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Welcome

The world is more uncertain than ever. Brexit, protectionist tariffs by the USA and retaliatory measures by Europe and China, a fragile global economy and the constant advance of robots threatening the livelihoods of millions. This is the stuff that keeps many of us awake at night.

Electorates in every continent are agitating for change – often simply wanting to poke the establishment in their part of the world in the eye. Millions of people in developed economies are scared about their future and their children’s future. Will they have jobs that pay the bills and allow them get by? Will they have jobs that give meaning to their lives and a sense of community? Will they have jobs at all?

A distrust in leaders – political and corporate – is more common than ever before. This is especially the case when business leaders seem in hock to institutional shareholders who demand short-term gains, even when it may be at the long-term expense of customers, employees and even the business itself.

An aspect of this distrust stems from the continued existence of common myths, so it is more important than ever that leaders connect with the truth. That’s why this packed issue confronts some of the biggest questions facing business leaders today.

How do organisations create a climate where people can innovate and be one step ahead of competitors?

And what are the critical factors that differentiate businesses at the forefront of innovation from those who are falling behind?

How can we increase automation without harming the bond we have with the people who work for us, and the communities in which they live?

Could automation really lead to improved workplaces, better quality jobs and enhanced productivity?

In a fast-changing world, should we not be listening to our people much more regularly in order to respond faster?

How can we keep track of changing sentiment and behaviour without becoming overburdened with survey and data overload?

And, given the critical role culture plays in driving organisational performance, how can businesses influence and shape it?

Do we have to rely on tone from the top programmes or should we be focusing on making structural, policy and practical operational changes that nudge people into changing their behaviour?

Along with the latest findings and insights, we provide practical examples of where global businesses have answered these questions successfully.

We curate and craft this publication to provide very practical solutions to those involved in addressing the challenges of engaging, energising and enhancing the performance of employees.

I hope you find this edition’s articles of value and use in your role – that is our ultimate aim for thinkBox.

Do please let me have any feedback on any of this edition’s content or ideas for future editions.

Regards,

Ghassan Karian
In the last year, we’ve surveyed well over two million employees globally across a range of sectors. We’ve spent time digging into the related data, looking for the most important findings for business, HR and communications leaders.

Four major insights emerged that can really help leaders plan and take action to motivate their people, build trust and enhance performance.

Here’s what we found...

1. Empowerment and employee voice are key factors in helping build active employee motivation

2. Leadership visibility is critical to building trust... but it has to be genuine and face-to-face to really have an impact

3. Regular team meetings act as a leading indicator of wider positive manager behaviours and performance

4. Continuous listening isn’t the best way to measure culture – but is valuable for tracking sentiment and knowledge
If you want people to be proud AND motivated, you have to involve and empower them

In many of the organisations that we work with, pride is nearly always higher than motivation. We were curious to find out why this tends to happen.

When we analysed the data, we found some interesting patterns.

- While trust in leaders is the key factor in influencing levels of pride, it is empowerment that helps drive motivation.
- Employees who are both proud and motivated tend to answer questions around empowerment, involvement and feeling listened to more positively. For employees who are proud but who are not motivated the missing link is empowerment.

Industry case study

In one of the large financial services organisations we work with, pride is usually in the high 70s-80s and motivation sits in the low-to-mid 60s. So, there is a significant 15 to 20-point gap in positivity for these two questions (in most organisations this gap is less pronounced, ranging between five to 10 points).

Our analysis of this organisation’s data shows a particularly strong correlation between empowerment and motivation.

We’ve only seen a couple of examples of organisations where the opposite trend occurs. This has usually been because the employer brand has suffered reputational damage.
Leadership visibility is critical to building trust... but not just any type of visibility

Leaders who are more visible are more trusted. This is true for almost every organisation we survey.

But, not all visibility is created equal. Using an integrated dataset, we looked at the different ways leaders communicate and how that impacts trust.

One critical finding emerged.

Leaders who communicate in a personal, engaging, face-to-face way – whether that’s through townhalls, site visits or walking the floor – are much more trusted. Employees are also more likely to believe they follow through on promises.

Leaders who communicate virtually (whether in a webcast, conference call or online forum) and who encourage dialogue with employees also get good feedback, but not quite as good as those who use face-to-face channels.

Unfortunately, the channels most leaders use are one way – emails, intranet articles, podcasts etc. The data doesn’t lie: these leaders encourage about the same level of trust as those who don’t communicate at all.

“Leaders who are more visible are more trusted. This is true for almost every organisation we survey.”
Reading between the lines

Leaders who spend time with employees also usually make more of an effort to understand what their challenges are and really listen to what they have to say. They’re more likely to empathise and take the right kind of action. This is why employees trust them and believe them when they say they’re going to do something. It’s a bit of a cliché, but actions really do speak louder than words.

Industry case study

In our research for a large international travel business, we found that employees who receive the most common forms of leadership communication (emails and intranet articles) trust their leaders least. Employees who experienced more face-to-face and ‘human’ forms of engaging communications had the highest levels of trust in leaders.

As the chart below shows, fewer than half of the employees who only receive email or intranet leadership communications trust their leaders. Face-to-face experiences such as town halls elicit trust levels of over 70%. This is even higher when they also use informal ‘walk-about’ forms of communication.
Regular team meetings act as a leading indicator of wider positive manager behaviours

If you only ask one question to determine whether managers are doing their job well, it should be whether they’re holding regular team meetings.

Why? Because if a manager has regular team catch-ups, they’re much more likely to be the type of manager who also encourages discussion, who recognises team members and spends time helping their team to develop their potential.

The data shows that teams who have regular catch-ups are more engaged and have lower levels of attrition and absence.

In of itself, the act of having regular team meetings is relatively immaterial. But, this activity is a strong predictor of other, equally positive behaviours. It is these behaviours, taken together, that drive enhanced employee engagement and performance.

As the saying goes, ‘people usually quit their manager’.

Industry case study

A multi-national financial services business has integrated data on regularity of team meetings with other manager behaviours. This has shown a very strong correlation. Critically, it shows that those employees who have team meetings with their manager at least once a month also have better understanding of their employer’s business priorities. It’s also a tipping point at which levels of attrition and absence decline meaningfully.

“If a manager has regular team catch-ups, they’re much more likely to be the type of manager who also encourages discussion, who recognises team members and spends time helping their team to develop their potential.”
Continuous listening is far from the best way to measure culture and behaviours

For the past several years, we’ve been running continuous listening research for a number of large global and UK companies – whether that’s on a weekly, monthly or quarterly basis. In doing so, we’ve found a really important trend.

Questions that measure understanding and sentiment (‘I know…’, ‘I feel…’, ‘I believe…’) are acutely sensitive to changes in business performance, environment, strategy and leadership, and can fluctuate significantly from week to week, month to month and quarter to quarter.

But questions around culture and behaviours (‘People around me…’) evolve incredibly slowly and are very rarely influenced by what’s happening in the moment.

So what?

More and more businesses are experimenting with forms of continuous listening or more regular research. While this certainly has advantages when it comes to understanding how employees react to change, it is not a very valuable way to measure culture and behaviours.

The numbers simply don’t move fast enough to merit regular tracking. When focusing limited resources on regular listening it’s better to track what people think and feel – as these change much more regularly in response to ‘events’.

Annual and biennial research is the best and most cost-effective way to track slow-moving organisational culture and behaviours.
Continuous Listening or Constant Asking?

“I am tired of all the questions,” snapped a testy Max Verstappen ahead of June’s Canadian Grand Prix. “If I get a few more I will headbutt someone.”

The Formula One driver was responding to repeated enquiries about why he keeps crashing his very, very expensive racing car. On one level he’s a millionaire sportsman and it’s hard to sympathise, perhaps. But on another, we’ve all been there: subjected to a relentless list of questions that our answers never seem to deflect and getting riled as a result.

Query fatigue is a well-established aspect of the human condition, documented time and again in popular culture. “Prithee, no more” begs Shakespeare’s Othello of his Desdemona, after a barrage of questions. “I do beseech thee... leave me but a little to myself.” Han Solo opts to simply shoot his interlocutors in Star Wars. ‘Boring conversation anyway,’ he shrugs. My own past life as a music journalist contains a few examples of what happens to musicians when they’re asked the same questions over and over (exec summary: they start playing up, mightily).

So why would we expect people’s reactions to regular employee surveys to be any different? These surveys are framed as caring and interested employers continuously listening; but is that really true? Are they actually just subjecting their employees to the same fusillade of questions on repeat, without hearing the replies? And if so, can they expect a metaphorical blow to the head?

Or are these just even more questions?

Here’s a look at some of the plus points and pitfalls of continuous listening, with expert input from Colin Quigley, our senior data analyst.
**Intervention vs Interruption**

With enough data or a large enough sample size, you can regularly dip into the numbers and quickly check the health of your teams on relevant issues. If scores have been holding steady but seem a little low, you can try something new and see if they lift; or if they’re on the slide, you can try intervening before they get worse. ‘It gives you that early warning sign that something has changed,’ says Colin.

However, give enough managers access to the same data and they can run riot, jumping the gun and offering agenda-based analysis to make the data reflect their plans, rather than making their plans reflect the data. ‘You can get managers jumping on to get budget for something “because look, our scores have tanked this week, we need to do something,”’ says Colin, ‘but if they’d wait two days, it would level off.’

**Frequent vs F*ck off**

Collecting data on a regular basis – weekly or monthly, for example – can give you a useful business-wide health check and builds up a consistent picture of employee engagement (or any number of other issues, depending on your question set) over time.

It also lets you see detail that an annual survey might smooth out, such as peaks and troughs in sentiment at regular pinch points like year-end or appraisal time; or you can spot fluctuations in scores that might otherwise appear to be steadily rising or falling when viewed annually.

There is a problem with this approach, though: get your schedule wrong and your survey becomes a virtual four-year-old, pinging into your team’s inbox with constant reminders and questions. “How about now?” it asks them. “And now? Hey, what about now?”

You can imagine how this might make people feel harassed. There’s a further risk, too: leave your survey open for constant feedback and people will tend to go negative (you’ve seen the comments sections on social media and how compassionate and nurturing they are, right?), leaping in to vent about anything that’s vexing them at work and adversely affecting your scores.

‘Continuous listening comes from the consumer market, where it does make sense to have the data rolling in, even if people are complaining, because that’s good feedback,’ says Colin. ‘But you have to question how much it applies to an employee market, when asking them constantly about stuff will wear them down.’
Consistent vs Constraining

Checking in with your employees on a regular basis can be a great thing when you’re trying to lead through change. A consistent question set can offer several benefits, not least of which is showing your teams that you care about how they’re feeling; it also builds up a picture of how the company is performing as you try to navigate turbulent waters.

A lot of the time, these surveys and the platforms they’re built on are promoted as automatic – just install and press go. But even the most sophisticated self-driving vehicle can end up wrapped around a lamppost without some user input, and it’s no different here.

‘A lot of the tech companies are positioning themselves as self-service, so they’ll come in, install the platform for you, do implementation for a few weeks or months, and by the end of that period – in their heads – you’ll be up and running, know the platform and be able to do it,’ says Colin.

‘In my experience that’s rarely the case: from people I know who have tried to do it, it takes longer to embed than they realised.’

Eager tech company sales reps may do a good job of convincing you that yes, this oblong shape is definitely flexible and adaptable enough to fit your fifteen circular holes. In practice, though, the sales pitch doesn’t reflect the reality. Your self-service system can end up sucking up more and more of your team’s time and requiring expertise that you simply don’t have in-house; you can also end up with unfocused question sets that lead to unruly data, and increasingly malevolent HAL-like survey software that will open the escape pod doors for neither love nor money.

OK, maybe not. But it can end up creating more work for companies and provide results that they can’t interpret alone. ‘We have clients who have bought their own platform and we still run the survey for them – simply because the tech isn’t as simple or intuitive as it says it is,’ says Colin.

Not that there’s anything especially wrong with running your own platform and getting a third party to take care of the data wrangling. It allows you to get on with business. However, if you planned for a one-off investment before becoming self-sufficient but end up still having to bring in contractors… well, accounts are going to have your name on a list. Not a nice list.

Detail vs the Devil

Done right, with a large enough population size and well-honed questions built around a compelling hypothesis, continuous listening can reward you with a seam of rich, useful data. You’ll be able to drill right down to assess individual teams, building up a comprehensive picture of the pulse of your organisation over time.

But let’s look at that last sentence one more time. Drilling down really does mean drilling down. You want to know how female colleagues aged 25–34 in Risk feel about manager behaviours? You can find out. Couple this with low response rates and put this data in the hands of managers who know their teams, and anonymised data can quickly become anything but.

This inevitably raises confidentiality issues at a time when we’re all increasingly wary of who has our data and why (the letters G, D, P and R also come to mind), so there’s the added risk of employees growing restless with the quantities of personal data held about them; they may also become less and less likely to respond to surveys.

And there’s the wider ethical issue. Even if collecting this data is practicable, is it morally acceptable? To what extent does seniority within a company confer right of access to an individual’s data? What questions are OK to ask your employees, and who decides? And what do you do with what you know?

‘It becomes pretty powerful when you start getting that much data – especially from an HR perspective,’ says Colin.

‘It becomes quite concrete as to the actions you can take off the back of it. But, in the wrong hands, it can be scary.’
Insight vs Oversight

Reliable data can power valuable insight and help inform strategic decisions, letting you see anything from how your engagement scores hold up against industry benchmarks to the degree of confidence your employees have in your plans for the business.

Buyer beware, though: having a beautiful piece of marble doesn’t guarantee a beautiful sculpture. What you see depends on how you tackle the raw materials, how you slice and shape the data to get those insights. ‘You end up with more data, and because of the time periods involved and the rolling data stream, you have a shift in the analysis required,’ says Colin.

This can create a number of headaches: mis-handling the data and getting messy results, say; having to assign extra resources just to manage the analysis required; or ending up skimming off the surface level of data and wasting most of it.

‘There’s so much data that you’ll just take the high-level skim, make the easy cuts and produce a report for the board – you risk becoming lazy,’ says Colin. In the end, your insight is superficial, rather than harnessing all that data to deliver some killer analysis.

You might also find that even with the finest marble and the sculpting skills of Michelangelo you can’t get the end result you long for, because what you want isn’t actually a marble sculpture. Continuous listening is often positioned as a tool able to measure a company’s culture – its values, ethics and priorities – when in fact, it can do no such thing.

Instead, it can measure employee sentiment – their confidence, intent to stay, or trust in managers. Fine information to have if that’s what you were expecting; frustrating if not. After all, if what you wanted was blown glass, a marble block and sculpting toolkit is just an annoying lump of limestone and some expensive hammers.

‘People can have unrealistic expectations of the tech,’ says Colin. ‘They end up investing a lot of time and money looking for something it can’t actually show them.’

Engage vs Enrage

Used as a tool to identify problems and act on them, or to find out what’s working and make it even better, continuous listening can be a valuable asset. If employees see results that directly address concerns they’ve raised in recent surveys, you’ll see a positive reaction.

The problems start when there’s no noticeable change. ‘I always say “are you constantly listening, or are you constantly asking questions?”’ says Colin. ‘If people are asked “how is this thing?” every week and they don’t see any change, fatigue kicks in really quickly; they won’t bother answering or they’ll start getting really negative.’

It’s all well and good asking for regular feedback if your survey procedures are consistent and you act on the results. If you do nothing, though, your employees will let you know about it through the very processes you’ve put in place to hopefully make things better. Your engagement scores will be down in the basement, skulking by the bins along with morale and trust in senior leaders and the strategy.

Surveys can also fall into the “all the gear, no idea” trap. You have the system, the means to isolate the meaningful data, the processing power... but if no-one accesses the dashboard and your senior leaders just wait for their five-page quarterly summary, who benefits?

Your fancy system is suddenly a sports car that only does the school run. ‘So, are you gathering all this data just for a handful of curious managers to pry into? Is there any point in doing that?’ asks Colin.

Always on isn’t always good. With an annual survey, you at least take the time to dig into the data, argues Colin. ‘But when it’s rolling, you just think “oh, everyone has access to the data,” and you hope there are enough analysts in the business to understand it. And often that isn’t the case.’
Pros and Cons of Continuous Listening

**Pros**
- Quickly identify and respond to changes in employee sentiment
- Build a consistent picture of sentiment over time, with nuanced detail
- Show employees that you care, and that you’re listening
- Access rich, useful data that can be analysed in multiple ways
- Use responses to gauge reactions to plans and inform strategic decisions

**Cons**
- Be at the mercy of managers using data to pursue individual agendas
- Irritate your employees with constant questions and get negative responses
- Drive engagement down by failing to respond to employee concerns
- Gather more employee data than you can usefully analyse / should ethically hold
- Rely on third-party analysis to provide actionable insight, at additional cost
How well do you know your leaders?

Leaders can motivate a thriving team, drive a successful business and inspire the people around them – but they can also hold people back and stifle success and growth. While this fact is well recognised, it’s still very difficult to measure the impact individual leaders have on their teams, the local cultures they create and ultimately the impact they have on their team’s performance.

So how do you tell what kind of influence each of your leaders is having on your business, for better or for worse?

**Leadership Impact Analysis** is a new diagnostic tool that enables organisations to:

- Measure leader influence
- Identify ‘role model’ and ‘red flag’ leaders
- Get a deeper, data-driven understanding of team dynamics
- Have more effective conversations around performance

Your business relies on your leaders. We can help you get to know them better.
How can the example of flourishing leaders in underperforming business areas be harnessed to improve overall leadership?

How does it work?

This animation shows you just how powerful Leadership Impact Analysis can be, and how it can help you improve leadership at all levels in your organisation.

How well do you know your leaders?
Matt Midgley has a PhD in theatre, film and television and is an expert in storytelling, narrative and scriptwriting.

Serge Taborin comes from an engineering family and has a degree in engineering sciences from Oxford. He’s held numerous innovation roles in fast growing start-ups and large corporates. He helped the BBC improve their digital strategy and has worked with countless leading brands to help them develop their growth strategies, including Warner Brothers, Virgin Media and Channel Four.

Serge Taborin talks innovation and the challenge of corporate leadership in changing times.

There’s no chance that the iPhone is going to get any significant market share. No chance.’ So said the then-CEO of Microsoft, Steve Balmer, shortly after Steve Jobs presented one of the most iconic products in human history to the world.

But it turns out he’s in excellent company. Decade after decade, countless CEOs of leading corporates, captains of industry, the smartest minds in the room have all fallen into the same trap. By focusing only on their existing business models, they failed to recognise the potential of new technology to create an entirely different solution to a customer problem, typically accompanied by a new business model.

Today, the threat to the established corporate order is greater than ever. The world is connected and mobile, and data has become the new oil. The technologies that can exploit that data are readily (and cheaply) available and there is a huge amount of investment pouring into the start-up space.

We spoke to innovation guru Serge Taborin to find out the key to successful innovation and the challenges of leadership in a world being reshaped by technology.
As someone with extensive experience in both the start-up space and within the corporate bubble, with an engineering degree as well as an MBA, Serge Taborin is better placed than most to know what it takes to innovate in the current market environment.

Attempts to create agile cultures in the most painfully bureaucratic organisations or to successfully launch in-house apps have often proven, shall we say, tricky. The recent TSB mobile banking fiasco is just the latest in a long line of incidents where the only ones businesses seem to be disrupting are themselves (and their customers).

But Serge is clear that corporates retain many advantages that start-ups can only dream of.

‘When it comes to start-up innovation vs corporate innovation, I often talk about utilising unfair advantages’, he says. ‘Corporates have a strong brand, a customer base, distribution networks, proprietary knowledge and enormous resources, both human and financial… these are all things they’ve built up over years, decades or even centuries.

‘As a start-up, in the beginning and often for the first few years, you have no brand, no money, no customers.’

This is one of the reasons why the majority of start-ups disappear without trace. Nevertheless, the start-up threat is very real. With a good enough idea, some talented minds, a few rounds of funding, a ton of hard graft and nothing to lose, new companies have disrupted – and will continue to disrupt – entire industries.
Evolution or revolution

Before it’s possible to appreciate the advantages that start-ups do have, it’s worth considering this vague term ‘innovation’ a little more closely.

Serge thinks of innovation in three categories: incremental, transformative and disruptive. These categories exist on a sliding scale of risk and reward. Incremental projects carry the lowest risk of failure, but reap the smallest rewards. Disruptive projects carry the greatest risk but can potentially yield the greatest rewards.

‘It’s worth pointing out that corporates have been and continue to be great innovators’ he says. ‘It’s just that they’re often experts in the incremental form of innovation, generating marginal gains and incremental improvements. They wouldn’t have been around so long if they weren’t.

‘But the thing about the higher forms of innovation is they have a much higher failure rate and longer payback periods. When you’re talking about genuinely disruptive ideas, over 90% of projects will fail. And even those that succeed will take years to deliver meaningful value. That’s an impossible proposition for most large companies.’

But today there are more companies than ever seeking to transform or disrupt industries through technology. And based on some high-profile success stories, one of the traditional advantages of corporates – vast sums of capital – is being eroded, as investors pour money into new ventures.

There’s so much money washing around, in fact, that Serge believes that 30-40% of start-ups that have had funding shouldn’t even exist. ‘There are some extraordinary start-ups out there, with brilliant concepts and great founders. But there is the other side of the spectrum – a lot of start-ups just don’t have strong enough propositions. But money is pouring in.

‘We’ve also seen a significant new player, the corporate venture fund, enter the start-up space. But very few do it well. For some maybe it’s a PR exercise, for others it’s a genuine attempt to move the needle – but many aren’t professional investors and struggle to attract the best entrepreneurs.’

The innovation landscape thus appears somewhat unbalanced. Corporates want to move beyond the incremental but often struggle with execution, while start-ups struggle to reach scale even when they have great products.

“When you’re talking about genuinely disruptive ideas, over 90% of projects will fail.”
Predictability is the arch-enemy of innovation

Given these challenges, an increasing number of corporates have taken the logical step of partnering with start-ups in the hope of kickstarting their digital agenda. But this hasn’t been a simple journey.

Serge has observed various approaches by large companies to incorporate start-ups into their world – through partnerships, investments or (quite literally) by taking them over. But for most, this is still a work in progress.

‘Most corporates have realised that working with the start-up ecosystem is an absolute must if you’re going to be serious about innovation’ he says, ‘but it’s hard, because you still have the challenge of introducing something fundamentally disruptive to the core business model, without sufficient clarity on outcomes.’

It’s at this point that the idea of a core business model – the brand, the customers, and the money that we vaunted as such an unfair advantage earlier – begins to cause problems.

‘It’s extremely difficult to move away from the things that have made you successful in the first place – even if you realise that the world is moving in a different direction and things are going to change. Especially if you don’t really understand the technologies that are coming into your world or how best to use them.

‘The other challenge in this context, which we shouldn’t underestimate, is the traditional corporate shareholder. Shareholders are ultimately the owners of the business: leaders, managers and employees are working on their behalf. Shareholders in large corporates are typically very different from those who invest in start-ups: there is a lower appetite for risk and an expectation of predictability.

‘Unfortunately, predictability is the arch-enemy of innovation. By definition, to innovate means to take risks, where the likelihood of failure is often higher than the corporate world is used to.’

And in the same way, it is here where the weaknesses of start-ups play to their advantage.

“Start-ups have no baggage. When you see an opportunity you just go for it. Your ability to be agile and focused is higher.”

‘Start-ups attract a very different type of shareholder, one that expects you to take risks. They’re not interested in you growing your business by 5% a year, they’re interested in you growing your business by 500% a year.’

And of course, this kind of rapid growth doesn’t come through tinkering with what already exists. But being both predictable and disruptive requires extraordinary leadership, as well as shareholders who are up for the journey.
The challenges of leadership and innovation

Given the very different priorities that corporate shareholders have compared to those in start-ups, it’s no surprise that the slow and steady ‘company man’ may struggle to adapt to the world of ‘failing fast’.

This doesn’t necessarily mean that start-ups produce more capable leaders. It’s just that 20 years of your success being judged on hitting your quarterly targets – in providing the security of predictability for your shareholders (and those higher up the food chain) – doesn’t exactly prepare you to experiment, to move quickly, to forge a path where none exists.

Nor does the tension and frisson involved in high-risk creative processes sit easily with careerists whose progression (and bonus) will have depended on forging alliances and getting on well with their manager.

And this situation is muddled further when you consider a corporate leader who is now being asked to innovate transformatively or disruptively. As Serge says, ‘how do you give enough focus to something that you know will actually work against your incentives in the short-term? You’re not going to hit your quarterly targets by spending 30% of your time on something that may deliver ten times the value, but not until two years later.’ In a start-up, whether you’re an internal equity-holder or an outside investor, you’re incentivised to think longer-term. ‘It’s not about next month or next quarter. It’s about that lottery ticket that you have in your back pocket... it may take five years to pay off but you hope it’s going to turn into something genuinely life-changing.

But this is difficult to replicate within a corporate structure and it’s been a huge hurdle to meaningful innovation. Incentivisation and culture have too often remained focused on predictability.’

This is not to say that the problem is entirely structural or cultural. Whether learned or innate, when you’re talking about transformative or disruptive innovation, you need different qualities in a leader.

‘I would say you need someone who’s not going to have the baggage of “this is how we’ve always done things”. It’s very difficult for anyone who has spent, say, thirty years in a given industry to “unlearn” what they’ve learnt in their career, to see things in an entirely different way.

‘To have a genuine chance, you need somebody who is going to reimagine the problem and reimagine the ecosystem in which the company operates, and who is also going to have a deep knowledge of emerging technologies to be able to interpret what they could mean for the company.’
So what advice would Serge give to leaders caught in this whirlpool of innovation?

‘One of the most positive changes people can make is in their leadership style and their interactions with colleagues of any rank. Too many large corporates adhere to a “command and control” model, where the highest-paid person is the boss and their opinion really, really matters – even if they still use a BlackBerry. But in the highly innovative sphere, you adhere to this model at your peril.

‘Feeling comfortable with being challenged, with not being the most knowledgeable person in the room, being able to marshal the skills and expertise at your disposal... these are all really important qualities to have.

‘You need to have diversity of opinion and the freedom to have difficult conversations without them being a problem. In the start-up world, you get used to having screaming arguments and shouting matches around the boardroom table.’

‘But you need that – you need that passion and you need people to show it. Because if you don’t, it’s a guaranteed way to miss out on some of the details that could make that lottery ticket in your back pocket a winner.’
Ghassan Karian on innovation culture

A lot has been said about innovation culture as if it’s some ethereal quality. But there is hard evidence we can draw on. At Karian and Box we collect and analyse over two million employee opinions and experiences each year during our research with large businesses. This enables us to identify what influences innovation and how people experience it in their workplace.

So what does the evidence tell us?

It tells us that there is a fundamental truth at the heart of innovation culture, that can be summed up in one word: empowerment.

As this chart shows, 82% of those who feel they are ‘empowered’ experience a workplace in which they are seeing high levels of innovation related behaviours. This compares to 46% for those employees who feel disempowered – a sizeable gap of 36 points.
Empowerment is at the heart of innovation culture in any business. When employees are empowered they have a say in decisions which affect them, they’re comfortable to challenge and critique, they feel able to ask questions, get involved and try things out. When all of this is put together, it’s a no-brainer that more new ideas are going to emerge and be put to the test.

Tangentially, we also see that cultures where empowerment is the norm are also those where employees are more engaged, attrition and absence levels are lower, where customer satisfaction is higher and, all things being equal, sales levels are higher. The evidence also shows that this needs to be a culture that transcends hierarchy.

It’s not just about people being able to be open with their peers, although this is important. Ultimately it’s leaders who define a culture – it’s up to them to invite challenge, to involve people, to empower them.

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The end of work as we know it

Rachel Gartner heads up our editorial team. A sharp-eyed editor, she specialises in storytelling and narrative development for research and campaigns.
Like any human looking for answers, naturally my first thought is to ask Google, where I find a handy little ‘automation calculator’. I type my job title in and hit enter. The page zips down to a pair of animated cyborgs, their metal exterior slowly getting stripped away to reveal flesh and blood underneath. Despite the metallic limbs, this avatar of my career prospects is more man than machine – at 33% my job is ‘not very likely’ to get automated.

Still, given the creative nature of my work the percentage seems quite high. How could a machine hope to do what many actual humans struggle to do well? But the more I research the topic, the more I begin to think that no jobs are really safe from automation.

Writing is as much an intellectual task as it is a creative one. On one hand it is an incredibly nuanced expression of culture and experience. On the other, it is a sequence of tasks – researching, reordering and distilling ideas, and then shaping them into a narrative. Even the greatest narrative devices – that totally unforeseen plot twist or perfect allegory – are elements crafted to perform a specific function and to affect the reader in a certain way.

Automation is about identifying tasks that can be done automatically. When you break writing down into tasks like this, suddenly the ‘expression of culture and experience’ looks less ethereal. So perhaps it shouldn’t come as a shock that predictive text and automated writing are advancing rapidly.

The Associated Press was already using software to generate articles on corporate earnings reports in 2015 and things have become a lot more sophisticated since then. More recently, the Washington Post used the software Heliograf to generate articles on topics ranging from the Rio Olympics to election results.

As AI becomes even more sophisticated, it’s likely that the creative skills that keep my job in the ‘not very likely’ category won’t be out of reach. So what happens then?

I imagine a future as a card-carrying, flag-waving member of the 35% of people who will be ‘technologically unemployed’. Maybe I’ll be sitting on a corner begging for cash from the robots who put me out of work.

Like anyone whose spelling has deteriorated since the invention of autocorrect, I’ve been finding it hard to ignore the near constant chatter about how automation is going to impact the future of work. I can’t help but wonder how I’ll be affected as a writer – will I be part of the 35%1 of people who are predicted to lose their jobs?

Do you think your job is at risk of automation?

Find out here

1 The figure for the US is much higher – with 47% of jobs said to be at risk of automation.
It’s all good: the robots have been taking over for the last 100 years

As I tried to banish all thoughts of technological dystopia, another possibility occurred: what if nothing material changes? This isn’t the first time technology has revolutionised work.

In the 1930s, John Maynard Keynes proposed that technological advancements would reduce our time spent working to just 15 hours a week and coined the term ‘technological unemployment’.

Newspaper headlines in the early 20th century railed about the ills of unemployment and US Presidents Roosevelt (in 1940) and Kennedy (in 1960) both talked about technological unemployment as one of the biggest challenges facing America. Idle hands are the devil’s playground, after all.

Yet here we are in 2018. The robots have been coming for 100 years now and we still spend about three quarters of our waking lives working. Even after the financial crisis in 2008, unemployment in the UK never reached a critical mass.

The question is: what exactly *do* we do?

‘March of the Machines Makes Idle Hands’
(New York Times, 1928)

‘Machines as Ministers to Man’
(Henry Ford, New York Times, 1939)

‘Does Machine Displace Men in the Long Run?’
(New York Times, 1940)
To work is to be human

As I got deeper into the subject of automation, it got me thinking about what work means to people. Why do many of us dedicate our whole lives to a single job? Why do some people retire then go get a part-time job right afterward?

This led me to the book ‘All Day Long: a portrait of Britain at Work’ by Joanna Biggs. In it, she shadows British workers across the labour spectrum – from those in the workfare programme to CEOs and bankers. Biggs asked each interviewee if they would still work if they won the lottery. You might think most people’s answer would be ‘retire tomorrow’, but people’s choices varied. Some said they would change their profession or start their own business, others mentioned cutting back their hours. Even with millions in the bank, a lot of us wouldn’t choose to quit work.

Johnathan Gershuny, Professor of Economic Sociology at Oxford, has proposed that this is because work gives us ‘a time structure, a social context, a purpose in life’. Work gives our lives meaning and so we’re hardwired to do it. This makes sense on one level. But this drive is also part of a wider, political narrative grounded in the protestant work ethic, where scroungers are cast against hard-working, tax-paying contributors. If you’re not employed, there’s something wrong with you.

This innate desire to work – and the social pressure to be employed – has had a profound influence on how working patterns have evolved over time and has helped reduce the job losses we thought might come from previous waves of automation. A report on how employment in the US changed between 1910 and 2016 showed that while farming, industrial and domestic labour decreased, professional, managerial, clerical, sales and service sector jobs increased exponentially.²

It seems that for each job we’ve lost, we’ve found something to replace it.

David Graeber, a leading thinker on patterns of employment, has described this shift as a move from service and production to administration. Certain sectors – like corporate law, financial services, human resources, or public relations – mushroomed or were invented entirely. Businesses became more complex, adding new layers of management. Graeber claims we’ve entered a new era of employment, where the ‘bullshit job’ is king.

Shadow work

Technology is supposed to make our lives easier, right? That’s what all the adverts tell us, at least. Not all of our more recent technological innovations are having this effect though, with some actually adding more ‘shadow work’ to our daily lives.

Take the self-checkout as an example. When they were introduced in the early 2000s, they were supposed to reduce the time we spend in long lines waiting to be helped by a cashier. Every time we choose to use the self-checkout at a supermarket though, we’re doing work that would normally be done by a paid employee for free. The self-checkout has created work for the consumer, while also displacing frontline, customer-facing workers. [New York Times, 2011]
“Through some strange alchemy no one can quite explain, the number of salaried paper-pushers ultimately seems to expand, and more and more employees find themselves, not unlike Soviet workers actually, working 40 or even 50 hour weeks on paper, but effectively working 15 hours just as Keynes predicted, since the rest of their time is spent organising or attending motivational seminars, updating their facebook profiles or downloading TV box-sets.”

A later poll carried out in Holland revealed similar results, with a slightly higher percentage of respondents believing their job made no meaningful contribution to the world (40%).

While your first reaction might be – ‘yes, but at least we’re still working’ – there is evidence that the ‘bullshit job’ is one of the reasons so many modern workers are disengaged, depressed and demotivated. Our work might give our lives structure, but we don’t necessarily find our work meaningful, especially when it’s ‘bullshit’. And it’s pretty hard to be happy when you don’t believe in what you do but you dedicate the majority of your waking hours to it.

In his new book *Bullshit Jobs*, Graeber references a YouGov Poll that was launched in 2015 after he first published his hypothesis. It asked: ‘does your job make a meaningful contribution to the world?’

- **37%** said they believed it did not
- **13%** weren’t sure
- **50%** said it did

The beginning of the end

So yes, it’s possible that nothing will change. That things will just keep ticking over and we won’t see a huge reduction in the human workforce. History tells us that this is what usually happens.

But 90 years on and Keynes might finally be proved right. Oxford academics Carl Benedikt Frey and Michael Osborne aren’t sure humans are going to be able to continue creating new work for themselves.

Their data analysis shows that the proportion of workers who have been moving into new roles associated with technological advancement has been declining since 1980.

Why the decline? Osborne suggests that part of the reason is that many of the new jobs coming out of recent technological advancement are not physical, but focused on software, which requires minimal human labour to produce and maintain.

This becomes abundantly clear when you compare the automotive industry in 1990 to the tech industry today. A recent study showed that in 1990, Detroit’s big three automakers employed 1.2 million people and had revenues of $250 billion. In 2014, the top three tech companies in Silicon Valley had similar revenues but employed only 137,000 people.

Using an example from the insurance industry, the insurer Quotemehappy uses chatbots and sophisticated algorithms rather than people to sell insurance and process claims. They service one million customers and have a workforce of only 25 people.

That’s 40,000 customers per employee. RSA – a traditional insurer – has 20 million customers and a workforce of over 13,000. Each employee services around 1,500 customers.

A 35% reduction in the UK workforce is starting to look real again.
So, what next?

Without question, automation is going to change our working lives, it’s just not entirely clear what trajectory this will take. I’m still unclear if my own work will be automated in 10 years’ time, or if I’ll still be doing what I am right now.

It does feel like we’re at a crossroads though, and we have some choices to make.

We could let capitalism eat itself and sleepwalk into an automated future

47% of Americans are out of work. 35% in the UK. Mass unemployment worldwide. War, poverty and famine. Recent studies show that high unemployment levels in the middle east have contributed to the rise in violent extremism and radicalisation. There are also countless examples of western cities where industry has died out and crime has increased. Take Detroit, where the decline of the automotive industry led to mass unemployment and social collapse. In 2016 the FBI named it America’s deadliest city.

This could be our future.

The optimist in me wants to believe that we won’t let this happen. It’s certainly not a good option for all the businesses which don’t work in – or invest in – security, prisons and arms manufacturing. If the majority of people are out of work, their goods and services won’t be of much use.

Until recently, there were also signs that those in charge had taken notice. At the end of 2016, the Obama administration published a report on AI, automation and the economy. The report covered the potential of AI to ‘disrupt the current livelihoods of millions of Americans’ and outlined the need for policymakers to be prepared to address these changes face on.

Obama revisited this theme in his farewell address, echoing the statements that Kennedy and Roosevelt made so many years earlier: ‘the next wave of economic dislocation won’t come from overseas. It will come from the relentless pace of automation that makes many good, middle-class jobs obsolete.’

But has Trump taken note? Have Theresa May, Angela Merkel and Emmanuel Macron?
We could do what we’ve always done

There’s a good possibility that we might just do what we’ve always done. Back-office roles, administration and consultancy might continue to proliferate while the frontline workforce decreases.

After all, what we’re doing right now is automating the ‘bullshit jobs’ that we’ve been creating for ourselves since 1910. In ten years’ time, we may have fewer paralegals and data analysts but more social network organisers and developers, more image consultants, more personal brand managers and digital marketeers. We might have avatar developers and data centre technicians, architectural visualisers and IT security consultants.6

But is this something we want to see happen? If this type of work isn’t good for our mental health and a depressed and demotivated workforce is as bad for business as it is for society, then do we really want to keep going down the same path?

We could rethink work

I test Joanna Biggs’ lottery questions on my own friends and family and get similar results. Many would quit their current job, but not because they want to retire early and live the good life. They want to pursue a different career, to forge a different path and, in many cases, do something that they think will benefit society or the people around them. This is something I can’t let go of and it brings me back to the ‘bullshit job’ and the importance of meaningful work.

I’m reminded of the cyborg from the automation calculator. If the robot legs rid me of the more routine parts of my job and didn’t go further than that, I’d probably be quite happy since I’d have more time for intellectually engaging work, work that really is meaningful. But there’s a cynical thought that I just can’t let go of, as hard as I try to push it to the back of my brain. Automation isn’t being driven by a desire to liberate workers from ‘bullshit jobs’ and the mundane. It’s being driven by a desire to cut costs, to increase margins, to not pay a person to do a job when a robot or software can do it for free. What are the limits to how far it goes and when will enough be enough?

For automation to be something we embrace, rather than fear, we need to rethink work. We could use it as an opportunity to wave goodbye to bullshit jobs and create space for more meaningful work, for more human interaction, for more art and creativity. We could begin to put more value in these uniquely human capabilities and give them the credence they deserve in the workplace of tomorrow.

Whatever happens, I sincerely hope I’m not begging robots for cash on a street corner, reading a scrap of newspaper written by... well, you know.

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6 https://www.kent.ac.uk/careers/Choosing/future-jobs.htm
Changing culture the ‘easy’ way

Whether it’s defining it, measuring it, campaigning it or changing it. Whether the pressure to do so comes from regulators, shareholders, governments or customers. Culture is big business.

James Tarbit is a Senior Director at Karian and Box and leads on a range of projects, primarily in the financial services sector. He was previously the global Head of Employee Insight at HSBC and has long-standing experience in advising executive and non-executive boards on insight, strategy and change.
Over 50% of transformation programmes fail at the culture stage, according to the Harvard Business Review.

Organisations around the world seem to be in a constant state of cultural flux. 2018 has again seen culture writ large in supervisory guidance, with everyone from Boards (the Financial Reporting Council) to Internal Audit (the Chartered Institute of Internal Audit) being told just how important culture is, and how important it is they get their arms around it.

“Boards are asked to create a culture which aligns company values with strategy and to assess how they preserve value over the long-term.”
(new FRC guidance, July 2018)

And so it should come as no surprise that culture change is no longer the reserve of HR departments, with ExCos and leaders at all levels assessing and attempting to shift the culture of their business. One of the main issues with all these efforts to change culture for the better, though, is that they often fail.

But why? Programmes are generally designed by bright people, with their hearts in the right place, all pulling together to try to create positive change. What goes wrong?

Our experience of working with clients on engagement and culture work has given us some insights into one potential answer to this question and has unlocked a powerful way of looking at and changing a prevailing culture that actually works.

Tapping into it, though, requires unlearning a lot about the way culture is taught and shaped.
Lesson one: the focus is wrong

When we approach culture change, we often focus on the wrong area – people. Take any large-scale culture programme that your organisation has rolled out, and the chances are that changing people is at the heart of it – their behaviours, their mindsets, their ways of working. External bodies frequently point at people as the issue where a culture is not as it should be; whether they call them ‘bad apples’, or a managerial ‘permafrost layer’.

But that denies a fundamental truth – that people generally want to do the right thing. Very few people go into a career to do outright wrong, or to break the rules (and those who do are generally weeded out very quickly). It is only when this preference comes into contact with an unsupportive environment that problems start to emerge.

And the data we have seen backs this up. When assessed against a company’s values or purpose, individual behavioural scores are frequently ahead of the organisation. Wherever they are, employees often have a natural tendency to behave in precisely the way the organisation wants them to. It’s just the organisation frequently doesn’t live up to its side of the bargain. It doesn’t design an environment that allows those natural good behaviours to come to the fore.

It’s not that the behaviours of individuals can’t be problematic, but assuming that the problem starts with them is wide of the mark.

1 https://www.thetimes.co.uk/article/fca-aims-to-stop-wm.pdf
2 https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/audit/deloitte-uk-management-information.pdf
Lesson two: it starts with our environment

Shifting the focus away from people to their environment – the policies, processes and systems they need to adhere to in their work – is a fundamental first step if you want to positively change your culture.³

Take unconscious bias training as an example. Extensive research shows that this is an expensive waste of time⁴, yet it remains a multi-billion dollar global business. Organisations are spending billions every year on something that has no tangible impact, or that some research believes makes the problem worse.⁵

So, if focusing on the people doesn’t work, why not try changing their environment? Research shows that a system-based approach is much more effective. Through the application of simple policy and systems changes – removing names or academic institutions from CVs, a greater focus on assessment rather than interview – organisations can see similar or even greater benefits at a fraction of the effort and cost. There are even new providers springing up who offer exactly this service.⁶

One criticism I’ve heard of this kind of change is that it smacks of paternalism. An organisation is saying its employees can’t be trusted to be ‘woke’ enough to recruit other than in their image, so policy needs to be written to look after them. It’s a fair point... but most culture initiatives are rolled out with paternalism at their heart anyway. This change isn’t telling people what to do, it’s nudging them in the right direction; not paternalism, but libertarian paternalism⁷. And at least with a change like this you are countering a widely-held bias, rather than writing policy to mitigate against the 1% of people who may actively want to cause problems, while creating problems for the other 99% who have to follow a policy they don’t believe makes sense.

Libertarian Paternalism, also known as ‘nudge theory’ defined

At the surface level, this seems like the most contradictory statement of all time. After all, libertarianism is grounded in the concept of free will, while paternalism is all about restricting freedom.

But when you dig a little deeper, it actually makes a lot of sense. In their landmark book ‘Nudge’ Cass Sunstein and Richard Thaler explain: ‘Libertarian paternalism is a relatively weak and soft type of paternalism because choices are not blocked, fenced off, or significantly burdened. If people want to smoke cigarettes, to eat a lot of candy, to choose an unsuitable health care plan... libertarian paternalists will not force them to do otherwise – or even make things hard for them. Rather, they are self-consciously attempting to move people in directions that will make their lives better. They nudge.’

Nudging is a subtle way to help people do the right thing. It’s putting fruit at eye level instead of banning junk food. Or removing names, gender and ethnicities from job applications instead of putting in hiring quotas.
Lesson three: think better, not more

What we’re talking about here isn’t necessarily more policy, process and systems, it’s better policy, process and systems. You take the optimistic view that your employees want to do the right thing and then design policy that either keeps out of their way so they can do it, or that addresses widespread, actual issues through designing better defaults for everyone.

It’s a powerful way of thinking, and it’s not for nothing that behavioural science and economics are moving from the campus and into wider business practice. Whether it’s the FCA publishing papers about how institutions need to set better defaults for customers with low financial understanding⁸, behavioural scientists heading up Internal Audit teams in UK banks, or FCMG companies working with universities to better understand shoppers’ behaviours, systems thinking seems to finally be fighting back.

Lesson four:
culture change can be ‘easy’

Which brings us back to the title of this article: changing culture, the ‘easy’ way. Now changing a culture is never easy (hence the inverted commas!), but it’s certainly the case that shifting the focus of change to policy or systems, rather than the people themselves, is considerably more powerful, and often cheaper to boot. Trying to win hearts and minds through a campaign, through diversity champions, training and communications, is time-consuming, slow and expensive.

Systems thinking can also cut down on the pre-work. There’s often no need for building a ‘coalition of change’, for sweet-talking or winning round recalcitrant managers or employees who want things to stay as they are. The changes just happen in the background, and people only see the positive effects.

That’s not to say there won’t be pushback. Often when you start talking about change in terms of policy rather than people, or process rather than people, you will get some blank looks or resistance. This kind of change seems too simple, somehow. It doesn’t seem sexy. McKinsey can’t put it in a 2x2 grid. But that’s the secret power of change of this kind. It is simple, it is sexy (or the results are at least), and you’ll save a significant amount of money by not putting it into a 2x2 grid.

Final thoughts

So, the next time someone asks you to change something, and starts talking about mindsets or behaviours, stop them. Suggest taking a step back. Suggest that the people aren’t the issue. Think about looking at what the organisation could be doing that’s causing the problem.

If you do, chances are the results will be impressive.

Flexible working
Shift the burden of proof. Instead of employees having to prove why they can work flexibly to a manager, make the manager prove why the employee can’t.

Long hours
Introduce an email blackout, preventing employees from checking their emails on weekends and holidays.

Thinking systems: simple ideas to change behaviour

Productivity
To reduce the amount of time employees spend in meetings, change the default calendar invitation from 60 to 30 minutes... or remove the chairs from your meeting room.
Where’s the ravioli?

(Or, creating culture change campaigns that work)
It’s an industry myth that culture change campaigns alone can influence employee behaviour, according to Ghassan Karian and James Tarbit. So we sent them out into the wild* with a film crew and instructions not to come back until they’d explained why. Our first short film, ‘Driving Culture Change,’ is the result.

*They may have played fast and loose with their definition of ‘wild’.

Karian and Box’s Ghassan Karian (Managing Partner) and James Tarbit (Senior Director) are at a pub table talking absolute scallops. “It’s about looking at how the decisions people are taking… are framed by their human biases and unconscious biases,” says Tarbit. “Behavioural psychology?” asks Karian.

“Yeah, and behavioural economics,” Tarbit continues, fork in hand. “Why do people do particular things, and why do they not do the things that traditional economic theory would say they’d do? That’s why I’m having the scallops and you’re having the ravioli. Because we’re friends.” Cue a blank stare from across the table.

The nuanced psychological forces at play within a workforce are rarely unpacked via the medium of tasty pasta parcels, but ‘Driving Culture Change’ – part TED talk, part working lunch and part homage to Coogan and Brydon’s cult travelogue series ‘The Trip’ – is here to change that egregious oversight.

Over several courses and coffee, the two explore what really makes a culture change campaign work and how to keep it simple. To find the answers, scan the QR code below, and get ready to think differently about your lunch order from now on.

Talking points

Do people logically consider every action they take? Do they consciously decide to change their behaviour at work based on seeing or hearing about the organisation’s desired culture?

What biases exist in our teams and organisations that might inform our decisions and actions?

Spoilers!

A few things we learned while making this film...

1. Culture is the sum of the decisions an organisation makes, from operational strategy to what’s on offer in the cafeteria. Part of changing culture is understanding and informing those decisions, as well as recognising the forces – psychological, behavioural, etc. – at play.

2. Actions based on solid insight will have the best chance of influencing organisational culture before, during and after a programme to change or embed desired behaviours.

3. Don’t work with children, animals or – in this case – caramel.

Where’s the ravioli?
Empathy: just another business buzzword?

Myriam Day works in our editorial team. An expert with words, she is responsible for writing and editing insight reports and also supports on campaigns.
When the CEO of a global organisation casually dropped references to her second luxury holiday of the year (“it’s only a small break away from the office, not my main holiday”), she might have thought her message would make her seem closer to employees across the business.

Perhaps she was trying to point out that CEOs aren’t just hardnosed business people at the top of the chain, disconnected from the workers below them as they make ruthless decisions. They have lives beyond the day job – they go home and walk the dog, read bedtime stories to their children, and look forward to relaxing on holiday.

But this leader’s message inadvertently backfired. To a frontline employee paying out 40% of their salary on rent alone, luxury holidays on white-sand Maldives beaches are out of reach – it was yet another reinforcement of the gulf between their situation and that of the leaders above them. Her words simply weren’t mindful of the 99%.

By not thinking about how an employee would view the message, the CEO ended up alienating employees even more and made them feel overlooked.

“Being able to identify with how another person feels – and understand the effect of our actions on them – should be a natural part of being human. But if this is the case, then why did this leader get it so wrong? Why do we all too often see a lack of empathy in leadership actions and communication?”
“Power tends to corrupt, and absolute power corrupts absolutely.”

At least, this is what the 19th century historian and moralist Lord Acton observed. Two centuries later, his insight is still relevant: if you take a minute to think about people who have taken advantage of their status, it probably won’t take long to come up with a sizeable list. From Harvey Weinstein to Donald Trump, every few months another story emerges where a leader has abused their power.

“People in positions of corporate power are three times as likely as those at the lower rungs of the ladder to interrupt coworkers, multitask during meetings, raise their voices and say insulting things at the office.”

(Havard Business Review, October 2016).

Power rewires the brain

Social psychologists such as Dacher Keltner have studied the behavioural impact of power for decades. But neuroscientist Sukhvinder Obhi and his colleagues are taking it one step further, using brain imaging to explore how power affects neurons firing in the brain.

Of course, that’s not to say that all leaders are bad people, ruthlessly taking advantage of others. But what is it about being in power that apparently changes behaviour and lowers empathy towards others?

Yale psychology professor Dacher Keltner has dubbed it “the power paradox”. Ironically, the very qualities which often help people gain respect and power (such as social intelligence, empathy, and collaboration) diminish the further they climb up the ladder.

It seems that holding power impairs neural “mirroring”. When we watch someone perform an action, the same part of our brain lights up, as though we were also performing the action. However, when people are in positions of power, this unconscious mirroring seems to be anaesthetised – suggesting that their brains have become less empathic.
Could more empathy restore some balance to power?

Putting yourself in another person’s shoes and understanding their point of view sounds like it can only be a good thing, right? Empathy certainly seems to be rapidly turning into another business buzzword, with companies such as The Empathy Business claiming to be able to quantify empathy and link it to commercial performance.

But maybe leaders shouldn’t be trying to be empathic towards their employees. Yale psychologist and researcher Paul Bloom suggests that empathy is a limited resource and, at times, may even cause more harm than good. He argues that empathy narrows your focus and, for that reason, makes people more prone to bias. There is also some evidence that empathy can be used strategically to persuade people to support violence – by focusing on the suffering of victims, people are more likely to back a war, without taking into account the additional suffering that war would inevitably cause.

And if we think about what it means to be genuinely empathic, it becomes clear that it isn’t sustainable all the time. GPs, for example, have a high burnout rate and one hypothesis is that high levels of empathy contribute to this through ‘compassion fatigue’. Trying to be empathic all the time – especially in a high-stress situation – is emotionally draining. And if you’re a CEO or business leader, how can you possibly empathise with all your employees? Every person has their own narrative, their own life story, their own perspective: it’s simply impossible to walk a mile in everyone’s shoes.
If not empathy, then what?

Perhaps a more effective course of action would be creating a culture of compassion. This is more than a question of semantics. While empathy and compassion are often used as synonyms, they are actually quite different: empathy involves mirroring another person’s emotions, compassion simply means caring for people.

It isn’t the norm to talk about compassion in business. There’s still a tendency for it to be viewed as a ‘touchy-feely’ emotion, out of place in the cut-throat world of business and profit. But when leaders role-model compassion – paying attention to the challenges their employees face and doing their best to understand them – it helps to foster a culture where employees feel valued and are intrinsically motivated to do their best.

“Imagine that the child of a close friend has [died]. A highly empathetic response would be to feel what your friend feels, to experience, as much as you can, the terrible sorrow and pain. In contrast, compassion involves concern and love for your friend, and the desire and motivation to help, but it need not involve mirroring your friend’s anguish.”

(Bloom, Boston Review, 2014)
The vital role of psychological safety

Research by the King’s Fund for the NHS – an organisation with compassion as its founding value – found that psychological safety is a by-product of compassionate leadership. The concept was originally coined by Harvard professor Amy Edmondson in 1999 to describe a shared belief that people can safely speak up, give their opinions and share their views without fearing negative consequences, humiliation or criticism.

However, many of the organisations we work with have a psychological safety deficit. This can become a real issue: employees tend to suffer with their problems in silence, unable to speak up because they worry about being judged or feel that it could negatively impact their career.

Google’s ‘Project Aristotle’, a two-year study into what makes a successful team, found that psychological safety was by far the most important dynamic. “Individuals on teams with higher psychological safety are less likely to leave Google, they’re more likely to harness the power of diverse ideas from their teammates, they bring in more revenue, and they’re rated as effective twice as often by executives.”

(source: Google’s re:Work)

In businesses with psychological safety, people feel more able to talk openly. They aren’t afraid of talking about mistakes and openly acknowledging their vulnerabilities.

This enables teams to work together with trust and respect, openness to feedback, and collaboration. And when there is openness and honesty, it becomes much easier to innovate and find creative solutions to problems. This helps to create a culture which encourages learning – something every business should strive towards in order to be agile and adaptable in the face of challenges.

Thinking back to the anecdote at the beginning, a compassionate CEO would be aware of the impact their words and behaviours have on employees. And when employees feel valued, listened to and respected by leaders, they feel more engaged and supported – which feeds into a healthier organisational culture and team dynamic.

Ultimately, fostering a culture of compassion at all levels of an organisation will create a strong foundation for psychological safety, leading to strong and highly effective teams: power with people, rather than power over them.
The Tyranny of Metrics by Jerry Z. Muller

As the chair of a university department, Jerry Muller was satisfied with his varied role. But he noticed that, over time, more of his time was taken up with answering demands and queries about statistics and data collection, which led to less time for research and teaching. Collecting data and measuring performance is a growing trend not only in education, but across almost every area of the public and private sectors.

The obsession with data collection often leads to what Muller terms ‘metric fixation’. He uses three components to define this: the belief that metrics can be used to replace judgement; that making metrics public means institutions are taking accountability; and that the best way to motivate people is by attaching rewards to measured performance.

Muller backs up his overview of the topic with case studies ranging from education, policing and the army, through to business and finance. A slim chapter on the latter is narrowly focused on measured performance and misses the opportunity for a richer discussion on the variety of metrics businesses use (employee surveys, for instance) to collect data.

A growing number of businesses are using metrics to assess employee performance and attaching remuneration to the results. While this may be effective in some cases (e.g. sales teams where output is directly linked to reward), it puts the spotlight on extrinsic motivation. This ignores the fact that many of the most rewarding aspects of jobs – such as teamwork, exchanging ideas with colleagues, mentoring junior team members – often can’t be directly translated into quantifiable data.

The Tyranny of Metrics gives a compelling overview of a highly relevant subject, but in trying to cover all bases, Muller omits the glaringly obvious: the role of big data as a contributor to our ‘metric fixation’. The ease of data collection today compared with just 20 years ago has led to many cases of data being collected just because it can be.

If there’s one key takeaway message, it’s that ‘measurement is not an alternative to judgement: measurement demands judgement.’ Collecting data and metrics won’t automatically lead to improvements but should be used to inform action and change.

“Not everything that can be counted counts, and not everything that counts can be counted.”
William Bruce Cameron, Informal Sociology: A Casual Introduction to Sociological Thinking
Bullshit Jobs: A Theory
by David Graeber

If I left work tomorrow and didn’t look back, would it matter? Would it cause a critical breakdown in the mechanics of our world order, or even just the coffee machine in the office kitchen? According to David Graeber, if we were asked this a lot of us would think ‘no, probably not’.

Graeber’s latest book, Bullshit Jobs: A Theory, builds on an essay he published in 2013 in the Magazine ‘Strike’ based on ‘a hunch’ that many modern workers believed their jobs were not adding anything meaningful to society. That they were ‘bullshit’. The article went viral almost immediately. Countless modern workers responded, sharing intimate accounts of working in jobs they felt were meaningless. A later YouGov report reinforced the idea further, with 37% of respondents saying that they felt their job did not make a meaningful contribution to the world.

An anthropologist by training, Graeber takes a qualitative approach, using observation, interviews and responses to both his initial article and an online call for first-hand accounts as his main sources of evidence. These are used liberally throughout the text to build a clearer and more detailed picture of what bullshit jobs are and what the people who do them think and feel. Graeber is sensitive in his interpretation of these accounts and paints a compelling picture of how this type of work can contribute to a corrosion of our mental wellbeing and sense of self.

“What’s it like to have a job like this? Demoralizing. Depressing. I get most of the meaning in my life from my job, and now my job has no meaning or purpose.”

He’s also careful to distinguish between ‘bullshit’ and ‘shit’ jobs. While being a hospital orderly, bin man, or janitor might be unpleasant (‘shit’), Graeber reminds us that these types of jobs are very important to our social fabric. By contrast, he pushes us to consider if anyone would care or notice if, for example, all corporate lawyers ceased to exist.

The most interesting section of the book unpicks the bigger, socio-economic implications of the proliferation of ‘bullshit’ jobs. Graeber presents some very compelling statistics about how the nature of work has changed over the last 170 years, showing that service industry and information jobs have multiplied while those in manufacturing and agriculture have declined drastically in both developed and developing economies.

He suggests that it is modern, capitalist economies that are driving this trend, an argument that seems contradictory at first, but which gains credence as it progresses: ‘If the existence of bullshit jobs seems to defy the logic of capitalism, one possible reason for their proliferation might be that the existing system isn’t capitalism.... It is increasingly a system of rent extraction where the internal logic – the system’s ‘laws of motion’ as the Marxists like to say – are profoundly different from capitalism, since economic and political imperatives have to come to largely merge.’

Graeber’s style is engaging, humorous and direct. The way in which he weaves together first-person narratives with complex political and anthropological theory makes Bullshit Jobs: A Theory an entertaining and thought-provoking read.

“It’s as if businesses were endlessly trimming the fat on the shop floor and using the resulting savings to acquire even more unnecessary workers in the offices upstairs.... The end result was that, just as socialist regimes had created millions of dummy proletarian jobs, capitalist regimes somehow ended up presiding over the creation of millions of white-collar jobs instead.”
Busting myths in our industry

Myth 1: culture can be created top down

There is little doubt that leaders and founders of organisations establish and maintain cultures – they set the tone that draws us in or pushes us away. As a source of power, they dictate the processes, systems, and formal symbols that are the bedrock of most organisational cultures.

But culture can also be dynamic. Sub-cultures might emerge to meet local demands and fill niches; counter cultures might arise as both implicit and explicit challenges to authority. These types of cultural evolution can sometimes be negative because tensions between cultures can emerge or valuable expressions of decency are silenced (think Enron!). However, if we do not challenge cultural norms we risk being caged in a psychic prison, unable to see the world outside and how it might impact us.

I think one of the biggest questions we need to ask ourselves when thinking about organisational culture is if we want a mono-culture at all? Will your R&D team be able to thrive if they follow the same norms as quality or accounting? People have a tendency to seek out those similar to themselves and culture can give us a sense of belonging. But leaders should listen to how their followers interpret or fight their cultural messages because these natural responses are some of the best indicators of organisational health.

Dr. Tom Hoyland,
Associate Research Director

Thoughts from members of the Karian and Box team.
Myth 2: remote working reduces the hours people spend working

Remote working can have its advantages in terms of allowing more flexibility and reducing travel time – particularly for colleagues whose personal situation doesn’t lend itself well to an office-based role with standard hours (e.g. those with children or other care responsibilities). It isn’t without its disadvantages though, and there’s a lot of evidence suggesting that it can actually lead to people working longer hours – either consciously or unconsciously.

It can blur the lines between home and work (even more so than usual) as colleagues may find it hard to switch off at the end of the day or may be constantly checking emails. This could add up to longer hours without them realising, particularly because their hours are likely to be less regular than when they are office-based.

Also, many people who work remotely feel that being allowed the flexibility to work this way means that they need to do more than their office-based counterparts to be seen to be performing well – they can’t make their impact known by being in the office (presenteeism), so they may feel they need to be demonstrating their worth by working more, sending emails very early or late gradually pushing their working hours up and up.

Jenny Eccles, Associate Research Director

Myth 3: your employer brand is owned by you

One of the biggest misconceptions organisations have about their employer brand is that it can be centrally controlled. Brands live in people’s heads and their hearts through what they see and experience. This is the case for all facets of the brand puzzle – internal, external, employer and consumer.

If your employees see your company as an exciting, demanding and challenging workplace with strong leadership and opportunities for personal growth – then that’s your employer brand. If their experience is of a place with silos, egos and poor leadership, then that’s also your employer brand. Essentially, it’s the perceptions and experiences of past, present and future employees that build (or ruin) your employer brand.

Employer brand: build it and they won’t necessarily come

And so, in the same way that traditional brand building has shifted away from centralised control to consistency of consumer experience, employer brand building needs to follow suit. Controlling what people think and feel is unrealistic. But putting steps in place to deliver a consistent experience isn’t!

The most important thing to remember is that investing in one-off large-scale projects to leverage your employer brand may not lead to large-scale improvements. Consistent, smaller initiatives aimed at all levels of an organisation are much more likely to deliver real change. Like all brand building, consistency of experience is key. Employer brand building should be treated with the same respect and investment that external brands receive, and not just with a one-off big-bang investment.

Philippa Reed, Creative Director

“Brands live in people’s heads and their hearts through what they see and experience.”