NEW WORK IN GERMAN MEDIUM SIZED COMPANIES - INFLUENCING FACTORS AND THE ROLES OF COVID AND SOCIAL STABILITY

Guenther Schoeffner[1]*, Petra Senne[2]

[1]Dr. Schöffner & Partner, Fruehlingstr. 17, Gaimersheim 85080, Germany

[2]Westfälische Hochschule. Fachbereich Wirtschaftsrecht, August-Schmidt-Ring 10, 45665 Recklinghausen, Germany

Abstract

At the end of the 2010s, many companies were confronted with the need to implement elements of New Work. This was either because the business model required new ways of working, or because employees required different approaches to leadership and collaboration. For a long time, however, German medium-sized companies were rather critical of these ideas, as they were subjecting a world that had been successful for decades due to its traditional and stable way of working to major changes. In addition to the pressure from the market and employees, however, coping with the Covid pandemic has put additional pressure on companies to implement New Work elements. But not all companies, both management and employees, have implemented these methods immediately and continued as soon as the need was identified.

This article deals with the factors that support or hinder the introduction of New Work in German SMEs. Using the example of supporting six different companies in the period from 2019 to 2022, some relevant factors are identified and reflected. In addition, the influence of the pandemic measures themselves on the implementation of New Work in these companies is described, as well as the influence of social instabilities resulting from the economic consequences of the pandemic or the recent political problems in Europe.

Keywords: *New Work, success factors, German SMEs, pandemic influences, stability factors, corporate culture, development phase*

1. INTRODUCTION

In the course of the 2010s, the topics of big data and digitization have gradually become relevant for all companies in modern economy. Companies needed to find appropriate answers to the question of how to stay competitive in this new world of increasing turbulence and disruption [1]. Digitization indeed does not only mean the implementation of a new technology how this has happened several times in the decades before. Its disruptive forces caused that both technologies and business models needed to be adapted since in line with the change of technologies many old business models have become obsolete, too [2]. In fact, in this context, not only technologies and business models had to be adapted quickly, but also the way people work together. Hierarchical organizations of the well-known kind, however, turned out to be a limit for the relevant adaptations in the way people worked and managed since for instance existing policies, rules and procedures have become barriers to the strategic speed and the rates of change needed [3]. In addition, the traditional way of working also appeared to be a limit for the further development of organizations in this context and the questions of purpose and meaning of work have become much more relevant [4]. As a consequence, agile ways of working have been implemented in many companies, each with very different degrees of success. Several reasons showed to be responsible for the minor success of these methods, as for example a wrong way or a too high speed for the implementation, or just the fact that only a simple “copy and paste approach” was used. As a result, the new ways of working, organizing and managing have since been abolished in some companies again. Beyond the examples mentioned, many further reasons are responsible for the fact that new ways of working, well known as New Work meanwhile, have been implemented with more or less good progress in many companies. During the last years, however, the conditions for the implementation of New Work have been influenced by major crises like the Covid-19 pandemic or the political instabilities around the

world. The role these factors played are investigated by the example of six different small and medium enterprises (SMEs) in Germany which have been accompanied for a duration of three years.

2. MATERIALS AND METHODS

2.1. Materials

End of 2019, the European Foundation for Quality Management (EFQM) has taken into account the fundamental developments of digitization and has adapted its EFQM Excellence Model radically to give answers to the new challenges of the digitized economy. Compared with the previous Model 2013, this next generation of the EFQM Model has undergone drastic change. Essential foundations for the new EFQM Model 2020 are the economic ecosystems of enterprises and the future challenges [5]. For future prosperity, a company must not only improve its performance and increase the value for its customers, but it must consider its ecosystem more intensively and react to relevant changes much quicker than in previous times [6]. In daily practice of an enterprise this means to constantly analyze the ecosystem of a company and relevant megatrends, to assess their effects on corporate purpose, strategy, vision and results, and to make appropriate changes based on this [7]. This also means adapting the way a company is organized and managed. To succeed with this, however, all necessary prerequisites for continuous change and transformation need to be present in an organization [8]. For SMEs this can however mean major challenges as they usually have fewer financial and structural resources to fall back on than corporations, and in addition changes in SMEs are often more portfolio or customer-focused than strategy, organization and culture-oriented [9]. This is especially true for German SMEs since stability, risk minimization and distinctive family cultures have been key success factors for many of them. In particular, the hidden champions among them are said to have drawn their success to a large extent from their long-term leadership continuity for a long time [10]. Therefore, creating conditions for continuous change and transformation is to a certain extent in contradiction with their long-term key success factors. As a result, it seems difficult for many of these companies to keep up with the demands of the market in embracing the new ways of working. Among others, however, mastering such kind of contradictions are exactly part of the challenges of the digitization. Change in a traditional organization is a well-known contradiction in terms [11]. To better manage the barriers to change it´s vital to know them as well as suitable means for them to overcome. Thus, when introducing New Work a thorough knowledge of existing factors furthering and hindering its implementation is key.

New Work is not a term which is well and unambiguously defined. It´s more a collective term for the different approaches to a new way of collaborating and managing in companies, which have become widespread and popular as a consequence to cope with the challenges and changes of digitization mentioned. The German Fraunhofer Institute for Industrial Engineering IAO sums up New Work as follows [12]:

- Flexibility of work in terms of location and time;
- Agile and project-based forms of organization;
- Practical relevance of the value basis of work and the creation of meaning through work;
- Changed management structures and new distribution of power through de-hierarchization, participatory decision-making mechanisms and self-organization.

New Work is characterized by a high degree of virtualization of work equipment, networking of people, flexibilization of work locations, times and content. Well-known and widely discussed tools and elements used in the course of New Work are agility, Scrum, design thinking, self-organization or remote work and need no further discussion here. However, it´s important to note two things, relevant in the context of this article. First, self-organization and agile management need leadership and cannot do properly without [13]. Second, coping with the Corona crisis has influenced the acceptance of the New Work elements decisively. Especially the second point is a focus area of our discussion. The necessities to react quickly to the challenges of Covid needed new ways of management and a widespread application of remote work. Thus, many leaders, employees and managers, were more or

less forced to try out, apply and gather experience with these things in a large scale. Before Corona many companies were hesitant to give these things a try. Therefore, Covid helped to better understand the risks and chances of New Work elements as well as the factors furthering or hindering their application. Some general findings in 2021 in this regard were that in German speaking countries (Austria, Germany, Switzerland) more than 50% of leaders have difficulties with involving employees in decisions and allowing self-organization [14]. In many companies the leadership culture is shaped by leaders which have been socialized in hierarchic organizations [15]. Upcoming generations, however, have different ideas about leadership and work organization, as do generations Y and Z [16]. Therefore, without a sufficient match of the ideas of leadership among the workforce a company can neither prosper nor develop. Leadership matters, but without effective followers, which to a certain extent share the leader´s ideas of cooperation, organization and management, no organization can survive [17]. Managing such dilemmas is another vital point in times of New Work, as it is to balance and manage competing values like, e. g. maintaining stability and continuity in an enterprise and promoting change and adaptability at the same time [18].

Beyond the issue of generations, further dilemmas appear to be responsible for the fact that New Work elements are not applied to a sufficient extent and at an appropriate speed in many SMEs. Contrary to the capability of continuous transformation needed to cope with the challenges of the digitized world of the 2020s, many companies show elements in their corporate culture inhibiting and developing change and transformation. Further, many of them appear to be in a phase of their organizational development (OD) which make changes even more difficult. In addition, family-owned business tend to be more prone to hinder change, transformation and New Work since their distinctive family cultures often show an organizational rigidity that leaves only little room for new management approaches [19]. To further reflect and highlight this we use two models for OD and the description of corporate culture. In 2009 the German transactional analyst Claus Nowak and his group modified the 4 Phase Model of Glasl/Lievegoed by adding the fifth phase of degeneration. This model helps to recognize and identify the critical turning point of an organization as of which it starts to develop in a dysfunctional direction [20].

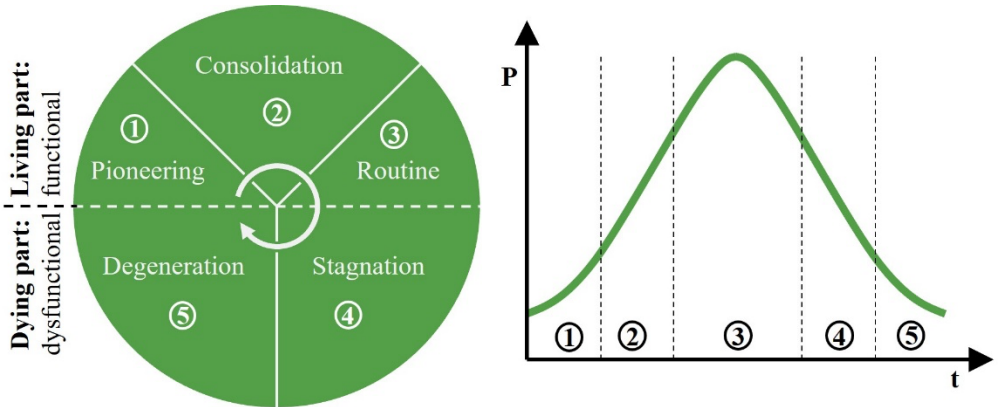

Fig. 1. Model of the 5 organizational phases and the course of organizational performance (C. Nowak)

In every phase people and the organization as a whole show typical behaviors which characterize both the present performance and the future development of the organization [21]. The dynamics in the phase can be described as in table 1.

Table 1. Characteristic elements of the 5 phases of organizational development

Phase	**Pioneering**	**Consolidation**	**Routine**	**Stagnation**	**Degeneration**
Characteristics	Do and act	Structure and standardize	Simplify and professionalize	Persevere and preserve	Standing still, isolation, falling down

While in the phases of pioneering and consolidation change and transformation belong to the daily business, these things are avoided and shunned in the phases of stagnation and degeneration. The five phases are divided in a functional and a dysfunctional part. Characteristic for the functional phases is the positive development of the organization´s productivity whereas in the dysfunctional phases productivity decreases again. The dysfunctional character of the phases 4 and 5 shows in extreme reduced performance, productivity and agility [22]. Similar to the argumentation of Glasl, Nowak´s model assumes that with time an organization develops. In the pioneering and consolidation phase stepping forward to the next phase is necessary as organizations develop towards increased professionalism. However, once an organization loses its innovative capabilities or they cannot keep pace with its ecosystem´s development, organizations move forward to the dysfunctional phases 4 or 5. If companies find themselves in the dysfunctional phases, they face the dilemma that on the one hand they need changes and transformations in order to get back into the functional phases and to be able to master the challenges of digitization, but on the other hand they are mostly geared towards stagnation, preservation and conservation.

A culture in a company which shows an insufficient level of change affinity may hinder the timely implementation of necessary transformations. The influence of culture on organizational structure and development can, therefore, definitely be dysfunctional [23]. Among the many existing cultural models, Rolf Balling's model is used here to explain this. The model is based on the theory of transactional analysis according to Eric Berne and has proven very useful for diagnosing organizational cultures [24]. It divides corporate culture in the areas of order, challenge and cohesion and compares them to machines, playgrounds and families. Based on the characteristics of the three elements, it is possible to assess the affinity for change in corporate culture of an enterprise [25]. The characteristics of Balling´s model can be taken from fig. 2 and table 1.

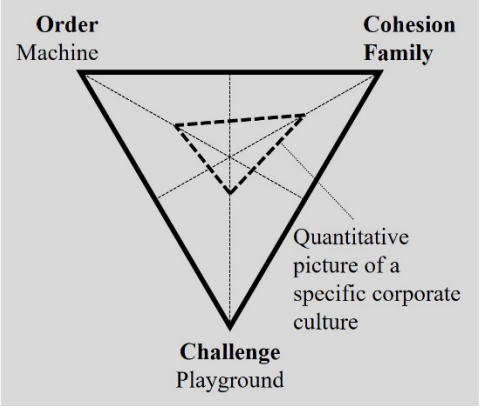

Fig. 2. Balling´s model of Corporate Culture

Table 2. Characteristic elements of Balling´s model

Cultural focus	**Order**	**Cohesion**	**Challenge**
Basic subject	Processes, order, target orientation	Emotional cohesion	The "kick" at work and personal freedom
Basic conviction	Success depends on a sophisticated organization. Employees need to function like cogs in a clockwork.	If we stick together strongly and follow our values faithfully we will succeed with our way.	Good ideas prevail and rules and hierarchies hinder flexibility.

Culture also has an influence on the behaviors of employees. The determinants of behavior in organizations proposed by the psychologist Lutz von Rosenstiel consist of personal elements of the individual as well as of elements of the organization. Rosenstiels´s well known determinants may be summarized in a simplified way by an example of an employee not doing and working in the way like the transformation requires by the facts that either

- The employee does not want to work like this or he is not capable of doing so,

Or

- The company´s circumstances do not enable the employee to work accordingly or corporate culture and the organization do not allow him to work accordingly or signalize him not to do so.

Especially the latter is an important part of this equation since in an organization it´s not only the leaders who tell employees to or not to follow changes and transformation but it´s to a high degree corporate culture in form of the colleagues which tells the employees how to behave. Organizational learning that is triggered by a shift in socio-economic values, as is the case with New Work, constitutes a special case of organizational change [26]. Employees can get easily in the dilemma of wanting to do the right thing for transformation but not being allowed by the organization to do so.

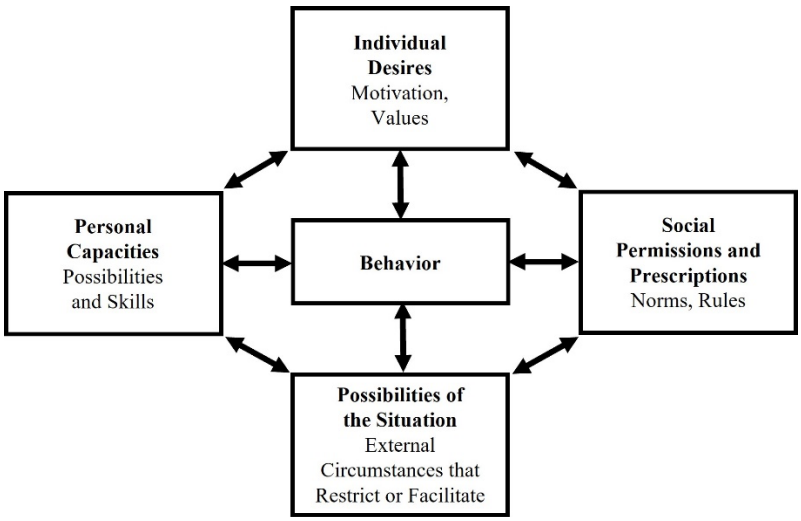

Fig. 3. Determinants of behavior according to Rosenstiel

Similar dilemmas may appear during a transformation process due to legal reasons. As stated above, New Work may include a new distribution of power through de-hierarchization, participatory decision-making mechanisms and self-organization. These elements imply a different way of decision making and changed conditions regarding responsibility. When however collective agreements or individual

regulations in the employment contract contradict these ways of taking responsibility or taking management decisions, employees find themselves rapidly in similar situation where the want to do the things necessary but they are not allowed from the legal point of view. Thus, also legal requirements need to be taken into consideration when looking for factor furthering or hindering the implementation of New Work elements.

2.2. Methods

This discussion is based on six different German medium-sized companies that we supported in the course of transformation processes between 2019 and 2022. Another company in Austria was used for reference purposes but we did not support this company directly. The contents and spectra of our support have been different in every case, ranging from coaching of individuals at lower level up to planning and supporting the implementation of the whole transformation process with one enterprise. To have a sufficient grasp of the conditions and necessities of each company, however, in every case a minimum analysis of the company data has been carried at the beginning of the support process. These analyses comprised of the following:

- Company performance: key results of the recent years,
- Management approach: management systems, leadership,
- Excellence orientation according to EFQM,
- Affinity towards change and transformation,
- Stakeholder Involvement,
- Cultural analysis,
- Detection of organizational development status (phases).

The development of these items has been monitored along the mentioned period of three years. In addition, the following sift facts have been identified and monitored during this period in the companies as well:

- Manifestation and status of New Work,
- Identification of supporting and hindering factors for the implementation of New Work.

Beyond the mentioned model of Rolf Balling for cultural analysis also the onion model of Cornelis Rasmussen (based on the models of Edgar Schein and Geert Hofstede) as well as the Business Culture Map of Simon Sagmeister were used [27, 28]. By this different elements of culture could be investigated and the individual findings could be cross checked. To protect the data and privacy of the companies involved, the data given are restricted and somewhat generalized to avoid the possibility if identification. The restricted data quality has however no influence on the quality of our findings. The basic data of the involved companies are:

Table 3. Characteristics of companies used for the study

Company	Business field	Employees	Company type	Company history
A	Manufacturer of aircraft parts	> 300	Public company	70 years
B	Automotive supplier	250 – 300	Public company	120 years
C	Manufacturer of health care tools	< 50	Family-owned business	100 years
D	IT networks industry	> 400	Family-owned business	15 years

E	Training and formation	> 500	Foundation	60 years
F	OEM of industry tools	300	Private business	50 years

The analyses were started by using available publications and reports as well as corporate data and numbers. Further, interviews as well as questionnaires were used where possible. It was little surprising that the higher our level of support and involvement in the transformation process was, the higher the quantity and quality of the available analysis results were. It became clear rather quickly, however, that the quality of the analyses results was remarkably good in general and gave good correlations with the reality of the companies even in those cases where our involvement was little or even only marginal. This shows that using the suitable models as a basis is pretty helpful with getting good results even in those cases where the data basis is poor.

With continuing progress, the focus was put more on analyzing key numbers and interviewing people. Where possible also the supervision of teams and the observation of teams and groups was done. In cases of lacking correlation between the analysis results and the interview results additional interviews were carried out to achieve a sufficient correlation level. In addition, especially during the lockdown periods of the Covid 19 pandemic additional interviews were done, focused on mood, emotions and behavior of people. In course of the latter leaders have specially been asked about their perceptions regarding the followership behavior of the people they lead.

The results of the interviews and the analyses of numbers and artefacts were used to draw pictures of the employees and the leadership teams regarding their approach and progress regarding New Work as well as an overall picture of the whole enterprise. These pictures certainly were to a certain extent drawn in a subjective manner. Analyses of corporate cultures are, however, always subjective. An exact quantitative "measuring, counting or weighing" of cultures is impossible since organizational cultures cannot be measured in a digital way [29]. This is no surprise since any kind of query or questioning is already an intervention which induces a change in the focused social system [30]. By means of suitable approaches, however, the results of such cultural analyses and personal interviews can be taken at least to such a level that a comparison to other people and organizations gets possible and that a quantitative rating with a sufficient precision gets possible. Of course, one needs to constantly bear in mind that the results do have subjective perceptions and estimations as a basis. Therefore, it´s vital to use more organizations in parallel for comparison purposes. This helps leveling out perception failures without erasing extreme characteristics appearing in the one or the other organization. Thus, using six companies plus another one for comparison purposes for our study helped enormously for getting somewhat objective and comparable results rather than just pure subjective individual estimations.

The pictures drawn from the interviews helped understanding status and dynamics of people´s behaviors in the individual organizations. To watch and monitor changes in behavior three different parameters were defined, measured and watched:

- Readiness of employees for New Work (R_Emp),
- Readiness of leaders for New Work (R_Lead),
- Degree of implementation of New Work elements (Deg_Imp).

These three parameters were each attributed an estimated overall potential which was given the value of 100%, i. e. we estimated what would be maximum possible in the individual organization if all and everything would be done regarding New Work. This does not mean that achieving these 100% would only be beneficial for the company. The rate was only defined by the percentage of implementation. With the results of the described analyses the actual value of the relevant parameter was estimated and attributed to the moment the estimation was done. Periodically the status of these parameters were estimated so that their development could be monitored over time.

The readiness parameters were derived from the well-known Hersey/Blanchards readiness approach regarding leadership. The parameters take into consideration are the willingness of people to allow and

apply New Work elements in their daily work and their knowledge about nature and effects of these elements. Both factors were taken into account for the estimation of people´s readiness in a multiplicative way. When for instance a person is 100% open and willing to go for New Work but has almost no understanding what consequences the individual elements have for their own work and the performance of their team or the whole organization the overall readiness was close to zero, say 5%. When a person is absolutely clear what consequences New Work elements have and is due to that to a high degree reluctant to accept and implement them, the person´s readiness is also very low, say 10% - 20%. As described this estimation is subjective but with having many cases available for comparison the achieved accuracy was not too bad and gave very clear indications. In the case of the readiness of leaders the willingness factor does not only include the mentioned willingness to apply the New Work elements themselves but to clearly be willing to give up power to a certain extent and to accept more team-based decision making.

As mentioned in chapter 1, there is no clear and unequivocal definition of "New Work". However, beyond the given explanations of Fraunhofer, there is a certain generally agreed understanding of which elements belong to New Work. Elements which are often mentioned and referred to in the context of new Work and which are consistent with the Fraunhofer explanations of chapter 1 are:

- Flexibility of where, when and how to work: remote work and multispace offices etc., virtual teams, digitized processes, traditional ways of working
- Individuality: contents of work, responsibility, ways of working, personal development
- Flat hierarchies, more freedom and liberty, different leadership, self-organization, agility, teamwork
- Responsibility: more delegation to basis, self-organization
- Transparency of processes, results and responsibilities

Taking this as a basis, the implementation of one or more of these concepts have been used as a gauge to estimate the degree of progress of New Work implementation. This is the mentioned third parameter for watching and monitoring the New Work implementation process. The way of attributing numbers to the individual status was thereby done in a similar way like with the readiness factors. Has an enterprise for instance implemented the remote work regulations as far as possible but has made no changes towards flatter hierarchies with more self-organization despite this would be possible and it is still lacking of transparency regarding results and responsibilities, then it can achieve a value of approx. 25% - 30% only.

3. RESULTS

The results of the analyses and interviews are presented for each individual enterprise. The development of the estimated values of the parameters with time are the cornerstones of this reflection. For this, the parameters are shown for each quarter, starting with Q2/2019 (#1 in the charts) and finishing with Q1/2022 (#12 in the charts). The relevant events of Covid (as of Q1/2020, #4 in the charts), the lockdowns and openings as well as the beginning of the Ukraine crisis (Q1/2022, #12) can by this be assigned to the development of the parameters and the changed behavior of the people. The values are shown in % which is based on the estimations described in chapter 2.2. The y-axes of the charts have been taken to a maximum value of 80%. This value is close to the maximum values achieved in this project. 80% is used for all diagrams for the y-axis to show and highlight how low in comparison to other organizations the achieved values in some companies are. This indeed does reduce the granularity of the details a little bit but the gain of information by this comparison is higher than the loss of detail.

Enterprise A

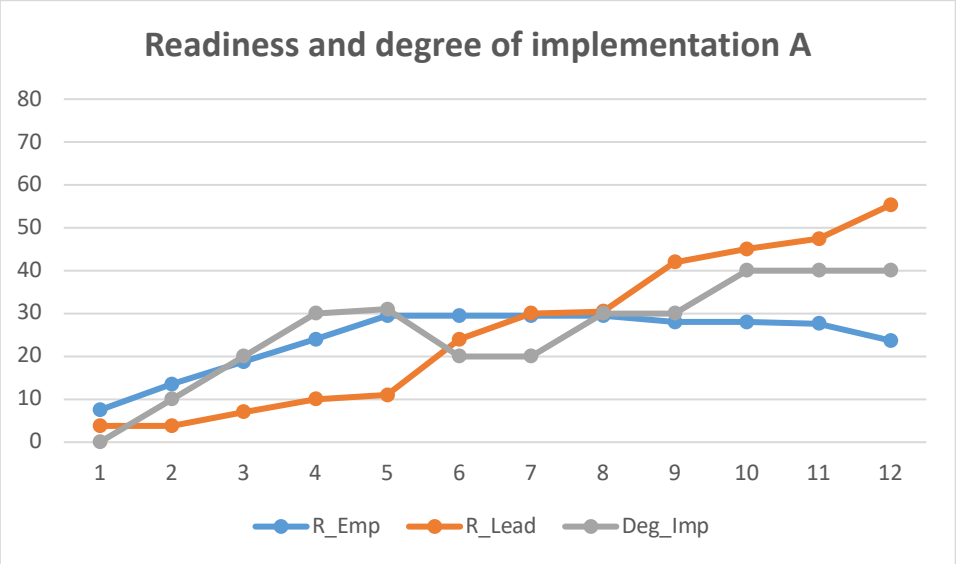

Fig. 4. Parameters of enterprise A

Beginning of 2019 the employees learned from a sister company of the same corporation about agility and were keen on implementing agile ways of working soon. They had high expectations regarding less involvement of management in daily work, more self-organization and freedom in work. The company had experienced decades of stability in commercial and military aircraft business so that it found itself in the phase 4 of stagnation. Corporate culture was dominated by cohesion with a touch of order orientation. It contained as massive blaming culture where especially all leaders were made responsible for all kinds of bad and inconvenient things. With the implementation of agile working the employees expected freedom to a high extent and minimized control and supervision of their leaders. The latter were at the beginning total against agility right for this reason. They feared the loss of control and by this the decay of productivity and quality. Both parties had, however, in the beginning only little knowledge and no experience what agility and self-organization imply.

Due to the employee´s pressure the Managing Director started the implementation of agility in 2019 before Covid. After some months the employees however realized that they had to take much more responsibility and were held accountable for failures. Before agility this was taken away from them by the leaders. The employees felt rather uncomfortable with this. Due to the lacking knowledge about agility, they had assumed that this implies only freedom and no duties. In addition, they realized that their commitment needed to be higher than before to meet the team´s expectations. Thus, with the start of Covid in Q2/2020 (#5 in the chart) they wanted to stop the implementation of further changes in the organization (less hierarchies) and of increased self-organized processes.

To master the challenges of the first Corona phase the company has gone back to the old way of leadership and halted the agility process. This was to stabilize the company in the turbulent aerospace market in 2020. The teams which had recently started with self-organization showed that they were uncapable of mastering the challenges Covid had put on their shoulders. In course of 2020 the leaders, however, realized the potential of flatter hierarchies, self-organization and especially flexible working, which is why they revamped the agility process in 2021. This supported the customer´s need for quicker and more flexible delivery than the company was used for decades. The employees, however, disliked the idea of increasing the degree of New Work elements. They wanted the old regime of leadership where the boss makes a statement and the employees were just following. In the new regime they were responsible themselves and could, therefore, no longer blame the leaders for all bad things happening. This was a contradiction to the culture they had practiced for a long time. But the leaders continued with

changing the organization, delegating even more responsibilities to lower levels, increasing flexibility (work also on Saturdays which has never happened before) and transparency along the process chain.

The willingness of the employees diminished in contrast to that of the leaders which wanted to further the program even more. Looking at von Rosenstiel´s determinants it was especially the field of individual desires what hindered the broad implementation of New Work. At the beginning the leaders didn´t want and after three years the employees did no longer want. The pandemic has shown to them what leadership is about, how difficult it is to master crises and what it means to take responsibility. The culture of blaming and not being really held accountable for results however did not fit to the necessities of agility. Without a significant shift in culture a further progress in the implementation of New Work which would be beneficial to the company is not very likely. Covid was the eye opener for both parties what agility means and was a major influencer of how the implementation of New Work has developed.

Enterprise B

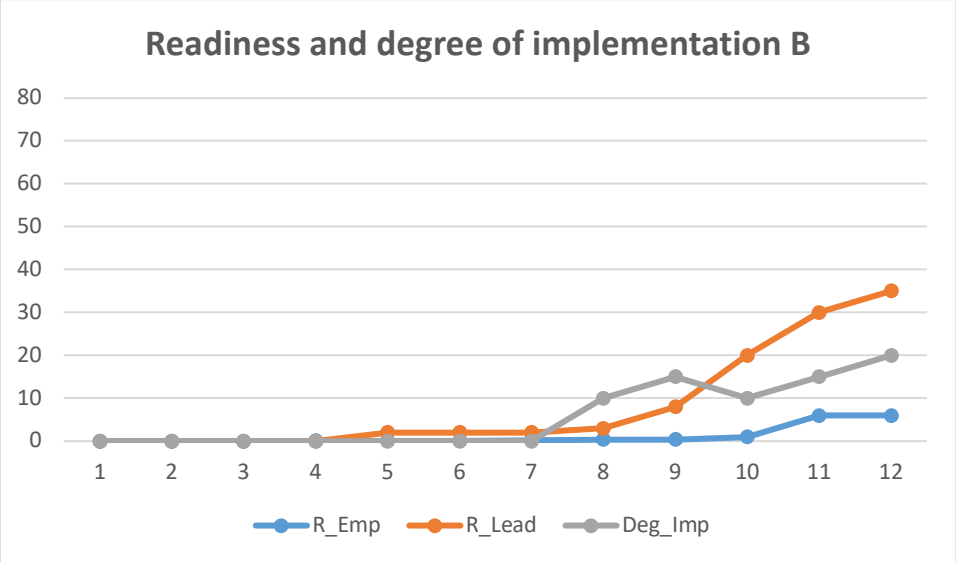

Fig. 5. Parameters of enterprise B

The very traditional company had only little innovation in the last two decades. Due to good contacts to customers, they nevertheless could still be on the market. Most people had been in the company for a long time. The stability of the last decades had made the organization somewhat immune to stimuli from outside. The company appeared to be in the degeneration phase 5 where keeping everything as it is even to the cost of the organization´s survival is happening not too seldom. In addition, the company had a clear family culture where the motto "as long as we do what we always did and stick together we will survive everything" inhibits changes enormously. Thus, until Covid there was no action regarding New Work.

Also, Covid had almost no impact on the company`s New Work approach. They only did what was necessary to fulfil legal obligations (remote work in 2021/2022). When customers (OEMs, Tier 1 automotive suppliers), however, asked in 2021 for more flexibility and different approaches of collaboration the leadership team awoke. They immediately saw the necessity for changed teamwork, less hierarchies, more basis responsibility and more self-organization. They realized quickly that without that the customer´s demands could not be fulfilled. The employees, however, were reluctant to this and only did what they needed to. They were neither convinced of the new approach nor willing to support it. The leaders needed to push heavily to get some progress regarding agility demanded from the

customer side. By that, the company has lost trust and credibility with customers which needs to be caught up in the upcoming years.

Hindering factors were the cohesion-oriented culture which supported little or no change and innovation, the phase 5 "degeneration" of organizational development and the dominant determinant of behavior called "I don´t want to". The management has neither realized the bad shape the company was in nor was it strong enough to resolve the problems. By external support they could at least make remarkable progress regarding the customer demands for higher flexibility. In the midterm, however, a strong shift in corporate culture towards more innovation, change and openness will be the only way for the company to move in the direction to phase 3 "routine" and to survive. This is especially true since customer´s have lost trust and confidence whether the company can renew itself and can achieve a sensible level of agility soon. Further, it had difficulties with recruiting new talents. Nobody wanted to work for an "old style company".

Enterprise C

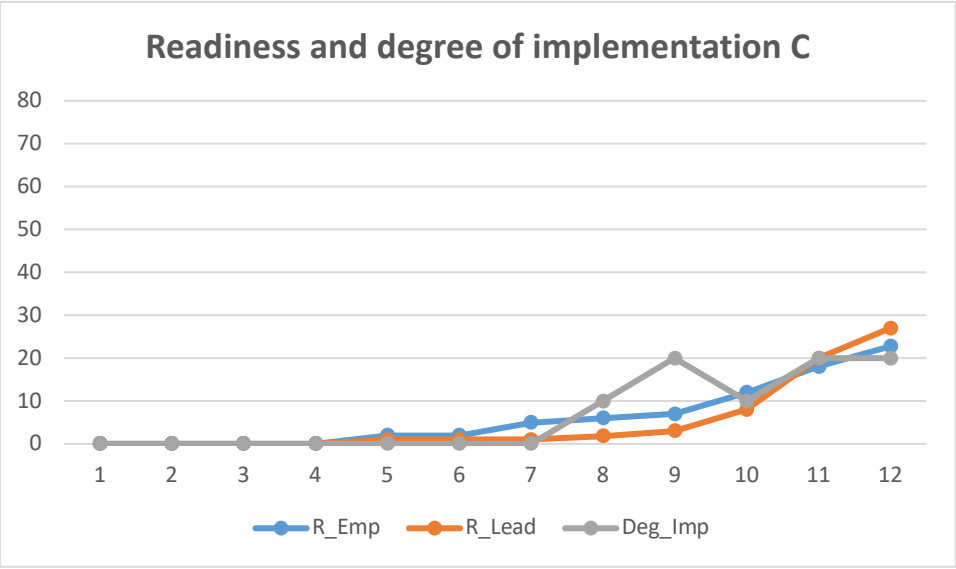

Fig. 6. Parameters of enterprise C

Like company C also this enterprise was very traditional with a long history. Many people had been with the company for a long time. Before Covid a management change to the next generation was started together with an innovation and growth approach. New people with new ideas came on board. However, their expectations regarding New Work were blocked by the elder employees and the former boss who was still on board as a consultant. With Covid only the legally necessary items like remote work were implemented. The positive experiences with that, however, opened the door for more flexibility regarding how and when to work, even in production. Despite the ongoing distrust of the former management and the elder employees the young boss and his new leaders have realized that without New Work elements they could no longer be an attractive company for younger people. In the time of war for talents this was not an option for the implementation of the growth approach. Thus, since they realized the necessity of implementing New Work elements as a factor vital for the future and the survival of the company they started increasing the implementation process.

Covid was the door opener for New Work, because it forced the inexperienced company to tackle with New Work elements. Being in phase 4 "stagnation", the old management and the employees were not open for new things. This was supported by the cohesion oriented corporate culture which showed little to no facets of order or challenge. The predominant determinant of behavior was the pressure of

established employees on younger ones to follow existing norms and standards and not to start new things, in other words "you shall not". The new bosses targeted to take the company back to phase 3 "routine". This was the enabling factor for shifting the culture towards more openness and innovation. Hindering factors for New Work were the existing culture and the lacking knowledge. A furthering factor was the pressure from the HR-market which almost forced the new management to implement New Work elements.

Enterprise D

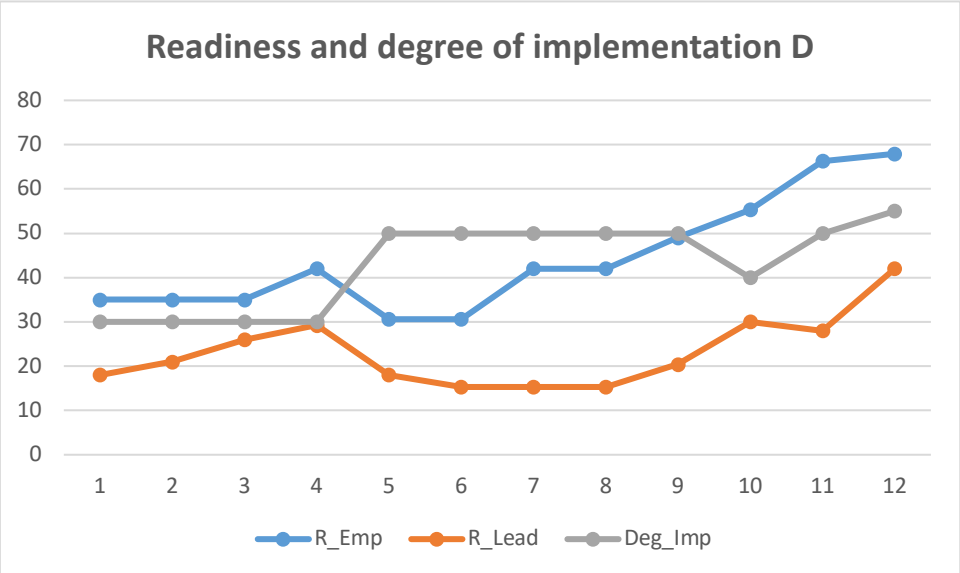

Fig. 7. Parameters of enterprise D

Having developed from a start up in the IT industry to a very successful player in 15 years, the company found itself in the transition from phase 2 "consolidation" to phase 3 "routine". From its very nature as an IT company it had developed a challenge culture which was enriched by elements of order and a little bit cohesion in the recent years before Covid in which the company has grown tremendously. Due to the demands of company and customers already before Covid the company had New Work elements like remote work, agile methods and a very flat hierarchy. Up to the beginning of Covid the degree of implementation of New Work elements however did not increase since the company was busy with implementing business processes which have been necessary due to the recent growth. In addition, despite being convinced of the benefit of flat hierarchies the organization had to be changed to align it better with the company´s strategy.

With the start of Covid the degree of remote work was abruptly increased even without legal necessity. With the beginning of that the employee´s readiness for New Work decreased since they found themselves in difficulties with managing themselves and taking more responsibility. This, however, improved with growing experience so that their readiness continued to grow. But so did not the readiness of the leaders. Especially the CEO lost some trust in the employees with the beginning of the extensive remote work regime. Lacking of any control mechanisms, his and as a consequence also the trust of the leaders in the people´s capability of organizing themselves decreased. Therefore, the degree of implementation of New Work elements stagnated despite several task forces had shown the path of further implementation and its positive impacts on the company. But the trust of the leaders had to increase first before they were willing to take the next steps. Before that they even took back the established remote work regulation and asked the people to come back to the office once the legal obligation to do so was abolished in 2021. However, the pressure of the employees and their threats to

leave the company were that strong that this regulation was re-established and some further elements were implemented. The biggest hindering factor was the distrust of the CEO in the self organization capabilities of his employees. He was forced by the developments of the HR market to give up his distrust and to give trust to his people in advance. However, this paid off and the further development was very well. Covid acted here as a hindering factor in the beginning since the leaders could not try out the sensibility and effectiveness of New Work elements but it has forced them to do. Thus, Covid was hindering it at the beginning but furthering it in the further course.

Enterprise E

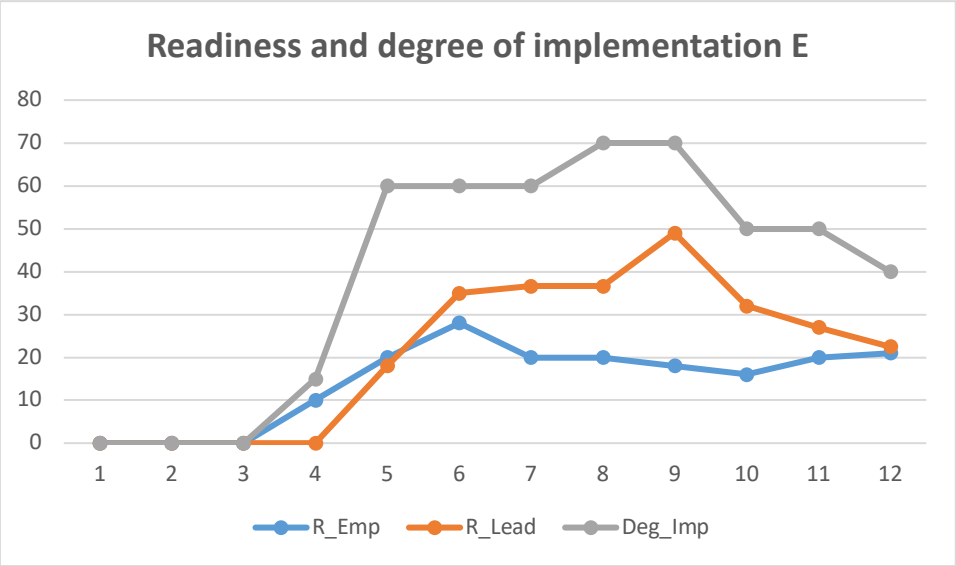

Fig. 8. Parameters of enterprise E

Before Covid New Work has not been in discussion in this company. Being a training and formation company the organization found itself in phase 3 “routine” with well settled processes and routines, professionally carried out by skilled and disciplined employees. They had a corresponding culture of order and no need for changes were seen. As a consequence, New Work has almost been unknown until that time. But this fact was of no disadvantage to the company until those days.

With beginning of Covid they abruptly were forced to implement remote work, home schooling, webinars, virtual team meetings and self-organization to a high extent in a large scale. Despite both workforce and leadership team had not been ready for this they implemented these elements remarkably. They said that “they had to” even if they did not agree with the closing of public schools, home schooling etc. With increasing experience the readiness of the workforce decreased again after reaching a peek first. This was due to the fact that the experience showed to them that the New Work elements implemented were not only beneficial for them and the clients, the students. They were convinced that a good mixture of New Work and “old style” elements would give better results. So did the leadership team, despite their peek in readiness happened almost one year later first. This was simply due to the fact that they had to take care for the obedience of the legal obligations. However, once it was possible to get back to a mixture of old style and New Work they also supported the workforce´s approach.

Covid was here the enabler since it forced the team to gain immediately experience which would have lasted otherwise years. Covid also helped to realize what degree of New Work makes sense. Thus, the pandemic was a good help despite all the bad and sad things it brought to the people involved. It was the facilitating factor which made it to the dominant determinant of the workforce´s behavior.

Enterprise F

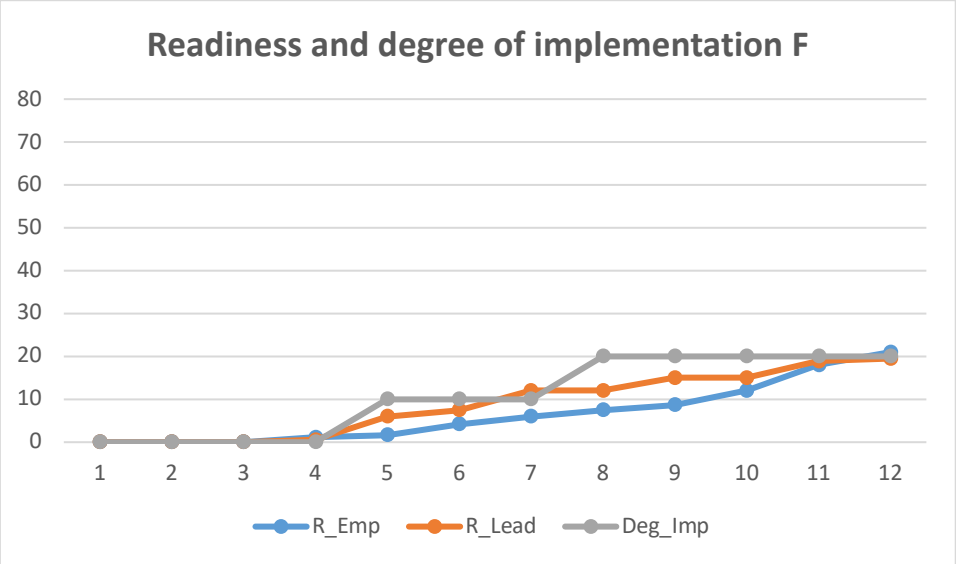

Fig. 9. Parameters of enterprise F

The family-owned business showed a good cooperation between management and workforce. The employees followed the decisions and proposals of the big boss in almost all cases. This was predominantly true since the company has shown long-term stability with high wages and high bonuses each year. With paying his workforce well above average the CEO had a high acceptance among his people.

Until Covid New Work has almost been unknown. To cope with the pandemic and to get the fear out of people´s minds the company immediately implemented the possibilities of remote work and virtual teams to minimize mutual contacts. The readiness of leadership and workforce grew to that extent which was necessary to be convinced of the sense of the implemented measures. In the second year of the pandemic the regulations for remote work were standardized and established for good. Independent of the necessities of any pandemics each employee was allowed to take five days a month for remote work in case his job allows this. All other legal obligations regarding pandemic management came on top. But beyond this measure no further New Work elements were discussed despite they would have been applicable and beneficial. The CEO regarded them as not sensible despite he did not know their details. The cohesion-oriented culture supported this since the employees did not look left or right but simply followed the boss. Thus, Covid was the enabler of a new remote work regulation but could not start a breakthrough for the sensible implementation of New Work in this company.

4. DISCUSSION

The companies used for this study were sufficiently different regarding industry, history, size or organization to get an understanding what factors might further or hinder the implementation of New Work in German SMEs. Nevertheless, we have seen that these parameters do have a certain influence. The IT-company for instance had at the beginning of the study already an implementation degree of about 30% whereas others haven´t even started at this time. With Agility or Scrum having its origin in the IT-industry and due to the necessities of this business this is not a big surprise. However, we have also seen a clear demand of the automotive industry for a rapid implementation of New Work. Also, the internal and external HR-market has put pressure on companies to go for New Work. Similar but from a different direction was the situation of the training and formation company. Was it almost idle regarding New Work elements before Covid, showed it remarkable progress as soon as the legal and

societal pressure came up. Therefore, we see a clear factor which is furthering New Work: pressure. When SMEs do not feel pressure to go for New Work the speed is somewhat low. Pressure, however, enables quick wins and speeds up the process remarkably. This is neither new nor surprising. With many changes in the past the same thing happened like the prohibition of alcohol when driving or smoking in closed public rooms. However, pressure is not only furthering the process. When people see themselves being exerted such pressure they often tend to resist to the measures in discussion. Thus, the level of pressure which causes the implementation of the relevant measure needs to be at a suitable level. Covid happened to be a pressure source which did not have the same impact on all companies. Let´s remember the automotive supplier which did only the minimum. However, the pressure Covid exerted all in all may be summed up as a positive thing as almost all companies were forced to try out, exercise and gain experience with at least some "new" ways of working like remote work or virtual meetings.

Another important factor furthering or hindering its implementation is knowledge of and about New Work. The workforce of the aerospace supplier had a wrong understanding about the implications of agile working what in the end caused them to tend for the traditional leadership style after three years despite the agile way of working turned out to be beneficial for the company. The situation of the leader´s knowledge was vice versa, first being against since they didn´t know about, afterwards in favor, once they saw the benefits. Also, the CEO of company F did not know too much about New Work which is why the degree of implementation was far below the possible level. However, the detrimental fact about that is that the CEO did not want to learn more, inhibiting by this many opportunities for his company. As a side note it´s interesting that beyond the mentioned companies in 2022 we supported another metal manufacturing company one of the which neither the management team nor the workforce have ever heard about New Work or Agility. The only thing these 250 people heard of was remote work. Covid helped in this regard as many people had to deal with New Work elements and learn about it. Thus, Covid was good for overcoming the second hindering factor we identified: knowledge of and about New Work.

The third important factor hindering or furthering new Work is the phase of organizational development. Being in the phase 1 or 2, innovation, change and transformation are part of the daily business. Being in the phases 4 or 5, the avoidance of these three things is part of the daily business. It´s almost independent of what the change is about. Depending on the position in the phases 4 or 5 almost all new approaches are more or less rejected. So is New Work. Despite it being not too sophisticated to define the present phase a company is in by an appropriate analysis for a company itself it´s not too easy without external support. Thus, before starting a New Work project or approach it´s vital for a company to identify its phase and to ask for external help. When finding itself in the phases 4 or 5 its recommended to first start an approach for getting back towards phase 3. Otherwise it will find itself in a situation of taking many efforts for new Work but with little success only. If time is lacking the approach towards phase 3 should at least be in parallel to the New Work approach. The EFQM Model gives clear indications of what is needed to move from the phases 4 and 5 back to phase 3 [31].

The fourth and to our experience the most critical factor hindering or furthering New Work is the prevailing corporate culture. In case culture has elements which tend to hinder or stop changes the implementation of New Work is like all other changes hindered as well. Sometimes New Work is hindered even more due to its speed, huge impact and tremendous changes it brings for people. Despite all three facets of Balling´s model allow elements of change refusal, the cohesion facet is that one which shows the strongest behaviors in this direction. With the challenge facet the rejection of change is rather unlikely since it´s against the basic nature of this facet. Contrary, cultures within dominating challenge facets usually are very open for New Work as we have seen for example with company D. Organizations with a dominating order culture like company E are normally also open for new things in case they further the quality of processes and order. Cohesion, however, puts people and their wellbeing first. Beyond the general doubt about new things, irrespective of what their contents are, cohesion cultures usually reject new things even more if they are implementing things which let the history and the merits of the organization and its people look stupid or old fashioned. People which are in favor of the new things are indirectly stopped by the organization with different measures [32]. Regarding Rosenstiel´s determinants of behavior this means that the organization does not give the individuals the permission to be in favor of and to support new things. This is the same with New Work. Like we have seen with

the companies A, B and C, in case culture is not really open for new things leaders have a hard time with implementing New Work even this would be beneficial for the company and the people. Thus, before starting the implementation of New Work, first a noticeable cultural shift must have begun. Otherwise, there is the danger of rejection as we have realized this with company B.

Another important factor we identified, even it is not that important as the others up to now, is the alignment of the approaches of leaders and employees. Despite they belong to the same organization and share the most cultural elements and values both parties might have a different understanding and approach to implementation and performance of New Work. If both approaches are not sufficiently aligned problems may occur during these two phases as we have seen with company A. Both parties wanted to a certain extent the same. However, due to the almost diametral willingness of both parties (this factor cannot be seen in the relevant chart) implementation was tough and despite the experience gained during Covid the willingness of both parties again the opposite way. Thus, the process was stuck in the middle where neither party was satisfied. The employees did not like the established New Work elements and wanted to go back to the old and convenient system. The leaders did not like the stopped process where no further progress could be achieved. Therefore, a sufficient alignment of willingness, knowledge and approach is furthering New Work.

Last but not least the sixth relevant factor we could identify is the willingness for new Work of important individuals, both formal and informal. Important in this context means powerful and influential. When leaders are unwilling to deal with New Work whatever the reason may be the process is tough and can come to a standstill. We have seen this with the CEOs of company D and F. In both cases their unwillingness had different reasons. However, it´s not only the CEOs which can have such an impact on the implementation of New Work but more or less leaders in all positions, even if their impact is certainly higher the higher their positions are in the organization. As we have seen in chapter 1 there are presently many leaders which have difficulties with giving up power and involving employees in decisions [33]. But it´s also important individuals which are not in leading positions which can have hindering influence to new Work if this is endangering their position, development or convenience. What was not mentioned in chapter 3 is the fact that the chairman of the works council of company B was consequently against any New Work approach. Despite he was no, leader he could suppress al approaches in this direction for a long time right from the beginning. Reason was that he was only three years before his retirement and he did not want to face such big changes before that. He feared much more work for him and that his heritage of more than 20 years of successful work as a works council which was responsible for the comfort and wellbeing of the employees could get in danger. In addition, we have also seen other individuals who did not want to take additional responsibility agile working demands. They simply wanted to keep their routines and convenient life where all responsibilities were dumped at the boss´s desk. This tendency was recognized even stronger with the beginning of Covid as well as with the beginning Ukraine crisis. In such cases the relevant people want to have strong leaders which take care of them, take all responsibilities and do not bother them.

5. CONCLUSIONS

Stability was one of the success factors for German SMEs to succeed for decades. In times of New Work this stability orientation may, however, turn out to be a hindrance for the future development of many companies. The digitized world has not only made changes necessary in higher rates and with deeper impacts. It demands to make the continuous transformation to the norm [34]. The stability orientation causes many SMEs to show too little openness for New Work despite their processes are to a certain extent already adapted to the digitized world. However, also the way of working needs that adaptation to have both the commitment of the customers because they see that companies are on the way to future as well as the commitment of the workforce to come and stay with the organization. Being not open and flexible enough regarding New Work will have a negative impact in enterprise´s competitivity since customers, partners and especially existing and potential employees may find these companies not attractive. We have identified five major factors which turned out to be hindering for the implementation of New Work elements in German SMEs. Covid helped a lot to both having initiated companies to deal with these elements and gain experience and making the hindering and furthering factors clearer. By

this, companies may easier understand and cope with their special hindering factors to pave the way for more openness regarding New Work in future. Despite the hype for agility, Scrum and Design Thinking end of the 2010s has meanwhile flattened due to the experiences made and the disappointments which have happened in this context, New Work is here to stay and will be a constant factor in future business life. In this flattened enthusiasm a tendency towards a little bit more "old style" management could also be realized. Covid had also an impact here since some self-organized teams saw themselves overstrained with coping with the crisis and trusted more on traditional leadership again. Also, the recent Ukraine crisis reinforced this tendency since many people realized that leadership is not an easy task and has not only to deal with organizing the daily schedule. Therefore, Covid and the Ukraine crisis has somewhat levelled out the approaches to New Work in this regard to find a sensible mixture of traditional leadership and self-organization. Covid has, however, made people fatigue and showed them their limits of solidarity and thoughtfulness [35]. In this context the will for strong leaders has arisen not only in politics again but also in companies. The Ukraine crisis has furthered this since people yearn for strong leaders even more in severe crises. Especially German SMEs need to learn to go for New Work and include it in their business approach. To do this they need to overcome the hindering factors, starting with the lacking knowledge about and of New Work, being willing to go for it and overcoming the cultural hurdles of the company. The latter is one of the most important points since without an according cultural shift New Work has only a little chance in companies. These factors point out how important good change management is for New Work [36]. Without good and proper management of New Work implementation the results will stay at low levels. As with other game changing elements in the past like the large-scale application of PCs in industry or the integration of the internet in business also new Work need good change management.

REFERENCES

1. Kotter, John (2014): Accelerate: Building Strategic Agility for a Faster-Moving World. Harvard Business Review Press, Boston (MA), p. 1.
2. Breyer-Mayländer, Thomas (2017): Management 4.0 – Den digitalen Wandel erfolgreich meistern. Carl Hanser Verlag, München, p. 33.
3. Kotter, John (2014): Accelerate: Building Strategic Agility for a Faster-Moving World. Harvard Business Review Press, Boston (MA), p. 8.
4. Laloux, Frederic (2015): Reinventing Organizations. Ein Leitfaden zur Gestaltung sinnstiftender Formen der Zusammenarbeit. Verlag Franz Vahlen, München, pp. 2 – 5.
5. EFQM Training (2020): Certified Assessor Transformation Training. Training documents, EFQM, Brussels.
6. European Foundation for Quality Management (2019): The EFQM Model. Brochure, Brussels, p.6.
7. European Foundation for Quality Management (2019): The EFQM Model. Brochure, Brussels, p.13.
8. European Foundation for Quality Management (2019): The EFQM Model. Brochure, Brussels, p.15.
9. Schöffner, Günther; Hafner, Jutta (2021): Das EFQM-Excellence-Modell 2020 als Wegweiser zum Erfolg. Wie KMU vom Monitoring des wirtschaftlichen Ökosystems profitieren können. Transfer – Das Steinbeis-Magazin. 01/21, Stuttgart.
10. Simon, Herrmann (2007): Hidden Champions des 21. Jahrhunderts. Die Erfolgsstrategien unbekannter Weltmarktführer. Campus Verlag, Frankfurt, pp. 335 – 339.
11. Drucker, Peter F. (1999): Management im 21. Jahrhundert. Econ Verlag, München, 2. Auflage, p.133.
12. Hofmann, Josephine; Piele, Alexander; Piele, Christian (2019): New Work. Best Practices und Zukunftsmodelle. In: Fraunhofer-Institut für Arbeitswirtschaft und Organisation IAO. http://publica.fraunhofer.de/documents/N-543664.html.

13. Gloger, Boris; Rösner, Dieter (2017): Selbstorganisation braucht Führung. Die einfachen Geheimnisse agilen Managements. Carl Hanser Verlag, München, 2. Auflage, pp. 2 – 4.
14. Hays (2021): HR-Report 2021. Schwerpunkt New Work. Hays AG, p. 19. https://www.hays.de/documents/10192/118775/hays-hr-report-2021-new-work-de.pdf.
15. Hays (2021): HR-Report 2021. Schwerpunkt New Work. Hays AG, p. 34. https://www.hays.de/documents/10192/118775/hays-hr-report-2021-new-work-de.pdf.
16. O'Boyle, Carolyn; Atack, Josefin; Monahan, Kelly (2017): Generation Z enters the workforce. Deloitte Insights, Deloitte Development LLC. https://www2.deloitte.com/content/dam/insights/us/articles/4055_FoW-GenZ-entry-level-work/4055_FoW-GenZ-entry-level-work.pdf
17. Daft, Richard L. (2018): Management. Cengage Learning, Boston (MA), 13th Ed., p. 515.
18. Quinn, Robert E.; Bright, David S.; Sturm, Rachel, E. (2021): Becoming a Master Manager. A Competing Values Approach. John Wiley & Sons, Hoboken (NJ), p. 17.
19. Schöffner, Günther; Finkel, Michael (2021): Unternehmenskultur – Die Strippenzieherin bei der Organisationsgestaltung. Zeitschrift für Führung und Organisation ZFO, Schäffer-Poeschel-Verlag, Stuttgart, 01/2021, p. 18.
20. Nowak, Claus (2015): Geometrien der Veränderung. 70 Modelle für Führung, Coaching und Change-Management. Limmer Verlag, Meezen (Germany), p. 383.
21. Schöffner, Günther (2020): The EFQM Model as a guideline for improving organizational development. EFQM Knowledge Base, Brussels, p. 2.
22. Nowak, Claus (2015): Geometrien der Veränderung. 70 Modelle für Führung, Coaching und Change-Management. Limmer Verlag, Meezen (Germany), p. 388.
23. Schöffner, Günther; Finkel, Michael (2021): Unternehmenskultur – Die Strippenzieherin bei der Organisationsgestaltung. Zeitschrift für Führung und Organisation ZFO, Schäffer-Poeschel-Verlag, Stuttgart, 01/2021, p. 17.
24. Balling, R. (2005): Diagnose von Organisationskulturen. In: TA Zeitschrift für Transaktionsanalyse, 2005, H. 4, Junfermann Verlag, Paderborn, pp. 234–253.
25. Schöffner, Günther (2020): Changeprozesse positiv gestalten. Kontinuierliche Veränderungsbereitschaft erzeugen und Widerstände überwinden. Schäffer-Poeschel-Verlag, Stuttgart, p. 51
26. v. Rosenstiel, Lutz; Koch, Stefan (2001): Change in Socioeconomic Values as a Trigger of Organizational Learning. In: Dierkes, Meinolf; Berthoin Antal, Ariane; Child, John; Nonaka, Ikujiro (Ed., 2001): Handbook of Organizational Learning and Knowledge. Oxford University Press, p. 198.
27. Rasmussen, Cornelis (2015): Kultureller Kern. In: Nowak, Claus: Geometrien der Veränderung. 70 Modelle für Führung, Coaching und Change-Management. Verlag Christa Limmer, Meezen, pp. 355 – 362.
28. Sagmeister, Simon (2016): Business Culture Design. Gestalten Sie Ihre Unternehmenskultur mit der Culture Map. Campus Verlag, Frankfurt/New York.
29. Balling, R. (2005): Diagnose von Organisationskulturen. In: TA Zeitschrift für Transaktionsanalyse, 2005, H. 4, Junfermann Verlag, Paderborn, pp. 236.
30. Schöffner, Günther; Finkel, Michael (2021): Unternehmenskultur – Die Strippenzieherin bei der Organisationsgestaltung. Zeitschrift für Führung und Organisation ZFO, Schäffer-Poeschel-Verlag, Stuttgart, 01/2021, p. 17.

31. Schöffner, Günther (2020): The EFQM Model as a guideline for improving organizational development. EFQM Knowledge Base, Brussels.
32. Schöffner, Günther (2020): Changeprozesse positiv gestalten. Kontinuierliche Veränderungsbereitschaft erzeugen und Widerstände überwinden. Schäffer-Poeschel-Verlag, Stuttgart.
33. Hays (2021): HR-Report 2021. Schwerpunkt New Work. Hays AG, p. 19. https://www.hays.de/documents/10192/118775/hays-hr-report-2021-new-work-de.pdf.
34. European Foundation for Quality Management (2019): The EFQM Model. Brochure, Brussels, p. 15.
35. Bertelsmann Stiftung (2022): Erschöpfte Gesellschaft. Auswirkungen von 24 Monaten Pandemie auf den gesellschaftlichen Zusammenhalt. https://www.bertelsmannstiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/Umfrage_Erschoepfte_Gesellschaft_Feb2022.pdf
36. Schöffner, Günther (2021): New Work braucht gutes Changemanagement. Schäffer-Poeschel Blog. https://www.schaeffer-poeschel.de/new-work-braucht-gutes-changemanagement/