Flexible, inclusive and connected

What we've learned about work and where we're headed

Data from Future Forum's Remote Employee Experience Index

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by slack

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Introduction

The global pandemic set in motion the world's largest work experiment, as organizations shifted employees from offices to their dining tables, from face-to-face meetings to squares on a screen, and from solid to blurry work-life boundaries. With all the norms of work peeled away, **Future Forum**, a consortium backed by Slack, set out to conduct research and provide guideposts about what employees want and how companies can foster a productive, connected work environment. We surveyed 9,000 knowledge workers and managers on a quarterly basis, asking them fundamental questions related to productivity, sense of belonging, and where and when work should occur.

What emerged after two quarters of research is a compelling vision and an outline for a future working world that is better for people, and drives better results for organizations.

Competition has shifted from financial or physical capital to the ability to engage diverse talent in meeting challenging goals in continually changing environments. Tomorrow's market leaders will be those who attract and retain diverse talent, align them toward a common purpose that fully engages them, and empower them to act with agility.

Engagement, not productivity alone, is the appropriate area of focus for leaders looking to outperform their peers. Research shows that engaged employees **increase company performance**, are **87% less likely to leave a company**, and provide **better customer experience and drive revenue growth**. Doing well by employees generates better results for companies.

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Shaping the future of work

It didn't take long before changes from the pandemic opened up the space for people to reevaluate the role of work in their lives. By far the majority of employees do not want to return to the old way of working. A flexible working model remains the favored choice.

At the same time as people's thinking about work was shifting, some leaders were focused on "getting back to normal." Executives have had to figure out how to lead in an environment unconstrained by office walls and constant status meetings. It's become abundantly clear that getting back to "normal" is not what people want. Employee expectations have changed; people are unwilling to go back to 9-to-5, every day at the office, when they've proved they can be productive outside those constraints.

Companies have more options, too. When it comes to attracting talent, distributed workforces remove the geographic boundaries from the available talent pool. As a result, companies can connect and engage with potential new hires based on their qualifications and suitability for roles, regardless of where they live. This not only allows companies to more effectively pursue top talent but can also help facilitate the creation of more diverse and inclusive workforces. For example, as **McKinsey notes**, 60% of potential Black employees live in the Southern U.S.

Knowing that employees don't want to return to the traditional workday (a holdover from the Industrial Revolution), forward-looking leaders are seeing this as an opportunity to make work better for people and, at the same time, emerge stronger as high-performing organizations. So how can leaders step up and realize a future of work that's different—and better?

Our research outlines the importance and success of four key tenets: flexibility, connected creativity, inclusion, and reskilling managers to make them better leaders in a fundamentally new way of working.

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Adopt flexibility in both time and location

A year into the global pandemic, there is near universal agreement that **flexible working models**—work accommodating different locations and schedules—have a positive business impact and help people stay more productive than most would have imagined possible. Our research and the early experience of forward-thinking leaders shows that people thrive when they have more flexibility to work on their own terms, and the organizations that accommodate them stand to benefit.

Based on our data, employees want to maintain a flexible working model, even once the pandemic has all but ended. The vast majority (83%) do not want to return to five days a week in a physical office; 63% favor the flexibility of a hybrid remote-office model, while 20% want to work remotely full-time. Only 17% want to return to full-time office work.

83% do not want to go back to the old way

17%
want to return to working full-time in the **office**

20%
want to remain **remote** full-time

63%
want flexibility

It's understandable why people want more flexibility in where they work: employees at companies that allow people flexibility in where they work as a policy reported 43% better productivity scores and 44% better work-life balance scores.
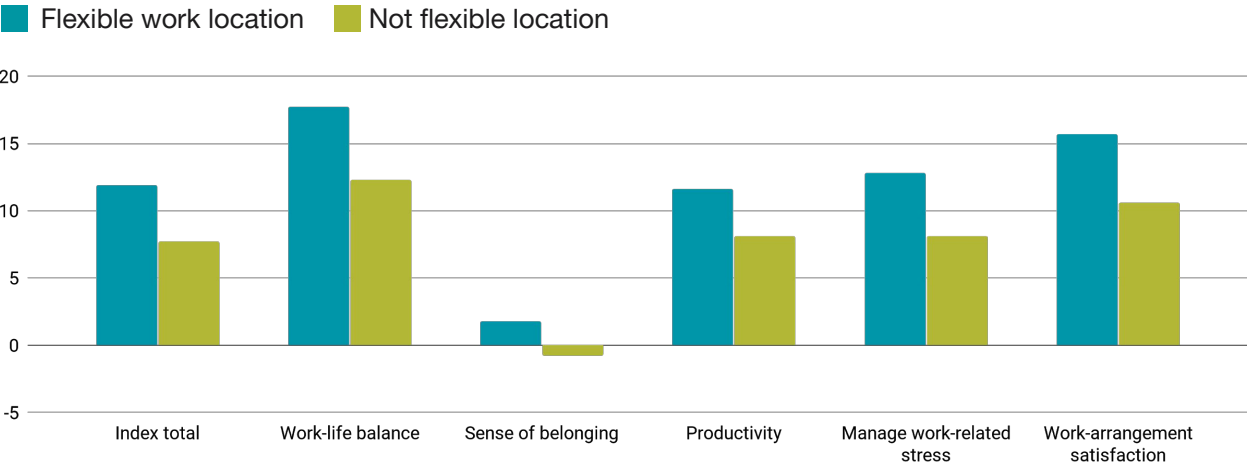
Overall, our research shows that providing people flexibility in when they work is even more important than where they work. Employees at companies that allowed schedule flexibility reported 53% better productivity scores and 57% better work-life balance scores.

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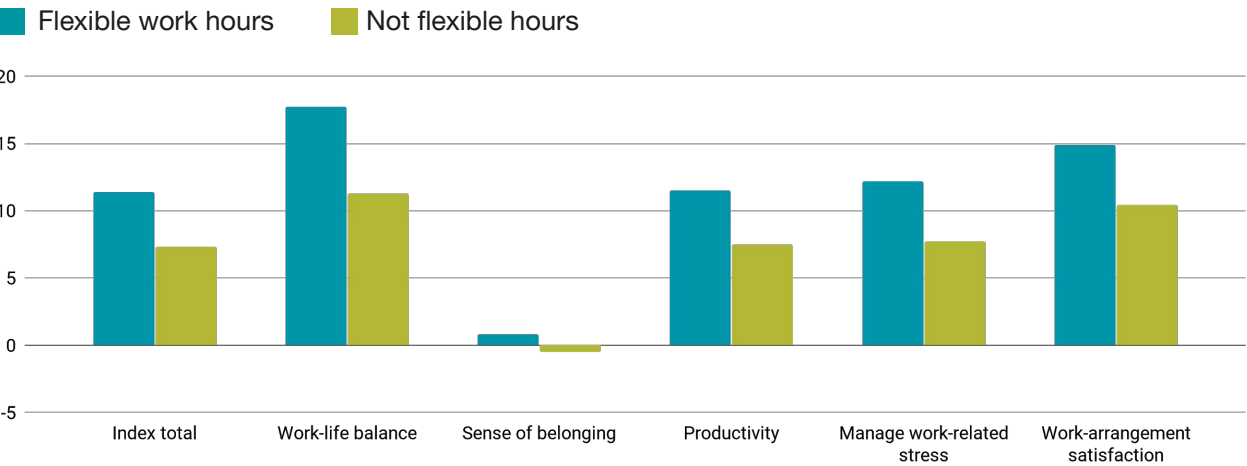
Recommendations

Accommodating different locations and schedules has proven more productive than leaders could have imagined. Plus, it's what your employees want. You must build these flexible norms to recruit and retain talent.

Commit to making this work. Almost half of workers agree that their company or team "has made deliberate changes to how we collaborate since working remotely." Workers at these companies are more likely to feel that remote work is better for their sense of belonging than when working in the office.

Establish flexible work location policies. Policies that allow greater flexibility to work from home improve employee retention. Broader remote work policies also benefit companies by extending their recruiting radius.

Support flexible work schedules. Days that are 9-to-5 and full of meetings have become an unfortunate norm. Setting more limited "core team hours" for collaborative work **makes teams more productive**. Keeping set team hours provides more flexibility for individual work by **letting people get into "flow"** when it's best for them. Exercise more discipline to use meetings for complex problem-solving and for building belonging, not updating statuses.

Executive takeaway: Companies that tap into the power of flexibility will be able to recruit from broader, more diverse workforces and increase retention and engagement. Those that don't provide flexibility will lose talent to those that do.

Foster connected creativity to drive productivity and belonging

While many of us still believe in the myth that the best ideas come from a live brainstorming meeting on a whiteboard, **research** shows that a hybrid (asynchronous and synchronous) approach yields more-innovative outcomes. Creativity doesn't just happen inside an office, and great ideas don't always come at once. Blending synchronous and asynchronous communication into your team's meetings enables you to include people across multiple locations and time zones and gives employees the time to put thought behind their ideas. Taking a hybrid approach to idea generation by alternating between individual work and group work **has been shown** to generate both a larger number and higher quality of ideas than group work alone.

New technologies can not only help bridge the gap between remote and office-based teams but also unlock innovation; by enabling teams to brainstorm better asynchronously, they allow for a wider range of ideas that teams can then review, refine and test. Seventy percent of knowledge workers say that their employer has introduced new tools and processes to facilitate collaboration since working remotely. These workers are:

- Twice as likely to say their team's creativity and innovation has kept pace or improved while working remotely (62% vs. 31% of those working at companies that have not instituted changes)

- 50% more likely to say that remote work is better for coming up with new solutions or ideas in their work than to say it's worse (39% vs. 26%)[1]

We call the emphasis on digital tools "connected creativity," and it enables greater productivity, more room for innovation, and a stronger sense of belonging.

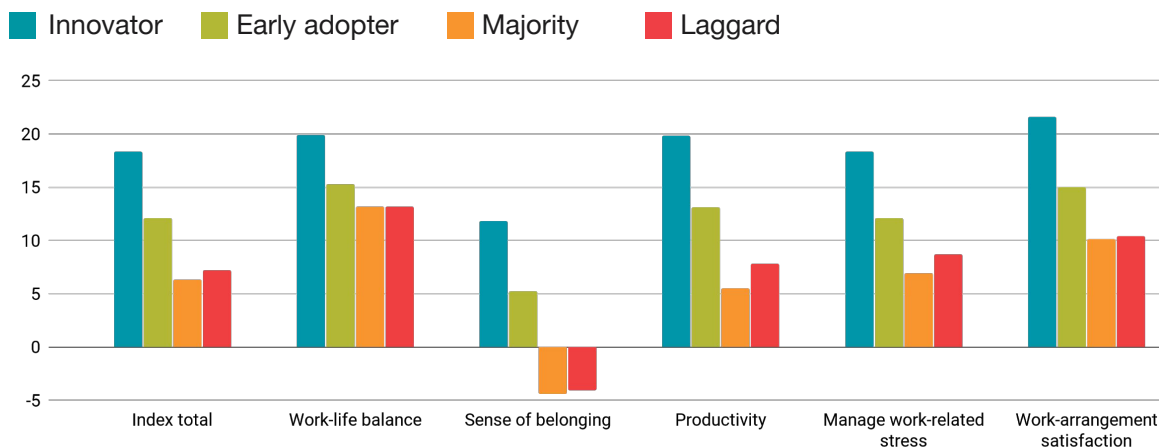[1]**Future Forum creativity and innovation research, April 2021**

Recommendations

Organizations that invest in new ways of working—both in technology and processes—have more engaged employees, innovate faster, and are winning the war for talent. Leaders need to use digital platforms as their headquarters to connect employees, drive original thinking, and unlock creativity.

Make room for thinking, not just speaking. Studies show that classic brainstorming—pulling people into a room with stickies and a whiteboard—is a **waste of time**. Allow people the freedom to think deeply and freely about ideas without judgment or bias before they share them with the group. Experiment with a variety of tools for "**brainwriting**," not just brainstorming, and engage everyone on your team, including the introverts as well as extroverts, the people who want to articulate a strong point of view, not just the quick-to-respond. Those who need time to digest and think about solutions can bring new ideas forward on their own terms.

Experiment and iterate. Forward-thinking organizations have a healthy appetite for continuous improvement, and that applies to meetings and innovation techniques as well.

Use digital channels for sharing knowledge, updating statuses, and moving work forward asynchronously. The data is clear: People are more productive and engaged when working remotely, and teams have higher performance in a hybrid work environment. Let team members weigh in when their best ideas come to them, and capture them in digital channels.

Legend: Innovator, Early adopter, Majority, Laggard

Chart categories: Index total, Work-life balance, Sense of belonging, Productivity, Manage work-related stress, Work-arrangement satisfaction

Employees at companies that are technology leaders dramatically outperformed laggards on all dimensions of work in our research, including "sense of belonging" at work. These are the companies that are willing to innovate and reimagine work processes.

Executive takeaway: Intentional redesign of work processes, including innovation and team building, that leverage modern technologies can result in better outcomes: better ideas, more innovation and higher growth rates. Companies that are process and technology innovators are already outperforming their peers on every dimension.

Embrace and own inclusion

Study after **study** after **study** shows that diverse teams outperform their peers. They grow faster, are more innovative, and adapt faster to external and internal events. Markets are no longer monocultures. Monocultural teams are far less likely to build broadly adopted products and far more likely to stumble as market conditions change—while change continues to accelerate in a global, digitally connected world.

There is a business as well as a moral imperative to building more equitable and inclusive teams; diversity alone simply results in leaky management pipelines. In our research, we found opportunities to drive higher engagement and productivity for people from historically discriminated groups, while doing right by increasing equity and inclusiveness.

This is also a talent market imperative for employers. In the U.S. over the next decade, **according to the Bureau of Labor Statistics**, 61% of the incoming workforce will be female and 72% will be non-white.

In the US, incoming workforce in next decade is increasingly female and non-white
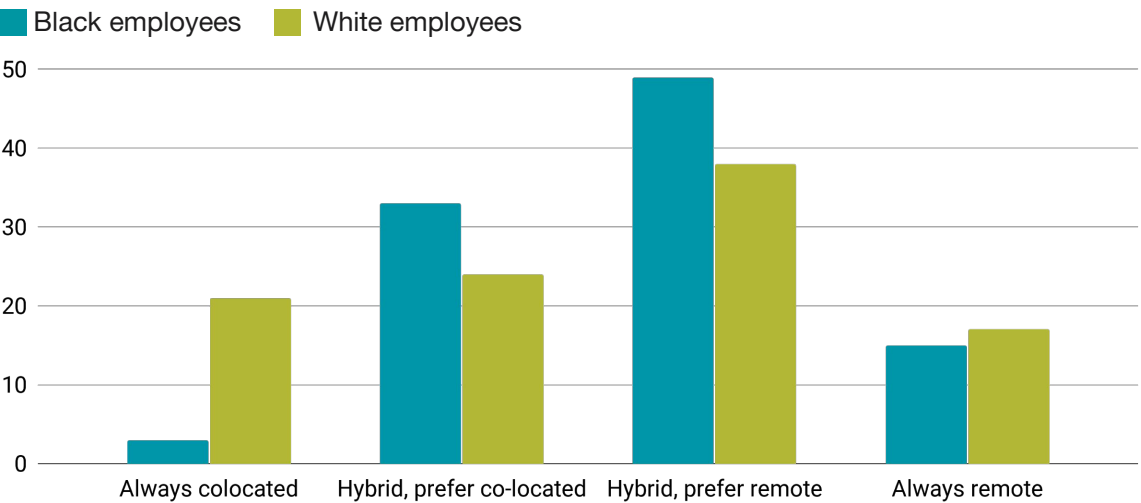

What follows are examples from our research pertaining to two such groups: Black employees and working mothers. But the recommendations apply to many who find themselves outside the historical norm.

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We're far from achieving a truly equitable workplace, where everyone has the same access to the support and resources needed to thrive and where wider society is reflected throughout our organizations. Broad gaps in retention and advancement only increase and intensify with so-called knowledge workers and extend all the way up to the C-suite.
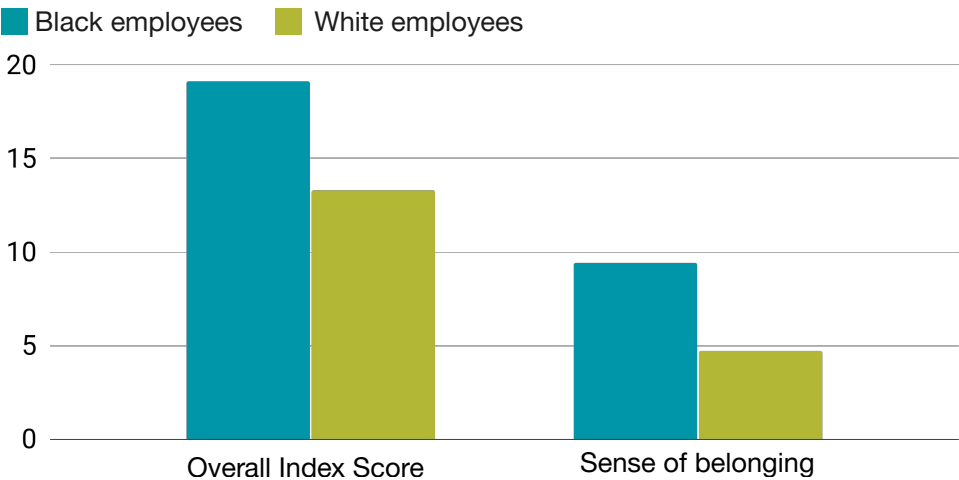
Black employees
In the past year, the preference for flexible work is even more decisive for Black knowledge workers in the U.S. Only 3% want to return to full-time co-located work, versus 21% of their white colleagues. White knowledge workers are also slightly more likely to say that they'd like to be "always remote": 17% versus 15% for their Black colleagues.

Legend: ■ Black employees ■ White employees

| Category	Black employees	White employees
Always colocated	3	21
Hybrid, prefer co-located	33	24
Hybrid, prefer remote	49	38
Always remote	15	17

Overall, Black employees in the U.S. scored working remotely better for their work-life balance (+25%), ability to manage stress (+64%) and sense of belonging at work (twice that of their white colleagues).

Black employees   **White employees**

The difference in "sense of belonging" is stark. Not only are Black employees more likely to say their sense of belonging is better while working remotely; these groups are not at the same starting point. Seventy percent of white employees rate their sense of belonging at work "good or very good," but only 32% feel their sense of belonging is better when working remotely. Fifty-four percent of Black employees rate their sense of belonging at work "good or very good," but 54% also feel their sense of belonging is better when working remotely.

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Women with children

While parents in general have faced sizable challenges over the past year, around the globe our research finds that women with children are experiencing more challenges than men with children—a finding that is even more stark in countries, like the U.S., that lack child-care infrastructure.

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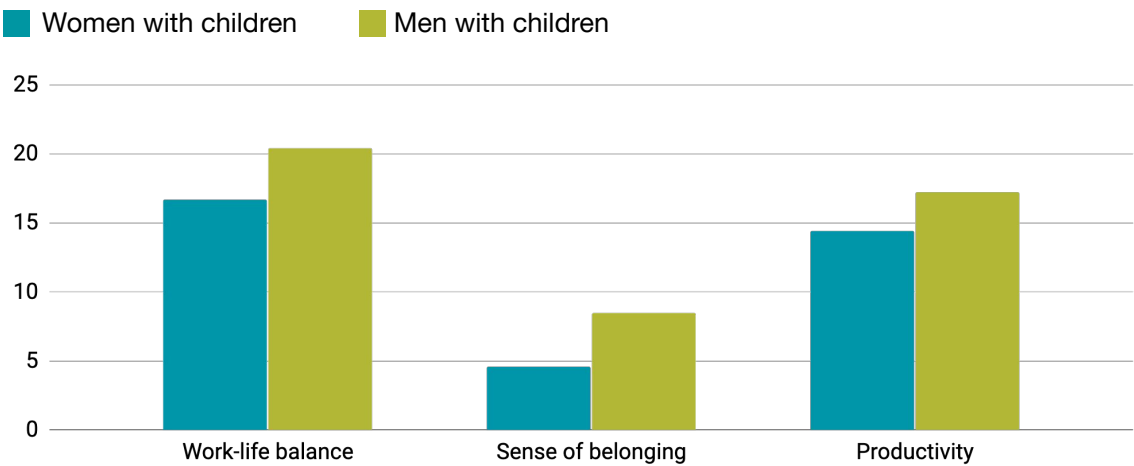
Recommendations

Inclusivity is part of a CEO's job. Chief executives need to work harder on inclusivity for employees of color and working parents. This isn't simply about giving Black employees or working mothers the ability to work from home, while white executives return to old habits. This is about fundamentally changing your own ways of working and holding people accountable for driving inclusivity in your workplace and ensuring equity in opportunities and rewards. It's the responsibility of leaders to look around the table, identify who is not there, and fix it.

Re-evaluate your processes. As a leader, now is the time to question objectives that lack well-defined processes. Then ask yourself the question: Does this objective or project lead to inequitable outcomes? As Ella F. Washington, a faculty member at Georgetown's McDonough School of Business and the founder of **Ellavate Solutions**, puts it: "Are you asking the question: How does work get assigned, evaluated and rewarded? Are you thinking about how these processes are equitable?"

Invest in fixing the network gap. Many historically discriminated-against groups face a persistent "network gap," which is often compounded and exacerbated by a working model that reinforces the norms of a white-male-dominated culture. A **recent McKinsey study** found that more than 67% of Black employees report that they do not have a sponsor at their organization, even though 87% of companies report having a sponsorship program in place. Leaders need to ensure that their employees are getting access to the mentorship, advocacy and training they need.
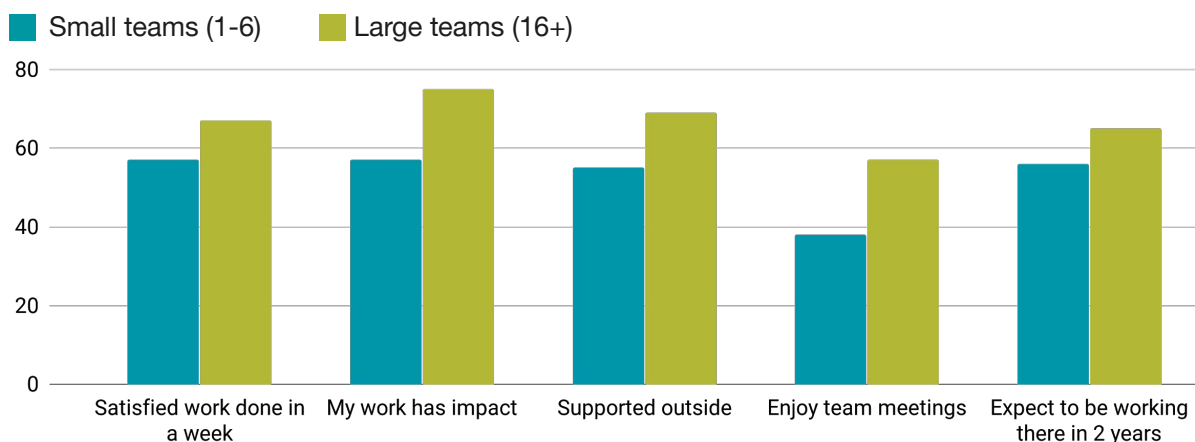
Embrace flexible work. Flexible work eliminates the physical headquarters as the focal point of a company and instead leverages technology to give employees control over when and where they work and how they engage and respond. While flexible work alone is not a panacea, it is an essential starting point for moving away from many of the structural inequities that pervade the workplace.

For more-specific recommendations regarding Black employees, please read our joint study with **Management Leadership for Tomorrow here**. For additional thoughts on supporting working mothers, see our recommendations **here**.

Executive takeaway: Diverse teams outperform their peers, but it takes sustained, continued investment to build true belonging among diverse teams. Leaders need to rethink every aspect of attracting, retaining and rewarding talent to build the outcomes they want—and to ensure equity in rewards for team members.

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Connected: Turn middle managers into coaches

The Future Forum's research shows that middle managers are feeling the stress of remote work more than individual contributors or senior executives. They are more likely than senior leaders to say it is harder to maintain relationships in the workplace, and only a little over half of them feel they can rely on their colleagues to support them, versus 90% of senior executives.

Legend: ■ Small teams (1-6) ■ Large teams (16+)

Categories: Satisfied work done in a week, My work has impact, Supported outside, Enjoy team meetings, Expect to be working there in 2 years

Small-team managers in particular are struggling. The top challenges among those managers demonstrate their ongoing challenges, often being forced to act as a "human router" of work for their teams:

- Staying aware of each other's work: 48%

- Coordinating and collaborating with other teams: 34%

- Communicating about ideas, timing, or allocation of work: 33%

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Adding meetings to their calendars isn't helping. Small-team managers are experiencing more meeting burnout: 38% of them agree with the statement "I enjoy team meetings" compared with 58% of large-team managers.

This stress is trickling down to their teams. A third of remote workers say they feel pressure to make sure their managers know they're working, and it's cause for anxiety.

Lastly, our research shows that leaders who build cultures based on collaboration and creativity outperform those built on ensuring control or focusing on competition. When organizations' workers are held together by "loyalty and mutual trust" or "innovation and development," they generally have much higher scores in our research. People working at companies emphasizing "human development" or "innovation' score higher than those at organizations focused on "competitive actions" and "permanence/stability."
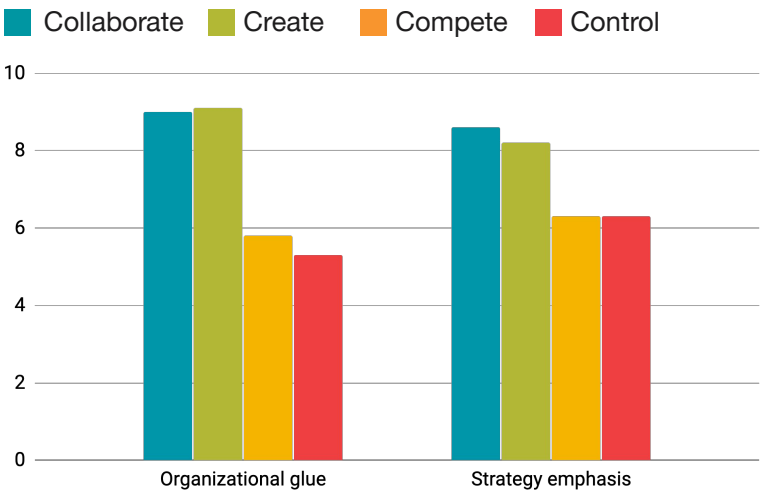
Recommendations

Investing in your middle managers is critical for innovation, the adaptability of your organization, and talent retention within your teams.

We need to move the role of middle managers away from being attendance takers and human routers of information into being coaches and facilitators, creating momentum toward objectives and leveraging technology for sharing knowledge and status updates.

As the business landscape rapidly shifts, the role of your managers is flexible and fluid in nature. Leaders need to make the investments to help managers do their jobs, connect with one another, and grow their careers. This will help them better adapt to adverse situations and constraints of resources in a constructive manner.

Invest in process and collaboration tools, and over communicate decisions. Investments in process and collaboration tools may be benefiting leaders of larger teams, but middle managers continue to be squeezed due to limited visibility and lack of formal peer networks. There's an opportunity for leaders to over communicate decisions to all levels of the organization and provide management support for up-and-coming leaders.

Focus on the softer side. Help middle managers build networks; find trusted third parties, perhaps highly rated senior managers, to host informal gatherings to share challenges and potential solutions. Help them build networks and relationships with their teams that may have been seen as unconventional in the past.

Support transparency. Many organizations were not set up to be transparent about how and where work happens. Adopt digital channels that default to internally "open," where the objectives, goals, status updates, and progress are stored and continuously updated to provide more certainty for managers and build trust among the team.

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Cut useless meetings. Our research found that teams that leveraged modern technologies to share content openly weren't struggling as much with "What is my team doing?" whereas managers who defaulted to meetings reported lower scores for productivity and sense of belonging. In our surveys, close to half of remote workers say they are brought into too many needless meetings, versus only 37% of those working in the office. It's a waste of precious time, energy and attention.

Train leaders for empathy. Re-skill managers toward empathy, vulnerability and emotional intelligence. Everyone is juggling a host of competing demands. It's important for managers to acknowledge what their team members are facing and be capable of sharing their challenges too.
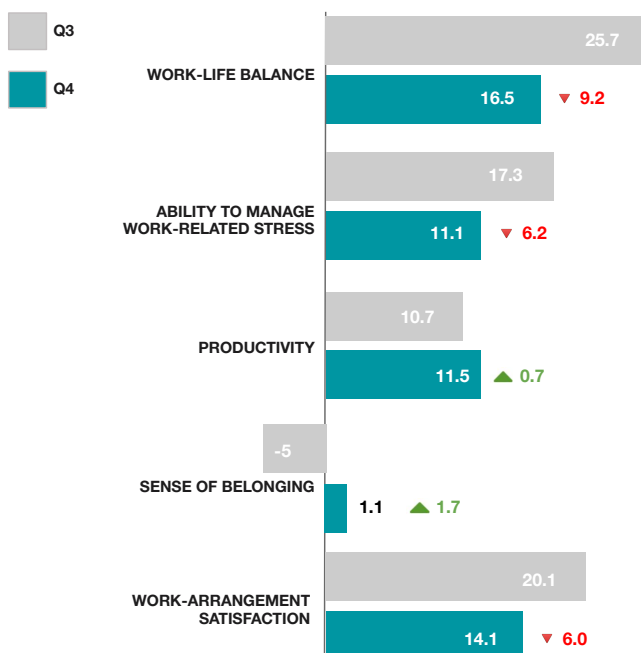
Re-skill managers to be leaders of inclusive teams. Building true inclusivity in a workforce requires investment in training, in rewarding investments in diversity, equity and inclusion (for example, leading an employee resource group), and support for people's mental health and well-being.

Executive takeaway: Your frontline managers will make or break your company— people don't leave companies; they leave bad managers. Invest in providing managers with the training and tools they need to focus on building team performance, not routing information and attending meetings.

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So what's next?

Leaders who embrace these shifts are seeing many positive changes, chief among them the ability to attract and retain diverse talent. There is still more work to be done on several fronts.

Help people avoid burnout. While our index shows that employees prefer a flexible work model, the data also signals that as the pandemic stretches into its second year, knowledge workers are feeling an increased strain. Much lower scores in the categories of work-life balance, stress and anxiety, and satisfaction with working arrangement demand urgent attention from employers.

	Q3	Q4	Change
WORK-LIFE BALANCE	25.7	16.5	▼ 9.2
ABILITY TO MANAGE WORK-RELATED STRESS	17.3	11.1	▼ 6.2
PRODUCTIVITY	10.7	11.5	▲ 0.7
SENSE OF BELONGING	-5	1.1	▲ 1.7
WORK-ARRANGEMENT SATISFACTION	20.1	14.1	▼ 6.0

Consider assisting with day-care costs or mental health counseling, and put an end to routine meetings. People can feel overwhelmed, emotionally drained and mentally exhausted. Since the pandemic, people are expected to participate in far too many unnecessary meetings, and they have a fear of saying no when expectations have become unrealistic or working hours extend beyond the normal workday. **Normalize saying no**.

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Invest in your culture. Companies whose culture focuses on collaboration are performing best in the current environment. Whether collaboration is apparent in how you provide organizational glue (organizations held together by trust, versus other factors like competition), emphasizing talent development, or the skills of your leaders, employees at companies that focus on collaboration as core to their culture report higher scores across the board in our research.

Companies whose culture highlights innovation and creativity also perform well. In particular, if an organization's culture prides itself on innovation and development, its employees report higher performance than those at companies focused on competition or process control.

Interestingly, from a leadership perspective, employees at companies who describe their senior leaders as focused on innovation and risk-taking don't report as strong results as those where leadership is focused on organization, coordination and efficiency—or just on collaboration. For companies that put innovation first, it's a good idea to blend innovation with collaboration.

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A final word

Although these have been trying circumstances, this is clearly an opportunity for leaders to make profound changes that will positively impact their business. Despite initial fears that the pressure of the pandemic would be too great on the business world, executives are discovering that this new way of working—when designed intentionally—can be a successful blueprint for the long term.

Leaders need to accept and adjust, and continuously reimagine, how work should take shape. It's going to require new styles of leadership and new organizational cultures and norms that not only make people's lives better but also create better businesses. In the long run, the working world is going to be more welcoming, inclusive, productive and creative than it ever has been—for everyone.

Methodology

The Remote Employee Experience Index is based on data from a survey of 9,032 knowledge workers who identify as "skilled office workers" in the U.S., the U.K., France, Germany, Japan and Australia. It analyzes the key perceptual elements of the working experience for 3,480 of the workers surveyed who are primarily working remotely. The survey was fielded between November 25 and December 30, 2020, via GlobalWebIndex, a third-party online panel provider, and commissioned by Slack. Results were weighted based on sector and population.

To assess the impact of working remotely, each element is scored on a 5-point scale, from "much better" to "much worse" than working in the office, with the midpoint being "about the same as working in the office." The highest possible index score of +100 would indicate that, in aggregate, all remote knowledge workers feel much better about all elements of the Index. A neutral score of 0 would indicate no net change, and a score of -100 would indicate that employees feel much worse about working from home across each element.

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