

LEADING WITH AUTONOMY:

Building an Outcome Driven Workplace

Which direction has your organization gone or considered going post-pandemic? Full-time onsite (corporate headquarters or satellite location), 4 day workweek, policy-based hybrid (identified onsite/remote days), fully remote, or some other form of workplace flexibility?

Now think about some of the most fundamental and persistent workplace challenges: Attracting and retaining talent. Engagement and productivity. Creating a truly diverse, equitable and inclusive workplace. Each is uniquely difficult to solve. Something else to consider is, have we identified the root causes and taken effective action?

Many of the traditional approaches to solving these issues still focus on flexible work policies that begin with location and time. Social science continues to provide information that supports a non-policy based alternative solution to today's workplace challenges. A deeper understanding of autonomy, and how to use that knowledge to build work environments, is what's needed for the future-of-work.

To that end, we compiled this detailed and expansive guide about autonomy and its benefits to organizations, employees, and customers.

In this guide, you can expect to learn about:

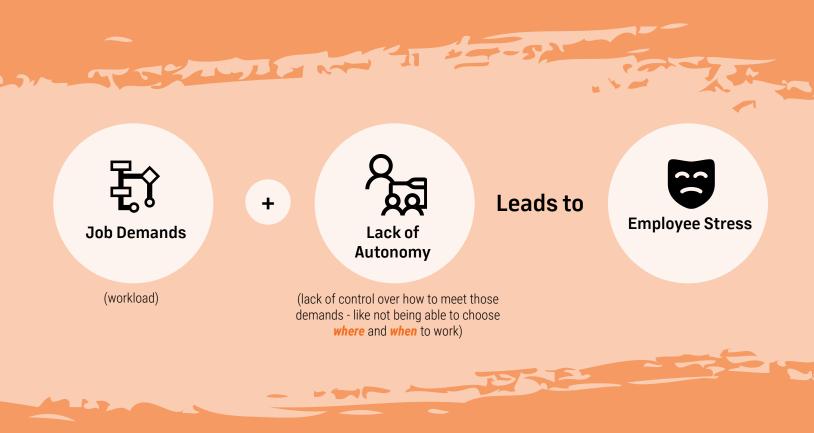
- An easily overlooked, critical factor of low engagement, stress, and workplace inequity.
- Why all of our seemingly innovative future-of-work solutions are not only status-quo, but won't bring us closer to solving our most persistent challenges.
- The secret ingredient to fundamentally transforming the world of work.

THE SOCIAL SCIENCE OF ENGAGEMENT

the fundamental flaws of the traditional workplace

Were you aware that social science first revealed the major setbacks of the policy-driven 9 to 5 workplace over four decades ago? It was back in 1979 that Robert Karasek first developed what's come to be known as the *Demand-Control Model of Job Stress*.

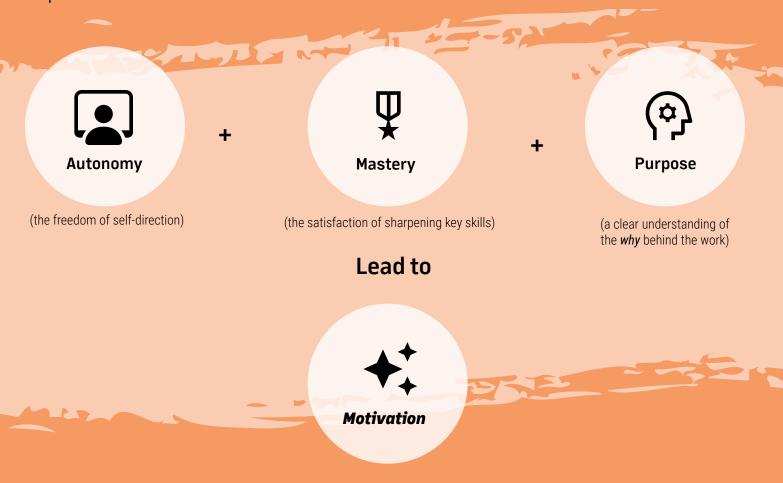
Karasek's model illustrates the idea that job demands alone are not the cause of employee stress. Karasek demonstrated that the true recipe for stressed-out, unmotivated employees was the following:



For too long, companies have been paying employees for their work <u>and</u> controlling where and when they do it. When viewed through the lens of Karasek's model, mass social trends like the "great resignation" and "quiet quitting" suddenly make a lot more sense.

Not only has social science unmasked the lack of autonomy as a key problem in the traditional workforce, but it's also supplied evidence that enabling it is at the heart of the solution.. Look no further than Richard Ryan and Edward Deci's *Self-Determination Theory* to discover why autonomy is an even more powerful motivator than financial rewards.

Or check out Daniel Pink, whose #1 New York Times **Best-Selling book Drive** draws on over five decades of behavioral science to identify the three keys to human motivation. Pink's book brilliantly breaks down the following recipe for success:



"Control leads to compliance; autonomy leads to engagement. Human beings have an innate inner drive to be autonomous, self-determined and connected to one another. And when that drive is liberated, people achieve more and lead richer lives."

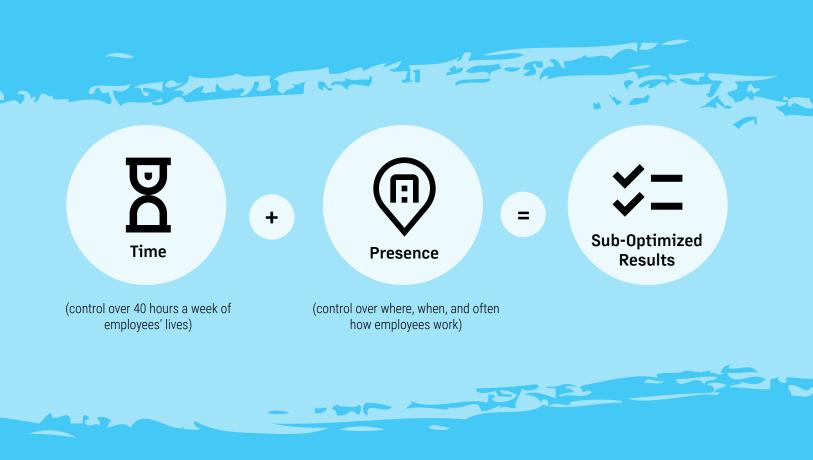
-Daniel Pink

Keep both equations in mind, because what we're going to share next is the overarching formula that enables them both.

THE INCOMPATIBILITY OF THE CURRENT PARADIGM

the terrible truth about the current future-of-work solutions

There's now more than enough scientific evidence to prove that autonomy and employee motivation are not only interconnected but inseparable concepts. Yet countless employers today continue to cling to an outdated workplace formula that goes a little something like this:



Think the formula doesn't apply to your company because of its generous 4-day work week or policy-based hybrid, or because you went fully remote or fully back in the office?

Let's take a closer look at three different employees who work for companies that have instituted some of today's most popular policy-based hybrid work programs. As you read each tale, see if you can identify which work environments have escaped the *time + presence = sub-optimized results* paradigm.



A) Condensed Work Week Walter

First, we've got Walter, who works as a media consultant at a top firm. Walter's firm recently announced that it planned to restore greater freedom to its employees by revamping its schedule to allow for Fridays off (aka - the 4-day workweek).

Now the company reasons, employees can enjoy the freedom to make doctor's appointments, get sick, or deal with unexpected weather disasters - as long as they do it on a Friday. Unfortunately, Walter's kid's tooth did not get the memo. Now, Walter Jr. is in unbearable pain on a Monday and really needs to see a dentist as soon as possible.

Head hung low, Walter humbly approaches his manager to ask *permission* to take a few hours off, assuring him that the interruption would not affect his workload. With a sigh, the manager tells Walter he'll be benevolent and allow it this time but that Walter should take pains in the future to remember that everyone is expected to show up when they are *supposed* to be there, and Friday is the day for personal matters...



B) Flexible Work Week Seeking Susan

Susan's hanging out in the breakroom of the tech company she works for when she overhears other employees talking about how certain teams are being granted flexible work schedules. Thrilled to hear that the company is allowing the option, she heads down to Manager Marvin's office to ask *permission* to enjoy the set-up herself. After all, she reasons that she successfully worked from home during COVID with no problems.

Unfortunately, her manager has other ideas and reminds Susan that each team has its own policies.

Seeing Susan's disappointment, the manager quickly casts the blame on HR, which has deemed Susan's team unsuitable to take advantage of the flexible work schedule the other team now enjoys. Susan leaves with her dreams dashed but determined to absolutely slaughter the other team in every single game at the next company-wide picnic.



C) Hybrid Home Office Howard

Howard works for the same company as Susan but on a team that was lucky enough to score **permission** from HR to work a few days a week from home. Thinking he's won the jackpot, Howard eagerly sets up his home office, where he'll be expected to plop into his swivel chair at exactly 9 am each morning and work until 5 pm.

This set-up is perfect, he reasons, as his wife recently had twins, and now he'll be no further than a room away if she needs help. But it isn't long before reality sets in, and Howard realizes that Manager Marvin is still monitoring his computer activity Big Brother style.

In the end, Howard ends up spending most of his days praying that the infant he's hiding in his lap won't wake up and blow his cover right in the middle of a Zoom check-in. Or that his company doesn't decide to invest in mouse jiggler detection software.



In the examples, which employee do you think successfully escaped the time + presence = sub-optimized results formula?

The correct answer is:

D) Exactly none of them.

Each and every one of the employees mentioned is still expected to work during a specific time (core hours), whether it be four days a week or five. They are also expected to be exactly where their boss tells them they should be during work hours, whether it be the company office or their home office. And if an employee wants to deviate, better get permission and inform the team (and get ready because here comes the judgment...).

While many companies are turning to "flexibility" as a solution, they're still failing to address the true heart of the problem. In the end, employees are still beholden to their bosses for permission on when, where, and often how they work - the exact opposite of autonomy (but the exact definition of flexibility).

POLICY-DRIVEN WORK ENVIRONMENTS

The social science is clear: autonomy and employee wellness go in hand in hand. The question is: Are companies that still lead with the time + presence = sub-optimized results formula going to attract and retain top talent, increase engagement and productivity, and create an equitable work environment?

Misunderstood Manager Marvin

You may remember Marvin as the villain of the tales of both Susan and Howard from above. Marvin is not only aware of his role as the bad guy in everyone's story, but it bothers him more than he'd like to admit.

He spends many of his days wishing his employees could see the real Marvin - the not-so-bad guy who enjoys long walks on the beach and baking casseroles with his family on the weekends.

Yet fate has cast him in the role of overseer, and he's bound and determined to live up to his own boss's expectations. Marvin's typical workload looks something like this:



- Make sure Susan and her team have yet to go rogue and join the quiet-quitting revolution.
- Try to ignore that Howard was blatantly bottle-feeding two babies during the last Zoom meeting.
- Devise a subtle way to spy on Alan in Accounting, who he's certain is playing online poker instead of crunching numbers.
- Order 20 pizzas to attempt to resurrect team morale with a surprise office pizza party.

See the problem here? Marvin's to-do list may include plenty of boxes to check, but do you know what's missing from all of them? Any real focus on the work itself. Instead of only managing work, Marvin is also managing people.

So busy is Marvin attempting to enforce control over a group of other full-grown adults that he has less time to focus on the work itself. With no crystal clear way to measure results or accountability, Marvin spends most of his time making sure other people don't waste the company's time – yet another concept he'd be hard-pressed to find a justifiable measure of.

A WORK ENVIRONMENT BUILT AROUND AUTONOMY

the right (and wrong) ways to adopt workplace autonomy

What We've Established - Time + presence does equal results, and...

- · Karasek's: lack of control leads to high stress
- Dan Pink: low engagement due to command and control
- Judgment when you don't follow the written and unwritten rules
- Loss of talent (high voluntary turnover rates)
- Difficulty attracting talent (perks war)
- Unrealized productivity
- Inequitable environment (entitlement culture)
- All hands on deck (busy employees) rather than everyone on point (successful employees)

Time + presence is the driver of the challenges above - it is the obstacle getting in the way of workplace transformation. Question: Why flexibility instead of autonomy?

That question brings into focus several obstacles to overcome, namely the psychology of change and the pathway of change. The uncertainty of how to build a work environment around autonomy can cause discomfort, fear, and reluctance. Questions about leading in an autonomous work environment, performance management, collaboration, the customer experience, all are possible concerns when facing an adaptive change.

This is where the contemporary formula we spoke about earlier comes in to replace 'time + presence = sub-optimized results' to create a true Outcome-Driven Workplace:

100% Autonomy

+

100% Accountability

Leads to



Creating an Outcome-Driven Workplace requires us to unplug from the matrix of the status-quo workplace paradigm (time + presence = sub-optimized results), and all of its policy-based solutions (all office, policy-based hybrid, all remote, summer Fridays, no meeting Wednesdays, late start Mondays, corporate office beautification, extra perks for those who commute to the office, etcetera). It's about putting the focus back on the work itself (managing work) instead of **how**, **when**, and **where** your employees choose to complete it (managing people).

Notice that the recipe for an Outcome-Driven Workplace includes autonomy and accountability in equal parts (100%). Sure, your employees will enjoy a whole new work-life blend that includes the freedom to work where, when, and how they want.

But they'll do so with a clear understanding of exactly what they need to achieve, and by when. In an Outcome-Driven Workplace, Manager Marvin will suddenly start to be far less misunderstood as his focus shifts from managing people, to managing work.



Marvin will enjoy the freedom to collaborate with his team and the individuals around the measurable results they'll need to achieve, and by when. He can then step into the role of coach rather than manager, making himself responsive to their needs when they arise. Suddenly, Susan's wrath begins to evaporate as Marvin transforms from a bad guy to an ally.

In an Outcome-Driven Workplace built on a foundation of accountability and autonomy, labels begin to disappear right alongside judgment and office politics as the focus is placed squarely on outcomes. As employees realize there's no need to sacrifice personal need for professionalism, each begins to enjoy the freedom to make smart choices about how to approach their lives, which includes work, each and every day.





Unfortunately for Alan in Accounting, the paychecks will stop rolling in just for showing up and sitting at a desk for 40 hours a week (or keeping his light green from home). While Alan can knock himself out with as much online poker as he wants, if he fails to achieve the results expected of him, he'll be in need of a new employer before long.

At CultureRx, we're the founders and leading experts in the Outcome-Driven Workplace known as The Results Only Work Environment® (ROWE®)

We have been guiding organizations into 100% accountability and 100% autonomy for almost two decades. The results have been nothing short of amazing.

Here are just a few examples of just how far autonomy can go when it comes to completely transforming a company and the lives of its employees:

Autonomy and Employee Engagement

"ROWE has been tremendous with regard to allowing my team to have autonomy in what we do and building a culture of trust and accountability. All they have to do is make sure they're delivering results."

-GAP Brand

Autonomy and Employee Engagement

"In a traditional work environment, I found myself at the mercy of someone else's schedule and often had to miss (or be late to) my son's after-school activities. ROWE allows me to maintain my priorities. I work more, and I work harder, but I do it on my schedule—so I feel great about it."

- MOJO Media employee

Autonomy and Employee Motivation

"Now that I am employed with a ROWE-certified company, my work revolves around MY life. I can be creative, motivated, and driven when I feel creative, motivated, and driven. Creating my own work schedule has been very empowering and has had a very positive impact on my attitude towards work as well as happiness in life."

- JL Buchanan

Autonomy and Employee Motivation

"Following ROWE training and subsequent organizational certification, [we] are now averaging a 90% on-time delivery rate, a 20% increase."

- Dynatronix

Ready to ditch your policy playbook, attract the talent your organization needs, and transform the employee experience?

Sure you are, and CultureRx is here to guide you along your journey!



Building a workplace around AUTONOMY and becoming an OUTCOME-DRIVEN Workplace of choice begins with <u>contacting CultureRx today</u> to book a call with a ROWE Adaptive Change Specialist. We'll discuss how we can help you join the ranks of ROWE-certified employers who have enjoyed results like:

2X the revenue in 4 years 15% the annual business growth

23%
less business expenses

94% increase in net income

50%ROI from reduced turnover rates

Still unsure about taking the next steps toward becoming an Outcome-Driven Workplace of accountability and autonomy? Then the following two pages are for you. They include recommendations compiled from our almost two decades in the business of adaptive change management.



"Control leads to compliance; autonomy leads to engagement."

Give yourself this simple audit to get a sense of how close you are to command & control vs. autonomy by answering the following questions:

- Do we have expectations around where employees work?
- Do we have expectations around when employees work and when they need to be available?
- Do we have expectations around how many hours employees work?
- Do employees have to ask permission to deviate from the expectations above?
- Do employees communicate when they will and will not be available?
- Do people feel guilty if they don't put in full time hours on any given day?
- Do people avoid deadlines with "asap," "sometime next week," or "when you get a chance" language?
- Are some meetings mandatory?
- Is there a belief that we're just more productive and collaborative when we're physically together?

Yes to ANY of these questions indicates a culture with command and control as a foundational operating principle. If you want to get the most engagement out of your workforce, it's time to explore ways to shift towards autonomy.



Tips for shifting towards autonomy (boost engagement, decrease stress, create an environment that attracts and retains top talent).

- Autonomy is chaos without accountability. People need to be crystal clear on the outcomes they need to achieve and how those outcomes will be measured to indicate success. If everyone isn't 100% clear on the measurable results that prove they provide value to the organization, this must be your first step.
- Manage the work, not the people.
 - Do not focus on, or micromanage work location. If employees are clear on the measurable results they need to achieve, then they will have all they need to make smart decisions on which locations serve them best. Sometimes it might be the corporate office, sometimes it won't be. Locations are like tools they help employees achieve results. Nobody would tell a mechanic that "Monday is a hammer day, and Tuesday is a wrench day," so stop doing that.
 - Do not focus on, or micromanage when or for how long employees are working. You're not paying them to "work." You're paying them to achieve results, which sometimes takes many hours, and other times take fewer. The point is that the result was achieved, not that the time was "worked."



We are here to help you decide whether to fully **GOROWE** or take a measured step with our pilot program.

Contact CultureRx and tell us about your needs and goals so that we can better guide you on your journey of becoming an Outcome-Driven Workplace built on accountability and autonomy.