well-being over work than before the pandemic, according to Microsoft's 2022 Work Trend Index. The response was even higher for workers who are parents (55%) and women (56%).

There's plenty of fallout from the "is it worth it/what's it all about" shift in worker attitudes. In 2020, 17% of people left their jobs, according to the Microsoft survey; in 2021, 18%. Among the reasons for heading to the exit: personal well-being or mental health (24%)
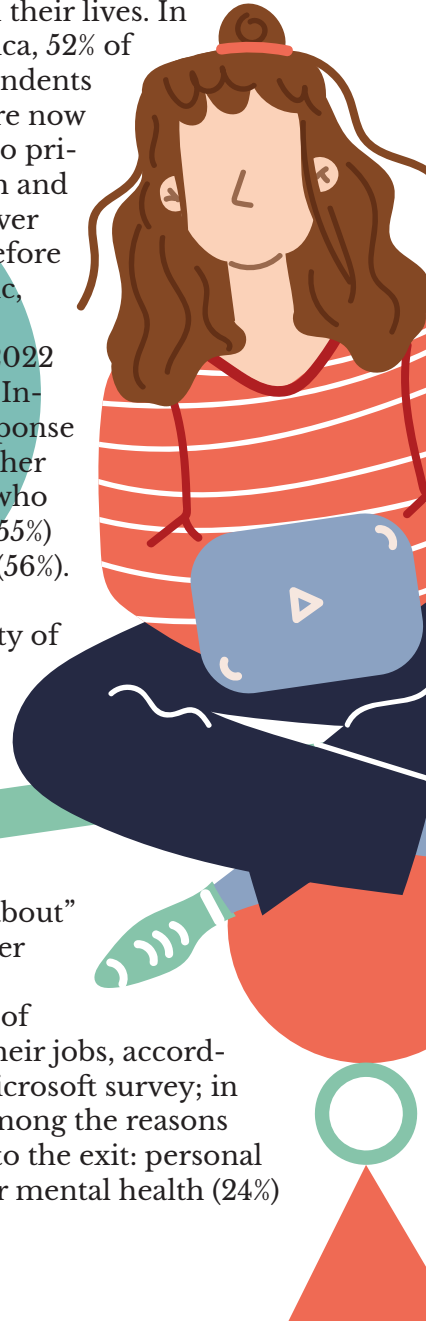
and work-life balance (24%). The formerly high-ranking reason for resignations—"Not receiving promotions or raises I deserved"—descended to seventh on the list (19%).

If talented people are denied the chance to work where and when they like in their current gig, they now are likely to seek those opportunities elsewhere. Nearly 43% of respondents in a December 2021 survey conducted by Gloat said they were actively looking for new roles outside their organization. A 2021 Edelman Trust Barometer special report revealed other motivations: 61% of survey respondents claimed they were changing jobs to find a better alignment between their personal values and their employer's corporate values.

The change in worker attitudes and behaviors, along with the post-pandemic labor shortage, has shifted bargaining power from employers to employees. American CEOs point to

labor shortages as their top external stressor, according to the 2021 Conference Board C-Suite Outlook survey. Globally, CEOs cite talent recruiting and retention as the year's No. 1 internal priority.

Despite those leadership concerns, a disconnect remains. The important factors in creating the kind of thriving workplace culture that helps to attract and retain talent—including

inclusiveness, a psychologically safe environment, flexible work arrangements, and enhanced benefits like paid leave and subsidized child care—are relatively low-priority human capital management strategies in 2022. That back-burner status may prove to be shortsighted, given that human capital represents the lion's share of most organizations' intangible assets.

What's to be done?

Given the current dynamic that has labor ascendant over management, CEOs must deliver on values important to belief-driven employees to ensure their organization is an attractive destination for talent. Those ideals may include issues beyond the traditional purview of corporations, including human rights and climate change.

The payoff for leadership willing to take a stand on issues, however, is considerable. Employees are eight to nine-and-a-half times more likely to work with such an organization, according to the Edelman report, while one-third of respondents said they had exited organizations that failed to articulate corporate values on political and societal issues.

Meeting these employee expectations requires a leadership mindset that acknowledges the worker experiences of the past two years. The most agile leaders are committed to creating a culture that values employee well-being, which has been shown to have competitive advantages in the marketplace. "Employee experience as a strategic

concept, and as a differentiator, has definitely been heightened over the past two or three years," confirms Marlyn Chaplin, Chief Human Resources Officer at NTT Limited.

Numerous studies show that a sense of control-in this case, while aligning personal and organizational values-is central to whether natural workplace stress is good or toxic. "When people feel like they're controlling how they spend their time," notes Eric Severson, the Neiman Marcus Group's Chief People and Belonging Officer, "they're much less likely to experience the negative physiological and mental health impacts of [workplace] stress."

Disconnect No. 2 – Employees demand flexible hybrid work.

Employees have been explicit: They want flexible, hybrid work—a certain number of days in the office and the rest of the time working remotely—based on their personal needs and preferences. "What we're seeing, among other things," says NTT Limited's Chaplin, "is that employees value flexibility—when I come into the office, how I get my work done, how my work is measured, those kinds of things around personal choice."

Clearly, leadership telling people where to work or creating schedules is not effective. In a 2022 Cushman & Wakefield survey, 74% of employees reported an overall positive hybrid work experience when they had choice, versus just 45% for those who had no say in the matter.

An increase in remote and hybrid jobs is making the first option more viable than ever. According to LinkedIn, only one in 67 U.S. jobs offered a remote work option in March 2020, at the height of the pandemic's first wave. Currently, it's about one in seven. In addition, remote jobs postings on the site attract 2.6 times more views and nearly three times more applicants compared to on-site gigs.

HR professionals find themselves paddling against a powerful current when it comes to mandating individuals to show up at the office. One HR executive at a financial services company noted that despite back-to-the-office expectations, 26% of employees found reasons not to show up.

And yet a significant percentage of business leaders insist on a return to pre-pandemic ways of working. Half of the leaders in the information industry claimed in the Microsoft report that their company already required, or planned to require, full-time in-person work in the year ahead. The percentage was even higher for leaders in manufacturing (55%) and consumer goods (53%).

What's to be done?

The post-pandemic transition presents forward-looking business leaders with an opportunity to

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"It's the idea that people can work wherever they want whenever they want in corporate roles, as long as they get the job done," explains NMG's Severson, "and it's been transformational. The policy cut our turnover in half and dramatically increased productivity."

design hybrid work with enough flexibility to support every employee.

Even before the pandemic, the Neiman Marcus Group had decided that the company was going to differentiate on flexibility by creating a "results-only" work environment.

Cracking the code of hybrid work can mean going so far as to design the workplace experience to mirror the consumer experience. In this type of carefully orchestrated environment, all the elements of work-emotional, intellectual, physical, technological, and cultural-harmonize to create a memorable EX.

"Historically, the employee experience was the domain of human resources," Chaplin of NTT Limited notes. "But the digital employee experience requires partnering between the chief information officer and the chief human resources officer. It's about making sure employees feel empowered with the right tools in order to get their work done in a hybrid way."

Some agile companies are overhauling office design to promote organizational culture, as well as to increase productivity and wellness

at work. Across many organizations, for example, there has been a steady dismantling of policies that allocate space based on the grade level of employees. Organizations are increasingly taking lessons from coworking spaces and creating engaging workspaces that can be viewed as workplace experience centers, a place employees want to go to network, collaborate with colleagues and find a productive spot for their focused work. The workplace of the future acknowledges a new way of working that is both virtually and physically engaging.

Workplaces designed to nurture a sense of community have three attributes that make a positive impact, according to a series of 2021 Steelcase reports:

- The office has places where leaders are present and accessible.
- There are spaces that foster social interaction.
- The workplace offers stimulating and inspiring areas that promote ideation and creative problem solving.

Research has shown that a sense of community, fostered by the workplace, contributes to people's well-being and leads to better

business outcomes. In fact, it's a key predictor of higher scores in productivity, engagement, innovation and commitment.

Disconnect No. 3 – Employers demand team-based performance in a culture of belonging.

As the contours of the brave new workplace reveal themselves, some managers feel stuck between a rock and a hard place when it comes to the disconnect between manager and employee expectations. Nearly three-quarters of manager respondents to the Microsoft survey say they don't have the influence or the resources to make changes for employees who now seek an individualized EX. What complicates this change-agent role is that more than half of managers think leadership is out of touch with employees.

On the other hand, HR experts point to problems within the managerial ranks. Remote work has revealed significant gaps in their skills, according to 90% of respondents in a 2022 HR trends

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report by Maclean & Company.

At Caterpillar, leadership identified the need for managers to develop more soft skills, especially for inter-departmental initiatives that span the very different worlds of, say, the hardware and digital teams. Studies have shown these types of collaborations are even more challenging when some of the participants work remotely.

So what are managers to do when leadership demands a specific amount of in-office work, and workers just ignore it?

Part of that conundrum is one seemingly straightforward question: why, when, and how often should teams gather in person? More than one-third of hybrid employees say their biggest challenge is knowing when and why to come into the office, notes the Microsoft report. Yet, just 28% of companies have established team protocols to spell out the new norms. In addition, 43% of remote workers say they do not feel included in meetings, yet only 27% of companies have created new meeting etiquette to ensure all feel included and engaged.

What's to be done?

Leaders need to establish the organizational rationale for in-office work. "This means defining the purpose of in-person collaboration…defining hybrid meeting etiquette, and rethinking how space can play a supporting role," notes the Microsoft report. Otherwise, organi-

zations may not reap the benefits of hybrid work.

One trend that's getting traction is a shift in emphasis from individual workers to teams as an organization's basic performance unit. To make that organizing principle work, managers need to provide clear guidance to employees as they experiment and learn what works for the team. "You can send the top-down message of how [team-based work units] will be implemented," says NTT Limited's Chaplin, "but a lot has to be decided at the local level within those guidelines. So, our managers need to be empowered and know how to manage hybrid teams to be effective and productive."

While HR departments have traditionally focused on individual employees—recruiting them, developing them and assessing their performance—we are beginning to see the advent of a new capability, one of developing team intelligence. "One of the big misses in the HR function has been our nearly exclusive focus on individual development and performance," says Ashley Goodall, Cisco SVP of Methods and intelligence. "Great accomplishments are delivered through teams, not just through individuals working alone."

Goodall notes that three components form the foundation of great teams:
• Enabling all team members to assess their strengths and bring their best self to work each day.

- Giving teams an opportunity to understand what the team stands for and how to openly support each other in their collective efforts.
- Having leaders engage frequently in future-focused conversations so team members know where they are going, why they are making the choices they make, and how they are performing against their goals.

The shift to work units has implications for reviews and rewards. Some organizations may switch to team reviews and compensation based on the unit's output. If employees demand agency over when, where, and how they engage with their organizations, then it may be logical to align compensation to that way of working.

As for improved managerial soft skills, one key goal is an upgrade in communication, especially when it comes to dealing with conflict among colleagues or between employees and customers. In 2021, the Neiman Marcus Group initiated structured communication courses for leaders and managers, first by arming them with techniques on how to connect with people and then by giving them techniques for talking through workplace conflicts. "I feel like there's this characterization that in order to resolve conflicts around diversity, for example, a leader or a manager needs to be an expert in cultural studies," says NGM's Severson. "The true need is to become more expert in how to talk to people and how to listen." Managers have a disproportionate

influence on EX. As the saying goes, employees quit bosses, not companies. And so, among other responsibilities, managers increasingly are called on to reinforce fundamental company values that were stretched and otherwise distorted during the rapid shift to remote work, and help align values, behavior, and purpose.

These values give employees a sense of belonging. The Neiman Marcus Group defines belonging as an outcome, a feeling that a person has about whether or not they feel part of the community of Neiman Marcus. Belonging comprises diversity (Do I see people like me, who have shared my life experience, being successful in the work?) plus equity (Can people like me participate in the activities that allow me to be successful?) plus inclusion (Am I included in all of the activities that matter around here?).

Expectations formed by the past few pandemic years have escalated into the negotiating demands of the present. The stakes are high when it comes to bridging employee demands for work-life balance, shared values, hybrid work, and employers' demand for team-based performance in a culture of belonging. However, if managed with intention and agility, the Great Reconnection promises to enhance employee experience, driving recruitment, retention, innovation, and engagement—all direct contributors to boosting the bottom line.

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Emergent Change & the Human Factor

Nicole Braukmann

As the first engagements of the Russia-Ukraine war unfolded in early 2022, people around the world were once again confronted by the fragility of their long-held assumptions and beliefs. More than two years of a global pandemic had already forced individuals and organizations alike to radically reshuffle how they went about their businesses, including a far quicker and broader shift to remote and hybrid ways of working than probably would have been possible without this external pressure. Then, instead of a new, post-Covid stability, a violent and destructive war in Europe forced us to recognize that the certainties we hold onto dearly can easily be shaken by sudden disruptive, unforseen developments, whether they be existing internally or externally.

Focusing on the business world, these events underline that seeing change as a phase between periods of stability is obsolete and constant change will be required for sustained business success—a key argument used in the conversation around agile organizations. This includes facing growing uncertainty and unpredictability that makes longer term planning futile. What does it take for businesses and leaders to navigate this constant sea of change successfully, particularly if they cannot rely on past experiences to find answers to as-yet unknown questions? Several rounds of empirical research into what it takes to successfully lead large scale, complex change have pointed to the answers.[1]

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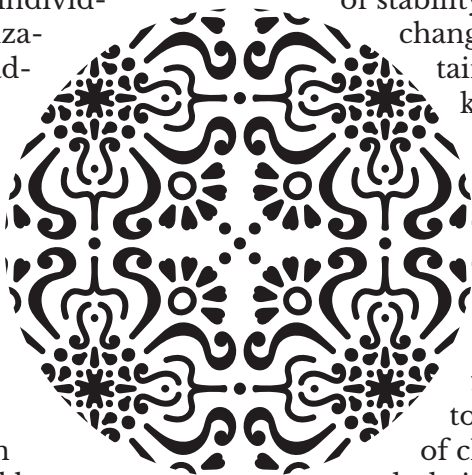
1 For a detailed description of the research methodology see Deborah Rowland, *Still Moving – How to Lead Mindful Change*, Wiley 2017. The research team used Behavioral Event Interviews to gather stories of how leaders led change. These stories were coded against a framework based on the Still Moving frameworks whilst a multi-rater panel assessed sustained change success. The data was subsequently used for quantitative analysis, using T-Tests, regression analysis, and model testing. Academic Lead: Malcom J. Higgs, Professor for Organization Behavior and HR, Hull University, UK
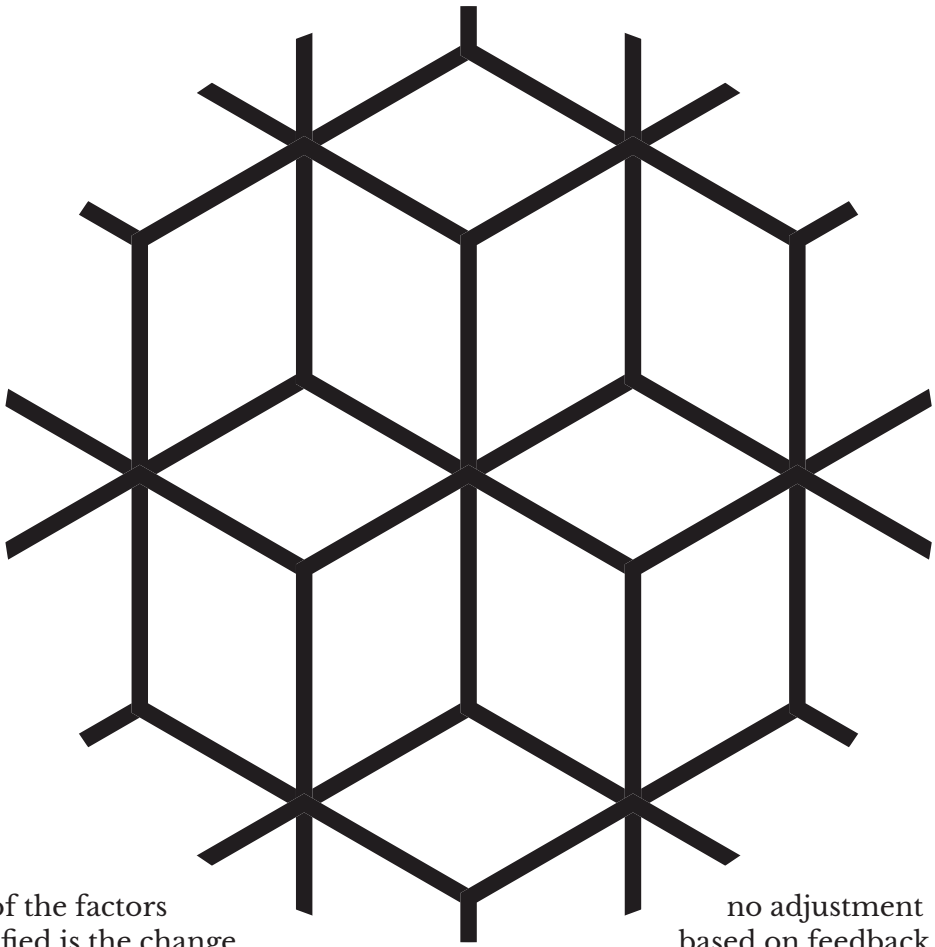
One of the factors identified is the change approach[2], a conscious and consistent choice of how to go about change that corresponds with underlying assumptions about the nature of change. Conventionally, change often was and is seen as something manageable. The assumptions read: "The top team in any organization undergoing change clearly have the answer (what to change) and also know which steps need to be executed to get there (how to change)." As a consequence, change is often delivered top down, with standard recipes, programmes, and little to no adjustment based on feedback along the way. In a slight twist to this directive approach, some organizations acknowledge the need for (local) differentiation, allowing dispersed groups of management to implement change so it fits their contexts best. They still pursue a top-down set, pre-defined change outcome (pre-determined what) by generously spreading standardized tool kits and communication packages from the center without any follow up integration and cohesion (no cohesive how). The research clearly demonstrates

2 See Deborah Rowland, Malcolm Higgs: *Sustaining Change – Leadership That Works*, Wiley 2008 for a more detailed description of the four different change approaches identified in the research.

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that both the directive as well as the self-assembly approach to change have a highly negative correlation to change success. In other words, don't use these when you want your large scale, complex transformation to stand a chance of success!
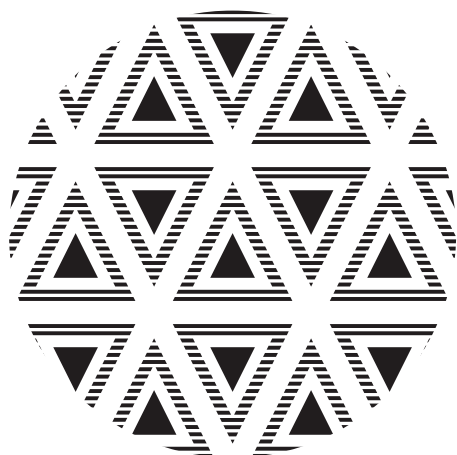
Whilst there still is occasionally "episodic change"—a clear cut response to a new or changed situation—the big hairy challenges most organizations face are of the sort where the answer isn't obvious from the beginning. In most cases it is evident that "what successfully got us here, won't get us there". The most promising way to deal with change under these circumstances is an emergent approach[3] which starts from the assumption that most transformations are too complex to be directly controlled, and the context is too volatile to cling to any longer-term planning or pre-defined actions. Similar to the fundamentals of the agile movement with its encouragement of (cross-functional) collaboration, self organization, and rapid feedback loops, this approach consciously steps into the uncertainty of not-knowing. It trusts an organization's ability to galvanize the needed skills and energy behind a loosely defined direction of the change instead of following detailed plans—which most likely are overtaken by the constantly changing context anyway. It is firmly rooted in the conviction that "I cannot create change, but can only create the conditions for change to happen".

Leading change in an emergent way starts with setting a loose intention—a north star, clearly visible for all and used to navigate the journey—and very few hard rules that guide behavior. The second step is to make space for self-organization. Emergent change also is characterized by small experiments on ripe issues that have large consequences and a step-by-step approach that, through frequent feedback loops, is open for adjustment along the way wherever needed.[4] Again, this focus on self-organization, working across boundaries and the aspiration to learn quickly, and constantly adapt and learn as you go is at the heart of agile approaches as well.

However, many organizations find

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3 The fourth approach (masterful change) was identified as second most likely to yield the desired outcomes. Different from the emergent change approach, the masterful approach still assumes change is, to some extent, controllable and works from a more clearly defined answer to the "what" of change. See Rowland, Higgs, *Sustaining Change – Leadership That Works*, Wiley 2008. Emergent change however clearly stands out as the number one choice.
4 Deeper insights into the nature of emergent change can be found in the research into complex adaptive systems—imagine, changing an organization would resemble more the beautiful movement of a school of fish or a flock of birds than the uphill battle it often feels like…

it difficult to work through emergent change. It requires letting go of control, embracing uncertainty, and not-knowing, instead of pursuing detailed plans and minute expected outcomes. This is difficult for both leaders and their teams: We are all hardwired to stick to the known and capitalize on learned and tested routines—after all, we have not only spent years on continuously improving what we do so well, we all strongly feel this very routine is what got us this far.[5]

And yet, there is always the human capability to approach new things with curiosity and embrace questions as opportunities to innovate and pursue new solutions. The conscious decision for emergent change thus can liberate curiosity and creativity to a much higher degree than the dire picture of a burning platform and a very restricted change approach with prescribed, detailed requirements.[6]

What does it take to effectively lead emergent change and remain open to curiosity and newness rather than being seduced back into the safety of routines and known solutions? It turns out when leaders are equipped
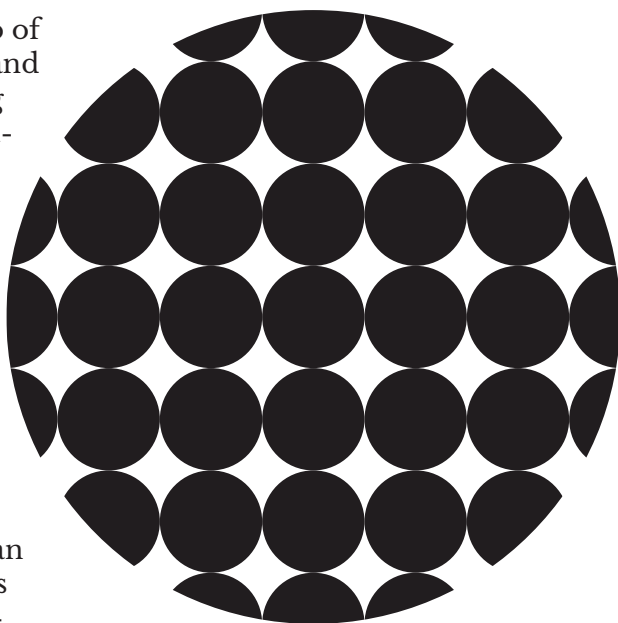
and able to address the fundamental human need to belong (both in themselves as well as in their teams and organizations) they have a much higher chance of successful change leadership.

Belonging is one of the ordering forces that govern any human system—a bit like laws of nature which in themselves are invisible, but once you understand (for example) the principle of gravity, you see its impact all around you! The ordering force of belonging refers to the underlying flow of energy created

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5 Neuroscience has shed a light on the fact that our brain's evolution benefits from known paths over the unknown, particularly in stressful situations: Facing a saber tooth tiger in the old days was best met with a prompt reaction that didn't require deliberation: fight, flight, or freeze. Learned routines were once a question of survival. Today, and more complex contexts, they can be a huge liability getting in the way of change.

6 Again, Neuroscience helpfully pointed out two fundamentally different modes of our brain: approach and avoid. A 2001 experiment at the University of Maryland demonstrated how these two dichotomies affect creativity. Two groups were each given a picture of a maze to solve. In one, the maze was themed around a mouse trying to exit in order to eat some cheese. In the other, the mouse was escaping an owl. The group who solved the cheese puzzle then tested twice as well on creative tasks afterward. Clearly, the avoid mode is a very healthy impulse (poisonous spider on the wall) but can equally be very disabling (a picture of a poisonous spider on the wall).

through all individuals striving to feel safe, seen, and able to contribute to the collective. Think of playing ball at school and choosing the teams—how the less talented kids silently become worried about being chosen only at the very end, as the least favored contributor.[7] Again, belonging isn't the only ordering force at play, yet it seems to have primacy over other forces. For example, within the order of exchange, many acts of giving and receiving can build or threaten belonging if the measure is unequal. To combat this, inequality must be addressed in some fashion, at the very least by acknowledging it to be unfair—as an example, a business moving away from traditional business models and abandoning those divisions that

were the source of past successes. These imbalances can elicit powerful emotions—grief, a sense of loss, vulnerability, and also an awareness of being indebted.

Acknowledgement helps to deal with them in a constructive manner.[8] Almost like invisible magnetic fields, these ordering forces can promote or inhibit change (imagine a magnet pulling iron filings in one direction or another).

Change inevitably threatens belonging as it upsets the status quo and raises questions—"Will I be able to contribute in future with my current skills and knowledge?", "Can I trust this new team, division, or group?", etc.— and often requires new belongings to be created. For example, think of an organization moving from a regional structure to a product-based one.

There are a few aspects for leaders to take into account if they wish to successfully navigate these questions. First, leaders need to tune
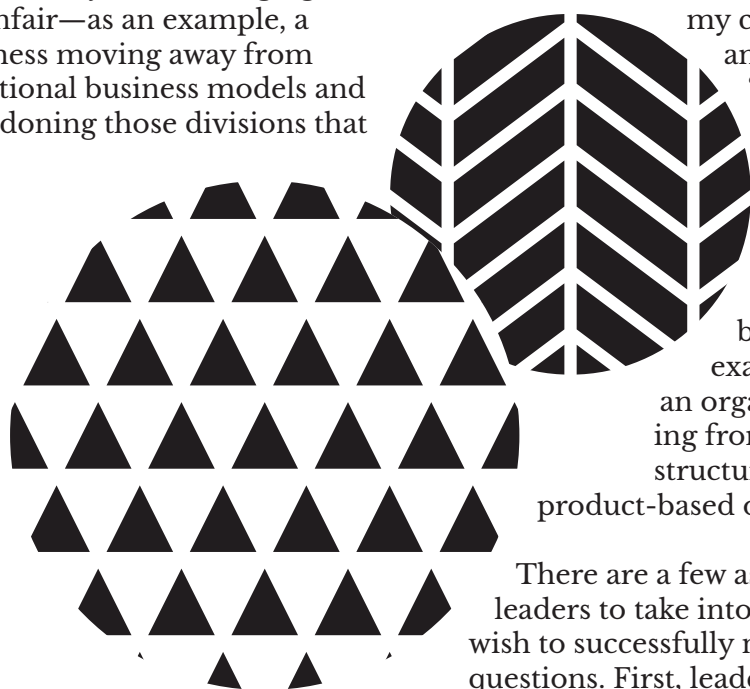
7 Our biology comes into play here again—without belonging to a tribe and being looked after, a newborn infant would surely die. Brain scans demonstrated that social stress (fear of exclusion) activates the same brain areas as actual physical pain. Life sciences prove that life expectancy is dependent on the quality and quantity of sound relationships. As such, belonging is a matter of life and death.

8 The four ordering forces are Belonging, Exchange, Time—a shared collective history with its successes and upheavals—and Place—the intricate web of formal and informal hierarchies that sometimes create conflict, e.g. when length of service or age isn't in symmetry with formal hierarchy.

into themselves. Often, leaders are so preoccupied with leading others through change that they do not spend sufficient time and care on looking after themselves. I remember many conversations with colleagues from my corporate past after a merger with their former main competitor. While all of them acknowledged the economic and strategic sense behind this decision(some of them having in fact been deeply involved in executing this deal) our conversations were more often about losing familiar colleagues, or mourning the changes in behavior and values. They also shared stories about their teams being reluctant to step into the new organization and truly bring it to life. Clearly those who realized their own sense of loss for their belonging to the previous organization—whilst not yet having a strong sense of their new belonging—were more able to authentically talk to their teams, and find the right words to help them close with the past and build belonging and loyalty in the new organization. There is also the story of the leader who held both a global as well as a regional role. The organization moved away from what had been a regional structure into one that was more suited to product and client groups. The caveat here was that this leader felt that while the current structure was enabling him and the regional team to be very effective, moving to a global structure would mean going back to revisiting issues hand-in-hand with global colleagues that they had successfully dealt with within their own remit already. Only after reflecting upon how loyalty to the global team required a shift in his belonging to the regional team, too, this leader felt able to truly step into the future and ask his regional team to embrace the new structure: "I realized that what I had and what worked beautifully for us was not the case for others in the global round. So, in order for the global organization to move forward, we needed to give up what we had successfully built and find a new way that was better suited for all of us."[9] But without realizing first the conflict between two sets of belonging, this could not have been articulated as clearly or as authentically.
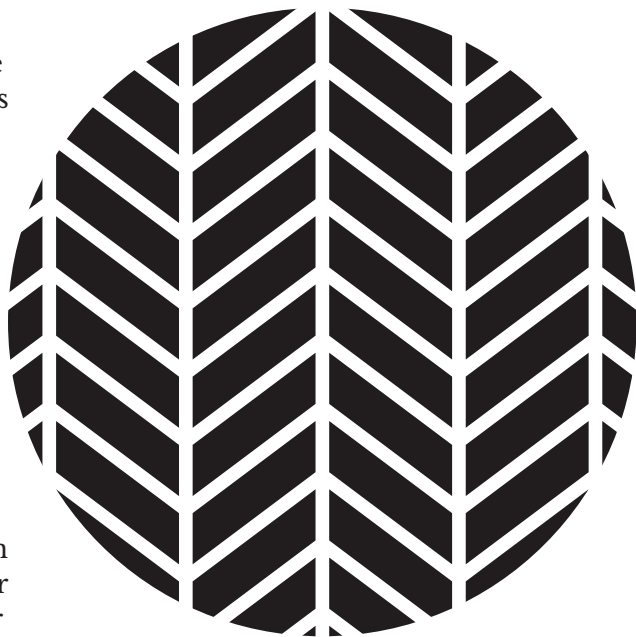
Secondly, leaders can play an important role in making sure people in their organization feel they belong. Again, this starts with

9 This example also beautifully illustrates how Belonging is connected to Exchange—giving up something that is held dear for a greater good.

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the awareness that some decisions and requirements may shake people's sense of belonging and that change is often felt as a threat to their belonging. When in a transformation, new teams are formed, and leaders can actively attend to these issues by simply making space for connecting with the team, making sure each voice is heard, and that the past is respectfully acknowledged so it can be consciously left behind.

A great catalyst for belonging is a shared purpose. Ensuring the shared purpose is clear helps people to see how it is connected to the work, how they can contribute, and how their work is connected with others. A beautiful example of making people feel seen, safe, and able to contribute was given by a leader who, upon taking the helm of an organization with a newly acquired and integrated business, explicitly stated in his opening speech: "In order for our organization to be successful, I need you, I need your skillset, you are important to me." He then took the rest of the day to walk the floors and have conversations with all new team members, trying to form a personal bond with each and every one.

To briefly summarize: given increased market volatility and unpredictability, a successful approach to change must allow for emergence. This means creating the conditions for change to happen by setting an overall intention and loose direction—a few hard rules that guide local behavior—and then letting self-organization take over,

proceeding in a step-by-step manner, and constantly adjusting where needed. The perceived threat that change entails for people's sense of belonging may be more pronounced in an emergent change approach as the (false) certainty of tightly managed top-down programmes is stripped away. Leaders must attend to their own and to their teams' sense of belonging by ensuring everyone is clear about being a valued member of the community and that they are able to contribute within the newly formed entity (including closing out old loyalties if needed). Through this, not only will the organization be more capable of anticipating, engaging with, and even embracing change, it can also boost the diversity and inclusion agenda in a more authentic and truthful way as a conscious effort is made to include every individual beyond a programmatic statement.

With teams returning from remote working, having had little personal contact with colleagues for months, and the new reality of hybrid forms of work creating fresh challenges regarding balancing time and belonging between different groups (your team at work, your family, colleagues, etc.), this might be the time to ask yourself—where do I feel I belong? And what is the sense of belonging in my team? What is the current reality of my team and how—particular in remote or hybrid settings—can I strengthen the sense of belonging? Leading change is never without effort but attending to these fundamental questions can make it more effortless. ℮

Before We Reinvent, We Must Heal

Jardena London

Organizations are in pain. Individuals working there are in pain. What's the point of transforming the way we work if it doesn't make our lives any better? Re-imagining the workplace is not possible until we heal the pain that exists *today*.

For years, we've accepted the pain as an unquestionable truth that we should suffer through work in order to survive. Many people have never even considered the idea that work should be fulfilling and feed not only our soul, but our mind as well.

The pandemic has sparked a change in our willingness to tolerate soulless workplaces. The recent exodus of people leaving their jobs has been dubbed the "Great Resignation". People are willing to live with less in exchange for a less painful existence.

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To re-imagine the future of work, we must first heal old wounds and let go of painful elements still hanging around our workplaces.

What is Organizational Pain?

Organizational pain includes the pain individuals feel, but also ex-

because they have golden hand-cuffs[1];
• stressed about going back to the office and are willing to quit over it.

You might also notice that the organization as a whole has pain when:
• Customers aren't happy with the

tends to the pain of the collective—the organization as an entity.

If you look for the most acute pain in an organization, you might find individuals who are:
• working way over capacity and burning out;
• afraid to speak up, they don't feel heard, they feel shut down, etc.;
• feeling stuck in jobs they hate

product or service;
• It's difficult to get products or new features out to customers;
• The market is being disrupted, and the company can't adapt;
• The organization negatively impacts society.

Pain will be attended to whether it's recognized or not. Recognizing pain

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1 Golden handcuffs refers to the practice of trapping people with financial incentives that they'll lose if they leave the company.

is the first step in attending to it in a healthy way.

The Causes of Organizational Pain

Think about the organization as a living system; let's take the human body as an example. When does the human body feel pain? When it has toxic buildup, when it can't release waste, when a traumatized part impacts the whole, when it feels stuck, and when it can't fulfill its purpose.

Similarly, the same things that cause pain in our bodies create pain in organizations.

1. **Toxic Buildup:** When the human body has toxic buildup, free radicals chain molecules together, blocking the free flow of energy. Toxic buildup occurs everywhere; in processes, structures, and culture. If the body can't release waste, toxins, or otherwise, the body feels pain. Just like humans, when organizations are not releasing waste, they feel bloated and queasy.

In organizations, you might see processes crop up in response to issues (i.e. approvals), and, over time, they chain together, resulting in a bureaucracy that blocks the energy flow. No one will remove a process for fear that the whole company will collapse like a Jenga tower.

Culture can have toxic buildup too. I've seen organizations afraid to speak up as a result of a leader who has long since left the organization.

They never released the toxin (fear) and healed after the leader left, so it hung around the culture for years afterward.

2. **Trauma to a part:** Whenever I hurt my back, my whole body feels the repercussions. The pain impacts my emotional state; I am more apt to snap at my kids, for example. It's hard to stay positive when you're in pain. The same goes for organizations. I worked with an organization that abruptly eliminated an entire division. First, everyone knew people in that group; second, there was an influx of people looking for jobs inside the company; third, there was fear from the rest of the organization that they would be next. Innovation plummeted because no one wanted to take a risk, and job mobility decreased because no one wanted to be "last hired, first fired" in a new team. The repercussions were enormous.

3. **Feeling stuck (Oscillation):** It can be painful when organizations lurch back and forth between

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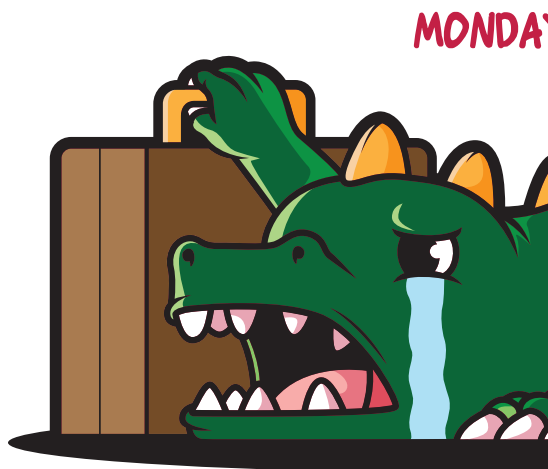
ends of a spectrum (aka Polarities or Tensions). For example, you may have experienced the swing between centralization to decentralization and then back again. This lurching back and forth, or oscillation, prevents the organization from flourishing, creating the sensation of feeling "stuck" with no where to go.

4. **The Organization can't fulfill its purpose:** When humans don't feel like they're living their true purpose, it puts them in emotional turmoil. It hurts our hearts and our souls. Fulfilling your purpose is so resonant that it's the theme of many Disney films; Moana, Encanto, Brave, Frozen, etc. Organizations are the same way. When an organization "wants" something but is forced to kowtow to shareholders, the organization feels pain. There are many examples of companies going down unethical paths, not because of one person but because of systemic problems affecting their choices. These organizations act out like sulky teenagers because the gap between who they truly are and what they have been forced to become creates conflict. Now ask yourself, what is the biggest pain holding your

organization back from flourishing? What pain does everyone accept as an unchangeable truth, but would allow the organization to flourish if only it were healed? Think about it.

Pain Relief vs. Healing Pain

Healing differs from pain relief in that it addresses the root cause of the pain. Pain relief can be a necessary short-term treatment, but there's a cost: pain relief consumes energy. Think about what it's like when you have an injury. You can take a painkiller, but there's the price of the pills, the side effects, and the energy of remembering to take them. As a short-term solution, painkillers are great, but you ultimately want to heal so you can stop taking them.

When we look for opportunities to heal, one place to look is in the places where the organization is administering pain relief. For example, in response to the "Great Resignation," companies are trying to retain people by using pain killers—perks, raises, and flexible work. Companies design measures to compensate for the fact that people are in pain and want out.

> **com·pen·sa·tion**/"kämpən"sāSH(ə)n/ something, typically money, awarded to someone as a recompense for loss, injury, or suffering[2].

We've got to stop trying to suppress the pain symptoms and move into true healing. Instead of recovering

2 Dictionary.com

from burnout, stop burning people out. Instead of incentives to retain staff, create a place where people want to be.

True healing will require organizations to take a long, honest look at their pain.

Healing Organizational Pain

The pandemic revealed the impact of global trauma on business. Many companies demonstrated the capability to hold space beautifully for healing during these periods of uncertainty and pain. The incident involving the death of George Floyd sparked a movement for companies to open conversations examining their internal systemic racism. While governments were scrambling to handle these crises, companies stepped up and supported their people. Work became the new village. Can we follow this trend to continue healing as we exit these crises?

Once you've identified the pain, it's time to heal it. But you may not know how. That's the moment of truth. Can you stay with it and be the champion, even if you don't know how to solve it? Here are some tips for where to start:

- **Sit with the pain.** Before you do anything else, you need to look that pain squarely in the eye and say, "I see you, and I honor you." Take some time to feel that pain, acknowledge that this was help-ful to someone at some point, and maybe it still is. Don't think about solving it—at least, not yet. Just sit with it. Have others join you in this quiet reflection.

- **Call on the wisdom of the hive.** Let go of your need to be a hero. You are not going to solve this by yourself. Using techniques like Liberating Structures[3] can allow solutions to emerge. You might even find that the pain you identified was not the most significant. Let the people in pain find answers. Your job is to create the space for solutions and empower ideas.

- **Release things that no longer serve.** In nature, the "adaptive cycle" has four repeating stages as follows:
  1. Birthing: Creating something new
  2. Maturing: Evolving what was created
  3. Releasing: Letting go of what was created to make space for what's next
  4. Reinventing: Using resources to germinate something different

An example of releasing is a forest fire in nature, where trees and brush are killed (aka released). Space is created for sunlight to shine on the forest floor. Similarly, when an organism dies, the elements are fed back into the earth to provide nutrients for the birth of new life.

When Steve Jobs returned to Apple,

he famously slashed hundreds of products from the company lineup, leaving only five in active development. He freed up energy for the iPod and eventually the iPhone to sprout. Would those products have been possible in a company maintaining hundreds of products?

Organizations love birthing new ideas and maturing them. We also love re-inventing. Organizations are generally terrible at the releasing stage. Companies today insist that you must reuse what you have, resulting in franken-systems patched together into uncontrollable monsters.

When we look at attempts to predict the future of work, they appear to go directly from "maturing" to "reinventing". If we are going to reinvent the way we work, we'll need to take some time to unwind the things that are consuming energy.

What does your organization need to let go of?

Explore Tensions (aka Polarities). A tension refers to two seemingly opposing forces that are interdependent[4]. Poorly managed tensions result in lurching, and lurching is painful. Explore different ways in which the two forces can work together to be generative instead of destructive. In the centralization and decentralization example, instead of oscillating between them, you might look for places where centralization can support more effective decentralization; and vice versa. We see this at play in companies with a central team building technology that enables teams to operate autonomously and share resources between them.

Experiment. Start experimenting! The first idea might not be a winner, but try others until the pain starts to heal. People get discouraged when they take a risk, and it's not fruitful. Someone needs to keep the effort alive after a downturn. Be tenacious; try something else. When I hear people say, "but nothing has worked," my answer is, "nothing has worked yet."

The False Wisdom of "Easy Wins."

Have you been told that Organizational Transformation should start with "easy wins"? Conventional wisdom says to grab that "low hanging fruit". They say we should mobilize the enthusiasts and "go where the energy is".

If you've already tried this approach, you know it can get positive attention. You find an enthusiastic group that's already forward-thinking, and you work with them to showcase transformation. Ta-da! They show amazing results very quickly. Executives are impressed. You get a promotion! You're given more responsibility to roll out the transformation at scale. And that's when it gets difficult. But why?

Because if you really want to make a difference, this approach is dead

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4 Based on the work of Barry Johnson, Polarity Partnerships.

wrong.

If you define success as "implementing an agenda" or "rolling out a change," early wins will create momentum. When you impose change on people, the momentum created by those quick wins will act as a steamroller, squashing resistance. In turn, that gets buy-ins and helps "sell" the ideas to those less enthusiastic at the start. If your goal is compliance, then easy wins are great.

If you define success as your own career advancement, early wins can make you shine. You will look really good, you'll get attention, and you might get a promotion. Can you see where I'm going with this? If your ego is at the center of your efforts, then easy wins make a lot of sense because you need to start looking good right away!

The problem is that "easy wins" leave pain festering. When you try to roll out the change at scale, that pain comes back to bite you.

True transformation is not possible until existing pain is healed. Instead of "easy wins", try stepping into the fire and go where the pain is. Try working with the most difficult, painful problem first.

Results may not be immediately apparent.

Traditional organizations will point to a change that reverts and call it a failure. But is it actually a failure?

When people talk about change reverting, it reminds me of the Taoist parable about the farmer.
The farmer's stallion wins a prize. When the neighbor congratulates him on his good luck, he replies: "Good? Bad? Who knows?"
The next day, thieves steal the farmer's prize stallion. The neighbor expresses his grief over the farmer's bad luck. The farmer replies: "Good? Bad? Who knows?"
And the tale continues back and forth like this[5]. It's the same when change reverts. It's hard to know whether it was good or bad, or what impacts it will have days, months, or years down the line.

There was an Agile team I coached in 2010, the early days of Agile. The commitment was only for a pilot, though we all hoped it would sustain. Sure enough, as soon as we completed the work, the team was disbanded.

The team loved the Agile way of working, and they were devastated when they had to go back to the old ways. Many thought this was a bad thing. "Agile didn't stick! Agile can't work here!"

Good? Bad? Who knows?

Many of the people on that team were profoundly affected by the experience. It inspired them to seek ways to make these changes in their groups or join the Agile team as a coach. The disbanded team became seedlings that spread throughout the

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organization, and created change in a much more effective manner than if they had stayed together.

When change reverts, it's not forever and not a failure. People can see what is possible. Those people will be part of the next wave, trying repeatedly, until it sticks.

Where does your organization have pain?

Sometimes people and organizations have been in pain so long that they are numb to it. When people tell me that things are working well because they follow a process, even if that process adds no value, I see that they are numb. When someone tells me—"What we're doing makes no sense, but that's just the way it is; I'm just here for the pay check"—I know they are numb to the pain.

The pandemic shone a spotlight on pain that many of us were numb to. Take a fresh look at your organization. Are you making an impact by diving into the area of maximum pain?

True change is not possible while there is still pain. What pains are people feeling in your organization? What pain is the organization experiencing as a whole?

Where can you direct some energy towards healing that pain? Can you be a catalyst for healing?

A small number of people directing energy toward healing the pain in our workplaces will cause a positive impact to reverberate. Will you be part of that movement?

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Adaptive Strategy for the New Enterprise

Evan Campbell

The ability to quickly and effectively adapt your strategy as an organization—in the face of disruption and VUCA (volatility, uncertainty, complexity, and ambiguity)—is an existential capability. Everything in the world of work is changing, including your competitors, customers, and stakeholder expectations. Can your organization exploit chaos and disruption as a competitive advantage, by redefining and redeploying your strategy faster and more effectively than your competition and other disruptive forces?

Many organizations' leaders feel that defining or formulating their strategy represents the heavy lifting; the big milestone on the journey to producing the strategic outcomes that will maximize the value of their enterprise. They're

wrong. The hard work of successfully realizing your strategy begins after the strategy is developed. This underinvestment in strategy deployment and execution contributes to the woeful failure rate (70%+) of strategic initiatives and the miserable track record of Fortune 1000 firms realizing their strategic ambitions. In aggregate, this amounts to trillions of dollars in lost enterprise value, stemming directly from underdeveloped capabilities in strate-

gy deployment and execution.

Strategy Development is the process of discovering, aligning leadership on, and describing the organization's strategy. Mission, vision, and three-year OKRs codify the strategy developed by senior leadership.

Strategy Deployment is the process of translating, communicating, and aligning the strategy throughout the divisions, departments, and functions of the enterprise, so that it is understood and embraced by everyone.

Strategy Execution is the critical competency of tracking all the investments and work initiatives to ensure they are realizing the strategic objectives of the firm, and interceding when they do not.

Like many of you, I've spent more than a decade in the agile transformation coaching and consulting business—digital transformations, business agility transformations, enterprise portfolio management, and agile/adaptive finance and funding models ("Beyond

Budgeting"). I am aware the readers of Emergence have strong backgrounds in lean and agile, as well as expertise in organizational change management: building a case for change, chartering big organizational change programs, aligning on outcomes, and defining measures to track progress (or lack thereof).

I became a fan of Objectives and Key Results (OKRs) when I saw how effectively they can be used to express transformation goals and priorities, as well as establish a canonical definition of value, which is essential to successfully prioritizing demand in portfolio management. In funding and budgeting, initiatives are much more likely to obtain funding and support if the initiative's outcomes align clearly to the company's strategic objectives—ideally expressed as OKRs or something equally clear and measurable.

Unfortunately, in one client engagement after another, I encountered the same obstacle. These firms' leaders thought they were effectively implementing a multi-million dollar, consultancy-developed strategy, but they hadn't translated that high level strategy into actionable goals and measures that the organization could align to and execute on. Time and again, I unexpectedly transitioned my focus from transformation, agile budgeting, or portfolio management to corporate strategy consulting. Without the ability to align investments and initiatives to clear strategic objectives, all our efforts were doomed to fail—

per petuating, or even exacerbating, the current level of dysfunction.

Most of these large organizations had codified a mission and a vision. Perhaps they had defined some strategic "themes", "pillars", or a "value-management framework" (and oh, so, so many KPIs) but they weren't defining objectives with sufficient clarity. The result? Leaders and employees couldn't focus and align funding decisions or make portfolio prioritization and tradeoff decisions with transparency and objectivity. It seems that many executives believe that having defined (for themselves) a high-level strategy, the hard work of getting the organization aligned on delivering it should be someone else's job!

I often say that an organization that develops an A+ strategy, with poor capabilities to deploy and execute that strategy, will be beaten every time by a competitor who can develop a B- strategy that they deploy and execute with great efficiency and effectiveness.

When strategy development stops elaboration and decomposition at a very high level, without clear and measurable outcomes, the firm has no discernable "north-star" to steer towards. This ambiguity creates an opportunity for department/function leaders to create their own self-serving interpretations of corporate strategy. Intentionally, or by default, they prioritize their parochial goals and priorities over those of the firm and its stakeholders. This inevitably generates toxic and dysfunctional behaviors as they compete for scarce capacity and resources. This parochialism and power-politics undermines return on investment and assets, retards strategic progress, and diminishes enterprise value. The decibel-driven and HiPPO (Highest Paid Person's Opinion) decision-making that results is also caustic to culture and accountability.

I have learned through hard experience that the strategic alignment C-Suite executives often promised was at best a polite veneer—superficial and quickly dissolved as soon as I prodded them for measurable three-year outcomes that would deliver their mission and vision.

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Little wonder that most employees (including executives) in the corporate world are unable to accurately express their company's key objectives. While the corporate objectives are vague and intangible, the parochial interests of their departmental silos are clear and reinforced by the rewards the silos control and allocate. No wonder the corporate objectives are deprioritized!

So, how do we get from a vague and hard-to-measure mission/vision to some defined outcomes that can focus and align everyone in the organization to the correct strategic outcomes? No strategy methodology is simpler, more effective, and inherently more agile than Objectives and Key Results (OKRs). It doesn't hurt that OKRs are also exploding in popularity (Gartner client inquiries on OKRs have increased 900% since 2019). OKRs now encompass a fast-growing ecosystem of support through books, training, consultants, and enterprise software platforms—Gtmhub (where I work) is growing 3x per year. Alternatives like V2MOM, Hoshin Kanri, OGSM, 4DX, and MBOs all lack comparable adoption rates, ecosystem support, and, in all cases, are substantively inferior to OKRs as a process that maximizes simplicity, clarity, and employee engagement and accountability.

Alignment and focus are the most often referred to OKR superpowers. I often say that the killer feature of OKRs for typical large enterprises isn't just alignment, it's horizontal alignment. Vertical alignment was never a problem because, however many layers deep the hierarchy of the departmental silo, it had its focus and alignment. It was a silo of culture, systems and data, communication, and collaboration because it controlled goals and rewards! Funding, work capacity, and all other resources were allocated to local priorities at the expense of corporate objectives—hence the dismal 70% failure rate of cross-cutting corporate initiatives.

If we think about building organizational capability towards the goal of becoming more adaptive, resilient, and competitively disruptive, we can look at each of the three major components of successful strategy realization, explore some example measures of high capability in each, and illustrate how OKRs—and other supporting components of people, process, and technology—help us achieve excellence.
Your organization will doubtlessly find some of these examples helpful, but your firm's circumstances will require leadership to discuss what your strategy process is and what the firm is optimizing for. As you progress from strategy development to deployment and execution, you will also be using the strategy to drive the design of your business model(s) and operating model(s) to maximize effectiveness and organizational coherence.

There are many areas to optimize and align:

- As we build organizational capability aligned to our objectives, should we emphasize:

1. Strategy Development

MEASURE	OUTCOME
Depth of sense - making and insight	External and internal factors are fully integrated in environmental analysis.
Market empathy and understanding	Empathy with personas and understanding of market segments is profound and data driven.
Resourcefulness and innovation	Strategic options considered include innovative, even radical, scenarios
Boldness and ambition	Strategy includes stretch objectives that would be transformative
Clarity and prioritization	Maximizes focus and value

2. Strategy Deployment

MEASURE	OUTCOME
Clarity and fidelity	Fidelity of strategy is high as it is decomposed and communicated
Value assignment and prioritization	Priorities are appropriately understood at all levels
Speed and efficiency	Change in focus/objectives is promulgated fast
Alignment	Horizontal dependencies and collaboration requirements are identified and accommodated
Nimbleness	Elapsed time from awareness of change to material change in work is short
Inspiration and engagement	Extent to which the new focus engages and excites

3. Strategy Execution

MEASURE	OUTCOME
Clarity and precision of direction	Everyone correctly chooses highest value work opportunity
Tolerance for variance	Alarms trigger for actual deviations: few false alarms, few missed
Time to intervention	Inspection/intervention occurs quickly upon deviation from objective
Cost of correction/adjustment	Low WIP, low cost of change, ability to abandon sunk investment, etc.

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- Control and consistency?
- Speed of reaction?
- Innovation and creativity?
- Autonomy and empowerment?

- Each of these competing dimensions are reinforced or resisted by elements of our business and operating models, including:
  - Culture
  - Rewards
  - Governance and controls
  - Organization design
  - Leadership styles

- Testing for clarity and alignment, building on questions that strategy should answer—"where do we play?" and "how do we win?"
  - In which markets and with what buyers are we on offense, and in which are we on defense?
  - At which stage are each of our products and markets in—do we focus resources and innovation on awareness, acquisition, expansion, referral, or efficiency and yield as we transition to cannibalizing legacy revenue streams, disrupting ourselves with new offerings?
  - Are our segmentation and bundling strategies optimal (as proven by data)?
  - Are we extracting all the value we deliver in every possible market segment, using every pricing, packaging, and distribution opportunity at our

disposal?

All of these factors have feedback loops that influence one another in a complex adaptive system like a corporation. Establishing the right balance of coherence and tension among them in order to maximize the success of the organization is hard; that's the high art of translating strategy to operations and execution.

It bears mentioning that another challenge most organizations will face in the journey to optimizing their strategic effectiveness and adaptability relates to the quality and timeliness of data. With metrics, there is a tendency to substitute volume for quality. Most organizations track many things that are easy to measure, versus focusing on the key measures that demonstrably drive outcomes. Most organizations can improve their strategic response and corporate controls by continuously refining and improving leading versus trailing indicators and focusing on key business drivers that predict corporate value outcomes.

Since it comes up often, I'll clarify that KPIs and OKRs are absolutely compatible and complementary. OKRs reflect the objectives that realize strategy while KPIs reflect the tactical controls

threaten or undermine organizational performance. They often help us identify opportunities for improved capability and performance.

For example, when a KPI indicates a serious issue or opportunity, it can be "promoted" to an OKR for a quarter or two to (re)gain control and compliance, then eventually be demoted back to a KPI when it's back in spec—like when a long-ignored gauge on your instrument cluster starts flashing red to indicate a condition that threatens your ability to reach your destination. Your focus shifts to solving the issue so you can ultimately reach your destination.

You can also use KPIs, or balancing KRs, as guard rails or boundary conditions to ensure you don't over-optimize an OKR objective to the point that you break something elsewhere—like the balancing effect the interdependent elements of a balanced scorecard have on one

that ensure organizational health and fitness. KPIs provide the instrumentation used for governance and controls for early detection of an "out of spec" condition that could

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another. The interrelationship between KPIs and OKRs is strong. Both deserve your time in your next Executive Quarterly Business Review.

This exploration of adaptive strategy illustrates that OKRs can help your organization achieve focus, clarity, and alignment. OKRs can also profoundly improve employees' motivation and engagement. OKRs, however, are just one part of the solution to realizing adaptive strategy. A poorly designed OKR process can actually undermine performance and motivation, and 72% of first attempts to implement OKR processes fail (not, coincidentally, the same general failure rate as strategic corporate initiatives).

In reality, the ability to successfully implement strategy as a foundational capability—and the higher-level capability of rapidly adapting and evolving your strategy for higher fitness—requires much more than OKR process and technology. It demands new digital-era and knowledge economy leadership attitudes, styles, and skills.

In the modern knowledge-economy, a leadership mindset that relentlessly pursues continuous improvement through experimentation, inspection and adaptation of cycles, empowerment, and transparency will produce organizational performance and alignment, even amid a great deal of change and disruption. While we speak endlessly about innovation in our products and services, how many large organizations are innovating and experimenting in their operating and management models (I'm looking at you, Annual Corporate Budgeting process!)? Not even the power of OKRs can elevate industrial era organizations with industrial era leaders to achieve adaptive strategy.

With the right leadership, many other critical factors of successful strategy capability will fall into place—culture, rewards, business and operating model design, organizational design, and so much more! Embracing the first principle of strategy leadership is the first step—it's committing to the fact that leaders' first fiduciary responsibility to shareholders is taking accountability to ensure the strategy isn't just left as a pile of PowerPoints in the CEO's filing cabinet. The leaders' responsibility is to ensure that every resource and human mind in the firm is focused on realizing that strategy, every day.

As Sun Tzu (should have) said: "Victory does not come from formulating a greatstrategy... Victory comes from deploying and executing strategy masterfully." ⓔ
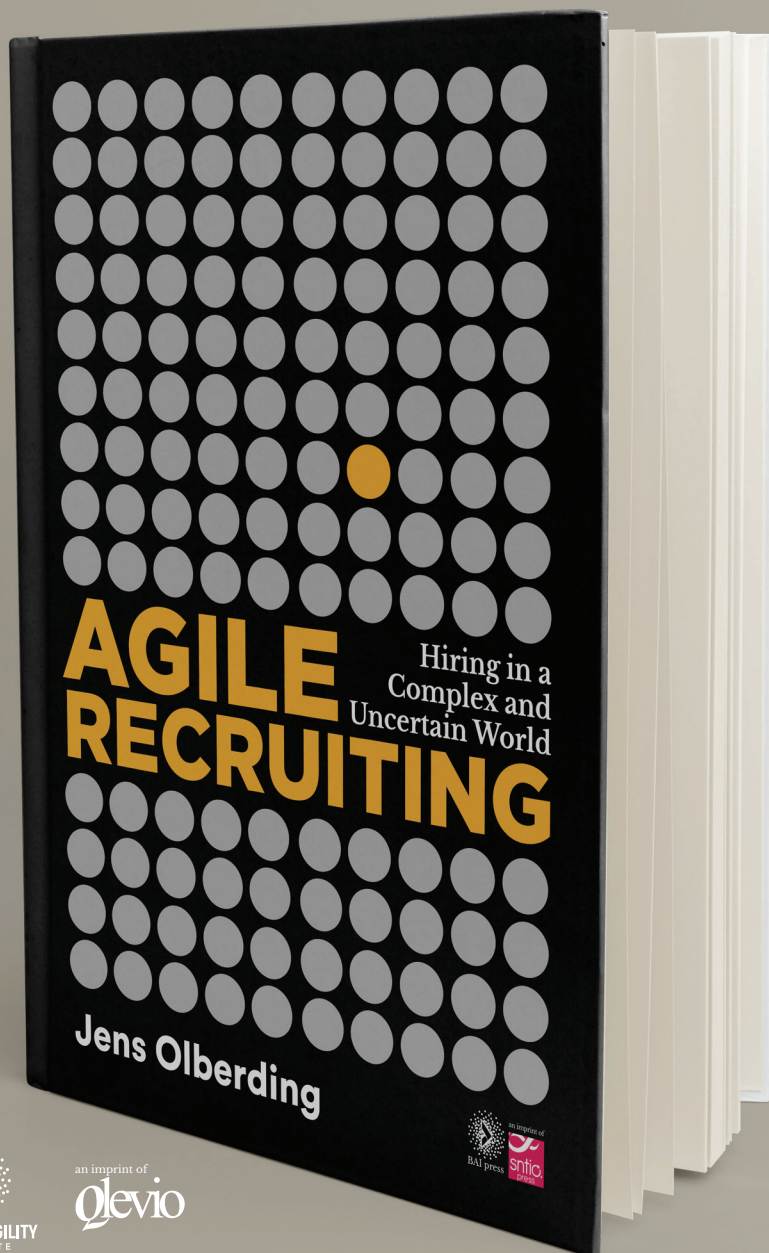
Designing the New Organization

Marianne Roux

The Challenge

As recently as 2013, McKinsey found that the average organization reorganizes itself every two to three years. This frequency has only been accelerated by technological advances (de Smet & Gagnon, 2018) and the pandemic. However, Deloitte (2017) found that only 23% of executives say their organization redesigns are a success and 44% of redesigns are never completed.

In a practitioner survey, Worren et al. (2019) found the following as the top challenges faced during organization design: (1) creating realistic estimates regarding the time and resources required to complete the project; (2) understanding patterns of collaboration or information exchange across units in the organization; (3) handling political aspects of the re-design process and helping participants "see the bigger picture" (as opposed to "protecting their own turf"); and (4) evaluating whether the new organizational model has resulted in the intended effects.

Carucci (2019) also writes that one of the organizational design issues most leaders misdiagnose is not sticking to the agreed priorities (urgent crises are often cited as the cause). Another issue is that of bad role design, where some people are stretched beyond their bandwidth while others are stuck with mundane repetitive tasks. Pair that with inaccessible bosses wielding excessive spans of control and the result is a lack of feedback and direction. Finally, there is an ongoing war between functions and silos with misaligned incentives and metrics.

Whether you are working in a small, growing organization or part of a large, more traditional one, you cannot escape the impending need of having a well-designed organization as well as dealing with the aforementioned challenges. You need to take a step back and, intentionally, look at whether your organization design makes sense—not just now, but also into the future—and is well positioned to deliver the intended outcomes for your customers, citizens, and clients. You also need to ask yourself whether your people are in quality roles, in which they receive ongoing learning, feedback, and growth opportunities.
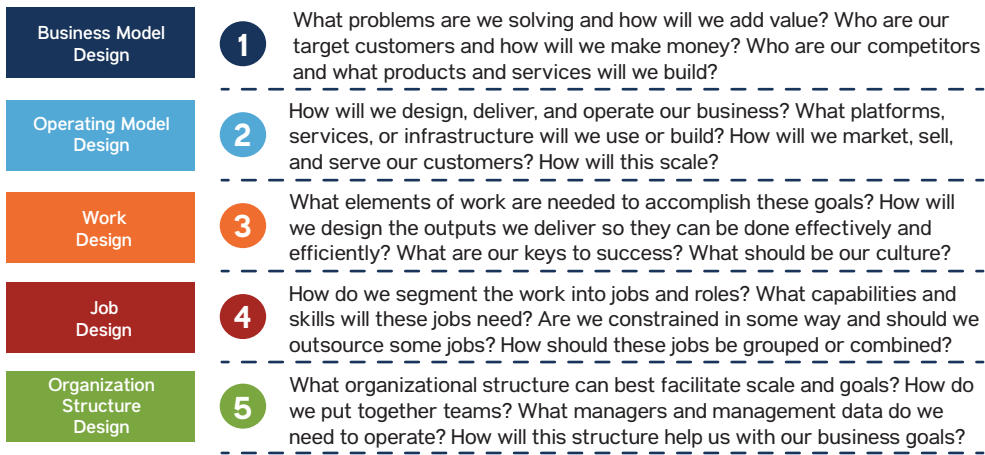
Framework for Excellence in Organization Design

Business Model Design	**1**	What problems are we solving and how will we add value? Who are our target customers and how will we make money? Who are our competitors and what products and services will we build?
Operating Model Design	**2**	How will we design, deliver, and operate our business? What platforms, services, or infrastructure will we use or build? How will we market, sell, and serve our customers? How will this scale?
Work Design	**3**	What elements of work are needed to accomplish these goals? How will we design the outputs we deliver so they can be done effectively and efficiently? What are our keys to success? What should be our culture?
Job Design	**4**	How do we segment the work into jobs and roles? What capabilities and skills will these jobs need? Are we constrained in some way and should we outsource some jobs? How should these jobs be grouped or combined?
Organization Structure Design	**5**	What organizational structure can best facilitate scale and goals? How do we put together teams? What managers and management data do we need to operate? How will this structure help us with our business goals?

Figure 1: Framework for Excellence in Organization Design (Bersin, 2021).

The Solution

Intentional Organization Design (OD) gets very little focus in organizations (perhaps because of how complex and distracting it is). This is unfortunate, as it is critical to an organization's ability to deliver its strategic and operational outcomes. Like a building's architecture, an organization's architecture is a response to the demands placed upon it and the function it needs to perform. Drawing the organization chart is not organization design. Complexity and interdependence arise naturally at the heart of organization design (Alberts, 2012) which truly makes it a science and an art.

A clear enterprise-wide methodology has to be used that contains elements like a Target Operating Model (TOM), a value chain, key capabilities, and a clear understanding of products, services, and clients now and in the future. Decisions need to be made about the scope and boundaries of the organization and also what capabilities the organization wants to own (appoint resources) or only have access to (through gig work, partners, etc.). Furthermore, decisions need to be made on how interactions will occur and function between the organization and its clients. For example, will there be a bot, then a call centre, and finally human interaction? We call this the Target Interaction Model (TIM). Only then can organization structure options and ways of working be considered.

Josh Bersin (2021) provides us with an excellent framework to use, which includes a set of guiding questions that can help get you started.

There are several challenges in doing this work. Agreeing upon priorities and making choices has never been easy as it triggers the social side of strategy and OD. Clients keep wanting to have a shopping list of design principles that often need

trade-offs with each other, i.e. hyper-personalisation vs cost effectiveness; lean, agility, and scale; growing the new vs optimising the core, etc. Once the practical implication of design criteria becomes clear, leaders often try to renegotiate the criteria to influence the outcome. It requires courage to stay true to the principles. Also, as budget implications of new models become clear, leaders become nervous to back the change.

Another challenge is to keep the actual people and the work design separate. Clients are always tempted to design roles and put names in boxes instead of sticking to the required discipline of designing the TIM, value chain, and capabilities. OD is—and will always be—a political process and is affected by cognitive biases like "loss aversion". Clients are often tempted to shuffle the deck chairs instead of blowing up the room. The key is not to design from one static state to the other, but to reimagine how work can get done.

A skills and roles-based approach is significantly different from the current boxes, lines, and clear accountabilities framework. Managing talent mobility is critical and complex. Processes are needed to support team fluidity, so that team members can quickly return to their home base or move to a different team once a project is done. In saying so, the hybrid work model also now needs to be taken into account in each team, to consider where and how work can best be delivered.

Transitioning to the new design is therefore always fraught with difficulty. However, leaders need to grasp that a smooth, positive transition is a culture-creating moment, especially in regards to shifting collaboration and power in the organization.

Finally, a 2018 CRF study found that just 39% of respondents to our survey felt they had strong organization design capability within Human Resources. (Kates et al, 2018). In spite of that, HR functions often lack the knowledge and skills to design and deliver modern organization design, and do not have an integrated approach to organization design, learning, and workforce and job transformation.

Example

We were asked to assist an FMCG company challenged by slow decision making, clashing work priorities, and slow growth. The client had introduced human-centred design, scrum, and agile methods, but had kept the functional and hierarchical structure. The result? People became overloaded with their current functional role responsibilities and additional scrum project work. Confusion reigned as to what the priority was and who was making decisions.

We started the work with the Executive Team by getting a whiteboard and drawing their value chain. We then illustrated the key activities that occurred across the chain to understand what work needed to be done.

It turned out that work was primarily occurring in three steps across the value chain: 1) Learn; Understand; and Prioritise (the financial, customer and people analytics, and strategy and foresight work leading to strategic choices and big bet projects); 2) Create and Inspire (develop the projects, co-design with clients and employees, and develop prototypes and experiments); and 3) Execute (after testing and experimenting, deploy in operations, quality assure, audit, and embed). These three areas all needed support from enabling functions like HR, Finance, and Legal.

The Executive Team did further work to decide which principles were critical for the future design of the organization. The design principles included being consumer centric, being simple and flexible, enabling speed, and encouraging entrepreneurial behaviour. These principles were constantly referred back to for testing the operating model and organization design options.

Next, the TOM was developed using the value chain and adding to it:

- Solutions, products, and services offered across the FMCG value chain of 1) Learn, Understand, and Prioritise; 2) Create and Inspire; 3) Execute; and 4) Enable
- Customers and market segments (i.e. Sparkling, Still, etc.)
- Critical capabilities across a clearly defined value chain (including organizational and employee capabilities, for example Customer Data Analytics, Product Development, Quality Assurance, etc.)
- Enabling and support functions (i.e. HR, Legal, Finance).

Once the TOM was clear and the design principles were agreed upon, various organization design options were considered. For example, would we use cross functional, end-to-end teams, a platform model, flow-to-work, talent marketplaces, or partnerships/gig workers?

It was decided that value chain based employees would be assigned to one of the three Value Chain homes based on their current and desired capabilities. This home leader would manage the employee's performance and development, but they would work on cross functional big bet projects under project managers. They would roll on and off projects as required. Enabling function employees—like HR, Finance, and Legal—would flow to work as needed on the various projects.

A couple of big bet, cross-functional projects were agreed upon by the Executive Team and employees were assigned to the projects every three months. Business As Usual (BAU) work was also estimated and delivered as projects to ensure the right level of utilization is achieved. In most cases, 10-20% of the employees' time was not assigned. This helped to ensure unforeseen BAU or emergency work could be accommodated.
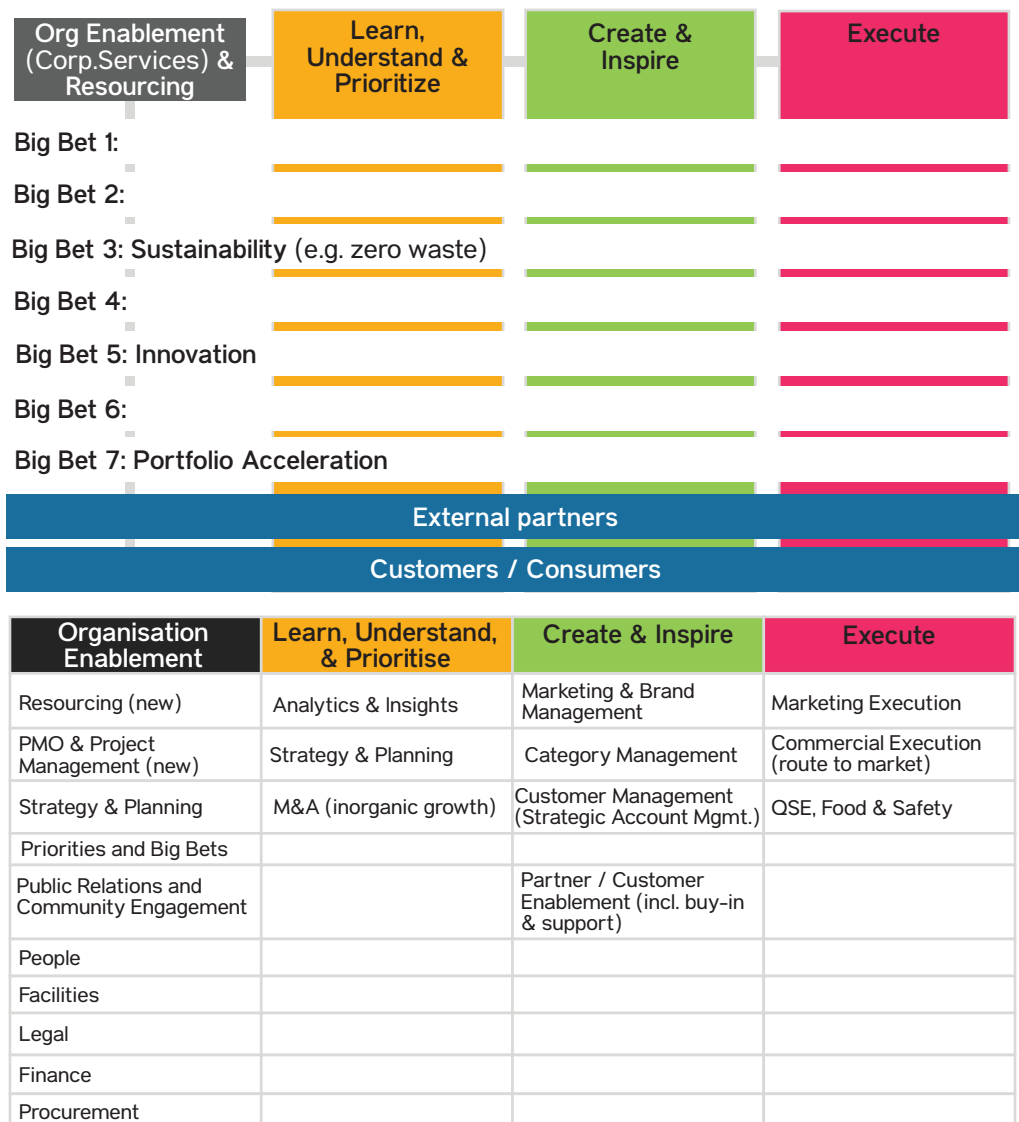
The model was governed through a

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Org Enablement (Corp.Services) & Resourcing | **Learn, Understand & Prioritize** | **Create & Inspire** | **Execute**

Big Bet 1:

Big Bet 2:

Big Bet 3: Sustainability (e.g. zero waste)

Big Bet 4:

Big Bet 5: Innovation

Big Bet 6:

Big Bet 7: Portfolio Acceleration

External partners

Customers / Consumers

Organisation Enablement	Learn, Understand, & Prioritise	Create & Inspire	Execute
Resourcing (new)	Analytics & Insights	Marketing & Brand Management	Marketing Execution
PMO & Project Management (new)	Strategy & Planning	Category Management	Commercial Execution (route to market)
Strategy & Planning	M&A (inorganic growth)	Customer Management (Strategic Account Mgmt.)	QSE, Food & Safety
Priorities and Big Bets			
Public Relations and Community Engagement		Partner / Customer Enablement (incl. buy-in & support)	
People			
Facilities			
Legal			
Finance			
Procurement			

Figure 2: Value creation and Big Bet lead organization design

Program Management Office (PMO) structure that coordinated the projects and resourcing using a skills and utilization matrix. The PMO also ensured a broader set of ecosystem skills and relationships existed to plug critical skill gaps or to assist in situations where additional resources were required at short notice.

By the conclusion of our consultancy, we had delivered a complete remodel of the operating model, value chain, and capabilities. This helped to develop a fluid resourcing and organization design based on key big bet projects. The lessons learnt from the design and implementation of this model include:

- The client was surprised at the amount of competing design logics they had in their current model, and had to be firm in making choices in order to get clarity in their design.
- They were also surprised by how many of their current projects and works were not priority value chain activities and capabilities, and, therefore, should not be in their scope (and should maybe be capabilities they have access to rather than own).
- The greatest challenge was for the Executive Team to take on new roles, as there were only three value chain leads and one enabling lead role. One of the Executive Team members took on the PMO role and others took on key big bet project roles.
- There was an underestimation of BAU work, which required a further analysis. This resulted in insights into process and workflow redesign and automation opportunities, which reduced low value BAU work and enabled more resources to be focused on value-adding project work.

- The key to getting resourcing right is to have a resource manager situated in the PMO function to mediate between leaders. All current capabilities of employees need to be mapped and kept up to date, and all value chain capabilities need to be mapped, so that quick matches can be made when project managers request capabilities for projects. Adding a talent marketplace where employees can "apply" to work on projects that interested them was a significant help in getting the right people onto the right projects and increasing learning, engagement, and retention.

Conclusion

Don't become paralyzed by the complexity of organization design. Organization design has become an ongoing process with incremental adjustments. The aim is not to be perfect, but rather to achieve a "good enough" agreement between stakeholders and to then adjust as needed.

It can take time to design across value chains, capabilities, and around big bets. You could start by choosing a part of the organization, then designing and testing the value chain and capability model. You could also begin by using cross-functional projects and assigning people for part of their time to the project teams whilst maintaining the core purpose of current functions. Either of these options are an effective way to dive into organization design and create a company that works for employees, leaders, stakeholders, and customers.

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From Leadership to Learnership

Pete Behrens

Rethinking the Workplace requires Rethinking Leadership!

When Elon Musk, CEO/CTO of SpaceX, was asked why the engineering teams were working on version #21 of their rocket when versions #20 and #19 had not yet been shot into space, he responded that they didn't have to send rockets into space to learn. Indeed, that would take too long and cost too much. Rather, they could learn how to make better rockets by making rockets—learning through the design, engineering, and development process itself.

When Satya Nadela, CEO of Microsoft, was asked about his focus on the cultural transformation which propelled them from the brink of extinction to one of the richest companies in the world, he responded that they needed to switch from Know-it-alls to Learn-it-alls. He provided all senior leaders with a set of books to read, including Carol Dweck's *Mindset: The New Psychology of Success*, and illustrated that each leader's growth mindset was critical to shaping the culture across the entire organization.

Stefan Larsson, CEO of Old Navy, when asked in 2015 what it took to transform the flailing retailer to one that could compete with those at the top of the market, he responded that they created a failure-proof culture that replaced blaming with learning. He noticed that even when results were perceived as "good" (judgment), it generated negative emotions from some parts of the organization. A key element to this failure-proof culture was the elimination of judgment.

Changing Policy Occurs Through Changing Mindset

I recently co-presented at a private client conference with a peer executive agile coach, one who I respect greatly. Each of us presented on individual topics related to improving the organizational system, followed by a shared Q&A session. While my colleague discussed leaning-out value streams to speed delivery, I shared that changing the system requires changing mindsets.

It is no longer enough to simply lead. Leaders need to reimagine leadership itself in order to shape new ways of working. If leaders desire to change their working environment, they need to look inside themselves as the first step

The Q&A portion following our talks was a shared stage, which allowed us a bit of welcome banter on each of the questions. A question was asked of my colleague regarding how to change the budget process in order to more effectively lean-out the value stream—in other words, how to enable more iterative and incremental project funding. I recall my colleague responded to this technical question with an eloquent, yet equally technical response. Following his response, I added a simple point: unless the leaders responsible for those funding policies change their beliefs about risk, those financial policies will never change. <mic drop>

Essentially every policy in an organization is developed from a basis of risk tolerance and trust of the leaders of that organization. This applies whether it's about the rules to follow in order to request, gain approval, and take time off from work; or the authority to make decisions and spend money; or setting goals and measuring their progress, success, and "failure".

That last word is of particular significance. "Failure" is often a trigger point. Thomas Edison famously said, "I have not failed. I've just found ten thousand ways that won't work." As Stefan Larsson at Old Navy explained, "the only difference between failure and learning is perspective." Tomato, Tomahto? Not so fast. It's

only perspective if it remains an opinion. However, when opinion and perspective turn into policy, sh*t gets real! (Can I say that?)

A Tale of Two Companies

It was the best of times, it was the worst of times…
Let's take a look at two organizations whose leaders drove pandemic-era policies based on different perspectives of risk tolerance and trust.

Organization A focuses on the industrial technology industry with a dozen or more product teams spread across the globe. Organization B focuses on the mortgage technology industry with a dozen or more product teams co-located in a major US city. Different industries, but both employ tech knowledge workers who can work remotely (as opposed to front-line, supply chain, and others required to physically interact with goods).

Prior to the pandemic, Organization A and B had very different working from office/home policies. While Organization A enabled a remote workforce, and had many employees living in locations without local offices, Organization B required employees to work from the office unless unique circumstances dictated otherwise. Both were profitable and growing.

Throughout the pandemic, Organization A suffered relatively little impact as it transitioned to full time work-from-home operations. While travel was restricted/eliminated, product development continued remotely. Organization B's shift to working-from-home was a bit more challenging as it required some tech upgrades to support its newly remote workforce. Organization B further required workers to return to the office in August 2021 (halfway through the heart of the pandemic!). This action created conflict that was felt by employees and spotlighted by the media, as it didn't discuss or clarify mask-wearing, distancing, and gathering norms.

Taking a look below each of these policies, we can see different leadership perspectives. Organization A is demonstrating more trust and enabling more freedom (risk tolerance) and flexibility. Organization B is demonstrating less trust and constraining freedom (risk averse) and flexibility. And while both organizations are demonstrating positive results, Organization A's attrition rate is half of Organization B's.

Our point is NOT to praise Organization A and condemn Organization B, but rather to point out how

If we want to change the way we work, we need to access the way leaders think.

leadership mindset and perspectives on trust and risk tolerance drive policies.

Don't Put-Up or Shut-Up: Mess It Up

We could put these two organizations on a spectrum of culture: put-up and shut-up.

"Put-up" cultures are built on tolerance where leaders allow variant behavior. On the positive side, a put-up culture creates freedom and flexibility, like Organization A above. On the negative side, put-up cultures enable disrupted behavior to continue, like a dog being allowed to pull on its leash, or a parent giving in to a child's tantrum. Over time, these tolerated behaviors become the norm, even if dysfunctional. Organization A may see issues ahead as they seek to develop more organizational cohesiveness.

"Shut-up" cultures are built through a lack of tolerance to variant behavior. On the positive side, a shut-up culture creates consistency and predictability, like Organization B. On the negative side, shut-up cultures limit situational adaptability and may constrain innovation. Organization B is seeing the downside of this through employee attrition. In these cultures, leaders "shut-up" variant behavior—treating policies as rules versus guidelines. In contrast, in put-up cultures, policies are treated as guidelines rather than rules. The best cultures of all are formed through finding a balance between the two polarities (though

If we want to change the way we work, leaders must be willing to get messy.

this is easier said than done). Culture forms through the constant negotiation of norms and behaviors, tolerances, and consequences. This is the messy part—finding the right balance.

While it may be easy to judge the two organizations above as "good" or "bad", reality is more complex. Both organizations, A and B, likely require some discussion and some negotiation in their policies to find a better balance, especially as the pandemic landscape continues to shift.

From Tacit to Transparent

None of us are immune to policy implications. Every team is influenced by policies, even ones that are loosely defined or not spelled out. A small organization with entirely remote staff have little reason to create or enforce a policy surrounding vaccines and in-person protocols throughout the pandemic. They have been operating effectively in a remote way before the pandemic and continued operating in this manner throughout it. They would sit closer to the "put-up" side of the aforementioned spectrum—valuing individual freedom and flexibility over consistency and predictability.

Their team members, like every organization, had passionate and differing opinions about the efficacy of vaccines, along with the responsibilities they had to the greater public in protecting immunocompromised individuals, healthcare professionals, and the elderly. During the pandemic, the more "encourage to vaccinate" perspectives spilled over in team meetings, while the more "cautious to vaccinate" views stayed silent. Over time this environment began to eat at the team's culture. However, this toxicity stayed below the surface because its members either didn't feel comfortable exposing the difference, or were unaware that it was an issue.

But as time passed, in-person gatherings began to be reconsidered and in-person conferences were renewed, the issue began to surface into the team business context. Given this, the leader shifted the tacit policies and perspectives into an open dialogue. This took incredible courage and vulnerability for people to share. It also exposed a lot of hurt and pain that was hidden for so long.

The leader applied one of our growth mindset principles referenced from Adam Grant's Book, *Think Again—separating held beliefs and shared beliefs.* By preaching our beliefs, and prosecuting others' beliefs, we drive a wedge between us, spark defensive actions, and build sides. Instead, Grant suggests thinking as a scientist by using hypotheses for our own beliefs and curiosity for others' beliefs. Recognize that this does not mean hiding

beliefs. Rather, it means exposing them with open-mindedness on both sides. Hiding ideas only pushes them deeper, creating a more challenging situation later.

As of this writing, the team mentioned previously is still engaged in an ongoing dialogue, and I am proud that they were able to "go there", exposing differences, and getting messy. I am hopeful that they will emerge stronger because of their journey.

Edgar Schein, a significant voice on organizational culture, illustrates culture as a series of layers. These layers include the visible elements within the office, the values modeled within the organization, and the beliefs and basic assumptions held by the organization's leaders. Policies (both implicit and explicit) are the visible signs of culture that emanate from the hidden layers below. In order to challenge and change policies, leaders must be able to get below the surface and explore their values, beliefs, and basic assumptions, just as this team did with their vaccine discussion.

If we want to change the way we work, we need to be willing to get below the surface.

Rethinking the Workplace

In this year's State of the Union address, President Biden pleaded for workers to return to the office. "It's time for Americans to get back to work and fill our great downtowns again. People working from home can feel safe to begin to return to the office." Do you notice the language and focus? Work is physical. Work means commuting to an office, in a downtown, to foster a pre-pandemic economic ecosystem. Biden is veering towards a "shut-up" culture.

CEOs of major corporations are echoing similar sentiments. Google has asked most of its workforce to come back three days per week. Microsoft has been working through its six stages of hybrid workplace, entering into their final phase this past month where offices are back open. I appreciate how these leaders are seeking some balance, but we have yet to see how messy they are willing to get.

Leaders at all levels are grappling with return-to-the-office policies. I believe middle management is in the worst situation: leaders above them dictate the policies and then make middle management responsible for enforcement with employees. That feels like a no-win situation. In a recent episode on the (Re)Learning Leadership Podcast, Franco Chiaravalloti of Hitachi Rail Systems and Von Rhea of Trimble, Inc. explored returning to the office and the vari-

ous pressures, hopes, and anxieties they feel as middle-level leaders navigating this ever-changing landscape.

In the episode, Franco shared concerns that his leaders might forget how productive their teams were in remote work. Von shared how future solutions will require a degree of individualization as the work/life balance for each employee has different drivers. Where some would benefit from an occasional day or two working from home; others would prefer full-time office work or half-days in the office five days a week. There are other employees who would benefit from a full time work-from-home policy. Thus, even with corporate policies, all leaders must get messy and expose beliefs to help all employees work through it.

From Leadership to Learnership

As we seek to rethink the workplace, it might be best for us to first look internally. Our beliefs and assumptions will guide our culture. Leadership is not dictating policy we feel is "right". Leadership is also not allowing employees to do what they feel is "right". Leadership requires the courage to expose varying beliefs and assumptions, and the vulnerability to get messy in the dialogue. This is learnership—leadership that is willing and able to learn.

Dean Leffingwell, founder of Scaled Agile Framework, during an interview on the (Re)Learning Leadership Podcast, said, "I personally believe that the leadership model for the next couple of decades is learning. And I think the companies that learn better are going to be better than those that don't." That is learnership. Elon Musk, Satya Nadella, and Stefan Larsson each demonstrated learnership in their responses at the top of this article.

Learnership is shifting from being right to being curious. Learnership does not "put-up" or "shut-up", but rather has the courage to "mess it up". Learnership is shifting from preaching your beliefs and prosecuting others' beliefs to exploring differing beliefs. Learnership is a lifelong pursuit of better.

Learnership is not only for CEOs and the most senior leaders of an organization. Learnership can improve every leader at every level of the organization, regardless of title and authority.

Learnership is not just about rethinking the workplace. Learnership is a competency that opens up new possibilities in all aspects of work including improving products, processes, and people.

I hope to see you on the learnership journey. ℮
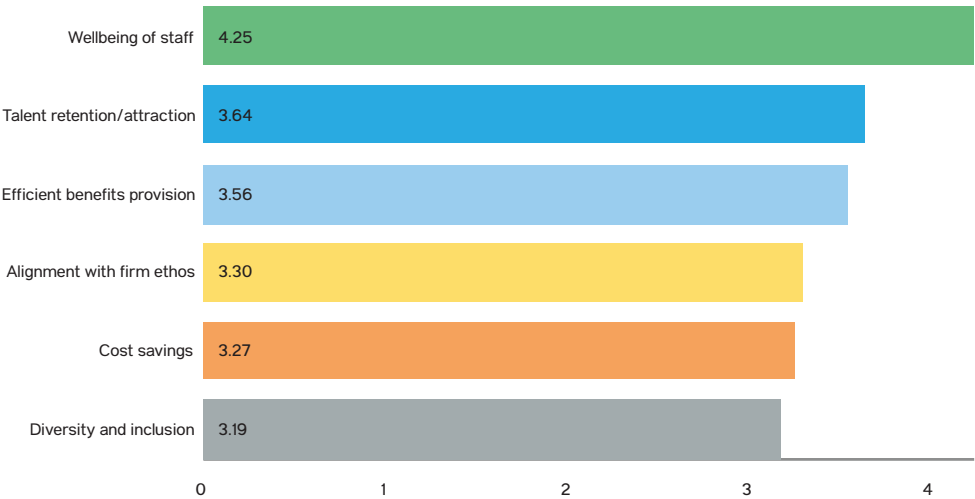
The Lost World of Employee Benefits

Ray McKenna

As I consider the impact of the Covid-19 pandemic, the words of Yeats come to mind; "All changed, changed utterly: A terrible beauty is born." However, that "beauty" has yet to be defined and hopefully will not be as troubled as Yeats.

The pandemic has already led to the potential of the "Great Resignation", particularly as employers (and indeed employees) struggle to find an optimal hybrid working model. Additionally, we have seen the potential of wage inflation driven by recruitment and retention concerns, and the challenges of an increasing cost of living. According to data from HR advisory firm CIPHR, 70% of employees surveyed did not feel that the pay rise received was reflective of their performance, with 44% saying they would seek out a new role.

History has taught us that salary inflation does not, and will not, solve for these issues and can lead to greater commercial issues. That is not to say that a well-structured, market aligned salary is not a key component of an optimal reward structure. However, with the challenges facing the current employment deal between employers and employees, more will be needed.

Prior to the pandemic we were already seeing a shift in attitude towards Benefits. The 2020 Lockton Global survey of 496 employers across 33 countries showed the following order of rationale for change:
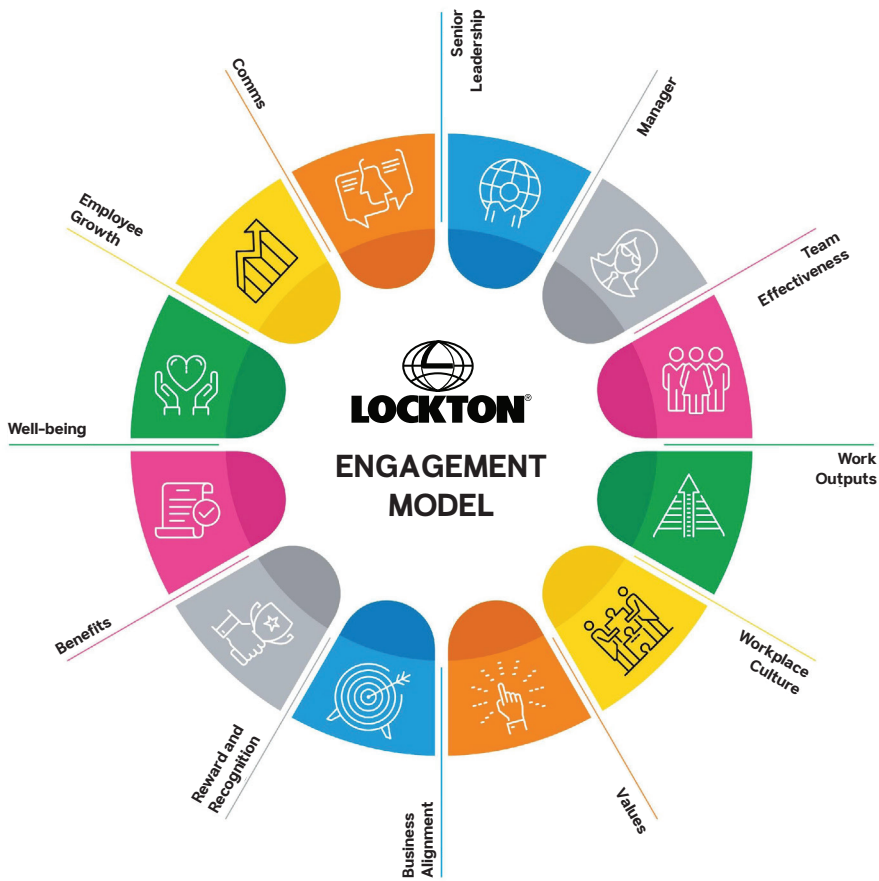
What is the key driver(s) of change being made to your benefits package?

Driver	Value
Wellbeing of staff	4.25
Talent retention/attraction	3.64
Efficient benefits provision	3.56
Alignment with firm ethos	3.30
Cost savings	3.27
Diversity and inclusion	3.19

Consequently, employers are reassessing their value proposition with a renewed urgency and the new reality of an evolving dynamic working practice. This practice will, in our opinion, not be developed or dictated solely by employers, as employees will also drive and potentially dictate what the new hybrid working model will be. We have already seen evidence of this with employees voting with their feet where hybrid models, not to their liking, have been mandated. Similarly, the hybrid working model is becoming a key hiring question from potential employees. This topic is deserving of an article in its own right and we believe that it will, and should, take time to evolve. With this in mind, employers need to be agile in their approach as this develops.

The hybrid working model will be a key, and arguably new, element of the value proposition. As employers develop a new proposition culture, values, reward, and leadership will always remain key elements.

However, (now moving from Yeats to Michael Crichton, author of *Jurassic Park*) we believe that the "lost world" of employee benefits can, and will, play a role in developing a modern fit-for-purpose Value Proposition. This "lost world" of benefits, which is a significant spend, has historically been undervalued. A company's benefits program is, at approx 15% of payroll, the second most substantial expense (after salaries, bonuses, and social insurance

Lockton Engagement Model. Segments (clockwise from top): Senior Leadership, Manager, Team Effectiveness, Work Outputs, Workplace Culture, Values, Business Alignment, Reward and Recognition, Benefits, Well-being, Employee Growth, Comms.

costs). There is arguably a lot of lost value in this spend, and sometimes a poor employee understanding, or appreciation, of the benefits provided.

Although evolving, employee benefits to date have rarely strayed from a handful of core programmes: pension, death and disability benefits, private medical insurance, travel season ticket schemes, cycle to work, etc. However, benefits design is facing increasing influence from the emergence of environmental, social, and governance (ESG) trends, and awareness of mental, physical, and financial wellbeing needs. In recent months, because of the

post-pandemic need to re-evaluate employer propositions, we are seeing more openness toward benefit redesign and expansion.

An additional driver of change is the recent pan-European pension legislation change, known as the Institutions for Occupational Retirement Provision II (IORP II) Directive, implemented in Ireland for 2022, which brings a greater level of risk management (and consequent cost) to employer-sponsored pension plans. For group schemes, the requirements of IORP II need to be implemented by the end of 2022, and may instigate a move to one of the eight Master Trusts in

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the Irish marketplace. For many employers, such a move may reduce the cost and risk of continuing to operate a stand-alone Trust for employee pension provision. However, any such move would require the formal closure of any current plan, and significant engagement with pension plan members. Whilst this engagement would provide an opportunity to raise awareness and appreciation of the benefits, it could also lead to suspicion and negotiation of terms. However, we believe that this would provide added stimulus to review benefits in total, maximising both their role in creating a new deal with employees and value for spend.

Building benefit programmes that meet employees' evolving needs through their life stages, or because of a changing working model, can play a greater role in attraction and retention of talent. Increasingly, we are also seeing the tailoring of benefit programmes to specific groups to meet particular needs.

So, what trends are we seeing in terms of benefit programmes? First of all, let's look at the core staples: pension, death, and disability.

Pension:

The pensions landscape is going through significant change with, for instance, IORP II in Europe and the expansion of Autoenrollment (AE) to all OECD countries by 2024. IORP II will undoubtedly change how sponsoring employers deal with pension provision, demon-

strated through a combination of improving Governance to meet the new requirements, and a move to contract-based, or Master Trust, to reduce governance time, costs, and associated risks. With the deployment of AE in all OECD countries, many employers will also look toward future-proofing their scheme design to give employees choice in terms of pension contributions. This scheme design (and potential structural change) presents an opportunity to review pensions as part of a holistic benefits redesign and communications/engagement programme.

Death and Disability benefits

The focus of any redesign of death and disability benefits is driven by tailoring disability benefits to dovetail with short-and medium-term sickness arrangements, and ensuring death benefits reflect the needs of modular families.

Historically, death in service plan design was driven by a definition of "single" or "married" and often a design outside these narrow parallels was tax disadvantageous to recipients. However, there is a strong move away from plan design that discriminates between individuals based on marital/dependency status. Similarly, we are seeing plan design changes in disability benefits to link into companies' short-term sickness plans, fixing the length of benefit payments (e.g. five years),

and inclusion of lump sums to deal with medical expenses/change of living.

Private Medical Insurance (PMI)

As our societies age and health care costs increase, the provision of private medical insurance has become a key component of many benefit programmes. The number of providers and plans has expanded significantly, giving greater choice to meet personal needs but presenting greater challenges in terms of individuals being able to find an appropriate plan. The prevalence of employer-sponsored plans is increasing, whether that be on a cost-sharing basis, the provision of a health care allowance, or fully-funded employer plans for employees (and potentially their dependants). We have also seen an increase in the popularity of "Cash Plans", which provide coverage for primary health care costs, e.g. GP, physio, dental, etc.

Health providers can also provide employers with access to a growing range of Wellness services including:

Physical health benefits:

Benefits focused on physical well-being now go far beyond access to private GPs, healthcare, and life insurance. These benefits could include company-provided gym memberships, weekly fitness classes during or after work hours, and access to fitness apps. Employers can also provide services focused on women's health and wellbeing, such as In-Vitro Fertilization (IVF) and egg harvesting, and on men's health.

Giving employees access to tools and supports to maintain good physical wellbeing through benefits such as fitness and health apps, proves useful in helping workers combat stress and improve mental health.

Mental health benefits:

Mental health supports have become increasingly popular in recent years, with programmes designed to promote mental wellbeing and a healthy work-life balance. Recently, particular focus

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has been given to resilience training, which promotes ways to deal with stress in life in and out of the workplace.

Other benefits, such as employee assistance programmes, are designed to help employees to deal with personal and professional issues. Some companies also offer mindfulness workshops, healthcare education and tools (such as meditation apps), and access to dedicated mental health helplines.

Wellness technology

The pandemic has highlighted the importance of mental and physical health. As a result, an increasing number of new digital applications are available on the market for employers who want to support their staff. Wellness technology will remain important as we acclimatize to a hybrid working environment.

In addition to physical wellness, we are seeing an increasing need for support to employees in terms of financial wellness. Supports are aimed at assisting employees to better manage their funds, and educate on ways to save for their immediate and future financial needs. The main focus is typically educational, but there are also moves to providing support in implementing financial plans, and (typically) benefits from preferred rates and discounts.Other benefits include debt consolidation schemes, and (now popular in the UK) salary advances or loans, offering ways to help employees suffering from short-or medium-term financial issues, or support in dealing with tax returns.

ESG

ESG is becoming a key issue across generations, with companies and individuals increasingly aware and willing to take initiatives. The use of EV company cars has also brought a new spotlight to the other "lost world" of company car plans! We have seen the use of carbon credits as incentives, and employees looking to participate in environmental and community projects. These programmes can have the added benefit of supporting team building.
The key change we are seeing is that employers are now willing to be "brave" in terms of benefits re)

design and they are willing to challenge traditional benefits in lieu of new benefits that meet the needs, outlook, and lifestyle of their employee population. This has seen the introduction of, for example, fertility treatments, recognizing that more people in the US seek support for fertility issues each year than for medical care after the diagnosis of breast cancer!

Employers are also looking to personalize (or at least differentiate between groups) benefit design, recognising that a one-size-fits-all approach does not work for your IT, distribution, and manufacturing staff.

Additionally, the availability of benefit platforms and portals have eased the administration of benefits, allowing the delivery of additional support to employees. These additional supports come in the form of educational tools, online counselling for mental, physical, and financial wellbeing, as well as improved tools for communication and engagement.

Summary

The world of work will continue to evolve, but it is clear that employee benefits will be a key part of the corporate armoury to strengthen the relationship between businesses and their employees.

It is therefore crucial for companies to stay on top, and ahead, of growing trends. This has the additional benefit of highlighting the existing spend on benefits, and gives employers the opportunity to tailor programmes and differentiate their offering to create a truly compelling EVP. Employers should be engaging with their employee benefit consultancies to:

- Review appropriateness of core benefit programmes to ensure they are market-competitive, but also meeting the needs of their specific workforce;

  - Consider individualisation/ personalisation of benefits;

  - Look to expand benefit programmes to take account of new benefits to address ESG, mental, physical, and financial wellbeing;

  - Leverage technology to deliver and engage employees with the programmes;

  - Look to refresh engagement through improved communications and "gamification".

By using these guidelines in the revitalization of your programmes, you can play your part in developing a relevant EVP. ⓔ

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Building Sustainable Workplaces: What Anthropology Can Teach Us.

Dr. Jean Cushen, Associate Professor, School of Business, Maynooth University.
Marian Curry, Senior Sustainability Advisor, Business in the Community Ireland.
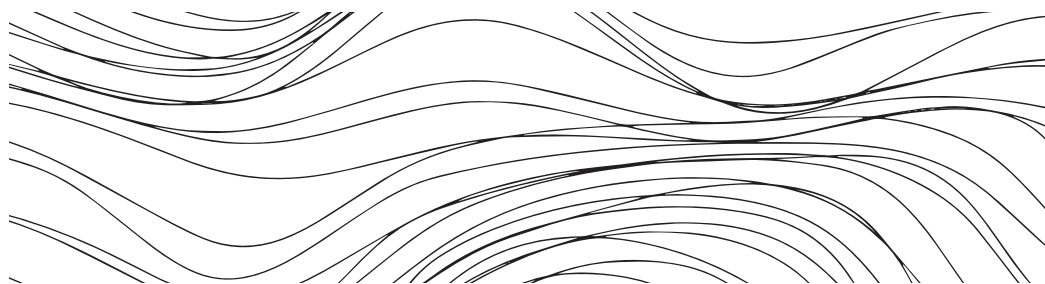
Introduction

Leadership has, for a long time now, had a significant focus on redesigning work and workplaces to achieve evolving business strategies. The post-Covid return to work is the most pertinent issue facing organizational design experts as they grapple with expanding expectations and options. However, over the longer term, another challenge will become more prominent: how to re-design organizations and work to pursue more sustainable business strategies.

Evidence shows that our world is changing in ways that jeopardize our capacity to inhabit it. Despite the certainty of this threat, change is slow and entropy looms. The latest report from the Intergovernmental Panel on Climate Change (IPCC) outlines that humanity is not on track to limit the global rise in temperatures to 1.5 degrees Celsius. Why can we not embrace agility where we arguably need it most? Numerous experts offer explanations for our collective inertia; for example, psychologists explain how we are

cognitively wired to avoid processing threats of this scale. Our subconscious minds construct seemingly valid arguments that justify inaction: "I alone cannot make a difference", "Someone else will figure it out", "It can't really be that bad". Communication experts explain how "attribution bias" means people engage more with arguments that corroborate their own interests, no matter how unfounded these more comforting arguments are. Economists ascribe our inability to prioritize the long term to the "social discount rate", which quantifies how perceptions of value declines as we look into the future.

While these explanations help us understand resistance to change, they do not offer forward-looking solutions. In business, leaders need reflections, theories, and tools that support them in leading workplaces through inevitable, uncomfortable, and even undesirable transitions. In this article we use the anthropological theory of liminality to explain the phases of significant, systemic change. We merge the theory of liminality with the United Nations, Sustainable Development Goals (SDGs), and the recently launched "Impact Standards for Enterprise". In doing so we offer a practical, phased model of change to assist business leaders in moving towards creating the workplaces we need for longer-term economic and societal sustainability.

'Betwixt and Between' Old and New Workplaces

There was a time when the field of anthropology was primarily about spending time in remote parts of the world to observe and report on then-unknown cultures. Today, the field of business anthropology is flourishing and bringing fascinating insights into culture, behavior and change in modern workplaces (Moussa et al, 2021). The anthropological theory of "liminality"—from the Latin word līmen meaning "a threshold"—has become prominent in recent years to explain workplace transitions. Anthropologists developed this concept to focus attention on the separation and ambiguity that occurs as individuals and societies stand on the threshold of deep, systemic change. They identify three "rites of passage" that must be completed if systemic change—and a new way of being—is to be achieved. More recently, the concept of liminality is being used to explore the threshold, "in between" moments of political and cultural change when societies strive to work through a state of uncertainty. Confronting the many climate crises is arguably the most pressing rite of passage for business leaders today, who will need to guide their organization through three distinct phases of liminality. Inability to progress effectively through the three phases results in stunted development, leaving workplaces unequipped and unable to cope with the new world that awaits. Successful progression, on the other hand, can usher in transformed organizational routes to value support by new systems, structures, and cultures. Let's explore these three phases along with examples of Business Achievements in each.

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Phase One: Separation

Anthropologists studying how individuals and societies develop from one way of being to another term the first step *separation*—the break that must be made from previous ways of being. Some authors liken the initial separation to a form of "death". This stark metaphor highlights how discomfort is a natural stage of systemic change as individuals must leave behind known, comfortable practices and routines. However, this is an essential phase of creative destruction, as it allows for the creation of space in which people can contemplate, design, and embrace new futures. Liminal societies that successfully progress through the separation phase share four key features. Firstly, separation is accepted as being inevitable, not a choice. Secondly, there is a "way in" or a pathway to commence separation that individuals can pursue. Thirdly, there are known leaders who provide guidance and counsel to ensure a move away from old behaviours and identities. Finally, there is a shared understanding of when the separation is sufficiently complete.

Separations in the Business World:

Many within the Business community acknowledge the threshold nature of the climate crisis. This acknowledgement is reflected in calls to action and pledges, such as the World Business Council's Vision 2050 and the Paris Climate Agreement to limit global warming, and prominent na-

tional campaigns, such as Ireland's Business in the Community Low Carbon Pledge.

Phase Two: Transitions

The *transitioning* phase is full of potential and rife with risk. Individuals and organizations in this phase have detached from old realities and anchors. Previously unquestioned priorities and hierarchies may be reversed or temporarily dissolved. Organizations are charged with an impulse for change. But the future, once taken for granted, is now in doubt. The dissolution of order can cause tension as competing visions of the future are contemplated. For organizations, transitioning from having a broad vision to agreeing upon new strategies, values, and structures often requires considerable reflection, dialogue, and decision-making. Liminal societies that successfully progress through the transition phase share four key features. First, returning to older ways is accepted as an impossibility—the past no longer exists. Second, the future is not wholly decipherable and leaps into the unknown are required. Third, new forms of expression and voice are supported to create a new future. Finally, and most critically, the presence of strong leadership is essential to affirm new priorities, make decisions, and lay the infrastructure required for new organizations.

Transitions in the Business World:

Arguably the most significant transi

tion for businesses is to reorient the value lens to seeking longer-term returns. This means relegating short-term returns and expanding organizational stakeholders to give more prominence to society at large. Notions of "Stakeholder Capitalism" and "Impact Materiality" are gaining traction, as they seek to position private corporations as trustees of society instead of just drivers of shareholder wealth. Global business leaders, such as the Chairman and CEO of Bank of America, have called for tools to guide the transition such as "common metrics for measuring sustainable value creation... [that] will provide clarity to investors and other stakeholders, and ensure capital is aligning to drive progress on the Sustainable Development Goals. That's stakeholder capitalism in action." In 2021, Bank of America announced in its Environmental Business Initiative a goal of deploy-

ing and mobilizing $1 trillion by 2030 to accelerate the transition to a low-carbon, sustainable economy.

Phase Three: Incorporation

During the *incorporation* phase, individuals and organizations begin to enact their new ways of being. New forms of community and culture are established based on the camaraderie built through collectively experiencing the transition phase. Novel structures and processes are practiced, refined, and rejected as needed. A trial and normalization process is repeated as individuals grow relationships and pursue activities that align with the new identity and vision. Over time, emerging structures, processes, and behaviours solidify. Liminal societies who successfully progress through the incorporation phase

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share four key features. First, resources are allocated to enact new ideas and new ways of being. Secondly, trial and normalization become standard practice. Thirdly, new successes are widely celebrated across the community. Finally, a shared, pervasive culture is built upon the bedrock of a new sense of community and values.

Incorporation in the Business World:

The success of many sustainable business models offers great insight and encouragement to organizations contemplating change. Patagonia, a long-standing pioneer of sustainable business practices, blends an economic and social lens in their business model. They challenge consumers and society to change behaviour through their

Common Threads Initiative to "Reduce, Repair, Re-use, Recycle, Reimagine".

The above three phases represent the rite of passage necessary for systemic change. As leaders look to build more sustainable organizations, a range of governance processes have emerged to guide and measure progress. Arguably, the most influential of these are the United Nations Sustainable Development Goals.

The United Nations Sustainable Development Goals (SDGs) Impact Standards for Enterprise.

In September 2015, 193 Member States of the United Nations adopted a 15 year plan to "...end extreme

poverty, fight inequality and injustice, and protect our planet". At the heart of "Agenda 2030" are 17 Sustainable Development Goals (SDGs). The SDGs have been the driving force behind many great initiatives, but the world is still behind on key environmental goals relating to climate change, ocean sustainability, and biodiversity. We continue to bear witness to escalations in the climate crises, climate conflicts, and disparities in global socioeconomic development. We face a concerning picture of the planet we will pass to future generations.

When the SDGs were launched in 2015, the goal for business was to move beyond thinking about sustainability as an add-on. However, this change has been insufficient. To heighten urgency, in early 2022 the UN launched the SDG Impact Standards for Enterprise as "...we are not yet on a sustainable path and there is a lack of clear guidance on how organizations can translate intent to action". The impact standards provide a clear guidance and offer practical tools to drive systemic change relating to what business gets done and how business gets done. All enterprises—irrespective of size, geography, or sector—can use the standards. The tools and processes created by the UN equips businesses with the practical resources to establish values, vision, and systems to help the private sector and other organizations make bigger contributions to protecting the environment. Mapping these tools onto the "rites of passage" of change offers a conceptual and prac-

tical road map that moves workplaces through the threshold of change and towards building sustainable organizations.

Tools and Processes + Phase One: Separation

Strategic certainty regarding the ending of unsustainable practices is essential for separation to commence. The SDG impact standards include a range of audit tools that help organizations commence separation from unsustainable business practices. The audit tools help to identify the extent of disconnect that needs to be achieved and where in the organization disconnection is needed most. Business leaders are encouraged to use the standards and audit tools as a gap analysis in order to identify priorities for discontinuation. To assist with this, the impact standards set minimum thresholds for organizations. These are diluted versions of the more aspirational "indicators" in the Standards, but set at a lower level to encourage participation and progress.

Guidance is available and organizations are encouraged to have their businesses evaluated by an independent UN accredited assurer. Training materials and programs tailored to different stakeholders are available to achieve a move away from "red line" unsustainable practices and towards full implementation of the SDG Impact Standards. Foundational courses to assist managers in developing the internal impact management capabilities needed to implement the SDG Impact Stan

dards are now available at https://coursera.org/learn/impact-for-sdg. The purpose of audits and assessments is to provide data to inform decisions and create space to move to more sustainable organizational forms.

Tools and Processes + Phase Two: Transitions

The transition phase is one of rebuilding, which requires strong leadership and decision making. As organizations move away from previously accepted practices and towards designing new routes toward creating value, the Standards offer a decision-making framework to guide this transition. The impact standards are organized around four key elements of business practice: strategy, governance, management approach, and transparency. Each element contains a set of actions that guide organizations to operationalize sustainability across their workplace. By way of example, the Strategy Actions for Enterprise positively embed contributions to the SDG as a core strategic focus, and sets ambitious impact goals relating to the following actions:

- Embedding impact into purpose and strategy
- Setting impact goals in line with the integrated purpose and strategy
- Understanding where the Enterprise is making impacts and determine where material impact can be made in the future
- Committing to operating responsibly and sustainably, contributing positively to the SDGs, and optimizing positive impact
- Understanding what's important to stakeholders and routes to achieving the SDGs

Each action above is accompanied by guidance documentation and measures that orient workplaces to pursue long-term, sustainable value creation and positive contributions to a more sustainable world.

Tools and Processes + Phase Three: Incorporation

Accompanying the set of actions for each of the four key elements are a series of impact questions and indicators that can facilitate the trial and normalisation process underpinning this final stage of change. The impact indicators are designed to facilitate establishing new structures through "directing attention and resources to where Enterprises can optimize their contribution by focusing on material positive and negative impacts". The guidance comes in the form of indicator lists, questions for assessing impact, and explanatory notes. Working through
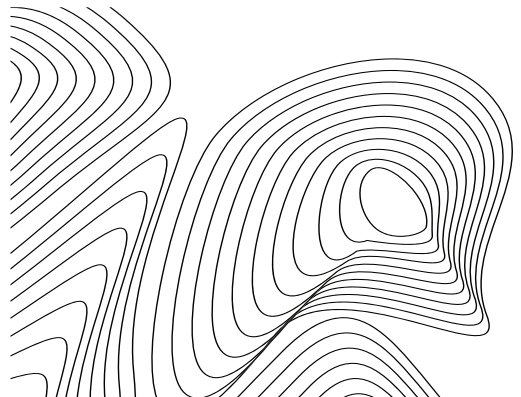
this process can help workplaces to establish new working communities committed to achieving the new forms of impact and long term, sustainable value. Assessing impact can also help organizations identify and celebrate achievements and build a new culture around sustainable workplaces. In this way, the standards help to make high-level impact management actionable, and guide the choice of frameworks, methodologies and tools to measure and manage impact. They embed the SDGs and the Impact Management into the shared norms and values so essential to stabilising new ways of working.

Conclusion

The theory of liminality was created to explain how individuals and societies behave when on the threshold of systemic change and beyond. In doing so, liminality unpacks the rites of passage involved in progressing through change to create a new way of being. Business leaders now stand on the threshold of multiple climate crises. The UN's Intergovernmental Panel on Climate Change (IPCC) published its guidance on what the world can do to avoid an extremely dangerous future with the message: "It's now or never". For business leaders, identifying new routes to sustainable value is an incredibly complex endeavour that looks different for each organization. However, one way or another, the climate crises will impact organizations' routes to value.

Change is afoot, and the SDG

Impact Standards for Enterprise help guide that change by setting out principles, actions, and impact indicators across four key elements of business: strategy, governance, management, and transparency. Mapping these to the rites of passage of change are a way to segment the complexity of

this change into operational tasks. While the phases of liminality bear some similarity to the long standing "change curve", they are more

targeted towards the deep systemic change we need now.

The theory of liminality, combined with the resources offered by the United Nations Sustainable Development Goals, serve as a roadmap for systemic change. Science has made the case for change and provided the tools for organizations to leave destructive practices behind and create a better world for all. To live is to change and to change is hard, but the human race has faced enormous challenges before with ingenuity and creativity. We must now do so again.
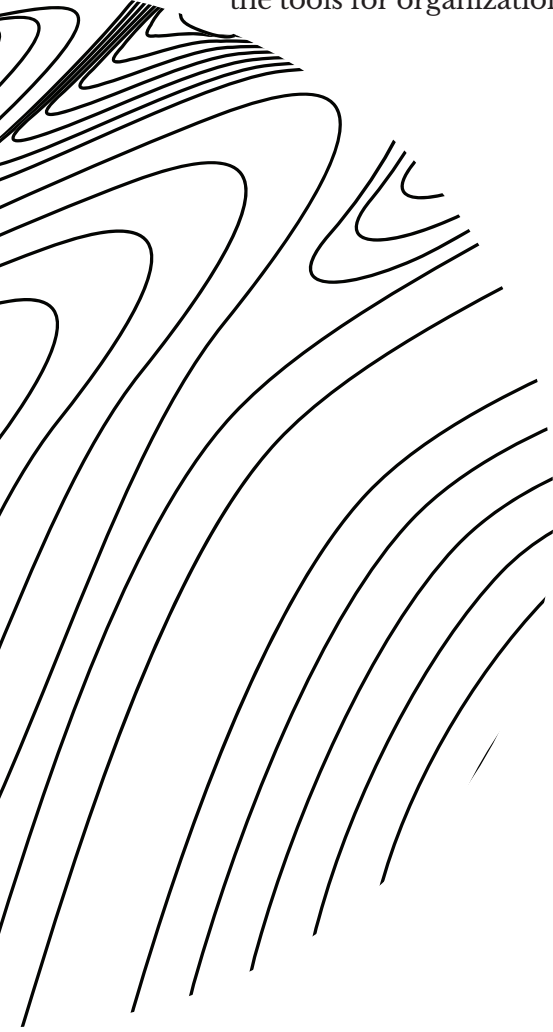
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Going Net Zero Through Your People Strategy

Natal Dank

The race to reduce emissions and stop global warming now constitutes the most important, and perhaps the toughest, socio-economic challenge ever faced by humanity. Building a net-zero business model not only requires business agility, it asks every employee to become a corporate activist. Yet, transforming into a net-zero business doesn't have to mean purpose over profit. In fact, immense opportunities exist for companies that are willing to embrace the green economy.

To achieve net-zero while also gaining a competitive advantage, organisations need to win the hearts and minds of their people by moving beyond greenwashing, and ensuring their net-zero actions are authentic, practical, and permanent. Only by making net-zero a central component of their people strategy will organisations be able to recruit and retain the young talent necessary to fuel the required innovation. Belief in a net-zero mission is also essential to inspire development in new green skills, and help employees evolve their daily operations into sustainable practices.

Going net-zero is as much a people initiative as it is a business target. Within net-zero conscious organisations, a shifting of mindsets, attitudes, and capabilities is required to foster a sustainable culture. Achieving the net-zero vision also requires a fundamental rethink in how we live and work. From the daily commute to how we power the office, a net-zero workplace demands a paradigm shift in the day-to-day activities of every employee, in every sector, all around the world.

What is the climate crisis?

In August 2021, climate change was declared inevitable and irreversible by the world's leading authority on climate science—the IPCC (The UN Intergovernmental Panel on Climate Change) (Harvey, 2021). It's now an indisputable fact that human activity has warmed the atmosphere, ocean,

land, and frozen areas of our planet through the burning of fossil fuels and deforestation (IPCC, 2022). The last four decades have been the warmest on record, and the earth's global average temperature has increased by 1.1 °C since the late 1880's. Alarmingly, unprecedented and extreme weather events are becoming normalised daily news events. With current carbon dioxide and other greenhouse gases at their highest levels in at least two million years, nearly every region of the planet is being impacted, as witnessed through wildfires, melting polar ice in the Arctic, floods, and hurricanes.

"*The future of humanity and indeed all life on earth depends on us.*"

David Attenborough

What is Net–Zero?

From this point, every emission adds to global warming and affects how we live, work and breathe. To stabilise global warming we must become net-zero by balancing the amount of greenhouse gases emitted into the atmosphere with the removal of these gases out of the atmosphere (Oxford Net Zero, 2022). Such transformation requires large scale structural change in how companies run their operations, distribute sales, source raw materials, and participate in supply chains. Going net-zero is now a serious and very real, complex problem to solve that is radically

reshaping the workplace.

This stark reality means that a historically niche topic linked to ESG (Environmental, Social, and Governance) policy is now central to risk management, corporate finance, and strategic business planning. Larry Fink, CEO of Blackrock and the world's largest asset manager, declared climate risk equivalent to investment risk, and any business not planning for a carbon-free future is likely to be left behind (Blackrock, 2022). Such risk also saw countries worldwide commit to achieving net-zero by 2050 at the 2021 UN Climate Change Conference (COP26).

The knock-on effect has seen leading companies such as Unilever, Amazon, Maersk, and Sainsburys pledge to become net-zero by 2040, with fossil fuels companies like Shell and Exxon following by 2050.

Why is net-zero ultimately about people?

Despite the potential financial upside of going green, it is customers, employees, and investors who are forcing businesses to adapt. Ultimately, people are voting with their feet, and increasingly likely to base consumer and employment decisions on the sustainability actions of companies. This means that, while advancements in technology and science are harnessing cost-effective green solutions such as renewable energy, it's what these sustainable actions say about a company's brand that are becoming even more valuable in the market.

Interestingly, the COVID-19 pandemic has served to consolidate these beliefs. A 2021 IBM Institute for Business Value (IBV) global survey reported that COVID-19 influenced the sustainability views of 93% of global consumers, and 71% of all employees and employment seekers now find sustainable companies more attractive (IBM, 2021). The rapid growth in hybrid working models resulting from the pandemic also means most office-based employees have now experienced new, more sustainable digital workplace solutions. By reducing the daily commute and the demand for business travel, the pandemic has helped challenge traditional mindsets in how we conduct our daily work routines, and given many people the motivation to make these changes permanent for the benefit of our planet.

This evolution in how we do business is closely linked to the concept of 'stakeholder capitalism', where companies have a responsibility to wider society. While shareholders are one of these stakeholders, so are employees, customers, suppliers, communities, and the planet. A good example is Unilever's Sustainable Living Plan, which sets aggressive targets to decrease the company's environmental impact, while also improving the lives of multiple stakeholders along the value chain from end-customers to smallholders. As a result, Unilever was ranked number one by sustainability experts, while increasing its return by 300% over an 11-year period (Polman and Winston, 2021).

Such trends reshaping the workplace provide opportunities

for businesses to gain competitive advantage by positioning themselves as a net-zero brand. However, as demonstrated through the recent backlash in social media against greenwashing, net-zero pledges need to be more than just lip service, and equate to genuine sustainable actions.

How your net-zero purpose attracts the best talent

A powerful employee value proposition (EVP) is central to attracting and retaining great talent, and defines why a company exists beyond the products and services it sells. A purpose-driven EVP means you can attract loyal employees based on values, not just the pay packet, because people believe they can make a positive and meaningful contribution through their work. By committing to a net-zero purpose, companies now have an opportunity to link their EVP directly to saving the planet—surely one of the best motivators possible.

Studies also show that this need for a net-zero purpose is stronger in younger generations. Gen Z have higher levels of eco-anxiety, and are more likely to seek out a sustainable employer (Ro, 2022). The global Friday school climate strikes inspired by Greta Thunberg are a good example of urgency and willingness to act within the younger generations now coming into the job market.

"*Once you learn how damaged the world's ecosystems are, it's not really something you can't unsee...To me, there's no point in pursuing a career—or life for that matter—in any other area.*"

(Rachel Larrivee, 23-year-old sustainability consultant, taken from Lashbrook, 2021)

A strong, purpose-driven EVP means building a culture within the organisation around why you're going net-zero, how you're doing it, and connecting the everyday actions of employees to the net-zero mission. For example, the market leading sustainable fashion brand Patagonia recently updated its purpose-driven mission from "Build the best product, cause no unnecessary harm", to "We're in business to save our home planet" (Sonsev, 2019). Another good illustration was at a global distributor of industrial gases and chemicals, where a new employee stated that a key motivator for joining the company was to help guide a transformation towards powering clean energy through hydrogen and carbon capture.

A purpose-driven brand also means holding executives accountable for net-zero pledges. A net-zero EVP quickly

becomes greenwashing if a company fails to deliver against their sustainability targets. An interesting tactic employed by The Body Shop was to host a 'Boardroom 2030 Activation' campaign, where youth activists, including members of Extinction Rebellion (XR), were invited to participate in live conversations with leaders—the aim being to reflect upon the potential future composition of the company's 2030 boardroom (Love and Eccles, 2022). Such conversations with critics are important methods to keep business leaders honest. They also indicate how companies now operate within a community-based ecosystem, where people are quick to question empty net-zero slogans and call out bad practices.

Going net–zero requires green skills development

Green skills are essential if a business wants to take the lead and carve out a competitive advantage as the economy begins to decarbonise. Green skills represent the capabilities and behaviours necessary to innovate sustainable business solutions, but also guide how we navigate daily activities such as shopping and commuting in a net-zero economy. The growing demand for sustainable skills recently saw LinkedIn Learning launch a new suite of green skills development programs, a strong indicator that the recruitment market is beginning to plug the net-zero skill gaps.

Within organisations, green skills are needed on multiple levels. The first constitutes the creation of new skill sets necessary to drive innovation and product design. A good illustration is how the company Tesla disrupted the car industry by going fully electric, and by doing so created new roles linked to self-driving technology and electric car batteries. Indeed, the speed at which sustainable business innovation is reshaping the workplace means roles that barely existed a decade ago, such as Sustainability Manager, Wind Turbine Technician, Solar Consultant, Ecologist, and Environmental Health & Safety Specialist, now represent the five fastest-growing green jobs globally (Duke, 2022).
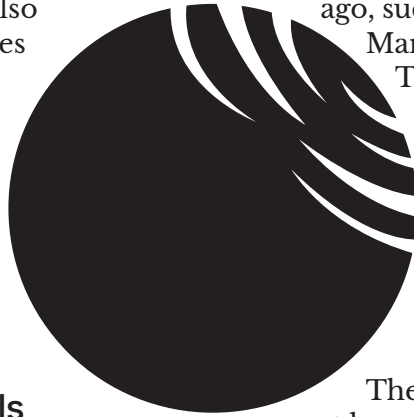
The second level looks at how to upskill (or reskill) current employees to embrace new technology or sustainable working methods. For example, a large European bank is upskilling employees to seek out cross-selling opportunities linked to home mortgages, such as the installation of solar panels. Another relevant case study is the public transport provider First Bus, who is aiming to be carbon neutral by 2035 byspending £100 million a year for the next decade to replace its entire diesel fleet with electric and hydrogen vehicles (Whitehouse, 2022). Such a transformation not only requires updating the technical skills of bus drivers and engineers, but a

whole culture change towards a customer-centric and service-oriented brand that encourages people to take the bus rather than drive a car.

The scale of transformation required within companies over the coming decade means that sustainability is becoming central to all learning and development strategies, and that all jobs in all sectors need to harness green skills in some way. In business agility terms, this equates to everyone adding sustainability to their T-shaped development. A T-shaped professional is someone who has various well-developed general capabilities-the horizontal part of the T—alongside a smaller selection of areas in which they are expert-the vertical part of the T. In the new net-zero workplace, all employees will need to strengthen a general level of skill linked to a sustainable mindset and net-zero practices, while others will need to acquire whole new areas of expertise to lead net-zero business development. The faster an organisation builds this enterprise-wide capability in green skills, the greater chance they have of gaining a competitive advantage. A good starting point is to assess whether you're missing certain capabilities to successfully execute your net-zero strat-egy. If so, what are the skills you need for those capabilities and where can you find them?

Net–zero and the employee experience

All of this implies the reimagining of the employee experience through a net-zero lens. To ensure cultural fit, companies are increasingly seeking sustainability know-how and skills when recruiting. Team performance is also beginning to focus on net-zero outcomes, not just customer deliveries. Remuneration, particularly at the executive level, is being linked to ESG targets within many organisations due to increased pressure from investors. Closely connected to this trend are workplace governance committees overseeing topics like risk, audits, and health and safety now including sustainability data in their assessments.

Indeed, a great way to harness support behind the net-zero mission is to listen, and survey employees on climate change issues. The feedback collected will help companies better

understand which social protests or sustainable actions to support. For example, some organisations now allow time off or charitable giving for initiatives that meet a set criteria, such as climate action underpinned by science. Ultimately, people want to be part of this movement, and by linking different touch-points of employee experience to our net-zero aims, companies have the opportunity to access a mostly untapped source of human potential and motivation within the workplace.

What is your Net-zero purpose?

Tackling the net-zero challenge to gain a competitive advantage is a complex problem that requires a change in attitudes, beliefs and methods of work. Increasingly we have the technology to power a green economy—renewable energy, batteries, big data, and AI—but we now need an investment in people to drive the research and development necessary to achieve the desired outcomes. Inspiring people through a purpose-driven people strategy is critical. It asks organisations around the world to redefine how and why they deliver

value to their customer, and who the customer is. By engaging all stake-holders—employees, future generations, communities, suppliers, investors, regulators, and our planet—we can build a profit-making model that benefits everyone. Such an outcome aligns beautifully with Agile values, and belief in the creativity and self-organising abilities of people.

The climate crisis is our current reality, and the time to reimagine the workplace to gain a competitive advantage is now. Tomorrow, sustainability will be business as usual. Don't get left behind.

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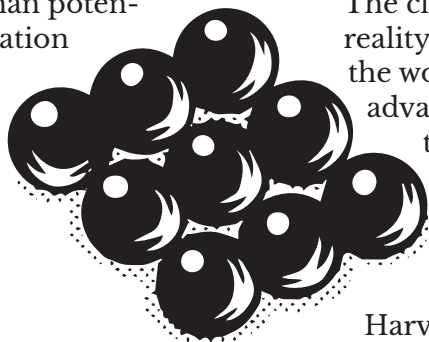
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The Future of Work
A Leader's Perspective

Timm Urschinger

We live in a rapidly changing world. Countless systems and their myriad elements are interacting all around us without an apparent controllable causality, making our environment increasingly complex (as discussed in Dave Snowden's Cynefin framework).

This state of affairs is also present in the professional world. Human reactions can never be anticipated, business ecosystems and markets are ever-changing, companies and industries get disrupted, and the role of the customer is evolving. New needs are emerging at an accelerated pace, partially (but not completely) as a result of Covid. Some examples of this new complexity include the new need for hybrid and remote work setups, modern workplaces creating a strong cultural backbone for businesses, b-corps, sustainability goals, and much more. To handle these new needs, organizations must develop a key ability—Responding quickly and effectively to changes at the organizational and individual scales, while preserving the mental health of the team.

The Teal Organizational Model seeks to provide an answer to this urgent need.

The Teal Organizational Model—a management system defined by Frédéric Laloux in his 2014 book *Reinventing Organizations: A Guide to Creating Organizations Inspired by the Next Stage of Human Consciousness*—is structured around three key principles:

Self-management: There are no levels of hierarchy. Authority, decision-making, and work are distributed and decentralized.

Wholeness: Teal encourages you to show your complete personality, including your emotional and spiritual sides. The more life you bring into the company, the more life the company has. An enormous amount of

energy and creativity is set free when we can be ourselves.

Evolutionary purpose: Teal empowers you to sense and respond instead of predicting and controlling the future. The world has become too big and complicated for the latter. The company is a living organism, so listen to where it wants to go and then follow. I co-founded LIVEsciences, a consultancy agency based in Switzerland specializing in organizational transformation and modern ways of working. We are passionate people who use a customized approach of offerings around Agility, Teal, and creation of Modern Workplaces to support companies in unleashing their potential while retaining their identity.

Many of the team at LIVEsciences, myself included, were frustrated by more traditional organizational models and management ideas. We felt it was worth trying something different. Something less bureaucratic. A structure that chose not to control but empower and support people to thrive and use their creativity

with all the autonomy they could wish for. Since taking that step, we've now lived by Teal principles for more than six years. We take the Teal Model to heart, and in our organization the three principles are translated into action every day.
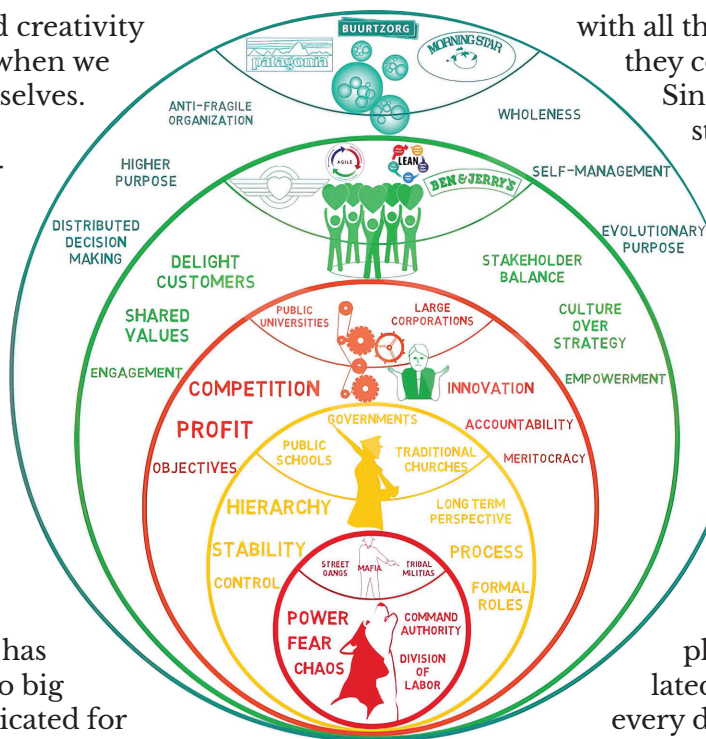
In saying so, let's look at the three pillars and their challenges one-by-one.

Self-Management

I am a CEO to the outside world and a leader (amongst many) to those inside LIVEsciences. Because we are a self-managing company, there are certain contradictory leadership expectations, whereby people expect and demand direction and autonomy at the same time. There are a plethora of different concepts and leadership ideas out there, but no matter which you choose to follow, it always comes down to acknowledging you don't know everything. Living up to your accountabilities always comes down to being able to let go of opinions, and consciously distinguish those

opinions from from true objections. The biggest paradox for agile or self-organized companies to face is that these concepts of autonomy require more leaders rather than fewer. Since everyone is a leader, you'll have more providing leadership compared to only a few chosen ones. It's an interesting balance to strike: living up to your own accountability versus coming across as too directive or too controlling.

The combination of these complications, as well as a general transparency culture with respect to communication, financial reporting—everything, really—allows us to implement practices adapted to our needs and expectations.
At LIVEsciences, we are all encouraged to work within but also on the system by evolving the organization, its practices, processes, and roles based on our tensions. It is almost a safety measure to not build bureaucratic structures that serve no one—or building new power structures that are hard to change again once they've manifested.

Another practice that promotes self-organization and autonomy is the self-set salary process. With this process, we build on Herzberg's theory from the 20th century, which suggests that salary, compensation—and everything related to it—is merely a hygiene factor that will never motivate anyone. In the worst case, it destroys motivation and creates a lot of frustration. While

- ★ profit is necessary, but the objective is purpose
- ★ come together as a community and fill a human need
- ★ evolves over time when the organisation grows and adapts

Evolutionary Purpose

Self-Organisation

Wholeness

- ★ autonomous teams
- ★ no job description but roles
- ★ no fixed hierarchy
- ★ distributed decision making
- ★ open information flow
- ★ conflict resolution process amongst peers

- ★ self-management
- ★ safe space & supportive environment
- ★ explicit ground rules for collaboration
- ★ reflecting space
- ★ storytelling
- ★ managing conflict
- ★ meeting practices
- ★ personal development

emergence

not always everyone agrees to the set salaries, we're living in a culture that values everyone's strengths, and acknowledges that we cannot judge everyone's performance, so we all come to an acceptance of the value everyone brings and its link to their compensation.

Wholeness

In addition to adopting self-management practices, we also experiment with new approaches to the working environment in regards to "wholeness"—or a more human approach to collaboration. The experience of our employees, based on the principle of wholeness, is focused on psychological safety and showing up fully as a person. We are a team and we support each other relentlessly through our failing, learning, and growing journey. We are all there to lend an ear when someone needs advice or feedback, or when we need to challenge each other's thoughts or resolve conflicts.

Vulnerability and the capability to say "I don't know" are notions that we encourage and consider a strength. In order to ensure a sense of recognition, setting our own salaries is one important step. But we always aim to do more. We maintain, for example, a weekly ritual during which we express our gratitude and praise to our colleagues in a transparent and appreciative way.

Furthermore, as mentioned above, we are all encouraged to work on the system regardless of our status (full or part-time employees and, even, trainees). This is done in particular through our monthly governance meetings where we can work on our roles, our "circles", our ways of doing things, and the system in general. Everyone is free to propose and present their ideas.

The general process for decision-making is a consent process. We begin validating the presented ideas and proposals by starting with a time for questions and clarification, and listening to reactions from the team. We then ask if anyone objects to the ideas. If there are none, we can begin implementation! This consent decision process opens a lot of opportunities both for efficient and effective decision-making.

In reality, due to the flattening of the organization (in fact, we are a fully horizontal one) and our company principles, we do not ask permission for anything. Our mantra is that "it is better to ask for forgiveness than for approval".

We are free to ask for advice, feedback, or support for decisions on how we self-organize and self-lead. Access to our respective agendas is open to all, and we don't impose any rules on holidays (other than legal limitations), working time, clients, or other typical consulting industry KPIs. I have confidence in my team and in our ability to achieve the goals we set together—we all do!

In case of failure, where a traditional system might (unconsciously) blame the person responsible for the initiative, we seek to understand why it happened so as not to repeat the same mistakes in the future. Failure is part of innovation, and we believe that it is much more concerning never to have failed. To encourage experimentation and failure, we share our Learning of the Week during our weekly team meeting, and hold specific meetings to share and celebrate our recent failures.

This approach to failure encourages a certain capacity for innovation and experimentation, but this does not mean that we are not accountable for them. This accountability principle is particularly important to us as we all consider ourselves responsible for the success of the company. Seeing ourselves as entrepreneurs who are responsible for our own commitments, workloads, and our compliance with the LIVEline principles (more on that below) and our capabilities and limits is not always a pleasant experience and requires a high level of individual maturity.

Evolutionary Purpose

You can read "purpose over profit" taglines everywhere right now. We believe that purpose is crucial for us as a business, especially when creating the above-mentioned direction. At the same time, we believe it's much more a question of living

up to the purpose and using it to create a viable business. It's not an either/or, but rather a holistic integration of both purpose and direction into our day-to-day.

While we are on the topic of purpose, the most interesting moment in the year probably is our purpose sharing session when we visit our cow in the Swiss Alps. We're usually there for an offsite, sharing our own personal Ikigai stories, and discussing how we want to see our purpose in the world. This is often followed by a conversation about how this is (or is not) represented and manifested in the LIVEsciences's company purpose.

The other thing to keep in mind for purpose is that the conversation about a company's purpose is much more important than the final statement. In any decision we take, especially the bigger ones with more impact, we ask ourselves—do we stay true to our purpose if we go this way?

This has, in the past, meant turning down certain clients, because the request or their organization was not in line with our idea of purpose and

how we want to bring it to the world.

We've also created platforms to discuss our purpose regularly. We ask, what does it really mean? What does this word mean for me and for us as a company? How do we see this sentence become alive? These are all important questions that will never have a right or wrong answer, but a need to be raised in conversation to create alignment.

It's Not Easy Being Teal

While LIVEsciences has seen many benefits and advantages through adopting these systems and practices, it's by no means easy or always comfortable. In fact, it can easily overwhelm anyone from time to time.

Unlearning and deconstructing all of the practices, habits, beliefs, and value systems ingrained by previous experiences takes time and hard work. As such, our onboarding process aims to act as a solid accompaniment on this new adventure. We tell each person who joins us, "Feeling lost and unsettled is normal!"

I believe it is our solidarity that makes this period surmountable for most. However, following Teal practices and Laloux's breakthroughs leads to new and unique challenges.

As passionate, purpose-driven colleagues who are deeply convinced of Teal's virtues, a certain impatience often arises. Since our recruitment policy is based on a search for diamonds—people in whom we see

potential regardless of their professional background—our new hires tend to want to prove their worth on day one. Their goal is to learn as quickly as possible without always remembering that it's good to stop from time to time as well.

We've all been there, and we know what it's like to desire to be in volved and to say yes to everything. It can become challenging to prioritize tasks, manage the transition to self-organization, and learn to lead ourselves, all while still developing and growing as a person.

The key here is the ability to learn and to listen to the advice given by our onboarding team and by each new team member's buddy. As we all are constantly learning, it is essential that the newcomer is able to ask questions, to dare as soon as they arrive, to make their voice heard so that the implicit becomes explicit.

From a more general point of view, having almost doubled our headcount since 2021 thanks to a period of rapid growth, we know how important it is to consider how

long it takes for newcomers to feel comfortable in this environment. The overall alignment and focus in itself could also be challenging and it is where our constant learning culture is essential to identifying areas for improvement, our gaps, and our potential.

However, just as we have confidence in our principles and purpose, we also have confidence in ourselves, our teams, and our potential. This is one of the things that sets us apart

emergence

from a traditional system. We are walking our talk and trying to live up to the high ambitions we have set. It's certainly challenging, especially during periods when the financial performance of the company dips, or in times of conflict and bigger structural changes. Just as in any setup and system, these create anxiety and fear.

Teal, or Agility, can't magically solve all problems or challenges. It's a concept and approach that allows us to react to the challenges that get thrown at us.

In that sense, my wish would be that more companies and leaders dare to try something new and different. Almost everyone is aware that we can't just continue with what we do right now. Maybe Agile is not the right way, and maybe Teal is not the right way, but experimenting with different, new approaches is crucial to help us make that paradigm shift that we so desperately need!

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If you want to learn more on how we're picturing our journey: https://www.linkedin.com/posts/anna-nestorova-907aaaa0_selforganization-innovation-leadership-activty-69091638167 35936512-uzQt?utm_source=linkedin_share&utm_medium=member_desktop_web ℮

The 24 Hour Restructure

By Dr. Ulrich Lages & Marie Lages.

Ibeo's Big Bang

Change management and stories thereof are not new. Most change management efforts fail over time, primarily because change processes can be lengthy, exhausting, and frustrating if prolonged. When change came to Ibeo, a new approach was taken: the change was initiated fast and unexpectedly. From one minute to the next, the old system was disrupted, torn apart, and rebuilt, with no option to reverse course or backtrack.

Ibeo is a worldwide technology leader in the field of Light Detection and Ranging (LiDAR) sensors, associated products, and software tools. It is Ibeo's goal to reinvent mobility by enabling cars to become cooperative partners in public traffic, thus reducing accidents while looking out for the most vulnerable road users: our children.

"By 2019, the company employed 350 people, and the founders had a vision to apply the same level of innovation that Ibeo demanded in its products into its structure and management principles"[1]. Before May 9th, 2019, Ibeo was a classically hierarchical organization, with team leads, business division leads, and project leads. Budgets were distributed accordingly, and decisions were taken by whoever had the power to do so (but not necessarily the competence to do so). Ibeo's innovative, leading-edge software and laser technology hardware positioned the company in a fast-changing environment, competing in the highly dynamic automotive market. A dynamic market requires a dynamic structure to match, which was why Ibeo CEO, Ulrich Lages, decided to act boldly when he initiated the organizational change process. His plan was to disrupt the field of New Work and change management by placing all his trust in his employees' hands.

For employees at Ibeo, May 9th, 2019—later also referred to by the employees as "The Big Bang"—started as a normal day. The annual

general meeting was taking place at a nice offsite location in Hamburg, Germany. 350 employees gathered in a conference hall to discuss the usual: financial reports, news, what happened over the past months, etc. But the second half of the meeting was more radical. No one, except for the four founders, (including Ulrich) knew what was about to happen.

Ulrich's presentation discussed how rapidly Ibeo as a company had grown over the previous years and that the organizational structure would need to ensure that the company could continue to grow in a sustainable and smart manner. This was particularly important when it came to attracting experienced automotive experts from Southern Germany as well as focusing on the working expectations of generation Y. He presented three options: continuous growth in a classical hierarchical way (how it was), change into a matrix organization (which Ibeo had been a few years earlier), or jump into self-organization with flat hierarchies. Options one and two were quickly eliminated, leaving only the self-organization proposal. But what did that mean for all the employees that day and thereafter?

"[...] Ibeo's daring project was to destroy its traditionally structured organization instantly (no job titles, no departments) and give all staff the equal power and freedom to rebuild the company

structure by means of a fully self-organized transformation"[1]. Destroying the formerly known structures altogether was necessary for setting a baseline for change.

The four founders knew that this news could result in people not knowing how to handle the situation, so first aiders also attended the event to be prepared for all possible scenarios. Luckily, on that day, everybody was safe and sound.

After this first message had sunk into everyone's heads, the CEO provided them with one "simple" task: "Think about the goals of Ibeo as a company and where we want to go. Create teams consisting of four to eight working on topics that are needed to ensure that Ibeo's success continues. When creating these teams, think about the end-to-end responsibility you want to take as a team." This helped establish clear rules for the playing field. How would you react in this situation? Would you first watch and analyze the situation? Would you be the one to take over and try to establish your own team? Would you feel lost? Would you know whom to team up with right away?
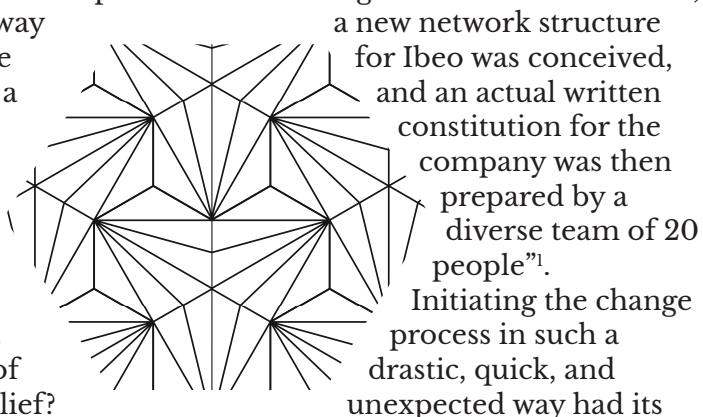
This meant that from one moment to the next, the employees had lost one major building block of their identity: their current job. It also meant that Ibeo allowed for absolute freedom on how to best contribute to the future success of the company.
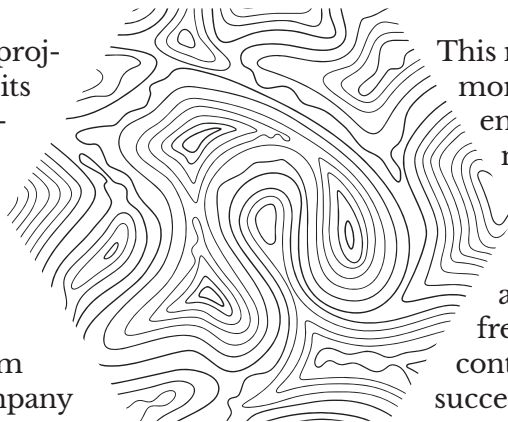
If someone had started as a software developer at Ibeo but had always wanted to work in marketing? This was their chance to change paths. At the same time, it also created a power vacuum: if you take away people's authority, where does this power go? Can a system like self-organization allow for people who only strive for power? How can you avoid egoistic behaviour and fights for "the best role"? What happened after the day of the Big Bang? Chaos? Relief? Innovation?

The immediate outcome of the Big Bang was internal chaos, which was expected by the founders (they had already cancelled all their planned meetings and holidays for the next weeks). However, the chaos took place over a short period of time and created the playing field for self-organization to flourish. "Ulrich felt strongly that a slow introduction would have paralyzed employees for too long with lengthy discussions"[1]. Self-organization at Ibeo had to be developed by the employees themselves, as there was no blueprint. A specification by the management would again have been a top-down approach and would have violated the principles of self-organization. On the day of the Big Bang, a "great deal of emotion was duly involved, but after two hours, the core teams were formed"[1] as all employees at Ibeo accepted the challenge and took over great levels of responsibility. "Communication, frameworks,

and innovative thinking processes were reimagined. This outbreak of benevolent chaos was replicated physically as well, with desks and offices being reallocated. But overall, a new network structure for Ibeo was conceived, and an actual written constitution for the company was then prepared by a diverse team of 20 people"[1].

Initiating the change process in such a drastic, quick, and unexpected way had its pros and cons. But overall, the positives of following this approach have outweighed the negatives. A great team spirit has developed among the different teams. The sense of responsibility towards team colleagues has increased. People with hidden potentials take on more important tasks and roles than before the Big Bang. Also, there has been a great support for the teams from former managers both during and after the restructuring, and white spots are now seen by many employees. Consequently, transparency is increasingly demanded and established.

The initial power vacuum of the Big Bang fostered elbow culture, and furthermore, particularly at the beginning, there was a misunderstanding of what self-organization meant. Some people understood it as: "From now on, only I decide what I am doing." This is, of course, not the case; teamwork and collective decision-making is even

more important in a self-organizing company. Luckily, over time and with many in-depth conversations, these misunderstandings have faded away. In many ways, the real change in thinking, designing, and dealing with the situation is still unfolding as the principles of self-organization are continually consolidated. In two company-wide employee surveys conducted across 2019 and 2021, the majority of employees clearly spoke in favour of self-organization. Perhaps above all, the Big Bang was essential to ensure that the transition was taken seriously by the entire team. A gradual, more traditional process would have increased the chances of backsliding on major changes. Even those team members who were not completely sold on the idea of a Big Bang change agreed that this was a strength of the process.

Upon reflection, it seems that too many companies wait until they're in pain before they change. Ibeo decided its organization was going to be ahead of the pain. "Ibeo [is] very clear in its mission to 'never wait for the pain,' and this became a vital truth incorporated into Ibeo's work and learning"[1]. As it turned out, getting ahead of the pain was vital. Nobody in mid-2019 could have foreseen the arrival of a global pandemic, and it served as a true challenge for the newly created self-organized network structure. In February 2020, when it was still unclear as to whether Covid would constitute a global pandemic, Ibeo set up an internal Corona Task Force to prepare for the worst. This made it possible to send everyone into a work-from-home situation smoothly when the order was given by the German government only a few weeks later. Another action that was taken by the employees within the self-organized setting was to make their reoccurring program increment plannings (i.e. PI Plannings) fully virtual. Something which was unimaginable before the pandemic quickly became the new normal. These two examples are emblematic of Ibeo's innovative, forward-looking, solution-focused, and responsible company culture.

"The power of the Big Bang might be best expressed, and most concisely, by Ibeo's own constitution, written collectively by employees: Each employee is responsible for implementing and breathing life into the new company structure, in their day-to-day work (operational self-organization). Each employee should participate in the ongoing development of the new company structure by actively providing suggestions for changes or improvements (organizational self-organization)."[1]

The passion felt by Ibeo's employees for self-organization can be demonstrated through attrition rates: 18 months after the Big Bang took

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1: Can you transform an organisation in a single day with a "Big Bang" moment? Autonomous vehicle specialist Ibeo accepted the challenge (LinkedIn article) by Dr. Erik Lenhard, Dr. Ulrich Lages & Marie Lages

place, only 11 people out of 350 had left the company due to organizational change. This 3% attrition rate is outstandingly low when compared to other companies which conducted extended, step-by-step Agile transformations.

In addition, self-organization and the way it is lived at Ibeo has become a main driver in recruiting excellent people from across the globe. Taking away everything people had known before and letting them create their very own high-functioning system by following self-organization principles has resulted in a more dynamic, lively, and innovative organization. This success is underpinned by the fact that Ibeo has been named as one of Germany's 100 most innovative companies three times—in 2019, 2020, and 2022.

"In conclusion, other companies can learn from Ibeo's experience. Self-organization requires a swift and radical transformation impetus—but this doesn't mean leadership is suddenly absent and no longer required. It means that leadership needs to express itself and grow through new channels, as part of the ongoing process of transformation.

Continuous growth means Ibeo is prepared for the future, and self-organizational alignment enables autonomy for the compa-ny's people while embedding its vision—and its attitude towards technology and innovation—into the daily working life of everything they do"[1].

The Big Bang experience, although remembered by the employees as a highly challenging and demanding day, has strengthened the memory muscle of every Ibeo employee as concerns changeability. As a result, Ibeo has benefitted as an organization not only throughout the pandemic shock but for all kinds of future changes to come. Ibeo demonstrates that building agility and self-organization when things are good will help to create a more adaptive and resilient organization, prepared for future challenges. Every employee can make use of their unique muscle memory of sudden change due to the Big Bang experience. Ⓔ

To contact Dr Ulrich or Marie, email at Marie, marie.lages@ibeo-as.com or Ulrich, Ulrich.lages@ibeo-as.com
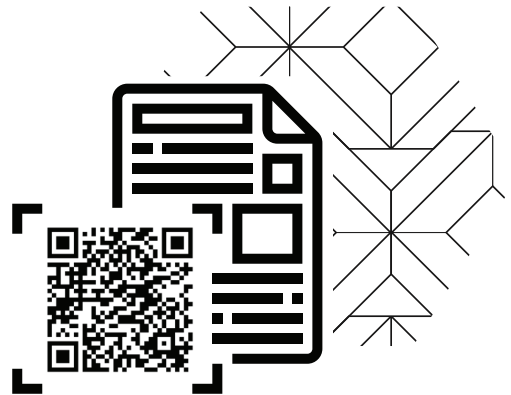
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It's Not "Self Organizing" versus "Self Managing"

Susanne Taylor

Fostering self-managing competencies to enable self-organization

Self-organization starts with the "Self". We as individuals. Right? Wrong.

Many think that individual autonomy is what defines self-organization.

Autonomy, where we all get the power to decide how best to do the work required. Isn't that what "new work" is all about—to be trusted to do the work we have the skills and desire to do? Unfortunately, many believe that full autonomy automatically results in self-organization. What we've learned at Gini is that effective self-organization isn't a result of "do what you think is best—we trust you!". Although we use Theory Y thinking, we've learned that people still need frameworks and guidance. Self-organization emerges from effective self-management. Ultimately, self-organization is what modern leadership relies on in our VUCA world.

Quality self-organization depends on self-management

First of all, "self-organization" is a term that describes how order appears in social systems. Self-organization is everywhere. It is a phenomenon that accompanies every organization and keeps it running in the first place. In most companies, self-organization takes place on an informal level, and functions to bypass existing hierarchies. Without self-organization,

organizations would no longer function. However, the ability to self-organize is limited by power hierarchies. This also means that a company can't be non-self-organized. Self-organization can't be decreed or proclaimed—it can only be unleashed.

The quality of self-organization depends on how good people are at self-managing. We need the right environment, process, and structures to enable self-management, and a plan to put the aspects of self-management into practice (reflection, open communication, accountability, and collaboration).

Self-management and self-organization influence each other, pursue similar goals, and can't be considered one hundred percent distinct from each other. So, it is important to understand how they are different and their relation to each other.

Why we chose self-organization

At Gini, our original model was a classically hierarchical company, which felt very slow and left people unhappy. It became clear that change was necessary, however our transition to a fully-autonomous model produced even more undesirable outcomes. After some adjustments, we settled on a self-organization method we dubbed "The Gini Way": 80% self-management + 20% clear leadership from the CEO/Founder, agile coach, and the Strategy Team. This "sweet spot" method enables us to respond based on our current business strategies and markets.

Our resulting challenges and trade-offs

We've come to understand that self-organization takes intentional practice, and a focus on learning self-managing competencies. People enter the organization at different levels of experience, so getting everyone to the same level in short order is key, as is having the right mindset.

In fact, we learned that the right mindset emerges from having an environment that fosters certain behaviors and patterns. Part of having the right environment means people are given opportunities to learn how to self-manage, instead of assuming that it will just happen by itself. And all of this takes time—it is developmental.

At Gini, one trade-off is that we attract young talent who are eager to learn, only to leave after three

to four years to try something new. Ginis with longer tenure assume the role of "training" new Ginis, thereby becoming caretakers of the culture.

Our other challenge is that this way of working isn't for everyone, and we accept that. It simply means that we have to make an extra effort to find the right people who fit, or who show a willingness to learn self-management and deal with a high degree of autonomy.

However, the degree of autonomous work and the effort involved can overwhelm people. We recognize and respect that some people prefer to fulfill clear instructions, and want to be less involved in shaping things. At Gini, it's not only about getting up to speed on your role and delivering on what you are paid for, it is also about effectively functioning with greater autonomy, while in collaboration with others. (Many people interpret "autonomy" as doing things "all by myself", and "in the way that I feel is best [for me]", when it is actually about shared power in decision making. You still need to coordinate and inform your decision with others.)

Learning how to increase autonomy and self-managing competencies requires having lived experience, which comes over time. As we mentioned earlier, we learned that not everyone starts at the same level of experience, so we need to take that into account and support people where they are. To enable this process we have stewards, mentors, and onboarding buddies.

We saw that, depending on the level of seniority, it takes some time until people are fully onboarded and feeling comfortable working in a self-organized way. This extra time is a result of trying to do two things at once: self-management and self-organization. We are working on ways through leadership development, communication training, and communities of practice (or pilot groups who experiment with something in the organization) to give Ginis a safe place to observe, experiment, and learn how to self-manage, so they can accelerate their growth personally and in their career.

What state are we in now?

Like most companies that aim for greater agility, we're constantly refining our processes, checking our basic assumptions, and refreshing our strategic product goals.

We have processes that enable self-organization, which are reviewed and reinvented over time. We have an
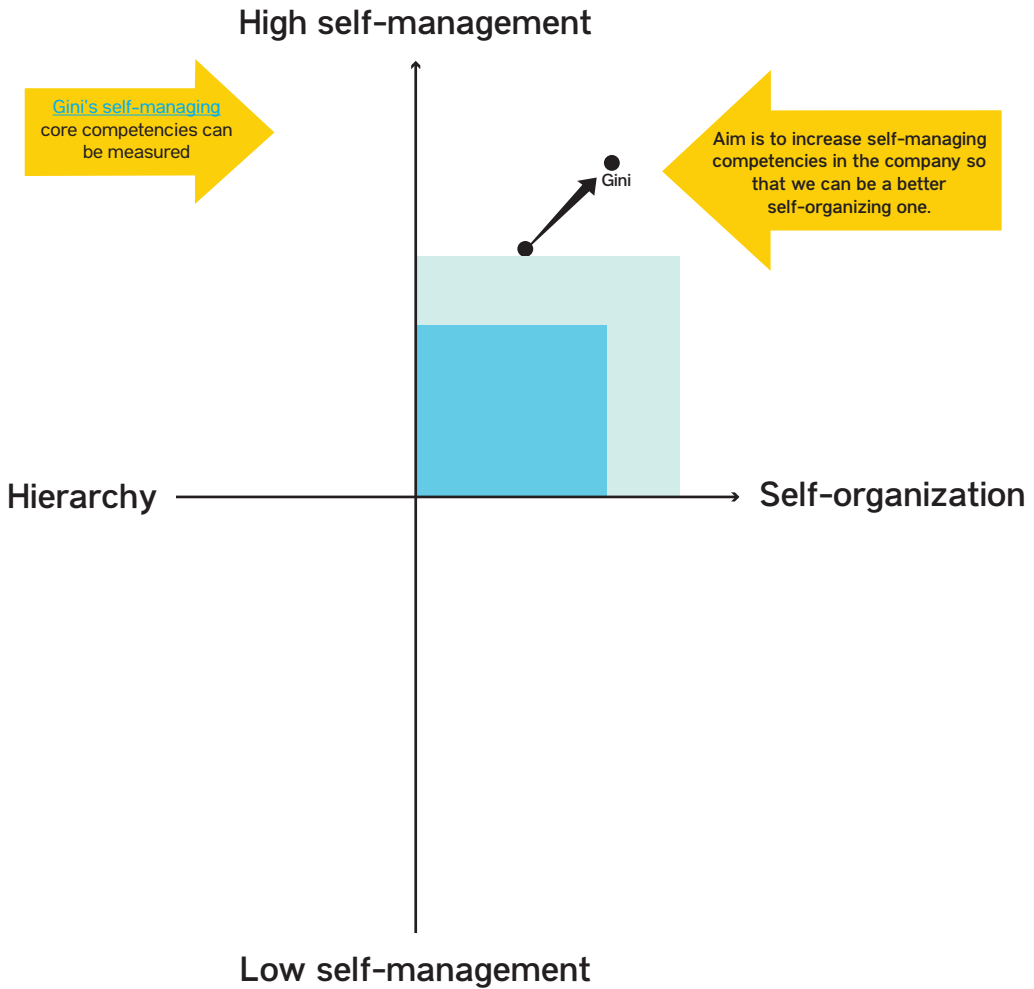
emergence

process, 360° Peer Feedback, an annual decentralized performance evaluation, and various approaches and tools that enable consent (vs consensus).

We also recognize that self-management is an ability that we want to grow, and that it is crucial for an effective self-organizing company. At Gini, self-managing competencies are linked to our core values and principles, and contribute to working together more effectively. To make our organization's competencies explicit and measurable, we have created a leadership assessment matrix that helps us to track each Gini's development by integrating the results into our Peer Feedback and performance evaluation processes. The key competencies tracked by the assessment matrix are: accountability, collaboration, growth mindset, transparency, and self-awareness.

Here are a few tips that helped us increase self-management skills:

- Don't just expect people to be good at self-reflection. Instead, give them opportunities to develop their self-reflection skills so they see the value in it. In classical hierarchies, the firmly established structural framework provides a sufficient frame of reference in unclear situations. In self-organized systems, external structure is minimal, so information exchange becomes much more important. How can you best respond if you are not aware of something, or are not fully informed? We need to take into account that our own perception is always subjective, so a joint reflection that leads to a common understanding of the situation is needed. To achieve this, we now hold regular retrospectives at individual, team, and company levels on a weekly, monthly, and quarterly basis.

- We need openness and accountability to follow a shared goal in order to get an effective group performance. Self-organization is not a stage for self-promotion in the sense of "the winner takes all". In order to hold each other accountable, we introduced our monthly Team Exchange, our only mandatory meeting. In the Team Exchange, we share the progress of our commitments, and make new ones. We ask each other critical and clarifying questions, and at the same time

High self-management

Aim is to increase self-managing
competencies in the company so
that we can be a better
self-organizing one.

Gini

Hierarchy ————————————→ Self-organization

Low self-management

offer our help and show appreci-
ation. At the end of each quarter
this meeting becomes the Retro
Exchange, where we share the
outcomes of our learnings from
retrospectives.

Leadership in a
self-organizing system

We have no classic hierarchical or
control functions, and yet we've
learned that good leadership is
essential, and equally a success

factor for effective self-organiza-
tion. We've gathered a group of
people together who completed a
leadership training program, and
who each own a package of concepts
they will integrate into our way of
working. These leaders were nom-
inated by their peers, and accepted
the challenge. With this approach,
we hope to make it clear that leader-
ship is a role that people step in and
out of, depending on their expertise
and capacities.

emergence

These concept packages support a leadership style that promotes self-management. The Ginis in this group meet monthly in a "Leadership Circle" to share progress and ideas on their packages, receive challenges or support from others, and generally keep their learning alive by connecting it with their daily work. As a result, we keep learning how good leadership in self-organization can look, because we also realize that self-organization without leadership is doomed to fail.

Our intention at Gini as a leader of new work

We are like many new work companies out there, in that we want to form an environment that truly allows people to bring in their potential.

This results in:

- fulfilled employees who achieve outstanding results

- the support and encouragement of individual growth and development

As knowledge workers, we need space for creativity and innovation – to find solutions that are new and truly helpful. The standard stuff just isn't working anymore.

At Gini, we do a lot of things really well, and yet we consistently strive to optimize and work better together. Our organizational system is constantly evolving as we continue to experiment and examine different perspectives, including those of our

alumni (Ginis who move on).

Our aim is to develop our self-managing competencies in order to be better at self-organizing.

We really do want to make the world a better place. We want to do that by making the reality of going to work in a place where we approach the day with excitement, in an environment where we feel appreciated, empowered, challenged, and can bring insights to work (and take them home again).

Our solution? Self-organization, supported by self-management.

Author's note: Thanks to Isabel Huber for her significant contribution in writing this article. Her input around self-organization was invaluable.
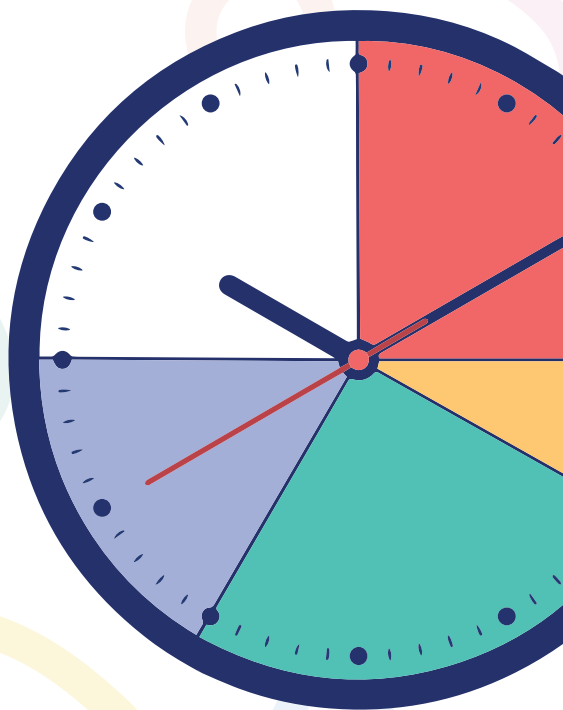
Work After the Great Reset

Barbara O'Connor

About five months into the pandemic, I remember being asked for my thoughts on leading through a time of escalating health and societal crisis. At that moment, the Chinese proverb, "We live in interesting times," was all I was equipped to say. In other words, it was and continues to be a time of danger, uncertainty, creativity, and unprecedented adaptability, but time marches forward, and so must we. With the establishment of new realities, my focus turned to unlearning and reevaluating concepts that I once believed to be true but, simply, did not hold up in this new reality we found ourselves in.

As leaders, transition is the lifeblood of our work. Each of us find ourselves interacting with transitions on varying levels, but never before to this extent over such a sustained period of time. I'm sharing some of the insights that have emerged for me as a leader, in the hopes that they resonate and bolster your fortitude as you continue forward. If you find yourself entering a leadership role, whether informally or formally, I hope it serves to help you test your own frame of thinking as you question and challenge established corporate norms and constraints.

The concept of work—whether Past, Present, or Future—is a synchronization of dynamics and mechanics. Don't let anyone tell you it's going to be easy—it's not and it never was—but understanding the factors at play is critical to navigating this new reality that surrounds us.

Our way of working has been molded to navigate a crisis, a time that you cannot un-experience. But what is waiting on the other side of this crisis? We sensed the warning signs long before we reached this position. Our workforce was disengaged

and we had mentally walked away, even before Covid had started. If you need a sign that things weren't working, just look at the resistance to going back to that way of living and working. Covid took so much from so many, but it also gave something back: a break, a pause with forced intentionality to recentre our way of thinking on what's important.

In this article, I will discuss some of the key assumptions and mindsets I've seen challenged during the pandemic. Additionally, based on the intentional choices and lessons we learned, I will be reviewing the insights that emerged as we began to question, discard, or reinforce our ways of working.
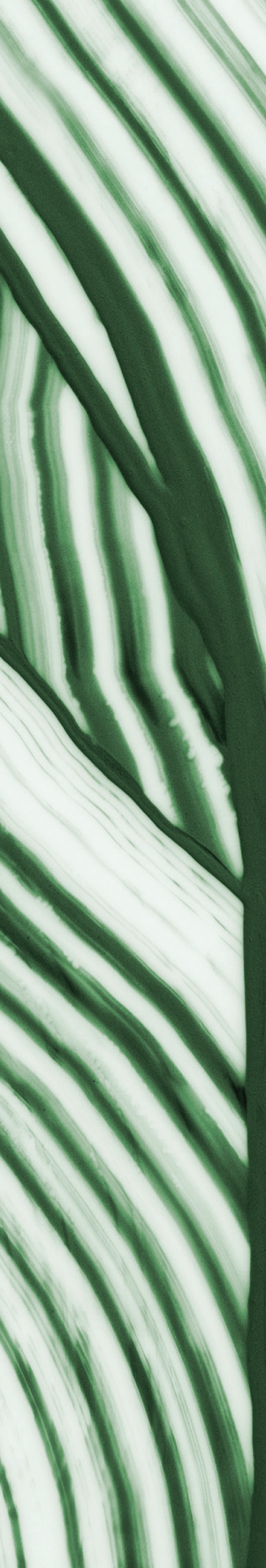
Let me take a moment to share with you this idea of "Mechanics & Dynamics," a co-dependent way of achieving our goals. Mechanics encompass tactical processes, practices, methodologies, organizational policies and designs. These are necessary and critical to the functioning of any modern enterprise, but Dynamics is equally critical. Dynamics is an authentic understanding of a system's context, interactions and human behavior, and the intangible motivational forces that drive our decisions and engagement.

Like a spinning top toy, when one side is heavier than the other, it all falls over.

The friction we feel comes from the mechanics pulling dynamics, or vice-versa, away from its current status quo. Friction is good! It keeps us nimble, curious, and protects us from stagnating. An important nuance to understand is that our problems come from a slightly different place; they incubate and fester from the residue or hangovers of the way we believe it used to be or how it should be. When we fail to deal with the things we talk about, it is the avoidance, not the change, that keeps us in the transition phase for too long, exhausting our people and distracting us from serving our customers. As leaders, our role is not to bypass or avoid the change, but to lead us through to the other side, without residue, as quickly as possible given the system's ability to absorb that transition.

Another important factor is pace of change. Companies don't change at
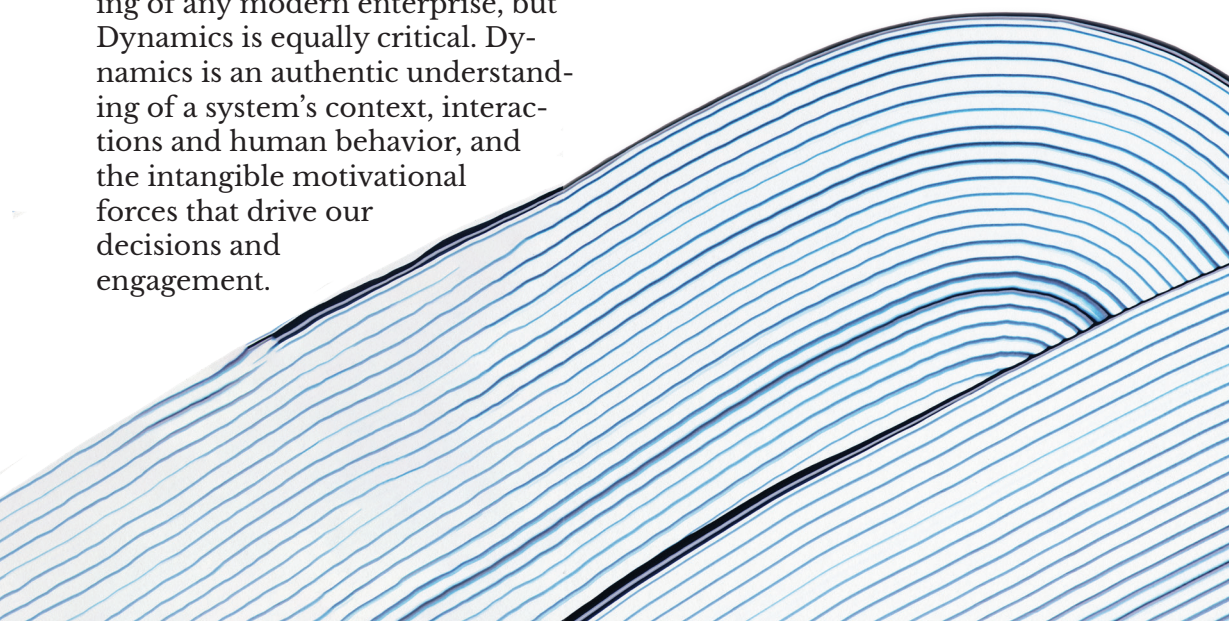
the same pace that the people inside them do. Like an escalator where the handrail is out of sync, change can be disconcerting and feels "off" for our workforce and organization. If we lose synchronicity, we get a crisis of identity and drift from our purpose, making us vulnerable to power struggles that are a disjointed attempt to bring coherence and direction.

Memory is Tricky & Hindsight is not 20/20

Memory is a tricky business, and corporate memory is tricky at scale! Ever since humanity began working together for a common goal, values became stored in myths, legends, and storytelling—the original storage device. Unfortunately, the pandemic has triggered a memory dissonance. When the future we're work-ing towards is so filled with uncertainty and incoherence, it begins to conflict with our anticipated experiences of this new world. So we fall back to rose-tinted memories that masked the broken Happily Ever After we were living in. The future of leadership is shifting to become caretakers of the possible, navigating both expectations and nostalgia surrounding the path to the working future.

Mindset Upgrades– De-industrializing Our Way of Thinking

The industry has spent a lot of time congratulating itself on successes driven from scientific management approaches. Even so, there was, and still remains, a tipping point for when the source of success becomes the very same course of failure. When you apply a scientific management or industrialized mindset to complex rather than complicated work, you are essentially focusing on the need to break all things down to discrete parts in order to optimize each piece, but in effect neglecting the chain that connects these pieces. Feedback and data emerging from these weak links in the chain are rather inconvenient to management thinking, it falls outside of these tidy constructs. As a result, this data is often considered an anomaly or of lesser importance, and it shifted to the peripheries of management thinking. So, in short, the more you try to break down work into discrete and controllable units, the more you crowd out cre-

ativity, discretion, and critical, holistic thinking. You create a check-list mentality, abdicating decision-making in favor of a best practice that was built for a different context and time.

The activities on these lists are not bad, or wrong so to speak, but they lack a systems-thinking point of view and ultimately this disconnect between the pieces becomes the limiting factor in your ability to transition into a new way of working. I continue daily to remind my partners that the future of work includes execution and operational excellence in the context of value streams and holistic systems thinking.

Culture is Choice
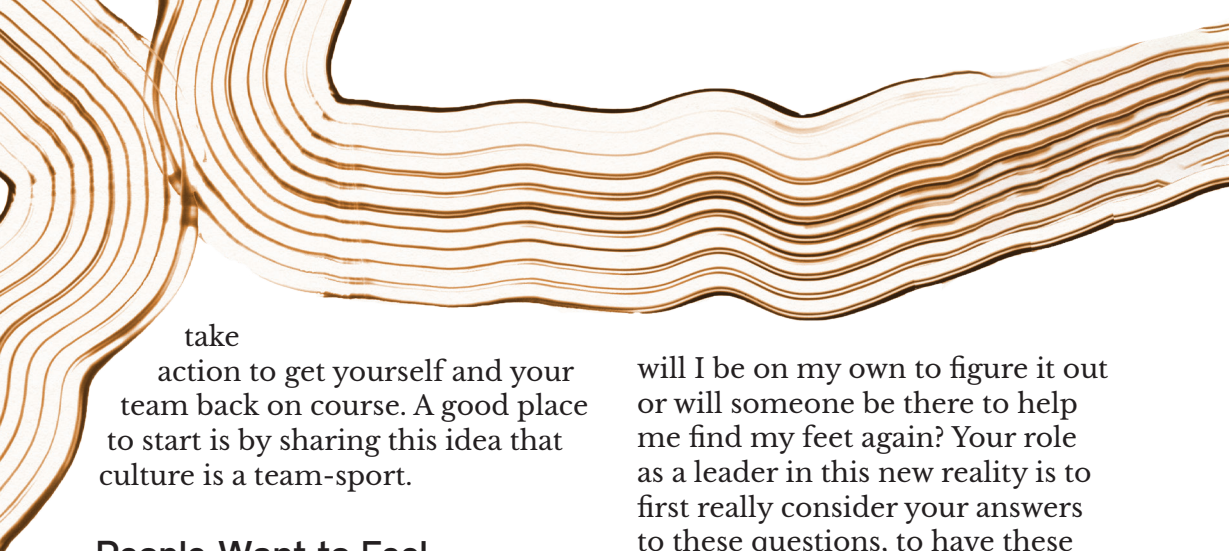
Culture is not something that passively happens to you. It's something we all participate in, and this point of view is something that is fundamental to my own leadership journey. I'm aware though that "culture" and the vocabulary surrounding it is inadequate. At best, the word culture can feel just beyond our reach and, at worst, isolating. Let me share my go-to trick to test all the various references that crop up to culture as I go about my day—I use search and replace with in various PowerPoints, emails, Word documents, Yammer posts etc., and I replace the word "culture" with "choice". Then I typically give it a few minutes, grab a coffee, and re-read with this new frame. What's different? Do I feel a different level of connection? Do I feel it's more

tactical or tangible? Does it move the particular message from corporate slogans and campaigns, and into the hands of our people?

I invite you to give this a try. Consider a memo or recent meeting where you talked about a culture of engagement. Now look back and reframe it in terms of choices. Have you seen the statement: "We have a culture of transparency"? Now reframe it with: "We choose to be transparent to make the best decisions for our people and customers"—feels different, right?

If you are still looking for inspiration, I'd like to share with you another simple example to get you started. Consider the widely accepted idea of "Hackathons" in a technical organization. Now tweak the concept to turn the same activities on to a cultural topic, a "Culture Hackathon" where people are expected to suggest change based upon their own perspectives and priorities. Where there is an expectation, you quickly move beyond permission mindsets, which is a powerful lesson learned.

True choices, the choices that have follow-through and are sustained, are personal decisions. So when forced to choose, some will choose to fight—such is human nature and the consequences of applying force. As leaders, your enthusiasm may feel like railroading to another person. We dance with culture and sometimes we take a misstep, so don't be too hard on yourself when it happens, but do acknowledge and

take action to get yourself and your team back on course. A good place to start is by sharing this idea that culture is a team-sport.

People Want to Feel Needed and Wanted.

Nobody was immune to the isolation that Covid created. The physical isolation for many included mental isolation. The rise of behavioral health services supporting mental health—that are now a common corporate benefit—alone gives us a sense of the scale of isolation and pressures applied over the past couple of years. As a leader (or as simply a decent human), I've tried to simplify how I think and can therefore respond when I sense these same struggles in others around me. I've learned that without a constructive outlet, our inner critic creates an internal echo chamber that is powerfully destructive.
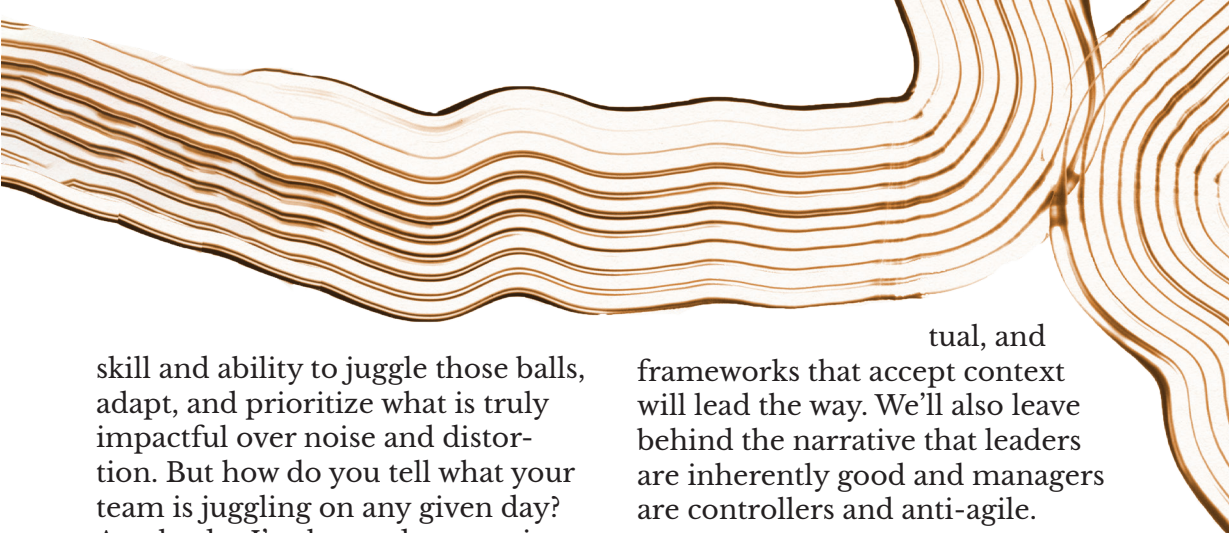
I ask myself: Do I have the ability, the skill, the capacity to try this? Is it safer to stay where I am or to stretch? Would I still be accepted even if I reach but fail and make mistakes? Is it worth the personal risk? Will I still belong? Will I feel shame from myself or those around me? What happens after the fall, will I be on my own to figure it out or will someone be there to help me find my feet again? Your role as a leader in this new reality is to first really consider your answers to these questions, to have these hard conversations, and to follow through on your commitment to be there, not only for the wins but also for the learnings.

Work-Life Balance is a Juggling Act

Balance sounds tidy, but in reality is very messy. As I considered my own personal needs of being needed and wanted, I am also a busy working mother, wife, daughter, sister, friend, and I have a role to play in supporting their sense of being needed and wanted. There are days where I'm not sure how it will all come together, and honestly some days it doesn't. The key is to know what balls you have in the air, and to understand which ones are rubber and which ones are glass. Some will break if you drop them—such as personal well-being, family, etc.—and some will bounce back like work, learning, and experiments.

The future of work will acknowledge the fluid nature of juggling the work itself, the balls, as well as the

skill and ability to juggle those balls, adapt, and prioritize what is truly impactful over noise and distortion. But how do you tell what your team is juggling on any given day? As a leader I've learned to tune in to not just the words, but how those words are framed, the tone, and body language, and to pay attention when people try to apologize or justify things that don't warrant it. Rather than dismiss it, consider why that is coming up and whether the individual's ability to put things in context has become distorted. The best antidote to this scenario is a coffee and chat, either in person or a virtual setting, and being willing to share some of your own distortions that you've worked through. It's worth saying again, it sounds tidy, but it's not. It's messy as is life.

Opposites are not Opposing

Risk is not Reckless. It's about intentional choices based on a range of factors. The opposite of control is not out of control—it's the autonomy and empowerment given to those who have the skills, understanding of the goals, and ability to critically problem solve. We will move away from the narrative that a single framework has all the answers—or that one framework is better or superior to another—and acknowledge that work is contextual, and frameworks that accept context will lead the way. We'll also leave behind the narrative that leaders are inherently good and managers are controllers and anti-agile.

Learning Fast instead of Failing Fast

Failing is not the same as failure. When an experiment fails, you learn something that propels you forward, which is a form of success and progress. Shift your language and mindset to "Learning Fast". If you do encounter the language of failure, consider: Are we really talking about an inability to learn from experience? Learning or failing fast drives success when the experiments occur in an organization that is mature in its innovation and creative capabilities. Without that foundation, failing fast can damage the very capability we're seeking to build.

Organizational Ecosystems will reset

In my experience, organizational ecosystems may grow and change but traditional organization structures and charts will not disappear and hierarchy will not invert. Instead, this ecosystem evolution will

lead to increasingly circular structures, where adaptive clusters with distributed leadership will happily coexist with traditional structures, forming bridges between silos and traditional organizational constraints. This is not to be confused with an abdication of decision-making, but a thoughtful cascade to those with the most relevant, contextual information, and understanding of impact to make a good decision. Decision-making will move beyond facts to embrace experience. We'll also see disciplines of User Experience, information architecture, analytics, talent, and development move from the periphery of organizations to become central, leading with the voice of the customer and a radically accelerated digital customer base.

Emerging From the Post Pandemic Reset.

All the observations and insights discussed above are, like all professional predictions, are only best guesses grounded in my own experiences. No battle plan survives contact with the enemy, but by building upon these assumptions and mindsets, you can establish a level of mental agility that will allow you to improvise and react to an unfolding reality. As I lean into life post-reset, I see our future competitive edge as the invisible edge—where creativity, innovation, experience, relationships, and ecosystems are the drivers of value, whereas the structure, approaches, and processes exist to

serve these functions as supporting actors rather than the lead actors.

My view is that all companies are technology companies, and businesses will be won or lost on experience and connectivity. Our people, like our offerings, will be a beautifully unique portfolio of skills, experiences, and deep understanding of the customer. Our leaders and managers are no longer distinctly discussed. They now are a blend of guardians that hold accountability to both lead and manage, and are corporate matchmakers of customer needs with those who have the skill and ability to deliver.

When it comes to the post-pandemic future, understand that we're already there and the future is racing ahead. So don't worry about being perfect—just jump on board and do your best.

We weren't ready for Covid, but, without the weight of expectation that we must know it all in order to lead, we actually did a good job, all things considered. So tomorrow, I'll trust that whatever happens, we have the collective ability to figure out a path forward navigating the challenges that we'll meet along the way.

ⓔ

Forget the New Normal, Find the New Awesome

Matias Nino

For years, we've heard the warnings: Volatility, Uncertainty, Change, and Ambiguity are pervading the world of work and all business landscapes! Technology has made domains that were once either simple or complicated into either complex or chaotic! The long-term sustainability of everything is uncertain! We must transform from the traditional ways of working to new Agile ways! "Change or Die" must become the mantra of businesses, schools, governments, militaries, or practically any organization involving humans needing to coordinate effective action!

These warnings all culminated in the "Great Coronavirus Pandemic", where every facet of the world was disrupted, and everyone was forced to find new ways to live, work, love, and interact.

Technology, once the great driver of disruption, suddenly became the great enabler of continuity, connection, and opportunity. Digital Transformation—the movement to adopt digital technology in order to replace the physical with the virtual—saw an exponential increase in demand across all sectors and walks of life. A record number of people began leaving their jobs to seek better careers and places to work[1]. No one could deny that this great disruption was a golden opportunity to reimagine and rethink the world of work for the better. The boundaries of time, location, and space could finally be broken down en masse. Remotely adapted individuals could now choose the best job and workplace that matched their purpose and preferences, and businesses could in turn tap into better talent to suit their values and mission. It's a win-win!

However, the shift in knowledge work from an in-person, location-based experience to a remote digital experience was largely a wash[2]. While we gained productivity by eliminating procedures such as long commutes, excessive in-person meetings, and

physical constraints, we lost as much from workforce disengagement, supply-chain disruption, and remote work fatigue. How is it possible that such a universal movement to embrace and use technology did not definitively lead us to a panacea for a fitter, happier, more productive workplace?

The harsh reality is that new technology is messy, highly prone to failure, and rarely fit for purpose in its early stages. It takes an extensive amount of time and feedback to work out the kinks, and even more time to incorporate it into habitual usage. In addition, by the time a specific technology becomes widely adopted, it usually gets replaced by something better and altogether different. The "New Normal" of the pandemic gave us, if anything, a rare chance to experience this cycle firsthand from sprint zero. Technology and human behavior were on a date with destiny. And our destiny was the workplace of the future.

The story of this article is the story of how my colleagues and I, all employees of a typical mid-sized gov-tech business in Washington DC, embarked on a journey to not just establish the "New Normal" but to also discover the "New Awesome" and inevitably struggle with the "New Failure".

Prior to the pandemic, we worked in what could be considered a thriving collaborative workplace. Rated a "Top Workplace" in the DC Area by the Washington Post[3], each employee enjoyed daily

in-person interactions, collaborative problem solving on whiteboards, a caves-and-commons[4] office environment filled with information radiators[5], team conference rooms, game rooms, cafeterias, and a uniquely wholesome office culture that sustained and nurtured us. The typical day saw an office buzzing with activity, interesting hallway conversations, water cooler discussions, and lunchtime social gatherings.

This way of life vanished when the pandemic was declared. Almost overnight, we found ourselves marooned in our homes with our work laptops, sitting in uncomfortable makeshift furniture with tiny "zoom" windows to see each other through small screens. It was neither ideal nor sustainable. The energy most of us
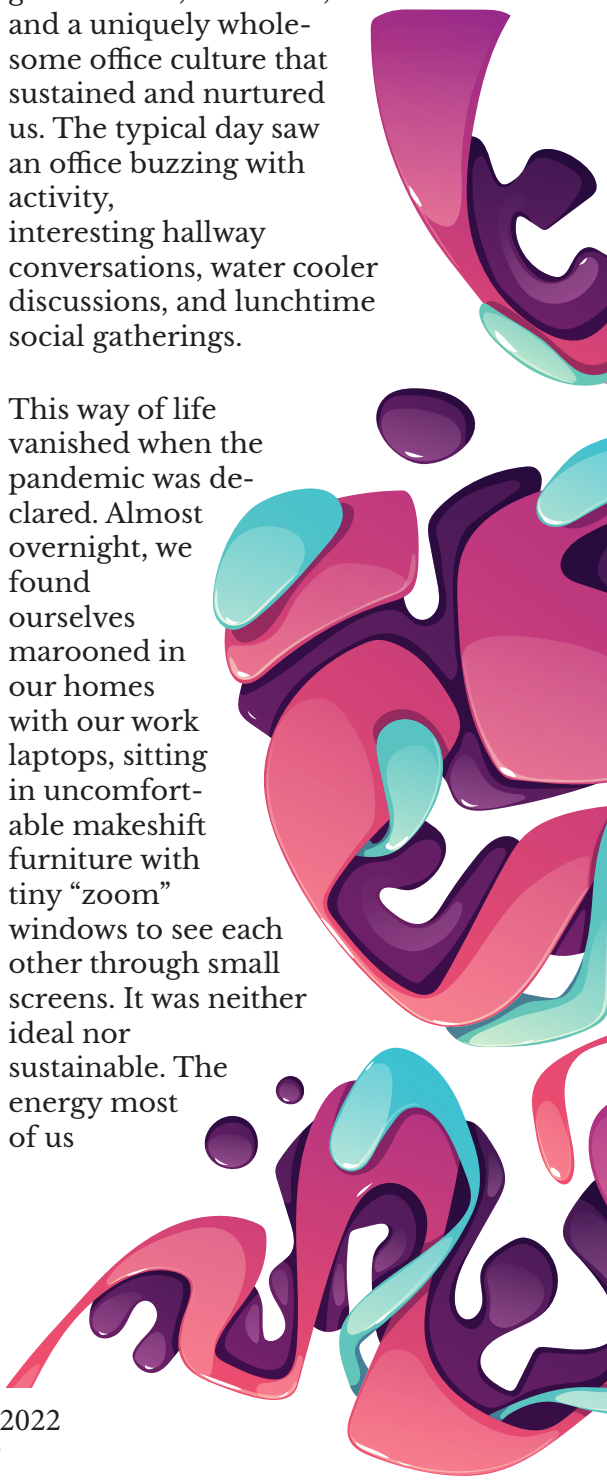
gained from eliminating the average 90 minute commute was very easily consumed by the struggles of learning how to metaphorically walk again with our new virtual work legs. Something had to give.
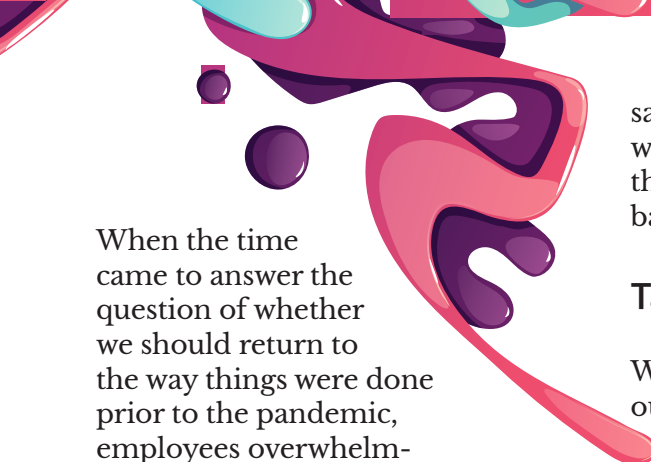
Thankfully, our working culture had one saving grace that translated unscathed from in-person to remote: the habit of relentlessly experimenting with new and better ways of working across the company. This was espoused by company leadership for years as a core value, and practiced both at the individual and organizational level by running experiments, proving their effectiveness, and championing their adoption—be it a new technology, policy, tool, process, habit, practice, or workplace ritual. If it made a difference in the lives of individuals, teams, or our customers, it was worth pursuing.

As the shock of the lockdown settled into a steady state, our journey of workplace transformation began to take shape by applying these experiments to our new remote working environment. The first things to emerge were the platforms, technologies, tools, and accoutrements that worked best in this new mode of working: ergonomic home office configurations, team collaboration tools, personal productivity gadgets, group chat platforms, high-definition webcams, and condenser microphones[6]. Some folks even sprung for backdrop whiteboards on wheels. These were followed by new workplace practices,

habits, activities, ceremonies, and even traditions that wove themselves into the fabric of our new remote working culture.

This journey of transformation, however, was not without its share of casualties. We lost many longtime employees, and many of the people hired to replace them also ended up leaving within 90 days. We nearly lost entire contracts whose requirements and expectations were never adjusted to accommodate for this new mode of working. As we struggled to overcome these challenges, a great deal of our experiments just didn't work out. But the perseverance of our learning culture combined with leadership top-cover from failure, led us towards instituting important lessons and approaches that proved to be enduringly effective.

As the pandemic ran its course, improvements slowly began making their way into the habits and practices of our remote workplace environment and culture. Our net promoter scores for workplace happiness slowly began regaining some semblance of their pre-pandemic levels, and eventually we regained that culture of work that made us feel connected, engaged, nurtured, sustained, and in control of our destiny. When the eventual in-person events began to take place, the overwhelming sentiment was one of relief, but not without the realization that things would never be quite the same.

When the time came to answer the question of whether we should return to the way things were done prior to the pandemic, employees overwhelmingly opted for a hybrid mode of operation. Most work activities would occur virtually in remote settings, but some key activities and events would be in-person. For example, activities such as creating work-product, building software, daily coordination, and collaborative screen-sharing were suggested as better suited for remote work while activities such as team kick-starts, retrospectives, post-mortems, and social mixers were recommended for in-person.

As we now prepare to embark on this new phase of our journey, I leave you with a few of the lessons we learned. These were vetted through frequent retrospective reflection and collectively shared across teams to serve as guidance and ideas for further experimentation. I hope they may be of value to you as we reimagine the workplace of the future:

Overreacting and Overcompensating

When we encountered undesirable outcomes, the inclination was to overcompensate. Working in a newly stressful and draining environment often tends to cause decisions and actions to be more rash than neces-

sary. Acknowledging this tendency was an important "ah-ha!" moment that allowed us to build measures to balance it.

Take More Time With Hiring

When we are stressed and drained, our judgment becomes poor and rushed. In a workplace that strives to protect and promote its healthy working culture, the hiring process is perhaps the most important aspect to get right. This area received a great deal of care and attention, and saw several mechanisms added to ensure due process and comprehensive observation by a diverse audience.

There Is No One-Size-Fits-All

What worked here may not necessarily work there. Teams are as diverse as the biomes on Earth. Don't assume that because you have invented a new form of transportation that effectively traverses a desert it will be as effective traversing a muddy swamp. Never discount the need to re-prove and re-validate practices through feedback, even if it has already worked in a prior context.

Avoid Meeting Overkill

The incredible ease with which we were suddenly able to create remote meeting invitations with automatic built-in video conferencing led to an epidemic of unworthwhile

meetings. These meetings weren't just low-value, they did actual actual harm by draining energy, promoting a mindset of mediocrity, and taking time away from more valuable activities. This topic is an article in and of itself so I will leave you with one tip: Give people permission to excuse themselves from or decline any meeting without any justification.

Sharing Video in Conference Call Sessions:

Avoid setting blanket rules like "everyone must always share video no matter what". Instead, give people guidelines and tips on how to effectively share their video situationally during sessions. In cases where it is not specifically required, invite people to share video anyway to give the activity an added depth of interaction. Research shows that people are more likely to retain information gained from face-to-face interactions than from voice-only interactions[7].

Frequent 30-minute 1-on-1's

We call these "Connect" calls, where individuals schedule regular weekly or bi-weekly face-to-face video calls with their peers, managers, or even random work colleagues. No specific agendas are required other than to talk about anything that is pressing, interesting, or enjoyable. These proved to be reliable catalysts for desired outcomes.

Periodic In-Person Workshops

Getting teams together in-person for half-day workshops or outings resulted in higher morale, improved communication, and more appetite for change. These workshops were typically centered around kick-starting a new team, inspecting and adapting, conducting a retrospective exercise on a recent project outcome, running a learning session, or even a team outing like a social mixer to help people better know one another.

Welcomes and Send-Offs

These originally started as "virtual happy hours" where everyone would hop on a video call to welcome a newly hired colleague or say their farewells to a long-time colleague who was departing for a new job. They gave people a sense of connection to their colleagues as well as some much-needed lighthearted time spent recalling memories or getting to know one another better. As soon as pandemic protocols allowed for in-person gatherings, these were some of the first activities that switched to in-person meetings at local restaurants, pubs, or gathering halls.

Incorporating Trivia Games in Long Informational Meetings

Maintaining attention and focus during long information meetings

with no group interactions was even more draining remotely than in person. One of our scrum masters came up with a practice that spread like wildfire: Incorporate Trivia games into online meetings. With the simple sharing of a link, you can inject interactive engagement into any meeting by turning it into a game of knowledge retention.

Asynchronous Surveys, Polls, and Pulse Checks

Surveys became critical for us during the pandemic, allowing for the continuous gathering of a group's desires and feelings. Gauging sentiment, consensus, and preference has a slew of benefits for both large and small groups alike: they can bring focus to what needs attention, save time by eliminating the need for verbal inquiry, and promote a shared understanding. Be careful to avoid desensitization from overuse and always ensure there is action being taken from the feedback.

Raise Awareness Through All Channels

Multi-channel communications proved to be amazingly more sticky than the standard email announcement. For any announcement or group communication, employ a multiple of the following: Email it, post to a group chat, make a blog entry, send a tweet, make up and include a meme, or even record a quick selfie video about it.

As I ponder over these learnings and the amount of time, effort, and struggle that went into realizing them, I cannot help but think: what would I do differently if I could experience the pandemic all over again? For me, the answer is simple: focus on things that generate connections and real conversations, shifting consciousness from the mundane to the emergent on a daily basis. These things fine tune us for adaptation, and make us best suited for dealing with that most inescapable of phenomena: change. ℮

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WRAP UP

Kevin Empey

We hope you have enjoyed this visit to the future of work and the workplace. The diverse perspectives you've explored today reflect the experiences of industry leaders who are all shaping that future today.

What strikes me from taking these articles as a collective is the overwhelming sense that we are clearly living in the future of work today. Even a few years ago such a collection of insights would have been largely based on a combination of thoughtful conjecture and predictions, informed by the various signals emerging from forces heralding a rapidly changing world of work–and also from the experience and leadership of a few early adopters.

But, as our authors have shown, work is being re-designed everywhere in front of our eyes at a pace never before experienced by our global community.

A clear and confident employee voice is also coming through regarding what kind of working world they want to see and why. Organisations are being dynamically re-designed for a 21st century reality rather than through the lens of 20th century assumptions and norms. Strategy and change are dynamic, continuous activities, not multi-year documents and plans. Benefits models and other key people-processes are being re-calibrated for the times we are in.
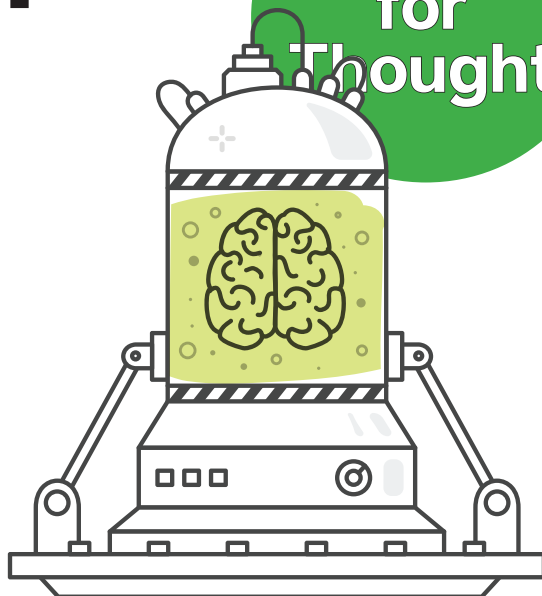
And organisations are increasingly choosing to stitch sustainability into their operational and reputational DNA.

Thank you to all our contributors for bringing this new world of work and the workplace to life for us in this edition. Each of you have left your mark with an abundance of practical ideas and insights that will help to spark similar insights in the future. And thank you, the Emergence readership, who continue to lead your organisations and teams on this journey, helping them to navigate the tricky paradoxes and knotty dilemmas that any worthwhile change inevitably presents. As several authors have highlighted, this change is not always straightforward, easy or certain, and the realities of discomfort, concern and fear in change should not be overlooked or swept aside as invalid data.

Now more than ever, we need to learn together as we continue along this journey into the future of work, and share our stories and insights about what we experience along the way. This work will benefit those with whom we work and serve so that we can collectively ensure no-one gets left behind. Communities such as the Emergence readership and the wider business agility and HR communities are good examples of this global family of peer learning networks, all of which continue to play an important and valued role.
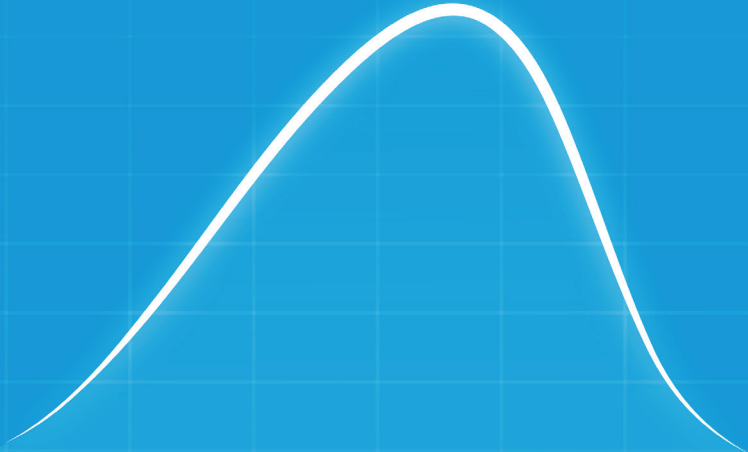
The next edition of Emergence is, appropriately, based around the theme of culture. Any views and insights into that edition will be most welcome, so feel free to send your thoughts and suggestions to the Emergence editorial team.

Thanks again and keep in touch.

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