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Hybrid working: what is the perfect balance?

Key factors to consider in the move to hybrid remote/office working

Report Author: Julian Hobbs, CEO UK, Siemens Financial Services

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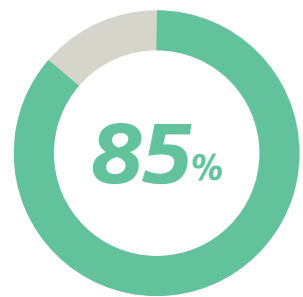


Julian Hobbs, CEO UK, Siemens Financial Services

The pandemic experience has made many organisations and corporations radically reconsider ways of working for their employees. Some have already overcome historical prejudice about 'presenteeism' and are offering flexibility of workplace and working hours/times as a matter of course.

This short, personal, insight piece reviews current trends in corporate policy and research evidence from the pandemic period, then offers six key areas that I suggest corporations should think about carefully if they are to successfully bridge the transition to hybrid working (home/co-working/corporate office) as a company policy.

The rise of flexible working

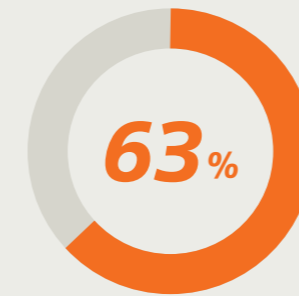


85% of respondents confirm that productivity has increased in their business as a result of greater flexibility

Work flexibility and remote working have been thrown into high relief by the global pandemic that has caused disruption and disarray around the world in 2020/21. Businesses (including ours) have needed to accelerate the pace at which they 'tool up' the workforce for remote working. IT issues have had to be solved. Managerial prejudices have gone out of the window. And a whole new world of work:life balance has opened up for employees.

Yet this phenomenon is – to my mind – simply the acceleration of a trend that has been building up a head of steam since the late noughties. International workspace company IWG has been conducting a regular global survey on workplace practices for over a decade.

The latest of these surveys, from 2019¹, revealed that 85% of respondents confirm that productivity has increased in their business as a result of greater flexibility. Furthermore, 65% of businesses say flexible workspace reduce CapEx/OpEx, help manage risk and consolidate their portfolio. And even more importantly for HR and talent managers, 80% said when faced with two similar employment offers, they would turn down the one that didn't offer flexible working. Even though the fieldwork for this study was done a year before the first lockdown, I think the point still stands.



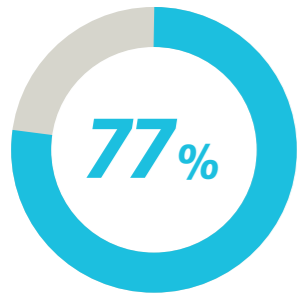
63% of organisations had reported an upturn in productivity due to remote working

Another study² – from Cap Gemini (and conducted in late 2020) – confirms the long-range IWG data on productivity, noting that 63% of organisations had reported an upturn in productivity due to remote working. At the same time however, the report also notes that productivity declined for around a fifth of the workforce, with employees citing distractions in the home and the twin difficulties of connecting virtually with customers and co-workers as the main reasons. In our experience, it quickly became clear that remote working from home is not necessarily a one-size-fits-all solution for all employees, whether for part or all of their working time.

A review of the many pieces of research on the topic that have been published during the pandemic period reveals a number of common trends. A Gartner survey early in the crisis showed that 82% of company leaders were already envisaging a change in policy to allow employees work from home some of the time. Another early study from the World Economic Forum demonstrated employee demand, with 59% of respondents wanting to work from home between one and four days a week in 2022 (and 19% wanted to work from home all the time!).



Demand for 'hybrid' working



...77% opting for this combination of working from home and/or in the office

I remember being struck by a poll from Adecco, conducted in mid 2020, which underscores the desire from employees to have a 'hybrid' working environment post-COVID-19 with 77% opting for this combination of working from home and/or in the office.

This study also provides insight into the associated issue of flexibility over working hours. It would appear that lockdowns and pandemic restrictions have shown employees how their working hours can flex around, for instance, family duties, without any adverse impact on success and productivity. No wonder that the Adecco study also finds that 68% of UK employees believe that set hour contracts are no longer relevant to modern ways of working.

So much for the research – what noises have corporations made about actual company policies on flexible and remote working over the last year. At Siemens we moved early – announcing back in July 2020 that the corporation was instituting a permanent shift to hybrid working³. At the time, one US publication described this announcement saying “Siemens’s new remote work policy is a master class in emotional intelligence⁴.”

Quite a few more corporations have now followed suit. Consumer products giant Unilever announced its permanent hybrid policy at the beginning of 2021⁵. Some organisations have even gone for a completely remote option⁶. But most have opted for a hybrid approach⁷. This is not surprising, given the work:life balance benefits reported by many employees, along with the vision of being able to reduce corporate expenditure on expensive corporate offices.

In fact, in the UK, flexible working is already a legal right. By law, you have the right to make a flexible working request if you’ve worked for your employer for at least 26 weeks and/or if you’re legally classed as an employee⁸. Employees rights in this regard are laid out in the Flexible Working Regulations 2014, which came into force on 30th June that year⁹. Nevertheless, there is a world of difference between a proportion of employees actively requesting flexible working, and it being a corporate policy designed to be the norm of all employees in a corporation.

Extract from Siemens Ag announcement about flexible working policy, 27 July 2020:

“The basis for this forward-looking working model is further development [of] our corporate culture. These changes will also be associated with a different leadership style, one that focuses on outcomes rather than on time spent at the office. We trust our employees and empower them to shape their work themselves so that they can achieve the best possible results. With the new way of working, we're motivating our employees while improving the company's performance capabilities and sharpening Siemens' profile as a flexible and attractive employer.”

“the desire from employees to have a 'hybrid' working environment post-COVID-19 with 77% opting for this combination of working from home and/or in the office.”



Hybrid transformation – making it work

The ramifications of remote working are quite considerable, and companies embarking on this journey (which looks like rapidly becoming the majority) will have to keep a close eye on a number of key factors to make sure the transition works – for the employee and for the company. This short paper lays out our top half dozen pointers for changing working practices, already gleaned from our early experiences.

CHANGE #1

Remote management and teamwork



Not only have employees had to get used to working remotely, managers have also had to rapidly learn to manage remotely. The already existing trend – away from measuring effort and more towards measuring outcomes – needs to be implemented for remote management to succeed. Transparent, realistic planning sits behind any virtual teamwork, with clearly assigned responsibilities, deadlines and dependencies.

“Camera on” culture has been introduced during lockdown to make sure team members are fully engaged, sharing body-language and as connected as possible. At the same time, the ease of calling virtual meetings has often ended up with people wasting their time attending largely irrelevant session. Specific management training should be considered in this new hybrid world.

CHANGE #2

Motivation and mental health



Various studies have noted the potential isolation that remote working can induce¹⁰, as well as frustrations over interruptions from family, deliveries, etc¹¹. When employees are not working in the same workspace, managers and colleagues are less able to pick up on the signs of someone being distressed or depressed. Active methods need to be put in place to guard against such downward spirals occurring and increase the likelihood of

positive early intervention¹². A direct correlation between happiness at work and staff performance has been convincingly made through academic studies¹³, even spawning specific consultancies specialising in the issue¹⁴. Now, ‘at work’ has a different structure, and corporations have to accommodate that change.

CHANGE #3

Digitalisation and workplace tools

Video conferencing, internet connection and corporate connectivity have now become common items of social chatter as people have struggled to deal with the IT challenges of remote working. As a result, increasing pressure is being brought to bear by MPs on the pace of superfast broadband rollout¹⁵, as people accelerate sign-up¹⁶. Useful reference can be made by company IT departments to the results of previously cited workplace surveys, which offer a pre-COVID view of the technology priorities highlighted by remote workers; these cover issues such as privacy, security, bandwidth, hardware and more¹⁷.

Studies have also shone a spotlight on the tension between remote working and monitoring employee outputs¹⁸. Technology enables high levels of employee work monitoring, but ethical concerns arise about the level of work surveillance and the point at which this becomes intrusive. A balance needs to be struck where a level of trust is afforded to employees, but where they also willingly sign up to performance measurements being gathered through digital channels.



CHANGE #4

Customer connectivity



We have already remarked on the interpersonal disconnect for employees working remotely¹⁹. As important is the art of getting to know customers remotely and building those relationship without much, or any, face-to-face contact.

One commentator on business-to-consumer relationships outlines an approach with the acronym HEART²⁰: Humanise the company's communications; Educate customers about how they can reach you; Assure customers you offer the same value & values; Revolutionise and innovate the offering in a new world; and

Tackle the future by reinventing your business models. Pundits covering the B2B space recommend similar models²¹. Certainly, a review of clients' post-lockdown service priorities is key to determine what has changed in their world and how to best serve them in the future.

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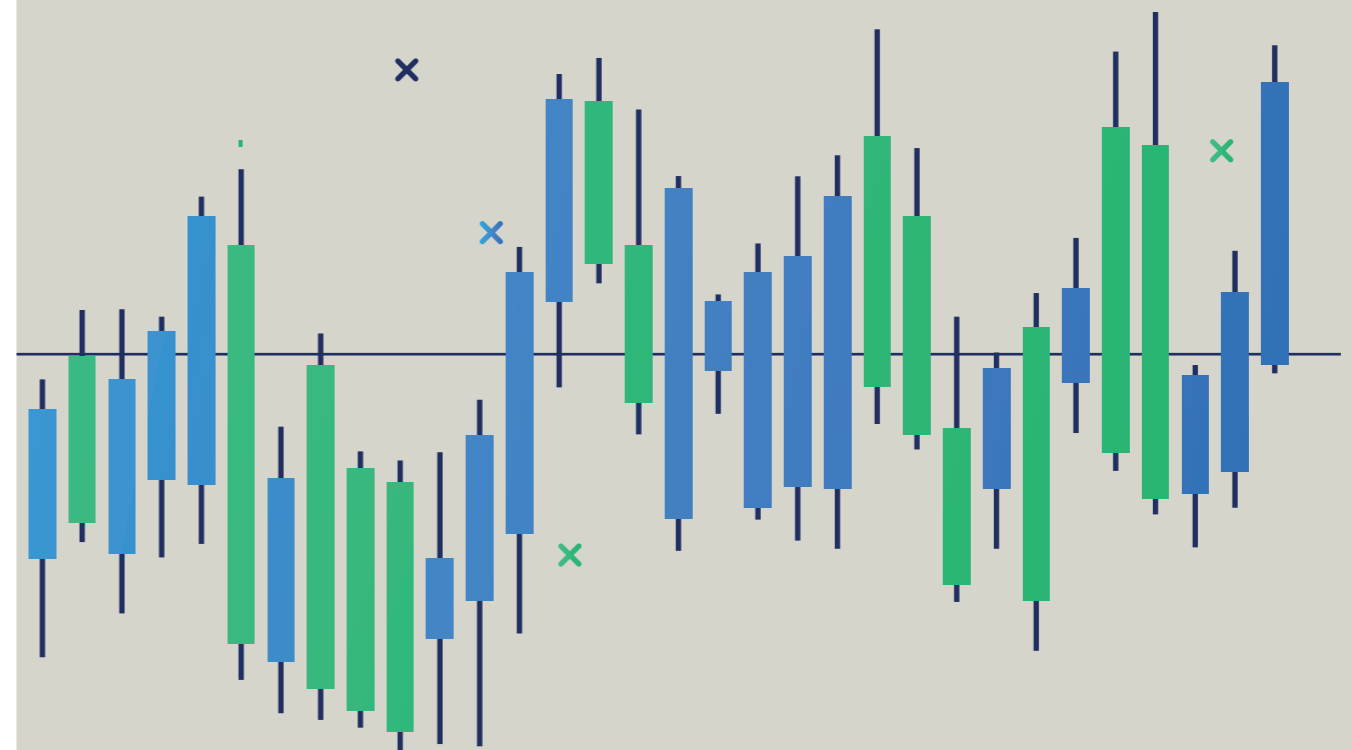
Digital finance for SFS customers – remote service



As the preferred financing partner for over 300 Tech vendors in the UK, Siemens Financial Services' (SFS) has digitalised its business to support vendor partners. SFS has been able to deliver continuity for credit decisions, transaction processing and payments, all because they can be done digitally and remotely. SFS' digital tools offer 24 hour access, automated credit decisions, e-signature capabilities, e-payments, everything needed to keep business going and beat the threat of disruption.

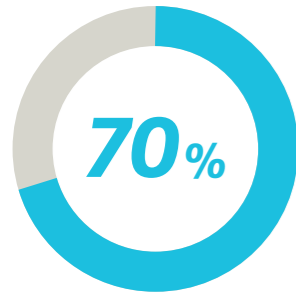
The e-signature document flow means contracts are digitally signed within hours, rather than days or weeks – and that is the case wherever a vendor is located. Digital credit capabilities mean that the salesforce has access these tools wherever they are – at home, in the office, or through mobile on the move. The business outcome of speedier, easier finance processing is fundamentally important to a business – the improvement in cash flow that financing offers over cash sales can increase payment periods by as much as 30 days.

In addition, vendor partners have a digital window on their portfolio, which means they can spot any business opportunities that are available, despite the crisis. Finally, SFS has also been able to support partners with their own cashflow management by using finance solutions as part of the sales process. There are no payment terms as with cash purchases, so as soon as the equipment is with the customer and the completed and correct documents are with SFS then payment is within 24 hours – again, all managed online.



CHANGE #5

Locations: home, workhubs and main office



70% of organisations are looking at more flexible workspaces

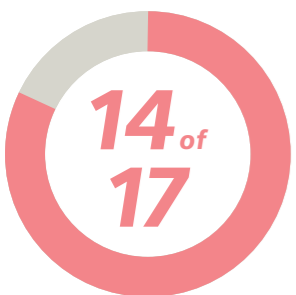
Much of the lockdown talk has been about home working versus main office working. Yet this ignores one of the main demands that employees have for remote working – namely a work centre to go to near their home. Employees wish to avoid commuting, but often desire a professional workplace that is not their own home, avoiding the potential claustrophobia and ‘work-creep’ of living and working in the same place. Evidence for this point comes strongly through in the late 2020

Cap Gemini Research Institute report which notes that 70% of organisations are looking at “more flexible workspaces (co-working centres, serviced offices, etc) as a priority”, and 68% of organisations mention “larger office footprint in smaller/Tier II cities or towns as a priority²².” Various commentators flesh out the point to point at the social benefits of working alongside others in centre close to home, as well as removing the distractions prevalent for home workers.

// Employees wish to avoid commuting, but often desire a professional workplace that is not their own home.”

CHANGE #6

Sustainability



The UN believes 14 of its 17 Sustainable Development Goals can be solved or advanced through remote work

Finally, corporations are under pressure to report their carbon footprint and contribution to sustainability to government, to shareholders and to the professional investor community. The UN believes 14 of its 17 Sustainable Development Goals can be solved or advanced through remote work²³. No wonder that leading corporations have already announced that they are promoting hybrid working from an employee option to a company norm. Not only does reduced commuting drive down fuel/energy

consumption and air pollution rates. It also makes employment opportunities more accessible for those who cannot afford to live near expensive city centres, or whose disabilities restrict travelling. Not only that, a world of hybrid working also helps to spread economic prosperity more evenly across the country, benefiting smaller and rural communities. These factors may well help to speed companies’ decision to go with the flow and move to hybrid working as the ‘new normal’.

// ...reduced commuting drive down fuel/energy consumption and air pollution rates.”



Conclusions and next steps

This personal paper is based on my experience within our corporation; but it certainly does not offer all the answers. Anyone reading this short piece may very well have other, equally important and informative experiences to share with the wider business community. In fact, the more we are open – as a commercial community – to discussion and debate around these new ways of working, the more we shall all benefit. I greatly welcome input and experiences around this debate, and invite any reader to visit my LinkedIn page to post your thoughts and insight –

<https://www.linkedin.com/in/julianhobbs/>.

- ¹ IWG, Global Workspace Survey 2019
- ² Cap Gemini Research Institute, Remote Workforce Survey, Sept-Oct 2020
- ³ Forbes, Siemens says that 140,000 of its employees can work from anywhere, 27 Jul 2020
- ⁴ INC.com, This company's new 2-sentence remote work policy is the best I've ever heard, 27 Jul 2020
- ⁵ The Guardian, Unilever workers will never return to desks full time, says boss, 13 Jan 2021
- ⁶ BBC News, Nationwide tells 13,000 staff to 'work anywhere', 25 Mar 2021
- ⁷ Financial Times, PwC tells staff to split office and homeworking after Covid, 31 Mar 2021; The Times, KPMG signals shift to home working with office closure, 22 Apr 2021
- ⁸ See, for instance, <https://www.acas.org.uk/making-a-flexible-working-request>
- ⁹ <https://www.legislation.gov.uk/ukxi/2014/1398/made>
- ¹⁰ Financial Times, Homeworking: isolation, anxiety and burnout, 16 Apr 2020
- ¹¹ IWG, Global Workplace Survey 2019
- ¹² Boston Consulting Group, What 12,000 Employees Have to Say About the Future of Remote Work, 11 Aug 2020
- ¹³ See, for instance: Harvard Business Review, The Research We've Ignored About Happiness at Work, 21 Jul 2015
- ¹⁴ For instance: www.iopenerinstitute.com
- ¹⁵ The Guardian, UK will miss 2025 target for full-fibre broadband rollout MPs warn, 7 Jan 2021
- ¹⁶ Your Money, Switchers to superfast broadband double in lockdown, 27 Apr 2021
- ¹⁷ IWG, Global Workplace Survey 2019, pp22-23
- ¹⁸ People Management, Is employee surveillance legal during lockdown?, 5 Jun 2020; Personnel Today, Employee surveillance: getting the balance right, 22 Jan 2021
- ²⁰ Cap Gemini Research Institute, Remote Workforce Survey, Sept-Oct 2020
- ²¹ Harvard Business Review, Ensure That Your Customer Relationships Outlast Coronavirus, 1 Apr 2020
- ²² For instance: FT Adviser, Client communications in the time of Zoom, 15 Oct 2020; Deloitte, Emerging into a post-lockdown world, Jul 2020
- ²³ Cap Gemini Research Institute, Remote Workforce Survey, Sept-Oct 2020
- ²⁴ ZDNet, Virtual work enables a more sustainable future, 29 Sep 2020