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Change rarely follows a smooth, uninterrupted, linear path. It is far more likely to be a relatively short period of frantic activity, followed by an extended phase of catch up, consolidation and commitment building. The COVID-19 crisis? Think about it as a fast-acting, cultural accelerant. Changes that, in other circumstances, would have evolved over several years have been enacted in a matter of weeks. One organization change, in particular, has been pervasive - millions of workers, in all parts of the world, have been forced to work remotely.

The Benefits of Virtual Employment

"Virtual employment" has been embraced enthusiastically by some. Others have found it to be an unwanted intrusion into their lives. What can be said for sure is that things will never return to the way they were. The virtual workplace has four major benefits.

- 1. **Cost savings.** The obvious saving being significantly reduced office costs. Meanwhile, wage and benefit costs - especially if a large number of administrative staff can be recruited from low wage areas of the country or even offshore - can be trimmed. If you are based in a high-cost city such as San Francisco, London or Sydney this is no small thing.2
- 2. **Lifestyle.** There are an increasing number of city dwellers who for lifestyle, the cost of housing and family reasons - would love to replace concrete with grass, a high-rise balcony with a garden and a seat on the subway with a quiet cup of coffee at home. Family health is especially impactful. Even after a workable COVID-19 vaccine is available, what will continue to be an emotional burden well into the future is the sense of vulnerability, the feelings of helplessness and the fear that accompanies a pandemic.

¹ One study in Canada, the "11th Annual Salary Guide," found that two in five employees (43%) believe their companies have failed to provide measures that support their well-being throughout the pandemic. The lack of social interaction (45%), isolation/loneliness (27%) and increased workload (25%) being the main reasons.

² There is evidence that remote employees work an additional 1.4 days per month than in-office employees. (Inc. Magazine, October 2019.) The same source suggests that remote workers save over \$4,000 per year on travel costs (compared to in-office employees).



- 3. Monitoring performance. Remote work is relatively easy to monitor. Tracking ongoing productivity and key outcomes is invaluable. Expect the technology in this respect to advance in leaps and bounds.
- 4. Organization agility. When fixed costs are replaced by variable costs, additions - or reductions - in the workforce become easier to manage. Moreover, having developed the tools to support a virtual workforce – webinars, products, video meetings, distance learning - greater value can be derived from the established training and development budget.

The benefits of remote working as decribed are far from the end of the story. Beyond this crisis lies, what well may be, an even bigger social upheaval. Many of the positions currently being moved away from the traditional office represent exactly the type of work that technology will disrupt/replace tomorrow. While employees work to become proficient in Zoom and other video-based communication tools, an army of technologists are working on Artificial Intelligence, algorithms and alternative ways for "the machine" to make further inroads into routine work.

Along with death and taxes, take it as an immutable fact of life that if it can be digitalised ... it will be digitalised. It's not just a shift to virtual employment that COVID-19 has provoked; the perceived value of working without people - or at least with as few as possible - suddenly became more attractive. "If we are going to have to forgo the benefits of trust building, teamwork and all that implies, would it not make more sense, wherever possible, to simply replace people with technology?" No office, no people - no problem!

Virtual Employment and Segmentation

Meanwhile, with today's challenge in mind, the one mistake that a manager cannot afford to make is to assume that the drama they are directing is being acted out by a homogeneous cast. In other words, much as a marketing executive would segment the customer base, those developing virtual employment strategies must segment the workforce. There are any number of ways to do this. Analysis based on different generational cohorts being an obvious one.

A more valuable approach, we would suggest, factors in two key variables.

1. **Personality.** In particular, the difference between extroverts and introverts. Extroverts are energised and recharge their batteries by interaction with others. Introverts need time on their own to reenergise.3 The implications for working in isolation are clear and obvious.

³ In a research study by the Myers-Briggs organization, introverts made up 50.7% of the sample studied.



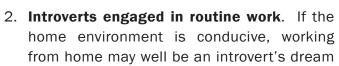
2. Freedom to act. The degree of discretion the employee has to shape the nature of his/her contribution. Work can be divided into two categories: a job and a role. In the former, everyone doing "the job" operates against the same carefully developed standards. Freedom to act, such as it is, being prescribed in detail (policies and procedures) and common to all those holding down that particular job. If there is any innovation it is through a process outside of the day-to-day activities. A job is, for the most part, defined by work that can be described as "routine."

A role, meanwhile, has at its "core" requisite goals and outcomes that must be achieved. Outside of that requisite core is an area where the individual in the role can shape the nature of his/her contribution. And here is where it gets interesting. Jobs fit together like bricks in a wall - fixed boundaries and no overlap. A role, in that the contribution from each individual can/will continue to grow, leads quite naturally to overlap and collaboration. And that's where a good deal of breakthrough thinking is born.

Most employees enjoyed the novelty of working from home. At the beginning! It's a feeling that doesn't always last. Figure one outlines a simple workforce matrix of four distinct categories of employee, a way to segment the work population based on personality and freedom to act.

1. Extroverts engaged in routine work. For many extroverts, without ongoing interaction with others, routine work becomes a burden. A repetitive, soul-destroying existence

where every day is the same and where the tedium becomes, literally, unhealthy. Add a small apartment, a young baby, a neighbour with a barking dog, a demanding boss and you have a mandate for anxiety, divorce, substance abuse and, in some cases, mental illness. A unionised team? Expect the next grievance filed to be for "loneliness."4



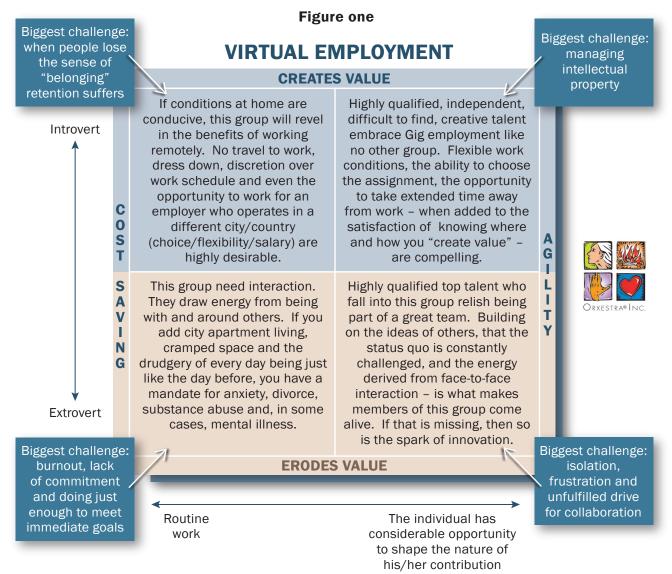


come true. No travel, dress down, discretion over work schedule and flexibility over choice of employer. Remote working means that you can live where you want and work for any company, literally, anywhere. What is lost, of course, is a sense of connection (belonging) that comes from being physically and emotionally part of something bigger than yourself.

Investment in coping skills is essential.



3. **Top talent who are extroverts.** Top talent, those who bring genuine, hard-to-find expertise can work remotely and, indeed, many do. That said, even where the home environment is supportive, extroverts demand more. They feed on the day-to-day interaction, the benefit of ongoing candour, that the status quo is constantly being challenged and team members coaching each other. They also find a level of satisfaction in collaboration that introverts might not fully appreciate. That does not mean being part of a great team is always a comfortable experience. Doing what others say cannot be done often means using "sharp elbows." It's exactly that spark of creative tension, however, that fans the flames of innovation. Without it, if the inevitable sense of isolation kicks in, your top talent might stay but their heart won't be fully in it.





4. Top talent who are introverts. Highly qualified, independent, difficult-to-find, creative talent embrace the flexibility and opportunities that remote working provides. Purpose-driven choice of assignment, the opportunity to enjoy lifelong learning and the ability to integrate work into lifestyle choices make remote work a compelling choice for this group. Expect remote working for this category of employee to grow exponentially. Anticipate, also, the problem of managing intellectual property when the specialist working on a key project for you three days a week is also providing support to a competitor.

No doubt, any number of teams are already working on technology (e.g., gamified assessment) to help identify suitable "work from home" candidates. Selection based on the personality and personal situation of candidates is more than a matter of assessment. however. Building the virtual team? Equally challenging. Legislation - the US being an example - make questions that delve into an individual's family background and lifestyle prima facie discrimination and subject to potential legal action.

The Rest of the Story

The COVID-19 crisis has changed, indelibly, our assumptions about leadership, the nature of work and what it means to be an employee, the hiring process and business travel/training. It has also shaken the very pillars of the so-called "modern organization." When large numbers of employees are asked to work remotely we are redefining both the organization's culture⁵ and what it means to be an organization. And the rest of the story?

- 1. Leadership. Regardless as to the employee segment, continued work from home puts a premium on "leadership at a distance." This means:
 - i. Approving resources for those who need to "catch up" an effective computer, a fast Internet connection, software and training. The need to share a home computer with the rest of the family (as many do), only compounding the frustration that work life and family life have been fused into one. In my own discussions with those working from home, this is a huge turn off. Note also, the real need to beef up cybersecurity.6
 - ii. Re-establishing the meaning that lies behind the organization's purpose.
 - iii. Reinforcing the organization's values in everything "the team" does.
 - iv. Total clarity regarding goals and expectations.

⁵ Culture is a system. Whether you want to or not, when you make changes to part of the system you are impacting/ changing the whole. To focus change initiatives on only part of the system is to invite unintended consequences.

⁶ Employees working in a wide range of locations, operating on different networks, protected by residential tech infrastructure, using multiple kinds of devices creates a whole new cyber-security challenge.



- v. Extending employees as much flexibility as possible regarding how and when they do the work. Before revisiting what employees are asked to do, it's essential to review the legal issues of working from home: updating the contract of employment, data security, monitoring overtime and health and safety concerns, for example. In some constituencies we are entering new legal territory. Is the home now legally a "workplace?" If it is, there are a whole raft of laws that might well apply.
- vi. Communication mastery especially listening.
- vii. Empathy, caring and a degree of transparency that hitherto leaders have been uncomfortable with.
- viii. Additional investment in health and wellness programs. Even more important, early recognition and mental health support for anyone showing signs of stress.
- ix. Finding new ways to unlock the team's creativity.
- x. Changing the patterns of play making what can quickly become a repetitious, daily Zoom existence interesting, interactive and, when appropriate, fun. For the extroverts on the team - a must!
- 2. The nature of work. When crisis means that just getting through the day trumps personal growth, the transaction becomes more important than trust building and the team takes second place to individual initiative, expect employers to gravitate to the most cost-effective solution. In a reincarnation of Charles Handy's Shamrock Organization⁷ one can envisage the emergence of three distinct classes of employment each with very different terms and conditions of employment.⁸
 - i. "Mission critical" roles. These are the positions that collectively create the strategy, make strategic course corrections, manage key accounts, monitor results, protect what makes the business special, facilitate innovation and nurture the emerging culture. Expect these roles to be full time, permanent and involve as much face-to-face interaction as the climate allows. To support this "class," whether face-to-face interaction is possible or not, expect significant additional investment in "communication" technology.
 - ii. Remote employees. Deemed other than mission critical, this employee class would all, ideally, work remotely. Exceptions could well be made for R & D, security staff and those who meet the customer ... but, wherever possible, virtual becomes

⁷ A way to think about the organization where employees are deemed to fall into three distinct groups.

⁸ At least 60% of workers in the US cannot work remotely: employees who must go to the work rather than the work coming to them – factory workers, delivery drivers, retail staff, etc.



vital. Expect "tough-to-find" specialists to be offered "blended" employment part face-to-face and part virtual.

iii. Contingency employees. Members of the workforce who are only called up for a special project, work part time or are engaged only during times when the demand from customers or clients makes it necessary. "Remote," obviously, being the cost-effective option.

And the behavioural cost of the Shamrock Organization? Firstly, we need to consider the support needed to truly support a virtual way of working. Four lagging factors emerge: (1) the technology available;9 (2) the challenge of implementing the technology that is available; 10 (3) outdated thinking regarding organization design; and (4) the need to re-skill much of the workforce. 11 In a virtual world, until those four issues are addressed, expect erosion of employee engagement, loss of trust,



⁹ One need only use a system such as Halo, the HP video conference technology where people literally feel as if they are in the same room, to realise how crude and impersonal applications such as Zoom and Microsoft Teams are. It should be added that Halo is many times more expensive.

¹⁰ By way of example, if supported exclusively by legacy IT architecture, the agility derived from test-and-learn approaches is difficult to realise.

¹¹ According to the World Economic Forum (2020), as adoption of technology increases, 50% of all employees will need re-skilling by 2025.



heightened uncertainty and confusion about what it means to be a team. Does that make the Shamrock Organization a Faustian bargain? Possibly, but when markets contract cost saving quickly becomes a high priority. The "noise" around stakeholder capital notwithstanding, the continued drive for organizations to meet near term earning targets isn't going to abate anytime soon. Pandemic or not!

- 3. The hiring process. More specifically, the video interview. The cost benefits, the time saved and the overall convenience will resonate long into the future. Having become comfortable with the format, the video interview is likely to herald an overall push to digitalise as much of the recruitment process as possible. Already well underway, assume further advances in specialised search engines, gamified assessment, dedicated chatbots, online psychometric testing and Al-based induction support. With advances in digitalised recruitment expect new, tech-enabled entrants into what is already a very crowded market.
- 4. Business travel and all forms of training. If you have any investments in the airline industry, move it to an online training organization. Business travel is costly, time consuming and, even where jetlag isn't a factor, very tough on the body. Once mastered, Zoom and other video conferencing techniques make attendance at many meetings unnecessary. For "meetings" read in-house training sessions, workshops and seminars. At senior levels, the personal interaction that some conferences and leadership development sessions provide can be invaluable, but even there expect cost savings to override past practices. With universities and large swathes of society moving in the same direction, know that the supporting technology will move forward quickly.
- 5. The organization. Arguably, the most creative thing our kind has ever achieved is found in a way to organize which synchronises the contribution of thousands of people, often in different countries, in pursuit of a common purpose. One hundred years ago, we were faced with the assembly line, the airplane, a world war, ongoing political revolution and a pandemic that killed at least 50 million. The organization that emerged transformed society. It was a "created reality" that, over the course of the 20th century, moved many millions out of poverty.

The organization that served us so well in the last century was a product of its time. In that its three major pillars were stability, hierarchy and control, it was, above all else, built to last. The disruptive, virtual, tech-driven, speed-oriented world that is emerging demands a very different way to think about what it means to be an organization. Ideas-driven, agile and built to learn faster than future competition – it will, of necessity, be built to change.

And here lies the real challenge. Trying to integrate virtual solutions into a way to



organize designed for a mechanically minded, 20th century audience is much like attaching a rocket to a bicycle. 12 CRASH!

It's not entirely clear what tomorrow will bring, but new organization forms will emerge. Two things can be said for certain. One: the organization that will serve us in a virtual world will be dominated by the "F" word - Future oriented, Focused on the customer and the community in equal measure, Fast, Flexible, Followership dominated, Fertile to new ideas and Fixated on how quickly people learn. Two: COVID-19 has both highlighted the need and hastened its appearance.

Conclusion

Generals, invariably, prepare for war with the most recent battles in mind. In WW1 we had the example of mounted cavalry attacking machine guns. Leaders, similarly, faced with a new challenge, all too often default into what worked in the past. Quoting Mark Twain, "What gets us into trouble is not what we don't know. It's what we know for sure that just ain't so."

Our advice to clients over the past months has been that there are three stages to a crisis. One: coming to terms with the new reality. Two: navigating your way through the crisis. Three: coming out of the crisis stronger. The first two are largely tactical. Emerging stronger is, essentially, strategic. Thinking strategically implies not merely looking beyond the pandemic but recognising that, whatever the time frame, tomorrow will be different - in some cases, very different.

In conclusion, it can be said all learning starts with a question. Wrapped up in the text are five central questions.

- Are the potential benefits of moving to a virtual employment base being fully realised?
- 2. When it comes to working virtually, have we made the mistake of assuming one size fits all?
- 3. Have we revisited what it means to be a leader in a virtual world?
- 4. Does the organization culture and overall organization design support a headlong flight into virtual work as the overall employment philosophy beyond COVID-19?
- 5. Have we sharpened our saw when it comes to the virtual interview and online learning?

The organizations that will win are those that come out of this crisis stronger. The five questions listed above aren't all encompassing but as you come down the COVID-19 mountain they are worthy of reflection.

¹² In one study of 150 companies, McKinsey and Company found that only 30% were highly collaborative. (McKinsey Quarterly, "Raising Your Digital Quotient," June 2015.)









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