Managing the Company of the Future
has been developed collaboratively by
University of London and London Business School.

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Managing the Company of the Future

Julian Birkinshaw

Week 5

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From firm to individual: The changing role of the manager

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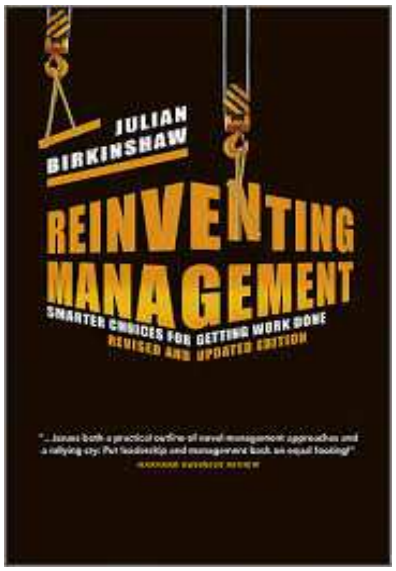
Reinventing the System of Management

Rethinking the Role of the Manager



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A thought experiment

Think back to the last piece of work you did where you were fully engaged and highly motivated:

What were the key features of that activity?

A thought experiment

Most people are engaged and motivated when:

- **The work is challenging**
- **They are given freedom to do it their way**
- **When it seems to be important**
- **When working with good colleagues…**

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A thought experiment, part 2

Now imagine your role as a manager:

How should you act if you want your employees to be engaged and motivated?

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Summary: What is good management?

What your employees need

Give them worthwhile work, a clear sense of direction

Provide them with space to find their own way

Provide support when it is needed

Give people recognition & praise

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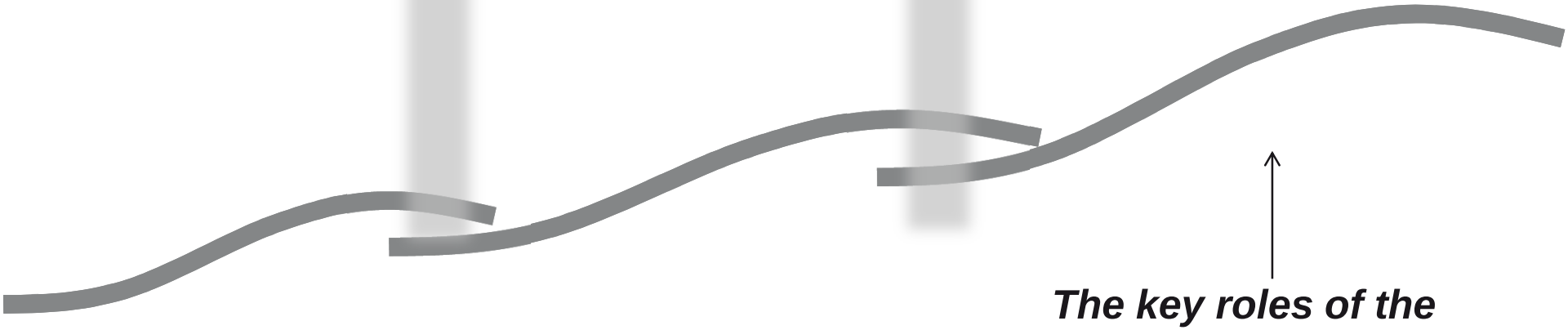
The changing role of the manager (Recall the discussion in week 1)

INDUSTRIAL ERA	"KNOWLEDGE ERA"	"POST KNOWLEDGE ERA"
Monitor and Controller	Information Conduit and Expert	Implementer and Empathiser



The key roles of the manager in the future

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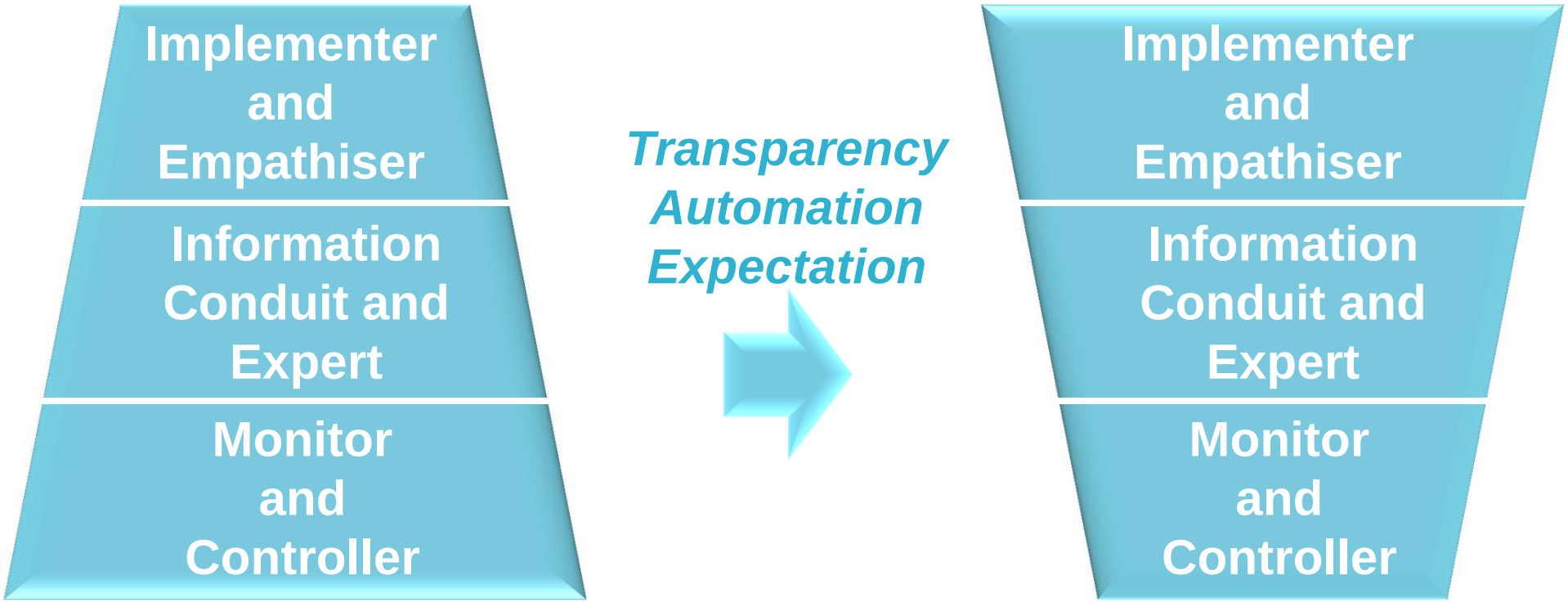
A shift in emphasis over time



Traditional companies

Modern companies

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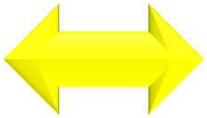
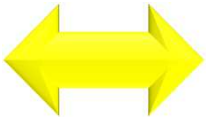
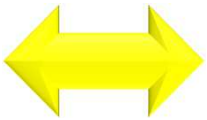
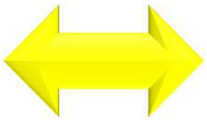
Summary: What is good management?

What your employees need		***What they often get***
Worthwhile work, a clear sense of direction		Confusing or unclear objectives
Space to find their own way		Micro-management and meddling
Support when it is needed		Lack of information, lack of concern
Recognition & praise		Limited feedback and little praise

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Why don't we do what the books tell us to do?

GOLFING

DIETING

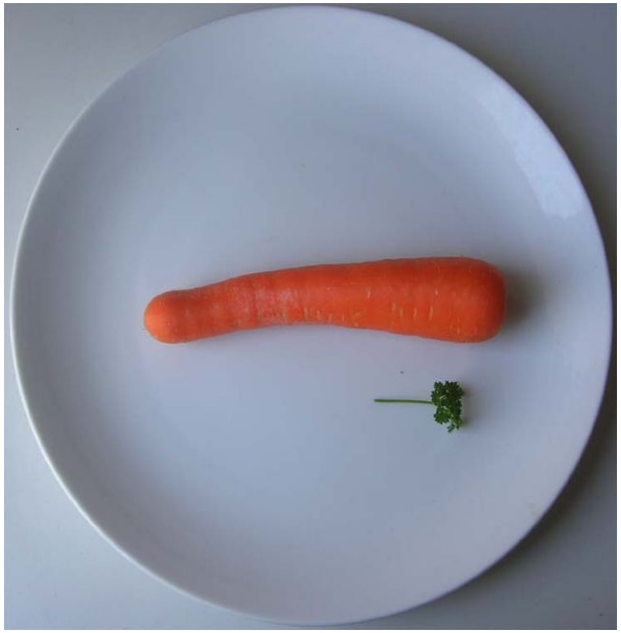

Photo: Gideon

MANAGING

Discussion

If we know what “good management” looks like in the company of today/tomorrow, why do we struggle to do it consistently?

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An employee's eye view of managing

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Two ways of thinking about management

What do we want to get done?

How do we need to act to get our employees to do it?

How should we act to harness their latent enthusiasm and skill?

What aspirations, fears, concerns do employees experience at work?

UNDERCOVER
BOSS

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Learn how to see the world through the eyes of our employees

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Some tips for getting to know your employees properly

1. Skip-level meetings
2. Web-enabled discussion forums
3. Front-line work
4. “Smokers corner”
5. Reverse mentoring

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Understanding our biases: Managing as an unnatural act

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What is stopping us from doing what we know we should?

Making sense of the human mind:

The rational (conscious) part

The emotional (subconscious) part

Managers face inherent conflicts in their day-to-day work

Give freedom and recognition to others, share information widely

Take charge, avoid errors, remain in control

Learn to let go

Tony Blair gave the Bank of England freedom from political interference when he became Prime Minister

Package work into projects

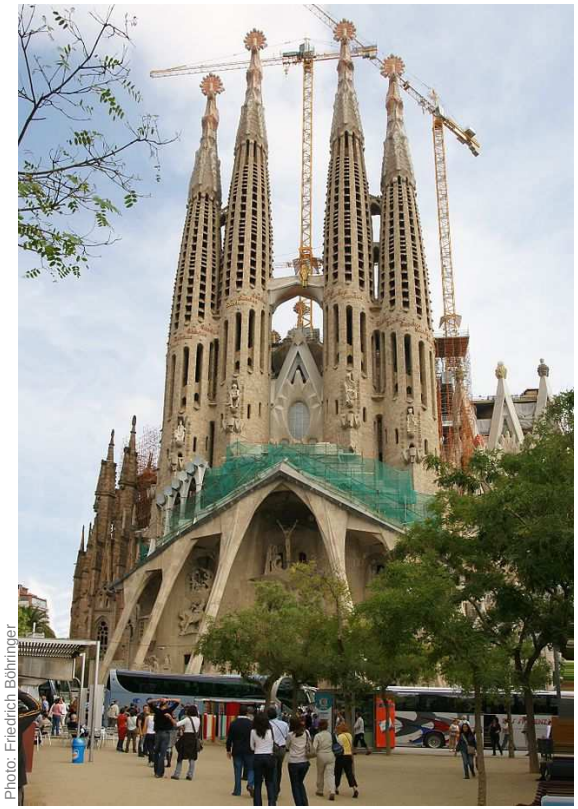


Photo: Friedrich Böhringer

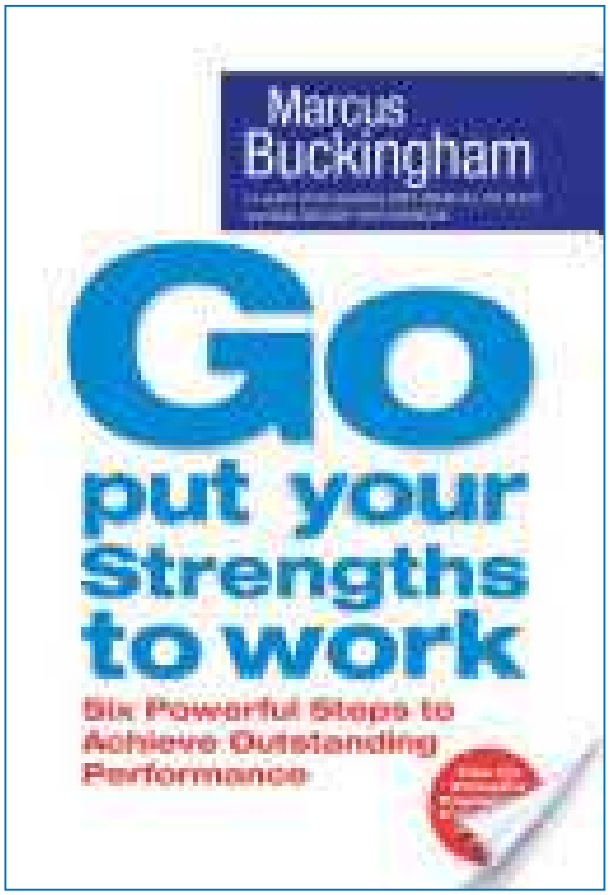
La Sagrada Familia, Barcelona

"Gaudí gave artistic freedom to those working alongside him. Even when he was in charge, there were 40 different sculptors working for him. Gaudi inspired them, intervened and commented on their work — but it remained the work of several different sculptors." Jordi Bonet

Seek Advice

You need impartial feedback to improve your skills

Focus on your strengths



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How do I change my own way of working?

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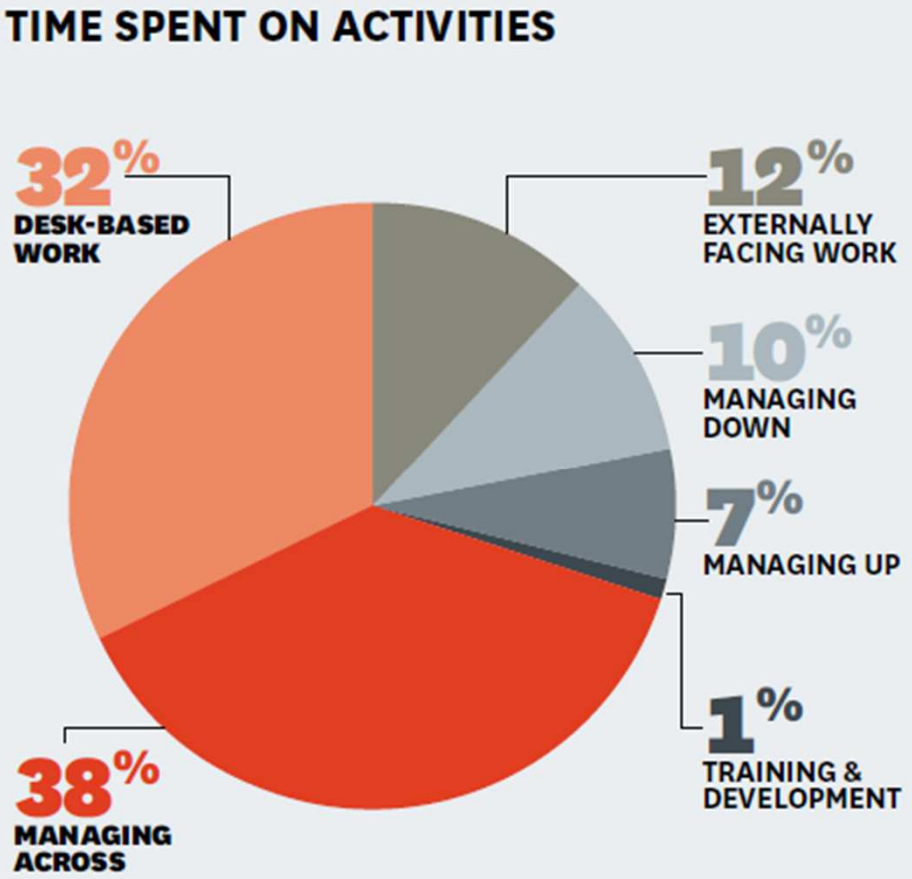
What do knowledge workers spend their time on?

Our research shows that desk-based work and "managing across" take up two-thirds of knowledge workers' time, on average...



Source: Make time for the work that matters, J.Birkinshaw and J. Cohen, Harvard Business Review, 2013

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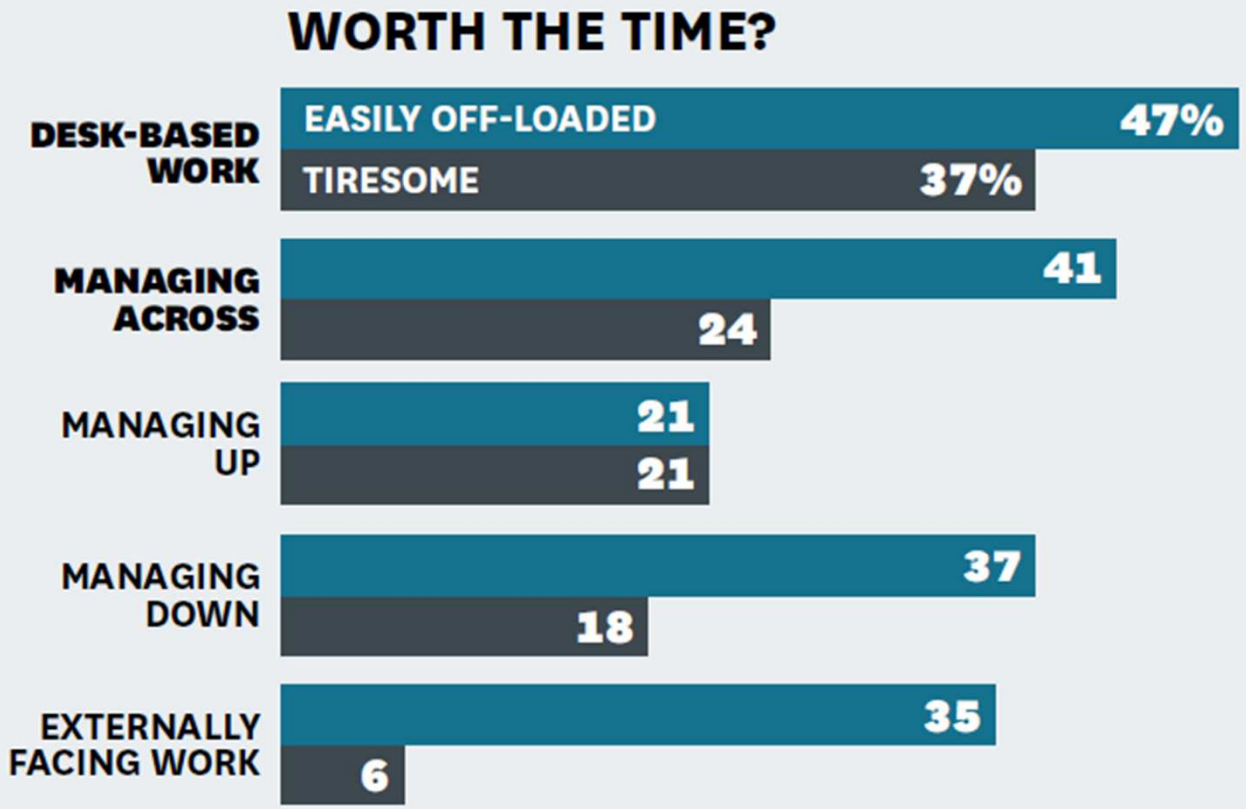
What do knowledge workers spend their time on?

...and yet those tasks were rated as most easily off-loaded and tiresome.



Source: Make time for the work that matters, J.Birkinshaw and J. Cohen, Harvard Business Review, 2013

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How to make time for the work that matters

1. Identify low value tasks
2. Decide what to drop, delegate or redesign
3. Commit to your plan
4. Off-load tasks
5. Allocate freed-up time

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A personal management experiment

Hypothesis: A greater emphasis on 'coaching' will increase the effectiveness of my team

Before

Traditional style of supervision of team

After

Supervisor spends 5 hours more per week providing feedback and coaching team

Result: Team members more engaged, increase in sales numbers

Intervention: Supervisor has 5 hours per week freed up, team are asked to increase cross-selling

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What will the company of the future look like?

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The default ownership model today

The Limited Liability Corporation ("PLC")

- Exists as a legal entity, ownership separated from control
- Enabled spread of capitalism, investment in promising opportunities, rise of professional management
- But increasingly seen as favouring short-term and narrow thinking

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Some alternative models of *ownership*

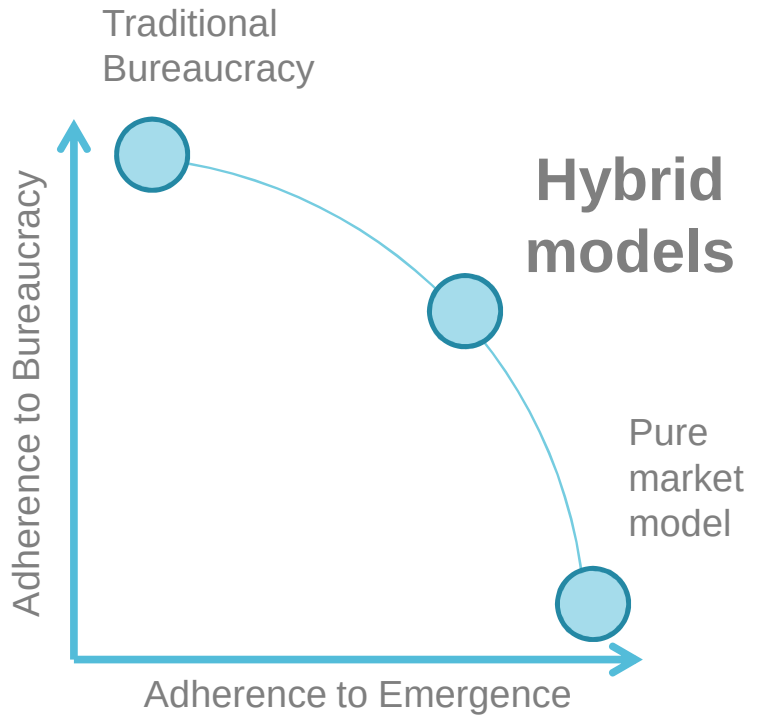
- Private Equity (e.g. Blackstone, TPG)
- Family (e.g. IKEA, Mars)
- Cooperative (e.g. Nationwide, Arla)
- Trust (e.g. Tata Sons, John Lewis)
- Partnership (e.g. Deloitte, Freshfields)

These alternatives are typically more long-term oriented than the PLC, though each has pros and cons.

Some PLCs are seeking to learn from these models.

Alternative models of *organising*

- Decentralised
- Networked
- Virtual
- Internal markets
- Bottom-up



Alternative models for the *employment relationship*

- Individual in salaried employment
  - Full-time or part-time
- Individual as freelance contractor
  - Sells services for a fee
  - Works for one, several, or many companies

Worked example

- Eden McCallum is a London-based strategy consultancy
- Core team: 12 partners and 20 salaried staff
- Work is done by a pool of 500 freelance consultants
- Read the case study in the course-room and discuss:
  What are the pros and cons for Eden McCallum in having its consultants as freelancers not salaried employees

eden mccallum
THE LEADING FIRM OF INDEPENDENT CONSULTANTS

Summary

- Many companies are experimenting with alternatives to the traditional model:
  - Different ownership structures
  - Different ways of organising
  - Different approaches to employment
- While large traditional companies will continue to exist, there will be more freelancers and more smaller companies selling their services to large companies

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The changing nature of work

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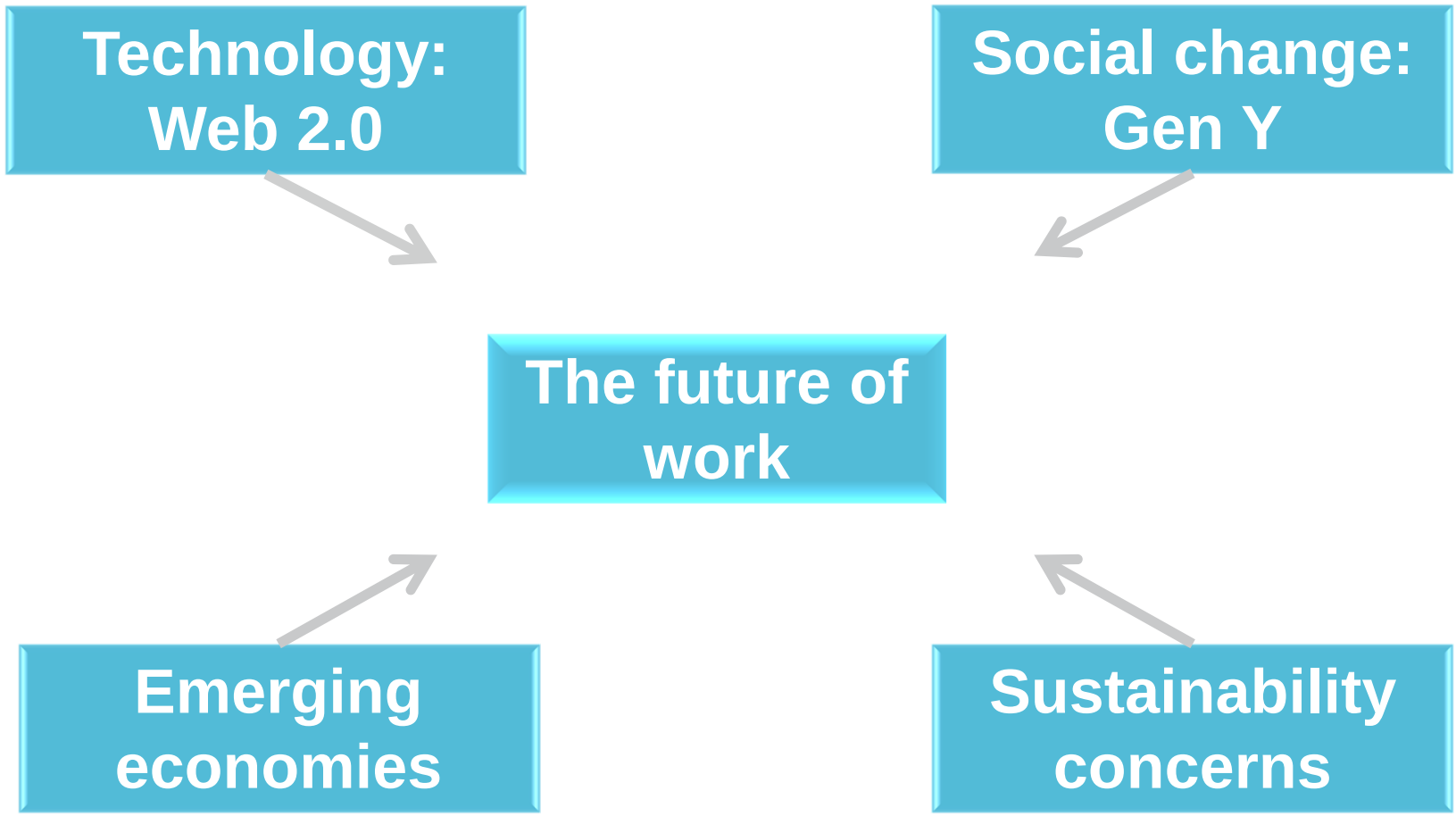
Key dimensions of work

Will there still be “jobs” ten years from now?

In addition to changes in the companies we work for, we can also expect changes in:

1. The nature of the work we do
2. Where we do our work, and the hours we keep
3. How work varies over our working lives

Drivers of change revisited



The nature of the work we do

1. Technology is *automating* many traditional jobs
2. Many jobs are being *outsourced* to emerging economies

In developed economies, the work least under threat is service/client based, or involves high levels of collaboration

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Where we work, and the hours we keep

1. Technology allows us to work virtually
2. Gen Y employees expect greater freedom
3. Sustainability concerns make commuting and city work less attractive

These trends are pushing more *flexible* ways of working. However, there are still important benefits to physical colocation for many types of work

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How work varies over our working lives

1. Gen Y expect to work for many companies and/or themselves over their working lives
2. Gen Y expect meaningful work, often linked to a sustainability agenda

Some companies are experimenting with less traditional career structures

Individuals are increasingly experimenting with portfolio careers

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Concluding Thoughts

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Two different views of the future

Same as it ever was

Radically different

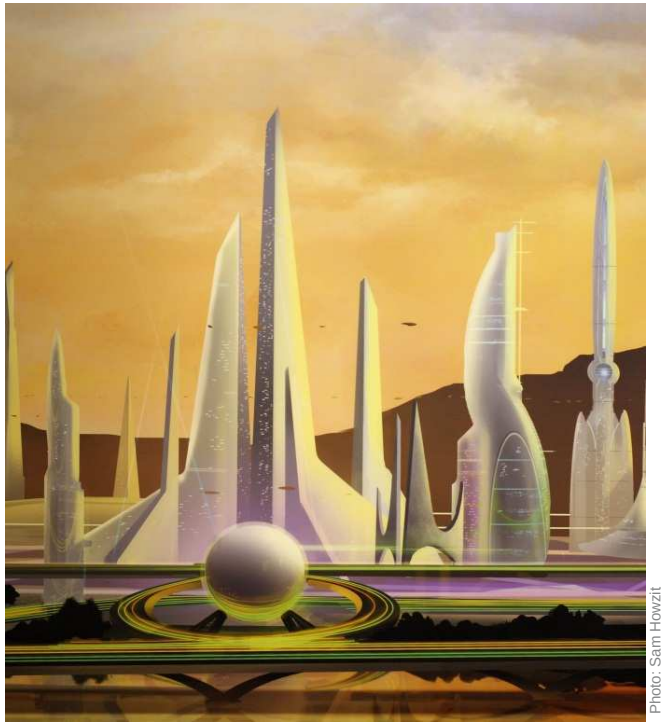

Photo: Sam Howzit

Forces for stasis

Forces for change

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Two different views of the future

Traditional management model - bureaucratic principles	Alternative management model – emergent principles
Large companies, a few freelancers	Mix of large, small and freelancers
Office-based work	Many virtual workers
Company takes charge of your career	You take charge of your own career

Forces for stasis

Forces for change

Two different views of the future

CONFORMITY TO EXTERNAL NORMS

COURAGE TO EXPLORE NEW POSSIBILITIES

Forces for stasis

Forces for change