



The Neglected Role of Work

by Randy Stott

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In the late 50's and early 60's there was a television show on CBS named "The Many Loves of Dobie Gillis". For most of you readers, this occurred well before you were born. I do not remember much about the show, except that one of the characters, Maynard G. Krebs, had a strong aversion to *work*. In fact, anytime someone mentioned *work*, Maynard would exclaim "Work?!?" in a way that made it obvious that *work* is repulsive.

Unfortunately, I believe that most of us have caught Maynard's view of *work*. Not that I am accusing anyone of having an aversion to working, but we have relegated the importance of *work* to a lower level of importance in organization performance and effectiveness. As leaders we are very well versed in the topics of strategy, of structure, of talent and of leadership. We all can talk for hours about the before mentioned subjects and their impact on the performance of our business. But

the subject of *work* is seldom discussed, and when it is discussed, it is done with little knowledge of how it fits with these other important subjects. I speculate that our ignorance of *work* comes from the fact that *work* in most organizations is a very stable and unchanging part of the organization reality. Like fish in water, we are surrounded by *work* and the *work* is everywhere—but its ubiquity means the *work* is invisible. I would like to make the case that the way we currently treat *work* is one of the major causes of underperformance in businesses.

What would it mean if we elevated *work* to its rightful level of importance? Below we explore what this would mean:

Not all work is of the same importance.

One of the mistakes we make when thinking about work, is that all work has the same value to the business. We live in an era where equality is very important. Treating people equally is a great cultural principal. But treating work equally will lead to disfunction in the business.

Every business has at least three types of work. The first type, and the most important work, is the *competitive advantage work*. This work is what allows the business to create product and services that out-perform competitors. For a business, knowing this *competitive*

advantage work and optimizing how this work operates is a key to long term business success.

A second type of work that every organization has is *foundation work*. *Foundation work* is the work that keeps a business operating. This work does not lead to products and services that out-perform. In many cases this work does not become components of the products or services, but ensures that the business can continue to operate as an entity (e.g. tax compliance). Executing *foundation work* poorly will have a negative impact on product and service performance and on the long-term health of the business.

Finally, the third type of work is *strategic support work*. *Strategic support work* is **not** work that directly creates superior products and services. It acts more as a catalyst to enhance the *competitive advantage work*. An example of this type of work might be market research in a consumer products business. The market research develops insights into consumer preferences. This knowledge of consumer preferences can then be used by product development (*competitive advantage work*) to configure products that are superior at meeting consumer needs.

Once we understand these differences what does that mean for our businesses?

- Competitive advantage work should be optimized in the business. If there are trade-offs to be made, competitive advantage work should usually win.
- Competitive advantage work should be organized cross functionally. Breaking pieces of the competitive advantage work into functional silos suboptimizes the work.
- Building “world class” functional organizations will always result in the underperformance of the competitive advantage work.
- Foundation work should take its design criteria from the competitive advantage work, not from global or peer benchmarks.

Work is the direct connection between strategy and other organization components.

For years I was fascinated by the phrase “structure follows strategy”. I believed this concept to be true, and I worked diligently to figure out the mechanism to make this work. Did this mean that one type of strategy resulted in one type of structure? As I did my research, I did not find this to be true. As I continued my investigation, I finally figured out the complete phrase should be “Strategy defines the work. The strategy and the work determine structure.” This new phrase is not quite as pithy as “structure follows strategy”. Although the original phrase is accurate, good luck trying to follow it accurately without the intervening variable of *work*.

Part of the confusion comes from the common view of structure. Most people think about structure as a way of defining reporting relationships and layers of management. These both are true for what structure delivers, but they are of low importance compared to the real role of structure. The first and primary role of structure is to determine how work is done in the business. Structure determines the answer to two important questions. What work is done together? What work is done separately? Work done together is easier to coordinate, optimize and innovate. Work done separately results in handoffs, mistiming and prioritization challenges. In other words, work done together is the easiest work to do. And work done separately is the hardest work to do.

The strategy of the business should answer the questions: “What is the competitive advantage work of the business?”, “What is the other work (foundation and strategic support) of the business?” The structural question then becomes “What should be the easiest work to do in the business?” “What work is okay if it is hard to do?” It may come as no surprise to you readers my answer—the competitive advantage work should be the easiest to do! But I am surprised continuously how businesses make competitive advantage work the hardest to do because they do not understand the relationship between strategy, work, and structure. The most important work should be the easiest to do, even if it makes other work hard to do.

If a business is underperforming, the work needs to change.

We have all had the experience of going through structure change in a business. Research and experience would tell us that these structural changes seldom lead to improved performance. But if our experience tells us this, why do we keep doing structural change. The French writer Jean-Baptiste Alphonse Karr wrote “**plus ça change, plus c’est la même chose**” – “the more things change, the more they stay the same”. Structural change is the physical embodiment of this phrase in organizations. Structure, by itself, may not be powerful enough to affect performance without the combination change to the work. What change to the work has a direct impact on performance?

- Adding new competitive advantage work to the business can result in performance improvement. There are two ways of doing this. First, you can add work that gives you advantage over your competition. This new work and the capabilities that it brings results in superior products and services. The second way is to add work where you have a performance gap versus competition. This will result in bringing the business to parity versus competitors.
- Reconfiguring the existing competitive advantage work and strategic support work in a different way than competitors. The resulting combinations frequently leads to innovation in products and services. If

all your competitors have configured their work by product lines, a customer segment configuration might lead to different and better outcomes.

- Avoid benchmarking and copying competitors. Most industries evolve into a copy-cat mentality. Over time, everyone starts looking like clones of each other or of the dominate competitor. Instead, benchmark businesses in other industries with the same or similar strategies. Their competitive advantage work might trigger new thoughts on work for your business that will be unique to your industry. A financial services client, based on their unique strategy, benchmarked companies in the film industry. They learned how the film industry brings people of different skills together quickly, delivers on the film and then disbands. This helped them to develop new ways of working when it came to mergers and acquisitions.

Most organizations have too much work.

Businesses and organizations are very organic in their growth. Businesses faces new challenges from the market that forces it to adapt and change. Meanwhile, the internal reality also creates its own unique way of working. Overtime, all of this evolution results in businesses having too much work. And like the “fish and water” analogy from the introduction, the business participants cannot see the problem because they are used to it being there and have accepted its existence.

How do businesses develop too much work?

- Some of the “too much work” used to be valuable. It may even have been competitive advantage work at one point in time. But as the market changed, the value of the work disappeared—but the work remained.
- Functional “should be” mentality over work also plays a part. Many functions have a notion of what a function, of their type, should be doing. This “should be” work is not filtered through the strategic lens of the business, which allows the functions to impose their “should be” work on the business.
- Policy, procedures and practices accumulate but never disappear. Like

layers of sediment, these policies, procedures, and practices clog things up and make doing valuable work complicated. Many businesses have whole departments whose function is to ensure compliance with policies—creating unnecessary work to enforce other unnecessary work.

What do businesses do about “too much work”? Fundamentally there are two things that must change to remedy this situation.

- One, the business must stop the unnecessary accumulation of work.
- Two, the business must remove the existing “too much work”.

The process for a business to do the last two actions goes beyond the level of detail for this article. Just be assured, there are remedies to accomplish these actions.

Work!?!. I hope this is now your reaction to the concept of work in business. Not like Maynard G. Krebs, who hated work, but like someone who is knowledgeable about the impact of work on business performance and knows the importance of the role of work.