‘RETURN TO WORK’ WILL LOOK VERY DIFFERENT TO WORK AS WE KNEW IT

Productivity perceptions have been disproven. We’ve shown volumes of work can be done productively in a remote way…

…and now to attract top talent, flexibility must be here to stay.

71% of employees want location flexibility and to revisit the length of their working week.

78% state they can work at home as effectively or more effectively than in the office.

But less physical connectivity increases demand to connect in other ways: to collaborate, socialise, support and serve.

Successful hybrid working is a craft to be mastered, requiring choices to be made in terms of workforce, workplace, workspace and the impact on your employee experience.
THE PANDEMIC HAS COMPRESSED AND ACCELERATED LARGE-SCALE SOCIETAL CHANGES

**Economic**
- Reduced opportunities for quick growth / wealth and low interest rates
- Globalisation enabling increased inter-connectivity
- Employee expectations mirroring consumer expectations
- Rapidly increased pace and expectations for benefits realisation

**Social**
- Lifelong learning to support multiple careers
- 100 year life /5 generations in workforce with different expectations and needs
- Proliferation of data generation and capture and resultant risk
- Increasing emergence of SaaS

**Tech**
- Speed and scale of technical change: Industrial Revolution 4.0
- Digital labour replacing partial or full job roles
- Emergence of alternative and temporary workplaces

**Legal**
- More agile organisational boundaries through connectivity and contingent workforce
- Hyper-connectivity of people within organisations
- Emergence of alternative and temporary workplaces

**Political**
- Impact of restrictive measures from the global pandemic
- Employee expectations mirroring consumer expectations
- Rapidly increased pace and expectations for benefits realisation

**Environmental**
- Increasing employee interest in CSR activities
- Increased focus on health and well-being
- Environmental considerations

© 2020 KPMG International Cooperative (“KPMG International”), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm or third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.
THE ‘NEW REALITY’ IS A CHANCE TO REIMAGINE YOUR APPROACH TO WORK TO OPTIMISE EMPLOYEE EXPERIENCE AND BUSINESS OUTCOMES

Current & future workforce:
- Skill based workforce planning
- Blended workforce mix and total workforce mgmt. (contractors, gig, contingent)
- Prioritise tasks over jobs and define the optimal sourcing channel to deliver the task i.e. Buy, Build, Borrow, Bot, Bounce

Optimised physical footprint:
- Enabling the future service delivery model
- Optimising cost vs. attraction of talent, productivity and culture

Enabling experiences:
- EVP incl. Reward/Benefits
- Employee experience incl. ways of working, technology & tools, policy/process
- Optimised tax, legal and compliance

Purposeful space design:
- Spaces designed to enhance collaboration and social connection
- Technology enhancements for hybrid working

Business Strategy
Brand, Purpose & Values

Workforce

Enablers
# BALANCING SHIFTING EMPLOYEE EXPECTATIONS WITH BUSINESS OUTCOMES POINTS TO A FLEXIBLE FUTURE

<table>
<thead>
<tr>
<th>Individuals want:</th>
<th>For Individuals</th>
<th>For the organisation</th>
</tr>
</thead>
</table>
| Physical Office   | ✓ Social connection  
|                   | ✓ Collaboration with peers  
|                   | ✓ Visibility / access to leaders  
|                   | ✓ Ergonomic set up  
|                   | ✓ Easy oversight of teams  
|                   | ✓ Low risk  
|                   | ✓ Influence on culture and behaviours  
|                   | ✓ Cost  
|                   | ✓ Environmental implications  
|                   | ✓ Focused time for knowledge work  
|                   | ✓ Balancing priorities e.g. family / hobbies  

<table>
<thead>
<tr>
<th>Organisations want:</th>
<th>For Individuals</th>
<th>For the organisation</th>
</tr>
</thead>
</table>
| Remote working      | ✓ Cost  
|                     | ✓ Environmental implications  
|                     | ✓ Focused time for knowledge work  
|                     | ✓ Balancing priorities e.g. family / hobbies  
|                     | ✓ Cost  
|                     | ✓ IDSE & ESG impacts  
|                     | ✓ Higher productivity for leadership  
|                     | ✓ Greater access to talent & clients  
|                     | ✓ Commuting time and cost  
|                     | ✓ Distractions  
|                     | ✓ Negative environmental impact  
|                     | ✓ Lack of boundaries in physical day – always ‘on’  
|                     | ✓ Harder to build new relationships  

### The pros...
- Social connection
- Collaboration with peers
- Visibility / access to leaders
- Ergonomic set up
- Easy oversight of teams
- Low risk
- Influence on culture and behaviours
- Cost
- Environmental implications
- Focused time for knowledge work
- Balancing priorities e.g. family / hobbies
- Cost
- IDSE & ESG impacts
- Higher productivity for leadership
- Greater access to talent & clients

### The cons...
- Commuting time and cost
- Distractions
- Negative environmental impact
- Lack of boundaries in physical day – always ‘on’
- Harder to build new relationships
- Higher cost
- Negative environmental & IDSE impacts
- Managing performance
- Tax and compliance
- Harder to set pay benchmarks

The balance of pros and cons points to a future of flexible, hybrid working.
JOBS WILL BE FUNDAMENTALLY DIFFERENT – YOUR WORKFORCE NEEDS SHOULD DRIVE YOUR WORKPLACE DECISIONS

Automation, AI and other technological advances have shifted the nature of tasks and work to be done as well as setting new opportunities for new roles, skills and capabilities not yet in existence. In a post COVID world, we must also consider where the work is done.

<table>
<thead>
<tr>
<th>Workforce factors</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capability</td>
<td>Prioritised rising roles and declining roles to meet overall strategy</td>
</tr>
<tr>
<td>What are the future skills</td>
<td>Develop workforce plans and flexible talents pools for internal and external workers</td>
</tr>
<tr>
<td>required in the workforce in</td>
<td>Defined future targets on workforce demographics</td>
</tr>
<tr>
<td>comparison to today?</td>
<td>Ability to align best talent to the task… irrespective of location</td>
</tr>
<tr>
<td>Workforce mix</td>
<td>Optimised alignment of work to be done and where it is best done from</td>
</tr>
<tr>
<td>What proportion of the</td>
<td></td>
</tr>
<tr>
<td>workforce is onshore, offshore,</td>
<td></td>
</tr>
<tr>
<td>gig or contractor?</td>
<td></td>
</tr>
<tr>
<td>Workforce demographics</td>
<td></td>
</tr>
<tr>
<td>How diverse is the</td>
<td></td>
</tr>
<tr>
<td>workforce of the future, and</td>
<td></td>
</tr>
<tr>
<td>does it reflect your</td>
<td></td>
</tr>
<tr>
<td>customer base?</td>
<td></td>
</tr>
<tr>
<td>Talent location</td>
<td></td>
</tr>
<tr>
<td>Where are the geographical</td>
<td></td>
</tr>
<tr>
<td>talent pools?</td>
<td></td>
</tr>
<tr>
<td>Task breakdown</td>
<td></td>
</tr>
<tr>
<td>How do you ensure individual</td>
<td></td>
</tr>
<tr>
<td>tasks map to the correct</td>
<td></td>
</tr>
<tr>
<td>workplace and role?</td>
<td></td>
</tr>
</tbody>
</table>
UNDERSTANDING YOUR PEOPLE AND THE WORK THEY DO ENABLES LOCATION OPTIMISATION – F2F, VIRTUAL OR HYBRID

It is unlikely that a single job is best suited to a single work mode. Rather, breaking down jobs into tasks allows analysis of the optimum balance of hybrid working that will drive productivity and effectiveness. This should be balanced with personal preferences to drive engagement.

Illustrative example: Anna is an L&D Manager. Her activities over an average week suggest 30% F2F and 70% remote would be optimal:

- Team strategy & innovation session for new work area: 10%
- Inducting new team members and networking with colleagues: 10%
- Formal check-ins & performance reviews: 10%
- Social catch ups with colleagues: 10%
- Focused work – developing new content and reviewing work of her team: 40%
- Standard project meetings & check-ins with team: 15%
- Meetings sandwiched between school run & a personal appointment: 5%
- Inducting new team members and networking with colleagues: 10%
- Meetings sandwiched between school run & a personal appointment: 5%
- Social catch ups with colleagues: 10%
- Team strategy & innovation session for new work area: 10%
- Inducting new team members and networking with colleagues: 10%
- Formal check-ins & performance reviews: 10%
- Focused work – developing new content and reviewing work of her team: 40%
- Standard project meetings & check-ins with team: 15%
- Meetings sandwiched between school run & a personal appointment: 5%
YOUR FUTURE SERVICE DELIVERY MODEL AND TALENT REQUIREMENTS SHOULD DRIVE YOUR REVISED LOCATION FOOTPRINT

Task-based workforce analysis provides the outputs to make informed, sustainable decisions on real estate strategy.

I know...

- Onshore/offshore/nearshore mix
- Future headcount by geography
- Space utilisation by geography, informed by forecast attendance by team
- Current office locations, spend and lease expiry dates

I need to consider...

- Talent hubs
- Competitor clusters
- Cost of living
- Salary cost
- Real estate cost
- Customer proximity
- Employee home location
- Infrastructure e.g. internet speeds
- Tax implications
THE EMPLOYEE VALUE PROPOSITION REQUIRE A SHIFT TO ATTRACT AND MOTIVATE TALENT IN A HYBRID FUTURE

Core buckets of the EVP...

<table>
<thead>
<tr>
<th>Compensation</th>
<th>Benefits</th>
<th>Careers</th>
<th>Culture &amp; EX</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g. salary, bonus, share schemes, maternity and sick pay etc.</td>
<td>e.g. health care, wellbeing support, gym membership, car allowance, discounts etc.</td>
<td>e.g. L&amp;D, coaching, mentoring, progress and promotion, mobility opportunities</td>
<td>e.g. purposeful work, empowerment, ways of working, work environment, CSR</td>
</tr>
</tbody>
</table>

Example ‘Flexibility’ interventions

<table>
<thead>
<tr>
<th>Flexible contracts (hours, location, comp) tailored to employee needs</th>
<th>Financial coaching and decision support</th>
<th>Shared parental leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnerships to provide free/discounted access to wellbeing resources e.g.</td>
<td>Benefits budget to spend flexibly as you choose to</td>
<td></td>
</tr>
<tr>
<td>Mobility options e.g. secondments with less location boundaries</td>
<td>Personal learning budget for courses, conferences, books etc.</td>
<td>‘Soft skill’ coaching e.g. EQ, resilience, trust, inclusion etc.</td>
</tr>
<tr>
<td>Re-designed workplace/space and policies for hybrid working</td>
<td>Clear purpose reflected in ways of working</td>
<td>Leading edge digital collaboration tools</td>
</tr>
</tbody>
</table>

Who is doing this?

[AVIVA] [DHL] [Tesco] [AVVA energy] [Google] [Royal Mail] [Facebook] [Coinbase]