

Content Lab Report

New Ways of Working Reality Check

November 2020





2020 CEDEP Content Lab Report “New Ways of Working Reality Check”

Content Labs take place once a year and bring together CEDEP’s member companies and faculty to cover current and topical themes concerning business today. Invited participants are HRs and senior business leaders from the CEDEP member companies and ecosystem, who are assigned work groups to cover the topics, which are looked at from different angles. What are the problems? What are the solutions? What should you, your company and CEDEP be doing to help business progress today?

It is a day of reflection, experience sharing and a moment to look at how we can develop the business of tomorrow. Themes are summarised and then developed further to produce content for future CEDEP programmes.

The agenda on this Content Lab was directly linked to the COVID19 situation and subsequent transformation of work. It took the form of two online meetings led by sociologist **François Dupuy** and **Sébastien Olleon**, consultant and member of CEDEP’s faculty, with group discussions facilitated by **CEDEP Programme Directors, Academics and the CEDEP team**. We herewith thank contributors: François Dupuy, Sébastien Olléon, Kate Chauviré, Mohsen Fattah, Thomas Hinterseer, Dominique Jacquet, Muriel Larvaron, Jens Meyer, Ravi Shankar, Gerlinde Silvis, and Luk Van Wassenhove.

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Introduction

Content Labs take place once a year and bring together members from the CEDEP community, to cover current and emerging themes. They are an opportunity for reflection and experience sharing in an open and free environment, a valued time to look at how we can develop the businesses of tomorrow and propose ways forward to act into the future.

This content lab, held on 4 November 2020 as a digital event, focused on an assessment of the way organisations and their people acted in the COVID19 crisis, with a sociological and practical approach.

The COVID-19 crisis is far from over. The virus is still very active, and companies must keep operating in the long run and sustain their ecosystems. Leaders and managers, who have learned to manage teams in an unknown and constantly shifting setting the hard way, should now get ready for a much longer adaptive journey than anticipated, with its unforeseen challenges. Yet, do they know what is really happening at the core of their organisation?

The event gathered over 35 senior leaders from businesses and HR, in different industries, who shared obvious or hidden challenges resulting from the pandemic. Together with experts from academia and CEDEP facilitators they identified areas of improvement or support needed to operate in the long term.

The day was launched by sociologists François Dupuy and Sebastien Olleon, who, together with Cecile Roaux, conducted a major study with global companies on how these companies managed the COVID-19 crisis. They interviewed more than 600 people and identified major trends, beyond appearances, of developments as well as tensions in the organisations.

They shared the results of their research with a selected group of the CEDEP ecosystem, focusing on two major observations:

- **Remote work in a crisis and its challenges**

Led by François Dupuy

Ways of working before the crisis are seriously questioned. While the situation linked to COVID-19 has not yet stabilised, remote work settled in organisations. How is remote work in a crisis different and should it be different from remote work in normal times? What are the pitfalls?

- **The role of line managers**

Led by Sebastien Olleon

While top executives made decisions, line managers are the ones who actually managed the crisis. And since processes could not be strictly followed, and support functions remained aside, they had a greater autonomy than usual to adopt, adapt and implement what worked best. Can these line managers return to their previous jobs and operate in a similar way as before ? What is their mindset like today and how to move forward?



PART I

Sociological study on Remote Working - Key Findings

Francois Dupuy and his team dedicated the past 6 months to the study of remote work in a crisis. The data was collected during 600 individual interviews of employees from 9 organisations: 7 international companies, a French administration and a local authority. These companies cover a broad range of activities : industry, financial sector, distribution, telecoms, services...

It is clear that this unexpected situation brought about great challenges, whether or not the organisations had previously experienced remote work.

Though the study has not yet come to an end, three key learnings can already be highlighted, two related to remote work, and one about the changing role of line managers.

Remote Work in a crisis and its challenges

The first important observation, which is surprisingly rarely mentioned in publications, is that **the practice of remote work creates excluded workers.**

During the first month of the lockdown, organisations struggled to connect all employees to the internet. The bandwidth being too narrow, a limited number of employees had to be given priority. During the four weeks necessary to upgrade the technical infrastructure, part of the company was unable to work, causing many to question the value of their work in the eyes of their employer.

A great frustration ensued. Those “technically excluded” workers were the most reluctant to return to the office after the internet connectivity was restored. In addition to this technical exclusion, many employees experienced social exclusion.

As face to face interaction was being replaced by online communication through technological platforms provided by the organisation, numerous employees were found to create their own communities over alternative platforms, like for example WhatsApp. Groups of employees that liked each other could therefore communicate through a backchannel, automatically excluding a number of colleagues.

Combined together, these two exclusion mechanisms can pose a serious threat to internal collaboration, especially since they are out of the scope of the usual meetings or working processes.

The second observation relates to the **strategy implemented by organisations after the lockdown.** How do leaders ensure that employees are still committed after these extremely exhausting and challenging times?



The study highlights a number of strategies including imposing a hard deadline for a return to the office, leaving the decision to each manager or simply postponing to an undefined date because of the reluctance displayed by employees.

The strategy is often driven by the way employees of the organisation used to work before the lockdown. Here, we almost have two opposite situations:

- **Traditional bureaucracy**, which is still the dominant pattern despite the negative perception of the term, even in the private sector, **did pretty well!**

The performance of these organisations was not significantly affected by remote working, because of the predictable and standardised way of working illustrated by strong processes and standardised relationships. This model translated with little disruption, because it is fairly well prepared for remote working. As a result, their CEOs were encouraging remote working.

- **Open and flexible organisations**, where the business is managed through quick and unscheduled contacts, and where relationships are very personal and direct whether with colleagues or customers, like for example in highly specialised financial services, **struggled with remote working.**

In this case, remote work compelled employees to plan and adopt tight processes, killing all spontaneity. In this case, CEOs displayed great reluctance towards remote work. Fortunately, during the crisis, complex and creative activities like launching new products or gaining new clients were very limited. But this is where remote work is expected to significantly reduce the performance and efficiency of teams.

Let's add that, in many companies, some activities are organized in bureaucratic way, while others are more the agile/simultaneous type. Meaning that it will be hard to implement a “one size fits all” remote work policy, a concern for French companies that have a strong egalitarian tradition.

The Changing Role of first line Managers

The third and last observation touches on **the evolution of the role of first line managers.**

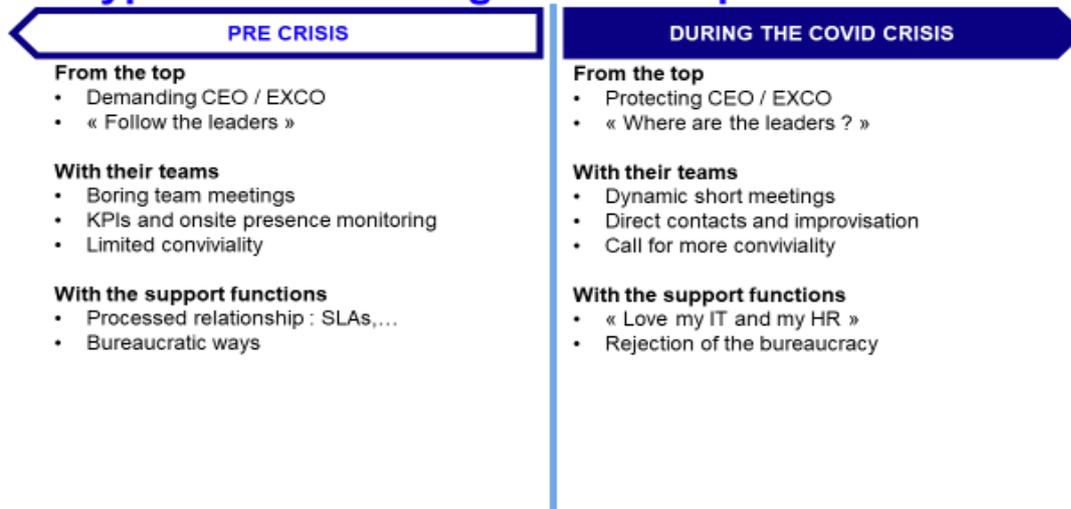
Though leaders continued setting the course for their organisations, line managers' responsibilities greatly increased during remote work. In addition to running daily operations, they now had to look after the psyche of isolated and fragile colleagues. After managing remote work, they had to manage the lockdown!

As line managers started bypassing procedures to keep the boat afloat, corporate support functions developed two strategies. They either produced more processes, like one company listing steps to wash cups of tea, or they gave operational managers the freedom to bend the rules.

The great losers of this phenomenon are middle managers, who often find themselves unable to interfere and therefore compelled to either support line managers or withdraw from the game all together. The most affected managers and teams were the ones in charge of controlling the activities, the most telling example being financial controllers asking businesses to restate their budgets while nobody was able to evaluate the real short and long term impacts of the crisis.

Line managers gained more autonomy during the crisis, which is reflected in their relationships at three levels:

The typical « line manager crisis experience » in France



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Leaders, perceived as demanding before the pandemic, suddenly stepped away from operational concerns, prompting line managers to raise the question: *Where have our leaders been?* Consequently, leaders who try to revert to the old model face a strong challenge.

Remote work also impacted line managers' relationships with their direct reports. The unpredictability of the situation compelled them to rethink the way their teams operated. Internal meetings, that were perceived as long and boring, were shortened for more efficiency, and processes were lightened for more reactivity.

As previously described, line managers also had to take on the burden of supporting employees' psychosocial problems. Instilling conviviality and direct interactions between colleagues therefore took on a new importance, but was difficult to implement. Here we observed that the vast majority of people still feel the need to meet at the office, to restore informal relationships and networks.

In addition to their leaders and direct reports, line managers also saw a new dynamic form with some support functions, the ones that are actually “resources” in tough times. The relationship evolved from a bureaucratic (standardised processes and KPIs) to a collaborative one. In many organisations, support functions understood the growing role of



line managers in ensuring the workforce’s engagement and efficiency. As a result, IT and HR teams worked more closely with line managers, creating a new bond.

In the context of this moving environment, post Covid line managers express concerns in five areas:

1. **Team management:** Who can help their team build the skills needed to manage a business in a time of crisis? How do they manage the long lasting effects of the crisis? How do they manage hybrid-remote activities?
2. **Team dynamics:** How do they create and reinforce team spirit? How do they detect and address psychosocial risks?
3. **Activity monitoring:** As they are becoming more autonomous, line managers wonder how the future will look. Will they still have to do budgets? Will they be put under more pressure? What resources will be made available to them in a time of diminishing revenues?
4. **Cooperation with others:** During the crisis, collaboration within organisations decreased, as decision-making was decentralised. A waste management company included in this study, declared that each site became almost independent. Will digital help reconnect teams? If so, how?
5. **Client relationships:** Line managers see their clients’ organisations change as quickly as theirs. How do they understand and adapt to their clients’ own transformation? How do they create and build relationships with them?

Those concerns are aggravated by global trends. The crisis has indeed compelled organisations to tighten expenditures (reduce office space), increase the resilience of their IT infrastructure and rethink the way they train and work in a digital world.

Global trends impacting line managers

- **Cost control** : office space,...
- Global IT resilience
- **Digital training**
 - « Standard » **new ways** of working
 - Reduced **transportation time**
- **Innovating and creating** processes ?
- New **management skills** ?
- **Blue collars vs white collars** ?
- **Millenials vs Boomers** ?
- Integration of **newcomers** ?
- Corporate **culture** ?
- End of **State support** ?
- **Layoffs ? Mergers** ?
- **Unions strike back** ?

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Those deep changes have awoken tensions between parts of the workforce (blue collar vs white collar as well as millennials vs boomers) and impacted the integration of newcomers.



The prospect of a gloomy future marked by the end of state support, potential layoffs and even unions strikes put line managers under additional pressure to perform.

In conclusion, the 600 individual interviews show that organisations are greatly affected by remote work. Employees gained autonomy in the use of their time, which makes a return to the previous model difficult to imagine. Consequently, it appears that organisations can become more efficient by supervising less and simplifying management tools such as rules and procedures.

A concern here is that mainly consultancy firms are already promoting highly processed operating models to put remote or hybrid working under control. They can somehow stimulate the resistance of traditional “command & control” managers, leading to long term damage such as a reduced ability to attract talent, or a drop in reactivity.

As we are approaching a potential new lockdown, the question remains, whether organisations will return to their former bureaucratic mode or take into account what they have learnt to create a new model.



PART II

Reality Check in Respective Contexts: Experiences and areas for attention shared by the participants

This section reports on the experiences and areas for attention shared by the participants, from an executive level perspective, on the topics of remote work and changing role of line managers.

Alignment and trust at the Top, and a discipline to think long term

One of the prominent themes which emerged from the discussion was the importance of a clear and coherent message from the top. A lack of alignment and/or communication is all the more detrimental in a remote setting. Culture flows from the top, and top management has a duty to “*create the right framework to create trust and handle the complexity*”.

In order to do this, top teams should focus on setting a strategic frame and develop a collective ambition/priority. Some participants shared a set of experiences in this respect:

- First, “*reaffirm the purpose and values of the company, and make the values speak to everybody*” to reinforce the sense of cohesion and alignment on the strategic goals;
- Second, introduce “*a discipline to develop a long term vision of how to adapt the way ‘our’ company operates in remote working is becoming a new standard*”. Actually, the danger today is that the crisis mode becomes the norm and those temporary rules and behaviours remain, though they have not been deeply thought out for a long-term situation.
- Then, consistency will be achieved with a “*coordinated way of working (rules) across the company*”, enforced by the top, which has not necessarily been the case due to the sudden lock-down.
- Finally, a special effort is needed for “*making the WHY of the change and transformation clearer.*” **Changing the dominant management culture to give more autonomy and confidence** is now perceived as mandatory by the participants, and should cascade to the entire management body and the organisation.

The role of the top team becomes a complex and almost ambidextrous exercise. Its new way of working translates into “*combining being agile, PLUS developing a long term view*”. It constantly needs to “*evaluate economic impact on the company*”. At the same time, “*business continuity must be set-up at the highest level to ensure (the) stability*” that teams need to operate.

Interestingly, no group of participants mentioned decision-making as being a challenge in remote work, or an area of need for support, but focused more on the need to be trained to:

- Build **trust**, know “*how to onboard & convince everyone in the hierarchy*”



- Improve **communication**: *“have a systematic communication around where they are going”, “Training : inclusive communication”*
- Become better at **managing change**: *“The crisis doesn’t change things that much, leaders and managers need to become better at change anyway”*
- **“leadership coaching”** and *“External mentorship programmes for other perspectives on leadership”*
- And, finally, train oneself to take **“Time to step back and deal with uncertainty”**.

Mental health and psychological safety

Another challenging assignment during lockdown is to **manage the energy level and emotions**. Long-term isolation impacts morale, some people miss the social aspect. Having no clear separation between home and the office blurs the lines and make people feel uncomfortable. Some participants suggested to **“shift companies priority to include well-being (managing emotions & vulnerability)”**.

In this context, creating some **psychological safety** matters. This can be achieved at the individual level, as well as through the support of external sources, for instance by:

- Developing **Emotional Intelligence**. Some participants attested that there is *“expertise on the technical side, less on the human side”*. This would help for example to gain a *“better understanding of informal communications and feelings”*.
- Seeking **external psychological support** with *“employee assistance programmes (company specialised in counselling)”* , to help in particular on *“long term isolation”, “how to cope with stress/anxiety” and “conflict management around sociological issues”*.

Equality, inclusion, visibility, belonging...

Taking action towards **inclusion** reduces and feelings of *“isolation of loneliness”*.

There is no single answer because of the diversity of profiles and personal contexts (age groups, personal situation, culture, job roles) within the same team, but there should be a focus to **create a collective spirit**, and **simple actions** could be taken :

“paying special attention to single people”... “to new hires”, “bringing in teams from time to time”, “Create ‘zoomless’ hours, rituals, coffee corner chats” or organise a “Monthly survey: how do people feel? Does the company support efficiently?”.

Management finds it challenging to **keep equality** and **be fair**, especially with **those who are working remotely and those who are not**, which is an area of high tension felt by the majority of participants. Managers *“need to have the **courage of explaining some situations**”* and **reduce the fear of the unknown**, in cases such as when *“some people understand that digitalization will destroy their job...”*.



Everyone has also play a role to **network**: in a remote setting one “*fights for visibility*”, and must “*ensure to keep the connection*”. The risk is the “*loss of sense of belonging to the organisation*” and of personal relationships. Some **skills development in “facilitation of informal set-ups”** to enable easy at a distance networking may help.

... inequality and the physical/technical set-up

Inequalities became more tangible and visible because of the physical and technical set-up. One participant from Brazil said “*very young people – missing the right tech. equipment, the space, the heat, electricity bills ... whilst increasing productivity!!!*”.

It was suggested that **organisations invest in equipment** for their staff working from home, for instance “*having a similar set-up at home as the workplace*”, a “*screen and chair*”. Of course, for organisations, a question remains on the ROI for this investment cost in equipment and infrastructure.

Beyond technical obstacles and basic logistics issues for which “*some people figured out a way themselves*”, everyone working remotely had to **upgrade on IT skills**, learn to use new tools (or do without – some participants mentioned outstanding issues for IP & confidentiality), and most of all, **get the right mindset**.

Management Culture/Mindset: “*Lessons from the crisis will shape the new manager*”

There is a need to “*convince people that the world has changed*”, with new topics to work on like “*communication, developing empathy, maintaining team spirit*”, focusing on the “*how*” rather than the “*what*”... and leaving more “*room for errors*”, and **flexibility** in the way of organising one’s work.

Moving from a **command & control to a purpose-driven approach** is seen as a real challenge. First, it raises questions of trust, autonomy, engagement, and performance management, then, “*while this shift is preferred, there are geographic & business-specific variations*” so there is no one-size-fits-all solution within organisations.

The way of **measuring performance** and productivity from the days in the office is no longer suitable in a distance setting. People’s contribution are less visible. Some advice here was shared by participants: “*Make expectations and goals clear*”, “*gain understanding on why people want to work & their motivations*”, “*have friendly but true conversations*”, and revise tools for “*end of the year appraisals*”.

Overcoming managerial resistance and acquiring new skills

Organisations will have to overcome some **managerial resistance**: micro-management, trust, FoMO (Fear of Missing Out, a psychological suffering linked to digital)...



Confronted with this issue, one may develop “*new skills like **coaching** to help colleagues grow as opposed to micro-managing*”. Transformation could go “*from hierarchical boss to a coach/ mentor*”. Participants felt **L&Ds should have a stronger involvement** in this and equip managers.

This is a learning curve, with a test and learn approach. “***Making people be part of this transformation** : mix on site and digital working, « adapt to adopt » approach, level of control, communication*”, then “***strengthening on the best remote working practices, especially delegation and trust, meaning make people more accountable too**”... “yet respecting rules and corporate processes”* should help the shift.

The world is changing, and “*we all need to be more agile – professionally and privately*”, which means taking **responsibility to develop oneself**, supported by managers to “*help people create networks to build their career, gain skills, benefit from collective energy and team efficiency*”.

Establishing a “learning” practice and the acquisition of new skills to “*support managers to support employees*” will be beneficial at both individual and organisational levels. Participants shared a few options to explore:

- “***benchmark and share**” with other companies,*
- “***facilitate some reflecting moments**”*
- “***co-design learning programmes**”, especially in “engaging remote employees”, “newer managerial skill building”, “blended training on soft skills & tech”, “change management skills”,*
- “*co-create with partners **curating content** given that it is changing so rapidly*”, for example establish a list of “*tips & tricks for quick wins on team management*” or document “*proofs of concepts of what has worked*”.

Some organisations already conducted **survey assessments**, and **skill assessments** needed for tomorrow; others have changed their selection criteria of **new recruits and now review soft skills** in addition to technical expertise.

What is the new normal going to be? “When is the “d-day” of the new normal?”

Roles are definitely changing and a useful exercise may be not to wait to “*define the role during the crises as well as the « new normal »*” but to ask the right questions. A number of experiences were shared during the meeting and are complemented with questions in appendix 1, to enrich readers’ ability to build the future.

We conclude this section report on a positive note from a participant:

“the office should be a place people ‘love’: a place I love to go to ...”



Part III

Prepare for the future

Though the dust has not yet settled, organisations are already looking past this crisis in order to plan for the future.

The stakes are high! This study and exchanges show that both the roles and the perception of the roles of people managers have evolved across the board. Successful organisations therefore need to help their managers and leaders reposition themselves so they can guide the entire workforce toward their goal!

Understand the new situation

It all starts with gaining an understanding of one’s “new” organisation, after this long period of remote work.

How has each employee changed? How are they now interacting and collaborating?

The survey highlights the necessity for leaders to survey employees by observing their new ways and by asking the right questions.

Each employee is unique and has therefore developed his or her own system in reaction to remote work. Beyond mere appearances, it is necessary to dig deeper and help employees make sense of their new ways of working in the wider context of an evolving organisation.

By then sharing the results of this survey with the workforce, leaders have the opportunity to breathe new life into their organisation and hopefully create a new sense of belonging.

Blaze the trail

The thorough data on the organisation collected during the survey will help design a path towards a new way of work. Action can be taken at two levels.

At the leadership level, the priorities will be to recreate a sense of unity in the executive team, to provide a frame and the security necessary to build a long term vision and strategy.

Then at the operational level, it will be necessary to define which activities can remain remote, share best practices (processes simplification...), develop new tools and finally to draw an action plan for each target group.

Find the right resources

For leaders and managers to implement the changes defined above, support will be required. External resources, in particular networks, will provide a great source of information in the form of tips and best practices; while training will support the acquisition of new skills.

There are two possible outcomes to this crisis.

Some companies will exert their energy to return to old patterns and therefore treat the past months like an exceptional period having required exceptional means.



Other companies, however, will consolidate the knowledge acquired either by implementing turnkey solutions or even by designing a new organisation, aligning the needs and capabilities of the entire workforce.



Appendix

Further questions laid out by participants that will help nurture some reflections:

- What to stop? (to save cash) What to Start?
- How to balance global and local needs?
- Have we prepared action plans on each kind of population?
- How do you make colleagues feel included and encourage interactions between them ? Who is actually participating (meeting, training)?
- How do we ensure employees are mentally fit & achieve a work/life balance?
- How do we create a cultural shift from task-driven to performance-driven?
- How do we train our managers on remote leadership?
- Where are the micro-managers, hands-off managers, strict control managers?
- Psychological Working environment?
- Which jobs are more suitable to working from home? We have to learn to reason about that.
- Recruitment: ... can a “distant talent” be a better match?
- Is it still relevant to travel?
- How to create an office space my people love working in – NO PODS! And not Open-Space?
- How do we create a favorite atmosphere for innovation and creativity?
- Customer Relationships: how do we move from “what” to “how”?
- How to create and maintain collective dynamics – including the eco-system.

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