



## EXECUTIVE BRIEF

# Three ways the pandemic has improved the world of work

## People Solutions

As businesses scramble to adjust to the global crisis brought about by the coronavirus pandemic, it's crucial that they maintain an ongoing focus on the creation and execution of agile operational structures. The new world of work has seen wild experiments based on necessity, and lessons learned that should not be forgotten. Let's explore some of the key takeaways that can help employees thrive, from organizations adding flexibility to how remote work is conducted, to infusing that experience with more humanity, and data's role in informing better decisions.

### Redefining workplace norms

The last 50 years of work have been defined by predictable patterns involving who is doing the work, where it occurs, and when it happens. While these standards have been impacted by technological advancements, demographic shifts, and emerging social norms, COVID-19 has accelerated the arrival of new ways of working. Most organizations initially resisted the inevitable reforms that accompanied the crisis, however, virtually all of them eventually accepted that work can be done anywhere, anytime, and by almost anyone.

**An estimated 2.7 billion people (or 80% of the global workforce) have been affected by COVID-19-related lockdowns.<sup>1</sup> There is a growing realization that traditional models of operation will no longer suffice.**

REI, an outdoor gear retailer, **announced it would sell its brand new, never used corporate headquarters.**<sup>2</sup> The reason was simple: It was no longer necessary and would save significant money as REI looked for ways to endure the economic impact of the coronavirus. According to a recent Gartner survey this is not a temporary shift that will revert back to “normal” post pandemic, as 82% of company leaders plan to allow employees to work remotely at least part time going forward.<sup>3</sup> These same leaders understand that it will be the elastic enterprise that withstands the inexorable disruptions of the future.

While it’s easy to point to technology as the enabler of the new work-from-home environment, the truth is our mental mindset is the crucial component for long-term acceptance of this new model. The visceral reaction that normally accompanies the request to allow people to work remotely assumes that they will be less productive and more prone to laziness. The reality is quite different, according to **Natalia Emanuel and Emma Harrington**, PhD candidates in economics at Harvard.<sup>4</sup> Emanuel and Harrington evaluated call-center workers in a Fortune 500 retailer and found that productivity increased 8% to 10% in remote workers versus on-site. While our attitudes about the evolving world of work are important, technology may hold the key to the long-term future of work.

## Humanity at work

Prior to the pandemic, the topic du jour was how technology (particularly artificial intelligence and machine learning) was destroying our economic livelihood. **A study by Pew Research** found that 82% of US adults say that by 2050, robots and computers will likely do much of the work currently done by humans.<sup>5</sup> While this platitude has been wielded by politicians and prognosticators for decades, recent advancements in computing and automation have given it fresh fuel. Research by economists **Daron Acemoglu and Pascual Restrepo** seems to corroborate this point of view as they predict a reduction in both employment and wages resulting from industrial robots.<sup>6</sup> Others suggest that technology has historically created more jobs than it destroyed, and that workers have benefited from improvements in quality of life and even income. It may sound counter-intuitive, but could technology be the key to creating a more human experience at work?

As work has emerged from industrial roots to more of a services orientation, the number of jobs that require manual labor has declined. Even as those jobs shifted to ones requiring more administrative and transactional work, new forms of automation have replaced those positions as well. What is left is work that requires a truly human skill set including critical-thinking, problem-solving, creativity, communication and even compassion. This is the reason that **Amazon announced** it was spending \$700 million to retrain its employees.<sup>7</sup> Amazon recognized that eventually its operations will be comprised mostly of machinery, and that its people will need to upskill and reskill to remain relevant.

Migrating to these new roles and responsibilities has been enabled by ubiquitous cloud technologies that allow workforces to maintain uninterrupted connectivity. Mobile devices, Internet of Things (IoT) sensors, and video platforms are being powered by 5G, while work/life balance transforms into work/life integration. We get to peer into our colleagues’ personal lives through Zoom calls and we realize that they have kids and pets and a decorating style we wouldn’t have guessed. Meanwhile, the world moves away from traditional models of 8 to 5, Monday through Friday, on-site, full-time work arrangements, toward four-day work weeks, temporary gigs from anywhere, and daily pay.

## Data has changed everything

As the pandemic accelerated the adoption of new technologies and operational models (about 25 times faster **according to a recent survey by McKinsey**),<sup>8</sup> it also hastened the digital transformation of the workplace. Virtually all work can be captured in a computerized format, which provides endless opportunities for the elevation of how work happens. By aggregating the droves of data now readily available, organizations can predict and prescribe the orchestration of work in an evidence-based format. As companies concede that their ability to harness the power of data is the key to sustainability, the most intriguing reservoir of data is arguably in their HR systems.

While people data could be used in a wide variety of ways—including real-time engagement scores, quantitative productivity ratings, and optimized schedules—the real value lies in the utilization of behavioral data. Top companies like **Google and Hilton** are no longer requiring degrees, and employers are acknowledging that specialized skills can become obsolete in a matter of months.<sup>9</sup> Instead, these organizations have prioritized the hiring of individuals with transferrable skills and foundational behavioral characteristics so that they can redistribute talent as environmental and economic conditions change.

Knowing individual behavioral DNA can enable a high degree of personalization in hiring, development, coaching, and career growth. This information has even been used to determine an employee's aptitude for working from home. Characteristics like pace and discipline have been proven to be strong predictors of success in a remote work environment.

**The potential benefit from pandemic-inspired collaboration is the move towards a more efficient and productive organization, as well as more satisfied employees who can focus on more meaningful work.**

Most importantly, we must recognize that people can serve in a variety of capacities, regardless of their current background and title. A comprehensive profile of each human allows organizations to develop a data-driven strategy to move people around based on changing demand.

Organizations are embracing new business strategies and technologies, while prioritizing the health and safety of their people to thrive in the new world of work.

<sup>1</sup> Labour Organization, *ILO: COVID-19 causes devastating losses in working hours and employment*, April 7, 2020.

<sup>2</sup> Paul Roberts and Katherine Khashimova Long, "REI to sell its never-used Bellevue headquarters and shift office work to multiple Seattle-area sites," *The Seattle Times*, Aug 12, 2020.

<sup>3</sup> Gartner, "Gartner Survey Reveals 82% of Company Leaders Plan to Allow Employees to Work Remotely Some of the Time," press release, July 14, 2020.

<sup>4</sup> Emma Harrington and Natalia Emanuel, "Working Remotely? Selection, Treatment, and Market Provision of Remote Work," Harvard University, Nov 12, 2020.

<sup>5</sup> Pew Research Center, *How Americans see automation and the workplace in 7 charts*, April 8, 2019.

<sup>6</sup> Daron Acemoglu and Pascual Restrepo, *Robots and Jobs: Evidence from US Labor Markets*, University of Chicago Press, June 2020.

<sup>7</sup> Ben Casselman and Adam Satariano, "Amazon's Latest Experiment: Retraining its workforce," *The New York Times*, July 11, 2019.

<sup>8</sup> McKinsey & Company, *How COVID-19 has pushed companies over the technology tipping point—and transformed business forever*, Oct 5, 2020.

<sup>9</sup> Glassdoor, "15 More Companies That No Longer Require a Degree—Apply Now," Jan 10, 2020.

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