Weston:

Welcome to the Digital Workplace Deep Dive. I'm your host, Weston Morris.

Weston:

You know, for the last several months, we have been hard at work with HFS on some really exciting research about hybrid work and employee experience, and how both of these initiatives are evolving rapidly. In 2023, as part of that research, we surveyed about 2000 employers and employees in four countries, the United States, the U.K., Germany, and Australia. And now that the research is finally published, I was super happy to sit down with two of the experts at HFS who were collecting and analyzing the research. That would be the CEO of HFS Research, Phil Fersht, and the research and operations leader at HFS, Melissa O'Brien. Now, there are quite a few interesting insights that are bubbling up out of this report, but Phil and Melissa, just focus on three of the most intriguing of these, and they are going to share those with you in this podcast.

Weston:

We're gonna talk about where employees and employers are aligned and where they're not aligned, where they don't see eye-to-eye regarding hybrid work. We're gonna look at whether employee experience actually still makes any sense in a negative economy that we're seeing in 2023, and we're going to dig into how much time employees are still losing each week in 2023 due to IT problems. And we're gonna discover a great way that some companies are resolving that issue. I'm gonna provide a link where you can get your own free copy of the report. It's titled From Surviving to Thriving in Hybrid Work. But first, I invite you to now eavesdrop on my conversation with Phil Fersht and Melissa O'Brien. Now Melissa, what did you find in the research regarding what employers think versus what employees think about the effectiveness of hybrid work?

Melissa:

Yeah, it's interesting. We ask them outright, you know, how effective you find the hybrid work environment. And it was interesting to see that employees are a lot more confident in the effectiveness of the hybrid model than employers. So in fact, about half of employees said that they find the hybrid work environment very effective, and only about a third of employers said that they're, they feel as though they've achieved an effective hybrid work environment. So it's interesting to note, you know, obviously we augment this with conversations throughout our enterprise network and folks, you know, every day and our research studies. And I think that employees have embraced, you know, in particular the work-life balance, you know, having the, the ability to have a little bit more control over their environment, over their schedule. And that seems to be one of the pieces that's really driven this to, you know, to have them find it effective.

Melissa:

I think what employers are struggling with is a bit of coming to grips with understanding employee productivity as well as employee engagement, where it's so much different and you know, we've even experienced this, I think everyone's probably experienced this over the last two or three years of onboarding, for example, you know, you're bringing on a new employee and how do you understand if they're, you know, they're feeling plugged in, if they're excited about the work, do they understand the work? Are they grasping it? You can't just swing by their cubicle as you used to. And you know, this is one of the things that employers are, are struggling with. And I think that speaks to a bit of the lack of confidence, uh, in comparison to, to employees about the actual effectiveness of this model. And that's

part of what we're digging into to understand how we can make that work moving forward in this, in this study. But I'll leave it at that for now.

Weston:

Well, I think that's a great segue as to what I think we would like to talk about next. You've talked about the problems, you've talked about the gaps, employees and employees not seeing eye-to-eye even on the effectiveness of it. So what did you uncover in the research as to how we can bridge that gap?

Phil:

So bridging the gap is combating a lot of the issues that plague companies at the moment. We're in a negative economy, whether we're like it or not. So, you know, smart employees know they need to have more visibility in office if, if they can make that, you are seeing many of the big corporations usually three days back in the office. And nowadays we've seen Disney, we've seen General Motors, we've seen Amazon, we can't get through all of them. They're all mandating, usually three, some even four days back in the office. And some of that as well is concerned over real estate costs. So I think, um, you know, some CFOs will turn around and say, if we've got half our employees working remotely, why do they need to be employees? They can be contractors, right? Mm-hmm. <affirmative>, there's conversations like that happening.

Phil:

And in addition to that, there's a big real estate issue where the costs where most, I think in New York and London for example, offices are 50% full and they're not predicting to increase any time soon. So there's a economic issue around how long the companies maintain the amount of real estate they have. And, and so you need to find a balance between one office, time, two, the need to have more in-person collaboration. I think there's a big voice now that is saying, you know, hybrid only works if you can have regular in-office collaboration as well. Uh, it's very hard to train young people in particular. And in a difficult economy, you need to be tighter as a unit. People need to come together more. People are a bit more worried about their jobs, they need more visibility with their bosses and that sort of thing.

Phil:

And it's a balance. I mean, when we ran the study, you know, employees valued more than anything, their ability to have a work-life balance that's clearly very, very important. They value the immediate team around them a bit more than the high-level company rhetoric. So the people around them, the direct manager, that's an important relationship as well. And I think this is a moving issue. We're finding the balance, I think we're getting closer to it than we were. I think your great resignation was almost a, a one-way conversation that's now behind us. And now it's more about engagement. It's about enthusiasm. Cause most staff, you know, we saw in the data, they feel more engaged than they were six months ago. They feel motivated. They'd like the work-life balance they currently have. And so the issue here is how do you maintain that level of excitement and enthusiasm and have managers feel confident that they're getting the collaboration and efficiency they need across their teams. So we're in a kind of moving situation. You know, what has transpired is I think more of a balanced hybrid model than we had about six to 12 months ago where we were talking more about one day in the office maybe, you know, that sort of thing. So we're definitely shifting more to a middle ground and many companies citing three days a week back in, with them saying we want the emphasis more in than out. And I think that's, that's where we're gonna see the focus for the next few months.

Melissa:

I'll jump in on this one too, Weston, if that's okay. The other thing that I'll point out is there is actually a really strong alignment as far as what employees and employers think, you know, actually really works in terms of importance for building an effective hybrid workplace. So we asked both employers and employees, you know, what are some of these elements that are going to make this work really well moving forward to build this hybrid environment that is more effective? And the top response for both was actually better training. This is something I think a lot of organizations have struggled with in a remote environment, just kind of completely pivoting some of the normal training modules that they would've had in person to creating that in a, in a hybrid work environment. So that's clearly top of mind. Consistent technology quality is really important as we've all experienced and we all know.

Melissa:

Um, so that was the second response. And then they also agreed on the top number three area, which was getting people more motivated to work with. So all of us, you know, regardless of whether we feel, you know, we're really effective in a hybrid or a remote environment, we still feel that kind of...of camaraderie or motivation when we're, you know, feeling isolated or siloed in a remote environment. So I think the key thing here is gonna be on implementation because they've all identified this as important. Clearly there are some pieces missing. So how do we do this? How do we set it up so that both employers and employees get the better training they need? Ensure technology solutions are implemented appropriately and get people motivated.

Weston:

So let's maybe switch gears here a little bit. Stepping back from hybrid work, which is obviously still a very important topic and you've given some great, uh, suggestions as to, you know, how to bridge that gap between what employees want and employees are providing. Actually one of the most fascinating parts of this research has to be what we've discovered here regarding the time that is still being lost in 2023 due to the problems with the digital workplace. I mean, we're talking about the devices, the apps, connectivity, security, things that you mentioned, Phil, as well. And this is especially important in hybrid work. So you know, how much time, Phil, are people losing each week as a result of an IT failure? And I'm not talking about just the time they spend on the phone with support, but the full time that they're losing. What did you discover?

Phil:

Yeah, we discovered I think 49% of employees are losing least one to five hours a week dealing with IT issues. And this is actually even more pronounced when you get more into the data and you've got 23% losing six plus hours a week and a number over 10 hours. This is a lot. This is, you think about it, it's almost a day of someone's week spent, you know, looking around for help, trying to get things fixed, things going down and not working. I was actually in our office yesterday and I was with a new employee trying to figure out how to find certain types of contacts out of our database, for example. And he just didn't know who to ask, like, where do I get this from? I mean, and, and there's no one around to help that individual. And um, having a central focused way of not just managing technology, having responsive support and security to help, you know, keep things running smoothly, it's also having on tap support to help staff just get things done.

Phil:

Cause everything is digital. Everything requires training a clear direction and communication. And I see a lot of companies struggling with that is, how do you clearly communicate with your staff where to go, the certain issues, how to get things fixed, how to train on certain types of applications? People are using lots of new software and technology as well. And, it is problematic and starting to figure out how to reduce the amount of time we spend surely has a bigger impact on the top line eventually. And also morale, you know, if your tech doesn't work, it's a big issue. And we also heard in the survey that having robust technology, having technology that creates a great experience is a big motivator. One of the top, I think it was the number two motivator for employees in the workplace. You want your company to work, you want it to be slick, you want your support staff to be responsive and you know where to go when you have problems.

Weston:

You know, Phil, I find this fascinating. The amount of time that we all discovered here is actually being lost. And I think it'll be eye-opening for enterprises to see that as well. Now, I know some enterprises are aware, I was talking with one client and they shared with me how they see the importance of this lost time and they've actually gone to the next level where instead of just saying, okay, how much time overall are my employees losing, you know, and coming up with an average, they're looking at it by persona, by role. You know, what's the difference between the impact on the business when a salesperson loses four hours in a week versus someone in HR? What's the difference when someone on a factory production line can't do their job, you know, versus somebody in finance? And translating those hours into real dollars that is having an impact on the business. So, you know, Melissa, this is a problem. So I'd like to know, you know, was there anything that the research showed that the organizations can do to address this lost time?

Melissa:

Yeah, absolutely. And I'd say I think your client's probably ahead of the curve in terms of what we're seeing for trends in adoption of these types of persona-based as well as proactive support models. It's unfortunate, I think, you know, companies really do need to shift from a more reactive service desk to getting more predictive and proactive using monitoring tools and data. So, you know, what we've found is that employers actually aren't really being proactive enough, especially when we see the amount of time that's being lost. They're not being proactive enough to measure the productivity loss. So just about half are even measuring productivity loss and half are actually putting in place systems and technology that can help predict some of these issues. So this is where, this is where the industry is going, this is where companies need to think through. If they're not even measuring productivity loss, then they might not even be aware of the problem. Moving toward a more proactive model is going to help resolve some of these efficiency and productivity issues.

Weston:

And Phil, I think we flashed up that, that stat a bit earlier there, but would you like to talk about that? Cause I think that's the secret there. The 92% of employees- I won't go into the rest of it.

Phil:

We used to have in companies, a thing about, it doesn't really matter how many hours a week people work, as long as the outcomes of their work is effective. Now it's changing a bit to, a lot of employers wanna know where the staff are all day. I think sometimes there's a remoteness that sets in. So having a strong EX program is really important, you know, to drive this. And a lot of it is sharing data, you know,

you need to understand what applications are going down and why. How do we resolve these issues faster? Even things like people getting way too much spam in their inbox to the collaborative app is constantly going down, that sort of thing. Using Teams and Zoom and applications like that for your chat communication, how much time are you spending on those apps which sometimes aren't working too effectively? So I think to have a happier workforce, employees can share some of the data with their employer without seeing that constantly under scrutiny is, is absolutely critical. And, being able to resolve issues faster results with, ends up with a happier end user.

Weston:

So maybe just to recap here what I'm hearing, cause I think this is the, you know, the gem in this research we saw, again, 49% of employees are losing between one and five hours weekly because of IT issues. Yet 92% of employees are at least somewhat willing to share data about the performance and the usage on their device. If, if we promise that we're gonna fix those, that lost time, if that's how we're gonna use the data. But this last stat is the warning sign here. So the 69% of employees indicated that they would not be willing to give up data privacy even if it meant higher job security. So, there's a balance here that I think we're seeing that if we're gonna share this data, I think you alluded to it Phil and Melissa, that we need to be very clear as an enterprise how we're using the data with OCM techniques, organizational change management.

Weston:

If we're deploying a tool that's gonna monitor somebody's performance to fix problems, we need to be clear what we're collecting, how we're collecting it, what we're doing, what we're not doing. Especially, you know, think of our customers in Germany with workers' councils. It's something that employees don't wanna feel like someone's looking over their shoulder, you know, for the wrong reason. Well, I think we have time for a third insight that we gathered here. And I'm gonna start with you Melissa, here. You know, we've been looking at employee experience. Prior to the pandemic that was important. During the pandemic, it's almost like exploded. Now there's a question as we look at a questionable economy, some might be wondering, does employee experience even matter anymore?

Melissa:

Yeah, of course it matters. <laugh> it's probably more important than ever, especially as we're so volatile and uncertain. And we found that both employers and employees are finding value in employee experience programs. So one very clear finding is that companies that had more mature employee experience programs are seeing higher employee engagement. So 74% with a mature EX program have more engaged employees. And then if you look at those that have less mature programs, they're down and only, uh, about a quarter of their employees are feeling more engaged. So it's really important to pull these EX programs together. Clearly both employees and employers agree on the fact that they're impacting business outcomes such as employee productivity, even customer experience, even going all the way to financial performance. So yes, to answer the question very, very clearly, it is extremely important. And what do we need to do in order to make these programs more mature?

Melissa:

In fact, how we actually assessed what those organizations that responded with their EX programs and their maturity was specific methodologies to measure employee experience. Do companies even have that in place? Are they reviewing those measures to try and understand, to have a sort of baseline and then track performance along the way? Do they have data that's actually informing employees about

what the company's trying to do, what managers and executives are trying to do to have these measures in place to solicit feedback, to improve experiences and also to create a centralized sort of organized function that actually examines effectiveness and executes on this stuff. So these things, and we talk with enterprises about this all the time, are in various phases of maturity. But I think the results of the study are clear that they're certainly having a huge impact on employee experience, which then translates to, to actual business outcomes that are, you know, creating opportunities for organizations and their differentiation.

Weston:

Phil, you even mentioned earlier the word engagement. I think there's, a connection here between engagement and measuring employee experience. And then you also talked about even security getting in the way of that. What did you find in this research relating to that?

Phil:

You know, I think 33% of the staff in the survey felt that security restrictions have a high to very high negative impact on their day-to-day productivity. Like time to get into SharePoint and whatever collaborative applications or things you're using. So you need to fix that as a company. You don't have to have such restrictive security done badly that it's preventing speed of access and things like that. You know, if you do it well, you're using the right technologies. Having a secure encrypted end-to-end environment can work fairly fluidly if you implement it well. And I think a lot of companies are struggling cause they don't have the skillsets you know, to have somebody who's compliant in managing security governance, audits internally, it's very, very important. You know, a lot of clients you'll work with won't pay their bills until they know you are compliant with their security policies.

Phil:

They won't work with you if you don't have compliance. So I think that, you know, you need to get the right advice, support, and governance lined up, to do this effectively. Because if you can manage security in a way that doesn't impede work progress, you're not gonna have a problem with it. But if it does, people notice it. So do it right is my advice. Go outside and get third-party help. If you don't have the right skills internally, sometimes your IT people won't actually admit they can't do it and they just, you know, they try and hide behind, uh, big applications. But you need to know that you have an IT governance policy in play that can manage your cyber issues and keep your staff happy that it's working to everybody's, uh, satisfaction.

Weston:

So I guess, uh, I'm hearing experience still matters and I think a lot of enterprises are struggling with, you know, how do I do that? Melissa, do do you have some suggestions?

Melissa:

Yeah, absolutely. So, you know, some of the pieces that I just ran through around measurement and ensuring that you have the right data, all those things are important to execute on in an employee experience program. But I think perhaps even more importantly is understanding what is actually motivating your employees. And that's one thing that we dove into on this study as well. The employees said that the top factor motivating them to perform at work is being empowered to make decisions. And this really hit home to me, I think this is one of the most interesting pieces, findings of the study is, it takes me back to the days I worked in contact center BPOs. And that traditional legacy business was very

transactional. You know, you had a really high attrition rate a lot of times in those roles because people were just very sort of rigidly stuck to a script.

Melissa:

They didn't have a lot of control over what they could do or how they could help the customer. And that was really kind of disempowering in a way. Thankfully that model is changing and has changed and continues to evolve, but that's one of the most important pieces. We as humans, we wanna feel as though we have agency, that we're having an impact on the work that we're doing. And if folks feel as though they don't have any capability to make decisions, to provide input, to actually feel as though they're delivering on something, that can be a really demotivating thing for them to not feel as though they wanna perform at work. So just thinking through some of these things and what is actually motivating your employees is so important. It's just as important as the execution piece, right? Just to understand. And some of the other factors were around recognition. You know, are folks getting recognized for the work that they're doing? Do they have appropriate work-life balance? And are they, you know, are they working with their leadership and with their fellow colleagues in a collaborative way? So thinking through some of these more, you know, touchy-feely elements, uh, and understanding what's important to your employees is gonna dictate how successful you can make those programs.

Weston:

And you know, there's just so much more in this research here that we just don't have time to talk about today. But I'd like to just maybe quickly recap what, what I heard today. I mean, number one, you shared with us that hybrid work's not going away. Two thirds of organizations are embracing it, although there's a disconnect between what employers and employees think is needed, <laugh> in hybrid work. Secondly, and this was what's really exciting to me, is there's still a lot of lost time due to IT problems, yet there is an answer. And that is to proactively collect performance data, make use of it and fix those problems so that pain goes away. And then lastly, number three, what we just talked about here, employee experience still matters. Maybe even more importantly, now in a down economy, if we're gonna pay attention to our customer experience, frontline workers' experience is gonna impact that. So let's take care of those employees and make sure we have a great customer experience and thus great revenue. Well, that's what I gathered. Phil, any closing thoughts from you? And then we'll go to Melissa.

Phil:

Yeah, I think last year was the great resignation. This year I think it's turned into the great freakout. So we have to, you know, a lot of people are worried about their jobs. Yeah, the tech section in particular, we're very close to that. There's a lot of layoffs going on. It's leaking here in the banking sector, it's looking fairly shaky right now with all the stuff that's going on out there as well. People are worried. And while last year people very much appreciated their work-life balance and in many respects what became a smaller part of their lives, than it was pre pandemic. I think now people are worried they need money, they need income. And I think this is a great opportunity for employers to comfort their employees, reassure them, work with them more closely to build employee programs that are effective and come together as organizations. Hybrid work is here, let's make it work and let's make, you know, our companies places that employees can feel confident in, they feel secure in, in a rough economy and move things forward. But, um, it's a very different environment than it was a year ago. It's gonna continue to change in the coming months and I say it's a great opportunity to come together as organizations and really make this work and communicate well and figure this all out.

Melissa:

Yeah, I agree Phil. And just looking at the employee side of things, I think a lot of folks are feeling unsettled. For any of our listeners or followers who are thinking this through, you know, from an employee standpoint, we know enterprises don't wanna lose their top talent, but people also wanna feel more impactful and more engaged with their jobs. And some of us wanna get out of the rut of what remote work has done and get more into a hybrid environment. So thinking through some of these things and listening to employees about what's important to them, what's gonna motivate them to be in the office or not be in the office, just to be more engaged and productive and proactive in their work, I think is important. So we talked about a lot of things. It's a really holistic play that companies need to make that goes across IT, it goes across security, it goes across, you know, your HR departments and your managers and thinking through your strategy of how you approach employees. So it's gonna be interesting times, but we have some really good prescriptive information in this report, I think, if folks wanna dive in.

Weston:

Well, that wraps up our conversation. I really appreciate our guests, Phil Fersht and Melissa O'Brien, both from HFS Research, for sharing their thoughts and some of the insights from this report. The report is entitled From Surviving to Thriving in Hybrid Work. There are really a lot of other interesting insights that you can extract from the report. I invite you to download your own copy. I'll provide a link in the episode notes. This is the Digital Workplace Deep Dive. I'm your host, Weston Morris. Thanks for listening.