

Reimagining your workforce model for talent and growth

8 keys to hybrid workplace success



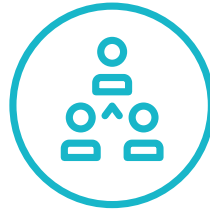
We are all working in an environment that is uber competitive for talent, and one in which employees' expectations of employers have changed significantly. Many workplace surveys demonstrate that employees do not want to go back to the pre-pandemic workplace or work style. Those who make human capital a strategic imperative versus an HR objective and respond to these evolving employee needs are the ones who will come out on top.

According to a survey of 2,000 employees by [Prudential Financial](#), nearly half of those currently working remotely say if their current firm doesn't continue to offer remote-work options long term, they'll look for a job at an organization that does.

[Forbes](#) reported on a survey of 3,000 employees at top-tier organizations including Apple, Amazon, Microsoft, Google, Facebook, Goldman Sachs and JPMorgan. Employees were asked if they'd prefer to work permanently from home rather than get a \$30,000-a-year raise; 64% wanted to continue working from home rather than take the raise.

In a 2021 survey by [Topia](#), 91% of employees agreed they should be able to work wherever they want as long as they get their work done. Flexible work arrangements are important to 9 out of 10 employees, and 74% of C-level employees are most likely to say this is very important for job seekers.

[The Atlantic](#) reported that a survey of over 30,000 Americans found workers overwhelmingly satisfied with their work-from-home experience, and most said it exceeded their expectations.



64%

of CFOs say a human capital shortage may risk the ability to execute short-term strategies.



56%

of CFOs need to prioritize attracting and retaining key talent in the next 12 months.



63%

of organizations expect to continue with a remote workforce or shift to a hybrid one.

[Grant Thornton 2021 Q2 CFO Survey](#)

Note these eight key areas for your board and management to discuss in adapting to a new workplace model:

Culture

Culture is broadly thought to be the collection of traits that make an organization what it is, comprising the shared values, beliefs and practices that drive daily actions. It's a given that every organization's culture has shifted since the start of the pandemic, and leaders must ensure this new culture is evolving in an appropriate way to continue to allow the organization to thrive.

Leaders must consider several aspects of culture in the post-pandemic workplace:

- What aspects of the new culture are worth keeping or need changing?
- How do we maintain our unique DNA through different shared experiences for remote, hybrid and in-person employees?
- What is the risk to growth, employee retention or other key metrics if there is a misalignment in cultural fit?

HR policies and talent management

As we shift to a permanent hybrid workforce, organizations must examine how they will manage and enhance employee experiences while meeting business objectives. Policies will need to be redefined to support this shift, and a plan created to administer them equitably for all employees. Talent strategy, including recruitment and performance management, will also change.

While this provides more opportunities for employers and employees, and fosters diversity, the workplace shift requires organizations to rethink their talent and sourcing strategies, including:

- Making clear the expected timing to come to the office, and which populations are included and excluded from remote work policies
- Implementing policies for safety and health including vaccinations, contact tracing, temperature checks and wearing of masks
- Revisiting performance management — including key metrics — to ensure it is equitable in the long term and consistent with DE&I initiatives
- Looking beyond office-centric talent pools to find the best fit for a role as fewer candidates will be bound by their location — thereby fostering diversity
- Examining procedures to support the ongoing monitoring and achievement of organizational goals, productivity goals and individual performance objectives
- Laying out clear expected work hours expectations and time-tracking policies
- Updating job descriptions for work-from-home positions
- Leveraging technology that not only reskills and upskills the workforce but also provides for an onboarding experience that demonstrates the organization's culture



Only 15% of Fujitsu employees considered the office to be the best place to work. Some 30% said the best place was their homes, and the remaining 55% favored a mix of home and office — a hybrid model.

[The Harvard Business Review](#)

Benefits and compensation

Moving to a hybrid workforce may allow businesses to streamline employee benefits, but it also opens up the potential for risks associated with employees working in different cities and states. Additional challenges include the coordination of benefits and compliance requirements for state- and federal-mandated leave programs and disability insurance.

Consider these points:

- Employee preference optimization — preference measurement optimizes benefit offerings by aligning employee needs with employer costs
- Impact on health benefits — e.g., in-network versus out-of-network
- Job classification and compensation structures including wage and hour implications, and revisiting geographic differentials
- Family Medical Leave Act, mandated state disability and state-paid parental leaves when offering telework options
- Compliance with state- and federal-mandated leave programs
- State disability insurance programs including Americans with Disabilities Act accommodation and workers' compensation coverage for locations in which your organization doesn't have a prior presence
- Mental health and wellness options

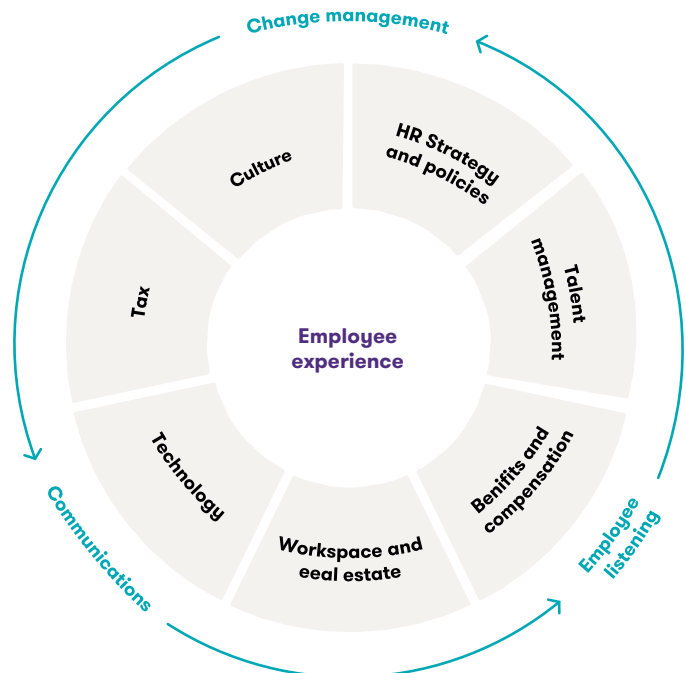
Workspace and real estate

The changes in how organizations operate, including the shift to a permanent remote workforce, require assessing current and future real estate footprints. This assessment will be both industry specific — e.g., retail, technology, and medical and corporate offices — and organization centric — e.g., size, location needs and culture.

Additionally, you could rethink:

- The existing workspace to meet changing needs — e.g., fewer offices and more collaboration space for employees to convene when they are in the office
- Facility adaptations including hoteling, distancing, cleaning and ventilation
- Real estate lease costs and related ancillary costs in determining options for efficient and optimal space
- Strategies to create an ergonomically productive, in-home office

Grant Thornton's hybrid workforce framework





Technology

Ensure your infrastructure enables proper time tracking, collaboration, client service and operations. The fast-fix approaches many organizations deployed to respond to the immediacy of COVID-19 should be evaluated with a long-term strategy in mind. For organizations managing a hybrid workforce within the U.S. and internationally, technology may be leveraged to monitor and manage the breadth of risk, compliance and collaboration.

- Be aware of heightened vulnerabilities — emergency changes that bypass secure operating procedures, capacity issues leading to availability concerns and cybersecurity concerns for remote employees
- Assess new situations and take mitigation steps — control usage of new devices and tools, monitor user access controls, and track phishing emails and malware
- Raise collaboration levels — increase awareness campaigns for the workforce, identify how personal and sensitive data is being shared, and refine policies and procedures for systems — e.g., password policies

Tax

While the talent market has expanded for many employers — both within the U.S. and overseas — tax considerations should still be key in designing and implementing hiring and hybrid workforce strategies.

As employees transition to a hybrid model, their primary work location could, from a taxation perspective, differ from when they were initially assigned to a physical office. A detailed analysis of this new work location and the impact it creates include the following considerations:

- Compliance with state and local income tax withholding and state unemployment insurance tax requirements
- Foreign payroll registration and withholding obligations for income and social tax
- Employees working remotely from states in which employers do not have a physical office may cause new corporation income tax obligations and filing requirements in those states

“CEOs of the future just have to have a lot more flexibility on policies and procedures. It’s the only way you’re going to grow and survive.”

Scott Staples, CEO, First Advantage Corp.

[The Wall Street Journal](#)

Change management and communications

One size does not fit all when it comes to managing organizational change. Proactively identifying and mitigating potential people-related risks can make the difference in employee experience during a re-entry initiative. A successful change management plan will:

- Build commitment for the various changes
- Enhance communication and interaction
- Optimize collaboration
- Promote continuous learning and improvement
- Measure progress effectively

Employee listening

Management must ascertain tangible changes to design more optimal work experiences with reimagined benefit and total reward offerings that balance employee needs in the most cost-effective way across the re-entry process. This includes:

- Understanding drivers of employee stress to design new benefits and total rewards programs that deliver more value to employees and optimize organization spend
- Creating personas embodying distinct elements composing the new working environment, including needs and preferences
- Modeling a process to predict which individual employees might be considered a flight risk
- Identifying “opinion leaders” — those who naturally share opinions and feelings about changes and influence others
- Identifying who may resist or be unsupportive of new changes

The reimagined workforce is an opportunity for your board and management to address new workplace dynamics and evolving demands from employees, and to demonstrate to stakeholders that your organization is equipped to keep its best people and attract top talent going forward.

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