Thriving in the “new” normal

Minimizing risks to workforce safety while maximizing productivity
June 2020
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Are we losing our lessons learned already now?

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What are the levers for sustaining the new ways of working?

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“The coronavirus, and its economic and social fallout, is a time machine to the future. Changes that many of us predicted would happen over decades are instead taking place in the span of weeks.”

1 New York Times, March 2020
Introduction

Are we losing our lessons learned already now?
Introduction: COVID-19 can be segmented in different priorities depending on the phase

We see three phases that all resilient leaders must face amid the COVID-19 outbreak with “reboot” being a critical gateway between “Respond” and “Recover”

**Respond**
Manage continuity

- Communicate and care for your people
- Set up remote working and capability
- Assess immediate/short-term workforce requirements

**Recover**
Take lessons learned and emerge stronger

- Reinforce the focus on psychological, physical and financial safety
- Reengage workers and teams to ramp up both on-site and online
- Redeploy to immediate (existing) priorities and evolving (new) opportunities

**Thrive**
Prepare for the “next” normal

- Reinforce a resilient workforce: connected, capable, adaptable, empowered, sustainable
- Recalibrate workforce skills, capabilities and careers
- Reconfigure workforce strategy to include people and machines, and alternative workforce models for current and future work priorities

Most companies plan and manage for recovery

2020 Deloitte
Introduction: We observe only few new sustainable working styles for now
As organizations turn their attention towards recovery and figure out what ‘return to work’ means for them, we see a high risk of going back to the "old" normal, while some companies are making bold moves towards the future of work

Respond: We heard about “the new normal”...

Quick ramp ups to bring people back to office:
• Several German companies are finalizing their strategies or have already started to bring back a specific percentage of their workforce (e.g. office workers) using a rolling schedule.1

Intensive discussions about home office policies:
• However, there also various companies, who announced to continue working remote until end of the year or even indefinitely.2,3

Evolving control mechanisms & tool implementations:
• ...of organizations are passively tracking employees via methods like virtual clocking in and out, tracking work computer usage, and monitoring employee emails or internal communications/chat.4
• ...increase in daily demand for Microsoft Teams over a weekly period.5

...But we now see sometimes “the old normal”:

And ask ourselves, what does Recover mean to Thrive to the future.
Introduction: But COVID-19 taught us to humanize the labor market in times of digitalization

The Deloitte Human Capital Trends are especially valid in times of COVID-19 but will also lead us into a more human future in times of digitalization.

**Belonging:**
COVID-19 reminded us that people are motivated at the highest levels when they can connect their work contributions to a greater purpose and mission.

**Designing work for well-being:**
COVID-19 put well-being front and center as physical, mental, and financial security became paramount. The pandemic has put more hours into the working day, creating exhaustion and burnout and simultaneously exposing the stress that many workers face in balancing professional and personal demands.

**The post-generational workforce:**
COVID-19 proved that generalizing by age alone can lead to incorrect conclusions.

**Superteams:**
COVID-19 showed us that while technology can augment and supplement work, it does not replace what is needed from humans.

**Knowledge management:**
As individuals around the world clamored for whatever information they could find, organizations used institutional knowledge to extend their adaptability, as they were able to quickly deploy workers into new roles, by leveraging the knowledge that was now at their fingertips.

**Beyond reskilling:**
COVID-19 reinforced that it is more important to understand what workers are capable of doing than understanding what they have done before.

**The compensation conundrum:**
The pandemic has put a spotlight on pay as it relates to essential work—with some lower-paid jobs proving to be essential in a time of crisis.

**Governing workforce strategies:**
COVID-19 put the need for and ease of access to insightful and future-oriented workforce data in the spotlight.

**Ethics and the future of work:**
COVID-19 brought ethical issues around employment to the forefront that many may previously have viewed as ivory-tower concerns, putting a spotlight on the impact of organizational decisions on workers’ lives every day.
Hot Topics under discussion

What are the levers for sustaining the new ways of working?
Hot Topic 1: How to structure the workforce more flexible as a basis for remote work?

A new segmentation and analysis of the augmented “workforce” is required

**Talent contract types**
With new talent platforms and contracts, how do we leverage the continuum of talent from full-time, to freelancers, gig workers, and crowds?

**Automation**
With increasing robotics, cognitive, and AI technologies, what work can be done by – and with – smart machines?

**Physical distance**
With new combinations of collaborative, teaming how are workplaces reshaping where and when work is done?

Our Future of Talent Optimization (FOTO) model is a cloud-based tool answering the question “What is the Art of the Possible?” by identifying key opportunities for job role and task disruption through natural language processing and machine learning.

Talent contract type and automation are determining the future FTE demand in a company and...

...physical distance foresees the risks and challenges in coordinating the workforce
Hot Topic 2: What needs to be in place for remote work?
Many dimensions need to be taken into account when making remote work a success story. Priorities can be taken at any time but need to be in line with the other dimensions.

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<th>Enable the virtual work</th>
<th>Sustain virtual work</th>
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**Create a culture of virtual work**

- Virtual Leadership
- Employee Engagement
- Well-being and purpose
- Teaming

**Thrive: Take everybody on the journey**

**Recover: Empower the workforce and build a virtual culture**

Rules for hybrid types are required: Finding the right balance between on-site and virtual work
Hot Topic 3: What do we expect from our leaders?
Leaders have to take a step back to ensure buy-in for the “next normal”

Entering the next phase, complexity rules and a different set of factors are required.

- **Innovative**
  - Think differently
  - Leveraging new opportunities requires innovative thinking by market shapers.

- **Considered**
  - Act differently
  - A long-term pathway benefits from democratic reflection and small iterations.

- **Risk reducing**
  - Interact differently
  - After the critical phase of a crisis, a more conservative approach should be re-established.

- **Empathic**
  - Plan
  - Stay empathic and allow for grief, relief and recovery.

- **Lead taking**
  - Structure
  - Re-focus on guiding and steering to provide direction for the “next normal”.

- **Careful**
  - Learning
  - Rely on proven and systematic information flows.
Hot Topic 4: How can we sustain the focus on well-being?

Designing work for well-being: Living and performing at your best

Well-being is a corporate responsibility as well as a strategy to drive worker productivity, engagement and retention. 80% of companies say that well-being is important. However, only 1/3 of companies are ready for it. COVID-19 put well-being front and center for organizations as physical and mental health, financial security and social aspects became even more important. The pandemic made well-being a top priority in any organization’s return-to-work approach.

By embracing purpose, potential, and perspective, organizations will have the power to prepare for the “next” normal – uniting humanity and technology, guiding the direction of the workforce recovery and shaping the years ahead.

From our perspective, there are several key topics for organizations to foster purpose, potential and perspective and to sustain the focus on well-being:

- **Focus on the individual in work**, not just the individual at work: Expand the focus from programs adjacent to work to designing well-being into the work itself.
- **Embed well-being into every aspect of the design and delivery of work itself and to fundamentally redesign work toward outputs instead of activities**
- **Integrate humans with technologies**: Create new habits and management practices for how people adapt, behave, and work in partnership with the technology available to them.

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<td><strong>Humanity</strong></td>
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<tr>
<td>Organizations that embrace purpose embed well-being and meaning into every aspect of work every day, optimizing the power of individuals by harnessing workers’ complementary strengths in the service of a common goal.</td>
<td>Organizations that embrace potential are designed and organized to maximize what humans are capable of thinking, creating, and doing in a world of machines, increasing their people’s potential for long-term success in work.</td>
<td>Organizations that embrace perspective view uncertainty as offering possibilities rather than threats, positioning themselves to take decisive action to shape an unknown future.</td>
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Hot Topic 5: How do we sustain engagement for productivity?
Especially based on our learnings, organizations need to address the people matters end-to-end.

Not only since COVID-19 but even more important today, the engagement levers need to be addressed in all people matters...

- **Shaping purpose-full work**
- **Allowing supportive management**
- **Designing a positive environment**
- **Collaborating by default**
- **Creating growth opportunities**
- **Nurture trust in leadership**

Consider autonomy, empowered teams and time for slack
Promote clear and transparent goals and coaching with the right terms & conditions for self-driven work
Foster the focus on humans, flexibility, well-being recognition and diversity
Consider networks as effective problem solvers and communicate transparently about existing competencies
Implement a strong culture of learning in the flow of work, talent-mobility and self-development
Co-create and share mission, purpose and inspiration

...as engagement leads to higher productivity – remote and analogue.
Outlook
What is required to sustain the learnings for the future?
Outlook
We offer different lab formats, sprints and analyses to support our clients manage business continuity, and balance “Respond”, “Recover” and “Thrive” activities

- **Covid-19 “respond to thrive” lab**
  Develop your vision, strategy, and roadmap to Respond, Recover and Thrive through the crisis along a proven set of action fields

- **Virtual office design sprint**
  Five-day Design Sprint to jointly develop and socialize a blueprint for your Virtual Office and new ways of working

- **Future job analysis**
  Detailed analysis of the “what”, “who”, and “where” of the workforce to address immediate concerns and develop a long-term target picture

- **Human capital trends impulse**
  Showcasing how organizations can remain distinctly human in a technology-driven world and how to bring the social enterprise to practice
Outlook: Virtual “Respond to Thrive” Lab

We offer an effective lab format to jointly develop your vision, strategy, and roadmap to *Respond, Recover* and *Thrive* through the crisis along a proven set of action fields

Why?

Sustain learnings for the future

Working along a proven checklist...

- Reflect on and learn from what is emerging from the crisis ("Retrospective")
- Develop a vision of the “next” normal and a roadmap to get there
- Derive a set of *priorities and principles* to guide through the crisis
- Compile a prioritized **backlog** of specific **initiatives & actions** to respond, recover & thrive through the crisis

How?

Focus on results and combine different perspectives

- Sequenced in chunks of 2-4hr **virtual sessions**
- Utilizing **leading virtual collaboration tools & methods**
- Guided by **practical examples & showcases**
- Led by **Workforce SMEs and experienced Facilitators**
- Deep-dives by **Workplace, Legal, Compliance, Infrastructure & Tax experts**
Outlook: Virtual Office Design Sprint

We offer a five-day Design Sprint to jointly develop and socialize a blueprint for your Virtual Office and new ways of working.

**Day 1**
Define the VO Maturity through the Diagnostic Tool

1. Client discovery briefing with project team
2. Define Virtual Office Maturity, understand existing initiatives within the function / team and understand how the Virtual Ways of Working fit within the organisational function
3. Leverage existing research define the existing gaps to understand how leaders and employees currently use virtual technologies

**Day 2**
Formulate and understand key insights

1. Define key needs and objectives
2. Conduct a series of interviews (5x1hrs to 1.5hr) with key personnel to deep-dive into detailed insights that will guide the new ways of working, including fears and hopes as employees return to the office

**Day 3**
Validate and Iterate the Blueprint Content

1. Validate the previously co-created content from Day 2 with core leadership team and representatives from Business Units
2. Host a virtual session to understand remaining gaps and iterate the Blueprint content

**Day 4**
Refining and finalising the Blueprint

1. Consolidate the outputs into a final Blueprint, which provides practical actions for virtualising the offering/team:
   - Short-term (immediate)
   - Long-term (3+ months)

**Day 5**
Presentation of the opportunity and Recommendations

1. Discuss and plan for scaling and ensure ongoing adoption and appropriateness (fit for purpose) of the technologies, tools, procedures
2. Ensure best day-to-day practices by continuing developing new virtual capabilities and defining new ways of working

- Virtual Office Maturity Brief
- Research and Insights Brief
- Flexible Working Blueprint Version 1
- Flexible Working Blueprint (*to be reviewed and finalised with the project team)
- Ongoing support: Leadership Mentoring Technology Development Update Reports
Outlook: Future Job Analysis

We offer a detailed analysis of the “what”, “who”, and “where” of the workforce to help address immediate top-of-mind concerns during the crisis as well as develop a long-term target picture for your organizations.

1. How do workforce decisions enable revenue/capital preservation?
   - FOTO provides a directional view of the maximum likelihood of disruption by KPIs important to CFOs like budget and hours saved. This opportunity can be described at the organization, business unit, job and task-level.

2. How can we optimize workforce spend in the immediate and longer term?
   - FOTO provides insight into sub-categories of automation and talent with a 3–5 year timeline for implementation of digital transformation and alternative talent initiatives.

3. Which jobs have tasks that can be completed remotely to enable virtual work or job transitions?
   - This analysis can help clients align continuity action planning through sharing exports to their COVID-19 task force.
Outlook: Virtual Human Capital Trends Impulse

We offer to present our 2020 Human Capital Trends, showcasing how organizations can remain distinctly human in a technology-driven world and how to bring the social enterprise to practice.

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Our integrated team of experts will be pleased to support you with regards to these challenges.

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