Capgemini invent

REINVENTING WORK
A CALL FOR A NEW WORKING PARADIGM

LESSONS LEARNT FROM THE PAST 3 MONTHS

The pandemic has profoundly changed the way we live, work, and conduct business. Much of the world's population are under lockdown, and organizations are experiencing significant disruption to their operations. More broadly, Companies and society will have to reimagine their models to ensure the continuity of essential services and to protect the health of workers.

As restrictions are eased, and business begins to restart, now is the time to reflect on some lessons learnt from the past 3 months:
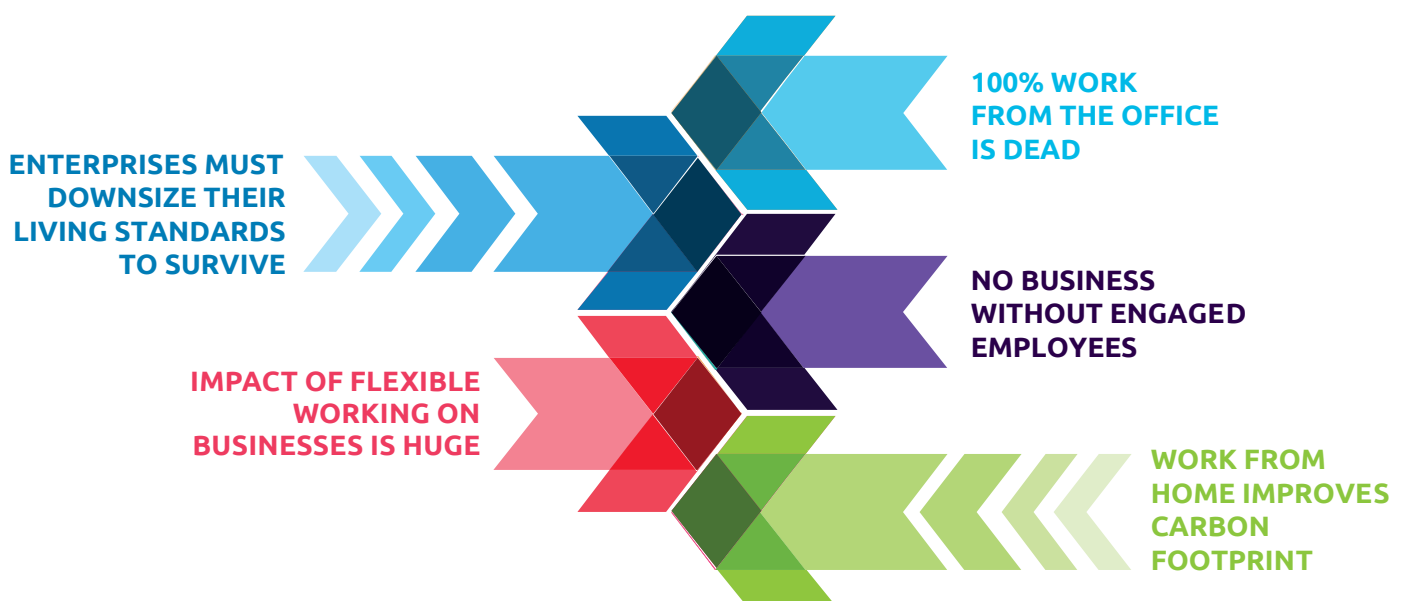
WORKING 100% FROM THE OFFICE IS OUTDATED

For many organizations COVID has shown that a remote working model is viable and efficient. Not only is remote working possible, over 80% of the population is craving for it! With this new geographic flexibility, 65% of employees are now considering living farther away from their office, thus significantly improving their work/life balance and their engagement. Remote working is also a way to foster diversity and a better gender balance. In addition, remote workers have been proven to be 20 to 25% more productive which can be a persistent benefit for companies who adapted their framework, but at the expense of some risks.

## TECHNOLOGY MADE THE DIFFERENCE, ENABLING BUSINESS CONTINUITY

Businesses that invested in the move to public cloud delivery models and went all-in on remote working capabilities (like G Suite or Microsoft's O365) found it far easier to continue to work in an efficient way (75% of employees are familiar with remote working tools, but could be more proficient). On the other hand, laggards have suffered from a lack of infrastructure. In line with this, usage of collaborative solutions has been boosted during the crisis (Zoom increased its market share by 40%, Microsoft Teams won 12 million users weekly).

Example: Capgemini successfully transitioned to remote work in just 1 week. (95% work from home at peak) thanks to robust digital collaborative solutions.

ENTERPRISES MUST DOWNSIZE THEIR LIVING STANDARDS TO SURVIVE

100% WORK FROM THE OFFICE IS DEAD

NO BUSINESS WITHOUT ENGAGED EMPLOYEES

IMPACT OF FLEXIBLE WORKING ON BUSINESSES IS HUGE

WORK FROM HOME IMPROVES CARBON FOOTPRINT

> **Every teleworker can reduce their transportation carbon emissions by an average 69%, equivalent to 3,2 metric ton per year."**
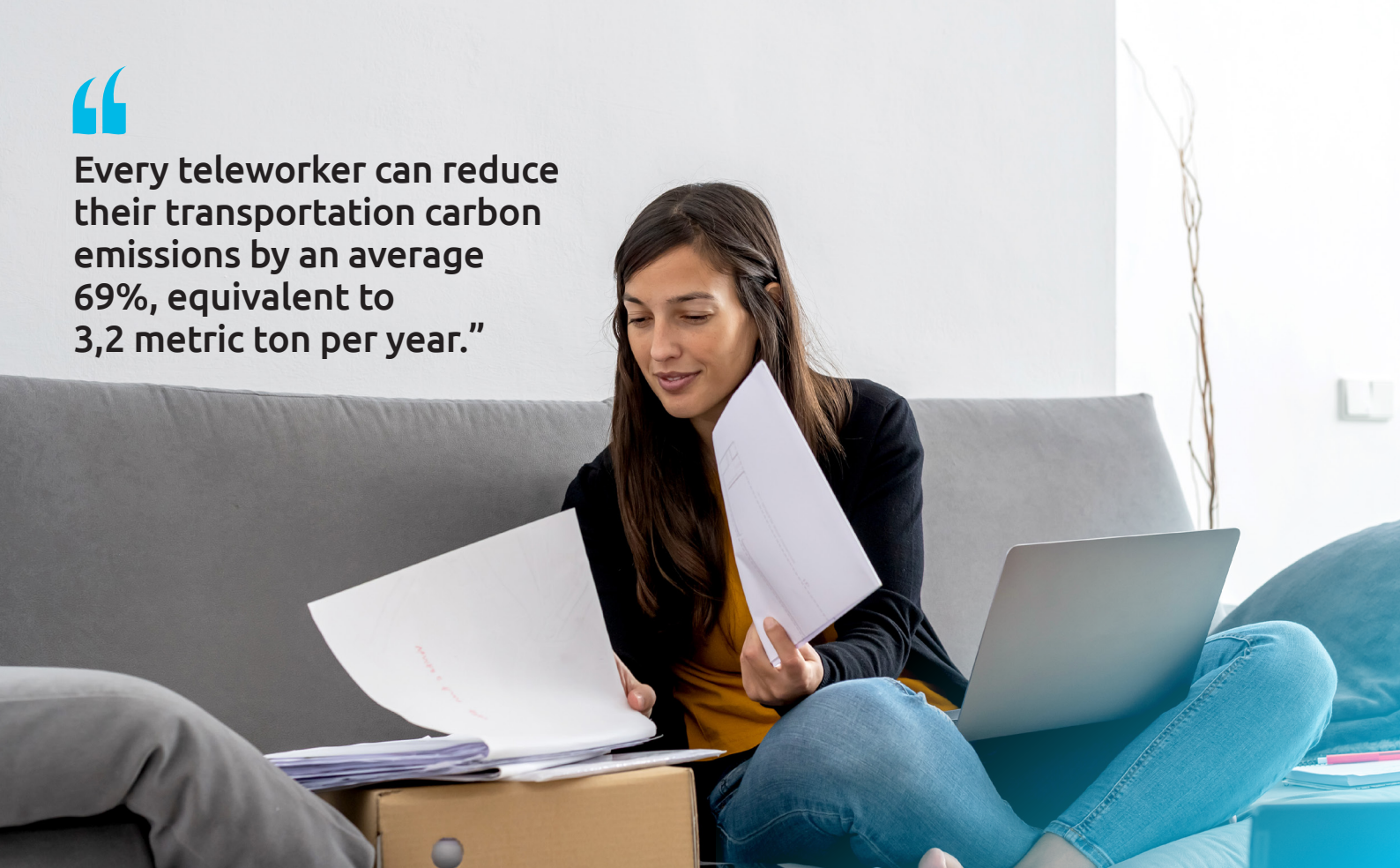
WITHIN A FEW WEEKS, NATURE RECLAIMS ITS RIGHTS

With lockdown measures taken at a global level, the skies have never been so quiet. Cities and parks are being repopulated by animals. In China, lockdown and other measures resulted in 25% reduction in carbon emissions and 50% reduction in nitrogen oxides emissions, which one Earth systems scientist estimated may have saved at least 77,000 lives over two months. This last crisis has been an "eye-opener" for millions of people. "Green" is now more than ever at the center of the CEO's agenda and companies must provide new green services to their employees (mobility platforms, paperless processes…).

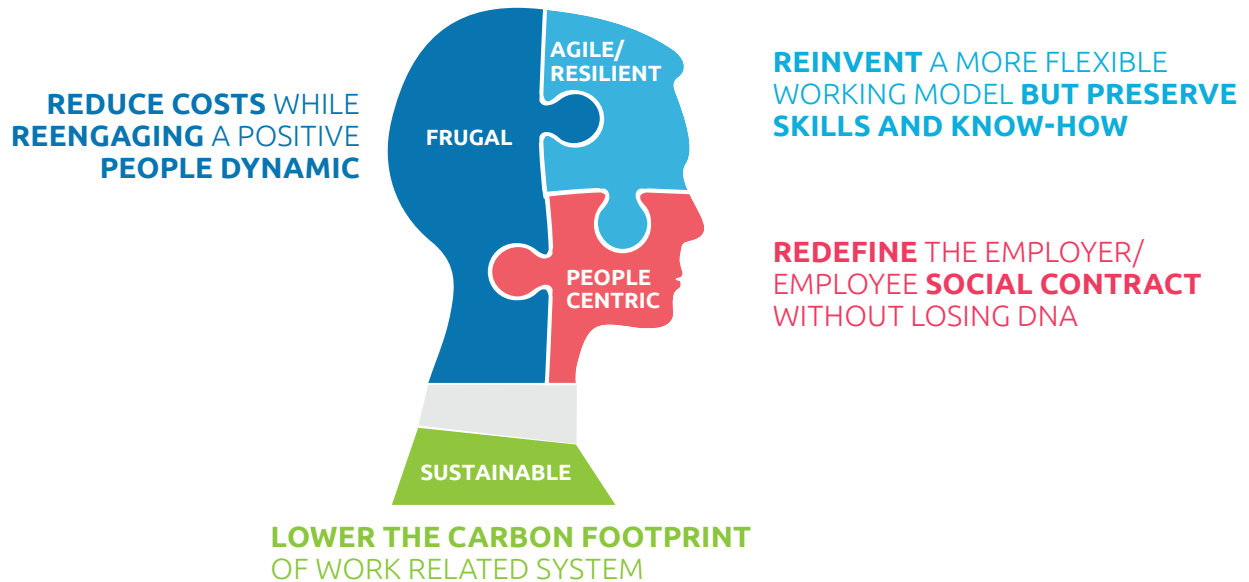## ENTERPRISES MUST DOWNSIZE THEIR LIVING STANDARDS TO SURVIVE

Now companies need to recover and downsize their living standard to survive (this is the right word as some of them have or will die).

Optimizing resources is a mantra that will run through all companies, a form of prudence facing uncertain tomorrows that might be summed up by the formula "spend better", "spend agile" and "spend wiser".

"Spend better" could be understood by reducing costs in the short term (real estate savings, workforce reduction, travel freeze…). It is of course part of the solution, but many studies (ie. Joseph Stiglitz, Economy Nobel prize) show that "simple cost cutting", especially on the workforce, is not efficient in a medium or long term. The aim is to define the optimal balance between real estate costs, people productivity and wellbeing and environment impacts based on an analysis of added value of each one of those elements.

This spectacular thrift has consequences that run throughout the whole company: a lighter cost structure lies at the origin of a genuine virtuous circle, which also helps to avoid, for example, massive lay-offs at the first sign of turbulence and so helps to build a different social and industrial climate within each company.

CURRENT SITUATION IS NOT SUSTAINABLE

REDUCE COSTS WHILE **REENGAGING** A POSITIVE **PEOPLE DYNAMIC**

AGILE/ RESILIENT

FRUGAL

PEOPLE CENTRIC

SUSTAINABLE

REINVENT A MORE FLEXIBLE WORKING MODEL **BUT PRESERVE SKILLS AND KNOW-HOW**

REDEFINE THE EMPLOYER/ EMPLOYEE **SOCIAL CONTRACT** WITHOUT LOSING DNA

LOWER THE CARBON FOOTPRINT OF WORK RELATED SYSTEM

Most CEOs are amazed about how quickly we adapted to this new world: the adoption of remote working was massive and fast. Through digital tools we had or recently discovered, we realized that we could preserve and even enrich our interactions with colleagues and clients. After this experience, we do not want to work 100% from the office anymore. However, while we ultimately managed to remain productive and efficient for a few weeks, this situation is far from being permanent or a new normal to embed or "the new grail"

We all experienced the "commuting paradox" to be more overly busy than before, while saving time on travel and social breaks. Working from 8 to 8 nonstop is not sustainable. **New personal routines are a MUST to improve our own daily organization.**

While the most autonomous / digital native employees thrived in this new context, the others struggled (40% of employees miss physical interactions). Lack of bearings, isolation, digital exclusion and loss of social ties have been widely reported. **New collective rituals and measures are a MUST to maintain inclusion and affectio societatis.**

Managers are in dire need of a new compass to help them embrace a new way of leading and delivering in distributed mode based on autonomy and trust. Without "real life" visual impact and interaction, managers lack the ability to detect and act on weak signals. **New management framework is a MUST to handle this new system and recreate team bonding.**

Corporate offices will mostly remain deserted resulting in a massive waste of space and money (target occupancy rate will not exceed 25% anymore). **Rethinking our real estate footprint towards more collaborative and secure (especially from a hygiene standpoint) workspaces are a MUST to remain efficient.**

Travel restrictions and lockdown measures resulted in lowering our carbon imprint. Employees (and clients) are expecting this change to be more than a fluke, they expect greener ways of working from their company. **Making this change persistent in a MUST to survive.**

To seize long lasting benefits and opportunities, organizations will need to foster a more bespoke and responsive approach. This new model will need to be:

• Frugal → Companies will need to restore profitability

• Agile → Other headwinds will come

• People Centric → Successful transition will depend on adhesion and a shared vision

• Sustainable → Leaving the planet aside is not an option

TIME FOR A NEW WORKING PARADIGM

We believe it is time to INVENT a Responsive Working which will ultimately contribute to a new social contract between corporate / employees and society.

To enable this we highlight 4 levers, underpinned by data, analytics, and design thinking, that can power change for your organization:

REVISIT YOUR OPERATING MODEL

In the light of recent events (shift of delivery models, sales, communication, meetings, etc…), it means reshaping some processes into a full digital mode.

• Recruitment processes as an example, while upstream recruitment (search, assessment, interviews) is already increasingly digitalized, contract signing and onboarding could be digitalized too.

• Rethinking your sourcing model to shift from deliver on premises to a "deliver where you are".

Example: In Capgemini, we have identified and reshaped core processes (distributed delivery center, bring your own office, client support…).

FIND A NEW BALANCE WITH YOUR TALENTS

Entering into the new more responsive working paradigm will require redefining the relationship with your people in the following ways with a constant monitoring:

• Redesigning the social contract → Articulated by a Purpose and a new Employer promise (collective and Individual), enriched by a personalized employee package supported by social partners and this new social contract should be funded through remote work.

• Defining authentic leadership → Embodied by new ways of leading, encouraging autonomy and recognition

• Creating a resilient workforce → Designed to allow optimization utilization of skills (wherever they are) and drive careers in a flexible way. Delocalization of white-collar jobs ("telemigrants") is a new challenge to address. It could be an option but needs to be assessed.

• Reinventing collective rituals to maintain team dynamics and informal exchanges

• Supporting Remote performance → Facilitated by collective rituals and supported by guidelines to assess performance

" We saw 2 years of transformation in 2 months."

"Enterprises have a key role to play and they must more than ever have a behavior with a positive impact on the environment."

ACCELERATE THE DIGITAL WORKPLACE MODE

Four steps are key to evolve towards a mature, agile and fully resilient Digital Workplace.

- Redefine mobility and providing the means (i.e tooling & equipment) to work from anywhere, anytime and with any device
- Break silos and empowering employees and teams with intuitive and user-centric tools (co-editing and real time collaboration are changing the remote working game)
- Ensure adoption and the right use of tools and digital platforms (and not doing the same things they were doing before with a new tool)
- Manage your cybersecurity risks to provide a secure workplace environment

Example: Capgemini created UNLOCKNOW to digitally ease management and monitor of the transition from remote working to returning to the office.

SHAPE YOUR REAL ESTATE PORTFOLIO TO ADDRESS NEW HYGIENE RULES, THE NEEDS OF FUTURE TALENTS, ENVIRONMENTAL FOOTPRINT REDUCTION AND COST SAVINGS:

The Covid-19 pandemic imposed new rules in the offices to avoid contagion, including distance, wearing a mask, cleaning policy…. Due to significant decrease of work seats needs and mandatory relevant business continuity plan, the portfolio size and spread should be adapted. The offices capacities should be reduced, and a new location strategy defined to manage a potential outbreak risk, with direct consequences of environmental footprint reduction and real estate costs savings. To achieve this, we recommend the following:

- Design a future layout taking into account new safety and hygiene requirements, increasing space and cost per work seat, and changing the workplace management.
- Adapt the office function to be used for corporate meetings and events as more employees work remotely.
  This is vital to encourage people to meet, collaborate, innovate and socialize.
- Implement real time monitoring and analytics on all of the following: People analytics, real estate analytics, remote workforce analytics, benefits tracking.

BUSINESS CASE IS THERE TO SUPPORT THE NEW OVERALL MODEL

Finding the right balance between savings (real estate and all others) and new employee packages, while aligning with social bodies is a "tightrope walker" exercise. However, we believe there are opportunities to create savings on top of redistributed investments:

- The new model of real estate with a reduction in spaces and geographical redistribution combined with new employee sourcing will create concrete cost savings up to 30%
- As part of the new employee package, productivity generated by remote working, resource sourcing rotation, management delayering are concrete levers
- Sustainable mobility is also beneficial to how a company's brand is perceived and might create fiscal opportunities
- One of the key success factors is the alignment in terms of social pact with unions.

CONCLUSION

THE TIME TO WORK ON YOUR RESPONSIVE ORGANIZATION IS NOW. As it means to bring into resonance several company capabilities, CEO's must lead the subject. If you do not, you will miss a unique and huge opportunity and will come back to your old ways. We do not want you to miss a unique occasion to blend enterprise performance, employee engagement, positive impact on the planet and the overall resilience of society.

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