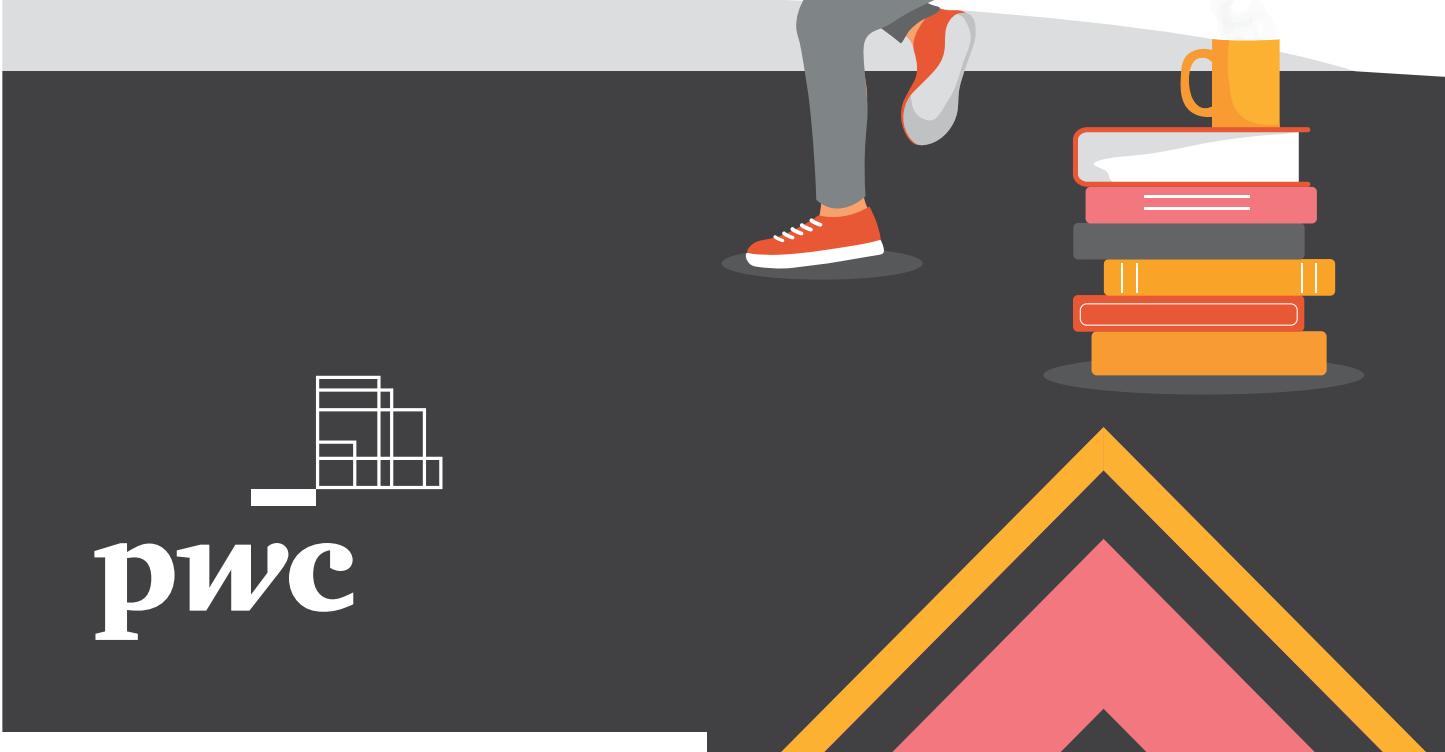
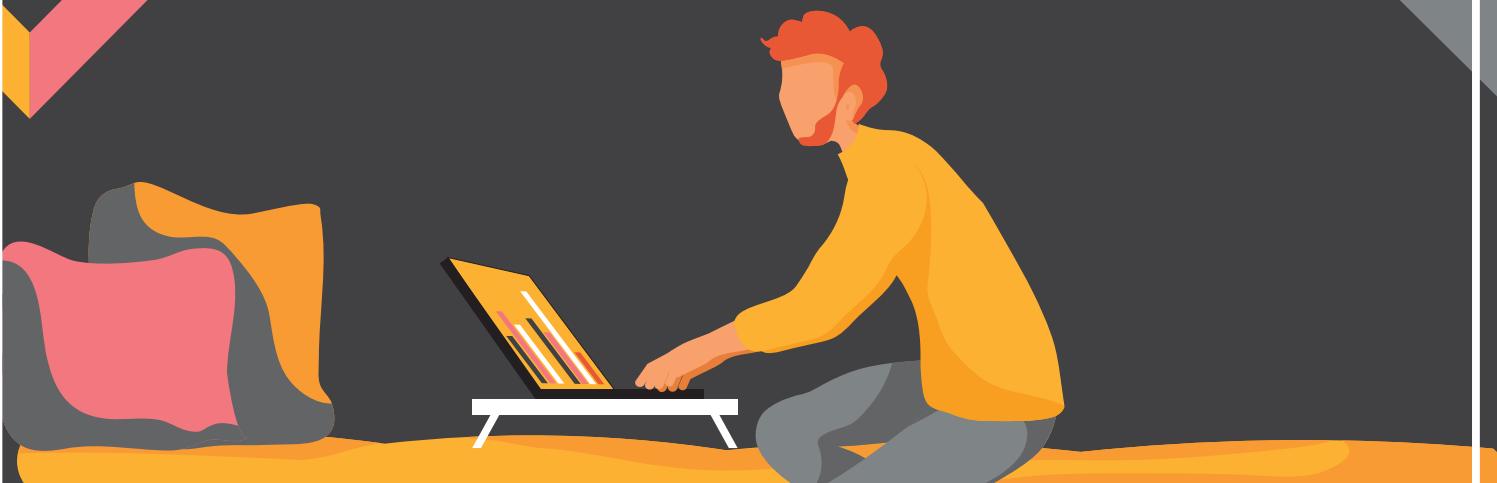


Lessons from lockdown: new ways of remote working in Saudi Arabia

COVID-19 forced public and private sector organisations to adopt remote, flexible working with unprecedented speed – now, the lessons they have learned can help to accelerate the country's digital transformation.





Executive Summary

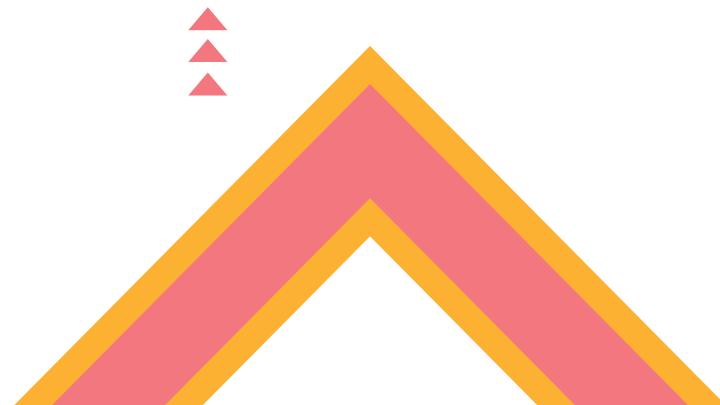
Since 2017, the pace of digitalisation in Saudi Arabia has accelerated, with the government and the private sector investing around \$15bn in information and communications technology (ICT) infrastructure. This was a critical first step towards realising the Digital Saudi 2030 vision of an innovative, digitally savvy national workforce. Even before this ramp-up in investment, Saudi Arabia's workplaces were becoming increasingly digitalised, enabling government agencies, companies and citizens to embrace more flexible, remote ways of working, usually from home.

When the COVID-19 pandemic struck and Saudi Arabia went into lockdown, most industries in the country were relatively well equipped to cope with the sudden, unplanned shift to remote online working, compared with less digitalised economies in the region. With little advance notice, many public and private sector employers and employees exchanged meeting rooms for video conference calls, juggled child-care responsibilities with office deadlines, and completed complex assignments without the benefit of face-to-face contact.

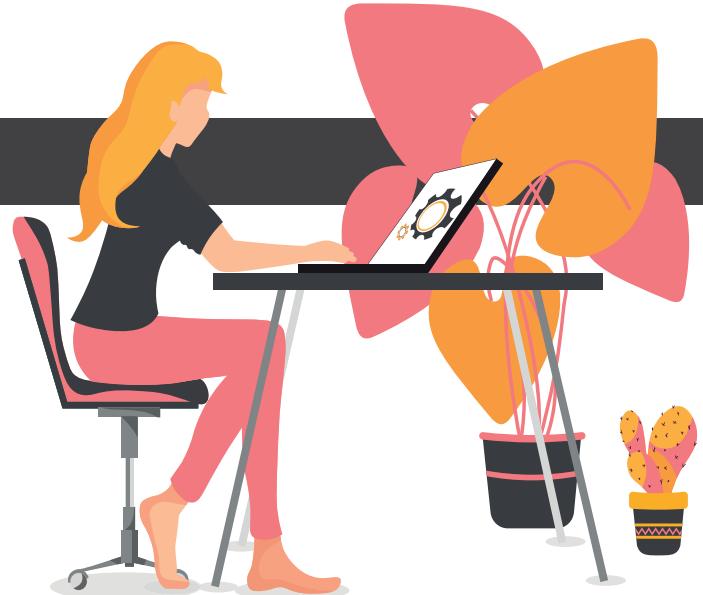
This abrupt transition to new ways of remote working was largely successful, judged as a rapid reaction to a national emergency. Yet unsurprisingly, multiple challenges arose, ranging from the difficulty of leading teams virtually to problems accessing business applications and data from home.

This report analyses the lessons learned during the lockdown which resulted in new ways of remote working. It outlines how those lessons can be applied to accelerate progress towards realising the goals of Digital Saudi 2030, where all KSA citizens are equipped to seize the opportunities of an increasingly digitalised society. While our focus is on Saudi Arabia's public sector, these lessons are equally applicable to the private sector, as well as to other GCC member countries which must adapt their workplaces to a world where social distancing measures are likely to remain in place for some time to come.

PwC Middle East's own experience of the lockdown has given us valuable insights into how COVID-19 has advanced new ways of remote working in Saudi Arabia, despite the terrible human and economic cost. Drawing on this experience, the report maps out different pathways to achieving the desired future way of remote working, taking both technological readiness and business culture into account.



Our key findings are:



COVID-19 means new ways of remote working are here to stay



Changing workplace culture matters as much as installing the right ICT infrastructure



PwC's Digital Office Framework can help employers successfully embrace new ways of remote working

1

How COVID-19 accelerated new ways of remote working: lessons learned

Since the establishment of Saudi Arabia's National Digital Transformation Unit in 2017, the government and the private sector have spent around \$15bn on ICT infrastructure. This massive investment means the entire country now has internet coverage while more than 93% of citizens between the ages of 10 and 73 are internet users. Globally, Saudi Arabia was one of the first countries to offer commercial 5G services and currently ranks 13th in the World Economic Forum's Digital Capacity Index. Saudi Arabia's strength in ICT has proved critical during the recent national lockdown, when the government identified remote working from home as a key enabler to contain the spread of the virus and maintain economic activity.

Previous investments in KSA ICT technologies are proving critical to face this unprecedented crisis



Investment in ICT infrastructure over last 3 years (government & private sector)



Of the Kingdom covered by internet services



One of the first countries to offer commercial 5G services



KSA ranking in e-government Development Index (EGDI)



Globally in Digital Capacity Index (WEF)



Digital Competitiveness Ranking 2018 (IMD)



Globally in Internet Speed Average (55.58 Mbps for Mobile Internet)



Internet usage by people in the age group (10-73 years)

At a national level, a wide range of digital initiatives have supported government operations amid the pandemic; doctors conducted remote medical consultations, teachers provided virtual classes, and the interior and justice ministries made many of their services available online. In the housing market, most rental contracts were processed and signed digitally during the lockdown. Meanwhile, public and private sector employers used Saudi Arabia's comprehensive internet coverage to allow employees to work remotely from home wherever possible.

As the country comes out of its lockdown, it is essential to draw the right lessons from this rapid, forced change, and to recognise that some of these lessons are cautionary. For example, the lockdown highlighted how many organisations and citizens still have difficulties with the human and technical challenges of remote, flexible working, despite Saudi Arabia's impressive ICT infrastructure.

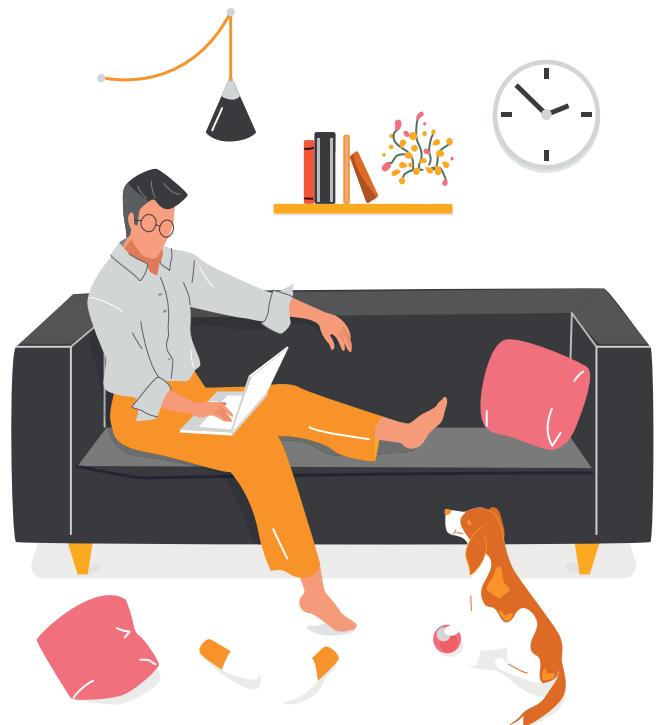
Recent U.S. research on remote working during COVID-19 suggests that team leaders have struggled to lead virtual teams effectively in pursuit of a common goal¹. Problems include resistance by team members to remote communication tools and failure to observe online etiquette in areas such as no use of phones during conference calls and use of web cameras wherever possible. Stress has also been an issue for employees unaccustomed to working from home, where longer "office" hours can result from the blurring of lines between work and personal time, and from interruptions by children and other family members.

During Saudi Arabia's lockdown, these difficulties were compounded in some public and private sector organisations where the level of digitalisation and automation was too low to handle the abrupt transition by all or some employees to remote, flexible working. Many KSA employers still do not enable remote access to business applications and data because of security concerns or a lack of ICT investment. By sending employees home, they effectively prevented them from working. For example, the lockdown triggered a sharp fall in public sector customer care and contact centre responsiveness to stakeholder enquiries.

2

New ways of remote working: how challenges became opportunities for key sectors

Across the country, employers and employees faced sector-specific challenges during the lockdown due to the impossibility of maintaining conventional working routines and practices. Yet this change also revealed opportunities to accelerate digitalisation, raise productivity, and improve services and operations.



3 | ¹ Barbara Z. Larson, Susan R. Vroman and Erin E. Makarius, 'A Guide to Managing Your (Newly) Remote Workers,' Harvard Business Review, 18 March 2020.



Education



The lockdown placed an instant, unanticipated demand on working parents who were suddenly expected to supervise their children's schooling. For education providers, the lockdown tested their e-education readiness regarding both the technology and the ability of teachers and pupils to engage in virtual classes and examinations. The successes and challenges of this experiment produced valuable evidence about how to develop a blended, digitalised learning model, combining conventional classroom learning with Artificial Intelligence (AI), Augmented Reality (AR) and other emerging technologies.



Healthcare



In the short term, the lockdown was a reality check for whether telemedicine technologies and treatments were an effective substitute for face-to-face patient-doctor consultations. For healthcare providers, these new ways of remote working also raised regulatory and policy issues in areas such as patient confidentiality and clinical accountability, as private and public sector providers wrestled with the pandemic's disruption of supply chains. Yet despite these short-term challenges, the lockdown demonstrated the cost-effectiveness of digital healthcare, the efficiency of remotely managed treatments, and the critical role of digital technology in disease forecasting and prevention.



Transport



COVID-19 has severely disrupted Saudi Arabia's transport sector, with air travel, land transport and shipping all impacted by essential lockdown and quarantine measures. Coming out of the lockdown, KSA authorities, like other governments, face a sensitive dilemma in balancing the protection of passengers from the virus with the economic need to enable a progressive resumption of international and domestic travel. In this slow growth, socially-distanced commercial environment, we expect an intense focus on cost reduction by transport providers; for example, by leveraging automation of scheduling and other administrative tasks to address social distancing requirements. This digitalisation will in turn increase the opportunities to introduce new ways of remote working across the sector.



Entertainment and Tourism



Sectors such as sport and tourism have been especially hard hit by COVID-19, due to their dependence on people visiting venues. Most notably, in June the government was compelled to restrict international visitors from making the annual Hajj pilgrimage to Mecca and Medina, as part of measures to contain the virus. At the same time, self-isolation has boosted demand for digital entertainment such as video game e-sports, a virtual 12-hour music festival² and virtual museum tours, where a mobile app enables access to museum collections. Against this varied background, we anticipate further growth in virtual "tourism" and entertainment technologies. Meanwhile, we expect employees in traditional physical recreation sectors such as parks and cinemas to be slow adopters of new ways of remote working, given the need to serve customers on-site.



Commerce



The challenge faced by e-commerce providers during the lockdown was to avoid overloaded channels due to unprecedented demand. For example, customers of Saudi Arabia's Danube supermarket chain experienced lengthy waiting times for online grocery deliveries due to the high level of orders. Workforce availability was also an ongoing problem across the e-commerce value chain, from warehousing to deliveries. These issues have encouraged providers to scale up digital platforms and improve their resilience, while accelerating supply chain automation.



Financial Services



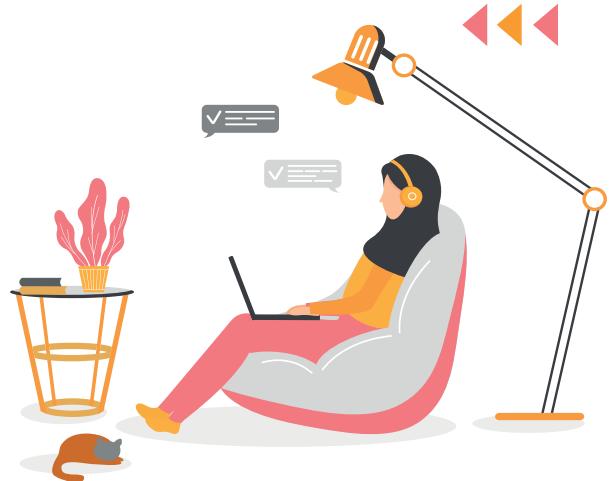
When Saudi Arabia went into lockdown, the country's financial services sector faced immediate difficulties with tasks such as processing bank guarantees on time. The need to ensure business continuity during the lockdown has intensified existing programmes to encourage new ways of remote, flexible working. For employees in lockdown, productivity and collaboration tools have proved essential while for customers, banks have increased investments in digital channels and platforms, as well as digital wallets.

3

New ways of remote working: post-lockdown route map

Our research suggests that the lockdown represented a point of no return for Saudi Arabia's embrace of new ways of remote working. Across all sectors, the only direction of travel from now on is forward. For example, PwC's COVID-19 CFO Pulse Survey on 16 June found that 62% of Middle East respondents intended to speed up automation and new ways of remote working.

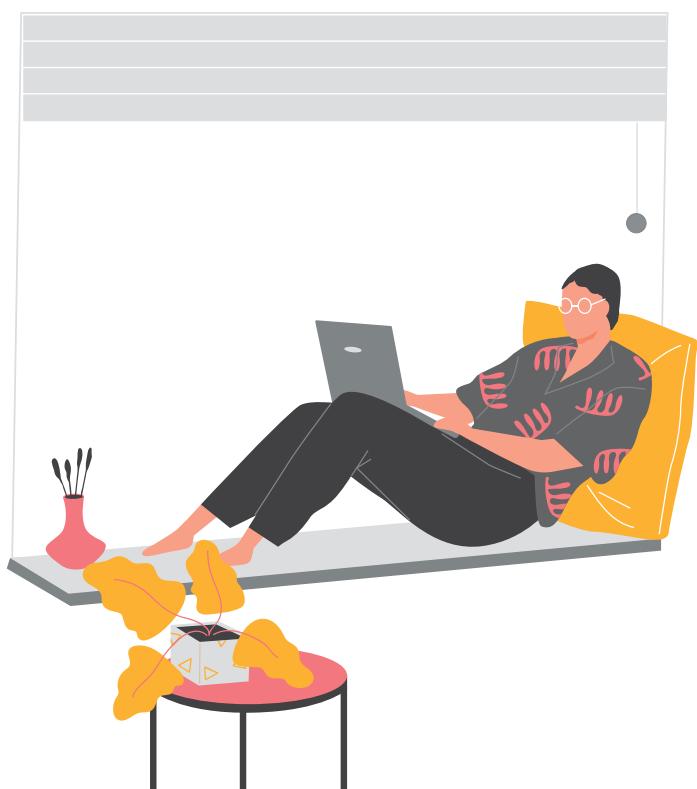
Yet this advance is still being hampered by widespread problems with workplace culture and technology which existed before the pandemic. In our 28 April COVID-19 CFO Pulse survey, 54% of KSA-based respondents said they expected loss of productivity in the next month due to lack of remote working capabilities, a significantly higher proportion than the global survey average of 37%. Furthermore, only 35% of KSA-based CFOs reported that their organisations used automation to improve the speed and accuracy of decision-making.



Promoting new ways of remote working

Despite the progress made during the lockdown, it is critical that the government continues to promote the many benefits that can be achieved by employers and employees by adopting new ways of remote, flexible working. Working from home is an obvious means to encourage higher compliance with self-isolation and social distancing measures, while delivering cost savings in reduced office overheads such as utility expenses.

In addition, new ways of remote working can increase productivity by saving on employees' commuting time and attracting the best KSA talent regardless of a new recruit's location. A well-managed, flexible work culture can also improve job satisfaction and enable employees to achieve a better work/life balance.



Additional benefits of new ways of working for key sectors



e-education



- Enable students to continue education during incidents and bad weather
- Digital upskilling of students and teachers to enable e-education and to integrate them in digital society
- Support educators in preparing the workforce of tomorrow



e-health



- Augment clinical capacity and activate community health resources
- Ensure continuity of medical care for those impacted most
- Patients' medical information available real-time to enable telemedicine



Transportation



- Ensure continued ability to transport during major incidents
- Strong governance and oversight during major incidents



Virtual entertainment and tourism



- Increase global interest in KSA tourist industry with virtual tours
- Position KSA as one of the few economies with augmented tourism capabilities
- Stimulate sustainable tourism



e-commerce



- Resilient supply chains
- Prioritisation framework to ensure supply of high demand in certain product categories
- Strengthening SMEs in retail sector



Financial services



- Availability of critical financial services during major incidents
- Reducing the shortfalls of a cash heavy economy

Adopting new ways of remote working: an incremental approach

The most important lesson from the abrupt, mass shift to remote working during the lockdown is also the most obvious one: for all organisations, a carefully planned, incremental transition would have been vastly preferable. Employers and employees would have had time to adjust gradually to unfamiliar technologies and novel working conditions, learning from their experience to design a model for new ways of remote working that was best suited to their own and the organisation's specific needs.

Drawing on Saudi Arabia's lockdown experience, we have identified two different models for remote ways of working, depending on an organisation's sector and the services it delivers.

1. Hybrid-remote:



Organisations that interact with physical assets, such as shipping companies or government vehicle inspection units, should adopt a hybrid model where only some functions and operations are adapted for remote working.

2. Remote:



Private and public sector organisations that only deal with digital assets, such as tax compliance departments, should adapt their operations for remote working while retaining a mandatory level of "core onsite hours".

At this time, we do not believe KSA public and private sector organisations are at present sufficiently digitalised, both regarding organisational culture and technology, to move to a fully remote model.

Training will be critical to the successful implementation of our recommended models, enabling organisations to benefit from a new talent development philosophy that leverages distance learning and digital technologies.

Governments and private sector can benefit from a new “Talent Development” philosophy that leverages distance learning and digital technologies

Remote talent development options

Live virtual classrooms

Use a Learning Management System to establish virtual interactions between instructors and trainees

Gamification

Play as you learn - gain points, level up, earn badges and compete on who's the top learner.

Online training

Attend recorded video lectures at own pace / preferred time

Social training

Digital environment for employees to share experiences and learn from one another

Benefits

1 Cost efficiency



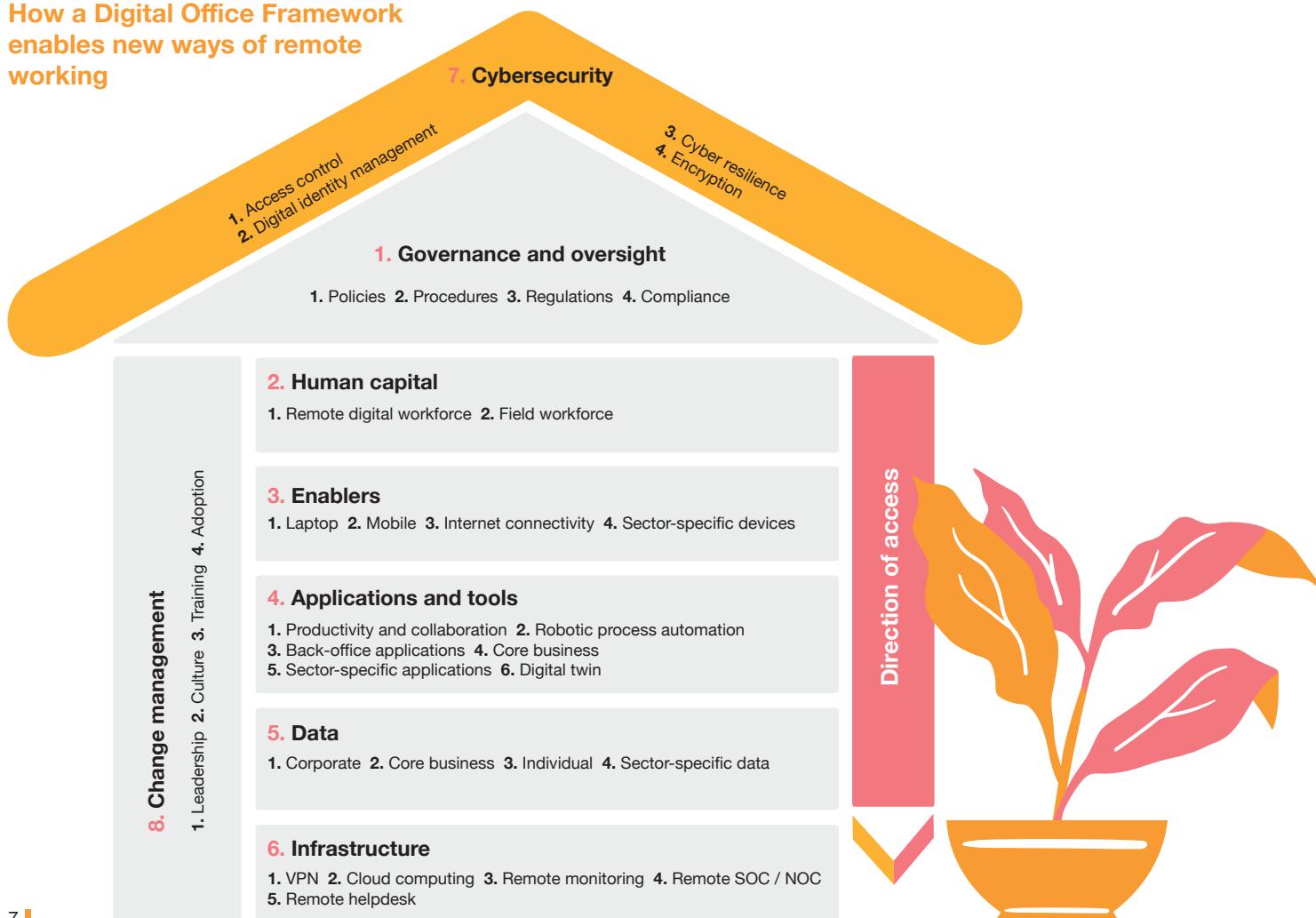
2 Convenience



3 Rapid development



How a Digital Office Framework enables new ways of remote working

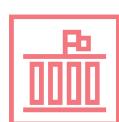


PwC's Digital Office Framework identifies the various building blocks needed to ensure that new ways of remote working can be integrated smoothly and productively into an organisation. At the top, rigorous corporate governance and oversight of remote, flexible working regimes is crucial, supported by clear, transparent regulations. Managers also need to be sensitive to the differing requirements of remote, digital workforces and office-based employees.

Meanwhile, remote workers must have access to an organisation's digital resources. The provision of a laptop, mobile phone and internet connectivity at home is essential, while productivity and collaboration are enhanced by further digitalisation and automation of back office functions. Our Digital Office Framework also includes a change management layer which addresses leadership and upskilling, helping people to become better team managers and self-managers when working remotely.

Data collection and processing should cover corporate functions, core business operations, sector-specific data and individual employees. Lastly, organisations that are implementing remote working models should invest in a range of technologies and platforms to increase their remote capabilities, including VPN, cloud computing and remote helpdesks.

In the public sector, the KSA government needs to undertake the following actions to enable Digital Office Frameworks to be put in place:



1. Governance and oversight



- Policies enabling paperless environment
- Policies enabling government employees remote working
- Remote working protocols and best practices



2. Human capital



- Digital upskilling programmes
- Rollout virtual talent development programmes
- Empower frontline staff to take immediate decisions



3. Enablers



- Portable devices available to employees
- Remote working setup available in all government offices (e.g. video conferencing, cameras, meeting rooms, etc.)



4. Applications and tools



- Access to government applications from anywhere, anytime
- Full rollout of government virtual communication & collaboration suites
- Automated electronic correspondence



5. Data



- Data governance institutionalisation
- Data loss prevention implementation
- Data integration for better business applications integration



6. Infrastructure



- Enable remote access
- Government cloud adoption & migration
- Infrastructure resilience



7. Cybersecurity



- Business continuity and resilience planning
- Secure remote access
- Hardening employees portable devices

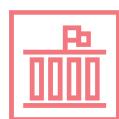


8. Change management



- Leading remote teams awareness programmes
- Remote working best practices, privacy and security
- Monitoring employee adoption

The government should also consider additional measures to build on the lessons of mass remote working during COVID-19 and speed up digitalisation of key sectors:



Government Services



- Establish policy enabling remote working for government employees
- Establish virtual government command center
- Leverage data analytics to run predictive analysis for monitoring and reporting
- Setup work from home (laptops, connectivity, collaboration, security, workforce management)
- Further develop citizen digital services



Health



- Enable telecommuting and remote resources
- Expand contact center virtualisation and surge staffing
- Scale virtual care messaging and visits for quarantined and/or “concerned well” patients
- Launch and maintain COVID-19 digital communications and virtual assistants
- Create COVID-19 hotlines for members and patients



Transportation



- Establish clear guidelines for obtaining essential transport authorisation
- Rollout a user friendly platform for permits request and ensure synchronisation with latest policies and guidelines
- Develop and promote guidelines for passengers when using transport



Entertainment and Tourism



- Invest in virtual touring technologies (VR/AR) for recovery of entertainment and tourism sectors
- Launch marketing campaign advertising how citizens of Saudi Arabia and people worldwide can their use free time to explore Saudi Arabia's heritage



Commerce



- Resolve supply chain bottlenecks
- Ensure appropriate infrastructure and policies for digital payment channels
- Enforce e-commerce consumer protection policies
- Refresh national digital commerce strategy



Education



- Adopt distance learning and virtual classroom solutions
- Develop online proctoring solutions for exams and assessments
- Encourage development of student grades portals
- Provide smart boards for teachers wherever needed



Conclusion



Our research on Saudi Arabia's public sector's experience of the lockdown demonstrates that there is no reason to fall back into traditional ways of working when the COVID-19 crisis eventually ends. Workplaces and workforces can be flexible by design and virtually decentralised, enabling managers and employees to become more innovative and productive.

The proposals in this report are underpinned by the insights we have gained from our "Remote Working Charter", which identifies core values that our employees should aim to incorporate in their daily practice as they shift to new ways of remote working. They include maintaining a firm division between work and personal time, promoting transparency and trust among team members, and ensuring that each virtual meeting has a clear purpose and outcome.

This is one example among many of how organisations across Saudi Arabia's public and private sectors can embrace new ways of remote working, building on the shared national experience of lockdown. Apart from technological change, it will also require a cultural change for the region, but one that will positively support the transformation. If the right lessons are learned and swiftly applied, the country will advance at greater speed towards a digital future that benefits all KSA citizens.

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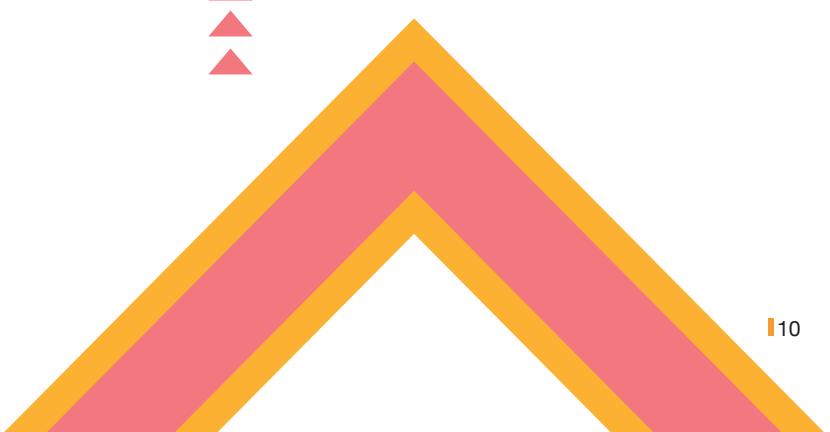
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