EXECUTIVE SUMMARY

Empowering Employees to Drive Innovation

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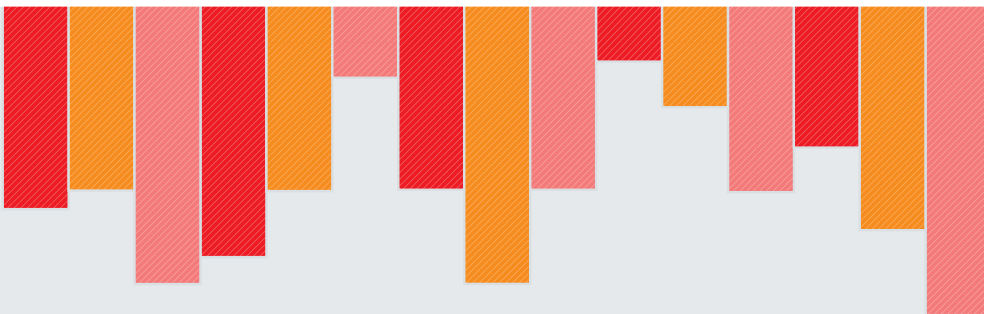
Empowering Employees to Drive Innovation

Twenty-first century businesses need to be prepared to handle any disruption, whether it's a new technology that challenges old ways of working or a global health and economic crisis of historic proportions. The Covid-19 pandemic, for instance, hit many businesses hard, resulting in financial loss and decreased team morale, collaboration, and productivity. Many organizations were able to successfully adapt their ways of working, but others struggled. Along the way, most discovered their path forward and uncovered the steps they need to take to be prepared for the next disruption.

According to a Harvard Business Review Analytic Services survey of 642 business respondents, there appear to be several factors impacting whether organizations adapted well to the pandemic, including what tools and practices organizations had in place prior to its outbreak. Those who reported that their organization quickly adapted its way of working "very well" (43%) in the face of the business disruption caused by the pandemic had notable differences in their pre-pandemic usage of key tools and practice areas.

Those organizations that didn't adapt very well to the new pandemic world (selecting "not well at all," "not very well," or "OK" when asked how well they adapted their way of working) overwhelmingly struggled with technology. Three-quarters (76%) of this group agreed with the sentiment that the pandemic revealed major gaps in their organization's internal technology strategy. Those who didn't adapt well were also more likely to cite the need for improvements to nearly every area of their current technology stack, from flexibility and functionality to speed and user friendliness.

HIGHLIGHTS

80% of business respondents agreed that agile and innovative employees played a big part in **ensuring business continuity and success** during the pandemic's disruption.

50% said that their technology stack **meets employees' current needs** well.

43% of organizations **adapted their ways of working** very well during the Covid-19 pandemic.

The business disruption caused by the pandemic is also leading many organizations to rethink their future implementation of their tools and practices. Most respondents (86%) agreed that the pandemic is changing the way their leadership is thinking about how to future-proof the organization; 54% agreed that their organization plans to increasingly pivot their tech strategy toward achieving quick wins instead of wholesale optimizations; and 71% agreed that, going forward, they expect their organization's leadership to increasingly entrust teams with innovating based on their own specific needs.

Organizations' tools and practices will continue to be a priority into the future. As 88% of respondents expect their organization to allow employees to work remotely more than before the pandemic, having technologies that connect a dispersed workforce will remain a necessity.

The Right Technology Matters

Nearly all respondents say that having the right technology in place matters: 93% agreed that providing teams with the software and tools they need is necessary to producing successful work.

However, when it comes to an organization's current tools and technologies, there's a disconnect: Only 50% say their technology stack meets employees' current needs well (or those that selected an eight, nine, or 10 on a scale of zero to 10 on how well their tech stack meets employees' needs). When asked what areas of their technologies/tools need improvement, the most-cited overall were speed (42%), seamlessly connecting to the rest of their tech stack (39%), and functionality (38%).

When the pandemic hit, two-thirds (67%) agreed to some extent that their organization reevaluated its technology

strategy, while nearly half of all respondents (47%) agreed that the pandemic revealed major gaps in their internal technology strategy.

Of the group who strongly agreed that the pandemic revealed gaps in their tech strategy, only 21% said their organization was able to adapt its way of working very well in response to the pandemic. In comparison, 71% of those who strongly disagreed that major tech gaps were revealed in their organization by the pandemic said they were able to adapt their way of working very well. That's a 50-percentage-point gap between the groups. This disconnect suggests that organizations with the right tools in place were more likely to have adapted well during this time of upheaval.

Moving forward, more than two-thirds of respondents said their organization plans to reevaluate its technology strategy in light of the gaps revealed during the pandemic.

Tools That Drive Adaptability

According to the survey, high use of certain tools was a critical indicator for how well an organization was able to adapt its ways of working.

Overall, the most highly used tools (eight, nine, or 10 on the zero to 10 scale) based on employee usage prior to the pandemic were remote work tools (58%), communication tools (54%), and content storage and sharing tools (52%). The respondents whose organization adapted very well to the pandemic's business disruption were more likely to report high use of each of these tools pre-pandemic within their organization: remote work tools (70%), communication tools (63%), and content storage and sharing tools (60%).

In comparison to organizations that weren't as skillful at adapting their ways of working, just 39% of this group reported high usage of remote work tools (a 31-point gap compared to the strong adapters), 37% for communication tools (a 26-point gap), 36% for content storage and sharing tools (a 24-point gap), and 19% for project and work management tools (a 26-point gap) prior to the pandemic. These numbers suggest that the more technologically prepared organizations were, the more likely they were to be resilient through unexpected operational upheaval.

Organizations that didn't rely on these tools very much before the Covid-19 outbreak had consequences beyond just an ability to adapt quickly. Respondents who ranked their organization's use of remote work tools as being low (zero to 5) were more likely to report decreased team morale (59, 14 points higher than the high-remote-tools-usage respondents) and decreased team productivity (39%, 11 points higher). Similar consequences were more likely to be reported in the low-use content storage and sharing and project and work management tools groups compared to the high-use groups of the same tools. **FIGURE 1**

Tool Definitions

Project and work management tools
Project/program/process management, task tracking, workflow automation

Communication tools
Intranet, extranet, messaging, and video conferencing tools/platforms

Content storage and sharing tools
Shared online documents/spreadsheets, shared file locations

Remote work tools
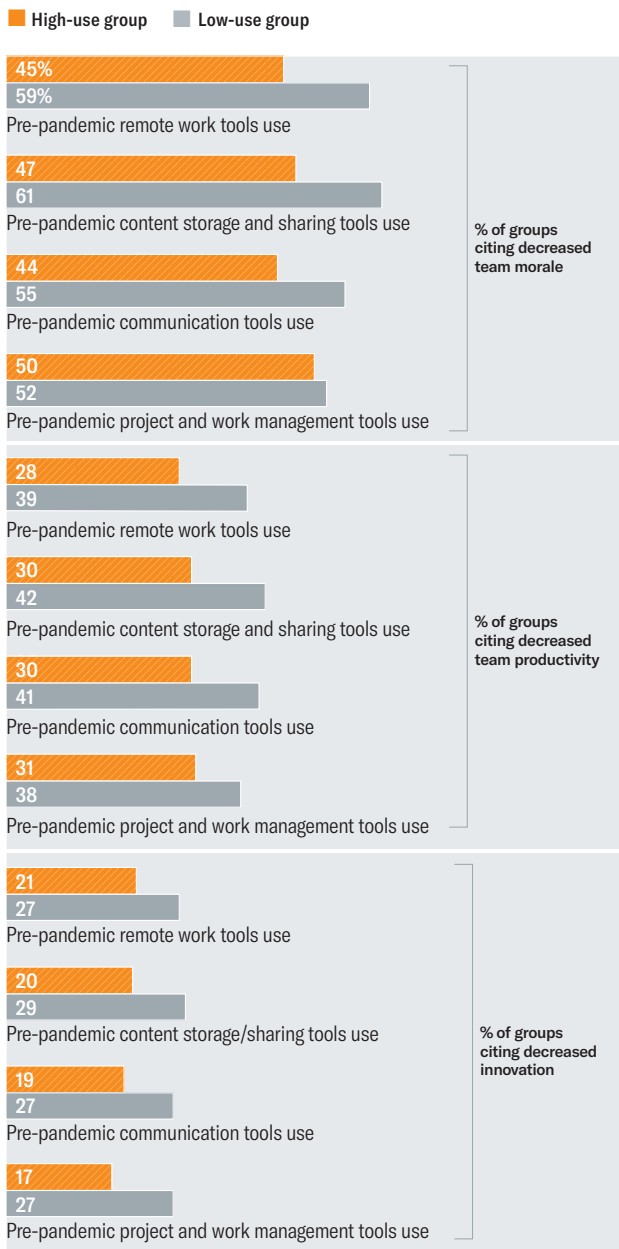Laptops, mobile phones, screen sharing, remote access to central servers, cloud computing

Moving forward, more than two-thirds of respondents said their organization plans to reevaluate its technology strategy in light of the gaps revealed during the pandemic.

FIGURE 1

The Impacts of Tool Usage

Businesses that didn't use certain tech tools prior to the pandemic were more likely to report consequences.

■ High-use group   ■ Low-use group

45%
59%
Pre-pandemic remote work tools use

47
61
Pre-pandemic content storage and sharing tools use

44
55
Pre-pandemic communication tools use

50
52
Pre-pandemic project and work management tools use

% of groups citing decreased team morale

28
39
Pre-pandemic remote work tools use

30
42
Pre-pandemic content storage and sharing tools use

30
41
Pre-pandemic communication tools use

31
38
Pre-pandemic project and work management tools use

% of groups citing decreased team productivity

21
27
Pre-pandemic remote work tools use

20
29
Pre-pandemic content storage/sharing tools use

19
27
Pre-pandemic communication tools use

17
27
Pre-pandemic project and work management tools use

% of groups citing decreased innovation

%s reflect responses within two groups: those who had high use of each tool type pre-pandemic and those who had low use of each tool type pre-pandemic.

Source: Harvard Business Review Analytic Services Survey, June 2020

Going forward, however, the majority of respondents polled expect their organization's use of communication, remote work, content storage and sharing, and project and work management tools to increase.

The Role of Empowered Employees and Innovation

Prior to the Covid-19 crisis, more than 40% of respondents said their organization's approach to innovation was driven a good amount or almost entirely by senior leadership, compared to the 18% who said it was driven a good amount or almost entirely by employees. Forty percent said it was driven equally by employees and senior leadership.

Going forward, the distribution of responsibility for innovation appears to shift to the middle ground, as 54% of respondents said their organization's approach to innovation will be driven equally by employees and senior leadership. **FIGURE 2**
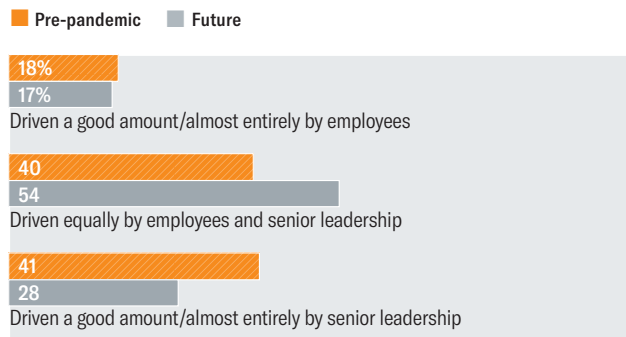
But enabling employees with tools to support productivity and innovation appears to be key. Overall, a very high majority (93%) agreed that "providing teams with the software and tools they need is necessary to them producing successful work." Additionally, in comparing responses of the group

FIGURE 2

Innovation Before and After Covid-19

For many organizations, senior leadership played a large role in driving innovation.

Which of the following best describes your organization's pre-pandemic approach to innovation and the expected approach in the future?

■ Pre-pandemic   ■ Future

18%
17%
Driven a good amount/almost entirely by employees

40
54
Driven equally by employees and senior leadership

41
28
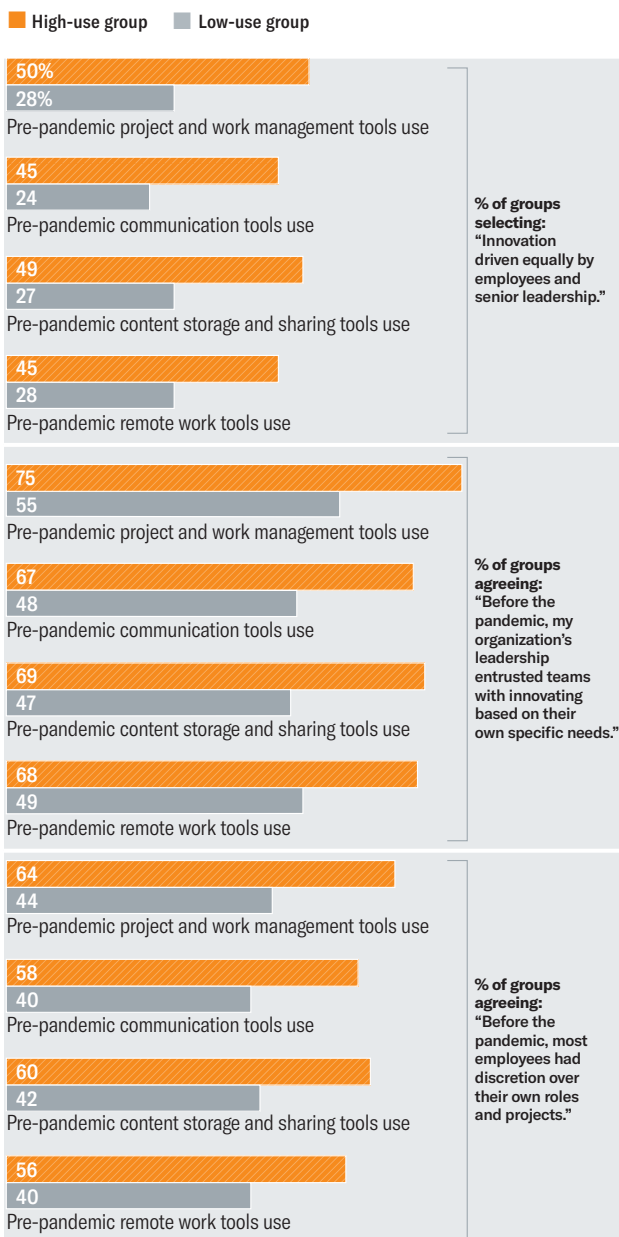Driven a good amount/almost entirely by senior leadership

Source: Harvard Business Review Analytic Services Survey, June 2020

who strongly agreed that agile and innovative employees played a big part in helping their organization ensure business continuity and success during the pandemic disruption to the group who didn't, the group that felt they had more support from agile and innovative employees was 25 percentage points more likely (58% vs. 33%) to give their tech stack a high performance rating, or an eight, nine, or 10 on the 10-point scale. This might suggest a connection between the strength of an organization's technology and its employees' innovativeness.

In addition, the data indicates a connection between advanced tool use and strong innovation. For each of the advanced tool types questioned, the respondents who indicated high use of said tools were also more likely to respond positively to questions about innovation. For example, three-quarters of the respondents who reported high use of project and work management tools agreed that before the pandemic their organization's leadership entrusted teams with innovating based on their own specific needs. In comparison, 55% of the low-use group agreed. Half of those reporting high use of project and work management tools also said that before the pandemic innovation was driven equally by employees and senior leadership. Only 28% of the low-use group reported this same equality when it came to the company personnel who are entrusted with driving innovation. **FIGURE 3**

Agile and innovative employees may be driving that shift. A full 80% of respondents agreed that these kinds of employees played a big part in ensuring business continuity and success during the pandemic's disruption. Additionally, 86% of respondents who strongly agree that their leadership entrusted teams with innovating prior to the pandemic also reported that they adapted well. That's 16 percentage points higher than those who indicated that leadership did not entrust teams with innovating.

Similarly, respondents ranked having empowered and autonomous teams highly, with 88% saying they are critical to an organization's future success.

Conclusion

Some businesses today are rethinking and reexamining their tools and practices as a result of the disruption caused by Covid-19 and the gaps it revealed in their organizations' internal technology strategies.

Having the right technologies in place—including communication tools, technologies that enable remote work, and content storage and sharing tools—was part of organizations' ability to pivot and adapt rapidly. Project and work management tools, in particular, were linked to positive pre-pandemic innovation sentiment. Organizations that quickly handled the changes brought on by the disruption were more likely to strongly agree that they entrusted teams with innovating and cultivated environments that support agility.

Moving forward, these tools and technologies will continue to be essential in helping businesses move past future disruptions while enabling employees to innovate.

FIGURE 3

Tools and Innovation

The relationship between strong use of advanced tools and positive innovation attitudes and pro-employee attitudes.

■ High-use group ■ Low-use group

% of groups selecting: "Innovation driven equally by employees and senior leadership."

	High-use	Low-use
Pre-pandemic project and work management tools use	50%	28%
Pre-pandemic communication tools use	45	24
Pre-pandemic content storage and sharing tools use	49	27
Pre-pandemic remote work tools use	45	28

% of groups agreeing: "Before the pandemic, my organization's leadership entrusted teams with innovating based on their own specific needs."

	High-use	Low-use
Pre-pandemic project and work management tools use	75	55
Pre-pandemic communication tools use	67	48
Pre-pandemic content storage and sharing tools use	69	47
Pre-pandemic remote work tools use	68	49

% of groups agreeing: "Before the pandemic, most employees had discretion over their own roles and projects."

	High-use	Low-use
Pre-pandemic project and work management tools use	64	44
Pre-pandemic communication tools use	58	40
Pre-pandemic content storage and sharing tools use	60	42
Pre-pandemic remote work tools use	56	40

%s reflect responses within two groups: those who had high use of each tool type pre-pandemic and those who had low use of each tool type pre-pandemic.

Source: Harvard Business Review Analytic Services Survey, June 2020

A total of 642 respondents drawn from the HBR audience of readers (magazine/enewsletter readers, customers, HBR.org users) completed the survey.

Size of Organization

39%
10,000 or more employees

44%
1,000 – 9,999 employees

17%
500 – 999 employees

0%
499 and fewer employees

Seniority

18%
Executive management/board members

44%
Senior management

27%
Middle management

11%
Other grades

Key Industry Sectors

14%
Manufacturing

13%
Technology

12%
Financial services

11%
Education

8%
or less other sectors

Job Function

19%
General/executive management

10%
HR/training

8%
or less other functions

Regions

48%
North America

21%
Asia Pacific

15%
Europe

10%
Latin America

6%
Middle East/Africa

Figures may not add up to 100% due to rounding.

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