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APPLIED AUTONOMY: A PRACTICAL GUIDE TO EMPLOYEE AUTONOMY

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INTRODUCTION

Many business executives are interested in making their companies adaptable and innovative - and this often implies a wish to increase the commitment of their employees. But how can a leader stimulate and make use of the employees' autonomy? One of the findings from the research project From Big Data to Big Business is that autonomy often creates good and directly measurable results (Ritter, Pedersen and Sørensen, 2017). This serves as the background for this practical guide. However, autonomy is also a phenomenon that few leaders possess comprehensive and explicit knowledge about.

This user-oriented guide presents tools and examples which can inspire leaders to encourage and apply autonomy to strengthen the competitiveness of companies. Our ambition is not to specify one single approach applicable to all organisations - but rather to give inspiration for how to tailor an approach suitable for exactly your organisation.

Enjoy your reading!

PURPOSE

The purpose of this guide is to give a user-oriented framework for the strategic autonomy work. It provides a basis and "terminology" for talking about autonomy, but this guide will also illustrate the concepts in practice. The guide is structured around four autonomy types which were originally presented in Ritter, Pedersen and Sørensen (2017). The Danish Industry Foundation has supported the guide financially.

This guide has the two-fold ambition of (i) inspiring business executives who wish to work with employee autonomy and (ii) functioning as input to teaching employee autonomy. Both aspects can help organisations to better *apply* autonomy in their strategic work.

DEFINITION OF AUTONOMY

Since the theme of this guide is the concept "autonomy", it is appropriate to start out with defining what is meant by autonomy. Based on Fairtlough (2005) and Ritter, Pedersen and Sørensen (2017), autonomy is defined as follows:

> Autonomy is the local self-determination of the employees - i.e. the employees act independently, and they do not ask management for permission in advance to take action or introduce new initiatives.

Autonomy is often compared to decentralised decision-making where the organisation's frontline workers can act on unexpected opportunities or threats without having to ask top management for permission (but they will often be monitored by middle managers). A related term to this perspective is the idea of 'responsible autonomy' which describes how one or more employees have autonomy to decide what must be done, but are then also responsible for the outcome of these decisions[1]. Responsible autonomy is thereby another way to describe freedom with responsibility, where autonomy is based on responsibility and transparency.

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HOW TO READ AND USE THIS GUIDE

This guide is practice-oriented and provides a light overview of a number of framework tools and concepts - so it can be used to discuss practical examples and reflect on your own practice. Even though the content of the guide takes outset in academic studies, theories and concepts, this guide will not go into details with these as the purpose is to inspire and challenge practice. We recommend that readers who are interested in the academic foundation take a look at the references for a more comprehensive review of the theories. First, the guide will present a framework and some concepts to understand autonomy, and second, a number of questions will be presented to the reader, which will give the reader the opportunity to reflect on and become inspired for his/her own practice while reading.

Readers should also consider whether they even want or need autonomy in their organisation. This guide is based on the premise that the reader wants autonomy - but there can be plenty of situations where regulation and control are preferred. The argument in favour of autonomy is that it is related to increased innovation, flexibility and employee engagement, and autonomy can therefore be a key element in business development. Autonomy often takes place in organisations, for which reason leaders might as well try to exploit it actively: For example, it is often seen in a data-driven context that autonomy is a noticeable feature among programmers and analysts. The entire 'hacker' mentality is an expression of the rebellious and creative dimension of autonomy. When an organisation wishes to obtain innovative concepts within data-driven solutions, autonomy can be used constructively among these employees.

IS AUTONOMY GIVEN OR TAKEN?

Autonomy refers to the self-determination of the employees. In other words, autonomous employees make decisions themselves without asking for permission in advance - and perhaps without feeling an urgent need to tell management about it afterwards. The interesting thing is that autonomy can both be given and taken. With outset in Ritter, Pedersen and Sørensen (2017)[2], we can therefore conclude that autonomy is twofold:

1. Autonomy can be taken by employees.
2. Autonomy can be given to employees by management.

Where the first dimension implies that employees sometimes "break the rules" and reserve the right to make decisions themselves (even though they might not have the authority to do so), the second dimension describes that management wishes to give the employees permission to make decisions on their own. Where the first type is informal and forbidden, the second type is formal and approved. The understanding of autonomy should therefore be based on these two different aspects. Figure 1 is a 2x2-matrix of different autonomy types that emerge when you place (i) the autonomy taken by employees in opposition to (ii) the autonomy given to employees by the management.

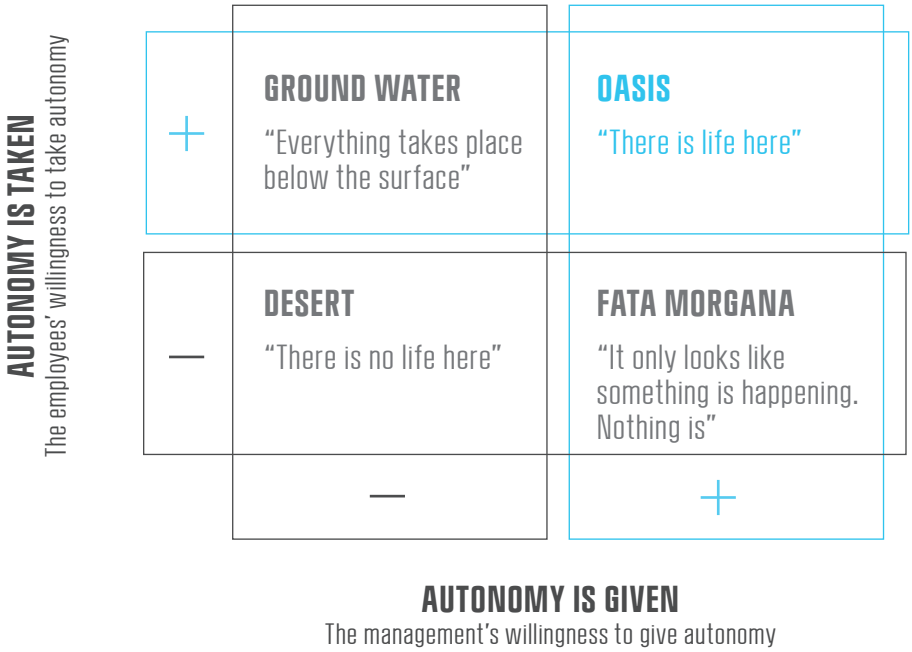

Figure 1: Autonomy types (from Ritter, Pedersen and Sørensen, 2017)

Just as people have to search for water to survive in the desert, one could say that companies should search for efficient employee autonomy to facilitate the necessary involvement, flexibility and innovation required to survive in a competitive and dynamic market. This metaphor can be used to structure our review of the different types of autonomy:

DESERT

When employees do not take autonomy or management does not give them autonomy, we use the term "desert": No autonomous activity can be found in this kind of company. Or put differently: There is just as much autonomy as there is water or life in a desert. Of course, "small pockets of resistance" might be present in an organisation, but the company will generally not be characterised by autonomy. Examples of this archetype are top-down organisations with a strong hierarchy and a pervasive bureaucracy. But also start-ups can be categorised as this type if they have a dominant owner who makes most decisions on behalf of the company. So deserts can be found in all kinds of companies.

GROUND WATER

When employees act autonomously without management endorsement, we are talking about the autonomy type "ground water". Ground water flows beneath the surface and is therefore not immediately visible or accessible - just as the employees' autonomous actions are below the surface and consequently not visible to management. In order to detect this real, existing autonomy, it is necessary to perform some managerial "digging" to reach the autonomy. Studies show that these "underground rebels" often are fairly idealistic and talented of nature, and when they break the rules to take autonomy, they have the welfare of the organisation in mind[3]. Examples of this autonomy type are often found in large organisations with a high degree of formalisation[4].

FATA MORGANA

When employees do not take autonomy but have obtained permission to do so from management, we have the autonomy type "fata morgana". A fata morgana is a mirage or an optical illusion, which for example can give a false impression of water nearby - even though it is not the case. In the case of fata morgana autonomy, management is under the illusion that employees behave autonomously just because they have been told to - preferably with "bombastic" announcements and visions. Since the employees do not grasp the opportunity for autonomy, the desired results are not realised in practice. There can be plenty of reasons for employees not exploiting the opportunity to act autonomously: One explanation can be uncertainty regarding what management expects from employee autonomy - and what specific framework applies to the autonomy. Another explanation can be that the employees are not used to have autonomy and first have to "learn" what this freedom implies and can be used for.

OASIS

When employees take autonomy and also have been granted autonomy by management, then we are referring to the autonomy type "oasis". An oasis in the desert is a place where water runs causing this place to be more fertile – meaning that life and plants flourish. The oasis company therefore has a "life-giving fountain" in the shape of autonomous ideas, initiatives and commitment among the employees. The oasis can be seen when management sets the conditions (e.g. time, money, access to facilities) for the autonomy, so employees locally are free to act independently within these conditions.

From the 2x2 matrix, it appears that autonomy is a more complex phenomenon than "just a couple of loose cannons in the organisation". Autonomy requires managerial competences *(autonomy is given)* as well as employee competences *(autonomy is taken)* to be sustainable. You can find a chart on the next page to help you determine which autonomy type your organisation is in.

HOW IS AUTONOMY TAKEN IN YOUR ORGANISATION?

Questions: *To what extent do employees take autonomy in your organisation? Can you give a few examples of this? How did it come about?*

HOW IS AUTONOMY GIVEN IN YOUR ORGANISATION?

Questions: *To what extent does management give autonomy to employees in your organisation? Can you give a few examples of this? How did it come about?*

WHICH AUTONOMY SCENARIO DESCRIBES YOUR ORGANISATION?

Questions: *Is your organisation desert, ground water, fata morgana or oasis? Why? Are there any differences between departments or employee groups?*

THE ROAD TO THE PROMISED OASIS OF AUTONOMY

Most leaders want to lead their organisation to the "oasis", and you can take many different routes to get there. Inspired by how various development models may look like[5], figure 2 illustrates how organisations can move away from the desert to the autonomy oasis. This does not imply that companies necessarily end up in the oasis scenario, as it depends on (1) whether you want to get there, and (2) whether you are able to get there. Provided that we accept the premise that the organisation wants to reach the oasis, four possible routes to get there can be identified and will be described on the next page.

In other words, many different outcomes exist but the below mentioned figure tries to illustrate some of the routes an organisation as a whole can follow in its pursuit of reaching the oasis. In our work with top executives, we have discussed many different routes - and many different attractive positions in the matrix.

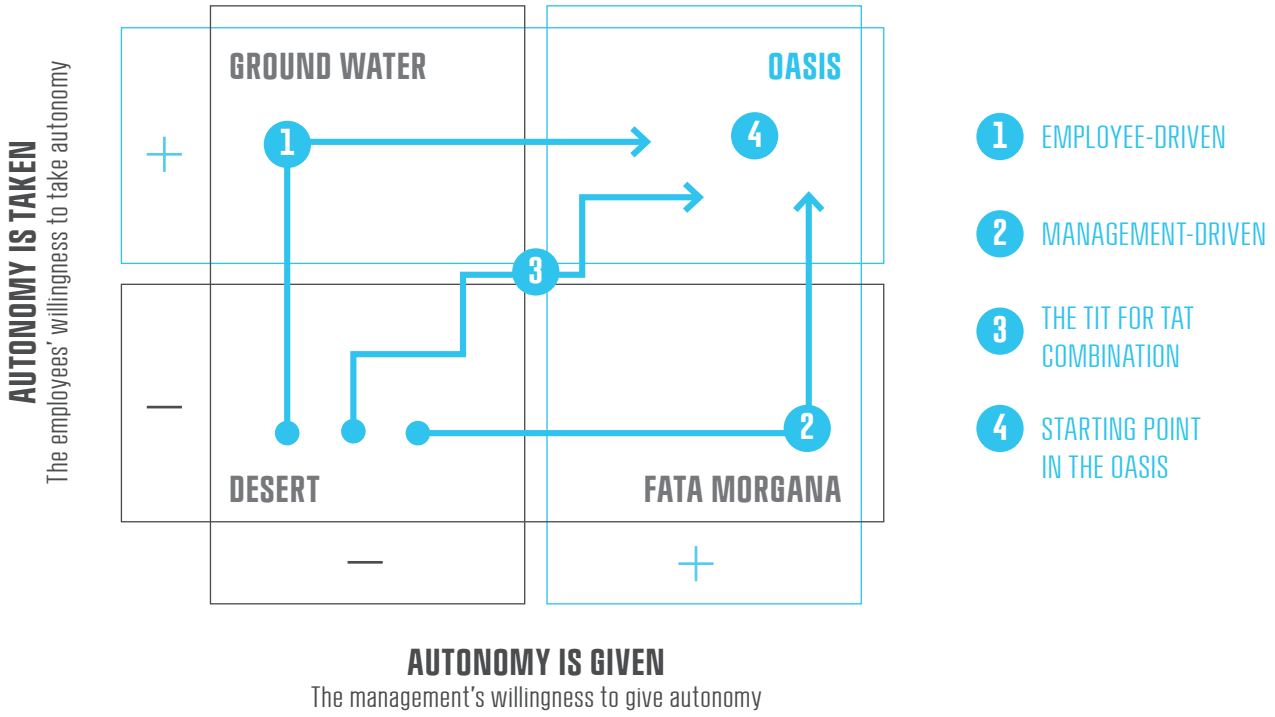

Figure 2: Development models (partly inspired by Weill and Woerner (2018))

Route no. 1 is the employee-driven route. Here, different employees begin to take autonomy even though management has not given them autonomy (which is the "ground water" scenario after the desert). After some time, management acknowledges the value of the employees' autonomous activities and establishes a framework for the autonomy to facilitate the efforts of the employees and generally promote autonomy in the organisation after which you end up in the "oasis" scenario.

Route no. 2 is the management-driven route. Here, management starts by giving employees autonomy, but the employees do not take it to begin with (so now we are talking about the fata morgana scenario). After a while, the employees begin to accept management's wish for autonomy (after good examples, motivation and training - or new employees) after which you end up in the "oasis" scenario.

Route no. 3 is a combination of small incremental steps where you alternate between employees taking a little autonomy and management giving a little autonomy - and then more is given and taken and so forth. In other words, the development is progressive where no one takes a big gamble, but both sides move forward hand in hand.

Finally **route no. 4**, where the company starts out in the "oasis" scenario and wants to stay there. In order for this to be feasible, skilled management, competent employees and continuous interaction between the two parties are required. Here, the managerial challenges are to remain in the oasis and to realise the full potential of the autonomy.

BARRIERS TO REACHING THE OASIS

As already mentioned, it is by no means given that you ever reach "the oasis" - or another autonomy type than the one the organisation is currently in. An organisation will often "be stuck" in one single type - or differences might exist internally in the organisation. When an organisation is stuck in one of the scenarios without the possibility to proceed, one can say that the organisation is in a so called "quicksand situation" (to stay in the sand and water analogy). When you are in a quicksand situation, you are caught in one of the scenarios and unable to break free - instead you sink deeper and deeper into the scenario. There can be good reasons for why an organisation is caught in, for instance, the "ground water", "fata morgana" or "desert" scenarios. This means that different barriers to exploit one's autonomy are present. These barriers include:

- Employees do not have the necessary will or competences.
- Management does not have the necessary will or competences.
- Autonomy is not invested in (both in terms of finance, time or other resources).
- Employees and management lack a shared understanding.
- Uncertain surroundings make the organisation incapable of action.
- The organisational culture makes the employees incapable of action.
- Systems and rules do not enable employees to behave autonomously.

On the next page we present a table which can help you determine which route your company is on - and which potential barriers that might be on the road before you can proceed.

WHICH ROUTE SEEMS TO BE MOST REALISTIC TO YOU?

Questions: *Is it route 1, 2, 3 or 4? Why this route? Why not the others?*

WHICH POTENTIAL BARRIERS EXIST?

Questions: *What can prevent you from reaching the oasis? Are the barriers put up by the management, employees or system? How critical are they?*

HOW AND WHEN CAN YOU REACH THE FINISH LINE?

Questions: *How can you overcome the barriers? What needs to be done in order to overcome these barriers? Who is responsible for overcoming these barriers?*

PRACTICAL EXAMPLES OF APPLIED AUTONOMY

With the background and the concepts in place, we can take a look at some practical examples of organisations that have worked proactively and constructively with autonomy. These examples can help illustrate some of the points in this guide and may also give inspiration to how you can make better use of autonomy in your own organisation.

Some of the more or less famous examples of intentional use of autonomy are:

- Google has given their employees so-called "20% time" where they can spend 20% of their time on their own projects. Some of the more well-known initiatives emerging from this 20% time are Google News and Gmail. Another renowned company - Twitter - has likewise experimented with a "hack week" which was an entire week where the engineers at Twitter could focus on projects they found interesting[6].
- The company Atlassian has a process called 'Shiplt' in which their employees are allowed to work with one project of their choice for 24 hours. They see many different initiatives emerging from this process[7].
- In the 1990s, British Airways threw out their massive customer service handbook out and gave employees permission to come up with solutions to customer problems themselves[8].
- An example similar to hackathons is the so-called data-sprints where employees with different (but relevant) competences join forces in a team (both specialists and decision-makers). They then examine and analyse a data set based on a given objective - which they usually can spend two or three days on. By working intensively with data in just a few days, you can obtain useful results within a short time frame[9].
- Spotify has also developed an organisational competence in balancing employee autonomy with employee responsibility[10]. Small teams 'own' a specific feature in a product which they have complete autonomy to manage - but in turn, they are also responsible for the results.

In these cases, time has been allocated to make room and establish frameworks for autonomy. Since time is a scarce resource for most organisations and employees, it makes sense to allocate time specifically for autonomy. Another resource to support autonomy is financial resources. In order for these to support autonomy, a pool of financial resources can be allocated locally - without a very demanding resource allocation process. This can create the necessary room for manoeuvre locally in the organisation so autonomous initiatives can be implemented and supported in the initial phase[11]. Simultaneously, this ensures that autonomous projects which fly under

the radar can rise to the surface and potentially be integrated into the strategic initiatives in which the organisation will invest onwards. This is important as it has also been emphasised how autonomy can be present whether management wants it or not.

However, autonomous projects also have a shadow side (literally speaking): "Shadow IT" is a well-known problem for many IT departments, and it is a term describing how employees or entire departments use or purchase independent technical solutions bypassing the IT department. The name thus refers to how these autonomous solutions exist in the shadow - without the IT department being able to see them. They can have severe consequences for the company - often of security-related character. Shadow IT is highly prevalent in organisations and is therefore impossible to avoid. However, you can benefit from using these initiatives constructively: First, shadow IT often emanates from employees experiencing an urgent need which they usually do not believe that the IT department can fix within a relevant time period. These initiatives can therefore reflect different needs in the organisation, and knowledge about them can be used in the IT department in the future. Second, these shadow projects can be perceived as small experiments/pilot projects where new initiatives are tested on a smaller scale[12]. This requires IT departments to be are aware of the shadow projects - i.e. that they step away from the shadow and into the light. The before mentioned examples can remedy this. Some studies even show that the best performing IT companies actually are able to grasp and exploit shadow IT[13]. However, it should be acknowledged that the organisation must be careful managing the risks associated with these initiatives in order to obtain the positive advantages of shadow IT[14].

CONCLUSION

Leaders who want growth and innovation should have an understanding of how good their companies are at handling autonomous initiatives among the employees. Here, autonomy refers to the employees' possibilities of developing initiatives and making decisions on their own - without asking management for permission to do so in advance. The employees' autonomy is essential to facilitate development as it is the foundation for innovation, adaptability and flexibility - which all are essential qualities to companies in the new data-driven reality. This means that deliberate managerial control and support of autonomy provide an opportunity for employees to come up with new initiatives and ideas all over the organisation. Yet, autonomous shadow projects from employees can be a challenge for many companies - especially if they remain in the shadow or if they do not correspond to company values!

Autonomy requires employee involvement, motivation and commitment - and it requires (good)will and support from the management. It is not possible to realise the full potential of autonomy until these two elements are combined and interact with each other. Autonomy was defined as the local self-determination of the employees - which can be given but also taken. We also argued that autonomy often exists to a certain extent in most companies, and it can thus make sense to work constructively with it. However, four different types of organisations with different combinations of autonomy were identified. The concept 'oasis' was presented as a possible way to realise the advantages and eliminate the disadvantages of autonomy.

Companies wanting business development will have to actively work with employee autonomy as autonomy is connected to innovation, flexibility and adaptability which all are essential elements for development. At the same time, autonomous projects are difficult to avoid so managers might as well try to use them constructively developing their business.

Employee autonomy is the energy that drives the organisation's creativity and innovation. This is further supported by the positive impact of autonomy on the internal motivation of employees which can help stimulate their creativity[15] . If a manager wishes to develop and innovate his/her organisation, he/she can benefit from examining whether there is a framework that allows employees to contribute new initiatives that challenge the status quo.

ABOUT THE DEVELOPMENT OF THE FOUR AUTONOMY TYPES

- In our work with data-driven growth we discovered that autonomy is an important competence for the development of organisations.
- The 4 autonomy types were first described in Ritter, Pedersen and Sørensen (2017) in relation to the work with the DataProfit-tool.
- Since then, the 4 autonomy types have been tested in workshops, seminars and teaching activities.
- The 4 autonomy types have also inspired subsequent academic work with strategy and management of strategic projects.
- The making of this guide has been made possible by funds from the Danish Industry Foundation.

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