Microsoft

Reimagining the Future of Work

It's a different world,
with fresh challenges and
new opportunity

A new reality

Transformation, including digital ways of communicating and collaborating, is nothing new. For many organizations, changes to working hours and workspaces has been underway for some time, typically driven by technology. This trend, however, was suddenly accelerated at the start of the COVID-19 pandemic, within the first quarter of 2020. In response, people made do. The lounge, spare bedroom, or opposite end of the couch became remote workspaces. But as weeks turned into months of remote working, it was clear that things had shifted in more ways than just the home furniture. Working hours and after-hours work radically increased for most, and boundaries between 'work-life' and 'life-life' itself were eradicated; balance became integration. Mental health, wellbeing, and focus time to get work done became more important than ever, to help battle feelings of isolation, burnout risk, and weekend working.

The employees you knew in 2019 are not the same, and neither are your customers' businesses and employees. In 2020, we were all forced to work remotely at the same time, each of us experiencing it in our own ways—some flourished while others struggled. People with disabilities, for example, were disproportionally impacted by the rapid shift to working from home—indicating that a full-remote working situation evidently does not meet the needs of all. Similarly, 56 percent of working moms reported that they struggled with remote work, while 80 percent of the 1.1 million workers who dropped out of the US workforce in September 2020 were women *(Microsoft, 2021)*. And it's not just people with different abilities, generations, genders, or roles impacted; in a way, everyone has had to deal with different situational needs.

Alongside the chaos and tragedies, the pandemic highlighted what's important to us; it inspired community spirit and ingenuity. This recent disruption presents a unique opportunity to gain valuable insights and build new strategies that emanate the culture of the firm you want your employees to work for and your customers to experience. Organizations will need to understand people's new context, empathize with the way they feel, and provide the tools to let them design their own experiences.

Why you should care about the future of work

As we plan for a return to the workplace, many organizations (and their employees) are raising questions about what the future of work looks like. Terms such as "hybrid" and "remote" represent the "where" work will get done, but not necessarily the "how". How will you leverage this unique time in history as an opportunity to focus on the experience of your employees? Building a best-in-class employee experience is critical to the evolution and success of any business.

The future of work is a culture centered on empowering people and teams to be their best. Every organization needs to make sure that work can be performed in an efficient, effective, and inclusive manner to sustainably achieve the desired outcomes. The rapidly-changing way in how work is being performed strengthens the importance for corporate decision makers to adapt and stay competitive in today's economy. Ignoring the change in work poses a threat to an organization's future performance, while the right measures can lead to new opportunities.

Culture - needed to support agility to upcoming changes

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> **"Supporting each other is the most important work we can be doing right now. Cultivating a culture of kindness and cooperative collaboration is just as important to the bottom line as your daily to-do list."**
>
> Dr. Baym, Senior Principal Researcher, Microsoft

Coworkers leaned on each other in new ways to get through 2020, where one in six (17 percent) has cried with a coworker *(Microsoft, 2021)*. As the upcoming trends induce many changes, the right culture represents a success driver and can lead to a competitive advantage. Shifts to the practices and beliefs of an organization take long, thus, needs to be considered early on when preparing for the future of work.

An organization's culture is a key enabler for change *(McKinsey & Company, 2021)* and it must support virtual teams. Employees should be encouraged to work collaboratively, even when geographically dispersed. Collaboration trends in our digital experiences show that interactions with our close-knit network have strengthened, while our interactions with distant networks have diminished with the move to remote work. This limits idea-sharing and opens the door to groupthink, which poses a risk to innovation. There should be trust among one other when location-based control mechanisms fail. The organization's corporate culture needs to evolve toward a collaborative and autonomous working style that motivates and engages everyone to contribute their best work.

People are always at the center of change. As such, it is the workforce that must embrace the change, effectively make use of it, and prevent threats from materializing.

Talent - will either come or go

The global workforce is at an inflection point, reevaluating their priorities, home bases ... their entire lives. More people than ever are considering their next move, with 41 percent likely to consider leaving their current employer within the next year. The way companies approach the next phase of work—embracing the positives and learning from the challenges of this last year—will impact who stays, who goes, and ultimately who seeks to join your organization.

Being an attractive employer that cares about the future of work raises high opportunities in the field of talent attraction and retention. In the end, work is about individuals contributing to the organization's goals and if an organization succeeds to hire the right talents, this can lead to long-term organizational success *(Chris Ashton, 2005)*. Therefore, every organization can benefit from designing the future of work in such a way that attracts high-potential candidates. Satisfying employee values and needs will lead to an attractive workplace. This goes beyond rethinking the employee experience and into the reciprocal employer/employee contract.

The future of work will involve thinking through how digital automation can benefit the workforce. From frontline workers to the CEO, all roles will be affected by automation. It is estimated that with existing technology, up to 30 percent of CEO activities can be automated. While there is much discussion about jobs disappearing due to automation, the most common occurrence will be jobs redefined. The strenuous and repetitive pieces of one's work can often be automated, creating time to work on more-desired tasks. This presents an opportunity for organizations to redefine roles to be more fulfilling and enable the recruitment and retention of a more diverse and engaged workforce.

Besides, a more-flexible environment enables talent to be attracted from a wider pool, independent from geographic location, language background, and many more currently restricting factors. Remote job postings via LinkedIn increased more than five times during the pandemic. 46 percent of remote workers plan to change locations as a result *(Microsoft, 2021)*. In the future, it is not about a fixed structure that matches every organization but about a carefully-designed structure that allows people within the organization to fulfill their needs. Ignoring the future of work will likely lead to a decrease in an organization's brand value thus attracting and retaining less talent that can contribute to the organization's success.

Managers may fear losing control and being out of touch from what their teams do. To benefit from the future-of-work change, control mechanisms that build on employee empowerment and motivation need to be established.

Technology - that might not meet your real needs

With the ongoing trend of more people working from anywhere, as well as diverse digitalization needs, an organization must think about which tools and technologies it wants to provide its employees—with the goal of achieving more. While the human side needs to live the change, technologies provide a means to facilitate it. Within Microsoft 365, we have observed a 30-times and 560 percent increase in the use of Microsoft Teams captioning and Immersive Reader, respectively. As these numbers cannot be accounted for by a sudden uptake in permanent disabilities, they show an immense shift in situational needs—just because the way we work changed.

COVID-19 has highly accelerated the process of blurring the line between working from home and the office. Technology allows employees to stay productive and to keep up the business. This provides tremendous opportunity by making the personal life-work arrangement more flexible and assigning greater autonomy to all. There is no need for every employee to have a dedicated desk in the office as capacities balance out. Office space becomes available and

offers new opportunities to save costs or reuse the space (for example, as a showroom or meeting area with customers).

However, the technology change must be arranged carefully and counter threats like excessive connectedness, meeting and screen fatigue, isolation, less-tacit knowledge transfer, reduced social interaction, and collective displacement. Studies have shown a considerable impact on mental health conditions that an organization should be able to observe and act upon *(Microsoft, 2021)*.

The digital intensity of a workers' day has increased substantially, with the average number of meetings and chats steadily increasing since last year. Time spent in Teams meetings has more than doubled (2.5X) globally and, aside from a holiday dip in December, continues to climb. This barrage of communications is unstructured and mostly unplanned, with 62 percent of calls and meetings unscheduled or conducted ad hoc.

To enable remote work, preventing digital fatigue and eliminating repetitive tasks by implementing digital automation is becoming critical. Intent is needed to define a company's automation strategy—focusing on high-value automation opportunities, redefining job description and training needs, and setting up the right governance for the implementation of

automation. Successful implementation will require strong involvement from both business and IT.

Trust - and its meaning, needs rethinking

The future of work also demands consideration about trust, and hence, control. This does not mean that an employer shall monitor every activity an employee performs during work hours. In contrast, a well-established culture should do most of this work. The result is risk, if control measures are not considered, and opportunities that will arise from proper control management.

While in the past it was easy for an organization to safely secure and keep hardware within the office building, the hybrid future poses the need to for well-functioning mobile device management. Employees, as well as company data, are critical assets that an organization must secure and protect. Gartner found that 52 percent of legal and compliance leaders are concerned about third-party cyber risks due to remote work since COVID-19. And for good reason, as it turns out that 450 active World Health Organization (WHO) email addresses and thousands of COVID-19 response team's email addresses were leaked in April 2021.
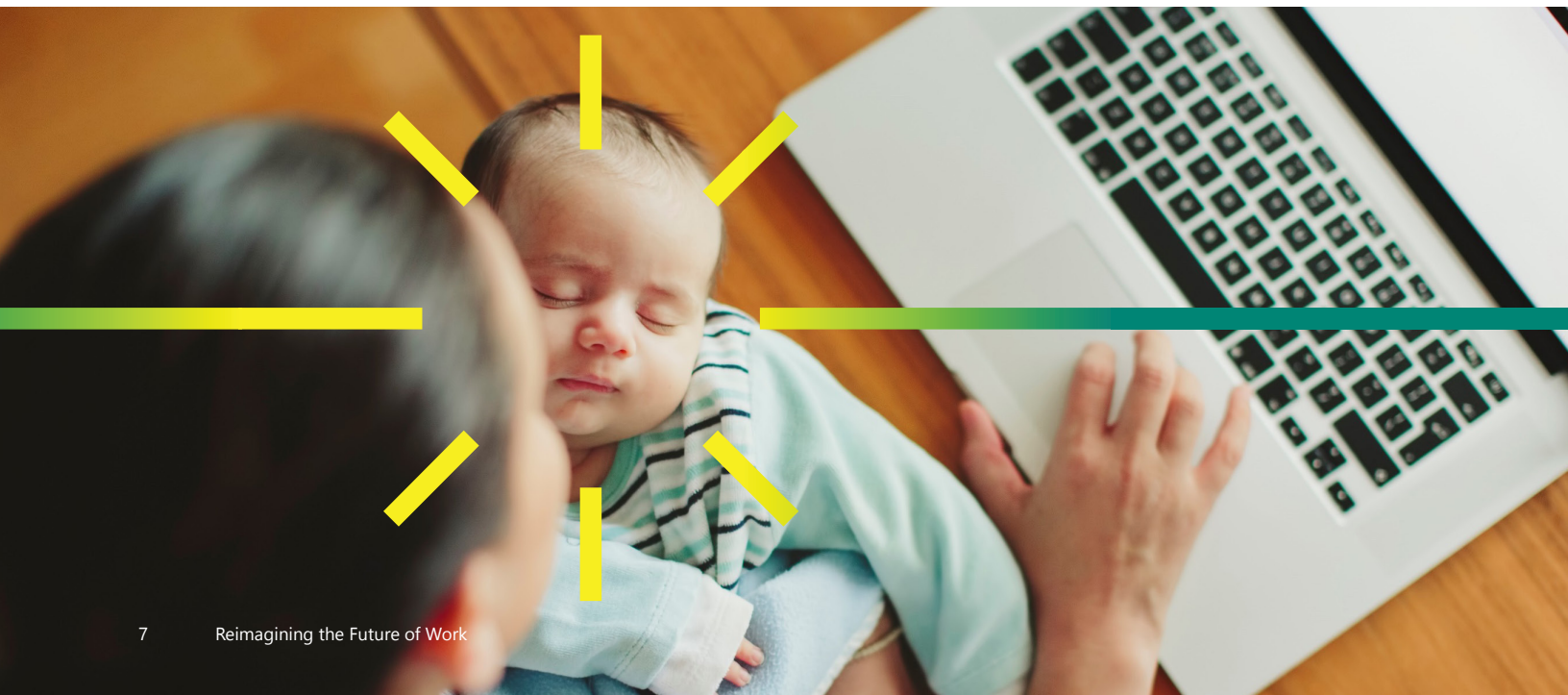
Figure 2a:

Digital overload is real and climbing. Within the last year, time spent in meetings and chats sent per person each week continue to climb.
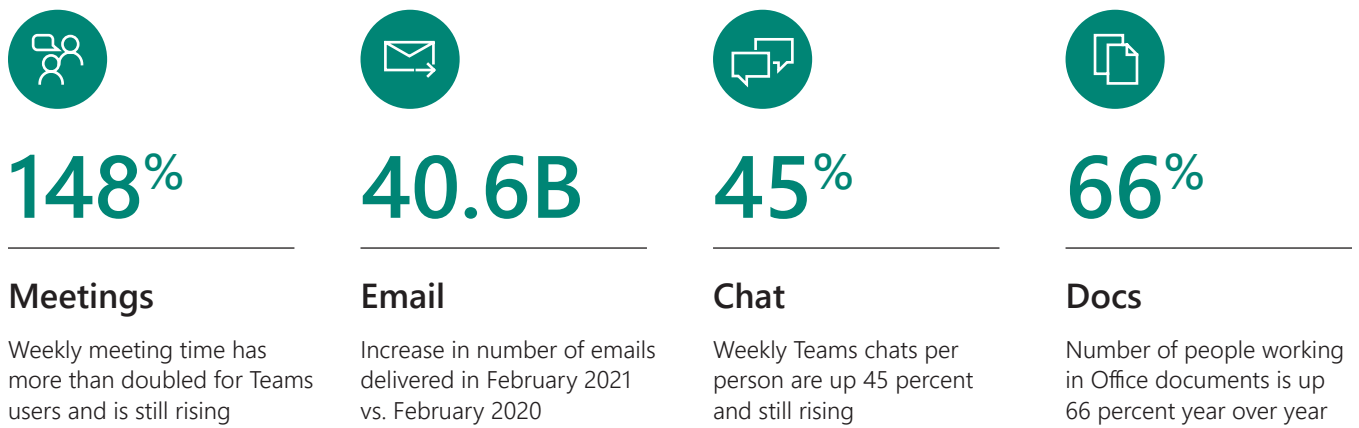
148%

Meetings

Weekly meeting time has more than doubled for Teams users and is still rising

40.6B

Email

Increase in number of emails delivered in February 2021 vs. February 2020

45%

Chat

Weekly Teams chats per person are up 45 percent and still rising

66%

Docs

Number of people working in Office documents is up 66 percent year over year
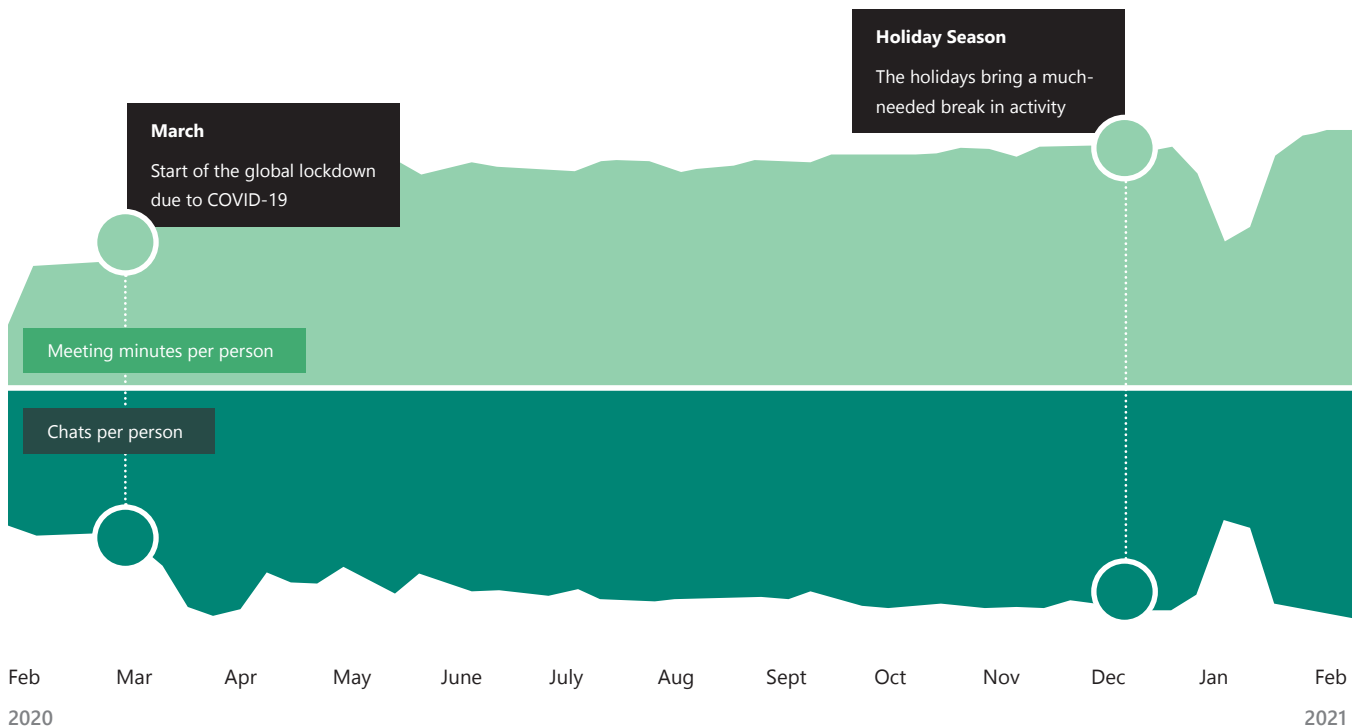
Figure 2b:

One in five global survey respondents say their employer doesn't care about their work-life balance. 54 percent feel overworked, 39 percent feel exhausted, and trillions of productivity signals from Microsoft 365 quantify the digital exhaustion workers are feeling. (Microsoft)

Holiday Season

The holidays bring a much-needed break in activity

March

Start of the global lockdown due to COVID-19

Meeting minutes per person

Chats per person

Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb

2020

2021

As work changes, how will your organization evolve?

Modernizing your infrastructure and tools is important, but equally so is creating a thriving and engaged workforce that is connected, productive, and engaged—as well as a culture that is accessible and inclusive.

Organizations need to find new ways to redesign the workplace environment and make time to find sustainable changes that go beyond useful, yet tactical, efficiencies such as real-estate footprint adjustment and achieve the right balance of efficiency and employee wellbeing. Thinking holistically about the future of work is the optimal approach, where the employee experience, process efficiency, and modern technology working in concert give rise to the intelligent workplace—a cohesive interaction of people with information and tools that together enable work to get done in an efficient manner, automating repetitive or low cognitive value tasks to free up people's time to achieve highly-desired business outcomes.

Addressing workforce needs and outcomes

Reimagining the workplace requires new and innovative thinking about environments that help employees do their best work. Every solution that addresses workforce needs and outcomes should support four key characteristics:

Workstyle **Mindset** **Workplace** **Technology**

By factoring these elements into decision making and solutions, you can engage talent, boost trust, apply technology in meaningful ways, and create a thriving culture. However, harnessing these four critical characteristics to unleash the talent of your employees is no easy task.

As you approach the objectives of your business, we recommend you drive holistic change in a measured, focused, and curated way—following seven key areas as part of your future of work strategy—generating continuous value for your employees and your business.

7 areas of opportunity

Create borderless, equitable workspaces

Enable seamless digital experiences

Improve employee wellbeing

Turn insights into actions to enable cultural transformation

Unleash creativity with automation and AI

Harness collective knowledge

Upskill for today, reskill for tomorrow

Create borderless, equitable workspaces

In the hybrid workplace, where employees can work from anywhere and where offices are becoming more of a space to meet and interact, the bridge between the physical and digital workplace must become seamless and non-intrusive. Therefore, it's important to prioritize the unification of employees to accelerate change and unify employees across a variety of backgrounds, demographics, functional roles, and skills. Ensure that employees in a hybrid workforce feel connected, productive, and engaged to improve business results, employee satisfaction, and increase retention—as well as ensure a diverse and inclusive culture.

Enable seamless digital experiences

While recent work has rapidly changed by necessity, many organizations are falling behind and using patchwork digital solutions without a clear strategy for the future of seamless, digital workplaces. Consolidate information from multiple internal and external systems to make it easier for employees to access important data at-a-glance—reducing time spent searching through multiple systems. By unifying your enterprise with an employee-centric, digital platform, employees can improve productivity as your company improves worker retention.

Improve employee wellbeing

Employees face blurred boundaries between work and home, potentially eliminating mental space between work and personal time. Improving employee wellbeing provides a powerful ROI: employers who offer highly-effective wellness programs are 40 percent more likely to report better financial performance. Combine insight-full data and actionable change management to drive measurable employee experience outcomes. Wellbeing must permeate across all levels of an organization—bringing insights not only to individuals, but to the managers and leaders who will propel us through this new way of work.

Turn insights into actions to enable cultural transformation

Creating a culture that motivates people helps employees engage their highest potential and do their best work. The ability to quickly identify, holistically quantify, and continuously measure where the employee experience could be improved, directly influences the speed and efficiency of your organization's cultural transformation. Use performance models, instrumented change, and employee and organizational data to take control of your cultural transformation while increasing your organizational health.

Unleash creativity with automation and artificial intelligence (AI)

Introducing innovative systems and methods that reimagine how employees perform repetitive, monotonous work can lead to significant improvements in overall employee satisfaction and help empower employees to deliver their best to customers. Workers consistently rank repetitive tasks—such as responding to common questions, searching for information across disjointed systems, and redundant data entry—as critical to their overall job satisfaction and recognize how it can affect the customer experience. Automating day-to-day tasks, assisted by AI, gives time back to employees so they can focus on higher-value tasks while improving overall productivity, reducing burnout, improving employee satisfaction, and increasing retention.

Harness collective knowledge

New ways of working have affected how collective knowledge is accessed, shared, and matured. Using collective knowledge to empower employees and drive cultural alignment is critical to organizational success; the lack of connection between employees, and the information they need to perform their job functions, prevents discovery of valuable insights and the ability to make impactful decisions. Empower employees, drive innovation, and accelerate speed to market by improving knowledge-worker access to accurate and relevant information in the flow of work so they can make decisions with greater speed and confidence.

Upskill for today, reskill for tomorrow

Facilitating, encouraging, and accelerating learning for individuals and groups to achieve the organizational goals is critical to success. Learning without disrupting work activities is key. Empower employees by ensuring access to the skills, technology, and opportunity to succeed in the digital economy by incorporating continuous learning into the daily workflow, without any disruption to work activities. In today's global, diverse, and fluid market, the current skills of employees are vital to meet current needs and future business demands.

There has never been a better time to reimagine the future of work

This moment offers leaders a powerful opportunity to unlock new ways of achieving everything from wellbeing and work-life balance to an inclusive and authentic company culture, with better business outcomes along the way.

Our investments must be driven by one simple action: we must listen to the needs of our employees. How will you empower your employees and remove barriers for better flexibility... and remain connected to the new horizons this pandemic has opened?

The act of empowering people spans policy, physical space, and technology. Whether working from the office, home, the factory floor, or on the go, all workers must be equipped with the support and tools they need to fully participate and contribute—while gaining a sense of satisfaction and purpose.

Rethink not just the employee experience of the future, but the reciprocal employer/employee contract, people development, performance management, oversight frameworks, and even the tax implications of flexible working.

We must empower our workforce and provide new solutions that are adapted to world-renewed priorities. The best leaders will empathize with the unique needs of each group within their organization and see remote work as a lever to attract the best and most diverse talent. As a society, we owe it to each other to make this change.

Your future potential is on the line; take the time to reimagine what the future of work means for your company.

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