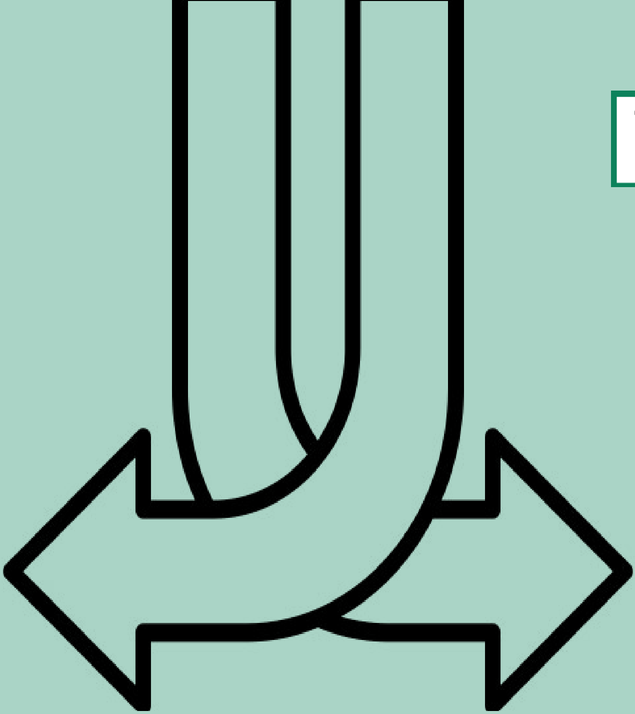
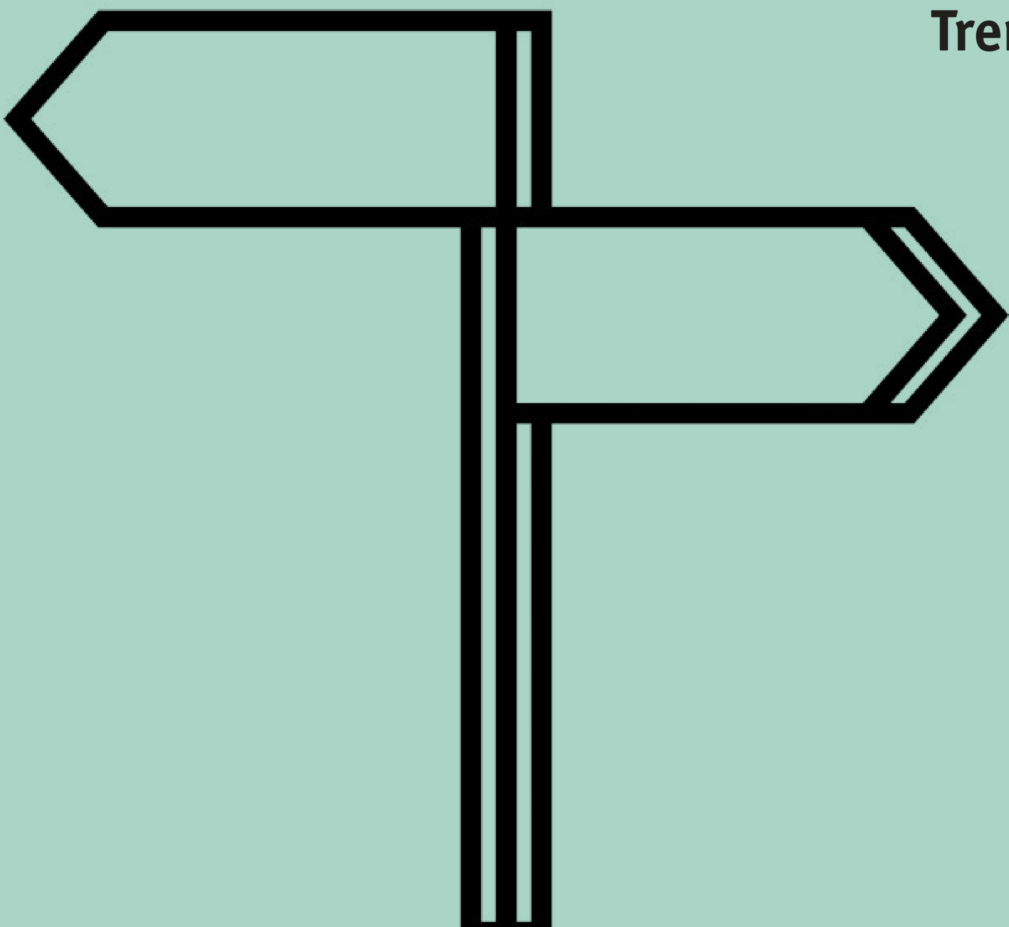


WORKTECH™ ACADEMY

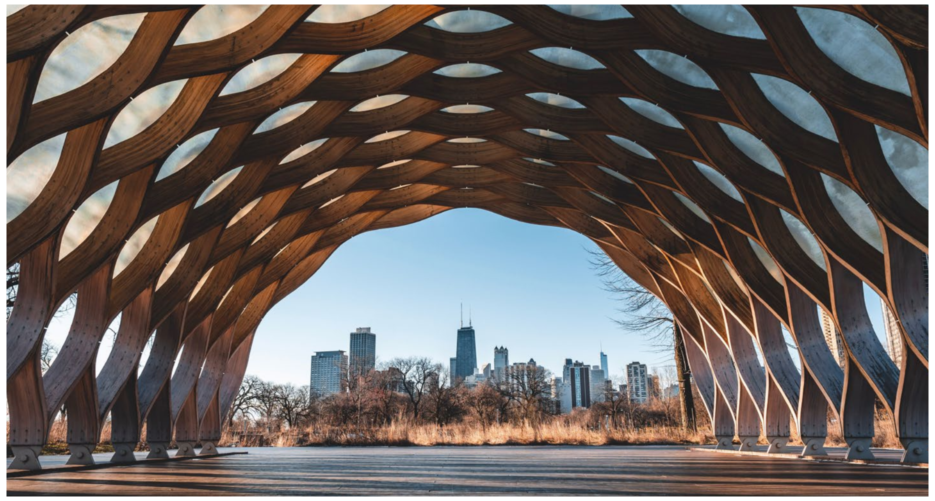
Journal

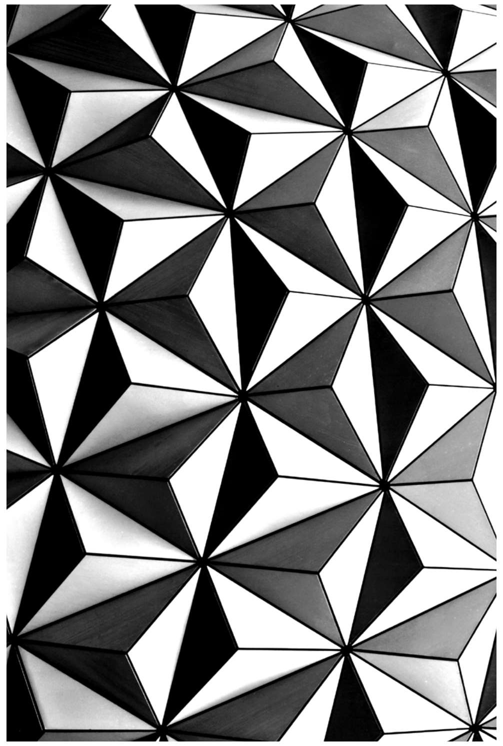
Coronavirus One Year On: Special Edition

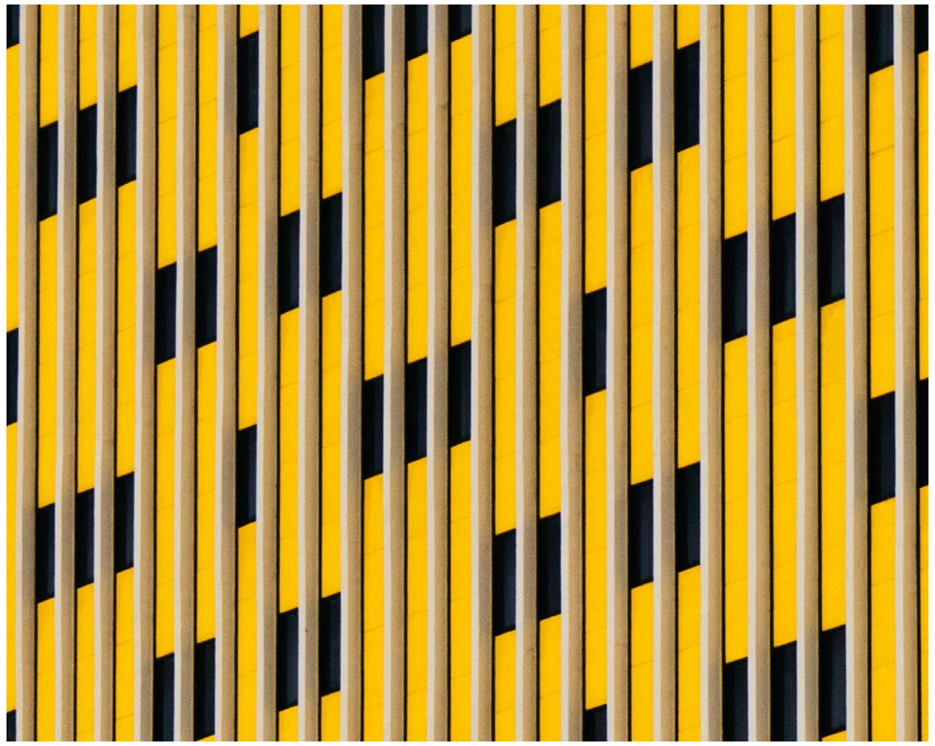
What Should Companies Do Next?

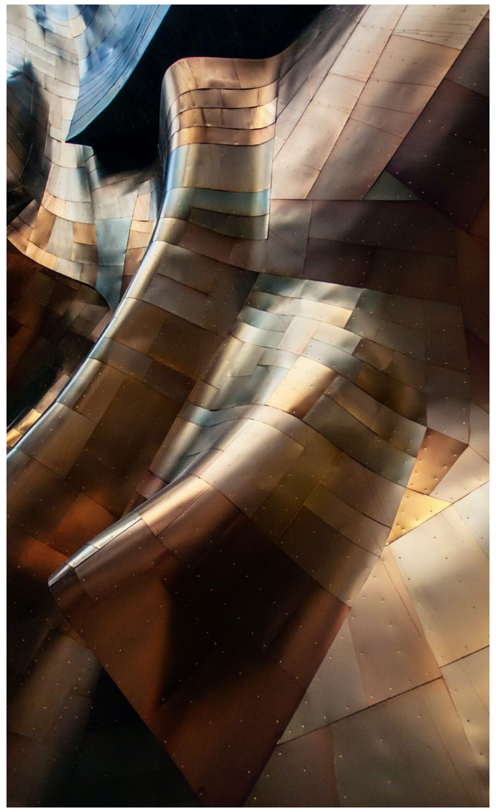


Trend Report Q1 2021









Making decisions on how we'll work tomorrow

Welcome to your Q1 2021 Trend Report from WORKTECH Academy, which explores the strategic paths companies can take to navigate a hybrid future of work

One year on from the start of the global pandemic, organisations in every sector and at every scale are crawling out of their shells to plot the future. There was a blur of activity during successive lockdowns with swift tactical reactions to events on the ground, but now the time is fast approaching for companies to present coherent new strategies over the medium to longer term.

This shift from pivoting through a crisis to planning a more permanent new model is hugely significant for everyone whether their role is to design, develop and pilot the future of work and workplace, or lead change through it.

This Trend Report – our first of 2021 – draws on evidence and insights from right across WORKTECH Academy's global network of workplace academics, experts and practitioners to bring some shape and clarity to what is currently happening. We've identified six main themes and grouped organisations, accordingly, into six different archetypes:

• **Choice Champions:** making flexibility, choice and work from anywhere the cornerstones of their new workplace strategy

• **Tech Investors:** turning the pandemic to positive effect by either accelerating or kick-starting major investment in new technologies such as VR and AR

• **Resolute Returners:** aiming to improve company culture, innovation, learning and productivity by bringing everyone back to the office

• **Wellbeing Watchers:** escaping a public health crisis by focusing relentlessly on the physical and mental health of their people

• **Data Drivers:** putting data right at the heart of their corporate strategy and culture in a bid to become more resilient

• **Space Shapers:** using the pandemic as a once-in a-lifetime opportunity to rationalise the real estate portfolio and reduce cost.

These archetypes are not mutually exclusive. It is possible, for example, to combine elements of a Choice Champion with major investment in new technology. Or belong to the Resolute Returner group while simultaneously paying close attention to employee wellbeing or data analytics. Companies can also switch modes over time, perhaps starting as a reducer of office real estate before going on to provide a more fleshed-out WFA (work from anywhere) model.

We hope that these six organisational groups illuminate key trends and that our premier network of member and partner organisations can identify dominant traits and impulses in their own approach. We look forward to your feedback and to more opportunities to share ideas at this most challenging time for work and workplace.

Professor Jeremy Myerson
Director, WORKTECH Academy

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Work-from-anywhere model on the rise

Companies planning to put flexibility and choice at the cornerstone of their strategy must learn to trust their employees to make the right decisions

Choice Champions are organisations that are making flexibility and choice the cornerstone of their new workplace strategy. They recognise that improving productivity is all about enabling their employees to get the job done in the way that suits them best. They recognise too that the post-pandemic workplace is not about a simple binary choice between two work channels, home and office. It is about developing a more complex set of flexible options to help the organisation flourish, creating an entire ecosystem with multiple channels for working.

For Choice Champions, the WFH (Work From Home) model of flexibility is morphing into WFA (Work From Anywhere). A hybrid condition is giving way to a human-centric one. This not only has implications for real-estate, HR and IT operations, but also for recruitment – the WFA model changes the way in which companies recruit talent because it allows them to recruit people outside the local geographies for partially or completely remote roles.

Choice Champions trust their employees to make the right choices over where and how they work. They are adapting their leadership models to support this shift. Some observers have made a parallel between omni-channel working and omni-channel retailing or commerce, which provides a single, seamless customer experience across all channels. The retail parallel provides the workplace with a useful precedent in blending physical and digital channels.

WFA models take a customer-centric approach to employee experience and engagement. Choice-led companies will see the rise of omni-channel workers in their ranks, using a combination of mobile devices and cloud-based technologies to plug into their work from any location or setting they feel is most productive for them.

As large corporates start to adopt this approach, this raises some important questions. Who is responsible for ensuring that different workspaces meets corporate standards and criteria? How does the WFA model impact salary? If all employees aren't regularly in the office, how are corporate real estate overheads reallocated? Choice Champions will be required to do a lot of organisational rewiring. ■

'An immersive workspace is no longer limited to a desk in our towers; the 9-to-5 workday is dead; and the employee experience is about more than ping-pong tables and snacks ...'

Brent Hyder, Salesforce President and Chief People Officer

Who are the Choice Champions?

Spotify: Swedish music streaming platform Spotify has adopted a 'Work from Anywhere' model, which will allow its 6,550 employees to choose whether they want to be in the office full time, at home full time or use a combination of different channels to conduct their work. Spotify is giving employees the opportunity to select a Work Mode – giving them the choice over location and time to work most effectively. Salary rates will be unaffected. Spotify will also be redesigning office space to accommodate employee preferences for quiet spaces, shared-desk space and collaboration areas.

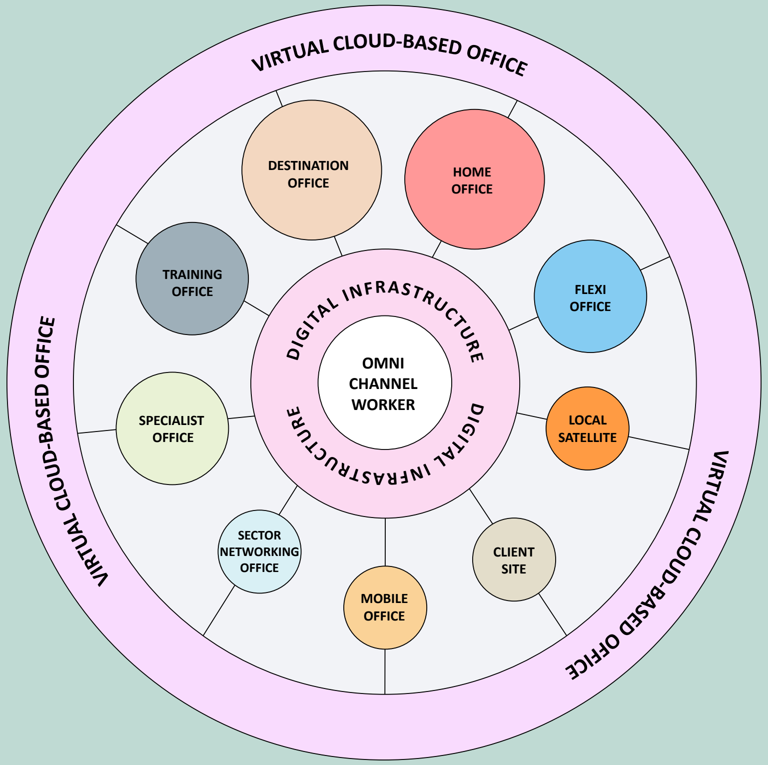
Salesforce: Salesforce has aimed to create a workplace that allows employees to be more connected to others, find more balance between work and home, and advance equality. New guidelines offer employees three options for how they'll work going forward: flex, fully remote, and office-based. The flex option will allow workers to come into the office up to three times a week for tasks that cannot be conducted virtually.

Slack: Business communications platform Slack is championing employee choice over working hours. Recognising that we are moving to more asynchronous work patterns, Slack has removed the expectation that work happens primarily from 9 to 5, and it is encouraging employees to work during hours that make sense for them. It has also stated that it will introduce a permanent flexible working policy for the majority of its 1,664 employees.

Twitter: Social media giant Twitter has said all its employees can work from home 'forever' if they wish to. Twitter's shift to a permanent remote work policy was already in existence and was accelerated by the pandemic. In 2018, CEO Jack Dorsey sent an email to his employees encouraging them to work from home after experiencing a lift in productivity by doing so himself.

Choice across settings

WORK EVERYWHERE: LANDSCAPE OF THE OMNI-CHANNEL WORKER



The coming era of omni-channel working championed by choice-led companies could mean the office building portfolio is used in different ways, according to a report by Australian developer Mirvac. The office will remain a critical channel of work within a broader ecosystem. This diagram maps out several of the work channels, which are sized according to their likely importance.

A 'Destination Office' will be the place to go for creating culture, building social capital and connecting to the mission and values of the organisation. A 'Training Office' will provide a dedicated learning and mentoring environment. A 'Specialist Office' will accommodate production and R&D activities with the requirement for regular attendance, such as life science lab facilities or 24-hour media newsrooms.

The 'Home Office' channel will play a more prominent and more permanent role in working life than before the pandemic, but the omni-channel worker will have other options too. The 'Flexi-Office' will provide membership of coworking spaces and other space-as-a-service provisions across the city. 'Local Satellite' offices will be located closer to people's homes in a hub-and-spoke model that reduces commuting times; and companies will also experiment with mobile offices that offer local convenience. Working at client sites will become more prevalent; so will working at sector-specific clubs and associations, 21st century guilds where the omni-channel worker can network with others in their industry or profession.

Source: *From Office to Omni-Channel: the rise of the omni-channel worker in a digital age*, Mirvac/WORKTECH Academy (2021)

Choice for some - but not for the masses

Who will be the chief beneficiaries of a move to a work-from-anywhere model? According to research by the McKinsey Global Institute, the potential for remote work is highly concentrated among highly skilled, highly educated workers in a handful of industries, occupations and geographies. These workers will form a well-paid minority in the workforce.

The McKinsey analysis, which covered 2,000 tasks, 800 jobs and nine countries, revealed that more than half of the global workforce has little or no opportunity for remote work. Some of their jobs require collaborating with others or using specialised machinery; other jobs, such as conducting CT scans, must be done on location; and some, such as making deliveries, are performed while out and about. Many of such jobs are low wage and more at risk from broad trends such as automation and digitisation. The opposite side of the coin to greater choice for some, therefore, is the risk of widening social inequalities.

Sectors with the highest potential for remote work include finance, management, professional services and information; construction and agriculture are among the sectors with the least potential. Activities with the highest potential for remote work include updating knowledge and interacting with computers; activities with the lowest potential include caring for people and interacting with machinery.

Source: *What's Next for Remote Work?* McKinsey 2020

Key Links

Hybrid work is the new remote work

Will the rise of the omni-channel worker reshape corporate real estate?

What's next for remote work?

Future is flexible but beware threat of digital exhaustion

Company cash set for virtual reality

Companies are accelerating plans to invest in new technology and virtual environments but will need to take their workforce with them on the journey

Tech Investors are organisations that have turned the remote work crisis of the pandemic to positive effect by either accelerating or kick-starting major investment in new technology. Tech Investors are placing their chips on a hybrid model of physical-digital working in which AR (Augmented Reality) and VR (Virtual Reality) assumes growing importance.

Tech Investors are moving fast: according to a McKinsey Global Survey of executives (Oct 2020), companies have accelerated the digitisation of their customer and supply-chain interactions and of their internal operations in a single year by three to four years; and the share of digital or digitally enabled products in their portfolios has accelerated by seven years.

A trends survey from UK-based IT services provider Advanced reveals that business survival and new technologies have emerged as the top two areas where enterprises plan to prioritise investment over the coming year, as their post-pandemic plans take shape. Almost all (98 per cent) of the 1,000 senior business decision-makers surveyed said that technology will play a major role in the global economic recovery from Covid-19.

While AR and VR are receiving the most attention during this tech boom, companies are also experimenting with avatars and 'extended reality' (XR) to transform the employee experience and engagement levels. XR allows companies to reimagine how and where work is done from training and workflow to productivity and engagement. So far, research from IBM has found that XR workplace solutions have significantly reduced employees' time to complete tasks, enabled the quick mastery of skills, and vastly reduced errors and the need for service calls.

The scientific evidence supports the idea that virtual environments can have similar impacts to that of the physical environment, which means certain work scenarios can be simulated remotely. While XR has been on the workplace radar for a number of years, this year will see large enterprises embracing AR and virtual environments to cultivate a vibrant and collaborative workplace which people can tap into whether they are remote or physically present. The task for Tech Investors is to get the balance right – and they must take their workforce with them on the journey by providing the right support and training. ■

> 'The future will be a blended digital and physical workplace with many of the activities being transposed to working from anywhere...'
>
> Maria Giraldex, Real Estate Workplace Design & User Experience Lead, Nokia

Who are the Tech Investors?

PwC: The company is buying thousands of virtual reality headsets to help battle Zoom fatigue and level the playing field for employees who need to maintain social distancing. PwC first piloted the use of VR headsets in the UK in 2007, but after the pandemic forced its 22,000 staff to work from home, it accelerated hybrid working plans. Its UK operation is now running two to three team meetings via VR each week. Over the next 18 months, it is spending £75 million to redesign offices with café-style meeting areas and equip staff with new technology. That will include higher grade microphones, video meeting screens, and doubling its own cache of VR headsets to 400 by the end of the year, to help remove the disadvantage of logging in from home.

Bank of America: In March 2021, Bank of America announced that it is partnering with Bay Area-based VR start-up Strivr to bring virtual reality into its workplace training. The financial group has already used the start-up's tech in a pilot programme with about 400 employees, but a wider-scale rollout would mean scaling the VR learning platform to more of the company's 50,000 client-facing employees and potentially bringing thousands of VR headsets to its bank branches. Among other capabilities, the scheme will work on more ambitious tasks like helping employees practice empathy with customers when dealing with sensitive matters like the death of a relative.

Fidelity International: Executives have experimented with a VR auditorium, taking questions from colleagues and walking up and down aisles in a virtual environment. Now, Fidelity aims to trial VR with its sales team interactions with clients. The investment firm says tech spending more than doubled in 2020 versus 2019 and it will keep up that level of spending for the next year or two.

UBS: Swiss bank UBS has experimented with issuing its London-based traders with Microsoft HoloLens smart glasses, which it says allows staff to recreate the trading floor experience at home.

Digital First for Business Leaders

In a trends survey by UK-based IT services provider Advanced, 1,000 senior business decision-makers were asked to predict how technology would affect how UK organisations operate in the near term and the future. The results found:

98% said technology will play a major role in the global economic recovery

59% plan to prioritise investment in cloud products and other technology over the next 12 months

77% predict that the pandemic will result in their organisation adopting a permanent 'digital first' attitude

36% said the pandemic has prompted them to realise that having technologies to hand that enable their organisation to rapidly adapt their working conditions is a must

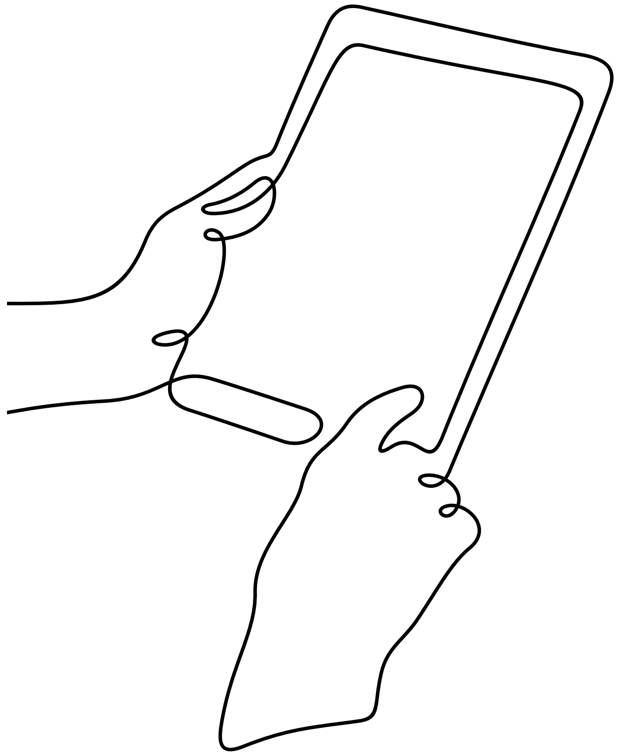
Source: *Annual Trends Survey*, 2020 by Advanced

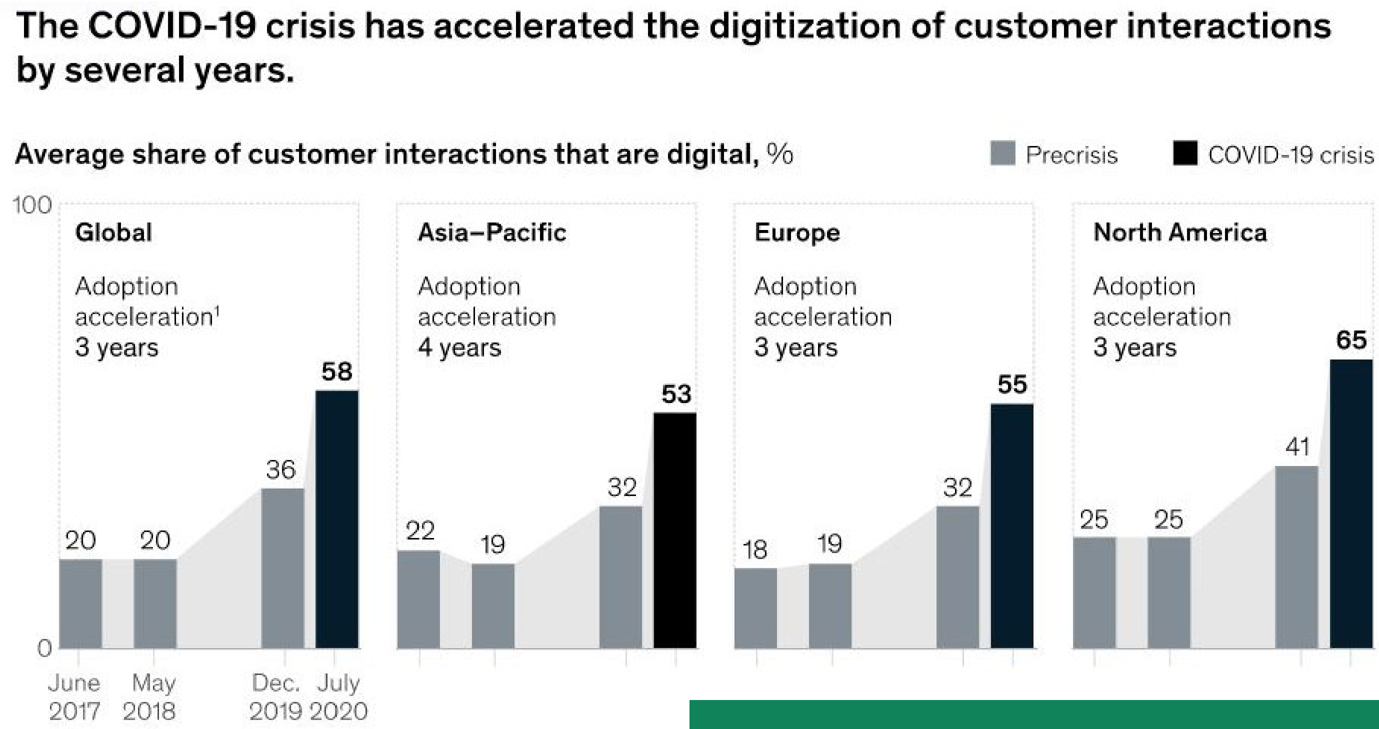
Using Tech to Transform Business

According to research by McKinsey, tech investments have significantly accelerated as a result of the pandemic. Corporates are now integrating technology into their wider business strategies for the future.

Not only will an acceleration of digital technologies within organisations improve internal working patterns, but research shows that customers are engaging with digital solutions significantly more than they were pre-pandemic. Globally, the average share of customer interactions that are digital increased by more than half from before to during the crisis. Globally, the average share of customer interactions that are digital increased by more than half from before to during the crisis . The diagram below shows a marked increase in the adoption of digital technologies from a customer perspective.

Source: *How Covid-19 has pushed companies over the technology tipping point*, October 2020. McKinsey & Company





¹Years ahead of the average rate of adoption from 2017 to 2019.

McKinsey & Company

Key Links

[AR & VR in the Workplace, IBM Research](#)

[Top firms move to VR to liven up meetings](#)

[Accelerated tech investments, McKinsey Research](#)

Back-to-the-office brigade on move

Big finance groups are leading the charge to bring employees back to the office on a full time basis, as fears over culture, mental health and mentoring grow

Resolute Returners believe that the best way to improve company culture, innovation, learning and productivity is to bring everyone back to the office. These organisations point out the limits of remote and flexible working and are reluctant to make it a permanent feature. They view the physical workplace as a core catalyst for making any business flourish, but also recognise that it will need replanning and redesigning to some extent.

For Resolute Returners, getting back to the office is not a Luddite resistance to technological progress but an honest assessment of how critical employee co-location is to building a culture of learning. The loss of an 'over-the-shoulder' training and mentoring aspect has been a major concern during the pandemic, especially in financial and law firms. Citigroup CEO Jane Fraser is one of a number of major bank leaders who have gone on the record on this issue. Fraser believes that 'everyone will return to the office eventually. I think from a cultural point of view – apprenticeship, the sense of belonging – you are better together'.

Resolute Returners can point to employee surveys which reveal that after an initial honeymoon period with remote and home working, people are now struggling and crave a return to the office. There is a growing sense of what a Microsoft trend survey describes as 'digital exhaustion' as employees work longer and longer hours at home without a regular commute to give the day boundaries. What was novel is now a monotonous stretch of video calls and chats without much external stimulus.

The same surveys suggest, however, that any return to the office should not involve a return to the pre Covid-19 status quo of noisy, high-density open plan spaces. These are now deemed unsafe. Offices will need to be redesigned for a new era with more enclosures and privacy. The social distancing workarounds we saw last summer with one-way systems and rudimentary desk spacing will need to be replaced by genuinely health-inducing office design – the more so as there could be a trust issue among employees compelled by their bosses to return to the workplace. Resolute Returners will generally have a lot of work to do to ensure that the right design and technology solutions support a safe, efficient and employee-centric return to the office. ■

> 'Most professionals learn their job through an apprenticeship model, which is almost impossible to replicate in the Zoom world...'
>
> Jamie Dimon, CEO of JP Morgan Chase

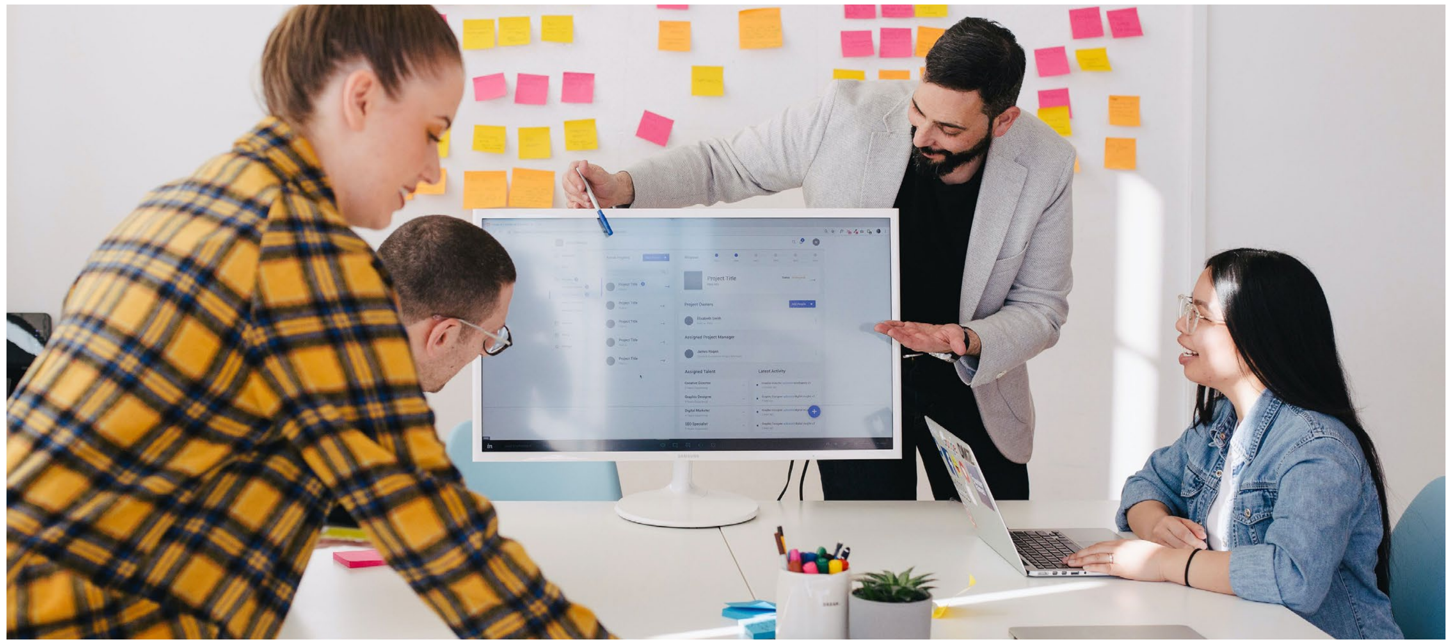
Who are the Resolute Returners?

Goldman Sachs: The poster boy for the Resolute Returner movement is David Solomon, CEO of Goldman Sachs, who described the remote-work model as an 'aberration' that needs to be corrected as quickly as possible. He stated that it 'is not ideal for us and it's not a new normal'. Long hours at the office will again be *de rigeur* for junior bankers who have criticised the company over its rigid workplace culture. When managers tried to appease them with evening-time edible treats, the company was rebranded 'Goldman Snacks'.

JP Morgan Chase: Jamie Dimon, chief executive officer of JP Morgan Chase, has also questioned the plausibility of remote working. 'How do you build a culture and character? How are you going to learn properly?' he asked. According to Dimon, 'a lot of work takes place not at the meeting, but before or after the meeting, when people share ideas.' Construction of JP Morgan's landmark new HQ in New York is proceeding, and more employees will be consolidated there. Nevertheless Dimon has announced that 10 per cent of the US investment bank's 255,000 employees may work from home full-time in the future.

Netflix: Netflix's desire to bring everyone back in the office is in marked contrast to other tech giants, especially those in Silicon Valley. While Twitter, Facebook, Google and others have extended working from home, Netflix is taking a different line. Netflix co-chief executive Reed Hastings told *The Wall Street Journal* that he doesn't see any positives in a remote working environment: 'Not being able to get together in person, particularly internationally, is a pure negative.' However he believes that a full return to the office is dependent on the effectiveness of the vaccine program

Barclays: Chief Executive Jes Staley believes that working from home is not sustainable: 'It will increasingly be a challenge to maintain the culture and collaboration that these large financial institutions should have.' Barclays looks forward to welcoming back its staff to the office in 2021, Staley told Bloomberg, although three-quarters of the bank's 80,000 staff are still working at home.



Employee support for the office return

A survey by the Gensler Research Institute of more than 2,300 US workers revealed that only 12 per cent want to work from home full-time. Nearly half of the survey – 44 per cent – want no days at home per week. Most employees want to return to the workplace, but with critical changes. These adaptations include less density and more assigned workspace for social distancing – and measures to address noise and distraction that were already diminishing performance before the coronavirus crisis.

Many of the suggested changes are related to feeling safer: six out of ten workers would like an assigned desk even if it means they are expected to come into the office more often. There is growing demand for more private space at work – access to privacy has become much more important to employees than before the pandemic. Companies also need to think hard about workplace amenities.

Gensler research suggests that what people miss most about the office is holding scheduled meetings and impromptu socialising with colleagues face-to-face, as well as accessing technology and being part of a community. Younger cohorts feel less productive and less satisfied with the work-at-home-experience than older ones.

During Covid-19, access to reliable technology help desks is the most valued amenity according to the Gensler survey. But as offices begin to reopen, we can expect to see a shift towards outdoor spaces, fitness areas, and health and preventive care services.

Source: Gensler US Work from Home Survey 2020

Five Challenges facing Resolute Returners

1. Managing access to the space and limiting exposure

How will companies manage risk when it comes to readmitting people to office space? It's a question some are addressing with a more detailed check-in process, like asking visitors to report on recent travel, Covid-19 results, symptoms or exposure to anyone who's been sick. You can maintain a log like this manually, or there's also a slate of new software popping up to help places digitise check-in and centralise this information. A system that lets employees self-report symptoms and possible exposure gives organisations a better chance of heading off risk.

2. Maintaining employee confidentiality

When it comes to health checks and medical records, employees are entitled to a degree of privacy that this crisis will put to the test. There is guidance regarding the confidentiality of medical records from health checks and businesses should set aside an area to make employee health screenings as private as possible. All medical information about a particular employee, including results from daily temperature checks, must be stored in a file separate from the employee's personnel file to maintain confidentiality.

3. Implementing flexible work arrangements

Life is anything but predictable right now, and businesses should prioritise flexibility as they begin bringing employees back to work. Organisations should grant paid leave for employees who are sick or need to care for a family member due to Covid-19. Businesses will likely need to take a phased approach when bringing employees back to work and should take each individual's needs into consideration. The commute is arguably the best place to start. Employees who take public transport face the heightened risk that comes with crowded buses and trains.

4. Maintaining clear and consistent communication

With new information becoming available every day about Covid-19, it's important to regularly communicate with employees about the measures being taken to keep them safe and keep the business running smoothly. Information should be up to date and easy to find on the intranet portal.

5. Keeping a vibrant workplace culture

Most businesses set on reopening their office are focused on the basic health and safety of their employees. But it's also a challenge trying to figure out how to keep spirits high as the office fills back up. While team happy hours and karaoke are no longer an option, there are plenty of opportunities to get creative and boost morale. Projecting a game of trivia on the wall or setting up virtual coffee breaks to give employees a chance to socialise and unwind is worth the relatively low investment.

Source: Forbes Business Development Council 2020

Key Links

Working from home disliked by and bad for most employees

These companies blew millions on back to work plans. And for what?

From 'officles' to giant sneeze guards: the new open office

Wellbeing extends beyond office walls

Companies are placing employee health and wellbeing at the centre of their corporate strategy in a bid to deliver business results through empathy

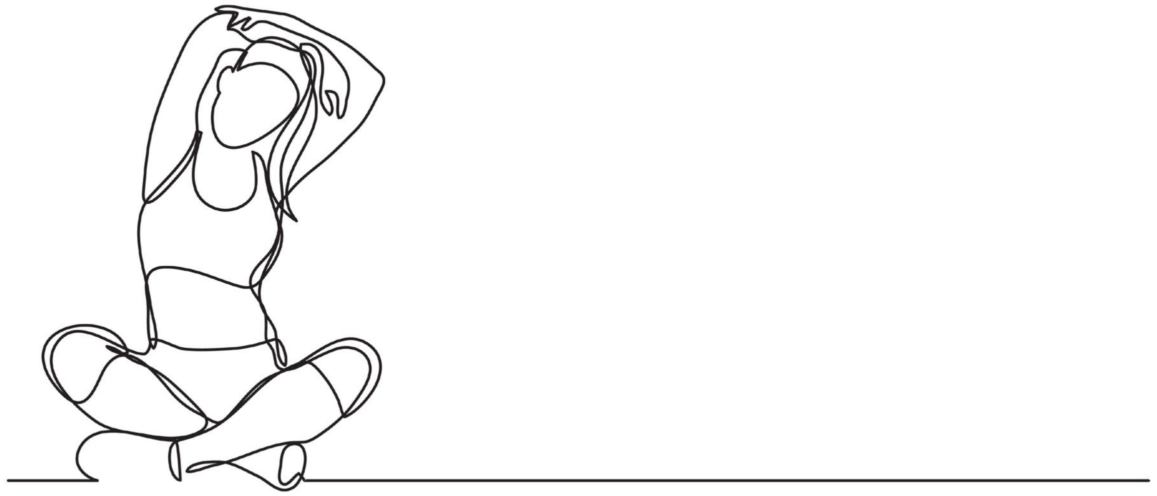
Wellbeing Watchers are organisations that believe the best way out of a public health crisis is to focus relentlessly on the physical and mental health of their people. They have painstakingly taken note of global surveys of employee engagement, which has dipped as the pandemic has progressed, and they are committed to taking action to improve wellbeing. Interventions by Wellbeing Watchers range from new models of leadership and mental health programmes to biophilic design, acoustic enhancements and ergonomic furniture.

Wellbeing Watchers share many characteristics with Choice Champions in terms of providing choice and flexibility to support employee wellbeing. But in taking their responsibility for employees beyond the office perimeter, they go a stage further. Wellness-led companies in the pre-pandemic era would tailor their office design to ensure human-centric work settings. Wellbeing Watchers have adopted new forms of 'compassionate leadership' to keep a watchful and benevolent eye over the workforce wherever they are operating.

Recognising that leaders can no longer glance across the office floorplate to visibly check on staff, this cohort of companies is taking active steps to ensure the physical and mental wellbeing of their people beyond the office. Wellbeing Watchers are providing the best work settings and equipment for each employee in their home environment as well as making critical adjustments to the office. What makes them stand out is their willingness to shoulder the financial burden to get things right. Wellbeing Watchers recognise that flexibility without compassion is not enough.

The main challenge for this group of organisations is to find the right balance between developing more human-centric work environments and achieving business objectives. Investing heavily in wellbeing has got to yield results in terms of engagement and productivity The sweet spot lies in supporting staff in an open and empathic way while providing a range of different work options so that employees can choose the way of working that best enhances their wellbeing and creativity. ■

> 'Companies have a responsibility to help their teams through their personal feelings. It is up to an individual to talk but the resources need to be provided by the company...'
>
> Sara Escobar, Director of Workplace Experience, Netflix



Who are the Wellbeing Watchers?

Netflix: Global streaming service Netflix is seeking to combat stigma around mental health by offering its employees access to services such as Ginger, a behavioural health service, and an Employee Assistance Plan (EAP). During periods of lockdown and home working, Sara Escobar, director of workplace experience of Netflix, says that 'psychological safety is more important now than ever for employees'.

Facebook: Facebook has offered its employees US $2000 each to design a comfortable and productive environment in their own home, with a centralised website showcasing different furniture manufacturers and dealers. There are three core design services for Facebook employees: furniture set-up, ergonomic services and consultation via video conference. In addition, Facebook offers mental health support as part of its amenity offering.

EY: Global advisory services company EY has enhanced its already comprehensive suite of services around emotional wellbeing for employees. Staff can access free mobile apps for building emotional resilience and improving sleep habits and sign up for one-on-one counselling with EY or external professionals. The company has now added daily group counselling sessions for parents, adult caregivers, and people caring for family members with disabilities. EY has also begun a daily drop-in session which combines short mindfulness exercises with practical tips for managing anxiety, social isolation and feeling overwhelmed.

Financial Times: The Financial Times has shifted its focus to the mental wellbeing of its employees. It has mobilised its internal network of mental health ambassadors and now provides regular one-on-one counselling and bespoke webinars for employees on a variety of topics. In recognising that social connections and networks have suffered during the pandemic, The Financial Times holds fortnightly 'keeping connected' sessions where employees meet on video.

Salesforce: Early in the pandemic, Salesforce introduced an employee wellbeing survey to understand how employees were feeling and identify pain points in the transition to remote working. The results led to a change in programmes and policies, including extended parental leave. Salesforce has offered employees US $250 for office tools and equipment as they continue to work from home.

Five ways managers can support employee mental health

According to recent research, 42 per cent of global employees have experienced a decline in mental health since the pandemic began. What can managers do to support their team members during these trying times?

Be vulnerable – One silver lining of the pandemic is that it is normalising mental health challenges. Almost everyone has experienced some level of discomfort. But the universality of the experience will translate into a decrease in stigma only if people, especially people in power, share their experiences. Being honest about your mental health struggles as a leader opens the door for employees to feel comfortable talking with you about mental health challenges of their own.

Model healthy behaviours – Don't just say you support mental health. Model it so that your team members feel they can prioritise self-care and set boundaries. More often than not, managers are so focused on their team's wellbeing and creating a productive and efficient work stream that they forget to take care of themselves. Share that you're taking a walk in the middle of the day, having a therapy appointment, or prioritising a staycation (and actually turning off email) so that you don't burn out.

Build a culture of connection through check-ins – Intentionally checking in with each of your direct employees on a regular basis is more critical than ever. Now, with so many people working from home, it can be even harder to notice the signs that someone is struggling. Go beyond a simple 'How are you?' and ask specific questions about what supports would be helpful. Wait for the full answer. Really listen, and encourage questions and concerns. Of course, be careful not to be overbearing – that could signal a lack of trust or a desire to micromanage.

Offer flexibility and be inclusive – Expect that the situation, your team's needs, and your own needs will continue to change. Check in regularly, particularly at transition points. Those conversations will give you an opportunity to reiterate norms and practices that support mental health. Don't make assumptions about what your team need; they will most likely need different things at different times. Take a customised approach and proactively offer flexibility.

Over Communicate – Make sure you keep your team informed about any organisational changes or updates. Clarify any modified work hours and norms. Remove stress where possible by setting expectations about workloads, prioritising what must get done, and acknowledging what can slide if necessary.

Source: *Ways Managers can support Mental Health*. Harvard Business Review, 2020

Effective leadership can improve employee engagement

In summer 2020, Gallup reported the biggest plunge in employee engagement since it began tracking the metric in 2000. This was supported by evidence from Ohio State University – with the additional caveat that the dip in engagement often relates to poor mental health of employees and can be offset by effective management.

The Ohio State research indicates that good leadership can reduce stress levels among employees and improve engagement via an assortment of pro-social behaviours towards them. The research reinforces the idea that business leaders who are attentive to employees' emotional needs and unite them behind a common purpose make a positive difference and help workers stay engaged at work.

The research consisted of three experiments, the first of which required employees at a Chinese IT company to complete a survey twice a day over a period of a few weeks during the Covid-19 peak in China. The data showed that over time employees' thoughts turned more towards the pandemic and anxiety levels rose, which resulted in them becoming less engaged with their work.

This stress was alleviated and engagement increased when managers exhibited compassionate leadership methods which aims to prioritise and understand the needs of employees and empower them to perform at their best.

Source: *Pandemic related stress leads to less employee engagement*, Ohio State News, 2020

Key Links

Five ways companies are supporting employee mental health

Financial contributions to home working: what should employers provide for their employees?

Empathetic leadership: the new skills required in crisis

New job roles appear to manage new ways of working

Making decisions with data alchemy

Companies are using data skills to find strategic pathways through shifting occupancy patterns, new employee expectations and a safe office return

Data Drivers are organisations that are putting data right at the heart of their corporate strategy in the wake of the pandemic – data is providing the analytical framework from which they can plot their route to revival. Data Drivers are not just focused on capturing and analysing large amounts of new data – they are also developing data-driven cultures within their organisations to be more resilient to future disruptions.

Data Drivers gathered their analytics capabilities in a matter of weeks after the pandemic hit and used data-driven insights to inform business responses to Covid-19 challenges. These data models have now progressed to shaping strategies for challenges such as: protecting and supporting employees; informing strategic and financial decisions; managing supply-chain safety, risks and costs; and engaging customers in new – and increasingly digital – ways.

McKinsey reports that 70 per cent of organisations currently fail to align their analytics strategy with their broader corporate strategy. However, Data Drivers are don't belong to this pack. They've been early movers in aligning their digital, cultural and business strategies entirely. They have coped with the volatility in workplace dynamics over the past year by using data as their beacon of information to understand changes in employee and customer expectations. They have leveraged the power to anticipate upcoming changes amid turbulence and taken advantage of the opportunities that data analytics bring in terms of smart use of space and energy.

The practice of data-based decision-making, or 'data alchemy' as IBM research refers to it, finds correlations and draws actionable conclusions related to the workplace. However, one obstacle facing this archetype is the security and privacy concerns around collecting vast masses of user data. Although the collection of track-and-trace health data in the pandemic has 'softened' public attitudes to data collection, Data Drivers will need to navigate these risks carefully. Ensuring that these systems are ethical and transparent will be more important than ever.

While Data Drivers already have a concrete foundation of IT infrastructure and a stable culture to lean on, they will need to continuously develop their strategies and processes around HR, workplace design and corporate policies to ensure that feedback loops are effective. To maintain a competitive advantage through their data-driven models, they cannot afford to drop the ball in any area. ■

> 'There is a real and urgent need for those with the skills to crunch data quickly, and to implement the data strategy needed for analysis and processing...'
>
> University of London research, 2020

Who are the Data Drivers?

Fidelity International: Investment management company Fidelity International uses data to take a forensic look at its workforce. The business has two streams of data: live data which is an app-based approach to give employees access to visitor management and desk booking systems; and recorded data which is used by leadership to make decisions on real-estate efficiency and effectiveness. These data-driven insights form part of the firm's strategic route back to the office.

LinkedIn: Professional social network LinkedIn collects data on how its employees work, through a survey tool called Glint. The digital tool is woven into the LinkedIn platform and gathers continuous feedback from employees. Between this and the people analytics data collected by the HR department, LinkedIn is able to identify trends on the different work styles of their employees and where people work.

British Airways: British Airways built a predictive analytics system with the Alan Turing Institute before the pandemic, so when Covid-19 struck, the airline was already prepared for major disruption. Not only did airlines lose 75 per cent of their passengers overnight, with no clear idea of when customers would return, but existing methods of scheduling flights rapidly became obsolete. Through its 'dynamic forecasting' system, British Airways can reroute its flights and adjust its ticket prices, based not only to customers' existing travel requests but also on the news cycle, responses to previous price changes, and a wide variety of other proprietary and publicly available data.

ScotiaBank: Canadian financial service company ScotiaBank has implemented an activity-based working initiative called Ecosystem for groups of 500 employees based on data analysis. ScotiaBank collected and analysed data in each 'ecosystem' to understand how different groups of people use space and what activities are being conducted on a day-to-day basis. ScotiaBank is working to understand different worker patterns through a data-driven approach. Data is compared across different regions and countries within the organisation to understand how employees are working across teams. The Ecosystem model has been successful with 7,000 people currently working in ecosystems and 12,000 projected to do so by 2024.

People versus algorithms

When companies introduce AI and machine learning systems, human concerns are quickly raised. However, people continue to play four critical roles: building the data ecosystem; designing the algorithm and the process around it; selectively monitoring the output for bias and other anomalies; and managing exceptions flagged by the system.

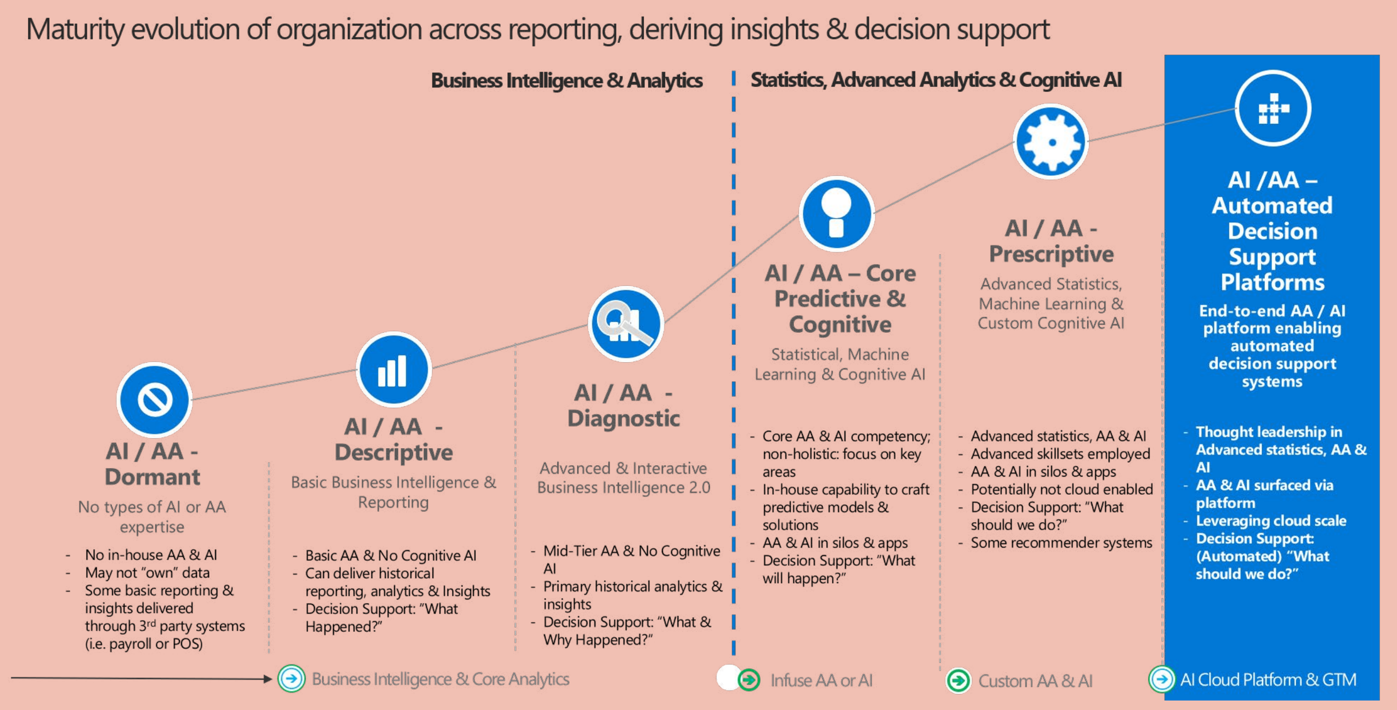
Data Architects: This role is fundamental in building the digital ecosystem to gather as much data as possible. Data Architects set up an architecture that ensures a constant flow of fresh data from the widest possible array of sources. This could be collected from external data sources or an organisation's internal data lake.

Algorithm and Process Designers: The design of the algorithm is key to success and this is only one part of a broader decision-making process that must be entirely reinvented with AI at its core. Only skilled human experts, with technical and business capabilities at their disposal, have the knowledge and creativity to design and implement a successful data system.

Sentinels: Data scientists who continually pay attention to algorithms in order to investigate suspected biases and make adjustments when required are known as sentinels. The companies benefitting the most from AI are those where humans and machines learn from one another, according to a report co-produced by Mirvac and WORKTECH Academy in 2020, Augmented Work: How new technologies are shaping the global workplace. Sentinels are an example of this.

Exception Manager: Some executives are concerned that data-driven models will force them to relinquish control over their decisions. In fact, the opposite is true. Data can free up their attention for the decisions that require in-depth consideration. The algorithm makes all routine choices, but whenever it flags an anomaly, human managers step in and set the course, using their expertise and intuition.

Source: BCG Henderson Institute



This graph shows the maturity evolution curve of organisations adopting data strategies, according to Microsoft

Embedding culture into data strategies

To build a successful data strategy, you need a data-driven culture as a foundation – one that fosters open and collaborative participation at its core. However, not everyone is starting on the same footing; some organisations are advanced in implementing data strategies into their workplace culture whereas others are just at the beginning of the journey.

Microsoft has plotted a maturity curve of data strategy implementation for organisations to help them understand where they are on their journey. The graph below shows the different stages and they are also described in levels 0 – 4.

Level 0 – Data is not exploited programmatically and consistently. The data focus within the company is from an application development perspective – this leads to ad-hoc analytics projects. Each application is typically highly specialised to unique data and stakeholder needs; this leads to very siloed information.

Level 1 – Teams are formed and strategy is being created, but analytics is still siloed. At this level, organisations tend to be good at traditional data capture and analytics, and they may already be accessing data from the cloud.

Level 2 – At this level, the innovation platform is almost ready. Workflows are in place to deal with data quality and the organisation is able to make some data-informed decisions around 'why' things are occurring. Organisations are actively looking for end-to-end data strategy and are ready for smart and intelligent apps that stem from centrally governed data lakes. They are also ready for centrally-hosted, shared data services and recognise the value of this to enable the speed of insights from data science.

Level 3 – This level takes a more holistic approach with projects related to data being deeply integrated with business outcomes. This may also lead to organisations using predictive analytics. At this level, organisations are unlocking digital innovation from both a data and app development perspective. They have data lakes and shared data services in place, and multiple teams across the company are successfully delivering on critical business workloads.

Level 4 – At this top level, the entire company is using a data-driven culture, framework and standard enterprise. Organisations are using automation, advanced analytics and data-driven feedback loops. One of the outcomes of data-driven culture is the use of AI in a meaningful way.

Source: Microsoft, 2020. *How to build and deliver a successful data strategy*

Key Links

The Future of Work – the good, the challenging and the unknown

Accelerating analytics to navigate Covid-19 and the next normal

Why post Covid-19 recovery will be data driven

Taking the right decisions in the Covid-19 crisis

Workspace to create and not just cut

Organisations are using the changes of the pandemic to rationalise their office real estate - but should beware of cutting too hard and too fast

Space Shapers are organisations that view the pandemic as a once-in a-lifetime opportunity to reshape and rationalise the real estate portfolio. In many cases, but not all, the main impulse is to reduce the corporate footprint and cut property costs. Some Space Shapers, however, are taking a more imaginative approach to create dynamic, team-based environments for their people.

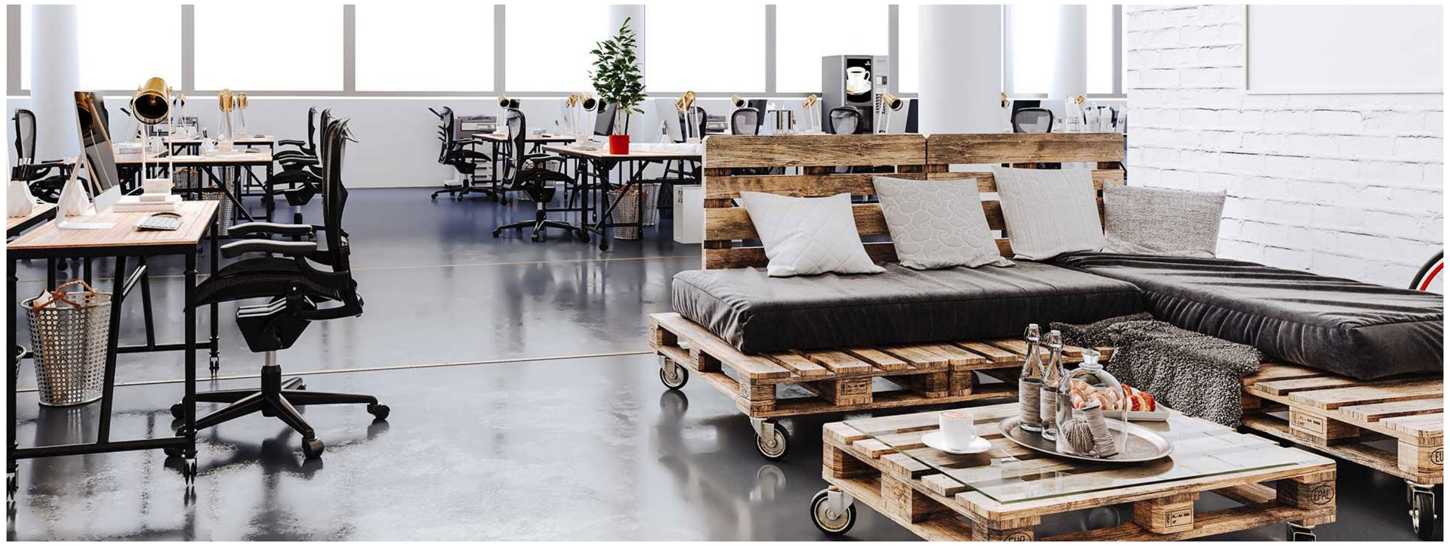
Professional services firms in law and finance are leading the charge in terms of shaving or reshaping office space. Top legal firm Linklaters was first off the mark with a new global agile working policy allowing staff to work remotely up to 50 per cent of the time; Allen & Overy expects its lawyers and staff to work in offices just 60 per cent of the time (or three days a week) depending on individual circumstances; rival law practice DLA Piper has drawn up an international remote-working policy that will allow all its people outside the US, including partners, to work two days per week from home.

Big banking groups have announced office space rationalisations of up to 40 per cent as employers seize new opportunities in the post Covid-19 world of work. Media organisations too are rationalising their workspace for a hybrid future, brutally in some cases such as regional newspapers in the UK.

However, the big danger for Space Shapers is that they cut workspace too hard and too fast. The over-the-shoulder mentoring aspect of professional service work, as junior staff serve what is effectively an apprenticeship, can be lost without regular access to the office environment. Staff trust and loyalty can be damaged if new models do not combine cost savings on space with compensations for employees in terms of lifestyle flexibility and tech support.

The most progressive Space Shapers are those organisations not just reducing office space but reimagining it for a 21st century world of work in which teamwork and collaboration will be paramount. In this scenario, office redesign is smartly conceived and budgeted for, and investment in new technology part of the overall package. New space models should play to creative and not just the cost-cutting instincts of CEOs.■

> ‘We will be changing and reconfiguring our offices over time to support and facilitate more collaboration and teamwork, creating more flexible and dynamic environments …’
>
> BP company statement



Who are the Space Shapers?

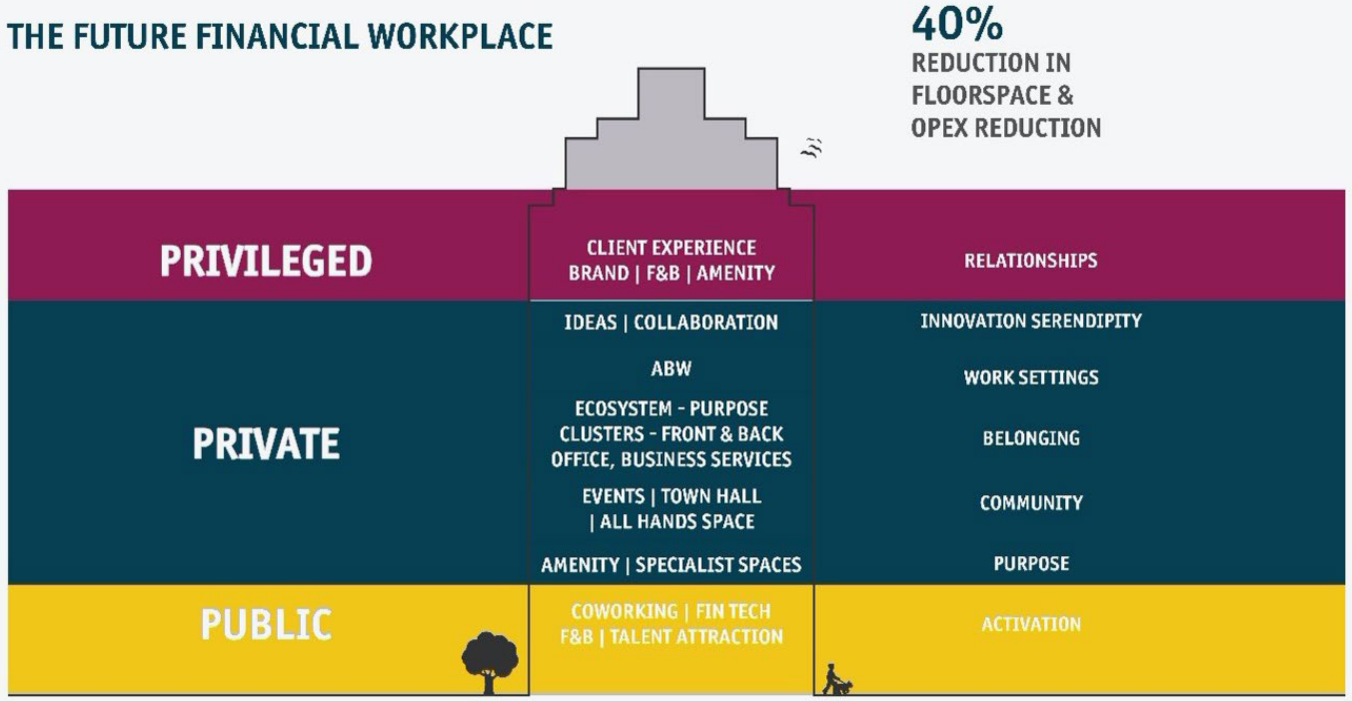
Lloyds: Lloyds Banking Group is set to cut its space by 20 per cent over the next two years as working from home looks to become a more permanent feature for its workforce. Lloyds decided to cut its office space after 77 per cent of its 68,000 employees said they wanted to work from home for three or more days a week in the future. William Chalmers, the bank's chief financial officer, said Lloyds would make sure offices offered more space for teamwork rather than areas where staff sit at solitary desks.

HSBC: Europe's banking group is set to cut its office space by nearly half over the next few years in anticipation of the long-term workplace changes caused by the Covid-19 pandemic. HSBC will abandon 40 per cent of its offices in London and other cities around the world but keep its headquarters in Canary Wharf. The bank's reduced office space is part of a commitment to reduce costs and improve returns. HSBC currently employs 40,000 people in the UK, where it has 66 offices spanning 3.3 million sq ft. Its global headquarters is in a 46-storey building in Docklands, with several other offices across London.

Reach: One of Britain's biggest regional publishers is set to close all but 15 of its offices in the UK – leaving most of its regional titles without bases in the areas they serve. Reach plc has told most of its journalists they will permanently work from home in future, prompting office closures across the country. Reach says it will instead maintain hub offices filled with meeting rooms in key cities such as Belfast, Bristol, Birmingham, Leeds, Liverpool, London and Manchester.

BP: The oil giant has announced that 25,000 of its office-based employees will be asked to work from home 40 per cent of the time, with the company expecting to sell its headquarters at London's St James's Square. A new hybrid model, entitled BP Work-Life, will offer employees a more ‘flexible engaging and dynamic’ way of working.

New space-shaping model to drive purpose



Many companies are taking the opportunity to re-evaluate their real estate portfolio in anticipation of a more hybrid future. But, according to workplace innovation consulting firm UnWork, this isn't simply about reducing the proportion of each type of workspace in a linear way. Rather, with traditionally desk-based activities typically reported as the types of work most productively carried at home, they are reshaping the office as a series of spaces that drive purpose.

One model for this could be described as privileged/public/private, conceiving of the office as a sequence of spaces shaped around different types of activity, engagement and level of privacy. Public spaces are outward facing, invite engagement and create a sense of activation when entering the building or floor. Private spaces are internally focused, providing workspace that is shaped around the specific purpose or tasks that will be carried out – particularly different kinds of collaborative endeavour that are best conducted face to face. Finally, privileged space is about building internal and external relationships, with the workplace as a hub for brand, culture and client experience. The model has particular applicability to professional services such as legal or financial firms.

Source: UnWork

Is zeal for office downsize subsiding?

Global executives are losing some of their appetite for downsizing their offices, according to a new report from consultants KPMG. The 2021 KPMG CEO Outlook Pulse Survey quizzed 500 global CEOs on life after the pandemic and found that a quarter (24 per cent) believe their business model has been changed forever by the crisis.

However, global CEOs now appear less likely to downsize their physical footprint compared to six months ago. The research found that only 17 per cent of global executives are looking to downsize their office space as a result of the pandemic. In contrast, 69 per cent of CEOs surveyed in August 2020 said they planned to reduce their office space over three years. This demonstrates that either office downsizing has already taken place or, as the pandemic has drawn on, strategies have changed.

The KPMG report suggests that what is keeping top executives awake at night is a sense of apprehension about managing a fully remote workforce – and concerns over cyber security. Only one-fifth (21 per cent) of businesses are looking to hire talent that works predominantly remotely. This is a significant shift from 2020 when three-quarters of businesses were looking to do so. Cyber security, meanwhile, was named in the survey as the top global CEO concern, ahead of regulatory, tax and supply chain concerns.

Source: 2021 KPMG CEO Outlook Pulse Survey

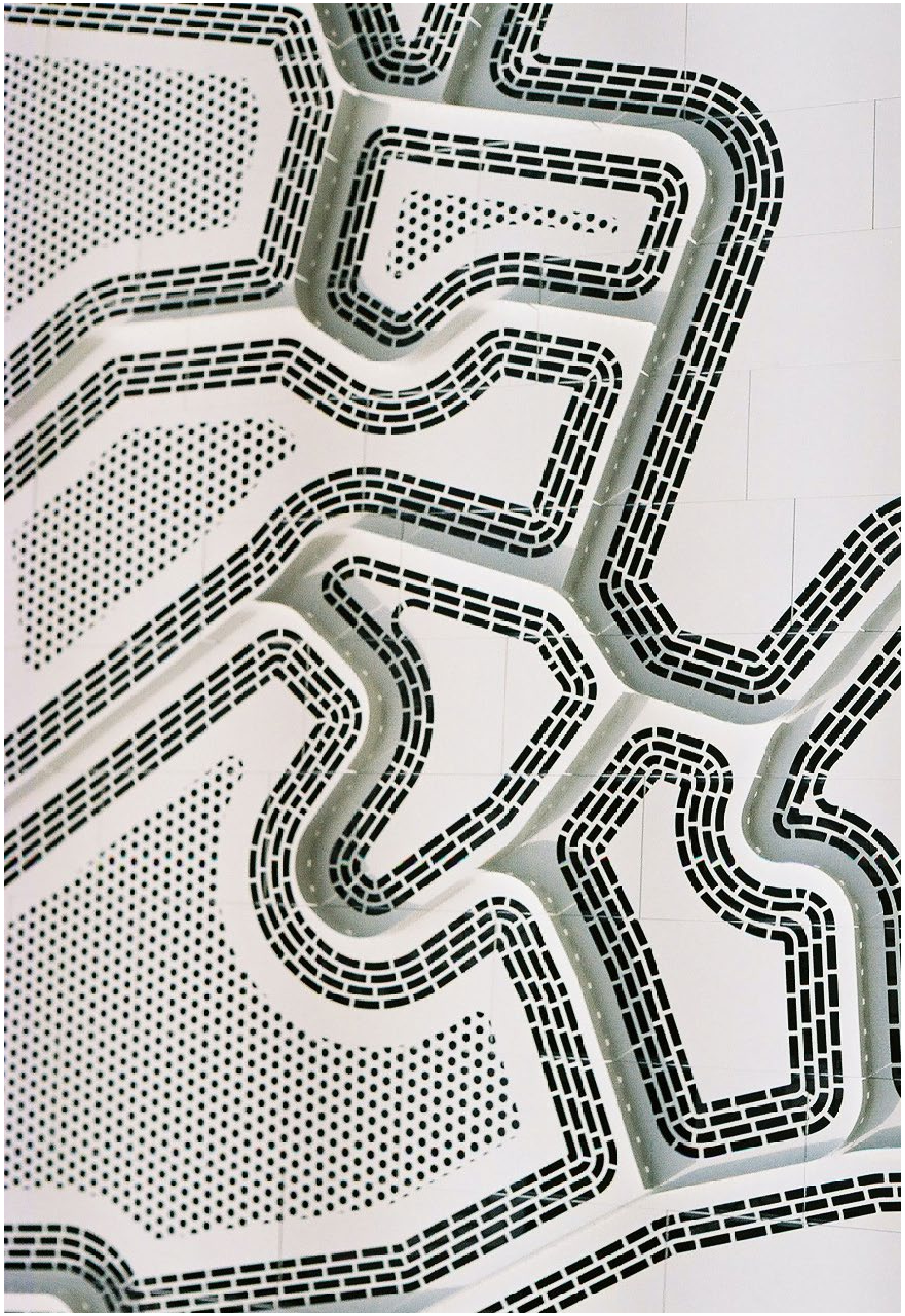
Key Links

London's 22 Bishopsgate is setting a new workspace agenda

Only connect: the evolution of the networked office

How the pandemic will change the City office

35% of companies plan to downsize office space in 2021 – says new survey



On Our Radar

Here is a selection of external links from contributors to WORKTECH Academy's global network on subjects that are on our radar this quarter:

Flexible working policies in Law: A firm-by-firm guide

This article presents a round-up of how the top law firms plan to balance office and remote working after the Covid-19 restrictions lift.

Read more

Australia's economic recovery continues into 2021

The Australian economy grew by 3.1 per cent in the December quarter as the domestic recovery from the pandemic consolidated.

Read more

Google rejigs remote working as it reopens offices

Google is changing its work-from-home policy as it looks to get more people back into its US offices. Employees must apply to work overseas.

Read more

Asia-Pacific C-suites look to accelerate transformation

A study finds that 90 per cent of APAC business leaders believe the region will generate significant growth over next three years.

Read more

How is Covid-19 shaping the role of corporate strategy

This report by Deloitte highlights five key shifts that can help chief strategy officers (CSOs) successfully guide their organisations through the pandemic.

Read more

The Nowhere Office: lessons learned from Covid-19

A new report from the Demos Workshift Commission says the Covid-19 pandemic should inform an entirely new way to approach work, workplace.

Read more

Covid-19: Implications for Business and Organisations

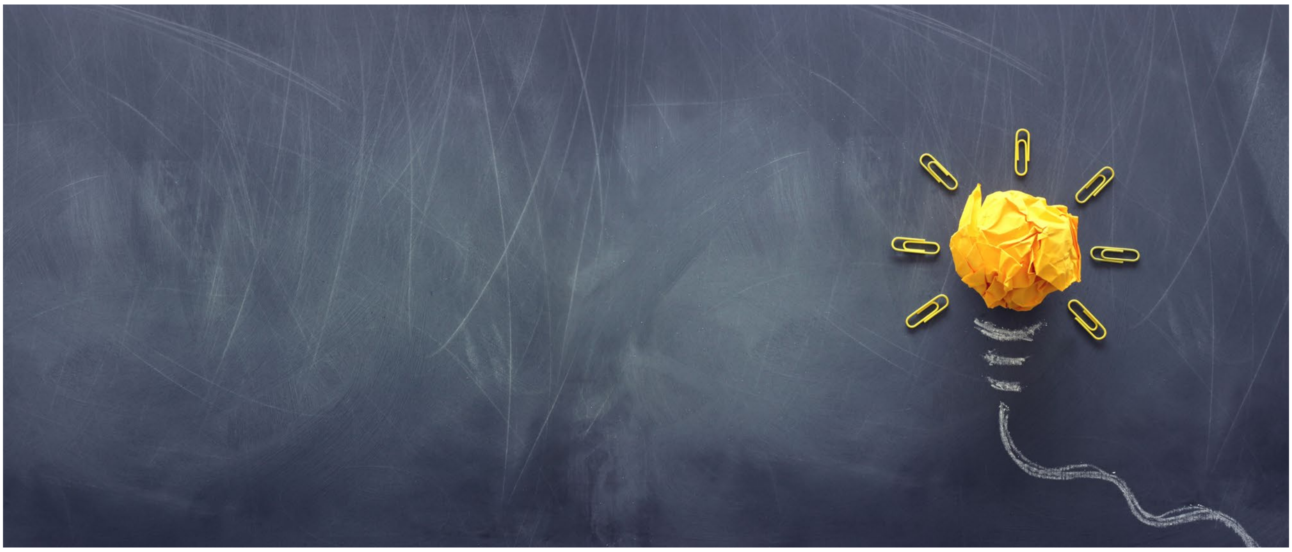
McKinsey announces its latest perspectives on the twin threats to lives and livelihoods, and how organisations can prepare for the next normal.

Read more

How to create a winning post-pandemic business model

Harvard Business Review discusses six companies that have generated high sustained profits with innovative business models.

Read more



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