Changing Places

How hybrid working is rewriting the rule book

Extract from PwC Australia's publication
October 2021

The world of work has changed forever. So, now what?

Working virtually is not new as many organisations have driven remote operations to some extent. This trend, however, was further accelerated and intensified with the most recent COVID-19 wave which pushed Vietnam into lockdown for months. During those turbulent times, we learnt organisations can radically rethink how they work, try new things and adapt at pace.

It's not about going back to the way things were

The end of the strict social distancing measures in early October 2021 marks the beginning of businesses in Vietnam to slowly bring employees back to the workplace. The Government remains cautious on how to reopen the country. Vigilance and proper control measures are needed in the COVID-normal world.

Therefore, organisations cannot expect their employees to readily come back to the place of work immediately. According to our Vietnam Digital Readiness Survey, 82% of the respondents believe that working from home will become more prevalent, even post COVID-19. This sentiment shows employees are ready to embrace a more permanent change, bidding goodbye to five days of commuting and cubicles as they are getting used to the new lifestyle. Now is the time for organisations to define a future world of work that works better. And this world is hybrid.

So, how do businesses take meaningful steps forward to realise the benefits of hybrid ways of working?

This report is an extract from PwC Australia's publication of the same name with a focus on the Vietnam market. We have identified and suggested some strategies to optimise work in four key focus areas on how to make hybrid work, work.

A lot of organisations are understandably still focused on the short-term. But driving growth and evolving a compelling employee value proposition takes considered planning. And it takes time. To help organisations plan their future of work, we have defined actionable considerations and recommendations across three horizons.

Horizon 1 — **Rebuild: The return to the workplace**

COVID-19 is still active, but the level of disruption in Vietnam is starting to stabilise. While change will still be frequent and significant, there are some short-term actions that organisations can take to optimise workers' return to workplaces.

Horizon 2 — **Redefine: Work after the vaccine**

We can expect business confidence to grow, public safety concerns to shrink and people to travel more as the majority of the population is vaccinated. With this comes a need to experiment as we redefine and redesign the future of work as borders, businesses and people settle into a new normal.
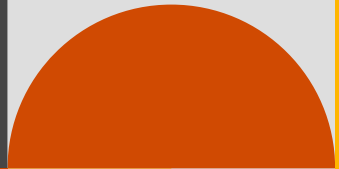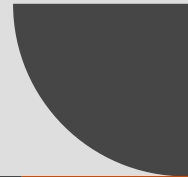
Horizon 3 — **Reimagine: Empowering future growth**

It may seem far off today but there will come a time where international travel will drive more mobile and accessible talent, bringing with it new growth across the public and private sector. Don't wait to seize the opportunity to reimagine where, when and how we work.

1

Where we work

The changing face of the workplace

Many Vietnamese employees crave the flexibility of working remotely while others may still want to continue working onsite. In a recent survey done by ManPowerGroup, 66% of the respondents feel positive about going back to work after the quarantine. At the same time, 42% vote for the idea of 3 to 4 days per week of working from home.

Employers, on the other hand, are more mixed in what working models to adopt. According to a recent Vietnam employment outlook survey, over 41% of employers will allow hybrid work mode while roughly 22% will implement flexible work shift (especially in the manufacturing sector). However, a quarter (25%) of the respondents still prefer workplace-based option. Overall, employers still highly value physical offices.

There is no one-size-fits-all middle ground. Organisations will need to respect and cater to varied preferences by embedding flexibility while supporting and empowering teams. This starts with acknowledging the different views of employers and employees on the changing purpose of a workplace.

Having a workplace strategy that covers every part of an organisation, regardless of where employees work is important. It is not simply about remodelling the physical space. How will people connect? How can organisations sustain their culture when their employees hardly meet each other in person? Creating space for change requires businesses to take meaningful action.

The purpose of an office

According to employers

#1	Increasing employee productivity
#2	Providing a space to meet with clients
#3	Enabling our employees to collaborate effectively
#4	Enabling our company culture

According to employees

#1	Collaborating
#2	Accessing equipment or documents securely
#3	Meeting with clients or colleagues
#4	Training and career development

Recommendations

Horizon 1 - Rebuild: The return to the workplace	Horizon 2 - Redefine: Work after the vaccine	Horizon 3 - Reimagine: Empowering future growth
Take stock and take action	**Reimagine your workplace with collaboration at the centre and in a way that supports different types of work preferences**	**Acknowledge that COVID-19 wasn't the first pandemic the world has experienced – and it won't be the last**
Workplace strategy requires consideration of business strategy, people and culture, compliance and risk, and technology and learning – in addition to the physical environment. Understand employee sentiment, discuss current challenges and future goals, and gather data and insights to co-create the best workplace going forward.	Once you have understood how your people want to use different workplaces, hit go and redesign accordingly. Think less cubicles and more hubs for collaboration, with enough variability to meet different needs and expectations. And continually evolve these spaces as use cases change.	Organisations have to future-proof their workplaces, from ensuring adequate spacing between staff to mitigating bottlenecks in areas of high footfall, reviewing air conditioning infrastructure and implementing zero touch technologies. Identify what is a permanent fixture of the new normal and undertake scenario planning so you're equipped with contingency plans and responses to future disruption.
Don't let perfect be the enemy of progress	**Strategically marry physical and non-physical elements to make your workplace one where employees actively want to be**	**Embed flexibility into your property portfolio, both in terms of leasing arrangements and workspace design**
While immediate COVID-19 safety precautions must be non-negotiable, getting workspaces right means being comfortable with experimentation and a test-and-learn approach. Because if you're not iterating and improving, your competitors may be. And your workplace will increasingly become a key factor in attraction and retention.	Whether it's war-rooms for team strategy sessions or nature spaces for mental refreshment, hosts that welcome and connect staff, or technology that lets you coordinate calendars simply, workspace design should incorporate both physical and non-spatial elements to create a seamless, supportive and healthy office experience.	Ensure leasing provisions are set up to allow for more rapid decisions in response to changing market conditions going forward and workspaces are designed so they can be more easily adapted to meet contemporary needs.

2

Our wellbeing at work

Realising the organisational wellbeing opportunity

Hybrid working does not only challenge where we work, but when and how much we work too. It has seen workloads increase as people attend more meetings and work longer hours. These, in turn, have created new and different challenges to mental health and wellbeing.

As the lines between work and home become increasingly blurred, mental wellbeing remains the top concern for organisations post-COVID-19. Stress, along with feelings of loneliness or isolation and burnouts, are among the mental issues experienced by many Vietnamese during the stay-at-home period. It is not surprising then that 78% of respondents in a survey by ManpowerGroup ranked health and mental wellbeing as the most desirable aspect of their jobs.

Mental health and wellbeing are driven by a range of critical factors. But it is the people in leadership positions who design and embed workplace culture, who define policies and who empower connectivity.

Organisations will need to invest in skills both at the formal, executive level and with informal leaders like project managers and supervisors who are more attuned to workplace sentiment. This includes providing the tools to promote and support mental health and wellbeing in the workplace, as well as the training to build skills like empathy, emotional intelligence, diversity and inclusion.

The key is to tailor and implement the right resources and platforms to suit your organisation's unique needs.

To appropriately grasp the opportunity presented by hybrid work, organisations should proactively prioritise and improve mental health of employees by implementing an intentional wellbeing strategy, which should reflect:

- an in-depth understanding of the nuances of your workforce;

- and the environmental impacts of working across multiple places and space

Recommendations

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Mental health and wellbeing has to be integrated through every operational activity Every aspect of activity should be considered through a wellbeing lens. But that doesn't necessarily demand wholesale change – practical steps businesses can take include encouraging rest and recovery, role modelling, monitoring attrition, managing return to work and driving clear communications.	**Review and re-prioritise wellbeing investments, from Employee Assistance Programs to upskilling** Review whether your wellbeing strategy offers the right mix and provides the right return on experience and value. Most organisations have an Employee Assistance Program, but are employees using it, did it help them, and does your organisation have visibility of its outcomes? It's also important that organisations engage with wellbeing at every level. This means upskilling leaders, managers and teams. **Curate a mental health and wellbeing checklist tailored for your business** Consider guidance about how to curate evidence-based programs, resources and tools fit for your organisation's needs, budgets and workforce.	**Digital solutions offer anonymous, rigorous support and information** Organisations should consider how digital tools can be used to develop wellbeing literacy and capability for employees over time. Many people don't access mental health and wellbeing support at work for fear of disadvantage. Suites of evidence-based tools preserve employee anonymity and empower staff to access relevant materials themselves.

3

How we make it work

Hybrid working impacts safety, performance management and risk

Working across multiple places and spaces can be complex and difficult to navigate. In order to protect and support employees, organisations need to ensure your processes and systems support the performance or productivity of your workforce who could be working in the office, at home or in a third place.

To realise the opportunities of hybrid working, businesses must ensure expectations around flexibility aligns with the minimum terms of employment and industrially acceptable conditions about core hours. What is clear - Driving change in this new work future will require organisations to pilot and prototype activities while collecting data on what does and doesn't work.

Below are 2 key steps organisations should consider:

1. The impact of the new 'work from anywhere' arrangements on salary packages, payroll, tax and even ownership of intellectual property.

2. What remote performance management looks like and minimise the impact of remote working inequity.

Recommendations

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Worker health and safety must be the number one priority

Focus first on developing hybrid-ready Work Health and Safety protocols. A safe work environment today goes beyond office set-up and policies around electronic communications. Businesses will need to update their policies and responses to alleviate worker safety and health concerns on a range of topics. For those wanting to return to the workplace, this would be around vaccine passes and mandatory mask mandates or looking at workers who are likely to be vulnerable to mental health issues if working remotely. Work in close partnership with HR and legal teams and update WFH checklists to reflect this new normal.

Make sure you enable the shift to your desired future working model both legally and practically

Clarify your obligations in areas including remuneration, performance measurement, and those specific to out-of-jurisdiction workers - including immigration, tax, privacy and business protection (eg IP) laws. Compliance with evolving workplace laws and other industrial instruments will be key as this will ensure businesses have proper visibility over the hours – and times – that people work.

Be strategic, data-driven and fair

The hybrid work environment can drive all types of bias, from how you determine who can access the office to how you onboard or manage performance in a remote environment. Update policies across the board, using data to support your decisions to minimise remote work inequity.

Long-term business strategy should be at the heart of any decisions made

Ultimately, legal and other compliance considerations should extend beyond the immediate question of hybrid working to encompass increasing organisational dependence on contingent work models, gig working and the growing impact of AI in our workplaces. Remember that the future was underway long before COVID-19.

4

Our experience
of work

Traditional, established leadership behaviours are increasingly outdated

One of the roles of leaders is to prioritise the emotional needs and motivations of their people. The emergence of hybrid work will cause a much-needed shift in leadership styles and mentalities. Traditional methods of leading are irrelevant as remote workers desire greater time and place flexibility.

Vietnam is no exception. 74% respondents yearn for fluid working hours to prioritise the safety of their commute post-COVID-19, while 42% prefer greater locational flexibility by working remotely at least 3-4 times a week, in the latest ManpowerGroup's survey.

The hybrid model requires a move from a traditional leadership model relying on structured places, hours and roles for work toward an organic model based on flexibility, a focus on strengths-based work and decentralised decision-making.

Balancing what employees need and what employers can provide is a delicate act. This act requires making data-driven decisions to cater to the different segments of the workforce. To create a compelling employee experience irrespective of work location, organisations should make their people part of the solution.

Have candid conversations with your people and get clear visibility of which emotional needs would require the most attention in the organisation. Once these emotional needs are identified, leaders can rationally empower teams to co-create solutions.

Traditional leadership	Organic leadership
Structured places and rigid hours	Fluid work spaces and time
Arbitrary, top-down decision making	Team-empowered, decentralised decision making
Predefined role assignment	Strength-based work allocation

Recommendations

Horizon 1 - Rebuild: The return to the workplace	Horizon 2 - Redefine: Work after the vaccine	Horizon 3 - Reimagine: Empowering future growth
Check-in, understand and recalibrate It's critical to understand your people's emotional needs - as well as where they need support. Check-in and ask them directly, and, together with observational data, start planning how best to make those changes. **Realign your leadership strategies** Let new ways of working emerge rather than reverting to binary or arbitrary decisions. Then equip your leaders with the right insights and tools to respond to those people's needs. Consider ways to focus on role clarity, strategies to identify hidden anxiety, or tools to bring positive emotion into meetings.	**Reimagine your leadership model** As teams begin to stabilise, it's time to adopt an organic leadership model that prioritises team empowerment over control and centralised decision-making. Give leaders the skills to build teams that move beyond roles and into strengths, with the maturity to organise themselves more fluidly around the work to be done.	**Adapt, improve and grow** As expectations evolve, so will the demands on leadership. Define how you measure outcomes, success and culture, and develop quick mechanisms to adapt and improve. Think about aligning how performance is measured with new models of leadership by: ● rewarding teams rather than individuals, ● measuring outcomes rather than outputs, ● and designing fast, higher quality feedback loops.

5

Start your journey to
the future of work

So, where to start...

Knowing where to start can be difficult. But there are clear steps that organisations and their leaders can take to make sure they're heading in the right direction:

1. Align leadership on the opportunity ahead	2. Engage your people to understand their expectations and build a compelling employee value proposition (EVP)	3. Assess your maturity across the four dimensions of workforce, work type, workplaces and the experience of work	4. Develop a roadmap of prioritised initiatives across horizons	5. Invest in leadership capability
This includes understanding the organisation-wide challenges, agreeing on the forward strategy and getting buy-in across senior leaders so there's a clear message for employees.	While top-down leadership may be effective in times of crisis, it won't cut it moving forwards. Get clear on the experiences and expectations of employees to articulate a clear EVP based on the diverse motivations and personas that reflect your organisation.	Take stock of what you're doing now and your organisational capability to deliver on it, then assess whether or not it will take you where you need to be. And check that it lines up with your EVP. And getting buy-in across senior leaders so there's a clear message for employees.	While you won't be able to do everything on your list, it's important to understand which initiatives will have greatest value and impact. And be sure to prioritise over the three different time horizons so you are realistic in working towards your strategic ambition.	It isn't good enough to set and forget, assuming that a new policy or process will hit the mark. You need to invest in building the skills, knowledge and capability of leaders at all levels in what is becoming an increasingly complex environment. After all, if the future of work is about teams, you need to make sure you support the people leading them.

The future of work sounds complex but it doesn't need to be complicated.

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