



Digital Strategies Roundtable

Diverse Perspectives. Shared Insight.

Workforce and Workplace 2020 Forward

Key Insights and Summary

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Digital Strategies Roundtable

An executive roundtable series of the

SDA Bocconi School of Management at the Università Bocconi and
the Center for Digital Strategies at the Tuck School of Business at Dartmouth

Three months after the beginning of the COVID-19 outbreak in the United States, the Roundtable held its first-ever all-video meeting, on the evolving nature of workplaces and workforces. Although the topic had been selected months before the first reports of a novel coronavirus, the pandemic's impact could not have been more relevant to the topics at hand: remote work, digital transformation, the changing nature of employee-employer relations, and how the presence of five generations in the workforce affects all of these.

CIOs and their colleagues in human resources and facilities from the Airline Reporting Corporation, the American Bureau of Shipping, Chevron, Eaton Corporation, Huntsman, Owens Corning, Tenaris, Tetra Pak and host Levi Strauss & Co., faculty from the SDA Bocconi School of Management and the Tuck School of Business, and Executive Fellows of the Roundtable, met to discuss how changing technology can best support a changing workforce, and how all of these plans and trends are being changed or accelerated by the pandemic.

Key Insights Discussed in this Article:

- 1. COVID-19 has accelerated transitions long in the making.** Enterprises have been forced to act more quickly than they ever imagined, and they've been pleased by how their investments paid off and how quickly their people adjusted..... **pages 2, 4-6, 8-9**
- 2. Technology has been successful in enabling sustained productivity, but the next challenge is in the "soft skills."** Executives and managers who are not so comfortable with digital interactions, need to quickly win their black belts in how to build relationships in a mostly-virtual world..... **pages 4, 6-8, 13-15**
- 3. Digital can be more effective than physical, if human contact can be maintained.** Both digital and physical processes need to exist in parallel to effectively meet various needs, but it seems best if they don't exist in the same space — hybrid meetings typically don't work very well..... **pages 3, 6, 10-11**
- 4. Productivity can be maintained, but what about culture?** Purpose, principles and technology are holding companies together under stress, but how can companies sustain and develop their unique identities and missions in an all-online world?..... **pages 4-6, 9-10**
- 5. Enterprises have an increased obligation to give all employees work that is both safe and meaningful.** Leadership and the human touch are key, now more than ever, to get the best from and for every person — which will include expectations of increased personalization and flexibility in employee journeys..... **pages 2-3, 9, 15-17**
- 6. Executives and IT hold the responsibility to embrace, rather than resist, the new.** Companies won't completely cease to have physical presences, but the world is never going back to how it was. Leaders need to combine technology with frequent and transparent communications to evolve the mostly-digital employee experience..... **pages 9, 10-11, 15-17**

A World Gone Gray

“When we picked this topic last fall, we all realized that we were already on an interesting path around the nature of work and the nature of employment relationships,” stated Hans Brechbühl, Associate Professor of Practice at the SDA Bocconi School of Management. “Much was changing already, and had been over the last years, and the impact on collaboration and productivity and remote working isn’t all being driven by COVID-19. But we can’t ignore how the coronavirus has accelerated these changes greatly, so let’s start with the effect the pandemic has had on your people policies.”

“We saw this oncoming train from China to the Americas and Europe early on,” replied Steve Zerby, CIO of Owens Corning.

We identified two things immediately: First, we wanted to push as much autonomy into local teams as we could. Managing local nuance from the center, even though our IT is a consolidated function, seemed like a recipe for slowness and debate. So we re-positioned the center of the organization to become a supply chain of knowledge and tools for the regional IT groups. We put more rigor in how we engaged with them than we normally would have, and that let us work reasonably quickly.

I’m always harping to my team about providing good service. Here we amped it up even more, and we tried to become a frictionless function. That meant not a lot of debate about what people thought they needed to be successful, not a lot of qualification to get approvals. We wanted to flood the company with technology options, so that it took the stress off in terms of one less thing for people to worry about and lowered the overall anxiety of the company.

“Operationally, one obvious goal was business continuity, but for the leadership team, employee safety came first,” continued Zerby’s colleague Paula Russell, Chief Human Resources Officer at Owens Corning.

We set up extensive protocols to ensure safety in our manufacturing environments, and those have translated into other spaces as we’ve re-opened offices. We moved to skeleton crews and different approaches to occupancy and spacing. On principle we want employees to have the flexibility to stay safe without affecting pay. We’ve worked to enable employees to stay home without being hurt financially by that choice, through flexible leave policies, flexible sick time, and heightened safety protocols. These principles have created a ton of good will with our employees.

We’ve implemented one process around health screening that I’m constantly asked to share with other companies. It gives us a view into who has a health concern that we need to help with, and then we deploy medical and HR staff to support employees in getting the services they need so that we can keep health issues out of the work environment.

“Every morning between 3:00 and 4:00 AM local time, every employee receives an SMS or email with two questions to answer,” Zerby explained.

If they answer both questions in a favorable way, they get a green check on their smartphone, and they use that to admit themselves to our facilities for the day. All the data is pumped into PowerBI in real-time, which gives the local HR organizations a visual snapshot of the health of their employees, and Paula and her HR team roll the results up globally. You have to answer the questions on weekends and holidays as well, so we can actually see emerging hotspots. At first we thought this was just a pure efficiency play to eliminate paper, but it's turned out to be very much a source of insight.

Rhonda Morris, Chevron's Chief Human Resources Officer, described some of their actions in response to the pandemic:

Our company is 140 years old, so we have a policy for everything you can possibly imagine. They tend to be pretty black-and-white, and now we have to work in a world that's really gray. It's been hard, but we've been able to do it. The pandemic hasn't *changed* any of our policies, but we've had to apply them in different ways.

For example, retail service station personnel are considered essential employees. To incent them to continue working, we implemented short-term premium pay. For the 25 percent of our employees who work in facilities, we are looking at all the different levers in our toolkit, and how we can use them. And we have ensured that *all* of our employees are continuing to be paid. We have a small population that can't work in the office and can't work at home — e.g., lab techs — so we created a new pay code for that population, so they won't have a negative financial impact because of something completely outside their control.

Another difficult item is vacation. Employees stop accruing additional vacation hours if their vacation bank reaches a certain threshold. People are asking if we're going to change that, because no one can "go" on vacation. This year, vacation probably doesn't involve taking a cruise or getting on a plane. So we're helping employees to re-define what "vacation" means, because we need people to take time off to address burnout and fatigue.

"We have a take-what-you-need vacation policy," remarked Eric Barger, Chief Human Resources and Administrative Officer at Airline Reporting Corporation (ARC).

We don't have to worry about accrual or carry-over or how people are 'supposed' to go on vacation. So unlike a sister organization of ours, we don't have to force folks to take their vacations under the term 'rest & recharge' days, which is *not* going over well with their workforce.

One thing we definitely did adjust was our telework policy, which was two days a week, with managerial permission. We did not formally close our core offices, but we did move to a mindset of maximum telework. The CEO of the same sister organization was frankly anti-telework, and that person has done a complete 180 through this. At

ARC we had a little more receptivity, but even for us, this has been a forced proving ground for how effective telework can be.

“We had already been moving in the direction of making telework an option for anybody, wherever it made sense,” commented Mark Meyer, Vice President of Global IM at Tetra Pak.

Then when all this took place, it immediately flipped the other way. Our closures policy from the start was to follow what was happening locally, so we went as quickly as possible to “work from home if you can, but the office is open.” Then locally when there was a shutdown, we closed the offices. And we’re not necessarily opening them at the same time as lockdowns end.

Suppliers, customers, clients, consumers and ourselves were all faced with the same need to change the way we work, and we all found out that it works a lot better than we thought! You actually hold a customer meeting over Teams, where before you didn’t even dare to ask, because “you can’t ask a customer, you *have* to visit them.” That all changed. The innovative processes we’ve adopted are fantastic — to do an installation, to perform an audit, to run a meeting or an innovation session — none of which would have happened if we hadn’t *had* to get around this somehow.

Similarly, Tenaris is “executing projects in remote locations where we have never thought we would be able to,” corroborated Alejandro Lammertyn, Chief Digital and Strategy Officer. “We are doing virtual inspections of our materials at customer sites, so that they don’t have to travel. We have established virtual presences in order to help run wells in oil fields. It’s important not to miss what technology is bringing that can add on top of how we work, that we should take advantage of and promote even once the pandemic ends.”

“We were not an organization that culturally embraced remote work,” admitted Twila Day, CIO of Huntsman Corporation. “We had a lot of the foundational tools in place — Teams, WebEx, SharePoint, OneDrive, etc. — but many people were not comfortable using them. Overnight they became successes, and we went from 10 percent remote work capability to 90 per cent plus. From the IT perspective, we will need to provide this level of capability from now on.”

“And what are companies thinking about doing for people as they max work-from-home?” asked Dickie Oliver, CIO of Airline Reporting Corporation.

Today, companies pay for cell phone usage. Are they now going to pay for home connectivity? For additional technology needed for the employee who chooses to work from home instead of coming to the office, where we’ve spent a lot of time and energy to create the best possible working environment that we can?

We’ve spent a lot of time in the past in this council working on how to keep employees engaged. That becomes even more challenging with a workforce that’s mixed between people at home and people in the office.

“As people start to come back to the office, the question is, ‘What is the new norm?’” asked Chris Clark, CIO of Levi Strauss & Co. “46 percent of people say they’re more productive

remotely, and 82 percent believe they could be remote most of the time. Now think about the new health concerns of returning to the office, say, taking mass transit: How are we going to manage this new norm of a mixed office/remote environment?”

Remote-First, Yes, but Flexibility and Personalization Most

“The pandemic seems to have forced a manifestation of something we were seeing environmentally already,” Brechbühl suggested. “It’s something that was going on in the background already, and I’m not talking just about remote working. It’s personalization for the individual, around growth, and work/life integration, and now safety.”

“That’s been a significant discovery,” Zerby agreed. “Pre-COVID, there was a notion that the younger folks had a yearning for remote work. As we’ve worked through this, many of them are actually *more* anxious to be back in a communal environment — I suspect in part because they don’t have a broad network and history to connect to others when they’re by themselves. What this generation wants from us is not isolation, or remote work, but flexibility.”

“The feedback from our employees is so clear, telling us that whether they are 25 years old or 65 years old, they appreciate the choice of place and the choice of time,” reported Jesper Svensson, Tetra Pak’s VP of Facilities and Real Estate Management.

This is where large corporations historically have tried to over-engineer things. Now the situation has engineered things for us, and we need to keep our approach at a higher level. Our reason to exist is to protect the food chain in the 170 countries where we operate. If you have a common purpose like that, it doesn’t matter if you are in lockdown, if you work from home or the office or manufacturing. You connect yourself to that. The workforce understands why we exist as a company, and so productivity has been maintained.

“We’ve all been largely successful at this stress test that we’ve received,” summarized Dion Hinchcliffe, Principal Analyst for Constellation Research and Executive Fellow of the Roundtable.

It’s been taking a long time to modernize the workplace, and we didn’t think we could do this. But we did it in just a few weeks. That said, the lessons are clear that what we designed in the digital employee experience was designed to augment the physical office. Line workers are being more productive in these circumstances, but managers are actually less productive, because they’re stuck in 30- or 60-minute meetings that really should be only as long as they need to be. They’re succumbing to “Zoom fatigue.” We don’t have a scheduling process that works well for a fragmented and distributed workforce.

Soft skills are being stress-tested more than technology now. Middle managers have to be family counsellors and psychologists as well, and they don’t have the necessary tools. And we need to make this transition more effective and more sustainable for the long term: Only one-quarter of workers expect to return to their physical workplaces,

half think they don't need to, and the other half don't want to. We've essentially been physically "disbanded until further notice." That means that our workplaces, our digital employee experiences, are going to have to be remote-first for the foreseeable future, and they're not designed for that.

"Even before the pandemic, industry was transforming," suggested Giuseppe Soda, Dean of the SDA Bocconi School of Management.

In education, technology has been disrupting our business for the last ten years, with new value chains, new products, different ways to think about learning. The gurus were predicting that business schools would suffer, but the change was relatively slow-moving. Our feeling was that these technologies were expanding the market, and we started to take advantage of these opportunities, without creating confusion between our traditional business and the new online business.

But then the crisis broke out, and it's all moved incredibly fast, along unpredictable paths. The *opportunity* to go online suddenly became the *necessity* to go online. The problem was not just to reorganize the lives of our students without interrupting their learning journey; we also had to completely re-think our administrative workflows, and the ways in which our faculty delivers value.

The switch has been good, and we are surprised at how positively our students have reacted. But several weeks in, our organization has questions: How sustainable is this? Is this huge change that we've undertaken something we want to keep, or should we go back to our previous lives? One obvious solution is going to be a hybrid world, with the best of both experiences — a blend of technology and tradition — but to find the right combination is a huge challenge.

"Our first question should be, 'What are we missing if we go online for everything?'" suggested Laura Baruffaldi, Lecturer in Leadership, Organization and HR at SDA Bocconi. "If we answer this carefully, but not too quickly, the best solution will come out. We assume this generation welcomes the online solution, but when we ask, they're really looking forward to getting back to the physical world. You learn differently, you build memories, you build experiences. You experience the unexpected."

"These policy discussions have become much more personalized," agreed Bekah McKibbin, HR Director for Levi Strauss.

What are you, the individual employee, comfortable with? Maybe you're at home with children, maybe you're not. Maybe your spouse has a job, maybe not. Some people are eager to come back to the office, for whatever reason. Others have a lot of uncertainty about how to remain safe. It's a big shift from your employer telling you that you're required in the office 80 or 100 percent of the time. This is going to be something we continue to explore moving forward.

“The whole office environment was changing regardless of the coronavirus, and now 80+ percent of the people say they are at least as productive as before,” pointed out Luis German, CIO of Tenaris.

So right now, teleworking is fine, because there is a strong cultural bond among people who know each other from the real world, and they know how to interact with each other. It’s been an easy transition for people who are already part of the team. My concern lately, though, is what’s going to happen as we move on, if we lose the bonding experiences that we build as humans by being next to each other. As we work remotely, and the new generations come in, can we build the same sort of team spirit? How are we going to deal with newcomers who will not receive the same sort of human contact as we did, when we grew up inside the company and actually helped to build the culture?

“The actions we are taking and the decisions we are making are important, but it’s also very much how we are already doing things,” emphasized Paola Mazzoleni, Chief Human Resources Officer for Tenaris. “How we communicate to our employees is going to differentiate many companies versus others. There’s such a need for the human touch.”

“We shouldn’t ever neglect the fact that people are social beings by and large,” added Bill McPherson, Global Human Resources at Huntsman.

There’s value in that. There’s value in building relationships, and in physical contact in the office, in having a group of people together, working on a common goal, and the energy and excitement that creates. None of us really realized that until these past couple of months, working from home, and all of a sudden, we miss it. One of the pillars of being an effective leader is relationship building, and if we go too far into a remote-only world, it’s going to be more difficult to build those relationships, and create trust and be an effective leader.

Leadership Challenges

“We are moving to a more flexible, performance-driven, work-from-anywhere world,” Meyer emphasized.

And we really will get a huge benefit as we move anyone who is left in management by supervision to management by performance. It doesn’t matter if you get your job done in five hours or if it takes you ten — you were hired for *that* job. The idea that we have to change because the young people want to work differently was a myth that’s now been blown out of the water. We *all* want and need flexibility, for many reasons.

“The biggest change from all of this is going to be retraining management and leadership,” Day suggested. “It’s now their responsibility to understand how employees are doing based on outcomes, and not based on the fact that they saw someone arrive at 8:00 and leave at 6:00. That’s an old management style that’s not in the best interest of the talent that we are trying to attract. We need to develop a model with remote experience and in-person feel.”

“When we think about how we influence change for the future, there’s a component of ensuring that we have a strong cascade to our managers,” McKibbin emphasized.

That includes those who already support changes that need to go into place, but also identifying those managers who might be struggling with some of the change. And then having open conversations with them: “Where are the road bumps to come? How do we overcome them? What are the struggles from having people remote, with more flexibility?” We need to watch for who is in the boat, rowing in the same direction, and who has paused their oar to say, “I’m not really sure how to incorporate all this.”

“Leaders have to get comfortable with the concept that being out of sight doesn’t mean being out of mind, and people still get things done,” confirmed Bill Blausey, CIO of Eaton Corporation.

There’s been an absolute and total blur for traditional office workers between home and work. Measuring performance has always been part and parcel of running an organization, and I don’t know how that changes based on where someone is located. I’m not going to monitor how many hours people are online, I’m going to monitor what they’re getting done. Are they meeting deadlines? Are they on budget? I’m not sure how much of this is a real change, to be honest.

“It seems that remote working, and staying engaged and contributory and productive, is going rather well for the employees,” Brechbühl said. “In many cases, senior management sees the purpose and ascribes to the process, but middle management is maybe having the hardest time. They’re used to being hands-on with employees, they’re used to being able to do more of the monitoring that isn’t just about productivity. Is that a concern? And if so, how do we address it?”

“It is a concern,” Day answered, “And not just at the middle level.”

Even at the higher levels there are different executives with different preferences as to how they engage with people. Some of them are very uncomfortable with not having the person directly in front of them, or down the hall. We keep referring to soft skills and different ways of managing, but there is a gap in the ability of people to understand how to engage effectively in an environment that is virtual.

One area that is really going to be harder in this environment is succession planning, when we’re talking about sponsoring people for higher-level roles. The interconnectivity that people have with each other in-person creates trust in ways that are not as easy to form when you’re virtual. I have no statistics on this, but I would venture to say that people who have been in totally virtual roles, who haven’t been in-person with leadership or executives, have a harder time getting promoted than those who are engaged on a daily basis. We need to understand how to better engage with people, and build trust and comfort and understanding in a virtual environment.

“This dichotomy is incredible to see,” Lammertyn exclaimed. “Virtually we are working better, and in some ways more closely, than we ever have before. But at the same time, the opportunities to have a leaner organization by moving activities from high-cost to low-cost

countries make people uncomfortable. And once that happens, will you promote the person that you have close to you in your office, or the person doing the same job, but not in your surroundings? It will be very interesting to see how this evolves, now that technology is not an issue.”

“When COVID first appeared, a consistent thread appeared among leaders, especially those at the top of organizations,” Hinchcliffe offered.

They don’t use digital tools every day, and there were feeling very uncomfortable about their skills and ability to lead publicly, to be out in front. They are learning the concept of ‘network leadership’ — you *can* lead and build culture at scale using these tools far more effectively than any other way we’ve ever had. It’s just that we haven’t had to do so before. And now we do.

The good news is that there’s plenty of evidence that you can lead and create a very cohesive culture, entirely through a network connection, if you build up the skills to do that: if you’ve made a point of acquiring them, and then you wield them. That’s going to be the challenge for most folks. Today, we have these great leadership abilities in the physical world, but not necessarily in the digital world. We haven’t been honing those abilities, and now we need black belts. There’s widespread concern that leaders don’t have these abilities, and that’s a gap we are all going to have to address in this new world.

“It takes discipline to connect with people, whether you’re there in the office or working remotely,” pointed out Maria O’Neill, CIO of the American Bureau of Shipping.

It takes discipline to set up meetings or to call, just to get on the computer and call people virtually. I’ve seen more of my boss in the last 60 days than I had in the previous year, because he has established a routine of every Monday, Wednesday and Friday to talk about current issues. That’s a discipline that we have now instilled that we didn’t have before. Just getting organized and setting up these meetings has actually helped us to connect better with one another.

“We’ve been working in global teams for quite some time, using tools to augment communications and teamwork,” Meyer stated.

For example, using Teams I can click on a person, and the video comes on automatically. We pop into each other’s ‘offices’ all the time, and we actually see each other. We should use some structure to create new habits, but we *will* learn new habits. All these things we don’t know how to do — it’s only because we’re not doing them. Just like everything that improved about how we worked in the internal environment developed over years of practice, this will all come in a virtual environment. We will learn by doing.

“I agree that we shouldn’t assume that things can’t be done in certain ways. But there are certain things that don’t translate well to the virtual environment,” Barger countered.

People are doing a lot of hiring virtually right now: Walmart had to hire 85,000 people in the last eight weeks, and a lot of it was done virtually. That's extremely intelligent. But as a company, are you ready to hire your next CEO virtually? Your next Chief Human Resources Officer? Without any breaking of bread, with no dinner conversations or in-person interviews? That's a filter we have to put things through. What about hypersensitive customer conversations? Acquisition integration? Even in a time when we're not literally not pressing the flesh, there will always be some a need for some degree of in-person footprint to execute these kinds of things.

As a different example, leadership development programs span 12 to 18 months. You need to be vulnerable with your colleagues, and really vulnerable with the instructors, if you're going to maximize your own leadership development. It's asking a lot to think about a person in a virtual environment and asking them to leap into that space of vulnerability. That's a distinct challenge.

"We are looking at engaging employees, especially new ones, completely virtually," Clark added. "How do we connect them to the 165-year history of Levi Strauss, and all that means from a culture standpoint? It's important that as leaders we are out in front. Our CEO is in front of all employees every other week. They can see us and hear us, but there's no physical interaction. That's going to be the struggle as we onboard folks virtually and help them stay connected to our long-standing history."

"This is my particular area of research," Soda interjected.

What we call the organization behind the chart, the invisible networks that are an important complement to formal mechanisms and workflows — think about the coffee machine interactions. And most people are unaware of how this web of informal relationships is important for them, especially those whose personal networks diverge from their professional ones. Those people perform better than people with overlapping networks, especially those with creative jobs who don't just run routines. It's crucial that we don't lose the ability for people to nurture their creativity through these informal networks. We don't yet know if this is possible completely online, but we're going to need to find the right balance.

Hybrid Workplaces

"We've talked about the scenery of the workplace, and what's happened," Brechbühl offered. "We've talked about culture and the leadership that we want to create and exhibit. How do we translate all this to the where and how of work? And what are the processes and considerations to identify what work can and cannot translate to remote working?"

"Levi Strauss & Co was already taking on an enterprise-level transformation in our operating model," Clark responded.

As part of that work, we've been looking at what we call "the dare" in front of us: Integrating digital technology and traditional IT delivery, across products, platforms,

and infrastructure. We have to think differently about how to show up and go forward, both to meet the need and to maximize the moment that we are in. Digital products and platforms change how you organize, operate and behave.

As we think about culture, technology, physical space, and flexibility, the employee experience sits at the center of all of that. 75 percent of IT is comfortable being remote; what constitutes the other 25 percent? The need for an office is generally driven by the need to physically collaborate — a physical sample, a whiteboarding session. So our concept is fewer desks, even fewer offices, and more collaboration space. What does that physical space need to look like? And how do we drive Levi's culture into that space, so that when people are present, they know they're at Levi's? And that it's a special place, where all the values that we stand for are present?

"I would be careful about what people tell you they must have," Meyer cautioned. "We don't know what *must* be done in a physical space: we know what we know *how* to do in a physical space, versus what we don't know how to do remotely. We're going to go through a period of hybrid models that will evolve as we learn virtual alternatives to everything that we already know how to do in a virtual world."

"'Workspace' is going to be whatever we define it to be," Svensson added. "Traditionally it meant going to the office, and the office won't disappear, it will just have a different role to play. We can think about how the office connects to purpose. Should we come to the office because it's a habit, or because there's a desk? No. It *has* to have a different purpose, and the purpose has to have meaning."

"There are certain things that don't translate well, and that are difficult to do remotely," Day conceded.

This isn't the first time that we've tried to go virtual. Many companies tried to go down this path, several years ago. They shut down their offices, or changed to hoteling, provided more collaboration spaces — and changed back. It wasn't effective.

The difference between then and now is technology. It's up to us to decide how and where we want to use the technology, and where it's more effective to have in-person meetings or contacts. We start with the assumption that *everything* can be done virtually, *everything* can be done remotely. "Now, tell me it shouldn't be." That's a different conversation from asking "What can be done virtually." It changes the dynamics and the thought process.

We're not just going to shut down entire companies — and if we're going to do something, this is the time, because the environment that we're going to create for remote work is different from the environment that we have today. It's not "one or the other," it is going to be a hybrid approach. But there's another side to this: In some respects, meetings are easier when they're all virtual, rather than half-and-half. What happens in the in-person side of the meeting is a different experience than it is for the people who are on virtually.

“We ran an experiment on the hybrid model, even before the pandemic,” Soda commented. “The basic idea was to compare how hybrid teams compared with traditional face-to-face teams in decision-making under conditions of high uncertainty.”

From a coordination standpoint, they worked in exactly the same way. So coordination was pretty effective in both. The effectiveness of decision-making was also equally distributed. Two out of three hybrid groups made the right decision, and so did two out of three face-to-face teams.

The problem was in the learning of the participants. The hybrid participants didn’t learn as much as the face-to-face collaborators. We don’t know why, and now we’re running new rounds with controlled conditions. But whether it’s in education or the enterprise, when we talk about ‘hybrid,’ we need solutions that offer the same kind of learning for those who are connected as for those who are in the room.

“We’ve found that hybrid is actually tougher than all-remote or all-live, and it’s not even close,” agreed Alva Taylor, Associate Professor at the Tuck School of Business. “If you’re leading a hybrid meeting, paying attention to the remote gallery on-screen, it’s hard to pay attention live, and vice-versa. You can try to have administrators monitor, and technology helps, but being truly hybrid is significantly more difficult than either of the two pure models.”

“We implemented the rule last year that you all have to attend the same way,” volunteered Bill Braun, CIO of Chevron. “We tried hybrid to start, and it just had a completely different dynamic and experience. So even if you’re in the office, you sit at your desk and come in virtually like everyone else. You cannot go into a conference room.”

“What we haven’t fully figured out yet,” Braun continued, “Is the complexity of global time zones. We’ve said no more than three geographies in our scrum teams, because otherwise you wind up with really bad windows for people that have to be part of the team, and everyone’s up day and night, and no one’s getting any rest, or you’re having the double meetings.”

Hinchcliffe described a set of trends across industries:

The complexity of projects in the knowledge-intensive industries — financial services, professional services, high tech — keeps going up. They have to matrix more people in all the time, between 5-10 percent more remote workers every year, plus contractors and other service providers.

Hybrid has been kind of the rule, but everybody tends to default to physical. One financial services CIO wanted to encourage hybrid, so they changed Outlook to automatically create a Skype meeting. They measured a discernable improvement in performance, because people weren’t trying to manage the physical — they learned to manage the hybrid.

Digital can be a lot more efficient and cost effective, *if* we can preserve some of the human contact. But the 12-hour time difference is a killer for distributed. So we need asynchronous tools that are not interruptive. Mass collaboration platforms, where you

can hundreds of people working on the same thing, without interrupting each other or having to meet.

So large organizations are re-learning how to use enterprise social networks, online communities: big, highly-distributed, change management systems. It's about understanding that there *are* new ways of working. We just have to get familiar with them.

"There is a bit of "We'll just use technology to eliminate travel inside the company,"" Zerby said. "And that's the wrong discussion."

The right discussion is, "How do we take advantage of the smartest, most impactful people in our company, and what is the best way for them to work?" Some will choose to work odd hours across regions, and some will want to sleep and eat at normal times. There is going to be a bias towards more digital and less travel, but it isn't because we want less travel. It's more about how to get the most out of the experts in our company — either virtual so they don't have to travel, or physical because they want to immerse themselves somewhere 12 hours a day, so travel makes sense.

It's a more sophisticated discussion than the defaults in the world right now, and you do wind up with hybrid model. But it's hybrid because it works best for the people you want the most out of, not because it works best for the administrative office that keeps track of travel and office space.

Playing by New "Rules": Shared Expectations

"The challenge we face as business leaders is how to balance between being compassionate and supportive of our employees, while at the same time we have a business to run, and business decisions to make," stated McPherson.

The pendulum has swung from "you have to be in your office to work," but it's not going to swing all the way to "everyone can work remotely." For the first time, a manager is going to call me and say, "I need Fred to come back to the office, and he said he can't because he's scared." We can't send the message that we don't care, yet we have to manage a business. It's going to take a great deal of wisdom to tiptoe through this uncharted territory.

For ABS, "it's been a very structured and organized process," O'Neill responded.

We stood up an incident team, just like we do if there's a hurricane coming to the Gulf Coast. The team was responsible for decisions of which offices to close down and when, and now to establish a process and the triggers that have to take place in order to re-open.

People are sorted into three different groups. Group A and Group B will alternate one week from home, one week from the office, just to space out the people. Group C is

the high-risk group, for whatever reasons they deem themselves to be in that category: their age, their health, their situation at home. They opt to be in Group C, and they will continue to work from home until offices have fully re-opened. The surprise to leadership has been how productive people have actually been, working from home.

“Do there have to be rules to make these new approaches work?” Brechbühl asked. “Do we need rules of engagement with each other?”

“That goes back to the one-word answers we gave as defining characteristics of good leaders in the environment of the coming years,” Oliver answered. “We saw words like ‘adaptable,’ ‘flexible,’ and ‘freedom.’ Those aren’t a bunch of rules that people adhere to. There needs to be some structure, but we’re going to have to move into that slowly, and adapt and adjust as needed, rather than having a set of prescriptive measures.”



Figure 1: Defining Characteristics of Leaders

“Change the question,” Meyer suggested. “We’ve had the entire history of humanity learning how to work when we’re together, and we’ve had this very, very short moment when virtual came in. The pandemic has taught us not to have the meeting before it’s started, or during coffee, or after I hit mute. Rather than governing with rules, we need a set of shared expectations from each other. Agree as a group, so you don’t have unnecessary frustration and mis-matches.”

“We see initial reactions from teams in this virtual world,” German observed. “Without strict rules or top-down decisions on how to work, individual groups have self-organized. They’ve gone back into a flatter world, more goal-oriented with less hierarchy. And for the most part, they’ve made the right decisions. The one kind of interaction I don’t know how to replace in the virtual world are the one-to-one interactions that can fill someone’s knowledge gap. If we don’t learn how to do that, it probably undermines productivity in the long run, because teams tend to move together along a learning curve.”

Listening for the Future

Brechbühl broadened the conversation from remote/virtual work: “What are the other pain points regarding talent and global workforce? How do you expect them to change as our current environment changes?”

“This topic is pre-COVID, and now it’s heightened even more,” Russell replied.

We have 20,000 employees, and we’re high-touch with the best. We’re high-touch with the new entries, and with emerging talent, to groom and nurture them, to feed the future. But we have thousands of employees with whom we are low-touch or no-

touch. They want a different experience, and they could contribute more if we had even self-exploration for career development — give them greater connection with the company, more interaction.

At the same time, we're looking at technology that supports developing leaders from middle management, to grow and enhance their careers. The concern is how to capture and cultivate the leadership that has to come with the technology in order to actually have an impact on the employees. One without the other won't work. And we'll have to do more of this virtually going forward.

Zerby described a similar dilemma: "One of the real benefits of joining Owens Corning is the globality of the company, and the opportunity to experience that through travel or otherwise. With this bent towards technology that everybody has been forced into, that advantage is really flattened. We have to edit this very unique aspect of who we are, and how our globality can play out for a group that also wants the safety of not venturing far from home."

"One broad trend is a shift, especially in Gen Z, to be a bit less loyal to the company and a bit more loyal to your career," Hinchcliffe offered. "And even more than your career, to your mission, to what you're trying to achieve in life. Gen Z is almost half the workforce, and they're motivated by trying to build a better world."

"The importance of individual value and brand in people's connections to organizations has accelerated, as opposed to the value to the company," Taylor suggested. "Making those two mesh is going to be increasingly important, and for some jobs, evaluating performance is going to be more difficult remote and virtually. So employee happiness and retention is going to depend even more on the soft skills of leadership."

"Millennials do seem less eager to identify with a company," agreed Gabriella Bagnato, Lecturer in Leadership, Organization, and HR at SDA Bocconi. "They're looking to find a place where they challenge themselves with high-level projects that build competencies, that make them employable, wherever they may want to be. And opportunities for them to work with people to widen their networks."

"And that's one reason we decided not to cancel our internship program this summer, and do it all virtually," Morris declared. "We still have a long-term career model, and when we hire them, our intent is that they stay with Chevron for their entire career. We are striving to meet their shifting needs. We need to feed our pipeline, and the loyalty we'll get from those 500 students is an investment in our future. We're not going to give that up."

"There's plenty of evidence that new generations have different traits, different behaviors, different values," Baruffaldi assented. "And we need to engage the previous generations. The thing we can leverage is their experience. The new generations want to contribute, but it's also true that they are really looking for guidance, for inspiration. That's something that only the previous generations can do for them."

"Having challenging tasks to do, having interesting work, having partners in what we do — that applies for *all* generations," Svensson argued.

If we want to leverage the total workforce, why do we have work and tasks that are so boring that we don't think people will like them? Why don't we automate that work, and find interesting work for all the generations? Work should be meaningful, and with the right leadership and the right culture, there are meaningful jobs sweeping the floor or on the help desk. This idea that Generation Z should be treated super-special.... All people deserve to be treated as special in that sense.

"So given all this change, how are we going to maintain, and continue to build, cultures that enable our employees and our companies to succeed?" Brechbühl asked.

"Tetra Pak's company purpose has never been so clear as during the COVID-19 period," Svensson replied.

In lockdown and working from home, we have to stand up for our values: protecting our people, protecting food, protecting our customers, and ultimately protecting consumers on the ground who need safe, fresh food around the world. We are lucky to have such a clear purpose, and our employees and partners put in the extra work and the extra energy because they see the link to the purpose, without the need for other incentives or compensation or rules or support. There's too much talk about "categories" of employees. When your whole expanded workforce can relate because they have a true and meaningful purpose — that's when it all works, for real.

"Chevron has had a lot of conversation about purpose and culture," Braun acknowledged.

Our industry has been effectively under attack in the energy transition discussion, and so we have to be very clear on our purpose. People have to feel good about what they do, and that what they do has brought a lot of progress and good things, and it improves lives. We are part of the solution going forward, and making that real for the workforce has been a big shift for us.

The other part of the culture transition is the agility that we need as a company. That's a big shift, because we've been focused on safety and reliability, and that's not always compatible with nimbleness in a digital world. COVID has been a good example of impressing the workforce of how we can live both parts of the culture together. It's been more of an accelerant than we wanted or were prepared for, but in a way, it fits pretty well.

"We've been doing better at adapting our mission, because we are listening," Russell said.

And we're going to have to do more and more adaptation going forward. Part of our objective is to create a culture of appreciation and inclusion, and right now our employees don't feel like they always have someone listening. They don't think the government is listening; they're not sure where in this world to go to get somebody to listen.

Their employer is a place where they're not just looking for answers, they're looking to be heard — about COVID, about the changing work environment, about civil unrest. By listening, we are adjusting, as we hear from more and more people what their needs actually are.

“This period of civil unrest due to racial injustice, and COVID, and that fact that many of us are virtual, has actually been an opportunity to emphasize the principles of our culture,” Blausey concluded. “How we think about viewing our colleagues, how we think about inclusion, how to emphasize the work that some of our employees are doing in their communities. The company is taking positions on certain issues that they might not have previously. So ironically, the craziness we are living in has been a chance to emphasize who we are and the company that we aspire to be.”

“There are a lot of challenges for which we don't have all the answers,” German emphasized. “We're going to go through old recipes that we know how to manage, and we're going to experiment. We're going to fail here and there. We're going to learn. And we're going to persist, and we're going to come out with good solutions for most of the challenges that we have not yet been able to resolve.”

“Now is the time to embrace the new,” Svensson recommended. “That will be the differentiator between the top companies, and the companies that will not make it.”

“We don't know the end of this movie yet,” Hinchcliffe observed. “This story is still unfolding, and surprises keep happening. If we have to respond to these great disruptions, we might as well do something good with all of the opportunities.”

“How powerfully poetic that this meeting was forced to be entirely remote,” Meyer concluded. “There are learnings to take away if we have to do it again, but it worked. We learned stuff, and we need to fill in so we can continue to move forward with what we've learned. It's our job to push forward, especially with the use of technology to support the business, but it's no good if we don't bring everybody with us on the journey.”

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