



COVID-19 & Driving Digital Transformation in the Hybrid Workplace

Introduction



The COVID-19 crisis brought about changes in organizations like never expected. 4.7 million people across the US, that is 3.4% of its total workforce was already working remotely before the onset of the pandemic.

March 2020 witnessed an exponential increase in the number of remote employees. Not limited to the US, the growth was substantial across the globe. Studies have shown that 88% of global companies adopted remote working immediately after the COVID-19 pandemic was declared.

However, as offices open and employees start returning, the persisting question of whether to continue remote work or not remains. While 74% of CEOs have agreed to let 5% of their employees to continue working remotely, the larger population has to return. However, not entirely.

This is where the concept of hybrid workplace comes to play. Often regarded as the transformation “we needed and deserved,” hybrid arrangements have gained popularity over the months. But why are companies so keen on adopting the hybrid work model?

The simple answer is in its flexibility. From a broader perspective, hybrid workplace negates the challenges of the existing work models, namely, on-site and remote concepts.

Hybrid workplaces hinge on balance. While some employees work from home on certain days, they come to the office for the rest of the days. This setting has bestowed companies with a bunch of benefits.

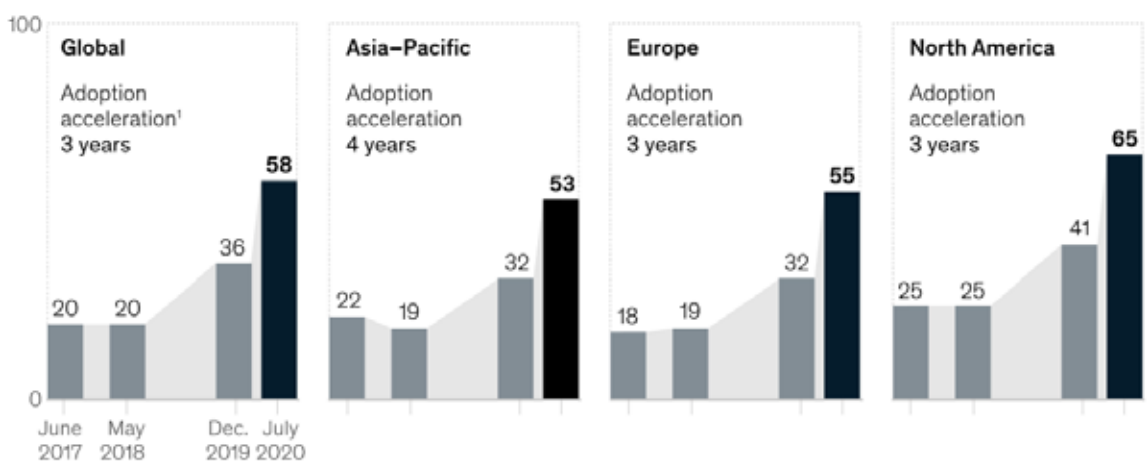
Although the introduction of hybrid into our workplaces have changed the basic fiber of office space, it is the digital transformation that has accelerated significantly.

The accelerated digitization reflects in the customer interactions.



A study by McKinsey reveals a jump of 22% points in the share of digital interactions with customers in one year.

Average share of customer interactions that are digital, %



*Years ahead of the average rate of adoption from 2017 to 2019.

Source: McKinsey & Company

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With this report, we aim to look at this digital transformation in the hybrid workplace and how it impacts our workplaces in the long run.

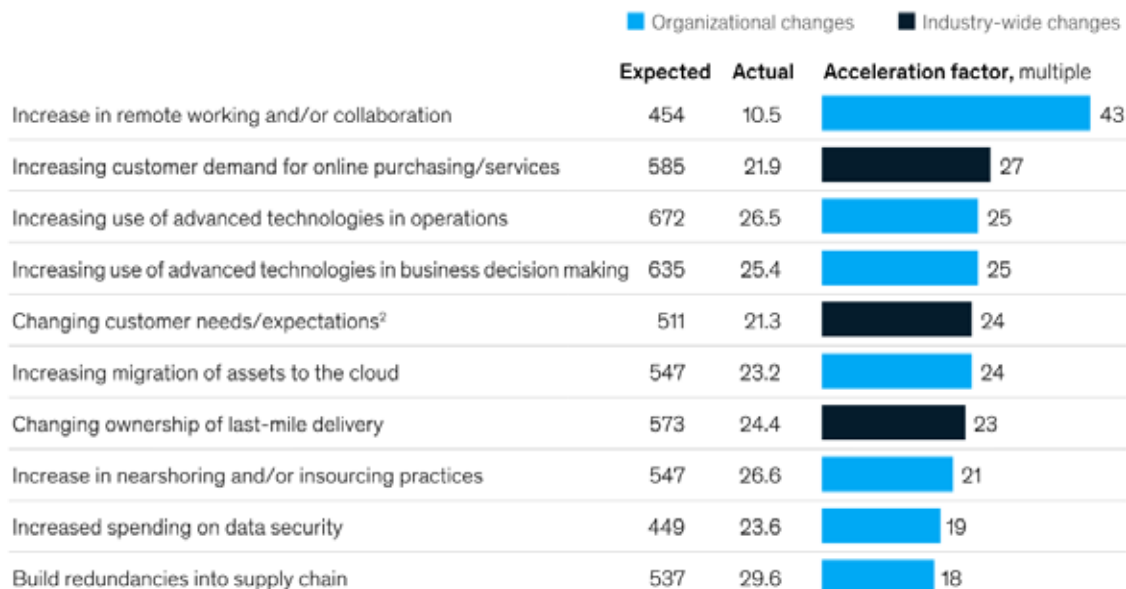
Understanding Digital Transformation

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If one were to look back at the changes and the pace at which they occurred, one would be awestruck. Large organizations moved with the swiftness of early-stage startups in several aspects.

Most changes took place in a fraction of the time they would have taken in the pre-crisis period.

Time required to respond to or implement changes,¹ expected vs actual, number of days

¹Respondents who answered "entry of new competitors in company's market/value chain" or "exit of major competitors from company's market/value chain" are not shown; compared with the other 10 changes, respondents are much more likely to say their companies have not been able to respond.
²For instance, increased focus on health/hygiene.

Source: McKinsey & Company

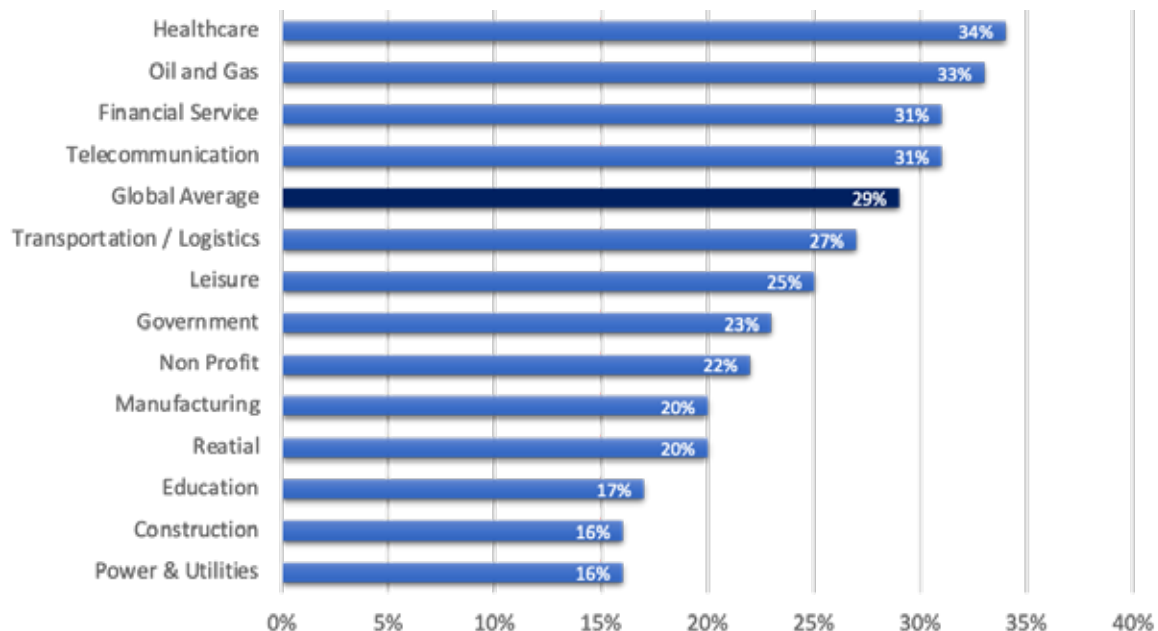
Few initiatives, albeit in the pipeline, were never prioritized. The pandemic simply changed the priorities for these companies. For instance, companies moved to remote working in 10 days - a move that would have otherwise taken more than a year. Tech adoption in operations took less than a month - about 25 times faster than usual in the pre-COVID era. Similarly, other functions also witnessed accelerated technology adoption.

Such tectonic shifts usually happen when the market or demand changes. However, the past two years were more about businesses evolving to survive than to compete. To survive, investment in digital has become a must. It is a trend witnessed across sectors. The CIO survey by Harvey Nash and KPMG reveals that businesses bumped up their IT spending beyond the usual.



Across sectors, CIOs are increasing IT spend

Proportion permanently increasing IT investment from Covid-19



Source: Technomonitor

Source: <https://techmonitor.ai/leadership/strategy/covid-19-digital-transformation>

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It is difficult to comprehend the full impact of these sweeping changes across customer interactions, product offering, hiring, and virtual meetings over the next few years. However, the effect on the workplace or the office is already evident.



The Need for Digital Transformation in the Hybrid Workplace

While an office with less than a handful of people can use a spreadsheet to manage a hybrid workplace, it would not work even if you are slightly bigger. Something as simple as a desk booking would be a chore when people keep booking and canceling it all the time. Without technology, a seamless hybrid workplace experience would be a distant dream.



Digital transformation serves as an enabler of the hybrid workplace. When you transform into a digital hybrid workplace, most things get automated. For example, if someone cancels a desk or meeting room booking, it goes back into the pool available for booking. Such mundane or otherwise labor-intensive tasks would not require any manual intervention.



While these benefits existed before the dreaded virus struck the world, the need is certainly more amplified now. Today a digitally transformed hybrid workplace helps you ensure the safety and wellbeing of your employees. For instance, a visitor management system helps in contact tracing in the eventuality of an infected person entering your office. You can also automate sanitization alerts to the housekeeping staff before and after a meeting. It also helps the returning employees feel confident about the safety measures.



Digital Transformation for a Successful Hybrid Workplace

The shift to a hybrid workplace is a first for many organizations. Large businesses with big budgets and smaller ones with less money are all in the fray to go hybrid. Regardless of the budget or the size of your workforce, it is necessary to have a planned approach to digital transformation for a hybrid workplace. If something worked for your competitor or neighbor, it might not necessarily be the best approach.

Three things critical to the success of digital transformation in a hybrid work model are:



Costs

A hybrid workplace is not worth the money if it does not help you sustain and grow your business. If you were to digitally transform your business, the hybrid workplace must be a cashflow friendly investment. To be so, it must be modular - allowing you to add features or scale as you grow. It must also come with reliable vendor support, minimizing the downtime costs.



Digitally skilled/ trained workforce

If the users cannot use it, a tool alone helps little. A hybrid workplace model uses several tools working in sync to make the office function. Starting from collaboration tools like Slack or Microsoft Teams to desk and meeting room booking apps - prove beneficial only if users can use them.



Flexibility

Organizations need to understand that the implementation of a hybrid workplace varies from one business to another. The success depends on several variables spanning a wide spectrum - from existing systems to organizational culture. So, it helps to build flexibility into the plan, leaving ample scope for course correction.



Apart from the above, factor in the uncertainty surrounding the current times. With rapid discoveries about the pandemic and consequent regulatory changes, it is crucial to think and plan for the long term.

Long Term Impact of Digital Transformation for the Hybrid Workplace

The digital transformation of a workplace always has its benefits. COVID19 has undoubtedly accelerated it. Several companies have jumped onto the digital hybrid workplace bandwagon with varying levels of success. Those that fared not-so-well in their initial attempts may be inclined to forever write off hybrid workplace models. It might not be a wise thing to do in the long run.

Digital transformation helps companies attain better operational and cost efficiencies. The impact is more visible in the hybrid workplace. It helps rationalize your real estate investment and improve workplace productivity. Further, by offering employees the flexibility of the hybrid workplace, you can significantly cut down the attrition rate. More importantly, the hybrid workplace is here to stay; not having it is not an option.

Therefore, the long-term benefits of a digitally transformed hybrid workplace outweigh the risks or the cost of the unsuccessful attempts. Moving now or later could make all the difference between an industry leader or a laggard.

