

# The new shape of work is flexibility for all

welcome to brighter



**In the wake of school and workplace closures and family health concerns brought about by COVID-19, employers and employees have had to experiment with new ways of working flexibly. For the most part, this experiment, though forced, has been a surprising success. COVID-19 has opened employers' eyes to their workforce's adaptability.**



**1 in 3**

**companies anticipate having half or more of their workforce remote post COVID**

vs.



**1 in 30**

**companies had that level of remote working pre-COVID**

Source: Mercer, 2020, Global COVID-19 surveys available at <https://taap.mercer.com/covid19results>

Before the pandemic, executives believed only 45% of the workforce was adaptable to a new world of work. COVID-19, however, has shattered that belief - today, more than 90% of employers say that productivity has stayed the same or improved with employees working remotely, and 82% say they will implement flexible working at a greater scale post-pandemic, according to a Mercer flexibility survey.

Yet this new flexibility during COVID-19 has not been without its pitfalls: employees are working three hours longer on average each day; 41% of employees have reported experiencing new or increased pain in shoulders, backs, or wrists since working from home; and 65% of employers have seen an increase in the utilization of behavioral health.

Yet, most of these pitfalls have been the experiences of pre-COVID-19 *office-based* workers. What's getting lost in the conversation is how to create a flexibility strategy that is inclusive of all employees. This means addressing the flexibility needs of employees in frontline jobs, which are unequally represented by people of color and in certain sectors, such as healthcare, women. For these roles,

flexibility in where they work is not an option and has been further complicated by school closures and caring for family. Many employers have responded by allowing temporary changes in when or how work is done; however, these changes are not expected to last over the longer-term.

And, despite the current success of remote working for some workers, retaining the benefits of flexible working will require addressing many cracks in the current remote working environment. For the vast majority of employers, only a fraction of employees worked flexibly prior to lockdowns. The success of the current experiment is driven through relationships and interactions built over many years, and has been made easier by a leveled playing field where most office workers have been working remotely, not just a select few.



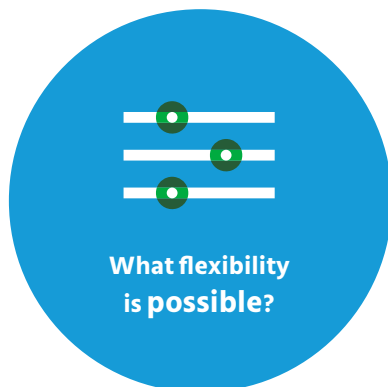
**90%** of employers say that **productivity has stayed the same or improved** with employees working remotely.

But those hard-built relationships will fade without deliberate intervention, and remote-first strategies bring new challenges. New hires may struggle with learning a new culture and building internal relationships if disconnected from an office on day one. Meanwhile, supervising a blended workforce (a mix of employees working remotely, on-site or alternating between the two) will challenge managers and teams with differing employee experiences. And with ideas for business growth taking center stage, flexible strategies need to support innovation and collaboration, as well as fluctuation in demand.

Flexibility in a post-COVID era will no longer be just an employee benefit or a perk limited to “proven” or tenured employees. It will no longer be contingent on a personal situation, life event or manager approval. The future is shaped by organizations that embrace permanent flexibility for ALL employees to deliver value to both the business and the employee.

## Three critical questions to drive flexibility at scale

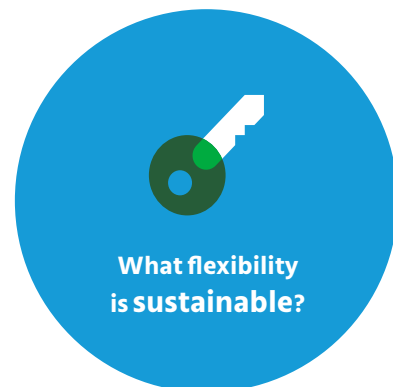
Flexibility should be the cornerstone of workforce transformation as organizations use this time to reset and reinvent. Reinventing for flexibility to achieve that transformation ambition starts by solving three critical questions:



What flexibility  
is possible?



What flexibility  
is desirable?



What flexibility  
is sustainable?

### 1. What flexibility is possible?

#### A multi-dimensional view of work

Our experience has shown that *all jobs can flex* in some way, but employers should consider exactly how certain jobs can flex productively for the business and the individual, in order to make them successful in the long term. Flexibility can come in many different forms. Determining what flexibility is possible requires an examination of the work and its capacity to flex across multiple dimensions (fig. 1).

Companies have found new ways to flex as they've innovated during their response to COVID-19. When it comes to where employees work, Twitter in the US and Canadian e-commerce group Shopify told staff early on that they could continue to work from home, permanently. Other companies have innovated across other dimensions of flexibility, such as when people work. One Chinese auto manufacturer said that its biggest realization during COVID-19 was, not that jobs could be performed remotely, but that jobs could start and finish at any time. Also, not having workers stuck in Beijing and Bangalore traffic has led to a huge upswing in productivity. How can others copy these successes? We've seen job-specific assessments help companies understand the capacity for jobs to flex across multiple dimensions.

# Inclusion and flexibility: All jobs can flex

Employers and employees are getting creative about how to provide more flexibility and how different jobs can flex. Inclusive flexibility ensures that all jobs can flex when needed – the key is to identify in which dimension. You can do this by assessing any role’s “flexibility quotient” against the five dimensions of flexibility: where, when, how, what and who.



## 2. What flexibility is desirable?

### Develop a shared understanding of flexibility

It is up to the employer and employees to come up with a shared understanding of what types of flexibility are desirable (employee preferences) and achievable (business imperatives and the demands of each role). Using human-led design to approaching flexibility is critical as, ultimately, people need to buy into the change and see their organization offer work models that are desirable for them.

Leaning into only one model of flexibility – such as a purely remote working – may alienate current and prospective employees who are craving a return to the office, or place added burdens on those with care responsibilities or ineffective workspaces at home. Likewise, other dimensions of flexibility, such as the ability to start later or job share may be desired and achievable for non-office based jobs.

With five generations now in the workforce, employers might be surprised to learn what employees want. One [global survey](#) found that Gen Z employees only wanted to work from home one day a week, while older workers preferred two or three days a week. Younger workers are less likely to have the space they need to work effectively from home, but also crave the social, collaborative and learning environment the office provides.

Employees are a great source of ideas on how to work differently. Utilizing [surveys](#), [preference games](#), [workshops](#) and/or [digital focus groups](#) can allow different employee segments to offer insights. These insights, in turn, can help shape a strategy that works for the whole workforce. Employers who allow employees to personalize their own employee experience — by “tapping in” to flexible alternatives made available to their role — will gain a competitive advantage in the quest for top talent.

## 3. What flexibility is sustainable?

### Transform for future resilience

Building a new model of flexibility that can last beyond the pandemic requires an examination of people, processes and infrastructure. This type of workforce, and workplace, transformation asks employers and employees to get creative about how to provide more flexibility around work and how different jobs can flex.

At Mercer, we’ve seen firsthand how employers’ flexibility strategies are dependent on its digital maturity and its readiness for change. Cultures need to adapt a new flex-

first mentality. This mental shift will test the boundaries of employees’ and leaders’ mindsets and require a reset on traditional ways of working. Leadership skills need to evolve as teams work flexibly across multiple models of flexibility, from in-person, to remote, to a blended approach. More digital enablement of people programs, like hiring and developing, is critical to sustaining this transformation.

Simply putting a flexible working policy in place and announcing the change via email is not sufficient. Employers need to assess their readiness for supporting long-term flexibility at scale. This requires a focus on several key tenants of success (fig. 2).

## Nine critical questions HR needs to answer to get started on permanent flexibility:

### employee experience



### foundational enablers: establish the building blocks

**Culture and Collaboration** - With less socializing in workplaces, how do you hard-wire culture and ways of working into an organization's DNA? How will you sustain collaboration and innovation?

**Legal and Regulatory** - What are the legal and tax implications of different jurisdictions? Which new health and safety regulations must be adhered to in different countries?

**Leadership and Management** - What training will be needed to skill your managers and leaders in this new shape of work?

**Change Management & Communication** - What amount of change management and communication is required to roll out flexible working at scale? How can you sustain momentum?



### people programs: evolve for a new way of working

**Learning and Advancement** - How will you ensure career development, learning and advancement given the new ways of working and does it change how you define work today?

**Compensation** - If compensation varies by geography, does it risk widening inequalities? Will it speed up the move to national pay norms, regional banding and/or pay-for-skills?

**Benefits** - How might benefits differ for remote workers, compared to their office peers? What benefits will enable flexible retirement, and can employees draw their pension while working?



### infrastructure: resources to drive successful execution

**Physical Location** - How will you change the utilization of real estate space to support the new model? How will space be set up outside the office – employee home offices, third-party shared workspaces, or collaboration hubs – and who will pay for it?

**Digitization** - What technology will support virtual collaboration in the organization? How can organizations mitigate, and eliminate, the digital divide as flexibility favors digitally savvy employees? What will you do to mitigate increased security risk?



## Designing a best-fit flexibility strategy

COVID-19 has forced a massive experiment that is now mostly showing positive results: the business case for long-term flexibility strategies are building. Despite the current economic climate, companies continue to take a longer-term view towards business resiliency and talent impact. [Mercer's flexibility survey](#) found that only one in three organizations say cost savings are a key driver for greater flexibility. Compare to those who plan to focus on employee engagement (77%), enhanced EVP (67%), a more diverse workforce (55%), and expanded talent pools (39%) as they seek to reinvent for flexibility.

### Where should organizations begin?

1

First, understand where you are today and develop a clear vision of flexible working that aligns with your business objectives and workforce needs.

2

Then, translate that vision into actual employee experiences, to bring the plan to life in areas that are meaningful.

3

Finally, start the journey of making your flexibility strategy sustainable for the long term.

A well-considered, value-based approach to reinventing flexibility will not only accelerate transformation, but also set the course for the future of work.

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## Getting started with Mercer

**Mercer partners with clients on a wide range of services to support the transformation towards a more flexible workforce, including:**

- Comprehensive flexible working strategy advisory
- Flexible Working Pulse Check (includes customized playbook)
- Flexible working policy development
- Leadership or organization Flexibility Quotient diagnostic
- Employee experience flexibility insights – pulse surveys, preference games, and digital focus groups
- Flexible working sustainability assessment
- Communication and change management
- Flexible working workforce planning and talent sourcing strategies
- Digital collaboration tools advisory
- Total rewards strategy for flexible workers
- Performance and career development strategy for flexible working
- Manager training for flexible working

## Connect with Mercer today

**Reach out to your local Mercer consultant, or contact one of our regional leaders today:**

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