



To Rethink Work: How Companies Can Embrace Hybrid

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Introduction

The loss and replacement of a single employee can cost twice the employee's annual salary.

In the face of the Great Resignation and the aftermath of the pandemic, are you still managing employee turnover, or are you facilitating talent retention?

Today, it's simply not enough to provide people with technology and hope they stay connected, engaged and motivated. In fact, poor technology experience is one reason people switch jobs. Bad employee experiences caused by the right technology in the wrong place is also a costly endeavor and can be avoided.

The global experiment of letting people work from home led to the realization that much work can be done remotely. Many employees developed a new awareness of their values and the benefits of putting them first, shifting expectations from a "work-life balance" to a "life-work balance." But there are also challenges, such as the risk of burnout, fear of missing out, and working off limits, that companies must face as they move forward.

Improving the (digital) employee experience remains an important point on the agenda. Can hybrid work models meet employers' and employees' expectations regarding work activity, technology and work location? And to what degree should companies rethink work to bring employees back to the office?

If work needs to be rethought, companies must figure out exactly what needs rethinking and how that will help them improve the employee experience and reduce turnover.

Read this ISG white paper **To Rethink Work: How Companies Can Embrace Hybrid** for new insights on how to set up a successful hybrid work strategy that keeps your employees connected to culture, company and the office.



To Rethink Work: How Companies Can Embrace Hybrid

These days, we often hear that companies are rethinking work when they set up their back-to-work programs. Rethinking work has become a post-pandemic catchphrase that sounds nice, but the truth is, it usually falls short.

What do organizations mean when they say they are rethinking work? We find companies today talking about rethinking the ways of working, the (digital) workplace, enhancing engagement, delivering a better employee experience (are they delivering a bad experience today?), or digital transformation in general, when they talk about rethinking work.

To rethink work, we must first take a step back. Before industrialization, the first place (home) and second place (work) were one. With industrialization, we began to leave home and commute to a specific place for work. This was the birth of the idea of the "workplace." Digitization changed yet again the way we work, and COVID-19 closed the loop to bring work "back home."

Rethinking work is to rethink value co-creation regardless of place

Historically, the term workplace goes back to the 1820s, when the hybrid of work and place first came together. Much of how we work and treat people once they arrive at work goes back to the Industrial Revolution, when people had to leave home to commute, enter a workplace and exchange physical labor for money.

We can say that we are still overcoming the traditions of industrialization or, to put it in another way, rethinking the value co-creation regardless of place.

Corporate beliefs about what works and what doesn't in terms of remote work were once crystal clear. However, the disruptive force of the pandemic shook up corporate systems and detached work from its place. Since then, we've been quickly learning how much remote collaboration depends on technology and how much culture determines the use of technology.

That taught us two important lessons: 1) sufficient VPN connections could become business-critical, and 2) enabling remote work is way more than just deploying collaboration tools like Microsoft Teams. People are adapting to change – one way or the other – and many have begun to use the tools as best they can. Mostly not because they want to, but because they have to.

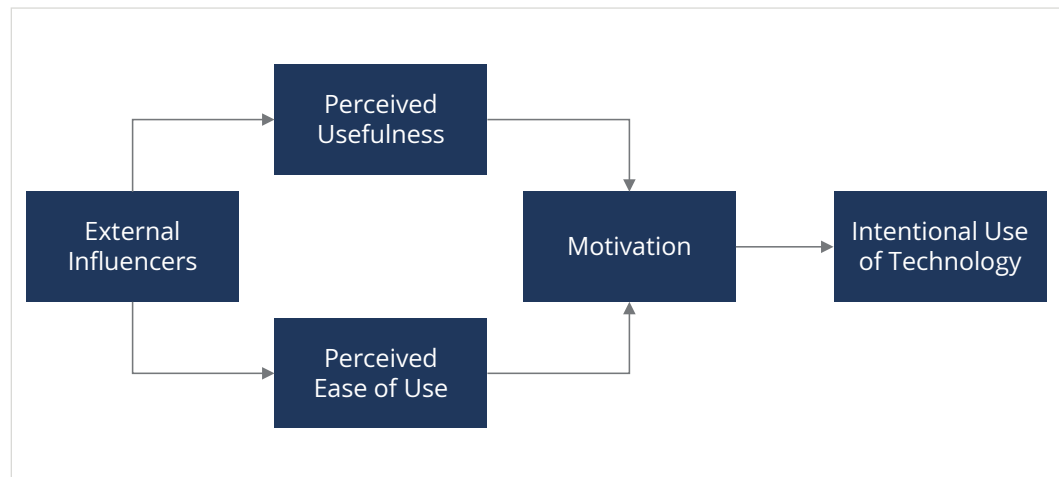
Companies that set up technology adoption programs early typically performed better. [Recent studies show](#) that the lack of preparedness and technical readiness have a negative influence on the adoption of technology.

Rethinking work is caring about technology adoption

Technology adoption is key to rethinking work. Successful technology adoption reduces the fear of technology itself, raises confidence and contributes to perceived usefulness and ease of use, which are the **common dominant elements of technology acceptance**.

Perceived usefulness can be described as "the degree to which a person believes that using a particular system would enhance his or her job performance." Perceived ease of use can be considered the degree to which a person believes that using a particular system would be free of effort.

Figure 1: Based on the Technology Acceptance Model by Davis, 1989



Source: ISG

Perceived usefulness is the strongest driver for intentional use of technology, and it is determined **by experience and voluntariness**. In other words, successful technology adoption increases the motivation to want to use a particular technology.

Motivation is a dynamic process that results from the interplay of "wanting" and "liking." Motivation provokes us to either get closer or move away from something, and it is incentive- or need-driven.

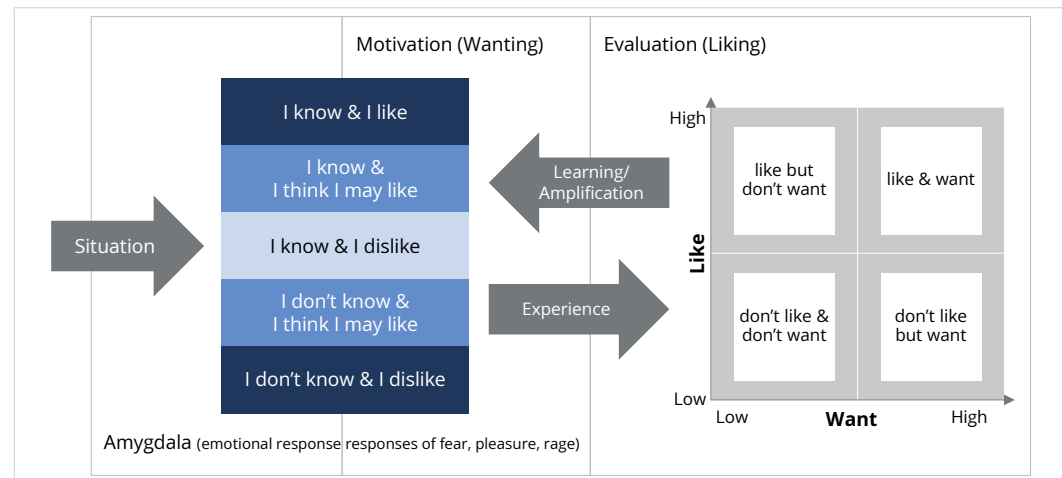
Today, there is much talk about enhancing the employee experience. Still, it is important to say there is no common understanding of what we mean when we say employee experience, especially in IT.

Experience can be seen as the result of a psychological-cognitive process that begins with the perception and evaluation of a situation that had a personal impact. If an experience leads to an outcome perceived as good (enjoyable in the sense of being useful), it leads to the intentional repeat of the action that led to the experience. If the outcome is perceived as not enjoyable, one will try to avoid the situation the next time.

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As people seek to avoid unpleasant tasks, there is great potential for user-driven and technology-enabled innovation or automation that can help drive technology adoption (e.g., citizen developer initiatives). The result of this evaluation always leads to a learning experience, which helps frame the expectation of an experience for similar future situations.

Figure 2: Experience as a result of motivation and evaluation



Source: ISG

The experience of using technology needs to have a positive connotation, so the part of our brain that influences emotional responses and motivational actions (amygdala) can say, "if you liked that already, wait for what's coming up." In other words, it is about setting the stage for intrinsic motivation to emerge and flourish by creating the needed level of interest and involvement.

That is one reason why deploying tools like Microsoft Teams is not enough to rethink work in a hybrid working world. Technology adoption mandates understanding not only the "what" and "how" but also the "why" of using technology; it's important to incorporate sensemaking elements into the endeavor of rethinking work.

At the beginning of digital transformation, we delivered technology to people. Today, we place people at the center and design the digital experience around them, which can be considered the core of technology adoption: understand the needs of your employees and deliver the tools and technology they want to use.

Rethinking work means focusing on value co-creation

Enabling remote work and hybrid collaboration between employees who work from home and those who are in the office is often reframed as rethinking work. But simply expanding corporate work habits to include other places where work activities can be performed may not equate with this new understanding of work.



Employees who have to commute to spend much time on video calls will likely view this not as a new understanding of work but rather as a demotivating and frustrating experience. Drawing on over **two years of productivity data**, we can at least say that it is plausible to think of productivity as a state rather than a place, and rethinking work starts at this very point. This is not new insight for people who were answering emails and taking calls in coffee shops before the pandemic. Even though they were working (or better, co-creating value) at this place, they wouldn't consider it their workplace.

To understand why similar ambitions to rethink work are falling short, we need to have an in-depth look at the history and origin of the word "work."

The meaning of the term "work" dates back to the 12th century and is mainly associated with physical effort and exertion, and the same is true for the term "labor" from Latin labor "toil, exertion; hardship, pain, fatigue."

This means rethinking work must remove the aspects of burden from the understanding of the meaning of the term "work." This is like a Copernican turn to shift the perspective from "burden" to the "meaningful" aspects of work, and that's exactly what **many employees are demanding today**.

They want to contribute to a purpose and feel personally connected to the meaningful aspects of their work. That is where **motivation comes from**.

Rethinking work is a cultural shift for the entire company

If language can make a difference, consider your employees as value co-creating experts, who want to contribute to your company's purpose. This is one important step to transforming the organization into a permanent frame of shared beliefs. While agility is the answer to managing continuous change from an organizational perspective, flexibility is the answer at the individual level.

Gaining agility and flexibility is no easy endeavor. From a leadership perspective, it starts with not confusing flexibility with loss of control.

Flexibility is key, but it is important to remember that flexibility is not a fixed measure. The degree of flexibility someone needs is highly subjective.

Rethinking work is connective and inclusive – with or without an office

While some praise the achievements of hybrid and remote work and see life as a digital nomad as the perfect way of working, others feel overwhelmed by the change in structures, procedures and predictability.

Here are a few reasons (out of many) workers today need inclusive and connective forms of hybrid work:

- No suitable place at home to work in a healthy and safe environment.
- No sufficient technical setup to keep the employee connected and engaged.
- Missing barriers that would separate professional and private life and reduce the always-on stressor.
- Missing connection to colleagues and corporate culture.

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To realize the full potential of remote or hybrid work, it cannot be perceived as forced or commanded but as an optimal way to provide the best possible employee experience.

Rethinking work is not an either-or proposition. It should be connective and inclusive, and therefore there is nothing wrong with appreciating office life. The same is true for people who simply cannot deliver their best in open-plan offices.

Of course, not every company can build new office spaces to incorporate the best practices of modern workspace design. Companies that have done this have begun designing buildings that fit the corporate culture and creating spaces for work activities to provide the best employee experience at the intersection of work activity, work mode, technology and place at a given location.

Designing a hybrid employee experience to optimize individual and team performance means understanding employee needs and preferences to enable collaboration that focuses on outcomes regardless of place and location. While it's true that some tasks are better done in physical presence than in a remote or hybrid environment, it's tempting to command office days, but **the results are not appealing** as people are willing to leave the company instead of being forced back to the office. You may consider rethinking work as an additional means of attracting and retaining talent.

Therefore, rethinking work comes along with rethinking spaces. In a hybrid work environment, there is an opportunity to rethink the utilization of office space, which can lead to an effort to reduce costs. If you command your workforce to the office, you typically need the maximum capacity during these days. From an agile mindset, one approach to addressing this challenge can be to help teams decide not only the "what" and "how" of collaboration but also the "where" and "when." A great example of this is the use of "collaboration sprints," for which teams agree on collaboration requirements in terms of outcome, frequency and location for the duration.

There are a lot of compelling co-working spaces out there with attractive concepts for providing the right spaces for the right tasks. Think of your office as a modern workspace provider rather than a way to build (and separate) departments. There are many ways to reinvent the business model of office spaces. Make sure the office utilization before the pandemic is not estimated to be higher than it actually was.

Power flows where attention goes, and collaboration will find its way. The more compelling the experience, the less you have to force people to return to the office.

Rethinking work needs to be inclusive

Employees who have returned to the office emphasize the importance of the human moments, socialization and relationship building. While we talk about hybrid work mostly in the context of white-collar jobs, we must not forget blue-collar colleagues and all those whose work does not allow them to work outside the given workplace.

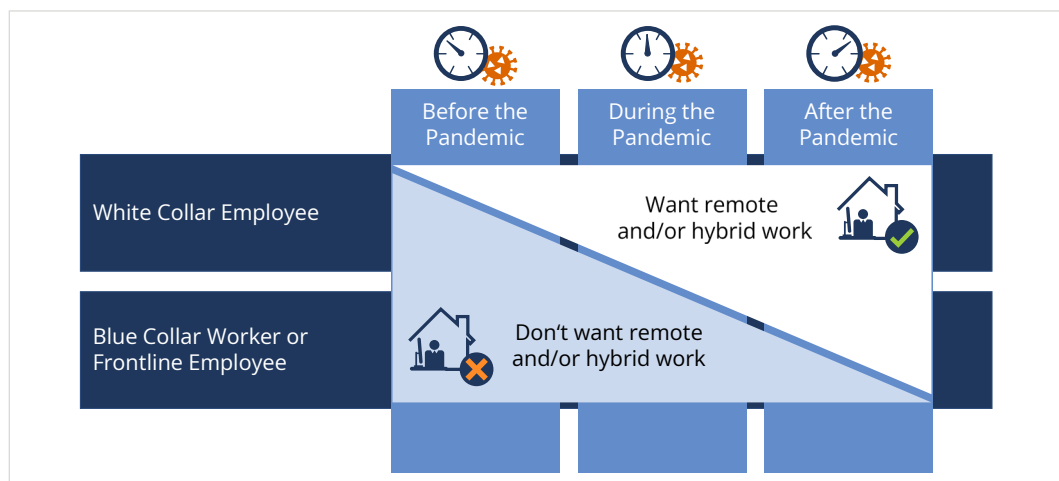
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There is great potential for a new inequality when production or front-line workers feel disconnected from ideas like "work from where you want to get the work-life balance you've always dreamed of."

When undertaken as an inclusive and appreciative endeavor, rethinking work embraces all groups of employees in your company. To get the most out of it, you also need to consider three more groups of people:

- Employees who had been with the company before the pandemic (and experienced how they were treated during that time).
- Employees who joined the company during the pandemic with work-from-home contracts.
- Employees who you want to hire today, after the pandemic, but with specific expectations regarding home and remote working options.

Figure 3: Hybrid work as a source of new inequality



Source: ISG

Rethinking work is connecting talent and technology

The first log-on experience is the moment of truth that reveals if IT can deliver and support the employee experience it promised. Technology adoption is key to rethinking work in the 21st century. This makes the digital workplace a critical employee touchpoint with the corporate culture.

The more remote work is, the more likely the digital workplace will be a new employee's first point of contact with the corporate culture. In some cases, the remote worker will connect with the corporate culture only through digital channels.

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With that, the management of digital workplaces is just half the story. We need to decouple digital work from its place, so we can stop managing places and start managing states.

Therefore, caring about the employee experience can be seen as a prerequisite to rethinking work.

If companies want to connect talent and technology for the long term, they need to understand and care about the "digital work state experience." That is the individual experience at the intersection of work activity, work mode, technology, place, and location throughout the entire employee lifecycle. Finding the right place for the right workplace activity and supporting it with the right technology will be beneficial for every hybrid work strategy.

Finetuning the digital work state experience

Employee turnover can be as much as 50% in the first 18 months of employment, and the focus on hybrid and remote has made it even easier. Today, you can switch employers without switching workplaces, and according to [recent studies](#), up to 32% and higher are quitting their jobs because of bad technical experience.

To rethink work, consider digital work not connected to the place of work but the state of working digitally. By caring about the digital work state experience, you can successfully put people at the center and design the digital experience around them.

Companies need to bring HR, IT and facilities management to the table to align employee experience, workplace and workspace. This digital employee experience can be seen as a critical part of strengthening corporate culture in a hybrid work environment.

Since this change will not happen overnight, employees will appreciate any sincere effort, and you can start by asking the following questions:

- How will we keep our employees connected?
- How will we keep our connected employees motivated?
- How do we ensure that our motivated employees are aligned with our culture?
- In an even more distributed but connected world, how will we retain those who are a good fit for us and attract those we need?
- What can technology do to help establish a distributed and connected digital culture that is inclusive and inspiring, so our post-pandemic workplace is relevant in a changing world?



How to get started with rethinking work

Any effort to rethink work involves technology, but it begins and ends at the level of the corporate culture. We put a lot of effort into designing places, but productivity data from the pandemic has shown that productivity can be viewed as a state rather than a place. If an increase in productivity is to be achieved, the design and management of work states become equally important.

Rethinking work starts with the basic understanding of what work is and what work should be. From an employee-centric perspective, this means overcoming the physical aspects of work and focusing more on the outcome of work and the individual contribution to a common purpose by co-creating value.

4 ways to rethink work

There are many moves an organization can do to rethink work at this very specific moment in time. Here are our top four:

1. Put people at the center.

Start by building psychological safety since it contributes to personal well-being, and it can be assumed that it is at the core of every great corporate culture. Encourage curiosity in the workforce. This is an important way to build resilience and foster employee creativity and well-being (and can help prevent mental health conditions like depression). Reinforce the strong correlation between flow and creativity by creating conditions that enable and facilitate a state of flow. In a state of flow, individuals feel empowered, competent, confident and focused and can therefore achieve the best outcome possible. Take care of the people who are not able to work remotely and avoid creating a system of inequality among employees and workers.

2. Design workplace activities and dynamics intentionally to produce the desired outcome.

Consider where each activity is best performed for optimal focus and interaction and which activities can be grouped into work modes. Advise your employees on how to find the best place for their workplace activities based on the work modes.

3. Extend the scope of activity-based work to focus on value co-creation, not places.

With COVID-19, we saw a massive shift from office work to home-office work, and it became clear that home offices are generally not equipped with the adequate technology to provide an on-campus office experience. Therefore, activity-based work concepts need to cover homes, third places like coffeehouses as well as (outdoor) breakout places to advise people to find the best place to be productive.

4. Design a technology experience that is perceived as useful and easy to use.

Use technology adoption to reduce fear of technology and raise self-confidence. Connect people and technology to support their style of working.

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Dare to change ideas about work

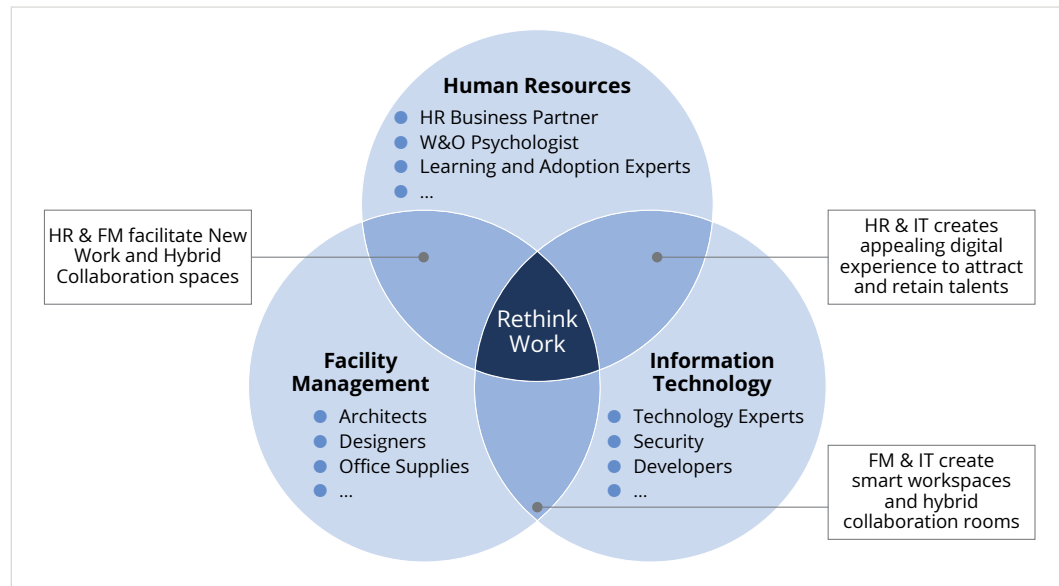
Rethinking work seems to be a journey without an uncertain destination, and we must agree as it is nearly impossible to say when this journey is over. The good news is that there are some things that are certain.

Rethinking work begins with a powerful commitment to people. When you put people first, you'll get to a point where you recognize more than just their role. Today, it's not just the Gen-Zers who are calling for a stronger purpose to connect with. The transformative power of the pandemic helped people mature as employees, and they now demand to be perceived more as individuals to stay human and less role-bound in the corporate context.

To navigate the uncertainty, two things are important: 1) You have to know who is on the team, and 2) You have to stay agile, so you don't hit the first iceberg along the way.

A good starting point for building a winning team to rethink work is to align HR, IT and Facility Management, as they have the greatest impact on how work is perceived and, therefore, on the employee experience.

Figure 4: To rethink work, know your winning team



Source: ISG

As you move forward, take an iterative and agile approach because people will appreciate the sincere effort. Consider a Minimum Lovable Product approach that offers initial value that people will love from the start. It's that difference between admiring a product, a service or a perception and merely tolerating it that will keep you on track and get you safely from one port to the next.

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Roman Pelzel is a thought leader and trusted advisor with more than 25 years of experience in leading and facilitating digital workplace strategies and technologies as well as ITIL/value-driven service management in different business areas. He has made it his mission to sustainably connect talent and technology by helping organizations transform their digital workplaces into a digital work state experience that puts people first. Roman is a recognized expert in workplace management technologies as well as hardware and software rollouts. He contributes to his client's success with his comprehensive expertise gained in various roles, combining leadership, coaching, and technical skills.



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