Rethinking Jobs and Leadership for the Post-COVID World

Common misconceptions mean that companies fail to meet the challenge

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Companies need to adapt to rapid change. Globalisation, climate change, technological innovation and a changing workforce all add up to an increasingly volatile and unpredictable business climate. Adaptability and, not least, the ability to reinvent products, services and processes on an almost continuous basis are becoming essential prerequisites for survival. And that's before we even begin to consider the impacts of Brexit and COVID- 19.

We've argued throughout the current crisis that it provides a unique opportunity to position companies for the future. But in practice too few companies are actually rethinking the way people work and collaborate. Too few companies are remodelling their internal organisation to tap into and to develop all of the capacities of all of their employees. Less than 20% of UK workers are in jobs that use and develop all of their ability to learn, solve problems, innovate and adapt[1]. In short, we're squandering the most important resource that we have to survive and thrive in the post-COVID world – human potential.

Misconceptions

We talk to a lot of companies. Few of them are complacent and most are doing something to address a perceived need to work differently. Yet it is often hard to see how their actions match up to the scale of the challenges (and opportunities) that lie ahead.

We're grateful to our friend Professor Frank Pot for reminding us of the three misconceptions that recur time and again:

Firstly, there is a common misunderstanding that programmes to train managers in participative styles of leadership represent a sufficient solution. Whilst it may look good to be seen to be doing something about poor leadership or dysfunctional workplace cultures, the decision latitude of managers and consequently their ability to champion employee empowerment participation is

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[1] Lundvall, B-Å. (2014) Deteriorating quality of work undermines Europe's innovation systems and the welfare of Europe's workers! *EUWIN Bulletin*, June.

determined by organisational structures and systems of governance that can embody very different values and assumptions. It makes no sense to train managers in participative leadership and send them back to hierarchical organisations.

The second misconception is that a happy employee is a productive and innovative employee. 'Employee satisfaction' measures, on the whole, the level of adjustment to existing circumstances and not the work environment itself. Being happy with your work may reflect having nice colleagues, a good holiday allowance or workplace perks such as free coffee; however it does not directly enhance individual or group performance. A substantial body of research shows that high performance and capacity for innovation is achieved through individual autonomy, learning on the job, self-managed teamworking, opportunities for innovation and employee voice in ways that harness the tacit knowledge, creativity and commitment of people at every level of the organisation. These practices – known as 'workplace innovation[2]' – are exactly those that create intrinsic job satisfaction and reduce psychological stress risks through 'prevention at source'.

The third misconception is that technology is the answer. Advances in automation, digitisation and advanced manufacturing represent enormous opportunities for both employers and employees. Yet we have plenty of evidence that companies only achieve a sustainable return on investment when technologies enhance – rather than replace – workforce skills. The challenge is to achieve the best possible synergies between digital potential and human potential, embedding workplace innovation in the very DNA of the organisation.

Facing the challenge

Hard decisions may be unavoidable for many companies as they consider their future. Focusing on short-term cost savings alone won't help to position companies for success, but the ways in which these decisions are made can also open the way towards much more agile and innovative organisations. In the last few weeks companies have been telling us that "we need to become fitter and leaner – to do more with less". Some have even realised that senior team members and middle managers "don't match what we need to go forward". A common insight is that "attitude is at least as important as skills" in making choices about who will stay or go.

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[2] https://workplaceinnovation.eu/your-guide-to-workplace-innovation/

In short, those who stay will need to work in very different ways – acquiring the knowledge, skills and mindsets that will enable them to become more productive, enterprising and versatile.

The workplace innovation community is unique in bringing together experienced and creative practitioners with a body of internationally acclaimed researchers, so our approach is both practical and grounded in evidence. We believe that the four actions which follow should lie at the heart of a company's strategy as it emerges from the COVID crisis into global economic recession.

1. **Create a workforce fit for the challenges of the (near) future.**

Employees who help build your businesses' performance and capacity for innovation will be:

Agile
Moves easily between roles while learning on the job.

Problem Solving
Takes responsibility for troubleshooting and applies critical thinking.

Emotionally Intelligent
Self-aware, reflective, listening, conscious of others' feelings & perspectives, collaborative, open to challenge.

Creative
Inquisitive, challenging the status quo, enterprising, working across boundaries & embracing fresh thinking.
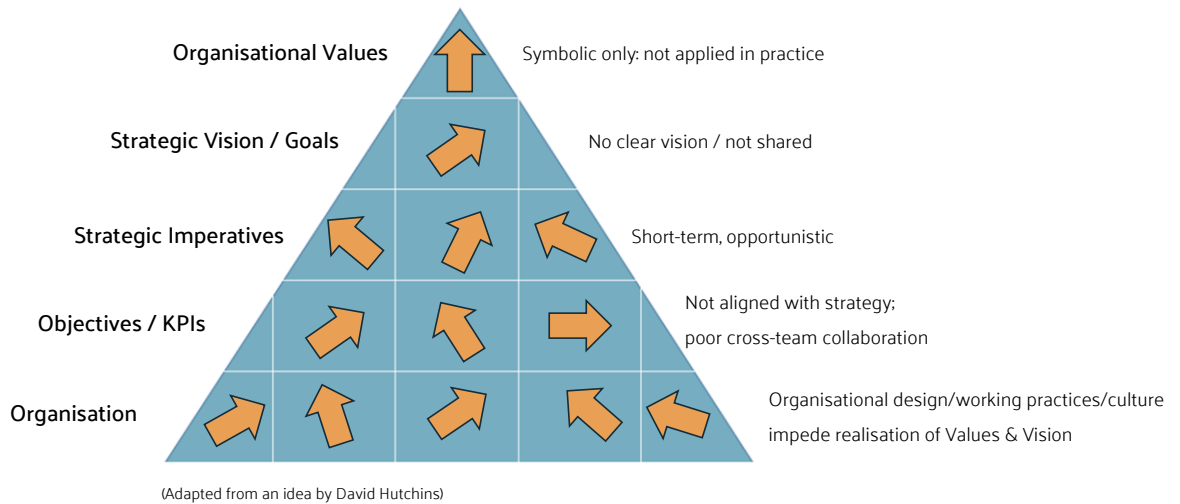
What does this mean in practice?

- *Change from a focus on job roles to task orientation and agility.* In the past we've constrained the use and development of individual talent by tying people to relatively narrow functional roles – this has resulted in the significant underutilisation of workforce skills and potential as well as fragmented organisational cultures. The future workplace will need to be built on polyvalent skills and empowered workers exercising agility and initiative in getting the job done.

- *Embed learning and personal development into day-to-day work* by ensuring that jobs contain sufficient challenges and opportunities for problem solving, through job rotation, by ensuring 'exploration time' and by coaching - as well as through formal training. Ensure that investments in technology enhance individual skill and autonomy rather than replacing them.

- *Focus on 'recruiting for attitude and training for skills'.* Collective responsibility will be a key attribute: "my work isn't finished until we're all finished"" Emotionally intelligent people with a passion for learning and discovery fuel innovation and unleash the versatility that companies need to survive and thrive in a fast-changing environment.

2. Pointing everything in the same direction

Surely a critical role for all business leaders is to ensure that their entire organisation is fully aligned with the company's values, vision and strategic goals? Yet this is evidently more difficult than might first appear.

Hierarchies and functional divisions can easily create perverse behaviours easily capable of undermining strategy. Each department or team focuses on its own specific targets, creating narrow mindsets and incompatible cultures across the organisation. Different parts of the organisation start to pull in different directions, and even when each succeeds in delivering its own KPIs successfully, the collaborative behaviours and common effort required to achieve the organisation's goals disappear. This is what we call a mis-aligned organisation:
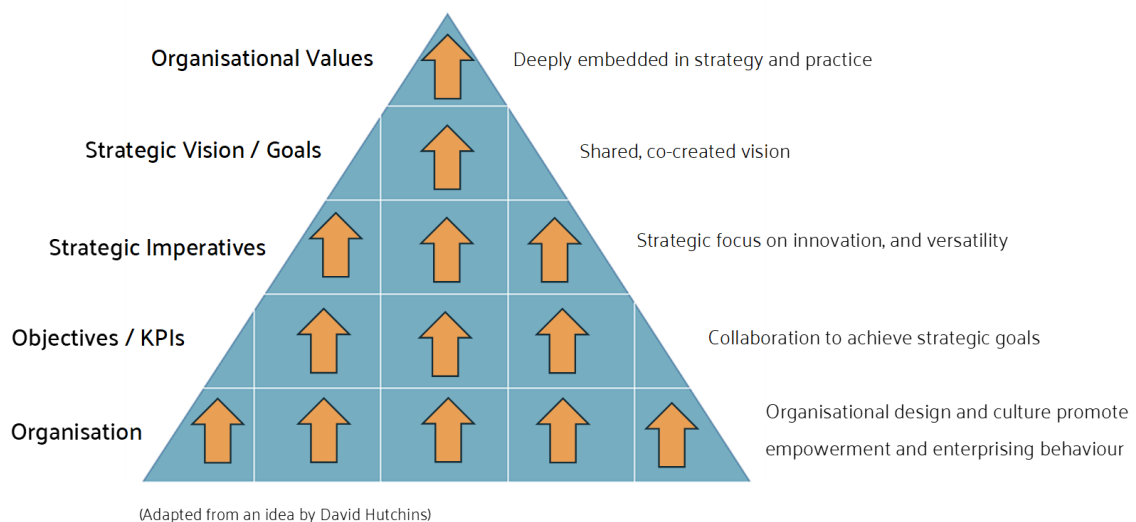
The Misaligned Organisation

Organisational Values	Symbolic only: not applied in practice
Strategic Vision / Goals	No clear vision / not shared
Strategic Imperatives	Short-term, opportunistic
Objectives / KPIs	Not aligned with strategy; poor cross-team collaboration
Organisation	Organisational design/working practices/culture impede realisation of Values & Vision

(Adapted from an idea by David Hutchins)

The results of this misalignment are often found not only in strategic failure but in poor decision making, limited ownership of the product or service process as a whole, disempowerment, blame and insecurity.

So how do strategically-minded leaders fully align workplace practices and behaviours with vision, values and strategy?

The Aligned Organisation

Organisational Values	Deeply embedded in strategy and practice
Strategic Vision / Goals	Shared, co-created vision
Strategic Imperatives	Strategic focus on innovation, and versatility
Objectives / KPIs	Collaboration to achieve strategic goals
Organisation	Organisational design and culture promote empowerment and enterprising behaviour

(Adapted from an idea by David Hutchins)

Communication – in both directions – is at the heart of alignment, ensuring that values, vision and strategy are fully owned by the entire workforce, not because they've been saturated with corporate PR but because they've had a voice in shaping them. And leaders also need to ask searching questions about whether their organisation's structure, systems and practices are fit for the purpose of achieving strategic goals – or whether they're pulling in different directions.

3. Take a critical look at structures, management and processes.

Does the design of your organisation, the roles and behaviours of its line managers, and its performance metrics and decision processes encourage or deter individual learning, initiative and responsibility? Hierarchies and functional divisions within organisations can too easily create bottlenecks in workflow, and lead to self-serving micro-cultures misaligned with the values and strategic direction of the company as a whole.

Many organisations are recognising the weakness of traditional management structures. You want to retain someone because they're good at their job so you promote them; promotion means putting them in charge of other people. Result? The new manager has less time to spend on what they're good at and the team or department may very well acquire a head with little aptitude for leadership.

An increasing number of companies are discovering the strength of flatter organisational structures:

- streamlined workflow, rather than divisions between functional tasks, becomes the core organising principle thereby reducing bottlenecks and misalignment;

- self-organisation becomes the core building block, devolving day-to-day planning, scheduling, problem solving and continuous improvement to empowered and accountable teams, removing the dead weight of micro-management;

- people play to their strengths: job roles and career paths are crafted to bring out the best attributes of each individual whether as a coach, project leader, technical specialist or business development strategist.

The Strengths-Based Organisation
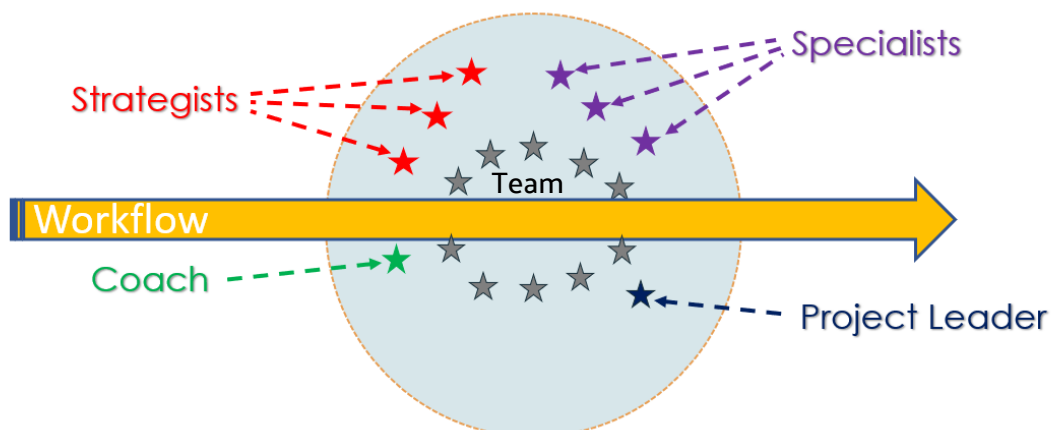
4. Embed employee-driven innovation and improvement in the day job

We've seen a real change in recent years as managers come to understand that unleashing the accumulated knowledge, experience and creativity of workers at every level can play an important role in improving business performance and giving companies the competitive edge. Yet this recognition is so often tinged with frustration that those same employees are not responding fully to the opportunities placed in front of them.

Suggestion schemes, ideation platforms and kaizen groups are increasingly present in all types of organisation from manufacturing, financial services and IT companies to the police and government agencies. And yet many continue to wrestle with the knowledge that "our people aren't really engaged with the improvement and innovation agenda", or worse, that "they just want to go to work to do their jobs and that's it".

Fresh, exciting companies such as **Innocent** and **Red Gate Software** were created around the proposition that everyone should come to work to improve the business as much as to deliver their functional tasks. For more established businesses, creating a comparable culture of innovation often means overturning established ways of doing things and, not least, giving people the confidence to speak out, to challenge and to share the ideas and insights previously confined to private conversations with their peers.

To help DS Smith achieve this change of culture in its Lockerbie plant, we facilitated created **a day-long session** for a cross-section of production staff to identify opportunities for improving production flow, and these have now become regular events. In **Devon and Cornwall Police** innovation forums have generated great ideas for improving the service at a time of financial stringency. Electric bicycles, for example, are a great way of improving visibility while ensuring that officers can cover enough territory in remote rural areas.

Ideas for improving the business should also be part of the day job. **The Met Office** argued strongly that new ideas can come from anyone and has rejected the idea of setting up a separate innovation team. A network of volunteer "guerrillas" recruited from every level of the organisation is gradually establishing a culture of innovation in ways that break down silos and release new waves of creativity.

The striking thing about truly innovative companies is the systematic way in which their organisational structures, systems, processes and working practices are all aligned to recognising and encouraging the creativity of individual employees and teams. The lesson for more established businesses is that they need to look beyond the occasional invitations to contribute ideas and examine how employees' experience of the workplace as a whole encourages – or discourages – their engagement in improvement and innovation. Is it a clear corporate value, consistently reinforced by every aspect of company practice?

Conclusion

Of course there are many more factors to consider, and The Workplace Innovation Diagnostic**®** is a great starting point. It measures employee experience against evidence-based working practices associated with enhanced capacity for innovation as well as improved productivity, health and engagement, and provides a clear and very practical starting point for effective change. Take a look at our short case study of how the Diagnostic helped build a culture of innovation at engineering services company Booth Welsh.

We'd welcome the opportunity to discuss these ideas further with you, whether you are a business leader, employee representative, consultant, researcher or policymaker. The thinking and practices underlying this paper can also be delivered as an interactive webinar for boards, employee forums or other groups.

Do contact us for further information:

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Our website is full of resources and ideas for workplace innovation:
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