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## Work Organisation and Innovation - Case Study: Rabobank, Netherlands

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## Work Organisation and Innovation - Case Study: Rabobank, Netherlands

### Abstract

[Excerpt] Rabobank Nederland (RN) is part of Rabobank Group, which provides financial services and insurance. It is the largest financial services provider in the Netherlands. The group operates in 47 countries and has an employee base of 59,670 full-time equivalents (FTE). In the Netherlands RN has an employee base of 6,800 FTE, which is more or less equal to 8,500 employees. RN is a cooperative, located in Utrecht, and the administrative centre for 139 (2011) local cooperative Rabobanks. The local banks are not branches of RN as each of them has its own banking licence from the central Nederlandsche Bank. The joint employee base of the local Rabobanks is 27,000 FTE. The 139 local Rabobanks, RN and affiliates, provide services to some 10 million clients, including 1.9 million members (Rabobank Annual Report, 2011).

### Keywords

work organization, innovation, Rabobank

### Comments

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Eurofound

# Work organisation and innovation

## *Case study: Rabobank, Netherlands*

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# Background to the organisation

Rabobank Nederland (RN) is part of Rabobank Group, which provides financial services and insurance. It is the largest financial services provider in the Netherlands. The group operates in 47 countries and has an employee base of 59,670 full-time equivalents (FTE). In the Netherlands RN has an employee base of 6,800 FTE, which is more or less equal to 8,500 employees. RN is a cooperative, located in Utrecht, and the administrative centre for 139 (2011) local cooperative Rabobanks. The local banks are not branches of RN as each of them has its own banking licence from the central Nederlandsche Bank. The joint employee base of the local Rabobanks is 27,000 FTE. The 139 local Rabobanks, RN and affiliates, provide services to some 10 million clients, including 1.9 million members (Rabobank Annual Report, 2011).

Founded in 1898, the group has been called Rabobank since the merger in 1972 between the trade bank Raiffeisenbank and the farmers' bank Boerenleenbank ('Rabo' is a contraction of the first two letters of each bank's name). Being a cooperative, Rabobank is not listed on the stock exchange.

Rabobank's strategic core objectives for 2009–2012 were to become the market leader in the Netherlands, to build on Rabobank's position as the world's leading international food and agri bank, and to achieve further growth at, and greater synergy with, the subsidiaries of Rabobank Group. Rabobank is the leader in the Dutch mortgage market. Rabobank wants to be the most customer-oriented and innovative financial institution in the Netherlands.

The strategy is to deliver support and better customer service at lower costs to the local Rabobanks and affiliated companies. The customer focus was enforced in 2010 by appointing four result-oriented areas: good products, tailored advice, good service and a balanced mode of advising without unnecessary sales incentives. Quality as regards good products and services means clearly responding to the real customer's needs and to provide transparent information. The diversification of financial products and services secures the bank's financial stability. During 2011 the range of services offered through direct channels was extended such as the use of social media and interactive television. The client service model has been further adapted in order to enable the local banks to respond effectively to the changing needs of their clients.

# Nature of the innovation

The innovation described in this case study is an integral new concept of work called 'Rabo Unplugged'. The new work style unites the organisation's customer focus with the employees' entrepreneurship. It enables the organisation to better respond to all needs of customers, while at the same time giving more freedom and responsibility to the employees to prevent them 'becoming robots', as one employee interviewed for this case study put it.

It is a far-reaching innovation because the new concept integrates the mental, technical and physical aspects of work organisation. It is also a comprehensive innovation that took several years to integrate in the organisation. More than 8,500 employees work 'Unplugged' at the administrative centre of Rabobank Nederland. The new style of working has also been adopted by various local Rabobanks and affiliated companies. Due to the publicity given to the innovation, the new working style has been introduced by various other companies as well. This new trend is generally called 'Het Nieuwe Werken (HNW)' or 'The New Work'.

Entrepreneurship in the context of Unplugged working means that employees take personal responsibility for the results of their work while they have more freedom to decide where, when, how and with whom they do their job. It is an integral work style, which includes the design of the workplace (physical part) and the use of state-of-the-art ICT technology (virtual part). The idea is that when staff are functioning well, in a good, healthy and sustainable workplace, they will produce better results for the clients. The open and transparent office design and the work style are designed to break down the barriers between departments. The openness in the organisation generates a change in culture and encourages employees to share knowledge and experiences across all parts of the organisation.

The financial services industry has changed considerably over the years as a result of, among other things, changing customer requirements, increasing competition and the growing influence of technology. These changes in products and services required a higher education level among the staff. At Rabobank the number of employees with a higher level of education rose significantly while the number of employees with a lower level fell sharply. Recognising that the institution in was a change process from a product-focused organisation to a customer-focused one, the Board wanted a new concept of work that would contribute to the desired change in culture, as well as to greater effectiveness and cost savings. An employee told the Board about a new concept that had been applied at Interpolis, an insurance affiliate of Rabobank, where Rabobank's CEO had formerly worked.

A group of employees who were enthusiastic about the new work concept met in October 2005 to discuss it. Afterwards an official working group was established. It consisted of a project leader and a project secretary (2 FTE) as well as 11 employees from the various departments within the bank. Three external consultants from Veldhoen + Company were added to the group to provide support on the development process of the new work style (Veldhoen + Company had previously worked with Interpolis). The working group considered the lessons learned at Interpolis. Various work concepts were analysed and discussed and meetings held with other interested staff members. The group developed a 'Vision on the New Work at Rabobank'. The development of this vision with involvement of the staff and the works council right from the onset created support and a sense of ownership of the new work style. In October 2006 the working group presented the 'Vision document' to the Board.

The next step was the establishment of a Rabo Unplugged group Programme in 2006 to transform the Vision on Rabo Unplugged into an integral change programme. The group was managed by a project leader, a programme transformation manager, and programme managers for communication, for the virtual part (ICT) the mental part (HR) and the physical part (Facility Management). The Health and Safety Service joined the group later on. Veldhoen + Company have been hired to guide the process and the content. Other specialists have been called in as required.

Rabobank employees were used to a 'results oriented' work environment, as performance management had been introduced many years previously. The new integral work style would unite the organisation's customer focus with the employees' entrepreneurship. The objective was to integrate the three parts, mental, virtual and physical, into a new work context.

Regarding the mental part, the Vision document explains that the central principle is personal responsibility and freedom of choice for the employee. The personal responsibility for the results of his work would require a change in behaviour (more entrepreneurship and a customer focus) and a change in ways of interacting towards more openness. The question may be raised to what extent the mental part of the new work style would differ from the traditional autonomy of an employee. The difference between the two may be that an entrepreneurial employee takes personal responsibility for the results of his work. It includes working smarter and more effectively and productively. Whereas autonomy is particularly related to the content of the work, entrepreneurship is relatively more related to the results of the work. In 2011 HR updated the competencies required to align them with Unplugged working. The competencies that are added to 'entrepreneurship' are: taking initiatives, to be decisive, to be innovative, to have change capacity and to be resilient. The difference between the two concepts is also evident in the management style at Rabobank. The former 'in control' style of management was changed through Unplugged working into a 'coaching' style. An HR manager described the coaching style of leadership as follows: 'You see employees as equals and have an open dialogue about how each party will work where both of your points of view are valid. There are different ways of achieving the same goal. You need to make someone capable to handle the responsibilities, and invest in facilitating that.'

Regarding the virtual part, according to the Vision document Rabo Unplugged would require a great deal of standardisation at the group level in terms of ICT infrastructure, and tools and equipment on work floors. Standardisation helps encourage cooperation across departments, and is beneficial to innovation besides saving money in terms of support jobs and the maintenance of the infrastructure. The aim is also to achieve user-driven IT with more flexible offerings and a better and more efficient use of resources.

Regarding the physical part, the idea of Rabo Unplugged is that the design of the office is attuned to the activities carried out there. The design supports the employees' conscious planning of their activities and effective working. Usually people working in an office perform all kind of activities in the same workspace: reading, talking, phoning, and working on the computer. When one worker is on the phone another one may find their concentration disturbed. The Unplugged design concentrates on the activities instead of on the people and their jobs. In the Unplugged office nobody has their own workspace or a fixed place to work, only a personal safe to store their laptop or other valuables.

The Vision document explained the reasoning for this as follows: 'The focus on activity-related working means that employees no longer have their own workspaces or personal filing cabinets. Individuals no longer have a sense of personal attachments to workspaces. Guiding principles in the new way of working are the activities that are carried out in a smart and enjoyable way to achieve the result for the customer. The expectation is that employees will use the building as a place for reflection, while making increasing use of the virtual environment for tasks like coordination, accessing and disseminating data and compiling information. Human dimensions are a guiding principle (so no one feels lost), as are openness and transparency. The management of acoustics is essential to the successful operation of the spaces. Interior walls are limited and where they are present, they are made of glass. Workspaces are geared to the type of activity and the desired experience. The activity-related nature of the system encourages physical exercise: movement between workspaces and areas (Vision document Rabo Unplugged, 2006).

Six main points of departure were drafted by the Rabo Unplugged Programme group to underpin the process of implementation:

1. Increase the focus on the customer by activating the entrepreneurship of employees and by assessing their performance by results,
2. Promote collaboration and sharing of knowledge.
3. Promote the responsibility and freedom of choice of employees, facilitated by a coaching style of leadership.
4. Create an open and transparent work environment.
5. Ensure wide accessibility of information.
6. Promote effective and efficient use of technology.

The first three clearly belong to the mental part of the change. The first and the third points are connected. One might even say that the freedom and responsibility are a precondition for the entrepreneurship of employees. Collaboration and knowledge-sharing would contribute to innovation benefits and cost savings. The fourth principle refers to the guiding principles of the physical part. The fifth and six refer to the guideline of the technical part to standardise information and the ICT infrastructure at the group level.

Instead of the more common style of change strategy by project management, the Program Rabo Unplugged group opted for the strategy of change by invitation. An important reason was that the Board had asked the Rabo Unplugged Programme group to implement the work innovation in such a way that there would be support for Rabo Unplugged at all levels of the organisation.

The group would develop an Unplugged programme for Rabobank Nederland; the local Rabobanks were not included in the programme. But they could nevertheless develop and implement a new work concept of their own.

Departments of Rabobank Nederland itself were invited to learn about Rabo Unplugged and to decide on their own if they agreed to join, while keeping their own powers and responsibilities. Thus, every unit had to decide which added value Unplugged could offer. The change strategy was process-oriented. If a department wanted to take up the strategy, they needed to nominate a department transformation manager who would maintain the connection between the department and the Program. In most cases the line manager accepted the role of transformation manager.

The change strategy by invitation was a decentralised process. The line manager retained the decision-making powers. The department appointed a department transformation manager to accompany the process. In most cases the line or department manager took on the role of the department transformation manager.

On the basis of an invitation by the department, the Programme Transformation manager would organise inspiration sessions and workshops in cooperation with the line manager and the department transformation manager. The department developed a vision of what Unplugged Working would mean for their group. The programme delivered support in the virtual (ICT), physical (Facility management) and the mental (HR and Health and Safety) areas.



The consequence of the change strategy by invitation was that it was difficult to plan the process in terms of the time needed for implementation. The departments decided at a time that was suitable to them, after having weighed up the pros and cons, and possibly having learned from other departments too. However, the importance of creating support outweighed this disadvantage in the planning. After the positive evaluation of the pilot project at the end of 2009, the number of Unplugged workers suddenly increased in 2010 to more than 8,500. Another consequence of the decision to implement the strategy on a voluntary basis was that the Programme group did not sanction departments that refused to join Unplugged working. Therefore, the decision of Rabobank International not to adopt the practice was respected.

## Transformation support and training

For each department concerned, the Programme team and the department transformation manager discussed with the department the route they wanted to follow to move to Rabo Unplugged. Many tools were available to support in the transformation process and to deal with the mental, virtual and physical parts of the transformation. The Information Technology (IT) department organised open meetings in the café to introduce the options to staff who were interested. Employees who had experience with the new tools talked about the opportunities they offered and shared their knowledge. The strategy by invitation meant that people were invited to come and find out about the opportunities.

Human Resources Rabobank (HRR) provided support for the department transformation managers. A human resources official interviewed for this case study noted: ‘We invited them to develop a vision for their own department. At each stage they showed us their results and told us which facilities they needed next. These could differ widely depending on the department. They also encountered resistance. We wanted to prevent this from blocking the process and focused attention on people who were in favour. Because hard action against resistance just makes it worse.’

The company’s Health and Safety Service (H&SS) also provided support to the project, offering workshops, guidance or campaigns on:

1. Healthy mobile working
2. Healthy life balance
3. Move away from the autopilot
4. Social cohesion
5. Healthy change, for executives.

An H&SS executive noted that: ‘The disadvantage of the freedom to make your own plans when and where you work can be that people work always and everywhere, with the risk that they distance themselves too little from the work. To make employees aware of the possibilities and the risks, we offered workshops for teams and individual employees about a good work–life balance.’

A coach for ergonomics was available for guidance. Despite the fact that by 2011 8,500 employees worked Unplugged, the large-scale use of mobile equipment had not led to an increase in complaints in the arms, neck and shoulders.

Table 1: Time period and scale of innovation

Time scale	Implementation process in Rabobank Nederland
2005–2007	Vision development and start programme
2008	Pilot in Beneluxstaete with 500 employees
2009	Up to 3,000 employees in transformation
2010	Up to 8,500 employees in transformation
2011	Plaza (May) and Tower (December 2011 – March 2012) of the new administrative centre in use> Activity-related working
1 July 2012	Closing of Rabo Unplugged programme – transfer to line management
local Rabobanks	Meanwhile local Rabobanks adopted Rabo Unplugged in these places: Rabobank Alkmaar, Alblasserwaard, Meppel, Rijk van Nijmegen, Dommelstreek and others. Some affiliates like Robeco, Lage Landen etc. implemented the work style too.

Source: presentation H&SS: 'Het nieuwe werken en vitaliteit binnen Rabobank' (The new Work and Vitality within Rabobank), January 2012. Information about local Rabobanks: Transformation Manager.

The Rabo Unplugged Programme was terminated on 1 July 2012, a year later than expected.

The Programme remains responsible for the overall coordination, while the responsibility for the Rabo Unplugged work style as well as its further development is transferred to line management, Group ICT, HR Rabobank, Health & Safety Service and Facility Management each within their own discipline.

Rabo Unplugged was trialled in a pilot project at the Beneluxstaete office beginning in April 2008. Five hundred employees participated from five different departments of Rabobank Nederland: Private Banking, Group ICT, Clients Contact, HRR, Housing and Knowledge and Economic Research.

The participants received ICT tools (laptop, mobile phone/PDA) and access to some 6,000 applications. Managers were provided with tools to support teams working at a distance. The design of Beneluxstaete was adjusted to activity-related Unplugged working, discussed in greater detail below.. The idea is that employees plan consciously their activities and work more effectively. The employees in Beneluxstaete got full support from the Rabo Unplugged Programme group. They completed the Unplugged transformation process relatively quickly.

The works council (WC) participated right from the start. The WC had heard from Interpolis employees that they really supported the new work style. The WC also participated in a Rabobank delegation to visit a 'new work' company in Norway. Like every participating department, the WC nominated a transformation manager from their midst. While participating in the pilot project, the WC recommended a better design of SharePoint, a virtual tool for Unplugged working. Out of its experiences in practice and interviewing colleagues, the work's council drafted advice on the new work concept and discussed it with the employer. The works' council became an ambassador for Unplugged working. Later on the Central Delegates Assembly, through which the local banks are represented at Rabobank Nederland and the Supervisory Board, expressed their appreciation for the 'well-founded' advice from the works council.

The Health & Safety Service evaluated the pilot project in 2009, one year later. HSS added questions about Unplugged to their Employee Satisfaction Questionnaire. The results show that:

- the employees spent 15% of the working time at home (20% in 2010)
- 65% experienced Unplugged work as bringing them benefits (83% in 2010)

- 38% thought they performed better at Unplugged Work (61% in 2010)
- 85% said they could combine private life and work effectively (85% in 2010)

We asked H&SS why only about one-third of staff thought that Unplugged working had improved their performance. The respondent from H&SS answered that experience shows that it takes some time to see the results from Unplugged working. Looking at the results from the evaluation in 2010, there is indeed a substantial increase in performance with 61% of the staff now saying that Unplugged working has improved their performance.

After the pilot project, the implementation of Unplugged proceeded smoothly. It reached 22 directorates and departments with 3,000 employees by October 2009. Then a large share of the remaining sections decided to join Rabo Unplugged. The number of 'Unpluggers' grew from 3,000 to 7,500. In 2010 there were 8,500 Unpluggers and in 2011 53 departments with 9,087 workers were Unplugged.<sup>1</sup> Actually, in 2012, more than 90% of the departments of Rabobank Nederland had transformed their working style into the Rabo Unplugged style. A few, like Rabobank International, decided not to change their way of working and not to join the Rabo Unplugged programme. Thus, when the new headquarters building known as the Rabo Tower was taken into use in 2012, more than 90% of employees were ready to work Unplugged in the building.

Plans for this unique building were developed in 2005, the same year in which the working group started to develop a vision on the new Rabo Unplugged work concept. The work style advisor and the interior architect started their work in 2007. The designs were approved in 2009. Adaptations were made to connect the old offices to the new building in such a way that employees would easily find their way. In April 2012 the staff moved from the old office to the new Tower, which was fully equipped and designed for Unplugged working. The Tower office is open from 6.30 am until 20.30 pm. The Dealing Room is kept open 24 hours a day by shifting activities to other parts of the world.

According to the point of departure of the Rabo Unplugged Program group, the Tower offered an open and spacious work environment, with a lot of daylight coming in. Spaces were connected without using walls like borders. The ideas laid down in the Vision document have been realised to a great extent. The beauty and harmony of the interior create a peaceful atmosphere conducive to atmosphere, but also have an energising effect.

The Rabo Unplugged Programme group aimed at ensuring a wide accessibility of information with a view to the virtual part of the work style and an effective and efficient use of technology.

The Tower has some smart boards, which are quite new in an office environment, according to the ICT manager. On a smart board colleagues can cooperate at a distance and make a drawing together, which each one can adjust real time on their own laptop. Generally, anyone who can't join a meeting physically can do it virtually, thanks to the infrastructure and the mobile equipment for the staff.

The ICT department has made big efforts to implement the newest technology and operating systems. All databases have been centrally saved on the server in the Computing Centre, which allows people to have constant access to all the data, wherever they are, if they connect to the central network. With the mobile equipment people are working together at a

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<sup>1</sup> In mid-2011 9,245 people worked Unplugged. There are 8,500 employees and 1,500 external workers at RN, and according to the Transformation Manager, it seems that the external workers have also started to work Unplugged. See Ketting, 2011.

distance on a much larger scale than they did before Unplugged. Chatting or talking via the Communicator is the usual way for colleagues to communicate with each other. If someone has to go to another work space, for instance to continue the discussion, they can easily switch from the computer to the mobile phone without any interruption in the conversation.

Some 6,000 applications have been integrated, thus standardising the business software at group level. Standardisation was an integral part of Rabo Unplugged, to encourage knowledge sharing and cooperation between employees from different departments. ICT created special sites for knowledge sharing, like SharePoint, communities to discuss special issues and meeting sites. Meeting sites make it very easy to lay down the highlights of the meeting and to assign actions to the relevant people. Everybody manages his or her own agenda on the computer and, unless some activities are blocked for privacy reasons, the agendas are public to everyone. One manager interviewed for this case study mentioned that the ICT tools and solutions make it easy for staff to arrange many things on their own. These applications promote effective working and make staff less dependent on the secretaries. As a consequence, the role of secretaries is changing from assisting the manager to a supporting role. As the staff become more self-supporting, the role of managers themselves becomes more like a coaching role.

To allow independent working, the hours within the working day have been extended in the collective labour agreement. The method and style of recruitment have been adapted to make use of social media. Supported by ICT, a vision on learning has been developed and more training and education will be offered virtually.

# Impact on employees

The techniques used to overcome challenges during the transformation process were mainly recommendations to line managers (for those who needed more structure), coaching and workshops to give guidelines and tools to staff and managers to learn how to cope with the new situation.. Managers and departments were given room to decide whether to join Unplugged working, and sanctions have not been used to force adherence to the system. However, as more than 90% of the departments voluntarily chose Rabo Unplugged working, it may be concluded that the programme was successful overall. On 1 July 2012 the responsibilities for the future development of Rabo Unplugged were transferred from the Rabo Unplugged Programme group to the line managers and relevant departments such as human resources, health and safety and ICT. The number of Unplugged workers rose from 500 during the pilot to more than 8,500 at Rabobank Nederland in 2011. They all work according to the six principles formulated by the Rabo Unplugged Programme (see above). The evaluations in 2011 show that Unplugged working has been integrated in the organisation. Nevertheless there are still some challenges that need to be resolved.

The Unplugged work style led to the transformation of the leadership style as well. The trust-based leadership style grew during the transformation process and with its growth the appreciation of the staff increased.

The voluntary nature of the change strategy will certainly have absorbed part of the potential or natural resistance that employees generally feel to changes in their way of working. The Rabo Unplugged Programme group chose this style because the Board attached great value to the support of the staff for the new work style, as expressed by the works council.

Employees had several opportunities during the process to get involved into the strategic decision-making about the innovation:

1. via discussion about the Vision (2006)
2. via discussion and consultation at team or department level
3. via feedback groups
4. via the works council or its commissions
5. via staff meetings

During the interviews staff and management described the innovation firstly in terms of the freedom given to employees to work when and where they want, in order to achieve the best results. Secondly, they suggested that activity-related working means having to plan the work more consciously. This makes one more effective and creates more opportunities for a better balance between work and private life.

An employee said that ICT tools gave workers more flexibility, opportunities to share knowledge quickly and to collaborate virtually. Not only staff but also management have the freedom to decide when and where they work, including working from home.

The impact of Rabo Unplugged on employees has been regularly measured by HRR through the biannual HR Monitor and by the Employee Satisfaction Research by the Rabobank Group Health & Safety Service (2011 with 4,436 respondents). The HR Monitor and the Employee Satisfaction Research ask questions about the quality of the organisation and management, the quality of work and working conditions and special topics such as the Unplugged work style. The results reflect the personal views and experiences of staff. The Rabo Unplugged Programme group also conducted some research on this in 2011.

The last Employee Satisfaction Research in 2011 shows that 88% of the staff are generally satisfied. The score given by staff for satisfaction with the new work style rose from 7.1 in 2006 to 7.5 in 2011.

Compared to 2010, appreciation for Unplugged working rose in all employee age groups, but to a lesser extent for employees aged 25 or below. The 2011 evaluation also shows not only an increase in the number of staff involved in Unplugged working, but also in the extent to which people use the Unplugged method. It proves that the staff are applying all six principles of Unplugged work (work independent of time and place; work related to activity; collaboration and shared knowledge; fewer rules; greater responsibility and more entrepreneurship) more extensively than in 2010. This suggests that greater integration of the new work style has occurred.

The relatively positive appreciation of the new work style by older employees was not anticipated, as was the relatively less positive response from those of 25 or under. An explanation suggested by various interviewees is that it is more difficult for Unplugged workers to build a network in the organisation. An interviewee said: 'I have been working here 25 years and I have a network of some 200 people. If you start in a big organisation and you know only about 13 people, you might feel a little bit lost.' Having a network is important for getting information, finding out what's going on, gaining access to special projects, etc. H&SS recommended that line managers give guidance to young employees and HRR provide an introduction programme to teach them how to cope with Unplugged working.

Table 2: Staff scores for main Unplugged objectives 2006-2011

	RN 2011	RN 2010	RN 2006
<b>General satisfaction</b>			
<b>Report mark</b>	7.5	7.4	7.1
<b>% satisfaction</b>	88	85	82
<b>Customer orientation</b>			
<b>Customer orientation</b>	71*	70	70
<b>Cooperation</b>			
<i>within departments/teams</i>	68*	68*	69
<i>between departments/teams</i>	63	62	61
<b>Leadership/management</b>			
<b>Inspiring leadership</b>	70	67	65
<b>Human oriented leadership</b>	77	76	74
<b>Result oriented leadership</b>	71	70	68

\* No comparison on scale score possible due to change of scale.

RN: Rabobank Nederland. RN 2006: the preparatory stage: the Vision document.

Source: *Presentation Arbodienst Rabobank Groep: Ervaringen met Unplugged werken in 2011*.

Presentation Health & Safety Service, Rabobank Group: 'Experiences with Unplugged work in 2011'. June 2012.

The employee satisfaction score rose from 82 out of 100 in 2006 to 88 in 2011 when Unplugged working had been fully integrated in Rabobank Nederland. The number of employees who think they performed better in 2011, due to Unplugged, grew too, especially the employees in the age group 35–44 years, most of whom are managers, product officers or advisors. The customer orientation has increased as well, although the increase is difficult to measure due to a change of scale in the research.

The 2011 evaluation shows an increase of the positive effects of Unplugged in the sense that staff cooperated slightly more with other teams/departments than in 2010 (this measure rose from 60 out of 100 in 2010 to 63 in 2011). The increase in customer orientation and in collaboration of employees from different departments indicates that Rabo

Unplugged has indeed, as the Board intended, supported the change from a product-oriented to a customer-oriented organisation. The Unplugged work style proves to be beneficial for the staff as well. Employee satisfaction has increased while staff feel more involved with the organisation (from 76 to 89 in 2011), and staff can keep their working life and private life better balanced (from 84 to 85) while performing better because of Unplugged working (from 36 to 47 in 2011). Thus, Rabo Unplugged increased the customer value and the employee value, which are both pillars of the strategy of Rabobank Nederland.

During the process of integration the new work style achieved greater impact through a new leadership style, based upon trust. The new leadership style's coexistence with the traditional culture made it difficult for some managers to operate. For example, one manager might be following the trust-base leadership style while his own manager believes in top-down control.

## **Challenges**

Rabo Unplugged working goes along with a mental change to view work independently from time and place and to take responsibility for the results. Although the overall employee satisfaction with Rabo Unplugged proved to be high in 2011, the new work style also created challenges for some groups of employees as well as for the cooperation between employees within departments. These challenges included:

### **1. Lack of structure**

The employees who need more structure in their workplace find the new system hard to get used to.<sup>2</sup> Their personal need for structure has been recognised by H&SS, which encourages them to stand up for their needs in accordance with the Unplugged principle of personal leadership. One interviewee mentioned that he had received a positive response to his request for more structure. Being in touch with his manager weekly, usually by email, gave him enough structure to do his work well. HRR selected personal leadership as a special topic for its policy in 2012.

### **2. Less cooperation within a department**

Working outside the office does not seem to be a threat for the cooperation in a team, or for an employee's involvement with the organisation, but it may be a threat for social contacts. People who do not meet regularly do miss the feeling of belonging to a team. It should be kept in mind that Rabobank Nederland is a cooperative that attaches relatively high value to social cohesion in the organisation. Cooperation with colleagues is part of one's performance assessment and sharing knowledge is a point of departure of Unplugged working. The department as organisational unit has maintained a position in the organisation since the introduction of the new work style. However, Rabo Unplugged emphasises the individual freedom and entrepreneurship of each employee. The price that seems to be paid for the freedom is the social cohesion at department level.

### **3. Blurring of boundaries between private and working life**

The available technology challenges workers to be active day and night; especially when time pressure is high. Staff can be online at any time, but need to find their own balance and set limits. Generally, nearly 85% of employees say that they succeed in combining private and work life well. If we take a closer look at the age groups, we see that the older groups, from 55+ and 45–54 (15%) have a bit more difficulty with the blurring of the boundaries between work and private life. H&SS therefore advises line managers to talk individually with employees who face some difficulty and to suggest they attend the Life Balance workshop. Managers and especially advisors (20%) rank highest with experiencing blurred work/life boundaries, probably due to some work pressure.

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<sup>2</sup> Scientific research by Slijkhuis (2012) has shown that the 'New Work' is not beneficial to persons who have a personal need for structure.



#### 4. Health risks

By 2011, more than 50% of the staff, some thousands of employees, worked with mobile equipment. CANS complaints (complaints relating to arms, neck, or shoulders), are mainly caused by using mobile equipment for overly long period, by tension, intensive screenwork and little work rotation. More than three-quarters of these complaints are work-related.

Although the numbers of users have multiplied since the pilot in 2008, the number of people with complaints has remained the same. New users were given the chance to participate in workshops on healthy mobile working. However, H&SS observed in 2011 that people make less use of a keyboard, monitor or a mouse and work less healthily with their laptops, particularly managers. Since 2010, staff absences have been longer but occur less frequently. H&SS advises line managers pay attention to workplace ergonomics in relation to the intensity of computer work and to call in a 'ergo coach' where attention.

#### 5. Less uptake among young workers

Although the new Unplugged working style was meant for people of all ages, first-time employees experience fewer benefits from the freedom than the group aged 25 to 44 years. Older employees, who were expected to find it harder to work Unplugged, have taken well to the new working style. Younger employees work at home less. H&SS found a positive correlation between home working and experiencing the benefits of Unplugged working. All the young people concerned are employed in the lowest job scales, which may imply that they have support jobs. Their job turnover after a year's employment is higher than expected. As explained above, this may be because new and inexperienced workers do not have a network in the organisation, which helps people cope with Unplugged working.

#### 6. Loss of status for secretaries

The authors of the Vision document predicted that the Unplugged work style would have an impact on the content of the support jobs. This is because other staff have direct access to many applications, they are managing their own schedule and discussions, have files and all documentation on their computer and are working as much as possible without paper. They are also making their own reservations for meeting rooms, etc. So, the content of the support jobs, such as secretaries, changes. Some secretaries feel this as a loss of status. The role of support functions is changing from a personal assistant to the manager to a job with a more important contribution to the team or a department, like an office manager. And the role of the manager also changed from controlling tasks to coaching and facilitating his staff to achieve the results that have been agreed. The line managers are advised to also find opportunities for call centre staff and secretaries to work independently of time and place.



# Impact on the organisation

In the context of the need to change from a product-oriented to a customer-oriented organisation, Rabobank Nederland transformed its work style by implementing Rabo Unplugged.

The transformation introduced a new culture based upon trust, more freedom and entrepreneurship, replacing the former 'control' culture.

Another aspect of the RN culture that would need some change is the existence of closed business lines. Rabobank Group is a large company organised for the most part along business lines. The Board of Rabobank Nederland wanted a new concept of work that would contribute to the desired change in culture, greater effectiveness and cost savings. The Unplugged work has indeed resulted in increased cooperation between and across departments: the score for this measure rose from 61 in 2006 to 63 in 2011, see Table 2. Although the barriers have not yet been broken down, the increased cooperation between departments may be a stepping stone to achieving more openness.

Rabobank performed well in 2011 from a financial perspective, with only a slight decrease in turnover compared to 2010. Generating turnover in the Rabobank context primarily means creating customer value, through customer satisfaction. The HRR manager said that customer satisfaction is measured regularly, and indications are that the clients, local Rabobanks and affiliated companies are happy about the increased flexibility, accessibility and client visits by Rabobank Nederland.

Rabobank Nederland's strategy is to become the most customer-oriented and innovative financial institution in the Netherlands. The Unplugged work style supports customer orientation and an outward view on the needs of customers and developments on the market. Quality in the Rabo context also means a focus on the real needs of customers without unnecessary sales incentives. Thus, product innovations are triggered externally by the actual needs of the customers and the markets, so that external factors dominate the internal factors. Unplugged working supports the employee focus to get the best results for the clients.

The percentage of employees who believe that they perform better because of Unplugged working grew from 36% in 2010 to 47% in 2011. The elements of Unplugged that contributed particularly to better performance were independence to choose working time and place, and entrepreneurship.

The 2011 evaluation of Unplugged working showed that the innovation was successful for staff, management and the company because:

- staff enjoy their work more;
- staff are generally more satisfied, specifically about the new leadership style;
- staff perform better due to Unplugged working;
- Unplugged working proves to be beneficial for all age groups;
- there has been an increase in customer satisfaction;
- staff cooperate more across and between departments;
- staff are more involved with Rabobank Nederland (higher employee value);
- staff can maintain a better work–life balance;

- staff sickness absences have reduced (albeit increased in duration);
- management supports Unplugged working through a trust-based leadership style which increases the productivity of staff;
- Unplugged working generates cost savings in the maintenance of the office and the operations.

The variety and number of improvements above brought about by the new work style seem to be quite impressive. They are all backed up with research results by Human Resources Rabobank and the Rabobank Health & Safety Service.

# Conclusions

Rabobank Nederland needed to change from a product-oriented organisation to a customer-oriented organisation. The new integral Rabo Unplugged work style unites the organisation's customer focus with the employees' entrepreneurship. Rabo Unplugged encourages employee entrepreneurship by enabling employees to choose more consciously where, when, with whom and with which resources they can achieve the best result for customer and colleagues, in the smartest way possible. The means to do this are provided through standard resources in the form of integrated solutions in the virtual, physical and conceptual environments. This transformation strategy by invitation took more than five years. Nearly 10,000 people now work Unplugged, partly in a new building, the Tower, with 25 floors equipped to support the work style. Unplugged changed the inward focus of staff to an outward focus on the needs of customers. The innovation has been successful: the staff now have greater job satisfaction, perform better, work increasingly across departments and maintain a good work-life balance. The main changes included those described below.

The former leadership style, based on top-down control, has been changed into a trust-based coaching style with a focus on the results. Customer satisfaction has increased and the employees feel valued through a higher involvement with Rabobank Nederland. The institution is frequently named as one of the most attractive employers in the country.

Unplugged changed the traditional view of the company as the place where the staff do their work at a given time and at a given place. In the new Unplugged view, the company offers first of all a place to reflect, with others or alone, and the interior and furniture are optimally designed to support the activities and experiences of reflection and concentration. Secondly, all work spaces are designed optimally to support an activity, and no work space can be owned by somebody. The system encourages moving on from one work space to another and stimulates employees to work consciously.

The Unplugged change strategy of Invitation differs in various ways from the more traditional strategy of project management. Instead of tasks, rules and time frames the key words are invitation, facilitation, process, time, trust and autonomy.

The Unplugged style, also known as 'the New Work', paves the way for a sustainable integration of various existing European policies of labour law and industrial relations into a new concept of the working organisation: Starting points are:

- a more integral approach of the keystones of flexibility and security, or flexicurity;
- a sustainable approach and combining customer and employee value in a socially responsible way, in line with Europe's 2020 Strategy to stay competitive on the world market;
- a sustainable approach by leadership and the concept of Managing Change as adopted by the European social partners in 2005;
- the change strategy by Invitation and the emphasis on sustainability fit with the ideas on Responsible Restructuring as advocated by CSR Europe (Corporate Social Responsibility).

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