

A decorative graphic on the left side of the slide features a curved, grid-like pattern of squares in various shades of teal and green, transitioning from light to dark. Below this, there are several overlapping circles of different sizes and colors, also in shades of teal and green, some with white outlines. The background of the slide is a dark, high-angle photograph of a city skyline, with the Bunker Hill building visible on the right side.

The Future of Work

Webinar BVK - Febelfin/UPC

29 January 2021

Your presenters today



Nick South

Managing Director & Partner, London

Nick leads the firm's People & Organisation Practice in the UK, Belgium and the Netherlands. He has extensive experience of organisation design and change management across industry sectors and is the author of a recent report on the Future of Work.



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Partner, Brussels

Pieter leads BCG's work with Financial Institutions in Belgium and serves banks in the UK and the Netherlands. He has extensive experience in large-scale transformations in the industry covering strategic reviews, organisation design and ways of working.

What we would like to cover

- A year on from the start of Covid lockdowns, what have we learnt?
- What are employees telling us about their experience and aspirations
- What are the implications for the future of work?

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COVID made it possible to make radical change fast ...

Fewer structural and bureaucratic obstacles



After 2 weeks of lockdown, a new legal framework allowed **teleconsultations and patient monitoring** in Belgian hospitals, a topic which had been on the table for 6 years

Increased appetite to take risks and drive large-scale change



Logistics real estate player **Heylen Warehouses** invested in a 250,000 m² logistics hub in the port of Ghent to mitigate high exposure to international supply chains

New ways of working



Port of Antwerp implemented the **use of digital bracelets** to ensure social distancing and allow contact tracing in case of infections among the workforce

Significant shift to online



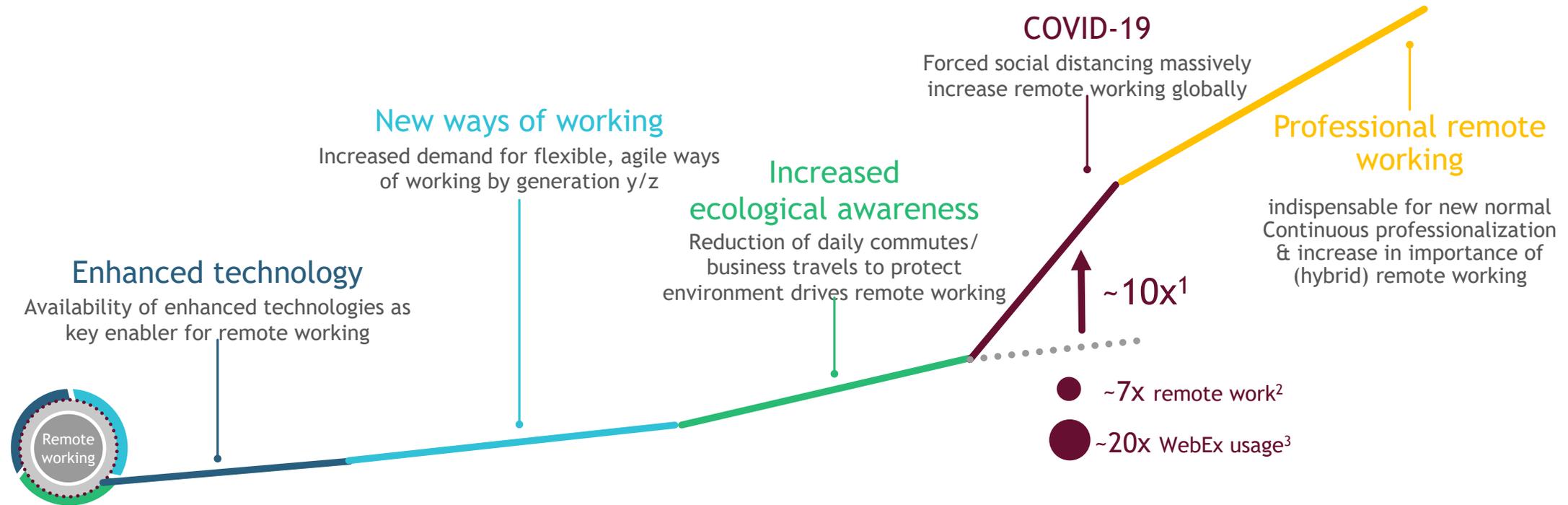
Multiple Belgian courts started using **videoconferencing tools for correctional hearings**, thereby combatting delays due to Covid-restricted travel between courts and prisons

Use of downtime to upskill



Telenet partners with Bencode and invests **€4 million in internal academy** to train employees in areas such as data science, coding, artificial intelligence and cyber security

... and has catapulted us 5-10 years into our digital future



COVID-19 has amplified the push to exploit option space & derive value beyond increased flexibility in REMOTE WORKING

1. Estimated increase of audio & video conferencing, online doc sharing and online communication usage 2. Google trend 3. Cisco

COVID is encouraging many organisations to look much more fundamentally at how they work

During the crisis

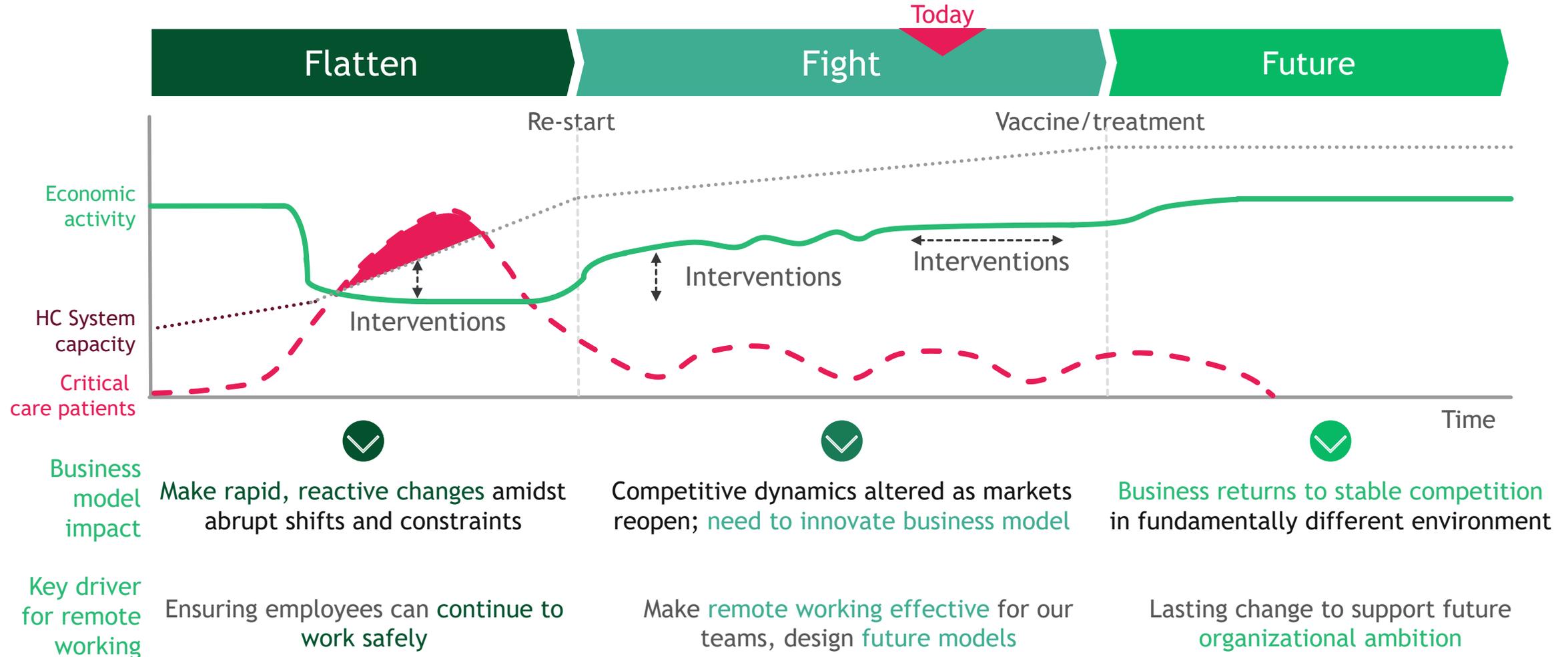
- 1 Accelerate smart work
- 2 Enhance corporate health & hygiene
- 3 Mitigate people & skills risk
- 4 Speed-up digital readiness
- 5 Manage workforce flexibility
- 6 Communicate openly with empathy
- 7 Stand together

After the crisis

- 1 Transform the way we work
- 2 Comprehensive wellbeing
- 3 New talent & skill paradigm
- 4 Bionic organization
- 5 Flexible workforce
- 6 Empathetic & authentic leadership
- 7 Deep value & purpose- driven culture



The way we work will continue to be a key question at every stage of the journey through the COVID pandemic



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It is increasingly clear that work in the future will be hybrid

>2/3

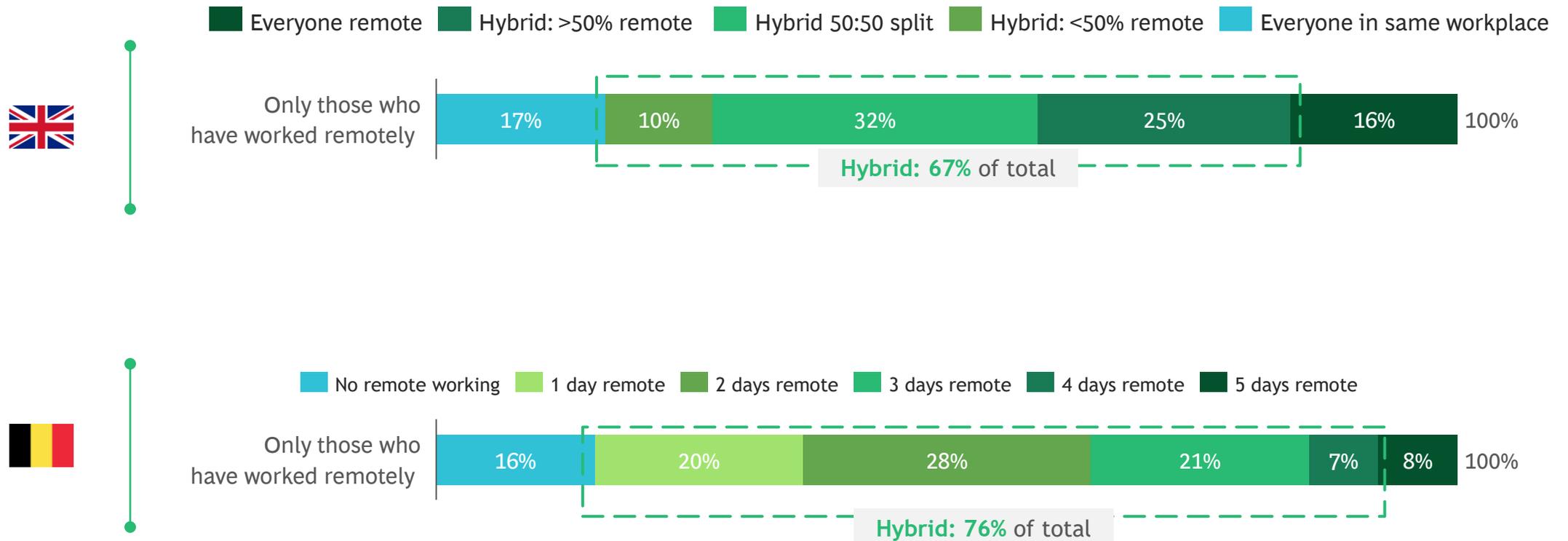
of employees are expected to be in hybrid working models in the future ...

10%

...Compared to of employees in remote working models before COVID-19

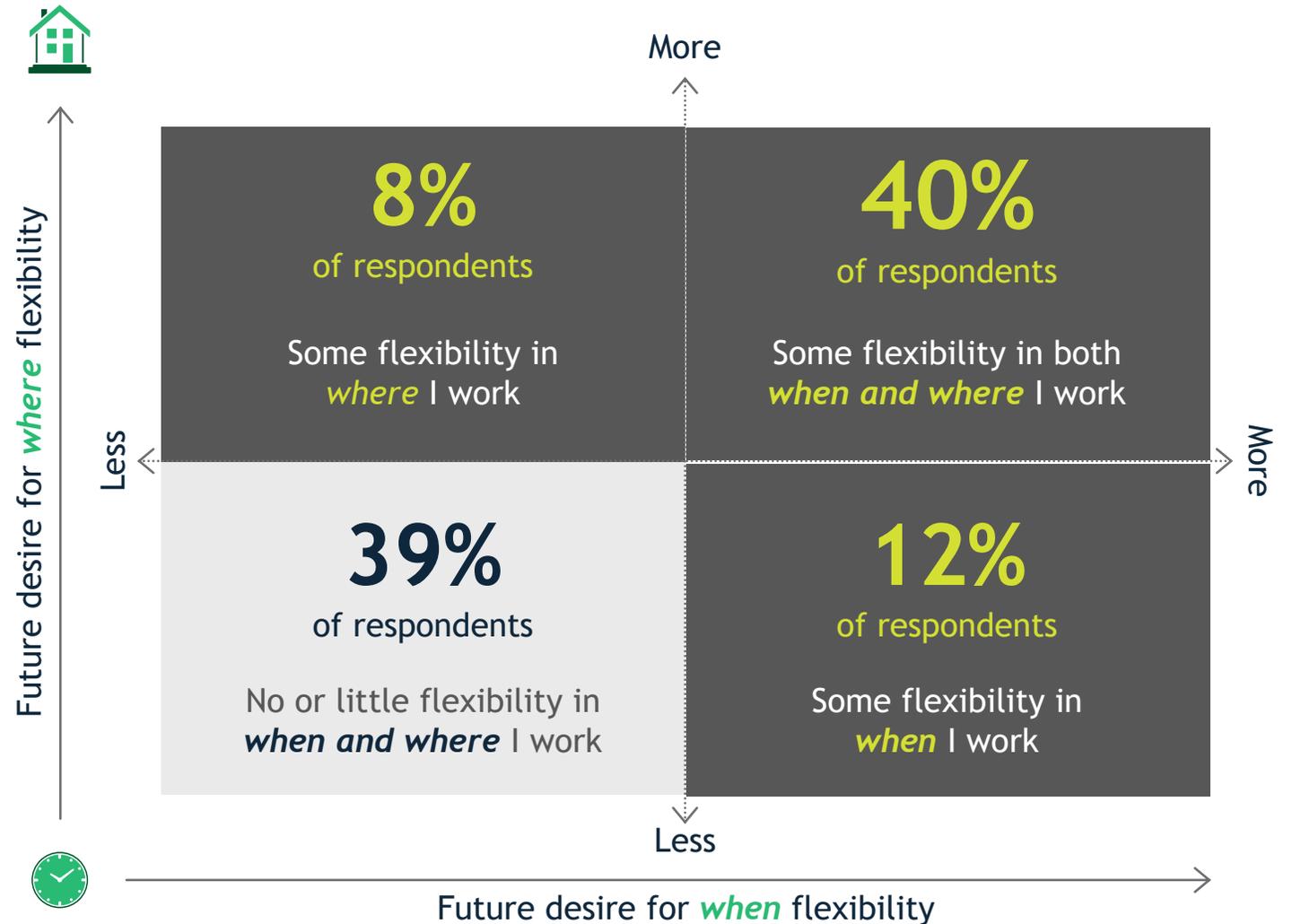
More than 2/3 of employees who have worked remotely would like some form of 'hybrid' working model in future

% employees who expressed an opinion on future model, by work situation



60% of respondents say that **they want work flexibility** along at least one dimension in the future

and, **when matters more** than where



- Respondent indicates a desire for *where* and/or *when* flexibility sometimes, most of the time, or almost always (i.e., "some" flexibility)
- Respondent does **not** indicate a desire for *where* and/or *when* flexibility sometimes, most of the time, or almost always (i.e., "no to little" flexibility)

Source: BCG COVID-19 Employee Sentiment Survey, May 21-June 13, 2020 (N = 12,662, in the US, Germany, and India), unweighted, representative within ±3% of census demographics.
 Note: Percentages do not add up to 100% because of rounding.

Employers
want it...



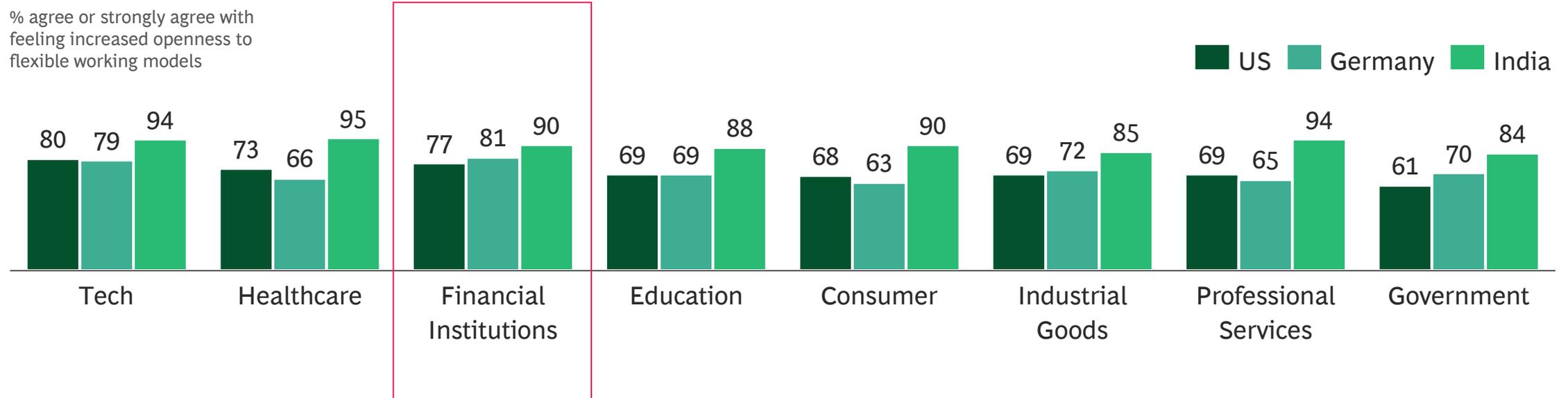
>70% of HR Directors expect hybrid work to improve the employee value proposition

64% expect increased productivity

72% of leaders expect a reduction in real estate

Managers in Financial Institutions as open to more flexibility as managers in other sectors

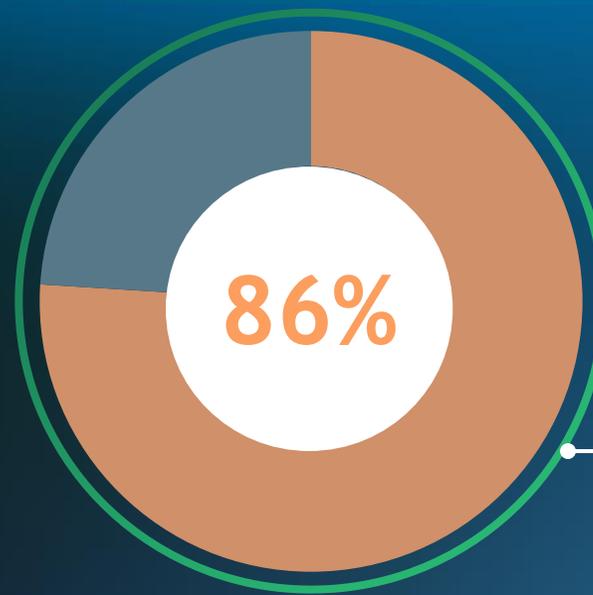
Managers in Tech in the US, FI in Germany, and Healthcare in India are the most open to additional flexibility moving forward



Source: BCG COVID-19 Employee Sentiment Survey, May 21-June 13, 2020 (N=12,662 in the US, Germany and India), unweighted, representative within +/-3% of census demographics
Note: Energy, Telecommunications, Media industries excluded given small sample size. For industries: "Healthcare" contains Hospitals, Pharmaceuticals, Medical Devices, and Health Insurance industries. "Consumer" contains CPG, Retail, and Travel & Tourism industries



Employees experience **positive impact**



Employees have experienced **positive impacts on their work**

75% for those with children at home

60% of employees want more flexibility in how they work in the future

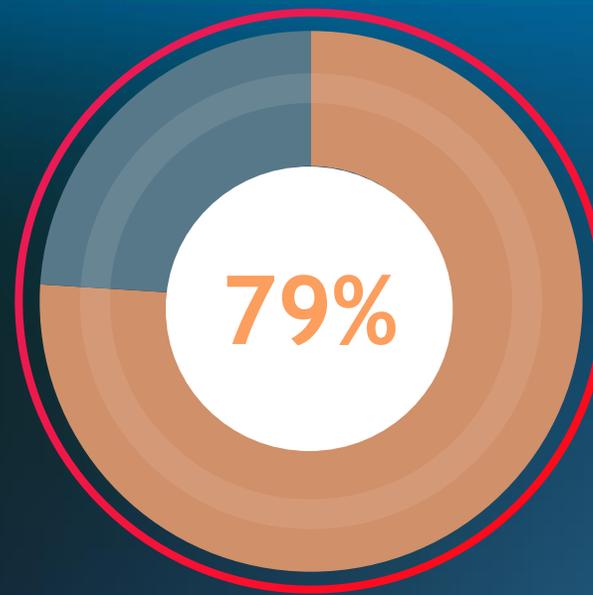
Top 5 positive impacts (%)





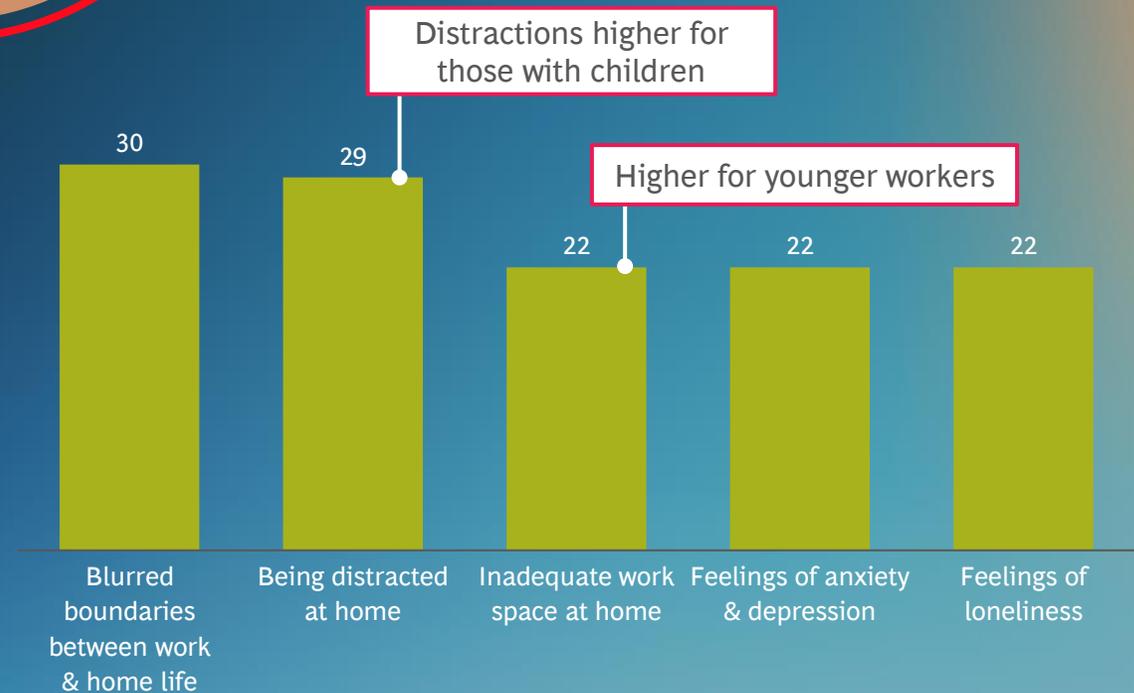
But, there are **real challenges still to be addressed**

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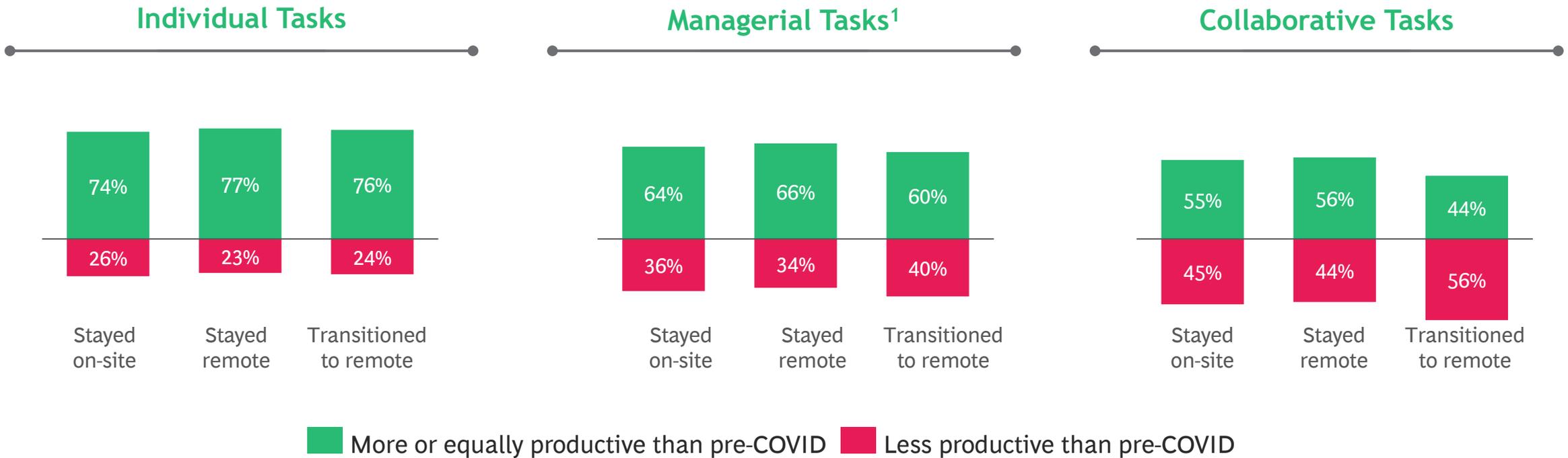


Employees **experienced at least one negative impact on their work**

Top 5 challenges faced (%)



The transition to remote did not significantly impact relative productivity levels during COVID, except on collaborative tasks



Employers need to "unlock" productivity on collaborative tasks, especially if employees work remotely

1. Among managers

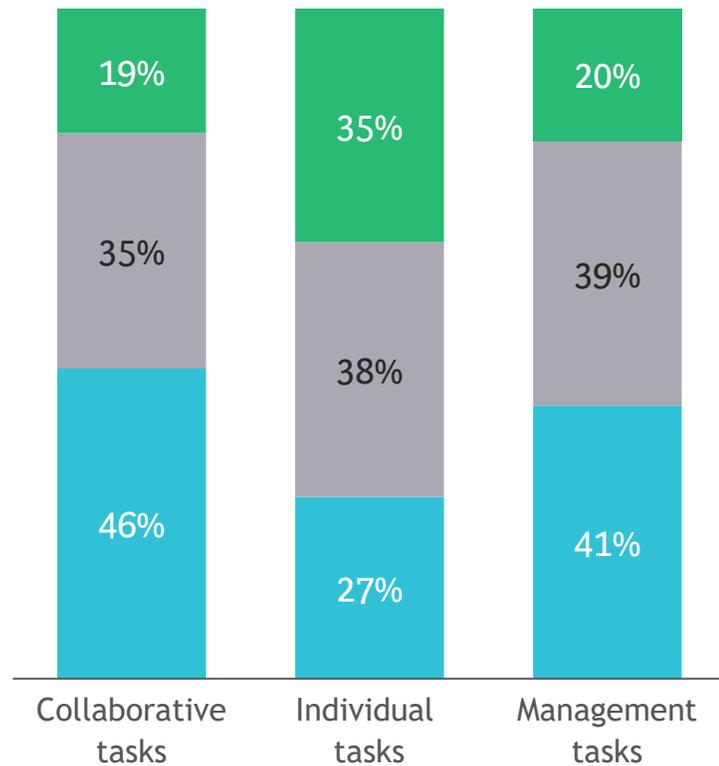
Source: BCG COVID-19 Employee Sentiment Survey, May 21-June 13, 2020 (N=12,662 in the US, Germany and India), unweighted, representative within +/-3% of census demographics

Note: Stayed on-site are those who worked majority (>= 3 days per week) on site prior to and during the COVID pandemic; stayed remote are those who worked majority (>= 3 days per week) remote prior to and during the COVID pandemic; transitioned to remote are respondents who reported switching from working majority (>= 3 days per week) on site prior to the COVID pandemic to working majority (>= 3 days per week) remotely during the COVID pandemic. Net count of number of tasks more (+1) / less (-1) / equally (0) productive used to tabulate overall numbers.

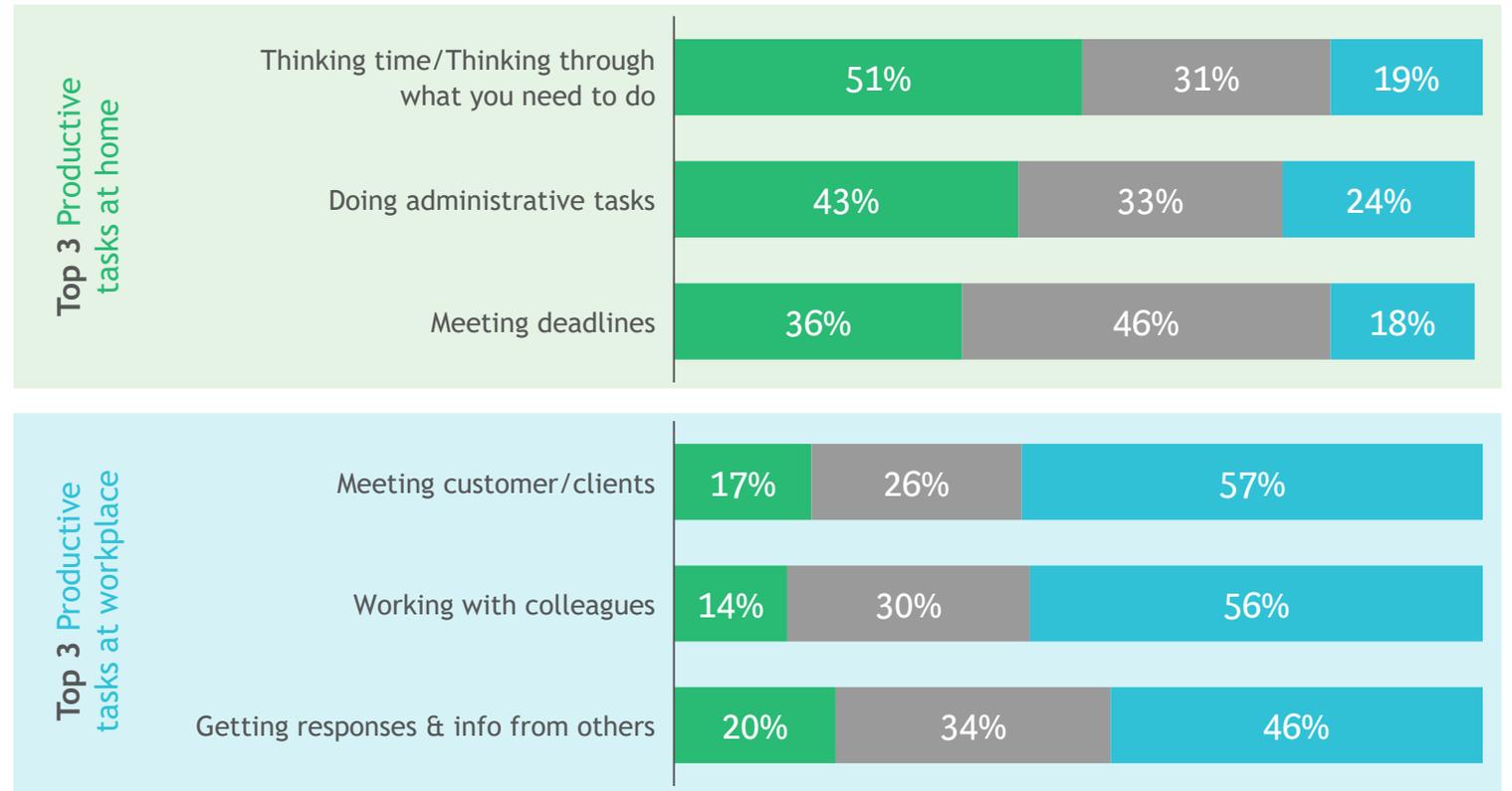


~75 % of employees have been able to maintain or improve productivity on their individual tasks vs. ~55% on collaborative tasks

% employees who have worked remotely who felt productivity change, across tasks



■ More productive from home
■ Equally productive at your workplace and home
■ More productive at your workplace



4 factors are positively correlated with productivity on collaborative tasks

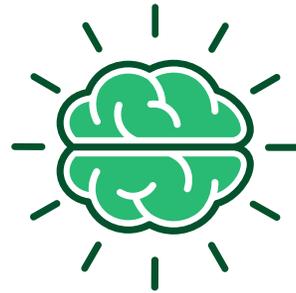


Social connectivity

E.g., higher satisfaction on social connectivity at work during COVID

~2-3x

more likely to maintain or improve productivity of collaborative tasks



Mental health

E.g., better overall mental health during COVID

~2x

more likely to maintain or improve productivity of collaborative tasks



Physical health

E.g., better overall physical health during COVID

~2x

more likely to maintain or improve productivity of collaborative tasks



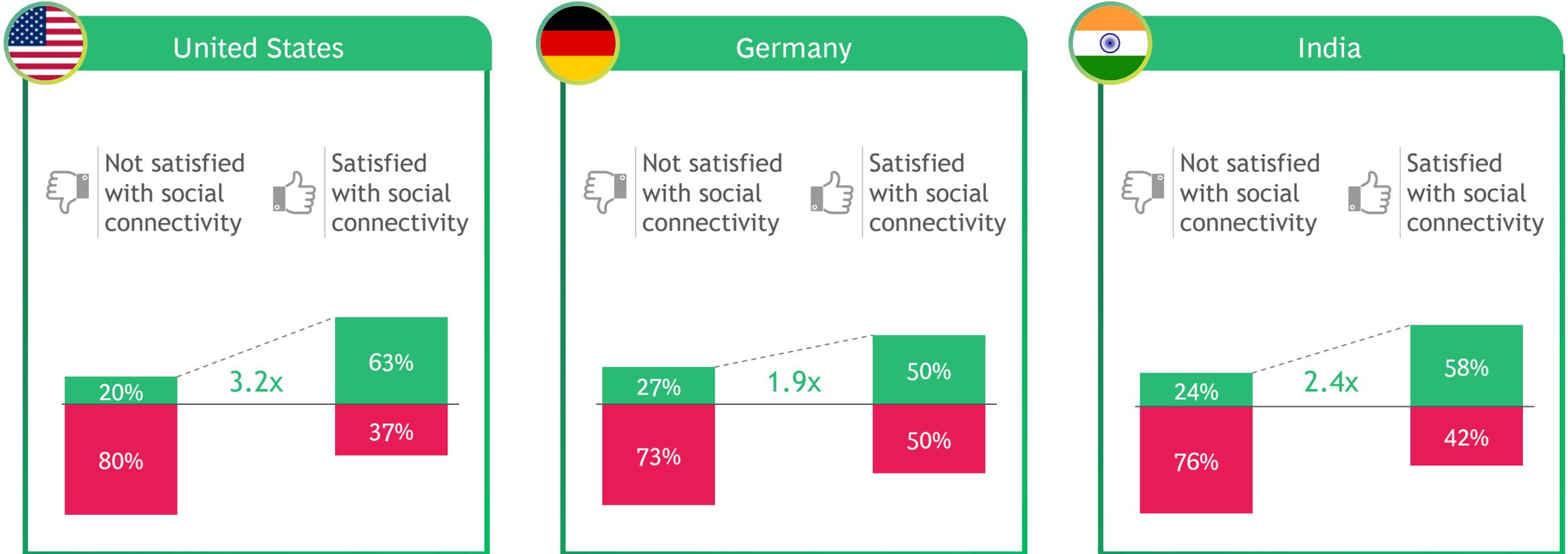
Tools

E.g., higher satisfaction with tools used during COVID

~2x

more likely to maintain or improve productivity of collaborative tasks

Social Connectivity is a critical factor – those satisfied with it are on avg. **2.5x likely to be as productive**, if not more during COVID



Collaborative tasks: ■ More or equally productive than pre-COVID ■ Less productive than pre-COVID

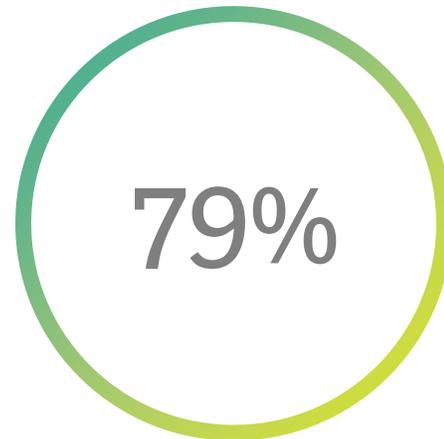
Source: BCG COVID-19 Employee Sentiment Survey, May 21-June 13, 2020 (N=12,662 across countries), unweighted, representative within +/-3% of census demographics

Employees who had all 4 factors were more likely to have maintained or improved productivity on collaborative tasks

% of employees able to maintain or improve productivity on collaborative tasks during COVID vs pre-COVID



Of total employee sample



Of employees who were:
Satisfied with social connectivity
Satisfied with tools
Improved mental health
Improved physical health

Highlighting the critical importance of investing time, leadership effort and resources in employee experiences across all four factors: social connectivity, mental health, physical health and tools

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Companies have already started adopting a variety of new work models

Fully In-Person

Varied work models

Remote & Asynchronous

Münchner Merkur

November 9, 2020



German automotive player envisions **2 out of 5 days** mobile working in the future

THE BUSINESS TIMES

November 17, 2020



Singaporean bank will give employees the option to work remotely **40%** of time post-COVID

businesstoday

November 6, 2020



99% of staff at Indian IT consultancy will continue working from home

THE ECONOMIC TIMES

November 02, 2020



Indian steel manufacturer lets white-collar employees **work from home 365 days** per year

The Daily Telegraph

November 13, 2020



UK news company allows **permanent remote** work for part of the week & **reallocates office space**

THE WALL STREET JOURNAL.

November 2, 2020



US life insurer considers **selling downtown headquarter** & using **outskirts office** to an as-needed basis

CITIES OF THE FUTURE

November 13, 2020



US outdoor retailer decided to **sell new headquarters complex**

businesswire
A BERKSHIRE HATHAWAY COMPANY

November 5, 2020

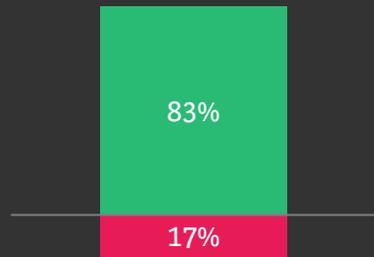


US tech company announced it would become **"virtual first"** with **remote work as the default**

Standard chartered illustration

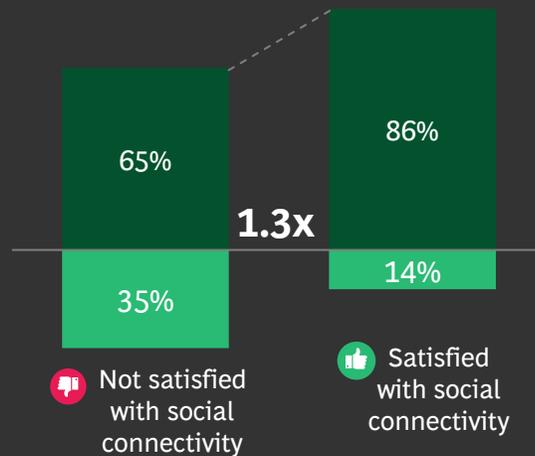
Important to think in a nuanced way about the dynamics in play ...

We can collaborate remotely



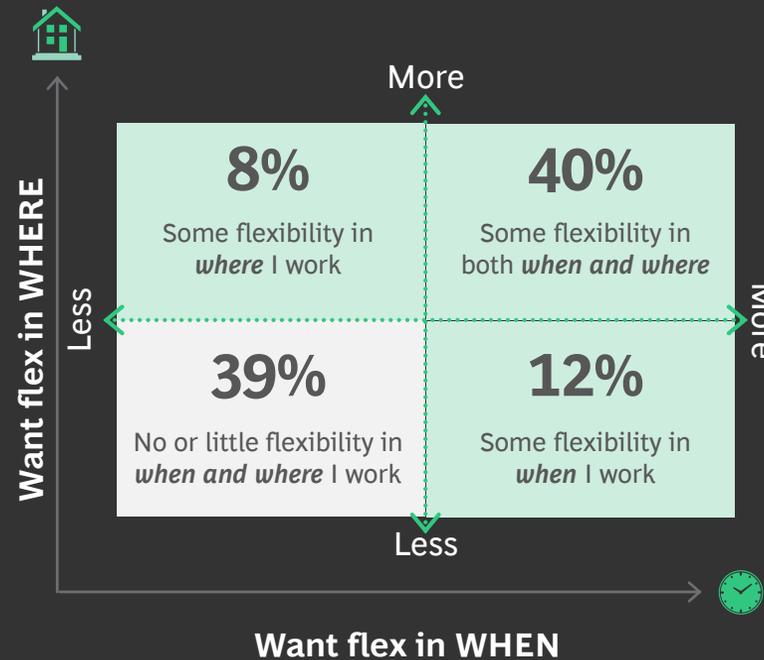
■ At least as productive as before COVID-19
■ Less productive than before COVID-19

Connecting matters

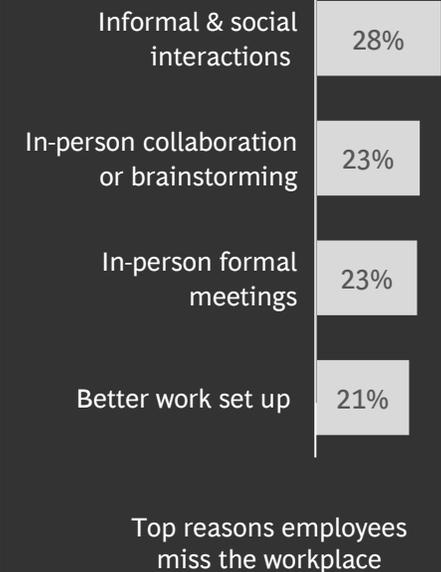


■ As productive as or more productive than before COVID-19
■ Less productive than before COVID-19

It is not all about remote



The office isn't dead



Key questions on the minds of business leaders

Non-exhaustive

How we work

Embrace disruption

- How have customer interactions changed, and how do we serve customers better?
- Are our employees as productive remotely as in the office?
- What revenue is at risk if productivity or customer intimacy drops?
- Should we be a leader in our industry or wait to follow others?

How we lead

Empower and inspire

- How can we support the wellbeing of our employees?
- How can we maintain our company culture?
- How do we drive affiliation, community and mentorship virtually?

How we organize

Responsive yet resilient

- What new ways of working will support a range of work models?
- What will be the impact on our talent strategy?
- Can we leverage location-agnostic, new talent models?
- As competition for key talent increases, how will we manage retention?

What we need

Smart environments

- What should our real estate footprint look like?
- What technology and tools are needed to support the physical and virtual workspace?
- How should the workspace of the future be designed?
- Are our employees equipped with the right skills to adapt to the new reality?

The Future of Work presents both risks and opportunities often in the same dimensions; companies must thoughtfully design models to balance both

— Loss in productivity in certain roles

*"Remote/flex work might challenge the productivity of teams that rely on **collaboration, innovation and creatively solving problems** in real time"*

+ Productivity gains, employee satisfaction

*"New ways of working would boost employee **flexibility, satisfaction, productivity**"*

— Decline in apprenticeship & personal development

*"Co-location is critical for **onboarding, learning and mentorship**"*

+ Talent strategy, become a talent magnet

*"New ways of working would allow us to **attract the best talent globally**"*

— Weakened company culture

*"The major risk of remote work is a decline in people relationships and losing **sense of community, belonging and purpose**"*

+ Renewed Purpose and strengthened culture

*"We now have **opportunities to build a culture of inclusivity**"*

— Decline in personal wellbeing and sustainability

*"Remote work has meant to work longer hours... It makes it tough to **disconnect from work** and separate work from your personal life"*

+ Strengthened sustainability agenda

*"We have the opportunity to become **net carbon neutral**"*

— Revenue risk from drop in direct customer interaction

*"My customers no longer want to see me in person. I am worried at how I can **maintain my relationships virtually**, and hit my sales targets"*

+ Increased customer intimacy

*"As my customers have moved more online, I am finding new ways to **interact with them 1:1**"*

Need to take a holistic approach

HOW WE WORK

Embrace disruption

1.1 Reimagined Customer Relationships

Build virtual go-to-market methods
Rethink personalized relationships
Remove friction; create convenience

1.2 Employee Work Models

Develop new work models
Support remote readiness:
asynchronous, location-agnostic
Balance employee and team needs

1.3 Productivity & Value

Prioritize what matters; remove waste; return time to employees
Automate, digitize, deploy AI
Remodel SG&A/opex

HOW WE LEAD

Empower and inspire

2.1 Empowering Leadership

Promote adaptation and empathy
Train leaders for remote management
Empower the frontline

2.2 Cohesive Culture

Articulate and evolve culture
Build affiliation and mentorship in virtual environments

2.3 Societal Leadership

Reduce carbon footprint
Create inclusion, access, and equality

HOW WE ORGANIZE

Responsive yet resilient

3.1 Ways of Working

Embrace agile, iterative teaming
Focus on alignment and autonomy
Foster virtual collaboration
Conduct shorter, effective meetings

3.2 Adaptive Organization

Prioritize employee wellbeing & wellness
Adopt flexible operating models
Update governance and policies

3.3 New Talent Models

Digitize the talent journey
Access skills via new talent models
Increase access to diverse talent
Manage attrition of top talent

WHAT WE NEED

Smart environments

4.1 Space, Design, Location

Right-size real estate footprint
Create safe and smart workspaces
Design a human-centered workplace

4.2 Tools & Technology

Implement virtual workspace design
Adopt collaboration and remote tools
Strengthen cybersecurity & data privacy

4.3 Learning Organization

Promote digital learning and upskilling
Meet future skills requirements
Embrace remote apprenticeship

1.2

Employee Work Models

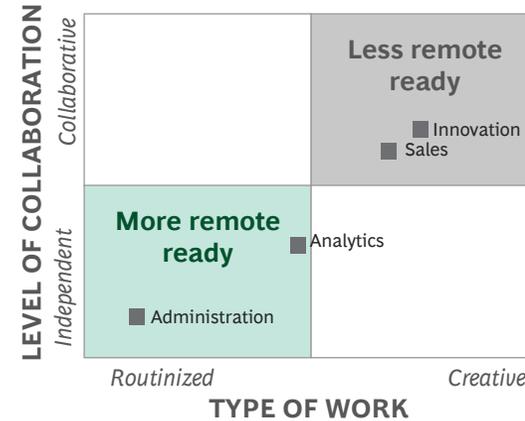
Determine new work models based on:

- Remote readiness of the work activities
- Employee preferences
- Team needs & organization guardrails

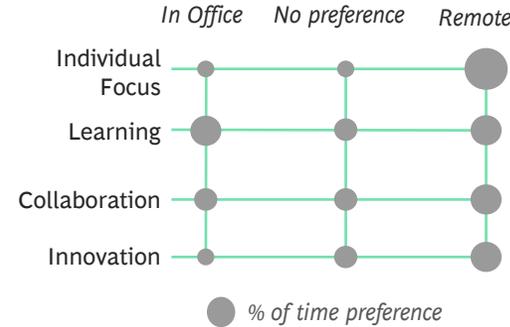
Design specific, flexible models tailored to each employee persona group

Example | Major healthcare company developed persona-based hybrid work models

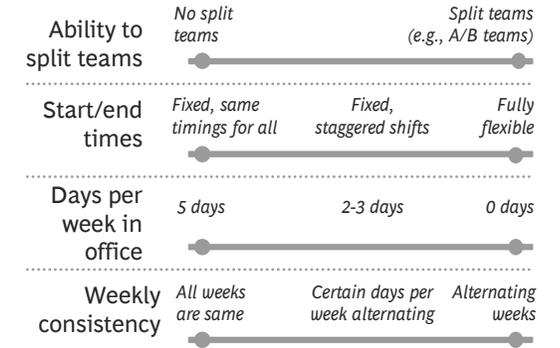
Work remote readiness



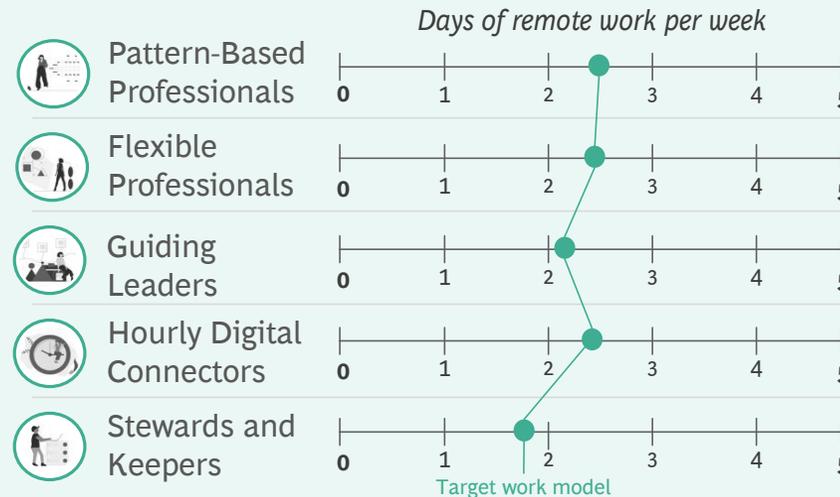
Employee preferences



Organization guardrails



Impact | Persona-based work model rolled out resulting in significant benefits



~\$30M Annual real estate savings

~10% Reduced turnover

Increased productivity, retention & satisfaction, and reduced absenteeism

3.3

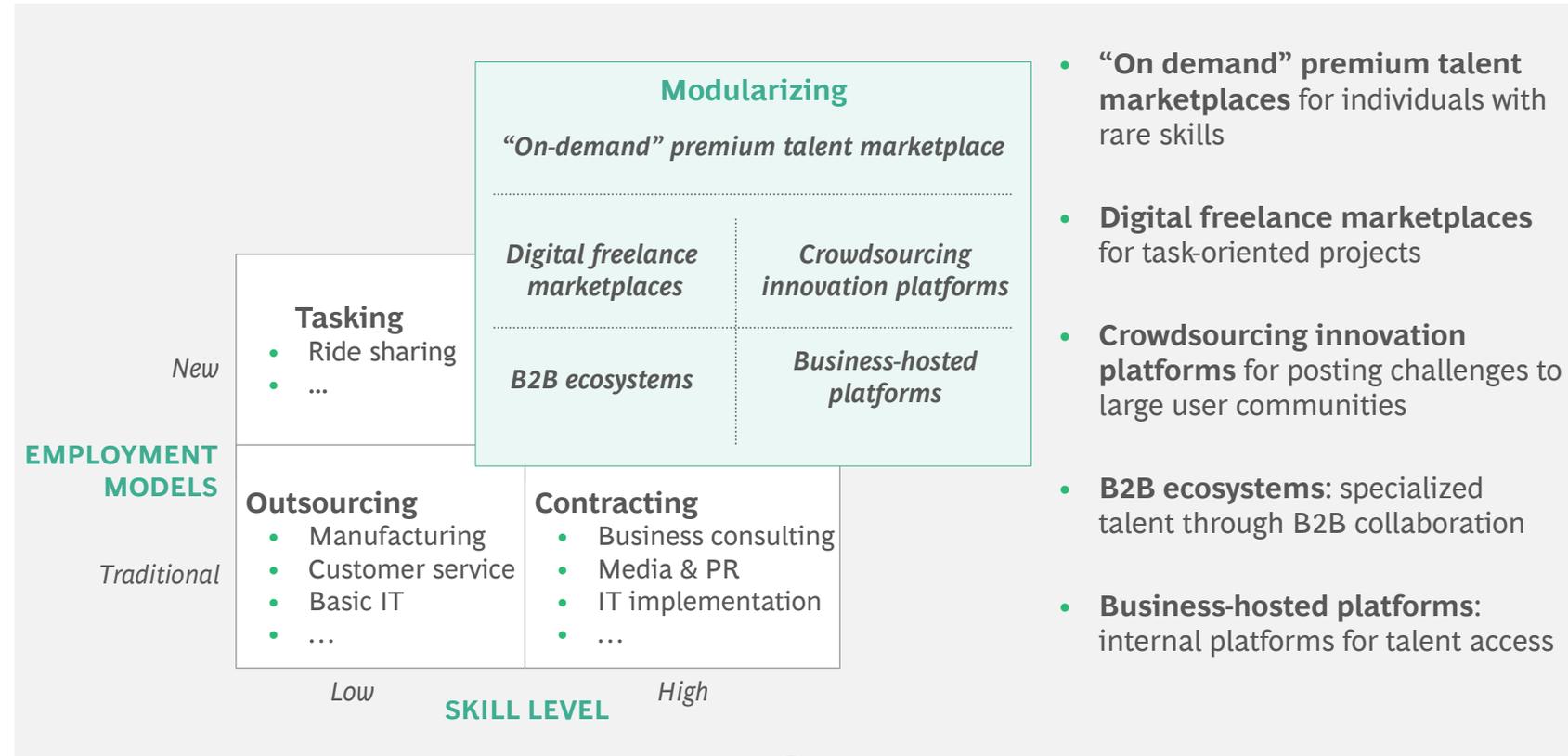
New Talent Models

Assess existing skill levels and employment models

Identify and adopt new talent models for sourcing high skill talent

Drive business model innovation through new talent models

Approach | Models to source new talent and drive business model innovation



- “On demand” premium talent marketplaces for individuals with rare skills
- Digital freelance marketplaces for task-oriented projects
- Crowdsourcing innovation platforms for posting challenges to large user communities
- B2B ecosystems: specialized talent through B2B collaboration
- Business-hosted platforms: internal platforms for talent access

Impact | New talent models accrue multiple benefits from expanded talent pools

Example

~140x	Larger access to talent pools	~4M	Incremental potential candidates in hard to fill roles	~3x	Greater racial and ethnic diversity	~2x	Gender diversity
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Further reading:



[Rethinking the On-Demand Workforce](#)

4.1

Space, Design, Location

Optimize and right-size real estate based on needs and workforce models:

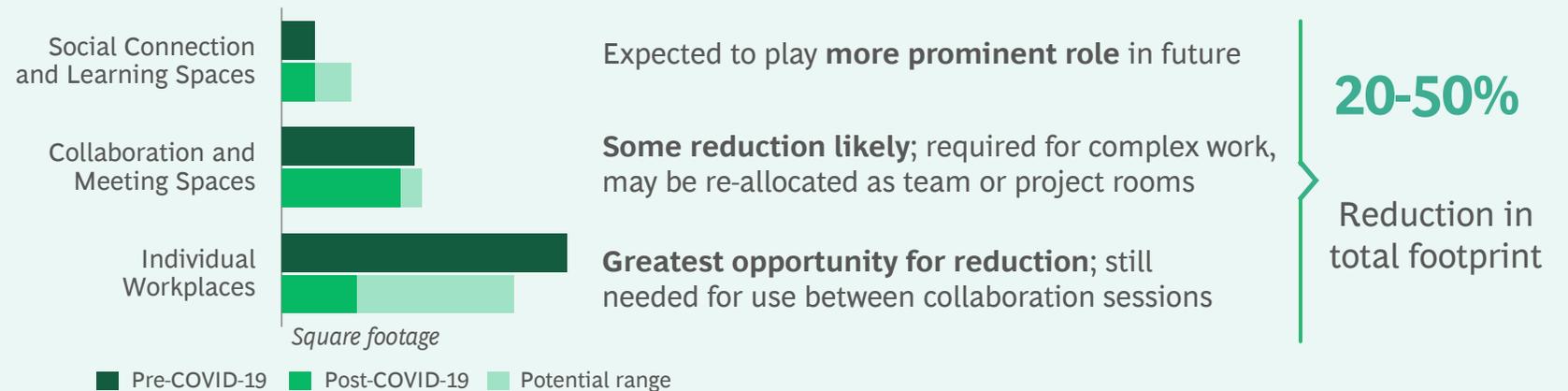
- Create activity-based zones for focus, collaboration, wellness and affiliation
- Leverage hybrid workforce to reduce space requirements
- Be thoughtful about how space is repurposed

Approach | An activity-based workplace will provide purpose-built zones to support employees as they move between tasks and work modes



- 1 **Neighborhood work zone:** workstations & phone rooms
- 2 **Focus zone:** quiet areas for heads down time
- 3 **Collaboration zone:** for meetings, group work, etc.
- 4 **Work café:** social space for casual work
- 5 **Wellness zones:** rejuvenation areas
- 6 **Third place:** Semi-social for “alone, together” time
- 7 **Home office:** Well-equipped for maximum flexibility

Impact | Optimized allocation of office space and reduced footprint



Source: Illustrative footprint reduction based on BCG Survey and Research May 2020

Imperatives for business leaders to rethink their agenda on Future of Work

1

Embrace the new reality

Many customer and employee behaviors that took root during the pandemic will become desirable and even permanent even after vaccines and herd immunity

2

Think holistically to create competitive advantage

Smart companies will be holistic in how they embrace business models changes that the pandemic drives

They will take advantage of this time to expand their ambitions and create competitive advantage

3

Start with the customer

When designing new work models, companies should think like their customers and anticipate how the work will change

4

Elevate your employees

Purposely create culture and connection

Build all employees' capabilities to thrive today and in future work models

Balance organization, team and employee needs

5

Act now

Companies that delay will find that their competitors have not stood still

The key is to embrace experimentation and then scale what works

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