How the Lockdown Unlocked Real Work

The experience of work
during a time of pandemic has
revealed a hidden driver of
organizational performance:
relational productivity.

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Since the onset of the global coronavirus pandemic, the business world has been undergoing an extraordinary live experiment. Virtually overnight, millions of employees around the world left their offices and workplaces and have been working remotely from home.

By most accounts, the experiment has been a resounding success. Productivity at companies that have shifted to remote work is as good as or even better than before—increasing as much as 15% to 40% in some organizations. And according to a recent BCG survey, there has been a major shift in employee attitudes in favor of remote work. Some executives, however, worry that the changes aren't sustainable and that, over time, remote work will undermine cohesion, trust, and the kind of serendipitous collaboration that is often critical for innovation.

Executives can learn a lot from the current moment about how to make remote work work. Our focus here, however, is on another—far broader—lesson they can draw from their experience of working in this time of pandemic, one that is relevant to work in any situation, irrespective of where it takes place. Paradoxically, the challenges posed by the pandemic have revealed considerable untapped potential that can be captured by any organization to achieve major improvements in productivity and performance. Realizing that potential, however, depends on a fundamental change in how managers approach their relationships to and interactions with their people.

We like to put it this way: the lockdown has unlocked real work.

Coronavirus, Complexity, and Complicatedness

Our perspective is informed by nearly 20 years' experience helping companies cope with rapidly growing business complexity.[1] Our research shows that over the past-half century, business complexity—the proliferation of multiple (and sometimes conflicting) performance requirements—has multiplied roughly sixfold.

To manage complexity, companies typically create new organizational structures, roles, processes, and systems; ever more elaborate matrix organizations; and new metrics, KPIs, and scorecards to track progress against these multiple objectives. The paradoxical result is an explosion in organizational complicatedness. During the same period that complexity was increasing by a factor of 6, organizational complicatedness in response to complexity was increasing by a factor of 35 times—or roughly the square of complexity.

Metastasizing complicatedness has taken a significant toll on organizations. It is a serious obstacle to real (genuinely value-adding) work, and as such is a major cause of stagnant productivity in many developed economies. Because managers must document information on more and more KPIs and scorecards, much of their time (we estimate about 40%) is tied up in writing reports. Because they must coordinate with more and more functions, they spend an additional 30% to 40% of their time in meetings. And because they are spending so much time managing complicatedness, they have little time to manage their teams, who often lose their sense of direction, purpose, and meaning. People disengage and, as a result, waste a significant portion of their time (between 40% and 80%, depending on the industry) on unproductive, non-value-adding activities.

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1. For more on the growth in business complexity and how organizations need to respond to it, see Yves Morieux and Peter Tollman, *Six Simple Rules: How to Manage Complexity without Getting Complicated* (Harvard Business Review Press, 2014).

Seen from this perspective, the most interesting impact of the pandemic has been the way it has so thoroughly disrupted this complexity-complicatedness dynamic. On the one hand, it is introducing additional dimensions of complexity to the business world. Organizations are being forced to respond to a new set of imperatives: keeping their employees and customers safe, managing the rapid transition to remote work, dealing with the severe economic fallout of global lockdown, and trying to understand and anticipate how COVID-19 will shift consumer preferences in the long term and otherwise transform their business. We are witnessing a new age of uncertainty and volatility and facing new demands for resilience, diversity, and redundancy in organizational networks, supply chains, stocks, and suppliers.

On the other hand, because the very suddenness and shock of the pandemic caught organizations completely off guard, they couldn't respond in the usual way by multiplying complicatedness. Few organizations had the time to develop a dedicated "coronavirus process" or appoint a formal "Chief COVID Officer" (CCVO?). Instead, almost despite themselves, they were forced to rely on something else: the intelligent adaptation of their people.

Millions of people around the world transitioned to remote working within days of the announcement of nationwide lockdowns. In many organizations, the six-hour face-to-face meeting (including travel) shrank to the one-hour online Zoom meeting. In this process of adjusting to a radically new situation, much of the complicatedness of the traditional work environment melted away, creating space for people to reset and refocus on the nuts and bolts of value-adding work. The lockdown unlocked real work.

The Opportunities Within a Crisis

Why did this transition, which in many respects was completely disruptive to the normal way of doing things, happen so quickly and so smoothly? The short answer: because people's context changed and, therefore, they intelligently adjusted their behaviors to the new context. And when people's context changes, so do their attitudes, feelings, and values. In France, for example, about 40% of employers were skeptical of the potential of remote work before the pandemic; today, the percentage has dropped to 20%. So too with employees: 73% of French employees who have switched to remote work during the lockdown want to continue.

It's worth pointing out that this kind of rapid adjustment is a common feature in periods of crisis (which, when you think about it, are periods of high complexity). In a crisis—for example, after a major accident such as a train derailment or a bridge collapse, or after natural disasters such as an earthquake—leadership emerges in the most unexpected places. People don't worry about process; rather, they exercise initiative and judgment to deal with these unforeseen circumstances. Everybody pitches in and works together. When we are cornered by complexity, we cannot escape—your success is my success; your failure is my failure. Typically, though, the new mindset lasts for only a few hours or days or weeks. Eventually, things return to normal. Complicatedness reasserts itself.

Some crises, however, are much longer-lasting: wars, technological revolutions, and—yes—pandemics. Such situations have the potential to catalyze something more than just brief periods of intense cooperation. They afford the extended time necessary to codify fundamental innovations. The world wars, for example, led to new industrial disciplines (for example, logistics), new technologies (radar), and new social roles for women and other previously disadvantaged groups.

Will the pandemic and its aftermath represent a pivot in which organizations fundamentally rethink how they organize and manage work? Perhaps—but only if executives draw the appropriate lessons from the experience.

Discovering Relational Productivity

So what are some of the lessons we should be learning from work in a time of pandemic that can be applied to any work situation?

For one thing, in the traditional workplace, employee proximity often functions as a misleading proxy for working effectively together. One reason many managers are convinced of the benefits of physical presence and co-location is that they are often the only way to get anything done. They are the grease that makes the recalcitrant, squeaky wheel of the overcomplicated organization turn.

But without denying the real benefits of proximity, the essence of productive relationships depends on something more: connectedness, or the degree to which people interact effectively with each other and work together in the service of a collective task. (See the sidebar "Balancing Proximity and Connectedness.") Paradoxically, the very asocial nature of remote work—for example, the isolation of working in one's personal bubble, the relative "thinness" of exclusively online and on-screen interactions, phenomena like "Zoom fatigue"—has revealed the degree to which productivity, performance, and work itself are relational, the result of behavioral interactions between distributed networks of people and groups.

The pandemic remote-work experiment has forced managers to focus directly on this relational dimension of work. Unable to rely on proximity, they must now invest in connectedness. In the process, they are discovering the central importance of what we call *relational productivity*.

Relational productivity is the differential performance created by effective behavioral interactions in an organization. The relative quality of those interactions—whether they are value-adding or not—doesn't happen in a vacuum. Nor is it the automatic by-product of a given set of roles, structures, or processes. Rather, it is the product of a specific organizational context. Three types of relationships drive relational productivity in any organization: leadership, engagement, and cooperation.

Leadership: How Managers Create Value. Just because an individual has formal authority doesn't necessarily mean he or she is adding value. Rather, managers add value by exercising leadership—by getting people to do what they wouldn't do spontaneously in the absence of interaction with the leader.

We have been speaking with scores of CEOs and other senior executives about their experiences leading their organizations during the pandemic. What's been striking about these conversations is the degree to which executives have been pushed out their comfort zone, and how that experience has reshaped their ideas of what constitutes effective leadership. Put simply, the disruptions of the pandemic have forced them to lead.

Before COVID struck, many senior executives tended to rely on a set of typical control-oriented management practices that, in retrospect, were often obstacles to meaningful work. A classic example is the CEO's once-a-month daylong senior management meeting with direct reports. The routine rhythm of these meetings made it easy—too easy—to assume that everything was working like clockwork. The lockdown, however, has forced CEOs to engage directly with what it takes to keep the organization going without all those traditional controls, to keep people engaged, working together, focused on what matters. A few key principles and practices stand out.

First, many business leaders have greatly expanded the number of people they are interacting with across the organization. They have made it a habit to check in regularly with people one or two levels down from their direct reports. In the thinner remote-work environment, they feel an urgent need to be present in moments of truth, when their people are confronting tough issues or dealing with critical challenges in the business. For many, this direct exposure to the real work of the organization—what people really do—has been something of a revelation. "I've seen so many people rise to the occasion and exercise genuine leadership," one CEO told us, "that I'm embarrassed I had never spotted them before."

But it's not just that leaders are interacting with more people and doing so more regularly. Their ways of interacting have changed as well. Managers are communicating more directly and clearly. Instead of presiding at long, formal meetings where many participants can be passive, they are spending ten focused minutes on Zoom, one-to-one, asking specific questions: "What are your current priorities, the things you must accomplish, the battles you must win?" "What are you worried about?" "Do you feel like you know what you need to know?" "If not, do you know who to go to get what you need?" In other words, they are focusing on the essence of work.

This kind of clarity is precisely how managers should exercise leadership and add value in complex business environments. By engaging directly with their teams, they help them successfully navigate the often bewildering multiplicity of priorities, targets, milestones, and problems; make intelligent tradeoffs between them; and optimize performance across a complex set of objectives. That is the real work of management.
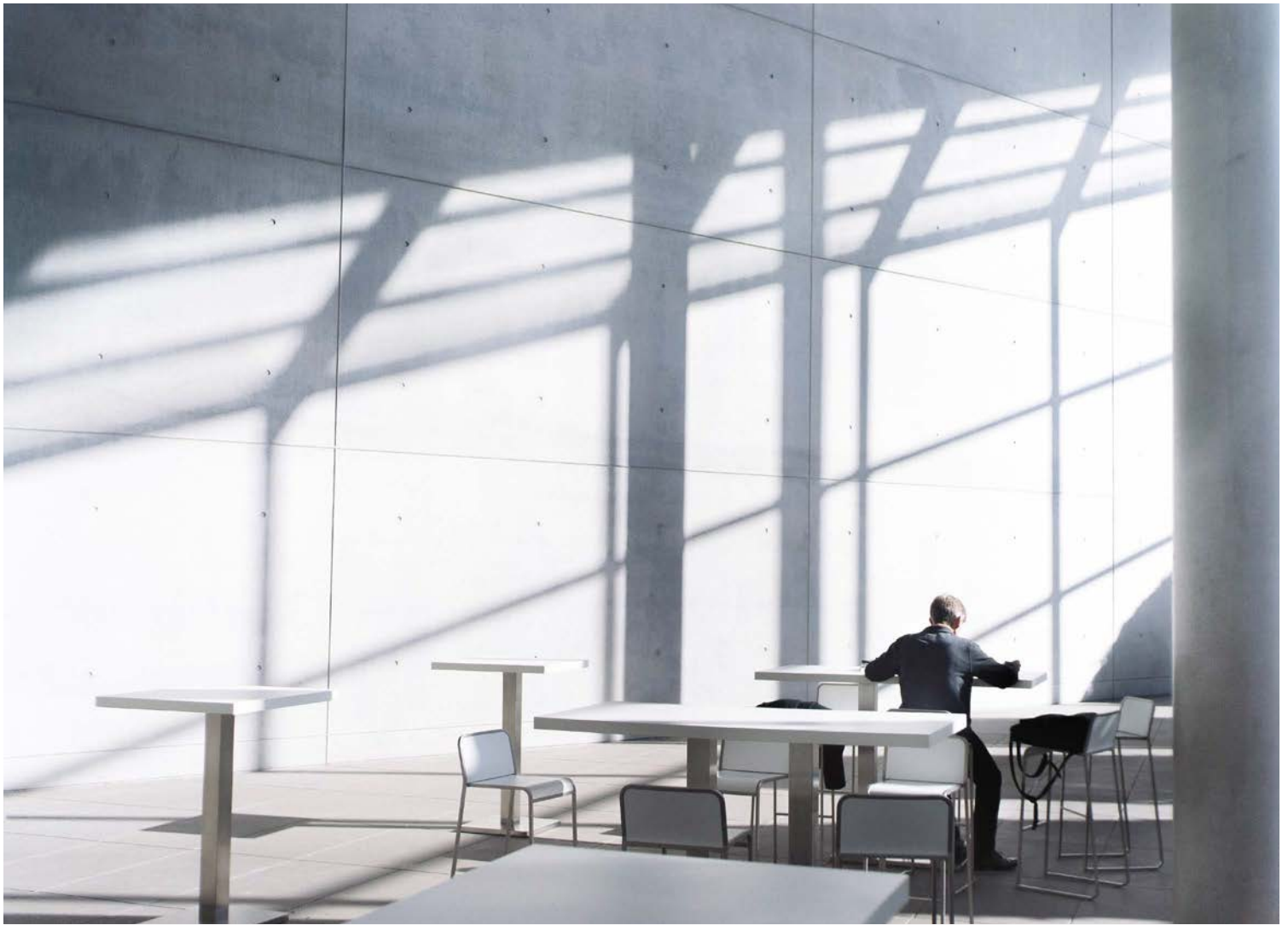
Balancing Proximity and Connectedness

The shift to remote work during the pandemic has been so widespread that many executives forget how skeptical they were about it before the lockdown. The digital collaboration technologies have been around for years, yet many organizations had been pulling back from remote-work pilots and the technologies were not widely used. Even today, many executives are worried that remote work isn't sustainable over the long term. However, there are deeper trends underlying the remote-work phenomenon, and to understand them requires taking a broader perspective about the underlying dynamics of human productivity.

Productivity is largely a function of what economists call "complementarities." There is complementarity between two factors of production when one increases the contribution of the other to the overall outcome. For example, a marketing department that provides the commercial team with the right customer targets at the right time can ensure that salespeople don't waste time on unlikely prospects. Such complementarities are a key reason why organizations exist. They make the whole worth more than the sum of its parts.

Ever since the industrial revolution, many of the complementarities fueling increased productivity have been the result of proximity, accruing directly from physical co-location. The scale economies made possible by the steam engine in the 19th century or the assembly line in the 20th required grouping people together. (Before the steam engine made the factory system possible, textile workers typically worked at home.) Indeed, the entire discipline of management grew up around the complementarity of physical proximity and the close control of work it made possible. It's even reflected in our language. We talk about "supervision" (literally, "seeing from above") in which the manager's authority benefits from the ability to "over-see" the team. It's easy for people to take these direct benefits of proximity for granted. After all, humans are social animals, energized and reassured by the physical presence of others. That helps explain why so many managers and employees anticipated that the shift to remote work would be disruptive—even traumatic.

But there is another kind of complementarity, what we might term "relational complementarity." This depends not on physical proximity but on a purposeful, coherent, and continuously maintained array of networked connections—irrespective of the physical proximity of the connected elements. What matters in relational complementarities is not so much the container of the relationships (where each node in the network is located in a shared workplace) but their synergistic content (how the actual behaviors of each node in the networked interaction increases the contribution of every other node).

Both proximity and relational complementarities are important. But because the former are far more visible (and, seemingly, natural), organizations risk overrelying on them at the expense of the latter. Often, organizations confuse the container with the content of relationships. Comfortable and convenient proximity, with its easy interpersonal encounters, all too often leads managers into a self-indulgent trap: "Why bother creating trust and explicit commitments? We are only down the hall from each other!" People assume that proximity will make up for any deficiencies in the productive content of relationships. Because the lockdown removed the container—and thus executives could no longer take for granted that productive relations were an automatic by-product of proximity—organizations were forced to focus on the actual content of relations. The lesson for the future: to get the full value of productivity as work organizations evolve into some hybrid combination of physically present and remote work, leaders need to thoughtfully balance the benefits of proximity with the benefits of relational productivity.

Engagement: Going Beyond the Minimum. Leadership of this sort nurtures another key dimension of relational productivity: engagement. By engagement, we mean the degree and intensity of individuals' connectedness to the organization and its goals, to the roles they occupy in the organization, and to the tasks they perform.

When people feel engaged, they go beyond the minimum. They get involved, take the initiative, and commit their intelligence and judgment to the completion of the task. They take personal risks and strive to fulfill the "spirit," not just the letter, of the rules. They put their energy and autonomy into adding value, rather than mechanistically going through the motions or ticking boxes.

This is another place where the remote-work experience has been a revelation. Many leaders assumed that the way to engage employees was to provide them with an attractive work environment: beautiful offices, complete with full-service espresso bar and catered lunches; scheduled yoga and exercise classes; sports facilities; and the like. Yet when these environments were plunged into darkness overnight, people kept working and performing—often even better than before.

Why? Because they discovered the power of having a genuine purpose, and it turns out that having a sense of collective purpose is far more critical to eliciting engagement than even the most lavish onsite perks. It turns out that engagement doesn't happen in a workplace; it happens in people's heads.

Many of the CEOs we spoke to described how the coronavirus pandemic has been an occasion to rediscover (or, in some cases, articulate for the first time) the organization's core purpose, its reason for being. The human disruption and loss exacted by the pandemic took people back to first principles—what really matters and what really counts. By anchoring the organization's day-to-day activities to a higher goal, managers were able to unleash engagement. Or, as one CEO put it, "We have used purpose to move people beyond grief to action."

Cultivating a collective sense of purpose is a "macro" way to foster engagement. But many leaders we spoke to are also discovering a "micro" way. Early in the pandemic, many CEOs were worried that once people began to work from home, the demands of everyday life (keeping safe, taking care of children, etc.) would cause their attention to their work to suffer. In fact, precisely the opposite has been the case. The vast majority of employees have committed themselves even more deeply to their work.

It makes sense. Working together on a shared task with a shared sense of purpose, especially in a situation of crisis, can take on the quality of a compulsion. When we face a big task, when people are counting on us, we rise to the challenge.

Is it possible to cultivate this sense of compulsion—people's natural desire to do a good job—after the crisis has passed? Here, executives are finding that they can apply a lot of the lessons they are learning from agile—in particular, organizing work around time-limited and iterative sprints. This has the advantage of focusing people not on the uncertainties they can't control but on the immediate priorities that they can. It also unleashes engagement by leveraging people's sense of responsibility to complete what they have started for their team.

Cooperation: Putting Individual Autonomy in the Service of the Collective. This brings us to the third relationship critical to unleashing relational productivity: cooperation. No single individual or work group, no matter how engaged, will have all the answers.

By cooperation, we don't mean everybody getting along or enjoying social interaction at work. Rather, we mean the process by which people put their autonomy, initiative, and judgment in the service of a collective purpose or task—which sometimes means compromising their own goals or needs for the greater good. It's a process that can include as much conflict and tension as cozy fellow feeling.

Another common concern that many executives express to us is that cooperation, joint problem solving, creativity, and innovation will suffer if people cannot congregate in front of a whiteboard or serendipitously meet by the coffee machine or in the hall. But it's too easy to assume that proximity and frequent contact means that everybody understands where they fit into the whole and individuals and teams are working constructively together.

The challenge of remote work has forced many executives to review this assumption and focus on creating the right context for cooperation—for example, by explicitly building trust among far-flung team members, by giving everyone on the team enough air time (for example, by establishing a "right to speak" during Zoom calls). As a result, many organizations have experienced a lot of creative, collective problem solving during the pandemic.

How does a manager encourage cooperation? By focusing on key moments of truth rather than on process. By identifying the key interdependencies among people. And by asking them whether they are getting the help they need from others—and if not, how the manager can help make it happen.

The point is, cooperation doesn't happen by magic. You need to create a context for it to make sense to people, to be perceived as something that is in their interests and that will bring them benefit in the organizational system. And that is something managers can do whether people are co-located or not.

No Return to Normal

Most executives we spoke to understand, on some level, that whatever the post-pandemic reality will look like, there will be no return to "normal." Just as the act of consumption changes the consumer, the experience of work under lockdown has changed us, perhaps fundamentally.

Yet absent concrete steps to sustain the gains of the pandemic period, there is a strong risk that we will revert to old ways of behaving. In any organization, complicatedness has a way of reasserting itself over time. And the managerial assumptions that underly complicatedness have been more than a century in the making.

The solution: executives need to continue doing, proactively and consciously, what they have been forced to do during the pandemic. In other words, they need to start codifying the discoveries they have made about the importance of relational productivity and to translate them into sustainable innovations in the way they manage their people.

Here are seven steps that leaders can take to start nurturing the value-adding relationships of leadership, engagement, and cooperation.

- **Get to know what your people really do.** It's not enough to know how their roles are formally defined or how their teams are organized. Develop a deeper understanding of how—and how effectively—they interact on a day-to-day basis to tackle the tasks of the organization. What are the critical interdependencies? How effectively do people cooperate across those interdependencies? What are the key tradeoffs people face and how effectively are they optimizing across them?

- **Strive for clarity about what really matters.** While the long-term goals of the organization may be relatively stable, the priorities in a given situation or moment are likely to change. In a volatile environment, it's the leader's job to frame and reframe what matters in the moment and help people reorient their efforts accordingly.

- **Be present at moments of truth.** Paradoxically, in an era of remote work, managerial "presence" is more important than ever. By upping the tempo of your interactions, you will both develop a richer sense of where the relational roadblocks are and how you personally can help people overcome them.

- **Insist that your managers add value.** What positive difference are managers making in how their people create value? If they are not exercising leadership that unleashes engagement and cooperation and that helps their people navigate competing priorities and objectives, then they are not really adding value themselves. Which raises the question: is their role really necessary?

- **Connect with what people care about.** Articulating a corporate purpose is necessary, but unless it is translated into terms that are meaningful to people, it won't be effective. Find ways to creatively link the corporate purpose to people's individual objectives and goals, the resources available to them in their roles, and the constraints they face in the organization.

- **Demand cooperation and reward it.** No metric or KPI, no matter how well designed, can assess the effectiveness of cooperation in an organization. Such assessment is an exercise in judgment. A key responsibility of managers is to demand cooperation, be close enough to the work to know whether it is happening, reward those who cooperate well, and make sure that those who do not bear the consequences.

- **Accelerate digital transformation.** The millions of people who shifted to remote work did so in a situation that was far from optimal. They often had to share family computers and were plunged into remote work without any specific training. Imagine the productivity that could be unleashed by better leveraging the full array of digital technologies. In fact, there is a virtuous circle between relational productivity and digital transformation. To focus on relational productivity is to focus on the content of relationships, and digital is all about the content of work—data, analytics, networked connections. The more an organization focuses on relational productivity, the easier it is to accelerate digital transformation. And the more an organization accelerates digital transformation, the more important relational productivity becomes.

When business leaders take these steps and insist that their executive teams do so as well, they will find that their organizations can sustain heretofore unimaginable levels of productivity and performance—long after the crisis is over and no matter where their people happen to sit.

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