

# THE NEW WORKING PARADIGM

Reinventing Work for Survival Today  
and Resilience Tomorrow



# WHEN BUSINESS POSSIBILITIES TURN INTO BUSINESS IMPERATIVES

2020 was one of the most disruptive and disorienting years on record – COVID-19 turned our private and professional lives upside down, tremendous strain was put on national healthcare systems everywhere, and billions were wiped off the global stock markets. In fact, in Q1 of 2020, global stock indices posted substantial losses, with March 6–18 being particularly dramatic, – more than 20% of value was lost during this time.<sup>1</sup> The year

brought massive upheaval, but also some potentially fortifying lessons.

Even before the pandemic, disruptive technologies – such as more flexible digital working models, and augmenting the workforce with automation, AI, and data – were creating new possibilities to transform the way we lived and worked. Those new possibilities have quickly turned into pressing new imperatives that

must be seized by enterprises and governments alike. This is because cost resilience is strategically vital in the new economic climate, and only the most adaptable organizations, with the most flexible working models, will survive. But in most cases, organizations have had to attend to all of these challenges with reduced resources, as the global economy contracted.

## CHALLENGES AND LESSONS

Organizations worldwide have been tasked with the pressing challenge of keeping their workforces safe, satisfied, and motivated while maintaining operations – and it's been a steep learning curve for many.

It's true that the fully remote model seen in many geographies has yielded some definite advantages, such as better work-life integrations and productivity gains – a survey by the Capgemini Research Institute, for example, which included 500 organizations and 5,000 employees from a range of sectors globally across 10 sectors and nine countries, indicates that 63% of enterprises saw productivity gains due to remote working.<sup>2</sup>

But it also revealed limitations in some areas. For example it can be difficult for employees to disconnect from work fully in a remote working setup, making it more likely that they will suffer from burnout due to the longer working hours; team cohesion can be more difficult to achieve in a remote or hybrid working mode; and the emotional well-being of employees is more difficult to measure and manage. It will require a constantly iterative hybrid working model approach, going forward, in order for organizations to strike a balance between home and office, and between productivity and employee satisfaction.

more than half

(55%)

of employees feel burned out due to longer working hours in a remote environment.

Capgemini Research Institute,  
Hybrid Organizations, 2020

<sup>1</sup> <https://www.statista.com/statistics/1105021/coronavirus-outbreak-stock-market-change>

<sup>2</sup> [https://www.capgemini.com/wp-content/uploads/2020/03/COVID-19-Remote-Workforce\\_20200327\\_V05-final-30-march-2020-2.pdf](https://www.capgemini.com/wp-content/uploads/2020/03/COVID-19-Remote-Workforce_20200327_V05-final-30-march-2020-2.pdf)

# REMOTE WORKING – WHEN A TREND SUDDENLY BECOMES THE NEW NORM

The unforgiving lens of the pandemic has placed much more emphasis on organizations needing to have the digital assets allowing remote work and a management approach that kindles collaborative, productive, and supportive interactions. But remote working is, of course, nothing new.

In recent years, thanks to high-speed internet connectivity, staying connected remotely has become increasingly viable for employees – and it's brought a range of benefits to many organizations. For example, a two-year study carried out at Trip.com – a 16,000-employee Chinese travel agency – revealed that the performance of remote call center workers increased by 13%. They took fewer breaks, fewer sick days, and found the quieter working environment more effective. They reported improved work satisfaction and attrition rates decreased by 50%. However, the same study observed

that promotions were less common during this time, and 50% of the target group subsequently chose to switch back to office as it didn't fit their situation well.

Over the last decade, virtual offices, and flexible working models increasingly enabled people to work from home. COVID-19 has accelerated this trend. At Capgemini, 97% of our employees worldwide quickly responded and changed the way they work.<sup>3</sup> But this kind of shift is not pain free for businesses that are not equipped with the tools and mindset it demands. For many companies, pivoting this quickly has been like swimming against the current, due to a deeply ingrained legacy IT infrastructure, culture, and mindset. Despite the potential benefits of implementing a more flexible working model, they found themselves lacking the agility and the digital capabilities and expertise to make it happen.

## 68%

of businesses have accelerated, launched, or planned transformation initiatives in response to COVID-19.

Capgemini Research Institute,  
Fast-forward to the future

Around three in 10 organizations expect more than

## 70%

of their employees to work remotely in the next two to three years, up from just one in ten before COVID-19.

Capgemini Research Institute,  
Hybrid Working Report,  
December 2020



*We've been investing in our technological capabilities for years, and those investments really paid off when we needed to transition quickly to a 98% work-from-home model."*

**Kirt Walker**  
CEO, Nationwide



<sup>3</sup> <https://www.capgemini.com/gb-en/2020/06/covid-19-picking-up-the-pace-on-the-transformation-of-work>

# HR'S STRATEGIC OPPORTUNITY



HR is facing many challenges to agilely support a more dispersed workforce and measure emotional well-being from a distance while providing an optimal employee experience. The need for clear and effective leadership communication is amplified in a remote working mode, especially for those who are moving from physical working spaces to remote ones. A recent survey by Capgemini Research Institute reveals that employees feel apprehension about the prospect of long-term remote work, with 56% fearing the demands of being “always on.” HR, and the organization as a whole, should take a sympathetic stance, be ready to listen, react, and offer support. Becoming more data-driven will mean that HR has a greater capability to do this.<sup>4</sup>

Despite the challenges there's a huge opportunity for HR – to not only deliver a good sense of empathy, ethics and fairness, but to sharpen its understanding of the business stakes; make pioneering decisions and

set the agenda. By doing this, with data at its core, it can renew business organization models and ways of working.



*In uncertain times, the role of the HR team is to see things through a lens of empathy. To be the voice of employees, and anticipate the challenges and opportunities they are facing, and develop plans, programs and information to overcome and optimize them.”*

**Donna Kimmel**

Executive Vice President and Chief People Officer, Citrix

<sup>4</sup> [https://www.capgemini.com/wp-content/uploads/2020/03/COVID-19-Remote-Workforce\\_20200327\\_V05-final-30-march-2020-2.pdf](https://www.capgemini.com/wp-content/uploads/2020/03/COVID-19-Remote-Workforce_20200327_V05-final-30-march-2020-2.pdf)

# A PERFECT BALANCE

To attain the kind of flexible hybrid working model that the new working paradigm demands, there are many mutually dependent elements you need to balance and measure as an organization. Adaptations in talent management and the operating

model are a must in order to reach the benefits of remote work, but achieving this brings implications for sustainability, real-estate, the employer promise, and employee purpose. By carefully reassessing these areas, organizations can reap dividends on

three fronts at once: people, costs, and sustainability – they can benefit from a more engaged and loyal workforce, lower operating costs, and a smaller carbon footprint.

## IMPLICATIONS FOR SUSTAINABILITY

Daily global CO2 emissions decreased by

**17%** by early April 2020 compared with the mean 2019 levels, just under half from changes in surface transport. At their peak, emissions in individual countries decreased by

**26%** on average.

[nature.com](https://www.nature.com)

As populations in many geographies stayed home under the restrictive measures taken by governments, emissions decreased, and the skies started to clear. Many international borders were closed, and people commuted far less, which resulted in reduced transport and dramatically altered consumption patterns. This showed that collective changes can demonstrably reduce emissions, improving air quality, and indeed, our quality of life.

Consumers and employees are increasingly holding companies to account for their policies on sustainability. Reducing carbon emissions has assumed center stage in the CEO's agenda. The onus is on companies to provide more sustainable services to their employees in all areas from mobility platforms to paperless processes, as well as keeping to their commitments on their carbon footprint.

Shifting to a new working paradigm can significantly reduce the overall impact of an organization on the environment and a truly sustainable mobility model can lead to a company's brand being more positively perceived by consumers. In an age in which brand relevance is king, this can capture value.

However, as the trend of digital engagement and e-commerce has grown during the pandemic, emissions at data centers have increased. Sustainable IT, which involves reducing the impact of the digital footprint

through measures such as increasing energy efficiency in data centers, should be considered by organizations. It's currently only being scaled by just 18% of organizations.<sup>5</sup>

It will also be important for organizations to balance an apparent reduction in their carbon emissions due to less commuting and less energy consumption on premises with the additional emissions caused by colleagues plugging in at home.

**79%**

of consumers are changing their purchase preferences based on sustainability. This contrasts sharply with the

**36%**

of organizations who believe consumers are willing to make this change in their choices/preferences based on social or environmental impact.

Capgemini Research Institute Report, How Sustainability of Fundamentally Changing Consumer Preferences

<sup>5</sup> [https://www.capgemini.com/wp-content/uploads/2020/07/20-06\\_9880\\_Sustainability-in-CPR\\_Final\\_Web-1.pdf](https://www.capgemini.com/wp-content/uploads/2020/07/20-06_9880_Sustainability-in-CPR_Final_Web-1.pdf)

# WATCH THIS SPACE – IMPLICATIONS FOR REAL- ESTATE

A digital remote working model implies fewer employees in the office and thereby reduces the number of square meters that an organization needs to maintain. The resulting models of real estate, with a reduction in space and geographical redistribution combined with new employee sourcing, can bring substantial cost savings. In fact, according to business.com Sun Microsystems realized savings of \$68 million a year in its real estate costs alone, while Dow Chemical and Nortel have saved over 30% on their non-real estate costs.<sup>6</sup> Capgemini Research Institute's recent survey found that 88% of organizations had achieved real-estate cost savings and 92% expected savings in the next 2-4 years.

In a hybrid working model, office layout and design become even more important. It's vital to continue to encourage and allow people to meet, collaborate, innovate, and socialize. Implementing real-time monitoring and people analytics, real-estate



BP plc, a British multinational oil and gas company, announced in June 2020 that it would allow

## 50,000

out of its 70,000 employees to work remotely as a measure to reduce office spaces and related costs.

Nasdaq, "BP to embrace digital working, diminish office footprint," August 2020.

analytics, and remote workforce analytics can help achieve this while maintaining safe social distancing.

Organizations with asset heavy portfolios in terms of real estate – according to The World Bank governments and the public sector are particularly asset-heavy in this area – need to urgently re-evaluate their long-term real estate strategies to offset dwindling revenues resulting from the pandemic.

<sup>6</sup> <https://www.business.com/articles/working-from-home-save-money>

# REDEFINING THE EMPLOYER PROMISE

To embrace the new, more responsive working paradigm enterprises must also redefine the relationship between employers and employees.

When moving towards a new configuration of performance, autonomy, flexibility, and sustainability, organizations need to redefine the social contract with their people, and this has implications for recruiting and

benefits. For some companies, this might be a small adjustment that is possible without any great change of mindset or DNA. For others, it requires nothing less than a complete overhaul of legacy systems and culture.



## 61%

want organizations to recreate – in a virtual world – the ability to replicate the informal connections that are a staple of office life, such as catching up over a coffee.

## 50%

new joiners say that they would not continue with the organization if they had to work only from a remote location.

Capgemini Research Institute,  
Remote workforce survey,  
September-October 2020

## SUSTAINABILITY AND DIVERSITY – TODAY'S MUST-HAVES

As people become more and more environmentally aware, they are increasingly demanding more purposeful sustainable corporate behaviors from employers.

According to factcompany.com, nearly 40% of millennials have chosen a job because of company sustainability and 10% of workers said they'd be willing to take a pay cut to work for a sustainable company.<sup>7</sup> And, with each new generation, comes a higher demand

for diverse workplaces. In fact, in a recent survey 83% of Gen Z candidates said that they consider a company's commitment to diversity and inclusion important.<sup>8</sup>

<sup>6</sup> <https://www.business.com/articles/working-from-home-save-money>

<sup>7</sup> <https://www.fastcompany.com/90306556/most-millennials-would-take-a-pay-cut-to-work-at-a-sustainable-company>

<sup>8</sup> <https://hiring.monster.com/employer-resources/recruiting-strategies/workforce-planning/workforce-diversity-for-millennials>

## THE DEMAND FOR A BETTER EMPLOYEE EXPERIENCE

As consumers, we have grown accustomed to the kind of frictionless and intuitive interfaces offered on social media and online retail. At our workplaces we want the same; we expect to be supported and empowered with the latest digital tools in order to collaborate from anywhere, at any time, and on any device, and COVID-19 has heightened this demand.

But to achieve an agile and adaptive hybrid workplace the operating model must change. This encompasses a broad swathe of issues, from recruitment, to onboarding, through to learning and performance measurement. This requires organizational adaptations and redesign with a special focus on culture, sense of purpose, and employee wellbeing.

In our digital culture study, we found that lack of collaboration was a significant issue in many organizations, with a telling divergence between senior executives and employees. We found that 85% of senior executives believed their organization collaborates effectively across functions and business units, while only 41% of lower-level employees felt the same.<sup>9</sup>

So, it is hugely important that enterprises provide their people with the best digital training and collaboration tools and maintain an open dialog of feedback on the topic. By offering a satisfying, rewardingly collaborative work environment enterprises will not only increase the retention of their valued workers but can also expect greater success in recruiting the most promising talent.



<sup>9</sup> [https://www.capgemini.com/consulting/wp-content/uploads/sites/30/2017/07/dti\\_digitalculture\\_report.pdf](https://www.capgemini.com/consulting/wp-content/uploads/sites/30/2017/07/dti_digitalculture_report.pdf)

## ON PURPOSE – FOSTERING A STRONG SENSE OF MEANING FOR EMPLOYEES



Because we all, to a greater or lesser degree, define ourselves by our jobs, we seek purpose and meaning during our working day. This can spill over into the fulfillment we feel in our personal lives. According to a survey conducted by MetLife in 2019, 93% of workers consider purpose a must have or nice to have, and employees who feel a strong sense of purpose when working are more satisfied with their job (88%) engaged (83%) productive (89%) and successful 82%.<sup>10</sup>

Employees who feel a sense of purpose suffer less stress and fatigue and this is obviously to the benefit of organizations. The same study by MetLife found that only 39% of employees who feel purpose are stressed or tired more than half of the time. Organizations that can create a meaningful and rewarding experience for their employees will see higher productivity, reduced attrition, and a motivated workforce pulling in a direction that matches the ambitions of the enterprise.

<sup>10</sup> <https://www.metlife.com/content/dam/metlifecom/us/ebts/pdf/MetLife-Employee-Benefit-Trends-Study-2019.pdf>

# HOW TO LEVERAGE THE OPPORTUNITIES OF THE NEW WORKING PARADIGM

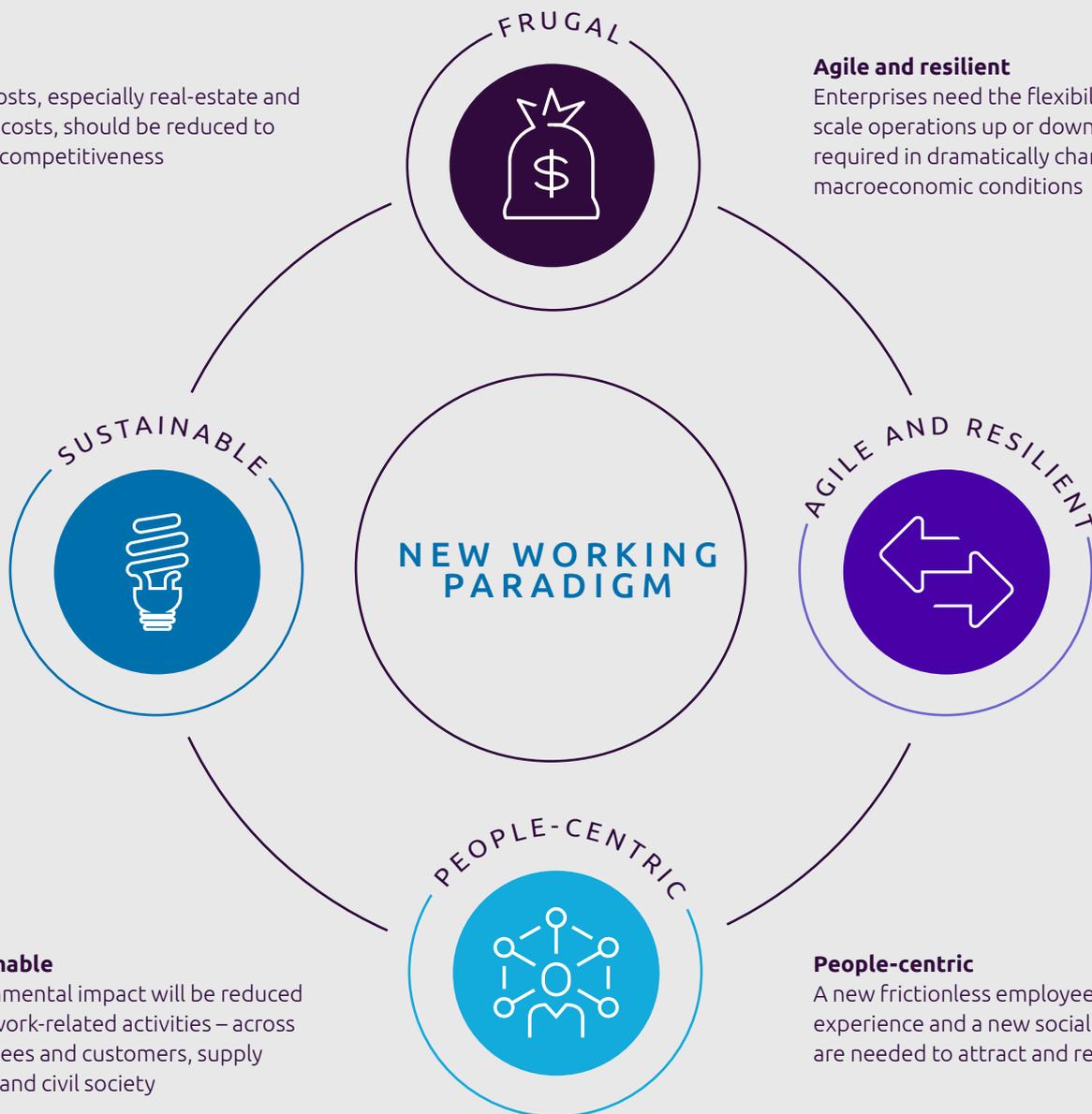
A model that boosts productivity and the retention of talent while optimizing costs and environmental impact will need to be:

## Frugal

Fixed costs, especially real-estate and people costs, should be reduced to ensure competitiveness

## Agile and resilient

Enterprises need the flexibility to scale operations up or down as required in dramatically changeable, macroeconomic conditions



## Sustainable

Environmental impact will be reduced for all work-related activities – across employees and customers, supply chains, and civil society

## People-centric

A new frictionless employee experience and a new social contract are needed to attract and retain talent

# HOW TO DESIGN A TRANSFORMATION PLAN THAT DELIVERS THE NEW WORKING PARADIGM AT PACE

**Outline a digital workplace roadmap** to redefine mobility with the right combination of digital tools so employees can be productive and collaborate in an unhindered way to maintain operations. Carefully manage your cybersecurity risks to provide a secure workplace environment, and use carefully selected, intuitive, and user-centric tools to break down silos, and empower collaboration.



**Design a new operating model** in which digital and virtual processes replace physical touchpoints where possible and appropriate, with associated changes to roles, responsibilities, and tooling. Ensure you have the right people to make it happen by implementing a modern change management methodology for upskilling, which anticipates new roles that will be required in the future and those that need to be phased out.

**Develop a new real estate strategy** that predicts the savings to be gained from reducing office space. Consider how best to use the reduced office layout to encourage creative collaboration and team cohesion. Pinpoint the physical workspaces you will need to support your future operating model after downsizing the current footprint. Determine the people-driven savings that can result from sourcing skills independently of location.

**Offer an employee package with a new employer promise.** This may include more flexibility (in terms of location and/or time) and more individualization in contract terms. In a new trust-based culture the leadership can delegate more responsibility to employees to manage their own tasks, increasing a sense of empowerment and purpose. Lastly, the growing disassociation of work and location could open up new opportunities for employees in terms of changing roles within the organization, and this in turn increases internal mobility or staffing on projects. Implement more flexible reward packages and reducing spans of management control.

**Provide guidelines on collective remote rituals** that promote good communication, team dynamics, and connectedness in a remote environment. These are essential to promote inclusion and maintain emotional wellbeing to avoid burnout

employers should promote self-care for their people. Trust employees and give them autonomy and accountability. This means managers not constantly checking on the productivity of their team members.

**Build a digital workplace cockpit** to provide easy access to the data and analytics you need to manage performance, costs, and benefits. Feed this cockpit with the quality data you'll need to measure employee productivity and wellbeing, so that you can support, nurture, and grow talent as well as increase results. HR is at the center of all significant programs of change. Empower HR to equip the business with the information and insights it needs to make vital strategic people decisions – ideally in real time. A talent-centric and data-powered HR function, sitting at the heart of a data-driven organization, is essential for the transition to the new world of work.



*Badgering your people is a recipe for resentful, low-performing employees.”*

**Alex Turnbull**

founder and CEO of Groove, a software company that has been working 100% remotely for the past seven years.

The background of the page is a dark blue gradient with intricate, flowing lines of light purple and blue. These lines create a sense of movement and depth, resembling smoke or energy waves. The lines are most prominent on the right side of the page, where they form a large, abstract shape that could be interpreted as a stylized profile of a human head or a complex network structure. The overall effect is futuristic and dynamic.

# IN SUMMARY

For immediate survival and future resilience, enterprises must redefine work within their organizations. The new, distributed environment of the new workplace paradigm brings with it a necessity to have the right technology in place and the right people using it in the right way. This can be achieved by having an optimal blend of training, upskilling, and recruiting to guarantee the skills that make the most of efficient, intuitive, and highly secure digital tools and systems.

Organizations must carefully assess their current position and maturity level in the new working paradigm in order to design and build an operating model capable of meeting the challenges of, and seizing the opportunities in, real estate, commuting, remote work, social interactions, workers' enablement, managing teams, and the carbon footprint. By having the right rituals in place, powered by the right technology, enterprises can begin to reshape the nature of work within their organizations and empower people to collaborate, interact, and create value.

## About Capgemini Invent

As the digital innovation, consulting and transformation brand of the Capgemini Group, Capgemini Invent helps CxOs envision and build what's next for their organizations. Located in more than 30 offices and 25 creative studios around the world, its 7,000+ strong team combines strategy, technology, data science and creative design with deep industry expertise and insights, to develop new digital solutions and business models of the future.

Capgemini Invent is an integral part of Capgemini, a global leader in consulting, digital transformation, technology and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year+ heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. Today, it is a multicultural company of 270,000 team members in almost 50 countries. With Altran, the Group reported 2019 combined revenues of €17billion.

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