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Summary:

Three Hypotheses on the future of office work

Andrea Hepnerova
AmCham HR Chair

This year has been, without exaggeration, very unusual. To say the least. Most companies found themselves working differently, prioritizing digitalization, pushing business and organizational transformations to the fore-front. For most of the productive age population 2020 meant a change in the way how they perceive work, where they work, how they work and when they work.

On Friday, 27.11.2020, the HR Committee of AmCham in Prague held its extended meeting. Trying to assess the workforce situation among the members, we have discussed many aspects of the above. There are certain paradigms that we generally observe, have discussed and we could agree on. Based on these, the HR committee also formulated 3 hypotheses, that could forecast the future of work in the post-Covid era, and we wanted to validate these statements with the AmCham member companies.

Additionally, a brief survey has been run among the members, to understand their positions. The results of the survey will be included in the annual report.

The workforce and workplace related paradigms observed since the Covid outbreak:

1/The economy is impacted by repeatedly experienced **partial lockdowns** and a “prolonged state of emergency” proclaimed with more or less non-systemic and often counteracting measures of the government chaotically trying to protect the population, while **limiting the business**.

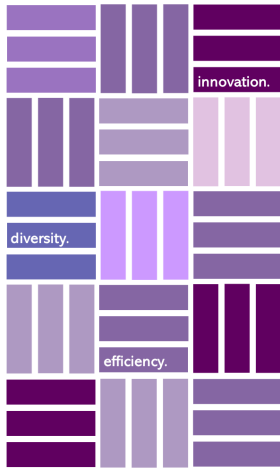
2/Mostly **global companies**, while respecting and adhering to the government measures, usually also strictly **follow their corporate governance on safety and security** policies. In that sense, from the very onset of Covid-19, most of them asked their **workforce to work remotely** i.e. wherever the type of work enabled remote work. Some have closed their offices temporarily, e.g. Business Services Cluster companies in Prague, Brno and other bigger cities recommended their employees to work from home until year end, some of the global brands go as far as till the end of the first quarter 2021.

All global companies dramatically **reduced or banned business travel completely for the time being**. This, together with home-office, changed the way of work to mostly virtual.

Some individuals are psychologically better configured for sustaining solo-work with video/confcall from home, while others just simply need a company of human beings with all the chemistry elements, and real-life conversations.

Several companies, especially from IT sector, already have announced that they will never come back to the pre-Covid modus operandi and, as a result, will reduce both their workforce (already doing so) as well as their current physical workspace.





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3/Market “shut down” for some industry sectors (e.g. air transport, hospitality) **creates growth opportunity for other sectors** (e.g. digital services, e-commerce, healthcare related production and services)

4/ Forced **digitization of work happened in a rapid pace** even in those non-flexible sectors where the idea of adopting digital technology before Covid times, would be bordering with sci-fi scenario, taking a year or more ...thinking about the example of **remote education** that schools provide during lock-downs i.e. most of them. While they struggled with the virtual training during the first lockdown, virtual schooling seemed to be a norm in the second wave of lockdown. I am not going to assess the effectiveness or the quality of the way how the virtual education has been delivered. A fact is that the schools tried and did it, the best way they could (at least the teachers). This is yet another confirmation of theory by application: to change a process, create a **sense of urgency** AND do the change(s) fast (**speed** of execution is key). You will think of improving the process later, to get it fully right.

5/ In the uncertainty of 2020, some global companies implemented hiring freeze, resulting in banning hiring new external employees. Some others limited the hiring to the minimum required replacements to keep the business continuity. Those that keep hiring employees needed to adapt to a **virtual hiring and fully virtual onboarding** process.

6/ New skills and capabilities are required and new and different ones will be required in the post-Covid world that will be even more digital and more virtual than before 2020 started. Especially in management population, we see a need to upskill and develop the management talent further.

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Let's look at the hypotheses that evolved based on the paradigms above:

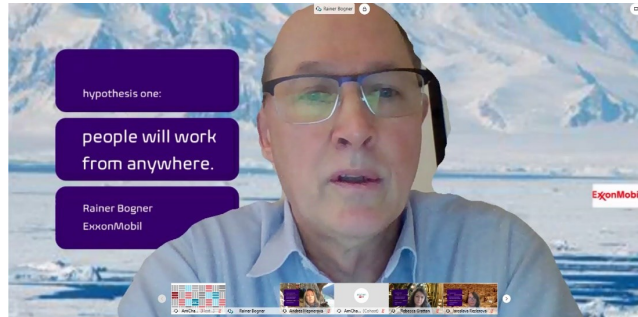


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Hypothesis One:

"People will work from wherever they want to."

Rainer Bogner, senior business manager, ExxonMobil



Pros:

- Home office means saving time on commuting
- Reduces need for dedicated office space
- Makes work accessible for those with physical/personal constraints
- Allows talent to be derived from a broader range of locations
- More environmentally friendly
- Depending on the type of job - great possibility to utilize time as needed, work when you want

Cons:

- Safety – questions of responsibility, legal framework (EU alignment and country application- required)
- Performance management challenges
- Further investment in digital technology required
- Some employees do not like the idea of full-time home office/remote work
- Enforced home working can impact mental health
- Perceived "discriminatory" by non-office jobs – e.g. services, hospitals, production
- Not distinguishing between work time and time-off (danger of overworking, burnout and other mental issues)

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The audience tended to be split into 2 camps, one confirming the Pros and happy to see their people stay at home office, the other group would prefer to see employees back in the office with some home office option. Tendency: 3 days on home office – 2 days work in the office. What will the survey say?

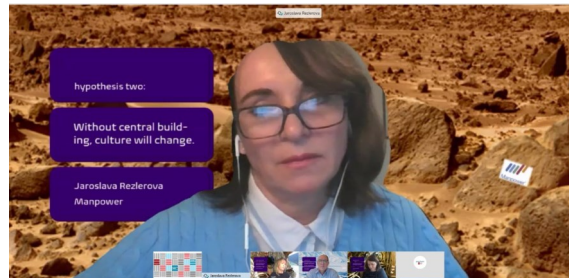


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Hypothesis Two:

“Organizational Culture will change dramatically as time spent in office declines”

Jaroslava Rezlerova, General Manager, ManpowerGroup, CZ and SK



Pros:	Cons:
People will be more motivated as their contribution is not linked to presenteeism	Organizational connection and therefore loyalty may suffer
Contribution and outcomes will be valued over presence and inputs	Individual motives may overtake company objectives
Culture will be driven by effort and behaviours rather than corporate constructs - so will be more authentic	Global teams not having a chance to meet and bond will become less cohesive resulting in less creative and productive
Commuting and corporate travel will become less common place - perhaps even ridiculed	People managers of dispersed individual contributors will be in challenging position driving a company culture
Individual contributors/experts will embrace the freedom of self-paced individually managed time out of office	The virtual communication culture is not sufficient yet to allow for creative and cooperative meetings across bigger international environments

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Questions raised by the opponents:

1/How do we build cohesiveness of the teams around corporate identity, when both manager and employees would be onboarded virtually, would spend their work time at home-office or in customer facing very rare in person meetings and never meet in person for non-customer facing topics, like team meetings, team buildings, etc?

2/ How do we manage to shift the managerial talent from managers/supervisors to leaders/coaches?

The HR committee will devote 1 special session next year to these questions related to organizational culture and leadership development



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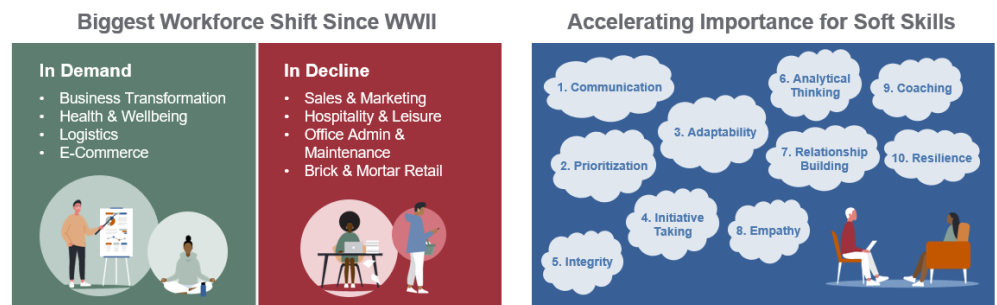
Jaroslava was also sharing a fresh global research by Manpower on "What workers want in post Covid world".

Some key takeaways:

- Top worry of the workers is to go back to the pre-Covid times way of work
- 8 in 10 people want better work-life balance
- 43% of respondents believe that this is the end of 9-5 office work but at the same time prefer 2-3 days a week in the office.

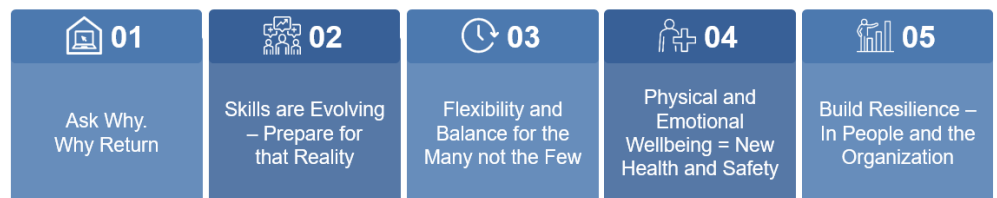
How COVID-19 is Reshaping In-Demand Skills

The need for a skills resolution is here in full force. People are looking for more support from their employers to develop their skills.



5 Ways to Make the Next Normal Better for All

Employers needing to adopt a People First approach and to reimagine a future of work that works for organizations and individuals alike - prioritizing health, wellbeing, and caring responsibilities.



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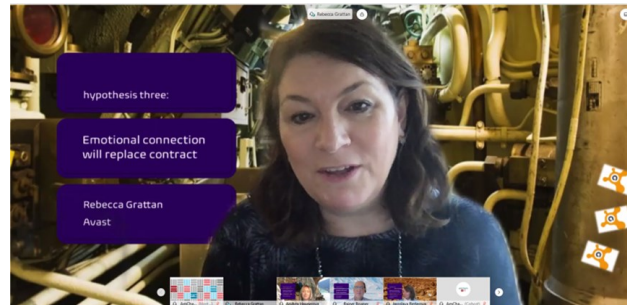


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Hypothesis Three:

“The relationship between employer and employee will depend more on emotional connection than legal contract.”

Rebecca Grattan, Chief People and Culture Officer at AVAST



Pros:

Cons:

Entanglement between employee and company	Blurring between personal and professional relationships
Relationship is not all about money	Contract difficulties could become personal
Employee is more invested in the company	

A visionary hypothesis, anticipating a diminishing role of the legal relationship in the employment in the future. Emotional connection should rule over contractual relationship. One might argue that it will be the case in strong brands, companies that all want to work for. On the other hand for those companies that are starting to establish themselves in the business, or do not have a strong brand, it will be more difficult to attract top talent and emotionally connect.

Yet, Rebecca introduced the way how AVAST is looking into making work-place emotionally attractive and prepare the workforce of AVAST to the possibility of working from anywhere.

Since workplace and world today are getting increasingly asynchronous, there is a need to compensate for that gap. How?

AVAST foresees distinguishing among 3 types of work to which the workspace will be adjusted.

1/ **Business as usual** – this type of work can be and will be performed any-where, ideally outside of office space . Typical workspace: home office.

2/ **Deep focused work** - this type of work would require environment that would guarantee a possibility to deeply concentrate on a specific type of work, usually a creation of some sort, programming, coding, creating presentation. Typical workspace: silent zones or silent rooms in the office.

3/ **Collaborative work** – this type of work would require communication and interaction between people resulting in either informal collaboration or formal collaboration with structured meetings. For both types there would be separate types of meeting rooms or creative studios – in the office.

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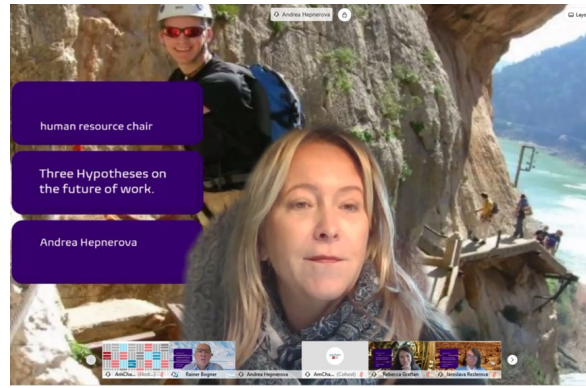


So, I have no doubts that Avast will succeed with their vision and be in sync with the real world, with the workplace and their employees. But shall we all make it as well? Will the hypothesis stand the test?



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My take on the Future of Work



While we are waiting for the hypotheses to be surveyed first and then validated in real life (in the next few months), here is my take on the Future of Work:

Digital transformation accelerated a dramatic workforce transformation. This transformation will include hard skills as well as soft skills. We will see qualitative shifts in leadership capabilities.

Closing off optimistically: the future of work is promising a better outlook for everyone than the past-normal work was.

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