



# A NEW PERSPECTIVE ON THE MODERN WORKPLACE

Workplace transformation evolved dramatically in 2020. Research from **CISCO** and **FREEFORM DYNAMICS** captured forward-looking lessons from the pandemic

The workplace transformation discussion has evolved dramatically over the first half of 2020. Many started the year with medium- and long-term plans to exploit advances in technology and best practices to create modern, flexible working environments in a paced and measured manner. Within days, they were forced into a broad and rapid implementation of home working as an imperative arising from the COVID-19 pandemic. But where are organizations today as they consider where to go from here?

The research upon which this report is based was designed and executed by Freeform Dynamics, with sponsorship from Cisco. Input was gathered via three separate but linked studies spanning the pre-pandemic to mid-pandemic period (late 2019 to May/June 2020).

## KEY FINDINGS

**The shift to home working has been dramatic and impressive.** In response to the COVID-19 pandemic, a recent research study revealed that IT and business professionals rose to the challenge and pulled off the implementation of a 4.7x increase in the level of home working, sometimes in a matter of days. This was against the backdrop of equipment shortages, lack of the necessary systems functionality and/or capacity, and the challenges of getting employees up to speed with new

ways of working.

**The response to COVID-19 has gone well beyond basic crisis management.** While the activity we have seen was clearly prompted by the pandemic, and the immediate imperative to enable ongoing business operations, a great deal of genuinely transformational change has also taken place. Indeed, it's hard to think of any time in history when so much progress has been made so quickly to modernize working practices and switch both mindsets and behaviour.

**Some profound lessons have been learned that bode well for the future.** Much has been written elsewhere about the immediate pandemic-related challenges and how to overcome them, but for most this is now history. What really matters are the lessons that can be drawn from the experience that will be useful going forward. Six of these stood out from the research as follows:

1. What business agility really means
2. The real value of modern technology options
3. The true nature of workforce productivity
4. The essential nature of social interaction
5. The future of health and wellbeing
6. The extended talent opportunity.

In all of these areas, changes in perceptions, mindset and behaviour are evident that translate to a set of win/win benefits for both the business and its employees. ➔

← These changes look to be persistent, and go hand in hand with 74% of study participants saying their business will in some ways emerge stronger from the crisis.

**Building on the lessons requires taking a “workplace maturity” view of the world.** Before the pandemic, 84% said they were actively pursuing workplace transformation to one degree or another. As organizations return to this agenda, it makes sense to think holistically. Insights from our research have been used to construct a workplace maturity model, and an associated online assessment tool. This can be used to plan objectively as you drive towards a new post-pandemic normal.

**Focus on lessons learned and thoughts about the future.** During the research, we touched on some of the immediate challenges arising from the broad and rapid implementation of home working. Even those already experienced in this space frequently found themselves challenged. It was not unusual to hear that the number of home workers had escalated from a relatively small percentage to most of the workforce almost overnight. Stories of difficulties getting the necessary technology in place (from laptops and webcams to web conferencing and other cloud services) were common, as were tales of productivity, process and customer engagement difficulties arising from the early disruption.

With this in mind, our aim in this report is to focus on the lessons learned and highlight how experiences have altered perspectives in some areas in a way that will lead to positive change for the future.

**Opportunity to emerge stronger and better.** When the COVID-19 pandemic hit, organizations had no choice but to focus on dealing with the immediate impact. Working through how to keep the business operational and the income flowing were the initial priorities, along with ensuring an adequate level of ongoing customer service.

Along the way, existing systems and processes were often stressed in new and different ways, and the same can be said for many employees. Working through the challenges was frequently costly and painful, and in many organizations, the disruption continues.

However, in line with the old saying “necessity is the mother of invention”, we have also seen a huge amount of ingenuity and innovation as people have dealt with problems big and small. Sometimes it’s been about working around the limitations of systems and processes that were designed on the assumption that employees would always be sitting together in an office environment. On other occasions, we’ve seen the introduction of new and innovative engagement mechanisms, and even whole new business models, as activity had to be switched from

the physical to the digital realm in a very short space of time. Meanwhile, it’s been incredible to see how many initiatives around digital transformation and other forms of modernization scheduled for the medium- to long-term, or deferred because of other competing priorities, have been brought forward and given a new impetus.

While you could regard this activity as representing a form of “crisis management”, the reality is, it’s hard to remember a time when so many organizations have made so much progress with digital and business transformation so quickly. This is why three quarters of those taking part in our research say that despite the challenges, their organizations will emerge stronger, at least in some areas, as a result of the crisis.

## LESSON 1: WHAT BUSINESS AGILITY REALLY MEANS

“Agility” is a word that’s frequently overused and abused in management consulting and technology marketing circles, to the point where it has arguably lost its impact and meaning. If we define agility as the ability to adapt and respond rapidly to events and changing conditions, however, the COVID-19 pandemic has provided a very sharp lesson that it isn’t just an abstract idea or a lofty management aspiration. It translates to a range of attributes, capabilities and behaviours that have a direct and material impact on how quickly and easily you can change direction, jump over hurdles and shift the centre of gravity of your business.

The significance of being a genuinely agile business becomes clear when we look at the example of how easy or hard it was for organizations to ramp up the level of remote working in response to the pandemic.

Whether it’s an emerging problem, opportunity, technology or idea, organizations with an agile mindset tend to act quickly, proactively and decisively while others prevaricate. The good news is, though, that many of the less agile organizations who found the switch to remote working harder seem to have taken the experience as a wake-up call.

## LESSON 2: THE REAL VALUE OF MODERN TECHNOLOGY OPTIONS

Beyond adopting the right mindset and culture, one of the key enablers of agility is creating the right kind of technology environment. Moving quickly and effectively can be hard if you are battling against older systems that are difficult to extend, scale or otherwise change. COVID-19 brought such constraints into sharp focus.

**Appreciating the role of cloud.** In the context of remote working, many discovered that the communications, collaboration and productivity tools they had in place were unable to deal with the sudden change in the nature and level of demand. In two thirds of cases, this led to a surge in adoption of cloud-based solutions to provide what was required in terms of video conferencing, messaging, and so on.

This underlines a principle that more agile organizations have appreciated for a number of years. This is that the true value of cloud computing is not, as many perceive, the reduction in operational cost, but rather the boosting of flexibility and responsiveness. Put simply, the cloud delivery model allows IT teams to act much more quickly in response to changing demands.

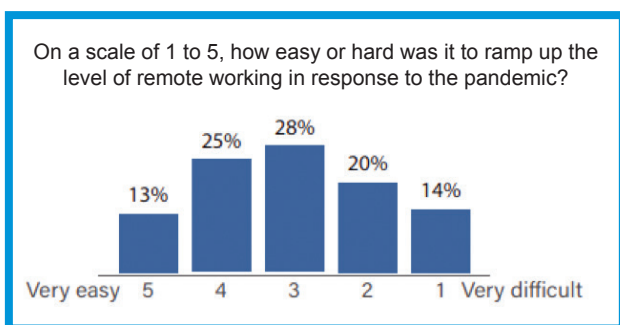
**Business users finally wake up and “get it”.** Time and time again over the years, organizations have experienced a catch 22 situation when it comes to changing working practices. It’s hard to appreciate the value of technology until you experience it, but it’s difficult to

justify investments in that technology when the value is not appreciated. If you are going to break the deadlock, the only real way to do it is to start with the technology, as trying to implement change and transformation can be extremely difficult if you don't have the right environment and tools. Although, you still have the problem of driving adoption and it is very easy to end up with solutions in place that simply aren't being used. The fact that many are now actually using technology that was previously available but being ignored is therefore significant.

**LESSON 3: THE TRUE NATURE OF WORKFORCE PRODUCTIVITY**

A sentiment frequently expressed by employees who are relatively new to home working is that suddenly, without all of the interruptions and distractions of the physical office, they have become much more productive. Why, then, were so many productivity related issues highlighted in the research?

The answer is because the participants were senior managers taking a broader perspective. They were much more likely to spot that while individuals may feel more productive working from home, their collective ability to get things done as a team, business unit or



other functional group can easily be undermined. The principle at work here is that one person's interruption is another person's request for help, or maybe an essential communication step in an important business process. When we also bear in mind that some employees can work better without supervision than others, variations in perceptions around productivity are perfectly understandable.

**Best practices have surfaced, and many say they are here to stay.** Just as with enabling technologies, best practices already used by more progressive organizations have come to the fore out of necessity. Striking a balance between trusting employees with greater flexibility and empowerment while keeping control is critical. Adoption of modern approaches such as the use of virtual and agile teams also has a big impact on productivity.

**LESSON 4: THE ESSENTIAL NATURE OF SOCIAL INTERACTION**

COVID-19 has forced the world of work to adapt at a rate mirrored by no other in recent years, and this is perhaps the most glaring in how we have innovated what it means to communicate and collaborate.

With the widespread roll-out and adoption of digital collaboration tools, many of the usual work

meetings can go ahead almost effortlessly – of course, barring the occasional hiccup! However, for many of our surveyed professionals, the distinct loss of face-to-face social communication has not gone unnoticed, with 64% citing loss of informal kitchen and watercooler-style exchanges as a challenge. Fortunately, many have embarked on significant efforts to mitigate this, ranging from implementation of social conferencing “meetups” and staying in touch via social chat channels, to more creative endeavours such as interactive quizzes or news catchups. Yet, the question remains, are these enough?

The answer is multifaceted. Therefore, for leaders to have a solid grasp on the wellbeing and morale of their workforce, in-person social interactions do remain the most authentic and effective. Despite the remarkable effort and creativity to socialize digitally, we should not pretend that digital interactions reach the same level of richness.

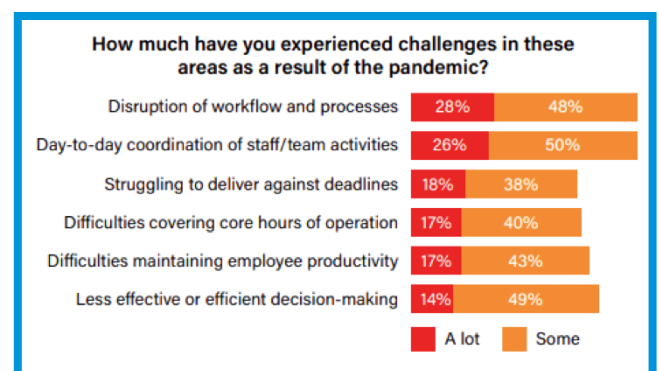
During this transition phase to a post-COVID workplace, our research would suggest a flexible “best of both worlds” approach should be adopted, which balances the benefits of both virtual and physical work environments.

**LESSON 5: THE FUTURE OF HEALTH AND WELLBEING**

The impact of COVID-19 on people's physical and mental health has been undeniably profound, and wellbeing in the “workplace” is no exception. With many organizations having mobilized to widespread home working at an unprecedented rate, several have met challenges in acclimatizing along the way. For instance, our survey of 100 senior IT professionals showed that 76% felt employees found it hard to maintain their work-life balance, with 73% reporting that it was harder to maintain staff momentum and morale – figures which speak to the importance of “checking in” and supporting staff during this tumultuous time. Fortunately, our research attests to the pandemic having promoted exactly that, with many managers and senior executives leaving behind the traditional autocratic style of leadership in favor of a more flexible, transparent, and person-centred approach.

Several conceptualize the pandemic as a catalyst for major change, or more specifically, a “shot in the arm” so desperately needed for people who had long overlooked their health or happiness while living life perpetually “on the go”. And indeed, home working has, for many people, provided the time and space for such poignant reflection.

There's nothing quite like a global health pandemic to refocus attention to individual wellbeing and while it's



◀ impossible to generalize, there is an evident benefit in adopting an attentive and flexible approach to empower employee choice, and therefore, autonomy. Ultimately, putting people first has the potential to institutionalize health and wellbeing, yet, the obvious question remains as to whether this mindset shift can withstand the test of time. What is clear is that a new-found focus on health and wellbeing represents a rare silver lining during what is otherwise a sobering period of time.

## LESSON 6: THE EXTENDED TALENT OPPORTUNITY

As many organizations have had to rapidly pivot to home working in response to the pandemic, people have witnessed, first hand, just how successful a virtual workplace can be. Now, leaders face a considerable shift in public opinion, and consequently, important questions as to future hiring practices. Namely, whether recruitment processes can be adapted to transcend the physical walls of the HQ office and allow for opening up to talent pools across the country.

Indeed, it seems likely that this pandemic could change the very meaning of the word “workplace” as we know it, considering the perspectives of our surveyed professionals – 50% of whom said that the increased acceptance of remote and flexible working would “almost certainly” or “probably” lead to a more inclusive recruitment policy, and to recruitment of people from a broader geographical area in a post-pandemic world.

Reaching the “digital natives” – generation Z – also emerged as a prominent theme for our interviewees, with several framing their new-found remote working practices as an attractive prospect to the younger generation. And while impossible to generalize, generation Z’s researched preference for a digitally-engaged, flexible and diverse employer will likely place those organizations who prize autonomy, inclusivity and virtual presence at a competitive advantage.

Though there will certainly be temptation to ease back into the old ways of working and hiring as lockdown restrictions ease, remaining inflexible here will only serve to drain the talent pool. If this crisis should teach us anything, it is that we can never truly predict what’s on the horizon – only plan, prepare and, when the time comes, adapt to the best of our ability. Leaders who go the extra mile now to consolidate a blend of virtual and physical presence and view both their remote and office workers as valuable assets will be best placed to withstand any challenge.

**Building on the lessons.** Clearly, no one wished for or wanted the COVID-19 crisis, and our sympathies go out to all of those who have suffered at both an individual and a business level. What we have tried to do in this report, however, is distill

some positives from what has been a very challenging situation.

In addition to the lessons we have highlighted, a huge overarching observation from conducting this research has been the impressive way in which so many business and IT professionals have risen to the challenge. The magnitude and speed of the shift to remote working that we have seen over the past few months is unprecedented. The question now is where do we go from here?

### Getting back to the broader workplace transformation agenda.

As your organization gets back to a semblance of normality, it makes sense to capitalize on the progress you have made to enable home working, which has laid the foundations for flexible working in general. The chances are that you now have the infrastructure, services and tools in place to allow employees to work in a genuine “any time, any place” manner. You’ve probably also made strides in becoming more “people centric” from a leadership and culture perspective.

**Focus on workplace maturity.** With all this in mind, and with an eye to the future, a good way to define priorities and objectives going forward is to think in terms of “workplace maturity”. This is a concept developed as part of the above mentioned research, and while we don’t have space to go into it fully here, suffice it to say that it’s about considering all aspects of a modern approach to work in a holistic manner.

The lessons we have discussed in this report touch on leadership and culture, work style flexibility, and technology solutions. These are brought together with other important areas, namely: the physical working environment, security and assurance, and visibility and insight.

As you resume your own workplace transformation activities, you might want to assess your current situation in relation to this model. In order to help with this, we have developed an online workplace maturity assessment tool which is available via <https://futureofwork.webex.com>.

In the meantime, we hope that you found the insights from our pandemic-related research interesting, informative and useful, and wish you well on your own journey to whatever “new normal” we are heading for.

**About the research.** The research referred to in this report was designed and executed as three separate but linked studies. The first was a global research study (13 countries, 8 industries) in which 1,500 senior managers were interviewed on the topic of workplace transformation. In May/June 2020, 100 of the participants taking part in the original study were called back to survey them on their experiences and lessons learned from their response to the COVID-19 pandemic. In parallel with this, 11 deep-dive qualitative interviews were conducted with senior managers on the same topic, allowing them to express their thoughts and feelings in their own words.

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