

## Impact case study (REF3)

<b>Institution:</b> London Business School		
<b>Unit of Assessment:</b> 17 – Business and Management Studies		
<b>Title of case study:</b> Innovative ways of working		
<b>Period when the underpinning research was undertaken:</b> From 2000		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b> Julian Birkinshaw	<b>Role(s) (e.g. job title):</b> Professor of Strategy and Entrepreneurship;	<b>Period(s) employed by submitting HEI:</b> From 01/04/1999
<b>Period when the claimed impact occurred:</b> 2013-2019		
<b>Is this case study continued from a case study submitted in 2014?</b> N		
<p><b>1. Summary of the impact</b></p> <p>Dozens of firms including TecBan (Brazil), Enel (Italy) and Microsoft (US) have used Birkinshaw's findings and ideas to <b>re-organise, restructure and rethink</b> their business – making them <b>less bureaucratic</b> and better able to act in <b>more nimble ways</b>.</p> <p>Benefits include <b>high</b> staff morale, <b>faster</b> adaptation to changed circumstances, <b>better</b> engagement with customers, and <b>increased</b> productivity. For example, after re-organising based on advice from Birkinshaw in 2018, TecBan saw 2019 <b>revenues grow by 12%</b>.</p> <p>After the Brazilian/US consulting company CI&amp;T based a 2017 re-organisation on Birkinshaw's research, the company <b>grew its revenue</b> per employee by <b>almost 40%</b>.</p>		
<p><b>2. Underpinning research</b></p> <p>The research <b>identifies specific changes</b> firms can make to innovate their management model -- the way they are <b>organised</b> and the way they <b>manage their internal operations</b> – so as to move away from the industrial model of organisation developed last century towards one more <b>relevant for today's digital world</b>. The research also provides a <b>specific, experiment-based methodology</b> to allow firms to implement the necessary changes.</p> <p>With colleagues, Birkinshaw wrote a <b>highly influential</b> 2008 paper in the Academy of Management Review that introduced to many the concept of – and the study of – management innovation [3.1]. Widely regarded as the <b>first step towards a systematic theory</b> of how management innovation occurs, the study described how <b>people and ideas both inside and outside</b> an organisation could drive the development of new ways of working. Whereas prior studies had emphasised a sequential internal process, or the tendency for firms to blindly follow 'fashionable' new ideas, this paper <b>exposed the interplay between internal and external agents</b> to enable these innovative management practices to take shape. The paper won the journal's <b>best paper prize</b> for that year and has been cited more than a thousand times.</p> <p>A second project compiled and collated 50 real-world examples of management innovations over the last 150 years, ranging from scientific management, the assembly line and divisional structure to benchmarking and outsourcing. Published as a book [3.2] the collection was <b>praised by the Financial Times</b> as performing "an important service in calling our attention to the concept of management innovation".</p> <p>Building on the theoretical basis laid out in [3.1], follow up work examined in more detail some key aspects of the management innovation process. One study [3.3] used survey responses</p>		

from 3,668 UK firms to analyse the **organisational, individual and situational factors** that make a company more or less likely to import successful management ideas and practices from elsewhere. It found companies **fared better** when they either relied on peer organisations for inspiration, or when they actively looked further afield.

Other articles have presented the research and its implications in publications **aimed at business executives** and have had a direct impact on how companies operate. One piece [3.4] in the *MIT Sloan Management Review* used detailed cases studies to discuss the ways executives could steer the process of management innovation. A second [3.5] piece in the same journal, and a book called *Reinventing Management*, described in more detail below [5.1], provided a detailed blueprint for the transition from an industrial-era way of working built around bureaucratic coordination and hierarchical decision making to a digital-era model built around emergent self-organisation and collective-wisdom based decision making. A subsequent book, *Fast/Forward*, developed these research ideas further, as described below [5.2].

### 3. References to the research

[3.1] **Birkinshaw, J.M.**, G. Hamel and M. Mol. 2008. Management Innovation. *Academy of Management Review*. 33(4): 825-845. <https://doi.org/10.5465/AMR.2008.34421969>

[3.2] Mol, M. and **Birkinshaw J.M.** 2008. *Giant Steps in Management*. FT Prentice Hall. ISBN-10 : 0273712926, ISBN-13 : 978-0273712923

[3.3] Mol, M. and **Birkinshaw J.M.** 2009. The sources of management innovation: When firms introduce new management practices. *Journal of Business Research*, 62(12): 1269-1280. <https://www.sciencedirect.com/science/article/pii/S0148296309000125>

[3.4] **Birkinshaw, J.M.** and M. Mol. 2006. How Management Innovation Happens. *Sloan Management Review*, 47(4). <https://sloanreview.mit.edu/article/how-management-innovation-happens/>

[3.5] **Birkinshaw, J.M.** and J. Goddard. 2009. What is your Management Model? *Sloan Management Review*. 50(2): 81-90. <https://sloanreview.mit.edu/article/what-is-your-management-model/>

### 4. Details of the impact

The impact of this research has been driven by wide dissemination and discussion of the findings and by presenting practical steps for firms to follow. For example, Birkinshaw synthesised the research results [3.1][3.2][3.3] into two books that **provide explicit guidance** to companies on how to transition from the classical 'industrial era' model of management to the 'digital era' model that is popular among today's technology firms such as Google and Facebook. The first book *Reinventing Management* [5.1] defines the **specific dimensions** that executives should focus on when seeking to develop new ways of working, for example how coordination is achieved, how decisions are made, and how objectives are set. This book also lays out an **experiment-based methodology** to help executives put these innovative ideas **into practice**.

The second book *Fast/Forward* [5.2] articulates a fully-fledged model: the **adhocracy**, as an alternative to bureaucracy or meritocracy, and explains the elements of this adhocracy model, for example the need to structure operations around market-based opportunities. Both sold **more than 10,000** copies, and *Fast/Forward* won a Silver **prize for business theory** in the Axiom business book awards in 2018. [5.3]

The ideas developed in the academic studies and presented in the two books have significantly influenced corporations. For example, the Brazilian firm TecBan, which provides ATMs, armoured trucks and other services to banks across the country and which employs 6,500 people, has used Birkinshaw's research to **re-organise its operations** [5.4]. Jaques Rosenzvaig, CEO of TecBan, says the research findings have "driven the company's cultural transformation by bringing the importance of balancing bureaucracy, meritocracy and adhocracy in our management model". **Tangible results** include **80 ideas** suggested by staff to make processes simpler and more productive, and **revenue growth in 2019 of 12%** and **88% of staff reporting high morale** in the latest survey.

CI&T, a Brazilian/US consulting company also used Birkinshaw's adhocracy framework as the **blueprint for its 2017 re-organisation**. Company co-founder Bruno Guicardi says they used it to create "small self-organized fluid teams organized around market opportunities." The year after this restructuring, the company **grew its revenue per employee by almost 40%**, and with strong employee engagement and customer satisfaction ratings. [5.5]

Ernesto Ciorra, Chief Innovability Officer of Enel, Europe's most valuable energy company, says Birkinshaw's work has been "inspiring for our Group, providing a solid guideline to shape the organizational transformation through a thorough understanding of the differences between bureaucracies, meritocracies and adhocracies, and that the right organizational model should be opportunity-driven." [5.6] Microsoft executive Ross Smith points to his 400-person team having "some of the **highest engagement...and lowest attrition**" across Microsoft's software development operation, following his **implementation of Birkinshaw's ideas** in *Reinventing Management*. [5.7]. Similar **success stories** have been reported by companies including Swiss (airlines) [5.10], Roche (pharmaceuticals) [5.8], and Implement (consulting) [5.9]. For example, a Roche executive cites Birkinshaw's work – and strategies presented in *Reinventing Management* -- as helping them get away "from hierarchy and bureaucracy to an **agile organisation**." [5.8]

The research has also had impact because it has formed the basis for an **education and training** programme. An innovative MOOC called "Managing the company of the future", offered through Coursera, has been taken by **more than 80,000 people** since 2014, with a rating of 4.8 out of 5 from 800 raters. And the work with several companies to implement the research is included in **case studies** on management innovation, for example ING bank, the UK's Government Digital Service, Bayer, and Tencent. These are offered through the London Business School and external partners including Harvard Business School and business education group The Case Centre.

## 5. Sources to corroborate the impact

[5.1] Birkinshaw J. (2012) *Reinventing Management: Smarter Choices for Getting Work Done*. ISBN-10:9781118375907, ISBN-13:978-1118375907

[5.2] Birkinshaw J. & Ridderstrale J. (2017) *Fast/Forward: Make Your Company Fit for the Future*. ISBN-10:0804799539, ISBN-13:978-0804799539

[5.3] *Fast Forward* wins Silver Prize in Axiom Business Book Awards 2018  
<http://www.axiomawards.com/80/2018-winners>

[5.4] Letter from Jaques Rosenzvaig, CEO of TecBan Corporation

[5.5] Letter from Bruno Guicardi, co-founder of CI&T Corporation

[5.6] Letter from Ernesto Ciorra, Chief Innovability Officer of Enel, Italy

[5.7] Letter from Ross Smith, Development Team leader at Microsoft

[5.8] Letter from Bodo Eickhoff, Senior Vice President Sales, Roche Germany

[5.9] Letter from Henrik Horn Andersen, Head of Implement Consulting, Denmark

[5.10] Letter from JC Schraven, Swiss Air