

Reimagining the way we work in the Status Now

The post-crisis world is the world of the Status Now, and with it come new challenges for HR leaders. In the early summer of 2020, we learned what is possible if it needs to be possible. Flexible workforce, remote work, and many forms of virtual work turned from grand theory into actual reality at very short notice. The actions taken during this period show that organizations can be more flexible and responsive than we generally thought. At the same time, the sudden and spontaneous actions also created new challenges that will accompany organizations into the post-pandemic economy.

A dedicated Kienbaum team was tasked with looking into and analysing these challenges to understand which targets for action and which take-aways remain relevant after the immediate crisis has run its course. What is the Status Now? What do HR professionals pay attention to for a successful reboot of their organizations? How can they master the challenges of the "new normal"?

The team spoke to 189 HR managers from large corporations and leading SMEs and checked their findings against data from Kienbaum's own and other public studies. Their analysis revealed five relevant targets for action and a set of promising solutions for each challenge.

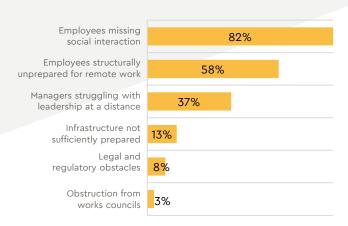
We know that there will be no way around these challenges in the foreseeable future. Companies that have not yet come to realize this from the experience of the recent past will soon hear their employees demanding answers about the same issues. The Status Now gives companies a unique opportunity to reposition themselves and to redesign the terms and conditions for themselves and their workforce. Both can offer invaluable social and commercial advantages, but they will also have new challenges and questions in tow. Answers need to be found, and answers can be found.

COVID-19: What have decision-makers learned from the economy's shutdown and the switch to remote work?

The experience of the recent months forced companies to react quickly and react decisively to protect their people from the risk of infection with COVID-19. Offices and factories were closed to stop the virus spreading. In-person meetings and customer interactions ceased entirely or were moved to virtual environments/remote working technologies where available. Many, if not most companies, set up dedicated crisis response teams or situation rooms to take charge of their countermeasures and pandemic response initiatives. It was not just such structural measures that were felt in the workforce - many employees were affected directly and personally by the sudden changes in workforce planning. Companies were forced to release employees or take other measures to protect their immediate liquidity and lasting viability (such as Germany's short-time work scheme). More often than not, these often farreaching decisions and changes had to be introduced with only a few days, if not hours of warning, making companies unexpected "beta testers" for new work practices.

- Shutting down operations
- Ceasing in-person meetings
- o Introducing crisis management
- Adjusting operational workforce planning

Unexpected beta testers of new work



Source: Kienbaum survey on COVID-19 shutdown (n=189)

Virtual work needs a different type of leadership and forces leaders to adjust to the changing circumstances. The employees' lack of preparation for remote work was also experienced as a major challenge, due not least to the lacking IT infrastructure. Lacking or outdated hardware and software were not able to cope with the scale of the situation. Under these circumstances, it was interesting to see that legal or regulatory considerations or the involvement of works councils or other labour representatives did not turn out to be as challenging as could have been assumed from experience.

Challenges faced by companies during the COVID-19 shutdown

For most of the surveyed decision makers, the greatest challenge concerned the sudden end to the social interaction opportunities normally afforded by a shared and socially dynamic office space. Phone calls or virtual communication tools used to support or supplement these in-person interactions, but now supplanted these interactions as the only channel for communication with executives and other employees. Leadership at a distance represented a new experience for managers, especially at this dimension, and brought with it unique challenges and questions.

The shutdown's long tail: Lasting changes to work and leadership

Asked about the lasting effects of the shutdown, the respondents agreed that there would be no return to the old normal. A new normal will establish itself, in which those parts of the new practices that have proven their worth will remain in place. Mobile and flexible work will continue to be common wherever possible and, in all likelihood, will be actively lobbied for by employees now accustomed to a new way of working. Remote working will be dialled back from the ubiquity and sheer scale of the crisis' hot phase, but is not expected to return to the low level of the pre-crisis times.

98% of the respondents were in favour of continued virtual work, and more than 80% believed that distant leadership and collaboration would turn out to be major success factors going forward. Beyond these considerations, the respondents agreed that a strong feeling of cohesion would remain in their workforces after the shared experience of the shutdown.

In the spotlight: Virtual work, leadership at a distance, and collaboration

Seeing both the opportunities promised by the new normal and the challenges identified by the study's participants, it is possible to pinpoint several targets for actions. Virtual (collaborative) work and leadership at a distance were already making headway before the onset of the COVID-19 pandemic, but these tender shoots have now grown to a completely new scale

With many states having introduced lockdown and quarantine measures virtually overnight, these measures to stem the tide of infection made employees the unexpected beta testers of a new way of working in which they could only meet their counterparts as virtual avatars and in which managers had to quickly familiarize themselves with novel technology to lead their teams. Collaboration took on a new meaning and brought new challenges in its wake, which companies need to overcome as quickly as possible. The data suggests five specific targets for action that need to move into focus to master the Status Now.

98 %

Focus on virtual work, leadership at a distance, and collaboration

Virtual work

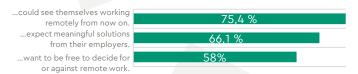


Working from home as a regular feature of new work

Revisiting the concepts of remote work

Remote work, tele-commuting, etc.: While the terminology and the specific regulations may vary, the opportunity to work from home should be an essential part of any new work concept, matching employees' needs and expectations of flexibility. This requires not just the entitlement and actual ability of employees to complete their work at a time and place of their choosing, but also some clearly defined and transparent ground rules to make sure that operational processes can function. Companies that had already taken first steps in this direction and introduced a mobile-ready working infrastructure were substantially more effective and efficient in their response to COVID-19.

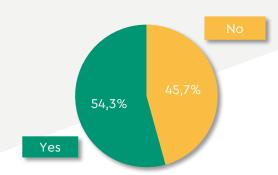
Employees calling for remote work schemes in response to COVID-19...



Source: German Association for the Digital Economy BVDW (2020). Mehrheit der deutschen Angestellten wünscht sich wegen des Corona-Virus Home-Office / Mehrzahl der Arbeitgeber wäre dazu technisch in der Lage. Available at: https://www.bvdw.org/der-bvdw/news/detail/artikel/bvdw-studie-mehrheit-der-deutschen-angestellten-wuenscht-sich-wegen-des-corona-virus-home-office-m/

A recent survey by the German Association for the Digital Economy BVDW found that the overriding majority of employees (75.4%) were interested in remote work, but preferred to maintain flexibility in terms of the choice of work location – that is, at the office or from home (58.0%).

Does your employer have the required technology in place?



Source: German Association for the Digital Economy BVDW (2020). Mehrheit der deutschen Angestellten wünscht sich wegen des Corona-Virus Home-Office / Mehrzahl der Arbeitgeber wäre dazu technisch in der Lage. Available at: https://www.bvdw.org/der-bvdw/news/detail/artike/bvdw-studie-mehrheit-der-deutschen-angestellten-wuenscht-sichwegen-des-corona-virus-home-office-m/ (n=1001)

Two thirds of the surveyed employees saw the responsibility for the required infrastructure with their employers, with the size of the companies in question having a direct impact on their people's expectations: A full 80% of employees of larger corporations expect their employers to provide remote work solutions during the COVID-19 pandemic, decreasing to 67.7% for medium-sized companies and 58.1% of smaller enterprises. Only around half (54.3%) of employees believe that their companies are already technologically prepared for the challenges of remote work.



(n=1001)

How to make remote work and new work concepts a success in your organization:

New work concepts



New work has to mean more than renovated or modernized offices. To truly fulfil the needs of all employees, remote work solutions should be an inherent part of every new work concept. Companies that have committed to a meaningful concept have been proven to be more effective in their handling of the COVID-19 shutdown. Build on this experience to refine and perfect your concepts.

Agreements and guidelines for remote working solutions



Even the most refined new work concept will not pay off in real added value if it is not couched in a suitable works agreement. There is genuine interest among labor representatives in supporting remote work solutions for the benefit of employees. The crisis has shown that flexible regulations are indispensable.

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IT infrastructure and processes

Make sure that your IT is ready for a large part of your organization working remotely and accessing your corporate networks all at the same time via virtual network clients. The IT landscape and processes should be aligned with the actual requirements of your employees.

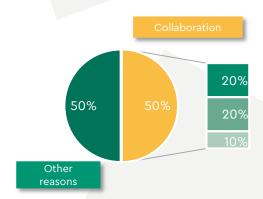
Hybrid collaboration as the way of the future

Enabling collaboration

Collaboration needs to happen, and it needs to function correctly for a company to be successful. This means that operational processes have to remain viable when people work across organizational boundaries or with the physical separation of working from home or from their regular office, and both forms of working need to come together in a meaningful hybrid model. At the same time, the social element and its effects on employee engagement, staff retention, and the corporate culture writ large must not be underestimated and has to be reflected in the chosen collaboration solution.

Virtual collaboration and communication are critical ingredients for functional remote work and reliable productivity. However, Buffer (2020) found that 50% of all problems with virtual or remote work are due to collaboration. 20% of the surveyed employees pointed to problems with cooperation and communication; 10% referred to the specific issue of teams having to work across different time zones. Collaboration should also not only be considered in terms of productive work, as the social aspect again plays a salient role: 20% of the respondents saw the experience of loneliness as affecting the effectiveness of working from home.

Does your employer have the required technology in place?



Source: Buffer (2020), State of Remote report 2020, available at: https://lp.buffer.com/state-of-remote-work-2020 (n>3500 employees working remotely worldwide



How to make virtual communication and collaboration a positive experience for your people:

Formal and informal interactions in the team



Both formal and informal team meetings should be held regularly enough to maintain the team's culture and the necessary flow of information, while not disrupting employees in their actual product work. A standard agenda and clear rules and responsibilities make for more structured and effective meetings.



Collaboration - In person or virtually

The way we work together will not be the same again. Teams will consist of both people who are physically present and people who are only present as virtual avatars. Make sure that you equip your people with the right digital tools and guidelines to encourage collaboration.



Managing the new normal

The new hybrid form of collaboration requires disciplined self-management, time management, and commitment. Put in place general guidelines to give your people a sense of structure, but also leave enough flexibility for people to fit them with their individual needs.

A new vision for remote leaders

Setting examples when leading from a distance

Leading at a distance requires a new understanding of leadership. Simply reaching, let alone guiding, inspiring, or developing people in a virtual environment calls for a new set of competences and abilities, and it forces leaders to rethink their relationship with their employees from the ground up. It needs a new emphasis on management by objectives and shared transparency about the terms and conditions of work. On top of this, leaders need to give their teams more than the benefit of the doubt, but genuine, institutionalized trust and shared responsibility, which can only work, in turn, with dependable and positively predictable feedback mechanisms and clear-cut consequences. As teams move from a physically shared space into a distributed virtual environment, their leaders need to find the right balance and intensity of individual management and shared communication, with just the right combination of instruction, delegation, stimulation, and coaching. All members of the team can be expected to need some form of individual support, which leaders need to develop a reliable sense for.

The Kienbaum & StepStone Leadership Survey underlines that there cannot be the one "correct" leadership approach for the digital age, but a repertoire of different styles and techniques, used to different degrees and different effects. This is determined by how involved leaders are with day-today operations or rather engaged in conceptual thinking, how digitally ready their organization is, and how their employees structure their working days. One finding that all of this reaffirms is that leadership is becoming more diverse and substantially more complex, with leaders constantly having to respond to and cope with change and innovation. The study also reveals that leadership indeed has a direct effect on individual performance and, by implication, on the performance of the organization in toto - more evidence of the relevance of leadership, be it in person or in the new remote or digital normal. A final consideration also gains new salience in this situation: Many leaders are not aware of their leadership styles or habits. In a virtual environment, they lose many of the more indirect or subliminal means of influence, which forces them to be far more conscious of how they lead people and how they embody their roles as models for their employees. Self-reflection and a culture of open feedback now pay off even more than before.



How to lead and support employees effectively even in remote or virtual environments:

New leaders



Leadership at a distance will have a direct impact on established leadership styles. Take the time to think about your new tasks as leaders and acquire more competences to succeed even in virtual leadership. With the right skillset, you will reach, inspire, and solve potential conflicts even if you are not physically in the room.



Concepts for leading at a distance

Revisit your leadership model, include new digital elements, and become a role model for digital work. Make sure that the new quality of leadership becomes an integral part of your corporate culture and strategy. This needs the right measure of supervision and oversight, but also accountability on the part of your employees. OKRs are one way of doing so.



Development at a distance

As you are reinventing how you share information in your organization, you will also discover new ways of developing your people. You will need new skills and techniques for speaking to your people about their development in a digital forum; services like evelop.me can guide leaders through this process.

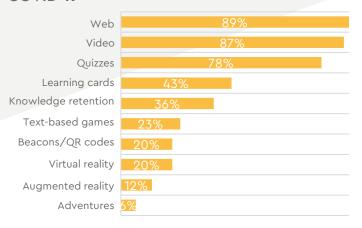
E-learning: Here to stay

Introducing digital leadership solutions

A positive and needs-oriented learning culture is one of the hallmarks of all genuinely attractive employers. Companies have long realized that they have to offer their people opportunities for personal and professional growth, but COVID-19 has revealed room for improvement even here: Never before has learning from home been as important. Mobile access to digital learning on demand, independent of time and place, will only gain in relevance in the future world of work. This is the moment for companies to design a good mix of conventional and virtual/digital formats.

The eLearning Journal 2018 has surveyed companies in the German speaking markets about the take-up of mobile e-learning formats.

Share of employees who wish for remote working opportunities in response to COVID-19



Source: eLearning Journal (2018), eLearning Benchmarking Study 2018, available at: https://www.time4you.de/elearning-benchmarking-studie-2018/

Web-based training (89%), videos (87%), and quiz (78%) formats are the most popular formats for mobile learning by far. More innovative concepts for digital learning, like augmented (12%) or virtual reality (20%), are not yet overly common in businesses.



How to create successful and needs-oriented digital learning opportunities:

Digital models of competence



Effective work during and after the digital transformation needs early and sustained action on developing the competences your organization needs for the future. Define and reinforce the digital skills that help your people navigate the digital world of work. Create digital readiness self-checks to show your people their specific development needs.

Digitalized learning portfolios



Check your organization's readiness for e-learning, survey the actual needs and demand, and expand your portfolio to include online solutions, so that your people can access their learning materials both in traditional and online forms. Content about knowledge transfer and information management is particularly suitable for digitalization.

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Implementing digital learning solutions

Choose the right online learning format for your organization's specific requirements to empower your people for independent and continuous learning. This helps your teams and their members grow and develop wherever and whenever they want.

Securing engagement and releasing potential

Employee engagement: Learning to listen

A motivating and appreciative work environment needs employees who have a voice. It needs a regular flow of feedback back into the hierarchy, with first-hand information to help leaders understand the needs and motivations of their people. Remote working setups in particular need to be designed to include such a channel for virtual feedback from a distance.

Studies have shown that regular feedback not only feeds a positive and appreciative culture, but also translates directly into corporate success. 80% of HR managers believe that the continuous sharing of feedback and regular team check-ins are indispensable for positive performance (SHRM 2018), a finding confirmed by a Gallup study of 2018 that revealed how teams who invest in their members' engagement outperform their peers by 21%. Staff engagement also correlates directly with the problem of absenteeism: Companies scoring high for engagement can reduce absenteeism by 41% (Gallup 2017).



of HR managers confirm that regular peer feedback and team check-ins are conditional for successful results.1

Teams who invest in staff engagement outperform other teams by



Absenteeism in business units with high engagement scores decreases by



Sources: 1SHRM - Society for Human Resource Management (2018). Using Recognition and Other Workplace Efforts to Engage Employees. Available at: $\underline{\text{https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/SHRM-GloboforceEmployeeRecognition \%202018.pdf (n=738~HR~managers);}$ Jim Harter (2018). Employee Engagement on the Rise in the U.S. Available at: https://news.gallup.com/poll/241649/employee-engagement-rise.aspx; 3Gallup (2017): State of the American Workplace | 04 The Competitive Advantage of Engaging Employees p. 68. Available at: https://www.gallup.com/workplace/238085/state-americanworkplace-report-2017.aspx



How to maintain a regular flow of feedback even in a virtual working environment:

Personal feedback



Constant access to feedback is essential for engagement and positive results. Put in place strong feedback routines that can function both on site and in remote setups. Take the time with your team to look back at past work, identify relevant take-aways, and celebrate achievements.

Organizational feedback





Performance feedback with OKRs

Agree on targets (objectives) and milestones (key results) with each of your people to ensure their commitment and sense of accountability. Keep track of their progress and give them regular feedback to help them excel.

Is your organization ready for the challenges of the Status Now? Do you believe your organization is well prepared?

The Status Now creates an unprecedented set of challenges and forces companies to rethink their ways. The experience of 2020 has also revealed what is possible. COVID-19 did its part and made companies engage more intensively with mobile and flexible forms of working or, even more fundamentally, with the future of work.

Normality is returning. It is essential to learn from the experience of the shutdown, both to be prepared for the future and the possibility of another shutdown and to create a work environment that employees have long been calling for. Are you ready for the Status Now?

Self-evaluation

	Absolutely	Partially	Unfortunately not
Is your organization capable of managing mobile work on a vast scale, and does it have the necessary technology in place?			
Do you believe that your organization works and collaborates efficiently both in on-site or virtual forms, and does it use suitable digital tools for the purpose?			
Do you think that your organization's managers are navigating their teams well through these trying times and staying as close to them as they would if they were working on site?			
Can you fulfill your people's development needs by virtual or digital means in the near future, or is your learning landscape dependent on activities on site?			
Does your organization maintain an open and active feedback culture that allows people to give and receive feedback regularly and through digital channels?			
Do you think that your organization is in the best place to master the restart into the new normal?			

For more information please contact our experts directly.

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