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First comes the workforce

The human-centric future of work

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Introduction

Sixty per cent of workers across Europe claim to have had no major difficulty adapting to COVID-19–inflicted changes, according to Deloitte's European Workforce Survey. It is a reassuring finding, but it should do more than just bring relief. Organisations should examine the responses of their workforces. What were their coping mechanisms? What brought them success in the face of the pandemic's ever-present and evolving threat?

BY GLEANING INSIGHTS from individuals, it is possible also to glimpse a future of work framework that could achieve the same kind of resilience and adaptability. We have already learnt lessons that can be applied to overhauling organisational strategies and setting the stage for success.

The pandemic's acceleration of technology uptake should not take precedence over workers' needs and desires.

Deloitte's research has revealed values and trends that should not be ignored by any organisation that prioritises resilience in an uncertain future. Below we deep dive into one of the most useful findings: the revelation that although workers broadly agree on well-being – belonging and ethics being of paramount concern[1] – supporting these values is not achieved by rolling out a stock of best practices. Workers' pandemic experiences have not been uniform, and unique situations call for unique accommodations. Rather than cleave to old paradigms, business leaders should be investing in understanding their workers' varied and complex needs – now and projecting beyond COVID-19. If not, leaders risk allowing productivity and morale to wane by implementing ineffective measures.

The pandemic's acceleration of technology uptake should certainly be factored into any future of work planning but should not take precedence over workers' needs and desires. Any future of work framework should incorporate strategies that value human capital as much as technology. Ideally, business leaders will co-create a new framework with input from their workforce. In so doing they will empower the workforce to perform well and ensure that any future conflicts are easily surmounted.

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ABOUT THE RESEARCH

In June 2020, to amplify the 'voice of the workforce', Deloitte conducted the European Workforce Survey, reaching out to more than 10,000 employees across seven European countries (France, Germany, Italy, Portugal, Poland, Spain and the United Kingdom). The survey was conducted online, and the sample was restricted to people currently employed (even if currently furloughed or on a zero hours contract). Fifty per cent of the sample was made up of workers aged 50 or older and the other half, workers older than 18 but younger than 50. Within these two major age groups, the age and gender composition of the sample was set to resemble the current composition of the workforce in each country. Professional translators adapted the questionnaire into local languages, and native-language professionals refined the translations to optimise the comprehensibility of the questions.

A delicate balance: Technology and human factors

It is useful to consider Deloitte's European Workforce Survey analysis in the context of a broader phenomenon seen across organisations where technology is often identified as the main driver of enterprise value and human interests are portrayed as antithetical to the fullest capitalisation of technology.[2] What the European workforce tells us is that the human factor is critical to easing work's transition to the new situations that emerge after the pandemic.[3]

T IS CLEAR that business leaders should be considering human capital and technology together, not separately. Those who recognise that they are equally important can adapt their organisations faster to new modes of working and business, placing them ahead of the game once the pandemic becomes a distant memory.

If human factors are lacking attention, it is worth first exploring what those factors are. 'Well-being' and 'belonging' ranked at the top of the Global Human Capital Trends, with 80 per cent and 79 per cent of organisations, respectively, considering them fundamental for their success.[4] 'Ethics' was ranked third. The survey was conducted before the pandemic struck and many workers retreated into their new homeworking environment.

We can predict that the factors highlighted before are valued even more today. Many organisations quickly overcame technological hurdles and equipped workers to stay connected remotely, but human factors seem to be regarded as more supportive when adjusting to new ways of working. While trust from peers and leadership was an important factor to help through the transition for everyone, younger workers were more likely to name their professional networks as influencing their ability to adapt (see figure 1).

Support from colleagues valued highly by the younger workforce

Breakdown of those identifying colleagues as important to help them adapt to changes in their working lives

41%   40%   36%   36%

<30   30-39   40-49   50+
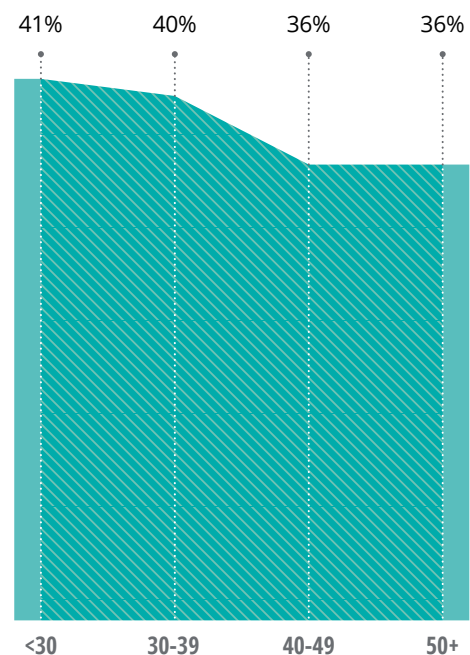
Source: Deloitte European Workforce Survey, 2020.

For employers, human factors are not as easily supplied as technological solutions. But they are increasingly seen as organisational priorities; the three prevailing values cited above – well-being, belonging and ethics – fit within today's aspirational model of a social enterprise. In Deloitte's 2020 Global Human Capital Trends, we described such an enterprise as embodying purpose, potential and perspective: three attributes encompassing a host of factors that prioritise individuals and their contributions (figure 2).[5] Ethics fits under the 'perspective' umbrella, which means embracing an orientation that focuses on creating future, as well as current, value. Well-being and belonging fit under the 'purpose' umbrella: embedding meaning into every aspect of work, every day.

Many organisations quickly overcame technological hurdles and equipped workers to stay connected remotely, but human factors seem to be regarded as more supportive when adjusting to new ways of working.

FIGURE 2

Purpose, potential and perspective

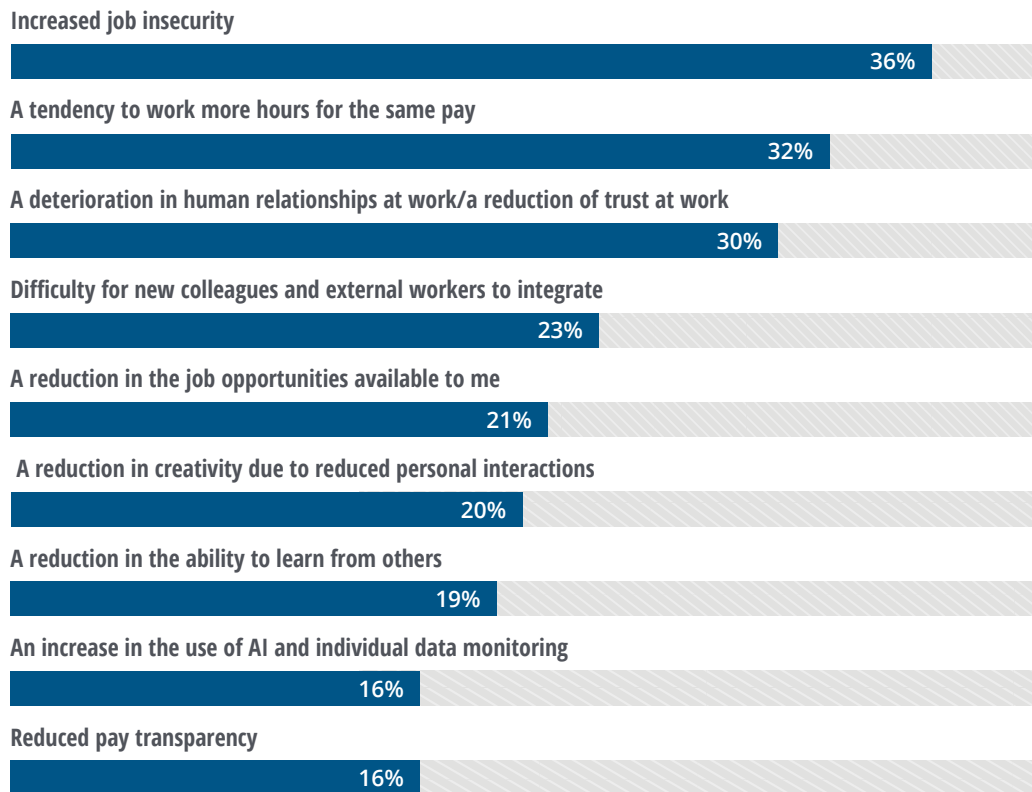The social enterprise at work embodies a new set of attributes: purpose, potential and perspective
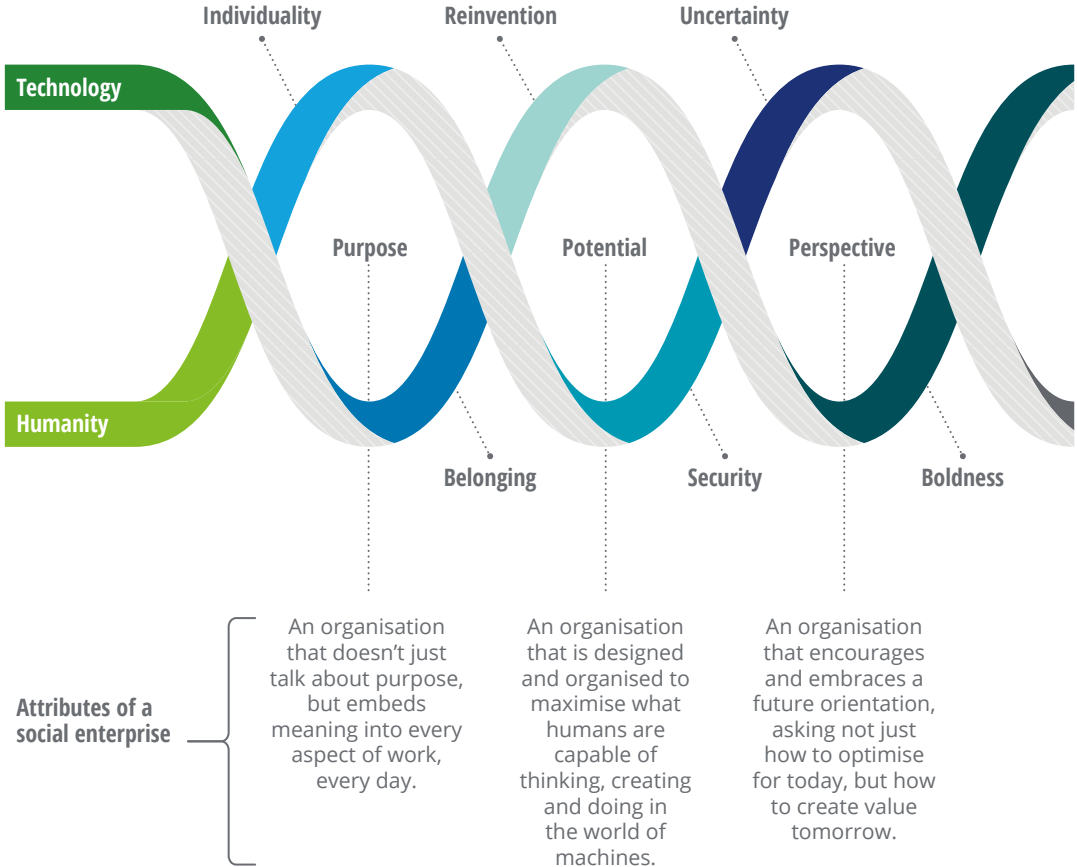
Source: Deloitte Human Capital Trends, 2020.

Below we focus on the top two factors, well-being and belonging. These can be seen as the antidote to specific fears and concerns raised by European workers, which include losing the opportunity to work in a close-knit environment and having limited employee interactions. Almost one in three employees said they worried about human relationships deteriorating and trust diminishing at work in the future (figure 3). With such concerns brought to light, organisations are being given a wake-up call – a chance to change direction if their path ahead does not prioritise these human factors.

FIGURE 3

Concerns across the European workforce

Increased job insecurity

36%

A tendency to work more hours for the same pay

32%

A deterioration in human relationships at work/a reduction of trust at work

30%

Difficulty for new colleagues and external workers to integrate

23%

A reduction in the job opportunities available to me

21%

A reduction in creativity due to reduced personal interactions

20%

A reduction in the ability to learn from others

19%

An increase in the use of AI and individual data monitoring

16%

Reduced pay transparency

16%

Source: Deloitte European Workforce Survey, 2020.
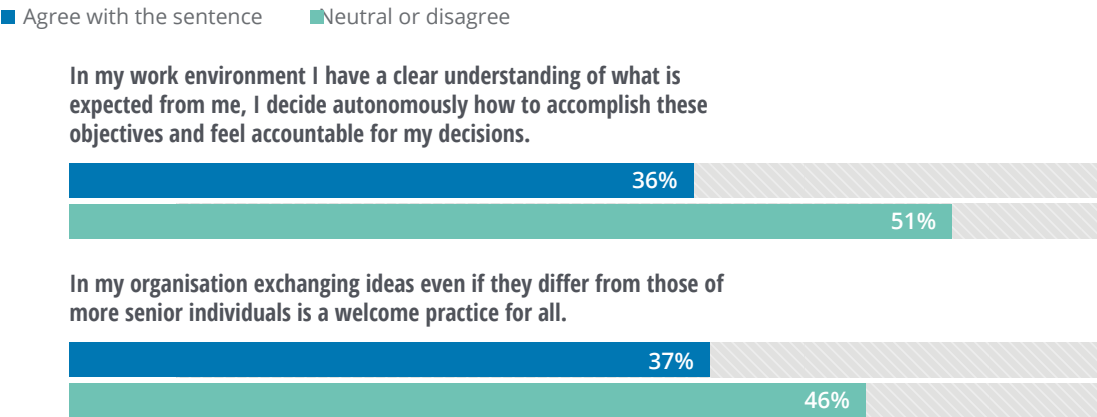
Finding purpose through well-being

Well-being means living and performing at your best. Typical well-being programmes try to prioritise the individual at work, rather than in work. If organisations can upset that notion to design well-being measures that fit into the work itself, the employees' sense of contribution is likely to be more profound and their performance enhanced.[6]

THE EUROPEAN WORKFORCE Survey showed that when the pandemic hit, 36 per cent of workers who had clear goals and a higher degree of autonomy in decision-making had difficulty adapting to their new environments and situations. By contrast, 51 per cent of workers who do not describe their working environment as one of diffuse leadership reported having difficulty adapting to one or more changes (figure 4).

Laying the groundwork

Starting with the organisational and HR data readily available to most organisations, business leaders should be getting to know the specific needs and preferences of their staff. That kind of understanding is necessary to build appropriate tools and strategies. Open discussions should be sought with individuals, to inquire how they are doing and find out if there are any problems. Research has shown that employees who feel their companies care for them as individuals have greater commitment, can be more flexible and enjoy their work more.[7]

FIGURE 4

Share of workers reporting difficulties to adapt to at least one change, by company's culture

■ Agree with the sentence ■ Neutral or disagree

In my work environment I have a clear understanding of what is expected from me, I decide autonomously how to accomplish these objectives and feel accountable for my decisions.

36%
51%

In my organisation exchanging ideas even if they differ from those of more senior individuals is a welcome practice for all.

37%
46%

Source: Deloitte European Workforce Survey, 2020.

Business leaders should also establish the right level of ownership for well-being,[8] considering which group has the greatest ability to influence the design of work. With this groundwork in place, strategies for well-being in day-to-day work can begin to be designed, with input from the workers themselves, based on their needs and desires. Only when these aspects are well understood should organisations start to build the new framework to foster well-being.

Setting up a well-being structure

In building a tailored, future-proof framework that promotes well-being, the following principles should be applied:

- Well-being should be seen as a pact – almost an ethical agreement (see box below), between the organisation and the individual – as well as a strong statement of responsibility and accountability.

- Workers' expressed desire for autonomy can be channelled usefully if leadership style is adapted to monitor and guide workers' contributions.

- There should be no one-size-fits-all approach to a hybrid arrangement: a mix of on- and offsite working. Organisations should be finding out what balance fits their particular employees, not apply sweeping measures.

- With work taking place remotely, dissolving the space and time limits of home, we risk losing the balance of private and working life. It is up to individuals to set their own rules and negotiate their own limits. And it is up to the organisation to create and fuel a supportive environment that takes people's limits and needs into account. To that end:

  – Negotiating and reaching a common agreement with teams on internal rules can help protect the balance within an organisation.

  – Individual timetables must be respected; all staff should be mindful before sending an email or scheduling a meeting, making sure it is the right time to do so.

Balance is not just a 'nice to have'; it is a key enabler that ensures well-being in our lives and performance and productivity at work. To bring balance, organisations can be as creative as they feel necessary. Effectiveness will, however, depend on whether organisational leaders have done their research and properly understand the needs and desires of their own workforce so they can gauge actions, and ways of communicating options, that will work for them.

Hiding in plain sight: Organisational ethics

Three out of every four respondents to the Global Human Capital Trends survey said ethics is a crucial element of their operations. To concretely and practically promote the other most valued elements – well-being and belonging – an ethical pact is needed: shared between employer and employee, and based on transparency, trust and respect. The pact would not usually be a written one, but it would be manifested in every strategy the organisation implements. It is evidenced by business leaders 'practising what they preach' – applying appropriate strategies to daily working life, and sticking to them. It is also standing firm behind performance assessments and surveillance. And it supports workers to work autonomously, trusting that their efforts are being 'seen'. Such assurances should help alleviate workers' concerns about the future and whether they and the company can adapt to new events.

Finding purpose through belonging

In a world that is now more connected than ever, it may seem odd that belonging was deemed one of the two greatest needs in organisations today, according to our Global Human Capital Trends report. But if you consider our polarised society, in which workers might struggle to find meaning and solidarity, it is not hard to understand that they look in the workplace for purpose and a community of people with common values.[9]

EVEN THOUGH MANY employees enjoy increased autonomy and report little difficulty in adopting flexible work schedules, working from home for longer periods can create a sense of alienation and loneliness.[10] A sense of belonging was once found in the spontaneous coffee break, handshake or even smile when passing someone in the hallway. These need to be reconsidered to ensure that belonging becomes a key component of any future of work framework.

According to Deloitte's Global Human Capital Trends, experiencing belonging as a worker is the outcome of three mutually reinforcing attributes: comfort felt in your work environment, connection to the people you work with and your contributions coming to life within the organisation.[11] These elements represent an evolution – comfort must be established before connection can be fostered, and so on.[12] How can all of these elements be applied in a remote context, where being physically close is impossible? What tools do organisations possess to promote them?

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Practices focused on well-being

1 Propose and empower employees to limit typically long meetings to 50 minutes, giving individuals a 10-minute window to refocus and rebalance between conversations. It is important to take short breaks that employees would naturally have had in an office environment, for example as they move from one room to another.

2 Establish a cut-off time for meetings; it is important to help employees balance working and personal time.

3 Bring in specific moments in the week that are given the same weight as more traditional work – whether 'creative moments' to focus on ways to improve things or simply share ideas, coffee breaks that allow for some more social interactions or story moments where individuals can share an experience. These should be recognised as important for individual and professional growth and well-being.

4 Bring in new terms that work for your teams and organisation. These might be 'deep work' to carve out time to have collaborative sessions, or independent work or 'creative jams' to bring out the importance of sharing ideas.

5 Be open, ask people how they are doing and share how you are, too. Effectively promoting open conversations can be a powerful way to authentically demonstrate well-being.

6 Reinforce communication about the value of well-being with personal messages but also through traditional channels such as newsletters. The focus on well-being needs to be integrated in what an employee recognises as best practice. This means integrating with the past but also questioning what will work best for them.

Companies that are consistent and clear in their messaging, highlight their priorities, and share their successes and failures equally tend to succeed in keeping their workforce engaged better than others, based on what we have seen when interacting with numerous clients.

1. Creating comfort

The organisation does have the power to foster feelings of respect and comfort. Here again we find that ethics plays a big role. That well-being 'pact' mentioned earlier, between employees and employer, should reflect the best intentions of both parties.[13] In addition, organisations can promote mutual trust and transparency via genuine and unfiltered communications from the company.

Companies that are consistent and clear in their messaging, highlight their priorities, and share their successes and failures equally tend to succeed in keeping their workforce engaged better than others, based on what we have seen when interacting with numerous clients. Organisations with an inclusive culture that fosters respect have shown themselves to be twice as likely to meet or exceed financial targets, three times as likely to be high performing, six times more likely to be innovative and agile, and eight times more likely to achieve better business outcomes.[14]

2. Enabling connection

The digital context in which we are now operating has all but eliminated so-called peripheral or subsidiary relationships at work. Communications are largely limited to only the people we work with directly. This means that individuals are missing out on those second-degree exchanges that in many cases are the source of added creativity and strong professional networks. This applies to established employees, as well as those who join an organisation without ever having seen the workplace or their colleagues. Leaders need to think carefully about how to enable connections among a remote workforce and how to create a balance between positive reinforcement and requiring employees to change their way of working.

Enabling connections in a remote environment

- **Monthly 'all hands' virtual meetings:** These can include the entire organisation or parts of it. The aim is to share business results while attempting to re-create the atmosphere of the organisation by gathering people together remotely. This is a good opportunity to reinforce values and behaviours aligned with the corporate culture.

- **Digital communities:** Social collaboration platforms can enable short, stimulating engagement to encourage exchanges of experiences, best practices and points of view. Another possibility is to create theme-focused channels with the common goal of boosting collective intelligence and creativity.

- **Remote team-building, coffee break, lunch or happy hour:** On these informal occasions colleagues can talk about non-work–related issues and gain a more accurate picture of each other's experiences. Such gatherings can foster empathy, closeness and relationships. They create moments to ask for support or offer it, and divert attention away from life's stressful situations. This is also an opportunity to connect with those 'second-degree' people not encountered regularly, to nurture that informal/subsidiary network of relationships. The smaller the group, the better, to ensure that people can truly interact.

- **Virtual onboarding:** To make new employees feel part of the organisation, rather than temporary or freelance, welcome meetings are fundamental, as is sharing a welcome kit containing important information about the company itself. The more personal these outreaches are the more the individual will be able to build their sense of belonging.

3. Emphasising contribution

Through the work they deliver, employees are expected to contribute to the organisation's goals. In a remote working world this depends on trustworthy employer-employee relationships. The supervisor manages with the assumption that everyone is contributing equally and responsibly, even though out of sight, and the worker performs and delivers without being seen or guided. Establishing such a relationship of mutual trust will ensure that remote performance is comparable to office performance.

However, even with trustworthy relationships and solid performance, workers may not perceive their work as a contribution of value. Many people have experienced a profound shift in how they see their ability to contribute. They need to feel that their contributions are making a difference to achieving shared goals, but such signs can be harder to identify when a workforce is dispersed. The organisation has a responsibility to provide clear mechanisms, such as incentives and peer/supervisor feedback.[15]

For example, new joiners (whether permanent staff or contractors) do not always find integration and/or the onboarding process compelling when it takes place at a distance. Indeed, about one in four respondents is concerned that in the future work environment it will be difficult for new hires and contractors to properly integrate in the organisation (figure 3). Consider also the time-worn schemes of remuneration and appraisal, which used to be tied to an ongoing evaluation that was based on presence and hours worked. Today, almost one in every five employees expects performance evaluation to focus more on results and achievements.[16] If organisations cannot adjust their systems of performance evaluation to reflect flexibility and autonomy, the enjoyment of any benefits brought by flexible working will likely diminish.[17]

For an organisation to promote belonging based on contribution, it is not necessary for people to have the same views or conform to a single cultural template. The focus should be on diversity of thought but shared outcomes – discussions that feature a variety of perspectives but end in agreement. When teams are united by a common purpose, figuring out how to achieve that purpose is not divisive. It is an invitation to share ideas, which adds transparency and helps enhance the individual's sense of belonging.

As with any future of work strategy, steps to foster belonging should be designed carefully and with the organisation's specific workforce squarely in mind. Success can be measured by workers seeing and appreciating how their individual work helps advance goals they support and find meaningful. In an environment of this kind they are more likely to be engaged and motivated, and to perform well.[18]

Some practical ways organisations can encourage the workforce to contribute well, and see their contribution as meaningful:

- **Training sessions for leaders:** The focus is on delegating and reaching objectives. Leaders can learn how to set measurable objectives that allow visibility into individual contributions to the company's purpose. In the mid-future, most leaders will need to recognise that there are often different skills needed to lead people remotely.

- **Training sessions for workers:** The focus is on autonomy and responsibility. Workers can learn to appreciate their individual responsibility to achieve results.

Conclusion

T IS TO be hoped that we are not in the eye of the storm but rather beyond the alarming initial stage of pandemic responses. It is a learning moment: a time to reflect on what has worked well and use those lessons to fundamentally redesign work, focusing on outputs rather than activities. Behind every new future of work framework, three fundamental tenets should be evident: trust, autonomy, and ensuring the worker can continue to adapt to a rapidly changing future.

Our working world has changed immensely, but pre-pandemic values and concerns remain, and have even intensified. By listening to the workers, then embedding well-being, belonging and ethics into every aspect of the design and delivery of work itself, an organisation gives its workforce the means to live and perform at their best.[20]

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Endnotes

1. Erica Volini et al., "Returning to work in the future of work", Deloitte Insights, 15 May 2020, accessed 25 November 2020.

2. Ibid.

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12. Erica Volini, Brad Denny and Jeff Schwartz, "Belonging: From comfort to connection to contribution", Deloitte Insights, 15 May 2020, accessed 25 November 2020.

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18. Erica Volini et al., "Deloitte Global Human Capital Trends 2020",Deloitte Insights, 15 May 2020, accessed 25 November 2020.

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Contact us

Our insights can help you take advantage of change. If you're looking for fresh ideas to address your challenges, we should talk.

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