COVID-19
Challenges or Opportunities?

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The Institute of Management Services is the primary body in the UK concerned with the promotion, practice and development of the range of methodologies and techniques for the improvement of productivity and quality, known collectively as ‘Management Services’. This embraces the disciplines of industrial engineering, work study, organisation and methods, systems analysis, and a wide range of management information and control techniques as illustrated in our Body of Knowledge.

The Institute acts as the qualifying body for the Management Services profession in the UK, focusing developments in practice and knowledge and acting as a forum for information exchange. This in turn enables our members who work under a variety of job titles across the whole of the UK economy, to make a more effective contribution to the well-being of their own organisation and to the nation’s economy as a whole.

In addition to creating and upholding professional standards for the practice of management services through the adoption of a code of ethics and the provision of a system of qualifying examinations, the Institute of Management Services collaborates with national and international professional bodies in similar fields.

The Institute is a member of, or represented on, a number of other bodies including the World Confederation of Productivity Science, the European Federation of Productivity Services, and the European Institute of Industrial Engineers.

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In this issue of Management Services…

Cover Story

In this issue, our regular Journal authors offer advice and insights into business activities post-COVID-19, and discuss how productivity will be key to recovery, not just in the UK but across the world, as everyone adjusts to the ‘new normal’ and builds on lessons learned during the pandemic.

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Management Services Autumn 2020
Productivity Essential to Get Back on Track

In my last Chairman’s column, I emphasised the implications that COVID-19 would have on our lives in general and our working lives in particular. According to the Office of National Statistics in April of this year, 49.2% of adults in employment were working from home as a consequence of social distancing measures introduced in response to the pandemic.

Previous research has shown (www.finder.com) that there are many benefits to be gained from working from home, including increases in productivity. Two thirds of employees surveyed say they were more productive when working from home than at work due to less interruptions. There were also savings of approximately £45 per week per employee from not having to commute to and from work and buying lunch. In addition, CO2 emissions were significantly reduced as a result of less vehicles on the road.

Employers also recognise the benefits from their employees working from home. These included reductions in office costs; improvements in staff retention; a wider talent pool to recruit from; and increases in staff morale. They also highlighted the environmental benefits. As a consequence, many employers anticipate that working from home will be a key element in their future business models.

To capitalise on these benefits, however, employers recognised that building a strong virtual workplace is critical. It must include many of the same elements as a physical workplace; places to collaborate, share ideas and get work done. A huge effort is required to ensure that each employee has the technology and tools to be effective in a virtual environment. From internal chat and messenger apps, to conferencing solutions and tools to communicate. In addition, providing training on how to use these efficiently and effectively, can make the difference between a connected organisation and a collection of people working in silos. Connectivity is key!

There are of course, downsides to working from home and it is important to keep teams motivated and accountable. Consideration also needs to be given to a range of issues including security, progress tracking and etiquette. There is also the issue of loneliness. Some 20% of employees surveyed said they had experienced loneliness when working from home. There is therefore the need for the occasional ‘corporate fix’, where employees can meet physically to discuss issues and matters of concern.

So working from home would appear to provide many benefits including an increase in productivity. Interestingly, since the lockdown there seems to be the emergence of a new breed of productivity practitioner, the ‘Productivity Coach’.

After having been in the profession for more years than I care to remember, I hadn’t heard of the term before. For your information, here is a quote from one of these coaches: “My consulting firm focuses on mindset, time optimisation, personal mastery and business process improvement. I distinguish my productivity coaching by helping my clients pursue harmony, employ grace and strategy, rather than hustling, grinding and struggling.” I’m sure you’ll agree that it is certainly different!

Our working lives post-COVID will also be very different and more people will continue to work from home, that is certain! However, what is less certain, is what the future will look like overall. Everyone agrees that we are sailing into uncharted waters – will we encounter a second wave of COVID this winter? Will there be a surge of influenza? What will emerge from the Brexit trade talks? How will China react to the UK’s exclusion of Huawei from the new 5G network? What will be the ramifications resulting from the troublesome issues in Hong Kong? These are just a few of the issues that will make the future uncertain. Business plans will, therefore, have to be flexible and include significant room for contingencies.

So, uncertainty is a given! The need for improvements in productivity is also a given! Whilst new business models will emerge and working from home will be a feature for many organisations, for most employees working from home is not an option. The majority will continue to travel to and from work as normal.

Wherever an employee works, however, efficiency and effectiveness will be key, and improvements in productivity will be essential to get the economy back to some sort of normality and to pay for the huge Government debt incurred during the lockdown. Demand for the productivity practitioner will undoubtedly increase, and our education provider has already reported an upsurge in requests for training and expects this to increase significantly over the coming months.

Productivity will once again become the ‘buzz word’ and, as professional practitioners, it is up to us to capitalise on this. We all know how important productivity is for improving the economy and increasing everyone’s standard of living, and certainly we at the Institute will do all that we can to continue to promote the productivity message. This will help to ensure that our members are as influential as possible and benefit from this renewed focus.

Please continue to take care and stay safe.

Dr Andrew Muir
Chairman
Institute News

The Institute’s CPD Programme

If Institute members are seeking to enhance their career prospects, they should consider continuing professional development (CPD) which is used by many professionals to develop new skills and knowledge throughout their career. CPD has become crucial in terms of career progression.

CPD is a proactive and conscious form of learning which uses various methods to help individuals either learn new skills or develop existing ones.

As the name suggests, it is an ongoing learning process. It is also a self-driven form of learning, with the individual deciding their own additional training needs. Participation in CPD offers numerous benefits to both the individual and their employer. For you as a professional, it helps to ensure your skills and knowledge are up to date, and the professional standard of your Institute registrations and qualifications are maintained. For your employer, it ensures that the company standards are both high and consistent.

Your employer will see that you are actively dedicated to the job role and value your commitment to the role. Whether you’re looking for a promotion, or you’re hoping to gain employment with a prestigious company, CPD can really help. It enables you to stand out from the crowd, with research showing that those who have undertaken CPD, have a significantly higher chance of gaining a promotion or moving on to a different area within their chosen field. Practically anything which can further your knowledge and skills is classed as CPD.

Details of the Institute’s continuing professional development (CPD) programme can be found on the website www.ims-productivity.com by clicking on the home page ‘Education’ tab then clicking on CPD tab on drop down menu.

Institute Notice

Institute members are advised that during the Coronavirus pandemic, the Institute has taken the decision to close its Lichfield office until the government advise it is safe to resume normal activities.

If required, members may still contact the Institute by either email at admin@ims-productivity.com or by telephone on 07917 031 866.

Notice of Institute AGM

In 2020 it will not be possible to hold the Institute’s AGM in the normal format of members coming together in a specific location, due to the COVID-19 requirements for social distancing and restrictions on the number of people gathering together in an indoor venue.

In order to hold our 2020 AGM, a decision has been taken to hold the meeting using a virtual/electronic format, hence this year’s AGM will be held using the Zoom video communication system.

Many of you will be familiar with Zoom. Basically if you wish to participate in the AGM you should email the Institute at admin@ims-productivity.com indicating your desire to participate in the meeting. You will be provided by email with an access code that will permit you to participate in the Zoom AGM on 25 September at 10.30am. There is no requirement to download the Zoom software, as using the link provided you can join the meeting via your internet browser.

You will note in the official notice calling the AGM on page 6 of this journal, that one of the motions you will be asked to vote on is an amendment to Clause 10 of the Institute’s Articles of Association. The current Clause 10 requires that members should attend the AGM by meeting together and all be in one location. The purpose of the proposed amendment is to permit the Institute to also hold its AGM in a virtual or electronic format.

I would urge you to support this motion as it will not preclude us from holding future AGMs and gathering together in one location but will also permit virtual meetings if faced in the future with COVID-19 situations.

David Blanchflower
Company Secretary
Institute of Management Services

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN of the fifty-fifth Annual General Meeting of the Institute to be held using the virtual meeting system of ZOOM on Friday 25th September 2020 at 10.30 am to conduct the following business.

1) To receive the Annual Report and Accounts.

2) To confirm the following Bye-Law No 1/2020,

   Membership subscription for 2020 shall be for Life Membership at a rate of £355.00 for all members. An Affiliate Membership fee of £235.00.

3) To approve an amendment to clause 10 of the Institutes Articles of Association to permit the holding of General Meetings using virtual/electronic formats.

4) To authorise Council to appoint Auditors and fix their remuneration for the ensuing year.

Institute members wishing to participate in the meeting should indicate their intention to do so and request the ZOOM password access code by emailing: admin@ims-productivity.com by Friday 18th September 2020

By Order of Council of Management

20th August 2020

D Blanchflower
Company Secretary

Institute of Management Services
FORM OF PROXY – FOR CORPORATE MEMBERS ONLY

I (full name).......................................................................................of (full address)...........................................................................................

Membership Grade.......................................................... Membership No .................................................................

Hereby appoint Dr A Muir, 1 Berryhill, Finglassie, Glenrothes, Fife KY7 4TQ or failing him the Chairman of the meeting to vote for me and on my behalf in accordance with the directions, if any, given hereunder at the fifty-fifth Annual General Meeting of the Institute to be held virtually using Zoom on Friday 25th September 2020 at 10.30 am and at every adjournment thereof.

RESOLUTION NO 2
(Bye-Law No: 1/2020) FOR / AGAINST *

RESOLUTION NO 3
(Amendment to Articles of Association Clause 10)) FOR / AGAINST *

RESOLUTION NO 4
(Appointment of Auditor) FOR / AGAINST *

*delete as applicable

as witness my hand the........................................day of .................................................2020

Signed............................................................

This proxy form must be delivered to Dr A Muir, 1 Berryhill, Finglassie, Glenrothes, Fife KY7 4TQ by no later than 10 am Friday 18th September 2020.

The name of Dr A Muir has been inserted (or chairman of the meeting) to ensure that your vote is cast in the way you have indicated. You may however, insert another proxy holder if you wish who must be a corporate member of the Institute, but your vote will not be recorded if he or she is not present at the meeting.
Post-Pandemic Productivity

IMS Chairman, Colin Coulson-Thomas and John Heap, Fellow of the Institute, both presented papers at the Second Global Productivity Discourse seminar in July, organised by the Institute of Productivity & Business Information Management in Nigeria.

Colin’s presentation centred around key issues, such as Post-COVID recovery strategies, developing responsible and sustainable manufacturing; issues for senior management within manufacturing; productivity and performance issues, and how to successfully transform and adapt to a ‘new normal’ globally, making the most of the exciting opportunities ahead.

“This is a once in a lifetime opportunity for companies to create different and sustainable models of manufacturing and engaging with the customer will be key. This is also a marvellous opportunity for organisations to re-engage with a younger generation which we are in danger of losing, “ he said.

Colin’s full presentation is available at https://www.youtube.com/watch?v=BshXo6pwPtI&feature=youtu.be

In his presentation, John spoke to delegates about the post-COVID business environment and the need to accept that it will not be ‘business as usual’ since no-one yet knows exactly what the ‘new usual’ will be. In fact, the ‘old usual’ may have the source of the problem anyway.

Companies need to be defining the kind of company they want to be operating in the future – and how that differs from the ‘old’ way of doing things, said John. The mission may remain the same, but the vision of the company 10 or 20 years on may be quite different.

“The gamechangers will be those that have spent part of the ‘lockdown’ thinking of new directions for their business – and new ways in which technology may help – and can keep their employees engaged and motivated as they move to their new vision,” he said.

“Various governments have put in place support measures or compensation schemes to ensure companies have some income too keep essential services going or to help them retain essential workforce skills, and some industries are obviously hit harder than others, with revenues down to zero but costs at previous levels. Aviation, travel, tourism and hospitality are clear examples.”

“We have, however, heard little of governments using the virus hiatus as an opportunity to review and revise industrial strategy or infrastructure development. Governments have, of course, got to prioritise their spending. They too have much less revenue as tax taking takes a large downward turn. However, many have taken advantage of very low interest rates to borrow money.”

“Many states – and many people – will start to look inwards but are likely to have lost not just the capacity, but in many cases, the ability, to provide the components and parts needed to complete assembly of most finished goods. Recovering this ability and capacity will be very difficult and the Just-in-Time supply chain model is likely to lose some of its attraction. Mutually beneficial globalisation might be a concept of the past. Many firms will look to build resilience of supply instead of concentrating only on lowering costs. Profits may fall but investor confidence may rise.

“As ever, the history of the pandemic will be written by the victors – those countries who handled the virus well. And in a post pandemic world, we will be looking to technology to help us recover. Most companies will not be technology innovators – they will adopt technologies that suit their aims and aspirations.”

“All companies should be thinking about how a combination of communications technologies, automation technologies, location-based services and artificial intelligence, can improve their markets, their processes and their competitiveness. The world is going to change – technology may help us cope with that change and for the more forward-thinking companies, may even help drive that change in beneficial directions.”

The gamechangers will be those that have spent part of the ‘lockdown’ thinking of new directions for their business.
UK Productivity Falls

Productivity fell at its fastest rate since records began during COVID-19 lockdown, official figures show, as millions of people stopped working and economic activity dropped.

Labour productivity, measured by output per hour, fell by 2.5% between April and June, according to the Office for National Statistics (ONS). This was a two-fold decrease in productivity compared to the 1.3% fall recorded in the first three months of the year, and it was the sharpest fall in productivity since records began in 1991.

During the same period, output per worker – measured as the total output divided by the number of workers employed – fell to -22%, a drop of 19.9% compared to the first quarter of 2020. The ONS said the large disparity between the output per hour and output per worker figures was largely because of the government’s furlough scheme, which left millions of workers employed and on payrolls but working zero hours.

Jonathan Athow, Deputy National Statistician and Director General for economic statistics at the ONS, said the UK saw its largest fall in productivity since the 1970s, when the UK government introduced a three-day working week because of shortages in the supply of electricity.

The ONS also published a flash estimate of output per hour by industry. It found that every sector in the UK economy experienced a quarter-on-quarter fall, with the largest drop in construction, at -11.4% between April and June. This was driven by a 26.6% drop in the number of hours worked in this sector.

The services sector saw a 2.5% decrease in output per hour and manufacturing the smallest decrease at 0.3%.

Barclays Bank Information Commissioner Probe

Barclays Bank is being probed by the United Kingdom’s privacy watchdog, the Information Commissioner’s Office (ICO), over allegations that the British bank spied on its staff.

Earlier this year, Barclays said it was changing a system that the bank was piloting, which tracked how employees spent their time at work, after critical media reports accused the bank of spying on its staff.

The ICO confirmed the formal probe was ongoing. An ICO spokesman said: “People expect that they can keep their personal lives private and that they are also entitled to a degree of privacy in the workplace”.

The ICO indicated that if organisations wished to monitor their employees, they should be clear about its purpose and that it brings real benefits. Organisations also need to make employees aware of the nature, extent and reasons for any monitoring.
Geographical Inequalities in the UK

A report by the Institute of Fiscal Studies has found that the COVID-19 crisis has brought to the fore increasing concerns about inequalities, not only between different population groups – such as the gap between the rich and poor, but also between people living in different places. Even prior to the crisis there was a sense that the UK was a highly geographically unequal country.

Such concerns are politically important. The Prime Minister Boris Johnson’s government has made ‘levelling up’ the economy, living standards and life chances across the country a mantra, and has announced a review of guidance for infrastructure investment aimed at increasing the proportion going to the Midlands and North of England.

But just how geographically unequal is the UK? Is it true that these inequalities have been getting worse? Are there particular regions or types of places that have been doing particularly well or poorly? And what risks of widening and opportunities for narrowing these gaps might the COVID-19 crisis bring?

Focusing on productivity, earnings and household incomes, a recent report found that:

- Geographical inequality in incomes is much lower after accounting for variation in housing costs.
- Productivity and earnings in London are a third to a half higher than the UK average – although part of the benefit of this goes to commuters working in London but living in the East and South East of England. Wales has the lowest productivity and earnings, approximately 15% below the UK average and around 40% below London.

The picture for household incomes depends on whether they are measured before housing costs (BHC) or after housing costs (AHC). Measured BHC, median household income in London is around 14% higher than the UK average, but measured AHC it is only 1% higher. Measured AHC, median household income varies between 9% above the UK average in the South East of England to 7% below it in the North East of England.

Inequality is far higher within London than in any other part of the UK, with London over-represented at both the bottom and the top of the income distribution nationally. Measured AHC, 28% of Londoners live in poverty, compared with 22% across the UK as a whole; and yet 16% of Londoners are in the top 10% of the national income distribution.

The full report can be seen at:


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UK Farmers Aim to Achieve Net Zero Carbon Emissions

The National Farmers Union (NFU) has published 26 examples of how farmers are working towards net zero on their farms, showing how other farmers can make changes to their businesses to help achieve the NFU’s 2040 net zero ambition.

The booklet, titled Doing our bit for Net Zero, includes case studies from every sector and from farms across England and Wales, and cover each of the three pillars outlined in the NFU’s net zero plan: productivity, carbon storage and renewables, and bioenergy.

Some of the work outlined in the booklet includes:

- Improving genetics and animal health
- Increasing soil health and fertility
- Undertaking precise tree planting and woodland management
- Investing in new technologies to increase productivity
- Creating biomass and renewable energy to power the farm and local areas.

The 26 case studies aim to inspire farmers to start their net zero journey ahead of the 26th meeting of the United Nations’ Climate Change Conference (COP26), which will take place in Glasgow in November next year.

The booklet can be seen at: https://www.nfuonline.com/ elf-online/science-and-environment/climate-change/doing-our-bit-for-net-zero-130820

The Future of Remote Working

An international survey titled ‘What 12,000 Employees Have to Say About the Future of Remote Work’ conducted by the Boston Consulting Group (BCG) reveals that productivity can be maintained surprisingly well in a virtual or hybrid work setting.

The survey, conducted in the US, Germany, and India, also shows that there is significant appetite for flexible ways of working among employees, as well as increased openness to this from managers. As working methods become increasingly remote or hybrid in the wake of the COVID-19 pandemic, a key question for companies is how to maintain and improve this productivity in the workplace of the future.

Despite both the speed of the shift to remote working and its scale (the survey found the pandemic forced employers to move about 40% of employees to remote working), some 75% of employees said that during the first few months of the crisis, they have in fact been able to maintain or improve their perceived productivity on individual tasks (such as analysing data, writing presentations, or executing administrative tasks).

While employees were working on collaborative tasks (such as exchanges with co-workers, working in teams, or interacting with clients), the number was lower, though still more than 51% of all respondents said they have been able to maintain or improve their productivity. This applies across geographic areas and both to employees working remotely and to those on-site. “It turns out that social connectivity is a critical element of what enables us to be productive when collaborating in the workplace,” said Debbie Lovich, a BCG Managing Director and Senior Partner. “So, for any company looking to adapt to new virtual or hybrid virtual/on-site workplaces, promoting virtual social connectivity between colleagues is going to be critical.”

Further details of the survey can be seen at: https://www.bcg.com/publications/2020/valuable-productivity-gains-covid-19
Book Reviews

Title: The Invincible Company
Author: Alexander Osterwalder, Yves Pigneur, Alan Smith, Frederic Etiemble
Publisher: John Wiley & Sons (April 2020)
ISBN: 10: 1119523966
Pages: 400
The world is currently being changed by the impact of COVID-19 and as such, there is no better time for this book which seeks to show how a business that constantly reinvents itself becomes invincible.
This is a very visual book, with a format set out in such a way to make it a very appealing read, the illustrations and diagrams are perfect for portraying the authors’ thinking. Many business books can be full of text and super dry with few illustrations. This book contains lots of images, photos and illustrations that just make you want to view and read the next page.
The reader will learn how to manage and improve the businesses they already have. They will learn to understand how much profit their existing business models generate, assess its sustainability or disruption risk, and gain the knowledge to understand any synergies or conflicts between their current business model and other models.
You will learn to explore new ideas, invent new business models, the supporting framework to rigorously test them in a simple and practical way, and metrics to show how you are reducing risk.
The book contains 26 new case studies from a wide variety of industries which include Amazon, Michelin, Singer, and Tesla Motors, which will provide you with real life, tangible examples of the business model mechanics and how to use them.
The book also outlines the tools to help you assess your own business model, alongside frameworks for you to build the foundations of your own ambidextrous organisation.
The book is an essential read as it will provide you with details of the best available tools and methodologies to enable your organisation to design a day-one innovation culture, how to manage innovation portfolios, and set-up the corresponding organisational structures that will make your organisation invincible.

Title: The Design Thinking Toolbox
Author: Michael Lewrick, Patrick Link, Larry Leifer
Publisher: John Wiley & Sons (April 2020)
ISBN: 10: 1119629195
Pages: 320
The Design Thinking Toolbox is a practical guide to make innovation happen it explains the most important tools and methods to put Design Thinking into action. Based on the largest international survey on the use of design thinking, the most popular methods are described in detail. The worldwide survey involved 2500 people with varying levels of knowledge in design thinking, with 65% of the participant’s resident in Europe.
Design Thinking is an iterative process in which we seek to understand the user, challenge assumptions, and redefine problems in an attempt to identify alternative strategies and solutions that might not be instantly apparent with our initial level of understanding. At the same time, Design Thinking provides a solution-based approach to solving problems. It is a way of thinking and working as well as a collection of hands-on methods.
This book includes many images, photos and illustrations that just make you want to view and discover more about Design Thinking. If you are involved in innovation, leadership, or design, this book will provide you with the tools and skills to implement the concepts of Design Thinking in your organisation by making use of the comprehensive instructions, expert tips and templates contained in the book.
The book is written in such a way to guide the reader through the six phases of Design Thinking: understand, observe, define, ideate, prototype and test using excellent illustrations for each phase.
It was the intention of the three authors in writing the book to provide the reader with the knowledge to understand the most popular Design Thinking tools in their full breadth and depth. In compiling the book, the authors have succeeded in providing the reader with the knowledge needed to effectively implement Design Thinking into their organisation.
This book is a valuable resource that will assist beginners to Design Thinking and also more experienced practitioners who wish to enhance their knowledge. This book is a recommended read.
How do we focus our efforts on safeguarding our organisations in the current volatile business climate? There are no easy answers, but the most probable and easy solution is to focus on three key factors; direction, energy and alignment.

In the future, organisations will have to cope with the myriad of ‘disrupter factors’ impacting on their very existence. Post 2020+ there is no simple solution for all businesses as they differ in their origin, sector, history, culture, market, clients, users, their risk aversion and preference as to how they should manage change.

Risk aversion and managing change in uncertain times
What is critical in managing in uncertain times is the organisational leadership team intently concentrating on what is vital to establish, not just in the short-term, but also to be viable in the medium- and long-term. Direction, energy and alignment are three core elements that will ensure that organisations come through this extended period of uncertainty.
Having direction and strategic goals are not enough unless the passions have been ignited in your people, stakeholders and those who depend on you for the services and products you provide.

Critical integration of focus, energy and alignment
To get through these tough times, organisations need to pinpoint their focus and business direction totally on their client or end-user. Based on this, the leadership team need to develop specific business plans reflecting their focus and vision for the future. A leadership team exhorting motivating but non-specific, generalised statements of direction based more on faith, luck and hope, rather than factual analysis, is of little value. In all sincerity, if the business doesn’t articulate where it is going and how it is going to achieve this, then there will be severe problems.

Energy and passion
Having direction and strategic goals are not enough unless the passions have been ignited in your people, stakeholders and those who depend on you for the services and products you provide.

Alignment
Finally, you need ‘alignment’ of all resources to make things happen. This implies a high degree of integration between functions and business units. This win-win strategy is vital if the true alignment is to take place. This is best supported in a compelling business plan to which everyone has contributed and engaged.

Strategy and culture
To develop a comprehensive plan requires the integration of strategy and culture. There has long been a debate about whether strategy is more critical than culture, and how the dynamics play out. We think it is an important issue as we see both as inseparable in supporting positive organisational change for the better. Here we will present our views to make it possible to apply this to divergent organisations in all sectors.

The article does not provide a rigid blueprint of how to manage these changes. It does, however, explore some of the methodologies that may help in managing change to create confidence and certainty for the future. Currently, organisational thinking is characterised by rumours, ‘fast-breaking news stories’ with situations and position changing hourly. What we think we know today is shadowed by inaccurate claims, dubious statistics and fake news, creating unnecessary anxiety and tension within leadership teams who are trying to steer through the storm.

This article was written in August 2020, and we want to ensure that the content is still relevant to you whenever you read it. We will be talking about culture and strategy as tools or methodologies that will help support this transition of self-renewal in future turbulent years.

Creating culture change post-2020
We initially focus on culture change and the vital role that leadership plays in building the culture within any organisation. We develop the simple iceberg model here, and for now, we will talk about the importance of culture in driving business performance, and how to work with the top team to start to make that happen. We refer to strategic intent as part of the culture change process.

We know that healthy, vibrant cultures yield impressive results, while weak, negative cultures are slow, bureaucratic and no fun. Culture change is based upon articulating the vision for the business and then translating this into how you are going to achieve that vision.

What are the keys to culture change?
For post-COVID robustness, a strong organisational culture is vital to creating superior performance. Cultures don’t just evolve. Strong positive cultures must be led and nurtured. Designing and shaping organisational culture is too important to be left to chance. It has
Healthy, vibrant cultures yield impressive results, while weak, negative cultures are slow, bureaucratic and no fun.

to be defined, driven, and embedded enthusiastically.

The culture should be consistent, and there should be no confusion about what the organisation stands for and how it goes about its business. It must be clear to customers, members, end-users, stakeholders, regulators, and be compelling for staff.

Uncertainty – achieving business outcomes
Organisational culture is central to delivering business outcomes. It has to articulate the golden thread that connects its higher purpose and its vision, and how success is achieved by its priorities and critical success factors, measured by KPIs. Culture should match and facilitate the vision, direction, business plan, strategies and operations of the organisation, no matter where it operates.

Certainty – cultural and strategic integration
Culture is not set in stone. It must evolve to overcome challenging times, changing circumstances, and difficult conditions. If direction and goals change, the culture needs to do so first, and provide a focus towards implementing needed changes, and delivering results.

Leadership team
Developing, delivering, implementing and nurturing the right culture is the responsibility of the leadership team. Research tells us that strong and positive business cultures are positively correlated with organisational performance, effectiveness, end-user retention, longevity and growth.

Key issues for the Leadership Team
1. Focus on your purpose and vision for the future
2. Assess and diagnose your ability and readiness to change
3. Commit to a business plan delivering your purpose
4. Implement it relentlessly

Pride in the culture
Staff are proud to belong to an organisation with an influential, positive culture. After all, that may guarantee a degree of certainty in employment in uncertain times. People feel that being part of a strong culture is good for them. Strong positive cultures future proof your business, create great morale, positive working relationships, and guarantee a bright future.

Strong cultures
- Culture is purposely designed and installed
- Leadership is strong and focused
- Long-term strategic thinking is the norm
- Partnership with End-Users, Clients, Consumers and Stakeholders is proactive
- Strong core values and behaviours are consistently displayed

Strong cultures tend to predominate where the culture is deliberate and planned, where there is a shared understanding of the way forward, where the leadership and management style are key drivers in promoting improvement and change, and where long-term strategic thinking is a priority.

Strong cultures are aligned to partnering with, and focused
on, customer needs and priorities. The staff know the core values and behaviours as well as comprehending precisely what is expected of them.

**Weak cultures**

- Undefined, loose and unfocused
- Short-term fearful thinking predominates promoting indecision
- Little customer or end-user focus
- Confusion in the expected behaviour of people and teams
- Politics and turf wars are rife
- Change is seen as a threat

Weak cultures tend to be unplanned, and the culture exists more by accident than by design. Short-term thinking predominates and there is an internal focus, rather than paying attention to customers and end-users. Further, rewards are not a consistent reflection of actions and there is confusion about what is acceptable behaviour.

In weak cultures, people play political games and are more interested in their personal ambitions than the larger organisation. Generally, there is no appetite for change and there exists a negative attitude to it.

There you have it for post-COVID business. There’s quite a few distinctions between a strong and weak culture. You can see that a major determining force in shaping strong positive cultures is leadership. Weak cultures tend to be tentatively managed rather than led with passion.

So now you have a clear idea of forming strong cultures, you may want to peel back the layers of the iceberg and take a closer look at that process. We need to develop diagnostics to really examine the culture.

Culture is ‘the way we do things around here’. It is reflected in the atmosphere and the climate of the business and reflected in communications. It can be seen as a major part of the infrastructure and is the glue that binds together people, teams, behaviours and processes to generate results. The culture supports tangible formal and informal activities that permeate the organisation, and finally, the culture should become the major factor that unites and propels the organisation forward.

We find a good way to explain culture is founded upon a simple model of the Organisational Iceberg (Figure 1, page 13).

When you look at the iceberg, you only see the tip. The vast majority of the mass is unseen, well below the surface. It's opaque, and the deeper you dive, the more difficult it is to describe its nature.

At the deepest level, we have the beliefs and leadership values which are inherent in the business and usually ascribed to the founders or owners, or portrayed in legal documentation. At this level, the manifestation of these beliefs and values is in the dominant ‘leadership or managerial style’.

The ways of managing and working with people flow directly from these leadership values. They are deep in the iceberg, but are fundamental in shaping the culture, teamwork, communication, and how people work together.

**Invest in Leadership to create change**

If you want to create change, you must start working at this leadership level. You get much more leverage from working with core leadership values and management style. This means
dissecting leadership in the organisation using specific diagnostics to do just that. Leadership is key. Culture change is unsuccessful if it only focuses on tinkering at the edges.

**Be decisive**

In these difficult times, changing the hygiene factors, such as physical work environment, corporate logos, branding, job titles, policies, poorly devised mission statements and charters, does not impact positively on the bottom line and performance, and are unimportant in driving effectiveness.

However, working on the deeper level of the culture requires instigating serious research into how positive leadership values can be installed in the organisation, and is manifested in significant shifts in performance.

**Measuring cultural change in the 2020s**

Measuring cultural change must be specific and precise. Behaviour change is central to any meaningful cultural change. The secret is to focus on specificity and precision in shaping the culture to promote and reward explicit leadership behaviours. From that, you must measure progress and positively correlate leadership values to generate specific practices.

We believe key individuals shape the performance of an organisation.

**Charismatic leadership for culture change**

Just now what in many businesses, leadership is central. The sheer presence of just one or two charismatic individuals will positively shift the organisation forward. Their ‘charisma’ is good for the organisation. It’s infectious. Everything they touch, influence and design has positive, far-reaching consequences, and creates improvement, growth and profitability, leading to the accomplishment of key desired outcomes. Now you need to make use of the enhanced McKinsey 10 Ss model in the diagram above.

**Create your high performing culture**

So, how do we go about creating a focused, performance-driven culture? It must be led from the top, with leadership teams.

---

**1. Strategy**

- Where are we going?
- Does our purpose still hold and what tangible vision do we have post-COVID?
- How will we manage the transition from today to the future business?

**2. Structure**

- How do we organise our reporting lines to respond to the post-COVID climate?
- How can we better define our roles and responsibilities to our stakeholders and clients?

**3. Systems and Processes**

- How well do our systems and processes support our purpose and mission?
- How can we work on the 20% of process problems that create problems with providing service to our external customers?
- How adept are we at delivering across functional boundaries?

**4. Style**

- Have we defined our leadership style, at all levels, in terms that deliver high performance service?
- What are the core values that will define leadership at all levels?
- How well have we adapted to responding personally to changing circumstances post-COVID?

**5. Staff**

- How much more do we need to do to empower others to deliver?
- What further team working skills do we need to deliver across functional boundaries?
- How can we ensure we communicate our intentions clearly to staff so they can behave appropriately?

**6. Skills**

- What core competencies do we need to deliver to become outstanding in delivery?
- How can we install a perpetual L&D culture at all levels?
- How can we integrate individual and team with organisational objectives?

**7. Shared Values**

- What core values bind us together and enable us to act as a team?
- How can we inculcate our core beliefs and values with our people and our communities?
- What inspiring behaviours do we need to extol that will guarantee our survival as key suppliers to our clients and customers?

**8. Shared Information**

- How well have we mastered the information that impacts our market and our business?
- How well do we process information to deliver to customer needs post-COVID?
- How can we better portray the characteristics of a learning company?

**9. Symbols and Identity**

- How can we craft our corporate identity to align with our clients and customers?
- How can we ensure our values and our culture is portrayed effectively to our clients and stakeholders?
- What symbols and practice can we employ to align with our audience in the widest sense?

**10. Synergy and Adaptability**

- How can we better manage change, post-COVID?
- How well do we integrate the hard and soft S’s – that is strategy, structure and systems with style, staff, shared values, shared information?
- What strategies can we adopt to improve the ability of our team leaders and managers to manage the required changes post 2020?
How long will the culture change take?
It depends on the patience and eagerness of the leadership team. It takes as long as they want it to take, but they have to be prepared to devote additional time to bedding it in. It is possible, with a medium-size business, to create a significant shift within six months and twelve-eighteen months in a larger enterprise. Working with the leadership team creates far more leverage and traction in change terms by working on initiatives at several layers of the Iceberg at the same time.

Performance – how do you measure outcomes?
Be confident in knowing that a strong positive culture will deliver more robust performance figures, however you measure them, than a culture which is indifferent, haphazard and not shared across key processes and boundaries.
You can change the culture and see tangible progress, but first, you have to decide what culture you want and start by getting an accurate picture of what the culture is like currently. Then it’s simple, build leadership strategies to traverse that gap.
Here are some questions you should ask yourself and the leadership team:
• What sort of culture do you have currently and how must it change?
• Where is your culture weak or strong, negative or positive? More importantly – how do you know? And how can you measure tangible improvement?
• Does the whole organisation need to portray the same dominant culture? How do parts of the organisation differ, and how do you manage the cultural interface?
• If you are a large organisation, what type of culture resides in different functions and different geographic locations? Why does this happen and is this desirable?
• It is okay to have different cultures, but you must integrate them. So, currently how do you know they are developing the right level of integration?
• What is holding you back from dumping an ineffective or toxic culture where it exists?
• What stands in your way from investing in an even more robust and resilient culture?
• How can you speed up positive culture change precisely?
• What action can you take as leaders to create a strong cultural foundation?
• How will you ensure a robust will culture impact upon your performance positively?
• Do you understand the causal and cultural relationships between vision, values, behaviours, actions and KPIs and know how to leverage their interplay?

Wake-up call: Strategic direction
Working on culture and linking this to strategy is vital. You cannot have a rigorous strategy pursuing existing and new options without a vibrant culture. In that case, work on both as an integrated project.
The key issues are ‘push’ and ‘pull’ factors. Are you being pushed into reviewing your ability to achieve your mission, or is there a compelling reason to restructure upon new strategies? At the current time, we suspect that organisations not taking strategy and culture very seriously are in for an interesting wake-up call.
Strategic review – take a good look in the mirror

Some organisations may provide services or seek to meet a social need, but they still have to capture the attention and win the support of those who are consumers, end-users or customers of their service or product.

If this is your organisation, how will you be assessed? How does that assessment affect your longevity as a business? One important issue is that resources allocated may be limited or fixed. These organisations cannot frequently go back to those who fund them and ask for additional investment. It is therefore important that these organisations commit to the strategy process for the benefits that accrue to the organisation, its consumers and its people. Only by effectively utilising resources, thinking smarter and thinking strategically can they maximise their output and use resources more efficiently.

Strategic analysis of the organisation in its Context

- **Organisational Analysis**
  - Cultural Review and Audit – how focused and energised are you?
  - SWOT – is there a shared awareness?
  - Vulnerability Analysis – where are you most and least vulnerable?
- **Competitor Analysis**
  - Benchmarking services – who is ‘best in class’ and how do you compare?
  - Market Analysis – how are stakeholders changing in your marketplace?
- **Industry and Situational Analysis**
  - Market Share – are you growing or declining in prominence and position?
  - Technological Change – have you grasped AI?
  - M&A activity – are there opportunities for partnership?
  - Regulatory and Legislative Assessment – how are you responding to immediate threats?
- **Supplier Relationship**
  - Supplier Development Strategies – develop ‘win-win’ with your supply chain
- **Customer Satisfaction and Consumer Reaction**
  - Customer Retention – what’s your strategy for building loyalty?
  - Prospect Conversion – Is your share of consumers growing?
  - Change in Customer Trends and Habits – have your identified how COVID will change things?
  - Customer Profiling – focus on core customer personas
- **Environmental Scanning**
  - Wider Economic Analysis – are you taking in macro changes impacting the business?
  - Political Situational Analysis – are you reading the socio-economic trends well?
  - International Trends – are you considering your role in international relations?
- **Stakeholder/Investor Relations**
  - Media Perception – are you managing your identity?

There are a variety of extremely powerful tools that have evolved over the years for strategic analysis. The tools and techniques can sometimes be industry-specific, but generally, they can be tailored to any organisation to converge into a complex model. The model on page 19, based on the Boston Consulting Matrix, can be used as a robust process, for assessing the actions necessary to compete or provide a customer or consumer-focused service in any given market. The process need not be tortuous, and can be soon woven into a potential business plan that can unfold and impact positively on the organisation in the immediate and longer-term.

Critically assess your portfolio of services

Every organisation has a portfolio of services to offer their customer or end-users, either in return for payment, exchange or as part of a social transfer of resources, assets or knowledge. Each product group or specific service within the current provision of services will at any time occupy a point on the birth-death scale of the lifecycle for that service or product. What is vital is to know with certainty where the service is, in terms of customer or end-user perception.

This approach can be particularly powerful for measuring the contribution of current service or product portfolios, and if we compare this ‘current situation’ with potential for the services or products, we can build a rounded picture which will support you in formulating strategies for the future.

Amongst your portfolio of services and products, some will be mature, others may not be immature, undeveloped and not ready for market. These may be little more than merely good ideas that will, one day, after extensive R&D, fit into the organisation’s range of services. If you look at the full range of what the business has on offer, services and products will fall into these four categories (Strategy Matrix, page 19).

Assessing service and product portfolio

We assess specific services or products along two axes. The horizontal axis reflects the current value generated by the existing services we have on offer. Value could be defined as the degree of profit, the percentage of sales, volume of activity or penetration, or equally as another financial or non-financial ratio. Clearly, the business has to decide how to measure the value of the current service or product portfolio and decide arbitrarily whether this fits into the left-hand column, of low to medium returns, or into the right-hand column, which would indicate services or products which generate medium to above-average returns.

As well as looking at current services or products, we also want to explore services or products currently under development or on trial, and assess their potential contribution to the business. Which point will they occupy on the vertical column? Is it likely that they will generate low to medium returns, or will they have the potential to generate outstanding returns to the business? Our assessment is based upon our knowledge of the service or product, the reaction of specific clients and end-users to the service and its relative stage in the ‘life cycle’ to the customer or end-user.

It is pretty clear that if your business or the services you provide currently fall within the bottom two quadrants, then your organisational future is seriously at risk. Dominance and value are reflected in the percentage of the services you offer sitting within the top right hand and the bottom right-hand quadrants. If your services fall within the two quadrants on the left-hand side of the ‘Strategy Matrix’, you need to give some serious thought to
reconstructing your service portfolio.

If the services you offer fit within ‘Loss Leaders’ quadrant then the writing is on the wall. Here, strategic intent is providing services at rock bottom prices, or costs and it appears no new services are in development or being offered to your clients or end-users.

If you have too many products or services in the ‘Bright Ideas’ quadrant, you need to invest in them pronto to turn them into ‘High Flyers’ and generate income and a competitive advantage over others – otherwise you have wasted time and resources in ‘sunk costs’.

**Summary: Difficult situations require robust decisions**

Using the Strategy Matrix is critical in helping shape the future of the business, as is using the 10Ss framework for your cultural diagnostics. In too many organisations, culture and strategy are discussed, but not vibrant items on the organisational agenda for change. In organisations that have committed to these processes, many have gone on to further success using these simple models.

To others, this has been a ‘wake up call’ to take action.

Additionally, those who do commit to building on culture and strategy recognise that many benefits have accrued through involving their key stakeholders, end-users and clients in the process.

These businesses have recognised a sudden but unexpected positive reaction among their staff in terms of interest in strategic issues. Formulation of a sustainable culture and a vibrant business strategy are no longer seen solely as the province of the leadership team, but as the responsibility for anyone who wants to be actively engaged in the process.

Currently, we are seeing more and more leadership teams committing to strategy development through cultural change. And although culture change has still to be de-mystified for many organisations, when they do unravel the causal links between culture and strategy, the simplicity of a change programme can be implemented speedily.

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### Strategy Matrix

<table>
<thead>
<tr>
<th></th>
<th>High Potential</th>
<th>High Potential</th>
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<tbody>
<tr>
<td></td>
<td>Low Current Return</td>
<td>High Current Return</td>
</tr>
<tr>
<td>Bright Ideas</td>
<td></td>
<td>Falling Stars</td>
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<td></td>
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<td>High Current Return</td>
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**About the authors**

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He regularly presents at conferences and workshop sessions and has written seven books on change management. His articles, books and blog can be accessed on [www.philipatkinson.com](http://www.philipatkinson.com). Philip is Director of Philip Atkinson & Co. Ltd Tel: 0131 346 1276 M: 07779 799286 and can be contacted on philip@philipatkinson.com.

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He believes in disrupting traditional thinking to drive success in the Third Sector and is passionate about rejecting red tape and bureaucracy.

Daniel has spoken at conferences and runs workshop sessions. He can be contacted Tel: 020 8201 5900 E: danielburger@mdauk.org
Businesses across all sectors are being driven to change like never before, following the COVID-19 pandemic. Many are asking for help to enable them to adjust quickly to their changed operating circumstances. Every business needs to adapt, having all been affected either positively or negatively. But how do they do it and how long does it take?

To clarify
The pandemic and the subsequent lockdown have raised many unforeseen challenges requiring businesses and managers to be agile and fleet of foot when it comes to rising to their own productivity challenge. How to react to increased or decreased capacity, with maintained or improved response and manage costs – such are the challenges facing every operation on an on-going basis. But suddenly there are new factors to take into account: staff working from home, social distancing in the work place, the requirement for PPE items, the management of fewer available staff, etc. Imagination, agility and flexibility have been needed, almost at the drop of a hat.

There has been the need to change targets, re-look at capacities, maintain response, adjust staffing levels: bread and butter stuff to Industrial Engineers, but this time with a new dimension. All these changes to the processes have to incorporate new social distancing needs, which can generate a significant change to work content. When using formal measures, it may well change frequencies, contingency allowances and rest allowances.

Changes to the flow and balance of an operation will have many areas affected by PPE measures, so calculating work content means allowing for additional time needed for staff to access, put on, remove and dispose of their PPE items, possibly more than once each day.

Social distancing rules can affect shift patterns because of issues with space in work areas, so there is a need to re-balance who is there across a day, or extend the working day, or move activities to different parts of the day or to different areas.

Effectiveness and efficiency
Effectiveness and efficiency really come into play with equipment and space in all business sectors. Let’s consider some issues encountered in retail and distribution for example.

In distribution centres (DCs) different shifts are often under different pressures. Some shifts are now quieter than others, some are busier, particularly with online ordering; orders are picked ‘early hours’ and made ready for despatch. This may have an impact on rest areas where usage has to be phased quite differently to accommodate the changes in shifts.

Where there is common access to a specialist resource it becomes rationed, as with tills in a store where only one in three can be used. The same applies to data points where many people need to get or input information, or say, the use of wrapping equipment across loading bays in a DC. In many cases, the whole process has had to be altered so that pallets can be...
wrapped and immediately loaded with a much quicker vehicle turnaround, to free loading bays limited by the new restrictions. Hundreds of people arriving or leaving work need to be managed in a significantly different way.

Distancing and communications have become major considerations with layout, staffing, occupancy, processes, equipment and the consequent impact on work content.

Business management is torn between running their processes as efficiently and effectively as possible but then compromised with reduced labour and ‘process’ output – and hidden costs. And yet a basic priority of any business is that it has to be viable and effective. In some cases, required quantities have rocketed, while in others they have plummeted. Businesses have to concentrate on being effective overall, then look at how to make it affordable. Some services like dentists or hairdressers with much reduced throughput, have simply increased their charges. Other businesses are tied into delivering at contracted costs so they have to be efficient, yes, but increasingly be more effective despite the circumstances.

**What’s at the root?**

At the root of all this, to productivity professionals like IMS members, is that wholesale upheaval in every business sector has drawn attention to the absolute necessity for detailed, accurate and reliable data. At one business in the food distribution sector, they have managed to increase from their Christmas peak at 400K cases/week to 900-950K/week in May/June as the lockdown really kicked in. This significant increase was achieved despite all the additional COVID-19 measures including PPE, distancing, safety and healthcare measures, added delivery and transport challenges, yet with no detriment to the business. How?

Because they were able to look at each element in the process for a normal 200 picks/hour and consider demands on space, vehicles, people, capacities and efficiencies. They could rely on good management who rely and act on good, accurate and trustworthy data. This allowed them to reorganise and re-balance activities, restrictions and capacities.

**In summary**

‘Time and motion’ has featured in many of the requests for help by different organisations which recognise they need specialist help to be able to respond in business-critical circumstances and their need for work measurement. This requires new detailed measures or adjusted time standards to reflect the different work content in their modified activities. This isn’t just about ‘people’ times and targets; some want to optimise the process, equipment and space through-puts, when routines and distances have had to change. Staggered working hours can help but whether the throughputs are the same – or less, or more – the additional operating costs need to be contained. In some cases, the emphasis has changed to being as cost-efficient as possible at much reduced volumes until demand recovers, or to be able to manage effectively with changes which need to become permanent. Others are challenged by the overbearing need to increase volumes to meet new levels of demand – they must rapidly become more effective in terms of meeting demand but the costs of doing that are still important.

Industrial Engineers are certainly being put through their paces; their dexterity and 360° vision tested to the full. It’s exciting stuff, if it were not the consequence of such sadness.

If there’s anything in this article you’d like to discuss, simply Email your query to productivity@scott-grant.co.uk and a qualified and experienced analyst will respond.

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**Effectiveness and efficiency really come into play with equipment and space in all business sectors.**

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Will record levels of debt and the impact of COVID-19 lead to higher levels of inflation for the UK Economy? Asks Dr David Floyd.

The UK economy has been contracting sharply since the onset of the virus, in March 2019 GDP fell by around 6% according to The Times 15th May 2020. Consumer price inflation was 1.5% in March falling to 0.8% in April 2020. In addition nearly a quarter of employees had been furloughed by 4 May 2020 and at least eight million workers were having government contribute to most of their salaries in May 2020; the scheme which started in March continues until at least October. The pandemic has also affected particular sectors reliant on international mobility, including tourism and education. A bounce back next year is predicted but this is predicted to fall short of the loss in GDP during 2020 and likely to take some time. Claims for universal credit rose by 70% in less than a month and 1.5 million made a claim in less than one month. High levels of unemployment in the past have led to lower demand for goods and deflation, a situation where prices begin to fall. There has also been huge pressure placed on the healthcare service. This latest situation has also led to government debt rising to £2 trillion by the end of 2020. The budget deficit is heading for 15% GDP in the year of 2020 according to the Office for Budgetary Responsibility. On the other hand, food prices have gone up over 2% in April 2020, there have been shortages of sanitiser where in some cases prices almost doubled. Online communication technology has also seen a boost. Record low interest rates may further encourage spending during the recovery, especially if goods are in short supply and could lead to further inflation.

Let’s examine the main causes of inflation and assess the potential outcome of the COVID supply shock government created in order to protect lives and see whether inflation or...
Supply chains may need to be more numerous as it may no longer be viable to always go for the lowest cost therefore gaining comparative advantage through globalisation in a period of uncertainty.

deflation is the more likely outcome. Monetarist theory suggests that inflation occurs when there is too much money supplying the economy according to Sloman 2018. The Fischer equation suggests that the amount of money times its velocity of circulation leads to the price level times the number of transactions. One might argue that high levels of government spending caused by the COVID situation may lead to an increase in the money supply, especially if workers are paid by government during the lockdown and then see a large increase in trade after the lockdown, adding further to the money supply. Prices may then rise if demand cannot be satisfied. Government may further print money and offer key workers in professions such as healthcare higher salaries as a reward for efforts during lockdown, which could further lead to higher price levels resulting from higher supplier costs. Governments may also want to see higher prices so the debt levels governments have created becomes smaller in real terms.

There are other reasons for inflation besides increases in the money supply. Another cause is the potential increase in the costs of goods arising from supply constraints. The whole world has been effected by COVID, so imported goods may be harder to achieve in essential areas such as food and healthcare, as countries may wish to look after their own people first rather than exporting. For the UK there are further potential cost increases arising from Brexit process. There is also the fact that workers may have to be paid more in shortage areas as free movement of labour is restricted, and tariff and non-tariff barriers erected for non EU members may lead to further price rises in some areas. This could therefore lead to higher transaction costs and imported inflation, especially if the currency value falls due to the uncertainty of having a trade deal in place. Further cost pressures may arise, with countries having to prepare for further possible pandemics and a movement towards just in case production methods rather than just in time where the lowest possible global costs are sourced. There are also further costs in maintaining safety at the workplace.

Are pressures more inflationary or deflationary?
Initially deflation is the more likely outcome and inflation is less likely in the short-term due to the lack of confidence in the world economy caused by the worst economic crisis since World War Two. Once confidence does return there are a number of inflationary pressures. There is the potential of a large increase in demand if consumers rush to the shops at the same time. In addition, it has been shown earlier that prices are on the rise due to higher sourcing costs caused by the
There has also been a large fall in the oil price caused by the lack of demand during this period, though this may pick up in the longer-term causing imported inflation as people return to work and social activity.
Collarless: The New Norm

Dr David Parker and Morris Jones.

Working from home (WFH) for many of us, has shifted from an occasional activity, perhaps catching-up on a back-log or a looming deadline, to now a daily norm. Moreover, there is a likelihood that wfh for many of us will stay beyond the current COVID-19 pandemic crisis; and this brings challenging operations and management services requirements. An employer has a responsibility to ensure, so far as is reasonably practicable, the health and safety of workers while at work – including working from home. Under the WHS Act (Work Health and Safety Act), health is defined as psychological as well as physical health. Employers in both public and private sectors have experimented with wfh in the past with varying degrees of success. So, what are the wider implications of this significant change in working arrangements for society, organisations, workers, and work-life balance when wfh is mandated for most of the office?

Unexpected challenges
As a result of what has been experienced in the last few months, even now it has been suggested that we could see a dramatic reduction in the need for office space with the demise of the central business district (CBD), and growth of community business-hubs, where administrative support and technical services are available at the community-level. Already we have seen falling prices in office-space due to overcapacity. For decades we have pondered flexible working. We labelled occupations blue-collar and white-collar. However, the preferred casual attire for wfh is t-shirts: collarless.

The financial services sector, to name but one, is currently reporting that at least 35% of staff is wfh, and 15% flexible. Most probably, wfh will dramatically increase once AI support systems are in place down the track. After the direct cost of staff, the second biggest cost in a company is accommodation. National Australia Bank has announced it will mothball two of its three Melbourne offices. Consequently, the new frontier for operations and management services is to ensure staff are correctly set-up at home. Initial outlay costs would include everything from ergonomic chairs, desks, storage, and of course, power bills and reliable-secure internet provision. Beyond secure internet connection, the security of clients’ information will need stronger protection in the home environment.

Advocates of wfh highlight reductions in commuting time and other work-related costs, together with the linked reduction in emissions and road congestion. It is also likely that...
neighbourhood economies would benefit from shopping locally and accessing near-by services. But the flip side to wfh concerns reduced community interaction and less social connectivity. The gregarious of us may not be well suited to this new norm, so what then?

**Warning signs**

It is imperative to have appropriate support mechanisms in place to advise staff on a range of issues associated with wfh (see for example https://about.uq.edu.au/coronavirus/staff). While employer responsibilities for health and safety and personal welfare of its staff at the office is legislated, it should be remembered that this extends to wfh. There is extensive research on social isolation and independent working. Physiological and psychological issues can manifest, with early signs including lethargy, lack of enthusiasm, frustration, and poor time management. Working time-creep can easily result in 12-hour workdays. So, it is more important than ever for supervisors to use their emotional intelligence and look for the red flags and recognise early warning signs (see Table 1.). If a person is suspected of not coping well with wfh, it is important to have a conversation to explore how the organisation can better support them. The earlier intervention occurs, the better the likelihood for the individual. Perhaps an outside agency, independent of the organisation would be a preferred option by the person; thereby ensuring anonymity and an objective assessment of the situation (one such organisation that specialises in workforce wellness is www.Benestar.com). With distress and psychological issues, managers may have less confidence around what to say and do with someone wfh. Moreover, a conversation using Zoom is clearly not the appropriate method for listening and giving the time needed.

**Coping strategies**

We need to consider ways to provide more emotional and practical support for staff working from home. By increasing support mechanisms, the impact of psychological factors can be minimised and will bolster people's capacity to cope. Failure to do so, could lead to stress that occurs when someone thinks that the demands on them exceed their personal and social know-how¹. They perceive a threat by the ongoing situation. Stress and associated emotion are part of our early warning system that alerts us to a perceived threat. Our managers and leaders need to be alerted to displaying skills they previously have not developed. Remote management of wfh individuals has wider range of issues to consider than managing an individual at a branch office.

**Healthy leadership**

There are particular supervisory competencies that are shown to reduce work-related stress and promote positive emotional health – and therefore particularly relevant to wfh. These skills demonstrate respect and responsibility; managing at the individual-level within the team; and dealing with difficult situations (see Table 2.). Healthy leadership of staff wfh can be recognised by consistent and calm behaviour, meeting, listening and consulting with individuals, taking responsibility for resolving issues, and providing direction.

<table>
<thead>
<tr>
<th>Recognise early warning signs:</th>
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<tbody>
<tr>
<td>Changes in work performance</td>
</tr>
<tr>
<td>Withdrawal from interaction with others</td>
</tr>
<tr>
<td>Being oversensitive or defensive</td>
</tr>
<tr>
<td>Loss of interest and motivation</td>
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<tr>
<td>Deterioration of appearance</td>
</tr>
<tr>
<td>Increased sickness, absenteeism and tardiness</td>
</tr>
<tr>
<td>Diminished attention to detail</td>
</tr>
<tr>
<td>Heightened emotional response</td>
</tr>
</tbody>
</table>

**Table 1 Early warning signs**

<table>
<thead>
<tr>
<th>Respectful and responsible:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrity: Be respectful and honest with staff</td>
</tr>
<tr>
<td>Managing emotions: Behave consistently and calmly</td>
</tr>
<tr>
<td>Considerate: Be understanding and sympathetic</td>
</tr>
<tr>
<td>Proactive: Monitoring workload and prioritising</td>
</tr>
<tr>
<td>Problem solving: Dealing promptly and responsibly</td>
</tr>
<tr>
<td>Empowering: Meet, listen and consult individually</td>
</tr>
<tr>
<td>Personally accessible: Talk one-on-one</td>
</tr>
<tr>
<td>Friendly: Relaxed approach</td>
</tr>
<tr>
<td>Empathetic: Know each’s health, satisfaction, motivation</td>
</tr>
<tr>
<td>Manage conflict: Be decisive, quick, and objective</td>
</tr>
<tr>
<td>Use Organisation’s resources: Seek wider advice</td>
</tr>
<tr>
<td>Take responsibility: Own problems and take the lead</td>
</tr>
</tbody>
</table>

**Table 2 Wfh supervisory skills**

<table>
<thead>
<tr>
<th>Strategies and routines: psychological hazards:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate excessive work demands</td>
</tr>
<tr>
<td>Achievable workloads and performance targets</td>
</tr>
<tr>
<td>Design processes for wfh</td>
</tr>
<tr>
<td>Clear reporting structures</td>
</tr>
<tr>
<td>Monitor closely emotionally demanding roles</td>
</tr>
<tr>
<td>Regular 1:1 meeting to consult and monitor</td>
</tr>
<tr>
<td>Informal and formal performance recognition</td>
</tr>
<tr>
<td>Ensure wfh equipment ergonomically correct</td>
</tr>
</tbody>
</table>

**Table 3 Controlling psychological hazards**
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Controlsing psychological hazards

Working alone from home, attracts a range of psychological risks to a person that may be caused from isolation, stress and associated work demands. Awareness of these issues are more apparent when office-based due to greater peer contact, but less so when wfh and often isolated from colleagues. Opportunities to control, eliminate or minimise these hazards may include a range of daily routines and strategies for the individual and the organisation (see Table 3.).

Working from home for many of us, represents a dramatic change from the norm; no longer is there a clear distinction between work and homelife, nor is it easy to conform to usual office hours and restrict working to a specific and devoted area of the house. Anecdotally, it is the support from colleagues and camaraderie of a close-knit team that is missed. The remote work of wfh restricts access to resources; and communication is invariably difficult. Working from home limits opportunities for informal networking and the ‘overheard’ office conversation that contributes to the cohesion of work groups. This environment can manifest as work-related fatigue. In a work context, fatigue is a state of mental and/or physical exhaustion which can reduce our ability to perform effectively. Whilst fatigue management is a shared responsibility between the organisation and worker, awareness and recognition of early signs is an important management skill that needs ongoing development.

Embracing the new norm

Now more than ever, it is vitally important for employers to face-up to their responsibility of caring for staff wfh. This includes ensuring that the physical environment at home is ergonomically suitable, workloads are appropriate, and personal wellbeing is being maintained. We are aware of the importance of a healthy diet and regular exercise when wfh, especially as much of the day is sedentary, but it is with management and leadership that greater awareness of this new environment is needed. Applied emotional intelligence within a one-to-one relationship is critical. Building high performing teams that once was at the fore of effective working has now been eclipsed by individual personal development.

It is important for us all to stay connected in any way we can. At a time when our future is uncertain and we can feel disconnected, the smallest act can have the biggest effect. Kindness matters. How many times have we said recently: Well done, a good job done, thanks? Try it, it’s a great feeling for all concerned!

Engaging the collarless employee

A key HR issue will be the engagement strategy for new employees. How will the newly recruited workers integrate with virtual team members? Where will they ‘learn’ the corporate culture? Currently, geographically dispersed team members have been exposed to corporate culture as it existed in a shared office. Is this culture correct for the wfh employee? Should consideration be given to new norms in the virtual office?

References


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Global Insights: Encouraging Entrepreneurship within Emerging Market Economies

Different societies have diverse wants and needs, and this creates business opportunities for those entrepreneurs willing to take advantage of the market, says Dr John McManus

In this current climate of low business growth and the threat of increasing numbers of workers around the globe facing unemployment, it is reasonable to seek reflections on the theme of job creation and entrepreneurship. Within both developed and less developed economies, entrepreneurship is likely to be the means by which future growth will be attained. In economic regions which have experienced recent downturns in trade and other business activity, the road to recovery is likely to be lengthy and arduous. In this context, this article explores ways in which entrepreneurs contribute to wealth creation, and how entrepreneurship will assist in the economic recovery of those fledgling and emerging market economies in a post-COVID-19 trading and business environment.

The prospects for individuals within the broadening global economy have expanded both the need and the opportunity for emerging market entrepreneurs to become more responsive to opportunism. Advances in communication and digital technologies have brought the business world to a place in time where physical distance no longer holds the same significance as it once did to undertaking trade and commerce. Whilst pandemics pay no heed to world economic conditions, prior to the onset of COVID-19, many emerging economies were experiencing better than average economic growth, and while many countries are now facing severe economic consequences as the pandemic pushes the global economy into recession, many of those countries classified as emerging economies are highly resilient and in consequence there is no reason to suppose their economies will not recover, although this may take several years.

For many creative entrepreneurs, aspirations are all important to developing private enterprise. Addressing the issue of opportunity within emerging market economies is to some extent dependent on extraordinary trading conditions which will prevail post-COVID-19. One characteristic emerging economies have in common with each other are ‘young populations’ of which millennials (those between 21 and 37 years old) make-up the core of their populations. Economic regions such as Africa, Latin America, Asia and some countries...
within Eastern Europe have youthful populations and thriving entrepreneurial markets.

The link between entrepreneurship and the prosperity of an emerging market economy is evidenced by the way its Governments support its entrepreneurs. Linking entrepreneurial activities to new enterprises and wealth creation is arguably one way of diffusing innovation and knowledge to the business community. Since innovation and entrepreneurship are inextricably linked, a young and growing body of entrepreneurs have emerged in the last decade. Worldwide entrepreneurs such as Louis-James Davis the cyber-security expert or British born Alastair Aiken, digital gaming pioneer, or Alexandra Andressen, who owns Ferd, the Norwegian Investment Company or Jeff Cripe of the US who founded Cargo, have all built sustainable and thriving businesses within a short period of time. Whilst these entrepreneurs are serving their local business communities they are also creating a wider impetus for wealth creation, the increased social and economic benefits provided by the many small and medium sized enterprises (SMEs) around the globe who engage in innovation, and new wealth creation is substantial to say the least.

The economic basis of entrepreneurship in society
The Schumpeterian philosophy of growth advances the belief that entrepreneurial drive is the key to innovation and growth. In the early 20th Century, Schumpeter discussed the role of the entrepreneur in the process of economic development. He saw the entrepreneur as a creative, driven individual who finds new combinations of production to develop new products, develop new markets, or design a new technology1. This Schumpeterian philosophy supports entrepreneurship according to the perceived economic value and significance to society. The relationship between entrepreneurs and society is grounded in its ability to create wealth and how wealth creation is used to benefit the local community and the wider needs of society. The benefit of entrepreneurship in a society is that as businesses prosper the impact that commerce creates increases both locally and nationally. Most entrepreneurs enter into a market successfully based on their innovative approach, which can be seen either in the goods and services they offer or in the way they convey them to their customers. Markets are prone to economic and political influences which can have both positive and negative influences on society. One of the foremost attributes of any entrepreneur is their ability to spot business opportunities which benefit them individually and society through job creation.

Different societies have diverse wants and needs, and this creates business opportunities for those entrepreneurs willing to take advantage of the market. Like most businesses, entrepreneurs require access to capital. Financial and some public institutions provide the capital essential to support business start-ups. The biggest hurdle for many entrepreneurs is how to generate sufficient capital to kick-start their business. Whilst banks and public institutions offer different financial instruments to provide loans etc, banks and public institutions are both constrained by regulations and operating practices meant to protect the public investor, and as such are adverse to loaning money without adequate security which some entrepreneurs cannot provide. An alternative means is to obtain capital from the venture capital industry which has inherent risks. Venture capital is not long-term money; those willing to invest buy a stake in the business idea, cultivate it for a short period of time, and then exit the business with a healthy profit or capital return through an initial public offering (IPO) facilitated though one of the many global investment banks.

The interests of investors and society are not always aligned. In those cases, government must step in with regulations to mitigate risk and harm. Government is a stakeholder in society and being part of society is responsible for the creation of policies that foster long-term wealth creation with minimum risk to society. If government policies are not favourable for the establishment of business, then entrepreneurship would fail to prosper. The economic argument for the expansion of entrepreneurship within our world or global society is compelling. For instance, here in the United Kingdom total employment within SMEs accounted for 16.6 million (60% of the total workforce), whilst turnover was estimated at £2.2 trillion (52% of GDP). To a large extent, the expansion of SMEs in the United Kingdom continues to be tied to developing entrepreneurship and the encouragement of private and social investment through government initiatives. As a favoured financial instrument, the social investment market (also known as ‘Impact Investment’) could reach $1 trillion by the end 20202. A maturing global social investment market could mobilise sustainable private sector capital for developing countries across multiple sectors, helping to create jobs and increase access to affordable products and services for the poor.

An interesting concept to emerge through the model of social investment is that of inclusive growth which allows people and the wider stakeholder community to contribute to and benefit from economic growth3. Promoting inclusive growth in European societies is a key economic priority of both the OECD4 and the World Bank. Following COVID-19, anecdotal evidence in the business press would suggest that ‘fresh faced young entrepreneurs’ share many values which promote caring, equality, market reform and fairness in society.

Regional and global dynamics of entrepreneurship
Following on from the previous paragraph about the determinants of growth and aspirations of entrepreneurs, we could argue that opportunity and motivated individuals have a higher probability of focusing on the growth of their businesses...
Most entrepreneurs enter into a market successfully based on their innovative approach which can be seen either in the goods and services they offer or in the way they convey them to their customers.

than other individuals. Business constantly seeks to reinforce sustainable links between entrepreneurs and the market. This is evidenced by the number of business start-ups around the world. Although most of the top valued start-ups are based in the United States and China, as previously stated, Africa and Latin America and Asian regions have young populations and demonstrate the highest levels of youth entrepreneurial activity. Africa for instance as the highest proportion of young adults who are actively engaged in starting or running new businesses or early stage entrepreneurial activity. Whilst many African countries continue to manage declining economies, many have witnessed a surge in entrepreneurial activity. Although access to venture capital to finance entrepreneurial endeavour is often difficult to obtain, this has not dampened many young Africans ability to be innovative and creative. It could be argued most young Africans are motivated towards entrepreneurship by the harsh alternative of unemployment and poverty, as many young Africans face labour market discrimination and have difficulty finding formal employment.

Latin America also boasts high levels of entrepreneurial activity and countries within this region include the emerging economies of Brazil, Mexico, and Chile who have a combined population of 360 million (slightly above that of the US). In the past decade, Latin American entrepreneurs have benefited from huge foreign investment and start-ups have raised over $6 billion in capital since 2017, including a recent 2019, announcement by Softbank to launch a $5 billion innovation fund. However, one of the main challenges for many would be entrepreneurs is the cost of financing which is expensive. There are many bureaucratic barriers to accessing funds from public and private banks which can be insensitive to small businesses. Consequently, the space is being filled by venture capitalists that are endeavouring to support economic growth.

A recent surge in venture capital within the Latin American region is premised on the growing interest in technology start-up companies which have demonstrated commercial potential. For instance, Mexico per head of population has the highest proportion of engineering and technology graduates and tops the poll table for investment in start-ups, especially in financial technology (Fintech), electronic commerce and energy sectors; Mexico for instance is reputed to have the largest Fintech market in Latin America. According to the World Bank, 49% of the adult population in Latin America do not have access to a bank account. Given this situation, the Fintech market represents an important economic driver to improve financial inclusion to the supply of banking services, and a great entrepreneurial and market opportunity, as it has the ability to reach a segment of the population which is unsupported by traditional financial services.

Like many enterprises within Latin America, SMEs play a
vital role for economic growth and social inclusion. Similar to the United Kingdom, SMEs in Brazil account for 62% of total employment and 50% of national value added. However, whilst business ownership and business creation are common, growth-oriented entrepreneurship is much less widespread than in Mexico and Chile. This is partly due to bureaucratic obstacles and time-consuming procedures. Entrepreneurs often cite delays and unnecessary financial costs for the opening of new businesses. Interestingly, Brazilian entrepreneurs tend to come more from rural areas and have lived in more localities than non entrepreneurs, relying heavily on family members and local social networks to support them financially.

Bankruptcy is a major threat and in some cases, a deterrent for many would be business entrepreneurs. While this threat is slowly disappearing, laws that punish insolvent businesses still act as a deterrent to growing start-ups in many Latin American countries. Over the past decade, business leaders within Latin America have lobbied their various governments to initiate bankruptcy counter measures to assist SMEs going out of business.

Countries, including Chile and Colombia, have created laws to help entrepreneurs recover from bankruptcy, rather than burdening them with endless debt. Similar to Chile and Colombia, Mexico is working to pass similar legislation to encourage future young entrepreneurs and innovation.

The Asian countries of Indonesia, Philippines, Vietnam, Turkey, and South Korea, comprise the bulk of the world’s emerging economies with a combined population of 620 million. Whilst there are clear disparities between these countries such funding and infrastructure, the sheer vastness of the Asian market presents huge entrepreneurial opportunities especially since many countries within Asia have moved towards the liberation of the their respective markets. This is important as the region hosts the largest youth population in history, who bear the responsibility of sustaining the economic growth that the region has experienced in the past decade.

Unlike entrepreneurs in Africa, Asian entrepreneurs have a higher chance of success in getting their business off the ground. This is partly due to the support they receive from external bodies, such as entrepreneurs’ associations or groups, which challenge existing regulations that negatively impact on social enterprises. One of the distinguishing features of Asian entrepreneurs is their ability to absorb and use technology to commercial advantage. Again, as previously pointed out entrepreneurship, is about value creation, and value creation is a relative measure whether GNP, GDP or some macroeconomic measure such as national productivity. From this perspective, Asian entrepreneurs contribute significantly to regional productivity as evidenced by the Global Competitiveness Index 2018 Rankings which list Indonesia, Philippines, Vietnam, and South Korea amongst the top performing countries.

**Encouraging entrepreneurship**

As previously suggested, some regions of the world are more able to produce innovative entrepreneurs than others. Creating an economic and political environment which encourages entrepreneurship is to some extent based on national culture, and the willingness to support entrepreneurs through its public legislative and private banking and financial institutions. The
There are many bureaucratic barriers to accessing funds from public and private banks which can be insensitive to small businesses.

extent to which individuals perceive opportunities for starting a business in the local economy, is premised on the dynamics of the regional economy, as well as its ability to trade both domestically and internationally. Entrepreneurs must be able to identify market opportunities, gather resources, and conclude deals. To this end, an influencing factor is whether an entrepreneur has access to tangible resources such as finance, and to intangible resources like knowledge, which is often retrieved through contact with other entrepreneurs. Using social networks increases the probability of growth for young start-ups and new businesses, but is less important in the actual start-up phase, where entrepreneurs tend to rely more on extended family and friends' to minimise expenses. A basic feature of entrepreneurial behaviour is the interest to satisfy one's needs to the maximum at minimal sacrifice (or risk). Here we stress the motivation or success for achievement which is typical of entrepreneurial activity. The scale of success amongst entrepreneurs is diverse, and there is no one single or decisive factor that might be universally applicable to success. Nevertheless, there is one element by which we can generalise the rate of economic success in business. This factor is the ability to produce surplus value. Surplus value refers to the difference between returns and costs. As the business builds consumer recognition and brand growth, most start-ups in the early years have high costs and low returns. In consequence, up to 90% of new enterprises, go out of business within the first three to five years of operation. Whilst there are many reasons for business failure, over optimism about the product or service suitability for the market is often a contributory factor. Another reason is that costs escalate and the business cannot meet its fixed costs. One of the most valuable skills an entrepreneur must acquire is how to manage the cash flow of the business. In the early stages of a business start-up, while the product or service is being developed, and the business model is refined, growth needs to be managed to conserve cash and to ensure survival of the business. Encouraging entrepreneurs to succeed is vital not only to local and national economies but to the individual themselves. Entrepreneurs benefit from the time and support of others, especially those who have been through the process and developed a successful business. Successful entrepreneurs generally make first-class mentors with many transferable skills which can be passed on and used to effect. One attribute entrepreneurial mentors can pass on is the quality of resilience; that is the capacity to learn from mistakes, and dealing with adversity through the inevitable disappointments that running a business involves. One problem many entrepreneurs face is continuity of advice. Whilst mentorship is valuable in decision-making, there comes a point in time when the entrepreneur and their mentor part company. Successful business owners appear to get around their fear of making decisions by learning as they go, a process that helps overcome their fears. Paraphrasing an expression sometimes used by politicians is 'success to those who persevere is usually nothing more than failure turned inside out.' Perhaps not surprisingly, the industry in which an entrepreneur chooses to start their business has an enormous influence on its growth. An often overlooked characteristic of entrepreneurship is the orientation needed towards innovation, which is necessary to be successful in the long-term and as Peter Drucker® stressed, nothing surpasses innovation. Business start-ups can quickly attain international reach through innovative products and services and is evidenced by the many tech-start-ups which have gone on to be international competitors and commercial brands (for instance, Apple, Hewlett Packard and Microsoft all began life in garages). Many well known technology firms develop partnerships with world class universities. Firms like Google invest significant sums in business and technology incubators located on or off campus. These incubators allow technically and socially minded individuals to tap into sources of ideas and creativity that may be fertile for development if they are appropriately refined and developed for the market.

Assessing business and market potential

Crisis such as COVID-19 do not last forever; their impact weakens after a while, however this does not mean that they do not have economic and social consequences. Effects on business continuity are self evident, such as shrinking markets, availability of capital and employment continuity or career opportunities. That said, some might claim there is no better time than now to start a business. As to why, rents are less expensive, competition is reduced, barriers to entry fall, skills are more available, suppliers can be found at a discount, and capital may be available at preferential rates. However, there are risks too; generally speaking, there are numerous types of business risk to which an entrepreneur may be subjected. These include but are not limited to lack of research, lack of a coherent business plan, lack of market knowledge, no knowledge of legal and financial practices, poor negotiating skills, lack of start-up capital, and poor management skills. Addressing such risks can make the difference between success and failure. One might conclude that young entrepreneurs learn as they go along and are happy to weather each storm as it presents itself (failure being part of the learning process). However, thinking about risk before taking-up the challenge of starting a business is the rational approach to take. By identifying the factors which put a business at risk and planning for them in advance, one can proactively prepare a business for most things which come its way. It should be pointed out that risk can never be completely mitigated, so the intelligent thing to do is set-up a process which allows the business to measure its risk quotient at any point in time and take corrective action according to the situation.

As highlighted, risk is an inherent part of business and entrepreneurs will often succeed by having a good idea and
breaking the conventional rules of business. Business ideas are generally the catalyst to starting a successful business. However, the ideas do not have to be original but it helps if they are. For many entrepreneurs, the best place to start a business is often a key question. The most obvious answer to this question is where there are plenty of customers; however, one must also take into account the specifics of the geographical area or region where prospective customers are located. For those entrepreneurs located within emerging economies, this is perhaps dictated by the quality of infrastructure, availability of skills, and the concentration of potential customers. For instance, Seoul (South Korea) is one of the fastest growing cities for small tech-businesses with access to a growing professional class with median disposable incomes. A further example is Nigeria, which attracts huge amounts of venture capital, especially those startups engaged in technology and digital services, as evidenced by Andela\(^9\), a highly successful Nigerian based business-to-business consulting firm backed by $180 million in venture capital trains and connects African software developers to global companies.

Without a doubt, those market sectors which encompass technology products and services are very attractive to entrepreneurs with aspirations to starting a business. The unification of widely accessible emerging technologies and digital platforms has opened up new opportunities and challenges for those entrepreneurs looking to enter the technology and service sectors. As previously stated, the market for ideas, innovation, and other intangibles such as knowledge remains open to all entrants, commercial ideas being less available than capital. Simply put, the success of every enterprise hinges on its ability to turn good ideas into saleable goods or services.

A start-up business without a unique idea may be just a facsimile or copy of another business, thereby providing little or no incentive for customers to choose it over the available competition. SMEs need to differentiate themselves from the competition and this is where research is crucial, knowing who the competition is and what they are offering is a prerequisite to market entry. With an increasing expectancy on differentiation and bespoke products, consumers look more to added value and after sales service. This is emphasised by the influence of social media who insist companies be both transparent and sincere in their business transactions.

Within many emerging economies, the deterrents of growth are ultimately dictated by market forces and the country’s willingness and ability to support SMEs and its enterprising entrepreneurs. Individual governments influence competition policy and market structure by determining the level of rivalry through regulation and antitrust laws. The researcher Singh\(^10\) argues that in the case of emerging economies, the aim of competition policy, laws should be to support the development of an economy, and for this reason, efficiency should be the ultimate aim of all such market policies. One challenge faced by entrepreneurs is the market structure for particular goods and services which often have varying degrees of competition, and as such will require different strategic approaches. For instance, in the high technology sector it is not uncommon for products and services to be highly regulated, especially if the technology is perceived to be of national or strategic importance. However, such barriers are not always applicable to start-up businesses.
since they are perceived as minimal threat. This is supported by Casson\textsuperscript{11}, who suggests barriers to competition are only important where the exploitation of the opportunity is a continuous process.

If strategy is about creating a competitive advantage, then the process of strategy must be about preparing for the future, this means developing an edge over rivals to secure customers and defend against competitors\textsuperscript{12}. As already pointed out, innovation and differentiation are two pathways to competitiveness. Being innovative and unique gives a business the ability to enter a new market, assuming the product or service seizes the imagination of the consumer. The downside is that consumers can be sceptical of new products and it may take some time before they become normalised in the market place. During the interval of time between launch and take-up, the enterprise is exposed to risk and potential cash flow issues. The goal must be to shrink the launch-to-take-up cycle, marketing and promotion together with social media are effective tools to achieve this goal. For any enterprise, a winning strategy is the one that best matches the capabilities of the business with the wants and needs of its customers.

\textbf{In summary}

Turning to the future and the prospective outlook for entrepreneurs, we may conclude that entrepreneurship will remain highly attractive for individuals engaged in growth-oriented start-ups, irrespective of country of origin or location, although some countries will be preferred over others. Even in this era of trial and adversity, what remains important is the entrepreneur’s talent and ability to be innovative and forward thinking.

\textbf{References}

9. Who is Andela see: www.andela.com/about/

About the Author

Dr John McManus is a strategist, researcher, author, advisor, speaker and teacher, and throughout his academic career and writings, he has brought strategy concepts to bear on many of the most demanding problems facing emerging economies, including global and national competition and firm strategy. Dr McManus’ latest book: Service Operations Management; Macmillan International, was published in November 2019. Details at https://www.macmillanihe.com
On 9 May 2020, online vandals hijacked the graduation ceremony at Oklahoma City University (OCU) by replacing the Zoom video feed with racist language and symbols. This caused the event to be curtailed while students, families and staff were left distressed and disappointed.

The incident was reported extensively in the media, as was advice from the FBI in the previous month saying that users of Zoom should improve their cybersecurity to avoid ‘Zoom bombing’ attacks from uninvited third parties. At the same time, the Department of Homeland Security’s Cyber Mission and Counterintelligence Mission was warning that Zoom users were vulnerable to intrusions by foreign government spy services, including China. According to ABC News (28 April 2020) the report from Homeland Security states that hackers ‘likely will identify new or use existing vulnerabilities in Zoom to compromise user devices and accounts for further exploitation of corporate networks.’

Warnings and events such as these can cause people to worry about the technical resilience of this incredibly popular method of communication. Some may even prohibit its use in their organisation. For example, New York City banned its use in schools on 5 April, 2020 but lifted the ban a month later. In reality, organisations should be far less concerned about technical vulnerabilities and focus much more on how their people are using the tool. For it is lax practice by users (organisers, hosts and participants) that is the true Achilles-heel of teleconferencing generally, not just with Zoom. These lax practices are what makes it so easy for ‘hackers’ to access and disrupt events over Zoom (without doing any real technical hacking).

Media coverage
The reason why there is so much reporting on this topic relating to Zoom is because of its incredible success. If one of its many competitors had succeeded to the same degree and so rapidly then I would be writing the same article about them. This article describes current technical vulnerabilities in Zoom.
Lax practices are what makes it so easy for ‘hackers’ to access and disrupt events over Zoom (without doing any real technical hacking).

(to 6 July, 2020) plus common mistakes made by users that can compromise security, and what to do about both. It concludes that users of Zoom and other teleconferencing and video conferencing methods will always be able to operate in ways that do not protect the privacy, confidentiality and data of their organisations and customers; and therefore, the onus will be on leadership, culture and training to mitigate those risks. It further concludes that the current demands for technical security fixes by government agencies and others is likely to result in Zoom becoming the most secure tele-conferencing platform ever (eg Zoom Video Communications Inc. published a 90-day security and privacy plan when bad publicity was flowing in Spring 2020. It can be viewed on the company website.). It also concludes that the onus is on organisations and users – not just on Zoom or its competitors – to ensure that anyone acting on their behalf take full personal responsibility for administering online meetings in ways that are as secure as possible, and protect information shared during meetings. Providing colleagues and partners with the right information, culture and training will be essential to achieving this objective.

Regarding perceptions generated by the media that Zoom video-conferencing may be too insecure for the corporate world, we should remember that the media has also created the impression that online banking is less secure than telephone or branch banking, even getting ‘experts’ to say they are going to stay with physical, branch-based banking themselves until the security of online banking is improved. This is ironic and sad as in reality it is physical, face-to-face banking that is most prone to fraud (and quite significantly so), with telephone banking second (I will not explain this here, for reasons that I hope are obvious). Undoubtedly, fear of technology will always make a good story no matter what the truth may be. Speaking of the truth, problems with Zoom to date have included:

• No end-to-end encryption of calls (despite them claiming wrongly at one point that the service was encrypted and then having to backtrack and apologise for misleading people).
• Failing to tell users what data are being collected by the company and its partners, and for what purposes (the Zoom iOS app has been sending data to Facebook for advertising purposes).
• Failing to reveal that it has installed a hidden web server on user devices that could allow the user to be added to a call without their permission.
• Failing to find/declare many software bugs including a bug that would enable hackers to take over a user’s Mac (including the camera and microphone).
• Adding employee/attendee observation features such as ‘attention tracking’ that allows a host to see if a user clicks away from a Zoom window for 30 seconds or more.
• Two flaws in the chat function revealed in June 2020 by Talos (an information-security research firm owned by Cisco):
  • Ability for hackers to place an animated GIF in Zoom meeting chats and thus hack Zoom client software and install malware on people’s machines (since fixed).
  • Chat did not validate the contents of shared compressed
Regarding perceptions generated by the media that Zoom video-conferencing may be too insecure for the corporate world, we should remember that the media has also created the impression that online banking is less secure than telephone or branch banking.

files such as .Zip files. An attacker could send malware in the form of a compressed file to a user via Zoom meeting chat, and the user’s Zoom client software would save and open the malware within the Zoom application directory. Worse, if the user were to save the Zoom compressed file elsewhere on their PC, the attacker could send an altered version of the first file with the same name. The new file would open automatically, permitting the malware to “plant binaries at almost arbitrary paths and... Potentially overwrite important files and lead to arbitrary code execution.”

- \begin{itemize}
  \item Many instances of corrupted installation files for Zoom found on third-party software installer sites. E.g. two recent instances found by Trend Micro researchers:
    \begin{itemize}
    \item The first opens a backdoor on a PC.
    \item The second spies on the PC’s owner with screenshots, keylogging and webcam hijacking; and drafts the PC into the Devil Shadow botnet.
    \item Both installers do install the Zoom software client, so victims are often unaware that something bad has happened (you should only download Zoom from the official site).
    \end{itemize}
  \item Cybercriminals have registered hundreds of new Zoom-related website addresses in the past few months, according to Israeli security firm Check Point. Many of these sites are being used in phishing attacks to grab victims’ Zoom usernames and passwords. This is a perennial problem in the IT industry (eg sites also exist for other teleconferencing software).
\end{itemize}

Best practice
Regardless of technical issues with Zoom, it is failure to follow best practice when using teleconferencing systems that results in the vast majority of problems. The classic example that has dogged remote meetings since teleconferencing began, is people sharing dial-in and log-in details, not only with each other but with the public (or at least failing to secure those details). This can be through meeting invites that appear on shared/public calendars; through hosts and/or admin support personnel putting the host's dial-in/log-in details, including passwords and PINs at the bottom of participant invites (I’ve seen it hundreds of times); through meeting details remaining unchanged for months or years (eventually everyone has hold of and is using the details – including to call their relatives in faraway lands); through meeting links being shared on social media (surprisingly this happens every day, even in the business world). All of these failures make your meetings public – including the most sensitive meetings such as closed board meetings (I have met many people who have dialed into closed executive board calls and simply listened – including industry analysts, journalists and curious employees). In May 2020, the reporter Mark Di Stefano of the Financial Times resigned after he was caught eavesdropping sensitive internal Zoom meetings at rival UK newspaper, The Independent. Di Stefano printed what he had heard on these calls about forthcoming job cuts at The Independent. These perpetual problems with unchanging meeting ID's and passwords can be avoided easily as Zoom has a function to generate a random meeting ID for every meeting you hold (tip: tell participants that they will receive joining details x hours before the call). Said ID’s can and should be cancelled after they are used. Conversely, meeting administrators must avoid at all costs using their Personal Meeting IDs (PMIs) or setting up an unchanging meeting or course ID for repeating events. When IDs have been used once they are no longer secure. Unchanging IDs such as PMIs are basically one continuous meeting and will inevitably start to be used by others without your knowledge. Other important examples of best practice with Zoom include only having the host able to screen share; turning off file transfer; turning off annotation; disabling private chat; and, using the Waiting Room function (it puts participants in a holding pattern for the host to validate before they join a call).

Other recommendations for using Zoom safely
- Join Zoom meetings through your web browser rather than using the Zoom desktop software. This is because your web browser version gets security enhancements faster. To do so, when you click a link to join a meeting, your browser will open a new tab and prompt you to use or install the Zoom desktop software, but in the fine print there's a link to ‘join from your browser’ which you should click instead.
- Ask meeting participants to sign in with a password.
- Don’t post pictures of meetings, and don’t allow participants to do so (it happens all the time, despite being a breach of privacy).
- Don’t allow participants to record meetings and chat transcripts (one of the most obvious security weaknesses, but usually overlooked by hosts and administrators).

To give you an idea of what is going on with Zoom security from a technical perspective as I write, I include a list of improvements completed and others planned to complete soon (note that some will have been completed by the time you read this article,
while new items will have been added). I hope that meeting hosts will read at least the first list as these functions are now ready for them to use to protect their meetings.

**Implemented**
- Ability to lock Zoom sessions once they have started.
- Ability to control screen sharing, including for ‘host only’.
- Using a virtual waiting room to control who joins.
- Controlling in-session chat, including locking chat down completely.
- Ability to put a participant on-hold with no audio or video access.
- Quick and easy ability to remove a participant from a meeting.
- Require registration.
- Using random meeting IDs.
- Password-protected meetings.
- Authenticated-user-only access.
- Ability to disable access to meeting space before host joins.
- Ability to lock-down on-screen annotation.
- Ability of host to switch off video of individual participants.
- Ability of host to mute some or all participants.

**Implementing**
- 90-day security plan (rolling).
- Option of end-to-end encryption (for phone first, video conferencing to follow). With Zoom’s current enhanced encryption offering, encryption keys are created on Zoom’s servers and distributed to the meeting participants. Each key is generated randomly and only used for one meeting, then thrown away. In end-to-end encryption, one meeting participant generates the encryption key and uses public key cryptography to distribute this key to the other participants; Zoom’s servers never see the key. Both offerings behave similarly after the key exchange: the meeting data is encrypted with the meeting key using AES-GCM encryption.
- Risk-based authentication process.
- Ability to disable email/password logins and require log-in through third-party login services.
- Option to disable ability to annotate a shared screen.
- Ability to mute/unmute all participants (if less than 200 participants).
- Ability to set the amount of time that Zoom phone user data, call logs, ad hoc/automatic call recordings, voicemail recordings and transcriptions is retained.

Does any of the above mean that Zoom is unsafe to use? No, not at all. It can be used unsafely, or it can be used safely. It is your choice. Hopefully the information above will help you make things safe enough for your needs. Remember, news on security improvements plus guides on how to host meetings safely are available on the Zoom website. And finally, all of the principles of best practice described above apply to teleconferencing software and platforms generally. Even if you don’t use Zoom you might benefit from comparing the lists and guidance above to what you are using (and remember many people will be using ‘unofficial’ tools that come with their phones etc, not just your approved tools).

Regardless of technical issues with Zoom, it is failure to follow best practice when using teleconferencing systems that results in the vast majority of problems.

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**About the Author**
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Supporting Proactive Recovery from Recession

Professor Colin Coulson-Thomas

An economic recession provides an opportunity to review corporate activities and their impacts; reassess corporate aims, purpose and strategies; and consider alternative operating and business models. Aspirations and views on what is important may have changed as a result of collective experience of tackling COVID-19. Nothing should be taken for granted. Directors and their advisers should proactively question and challenge. Rather than return to previous practices, there might be more responsible and inclusive ways forward that do not reduce biodiversity, contribute to global warming or damage the environment. What role should management services practitioners play in supporting directors and boards?

Short-term decisions may need to be taken, but directors and supporting professionals should also think longer-term and reflect on experiences, aspirations and priorities. Disruption to past routines can provide a window of opportunity to review, reboot and reinvent. In a crisis, one can learn from everyday experiences about what really matters to people, how they respond, who disappoints or delights, and who or what can be relied upon. Alert practitioners consider insights, explore options, and investigate possibilities for helping their clients or employers, other people and organisations, communities and societies to cope. New services, relationships and/or collective responses may be required that could be offered or supported.

Coping with adversity

While furloughed and/or at home, some directors may have reviewed their own contributions before and during the pandemic, and also considered the role they should play in helping to forge a ‘new normal’. Some may also have provided the leadership and/or support required during lockdown. Others might have gone missing. There has sometimes been a wide gulf between rhetoric about the need for speed and agility in rapidly changing times and uncertain and sluggish corporate responses. Practitioners could reflect on how crises, contingency, disaster recovery and virtual working arrangements might be redesigned.

Many directors have difficult personal and professional decisions to take at a time of insecurity and uncertainty. In varying degrees, these and subsequent decisions will affect their
and all our futures, as well as the nature of the lifestyles we may experience. With cash flow management experts, solvency and turnaround practitioners and others in demand, relevant advice may be in short supply. With COVID-19 in communities, the market environment may remain changed for some time to come. Governments that have assumed unprecedented powers to cope with a crisis may vary in the roles they might wish to play going forward.

Risk appetites and processes might also need review. Timescales, whether of removal or re-imposition of restrictions, or when COVID-19 vaccinations might be available to protect the public, are difficult to judge. The legal, financial and practical consequences of the global pandemic and Government responses to it have given rise to conflicts of interest, defaults and disputes that will take some time to negotiate and resolve. Some arrangements will need to be unwound and others extended. Corporate prospects depend upon the judgements of directors. They must remain balanced, calm and considered in the face of challenges and possibilities.

**Living with cycles, crises and uncertainty**

Economic cycles and recessions can and do occur. Crises and fundamental shifts can occur with little warning. Directors should always be prepared for the unexpected. A shock might encourage a board to review plans, priorities and possible scenarios. This could lead to searches for increased flexibility and resilience, and avoidance of commitments that might limit changes of direction and/or the ability to quickly scale up or down as situations change. Less commercial activity might also provide the space to imagine a better future or release the bandwidth to make system and/or process changes. However, companies with stressed balance sheets and cash flow pressures may also have less to invest in innovation.

Sustained growth can lead to shortages, tight labour markets and inflationary pressure. Some correction may be required to avoid instability. Economic slowdowns can remind boards and public policy makers of certain business basics. Leading players can be quickly supplanted by competitors, or by new-entrants with better business models or quicker adopters of an enabling technology. Some boards may need to be reminded of the advantages of modest or low overheads, flexible contracts and being able to match operations and activity with fluctuating demand. In good times, such considerations are sometimes forgotten.

Business leaders and boards should expect to deal with uncertainty. They should ensure that people for whom they are responsible are ready for the unexpected. However, experience in sectors such as retailing in some markets show that many boards have allowed companies to become locked into long-term contracts that have given them little scope for quickly downsizing in adverse conditions, or swiftly switching production and supply to meet priority requirements for coping with a pandemic. Many companies become bystanders and recipients of support rather than proactive contributors of solutions.

**Supporting fundamental reviews**

To transform resource utilisation and performance in any continuing activities, and either introduce or transition to more sustainable ones, what steps should a board, senior management and their advisors consider? A crisis may alter the requirements, preferences and priorities of customers and other stakeholders. One could begin by considering what might change in the external business, economic, social and market environment as a result of the continuing and longer-term impacts of developments such as a global pandemic. What new challenges, opportunities and possibilities have emerged and might follow?

Given what has happened and might still occur, the vision, mission, goals and values of some organisations might need to be reviewed. Will corporate direction, objectives and priorities still be valid in a world with COVID-19, greater public indebtedness and existential threats such as global warming? Practitioners might be asked to review how relevant, adequate and flexible corporate capabilities such as people and know-
Economic cycles and recessions can and do occur. Crises and fundamental shifts can occur with little warning. Directors should always be prepared for the unexpected.

Preparing for a ‘new normal’
Existing capabilities, including the approaches, attitudes, experience, knowledge and skills of current individuals and teams may or may not be ideal, or even appropriate, for a new direction and a different business model. What is needed may also change during a transition or transformation journey. Has what is required to excel going forward been assessed and/or scoped? Companies may know who their past top performers have been, but will managers be able to distinguish high achievers in future key areas? Practitioners can help them to identify, capture and share what those who turn out to be most successful do differently, and build such superior approaches into algorithms, methodologies, models, processes and tools.

Many organisations do not spot high performers because they are given the same duties, suffer the same frustrations and are forced to operate the same processes as everyone else. When paradigm shifts occur and there is virgin territory to explore, new stars may come to the fore. Is a management team ready to make reliable judgements about who, what or which is most likely to succeed? Using external consultants to import approaches that worked on past assignments undertaken before rules of the game changed may not help a company to excel at something new in a different world. The right support and alert advisers, guides and scouts can be critical for a learning journey into an uncertain ‘new normal’.

Manuals can quickly become out of date in rapidly evolving situations, and often fail to reflect experiences and share lessons learned by those whose world is changing. They may not exist for new developments and proposed activities. Directors should ensure people are equipped to implement a change of direction.
Learning and support tools that span value chains, communities of professionals and knowledge workers, and networks of collaborators, can be far faster and more flexible than traditional practices such as competitive intelligence or poaching staff from other companies (Coulson-Thomas, 2007, 2012a & b, 2013). They can allow issues to be discussed as they arise, and enable the global roll out of what at the time are considered to be the best solutions to problems within hours of issues first being notified.

Supporting transition and transformation journeys
Experienced practitioners can help directors to ensure the people of an organisation, and those who are associated with it and dependent upon it, receive the practical and psychological support they require. Demonstrations of care and concern when people are anxious and insecure may increase their support during a recovery phase. Following a period of virtual operation, there may be new patterns of work to consider from the perspectives of both people and organisations. There could be different models of organisation to consider. Pragmatic and practical professionals should be open to various ways in which they could support initiatives to cope with a crisis, whether alone or in collaboration with others.
During renewal and recovery, people may need to be helped to understand new realities, approaches and offerings. They must remain current during transition and transformation journeys. There may be complex issues to comprehend, and new
To transform resource utilisation and performance in any continuing activities, and either introduce or transition to more sustainable ones, what steps should a board, senior management and their advisors consider?

Business models, their enabling technologies and further arenas of performance to assess. More resilient supply chains and new relationships and collaborations may need to be forged. Many companies adopt expensive, disruptive and time consuming approaches to restructuring and reorganisation, rather than practical, more cost effective and much quicker ways of helping people to excel at new, important and difficult activities and thereby creating a more flexible and resilient organisation irrespective of an existing corporate culture (Coulson-Thomas, 2007, 2012a & b, 2013).

Corporate supply chains and the roles a company plays within them may need to be reviewed and revised, or fundamentally changed, in the light of COVID-19 experience. Both customers and suppliers may need help in adapting and adjusting. High returns on investment can be achieved by both reducing costs and increasing workgroup performance, while also lowering levels of stress and risk, and benefiting people, the organisation and the environment.

The environment can benefit when behaviours are changed, by making customers more aware of the environmental consequences of different purchase options. Bespoke, personalised and up-to-date support can help users to adopt superior approaches and what a community learns about CSFs in new arenas and contexts (Coulson-Thomas, 2012a & b, 2013).

Equipping and enabling people to cope and transition

Boards need to ensure that people are equipped and enabled to cope and transition. Some directors might require help in moving away from the provision of top-down corporate direction in a business and market environment they felt they once understood. Emphasis may need to be switched to inspiring and encouraging pragmatic and responsible responses to emergency measures and rapid transition to the provision of new offerings and different ways of operating. Use could be made of the easily updated performance support tools which some companies employ to roll out innovations, enabling people to do difficult jobs and stay current on transformational journeys (Coulson-Thomas, 2012a & b, 2013).

Performance support tools can help people to operate in ways that meet social distancing and other COVID-19 related requirements; and to understand and adopt safer and less environmentally damaging options. Many organisations need to respond quickly to changing economic realities and any revision of purpose and priorities. Companies could start with a support framework in areas related to new objectives. Beneficial financial and environmental results using a bespoke and evolving approach can be obtained in timescales of six weeks to six months. Support can be made available 24/7 as, when and where required. The modest cost of some performance and learning support tools can be affordable in tough times.

Transition support tools can operate independently of corporate structure, culture and technology. They can be personalised, incorporate learning, and enable people to become more competent and confident with each use and remain current as requirements, priorities and offerings change. Experience suggests small groups of people can achieve more than larger ones that are less well supported. Retaining high performers and those with potential during a recession can be critical. Training budgets are often cut when the going gets hard. They often fail to create intellectual capital outputs or embrace wider value chains. Too often, general courses are provided rather than the specific support work groups require to be more effective and cope with fresh challenges. Support tools can suggest new approaches, bring others up to speed during recovery and ensure consistent changes across a supply chain.

Supporting agility and virtual operation

During a pandemic, companies need to move quickly when restrictions change. Support tools can explain why certain measures are needed, reactions occur and local situations arise. Users can also be alerted to both problems and opportunities. Integrating working and learning enables people to cope and learn as and when a tool is used, wherever they may be and at any time of the day or night. Users can share their experiences and insights during transition and transformation journeys. Substantial savings in support and compliance costs can also be achieved. Traditional ways of avoiding risks can involve delays and higher costs. They can result in people focusing upon compliance rather than customers. Building checks and reviews into the support provided can speed up responses, address risks such as miss-selling, and enable people to deliver bespoke responses (Coulson-Thomas, 2012a & b, 2013).

Directors need to ensure those operating from home and/or virtually can access the support they need. Because large improvements in performance can be achieved with better support, in some areas it may be possible to secure welcome economies in a recession. Performance support may enable less qualified staff working from home to undertake the tasks of more qualified and expensive colleagues who are unwell, laid off or unable to access their costly offices. Having the ability to capture and share the essence of how complex jobs are done, and making it easier for ordinary people to excel at them, can speed up and reduce the cost of re-locating work, virtual operation and upscaling activities during an economic recovery.

Support tools can also be used directly by customers and citizens. They can empower and include them, and help them to cope with complexity and change. They can enable more responsible choices that are consistent with progress towards more sustainable communities and lifestyles. Many decisions, difficult roles and important jobs are inherently stressful when
undertaken in a traditional manner. High levels of stress can reduce performance, increase staff churn and levels of absence, slow progress towards a more sustainable future, and even lead to legal claims. By making it easier for people to do difficult jobs, directors can reduce stress at a time of insecurity and uncertainty. Better, practical and affordable support can lead to greater personal fulfilment for users, as well as improved results for corporate employers.

**Confronting challenges and seizing opportunities**

The challenge is to cope with COVID-19 while transitioning to less environmentally damaging patterns of business and consumer behaviour. There is a danger that desire for economic recovery will reduce incentives for the shutting down, writing off and disposal of plant that produces harmful emissions, and limit compensation for leaving fossil fuels in the ground. Boards may be encouraged to increase output rather than slow and/or close down activities that contribute to global warming. Environmentally harmful operations should be stopped rather than increased. Responsible recovery would involve disposal of old plant and recycling items like end-of-life batteries and solar panels so that rare minerals can be reused.

Recession and recovery can be times of great opportunity. During rapid economic growth, when shortages and bottlenecks appear, even indifferent companies may find their services are in demand. When the going gets hard, more able and focused directors and professionals can distinguish themselves. In tough times, smart and responsible boards have an opportunity to build relationships, restore trust and secure first mover and/or lasting advantage. The urgent need to tackle climate change and recover means boards must act quickly. Those that transition to sustainable and carbon neutral operations, activities and business models deserve the support of responsible professionals and stakeholders and the gratitude of future generations.

Hopefully, many directors will initiate corporate and collective actions and initiatives to reduce the negative impacts of COVID-19 and climate change, and help customers and other stakeholders to cope with them. They should encourage and enable CEOs and management teams to reboot and reinvent the enterprises for which they are responsible, and they should chart a pragmatic and inspiring course through the challenges and opportunities of a ‘new normal’ world. Practitioners should be ready to programme manage the resulting portfolios of projects. They should support responsible steps to deal with the resulting corporate, national and international indebtedness and reinvigorate the global economy.

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**About the Author**

Professor Colin Coulson-Thomas is President of the Institute of Management Services and an experienced chairman, consultant and vision holder of successful transformation programmes. He holds a portfolio of international leadership roles and has advised directors and boards in over 40 countries. Details of his most recent books and reports can be found on: http://www.policypublications.com
Imagine attending an online meeting to learn about your employer’s plans for the coming year. Following the ‘all hands’ meeting, every one of the 5600 in your division’s frontline customer servicing role was invited to stay connected to learn about a new corporate programme – a management experiment for which the division CEO volunteered her organisation.

Naturally generating the most online chat was the email sentence saying ‘anyone who volunteers to participate in this experiment will personally receive an additional 28% of their regular compensation in their pay checks throughout the year or for as long as they remained in the one-year programme.’ That alone was sure to make this the best attended ‘all hands’ meeting ever.

The presenter did a great job of laying out the programme simply. Yet the high number of similar questions suggested that many people could not understand or otherwise doubted what they were hearing. Really, it just was not that difficult to comprehend.

Restated simply for you, the reader, everyone in the frontline customer service role, regardless of their location or tenure with the company, is being invited to participate in a one-year pilot programme to automate management – essentially to replace their role’s supervisors and managers... that means all levels, or 280 supervisors, 28 managers, and 4 directors... with a one-level artificial-intelligence (AI) automated management system that will communicate through all of the employees’ Internet-connecting devices. Each person is given three possible options for how they, individually, want to be managed in the coming year:

1. Virtual Manager – This option means anyone or everyone in this frontline customer service role can choose to ‘report’ to a Management Virtual Assistant that is programmed to be their business manager... to answer their questions, provide them with direction and coaching when needed, and to enforce performance and business policies, also when needed. Each person selecting this option will choose from eight personas (i.e., simulating voice, personality,
“If the hype about human traits and human behaviour being predictive were true, experiments would not be necessary.”

and management style) for their Management Virtual Assistant. And, because research confirms that high-quality leadership is the most effective significant discretionary variable contributing to an employee’s high performance in business, each persona will simulate a different locally recognised superior CEO who is especially popular with their organisation’s employees:

a. Craig Donaldson, CEO of Metro Bank and employee-rated at 98% on Glassdoor.
b. Liv Garfield, CEO of Severn Trent, employee-rated at 91%, and at 44 the youngest CEO of a FTSE 100 company
c. Andrew Haines, CEO of Network Rail and employee-rated at 98% on Glassdoor.
d. Carolynn McCall, CEO of ITV and #3 in FTSE Top Female CEOs in the UK in 2020.
e. Bill McDermott, CEO of Service NOW (previously CEO of SAP), and employee rated at 96% on Glassdoor.
f. Pam Nicholson, CEO of Enterprise and employee-rated at 91% on Glassdoor.
g. Peter Simpson, CEO of Anglian Water, and employee rated at 99% on Glassdoor.
h. Emma Walmsley, CEO of GlaxoSmithKline, and selected as the Top Woman CEO in the UK for 2020.

2. No-Manager – Alternatively, anyone can choose to Self-Manage if they wish to work more independently (ie, prefer to work with neither their current manager nor a Management Virtual Assistant). In effect, individuals selecting this option will report to no one and look only to themselves regarding direction, advice, and enforcement of performance and business policies. However, to provide a limited level of camaraderie, coaching and support, Self-Managing participants will have a further option to commit no more than one day per month to staff a ‘Virtual Help’ service to provide other Self-Managing participants with a limited level of biopsychosocial and business support by phone, text, and email.

3. Current Manager – This option represents the least change. Individuals choosing this option will continue to report to someone like their current manager in essentially the same manner as they have in the past, yet this experiment will require a reassignment of managers. Furthermore, individuals choosing this option will NOT receive the 28% pay premium.

Experiment debrief
Which option would you choose if presented with this choice? Why? What insight does your choice and reasoning reveal about your general perception of current management practices?

What is your guess for how the individuals presented with this choice responded? Perhaps 10%, 30%, and 60%? Or would you estimate 50%, 10%, and 40%? Is your perception the reality, or would other knowledgeable people like you perceive the situation differently?

The rationale for live experiments like this is that the only way we can know what these individuals will choose is to give them the choice. Not a survey. A real choice with consequences. Yes, it requires work, and it exposes ideas to rejection, both of which many business people naturally avoid.

If the hype about human traits and human behaviour being predictive were true, experiments would not be necessary. We could just read the signs and know what people will do. The fact remains that the only way to know how any individual or group will choose is to give them the opportunity to choose. Therefore lies the rationale for experimentation, which is quickly becoming the gold standard to support risk-laden business decisions.

Show me the experiment
Business decision-makers are flooded with convenient information, and rarely ever get past the first page of Google search results to discover the full story. The obvious problem with relying on Google and other convenient information is its incompleteness. For example, Google search results are based on a myriad of unknown factors obscured in a proprietary algorithm based primarily on popularity to optimise Google’s primary goal, advertising sales. Gaming Google’s algorithm is itself a multi-billion-dollar business (ie, search engine optimisation or SEO).

In addition to a manager’s experience, intuition, and beliefs, management decision-making relies primarily on transaction data (ie, past behaviour), confirming stories and data lifted from the business press and, of course, Google search results. This approach can be expected to support current and best-practice methods and make it more difficult to change methods when management needs to for facing an increasingly complex, fast changing, and utterly surprising reality.

Managers can dramatically improve their decision effectiveness with experimentation. Just as pharmaceutical companies would not introduce a new drug without subjecting
it to a series of ‘live-trial’ experiments, managers can discover in advance the performance of a change in business model, service, product, policy, procedure, job design, organisation design, compensation plan, management style, performance management design, training programme, and much more.

Managers reluctant to run experiments may experience either the initial dopamine rush from giving people orders or subsequent neurological dysfunction caused by the high levels of cortisol associated with uncertainty. Are the extra risks taken worth the hardships of failure? Rarely is the answer yes, particularly when someone shows them how a non-destructive, low cost and low risk experiment can provide unimpeachable evidence upon which a final decision can be made. Do not be surprised in the future when you first hear, ‘Show me the experiment!’ when someone seeks approval based only on conventional wisdom, historical transaction data, or a homegrown organisation survey. [Source – See Stefan H. Thomke, Experimentation Works: The surprising power of business experiments (2020) Harvard Business Review Press]

The gate is open
Did you realise that, among other records set, the COVID-19 pandemic unleashed the single largest management experiment ever? Virtually every organisations in the world is now experimenting with changes to how their people work and are office and managed.

Many of the alternatives being explored had been identified and studied before, yet despite the substantial benefits in theory, nothing changed until these organisations were forced to abandon, at least temporarily, their standard practices. For many, the experiment results have been so positive that dramatic changes are now finally being considered and enacted.

For example, BP, with its 70,000-person workforce across 79 countries, including 6500 office-based workers in the UK, is contemplating the shift of almost 50,000 employees towards remote working and flexible workplace layouts in the wake of the pandemic. BP’s final decision could almost halve its workspace footprint, representing the most dramatic downsizing of BP’s overall property portfolio in its 111-year history. [Source - The Guardian, 12 Aug 2020, Jillian Ambrose]

Interest in working from home (WFH) is off the charts, as is the pursuit of better use of facilities and technology, and of more effective organisational solutions. According to Mark Dixon, Chief Executive of workspace provider IWG, formally known as Regus. ‘People have tasted the relative luxury of not having to commute.’ [Source – The Guardian, 5 Aug 2020, Julia Kollew]

Until recently, suggestions that executives and salespeople hold business meetings virtually (ie, digitally, via Zoom or Go-to-Meeting) were given low priority, despite the obvious travel cost and time savings. Now, the travel risks and extra inconvenience have tipped the scale to make virtual participation the better-business alternative.

Artificial intelligence drives innovation and experimentation
The expansion and development of human society throughout history has depended on the discovery, development, and application of new technology. At every point, the available technology determined the work performed by people, even
though society performed a wide range of work, with each of us performing work that most suited our situation.

Artificial intelligence (AI) is among the many advanced technologies now influencing today’s human work. According to Paul R. Daugherty, the CTO and CIO of Accenture and H. James Wilson, MD of IT and Business Research at Accenture Research, ‘Thanks to recent advances in artificial intelligence (AI), we are now at the cusp of a major transformation in business. It’s a new era in which the fundamental rules by which we run our organisations are being rewritten daily.’

‘AI systems are not just automating many processes, making them more efficient; they are now enabling people and machines to work collaboratively in novel ways. In doing so, they are changing the very nature of work, requiring us to manage our operations and employees in dramatically different ways.’ [Source – Paul R. Daugherty and H. James Wilson, Human + Machine: Reimagining work in the age of AI (2020), Harvard Business Review Press]

Popular culture more often portrays machines facing-off against people in competition for today’s human work. There are small examples of this, yet the larger effect is a collaboration where machines and people each do what each does best. A more typical example is where people and AI-controlled machine systems are partnered to reinvent work processes into more adaptive means for serving customers. Each partner brings their unique capability to the collaboration; and once again we witness human work evolving due to the development and application of new technology.

As a case example, the application of AI that is central to the experiment outlined at the start of this article has everyone participating to evolve the work and increase their individual human capital value. The customer service employees who participate will learn in a new and more effective way how to increase their responsibility, performance, and accountability, while immediately increasing their wages by 28%. The existing managers will become experienced management system designers and developers capable of creating much greater value for their current and future employers. And, depending on any direct involvement they pursue, the selected CEOs could increase their value as even-more widely recognised superior executives.

Furthermore, everyone involved is, in effect, enhancing the performance of the company’s current and future operations by updating the popular yet outdated concept of ‘managerial span-of-control’ (ie, conceived a century ago to manage task labour). ‘The top-down autocracy where managers would give orders to get work done is increasingly seen as a relic of another era. Today, managers are expected to provide guidance, apprenticeship, and expertise.’ [Source – McKinsey & Company (December 2017) How to Identify the Right ‘Spans of Control’ for Your Organization]

**Humaneering**

Humaneering technology obsoletes managerial span of control by improving the design of human work (ie, DesignedWORK™) and jobs (LoveableJOBS™) to a level of sophistication that does not need direct managerial control to achieve high levels of employee engagement and performance. Analysis of the managerial transactions in companies consistently reveal problematic situations that could easily be prevented with clearer description of the results required and better training on the work methods required. Even further performance improvement and employee retention is possible with a clearer representation of the substantive job features. [Note - See https://humaneeringtech.com/designedwork and https://humaneeringtech.com/loveablejobs]

In effect, much of the current organisational dependency on managers is designed into organisations even though businesses can operate more effectively and efficiently when such dependency is not required. This is a common result of using outdated technology and using design parameters conceived for an earlier generation of technology.

Though still in development, the new applied human science (ie, technology) of humaneering is now available free in beta form for application experiments large and small. This programme is managed by the Humaneering Technology Initiative and equips business leaders to experiment with humaneering prior to its yet unscheduled public release.

Managers can dramatically improve their decision effectiveness with experimentation.

**About the Author**

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With the advent of life membership we are attracting new members. There are still people who are engaged in management services who are not members and we would like them to join the Institute.

We can use our ‘direct entry’ route to fast track this and information is available from IMS HQ.

We very much hope that our existing members will make potential members aware of this option.

- Actively promoting the IMS in your place of work
- Encourage colleagues at work as well as professional and social contacts to join the Institute
- Refer potential new members to the Journal as an example of what the IMS is about
- Remind potential members of the benefits of IMS membership, eg education system, regional structure, recognised professional qualification
- Up to the minute information via the IMS Journal and website professional support
- Undertaking contract/consultancy work

**What Next?**

Contact the IMS for an application form

**W:** www.ims-productivity.com

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