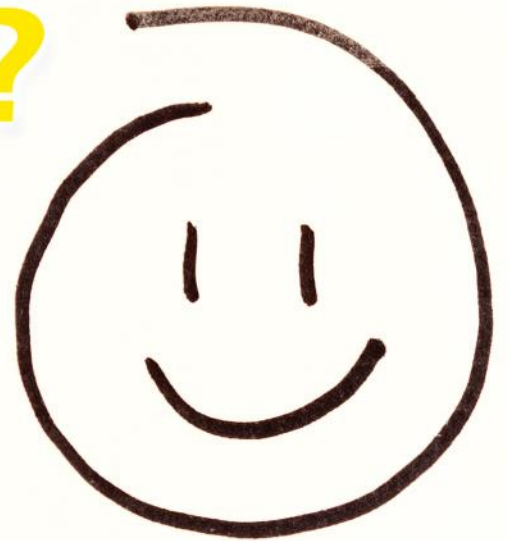


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Opening Statement



by Robert D. Scott

Robert Johansen, Distinguished Fellow at the Institute for the Future and a dear friend of mine, has been asserting for years that we live in a VUCA world. As many now know, VUCA stands for *volatile, uncertain, complex, ambiguous*. If there was ever a time when we needed proof of this, just look at how the entire world has turned upside down since the emergence of the COVID-19 pandemic. How we live and work has shifted dramatically in just a few short weeks, and this new way of life may be our reality for many months to come. So it's ironic that the subject matter for this issue of *Cutter Business Technology Journal (CBTJ)* is employee engagement and its impact on business results.

Now, when so many people are working from home and businesses are facing a plethora of issues in the face of this crisis, clearly the employee engagement contract as we once knew it has been interrupted, and a new normal is sorting out. Still, the underlying principles of employee engagement and satisfaction remain true. Today's reality will eventually settle into normalcy again. In the meantime, the silver lining is that businesses have an opportunity to hit the reset button on how they interact with their employees. Employee engagement, employee satisfaction, and employee commitment to building the business will again be major tools for organizational success: growing the business through delighted customers, top-line business growth, and bottom-line cost savings.

With these fundamental principles in mind, this month's *CBTJ* addresses the following question: what can companies do to increase employee engagement in order to increase customer satisfaction and, ultimately, business results? Certainly, much has been written about strategies to improve customer experience. This outward-facing focus is admittedly critical to business success. However, organizations often ignore or forget that a key driver for customer satisfaction is the impact that employees have on customer experience.

Employee experience comprises a worker's observations and perceptions about his or her employment within an organization. Experience is often influenced by several factors, including the company's physical workspace, the opportunity to take on new or expanded work roles and responsibilities, the work-life balance the company provides, and access to technology that enables productivity. A positive employee experience heightens employee engagement. Engaged employees are fully immersed in — and are enthusiastic about — their work. They are more likely to go above and beyond the call of duty. Indeed, these employees will go the extra mile to resolve clients' problems or work late to close a sale. They contribute to a culture that consistently delivers great service. They take ownership, deliver on their commitments (inside and outside the organization), and are passionate about satisfying the customer because they own the results of their work.

A positive employee experience heightens employee engagement.

While often neglected, initiatives aimed at improving the employee experience can have an immediate and positive impact on customer satisfaction and, ultimately, the bottom line. Customer experiences do not just happen; they are the direct results of activities by the employees with whom customers come in contact. Satisfied, engaged employees are more likely to exceed customer expectations. In turn, the value created for customers leads to increased sales and thus value creation for business stakeholders.

Employee Engagement Factors

Factors contributing to employee engagement in the workplace include the following: career development

opportunities, a learning culture, use of technology, physical workspace, cultural diversity, and employee recognition.

Career Development Opportunities

Career development opportunities are one of the factors contributing to employee engagement in the workplace. Investing in employees' careers through training, professional development, or continuing education is a key tool in increasing employee engagement. When employers continuously invest both time and money in their employees' development, employees realize that they are truly valued, and the company is committed to their future success and not just to their output today.

A Learning Culture

One of the factors contributing to employee engagement is the creation of a company culture that encourages employees to keep on learning and acquiring new knowledge all the time. An employee who understands that the employer is interested in not only making profits and sales but also in improving and educating all its staff will soon learn to appreciate the company's learning culture, which leads to a deeper understanding and appreciation of the company's goals.

Use of Technology

Increasingly, our complex personal lives are supported and made simpler through services and experiences enabled by digital technology. We book trips, stream

our favorite movie or television show, or buy a product online with 24-hour delivery abilities ... all with a few taps on a phone or tablet. We have come to expect seamless digital experiences in our personal lives with the expectation that these experiences will delight us with near-flawless technological execution.

However, when we move to our business life, things are often very different. The experiences we have as an employee rarely match the ones that we have as a customer at home. While businesses profess to recognize the importance of employee experience as an enabler of productivity, the reality is often that technology is a source of frustration. Employees struggle to effectively connect with one another, accessing key information in a timely manner is difficult, and the available tools are anything but easy and intuitive to use. Workers are asked to navigate through complex processes, systems, and structures, often with no straightforward way to obtain support.

As younger generations enter the workforce expecting to engage others with ease, they are finding a digital workforce experience that does not measure up to their at-home experience. This can cause a great deal of frustration, contributing to a negative workforce environment overall. Why is this a problem? Because the quality of the workforce experience directly connects to productivity and engagement. Higher engagement leads to employee retention, improved service to customers, and, most likely, improved business performance.

Physical Workspace

Employees perceive their workplace environment as a key indicator of how their employer values them, which in turn impacts the quality of their work and their level of productivity. The physical aspects of a workplace environment have a direct impact on the employees' productivity, performance, health and safety, comfort, concentration, job satisfaction, and morale.

Cultural Diversity

Today's workplace is multicultural; thus, cultural diversity is vitally important in a company. Cultural diversity means that companies are open to hiring employees from all sorts of different backgrounds (e.g., race, ethnicity, gender, sexuality, disability, religion, culture). Of course, diversity by itself is not enough. Employees also need a sense of inclusion. When companies recruit, retain, and develop a diverse pool of



Upcoming Topics

- Disrupting Agile**
Hillel Glazer
- Information Trustworthiness/Security**
Claude Baudoin
- Beyond Automation: AI, ML, RPA**
San Murugesan
- How Technologists Can Help in a Crisis**
Steve Andriole

people, the result is innovation and creativity that benefit the company as well as its employees.

Employee Recognition

Great companies know that the employees are the heart of the business. Satisfied and engaged employees not only bring positive energy into the workplace but also increase the company's profit and sales. Employees who feel they have a positive personal rapport with their management are more likely to be engaged. Management appreciation of employees and their work encourages constructive employee engagement.

In This Issue

In our first article, Bill Fox explores why so many employees are disengaged in the workplace. Fox has been exploring this for several years, engaging business leaders on their thoughts on what employees lack and long for in their work environment. From his research, he defines several themes that may provide new, untapped avenues for greater employee happiness, engagement, customer satisfaction, and, ultimately, business results.

The remaining articles examine different aspects of employee satisfaction. Robert Fuchs explores the concept of employee "happiness." Is employee happiness a responsibility of organizations? Well, Fuchs asserts that employee happiness is essential. Happiness is intimately connected to learning, growth, and transformation. He points out that employees who are in toxic environments — where they are not at liberty to learn, grow, and transform — will either leave the company or get sick. Fuchs takes this one step further by delineating the difference between short-term ("fake") happiness and longer-term ("sustainable") happiness. Sustainable happiness drives productivity, innovation, and business performance.

Next, Steve McMenamin, Tom DeMarco, Peter Hruschka, Tim Lister, James Robertson, and Suzanne Robertson offer an excerpt from their upcoming book that focuses on workplace culture. Culture is defined by the customs, arts, social institutions, and achievements of a particular social group. Workplace culture is the environment that you create for your employees. This includes the mix of organizational leadership, values, traditions, beliefs, interactions, behaviors, and attitudes

that contribute to the emotional and relational environment of the workplace. The authors define six drivers that determine the culture of a workplace and provide insight on how these drivers interact to create an environment that is either enabling and energizing or toxic and debilitating, with an extended discussion of the perceived value of people and teams.

Our concluding article, by Jorge Silva, presents a radical departure from conventional wisdom. Silva documents his own experience with his software company to suggest that the historical structure of organizations is outdated and needs to be replaced with a new construct, one with minimal hierarchy and no "bosses." Silva suggests that this new construct releases creativity and innovation, allows organizations to become nimble and adaptable, and engages employees as leaders and owners.

Regardless of the type of organization or industry you are in, these articles will challenge you to think differently about how you engage your employees. Given the current COVID-19 crisis across the globe, there is no better time to rethink how you define the social contract with your workforce.

Robert D. Scott is a Cutter Consortium Fellow for its Business Technology & Digital Transformation Strategies practice. He also serves as VP and Dean for the Global Institute for Professional Development of the IT Senior Management Forum, a national organization dedicated exclusively to fostering upper-level executive talent among African-American IT professionals. In this capacity, Mr. Scott oversees academies and online platforms dedicated to the development and career progression of technology executives with a focus on IT. He continues to work as Program Director of the Center for Diversity & Outreach within the University of Michigan College of Engineering. Mr. Scott is a seasoned IT executive of the Procter & Gamble Company (P&G), retiring after 32 years of service as the VP of Innovation & Architecture, Global Business Services. In this capacity, he was responsible for identifying and leveraging emerging information technologies, stewardship for the P&G IT enterprise architecture, and innovation of new internal and external IT-enabled business models. Mr. Scott has also served as a Principal Consultant with iGATE as well as through his own consulting practice. He brings a wealth of business experience coupled with an understanding of information technologies and how these can be leveraged to develop or renew business models. Mr. Scott's areas of expertise include business-IT strategy and planning, shared services strategy and implementation, organization performance, and human capital development. He also participates on the boards of several local community social services and arts groups. Mr. Scott is former Director of the Information Systems Executive Forum of the Ross School of Business at the University of Michigan and a member of several other IT executive councils. He can be reached at rscott@cutter.com.



Lacking and Longing in the Workplace: What Undermines Employee Happiness?

by Bill Fox

In the Opening Statement of this issue, Guest Editor Robert D. Scott asks, “What can companies do to increase employee engagement in order to increase customer satisfaction and, ultimately, business results?”

Perhaps there is something we’re overlooking when so many people remain disengaged in today’s modern workplace. Although a recent Gallup poll places the number of “engaged” employees at 35%, a new high, this still leaves a vast majority of people who are disengaged and feeling alienated in the workplace.¹ Furthermore, it’s estimated that 70% of all workers are looking for a new job at any one time.² (These statistics obviously represent the pre-pandemic workplace, but they will likely still apply once the pandemic has passed and stability has been restored.)

When so much attention has focused on the engagement challenge for so long — with few apparent results to show for it — we are clearly missing or not seeing something.

For the past four years, I have engaged with 74 pioneering business and thought leaders in an ongoing conversation called “Exploring Forward Thinking Workplaces.”³ This conversation is designed to help people share their best insights and innate wisdom. In these conversations, the leaders are asked the same six opening questions:

1. How do we create workplaces where every voice matters, everyone thrives and finds meaning, and change and innovation happen naturally?
2. What does it take to get an employee’s full attention and best performance?
3. What do people really lack and long for at work?
4. What is the most important question leaders should ask employees?
5. What is the most important question employees should ask leaders?

6. What is the most important question we should ask ourselves?

I began asking these questions in my quest to find better answers to improving workplace engagement, the employee experience, and business results. Over the past three decades, while working to help organizations introduce change and transformation, one thing has become painfully clear: most organizations fail at transformation — miserably and repeatedly.

A few organizations reach some level of success and make meaningful progress, but for how long? Any progress usually doesn’t outlive the length of service of the senior executive sponsoring or leading the change. Even more tellingly, if the entire organization doesn’t embrace the change, it gets thrown out because it doesn’t fit.

For this article, we focus on responses to Question 3 (lacking and longing at work) because the reactions offer some fresh insights to the employee engagement and happiness challenge and, as a result, the business results question offered by Scott.

What Do People Really Lack and Long for at Work?

Even in the best of companies I worked for, something would always dampen my enthusiasm and engagement. Sometimes it was office politics. Sometimes it was a bully. And many times, it just didn’t feel safe enough to share my real thoughts or question what was really going on. Then there was the meaningless work, even in organizations with a grand purpose. And these negatives were just the tip of the iceberg.

My experiences made me wonder, “What do people really lack and long for at work?” Few people talk about this issue, and even fewer try to address it. But we can’t move forward to greater levels of workplace engagement, employee happiness, and customer

satisfaction if we don't. You will find that the answers to this question provide more than just increased awareness; they provide insights and the means to address the issues raised.

Key Themes from the Conversations

In addition to publishing edited transcripts of the Forward Thinking Workplaces conversations with leaders, I thoughtfully review each interview and ask, "What's most intriguing here?" This exercise and question uncover many fascinating insights and have resulted in one of my most popular published items: *Be a Workplace of the Futures Now Series*.⁴

This article represents my in-depth review and analysis of all the responses to Question 3 published in my book, *Lack and Long For: 74 Pioneering Business and Thought Leaders on What Employees Lack and Long For*.⁵ Going through this exercise resulted in the discovery of seven key themes, five of which we address below. The themes are discussed by order of frequency, starting with the most frequent. Paying more attention to these themes may provide new and untapped avenues for greater employee happiness, engagement, and, ultimately, customer satisfaction and business results.

Theme 1: People Lack and Long for a Feeling of Greater Security in Being Their True Selves at Work

The most frequent response to the question of what people really lack and long for in the workplace relates to allowing people to feel more secure in bringing their full selves into the workplace. This is often expressed as allowing people to be who they really are as human beings and having the freedom to express themselves freely at work. Below is a selection of responses from the Forward Thinking Workplaces interviews representative of those included in this theme:⁶

- "I think 30 years ago our parents would have said, 'I feel secure here.' They would have described workplace security as a feeling that they're going to continue earning income. As opposed to now it's more an attitude of, 'I feel like I can't be my true self here, but if you piss me off (even if you're my boss) I'm going to let you know you pissed me off here.'"
- "I think there are a lot of ways to answer this question. If I had to pick one, I'd say the thing that people most long for at work is the opportunity to tell the

truth. The opportunity to be told the truth and the opportunity to feel free and safe, to tell the truth."

- "If we bring all of us to work, then literally everything comes along — all of the problems, too. So managers can now ask you, 'How can I help you integrate everything that you are and help you align that with this work so that you can work in the best way?'"
- "When people are allowed to be themselves at work, whatever that is — within the context of achieving the goals of the organization — then they'll be happy, passionate, and excited about what they're working on. That's what they long for. It's the same thing our significant others long for — they can be themselves when they're with us."

At the time this article was written, 28 people in my social media and professional network, representing all key roles from the CEO to the employee level, responded to a survey I am conducting.⁷ In response to a question asking participants to evaluate this theme, 83% were in strong agreement or agreement on the high importance of Theme 1 to what people are really lacking and longing for at work (see Figure 1). Interestingly, 12% disagreed or strongly disagreed. Comments from this group suggest that people really don't long and lack for anything — other than the attention of others in their organization.

Theme 2: People Lack and Long for More Meaning in Their Work

The search for meaning and the need to help people find it in their work is a topic frequently addressed and discussed in countless articles and books, so it was no surprise to see this theme frequently emerge in my interviews:⁸

- "Many people do jobs without knowing ... the purpose or the big picture of how their work is changing the world. This is what we call a dead-end, or even a bullshit job. It's important to reduce those types of jobs. Make sure that everybody has a lot of meaning in their work, so people can see the impact their work has on the world. It's management's responsibility to convey that to the workforce."
- "I've been writing and talking about making sense or what I call 'sense-making.' It's the number one skill that one needs to shoot for in 2020 and beyond. I think the idea of getting to meaning or understanding

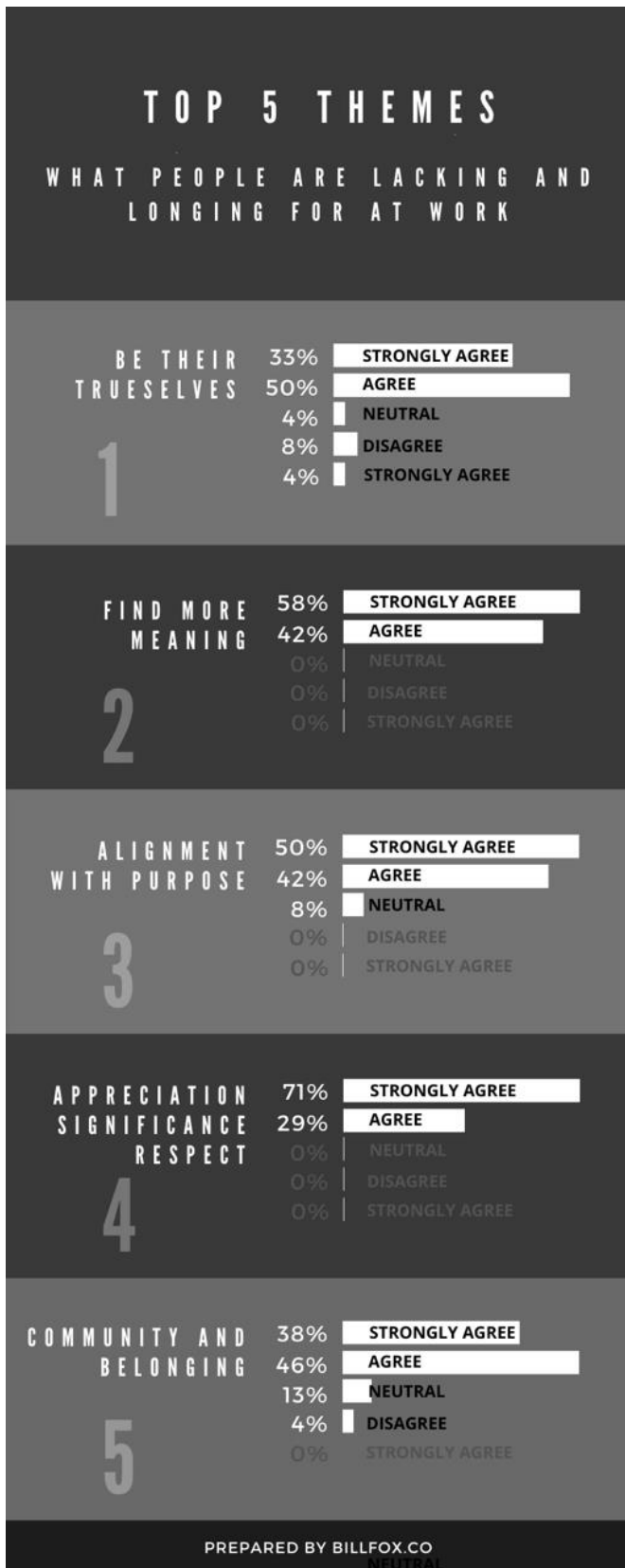


Figure 1 – Top five themes to the question, “What Do People Really Lack and Long for at Work?”

quickly helps people get a grip on things to help them feel more part of the workplace, more part of the team, more part of the work that’s being done.”

- “I think they lack and long for meaning. Ever since Victor Frankl wrote the book *Man’s Search for Meaning* several decades ago, I think there’s great insight there. For those who aren’t familiar with Victor Frankl, he was a German concentration camp survivor who described the way he survived the concentration camp, ... he knew the one thing that his captors could not take away from him was how he chose to hold his circumstances, and the meaning that he infused even in those direst of circumstances.”
- “I think everybody wants to feel like what they do matters to someone — not necessarily that we all have to be doctors and nurses — but that what we do can be seen in some greater whole. I think a big part of motivation and well-being at work comes from having a sense of purpose that arises from the quiet space within.”

My network survey participants were in agreement on Theme 2 with 100% in strong agreement or agreement that people lack and long for more meaning in their work (see Figure 1).

Theme 3: People Lack and Long for More Alignment with Their Purpose at Work

The need for people to find more alignment with their purpose at work is another topic frequently addressed and discussed in countless articles and books, so it was no surprise this theme came up often in the Forward Thinking Workplaces interviews:⁹

- “What do they want? I think they want to do things that have a purpose. This idea of purpose has been around a long time, but it is so important and was even more so for me running small- to medium-sized companies that were competing against giants. Purpose is such an opportunity to bind a team together and us against them. It’s a very competitive situation and the people I had working with me were the same. Winning is important and business was the game.”
- “Being a leader and having a vision and mission that you actually believe in — that you stand behind, that you really mean — is a very big deal. It’s imperative.

And it can be hard to do. You have your staff, you have your direct reports, you have hundreds, maybe thousands of people. Especially with a public company: you have all these people below you, and then up above, you've got shareholders and you have a board. With all that, it's really hard to be transparent and speak from the heart about why your company exists, what you want to achieve in the next few years and feel good about it, feel right about it, and feel in tune with it. That is hard to do. But it can be done."

- "It's interesting. When I ask people that, they often say they don't really know. Some will say, 'I'm not sure what my expectations are. I want to make a living. I want to make good money and retire early and go fishing.' But often, when you scratch the surface and get people thinking about what it is they long for, they'll say, 'I want a sense of connection with my life's purpose. I was made to do this stuff. I feel like I was made to thrive in this way and to help society by contributing to this company in this particular way.' That is a profoundly 'religious' kind of expression, in the broad sense. It's a sense of carrying out a calling. It's the difference between 'I got a job' and 'I've got to do this little thing.'"

My network survey participants were in agreement on Theme 3 with 92% in strong agreement or agreement, but a minority 8% were neutral on the role of people being in alignment with their own personal purpose in the workplace (see Figure 1).

Theme 4: People Lack and Long for More Appreciation, Recognition, Significance, and Respect at Work

The need for more appreciation, recognition, significance, and respect in the workplace has long been recognized, yet, ironically, these characteristics are missing in many workplaces. Here are some interview responses regarding this theme:¹⁰

- "People are giving you their eight hours or 10 hours or however long it may be every day, and they want to feel like somebody notices and cares: not just that there's a butt on the seat, but that it's my butt! They also want to feel connection. They want to feel camaraderie. Studies have shown that the number one key indicator of happiness in life is having a friend at work. That's so simple. But it takes a certain kind of workplace for that to even be possible, right?"

- "I think it's what we all long for — to be loved — to be seen.... I believe the most fundamental human need is acknowledgement. Whether it's a pat on the back from your boss, a hug from your child, or a kiss from your spouse, all those things help us to feel recognized — to feel as if we are part of the tribe. We are profoundly social creatures, gregarious by nature. At the core of our existence, the one thing that truly matters is to belong, to be loved, and to connect with others — so much so that when that need is not met, we become dysfunctional."
- "People lack so many things.... People lack being recognized. They lack having the spotlight put on them for the work they do. I believe that executives and high-level managers now have the self-awareness to give their employees the credit. But what happens at the end of the year and who gets the big fat bonus and more stock options? The recognition part has to extend beyond an 'attaboy' for good work. When I say put the spotlight on people, I mean recognize them not only for their work and contributions but continue to recognize them through compensation. That really separates the most humble and human-centered leaders from the pack because it shows that 'Hey, I'm not above you.' Because as an executive who achieves some measure of financial performance, they get more money, more notoriety, and the parking spot in front of the building, and so on. So as leaders, we must level out the playing field so that employees are recognized through various means on an equal par."

There was complete agreement among my network survey participants on Theme 4 with 100% in strong agreement or agreement that people lack and long for more appreciation, recognition, significance, and respect at work (see Figure 1).

Theme 5: People Lack and Long for More Community and Belonging at Work

It used to be that when you worked for a corporation, you were there for most of your career. The company took care of you, and you took care of the company. You felt that you belonged. Globalization changed all that. Nowadays, it's rare for people to stay with one company their entire career. But, as interview responses reveal, people lack and long for more community and belonging:¹¹

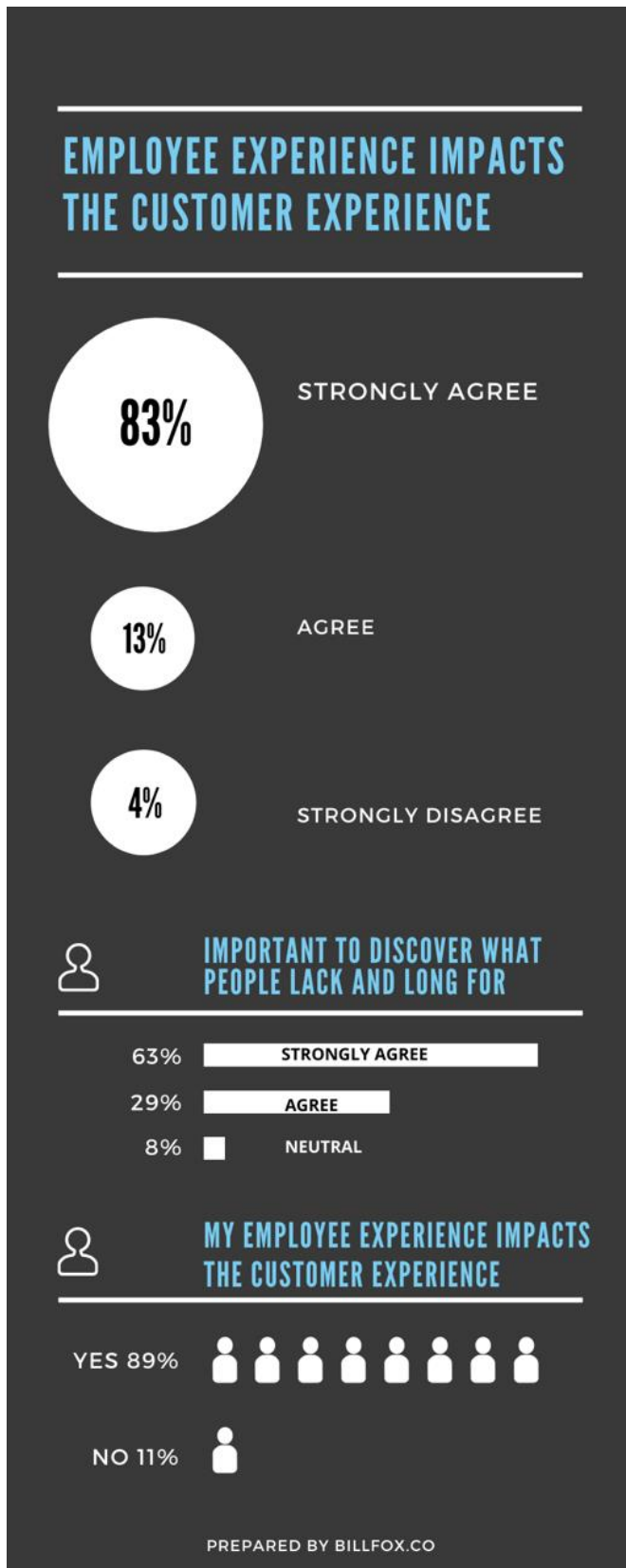


Figure 2 – Employee experience impacts customer experience.

- “I feel that people are missing a sense of family. It used to be if you went to work for a company, there was an informal agreement that you were going to take care of each other. You take care of the company, and the company will take care of you.”
- “Maybe someone has a great improvement idea but doesn’t want to say anything because of the fear of how others will react. Any good change idea will be challenged. How am I going to be treated since everyone is a short timer? Is it going to be accepted, or am I going to be ousted? I think that sense of belonging, that sense of family, I think that’s what people are missing.”
- “According to the surveys we have seen, we know the number one reason that they leave the workplace is they don’t like their boss. The number two reason is they don’t like their coworkers. Number three, depending upon which survey you’re looking at, is the lack of tools, training, and a whole bunch of other things that impact how employees work and learn. But going back to the number one or two reasons, what people look for in general is a positive community. And specifically, a community of purpose. Community is going to be either in form of mentors, coaches, and guides or coworkers you work with along the way. People that lack community and engagement with that community will be less productive, less motivated, and less successful.”
- “You can cite various resources around this topic, but Gallup may have popularized it in their Q12 engagement survey¹² with their question, ‘Do you have a best friend at work?’ While now controversial and challenged as to importance, I believe that the question should be, ‘Do you have a community you can trust and where you feel respected and able to make a contribution?’ ”
- “It goes back to the question of shifting the mindset from workplace to community. Within a community, we need to deliver that sense of belonging, or provide that opportunity to achieve that sense of belonging, and through that we will get much better mindsets and better work within our communities. I think you fall into becoming parts of actions rather than an overall sense of belonging within the overall organization and the mission of the organization or the team. If we can provide a culture that has a better sense of belonging, that will eliminate more of those factions and have better collaborative work.”

There was agreement on Theme 5 with 84% of my network participants in strong agreement or agreement, but 13% were neutral and 4% in disagreement regarding lacking and longing for more community and belonging in the workplace (see Figure 1). Not everyone would like to associate with their coworkers in a community atmosphere, and the survey results seem to reflect this difference in personal preference.

Does Employee Happiness Really Matter?

Does employee happiness really matter and impact customer satisfaction and business results?

I believe it does, based on my own experience as an employee and as a customer. At the same time, I thought it might be interesting to see where survey participants from my network stand on this question. Fully 96% were in strong agreement or agreement that the employee experience impacts the customer experience (see Figure 2). However, a small minority of 4% strongly disagreed. Given the limited time and small number of responses that could be gathered in time to meet publication deadlines, this minority seems to be an outlier.

But what about participants' personal experiences as to whether their employee experience impacted the customer experience? The response to this simple yes or no question resulted in 89% in agreement that their own employee experience had an impact on the customer experience (see Figure 2). The survey didn't seek to uncover why people felt this way, but I think we can all relate to workplace experience (both positive and negative) influencing our behavior with customers as well as with coworkers.

Is It Important to Discover What People Really Lack and Long for at Work?

I thought it was important to put the question that's at the heart of this article to the test. Do people think it's important to learn what people are really lacking and longing for at work? A large majority (92%) of my survey respondents believe it is important (see Figure 2).

I have witnessed and experienced many workplace initiatives during my career that were designed to improve the workplace experience and employee engagement. However, as I mentioned at the beginning of this article, there was always something missing, even in the best of workplaces, that diminished my workplace happiness and engagement.

One key takeaway from the survey results and from my conversations with 74 leaders is the importance of asking all employees — each and every one — what they are really lacking and longing for in the workplace. We are all different and have different needs.

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- ⁵Fox, Bill. *Lack and Long For: 74 Pioneering Business and Thought Leaders on What Employees Lack and Long For*. Container13, 2019.
- ⁶Fox (see 5).
- ⁷If you'd like to participate and express your opinion in this ongoing survey, please visit <https://billfox.co/employee-experience-survey>.
- ⁸Fox (see 5).
- ⁹Fox (see 5).
- ¹⁰Fox (see 5).
- ¹¹Fox (see 5).
- ¹²"*Fortune 500 Employee Engagement Tools for Your Size Company*." Gallup, 2016.

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Sustainable Happiness in a VUCA World: The Human Experience Above and Beyond Corporate Limits

by Robert Fuchs

The current crisis of the COVID-19 pandemic sheds new light on what customer happiness, employee happiness, culture, and performance really mean when the rubber hits the road. This globally shared experience will have a deep impact on how organizations conduct business in the future. In this article, we explore the interrelationships between happiness, consciousness, and performance. We also raise awareness of the specific patterns that have a significant impact on performance and happiness, particularly in chaotic and turbulent times like the one we are currently experiencing.

Happiness as a research topic has recently gained a lot of attention due to its links to many aspects of corporate life; employee performance, in general;¹ and employee engagement and fulfillment, in particular.² (See sidebar below.) Companies with higher-than-average employee happiness³ exhibit better financial performance and

customer satisfaction.⁴ Recent findings by Glassdoor suggest that:

Employers who invest in employee satisfaction and improved workplace culture may enjoy spillover benefits that go beyond talent attraction and retention. Maintaining a satisfied workforce — particularly among customer-facing roles — should be considered a key prerequisite to delivering great customer experiences.⁵

An article from *Harvard Business Review* takes this even further and proposes that happy employees lead to happy customers,⁶ and some researchers are even equating *employee experience* with *customer experience*.⁷

Historical Trends of Measurement

If we look at the historical development of “experience measurement,” we can see an interesting trend in the continued expansion of corporate knowledge, coevolving with developments in IT (see Figure 1).

About 20 years ago, software companies began learning that their customers sometimes experienced problems using their products. What started out as something called “human factors” soon became known as the “user experience” in industry. Consequently, customers were separated into different groups with different wants and needs in an attempt to (1) understand them better, and (2) tailor software, products, and services more specifically to their desires.

After it became possible to track user behavior across all touchpoints and channels, a new buzzword emerged: “customer experience.” This allowed even more precise personalization to the presumed “wants” of consumers. Amazon CEO Jeff Bezos has been quoted saying that “the most important single thing is to focus obsessively on the customer. [Amazon’s] goal is to be earth’s most customer-centric company.”⁸ By now, even Bezos has realized that such obsessions can promote one-sided growth, which can eventually lead to imbalances in other areas of the company. While it is certainly

Happiness Is ...

My research indicates that people are being sustainably happy:

- When they can be certain (ratio between knowledge and belief) that the *wirklichkeit* (German for true reality) and their perception of reality (subjective reality construct) are identical; and
- When they are allowed to be themselves (human identity of learning, growth, and transformation)

Continuing with this line of reasoning, people are becoming sustainably happy:

- When they are more effective in solving problems than in creating new ones; and
- When they can continually learn to integrate knowledge, grow in balancing experiences, and transform to reach wisdom (assuming that wisdom sustainably increases decision making and problem-solving performance)

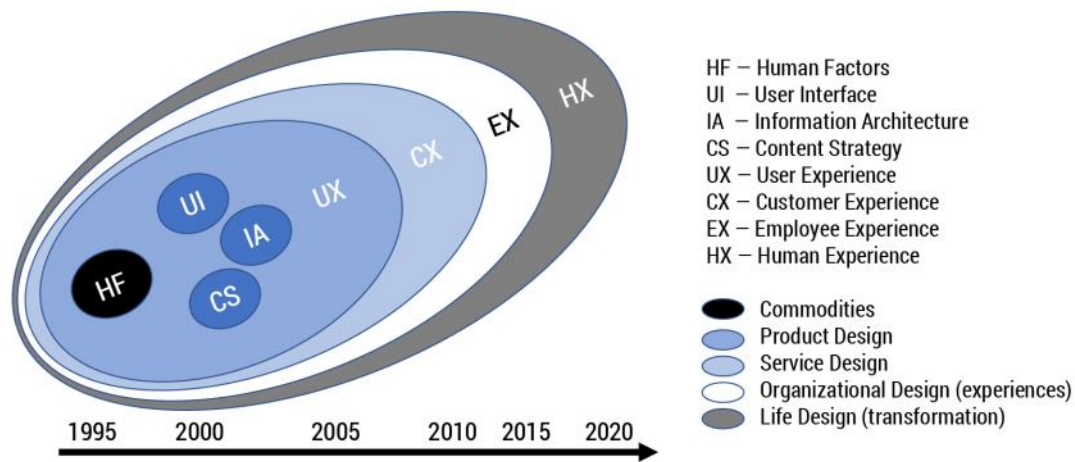


Figure 1 – Changes in organizational focus over time.

important to understand and care for your customers, this happens too often at the expense of your employees, increasing sick rates and psychological problems related to stress.⁹ According to a recent Gallup report, unhappy workers cost the US around \$350 billion in lost productivity each year.¹⁰

As a result of these developments, companies are now spending increasing amounts of money on employee experience in areas such as workplace design; technology and infrastructure; health food, exercise, and rest areas; social events; or personal coaching in attempts to increase employee happiness. Moreover, creativity and innovation are core differentiators today that set companies apart from the competition, but they are impossible to foster across a company without happiness.¹¹ Unfortunately, there is only so much a company can do to make its employees happy on the outside. So the question becomes: what can employees do themselves to become happier? (We will get to that answer in a bit.)

Since the emergence of “knowledge work,” not much has changed in terms of measuring usability and experience (refer back to Figure 1). The tools, methods, and frameworks are still more or less the same; it’s the measurement variables and job titles that have changed a bit, and the amount of data for research has increased dramatically. However, the core is still there — the human factor is still apparent despite the many varieties of its manifestation in different contexts. This is the reason why we can call the next (and perhaps latest development) stage the “human experience.” This new stage describes the shared functioning and meaning-making process that unites all people, despite their perceived differences. The current COVID-19 pandemic is just one example of a shared human

experience that does not differentiate between nations, age, class, or gender.

Indeed, the short-sightedness of focusing too much on customer happiness — at the cost of the environment, employee health, or social ecosystems — has become especially obvious within a few weeks around the globe during the current COVID-19 crisis. Consultancies swept the industries and markets, overoptimized structures and processes, reduced redundancies, and calculated everything even more tightly to gain more profit and sell at cheaper prices. Initially, this is clearly what investors and customers wanted, and everybody seemed happy.

The logical result, however, was that all systems became too fragile and vulnerable to shocks. The lesson learned is clear: *we are one world and we are one people*. If one hurts, all hurt — regardless of age, gender, nationality, or socioeconomic status. The interrelationship between politicians, business owners, employees, managers, customers, and ultimately all humans has become ever more apparent in an unprecedented way. To move forward, organizations must now consider the business ecosystem as a whole — with the company, business model, leadership, employees, and customers embedded in value chains across the larger ecosystem/environment.

Sustainable Happiness

At the most abstract level, happiness is defined in various cultures’ wisdom literature as the natural product of love and peace. However, these topics are seldom discussed in normal work environments, so let’s focus on the more tangible aspects of everyday work.

From a biological perspective, happiness is the core driver of natural evolution. In his research about studies of consciousness, Professor Stuart Hameroff has described how the formation of benzene rings in cell structures cause happiness.¹² Happiness therefore seems to be intimately connected to nature's drive to learn, grow, and transform and is a fundamental part of our identity.¹³ If employees must work in toxic environments, where they are not at liberty to learn, grow, and transform, they will either leave or get sick.

Intentional action not only forces us to be conscious about what, how, and why we are doing something, but it is also the fundamental driver in learning.

The three primary factors of sustainable happiness are genetics (~50%), circumstances (~10%), and intentional action (~40%).¹⁴ When it comes to genetics and circumstances, there is nothing we can do directly to change these two factors. Our genes are the stuff we are stuck with and circumstances change, whether we like it or not. The third factor, intentional action, however, seems promising. Intentional action not only forces us to be conscious about what, how, and why we are doing something, but it is also the fundamental driver in learning. All interactions, regardless of whether we interact with ourselves or others, create learning experiences and memories. This means that intentional action not only changes our genetics on a cellular level (autopoiesis), but also the brain's ability to reorganize in order to change perspectives and view circumstances from different viewpoints (neuroplasticity). Intentional or conscious action is therefore the single most important factor for *sustainable change*.

Sonja Lyubomirsky and her colleagues at Stanford University recommend two strategies to boost our happiness level: (1) acts of kindness and generosity toward self and others, and (2) pausing, reflecting, and counting our blessings.¹⁵ These two simple paths of actions might serve as a starting point for the difficult times ahead, when happiness seems scarce.

To get a clearer picture of happiness, we need to distinguish between short-term (or fake) happiness and sustainable happiness, which is basically "happiness under any condition." In his best-selling 1946 book, *Man's Search for Meaning*, neurologist and Holocaust survivor Victor Frankl described the relationship between circumstances and attitude the following way:

Everything can be taken from a man but one thing: the last of the human freedoms — to choose one's attitude in any given set of circumstances, to choose one's own way. When we are no longer able to change a situation, we are challenged to change ourselves. Between stimulus and response there is a space. In that space is our power to choose our response. In our response lies our growth and our freedom.¹⁶

Short-term happiness is easy to create in employees. Give them money, promotions, public recognition, or tools to play with, and they are happy. Unfortunately, this only works for a brief period of time, and, to make matters worse, employees tend to get used to such rewards and may demand continuously increased dosages to overcome habituation, in a similar manner of a drug addict. The concept of addiction even applies to humanity as a whole. We have become addicted to our lifestyle, and after the collapse of today's unsustainable reality construct, we are experiencing withdrawal symptoms.

Measuring Performance

The standard measure for performance is productivity. Unfortunately, productivity in Western countries has increased by only about 1% per year for the last 10 years, despite concentrated efforts to use novel technologies or agile methods to increase performance.¹⁷

Performance is also intimately connected to consciousness. Consciousness describes the experience of flow of information, energy, or matter within the human body, which can be experienced as thinking, feeling, and acting. Considering that 95% of our daily activities are performed unconsciously,¹⁸ we quickly realize that consciousness is the root of all performance and the more we can increase consciousness, the more our performance increases with it. Our consciousness seems to be the untapped potential that we can utilize. The potential for success, however, depends on individuals' efforts to discover themselves and learn the pattern needed for conscious access.

There are two core activities that humans perform all day long that relate to everything we do or don't do: decision making and problem solving. These actions are the two main performance indicators, measured by effectivity (or "time between problem identification and solution") on the one hand, and durability of the solution (or its "sustainability") on the other hand. For a solution to be sustainable, it needs an ecosystem to sustain itself. From this formula, we can see that for an

individual to be sustainably happy, that person needs a complementary ecosystem. As 19th-century English philosopher Herbert Spencer said, “No one can be perfectly free till all are free; no one can be perfectly moral till all are moral; no one can be perfectly happy till all are happy.”¹⁹ This means that, by definition, every solution without consideration of the affected ecosystem cannot be sustainable.

We can also define performance as the successful transformation of information to energy and, finally, matter. Anything we do that manifests itself into some form of a measurable, agreed-upon, material deliverable is performance. If we treat performance as a value, we also need to define the boundaries of this value; specifically, too little and too much performance. The spectrum of performance lies between two extremes, with the upper bound being burnout, and the lower bound being boreout. Both extremes are connected via information flow. From an information-theoretic perspective, the enemy is entropy — or information lost in translation. Too much information leads to misunderstandings and eventually burnout in a chaotic system; too little information leads to false assumptions and eventually boreout because the system is judged as unpredictable.

Any kind of human performance therefore directly relates to specific skills and abilities used in these transformation and information-manipulation efforts. Hard skills and abilities are needed for task-specific actions, and soft skills and abilities are needed for unspecific tasks that depend on social interaction. Next, we discuss the soft skills and abilities that don’t relate to specific tasks but are essential in crisis situations.

Survival in a VUCA World

The goal of increasing workforce performance faces numerous challenges. Companies must also deal with VUCA — volatility, uncertainty, complexity, and ambiguity — a synonym for chaos and unpredictability. Looking at the current news, we can see VUCA unfolding in real time. The markets and industries are experiencing high volatility and leaving investors with high uncertainty about the future. Global markets have reached an unprecedented level of complexity and have revealed the vast interconnectedness of countries and industries. Amid this chaos and uncertainty, people are suffering from ambiguity and are having a hard time making judgments about the truthfulness of information, especially whom to believe.

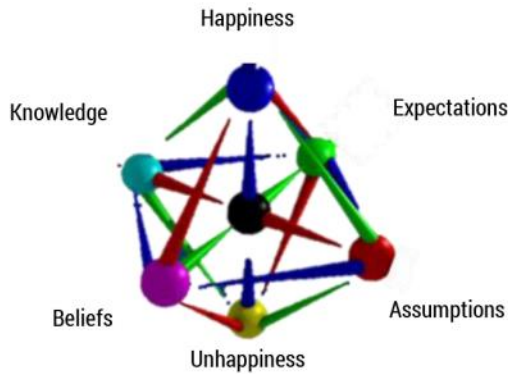
Generally speaking, VUCA describes linear and non-linear change phenomena. Some consider VUCA a recent phenomenon caused by advances in technology and globalization. In reality, however, the world has always been VUCA; we were just unable to measure it to that precision. We have come to recognize the VUCA character of our environment as we have become increasingly connected globally and have access to real-time information from nearly any place in the world.

So if VUCA is not a recent phenomenon, human evolution has likely already provided us with adequate response mechanisms to address this problem. Fortunately, the VUCA problem and the employee happiness problem are related and can be solved together. Learning and information transformation depends on the recognition of pattern or information clusters, which are also called “conceptual spaces.”²⁰ During cognitive processes, our consciousness jumps from general information cluster to information cluster like a light beam following geometrical trajectories along vertices that can be calculated mathematically.²¹ When we make decisions, we triangulate between conceptual spaces to calculate the possible outcomes of our decisions. External stressors like VUCA or toxic environments and internal stressors can distort these informational trajectories, thereby distorting the outcome of our calculations and leading to misunderstandings and false assumptions, which result in performance errors. To prevent errors in information processing, we need to know where those errors occur and why they happen.

All human decisions are the result of a force field acting on the four points of the plane: knowledge, beliefs, expectations, and assumptions (see Figure 2). This force field determines the outcome of our decisions and solutions. The result is either happiness or unhappiness. In real life, internal calculations usually go unnoticed, but what we can observe are the results of our decisions. When we base our actions on facts, we experience stable ground. When we make a mistake and fall through the cracks, all we know is that there must have been some misunderstanding or false assumption somewhere along the way. The outcome of our action is mainly determined by our orientation or attitude toward reality. This is illustrated with the yellow line on the right-hand side of Figure 2, or the general orientation of our perception.

Errors in this decision process can only occur if there are errors in one of the four conceptual spaces that make up our identity: errors due to false knowledge, false beliefs, false expectations, or false assumptions.

Identity Force Field of Decision Making



Reality Force Field

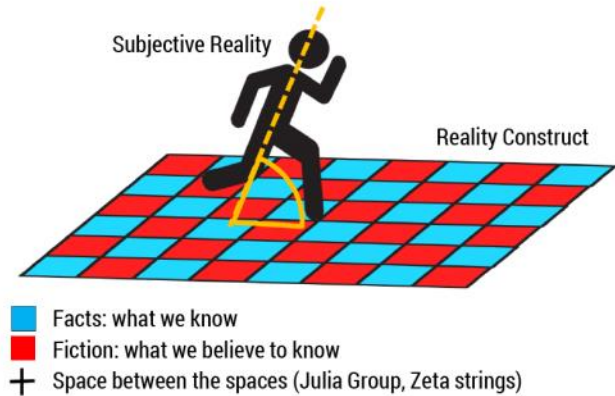


Figure 2 – Force field of decision making.

When we make decisions, we triangulate between those corners to identify gaps and contradictions in our reality construct, so we can ask better questions to fill the gaps or to correct the contradictions. For successful *causal dynamical triangulation* in information processing tasks, we need optimal information flow. Not too much and not too little, so we can calculate where to put our next step on the topological surface on which we are basing our decisions (right-hand side of Figure 2). Now let's examine the important skills and abilities for orientation and navigation on such surfaces.

Skills and Abilities

Figure 3 illustrates the invisible and visible conceptual spaces and their relationships to employee engagement.²² As shown in section (a) of Figure 3, the important soft skills we need to train continuously are *adaptability* and *alignment*. The abilities that naturally emerge from this pattern recognition and performance training are *resilience* and *resonance*. Resilience is needed to protect against fake news or disappointment when a previous adaptation did not provide the desired outcome, and resonance is needed to sense unmet needs in others. We are observing all these phenomena during the current global crisis.

Engagement and *fulfillment* cannot be sustainably created directly; like all other third-generation interactions, they can only be created indirectly through their natural constituents. Adaptability and alignment skills naturally produce engagement, and resilience and resonance abilities naturally produce fulfillment, as shown in section (a) of Figure 3. Overall, it is important to start with *skills training* and not with *ability training*. If we train adaptability to novel situations first, resilience will automatically emerge.

Moving ahead to section (d) of Figure 3, we see the optimal concepts for *mindset orientation* while performing intentional actions of *truth*, *beauty*, and *harmony*. These can be derived from Einstein's equations²³ and a whole new, emerging mathematical discipline that studies the "mathematics of harmony."²⁴ The discipline usually involves the golden mean and Fibonacci chains to calculate growth in nature. This new math is also used in cellular automata and artificial intelligence.

The VUCA phenomena can be mapped to the soft skills and abilities mentioned earlier, as illustrated in Figure 4, which provides graphs for the four possible pure problem types. When problems manifest, they can either increase or decrease as depicted in the linear models, or they can fluctuate as depicted in

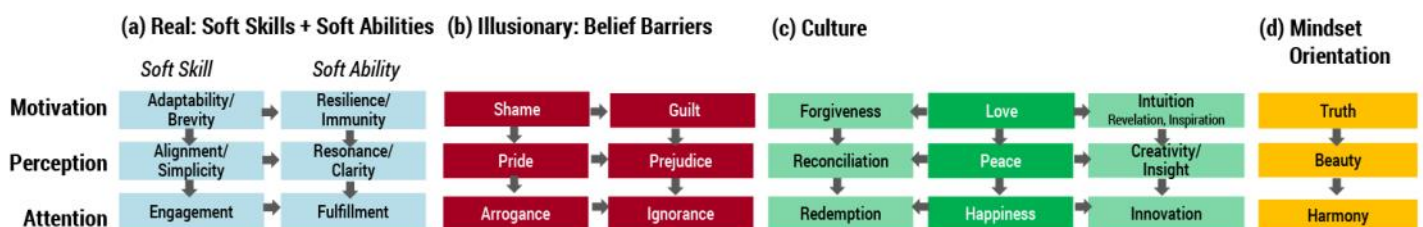


Figure 3 – Excerpt of invisible and visible conceptual spaces and their relationships to employee engagement.

the nonlinear models. After the onset of a problem, it usually takes a while until we notice it. This is illustrated by the dotted grey lines that show the consciousness thresholds.

Volatility and uncertainty usually come in pairs, where one creates the other. Volatility describes problems with changing directions, where we cannot be certain when they change and in which direction. Until we know what causes the volatility, our only option is to adapt to the change. After a number of adaption cycles, we understand the pattern and become resilient against sudden ups or downs.

With complexity comes ambiguity. Similar things sometimes look different or different things look similar, and this causes confusion like a Necker Cube²⁵ or the double image of the old and young woman.²⁶ Psychologists call this phenomenon “bistable perception.” It is a feature of a holographic reality, where everything is right and wrong, good or bad, or true and false at the same time — depending on perspective or the measurement angle, until we make a decision and the wave function collapses.²⁷

Under normal stress, we can easily apply these soft skills and abilities. However, as soon as there is too little or too much stress, barriers kick in and distort information. This leads to errors that decrease performance.

Internal Barriers

Besides obvious external barriers to information flow, such as lack of organizational structures and processes, there are six internal barriers of information flow directly related to a person’s identity: *arrogance, ignorance, pride, prejudice, shame, and guilt*. Looking back at section (b) of Figure 3, we can see from the structural arrangement of those barriers that they build on each other from top to bottom and from left to right. For example, if we are ashamed to ask for clarification on a specific task, we will potentially make mistakes and feel guilty about them. If we feel pride about some accomplishment, we may feel a sense of entitlement, which can lead to prejudice. Finally, if we are arrogant about our own presumed wisdom, we automatically become ignorant of other perspectives. A similar relationship exists among the vertical concepts. Shame and pride cause arrogance, and guilt and prejudice arise out of ignorance. This means that it doesn’t help to tell somebody that they’re ignorant; instead, we need to focus on conversations around why the other person might feel guilty or why the person might have developed prejudice. We can work with motivation and perception, but attention is hard to influence directly for sustainable change.

As soon as we observe or experience any one of the six internal barriers, we can assume that information flow

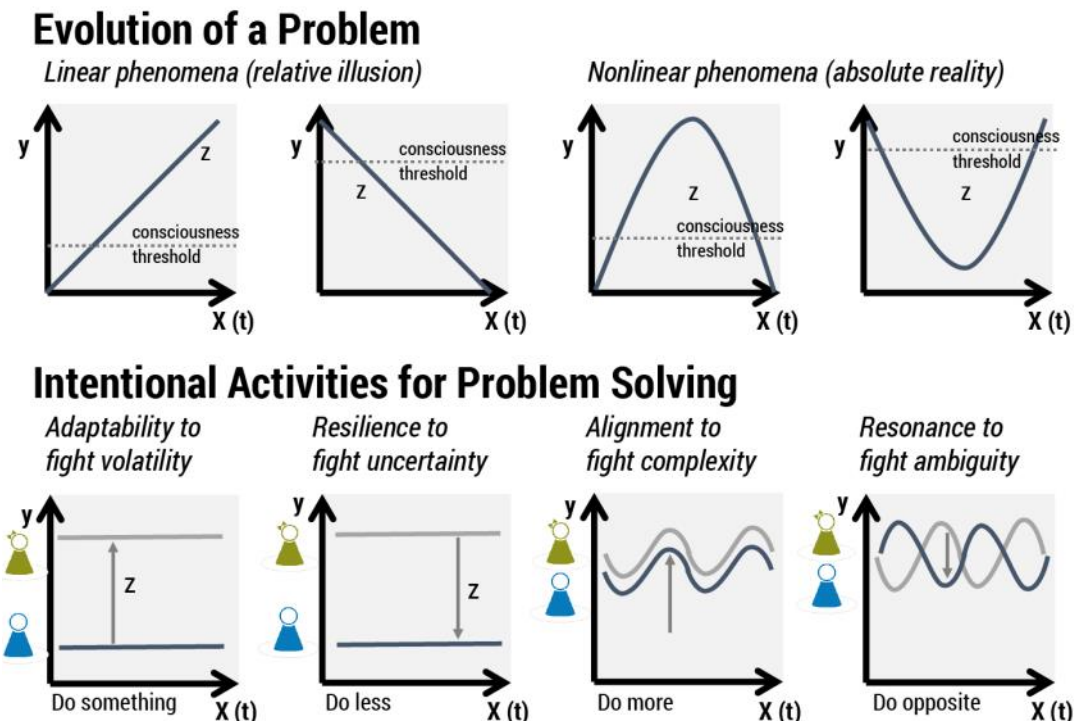


Figure 4 – VUCA problems and skills and the abilities to solve them.

is automatically distorted, and we should be careful with quick decisions. If we experience prejudice, for example, we might not think that another team member can provide us with helpful information, or if we feel guilty about an error we made, we might not volunteer to provide this information to a superior.

Companies will be judged in the future not only according to the benefits or damage they cause to their employees, but in regards to humanity and the ecosystem as a whole.

Consider a comparison of our mind, heart, and body to muscle functioning. Barriers indicate braced, injured, or habituated muscles that can no longer act intentionally by themselves. Inhibited muscles cannot move smoothly to change direction or intensity; instead, they will show inharmonic movements. It is therefore important — especially for leaders — to recognize these patterns and reestablish a psychologically safe environment and, at the same time, gently address those issues. Leaders should always be aware that even one badly timed word or sentence can send the performance of an employee on a downward spiral that can last from hours to days.

Conclusion

Happiness is an important performance indicator, and its pursuit is even protected in the US Declaration of Independence. There is only so much an organization can do outside-in to create an environment of worth, dignity, and acceptance. From a systems perspective, nobody can make an error if there is not at least one other person who allowed it to happen. In other words, there is no such thing as individual error, but only collective error. Good “error cultures” not only practice *forgiveness, reconciliation, and redemption* from problems — see section (c) in Figure 3 — but at the same time develop checklists; “four-eyes principles,” in which activities are approved by at least two people; and better policies, so the same error cannot happen again. New structures or processes are signs that learning, growth, and transformation have happened. If nothing changes, no learning has occurred.

Since a corporate culture is only the reflection of individual cultures, cultural change needs to happen on an individual level first, before it can manifest in a group. As mentioned earlier, there is only so much an organization can do. The larger and more important parts of the meaning-making process work inside-out and lie in the responsibility of each individual employee. In short, if employees are not able or willing to love and nurture themselves and to create peace-of-mind states, no effort on the part of HR or leadership in a company will be able to produce it sustainably outside of the work environment. If humans don’t work on their own development, companies will have to provide identity coaching for attitude change, along with training in decision making and problem solving in their own interest. The concepts described in this article are universal to the human experience and can serve as a starting point for training and can be applied to any framework.

Companies will be judged in the future not only according to the benefits or damage they cause to their employees, but in regards to humanity and the ecosystem as a whole.²⁸ All humans are connected; if one suffers, all suffer — one way or another — sooner or later. Organizations must realize that they cannot isolate employees and their work environments from larger ecosystemic aspects. In the same way, employees need to learn that ecosystems have lower limits of development, which provide support when we make mistakes, but can also inhibit our development at an upper limit. Employees can either change the company by switching to another one or change the company itself by supporting colleagues to improve themselves, thereby growing the company as a whole (see Figure 5). Acts of kindness and generosity can be seen as the appropriate response to the current crisis around the globe, and they are the only way we can grow sustainably as humanity.

Ultimately, employees can only make themselves sustainably happy by finding out who they are and what their function, meaning, and purpose in life is. Moreover, you can train your employees to recognize the barrier pattern described in this article so they can become more self-conscious and therefore better at transforming information. This does not only increase performance, but also guarantees sustainable happiness for the individual and humanity as a whole.

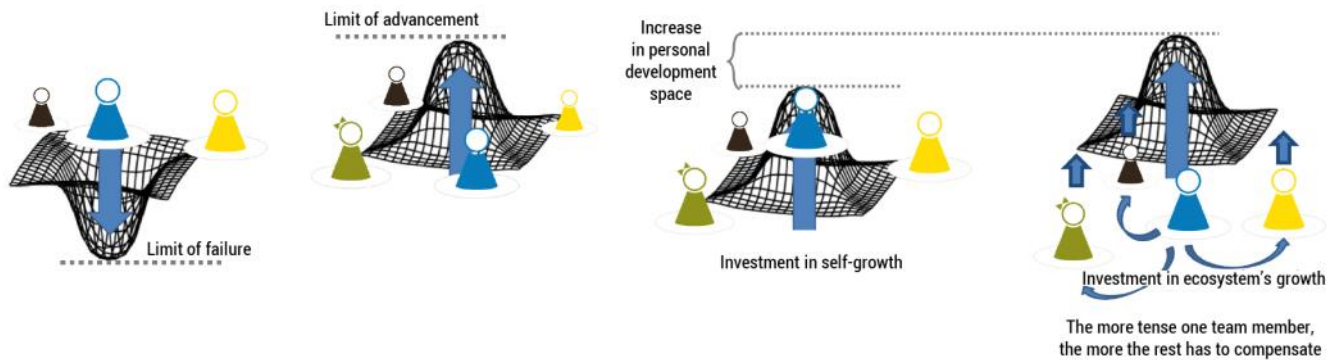


Figure 5 – Growth in dynamical systems: from ego-system to ecosystem.

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The Workplace Culture You Want

by Steve McMenamin, Tom DeMarco, Peter Hruschka, Tim Lister, James Robertson, and Suzanne Robertson

[Editor's note: This article is derived from the upcoming book, *Happy to Work Here: Improving the Culture of the Workplace*, by the six Principals of the Atlantic Systems Guild: Steve McMenamin, Tom DeMarco, Peter Hruschka, Tim Lister, James Robertson, and Suzanne Robertson. The following is excerpted from the introduction, along with details of the first cultural driver described in the book.]

You can almost taste workplace culture. When you visit — as we all hope will be possible soon once the current COVID-19 pandemic has abated — an organization, a company, a department, a division, a section, or a team for the first time, you get a sense of its nature within minutes. You have this sense of it long before you can articulate why you feel what you do.

The culture has nothing to do with the slogans and mission statements and motivational posters and policies that make up its official identity. There is something almost hidden that determines the culture. Its outward manifestations may be plain to see, but their underlying causes rarely are. Whatever the causes are that determine culture, nothing is so immediately evident as the taste.

The more you care about performance, the more you need to care about culture.

Workplace cultures vary widely. Some crackle with a palpable, nearly electric energy. They are in a deliberate and controlled hurry to get things done. They are unfazed by changes and challenges. They adapt. They persevere. They are confident that they can surmount any obstacles they encounter. They are productive and enjoyable places to work. They are silently proud.

Others have simply lost the plot. Workers plod on mechanically, often becoming lost in meaningless detail. Attrition is high, except among those who have given up hope and are now simply trying to avoid making

mistakes or drawing criticism from others. For such workplaces, risk is a four-letter word, figuratively as well as literally.

Now, as workplaces around the world navigate a new normal where most employees are working from home due to COVID-19 and the need for social distancing, company culture may be more important than ever for many organizations' survival.

Culture Really Matters

High-performing organizations tend to have similar cultural profiles. That is, the people working in the organization are pleased with the organization and pleased with the quality of their work. Poor-performing organizations also have similar cultural profiles, but these tilt toward the negative end of the cultural spectrum. Culture influences performance, and performance influences culture. The connections between culture and performance are complex, reciprocal, and anything but obvious. But you need to care about them. *The more you care about performance, the more you need to care about culture.*

Anyone responsible for a complex team endeavor is aware that the methods in use, the technology, and the work ethic don't provide a complete explanation for why people and teams perform as they do. There is something else at work; that something else is its culture.

You often hear allusions to it: "The culture of this place just didn't allow us to make that change," or "It was the culture that lost us some of our best people." But when asked to explain just what the culture is, or even what the term "workplace culture" really means, most people come up blank.

Books and articles that extol the virtues of an organization tend to feature companies that are models of a wide range of constructive and successful practices. Autopsies on notable failures often find that their

subject companies were doing many dysfunctional things all at once. The literature might reasonably lead you to believe that organizations are distributed bimodally: either with lots of good things going on or lots of regrettable policies and practices.

Such analyses may be entertaining, but not obviously useful to those seeking to improve the culture of their own workplaces. It doesn't take sophisticated analysis to determine that one place is a train wreck, while another is a virtual showcase of best practices with an impressive track record to match. It's pretty obvious. But very few real-world workplaces exist at either of these extremes. The same is true of their cultures.

Most workplaces are mixtures of good and bad cultural traits. They get some things right but are still bogged down by other, less admirable cultural characteristics. They are not textbook models of anything. They are a messy mix of the constructive and the dysfunctional.

Seeking to achieve good culture and avoiding the bad requires a deeper look at the factors that determine the culture of a workplace.

Getting to Good

First, a definition:

Culture is a set of shared beliefs and resultant observable behaviors.

Shared beliefs are fundamental — they determine behavior. For example, if you believe that the world will end tomorrow, you will behave quite differently than you would if you were confident that the sun

would rise tomorrow, and your existence and that of the planet would continue. People in Denmark believe that most other people can be trusted, which causes Danes to behave in a respectful manner toward each other. Compare that to the behavior of people who believe that their fellow humans are vile, untrustworthy, deceitful villains. People who believe that they might be fired soon behave differently than those who believe they are highly valued by the organization.

In our work experience and observations of hundreds of workplaces around the world, we have encountered a variety of behaviors among the people in different workplaces and, most often, have been able to relate these behaviors to underlying shared beliefs within the workplace. Sets of shared beliefs that encourage desirable behaviors¹ are what we call *cultural drivers*. This aggregate of cause and effect is shown in Figure 1.

There are six principal drivers of a healthy workplace culture. It is our expectation that, by understanding what it is that drives different aspects of workplace culture in general, you will be able to understand the culture at your own organization and, more importantly, change it for the better.

6 Principal Drivers

The six drivers that determine most of a workplace's culture are set out below:

1. **The perceived value of people and teams.** How are people seen in the workplace? Are they seen as indispensable assets to be selected and invested in to further the organization's true objectives? Or are

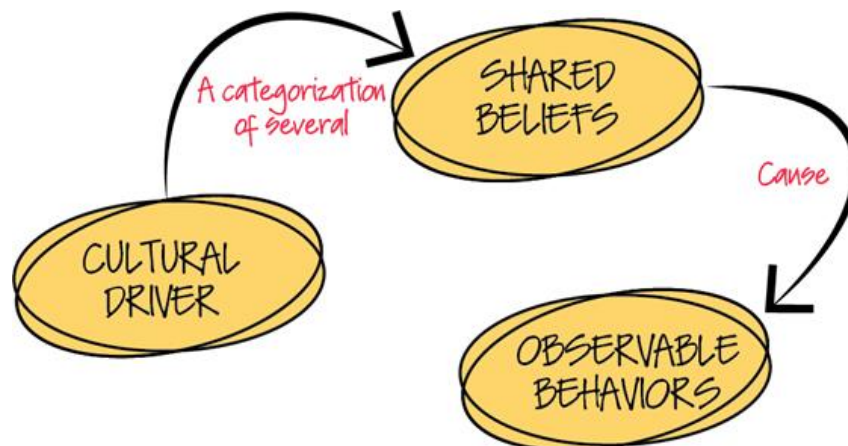


Figure 1 — Each driver of workplace culture comes about because of one or more shared beliefs. The existence of these beliefs can be deduced from observable behaviors within the workplace.

they viewed more like light bulbs: commodities to be used until they burn out, and then replaced with cheaper ones? Are they seen as bringers of energy, innovation, diversity of thought, and mastery of their craft? Or are they seen as a cost, a source of error, and troublesome to manage? Do the people organize themselves into teams, or work in isolation as on an assembly line? Are work teams more like basketball teams, or more like golf teams?

2. **The perceived nature of time.** How is time perceived in the workplace? Do people generally understand that adding time to a task can increase the probability of success? And contrarily, that extending the duration of a task exposes it to increased costs and the risk of disruption from external and internal changes? Do they understand that time can be both a friend and an enemy? Do they see that time is a scarce and valuable resource and understand that wasting time is a crime? Does management afford enough low-level support so that skilled people are not wasted doing their own administrative tasks?
3. **Safety and security.** Do people feel comfortable that they won't be demeaned or degraded? Is there a willingness to take on risk knowing that some failure is tolerated as the price of finding better, more innovative solutions? Is there a willingness to trust fellow workers? Are managers intent on enabling the growth and advancement of their subordinates? Or do they feel threatened by the teams they are supposed to manage?
4. **Navigation by grownups.** Is there a business vision — embodied by a set of prioritized, intermediate, and long-term goals — broadly understood within the organization? Are the goals realistic and are the schedules for achieving them based on reality? Is the organization constantly moving toward these goals and not being constantly diverted by short-term emergencies? Does it prioritize and focus on a few strategically important initiatives? Is it capable of deciding what *not* to do?
5. **Collective confidence.** Is the workplace confident that it is capable of overcoming problems it might encounter, and thus take on more challenging activities? Does it focus more on wins, or more on avoiding losses? Is it afraid of risk, or does it see risk as a necessary part of advancement? How does it respond to uncertainty? Does it freeze with

indecision? Or does its collective confidence allow it to be undaunted by uncertainty?

6. **Excellence and benevolence.** Is there an evident pride of workmanship? Is the organization driven to turn out exceptional products and services? Does it spare no effort to achieve its full potential, to be as good as it can possibly be? Does it care about doing good things for society and making itself a good neighbor? Does it demonstrate these values by providing employees the time and resources to engage in community or environmental activities?

The order is relevant here, as some of the later drivers are influenced by the earlier ones. We predict you'll be best served tackling the drivers in your own organization more or less in the order shown above.

Of course, these six drivers cannot account for all of the rich variation among workplaces, but they do account for most of it. By focusing on the drivers and their contribution to good cultural mores, you are more likely to understand the culture of your own workplace. The drivers should in turn help you move toward the workplace culture you want.

Next, we examine the first driver in some detail to provide an example of how to approach the analysis of each driver and its contribution to your organization's culture.

The Perceived Value of People and Teams

Workplace culture describes how people relate and behave with each other. It is therefore appropriate that the first of the cultural drivers examines the way people are viewed in the workplace. Every workplace — by its actions — reveals its beliefs about the nature and value of people and teams. If you ask the leadership how they feel about their employees and other team members, you sometimes get an HR-crafted paragraph, accompanied by recognition programs, slogans, and motivational posters. While these are often sincere, in most cases they convey how the workplace *thinks it should feel* about team members, not the reality. To understand its real beliefs, you have to examine its actions.

We begin by looking at how workplaces with a desirable culture regard their employees. In fact, the interview process for potential new hires can

provide many clues to the characteristics of such a workplace culture. A workplace with a desirable culture:

- Strives to hire only the best people it can find
- Declines to compromise on the above
- Works to preserve harmony and the well-being of the team by avoiding poor hiring decisions
- Knows it is better *not* to hire someone than to hire the wrong person

All of these are indications of a set of shared beliefs. Shared beliefs are of vital interest here, as they determine the workplace culture. Such a workplace culture holds the following beliefs:

The caliber of its people is the most critical contributor to the team's, and the organization's, success over time.

Teams are sacrosanct — they largely determine their own composition.

Observable Behaviors Arising from These Shared Beliefs

These shared beliefs spawn the following behaviors that you can see throughout the organization:

The Organization Goes to Great Lengths to Accommodate Desired Talent

It is not so easy to get into this outfit, but once you are chosen, the organization keeps you challenged, learning, growing, and happy.

There Is Real Investment in Team Members' Long-Term Development

The organization does not hire new members simply to do the jobs they interview for; they recruit them for the long term. It is expected that team members will stay for years, and that their roles will change over time as their preferences and abilities, and the workplace needs, evolve.

Consistent with this expectation, the organization sets aside funds for the ongoing training and development of its team members. Moreover, training and

development investments are not limited to skills directly applicable to the employee's current assignment. More fundamental skills and capabilities that will foster career growth are also approved routinely and without discussion or defense.

Teams Are Tight-Knit and Persistent

Team members have loyalty to one another; they respect one another. Each knows that the others have passed the same difficult tests to get into the organization in the first place. Team members know exactly how good their teammates are and treat them accordingly.

When team members disagree, they take issue with each other's ideas, not with each other as people. In fact, once team members have achieved a solid level of mutual trust, confidence, and respect, it enables more candid, and less guarded dialogue among them.

Peer coaching is normal. Teammates understand that nobody knows everything. The team respects knowledge, and so team members are always trying to increase their own (and their teammates') knowledge and skills. They are never afraid that a teammate would use superior knowledge against them.

The team takes pride in turning out successful products or services. This is, after all, their common purpose and what brings them together. Pride, respect, and loyalty make a successful team behave much like a successful family.

Shared beliefs are of vital interest, as they determine the workplace culture.

The Organization Provides Candid, Constructive Feedback on Performance

Every team member knows that they are valued in the workplace, based on what they went through to get hired and how they have been treated since they arrived. In most cases, team members see their supervisors and managers as people they can learn from. Like employees anywhere, they want to be good at what they do, and to be perceived as valuable members of the team.

Supervisors quench their team members' thirst to know how they are doing by having relatively frequent conversations about their performance. These conversations are not the typical mandatory, HR-directed, and template-driven annual performance reviews. They are more like informal discussions about how the past couple of months have gone from the employee's perspective. Although the supervisor's role here is mainly about listening, he or she will comment on the employee's observations.

Rather than see other managers as competition and a threat, managers who believe in the value of people cooperate and collaborate with their peers.

The supervisor will probably recount the major assignments the employee has worked on since the last review, and then outline the aspects of the employee's performance that have gone particularly well. The supervisor will also identify one or two ways in which the employee could improve his or her performance (i.e., one, or at most two areas for improvement; not three, not five, and definitely not 11). Good supervisors will, of course, make mention of exceptional contributions from the employee, and one way or the other, express thanks. The entire conversation requires no more than an hour, and frequently less. No forms are signed or filed. The feedback is for the use of the employee.

Recognition and Compensation Are Tailored to Individual Team Members

When the time comes for the annual salary increase exercise, the company tries to determine how best to spend its limited funds, so they deliver as much perceived value to the individual employees as possible. This requires asking the employees what matters to them. Sometimes employees would gladly forgo part, or all, of their salary increase for more vacation time. To other employees, a flexible work schedule or the ability to work remotely may add more value to their lives than a larger paycheck.

Total flexibility in compensation design is not a realistic expectation. Tax laws govern the administration of

some employee benefits, and some corporate compensation policies cannot be changed by exception. Nevertheless, every supervisor or manager has some discretion in rewarding employee performance, and the better ones use that flexibility to enhance the value (as the employee sees it) of the annual offer, without increasing costs to the company.

Peer Managers Exhibit Team Behavior

Rather than see other managers as competition and a threat, managers who believe in the value of people cooperate and collaborate with their peers. Examples of this include peer managers providing counsel and guidance to each other, stepping in to cover absence, working together to develop schedules and procedures, and being content to coach and be coached by other members of this management team.

Peer managers know that they all work for the same organization. They celebrate successes regardless of whether the success is from their team or another peer manager's team. They have a sense of joint ownership of projects, activities, schedules, and work plans.

The Connection Between Shared Beliefs and Observable Behaviors

So what does this all mean to you?

This first driver of workplace culture is about the value that the workplace places on its people and teams. Keep in mind that a driver is a combination of one or more beliefs shared within the workplace, and the behaviors brought about by those beliefs.

Any organization that genuinely believes in the value of its people and teams would display some, or perhaps all, of the behaviors listed above. Naturally enough, believing in its people and teams makes for a better culture, but it also makes the organization an attractive place to work. This in turn lures lots of talented job candidates, which in turn means that you can keep the barrier to entry high. New hires are held to as high a standard of "smart," "gets stuff done," and "fits in well with the team" as the organization can afford. In general, it is less expensive to look longer and harder and at more candidates than it is to recover from one truly bad hiring decision.

When the Organization Has a Different Perception of Team Members

Sadly, it is all too common that organizations exemplify the very opposites of the beliefs and behaviors discussed above. Organizations at the opposite end of the spectrum tend to exhibit very different behaviors based on very different shared beliefs.

It is worth looking at organizations where people are not considered valuable. If your organization exhibits any of the following symptoms, it is time to take remedial action:

- Prospective job candidates must survive a gauntlet of HR representatives and are subject to endless forms and tests before they even get to meet with the person to whom they would report. And they don't meet their new team members until they show up on the first day of work.
- New hires who do not live within commuting distance of the office are expected to relocate themselves, their families, and their lives.
- Job offers are based on a corporate standard offer for each position. The terms of the offer cannot be tailored to emphasize the elements that are important to individual applicants.
- In theory, each team has budgeted a specific amount for the ongoing training and development of its members. In reality, these are among the first funds to be cut during each year's budgeting process. This means that people who need to take a seminar, read a book, or attend a conference in order to keep their skills up to date must pay for it themselves.
- Once per year, each employee receives a performance review that is summed up in a numerical score that lets each employee know how well they are performing compared to their peers. No one says it out loud, but it becomes clear that an employee who receives a lower score has become an endangered species.
- In times of austerity (this means most of the time), each organization in the company gets a "salary increase" budget from which annual salary increases for the organization's team members are funded. The folks from HR make it clear that all employees who are not on the cusp of being terminated should get a raise that they won't find insulting. So, if the overall salary increase pool is 3% of total team salaries, just

about everyone is expected to receive at least 2.5%. It becomes impossible to significantly reward a superstar employee.

What are the shared beliefs that drive the above behaviors? We can summarize by saying that these workplaces see employees *as the equivalent of furniture*:

1. Employees are a regrettable necessity. As with furniture, you need a certain number of employees to get the work done. But you wouldn't want to have more than you absolutely need, and you wouldn't want to pay them any more than you have to.
2. The choice of one job candidate over another is not going to affect the company's ability to succeed in its missions.
3. Employees are interchangeable. As long as they meet the minimum requirements for their position for knowledge, skills, and experience, one employee is as good as another. If one leaves, a replacement can be found quickly.
4. Since employees are merely tactical assets — like furniture, facilities, and office supplies — the goal is to minimize the total cost of ownership of these human assets, which can be accomplished in the following ways:
 - When hiring, pay as little as the chosen candidate will accept.
 - Avoid increasing salaries unless you have no choice.
 - Adopt plans for your office space that enable you to house as many employees per square foot as local fire regulations will allow.
 - Promote competition among your employees. Make sure they know that they need the company much more than the company needs them and that successes experienced by their peers are a threat to their continued prosperity.

Using This Framework to Understand and Improve Your Workplace Culture

For each of the six cultural drivers, as we have done for this first one here, visualize a desirable workplace

culture and the corresponding dystopian culture. Visualizing the dystopian culture can help you see the positive organization traits more clearly by providing a stark contrast. This practice also helps you understand the relationship between the organization's beliefs and the behaviors that follow. If you find that your own organization displays traits from the dysfunctional end of this cultural axis, this understanding should provide you with direction for where best to begin your improvement efforts.

This framework of beliefs and behaviors should make it clear that addressing the behaviors directly is a waste of time. To make significant and durable improvements to your workplace culture, you have to ask how your organization became disconnected from constructive organizational beliefs, and how you can affect change to the current belief system.

Only by influencing and changing the beliefs can you have an impact on the behavior of your workplace. Understanding these beliefs is the first step in improving your workplace culture.

Endnote

¹We acknowledge that shared beliefs can be dysfunctional and can encourage undesirable behavior as well as desirable behavior. Here and throughout this article, however, we focus primarily on the functional shared beliefs of happy cultures.

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Remembering Steve McMenamain



The work of this article is the outcome of the determination of a remarkable person: our colleague, Steve McMenamain. We went to see Steve in California at his sheltered accommodation. He was very ill; we expected him to be resting and taking it easy. We were pleased and surprised that upon our arrival, he was ready to go to lunch at a local winery and discuss how we could collaborate on the new project he had been thinking about. That project is the subject matter of this article: what is workplace culture and how can it be improved?

Steve's many years of experience as a developer, project manager, meta-manager, CIO, VP, and importantly, author, made him aware of the cultural differences between groups of people (small and large) and how they work together. His insight was that there are six major drivers that influence cultural behavior and create shared beliefs. Steve explained that if we can make those drivers comprehensible, we could build a language for understanding work culture and for influencing improvements. We all had enthusiasm for the idea and thought that if we could pool our experience, we could build a valuable guide to workplace culture. With Steve's guidance and regular conference calls, we started the writing process.

Part of that process is listening to one's fellow authors. Steve could listen like no other human I know. This is not just hearing, which we all do, but listening, as only Steve could do it. While struggling to explain a complex situation, I knew that Steve was listening. Never once did I feel he was wanting to interrupt, or had zoned out and was waiting for me to get it over with. When I finished, his questions and comments were those that proved he had not only been listening, but had insights into the situation that could only come from wrapping a significant intellect around the problem. This ability helped steer our collaboration and solidify our ideas and understanding of workplace culture.

On 20 November 2019, Steve finally succumbed to multiple medical afflictions. We are thankful that we had the opportunity to work with Steve on this, his last project. We miss him very much and hope our final endeavor with him will do what he wanted — make it possible to understand and improve the way that people work together.

— Suzanne Robertson

— Tom DeMarco, Peter Hruschka, Tim Lister, and James Robertson



Want to Improve Employee Engagement? Remove the Boss!

by Jorge Silva

The quarantine and self-isolation required by the novel coronavirus pandemic is forcing people to collaborate. We can immediately see this profound form of collaboration as a useful tool. Countries are sharing information and medical aids and resources to help curb the spread of COVID-19. Young people are helping older and at-risk people with their groceries and other tasks. The risks during this crisis mean that if one member of a community doesn't follow the rules, then that person may expose everyone to the virus. Most of us have a clear understanding that this pandemic can only be stopped if we all get involved in curtailing it.

Collaboration is a key factor in solving many complex problems, including the one we currently face. In fact, collaboration is a new paradigm that is increasingly finding its way into many traditional practices, including the modern corporation, where it has been introduced via horizontal organizations. Horizontal organizations are based on collaboration and trust as their default strategy. This kind of organization increases employee satisfaction and builds higher profits. In this article, we examine how practices such as an open-book management policy (OBM), consent decision making, and a bold profit-sharing policy lead to greater profit and, ultimately, real customer satisfaction. We examine the benefits of these flat structures, why the future of work needs this kind of organization, and why it's a better way of doing business.

Changing Paradigms

Around 1900, many business owners began trying a more scientific/engineering approach to management. That's how Frederick Winslow Taylor's *The Principles of Scientific Management*¹ and the first management theories from Henri Fayol² were born. That context and world were very different from today: companies strongly relied on manual labor, 80% of the global production was geared toward food, and employees

were considered part of a larger production gear machine.

The main axiom of that paradigm was the belief that human beings avoid work whenever they get the chance. Hence, employers couldn't trust them and needed a series of elements or tools to ensure that work gets done, including control mechanisms, hierarchical structures (e.g., bosses), external rewards, penalties, and money as the ultimate reward and motivator. Essentially, this is what Massachusetts Institute of Technology (MIT) Sloan School of Management Professor Douglas McGregor labeled "Theory X and Theory Y."³ In his book *The Human Side of Enterprise*,⁴ McGregor describes two ways that managers can think of their employees. In Theory X, managers consider workers to be lazy people who evade responsibility and who will act only under pressure. In Theory Y, a manager views employees as creative and responsible people who need and want to work.

However, that's not the only way of looking at work motivation. We can find a similar but more recent approach to McGregor's theories in Daniel Pink's book *Drive*,⁵ in which he differentiates between external motivation and intrinsic motivation. Pink shows that paying more generates better performance only when the job is manual or mechanical. But if the task involves intellectual skills, creativity, or more complex thinking, increasing salaries or bonuses does not result in more performance; in fact, most of the time it has the opposite effect. Pink concludes that to motivate those employees whose work is based more on cognitive skills, there are three factors that increase performance: autonomy, mastery, and purpose.

More than 100 years have passed since Taylor introduced his management principles; nevertheless, many of these ideas are still around today and executives use them to manage and run companies in the 21st century. If we want to fast-forward 100 years and update our

paradigm to better reflect our current work context, what would that look like?

The Future of Labor

There are numerous studies that portray the “new way” of making business as less physical, more intellectual, based on the ability to learn, and with a higher level of creativity. Creativity, in particular, is a difficult skill to automatize. In line with this new approach to business, new generations attempt to incorporate characteristics that meet these required skills.

According to historians William Strauss and Neil Howe,⁶ the newer generation of workers looks for teamwork, transparency, interests in social issues, flexibility, and work-life balance when job seeking. So it makes much more sense to move to a management approach that promotes Pink’s intrinsic motivation or considers people from the Theory Y paradigm perspective. This is found and expressed through such practices as teal communities,⁷ the sociocracy movement,⁸ and holacracy⁹ methodologies.

Perhaps if we stop building companies based on the needs of past generations and instead try to create companies that reflect the motivations and needs of the newer ones (e.g., millennials and centennials), those generations would find it easier to commit to their work or company (as well as other criticisms they face).

To Make Healthier Business in a Better, Sustainable Way

Another important consideration as we look to build better business is that of organizational health and its impacts on performance. Numerous studies have shown a positive correlation between organizational health and performance in business terms (by increasing the organizational health of teams, they increase their business performance). Research by Scott Keller and Colin Price,¹⁰ for example, demonstrates a direct correlation between organizational health and business performance by analyzing different industries (e.g., banking, coal mining, retail, call centers) and different indicators, such as EBITDA (earnings before interest, taxes, depreciation, and amortization), net income sales, and value to book, among others.

Regarding organizational health and how to improve it, an interesting and popular study is Cutter Consortium

Fellow Amy Edmondson’s work on psychological safety. According to Edmondson, psychological safety is “a climate where people feel safe enough to take interpersonal risks by speaking up, sharing concerns, questions, or ideas.”¹¹ In other words, where you feel you can be yourself without fear of repercussions of any kind. Edmondson concludes that the greater the psychological safety, the greater the likelihood that the team will improve its performance, enable organizational learning, and allow people to speak out.

In a way of summarizing all these ideas in his book *The Human Equation*,¹² Jeffrey Pfeffer draws from research on numerous companies, industries, and countries (including S&P 500 companies) and identifies seven practices of successful high-performance organizations:

1. Employment security
2. Selective hiring
3. Self-managed teams and decentralization of decision making
4. Comparatively high pay contingent on performance
5. Extensive training
6. Reduced status distinctions and barriers
7. Extensive sharing of financial and performance information across the organization

To be successful in the modern era, where context is significantly more dynamic than in years past, we need to think of labor as increasingly creative. To engage new generations and keep people motivated, we need to embrace openness in our organizations. Self-management, decentralized decisions, collaboration, rewarded performance, reduced status distinctions, trust, and shared information are all components that make people feel they are part of an organization, motivating them to achieve greatness.

3 Practices That Improve Engagement

At 10Pines, a software development company based in Argentina, we have implemented a sociocratic kind of management (i.e., a model of governance that allows the self-organization of teams of different sizes) in a company with more than 80 people. After working at 10Pines for over a decade, I can identify the top three practices that lead to a superior engagement and a

really low turnover rate (around 3%; the industry as a whole is above 30%):

1. No bosses; consent-based decision making
2. Open-book management
3. Bold profit-sharing policy

No Bosses: Consent for Decisions

Instead of bosses making all the decisions because of their positions, which can lead to limited perspectives on subjects and limited creativity around problem solving, 10Pines relies on the concept of the *wisdom of the crowd* and follows a consent-based decision-making policy. Instead of using the “boss figure” as a hierarchical authority to spread decisions from top-down, we use “consent” to form decisions from bottom-up.

Consent is a tool that borrows from sociocracy. The main idea of the decision making by consent process is to identify any strong objections at the time of decision making and to resolve them in an integrated manner. Objections are not considered as blockages but instead are seen as ways to improve proposals by including other perspectives. When all objections are resolved, consent is said to exist. The question that most often guides consent-based decision making is: could I live with this decision?

The other important feature in consent-based decision making is the encouragement of members of the team to listen to all voices. Space for expression is sought and given in this process (Figure 1 illustrates an example of a meeting using consent at 10Pines); all people involved in the decision can fully express their position.

According to the Sociocracy for All manual *Many Voices One Song*,¹³ the process for guiding consent is as follows:

1. Giving consent to the motivation of the proposal
2. Submitting a proposal
3. Clarifying questions
4. Round of first impressions
5. Straightening out objections and improving the proposal
6. Consent round
7. Celebration

OBM

You can't make good decisions without the proper information. Therefore, in a group where decision making is collaborative, it is necessary to access information (including financial information) in an



Figure 1 – A meeting using consent at 10Pines.

open way. This type of practice, known as OBM, originated at the Springfield ReManufacturing Corp. (SRC) in Springfield, Missouri, USA.

SRC CEO Jack Stack is recognized as the creator of the OBM concept. With OBM, Stack proposed sharing operational information in a detailed way and educating and training employees in how to use it. With OBM, this information is not limited to overall company numbers but includes salaries as well. In some cases, salaries are made transparent for all employees. In these cases, contrary to the chaos one might imagine, healthy peer pressure is generated, where each employee feels the responsibility to justify his or her salary to the whole company.

If not implemented with dedication, care, and training, however, OBM can produce a toxic and competitive environment that leads to failure. But, when properly managed, this practice can lead to outstanding results and even to people rejecting salary raises.

Bold Profit-Sharing Policy

When a group of people is involved in making decisions, it is only fair that they face the consequences of those decisions — good or bad. This includes the economic consequences (especially when they make good decisions and generate profits for the company).

Having a profit-sharing policy proportional to the company's profits is essential for the team to be involved in making decisions and managing the company. In the case of 10Pines, this policy proposed a distribution of 50% of pretax profits, using a formula that aims to reflect a fair distribution. For this purpose, the total amount to be distributed is shared between all employees according to four different criteria: (1) seniority, (2) years in the company, (3) amount of hours worked during the year, and (4) using an egalitarian approach.

This type of policy not only increases involvement and responsibility in the decision-making process, but also encourages general commitment from team members and responsibility in the day-to-day care of resources and customers. This leads to team member satisfaction, which ultimately boasts a customer satisfaction level higher than the market average.

4 Experiments to Improve Employee Engagement

Companies like 10Pines are either “born that way” or must undergo a transformation process to achieve this state of mind. Regardless of the path they take, it is not a single step or a fast journey; it's a continuous, baby-step process that grows over time. That's why it's important to start testing these ideas and begin the journey. In the following sections, we explore some easy or reversible experiments that attempt to improve employee engagement and start playing a little bit with self-organizing teams and increase shared information.

Corporate Standup Meetings

Taken from Agile methodologies, the standup meeting is a way of improving communications and aligning a team. As with the daily standup for teams — where everyone involved must convey in a short statement each day what they have been doing, what are they planning to do, and any difficulties they may have — a weekly corporate standup aims for a similar goal: to communicate about the work of different groups and projects in the company during the last week. So, in about 30 minutes, a group of 80 people could catch up and update everyone about their work (see Figure 2). Any discussions regarding those communications are dealt with later as follow-up conversations.

Internal Crowdfunding

The idea of funding a project through the power of a crowd contributing small amounts of money has become widely known in recent years. Inspired by this idea, some companies participate in corporate crowdfunding. At 10Pines, every employee has \$5 per month to spend on whatever they want. The only condition is that the item bought must stay at the office, and anyone in the company is entitled to use it. You can accumulate higher amounts over three months to buy more expensive things. The “magical twist” here is that you can even collaborate with others to buy expensive things, or you can contribute your \$5 to support other projects. This policy is easy to implement and generates an atmosphere where you can transform complaints into proposals and proposals into reality, with a budget that allows you to do what is necessary.



Figure 2 – A corporate standup meeting at 10Pines.

Delegation Board

Delegation boards are a Management 3.0¹⁴ tool used to discuss and make explicit who is responsible for what, what decisions one can make, and to what level. It's a method that encourages employee engagement using controlled self-management. A delegation board is an interesting activity that starts conversations about who should decide what and discusses the process of decision making (see Figure 3).

Let's illustrate this idea with an example. Suppose you are the boss in a business. You can talk with your team about how you will distribute all the decisions that affect them at certain levels by creating a board that makes explicit these different levels of decision making:

1. **Tell.** The boss makes these decisions and tells the team; there is no other discussion.
2. **Sell.** The boss makes these decisions, but also explains why and tries to sell them to the team.
3. **Consult.** The boss consults the team before making the decision.
4. **Agree.** The boss and the team decide on these decisions together.
5. **Advise.** With these decisions, the team first gets advice from the boss and then the team itself decides.

6. **Inquire.** The team makes these decisions and then the boss asks about them.
7. **Delegate.** These are the decisions that the boss fully delegates to the team.

Group Interview

Inspired by Semco, a Brazilian company with a unique culture, an interesting idea that generates recruitment and hiring engagement within a company is allowing the team that is going to work with the candidates to be involved in the initial job interview. This way, the team can express an opinion about the candidate during the hiring process. You can take this idea further (as 10Pines does) and extend this group interview to the entire company; the last step in the interview process is a group interview where everyone is invited to attend, and consent is sought for the hiring decision. For example, at 10Pines around 40 people gather in a relaxed environment with the candidate, providing the entire team as well as the interviewee the opportunity to decide whether they would like to work together.

Conclusion

As we move forward in a changing and challenging business environment that requires organizations to adapt rapidly, self-organized teams that are motivated

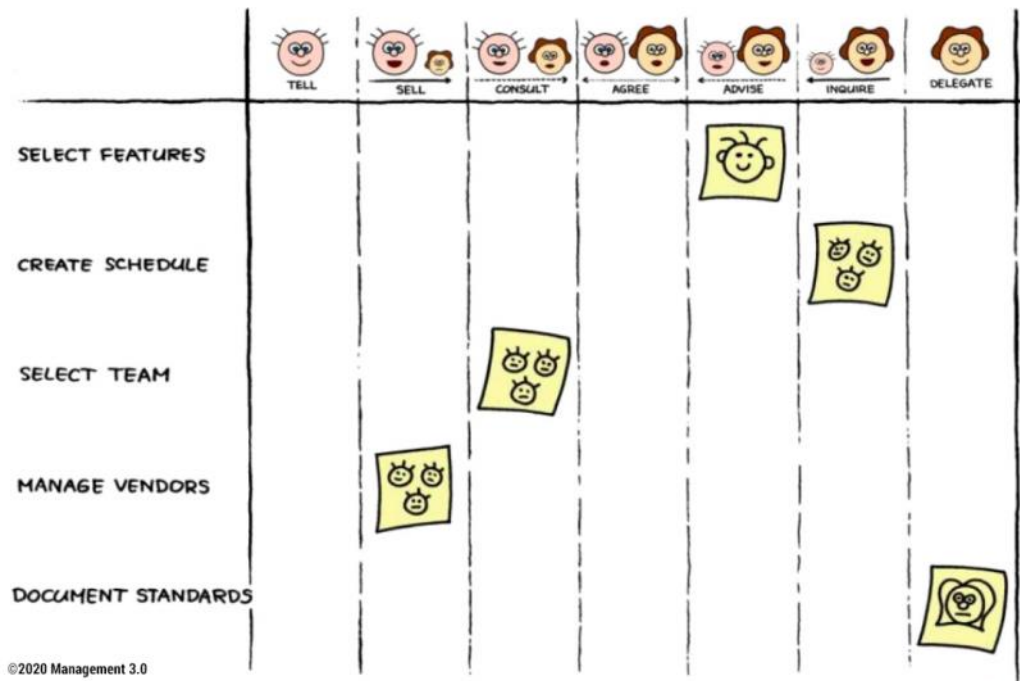


Figure 3 – Delegation board. (Source: [Management 3.0](#).)

and aligned with business goals are the only option for success. But working without bosses is not an easy task. Self-organization requires discipline, maturity, critical thinking, and consistency. However, the results are something that classical management cannot achieve: intrinsic work motivation, genuine involvement, and fair compensation.

This formula, an effective combination to generate employee engagement, ultimately leads to higher customer satisfaction. For this reason, we predict that future companies will gravitate toward self-organizing teams, shared information, fair salaries, and sustainability — not only in business but also in their social and environmental dimensions.

Are we willing to take a leap of faith and challenge ourselves to participate in organizations that rely more on others — but with superior results?

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