



Why every company leadership needs a worklife strategy

How to make flexible worklife post-pandemic a competitive advantage and the sharpest weapon in the war for talent

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Executive summary

- Remote work will quadruple after the pandemic. After a year and a half at home, the workforce in large parts of the Western world will be vaccinated and able to return to the office after the summer holidays. But they will be returning to a new work-life, where 16 percent are expected to work remotely on average two to three days a week.
- Meanwhile, in-person meetings will grow in significance. One of the major challenges during the pandemic has been to build or maintain a corporate culture – the current cultural equivalent of a flat tire could have devastating effects in the long run. We argue that physical meetings will become more important, but we will also require more from them. Our offices will definitely play a changed part as the sun sets on the workplace function and rises on the meeting place function.
- Flexibility is key. Employers offering a greater degree of flexibility in where the work is performed will advance their positions in the war for talent. This is true for existing employees already experiencing the benefits of working from home, but above all a much larger talent pool becomes available as work is disconnected from the workplace.
- The new worklife must also be more sustainable. A great opportunity to build a new and better worklife presents itself – for the organization and for the individual. To take advantage of it, we must consider three interacting factors: culture, flexibility and tools.
- The balance of power in companies has clearly shifted in favor of the employees. The opportunity to work from home was probably not what you emphasized during a job interview before the pandemic. Today, the possibility for flexibility is broadcasted by a rapidly increasing number of companies with open positions. We forecast that shortly, "location: optional" will be an obvious way to attract new talent.
- Worklife strategy, or how an organization should organize the work post-pandemic, is very much a question for the company leadership. The worklife strategy will affect productivity, culture, employer brand and sustainability targets. We propose a methodical approach for how to design a model that takes into account the needs of the talents as well as objectives of the organization. The model has four parts: market analysis, strategic needs, portability index and the knowledge acquired during the widespread remote work during the pandemic.

The starting point – in the middle of a paradigm shift

The old office job in a fixed workplace, nine to five, Monday to Friday, is in all probability over. Organizations and individual employees have demonstrated that a new worklife is possible, and that it will be more or less disconnected from a physical place. When 700 human resource managers at the end of 2020 were asked by Sifo Kantar on behalf of Sodexo to assess remote work after the pandemic, they estimated that 16 percent of the workforce will work remotely full or part time. That is four times as much as pre-pandemic.

[A recent study from the Stockholm Chamber of Commerce](#) confirms the notion of a major change in office work post-pandemic. Employers and employees alike say they want to work an average of three days in the office and two days from home. This means reduced occupancy of offices by about 40 percent compared to before. The offices will remain however, because no more than about every 20th company and almost as many employees are counting on work being entirely remote.

But what does this mean for an employer in practice? What should the way we work look like when we, newly vaccinated, return after the summer holidays? That is the question we want to delve into in this report. There are of course great opportunities, but also a lot of risks. We will present two models forming a framework for a worklife strategy. First, an analysis model for how an employer can work methodically to find their best balance between office and remote work, and then its application – how to create advantages in the war for talent.

We now have a unique opportunity to restart and even reshape worklife as we have previously known it. The question is: how do we build back better, increasing our companies' ability to develop, retain and attract talent to our organizations? Mental health was a major concern even before the pandemic, and there are many signs that this challenge has only grown larger. We see clear opportunities to reverse the negative development and at the same time strengthen employer brands.

How an organization should be adjusted for the new worklife is in no uncertain terms a strategic issue for corporate management. Opportunities for remote work will be a central part of the employee offering and a way to win or lose the battle for talent. But this is, of course, about much more than merely offering the largest number of remote days. The increased flexibility must be combined with clear leadership and precise regulations. The worklife must also function seamlessly between your employees, whether they are in the office, at home, or working from somewhere else. This will require investments in technology and in new services for remote work.

It is no coincidence that tech giants such as Spotify and Salesforce are early starters in declaring what will apply at their companies. Organizations such as theirs naturally have high digital maturity and an established tradition of employees working remotely. They are already at the forefront of the battle for talent and have realized the importance of now being able to seriously recruit globally, removing the hurdles of dysfunctional housing markets and high prices in the big cities. We have already seen some relocation from city centers to larger homes in the suburbs during the pandemic, but demand is also rising for year-round housing in traditional holiday destinations such as Åre and Marbella, Bjurfors Real Estate recently said in the [SEB seminar series SEB Talks](#).

Talent expectations

Those who have become accustomed to working remotely have high expectations to continue to do so post-pandemic. On average, those who can work remotely expect to continue to do so on average two days a week.

In addition, the importance of flexibility and work-life balance is increasingly important to attract young talent, as shown in the survey [Young Professional Attraction Index \(YPAI\) 2020](#). This is, for the first time, rated as an important parameter when choosing an employer. This target group clearly wants to be able to control their worklife – when they perform tasks and where they do it. More than one in three people in the survey state this as important. But criteria such as nice colleagues, stimulating tasks, and compensation and benefits are still more important. From an office perspective, it is worth noting that the geographical location of the office is not defined in distance but in time. And that geography becomes less important if the employer has a high degree of flexibility when it comes to remote work.

We also see that the sparkle of former worklife status symbols will fade post-pandemic, when a large part of the work is carried out remotely. In much the same way that the car is seen as a means of transport rather than a way of expressing status and lifestyle in the younger generations, the office will shift from a status symbol and workplace to a meeting place. When it is no longer a given that customers and employees will visit the office to the same extent as before the pandemic, many companies will reduce office space. Some evidence also suggests that it would make sense to divide the office into several smaller units. With the possibility of decentralizing your physical offices to more locations, you may be able to afford a smaller office in a more central location and then supplement it with additional offices in hub locations reducing travel times for employees. Because remote work is not synonymous with working from home.

At the same time, meeting in person will increase in importance. In part because we simply have a pent-up need to see our colleagues and customers, but also because some tasks and culture-building are simply better done in a physical meeting. The office will definitely remain, but instead of being a natural workplace, it will become the place where you meet. Meeting rooms and social areas will take up more space while fixed desks will lead a dwindling existence.

One in four in the Young Professional Attraction Index survey also rate a company's culture and values as significant when choosing an employer – it is clear that employers who take social responsibility will find it easier to recruit. How a company has handled the Covid-19 pandemic is also important for the ability to attract talent. At the same time, managers faced with extensive remote work consider corporate culture a challenge: 44 percent stated as much in the survey that Sifo recently conducted on behalf of Sodexo. It is important to find new ways to build and maintain culture, and to keep in mind that culture primarily resides in the minds of the company's employees, not within its office walls. For leaders, this means a new kind of leadership where control shifts to trust and where employees are given clear goals and means for a large measure of self-leadership. Company culture is, in the end, about how we solve tasks at our company based on our behaviors, values, preferences and decisions. Regardless of whether it takes place in the office or at home.

Work environment will be a top priority whether you have employees in the office or remotely. It is reasonable that savings from reduced office leases are invested in improving remote work. Many have already received support from their employer to make the home office ergonomic. There is great potential for new types of services that improve

the physical and psychological work environment. This could range from facilitating grocery shopping to finding tools and aids that ensure that employees take breaks and get the recovery that is so important for both psychological and physical wellbeing.

How do we build a worklife for the talent?

Most company leadership teams and HR departments are now grappling with questions such as how much of the work should be remote post- pandemic and how to design our physical offices. There are probably as many answers as there are companies. The following are clear steps you can take to design a policy that is both bespoke and future-proof.

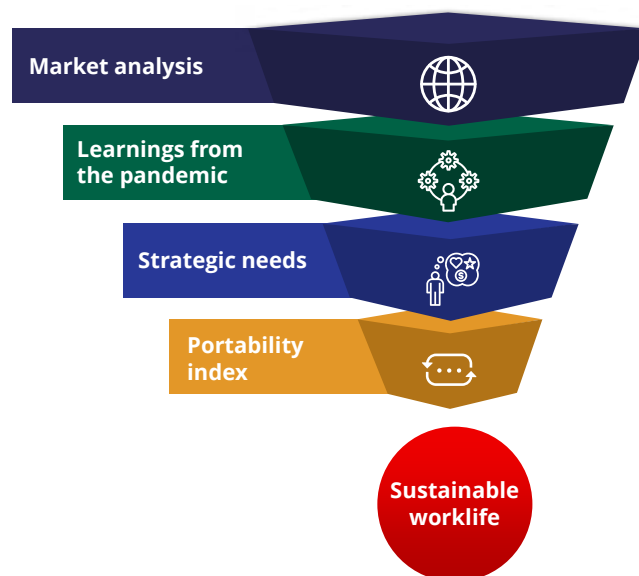


Illustration 1: The road to a worklife strategy that lays the groundwork for a sustainable worklife has four stages.

Step 1. Market analysis

We may still be in the pandemic and working from home may still be mandated by the authorities. But it is becoming increasingly clear that worklife has undergone a paradigm shift which will affect society as a whole. The foundation for how an organization should face remote work should therefore begin in the outside world.

In employee surveys, expectations on continued remote work are high. Most want to be able to work remotely between two and three days a week – a level that matches what many employers are contemplating. But as part of the market analysis, customer attitudes must also be considered. To what extent will they want to meet in person after the pandemic? Other factors to look at are what others are doing and what has worked for them, what trends and changes in society we believe will remain after the pandemic, and what they may mean for us.

There is currently no new legislation regulating remote work, it is largely regulated in existing work environment legislation. This states clearly that the employer is responsible for the work environment also in the home. But it is important to keep track of coming legislation in Sweden and in other countries where a company has employees. As an example, there are proposals for the employer to pay for internet access for people working from home.

Step 2. The pandemic – experiences and new knowledge

In the past year, Swedish companies quickly shifted to remote work at a level near the maximum potential. In other words: those who can do their work from home have done so. This is an unparalleled shift in worklife. Organizations have now gained a year of experience that should be thoroughly analyzed. Experiences obviously vary between companies, but the analysis should include knowledge of how both individual employees and the organization as a whole feel and perform. What new behaviors have we created that are desirable, and what has had less desirable effects? Even Microsoft, which is responsible for the software that enables working remotely, states that we have created new ways of working that are negative for our health. For example, our meetings have been on average ten minutes longer and 148 percent more numerous. Even more ominous: we chat 42 percent more outside of working hours. What has been gained in reduced commuting time and more family time risks being lost if work and leisure are mixed up. It is therefore important to separate how remote work affected productivity from the number of hours we worked.

Another important aspect to bring into the experience analysis is how creativity, innovation and culture have been affected. These are crucial pillars for an organization's success over time.

Step 3. Strategic needs

In the needs analysis, you should first and foremost limit yourself to the organization's need for talent. Because the war for talent is more about how an organization succeeds in getting its talents to develop and stay than about recruiting new ones. As you draw conclusions, it is therefore important to include your employees' current and future needs. Research has shown that there are great differences in how voluntary and forced remote work is experienced. In concrete terms: you must find out what employees think works well and not so well when working remotely and from the physical office, and thoroughly examine why. Listen to their ideas, wishes and feedback on how you work now and before the pandemic. Here, both anonymous surveys and open group discussions will be needed to get a good basis for decision-making.

There is also a difference between work functioning OK and functioning well. One interesting distinction made in the just-released book Corona Express is between functional and social work. Functional work, such as writing or programming has by many been perceived as more productive doing from home, where the environment is often calmer than

in an open office setting. Activities characterized by social elements work less well, with examples given from the onboarding and offboarding of staff, but also the water cooler conversations – actions that serve a social, but also creative purpose. Somewhere in the middle is innovation and creativity, which some companies say is hampered by digital meetings, while others say that digital tools have instead supported improved development. It is important to estimate how much of the work is social and how much is functional.

There is of course a great difference between a company that is strongly connected to a location, such as for example a municipal operation, and a multinational company. If your company is already planning to expand, nationally or internationally, add this to the equation. There are tech companies who have already declared that they intend to recruit thousands from markets where they aren't active today, as a way of both attracting talent and expanding operations. It may be smart to step into the talent pool in potential markets as a first move in an establishment, thereby not immediately incurring costs for an office and to register a company.

Finally, it is important not to underestimate the challenges of having employees located across many countries. Questions such as time differences and tax questions can be complicated to solve.

Step 4. Portability index

A portability index expresses the proportion of your employees who have tasks that can be performed remotely, in full or in part. Most companies have gained a good idea of the potential for remote work during the pandemic, as authorities all over the world requested people to work from home as much as possible. Still, it is important to do this calculation exercise as the Sifo survey clearly shows that some industries have more people working from home than actual tasks adapted for it. At the same time, there are employees who have testified that they have been required to go into offices even though their jobs can be done remotely.

With a portability index, you get a measure of how much of the workforce that can do their work from a place other than the office. This can then form the cornerstone for your decisions. You can flatly expect that the war for employees in the portability zone will intensify considerably – but also that you will be able to expand your talent pool.

A strategy for a sustainable worklife

When the four steps above are in place, the organization will have a good idea of how to optimize the balance between remote and office work after the pandemic. The ambition must of course be to take the opportunity to build a new better worklife for the employees, making it possible for the company to perform better and become better at both retaining and attracting new talent.

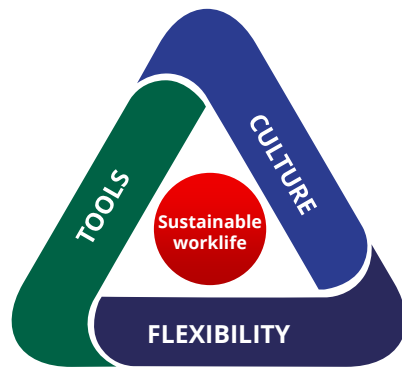


Illustration 2: Culture, flexibility and the right tools must work together to create a sustainable worklife.

Culture

When Sifo on behalf of Sodexo in December 2020 asked 700 HR managers about the biggest problems they experience due to the increased remote work, number one was the increased difficulty to create commitment and team spirit. The runner-up was a poorer psychosocial work environment. Our belief is that both problems are strongly associated with the company's culture. A company's culture is also an important part of the employer brand, which in turn is crucial in the battle for talent.

When the worklife largely takes place in a shared workplace, a large part of the culture building can be linked to the physical space. The office should reflect the culture. For a law firm specializing in corporate business, an exclusive office in a premium location is expected. If you are a company with low price as a key differentiator, this will also likely be reflected in the office looks and location. Corporate culture has therefore often been incorrectly associated with something residing within the company's walls. There are many definitions of corporate culture, but at its core it is simply how an organization does things and how employees treat each other, their customers, and other external stakeholders. The culture resides in the minds of the employees, not within the walls of the company. In other words: it is highly possible to maintain and develop the culture also when working remotely, but you must set aside time and resources to do so – whether the culture work takes place in an office, at a conference or in a digital forum.

Early on, we saw signs that the extensive remote work was affecting our health. Eyebrows were raised when we in a previous report stated that we are sitting on a ticking public health bomb. The signs of mental health struggles have only increased since. Arguably unexpectedly, this is most evident among the youngest employees as opposed to seniors who have been more isolated. Now that we have this opportunity to shift from a workplace focus to taking a more holistic approach to worklife, there are few areas as prioritized as working with employee mental health. The most effective way to do that is to let it become part of the company culture – the work then also becomes a way to strengthen the employer brand. In practice, this requires a relatively small effort, with a fantastic return both in health and money.

So how is this done then? The Understand Foundation has helped us with a starting point for how to tackle the problem: It is a matter of raising the issue in the first place. Preferably, the management team or even better the CEO should be clear that they care about how you feel and that they will initiate a program to support mental health. Such a program should consist of training, where managers and leaders learn to recognize and adequately handle early signs of mental health struggles.

Then add frequent surveying of mental health – note that it is more important to measure often than to measure a lot. With increased remote work, more soft skills are required from leaders and every individual's ability to self-lead will become even more important.

Working for an employer who truly cares about how employees feel will continue to grow in importance. Among younger members of the workforce in particular, a change in attitude is also notable when it comes to talking about mental health – it is no longer seen as stigmatizing, rather it is expected from an employer.

Being an employer who cares about the society in which it operates is also becoming increasingly important. The corporate culture therefore needs to be clearly grounded in core values. In times of remote work, trust is a key value. By trusting employees to do their jobs, even from home, many companies have increased rather than decreased productivity. These values should also answer the question of how the company contributes to doing good in society, reducing environmental impact, and increasing inclusion.

Flexibility

Another cornerstone for building a better worklife is flexibility. In the previous section, we presented how to determine the optimal degree of remote work for an organization. Most employers are likely to choose a model that combines remote and office work. A policy for remote work will therefore be important. Now comes the time for the organization's leaders to take over the baton from the Public Health Agency in telling when and under what circumstances remote work is preferable. Simplicity and clarity will, as always, be paramount. Mutual trust and continuous dialogue between leaders and employees is also required.

Existing research on remote work has shown a big difference in how employees feel when something is voluntary, or as in the case of the pandemic at the request of the authorities. It is therefore important that remote work is voluntary as there will be employees who thrive and perform better in the workplace. Since the employer is responsible for the work environment, it is also recommended to define which locations are okay to work from. Homes, vacation homes, office hubs and client premises are given. But how about cafés, for example? The employer is responsible for the work environment and must be able to ensure that workplaces used by the employee provide a good and safe work environment.

Another important question to ask is whether working hours and benefits need to be adjusted to remote work. Then, of course, the remote work must be matched with an optimal use of the office. If everyone works off premises on the same days (it is not entirely unlikely that Mondays and Fridays will top the employees' wish list for remote work), it may not be possible to reduce the number of workstations in the office and meeting rooms are likely to be overbooked.

Tools

Seen from the employer perspective, the greatest benefit of remote work is the gigantic digital step that office work has taken in the past year. This change was already in motion, and the technology and software we now use daily were for the most part in place in March 2020. But if the digital meeting was then regarded as an emergency solution, it is now the new normal.

While this technology may have become commonplace, there is undeniably room for improvement. "You are muted" remains a standard phrase in most meetings. The goal is to strive for a unified work experience for all, regardless of location. This will require investments in technology because hybrid offices make for hybrid meetings, with some gathered in one place and others remote. More meeting rooms will be needed, in turn needing better technology. We can also expect new collaboration platforms to gain ground. An example is Glue, a startup that is part of Sodexo's accelerator program Sparx, which uses VR technology to make the remote meeting experience as real as that in the office.

But technical tools will only address some of the new needs. The question that remains is what services an employer should offer its remote employees. Health will be a cornerstone here – understanding how employees are doing, and the ability to work preventively by supporting exercise, recovery, and good eating habits.

Case study:

Getinge gives employees the opportunity to work remotely – even after the pandemic



Illustration 3: Magnus Lundbäck, Executive Vice President Human Resources and Sustainability at Getinge.

Getinge is a global supplier of innovative solutions for intensive care, cardiovascular procedures, operating rooms, sterile reprocessing and life science. The company has more than 10,000 employees and operates in 38 countries.

When Covid-19 developed into a pandemic, the company focused on two things: to ensure the health of employees, among other things by quickly introducing a travel ban and switching to remote work for salaried employees; and to ensure a fast scale-up of the company's production of fans and other products that literally help save lives for those with severe cases of Covid-19.

But remote work quickly proved to have more positive effects than merely as a precautionary measure to reduce transmission. From kitchen tables, work wasn't just being done – in most cases, it was done to a greater extent than previously.

"We showed our employees we trusted them, and they gave us trust in return, which resulted in increased productivity," says Magnus Lundbäck, Executive Vice President Human Resources and Sustainability at Getinge.

The Getinge management team began developing a structure and method to give employees the opportunity for flexible remote work after the pandemic already during the summer of 2020. The company has continuously surveyed employees during the pandemic to understand how they feel about remote work and to measure productivity.

In the most recent employee survey, more than 70 percent of employees stated that remote work has improved their productivity and had a positive impact on work-life balance.

To what extent work can be remote is ultimately individual and settled between employee and manager. The starting point is if, and if so how much, the employee wants to work remotely. The needs of the team are then considered, as well as the degree of physical presence required to support customers and other external stakeholders. The analysis can then result in anything from 100 percent remote to 100 percent office-based.

If an employee works three or more days remotely, the home is counted as the primary workplace. The employee gets recommendations on how to design the workplace in an ergonomic way and receives a financial contribution to equip the home office so that it is both functional and fits with the existing interior of the home. The extra screen is located at home and when in the office, you work from your laptop at a flexible seating desk.

The model was piloted in Poland, Denmark and Australia with good results at the beginning of 2021 and will now be rolled out throughout the organization. Flexible remote work has been received as a positive change for existing employees, and it is clearly perceived as attractive when recruiting. When Getinge recently opened a position for a quality manager in Poland, 1,274 applications were submitted – compared to 84 the year before when the position was fully office-based. This is clear evidence of the significance of companies now being able to recruit globally for local positions with a high degree of remote work.

"We have several positions where it barely matters where you are located and where we will clearly benefit from growing our international recruitment base. I am not particularly concerned about different tax rules or variations in legislation between countries. These are things that can always be solved," says Magnus Lundbäck.

As remote work is currently still recommended for most people, Getinge's model has not been tested in its hybrid mode with a clearer mix between office and remote work. But preparations are already in place for work to a large extent being conducted remotely. In early 2020, Getinge initiated training in leading remotely for its 2,000 managers together with Harvard Business School.

"We don't have the final answer, but we have taken a big step and we will evaluate it continuously. We can now offer our employees an environment where they can do their jobs as efficiently as possible and get a positive work-life balance. If this is good for both the employee and the company, why should we say no?" says Magnus Lundbäck.

Conclusions

It is no longer a question of if we will have extensive remote work post-pandemic, but a question of how do we do it. As it will be a lasting change, it is important to make a thorough analysis of how to formulate your employee offering. After a year of feeling as if the world suddenly had shrunk, it is important to start with an analysis of the world around us, and then move on to the experiences your organization has gained during more than a year of extensive remote work. Then, the needs of the employees must be matched with the needs of the company. Not everyone who can work remotely will want to do so, and there are probably also tasks that could be performed remotely but create greater value for the company if they are done onsite.

We also want to be clear that we are in a paradigm shift with the opportunity to build a new worklife, and we should therefore take the opportunity to do better. Above all, we see great potential in taking mental health seriously. Mental health was a considerable concern before the pandemic and there is much to suggest that mental health challenges have increased further during the pandemic.

The road ahead

In our previous whitepaper, based on a survey of 700 HR and HR managers, we established that extensive remote work will remain after the pandemic. With the model presented in this report, we want to make it easier for organizations to plan for which level of remote work will suit your specific organization.

The next step will be to look closely at the future role of the office. What should it look like and which of today's functions can we just get rid of? Increased remote work will require better technology at home and in the office, because let's be frank: there is room for improvement in today's digital meetings.

Another big issue will be corporate culture, which will perhaps play a larger role than ever. Possibly particularly among younger employees who prioritize culture and values when applying for a job. How to build culture in a remote or hybrid environment is an issue we will undoubtedly come back to. ■