# WORK REINVENTED

"What will be the new
ways of working in 2025?"

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FOREWORD

Supporting our clients to optimise the Hybrid Workplace has been both fascinating and complex; from designing operating models to support new ways of working, to reimagining the Employee Value proposition, to implementing digital tools and building workforce capability.

Arlene Carsley,
Director
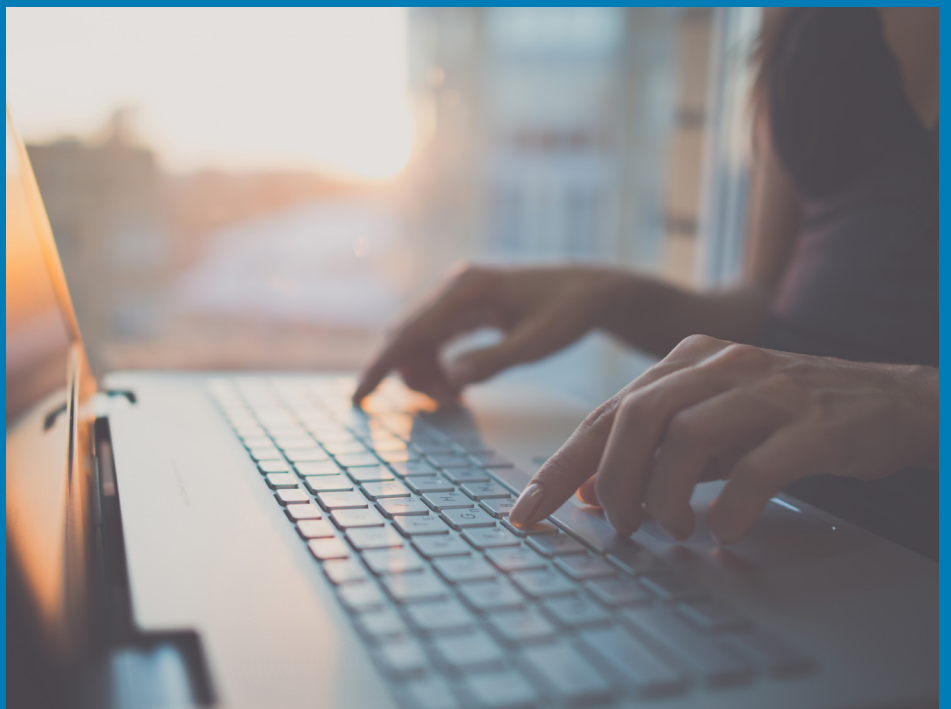
The intent of this Point of View is to build in the existing work and research that has been done at Capgemini and elsewhere around what work will look like in the future, through a combination of our own research and focus interviews with our thought leaders, to provide a fresh look at the long-term future of work.

We have termed this the **"2025 view"** of Work Reimagined, seeking to go beyond the short- and medium-term impacts of Covid to what the enduring effects for us and our clients may be. We are indebted to the time the various people quoted in this article provided to help us put together this Point of View.

INTRODUCTION

There has been a vast shift in how organisations around the world work. The pandemic has meant that employees must work from home, **new ways of working and culture** needed to be established, as well as the **infrastructure** to support this style of working. As new developments in the pandemic emerge, we think about **what the next working shift will look like post-pandemic.** According to CIPD research almost 37% of employees will be working from home on a regular basis once the crisis is over compared with 18% who did so before lockdown.

The focus in articles and research that have been published so far, both within and without Capgemini, have focused on the immediate to medium term impact of the pandemic. For example, the Capgemini Research Institute has identified that 68% of businesses have accelerated, launched, or planned transformation initiatives in response to COVID-19.

It is clear that the days of working full time from the office are gone, but 100% remote work brings its own set of concerns. A new interplay between performance, autonomy, benefits, and flexibility is taking shape and is redefining the social contract. To respond, businesses need a **hybrid operating model** that can strike the right balance between **physical and digital.** It's time for companies to rethink the way they operate.

The intent of this point of view is to focus on what companies should be thinking of long-term to address the New Ways of Working, taking a step back from the noise of what needs to be implemented now.

Instead, companies need to start thinking about their long-term strategy and focus on what should be done to update and imbed long-term New Ways of Working within their company.

We have put together the content of this Point of View based on LinkedIn surveys, interviews with our Capability leads within the Workforce and Organisation team and building on the articles and research published so far by Capgemini.

37%
of employees will be working from home on a regular basis once the crisis is over

FURTHER READING 1

This report examines a range of key questions:

1 What do organizations and employees think about the sustainability of remote working models?

2 What gains can organizations expect from these models?

3 Have organizations effectively managed the shift to remote work?

4 What steps should organizations take to effectively implement a hybrid working model and leverage its benefits?

Capgemini
RESEARCH INSTITUTE

The
Future of work:
From remote to hybrid
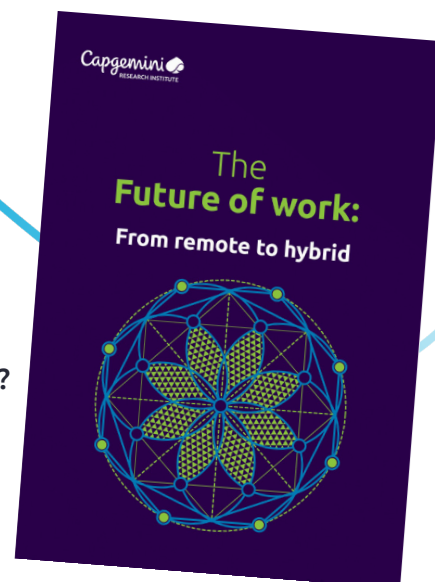
Remote work is here to stay

Widespread remote working is increasingly becoming the **"new normal."** Three-quarters of organizations expect 30% or more of their employees to be working remotely, and over a quarter expect over 70% of their staff to be working remotely.

Organizations expect remote models to work well in functions such as IT, finance, and accounting. However, every function will need to transition their operating model to a hybrid operating setup.

The shift to remote working has boosted productivity and cost savings

Employee productivity at organizations grew during Q3-2020, driven by reductions in commute time and adoption of virtual collaboration tools. Over six in ten organizations witnessed productivity gains in Q3-2020 due to remote working and average productivity gains ranged from 13%-24%.

Nearly 70% of organizations believe that the productivity gains of remote working are sustainable beyond the pandemic.

A majority of organizations expect remote working to reduce real estate, facilities management, and business travel costs, among others.

Have organizations effectively managed the shift to remote work?

Remote employee burnout is on the rise. Over half of employees feel burned out as a result of working remotely and the figure rises to 61% for younger employees aged 31–40.

Employees feel apprehensive about long-term remote work, which impacts their engagement, satisfaction, and productivity, with 56% fearing the stresses and demands of being **"always on."** Employees also feel organizations do not trust them and are micromanaging them.

New joiners feel lost and disengaged in a remote setup. Half of them said they would quit if remote working were the only option.

FURTHER READING 1

Beyond remote: Recommendations for shifting to a hybrid workforce future

Rethink the sourcing model to enable **"deliver where you are"**: Expand your talent-sourcing boundaries – use more of the fluid workforce (such as freelancers, or independent workers) and global tele-workers, either nationally or across international borders.

Define what constitutes **"authentic"** leadership: Encourage autonomy, empathy, and transparency. Redefine the role of leaders to empower employees to make data driven decisions, use data to manage the remote workforce, and enhance remote leadership skills such as empathy, active listening, and adaptability, etc.

Reinvent a **"trusted"** work culture with new collective rituals: Build digital communities to activate purpose and a sense of belonging. Embrace new collective rituals, such as more virtual team-building activities, and virtually recreate modes of informal connection.

Install a robust digital infrastructure to accelerate seamless digital working: Establish secure digital accessibility to business processes – anytime, anywhere, and with any device. Leverage digital tools, technologies, and skills to drive remote working efficiency and productivity. Transform backend technology into a resilient, flexible, and cloud-ready enabler for daily activities and innovation.

Shape up organizational real-estate to address the needs of a hybrid workforce: Reimagine the office as a destination that strengthens cultural connection, learning, and bonding between employees (across onsite, remote and hybrid employees).

Tailor the employee experience to adapt to a hybrid operating model: Rethink all elements of the employee lifecycle, including onboarding, learning and development, compensation and benefits, well-being, and performance management.

Establish a business case for the target hybrid operating model: To make sustainable progress in a hybrid work setup, organizations need to conduct detailed assessment of its impact on key metrics.

FURTHER READING 2

This **short report** covers some of the following questions:

What kind of enterprise do we have to become to stay relevant and competitive?

How can we combine the right technology with the right change management to unite and ignite the whole organization?

How quickly can we achieve a reduction of costs and greater resilience while remaining human and meaningful?

Reinventing work involves four interconnected challenges

INTELLIGENT HR
HR is at the center of all significant programs of change. It equips 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 is essential to underpin the transition to the new world of work in which people "management" ceases to be merely a support function, and becomes a core business contributor

NEW WORKING PARADIGM
For maximum RoI on digital investments we must systematically revisit how we define work and workforces. There is so much to consider: real estate, commuting, remote work, social interactions, workers' enablement, managing teams, leadership, the carbon footprint. Challenges yes, but new opportunities to reinvigorate the nature of work and reshape the organization

AUGMENTED WORKFORCE
Augmenting the workforce with technology provides opportunities for cost reduction and equips people with the technology they need to assume new roles, be fulfilled and co-create value. But it's absolutely essential to ensure that your people are reskilled and fully invested in the journey. What's needed is an adaptable, self-generating workforce capable of evolving in step with technology.

DIGITAL WORKPLACE
In order to properly serve the complexly distributed environment of the new workplace paradigm and capture value, organizations need the right technology in place. To empower people to collaborate, interact, and create, they need to be given efficient, intuitive and highly secure digital tools and systems.

NEW WORKING PARADIGM

INTELLIGENT HR

DIGITAL WORKPLACE

REINVENTING WORK

AUGMENTED WORKFORCE
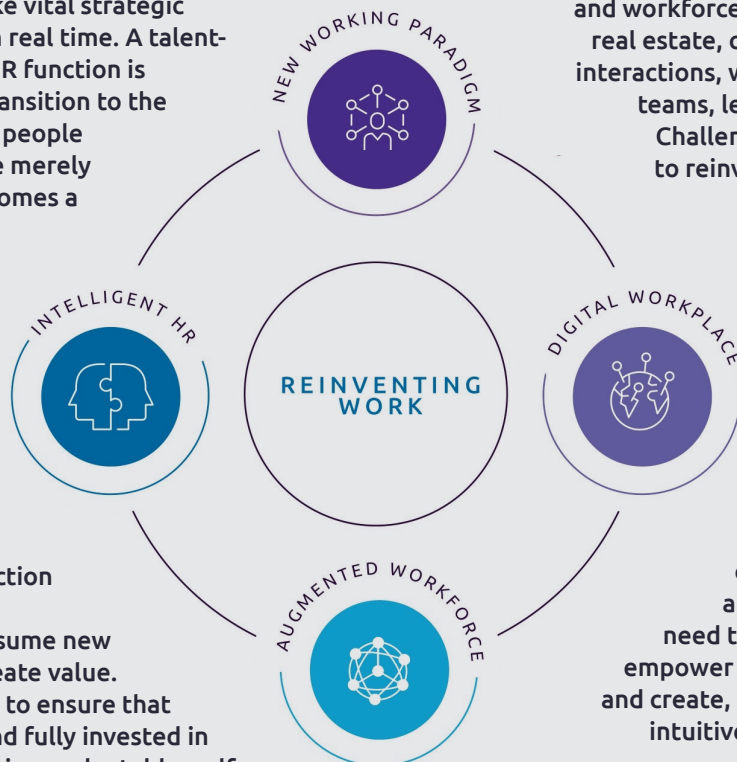
FURTHER READING 3

Cost resilience matters in this new economic climate; but as well as seeking savings, enterprises need to facilitate a balance between home and office, and between productivity and employee satisfaction.

This has to be done while ensuring the workforce is safe, motivated, and supported; and while protecting operations from new disruptive threats.

By embracing the new working paradigm, employers and employees can reap benefits in three crucial areas:

Sustainability

Real-estate

A new employer promise

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 access 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.

Capgemini invent

THE NEW WORKING PARADIGM

Reinventing Work for Survival Today and Resilience Tomorrow

68%

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

COMPANIES NEED TO FOCUS ON THEIR WORKFORCE STRATEGIES

Our past research shows that 54% of executives consider investing in building digital skills - such as artificial intelligence, data analytics, digital marketing, etc. – an immediate priority. With better understanding of digital technologies, individual remote working productivity can be improved. In turn, digital technology can be used by organizations to support employee productivity and flexibility and customize their delivery of a remote working setup according to employee needs.

Within Capgemini Invent during the pandemic we have ensured all individuals had the correct kit and set-up, and encouraged widespread use of MIRO, Teams, Trello and any other remote working product that teams or clients deemed necessary. Our Employee Value proposition focuses on ensuring that companies focus on a full workforce strategy, including covering Neurodiversity, Diversity and Inclusion and taking into account the environment.

We have always, in our Target Operating Model work, focused on Leadership, Culture and Organisations as key factors required to enable any change. The changes required of these elements for Work Reinvented simply reinforce how crucial it is to successfully embed them in an organisation to successfully navigate the changes and ensure the success of the Target Operating Model.

We have an opportunity to look at universal design for our employees. Companies are typically standardising their technologies and processes to drive efficiency; however, to be truly inclusive and encourage our employees to bring their whole-selves to work, we need to understand the individual and offer personalisation. Choice and flexibility should extend to all candidates throughout their recruitment journey and all colleagues throughout their career lifecycle.

Arlene Carsley,
Director

COMPANIES NEED TO FOCUS ON THEIR WORKFORCE STRATEGIES

Covid has forced leaders to change their **leadership styles** in an unprecedented way, both due to the rapid change to homeworking within organisations, but also in having to consistently communicate with clear uncertainty.

CEOs and senior management have known as little or as much as their employees about what government announcements would be, and therefore have had to learn to communicate without necessarily being able to provide clear milestones or changes.

This and the many other changes to the role of leaders will continue in Work Reinvented and must therefore be included when developing Work Reinvented within an organisation.

To not focus on the leadership skills and **mindset shift** required with this change will radically reduce the effectiveness of reinventing work within an organisation.

Focusing on an organization's culture is also a key part of Workforce strategy, we will focus on culture in a later section of this PoV.

Companies really have to take a look at their desired employee experience and identify what components of their offer that have the most impact on the 'moments that matter' for their workforces.

Aditi Kejriwal,
Vice President

CULTURE IS KEY TO WORK REINVENTED

As part of our research for this PoV we surveyed respondents on LinkedIn and then analysed the responses.

The breakdown of the responses, as shown below, shows that aspirations at an overall level vary, are then different across industries and sectors, requiring different responses based on sector and company specific cultures and expectations.
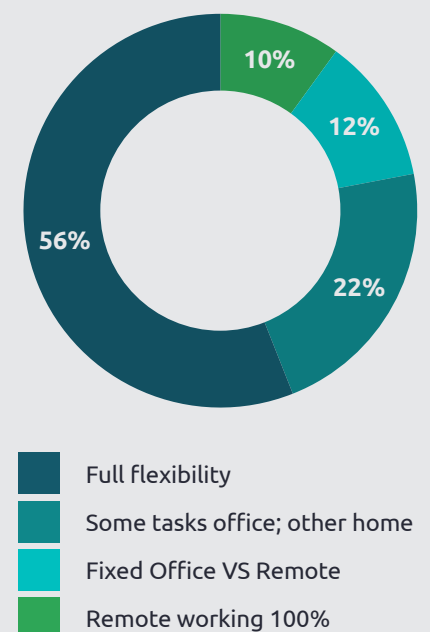
We have always considered **Culture to be a key element of an organisation's Operating Model,** and this remains as clear with Work Reinvented. For Work Reinvented to be successful a company's culture must ensure and embed a belief in the new way of working, which may require reinventing digital communities, changing activities to be more virtual and recreating informal **"water-cooler moments"** in a virtual manner.

To ensure the culture supports the new ways of working a mindset shift in senior leadership is required.

Hybrid working means different facetime expectations from staff, and have to successfully provide leadership through ongoing uncertainty, when they themselves may not know where the company will be from a Work Reimagined perspective in the future.

Melissa Davison,
Vice President

Survey results assessing the scale between Hybrid Working and Fixed Office Working

- 56%
- 10%
- 12%
- 22%

- Full flexibility
- Some tasks office; other home
- Fixed Office VS Remote
- Remote working 100%

Survey question: What you would like the future to look like? (n=189)

CULTURE IS KEY TO WORK REINVENTED

However, in order to drive the correct culture, **company's purpose is key.**

Therefore, before reviewing or seeking to change culture to embed **Work Reinvented** it is worth reviewing and identifying what a company's purpose is.

This purpose, which may have changed since Covid-19, will then drive the existing and new culture of the organisation.

Equally social charters or equivalents may be required to embed the new culture in the organisation.

These major cultural disruptions will also require HR to transform the way they think and act, covering Personalized and digitized HR Continuous learning; a culture of feedback and transparency and Agile ways of working and leading.

SUSTAINABILITY AS A DRIVER IN WORK REINVENTED

Consumers and employees are increasingly holding companies to account for their policies on sustainability and reducing carbon emissions has assumed centre stage in the CEO's agenda. 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 today's environment, organizations are convinced of the environmental benefits of telecommuting. Two-thirds (67%) of organizations believe that remote work will boost their sustainability agenda – in terms of reduced greenhouse gas (GHG) emissions, and reduced use of energy, water, and consumables.

Organisations will therefore need to review and define the purpose of meetings and travel, possibly ensuring that physical meetings are only held for certain, clearly defined and communicated, purposes.

Sustainability will also require a focus on the Real Estate strategy within the Operating Model of companies. There are of course financial benefits to reducing real estate due to

telecommuting, which Capgemini has previously covered in <u>Reinventing Work</u>.

67%

of organizations believe that remote work will boost their sustainability agenda

However, there will also be key benefits to ways of working: if only certain meetings are held in person, rather than the design, purpose and location of real estate should change accordingly to meet this need.

Paradoxically for some companies this may mean changing to offices that are larger to ensure their suitability.
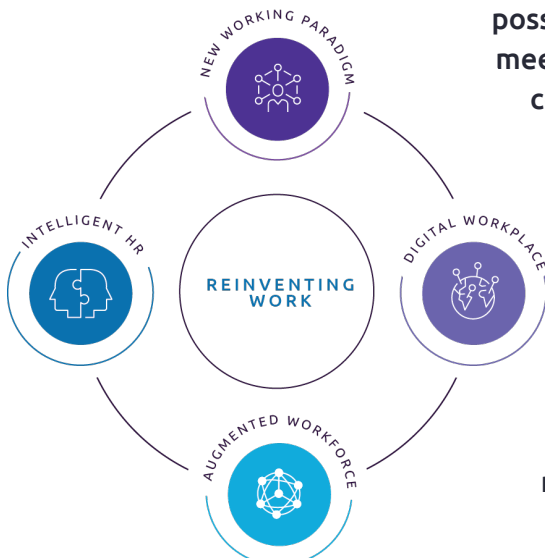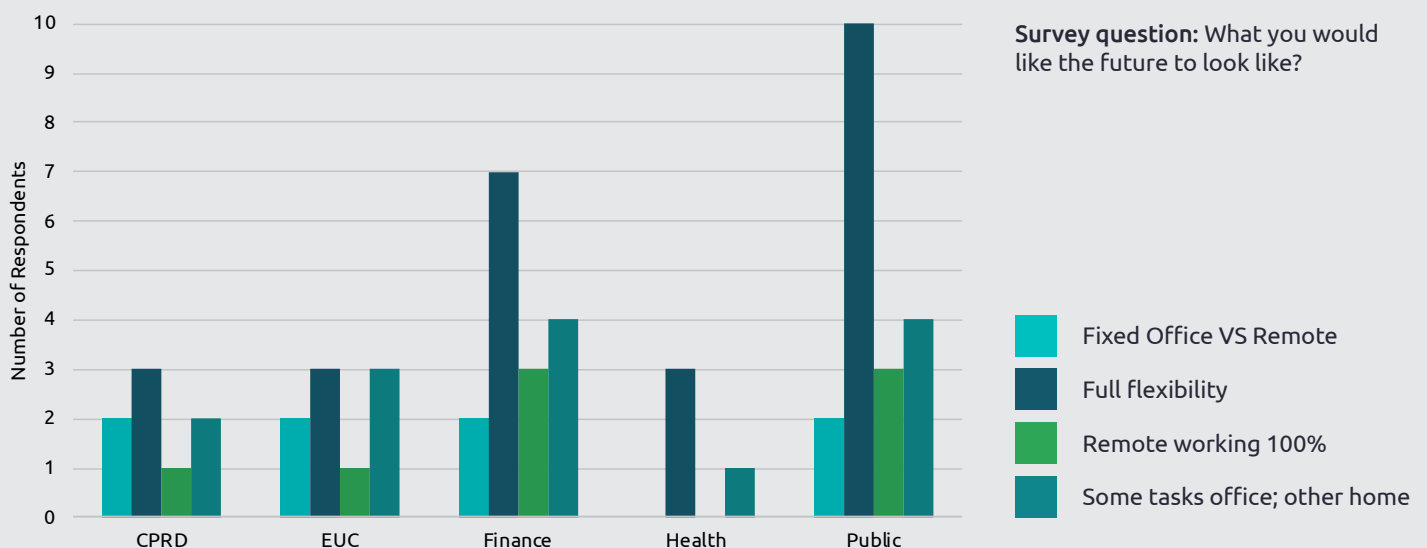
THE 2025 VIEW

The long-term view needs to drive an openness to adaptability and changeability within client organisations, and an acceptance that ways of working will continually change. Therefore, it is key that companies accept this constant flux and do not get hung up on one view of

Work Reinvented. As part of the work for this article we started by conducting a poll on LinkedIn around what people wanted for Work Reinvented, our research shows different desire and expectations, across our respondent's and by industry. We identified that overall, **57% of**

respondents prefer full flexibility in the future, which was also the response rate in particular for those aligned to the public sector. However, in EUC (Energy, Utilities and Chemicals) only 1/3 of the respondents wanted full flexibility, with an equal number wanting hybrid work to be task based.

Survey results assessing Sector appetite for Hybrid working

Survey question: What you would like the future to look like?

Number of Respondents

Legend:
- Fixed Office VS Remote
- Full flexibility
- Remote working 100%
- Some tasks office; other home

We must also across all industries and companies focus on the staff who cannot work in a hybrid manner and must work in the office every day, especially if those staff are part of teams that do reinvent how they work.

Work Reinvented is about far more than supporting hybrid working, it must equally focus on supporting all employees to work in the most effective and beneficial manner that their role and company can enable, such as those components mentioned previously.

Covid-19 has shown that no Change should ever be hard again, and proved that change can happen quickly and effectively, so all companies should be willing to experiment more aggressively than before.

We should also all continue to **give employees "Credibility for their Adaptability":** across many industries many people at all levels have been surprised by how quickly and effectively they were able to switch to 100% remote working.

This adaptability was always there, we should give more credit to all employees and embed this adaptability on ongoing change work.

Covid-19 has shown that no Change should ever be hard again. We have seen that management and individuals can change their interactions and ways of working quickly.

Claire Melbourne,
Director
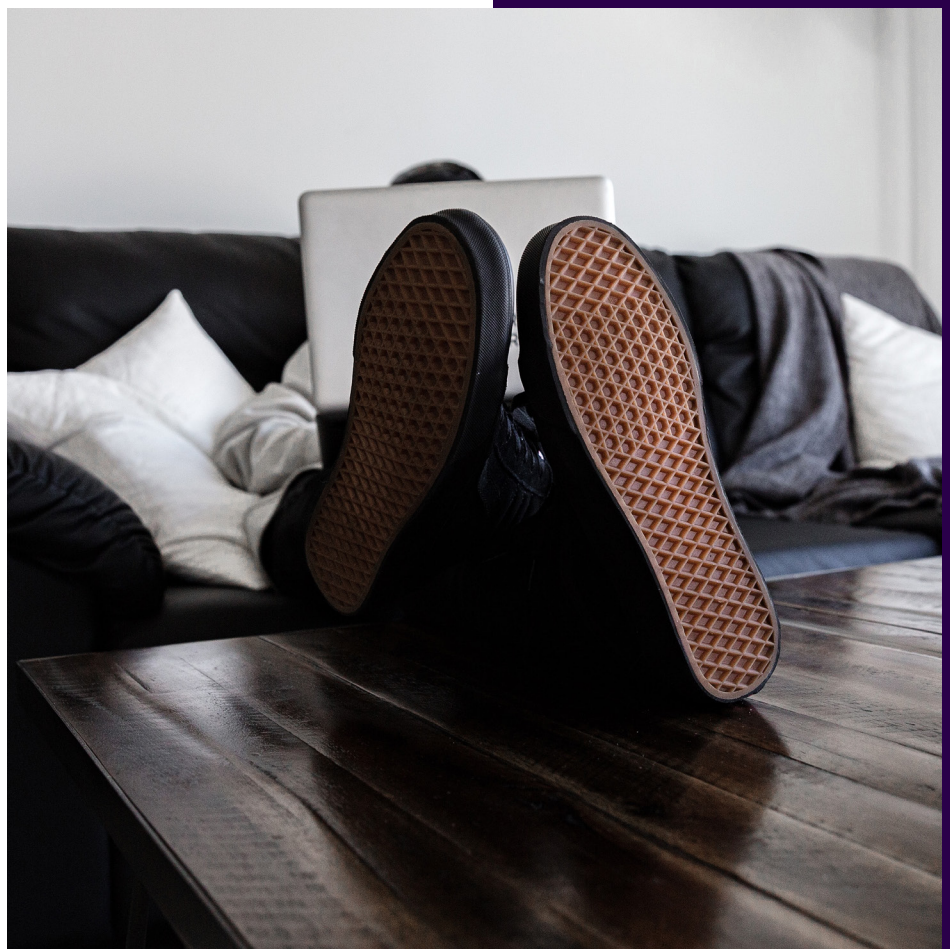
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As the digital innovation, design and transformation brand of the Capgemini Group, Capgemini Invent enables CxOs to envision and shape the future of their businesses. Located in more than 36 offices and 37 creative studios around the world, it comprises a 10,000+ strong team of strategists, data scientists, product and experience designers, brand experts and technologists who develop new digital services, products, experiences and business models for sustainable growth.

Capgemini Invent is an integral part of Capgemini, a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 290,000 team members in nearly 50 countries. With its strong 50-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering, and platforms. The Group reported in 2020 global revenues of €16 billion.

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