

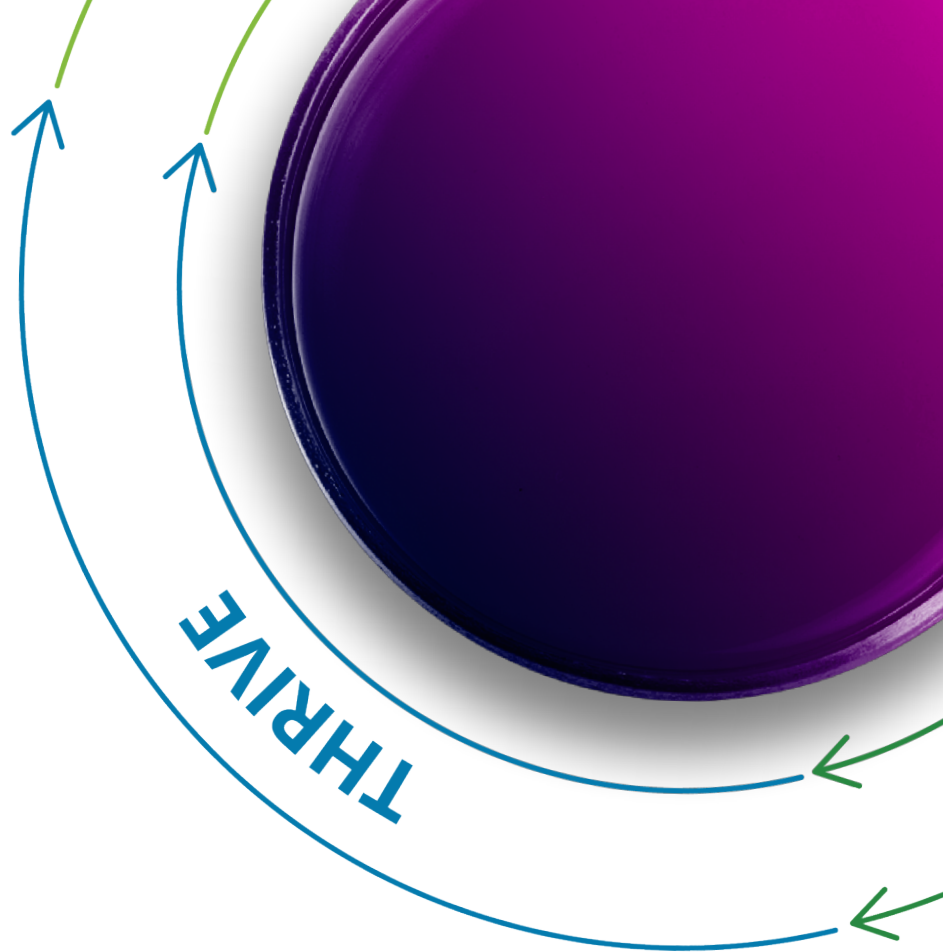


Remote Work The New Norm

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The COVID-19 outbreak has compelled countries around the world to implement various restrictions to people's movement (partial or total nationwide lockdowns) and instituted social distancing protocols as part of pandemic control measures. The International Labour Organisation (ILO) estimates that 2.7 billion workers, representing 81% of the world's workforce, will be affected by these measures. The global economy is expecting to experience its worst performance since the Great Depression.

The International Monetary Fund (IMF) also predicted the possibility of a W Curve – meaning that there is a good chance of re-occurrence of the virus which could see the possibility of regular lockdowns. It further opined that Africa seems to be suppressing the curve and may escape the worst of the pandemic but will have to be very cautious to prevent a W curve and businesses will need to plan accordingly.

COVID-19 has created a new normal. In response, organisations of varied sizes and across industries have been forced to implement new ways of working to remain operational and ensure continuity.

Following WHO guidelines, Ghana instituted a 21-day partial lockdown of Greater Accra and Greater Kumasi as part of measures to control the spread of the virus. The lockdown imposed restrictions on the movement of people except for essential workers. This included closing down businesses, a ban on social gatherings, border closures etc.

Today, organisations are asking tough questions about how they can navigate the new normal in current times and how to strategies for the future.

Typical questions include:

? How do we continue to operate and serve clients?

? How do we empower staff to stay engaged and be productive?

? How do we drive revenue and manage cost to remain profitable, without a clear timeline?

This guide leverages Deloitte's significant expertise in leading the "future of work" to address these pressing concerns. Apart from exploring the remote work and its associated challenges and benefits, we will give insight into the implications of the sudden shift to remote work for two major types of businesses and how Deloitte can support players in these organisations

Global Effects of COVID-19

25m

The ILO projects that 25 million people will be pushed out of employment by the close of 2020

3.4tn

The dramatic rise in unemployment will result in a loss of employment income of up to \$3.4 trillion

81%

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1929

The IMF projects that the economic downturn will trigger the worst global recession since the Great Depression of 1929-1939

COVID-19: Impact on Ghana

The impact of COVID-19 on Ghanaian organisations and the economy cannot be understated. The pandemic has negatively impacted the bottom line of organisations and the broader economy, forcing high-performing companies to adopt austerity measures to survive.

Hospitality

Border closure has halted the inflow of tourists and business travelers, causing a **60% drop in patronage**. Hotel occupancy rates has dropped to 10%. While car rental companies have laid off up to **80% of their staff**.

Agriculture

COVID-19 has **disrupted about 75% of supply chains** globally. The agriculture sector has been adversely affected with interruption to import agricultural products and a global **decline in demand** for raw materials, affecting exports. Stockpiling due to lockdown measures has also driven inflation locally.

Financial Services (FSI)

Panic withdrawals increased as the public prepared for lockdown. Market performance has significantly declined, with global indexes such as the Dow and FTSE recording their **most significant single-day drops in over 30 years**. This reduced low-risk opportunities for FSI firms to invest deposits to generate returns.

Oil & Gas

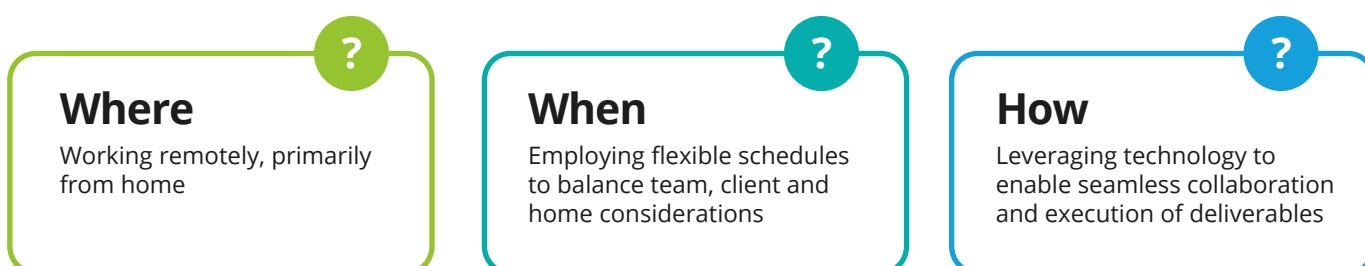
Sharp decline in global transportation and travel caused Ghana to revise its oil price projections from **US\$ 62.60 to below US\$ 25** signaling a significant drop in expected petroleum revenue. The fall in global demand for oil could potentially lead to cutbacks in production, while lockdown and social distancing measures could affect offshore operations.

Faced with the adverse consequences outlined above, CEOs of Ghanaian companies across industries have been forced to consider or accelerate plans to implement novel modes of work and business continuity strategies that ensure minimal human contact. Indeed, a Deloitte survey showed that in the face of COVID-19, 90% of employers viewed providing workers with a remote and flexible working arrangement as urgent. Subsequent paragraphs of this document further explore the concept of remote work in detail.

Sources: Goldstreet Business, Institute for Supply Management, African Fertilizer & Agribusiness Partnership, BBC, Citi Business News, & Deloitte Analysis

Remote Work: An Overview

Simply defined, remote work is an operating model that enables the workforce to fulfil their duties away from the typical office environment. It is premised on a mutual understanding that employees do not need to be present in an office to execute their responsibilities. Remote working is also a critical component of the Future of Work, which has been accelerated by COVID-19. The Future of Work explores the evolution of three connected dimensions present in any organization. These three elements (Work, Workforce and Workplace) have become major considerations for the development of both business and operating models for any future-oriented organisations or organisations that want to be relevant in today's new normal.



Although remote working has recently gained popularity (about 44% increase in adoption over the past five years), the adoption process has so far been moderately paced and relatively measured. Only 3.4% of the US workforce worked remotely in 2019. However, the emergence and uncertainty around COVID-19 is making remote work the best alternative for many organisations to stay afloat.

Inferring from COVID-19's outside impact on Ghana's economy, it is clear that many companies were unprepared to implement remote work as an alternative to traditional office work. Below, we explore the significant considerations associated with remote work, within two types of organisations ("Remote X" & "Remote Y") and how they can adapt to remote work. We also present "Remote Z" as the digital model

company. These are illustrative descriptions of the three types of organisations under consideration for purposes of this article. For every kind of organisation, we have described its characteristics and proffered survival tips to remain operational during these disruptive times.



The Future of Work is Now

The latest research outcomes from China, US, Italy and Spain indicate that companies will only be able to absorb 25% of their employees in the first phase of re-entry to the office, and that an average of 35% of employees will henceforth work remotely post COVID-19. It is clear that remote working will be at the core of the new ways of working. The trend has already picked up pace, with industry giants such as Google, Twitter, Morgan Stanley, Microsoft, Amazon and JPMorgan announcing permanent work from home policies for significant portions of their workforces.



Remote X Organisations

“Remote X” organisations can be broadly defined as those that have challenges with implementing remote work. Generally, these organisations operate within physical office structures with workflows, tools and resources stationed in the offices. Hence, employees must be present to access them. There also appears to be high resistance to change, which slows down the adaptation of digitisation and technological advancement. Also notable about Remote X organisations is that they tend to have organisational cultures that do not favour remote work, due to unfamiliarity, mistrust or scepticism of employees’ productivity while working remotely. Operations and processes, in most cases, lack the agility to support changes like remote work.

Survival Tips recommended by Deloitte

Adopt Deloitte’s Resilient Leadership framework

Respond (shift your mindset to the new normal)

Recover (understand and navigate uncertainty), and

Thrive (redefine your business targets and reorient the organisation towards them).

Designate employees to engage customers and key stakeholders regularly. This is vital, as 85% of customers will continue to do business with a company that demonstrates transparency and continuity during a crisis.

Determine which processes can be conducted remotely. Engage external providers to deliver services. Department heads and HR should determine online courses to upskill staff in selected skill areas that drive strategic outcomes amid the crisis.

Opportunities within COVID-19 Disruptions

Exponential Thinking

The disruption offers an opportunity to reflect, set bold goals and implement effective strategies to achieve factors of 10x impact in critical areas such as revenue growth, cost reduction and other key metrics.

Customer Experience

Prioritise customer value and experience to increase market share. Companies with a superior customer experience report 5.7 times more revenue growth than their peers that do not prioritise the customer experience, due to increased customer loyalty and more frequent repeat business from satisfied clients.

Culture of Efficiency

Create an agile environment by eliminating layers of bureaucracy that stifle efficiency. This empowers employees to quickly adapt to other uncertain situations that may arise over time.



Remote Y Organisations

Remote Y organisations can be broadly defined as those that have the basic infrastructure for remote work. Still, they fall short of the ideal digital organisations due to challenges with maintaining productivity, staff engagement and customer satisfaction when working remotely. Tools and information used are remotely accessible (cloud backups, VPN connectivity, use of laptops, etc.) and enable staff to perform remotely. Work is usually assigned by the outcome, instead of by task, enabling productivity assessment during remote work. Company culture accepts remote work as a valid alternative to office operations. Like Remote X organisations, Remote Y organisations also face the adverse impacts of the ongoing pandemic. However, their digital infrastructure gives them a unique opportunity to take advantage of the opportunities the pandemic presents. This is, however, contingent on receiving the right external support to become fully digital organisations.

Survival Tips recommended by Deloitte

Clarify expectations

Leaders should define goals and give feedback. Indicate deadlines, normalise regular updates, and use project management tools. Provide more context and regularly check your team's understanding.

Give feedback

Remote work limits non-verbal communication, making strategic written and oral feedback critical. Regular and timely feedback helps keep teams informed and on track with deliverables.

Stay connected

Use collaboration tools (Skype, Zoom, etc.) for regular interactions in the absence of physical meetings. Frequent virtual interactions help maintain communication and morale. Employees usually appreciate checking in on a personal level.

Build Shared Responsibility and Trust

Trust is key in the new dispensation, and leaders must lead in this process. It is therefore important that, along with their practitioners, leaders accept shared responsibility for the success of remote working. Providing tips and maintaining open and honest conversation will be critical.

Encourage Health and Safety

Health and Safety will remain a major consideration for employees in the new normal. Providing tips and guidelines to help remote team members understand when to disengage at the end of the work day and maintain appropriate work life balance will be key.

Opportunities within COVID-19 Disruptions

Pivot

Assess your operations to identify critical processes that drive outcomes. Consider the level of digital infrastructure required to enable effective execution of processes virtually. Acknowledge that they may take a different form than usual.

Market share

Some competitors may not be resilient enough to operate virtually. This presents opportunities to extend services to attract underserved customers of such competitors. Excellent customer experiences could help you secure new long-term clients.

Reconnect

While spending has dropped by over 35%, this is the time to engage clients and show concern for their wellbeing. Positioning brands as caring for customers helps to build trust that will pay off long-term. 81% of clients view trust in a brand as key to their purchase decisions.



Remote Z

The Model Digital Organisation

1

In the model digital organisation, technology and humans create ideal outcomes by collaborating through synergies of their unique strengths. Work no longer refers to the workplace but the fundamental operations to be performed. Consequently, technologies such as RPA, AI, analytics, and cloud computing enable efficient and sustainable remote working. This increased efficiency will free up teams to focus on creativity, problem solving and innovation.

2

Virtual work enables the model digital organisation to identify, attract and engage ideal candidates from a global talent pool in pursuit of strategic goals.

Bespoke virtual learning programs will upskill talent to meet the necessary skill profiles required to meet organisational needs.

3

Virtual work creates a seamless organisational identity and experience across employees, contract workers, freelancers, gig-workers and other stakeholders. Personalisation and collaboration tools unleash talent in personnel and enable multi-locational work in flexible modes that bring out the best of their unique abilities. Empowered by these tools, the agile work culture prioritises results and flexibility over rigid structures.



How Can Remote X & Y Organizations Prepare for Digital Transformation?

Internal Measures

Leadership

Quickly establish an emergency response unit to evaluate risks, map out scenarios, and formulate a strategic response.

Workforce

Where possible, implement flexible work arrangements to reduce office work while sustaining operations—note areas of improvement for digital transformation.

Digital Capabilities

Evaluate the current virtual operations landscape and develop a digital roadmap for the short, medium and long term. Consider how operations can evolve to fit a digital model.

External Measures

Continuity

Develop business continuity plans to evaluate financial impacts and liquidity shortfalls, assess repayment schedules and review contractual obligations. Controlling these areas is critical to maintaining solvency.

Value Chain

Consider investing in digital solutions to offset supply chain disruptions and address workforce limitations. Digital technology also addresses logistical challenges and creates alternate measures for crucial production inputs.

Customer engagement

Ensure continuous communication with critical clients regarding the effects of the disruption on operations and the initiatives underway to ensure continuity. This will help keep customers engaged and build confidence.

Benefits and Drawbacks of Remote Work

Whether your organisation leans more towards Remote X or Remote Y, COVID-19 and other disruptive events could pose an existential threat if not strategically addressed. That said, there are still significant opportunities to leverage, even in the middle of a crisis. As organisations leverage the opportunities this pandemic might present, it is essential to be mindful of the benefits and drawbacks of remote work. We have outlined some of the advantages and disadvantages below as they relate to organisations and employees.

Benefits of Remote Work



- **Increased Productivity**
Eliminating long commutes and reducing office distractions (coffee breaks, co-worker disruptions, etc.) leads to improved productivity. Stanford University researchers showed that remote workers had a productivity boost equal to a full day's work.
- **Cost Management**
Businesses with remote workers reduce variable costs (energy, water, printing etc.)
Businesses can save up to \$11,000 annually for each employee that works remotely.
- **Wellbeing**
Remote staff tend to be happier and more satisfied, often finding more time to sleep, exercise, or maintain a healthy diet.
- **Engagement**
Remote employees display up to 41% less absenteeism, ensuring efficiency in the delivery of work. 90% of employees believe that remote working increases morale.
- **Eco-Friendly**
Reduced commuter activity means less traffic, reducing environmental impacts, including carbon footprint and plastic waste generation.

Drawbacks of Remote Working



- **Technology and Power**
Working virtually can come with electricity access, internet connectivity and hardware challenges, which are harder to resolve at home even with and remote IT support.
- **Disconnection from Team**
Despite interacting with co-workers via communication and collaboration tools, remote workers may miss office interactions. This can cause up to 70% of remote workers to feel left out of the workplace.
- **Distractions**
Working remotely has its distractions, including family and difficulties with motivation stemming from loneliness, lack of routine or other factors.
- **Task Overload**
This can result from poorly organised work or inefficient time management. Employees working from home may be assigned more tasks than they can handle, resulting in delivery delays.
- **Work-Life Imbalance**
Without specific hours or a clear separation of work and home space, it can be difficult for employees to end the day's work. 22% of employees say that unplugging after work is their biggest challenge with remote work.



How can Deloitte help?

Workforce Strategy

Deloitte is collaborating with organisations to rethink their workforce strategies. In this regard, we are helping organisations to unpack the Future of Work which speaks to three things (a) evaluating the fundamental nature of work to be done, (b) assessing the type of workforce required, and, (c) the nature of the workplace (physical-physical, virtual-virtual and physical-virtual) required. First, we support you to make unbiased, data-guided assessments of which employees drive your team performance, through our essential employee assessment framework. If the organisation needs to downsize, the structure provides insights to enhance decision-making and helps to protect the company from legal exposure. Next We help organisations to articulate the best composition of their workforce requirements (critical, non-essential, flexible, on-site, digital, remote, etc.) and how remote working or the use of other open talent options could be optimised for productivity, employee experience and business performance. Organisations with high employee experience are usually 2X better than other organisations in terms of productivity and performance.

Digital Strategy

Deloitte has collaborated with organisations from various industries to develop and implement digital strategies that enable management, employees, customers, and other stakeholders to continue to operate outside the physical office. Developing a digital approach can help guarantee organisational continuity because it raises operational efficiency and sustainability by up to 40%.

Enabling Technologies

Deloitte has worked with organisations across West Africa to implement technologies to allow virtual work, such as communication, project management suites and collaboration tools.

Robotic Process Automation (RPA)

Our RPA offering has empowered businesses to automate critical processes, thereby reducing their reliance on paper documents and files, improving efficiency and effectiveness, growing customer numbers and increasing revenue. A recent RPA implementation by Deloitte West Africa saw staff productivity gains of up to 60% and a 300% reduction in process turnaround time.

Performance Management

Our Human Capital team has significant experience with developing unique performance management frameworks to make tracking employee output and performance an easy and engaging process for your team – whether in the office or remotely. 70% of employees feel more valued with a consistent performance management system, which can translate to 38% above average productivity and 27% higher profits.

Reward Optimization

With the new remote working experience, organisations are concerned about managing staff costs. On the other hand, employees are also worried about what will happen to their pay if they chose to work from home or in the advent that organization's top lines drops as a result of some macro-economic effects. Deloitte's Human Capital team can support you to develop a new reward framework that considers both the interest of the employees and the organization. We make use data-based scenario analysis to explore the various reward tools to help define different reward strategies that seek to protect the company and key talents in the light of recent developments. In the unfolding dispensation, there certainly will be winners and losers. The winners will be those who are proactive enough to take a holistic look at their total reward strategy and framework.

Contacts



Daniel Owusu

Country Managing Partner
Deloitte Ghana
dowusu@deloitte.com.gh
+233 501 323 230



Roland Baah Teye

Consulting Leader
Deloitte Ghana
rteye@deloitte.com.gh
+233 501 576 056



Joojo Ocran

Consulting Associate
Deloitte Ghana
joocran@deloitte.com.gh
+233 501 320 945

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