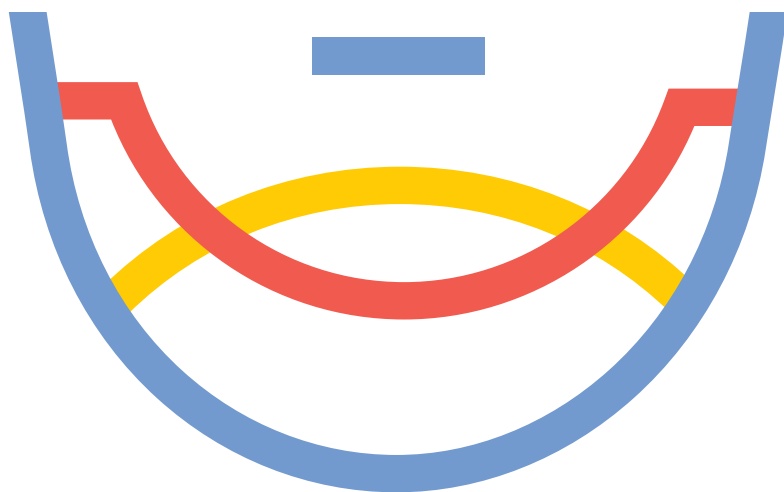Joana Breidenbach
Bettina Rollow

The Future of
Work
needs
Inner Work

Third Edition

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Inner Work

A handbook for companies on the way to self-organisation

by

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Preface

This book will help you find out which leadership styles and forms of cooperation best suit you and your company. At a time of widespread discussion about new forms of work and changing company cultures, we see the need for more precise and differentiated research into which organisational forms are suitable for which teams, tasks and markets. By "Future of Work" we mean a transformation of the world of work that puts the employee and her abilities at the centre, in which hierarchies are flattened or even completely abolished and replaced by collective leadership or self-organisation. But should every company change its hierarchical structures and be self-organised? And what prerequisites and steps are necessary for new forms of work to become successful? These are the questions we want to explore in this book.

Our handbook is practice-oriented and follows the working process of organisational development. Many steps can be taken by teams on their own, even without external support. For some further developments, especially when it comes to identifying and dealing with areas of conflict, we consider external support in the form of a coach to be necessary. But the handbook is also useful here, as it provides the reader with a guide to assess the quality of the coach or organisational developer. In our experience, there are many concepts and tools that are too general and superficial. As a result, change processes fail and leave management and teams frustrated.

One major reason for the failure of organisational developments is that they concentrate on the external, visible dimension of change. This problem lies at the centre of our interest. Every external change in structures and processes must be accompanied by an inner transformation. Therefore, we dedicate this book in particular to the "inner innovation" of teams. By this we mean the way in which employees and teams can mature and grow, so that they can design their increasingly complex and fluid outside world more competently and fulfillingly. As the title says: The Future of Work needs Inner Work.

Coming from the startup world, we see this book as an MVP (Minimum Viable Product). We want to succinctly share our own insights from five years of self-organisation with people who are just starting out on their own journey towards new forms of work and leadership.

That's why this book is also an invitation: to exchange ideas with us and to promote the topic of the Future of Work co-creatively. We are curious about your knowledge. This is because our own experience is based on working with small and medium-sized companies (between 12 and 120 employees) in Germany and Europe, and we do not yet know whether this experience can be transferred to much larger transnational corporations. A collaborative approach is necessary if we are to better understand the potentials and limitations of new forms of work. Our interest in knowledge is not limited to the world of work alone. We are convinced that new, more flexible forms of organisation and the associated principles and competencies, will play an important role in the next phase of human development. As Peter F. Drucker wrote: "Only a few changes have such a lasting effect on civilisation as a change in the principle on which the organisation of work is based" (Drucker, 2002). The skills described in this book are necessary to master the great social and environmental challenges of our time.

As you may have already noticed, we employ an informal style of writing. This corresponds to the kind of relationship we want to build in this book. Improving the (working) world is only possible if we open up to each other and build real relationships. For the sake of better readability, we have also decided against a strict gender-neutral form and instead intermix feminine, masculine and neutral pronouns. Every pronoun refers to all of our readers.

In order to make the book as useful as possible, we have integrated a selection of practical exercises at the end, which should serve you and your company to easily test what you have read. All of the exercises come from Bettina's repertoire and can be freely adopted and adapted à la Creative Commons.

Acknowledgement

This handbook stands on many shoulders, and we would like to thank those who helped us in the process. First and foremost, the companies that we work with in our various functions and from which we were able to learn. For those who think they recognise themselves in it: the descriptions are based on our subjective perceptions and make no claim to objectivity.

Joana thanks all former and present employees of *betterplace lab* for their enthusiasm and courage, their perseverance and their constant dedication to finding new ways of working. Without you – Nadine Brömme, Dennis Buchmann, Barbara Djassi, Moritz Eckert, Isabel Gahren, Hanna Gleiss, Nora Hauptmann, Katja Jäger, Franziska Kreische, Yannick Lebert, Gesa Lüdecke, Ben Mason, Stephan Peters, Medje Prahm, Sebastian Schwiecker, Carolin Silbernagl, Lavinia Schwerdersky, Michael Tuchen, Angela Ullrich, Kathleen Ziemann and our student interns – this book would not exist! Special thanks go to Dennis, who first told Joana about *Reinventing Organizations* in 2014 and thus set the impulse for the *betterplace lab* development process, internally called "Team Transformer".

Bettina also thanks the *betterplace lab* for its pioneering spirit. Her further thanks go to all the other companies that have trusted her and engaged in an experimental development process. These include in particular the teams from *Ashoka Germany* and *Ashoka Europe* around Rainer Höll, Oda Heister, Marie Ringler and Matthias Scheffelmeier as well as the European Forum. Our joint experiences around the Future of Work have been incorporated into this book to a great extent. A special thank you also goes to Nadjeschda Taranczewski, who introduced Bettina to many of the tools and exercises described here.

We owe our approach to describing the Future of Work, in the form of certain principles fruitful for organisational development, to Thomas Hübl. Thomas is a spiritual teacher whose work deals with mystical principles, i. e. the fundamental modes of life and creation, innovation and development. Much of what we write about Inner Work we have learned and experienced in his groups. However, the book does not presume that you share this mystical view of the world; it addresses everyone.

Finally, we thank each other. Without Joana, Bettina would never have co-authored this book. And without Bettina, Joana would never have explored and understood the Future of Work and self-organisation so thoroughly.

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From hierarchy to the development of potential

Ground Control to Major Tom
Take your protein pills and put your helmet on

David Bowie, Space Oddity

Imagine it's your first day of work at a new company. You are warmly welcomed and asked to spend the next few weeks getting to know the company better. "If a project catches your interest, you can start there immediately. And if you have an idea of your own, try to get your new colleagues excited about it and start a team." All the office tables have wheels, so that employees can move between projects with maximum flexibility. This is not a dream. A company that actually works in this way is called Valve and is one of the most successful American developers of computer games. Founded in Seattle in 1996, it now employs around 400 people. There is no management, and even the founder and president cannot dictate to employees what to work on or how to work.

On the other side of the world, in Berlin, the *betterplace lab* also works without bosses and managers. The non-profit think-and-do-tank explores how digitisation can be used for the common good. Its employees are responsible, among other tasks, for hiring their own colleagues. Each autumn, when planning the coming year together, they even negotiate their salaries with each other. Instead of a static organisational chart, the *betterplace lab* has developed a competency-based hierarchy in which the employees with the highest competency can make decisions independently in various domains.

Organisational development in the digital age

Our working world is undergoing a fundamental change. Conventional management and control functions, developed during the first and second industrial revolution, are proving, in the course of digitization, increasingly outdated.

New business models and value chains, as well as rapidly advancing automation, are exerting enormous pressures on the business world. Companies are forced to adapt to change much faster and to change more radically. They need to become more innovative and take more risks. The more complex the world, the less fitting do

conventional hierarchies become. This is because the knowledge and creativity requisite for navigating complexity are not centralised at the top, but distributed throughout the company. Decentralised organisational forms, "startup thinking" and "digital mindsets" are therefore in demand. Such models call for the ability to act autonomously, to cooperate with others, to be flexible, to endure uncertainties, to embrace diversity, and to recognise developments at an early stage.

Another factor is that many people feel a widening gap between their own needs and interests and what they experience in the workplace. This applies to employees as well as superiors. It seems to employees that they have to "shrink" themselves in order to fit through the office door. Bosses get bored when they have to approve vacation days or settle disputes in departments instead of promoting innovations and researching new business opportunities. These tensions lead to continuously rising burnout and absenteeism rates, with associated human dramas and economic losses. On top of this, companies have to compete fiercely for young talents that have their own ideas about what makes for a good job.

In order to meet these challenges, many companies are embarking on the path of change. Terms that express innovation, willingness to change and transparency are coined for this purpose. New formats, structures and processes are developed under the catchwords Future of Work, New Work, Holacracy, agile companies or "teal" organisations. The measures employed range from cosmetic to despondent to radical. Some people already apply the label "Future of Work" to the monthly cultural evening in the canteen, the office dog, or the newly designed intranet. Others try to rejuvenate themselves materially, they tear down walls and set up table tennis and football, put free drinks in the refrigerator and bean bag chairs in the lounge. Many hire change coaches to rethink the company using design thinking methods, introducing flexible working hours and creative titles on their business cards. Digital collaboration tools are introduced: you communicate via Slack, Google Drive or Trello. The executive floors open up and C-level managers seek to exchange with employees. This often works well at first, but does not penetrate to the core of the challenge.

A small but growing number of companies are taking a more fundamental look at the issue. They flatten hierarchies or eliminate them completely, including the bosses.

They are prepared for a change of perspective, for example, by letting trainees run the company for a month. They make management decisions transparent and disclose salaries. They give teams responsibility for recruiting so that they hire their own colleagues. They empower employees to freely decide how much vacation they take, as well as from where, when, and on what they work. Some teams even negotiate their salaries with each other and develop the company's strategy together.

Many of these more radical approaches are based on the conviction that companies should test and exemplify future lifestyles as role models. Founders and employees feel that in the early 21st century we have reached the end of an era, and are faced with the task of building more sustainable, just and healthy structures for society as a whole. But how can we demand new values and blueprints for society if we are, at the microlevel of our own companies, still trapped in old, often non-functioning structures? This is a burning question, especially for so-called impact companies, i. e. those that have expressly committed themselves to social and ecological change. More and more of them are becoming pioneers of the Future of Work movement and are developing the future of work in an exemplary manner within the framework of their own companies.

Why Inner Work?

However, almost all of the measures that go by the name Future of Work today are inadequate and doomed to fail. New forms of work are implemented, but they cannot achieve the expected system-changing effect.

They fail, because the implemented changes only involve the external world. Most companies act as if you only have to change a few roles and rules to make people more creative, responsible and self-determined. This approach overlooks the fact that any significant change in the outside world requires a corresponding change in the inner lives of individuals. Change can only succeed if we approach it holistically and actively include inner transformation. We must put the subjective sensations and perceptions of the Future Workers at the centre of change. When companies enlarge the scope for individuals – giving them more freedom and responsibility – they need to help them build competencies and mature,