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REVIEW



***The Future
of Work***

JUNE 2022

EDITORIAL



Over the last two years, we've drastically changed the way we work. We've gotten used to working from home, to attending meetings virtually, to doing laundry or going for a run during the day: habits we are unwilling to relinquish as the office opens back up. While working remotely has become the norm, staying connected with remote colleagues remains a challenge. We also increasingly want more from our work than a paycheck - we're searching for autonomy and for a sense of meaning from what we do. It's not only our working habits that have changed - the world is going through a social and environmental transition, and the jobs of tomorrow need to address emerging challenges.

The past few years have demonstrated just how quickly individuals, companies, and societies can adapt to new ways of working. This adaptability is a critical skill for our changing world. As the COVID-19 pandemic subsides, we're all wondering: what's next for the world of work?

At ESSEC, we do more than wonder what the future holds - our professors conduct cutting-edge research on topics pertaining to the world of work. In this issue of the ESSEC Knowledge Review, professors working in the fields of management, public policy, information sciences, and economics share their research and insights. Their work touches on a wide variety of topics, ranging from how to stay connected with colleagues when working remotely, the future of green jobs, bossless organizations, women in the workplace, meaningful work, customizing your career, and more. These expert analyses cover various aspects of the future of work, from jobs of the future, to the employee experience, to organizational design.

The world might be in flux, but we know one thing for sure: there's no going back to business as usual. It's time to "Enlighten. Lead. Change." and imagine the future of work together.

Julia Smith, *Editor-in-Chief of ESSEC Knowledge*

TABLE OF CONTENTS



HOW TIME DIFFERENCES IMPACT GLOBAL TEAMS

Sen Chai

Management



STAYING CONNECTED WHILE WORKING REMOTELY

Anca Metiu

Management



THE BENEFITS AND LIMITS OF EMPLOYEE SELF-SELECTION IN ORGANIZATIONS

Maciej Workiewicz

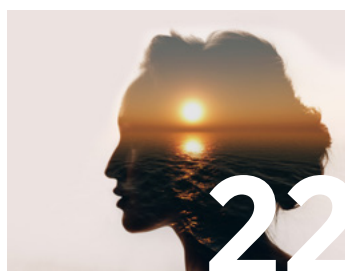
Management



THE PURSUIT OF BUSYNESS

Ioana Lupu

Accounting and Management Control



HOW BEING PROACTIVE CAN HELP YOU FIND MEANING AT WORK

Karoline Strauss

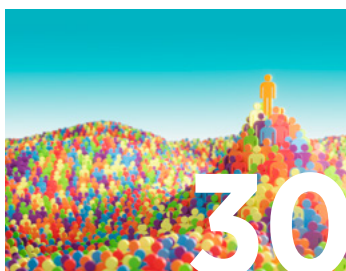
Management



CREATING THE CAREER YOU WANT: THE CUSTOMIZED WORKPLACE

Hamid Bouchikhi

Management



NOVELTY VS. PRACTICALITY IN INNOVATION COMMUNITIES

Harris Kyriakou

Information Systems,
Decision Sciences and Statistics



DIGITAL INNOVATION AND ORGANIZATION DESIGN

Pooyan Khashabi

Management



INFORMATION MANIPULATION OR INFORMATION REVELATION

Gorkem Celik

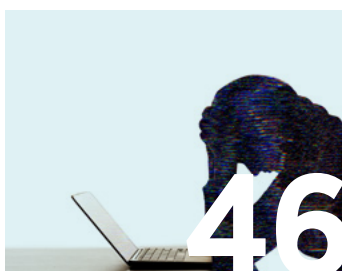
Economics



GREEN JOBS OF THE FUTURE

Stefan Gröschl

Management



WHAT WOMEN WANT: AS LEADERS AND PROFESSIONALS

Viviane de Beaufort

Public & Private Policy

HOW TIME DIFFERENCES IMPACT GLOBAL TEAMS



Sen Chai is Associate Professor of Management at ESSEC Business School. Her research examines the entire developmental course of creative innovations from idea conception to commercialization, with the goal of helping managers and policymakers avoid failures and errors, better support innovation and increase organizations' chances of creating commercially successful ideas.

Thanks to COVID-19, more of us are working at home than ever before. This has its perks, like two-second commutes and athleisure as workwear, and its challenges, like wobbly Wi-Fi connections and staying connected with colleagues. Remote work also means that many of us are now working in different cities than our colleagues, sometimes in different time zones. Organizations are increasingly turning to global teams whose members are both spatially and temporally dispersed, located in different areas and time zones. The rise of global teams means it is critical to understand the dynamics of remote teamwork and how we can work well with our colleagues when they are scattered across the globe. To that end, Sen Chai, Julija Mell (Rotterdam School of Management) and Sujin Jang (INSEAD) explored the role of temporal brokers in global teams and how being a temporal broker impacts team coordination and individual performance.

Just what is a temporal broker? Consider the following situation: you are currently working from Paris with two members of your team in Singapore, managing a seven-hour time difference. You also have three colleagues based in

Montreal - a six-hour time difference with you and a thirteen-hour one with the Singaporean colleagues. While you interact in real time with both the Montreal and Singapore contingents, they rarely interact with each other "live". As a result, you fall into the role of temporal broker: the person that bridges the subgroups that have little to no temporal overlap with each other. While it's not a formal role, the person in that position tends to do more coordination work than their team members, incurring a heavier workload. Despite this, being a temporal broker can be beneficial: the researchers found that temporal brokers tend to produce higher-quality work. How exactly does this play out?

Temporal distance, i.e. time differences, mean that team members are less likely to engage in synchronous communication, because their workdays are less likely to overlap. While we have a plethora of communication tools at our fingertips, a lack of synchronous communication, such as video conferencing or instant messaging, poses a challenge to building the shared mental models that are essential for collaboration. This means that virtual, temporally-



dispersed teams can experience coordination issues. It also means that members will experience the team differently, based on where they're located compared to the others: in other words, the temporal broker will emerge. Dr. Chai and colleagues say, "We find that they tend to engage in conduit brokering: coordinating sharing information and knowledge within the team." For example, our Paris-based employee has a morning meeting with Sam in Singapore and later debriefs Marie in Montreal about the meeting in the afternoon, once Marie has started her workday, by which point Sam has logged off. To prevent miscommunications and share information more quickly, Pierre in Paris increasingly takes on this kind of task to make sure the team runs smoothly and everyone is on the same page. Pierre is now a temporal broker.

There are a few characteristics defining a temporal broker. The first is that they are in a team with shared goals and knowledge of one another (so even if Marie and Sam have never met, they know the other exists and communicate independently of Pierre) and the second is that while the temporal broker can't change the temporal overlap, they can


act as a go-between who passes along information. Even though the others can communicate asynchronously, the ability of the temporal broker to communicate in real time with the others can boost the alignment of the team's mental models. These shared mental models are critical in developing strategies for achieving the team's goals, so dispersed teams may struggle to agree on a strategy in their absence. The temporal broker, exposed to the ideas and opinions of different subgroups, is in a position to be able to integrate their perspectives and clarify misunderstandings. The temporal broker, exposed to the ideas and opinions of different subgroups, is able to integrate their perspectives and clarify misunderstandings.

Much of the existing research on global teams has focused on cross-cultural differences or working virtually, with less attention paid to how time differences impact teams. Dr. Chai and her colleagues focused on the structure of the team, specifically on their temporal dispersion. They looked at thousands of people participating in global student project teams and global academic research teams, examining the emergence of temporal

brokers and uncovering both positive and negative outcomes of being a temporal broker. They found that people in temporal broker positions did indeed take on more coordination work than their teammates, and that this increased coordination effort led to an increased workload. Since temporal brokerage isn't an official role - indeed, people may not even consciously be doing it - temporal brokers aren't excused from other projects or given accommodations, so they might spread themselves thin as a result. On the bright side, the researchers also found that temporal brokers demonstrate more integrative complexity, meaning that they are able to recognize and integrate different outlooks on an issue, thanks to their exposure to their teammates' varying perspectives and the necessity of integrating them to build the shared mental models.

Delving deeper, the researchers looked at participants' output as a whole, finding that these outcomes impact more than just their work in the team. While temporal brokers tended to complete fewer projects due to the increased workload and strain on their resources, the projects they did complete were of higher quality.





demonstrates that while being a temporal broker takes time and effort, the exposure to others' viewpoints and flexibility boost one's own performance.

Virtual work and dispersed teams have exploded over the past couple of years thanks to COVID-19, and global teams are unlikely to go away any time soon as organizations seek to cut labor costs, boost flexibility, and hire specialized skill sets. This means we need to understand how being in a different place than your colleagues impacts both the team as a whole and team members individually. With their research, Dr. Chai and her colleagues demonstrated that global teams tend to feature a temporal broker who connects dispersed teammates, and that temporal brokerage impacts both the team's coordination and the individual's productivity and performance. By understanding how global teams operate, we can better function in them and make the most of virtual work, for ourselves and for our teams. ■

*Written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge*

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STAYING CONNECTED WHILE WORKING REMOTELY



Anca Metiu is Professor of Management and was previously Associate Dean for the Ph.D. Program (2015-2021). Anca studies the dynamic processes through which teams and individuals engage in knowledge work. She is particularly interested in distributed and developing world work contexts, and in the work practices of new generations of workers. Her work has been published in journals such as: *Administrative Science Quarterly*, *Organization Science*, *Organization Studies*, and *Oxford Review of Economic Policy*. Her book *"The Power of Writing: From Letters to Online Interactions"* was published in 2012. She earned a BA in Law and Economics from the University of Sibiu, an MBA at the University of Illinois in Urbana-Champaign and a PhD in Management from the Wharton School of the University of Pennsylvania.

The past two years have proved the impressive adaptability of people, companies, schools, and societies in general to big, abrupt changes. At the onset of the COVID-19 pandemic, office workers around the world abruptly packed their essential materials, carved a work space in a corner of their home, scribbled "ON AIR" on a sheet ready to be pasted outside their improvised office's door, and started working remotely with colleagues they were used to seeing in person. Even taking into account those who already worked remotely part-time or on occasion, the speed of adjusting to working 100% remotely was remarkable. Despite being physically separated, we've taken advantage of the abundance of technology at our fingertips to feel close to colleagues, managers, and friends.

The same goes for students and faculty in universities around the world. Faculty migrated in mass to online teaching virtually overnight. For some, it was the first time they delivered their courses online. Students, more familiar with technology but still used to seeing their teachers in the flesh, were equally, if not more, quick to adapt. Students' transitions often came in difficult circumstances, such as in a tiny room

in a student residence, far away from family and friends or in their homes, in spaces ill-suited to academic work, with stress about their job prospects in the post-pandemic economy looming over their new learning environment. Many students went from living on campus or close by to living with their families again, often far away from their peers and professors, sometimes in different cities, time zones, or even countries. Despite these challenges, students participated fully, even enthusiastically, in the new online courses.

Formal meetings became a row of faces on Zoom, Microsoft Teams, or Google Hangouts. Informal encounters, long thought to be key to innovation, disappeared. And still, work is getting done, projects are advancing, and new ideas are springing up and being implemented.

Furthermore, as several recent studies have found, remote work is as productive, if not more productive, than collocated work.¹

Given these findings, it's no surprise that many of those who have gotten used to working from home over the past two years do not want to return to the BC



(before COVID-19) world. Their work gets done and they find a better work-life balance, with more time for their family and friends.

How is this possible? How is it possible to feel so close with people who are so far away?

Clearly, when faced with a dangerous situation, people prove to be remarkably resilient, flexible, and resourceful. Very likely, the pandemic accelerated trends already deep at work in organizations and societies. The omnipresence of technology, combined with the urgency to protect human lives, led to a leap in adopting new work practices. Both explanations are reasonable. They are also compatible with the results of a study in which I examined the factors that make people feel close to faraway colleagues.

My research identifies specific factors that help explain the speed and smoothness of the adaptations to remote work. Together with my co-authors, Michael Boyer O'Leary (Georgetown University) and Jeanne Wilson (The College of William & Mary), we used the term perceived proximity to designate the feelings of

closeness between co-workers, both collocated and remote.²

In the BC (before COVID-19) world, our study showed that the real (physical) distances between colleagues (objective proximity) actually had generally weaker or mixed relationships with feelings of closeness (perceived proximity) – and no effect on relationship quality. In other words, on average, people felt as close to their remote collaborators as they did to collocated ones.

A few years ago, those findings were surprising. Nowadays, they seem premonitory.

We also found that people develop feelings of closeness with distant others when they communicated, via technology, to uncover deep similarities, and to develop a pool of shared experiences. While it may seem impersonal, technology can be used to build community and connections: think of the popularity of dating apps and social media. It makes sense that technology can also be used in a workplace setting to stay connected (in both senses of the word) to our colleagues, despite being physically distant.

These findings help explain the speed and effectiveness of the adaptation. In the first weeks of the lockdown, co-workers relied on an existing pool of shared experiences, and students often knew one another from around campus. Further, we shared the strangeness and stress of adjusting to the new normal.

Now a new challenge has emerged: with the pandemic winding down, many employers are ignoring the fact that their companies functioned well in remote work mode, that the productivity was better than expected, that people experienced a better quality of life, with less time commuting and more time for themselves. These employers are pushing for a return to the old ways of doing things. They declare (and impose): it is time to go back to the office! Their assumption is that once all in the same physical space, we will frequently share knowledge – in reality, working in these shared spaces often involves workers wearing headphones and barely communicating!

How can these two trends be reconciled to satisfy the needs of employees and employers alike?

My recommendations:

1. Continue trusting your employees.

The pandemic proved that employees can be trusted – both in crises and in normal times. Most of the adaptations to the COVID-19 crisis were done individually, albeit with the guidance of hierarchical superiors and the technical assistance of IT colleagues. But we can agree that the switch to online work was largely due to individual efforts, initiatives, and ideas. People value this autonomy that makes them feel valuable – and when their efforts are recognized and praised, also valued. They want to maintain this autonomy, so far touted as the prerogative of an elite, the white-collar workers. Managers will have to hold open frank discussions about how employees see the future of work and about the practices and lessons from the crisis period worth maintaining in a – hopefully – calmer future.

A related recommendation is that there is no reason for not extending this invitation for frank discussions about the desired way to accomplish one's work to employees who did not switch to remote work because of the sectors in which they operate. Cashiers, nurses, doctors, drivers, cleaners, and other essential workers have all adapted to working in dangerous conditions. They did so without so much as a murmur. With increased danger comes increased responsibility and dignity. Let's acknowledge that this dignity includes the right to have a say in the way their work is organized and executed.

2. Switch from a control mode to a support mode.

The first recommendation complements the first: acknowledge that not all is calm on the remote work front. For some employees, the home front can be a huge source of stress, due to cramped lodgings, home-schooling, and even domestic violence. The social isolation during the pandemic accentuated troubling trends in teenagers' mental health too, which profoundly affects families.³

While it is not managers' responsibility to resolve such issues, being attentive to employees' unique needs, adjusting schedules so as to help alleviate the stress when possible, and lending a friendly ear can go a long way in helping a person under strain.

One way to do this would be by encouraging people to join virtual meetings early and leaving time for socializing at the end. This gives people the opportunity to have informal discussions. Another, more proactive way, is to offer to listen to those who need it.

3. Ensure congruence between remote work and other organizational practices.

In any given organization, there are a multitude of practices being implemented, changed, dropped. Remote work is only one of these practices, and it needs to be congruent with the others. Take agile methods, for instance; a 2018 McKinsey study⁴ found that 74% of the firms surveyed were prioritizing the transition to this system, which emphasizes rapid change, teamwork, flattened hierarchies, decentralized decision-making, and temporary, project-based work.⁵ These practices, when combined, may lead to undesirable outcomes. For instance, a recent study found that IT employees in an "agile" work design setup were discouraged from remote work because of their work's oral nature (as opposed to written) and physical orientation, as people work in close proximity. Furthermore, women preferred remote work even when their managers did not support this choice.⁶

We suggest auditing organizational practices to identify points of friction and how to address them.

4. Think creatively about creating opportunities for dispersed teams to bond.

It's important to make time to identify, learn, and discuss areas of common ground because this creates a basis for trust and strong relationships. Thus, teams must fight the tendency to be hyper-task-focused: people need the opportunity to identify deep similarities (attitudes toward work, reliability, values) as opposed to surface similarities (demographic characteristics). What matters is that the technology enables the creation of vivid images of the faraway others, it reduces uncertainty about the others' work, and helps envision the other's context. For example, managers could implement regular virtual "coffee breaks", where team members have the chance to chat about both work and non-work subjects much as they would in person.

Managers may also want to encourage people to use Zoom working together in silence – the presence of others focused on their work helps us stay focused on ours. Such practices may also be conducive to casual conversations and quick questions. An initiative like this would need to be implemented carefully and with the recognition that not everyone may be comfortable with this, but it could be a means to foster the "closeness" that develops naturally when sharing an office with someone.

5. Overcommunicate in predictable, regular ways.

This may seem painfully trite, but I see the volume and predictability of communications as a major lesson (from our work and others) to combat fuzziness surrounding role clarity and the tendency to make faulty attributions, and to keep conflicts from escalating.

Furthermore, with time and with inevitable turnover, the loss of context will increase, with negative effects on collaboration and morale.



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There's nothing worse in remote work than asking team members for their input and then not hearing back from them. *Did they not like my idea? Are they swamped with work? Are they on holiday? Or maybe something's really wrong there? I don't recall any big news stories, but maybe I missed something....* You get the idea. This can be especially complicated given the particular conditions of the crisis, such as partial unemployment and home-schooling, that mean people may be on different schedules. Under these conditions, it is all too easy for messages to fall through the cracks, especially when you don't see colleagues in the hallway to jog your memory.

How can we avoid playing a game of Broken Telephone? One way to do this is by establishing regular calls as a larger group and in smaller breakout groups, where all members share what they have been working on and people have the opportunity to ask questions or make comments. Regular meetings will

also ensure that team members have a sense of each other's workloads, holiday time, etc., to reduce the possibility that wires get crossed. Managers should lay out the infrastructure for how communication will take place.

To (attempt to) coin a phrase, it's not so much absence or distance that matters as it is silence. As Daniel Barenboim, the great conductor, says when discussing Wagner, "Sound tends to go to silence, unless it is sustained."

In times of crisis, people tend to learn a lot about themselves and about the world. The lessons from the current crisis will continue to be revealed over time, but we know one thing already. While we may not be in the office with our colleagues every day, sharing offices and chatting by the coffee machine, we can still nurture our relationships and work together productively. In other words, we could be faraway, and yet feel so close. ■

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THE BENEFITS AND LIMITATIONS OF EMPLOYEE SELF-SELECTION IN ORGANIZATIONS



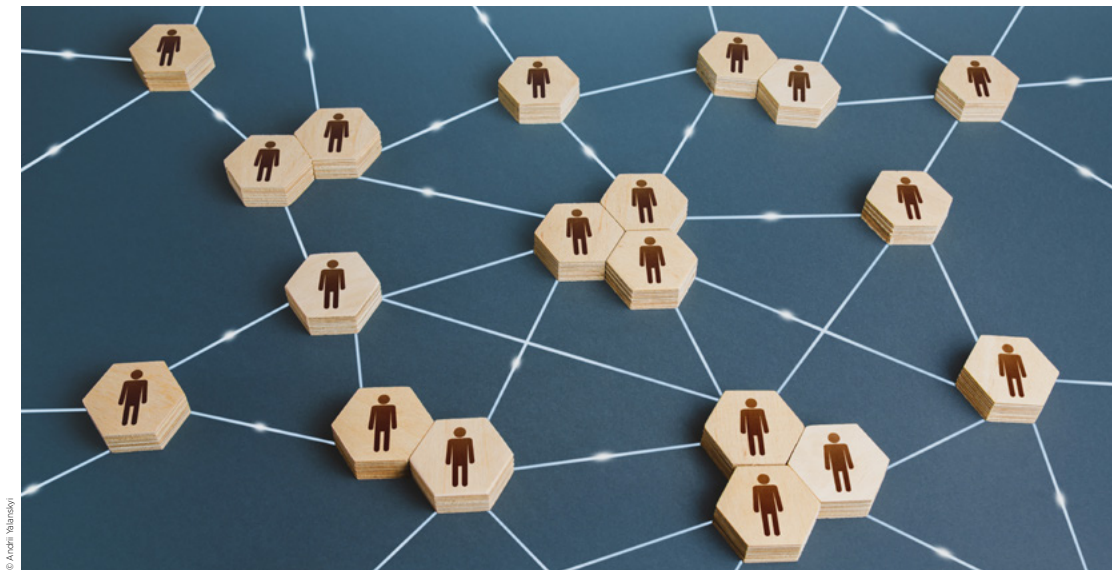
Maciej Workiewicz is Associate Professor of Management at ESSEC, where he teaches strategy and strategic management courses in the school's Masters in Management, GMBA, and Executive programs as well as strategy, organization theory, computer simulation, and machine learning in the school's doctoral program. In his research, he focuses on how organizational structure influences the way companies adapt to industry change and innovate. His research has been published in the *Strategic Management Journal*, *Organization Science*, *Journal of Organization Design* and the *Journal of Management Inquiry*. Before joining ESSEC in 2016, Dr. Workiewicz received his MBA from INSEAD, and later earned a PhD in Management (Strategy) from the same school. Prior to INSEAD, Dr. Workiewicz worked at Deloitte in Canada and at Siemens in Germany.

What is a bossless organization? These are companies where employees do not report to managers on a daily basis and instead can autonomously choose the projects and people that they work with. Maciej Workiewicz (ESSEC Business School) and Harsh Ketkar (Bocconi University) explored why those forms exist - in other words, the reason we see those types of companies in the real world. There are many companies that have implemented this form either on a full time basis, like Valve or Morningstar, but there are also some companies that allow employees to work part-time without managerial supervision, like Alphabet (formerly Google) or Preferred Networks, a Japanese AI company, which allow employees to spend part of their time pursuing anything they want.

Why bossless organizations?

The inspiration for this research project was a company called GitHub. I've come across this company in my previous research: it is a place for companies and individuals to store, manage, and share computer code. This company, currently owned by Microsoft, used to operate as a

bossless organization. Initially, they could pick the project they wanted to work on and as long as they found another engineer willing to join them, they were free to initiate this project and to work on it full time. The company was very proud of this approach, and it has advertised the bossless model at many conferences, blog posts, and videos online. Their headquarters in San Francisco reflected the company's values. The main entrance to the office, where the secretaries sat, was modeled after the Oval Office in the White House. The purpose was clearly to show the visitors that hierarchy didn't exist at GitHub and only meritocracy ruled. However, the company then very abruptly changed its operating structure under the new CEO and switched to a traditional hierarchy with project managers and other traditional rules. This made us wonder: why did this happen? If the format was so great and nothing really changed substantially in the company's environment, why did this company decide to abandon something that they long cherished? That became the prime motivation to more formally explore the potential limits of bossless organizations, and the reasons why it might be difficult to scale up.



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The challenges of bossless organizations

We focused on one specific mechanism, namely an organization's ability to manage the allocation of its employees, its talent, to available opportunities. For a successful allocation, one needs to do at least two things well. First, someone needs to evaluate the value of each opportunity as accurately as possible. Would the company make money by exploiting it, and how much if so? Second, the company then needs to classify available opportunities from the best to the worst, and allocate resources in a way that maximizes the benefits from pursuing the best opportunities first. Companies can do this either by giving the right to allocate employees to a manager who identifies and evaluates the opportunities and allocates employees to them, or it can give the authority to the employees themselves. We decided to examine the conditions that favor the first approach or the second approach. We focused on one key variable, namely the amount of resources that the company possesses relative to the opportunities that are available for it to pursue. This was because we wanted to see how the effectiveness of each approach changes

as the company grows and the available resources multiply, which is usually what happens when the company scales up following its initial success. What we have found in our analysis is that initially when a company has very few resources relative to opportunities available to it, think of a promising startup, the bossless approach is the best. In other words, when there are very few employees in the organization, it is best to give them the authority to initiate and develop new products and services. However, as the organization grows and acquires more resources, or perhaps because of the maturity of the industry and a shrinking number of new opportunities, the hierarchy with a traditional manager performs better.

Computational modeling: an innovative approach

To explore this, we used a computational model that allowed us to model an organization with its employees in a digital laboratory. This is a common method in situations where it is difficult to collect data that precisely captures the structure of the organization among many possible company sizes and

environments. In research on the role of organizational design, this is very often the case. Researchers struggle to collect enough high quality data to run strong analyses that can produce generalizable (widely applicable) findings. We can either find very detailed information on one or a small number of organizations which are willing to cooperate with the researchers, or we can find information on many organizations that is very general and does not allow us to really see inside of the organizations to identify their organizational structures. Computational models allow researchers to bridge this gap and examine mechanisms that would otherwise be difficult to identify and evaluate.

Takeaways for managers

- This work alerts managers to the importance of seeing the balance between available resources and available opportunities as an important factor in determining which organizational structure the company should implement.
- It also shows the importance of constantly evaluating the fit between

organizational structure and the environment in which the organization operates, including the number of resources at the disposal of the organization. The approach that may work early on in a company's history may be the source of its failure later on.

- We also reviewed several popular policies that companies implement to manage resource allocation. We looked at a policy that allows employees to abandon a current project and join a new one, imposing a minimum profit threshold on the project, requesting a minimum number of employees that need to support a project proposal, giving a manager veto rights over projects proposed by employees, and giving managers additional incentives to carefully evaluate projects. We found that the effectiveness of these policies depends on the balance between the available resources and opportunities. Again, the balance between resources and opportunities is key.

Is the bossless company the future? What does the future hold for bossless companies?

The mechanisms we identified are not the only ones that play a role in the successful operation of a company, so it is difficult to give a definitive answer. However, these findings suggest that with the increasing importance of knowledge work, many organizations should consider implementing this format at least in parts of the organization where many promising opportunities exist and where there are only few resources to pursue them. Other research that I am currently working on suggests that organizations may see

increased use in the future with the proliferation of remote work. We are likely to see flatter and less hierarchical organizations in the companies in the future, and this is a very promising area for research. ■

*Written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge*

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THE PURSUIT OF BUSYNESS



Dr. Ioana Lupu is Associate Professor in the Accounting and Management Control department. Her work has received commendations such as: Faculty Transnational Research Best Conference Paper Award and Best Conference Paper Based on a Dissertation Award. She has published in *Organization Studies*, *Human Relations*, *Harvard Business Review*, *Critical Perspectives on Accounting and Accounting, Auditing and Accountability Journal*. Currently, Ioana is working on projects exploring control, identity, temporal experiences, body and compulsive behaviours in knowledge-intensive firms (audit and law firms). More recently, she examines how the COVID-19 pandemic shapes work in audit firms and hospital settings.

I get a buzz out of working hard. In fact, when I don't have deadlines, I get bored. I'm much less productive because I like working on adrenaline. [...] I get a buzz out of it, that's why I do the job that I do. I like it (Eric, director).

While we all enjoy our weekends and downtime, many of us tend to pack our calendars full of meetings and projects, even if this means more work. Why do we do this to ourselves- what makes us want to keep busy, even if it takes a toll on our wellbeing? Ioana Lupu (ESSEC Business School) and Joonas Rokka (EMLYON Business School) found that how people experience time control at work (overused - balanced - underused) impacts their perceptions of busyness. In order to explain professionals' attraction toward busyness (for an illustration, see the opening quote), the researchers propose the concept of "optimal busyness", a specific kind of attractive and energizing temporal experience that professionals search for because it makes them feel energized and productive as well as in control of their time. This study shows that employees' experience of optimal busyness gets them seduced into believing that they can control the temporal demands of

their work and so they inevitably end up working more than they should.

Organizational control of time

Managers trying to motivate their employees is nothing new, and neither is their use of strategies to keep people in line with the company's goals. These strategies aim to manage their performance and their adherence to temporal norms like long working hours and strict time management. Examples include performance evaluations, coworker actions, and productivity technology. These impact how employees manage their time, and can encourage a poor work-life balance. They can also be hard to resist, so employees end up conforming. On top of that, they can shape how people experience their work time, making them feel temporarily invigorated and leading them to chase that feeling. The researchers set out to explore how exactly professionals experience their work time, as a result of the action of organizational controls, a previously unexplored aspect of the literature.



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A study of busyness

Lupu and Rokka's interviews with professionals were particularly focused on how people went about their daily activities and how they structured how much time they spent on those activities. To explore employees' relationship to busyness, they compiled a dataset consisting of 146 interviews with 81 professionals, over 300 weekly diaries, fieldwork observations, and archival data like internal HR documents. The combination of these four data sources formed a thorough dataset of both the professionals' experiences and the firms' practices.

Participants were employees at a global auditing firm and a law firm based in London: fast-paced settings where long hours, intense work, and billable hours are the norm. They spoke about the highs and lows of their careers and personal lives, explaining how they coped with the numerous deadlines and the fast-paced work-rhythm, how they felt during busy vs. quiet periods, and about the different factors impacting their stress levels.

Busyness as a result of organizational controls

Busyness was a recurring theme in the interviews. The researchers also noticed a perplexing pattern: even when people felt their work-life balance was off, they still preferred busy periods over quiet ones. From this, they identified three key temporal experiences: quiet time, optimal busyness, and excessive busyness. Organizational conditions shape these experiences.

To understand how exactly organizational conditions linked to professionals' temporal experiences, they explored the "temporality of controls": the structuring, rarefying, and synchronization of time. Structuring time refers to how professionals' time is organized: here, they looked at deadlines and time sheets. These shape how people allocate and account for their time - and even justify their worth, since if they meet deadlines and bill more hours, they're seen more positively and as more valuable. Time sheets also encourage people to minimize the time they spend on non-billable hours, such as training.

Rarefying time makes time feel scarce and fosters a feeling of urgency. They

focused on this construction of urgency and short-term deadlines, and on "temporal intensification", meaning people work faster and faster to squeeze in more work. These contribute to a focus on the here and now, rather than a feeling of long-term value creation and planning.

Synchronization of time, the third way that temporality of controls plays out, that is aligning organizational and individual time experiences, manifests through attuning and time collectivization. Attuning means getting employees on board with the work rhythm: for example, providing laptops and phones to make sure people are constantly connected. Time collectivization means creating a shared experience, like sacrificing one's time to achieve a common goal. By creating this shared higher purpose, team members bond and a time management norm is born.

The use of these controls influences employees' perceptions of their activities, resulting in the aforementioned periods of quiet time, optimal busyness, and excessive busyness. The key here is that employees' experiences will differ based on their own perceptions of the controls. When they feel like this



control is overused, it leads to excessive busyness (high levels of the three controls), and individuals feel fatigued, less productive, and note higher work-life conflict levels. When they think that control is underused (weak levels), they experience a period of quiet time, and feel less productive, bored, and anxious, though with less work-life conflict. And like Goldilocks, when they see control as balanced (moderate levels of all three), their temporal experience is “just right” and they experience optimal busyness. People tend to oscillate between the three states and the accompanying emotions. Participants also noted that the periods of busyness were best when they were short and that there was an end in sight- and long quiet periods also made people feel anxious and bored. This suggests that organizational controls still had an impact even when they seemed less present, such as in quiet periods.

Professionals also try to shape their own temporal experience to achieve this state of optimal busyness, since it feels energizing and productive and they feel in control - but this is a flawed approach and can lead to overwork in the attempt to hit the sweet spot. They do so by a process called control of temporality, which involves changing their pace, the target of their focus, and the length they see the busyness being. By pushing themselves to work at a faster pace (including using coffee or other substances), focusing on the short-term, and telling themselves the busyness will be short-term, they try to continuously recreate the optimal busyness state.

What can we learn from optimal busyness?

How do organizational factors impact how professionals view their time when

busy, and how do they react to their experiences? The researchers found that organizational controls influence employees’ temporal experiences by structuring, rarefying and synchronizing time. When employees experience a balanced level of all three, they experience an optimal busyness state. This indicates that they feel adequate organizational pressure to perform and that this pressure is not overwhelming and at the same time they still feel in control of their time.

Professionals also tend to replicate this themselves by modifying their own behaviors.

While this optimal busyness can lead to positive feelings and productivity in the short-term, over time it can lead to overwork and decrease of productivity and motivation as well as work-life conflict. While optimal busyness is



fleeting, employees will continue to chase it through their use of time.

These findings shed light on the relationship between organizational control and time, and on why people are drawn to long hours and comply with demanding time pressures: it's in the pursuit of optimal busyness. Similarly to the employees interviewed, many people nowadays look for excitement, buzz and adrenaline in their work, epitomized in the search for optimal busyness, but because work does not have an end, this often ends up making them overwork. ■

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Written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge

HOW BEING PROACTIVE CAN HELP YOU FIND MEANING AT WORK



Karoline Strauss is Professor in Management at ESSEC Business School. She teaches Organizational Behavior and Human Resource Management across different programs. Her research focuses on employee performance, motivation, leadership, careers, and well-being. She is particularly interested in how people shape their own future, and the future of their organization, such as by contributing to innovation or sustainability. Her work has been published in journals including the *Journal of Management*, the *Journal of Applied Psychology*, and *Human Resource Management*. She serves on the editorial boards of the *Journal of Applied Psychology*, the *Journal of Management*, the *British Journal of Management*, and the *Journal of Occupational and Organizational Psychology*.

How being proactive can help you find meaning at work

Today's workers are looking for more than a paycheck from their job: they want to feel like their work matters and has an impact. With people spending the majority of their waking hours working, feeling fulfilled at work can be an important factor to feeling fulfilled in life. But it can be challenging to find a job that will be meaningful to you, and once you've found a job, to experience your daily work life as meaningful. New research suggests that one way of doing so can be through being proactive: in a paper published in *Applied Psychology*¹, Karoline Strauss (ESSEC Business School), Doris Fay, Christopher Schwake, and Tina Urbach (the latter three all of the University of Potsdam), explored how proactive behavior fosters meaningfulness at work.

Why meaning matters

When someone experiences their work as meaningful, it means they feel that what they're doing is significant and has a positive impact². Work also seems

meaningful when people feel that they form a connection with the future, when what they do today has an impact in the future. This is helpful to people psychologically, since we like to feel that we have some control over our fate.

Why does it matter if your work is meaningful, as long as you're bringing home a healthy salary? It turns out that it matters quite a bit to quite a lot of people: meaningful work has been linked to job satisfaction, engagement, and motivation. And it's not just good for the employee: it can also be linked to positive outcomes for the employer, like low absenteeism and boosting commitment and job performance³. In short, finding work meaningful is beneficial for both employees and employers.

But what if your job does not directly involve changing people's lives for the better, fighting the climate crisis, or making the world a better place in some other way, at least not every day? How can we find meaning in what we do at work on a day-to-day basis? One of the ways is by bringing about positive change at work and taking initiative.



Why taking matters into your own hands matters

Dr. Strauss explains that proactive work behavior entails taking initiative to bring about positive change in the workplace. These initiatives can be to improve current procedures, propose new ideas, and identify the cause of problems to prevent their recurrence⁴. An employee might suggest changing to a new software or create an Excel template to make operations more efficient, for example. Proactive work behaviors aren't part of an individual's official job description, and require additional independent effort.

The pursuit of meaning and proactivity

To look at the interplay between proactive work behavior and work meaningfulness, the researchers explored the link between proactive work behaviors and meaningful work in a series of studies, using stories and a daily diary study.

They found that people's sense of meaningfulness can fluctuate from day to day - so it's not a static experience,

but is subject to change over time, and is shaped by daily experiences. One such daily experience is proactive work behavior. On a day when people say that they were more proactive, they also reported higher levels of meaningfulness, likely because they felt like their behavior could have a positive effect on the future.

Another key piece of the puzzle is how unpredictable people feel their future is. Dr. Strauss explains: "This refers to the extent to which people feel uncertain about the impact that their decisions will have in the future, and specifically decisions they make as part of their official job duties". If people feel this uncertainty about how their daily duties will connect with the future, it's hard to see the long-term impact of their work, so they compensate for this by engaging in proactive behavior. People who felt like their job was especially unpredictable benefited the most from proactive behavior, in that they experienced the biggest boost to work meaningfulness.

In a nutshell: when people are more proactive at work, they feel that their work is more meaningful, especially when they're otherwise unsure about

the impact their tasks will have.

What does this mean for managers and employees?

People are looking to feel fulfilled and valued at work, and this feeling can come from seeing what you do as meaningful. This research shows that individuals have a role to play in making their work meaningful, and their own behavior can lead to that fulfillment. With much of the past research devoted to exploring how employers can make work more meaningful for their employees, it's useful to know that individuals have agency in this process.

It's also valuable information for employers. Some organizations have attempted to foster meaningful work for their employees through organizational initiatives, but these risk coming off as inauthentic and even manipulative⁵. Instead, managers can encourage employees to take initiative and be receptive to it when they do.

Being proactive at work can make work feel more meaningful, even though being proactive is not without its negative

effects on well-being. That being said, the positive effects of infusing one's work with meaning may help compensate for the negative effects on well-being. This sense of meaning is linked to the connection with the future, expanding the sense of "meaningfulness" beyond its standard definition as a side effect of helping others. This relationship between proactive behavior and meaningfulness can fluctuate, even on a daily basis. As Dr. Strauss adds, "Meaningful work is fluid: when people are lacking meaning in one situation, they try to compensate

for it in other situations." In this case, when people feel unsure about how their actions will impact the future, they make up for that by being proactive and creating meaning in that way.

The meaning of life might still be an elusive concept- but when it comes to finding meaning at work, being proactive can be one way to get the job done. ■

*Written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge*

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CREATING THE CAREER YOU WANT: THE CUSTOMIZABLE WORKPLACE



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Creating the career you want: the customized workplace

With the world abuzz about the “Great Resignation” and organizations trying to fill positions, job-seekers are at an advantage - and employers need to make themselves competitive. Employees today are looking for more than a job - they want a career, and a career tailored to their life plan. This is where the concept of the “customized workplace” comes in, first introduced by Hamid Bouchikhi of ESSEC Business School and John R. Kimberly of the Wharton School. This refers to letting employees take the reins and tailor their job - within reason. It has benefits for the employee, who will enjoy the benefits of this flexibility, and the organization, who will enjoy the benefits of employee satisfaction and increased retention.

A paradigm shift : putting employees in the driver’s seat

Management styles have changed over the years, with 21st century management recognizing that the needs of the individual must be met

and that employees need to have a say in work decisions. Now, individuals have more control over their work life, including aspects like choosing their employer, when and where to work, and career planning - options that weren’t as available to workers 100 years ago. This is the basis of the customized workplace, which must balance the needs of the individual with the needs of the firm.

In a customized workplace, the employee is an entrepreneur - but instead of running a business, they’re running their own professional life, in a type of “life-entrepreneurship”. They are involved in planning their current and future work and have a strategic life plan.

This kind of organization relies on a number of principles, including:

- Recognizing people’s differences
- Confidence and trust in one another
- Active listening
- Mutual commitment and accountability
- Making management into a relationship between adults, rather than one where one individual is “superior” to the other

These lend themselves to a more horizontal hierarchical structure, as fits the 21st century, since people increasingly resent vertical structures



and institutions. Instead, management becomes a contract between two adults with shared trust and psychological safety - not unlike a relationship.

The three spheres of the customized workplace

People know that there is a deal between the organization and the individual - it's less the organization dictating to the individual these days, but it goes both ways.

How? This is where this model comes from. We can separate the customized workplace into three spheres:

1. The non-negotiables

- In this sphere, employers don't have any wiggle room, and employee behavior is regulated by management. This often includes elements like the worksite, rules and procedures, salary or any other aspects of work where employee choice is not possible.

2. Choosing from a menu

- In this sphere, employees can choose, but they're given a menu to choose from. Today, many organizations offer employees flexible work schemes

to choose from. Others go as far as to allow employees to choose a compensation package from a menu.

- For many organizations, it's a big step to push more elements from the first sphere to the second - the more progressive organizations will go even further and push more "things" to the third sphere.

3. Employee discretion

- Here, the employee is free to act as they please. An example is if an organization doesn't have an official vacation policy, so employees can take a break whenever they need to. Another example is letting employees decide if they want to work from home or at the office every day, rather than having a fixed policy.

Organizations will increasingly move more matters to the discretionary sphere, even though it's easier for managers to have everything in the first sphere. This goes back to the concept of the life/self-entrepreneur: people have a lot more choice in all areas of their lives, so this is the necessary response in the world of work to this sociological trend.

What are the advantages for employees? For organizations?

There's been a mindset shift over the course of the last few years, with the pandemic acting as a catalyst. More than ever, people are looking for meaningful, flexible work, such as remote work and the ability to set their own hours. The mindset shift required to foster a customizable workplace also requires recognizing that people bring their whole selves to work. They don't check their worries and their personalities at the front desk in the morning - in this paradigm, they can bring their authentic selves to work.

Fulfilled employees, happy employers: this can benefit the organization too, as it will help them attract and retain talent by offering unique, tantalizing work conditions. This will especially help recruit and retain young talent, as younger people are increasingly searching for meaningful, flexible work, and are, sometimes, ready to sacrifice salary or perks in its pursuit.

So far so good, right? While the customizable workplace undoubtedly has advantages for all involved, it can be

tricky to foster. One key element is the managerial culture, which needs to be receptive and supportive of the idea, and set a good example. Similarly, workplace norms and social relationships play an important role: if acting in this way is not practiced widely, and if one's colleagues aren't buying in, it can be more challenging to get people on board. People tend to be set in their ways, at home and at work alike, so adapting work habits can act as a barrier.

Finally, labor regulations are deeply anchored in the traditional model, where work is performed at a determined physical site and within set hours. The new, individualized, model of work will require significant amendments to labor laws.

What makes this useful in a post-pandemic world?

COVID-19 has accelerated trends that have been around for some time, like remote work and flexible hours. Indeed, it has turned these practices from trends into common practice - and now that employees and job-seekers see that it's possible to work from home and adapt one's hours to fit their lifestyle, they will be looking for those features in their current and future positions, even as we ease out of the pandemic. This means that management needs to brainstorm ways to retain and recruit good people - and one way is through giving them a say in their career and offering a customizable workplace.

Managers need to realize that the customized workplace puts emphasis on "being," not just on well-being initiatives - though both are important. "Being" refers to giving people a say in what happens, and accepting people as they are. This involves sharing the burden of organizing and management with them. While investing in employee wellbeing is also critical, management can't forget the importance of being. A wellbeing program that ignores, or even seeks to distract from being, is set up to fail.

A customized workplace recognizes employees' needs and seeks to adapt to them, while still ensuring that the needs of the organization are being met. Could this be the way forward for 21st century management? ■

*Written with Julia Smith,
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NOVELTY VS. PRACTICALITY IN INNOVATION COMMUNITIES



Harris Kyriakou is Associate Professor at ESSEC Business School, where he teaches Executive, MBA, and Master in Management courses on digital business, artificial intelligence, and digital transformation. He focuses on the intersection between collective and artificial intelligence, and the overarching goal of his research is to provide insights into how organizations can create value beyond their typical boundaries and processes. His work and research have focused on crowd and AI enhanced product development, and companies including Facebook, Kickstarter, Yelp, Twitch, as well as blockchain startups. Harris has extensive experience consulting and working with senior executive teams in Europe and the Americas on the topics of artificial intelligence and digital transformation.

Is novelty trading off with practicality? In new research forthcoming in *MIS Quarterly*¹, Harris Kyriakou (ESSEC Business School) and his colleagues Jeffrey Nickerson (Stevens Institute of Technology) and Ann Majchrzak (University of Southern California) explored how novelty and the structure of preexisting designs affect product development processes in online innovation communities.

What are online innovation communities?

Online innovation communities, rather than focusing on participants' profiles, focus on the development of products. They're distinguishable from other online knowledge production communities like Wikipedia and open source software forums in three key ways:

1. They don't have one single production goal, with the content being evaluated based on its novelty, rather than the knowledge it includes.
2. They are designed around artifacts made by individuals, not team-based projects.

3. Novelty plays a crucial role in retaining and keeping participants engaged with the community.

In online innovation communities, the term "design landscape" is used to refer to the place where the search for a design occurs². An array of artifacts forms this design landscape, and members of the community search the landscape for new designs and add their own. The idea is to add and identify artifacts that are novel in relation to other artifacts: novel artifacts capture people's attention. However, past work has also suggested that novelty creates uncertainty, leading associated costs to increase.^{3,4}

These communities are becoming increasingly popular, to the extent that some of the major intellectual property players like IBM, Microsoft, and Apple are getting in on the game by donating software, encouraging the participation of their employees, and using these communities as a source of inspiration in product development.

In these communities, participants are looking for novelty, which means looking for novel designs. Typically, novelty is examined and assessed unidimensionally. However, novelty



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can take different forms. Here, the researchers looked at both visual and verbal novelty. Visual novelty refers to how unique the shape of a newly created product design is compared to anything pre-existing, while verbal novelty relates to the uniqueness of the text associated with the newly developed products, which typically contain information about its purpose and function.

In this study, they also looked at the structure of the design landscape affecting what was being developed — how product designs were distributed, clustered, and organized. The level of structure impacts the search process, since it impacts how easy it is to find designs and identify gaps in the market. Since people process visual and verbal information differently, participants are likely to also process visual and verbal structure differently.

On one hand, highly-structured landscapes can inhibit creativity if participants feel like they can't contribute a novel artifact, making it harder to develop verbally novel designs. On the other hand, since visual search is typically harder, having a more structured landscape can actually make it easier to identify a gap

where a visually novel design can be contributed.

Studying novelty

To better understand online innovation communities, the researchers conducted an analysis including over 35,000 Thingiverse design artifacts. Thingiverse is the largest 3D printing and open source hardware community to date. In Thingiverse, participants develop a wide range of product designs intended for 3D printing, including drones, robots, 3D printers, and sometimes even cars. They collected data for 4.5 years, including the 3D digital blueprints of products and their text descriptions.

The researchers provided strong evidence that visual and verbal novelty had distinct effects on both the consumption and production of product designs. Structure plays a role as well: it's more likely that visually novel artifacts will be produced in highly-structured landscapes, whereas verbally novel artifacts are more likely to emerge from less-structured landscapes. Further, product designs associated with high visual novelty, or high verbal novelty, lead to higher rates of consumption

and production. That said, when a product design exhibits high degrees of both visual and verbal novelty, its consumption and production tend to be lower. This finding underlines the need to consider different types of novelty separately, as their effects may be distinct, and their combination may prove undesirable.

Their findings also look at different aspects of the search process:

1. When participants search for new designs to consume, they learn about the landscape's structure and how to identify gaps.
2. When they contribute, they evaluate whether to reuse and update an existing product design using existing product designs — showcasing that it's important to consider both consumption and production, as these processes are inherently intertwined.
3. When participants add new designs, they alter the design landscape and its structure, affecting how participants perceive and interact with product designs moving forward.





By breaking down the search process in that way, we can see that understanding online innovation communities involves understanding the interrelationships between artifacts, individuals, and design landscapes. This research also highlights the fact that design attributes impact people's activities in different ways, as verbal and visual novelty had distinct effects on consumption and production.

Managerial implications

With the rise of online innovation communities and their increased use as a source of innovation for leading organizations, it's becoming crucial for managers to understand how they tick. For managers that are moderating such communities, it's worth advising participants that being novel on one attribute may be better than being novel on both, and developing systems that can encourage community participants to develop product designs that are very novel in one dimension. Understanding these relationships can also help managers and participants alike to predict more accurately which product designs are more likely to become highly successful. Finally, this research highlights the importance of studying design landscapes in general, rather than merely focusing on individual users or product designs. ■

*Written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge*

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DIGITAL INNOVATION AND ORGANIZATION DESIGN



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The digital transformation: tomorrow's organization design

With the rise of technologies like Zoom, Teams, artificial intelligence, and people analytics, there's a strong chance your work habits look different today than they did a few years ago. Indeed, over the last few years, new digital technologies have transformed the way we work. The digital transformation refers to the adoption of these digital technologies (and others) in commercial settings, and this transformation will drastically change the organizational landscape. In a recent paper in *California Management Review*, Pooyan Khashabi (ESSEC Business School) and Tobias Kretschmer (Ludwig-Maximilians-Universität München) explored how digital transformation will impact organization design, identifying opportunities and challenges and providing recommendations for managing these.

The digital transformation offers a world of opportunities, and companies that capitalize on these tend to reap the benefits. Amazon has eclipsed its competitors through mastery of digital analytics and offering a

personalized, user-friendly online shopping experience. They're a success story - but companies that fail their digital transformation risk losing their competitive edge.

There's no shortage of coverage and case studies on the digital transformation's effect on businesses - but what's often left out of the narrative is the impact of the digital transformation on internal processes, and how it impacts organizational design. Yet this is key, because organization design can significantly impact performance. To study the effect of digitization on organization design, this study first focuses on how the overall goal of the organization is divided into smaller goals to be completed by its subunits, and how these are overseen and re-aggregated into the shared goal. Complementary subgoals should be executed by complementary subunits who work together to achieve the goals. Management will oversee their progress, and contribute to recombining it for the final output.

The researchers broke down this process into steps, looking at how the digital transformation influences each one, as outlined below.



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What needs to be done?

The first step for creating output by organizations is to define which tasks are needed and how they will divide and group these.

Thanks to digitization, more information is available, so decision-makers might identify new tasks that they hadn't previously considered. For example, the Industrial Internet of Things (IIoT) provides a vast pool of data on how the manufacturing components are linked to the administrative ones. This means companies can more effectively outline the subtasks needed for their final goal.

As a result of the digital transformation, new tasks are being created and old ones rendered obsolete as they can be accomplished with digital tools. This has also had an impact on grouping tasks: researchers suggest grouping interdependent tasks together, and digital tools may be able to identify and measure new interconnections between tasks, offering a better way to group them. Take the use of AI in healthcare: it has allowed hospitals to detect more information in prescreening, to name one use, eliminating the need for patients to go between specialists. This can also

serve to simplify communications between different units of the organization, easing time and monetary costs and potentially making the firm more efficient.

Who does what? Divide and conquer

Once the subtasks have been identified, next up is figuring out who will do what task. With more data at their disposal as a result of digitization, organizations can build matching mechanisms and attribute tasks more efficiently. This can also help with hiring: employers and employees increasingly use digital resume databases like LinkedIn and internal job boards for finding the right employee or position. This reduces search costs on both sides. It can also be useful for the prospective employee, who can use online communities like Glassdoor to get inside information about the firm that wasn't readily available in the past. Even aside from finding traditional employment or the gig economy, there's increasingly a market for online labor platforms for freelancers that share longer-term, high quality projects, like Upwork. These platforms make finding an assignment

as a freelancer easier, and also less risky, and enables firms to easily find qualified external contractors.

Times are changing internally as well: digital human resources management systems (people analytics) provide managers with more information about their employees so they can make well-informed strategic decisions. One use of these is to use an employee's task data to identify what kind of task they would be suited for, eliminating an expensive trial and error period.

In addition to improving the employee-task match, the digital transformation has made task assignment more efficient by making it easier to acquire information. This makes decision-makers able to handle a new variety of problems, and offer more suitable professional development programs for employees. This makes it possible for employees to more effectively deal with complex issues, enabling employers to identify a larger pool of employees that can accomplish a task, achieving quality and quantity both.



Monitoring and completing tasks

Effective monitoring comes next to make sure that tasks are completed. Once again, the digital transformation can help: it might even make it so that less vigilant monitoring is necessary. With a better skill match, employees are working on a task that is suited to them, likely making them less likely to slack off. The use of digital tools also enable the use of new work arrangements, like working from home, which can lead to higher employee satisfaction and ultimately more productivity.

If firms still want to implement tools to oversee their employees, they can do so. There are many virtual monitoring systems available that measure and record users' work. One such example, the Upwork "Work-Diary", tracks keystrokes and takes screenshots, so that their work progress and billable hours can be tracked. That being said, these monitoring systems can be

received negatively by employees, who prefer autonomy and want to feel that they are trusted. Employers should keep this in mind to find a balance between monitoring, ethical considerations, and employee satisfaction in the digital era.

Putting the puzzle back together

Once the tasks have been completed, the final step in the sequence is to combine their outputs. This can be facilitated by the use of big data, making it easier to combine interconnected output in an optimal way - a task that can be challenging for managers. The amount of data available also provides more choices for combining the different pieces. For example, before launching Disney+, Disney tested the waters to gain insight about the preferences of their subscribers and the market landscape. With this knowledge in their pocket, they launched their streaming service with more confidence that it would be

a success. They're far from alone: the digital transformation is increasingly boosting value creation by showing companies new ways to combine their products.

Practical guidance for firms

With great power comes great responsibility. The researchers identify key points that firms must take into account when undertaking their digital transformation:

- **Document information flow processes in the production process:** Ideally, a firm should consider implementing changes in the organization simultaneously to reap the full benefits of digitization. They should note how information, material, and finances flow in the production process, as digital tools are likely to impact this flow.



Reference

Kretschmer, T., & Khashabi, P. (2020). Digital transformation and organization design: An integrated approach. *California Management Review*, 62(4), 86-104.

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- **Prioritize processes according to their permanence and potential to benefit from digitization:** Consider which processes are most important - what is their output? Are they temporary processes or likely to be present long-term? How can digital tools help this process?

- **Identify how digitization will benefit your company, tailoring your strategy and structure accordingly.** Not all processes or departments will equally benefit from digital tools, so it's important to consider how they will be used. The structure and strategy will likely both develop over time as organization design adapts to the digital transformation, so firms need to be agile and update both as needed.

- **Consider which activities and processes will boost your competitive advantage the most.** Picture your firm in 10 years, and think of what will set it apart from the competition. Firms that don't keep up with the digital transformation will flounder,

making this a huge challenge. What new processes and activities may pop up, and how can they use digital tools? How can you keep ahead of the competition? In the future, successful companies can likely thank their success on the type and the bundle of the complementary activities they offer, rather than solely on digital technologies themselves as more and more companies start to use them.

- **If a process is strategically important and simple to digitize, do so quickly and commit to it.** As mentioned above, prioritizing processes is important, and so is successfully pulling off the digital transformation. Timing is everything, so make the digital transformation a priority... but if a process does not need to be digitized right away (for example, if it's short term) and would be costly to digitize, focus on the key processes first. Dr. Khashabi notes, "late and safe is preferable to rushed and uncertain".

- **Invest in the quality of your people and in the quality of your data.** It's

also important to make sure that you have staff that is equipped to deal with these digital tools, so provide skill development programs as needed. It's also key to have high-quality data, and with data still not immune to user error or bias, highly qualified personnel are essential.

What's next for digital transformation?

While this transformation isn't new, it is picking up speed, and likely to gain even more ground in the near future. This makes it essential for organizations to understand how it can impact their processes and make a plan. The overview and directives provided here can inform decision-makers when planning their strategy and be used as a guideline for achieving their internal digital transformation. ■

Written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge

INFORMATION MANIPULATION OR INFORMATION REVELATION?



Gorkem Celik is Professor of Economics. He teaches economics in the PhD, advanced Masters, and Master in Management programs. Before joining ESSEC Business School in 2009, he worked at the University of British Columbia in Vancouver. Gorkem is an economic theorist. He teaches microeconomics and game theory. Gorkem's research is focused on the question of what type of economic institutions and mechanisms are needed to achieve specific objectives. Gorkem uses game theory to understand how people react to different rules under different information structures. His research has been supported by the Humanities and Social Sciences Research Council of Canada and the European Commission through a Marie Curie Reintegration Grant. Gorkem's research papers appear in respected academic journals including the *Journal of Economic Theory*, *Games and Economic Behavior*, and *RAND Journal of Economics*.

How does information get communicated in organizations? In new research accepted to *The Journal of Industrial Economics*, Gorkem Celik and his colleagues Dongsoo Shin (Santa Clara University) and Roland Strausz (Humboldt-Universität zu Berlin) study the information flow in organizations consisting of top management and multiple lower subunits, finding that the optimal hierarchical structures and communication systems differ for different organizations.

According to Simon (1973), organizations are “authority mechanisms”, where information flows from the bottom subunits to top management. Often, executives can't possibly get into the weeds of the day-to-day activities of every subunit, so they rely on this information being summarized and reported to them. If the organization in question is a firm, then management should give different subunits, such as the production and sales divisions, the incentive to report their information correctly to management. For example, the information of the sales team may pertain to the strength of the demand and the information of the production group may concern the productivity of

the firm's technology. It is important for management to learn these different pieces of information to make the right decision (when to enter a new market, introduce a new product, update production plans, etc.). There is an important body of literature in the field of industrial organization on how management can use compensation instruments such as salaries, bonuses, and overtime pay for the subunits to motivate the truthful revelation of information.

In this work, the researchers take a different perspective on information and incentives within organizations. They point out that, once the information from all the subunits is aggregated by the headquarters of the organization, its management finds itself in a position where it has an informational advantage over the subunits. Only management has the “big picture” of the organization. As such, the organization may be prone to top management's abuses of its position at the expense of the lower subunits. For instance, even when the sales division reports low consumer interest for the firm's product offering and the production division reports problems with its production line, a manager keen on entering a new market can still



justify this decision by manipulating the different divisions in the organization: by telling the production group that the sales team has reported high demand and telling the sales team that the production group has reported high productivity. In a highly centralized organization, there would be no checks and balances to prevent management from manipulating information in this way.

In order to examine this information manipulation problem, they build a theoretical model based on a principal-agent framework under asymmetric information. They solve the model by using game theoretical techniques.

Analysis of the model starts with the seemingly puzzling observation that availability of such management manipulation is generally harmful for management itself. The different divisions in the firm would be well aware of the manipulation opportunities for management, so they will be more hesitant when reporting the true nature of their own private information. To truthfully report their information, they will require extra guarantees from management in the form of more generous compensation schemes.

This is an additional constraint on management, on top of the usual constraints involved in motivating the subunits: the management has to motivate its “future self” to not manipulate the information that it will receive from the subunits.

Managerial takeaways

How can management reassure the different divisions of the organization that it will not manipulate the information received from them? This work identifies different ways that an organization can avoid this manipulation trap and ensure a healthy information flow.

1) Non-responsive organizational structure: A trivial way to commit to not manipulating information would be to ignore its existence. An organization can always be structured to ignore the news received from its subunits. Obviously, the management of such an organization would make many uninformed decisions that it would soon regret. This organizational form should be considered more like a worst-case scenario providing a lower bound on what an organization could achieve.

2) Removing the barriers between different subunits:

Management’s ability to manipulate originates from its unique position to observe the big picture within the organization, thanks to the reports received from its subunits. If the reported information is automatically shared with the different divisions of the organization, management would lose this ability. Unfortunately, there is a caveat to this egalitarian treatment of information: allowing for communication channels between different divisions would make it easier for them to “collude” against management for their own benefit.

3) Reducing the allure of manipulation for management:

An organization can also counter the manipulation tendencies of its management by artificially increasing the costs of decisions associated with positive news from the subunits. For example, if the entry to a new market would involve transferring large bonuses to different teams within the firm, then management would have less incentive to manipulate the information to advocate such entry.

4) Decentralized organizational structure:

Instead of a highly centralized structure where the management aggregates all information at the headquarters, the organization can opt for an informational hierarchy where information is reported from one subunit to the other up until it reaches to top management. This decentralized structure involves some loss of control for the management, but a more effective use of information. We advocate this hierarchical communication structure especially for organizations whose subunits are likely to have high efficiency.

aggregating the information dispersed within the organization. In other words, management itself is the first victim to its manipulation capabilities. Paradoxically, the consequences of management's ability to manipulate can be rather beneficial for the foot soldiers within the organization. Workers employed in the subunits of the organization may benefit from higher compensation and other perks that mainly serve as commitment devices to rein in management's tendency to manipulate. Put differently, a worker may prefer to work for a management team that is known to be capable of manipulation if the price is right, rather than functioning in a manipulation-free environment.

Ensuring its veracity involves not only giving the right incentives to the primary sources of the information, but also motivating the information aggregators not to abuse their informational advantages at the higher echelons of the organization. This suggests that to avoid playing a game of Broken Telephone, managers and employees alike should consider the flow of information in their organization and how their hierarchy may be impacting the accuracy of the final state of the information. ■

*Written with Julia Smith,
Editor-in-Chief of
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What does this mean for workers?

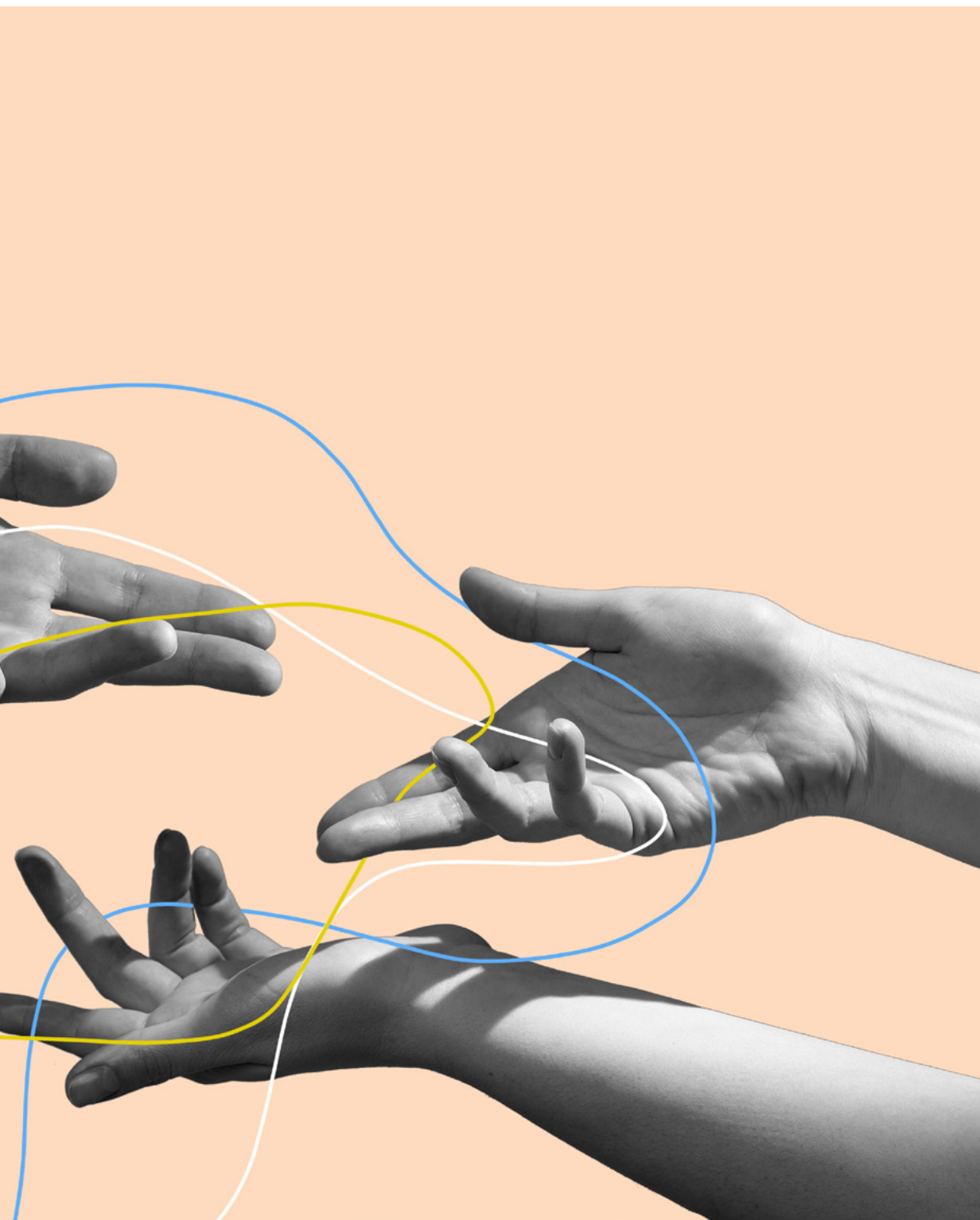
Manipulability of information may have unexpected winners and losers. As discussed above, management's ability to manipulate hinders its duty of

Information within an organization does not mechanically run from its lower divisions to its headquarters.

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GREEN JOBS OF THE FUTURE



Stefan Gröschl is Professor at ESSEC Business. Stefan is known for his expertise in responsible leadership, sustainability, diversity management, international human resources management, and organizational behavior. He has published books on responsible leadership, diversity management, and international human resources management. His research has also been published in numerous book chapters and articles in the international trade and academic press. He is an editorial board member and reviewer for numerous international academic management journals. Stefan has worked with governmental organizations and companies in the private sector, and has developed and conducted training programs for firms in France and internationally.

Climate change is changing how we live - and how we work. With Gen Z and millennials increasingly engaged in climate change activism, working for a company that prioritizes sustainability is crucial for many young professionals. Luckily for them - and for the environment - the green economy is booming: the International Labor Organization estimates that climate neutrality and resource-efficient economies have the potential to create 100 million new jobs. Stefan Gröschl, professor of management at ESSEC, recently spoke to Mette Grangaard Lund of the International Labor Organization about the future of green jobs.

How is the International Labor Organization supporting green jobs?

Mette Grangaard Lund is on the Green Jobs team of the ILO.

For more than a decade, the ILO has supported our constituents, i.e. labor unions, employers' organizations, and governments, on matters pertaining to green jobs and how the world of work will be transformed by climate change.

We have a three-pronged approach:

1. Research, analysis

and capacity development

- We conduct studies on pertinent topics, i.e. on global estimates and country studies on job numbers and skills that are in demand.
- Alongside our training centre in Turin, we provide several courses on how to foster green business growth and support a just transition, which entails maximizing the environmental impact and minimizing the social consequences. We also share and disseminate our findings.

2. Policy development and development cooperation

- In addition to producing knowledge at the crossroads of the environment, the climate and employment, we also support constituents in knowledge-based policy development. For example, we train policy makers and economists at the country level, by using the Green Jobs Assessment Model, which helps policymakers assess the effects of environmental policies on employment. This helps governments get a clearer picture of how to address climate change and social injustice in a holistic way. We also support green job creation through



entrepreneurship development and skill development projects.

3. Strategic partnerships, global and regional engagements:

- We work closely with our partners and constituents across the globe.
 - We are leading the UN-wide Climate Action for Jobs Initiative.
 - We closely follow global policy agendas related to the world of work, with climate change and environmental negotiations (such as COP and UNEA) increasingly important to our work. The ILO has been present at the COP negotiations for more than a decade, and we can see that the just transition, which refers to taking into account the social dimensions of climate action, is increasingly discussed.
- In sum, we incorporate perspectives of the world of work in these climate and environmental negotiations.

What qualifies as a green job?

While there are different definitions available, the ILO uses three main criteria.

1. Green jobs must be “decent” jobs – according to our definition, a green

job is a decent job. Decent work covers four dimensions: productive employment (i.e. both quality and quantity), social protection, workers’ rights and social dialogue.

2. A green job can be in any economic sector and is one that contributes to preserving and restoring the environment. Of course, the green job can be in renewable energy and agriculture, which is probably what people think of when they think of green jobs – but it doesn’t have to be. For example, a green job can produce goods or provide services that benefit the environment, like clean transportation. However, these green products and services are not always based on green production processes and technologies. That is why a green job also can be distinguished by its contribution to more environmentally friendly processes. For example, green jobs can reduce water consumption or improve recycling systems.

3. A green job doesn’t necessarily have to be a highly skilled or specialized job. It can be, but a job like waste collection is also a green job if it meets the requirement of being a decent job. It can be at any skill or specialization

level, as long as the job must offer a decent quality of work and of life and its output preserves and restores the environment.

There’s an emphasis on the outcome of the job: it can be in any sector, but to qualify as a green job, the products and services it delivers must service the environment.

There are some sectors that are inherently green or important, so the ILO focuses more on these than on others. For example, the energy sector is of utmost importance to decarbonization and meeting the Paris Agreement.

If we reach the goal of keeping global warming below 2°, 24 million jobs could be created – but around six million could be lost. So while there is a net job growth, they might not be in the same regions or countries. That is why the ILO focuses on the just transition. The ILO Just Transition Guidelines suggest that one approach for minimizing the negative effect is ensuring people have the necessary skills to transition to new jobs, since jobs like those in the fossil fuel industry will be less in demand, but there will be significant new labor

demands in renewable energy and new kinds of mining and other rising sectors and industries.

Are there regional elements when it comes to the just transition?

Yes. There are differences in job gains and losses, both between and within countries. The Middle East and North Africa stand to lose the most jobs, as some of these economies tend to be more fossil fuel dependent in terms of jobs and government revenues. It doesn't necessarily mean that the high-income countries are better at developing just transition initiatives - some of the most ambitious just transition policies are in lower-income countries. Lower-income countries nonetheless have a greater need for support, which is where organizations like the ILO come in.

What are the key sectors? I want to highlight four main sectors.

Energy: the first sector is energy. We talk about this sector a lot as it has a significant climate and environmental impact, but also because there have been impressive initiatives in renewable energy and energy efficiency.

Agriculture and food systems are very important. Agriculture is the world's largest employer and is important for employment in rural areas, but more importantly agricultural jobs are also vulnerable to climate change.

Construction: Because it's energy-intensive, but also because we see many challenges with decent work conditions. For example, heat stress will become an increasingly large problem that impacts both productivity and employee health.

Transportation: Logistics, infrastructure, and transportation is also important for the economy, both to move people and goods around. Decarbonization and job quality are really important in this sector.

Other sectors of particular interest include the circular economy and manufacturing.

What are the key factors that move these sectors toward green jobs?

Certain economic sectors are critical in the pursuit of climate goals because of their large share of carbon emissions, i.e. energy. Others need to adapt urgently, like agriculture and tourism. Whenever it's an issue related to the world of work, social partners must be involved. In our approach, we include governments, workers, and employers. Some of the most successful examples have been between the private sector and the labor unions, where workers support the "greening" of the business as they recognize the potential employment benefits. We need to accelerate climate action, but it will not be successful if we don't incorporate the social dimension and get people onboard.

Where do educators come in? Do we have a particular role?

We work very closely with academia and higher education institutions, since skill development is a huge element of the just transition. As I said before, it's not only highly skilled labor, it's also technical and vocational training institutions that are a key part of the green transition. We will need people with those skills in the future: waste collection, water treatment, construction...the list goes on. Education has been often about enhancing the skills of the workforce, including those in the informal economy. Going forward, more must be done to anticipate the skills needed to prepare young people for jobs of the future.

Many business schools, including ourselves, have introduced sustainability initiatives. What do you think of this?

Indeed, as you said, many institutions are updating their sustainability practices. Green topics are also increasingly important for young people. They will not accept greenwashing and are more critical consumers. If business schools cannot walk the walk, it will backfire. This goes for businesses as well. It's not enough to pay lip service to green initiatives, there must be actions backing this.

While green jobs are not always managerial or highly skilled, at ESSEC we do focus on people who will be in decision-making positions. How does the notion of a just transition change their competencies and their responsibilities?

I'd like to highlight three things. A key element of decent work is gender equality. Leaders of tomorrow must be far more aware of gender equality, gender identity, sexual harassment, flexible working hours, and generally cultivating a safe work environment. As part of that, leaders must ensure that they offer a good work-life balance for all employees, regardless of gender identity. This is increasingly popular even in demanding industries like consulting, where employees are increasingly encouraged to keep an eye on their hours.

Another important element is entrepreneurship. If you are an entrepreneur, you will likely become an employer if your idea takes off. You then have a responsibility to your employees: formal employment, good working

conditions, living wage, benefits... When you support entrepreneurship, you need to support decent employment for all involved, not just the entrepreneur themselves.

Finally, our world is one of transitions, and as such, there is a need for lifelong learning and upskilling to meet emerging challenges.

What do you consider to be the key challenges of green jobs? What are the different stakeholders and their potential competing demands? The war in Ukraine has had implications for the energy sector, for example.

While before, some stakeholders may have been resistant, now goals are more aligned. For example, many workers now support decarbonization and the phasing-out of their own jobs, because they have been ensured new green employment opportunities after social dialogue with their companies.

Ensuring green business growth is another important aspect of creating green jobs. For some companies, especially SMEs, figuring out new legislation can be burdensome, so the ILO emphasizes the need to support employers' organizations and their business members, to better help their members adapt to changes and get past the red tape.

Governments are another key player: it can be very hard for many countries to prioritize decarbonization. But if they invest in jobs and job creation, then you can get a lot of governments on board, since that tends to be a major priority. For example, Biden's new Green Deal: it proposes creating jobs by greening

the infrastructure. There is a strong argument for considering the job effects of environmental and climate change policies, and highlighting this is an effective way to get governments, businesses, workers – and people – on board. We can't pick between economic growth, development and job creation on the one hand, and environmental sustainability and climate resilience on the other: the two must go together.

You mentioned SMEs, and earlier you mentioned entrepreneurship. At ESSEC, one of our strategic pillars is entrepreneurship. Do you have any recommendations or any advice for our graduates looking to get into entrepreneurship?

As I said before, entrepreneurs need to make sure they are offering decent working conditions. Once a company hires their first employee, they should identify their employer organization and join that. Often, those organizations have support systems for startups. These organizations can help startups navigate legislation and take advantage of benefits available to them. These are often also free.

Another piece of advice is to be serious about your sustainability strategy. If it's a superficial initiative, it won't help. It will be a reputational risk, rather than a competitive advantage. Think about the coherence of your sustainability initiatives with your mission and measure the impact you have, including any negative externalities or unintended effects your business might have. This will make it more authentic for customers and stakeholders.

Is there anything else you would like to add?

Climate change is real, it impacts all aspects of our lives, and it requires ambitious and urgent action. If we don't all get onboard, we will not succeed. We need to make people, the planet and prosperity a priority, we can all get behind green jobs and employment creation. By making green jobs a priority and having employees, employers, and governments work together, we can ensure a just transition for all. ■

*Written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge*



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WHAT WOMEN WANT: AS LEADERS AND PROFESSIONALS



Viviane de Beaufort is Professor of European law at ESSEC and an expert in public policy and lobbying, and a recognized spokesperson on Women Empowerment. She is the author of numerous books and articles on the institutional system and lobbying, in business law and corporate governance. Viviane runs the European Center for Law and Economics (CEDE- Ceressec). She is responsible for ESSEC's executive programs dedicated to the emancipation of women, including the Women Be Board Ready program, and is the school's gender equality referent.

My work is part of my social identity, it's a key way I feel valued. But [my] personal and professional lives often clash.

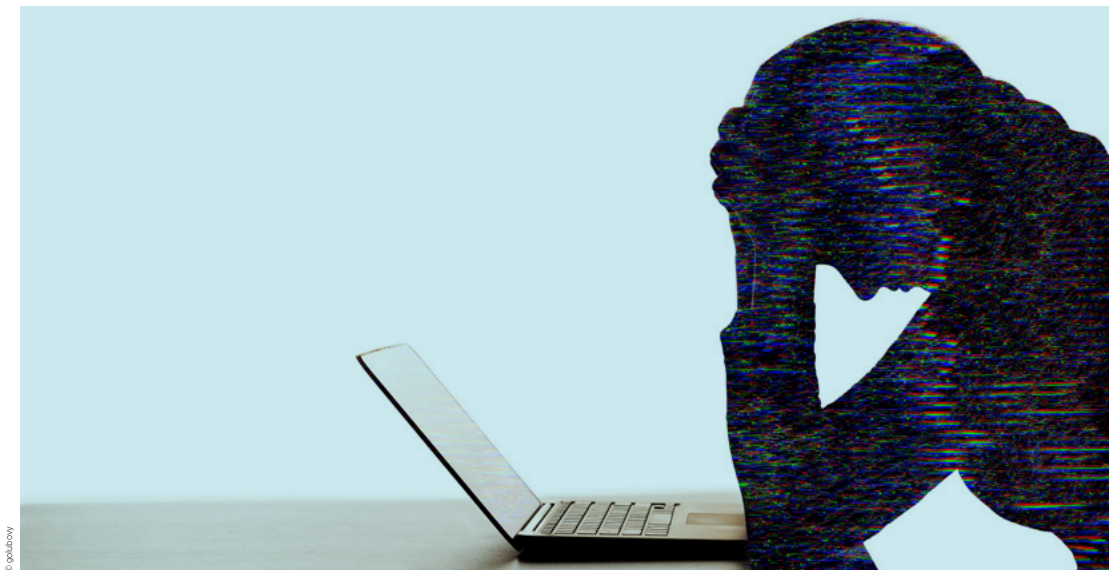
This quote, one of 274 gathered in a recent study, sums up the position of French professional women, who feel like their work is a calling, but aren't prepared to give everything up for it. It's one of the key lessons we can take from the study, another being that there's often a clash between one's values when one notices the discrepancy between public dialogue and practices that expect leaders to be impeccable.

Equality is a fundamental value of France, and gender equality must be a priority. It's also one of the 17 sustainable development goals of the United Nations, and Emmanuel Macron made it part of its first mandate. Elisabeth Borne's recent appointment as Prime Minister is a powerful symbol of how times are changing, as are recent legislations like the Penicaud index and the Rixain law. Despite this, other women turned the post of Prime Minister down before Borne accepted it. This prominent example seems to represent a more systemic

trend: what happens when women in power turn down promotions, even as the tides are changing, in part thanks to the Cope-Zimmerman law? The quotas imposed by the Rixain law for 2026 motivate companies to promote gender equality in leadership – but certain skilled women are hesitating or refusing when approached. Why?

As part of the CEDE-ESSEC Women Empowerment Research program, Viviane de Beaufort led a study on female leaders on why they may sidestep promotions. She questioned alumnae of the ESSEC Women Be Board Ready program to better understand the career drivers and needs of female leaders in France, a situation that is evolving after COVID-19.

The pandemic has had an impact on how many of us see our life's ambitions. It's made us dream of meaningful work and a life outside the office, and realize how many sacrifices we need to make to climb the career ladder. Women have often been more accepting, but now, like the younger generation, they're looking for organizations that will support them during their career, that will offer equal pay for equal work



and that will respect their work-life balance. They're looking for companies that practice what they preach, have a more horizontal hierarchy, are trustworthy, and work toward the common good.

The women who participated (over 100 of them) all have illustrious professional careers, with varying degrees, trajectories, experiences, and sectors. Their in-depth knowledge of power and governance structures after having done the aforementioned program make them the ideal sample to explore this emerging trend and see if it may become a more systemic movement.

When offered a promotion, women are stating their conditions and considering their ability or, indeed, their duty to change the system from the inside – or to reject it.

For 67% of participants, their professional life is a source of intellectual fulfillment, progression, and accomplishment. But this professional fulfillment must coexist with their overall life (as noted 61%), and while 56% mentioned that their work is critical for their financial

needs, they aren't willing to give everything up.

What makes almost half of these women hesitate, even though 81% have not previously refused a promotion – what makes them refuse the final ascension to an executive-level job? Three key reasons emerged. The first is no surprise, but the other two are food for thought for companies.

1. Family reasons (44%): concern over having less time for one's family. When moving is in the cards, like an overseas assignment, 73% refuse.

2. Personal reasons: this includes fear of professional exhaustion, noted by 1 in 5 participants, imposter syndrome (36%), and, more positively, another life goal (55%).

3. Professional reasons: such as a conflict between their idea of the job and the reality (49%), insufficient autonomy or resources (59%), and a disconnect between the discourse and the reality of the power differential between them and their superiors (84%).

The participants clearly expressed their key needs and made concrete suggestions on what to do.

So what should companies do? Leadership should commit to fostering a diverse working environment at all decision-making levels. Women rising to positions of power should permit the implementation of a more balanced way of working for everyone, men included.

Here are some ideas:

- An equitable recruitment process: don't eliminate those with kids or of a certain age right off the bat. It's up to the individual to decide if the post suits them, and not up to the organization to decide that they aren't up to the task because of their personal situation.
- Support and a strong integration process to support people in new roles and give them the tools they need to succeed (mentioned by 73.8% of participants).
- Ending a culture of presenteeism and implement flexible working conditions, like remote work (mentioned by 69.9% of participants).

- Having internal policies that support diversity, that encourage the promotion of women to leadership positions, and offer the necessary training, mentoring, coaching, and access (mentioned by 70.8% of participants).

- And of course, equal and fair pay.

It's time to consider what makes an exemplary leader, described as the one that represents a company's values and makes them credible and sought-after while the war for talents is raging. Companies that aren't female-friendly risk losing female talents, in addition to being in non-compliance with the legal requirements (quotas) at the level of the management and governance bodies, and risking sanctions. ■

*Written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge*

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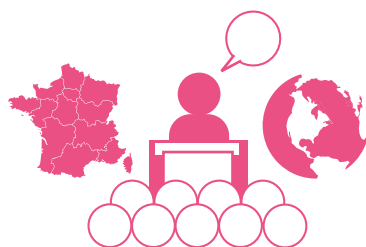
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