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THE WORKFORCE. CHANGED.

WHY ORGANISATIONS SHOULD REIMAGINE WAYS OF WORKING
AND INVEST IN BUILDING HIGH-PERFORMING VIRTUAL TEAMS



INTRODUCTION



Alla Gancz

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The unprecedented breadth and scope of COVID-19's global impact has certainly acted as a catalyst for rapid change, both in terms of how we view the nature of the 'office' and the way we support our people.

Having been through a tumultuous period in which immediate strategic responses to external events were prioritized, the relentless tide of change is starting to recede and we are seeing a collective shift from a limbic survival mindset to a more reflective stance. Attention has turned to the fundamental question: what now?

The impressive response to COVID across all industries and sectors has seen a rapid acceleration in the ongoing evolution of our relationship with remote and distributed working practices. While the initial period of acclimatization had its challenges, a positive consensus has taken shape around this sudden proliferation in remote working.

This article shares insights from a range of industry experts and delves into the impacts of the pandemic and the opportunities that this acceleration of remote work practices offers for a longer-term reimagining of ways of working. New technologies have unlocked the productivity and creativity of distributed teams by providing virtual spaces for collaboration, while the time reclaimed from the daily commute is resulting in measurable benefits to employee wellbeing and work-life balance.

The future is now, and as an industry we have an opportunity and responsibility to place employees at the heart of our remote working strategies – offering support to mitigate any psychological impacts while engaging wholeheartedly with the immense opportunity for innovation ahead as we collectively redefine and embrace our new normal. We would like to explore the Future of Work through the lens of Enterprise, Leadership, Teams and Employees and how all of us have to adapt to make this successful.

ENTERPRISE

- Ways of Working
- Physical space
- People
- Technology

LEADERSHIP

- Culture
- Communication
- Care
- Creativity
- Collaboration

TEAM

- Hybrid Working
- Power Dynamics
- Technological Proficiency
- Patterns of Interconnection

EMPLOYEE

- Psychological Distance
- Loss of Presence
- Clarity of Intent
- Purpose
- Remote Collisions
- Behaviours into Habits

ENTERPRISE – A PHASED APPROACH TO THE FUTURE



Robert Ord

Managing Principal, Capco Digital

COVID-19 has been a catalyst for change. It is said that innovation thrives in adversity, and that has certainly proved the case here. Perceptions of the workforce have shifted to accept remote working as part of normal life. Distributed working is now part of the current 'new normal'. It is no longer merely theoretical, and employers need to act now.





As leaders, we need to be truly present to the challenges our people are facing and begin to envisage the new normal that we will ultimately be responsible for shaping. We've been given an opportunity – and responsibility – to refocus on our own health and wellbeing and that of our teams. We need to look to the future and actively consider what steps we should be taking to

ensure a smooth transition to the new normal across our working lives. Moreover, we have an obligation to take care of each other and provide a safe environment that is conducive to modern working and where employees can thrive.

We see a new form of workplace emerging. One that puts the individual's choices around how they engage with their employer at the heart of work. One where physical offices become collaboration centres for teams to innovate and participate in shared accelerated intervention sessions.

Large-scale change doesn't happen overnight: it takes time to change behaviours and working patterns. Let us consider the reimagined workforce and what it can bring:

4 DIMENSION OF THE FUTURE OF WORK

	EFFECTIVENESS TODAY Immediate	SHIFT AND ADJUST Tactical	REIMAGINED WORKFORCE Strategic
 WAYS OF WORKING	<ul style="list-style-type: none">• Remote working enabled• Visibility of work	<ul style="list-style-type: none">• Programmes at risk pivot to agile approaches• Greater focus on value streams• Low value initiatives stopped	<ul style="list-style-type: none">• Organisational models fundamentally change: hierarchies become flatter, outcome focus; autonomy and trust; common backlogs
 PHYSICAL SPACE	<ul style="list-style-type: none">• Office is ready for a safe return• Employee home set-up	<ul style="list-style-type: none">• Quick win cost savings implemented• Real estate assessments• Safe collaboration spaces	<ul style="list-style-type: none">• Reimagined real estate for collaboration• Considerations from both cost base and sustainability
 PEOPLE	<ul style="list-style-type: none">• Return to work plan• Psychological understanding	<ul style="list-style-type: none">• Employee concentration risk• Retraining in modern delivery• HR policies begin to pivot	<ul style="list-style-type: none">• Shift from command and control to empower and engage• Overhaul of the employee value proposition• Reskilling to meet modern delivery
 TECH	<ul style="list-style-type: none">• MVP tooling available• Secure working	<ul style="list-style-type: none">• Tooling is quickly updated across internal, core functions and external• Automation quick wins are seen	<ul style="list-style-type: none">• Widespread strategic automation• The 'smart office' is created• Technology becomes an enabler, not deterministic or peripheral

- **Better Ways of Working** is about pivoting to new delivery models that focus on value streams and key products or services. It means value adding work is not being lost in internal silos and forced to pause when high levels of work are in progress. Lean delivery models keep the work flowing and ensure the business can respond, pivot and shift as necessary. Agile practices underpin this model and encourage flatter structures, greater autonomy and a clear enterprise view of the world to inform feedback loops and crisp decision-making.
- **Physical spaces are being reimaged.** Long banks of desks and crowded floors are starting to disappear. Just as the cubicles of the 1980s gave way to open plan offices, so too is the idea that an employee is only working when they are at their desks. If productive work entails collaborating and brainstorming with others, why do we need desks. Given the cost of real estate in prime business districts, it is inefficient to use that expensive space for mere administration. And while technology has a vital role to play, it should be an enabler, not limit or determine how our working spaces are constructed.
- When it comes to our people, **attitudes are evolving from 'command' to 'engage'**. We're looking at stronger employee value propositions, both to attract and then retain

the best talent: for instance, by providing clear career pathways and attractive benefits which promote wellbeing for family and friends. Offering a platform for professional and personal growth is a motivator, and leaders should offer it in abundance within this new working paradigm.

- **Technology is foundational.** Just as smart tech is becoming a part of our home live, so it can enhance the workplace, whether it is fridges that detect when beverage supplies run low, systems that monitor meeting room utilisation and office occupancy rates. Technology enables us to be more creative to optimise our work spaces. By looking more closely at the office environment and analysing the data, powerful insights can be gleaned to ensure more informed decisions that enhance results.

Let me conclude with a call to action. We must all think about our roles as individuals, leaders, managers and colleagues. How can we promote the type of workplace we want? Certainly, there will be obstacles along the way – but we should remember the resilience that has already been displayed as we have collectively navigated the uncertainty caused by the ongoing pandemic. If we incorporate this adaptability and flexibility within our work environment, we can maximise productivity and engagement. Let us embrace this new normal and be ambitious for the future.

LEADERSHIP – NAVIGATING A CHALLENGING AND STILL EVOLVING TRANSITION

Annie Coleman

Organisational culture pervades everything a business does. You can choose to have a specific corporate purpose and strategy, but you have a culture whether you cultivate one or not. Culture is learnt by observation, social cues, embodied experiences using all our senses — not just eyes and ears. Zoom and email are not how a new hire will best learn about an organisation's culture.

The scenario of dispersed employees working from home has in some instances led to the loosening of social ties and ethical cues

When people are stressed, risk-taking becomes compromised — we are less able to think rationally and weigh outcomes. We also suffer from 'present bias', meaning it is harder to plan for the future.

Physical and psychological safety

Stress has risen during the pandemic, often because of longer hours when working from home. There has been a blurring of work and home life, with no distinct boundaries. Psychological

safety, the ability to take an inter-personal risk by speaking up or even offer new ideas, has become elusive for many.

Diversity and Inclusion

Evidence shows that more women than men are being furloughed or made redundant. Women are also compromised as many have to take on more than their fair share of childcare.

Learning and Development

L&D seems to have taken a back seat and yet is an important motivator for employees. Having a growth mindset and the curiosity to keep learning is needed within organisations and should be encouraged and developed.

Agility

Organisations and employees have demonstrated they can be agile when required. This is extremely positive and exciting. Leaders and organisations need to capture the learnings from this swift but fundamental change in ways of working.

FIVE AREAS OF FOCUS FOR LEADERS

1. Culture

Organisational culture should be at the top of any board agenda right now. Now is the time to take proactive action to shape the organisation of the future. Organisations need to experiment with new ways of working and also make employees part of the solution and co-create it together. Leaders also need to make the culture more visible when people are working from home. Remind employees of the purpose of the organisation.

2. Care

Leaders need to hold and contain the stress and anxiety of the whole organisation during these challenging times. Every leader at every level should know and understand the personal circumstances of each of their direct report and ensure they get the help they need when its needed.

5 PILLARS OF MODERN LEADERSHIP



CULTURE

- Champion the culture
- Make visible by calling out
- Adapt to a hybrid workplace



CARE

- For yourself
- Compassion for employees



COMMUNICATION

- Compelling narrative about achievable future
- Clarity about challenges and changes



CREATIVITY

- Experiment with what, how and when tasks get done
- Make work fun again
- Upskilling
- Foster growth mindset



COLLABORATION

- Foster collaboration not merely consensus
 - Widen circle of decision makers
 - Engage employees
 - Employee feedback
-

3. Communication

CEO also stands for Chief Engagement Officer. Now more than ever, communication from the top of the house is key. Leaders need to provide a compelling narrative to help employees make sense of the last few months, to feel safe. An information vacuum only heightens feelings of stress.

4. Creativity

Experiment with new ways of working. Instil a growth mindset in employees. Allow them to experiment –and also to fail, as this is where some of the best lessons about new ways of working will be learnt.

5. Collaboration

Set the purpose, destination and strategy for the firm, but ensure employees play a central role in delivering on those goals. Giving employees a sense of ownership and control about the future goes a long way to reducing anxiety.

TEAMS - PREPARING HYBRID TEAMS FOR THE LONG HAUL

Mark Mortensen

“

*You know, we've been quite positively surprised... It's actually going a lot better than we expected.
We have managed this transition to virtual work and productivity hasn't fallen off a cliff.
In fact, things are going pretty well!*

”

That quote comes from a recent discussion with a particular group of business leaders, but has in fact proven to be an almost modal response to events during 2020.

A WARNING TO KEEP IN MIND

COVID-19 IS A MASSIVE SOCIAL EXPERIMENT WITH UNIQUE CONDITIONS

- **Forced** (not opt in)
 - **Universal** (everyone adjusting together)
 - **Short term** (since Jan)
 - **Under threat** (existential)
 - **Unilateral** (work and life)
-

As a scientist, I like understanding the ways things work and what makes them function that way. When COVID hit, Connie Noonan Hadley (Boston University) and I ran several studies looking at how people were coping with the vast array of changes taking place. We heard numerous stories that echoed common concerns – namely, tensions with work life balance, coordination challenges, and existential dread. However, there were also positive stories in which people acknowledged the upsides of spending more time with family and that they'd enjoyed more downtime than before – particularly as they reclaiming time previously lost to commuting.

Talk of a 'new normal' is now common, but we must also consider that employees have been remote working for the last 20 years, even if the technology involved was not as advanced as it is today. What has happened during 2020 is a forced acceleration of the learning curve with regards to remote working. It is also worth noting that this has now become a universal requirement and it is a unilateral change – not just remote work, but remote life.

We need to make sure we are evaluating the rhetoric around the 'new normal' scientifically and logically to discern the truth. We need to look beyond the short-term. Viewed through the prism of a medical model, the short-term can be seen as a triage mode in which our focus is ensuring survival. In this context, a lot of people are accordingly expressing their approval of initial emergency procedures used to stem any initial bleeding and address immediate risks.

We must now transition into a second stage, however, where the focus is on how to optimise over the long-term. This includes thinking more deeply about the design of our teams and collaboration models. We need to adopt a preventative care model in which we stop limiting our thinking. Instead of viewing the path ahead via the lens of presupposed ideas of the future drawn from current experience, we should instead focus on exploring the infinite possibilities of what the future could be.

We don't really know what the next phase is going to bring, both as regards COVID and how strong, universal and unilateral any adoption of remote working may be. The future of working

is not going to be 100% remote, but instead is more likely to be a hybrid working model in which some colleagues are collocated and others at a distance.

As compared with either totally remote or totally copresent working, the hybrid model introduces new challenges in areas such as power dynamics, which is a classic issue that every collaboration approach has had to deal with. We have always seen that some people dominate more than they should, while others people do not exert themselves as much, meaning we tend not to hear from them. We need to recognise this new normal comes in many different flavours and with new power dynamics defined by who has the most advanced technology and who feels most comfortable operating within a remote set-up.

Those of us who have been remote working – whether during the pandemic or for a much longer period of years – are going to have an easier time expressing themselves, getting their ideas across and engaging in discussion and debate than those

who have been dragged kicking and screaming into this environment. Some groups will struggle with this transition whereas other groups will be steps, leaps or bounds ahead of them in the learning curve.

Another consideration is that not everybody is remote at the same time. In cases where everyone can opt in and work from home for a number of days each week, those employees who are in the office more frequently and at the same time as the leadership will inevitably get more in-person facetime. More facetime results in stronger relationships and greater connectivity. So it is important to start thinking about how we can balance and manage patterns of interconnection for remote workers.

We must also remember that remote and hybrid work is a continuously evolving situation over which we can't expect to declare victory and then walk away. Effective teams and effective leaders will make their efforts to manage hybrid working part of their ongoing daily routine.



EMPLOYEES: COLLABORATION, CULTURE AND EMPLOYEE WELLBEING

Duke Maines and Casey Schaffer

Practical approaches to bridge into the 'new normal'.

Remote working in this operating context (COVID) gives rise to various challenges, and exasperates some familiar issues even when operating face to face.

First, there is the challenge that remote working has always featured—that physical distance impacts our operating context and identity. Often this happens at the unconscious level through lost connection with team members and a fear of missing out on important work. Just knowing, seeing, and 'feeling' others around us gives us a sense of being part of something worthwhile. As remote working is not new, leaders of dispersed (or partially dispersed) teams have had to find creative ways to engage team members, mitigating this challenge.

However, combine this (remote working) with the uncertainty and sense of imbalance that individuals experience during the pandemic, the situation can arise where employees who are normally very good at what they do are struck down by low morale, a loss of motivation and sometimes a deep sense of apathy—providing leaders with a new challenge, and, as it turns out, an opportunity.

Some leaders, for example, have found success in alleviating some of the 'presence' challenges by asking employees to turn on their laptop cameras and work – virtually but 'together' – for a couple of hours a day. Even when employees are working on separate tasks or projects, this approach has proved effective in promoting a feeling of shared presence.

Secondly, there is the concept psychological distance which represents differences in the way we see things based upon social, temporal, spatial, and experiential gaps in perception (Hamilton, 2015). In the short-term, this distance creates the potential to widen gaps in our ability to relate and understand one another, leading to unproductive conflict within teams.

Remotely, people become less tolerant of working through some of these differences—especially if they have been on Zoom meetings all day and the kids are running around in the background.

Interestingly, while managing these differences remains a challenge, we are finding evidence of some aspects of psychological distance actually narrowing. Namely, the fact that we are all in this together—no matter our title or position—has narrowed social distance. It is very real and happening to all of us at this very moment has narrowed temporal distance.

The good news is that some leaders (within our clients) are reporting that they have never been closer to their teams than now. Empathy, transparency, and agility have all increased as a direct result of the pandemic. Empathy, in particular, has leaders reaching out on a more personal level to check-in (not check-up) on their people and even themselves revealing a side of their own lives they may not have been inclined to share previously. This builds trust, which leads to greater team cohesiveness.

Next, there is the challenge of bringing clarity and operational agility during uncertain times. Even during 'normal' times (whatever that is), clarity alone can be quite elusive. As both the business environment and our personal environments have been disrupted, increased mutual discourse is vital. For example, it is worth exploring if team and individual priorities that were top of mind prior to the pandemic still the most important thing (for work).

During times of crisis, human beings go into 'heads down' mode and worry about delivering in a vacuum, increasing silo behaviour. Leaders need to explore and possibly re-set the landscape for their team. Should we pivot? Should we reallocate our focus? How do I take the worry of personal bonus achievement off the table, so people don't lock into work that is no longer necessary?

New ideas, innovation, and agility can suffer now more than ever. The in-office collisions that have proven so useful in the past no longer happen. The result: leaders need to foster 'remote collisions' with their teams. One client uses the Zoom random breakout feature to have people collide for 15 minutes every day, often with someone with whom they do not work with on a daily basis.

Lastly, the way we work has changed. It may seem counterintuitive, but the best leaders have been promoting more structure into the way people work whilst simultaneously giving people more freedom. This works because during times of uncertainty, people look for answers (a sense of certainty) on which they can rely—so outlining new remote ways of working (weekly staff meeting, decision & action meetings, informal happy hours, etc.), leveraging technology, replaces our old routines. Ensuring clarity of strategic intent (outcomes) allows managers to let people roam freely outside this structure to do what they need to do for the team.

We need to understand and communicate the intent behind what we are trying to accomplish and just let employees get on with it, checking in with them occasionally to ensure they are on track and feel supported.

The new normal provides an opportunity for reflection on why teams exist within an organisation: what purpose do they truly serve and how does this reflect on the purpose of the individuals within those teams. Now is a chance to step back and ask what might be done now that was not being done before. That question is an opportunity to divest ourselves of psychological blockers and think more creatively about the possibilities the future may hold. Leaders can shrug off negativity about what they feel they can't achieve and instead ask what they can do to be more productive and engaging.

WHAT HUMAN CHALLENGES GET EXACERBATED?

POTENTIAL FOR INCREASED PSYCHOLOGICAL DISTANCE

- Renewal
- Vulnerability matters even more
- Structure more so as to empower more
- Create moments to 'work together'
- Promote 'self' care & lead 'team' care moments

POTENTIAL FOR FURTHER LOSS OF CLARITY AND INCREASED SILO BEHAVIOUR

- Repurpose your purpose
- Drive clarity of intent, focus on outcomes
- Set collective priorities and lead collective action against them
- Get your meetings right

FATIGUE LEADS TO LOST CREATIVITY AND INNOVATION

- Orchestrate remote collision moments
- Inspire through transformative experience
- Conduct next meeting blindfolded
- Keep eye on mental health

IN CONCLUSION...

Capco has worked with a wide range of clients who have embraced the unknowns and accepted the inevitable vulnerability that go hand-in-hand with facing up to the fears and psychological pressure triggered by the pandemic.



By acknowledging the transitional path from rapid response to optimisation to eventual transformation, we have seen a movement from reactionary to proactive strategic engagement – and a reimagining of what business as usual means to us.

The new normal requires a deeply authentic and empathetic vision to affect the evolution of organizational collaboration and

effective ways of working. As we move boldly into an uncertain tomorrow, we must be aware of the unique opportunity we have been given to craft a new and better future for ourselves – and the teams that rely on us.

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ABOUT CAPCO

Capco is a global technology and management consultancy dedicated to the financial services industry. Our professionals combine innovative thinking with unrivalled industry knowledge to offer our clients consulting expertise, complex technology and package integration, transformation delivery, and managed services, to move their organizations forward.

Through our collaborative and efficient approach, we help our clients successfully innovate, increase revenue, manage risk and regulatory change, reduce costs, and enhance controls. We specialize primarily in banking, capital markets, wealth and asset management and insurance. We also have an energy consulting practice in the US. We serve our clients from offices in leading financial centers across the Americas, Europe, and Asia Pacific.

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