



CREATING THE HYBRID ORGANISATION: MAKING PUBLIC AND PRIVATE SECTOR ORGANISATIONS RELEVANT IN THE NEW ECONOMY

Editorial Board:

Professor Michael Hulme Associate Fellow of the Institute of Advanced Studies
at Lancaster University and Director of the Social Futures Laboratory

Philip Ross CEO, Cordless Group

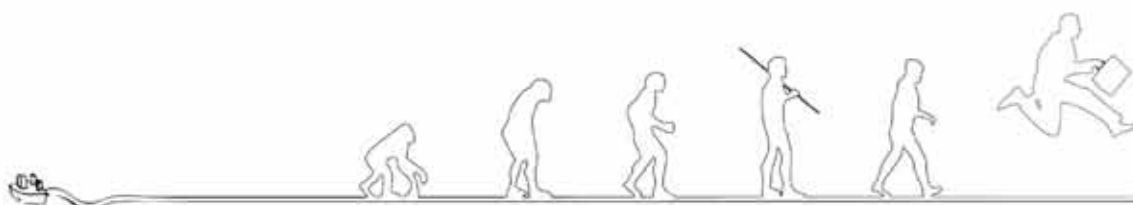
Ken Wood Deputy Managing Director, Microsoft's Cambridge Research Lab

David Coplin National Technology Officer, Microsoft UK

Graeme Leach Chief Economist and Head of Policy, Institute of Directors

Charlotte Alldritt Researcher, 2020 Public Services Trust

Scott Dodds General Manager of Small to Medium-Sized Business and Partners, Microsoft UK



This paper aims to explore the role and relevance of organisations in a future defined by economic uncertainty, changing workforce demographics, globalisation and rapid developments in social and business technologies.

Microsoft has brought together experts in the fields of social change, technology and organisational structure in the public and private sectors to build up a picture of a 'hybrid organisation' – one that is flexible, nimble and encourages individuals with a variety of backgrounds and approaches to work together to ensure organisational success.

Many of the issues discussed in this paper will not be tackled overnight, but Microsoft believes that organisations should start to consider adapting their business models, infrastructure and culture to accommodate the next generation of employees, changing customer demands and emerging risks to ongoing operations.

We can't predict the future, but successful organisations will be the ones that are prepared for change. Microsoft hopes this paper starts to take organisations on the journey to becoming 'hybrid'.

INTRODUCTION

Management commentators have talked about the changing face of business since Peter Drucker introduced the notion of 'knowledge workers' in the 1960s. Since then, we have been bombarded with predictions about the paperless office, the democratisation of organisational structures and the changing face of the world of work. The demise of the 9-to-5 working day and hierarchical organisational structures built on linear, inflexible process has been predicted with startling regularity, but with little concerted effort to change by organisations themselves.

One reason for this inertia has been the unprecedented economic growth of the past 15 years. As cash was plentiful and share prices continued to climb, organisations could always throw more money and resource at dealing with the growing complexity and bureaucracy of their operations. The process automation and innovation that generally went on in the private and public sectors tended to be focused on making bad processes more efficient, rather than driving real change.

However, in the past year we have reached a tipping point; the deepest recession in modern economic history has forced organisations to look seriously at their internal processes and structures as well as sources of competitive differentiation. At the same time, the changing workforce demographic – the introduction of the so-called Generation Y workers (those born after 1980), has created tension in the workplace as their collaborative and flexible approach to working has clashed with the rigid, structured routines and processes established by the managers and leaders of traditional organisations.

Externally, behavioural changes apply to customers as well as employees

– brand loyalty, in many cases, has been eroded as customers now use a variety of different information sources and channels to compare and purchase products and services, leading to intense competition to win market share. This has forced businesses to reduce costs, focus on customer experience and ensure they are agile and responsive enough to meet the needs of empowered individuals. In this context, organisations have to ask themselves some serious questions about their role, structure and relevance in the 21st Century.

To explore these challenges, Microsoft commissioned three papers, each looking at a central theme in the changing world of work:

- Professor Michael Hulme of the Institute of Advanced Studies at Lancaster University and Director of the Social Futures Laboratory examined the **social and cultural changes** occurring in the workplace;
- Philip Ross, author and CEO of the Cordless Group – a specialist consulting on the **future of work and the workplace**, with a focus on emerging technology and innovation;
- Ken Wood, Deputy Managing Director of Microsoft Research and David Coplin, Microsoft UK's National Technology Officer, took a look at the **technological developments** in the workplace, from videoconferencing to natural user interfaces.

This fourth paper brings together the conclusions from those papers. It also summarises a Hybrid Organisation Editorial Board roundtable discussion in April 2010



involving the authors, with commentary from Graeme Leach - Chief Economist and Head of Policy at the Institute of Directors, Charlotte Alldritt - Researcher at think tank the 2020 Public Services Trust and Scott Dodds - General Manager of Small to Medium-Sized Business and Partners at Microsoft UK.

Here, we aim to start to create a picture of the changes organisations will go

through in the coming months and years. Of course, these changes are not going to happen overnight, or all at once, but this paper represents the latest thinking and some of the practical steps organisations in the private and public sector can start to take to become more responsive and agile, and therefore competitive and successful, in the future - what we have termed 'Hybrid Organisations'.

WHAT IS A HYBRID ORGANISATION?

The term 'hybrid' means many things. At a basic level, hybrid is defined as 'of mixed origins', 'composite' and the 'interaction of two elements of incongruous kinds'. What emerged from the papers and the resulting discussion was that incongruity or difference is an important element of a hybrid organisation. Most notably, the successful mixture of sets of people with different working styles, needs and attitudes to work will be an important factor in determining the success, or otherwise, of organisations in the future. As Professor Michael Hulme says, the tensions between the Baby Boomers and Generation Y employees of today are reminiscent of the struggles between generations seen in the 1960s and 70s, where personal expression, mass media and counter-culture overturned post-war society.

"For Generation Y, their mass media is now social networking, social media and personal mass broadcasting," says Professor Hulme. "One of the major challenges in work, and in life in general, is how do the Baby Boomers that now occupy the establishment position, come to terms with the media, technologies and behaviour of their new young employees. Are they going to resist change or are they indeed going to embrace new forms of engagement and structures in

organisations and society generally?"

The harmonious combination of young and old, spontaneous and pre-determined, is going to be a key challenge for 21st Century organisations. Likewise, the demarcation between work and home is blurring and will pose its own challenges. As Ken Wood says: "A hybrid organisation is also about people's identities. We are becoming a hybrid of ourselves as human beings at home and employees at work - the two are not as separate as they once were."

'Hybrid' also applies to the physical environment in which we work, as Philip Ross explains: "If you walk into most offices it is hard to tell what that business does. Most offices are very anodyne; they don't represent the narrative of the business. In a hybrid organisation, I think you will walk into an office in the future it will be a collective and it will be heterogeneous - more ad-hoc and peer-to-peer."

At the heart of the debate, the authors and commentators engaged for this paper were in agreement that organisations of the future will allow for flexibility and spontaneity; the seamless movement between the virtual and the physical - whether that's in team structures, the places we work or the technology we use.



A hybrid organisation is one characterised by fluidity – not rigid structures or linear processes. Evidence of this change is starting to be seen in many organisations – whether it's in flexible working policies, virtual teams, the dissolution of compartmentalised office space or the emergence of cloud computing.

The key to success in this environment is to break down the operational and physical barriers between the organisational functions of people, operations and technology.

If organisations don't start to do this they will become constrained by their inability to respond to change, find it difficult to recruit talent and lose market share as more agile, hybrid organisations spot and exploit market opportunities.

New start-ups and emerging businesses aren't constrained by physical location or bureaucratic structures, but what about the majority of organisations already in existence – how do they start to become hybrid?

From the papers and resulting

discussions we have grouped our conclusions into a 20-point plan, structured around the five core themes:

- **Solving the people puzzle:** changing workforce demographics and working styles
- **There's no 'I' in Team:** collaborative processes and information flow
- **Here, there and everywhere:** infrastructure and operations
- **Simply making it work:** technology and tools
- **The cost of change:** risks, rewards and return on investment

Here, we do not provide all of the answers – in fact in some cases these points pose more questions, but Microsoft believes this paper reflects a step in the right direction for tackling future uncertainty in a manageable, piecemeal and inclusive way.

SOLVING THE PEOPLE PUZZLE: Changing workforce demographics and working styles

Being careful not to overemphasise the issue of generational clash, there are some tensions emerging in workplaces between those who like to work flexibly and collaboratively, and those who feel most comfortable with the routine and uniformity of the traditional workplace. The former typically tend to be the younger 'Digital Natives' who use networking and collaborative tools as a matter of course in their personal lives. The latter tend to be the Baby Boomers or 'Digital Immigrants' who see technology and automation as a means to improve existing process. The nuances of these tensions will be different

for every organisation, but as Professor Hulme says, allowing a range of different approaches and attitudes to flourish in the workplace is a significant issue. "There are some really big challenges about creating environments which are sufficiently common for the various generations to be able to work together and share together, so one can't dominate in the long run," Hulme says.

It can be frustrating for managers to understand and accommodate the new generation of employees – especially as Generation Y don't respond well to traditional command and control



organisations (and will probably be very vocal if they feel constrained or if they can see a better way to do things.) This generation is proactive, like to work collaboratively, have technology woven into the fabric of their lives and value spontaneity and flexibility.

The Hybrid Organisation Editorial Board agreed that biggest barrier to an organisation becoming hybrid is management attitude. Proclaiming that young people are not fit for purpose (or that old workers are not able to use technology) is a blinkered and dangerous management attitude – perhaps it is the organisation that is not fit for purpose. Supporting different employees doesn't mean that management has to abandon all structure and lines of control, of course; more that it has to understand the value that new working styles can bring to their organisations and help those skills flourish. Making this change is not easy and is littered with cultural traps, but there are some key points that can help make the journey easier:

It's not them and us

Workplaces have to be inclusive. As managers you ignore new employees at your peril. Likewise, younger employees are not a different species – every person is different and can bring new ideas and value to your business or organisation. Organisational leaders need to create an atmosphere of openness, and forums for the exchange of ideas. If you do not allow employees to voice their opinions and ideas openly then they will do so through their own social networks and peer group, creating internal tension and risk to the organisation. If you support and nurture good people then more of them will want to work in your organisation – ensuring a steady stream of talent and ideas for the future.

Identify skills gaps and bridge them

Innovation is about doing new things as well as doing old things in new ways. So why then do so many organisations make decisions about strategy from the top down? The traditional board and management structure was useful in an environment where we could predict and react to future events with some degree of certainty. As Graeme Leach of the IoD says, "The number one business characteristic of the present environment is uncertainty. You can't pick winners like you could in the old days of industry."

By involving employees at all levels in decision making, organisations will have access to a range of new skills and ideas that can be used to find solutions to problems and drive development of new products and services. Recognising and rewarding ideas are important, but breaking down the barriers between management and employees can cause serious cultural and political issues within organisations. Tread carefully and be open about what you are doing.

Offer choice

It is easy to get carried away when embracing new technologies, structures and working styles. Any quest to become more 'hybrid' in approach needs to be tempered by the recognition that there are many people who flourish in traditional structures. Working hours is a case in point – most young employees expect a degree of flexible working, but others work well in a structured 9-to-5 office environment. New initiatives should never be mandatory – offer choice and accommodate it. After all, you don't want to force people into blurring their private and professional lives if they don't want to. An organisation that measures success by outputs rather than inputs will find this easier.



Trust your people

Young people often question formal organisational structures and figures of authority. The advent of social media and mass personal broadcasting has enabled people to share a number of opinions quickly and then make their own judgements about what is right and

wrong. The strength of this generation is their ability to assimilate ideas and come up with unusual routes to achieving a task – not in being monitored too closely or hampered by restrictive policies. If you do not trust your people to do a good job and give them the freedom they need then, they will not want to work for you and will proactively leave the organisation.

THERE'S NO 'I' IN TEAM: Collaborative processes and information flow

As workers, we invest a lot of time, energy and money in travelling to work to be with fellow employees. Part of the reason we do this is because the office and organisational structure makes us do this. Another reason we like to be in contact with other human beings is because knowledge businesses are built on the sharing of information. By communicating with each other, people can share best practice, work together to achieve organisational aims and fulfil our needs as social animals.

To date, collaboration in most companies has been based largely on a sequential process: we are given set tools, meeting rooms, forced into physical teams and expected to follow the rules of the organisation. The hybrid organisation does not work in this way – as Philip Ross says: “Digital Natives will build several different ideas and approaches at the same time. As companies head into a new world of real-time collaboration and real-time networks, the idea of supervision and sequence – which has been a comfort factor to some Baby Boomers – will have to be revisited.”

In a hybrid organisation there is no set way of doing things; yes, a core level of control and policy is important, but in the day-to-day running of the business, employees should be encouraged to freely

share ideas and information in ways that best suit their working styles. As Charlotte Alldritt of 2020 Public Services Trust says, this is a particular issue for super-traditional organisations such as central government. “The public sector still takes a very centralist, top down approach to budgeting and controlling everything from Whitehall. It is endemic. We need to appreciate that there are new ways that citizens and employees want to engage with the government. We want greater access to information so we can follow our own ways of doing things.”

Involve your people in decision making

There is a wealth of evidence to show that involving more people in decision making improves the outcome and your competitiveness as an organisation. A collaborative and inclusive approach also offloads risk as more people have a stake in the decisions made. Virtual teams made up from people from a variety of backgrounds, different parts of the organisation and even those outside of the workplace are very important. Leadership in this environment is not about control, but about allowing ideas and opinions to flow, providing guidance and communicating a shared vision.



Avoid sequential processes

Traditional organisations can fall into the trap of organising creativity. Those organisations that formalise brainstorming processes, have policies for cultural improvement and, in short, enforce ‘fun’, run contrary to the principles under which Generation Y employees operate. The desire to rationalise and control the workplace needs to be resisted. Of course, central policies and procedures for critical infrastructures and behaviours are still important, but employees need to be given the tools and environment in which to express themselves. Organisations should think about enabling the expression of ideas through internal social networks, virtual teams and meetings that occur outside the traditional office or meeting room environment.

Encourage self-service

Your employees want to find things out for themselves and be in control of their own working day. By providing suitable tools and access to information, Digital Natives are adept at picking and choosing from a variety of resources and information to construct the best response to a problem or task. The notions of ‘self-service’ and ‘co-creation’ are growing in importance as we become more adept as employees and as citizens in researching and developing new services through intuitive and

collaborative means. In the workplace, this applies to technology and tools as well as information – a range of services held in the Cloud, for example, can be easily combined in new ways to provide the right response to a particular challenge.

Open up information and data

A flexible and transparent information strategy is a powerful way to engender change in the workplace. Open access to information makes it easier for people and customers to come into contact with each other to improve services and share knowledge and ideas. Market insight, company performance and information on organisational strategy should be made accessible to all employees. The more data is available and shared, the more you can include your people in making your strategy a success, and the easier it is to benchmark performance. And as Professor Hulme says, transparency of data is likely to become mandatory – why not start now before you are forced to? “There is an opportunity for organisations to be transparent and honest about the data they hold, and the way they are going to use that data and information. First, you can actually have a competitive edge by being honest and transparent. Second you may as well do it because if you don’t do it now legislation will come along and force companies to do it anyway,” Hulme says.

HERE, THERE AND EVERYWHERE: Infrastructure and operations

When you employ a ‘knowledge worker’ you employ them for their ideas and intellect. Why, then, do most business force employees to lock their brains up for hours on end in cars and trains when commuting

to and from an office? The notion of ‘work’, as Cordless Group’s Philip Ross says, is shifting. “During the last century and since the invention of the telephone, the natural assumption is that you provide a desk for



everybody, a container for work where you tie people down to a piece of wood which they have to travel to every day,” Ross says. “In the future, work will no longer be a noun but a verb - something that you do and not a place that you go to.”

Organisations are starting to make significant changes to their infrastructure and operations – driven largely by the need to cut costs and overheads. Property and fixed assets account for a significant proportion of capital expenditure in business and changes to the office environment can yield large cost savings as well as promoting better interactions between employees and greater productivity.

Is your office fit for purpose?

Philip Ross says that in a few years time we will look back at fixed telephones and desks as the most archaic method of connecting people – mostly because people hate being tied down to a single place of work: “When asked, people estimate they are at their work desk for 70% of their working day. When you do a deeper survey of working habits you find it’s 44%. That means when you take an average section of the average building, over 50% of the desks or offices are empty.”

As offices and physical location account for a significant proportion of capital expenditure, organisations are pouring essential resources into redundant and inefficient infrastructure. Forward-thinking organisations are already exploring the notion of shared space, virtual offices and the most efficient use of buildings. Going beyond simple hot-desking, offices of the future will be smaller, shared spaces for essential networking, with employees encouraged to work in different locations – whether that’s on the road, at home or in local communities.

Facilitate chance meetings

Designing and running a successful organisation is not an exact science. As Professor Hulme says: “There has been serious research into why and how managers and organisations work, but the conclusion was reached that they worked through ‘mysterious processes’. What the academics are saying there is that ‘chance’ is really important.” In the physical office environment, ‘chance’ means chance meetings, chance solutions to problems and an infrastructure that facilitates serendipity. Compartmentalised offices and over-complicated structures are giving way to open stairwells and ‘verticality’ where people are encouraged to move freely around the organisation. This is an extension of the water-cooler effect, where people can share ideas and have conversations outside the physical boundaries of the office walls.

Remove the physical trappings of seniority

The executive washroom is the stuff of legend, but there are many organisations that still operate a model of exclusivity by seniority – separate offices, managers occupying distinct floors and a rewards structure which favours seniority over actual contribution to the organisations success. A hybrid organisation operates a flat structure where managers are visionary leaders rather than dictators. In turn, managers who want to operate inclusive and productive organisations should expect to work with their people and not have their employees work for them. Disproportionate rewards for senior managers, based on exclusivity, will drive a wedge between the organisations and Generation Y – a workforce that doesn’t respect the notion of authority in the



same way Baby Boomers do. Yes, the added responsibility of management should be rewarded, but organisations need to find new, inclusive ways, to reward performance and value.

Join teams and organisations together virtually

The people you sit next to in an office are not necessarily the right people to help you do your job; like-minded people come up with like-minded ideas. People who have been doing the same job for any length of time tend to defend the status quo because they created the status quo in the first place. This notion overturns the traditional idea of team structures and collaborative working through

proximity. Organisations sometimes try to overcome the rigid team structure by implemented matrix management, but this is little more than organised chaos in many cases. To overcome this, companies and organisations can think about joining together departments and teams virtually to incorporate skills and ideas in a more fluid way. This is something Microsoft's Scott Dodds has seen work to great effect in the Microsoft partner community. "I have seen many partners start to join up on virtual partner networks. They know they don't have all the skills they need so they combine with other companies and work together to pitch for business and share ideas. We have seen millions of pounds of business being created from nothing in virtual teams and organisations."

MAKING IT WORK: Technology and tools

You would expect a paper from Microsoft to talk about the importance of technology, but while IT is a core pillar of organisational success, the Hybrid Organisation Editorial Board was in agreement that technology shouldn't be singled out for special attention. In fact, an over-emphasis on the benefits of technology is potentially damaging as cultural and physical aspects of the hybrid organisation can become neglected.

For Generation Y or Digital Natives, technology is part and parcel of their personal and professional lives. Unfortunately, in many organisations, the technology available at work lags that in employees' homes. As Microsoft's David Coplin says: "People typically have a better computer at home, faster internet and more recent software than in their office. And yet they still, when they cross the threshold into their organisation they

revert from being this person that can shop online and communicate with people through Facebook or whatever, to being a 'dumb user'."

The Hybrid organisation prevents this by have IT running through it - whether that's software on demand, social networking or mobile technologies to keep people in touch and productive out of the office environment. Powerful software and appropriate hardware is not something that is brought out on special occasions or for certain employees - it should be on-demand and available anywhere.

Think 'human' first and 'technology' second

"It's not that the technology is complex - it's the social organisation of the technology that is the difficult thing." Ken Wood's comments highlight the point



that it is the people in your organisation – and how they interact – that should dictate your technology strategy. It is not what you use, but how you use it that delivers competitive advantage. IT is only appropriate if you have involved your users in the process of selecting, testing and deploying it – or at least thought about how the technology will be used (or not used) by your people. After all, the ‘art of the possible’ – a management mantra for the hybrid organisation – is people-driven, not systems-driven.

IT should be part of the fabric of your organisation

In 2003 Nicholas Carr argued in the Harvard Business Review that ‘IT Doesn’t Matter’ – that technology was a utility that didn’t add competitive advantage. The software industry railed against Carr’s findings at the time, but seven years later the ubiquity of technology – especially enabled by cloud computing – has meant that powerful business and collaborative software is available to all business all of the time. Competitive advantage now comes from what you do with technology, not how much of it you have. Flexibility of IT and agility of its deployment are central to the hybrid organisation – whether that’s the private or public sector. As Charlotte Alldritt says: “Technology is often just an add-on just to try to make bad public services a little less bad. The vision should be where IT is absolutely fundamental and services are built around it. Most of all, it needs flexibility built in to accommodate change otherwise you will have to rip and replace every few years.” After all, Generation Y has grown up with technology woven into the fabric of their school life with ubiquitous PCs and interactive whiteboards – why should it be any different in the workplace?

Replicate personal experiences and preferences in the workplace

Digital Natives haven’t known a world without email, the internet or mobile phones. They are more likely to blend technologies and work on several devices and applications simultaneously – texting on a mobile phone, while surfing the internet, while communicating on Twitter or Facebook, while gaming, while watching a film, while downloading music. Typical workplace technology is developing to support this behaviour, and if it isn’t then Generation Y will work elsewhere. Social networking technologies should be embraced, not banned in organisations. Likewise, mobile technology and user interface are also developing to help replicate an organic approach to technology. As Ken Wood says: “Natural user interfaces (NUIs) are going to be really important. NUIs use speech, gesture and natural human ways of interacting with technology. It’s coming into the home now, whether you look at gaming or using speech recognition to make hands free phone calls. It’s going to move into the office and maybe the ‘non-office’ of the future.”

Technology is the least of your worries

“When you read the hybrid organisation papers you realise that IT is the least of everything we have to worry about. Technology is an enabler and if it’s freely available and always there then we know it will work. Instead, organisations should worry about the really hard stuff. How do we change people’s perceptions? How do we change people’s culture?” David Coplin’s comments highlight the Editorial Board’s consensus opinion that IT is not the problem; the real challenges



to becoming hybrid are social and cultural. Of course IT has to be a part of the solution, but don't make the

mistake of thinking that investment in technology alone will make you a hybrid organisation.

THE COST OF CHANGE: Risks, rewards and return on investment

There is always a cost associated with change management - even if that is the opportunity cost of doing things the same way. However, the Editorial Board believes that any initial financial outlay or resource reallocation is an essential cost of ensuring your organisation is fit for purpose in the 21st Century. Of course that doesn't mean spending millions of pounds on new technology and infrastructure (in fact it could mean reducing costs here), but the leadership team – the visionaries of the hybrid organisation – have to be prepared to invest significant time and effort. No one said it was going to be easy.

In the long-term, the business case for becoming 'hybrid' has to be based on tangible returns – whether that is saving money, making money, managing risk or providing better stakeholder engagement. A hybrid approach provides benefits in all of these areas: a reduction in fixed assets costs of up to 30% if reviewing your unused office space, or buying technology in more flexible ways; a happier, more productive workforce and a constant stream of new people and ideas entering the organisation; collaborative decision making, loyalty to the organisation and shared responsibility and accountability for success; and a people-focused approach that allows employees to deliver great products and services in the best way for customers and stakeholders.

Be prepared for change

The only thing we can predict in business and the economy with any reasonable certainty is that things are going to change. The pace of socio-economic change is such that organisations have to become proactive and agile to make sure they don't get swept aside in the tide of changing customer demands, market movements and technological developments. Graeme Leach says this is a fundamental mind shift for many organisations, which still rely on complicated decision-making structures and backward-looking reporting. These organisations, he argues, face significant risks to their ongoing operations if they don't start to be more agile in their strategy. "It's just being prepared for eventualities and thinking, 'how does that product or service or business react to various scenarios,'" Leach says. "The key thing of course is you do not have to be perfect at this. All you need to be is better than your competitors." But, as many of your competitors will be new, smaller businesses unburdened by the bureaucracy of larger organisations, the risks of losing market share are great unless you act with more agility and flexibility.

Don't fall into the trap of short-termism

Human nature means we generally resist change – we like to talk about it, but actually effecting new ways of doing things tends to get hived off into research



and development departments where they get forgotten about. As Leach says, inertia is rife: "One of the biggest problems is deciding on the right time for all of this. In a downturn you've got enough problems already, and then once the upturn arrives then you don't want to mess things up. So I think it's just human instinct to be cautious... Even businesses held up as exemplars just aren't very good at this stuff." Organisations looking to become more hybrid don't think about change management as a project – they consider it an essential part of risk management activities, from the board downwards. By being proactive in the short-term, organisations secure their long-term business continuity. Saying it is too difficult is not good enough.

Proactive change delivers profitability

The tangible returns – in terms of pounds and pence – of a hybrid strategy come in both cost savings and revenue generated. As Philip Ross says: "Companies spend an average of £12,000 to £14,000 per person per year providing a desk in a city like London. When that desk is only half used that cost has to be questioned." Likewise, removing the inflexible structure of a set desk and fixed phone, can also make your staff more productive. As Microsoft has found in its Amsterdam office – a prototype of the hybrid organisation office structure – sales have increased 50% since employees have been free to work where the like and when they like, using mobile technology. The combined benefits of a hybrid approach – crossing the three organisational pillars of people, technology and infrastructure – will be different for every organisation. By joining those pillars together, organisations will stand a better chance of anticipating and delivering

tangible ongoing benefits. As Scott Dodds says: "I think any organisation has to bring those [pillars] together because the cost benefit is actually quite complex."

Do one project well and others will follow

The number and scale of the issues raised in this paper may seem daunting to tackle. What do you do first, how do you make wholesale changes to tried and tested process, how do you monitor performance in a flat hierarchy where people work from multiple locations? The important thing to remember is that while change is necessary, you don't have to do everything at once. No organisation is going to become hybrid overnight, so the Editorial Board suggests tackling change at a very localised level first – pick a project that crosses the pillars of people, technology and infrastructure and invest in making it a success. By breaking change management down into fragments you increase the chances of success and create pilot projects that draw interest and buy-in from other parts of the organisation. These flagship projects don't need to be big, but they do need to be replicable and desirable. As Professor Hulme concludes, the process of change needs to be smooth and controlled if we are to avoid conflict and cross-generational clashes: "The vital take out for me from these papers is the importance of developing several clear milestones that allow organisations to respond to the growing concern that most of them have," Hulme says. "I think there is a danger we talk as if they are blindly going forward and they are not concerned; they are concerned, but they have an issue of scale. I think if we can find some localised ways of helping organisations move along these lines, they will go a long way to smoothing out what's inevitable change anyway."



CONCLUSION: CHANGE YOUR ATTITUDE; CHANGE YOUR ORGANISATION

The biggest barrier to change is management attitude. Organisational challenges in the 21st Century will be easier to meet if leaders in the public and private sector understand the barrier that attitudes can become to progress. Changing attitudes has to happen on multiple levels, whether that is changing attitudes towards Generation Y in the workplace, breaking down the silos between people, technology and infrastructure or starting to measure value and contribution by outputs and ideas rather than time spent in the office or seniority.

The senior organisational leaders of today have done this before in the 1960s and 1970s, of course. As Professor Hulme says; "There is an opportunity for the Baby Boomers I think to re-connect with some of the counter-culture values they had and to actually reach out and say, 'okay we can actually move, we can enable and facilitate'."

It's not just about people and culture, but only through a collaborative, open and transparent organisational structure and ethos will the full hybrid organisation emerge – an organisation where the nature of the office as a physical entity will change, supported by technology and seamless flow of data, information and new ideas.

As Charlotte Alldritt sums up: "When we talk about the concept of hybrid, it's not just a question of them and us or us

and private or public, it is how we interact as human beings with others and with our organisation. The word 'silos' comes up again and again, we don't live our lives in isolation so why should we at work?"

In this paper, we have started to see some of the benefits that can be generated by integrating the functions and silos in business. We don't have all the answers, but further iterations of this paper will explore the changes organisations are making, the practical steps public and private sectors are taking and the role of government in helping support this change.

The final word goes to Microsoft's Scott Dodds, whose comments echoed those of all the contributors to the hybrid organisation papers and roundtable. "We have heard about the importance of people, physical facilities and IT which we've always considered in isolation. But when you wrap those up together, you are actually talking about culture," Dodds says. "By looking at the three holistically, you start to ask questions that change the culture: does the building need to house anybody in future? What skills and behaviours do we need? Will we be around in five years time? Those are the sort of questions the hybrid organisation asks and addresses."



Microsoft®



www.microsoft.com/uk/hybridorganisation