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Client stories
Post-COVID19 Point of View

In January 2019 the first COVID-19 cases were confirmed in Europe. European leaders needed to move fast and many started introducing measures on facing the pandemic.

By mid-March almost all European countries introduced lockdowns along with other restrictive measures and more than 250 million people were suddenly stuck at home...

The everyday, familiar environment changed dramatically – for citizens and business organizations alike. How did those changes affect GBS organizations in particular?

To find out we've engaged our Deloitte GBS (Global Business Services) community in Central Europe (CE) and reached out to speak to our clients. We've conducted interviews with GBS leaders and managers across CE and talked about the challenges they have faced and changes they foresee for their people and organizations in the future.

We bring you a unique overview of our conversations, summarized into five essential areas that deserve your attention!

Communicate, communicate, communicate!

A key factor in managing the crisis is frequent and transparent communication. Not only formal directives from management and touch points between teams, but also informal catch-ups among colleagues.

Although Business Continuity Plans (BCP) were in place, they often do not cover communication and other aspects, such as returning to the office, in sufficient detail.

Communication and business continuity

All GBS leaders stressed a key takeaway from the crisis – the importance of frequent and transparent communication as a major factor in managing the rapid change. Organizations have not only been using it for internal announcements but many discovered the importance of cross-team communication - especially on the management level - for sharing experiences of day-to-day operations and how others have handled different situations. This has made team and company management much easier.

Some companies are even seeing individual socializing catch-ups among team members and deem they are having a very positive effect on employee productivity and state of mind.

Most GBS organizations had Business Continuity Plans (BCP) in place when the crisis struck. GBS leaders have agreed that BCPs played an important role in ensuring continuity of all operations and helped navigate management through unfamiliar environments.

Although most organizations acknowledged the beneficial effects of the plans, all would welcome them to be more elaborate and detailed in describing the approach to such major disruptions with inclusion of a more extensive transition process of employees from and back to company premises.

Challenges faced

- BCPs did not fully cover all possible crisis scenarios

- Some areas of the BCPs haven't been outlined in sufficient detail. Especially communication to employees, communication between management and employee reintegration plans

Implications and opportunities

- Develop BCPs that cover a wider range of possible scenarios and areas - including transition from and to the office

- Document communication guidelines in BCPs clearly and in sufficient detail

- Establish regular channels of communication between managers of all departments to share knowledge and experience

- Set up communication plans within teams when working remotely in order to maintain productivity

- Preserve frequent and transparent internal communication of key messages after the crisis

Employees come first!

All GBS organizations reacted swiftly and often offered their employees to take advantage of home-office before official lockdowns were introduced.

As a result of the crisis leaders expect a rise in the demand for working from a place of choice (home or alternate location), flexible working hours and a resulting decreased need for office space.

Workplace of the future

The immediate shift to working from home posed a substantial change that organizations needed to adapt to instantly. This had a direct impact on reorganizing and reprioritizing work. Each of the interviewed GBS organizations provided maximum flexibility to employees and their transitions to remote operations were mostly swift, smooth and without major issues.

Although the change hasn't posed any major problems, GBS leaders expect remote work to now gain a new dimension. Most anticipate an increased demand for flexible working hours and working from a place of choice – whether from home or another remote location. This introduces a whole set of new challenges including provisions in employment contracts, possible tax impacts and new ways of workforce management (covered in another section). What was once viewed as an attractive employment benefit might become a standard requirement.

With the successful shift to teleworking, GBS leaders have often revisited the question of how much physical space is actually required on a day-to-day basis. Many are currently exploring the options of introducing or increasing hot-desking, reducing office space and alternative uses of current spaces.

Challenges faced

- Concerns about operationalizing all company processes after the rapid shift from company premises to home-office
- Concerns about managing and completing operational tasks previously performed strictly on premise
- Necessity of certain employees to access premises physically for activities such as secure use of banking tokens, printing, etc.

Implications and opportunities

- Increased demand for working from a place of choice and flexible working hours
- Treatment of remote work in employment contracts
- Assessment of opportunities to introduce or extend hot-desking
- Assessment of opportunities to reduce office space, alternative uses for it or termination of current leases and lease options
- Assessment of critical workforce segments to understand key positions required for continuity of operations

Automate, robotize and decrease human input

Many organizations faced issues with providing enough equipment to their employees who had shifted to home-office. A major concern was also regarding the security of company data exposed to unsecured connections through company VPNs.

Many of the leaders have started to actively explore ways of increasing automation and robotization and decrease dependency of processes on human input.
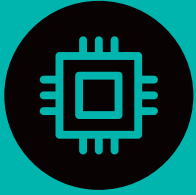
Technology and automation

Technology readiness has been undoubtedly a key factor in successful management of this crisis. GBS leaders often mentioned the necessity to quickly ensure availability of sufficient quantities of portable IT equipment (including laptops and monitors) as an essential condition for a smooth transition to remote work.

For all companies, existing remote VPN-enabled access to company applications and systems allowed for the majority of employees to work from home without major issues. However, this introduced a new challenge in the form of adapting the current cybersecurity measures to remote working and focusing on the securitization of highly sensitive data now being accessed through potentially unsecured connections.

One of the distinct areas emphasized by the crisis is the use of human labor in performing daily operations and routine activities. The remote working conditions shifted management attention toward the possibilities of more extensive robotization and automation of business processes and decreasing the human factor in certain processes to the necessary minimum.

Challenges faced

- Ensuring all company systems and applications can be accessed remotely through VPN

- Availability of IT equipment as a key prerequisite to a quick transition to remote operations – laptops, monitors, etc.

- Some staff accessing highly sensitive data from potentially unsecure connections and locations

- Cybersecurity concerns with internet connectivity from home

Implications and opportunities

- Building an IT infrastructure set for heavy remote access

- Sufficient IT equipment in stock and fast distribution to staff

- Management and implementation of processes for accessing and working with sensitive and confidential data from remote locations

- Assessment of and investment into increased process automation and decreased human factor in selected process areas

A shift in measuring productivity

Many GBS leaders shared a similar concern – will we be able to maintain productivity once all employees are working from home?

Although none have seen a drop or rise in productivity in the short-term, they are looking into methods of measuring productivity in the future and exploring tools to support increased teleworking.

Workforce management

One thought in particular was on the forefront of all GBS leaders' minds - how to ensure health and safety of staff while simultaneously maintaining productivity and a sense of brand and team belonging? One of the areas discussed in this regard was the psychological impact of isolation and lack of social contact on employees because of long-term isolation. GBS leaders raised concerns on how this will affect the company's spirit and everyone's sense of belonging and loyalty to the brand, culture and their teams.

Their focus was first on maintaining personal connections and energizing teams remotely. In the short-term this was tackled with a spike in communication – announcements, catch-ups and informal online get-togethers. Long-term leaders are aware they will need to rethink leadership styles, required skills, spans of control and even team structures.

A major concern was a possible drop in productivity – both short-term, while adjusting to everyday home-office, and even more so long-term. Despite negative expectations, none have seen any short-term changes in productivity – neither falls nor rises – and many of the processes have run same as before or even smoother. However, leaders are looking into methods and tools for measuring productivity in the long run.

Although GBS organizations haven't experienced a drop in performance, they have sometimes developed a backlog due to delays in business processes rather than inside the GBS.

Challenges faced

- Expectation of decreased productivity and approach to measuring employee productivity

- Psychological impact of isolation and social distancing on employees

- Difficulty to provide a sense of belonging to the organization, brand and culture and to maintain employee loyalty remotely

- Issues with specific business processes resulting in backlogs within the GBS

Implications and opportunities

- Assessment of methods and tools for measuring employee productivity (with regards to increased remote working)

- Explore new tools to support teleworking, productivity and increase engagement for detached teams

- Revise current leadership styles and team structures for managing remote teams and maintaining employee engagement, loyalty and a sense of belonging

- Asses a possible change in workforce skillset with regards to increased remote working (e.g. less team spirit and more self-control and self-discipline)

Hiring online – in the not too distant future

The hiring process hasn't been fully frozen in most organizations, and the shift to the online hasn't caused major issues.

Apart from conducting interviews online, many organizations faced challenges in providing effective training to newcomers without access to physical premises.

A key takeaway for HR is extending their organization's online training curriculums and online training materials.

Recruitment and training

Another interesting area that was impacted by the restrictions was recruitment, onboarding and training of employees. An activity that was previously mostly done face-to-face encountered a major change. Although for many the move to online onboarding seemed a distant future, suddenly GBS organizations needed to adopt a new approach and make a rapid shift. In many cases the pandemic has accelerated change that was expected to come.

The hiring process has mostly continued and GBS organizations haven't encountered major issues in conducting interviews fully online. However, many were not ready to provide online training curriculums to new joiners and needed to quickly create online training materials such as webinars, videos and various documents.

The whole situation also created some unique opportunities. With employees working remotely, leaders started assessing the possibility of creating country or regional remote teams, which would broaden the available talent pool and might provide an opportunity for wage arbitrage.

While rethinking the hiring process, GBS leaders are exploring ways of taking online recruitment to a new level by creating a unique digital experience for candidates, HR and hiring managers, e.g. through a custom online platform.

Challenges faced

- Moving from a face-to-face hiring model into a fully online hiring process

- Organizing newcomer introduction sessions online

- Lack of sufficient online training materials for new joiners and current employees created a necessity to quickly develop online training curriculums, webinars, videos and documents

Implications and opportunities

- Rethink hiring strategy and future recruitment process taking into consideration online hiring and training models

- Assess the possibility of creating country/regional remote teams and taking advantage of a broader talent pool and wage arbitrage opportunities

- Create a detailed online hiring curriculum and digital hiring experience for potential candidates (e.g. online portal to interact with the market, booking interviews online, online chatrooms, etc.)

- Develop or rethink training curriculums incorporating online training sessions for new and current employees (such as prerecorded videos, webinars, e-learnings or other documents)

We are living in the time of accelerated change. What used to take us years now had to happen overnight and, based on what we have seen, change can truly be executed swiftly and effectively.

This shows our ability to redesign our processes and become more agile. I believe that we should make the best use of this new knowledge and design new ways of operating while keeping the best of the old ways.

This crisis has also made us re-think the value of "being prepared". We saw that organizations which had business continuation plans already in place were able to cope with the pandemic better than others. This again demonstrates the value of proper risk management, sometimes even considering seemingly impossible situations.

It would appear that things will not go back to normal anytime soon.
We have to continue re-designing our ways of working to meet the new future.

Jana Nikandrova
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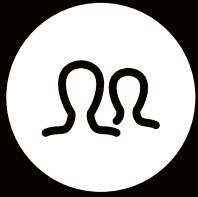
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