The New World of Work Is Transforming the Old Social Contracts

A global survey indicates that companies and workers alike are adapting well to remote work — but the still-shifting landscape is upending the traditional work agreements between them as well.

ON BEHALF OF:

webex
by CISCO

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Introduction

Despite the many fears about the viability of remote and hybrid work models (the latter referring to situations where people work from home at least some of the time), a new global survey has found that organizations in all industries and regions mustered significant levels of resilience and mettle and have risen to the challenge beyond almost everyone's expectations.
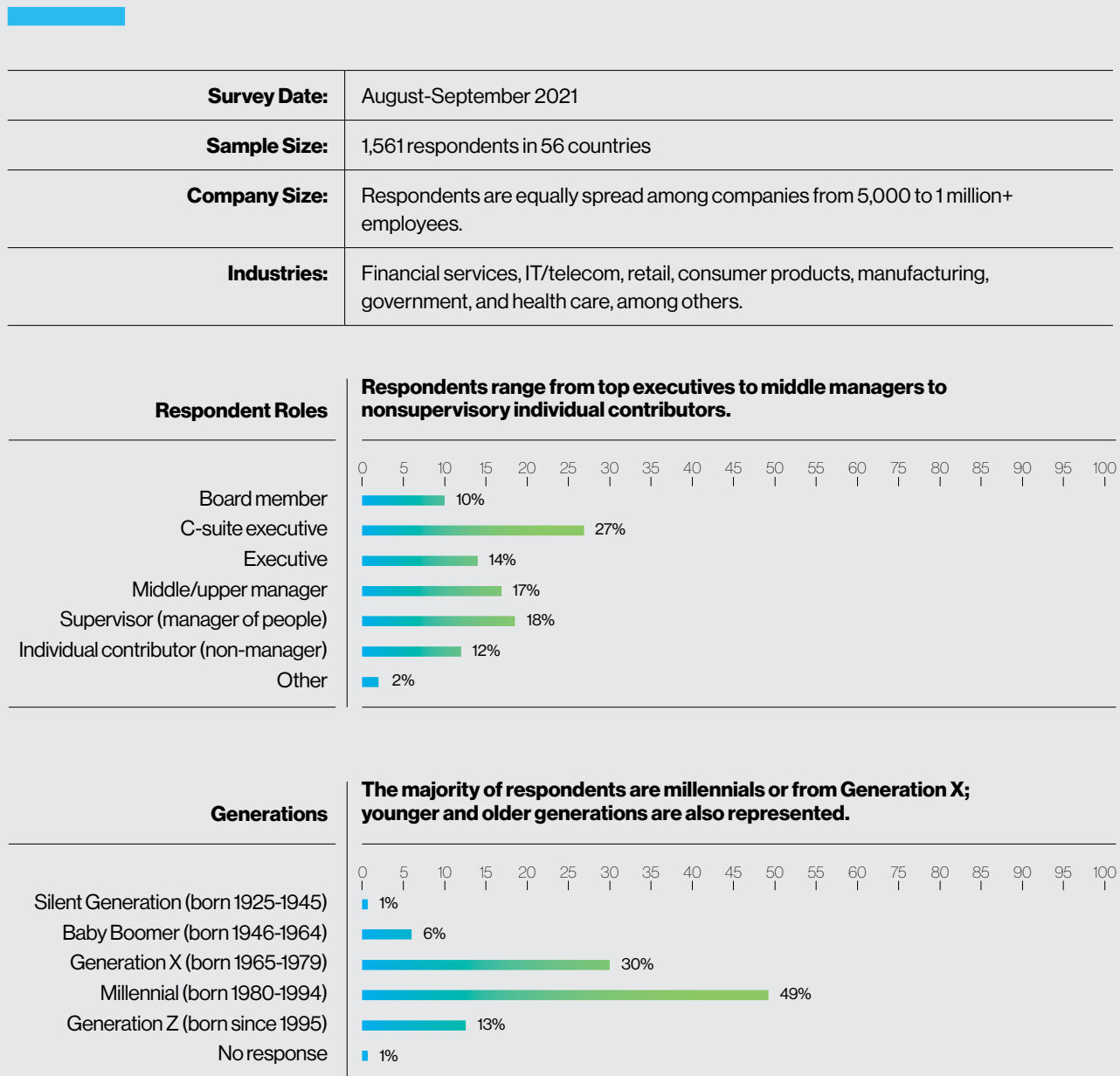
Organizational cultures are thriving and, in some cases, doing better than they did before the pandemic, according to the survey conducted by MIT SMR Connections and sponsored by Webex by Cisco. Corporate leaders are getting the highest marks for modeling new behaviors and making change happen. This success is breeding significant levels of confidence in management and a new social contract that features unexpected amenability around contentious issues of what the world of work should look like.

The survey's 1,561 respondents range from corporate directors and C-level executives to supervisors, managers, and individual contributors. They work in organizations of all sizes, represent a variety of industries, and are based throughout the world **(see Fig. 1)**.

The study's key findings are:

- **Assumptions about corporate culture relying on employees physically working together aren't borne out.** In fact, remote work improves corporate culture in some cases. A vast majority of survey respondents say camaraderie, closeness to the organization, and feelings of inclusion and diversity have improved, or at least stayed the same, since the pandemic began. This includes both those who worked remotely full-time and in offices full-time prior to the pandemic.

- **Corporate leadership gets applause.** Company leaders have been intentional about corporate culture issues related to successful remote and hybrid work environments. These include modeling empathy, work-life balance, and encouraging candid discussions. Significant majorities of respondents rate performance on these behaviors very highly. In other words: Leadership, not location, accelerates belonging.

- **A rise of trust in those same leaders is spurring a new social contract for work.** Hybrid work is reshaping the Great Resignation into a Great Renegotiation. People want more choice about where they work, as opposed to increased compensation or additional perks. The majority of respondents believe that working from home should be a benefit and not a given. Moreover, they strongly agree that compensation should be based on the cost of living where employees reside rather than on their roles. Only a minority believe that companies should reimburse remote and hybrid workers for expenses they incur for items such as new equipment, furniture, and better internet connections.

Figure 1:
Demographic Data

Survey Date:	August-September 2021
Sample Size:	1,561 respondents in 56 countries
Company Size:	Respondents are equally spread among companies from 5,000 to 1 million+ employees.
Industries:	Financial services, IT/telecom, retail, consumer products, manufacturing, government, and health care, among others.

Respondent Roles

Respondents range from top executives to middle managers to nonsupervisory individual contributors.

Board member	10%
C-suite executive	27%
Executive	14%
Middle/upper manager	17%
Supervisor (manager of people)	18%
Individual contributor (non-manager)	12%
Other	2%

Generations

The majority of respondents are millennials or from Generation X; younger and older generations are also represented.

Silent Generation (born 1925-1945)	1%
Baby Boomer (born 1946-1964)	6%
Generation X (born 1965-1979)	30%
Millennial (born 1980-1994)	49%
Generation Z (born since 1995)	13%
No response	1%

This report delves into the specifics behind these findings. It also looks at differences — or, more often, *lack* of differences — between generations, sizes of companies, industry sectors, remote versus in-office employees, and to what extent remote and hybrid work has affected introverted versus extroverted individuals.

The report concludes with advice on how to avoid backsliding from these impressive and hard-won gains. The fault lines are visible, and organizations should make sure they don't get caught in them.

Traditional Culture Versus Remote/Hybrid Work

Senior executives have pronounced concerns about the impact of remote and hybrid work models on corporate culture and operations. For example, 82% of the C-suite members we surveyed are "somewhat" or "very concerned" about remote employees being able to participate fully in collaborative sessions. More than 80% fret about the ability of remote employees to make new friends and expand internal networks — or the ability to easily get someone's advice on how to do things.

These concerns likely stem from a strong belief that a company's culture relies on people being physically located near each other. More than 60% of respondents agree to a "great" or "considerable" extent that their organizations believe they need to have most employees working onsite to maintain the corporate culture. This belief is consistent among all industries and, to some extent, among the largest companies. It's most strongly held in companies in the IT/telecom and financial services industries, with 70% and 73% agreeing to a "great" or "significant" extent, respectively. In retail/consumer products and manufacturing entities, the percentages decline somewhat but still represent a majority at 62% and 63%, respectively.

Beliefs appear to be trailing reality considerably in many companies. Only a tiny percentage of respondents — often fewer than 10% — say, in response to multiple questions, that hybrid work environments have a negative effect on corporate cultures.

The ability to express personal opinions in the workplace is a case in point. Overall, 46% of respondents say that this ability has improved versus having stayed the same or worsened. More than 50% of those working in hybrid environments say the same, as well as 37% of those currently working completely remotely. Only 7%, on average, say it has gotten worse.

Online meetings diminish leaders' ability to control workers with an imposing physical stance and gestures, says Wayne Turmel, cofounder of the Remote Leadership Institute (part of the Kevin Eikenberry Group), which offers a range of coaching and training services. "When people are meeting in person, it is much easier for leaders to use gestures to show power over the folks in the room," says Turmel, who is also author or coauthor of several business guides about remote and hybrid work. "But when everybody is the same size in a box on a screen, that's much more difficult to do."

For better or worse, it's clear that social media has played a role here. In discussing everything from politics to personal experiences and opinions with strangers online, people can be candid, even snarky, in ways that they likely wouldn't be in person. Thus many individuals are already used to expressing personal and controversial opinions in online settings.

Social issues can have an impact on the candor many people feel confident with in remote- and hybrid-work environments, notes Lynda Gratton, professor at the London Business School. In the United States, for example, a wave of civil unrest following the murder of George Floyd during his arrest by Minneapolis police in May 2020 triggered deep discussions about race and fairness; that, in turn, helped get people more used to expressing personal opinions. In addition, deep political divides that were causing heated arguments between friends and family members spawned a great deal of advice about handling difficult conversations at home or at work.

Only a tiny percentage of respondents — fewer than 10% — say in response to multiple questions that remote or hybrid work has a negative effect on corporate cultures.

Figure 2:
Speaking Your Mind Around the World

Percentage of respondents by geographic region on how their ability to express opinions has changed in the shift to remote/hybrid work environments:

Region	Improved	Stayed the Same	Worsened
North America	44%	49%	7%
South America	53%	41%	5%
Europe	44%	47%	9%
China/Pacific Rim	52%	51%	8%
India	60%	31%	8%

Even in regions where expressing personal opinions and ideas is subject to strict social norms, such as avoiding controversy in a group setting, things seem to be becoming more flexible. Respondents in South America and Asia say the ability to express a personal opinion has improved — even more so than in Europe and the United States. For example, 44% of respondents from North America and Europe believe that the ability to express personal opinions has increased. In South America, 53% say the ability to speak one's mind has improved, as do 52% in the China/Pacific Rim region. In India, the number jumps to 60% **(see Fig. 2)**.

That finding is somewhat surprising, says Thomas Kochan, George Maverick Bunker Professor Emeritus at the MIT Sloan School of Management. As a possible explanation, he points out that videoconferencing equipment often limits visible body language by virtue of the small screens. Thus, people from tighter cultures can push the envelope a bit, sharing ideas without encountering as many visible signs of discomfort or anger.

"People can develop new forms of expressing themselves without raising the heat," says Kochan, who is also a faculty member at the MIT Institute for Work and Employment Research. "For example, a standard way of avoiding conflict in much of Asia is to disagree by agreeing."

As an example, he talks about his experiences in South Korea. There, "a standard way to disagree with someone is to begin by validating their points as a point of agreement," he says. "Then you can say that there are other things to consider, which constitutes what you really think. Telecommunication tools can make this a much more straightforward process by decreasing body language and other visual cues."

Companies seem to have taken great strides forward in meeting the challenges of increasing diversity and making people feel included. For example, 47% of respondents say that feelings of inclusion and diversity have improved in their organization. Nearly as many — 42% — say those feelings have remained about the same. Only 6% say they have become worse.
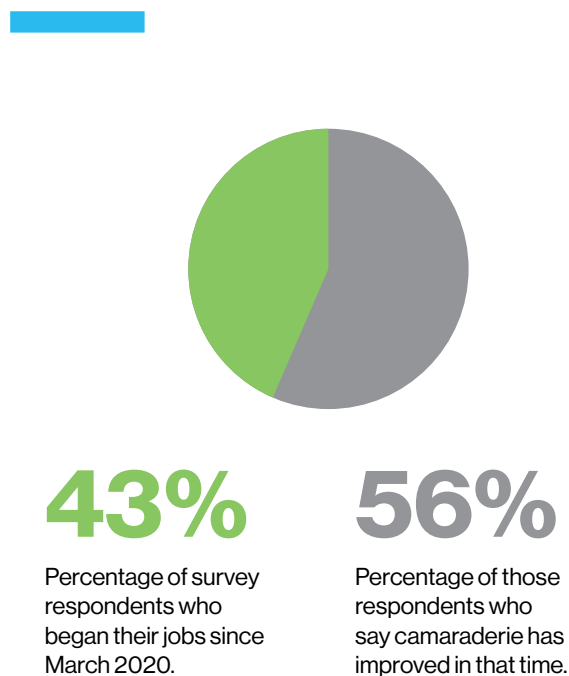
The phenomenon is also found across all industries, with nearly 50% in each saying inclusion and diversity have improved. Even survey respondents who most strongly identify as introverts are feeling the difference. Surprisingly, they are nearly as likely as their extroverted peers to say that inclusion and diversity have improved in hybrid work environments — 47% of introverts and 53% of extroverts believe that's the case.

Feelings of camaraderie are also blossoming, according to the survey. Nearly half of all respondents say that levels of camaraderie have improved. Another 40% feel those levels have remained about the same. Only 9% say they have declined. However, some experts

note that current remote and hybrid environments leverage relationships established before the pandemic struck, when most people worked together in offices.

But the survey results belie that view. Of the people working remotely full time prior to the pandemic, 47% say that levels of camaraderie have improved during the pandemic, while 41% believe they have stayed about the same. And among the 43% of respondents who began their jobs after the pandemic began in early 2020, the majority say their sense of fellowship has actually gotten better during that time **(see Fig. 3)**.

Figure 3:
Camaraderie Remains Strong Despite the Pandemic

43%
Percentage of survey respondents who began their jobs since March 2020.

56%
Percentage of those respondents who say camaraderie has improved in that time.

In other words: Physical colocation doesn't appear to be totally necessary for developing esprit de corps, even among those new to their jobs. Regardless of seniority levels or length of tenure, employees are connecting and building relationships remotely, in large part via the use of telecommunications tools such as videoconferencing platforms and messaging apps.

Generation does play a role here. The younger that survey respondents are, the more likely they are to see positive impacts on company culture from the use of hybrid working models. The ability to openly express personal opinions is an example: 59% of respondents in Generation Z (those born since 1995), 50% of millennials (born between 1980 and 1994), 41% of Generation X (born between 1965 and 1979) and 40% of baby boomers (born between 1946 and 1964) believe this has improved. Feelings of inclusion and diversity are another example: 56% of Generation Z, 52% of millennials, 45% of Generation X, and 35% of baby boomers say that this sensitive area has improved with the advent of remote and hybrid work models **(see Fig. 4)**.

Baby boomers appear to have higher expectations. Only very small percentages believe remote and hybrid models have had a negative impact on culture. But these older workers are far more likely to say that things have stayed the same.

Turmel points out that businesspeople have long worked in "stealth hybrid" modes that allowed them to gradually get used to the idea of remote work. He recalls visiting a large organization in Chicago, long before the pandemic, and touring the offices with a human resources leader.

The company didn't have a formal hybrid or remote work policy. But Turmel noticed many empty desks. When asked where those employees were, the HR leader said that, among other things, they were away on business or temporarily working from home due to family obligations or for other reasons. Turmel poses the question: "Aren't those examples of hybrid work?" In other words: The actual *practice* of hybrid work isn't exactly new, even if the term itself has only recently gained widespread use.

Figure 4:
Generational Differences: Personal Opinions, Inclusion & Diversity

Percentage of respondents by generation assessing the following corporate culture attributes:

Comfort Expressing Personal Opinions at Work

Rating	Generation Z (born since 1995)	Millennials (1980-1994)	Generation X (1965-1979)	Baby Boomers (1946-64)
Better	59%	50%	41%	40%
About the same	33%	43%	53%	55%
Worse	7%	6%	5%	5%

Feelings of Inclusion & Diversity

Rating	Generation Z	Millennials	Generation X	Baby Boomers
Better	56%	52%	45%	35%
About the same	35%	42%	49%	58%
Worse	8%	6%	6%	8%

COVID-19 Side Effect: Increased Career Clarity

Despite the fears that remote and hybrid work models (where people work at home at least some of the time) will dampen the effectiveness of human interactions to the detriment of people's careers, the majority of respondents say their line of sight into their own career trajectories has improved.

A majority (52%) of respondents in the survey say their career trajectories have become *more* clear since the pandemic, while 36% say they remained about the same. Only 9% said their trajectories became *less* clear.

Clarity likely stems from increased trust in management. The vast majority of respondents believe that management trusts them and that they are being recognized for the work they do. "COVID hit suddenly like a thunderstorm," says Kevin Martin, chief research officer at the Institute for Corporate Productivity. "With business under threat, managers and executives really rose to the occasion. And that seems to have made people much more comfortable and built their trust."

Leaders Get High Marks

Respondents credit the senior leadership in their organizations for the successful transition to remote and hybrid work situations. An overwhelming majority of 83% say they have confidence in their companies' senior leaders to strengthen the overall sense of belonging.

The vast majority of respondents also believe that their companies' leaders believe in them. Overall, nearly 67% agree to a "considerable" or "great" extent (4 or 5 on a 5-point scale) that their companies' leaders believe that individuals working at home will get their work done well and on time. But top executives appear far more confident about that issue than less-senior respondents do. For instance, 84% of board members agree to a considerable or great extent that their organizations' leaders believe that home-based employees will do good work on time — but just 48% of individual contributors share that opinion (see Fig. 5).

Of course, many executives went into the pandemic with serious concerns about the impact of remote and hybrid work on company culture and performance. The challenges are significant, and the pivot was almost immediate. As Turmel puts it: "Businesses faced an 'extinction moment' and had to figure things out fast."
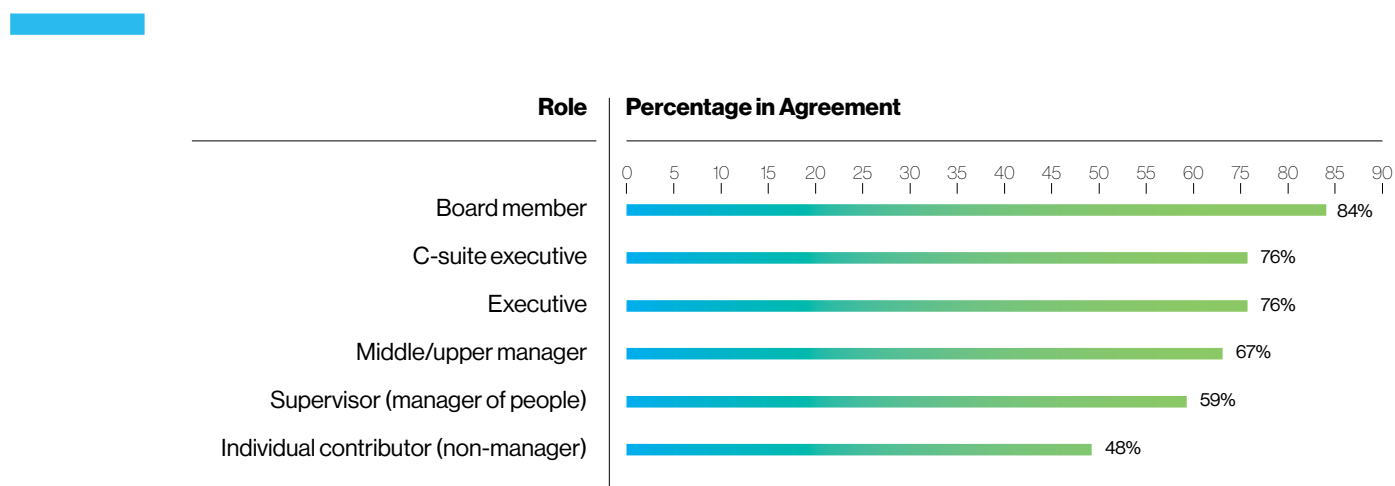
And figure them out they did, according to survey respondents across all levels of management. The success of executives during the pandemic likely stems from being intentional about developing and maintaining an effective hybrid culture, says Aaron De Smet, a senior partner at McKinsey & Co. who specializes in organizational transformation. "Often, executives want people onsite and let culture develop organically," he says. "But that can be very inefficient and difficult to control. Business leaders need to be intentional about how they develop culture, which appears to be what they have done with hybrid work environments."

For example, although technological and social trends played into these successes as previously discussed, both the ability to express personal opinions and feelings of inclusion and diversity can be directly linked to leadership behavior during the pandemic. About 80% of survey respondents say their company's senior leaders "always" or "frequently" encourage honest and open feedback even on controversial topics. Similarly, 77% of respondents say that their organization's senior leaders "always" or "frequently" serve as role models for inclusion and empathy.

Figure 5:
Do Leaders Believe Employees Work Well From Home?

Percentage of respondents, by role, who agree to a "considerable" or "great" extent that their companies' leaders believe people working from home will do good work on time:

Role	Percentage in Agreement
Board member	84%
C-suite executive	76%
Executive	76%
Middle/upper manager	67%
Supervisor (manager of people)	59%
Individual contributor (non-manager)	48%

In Turmel's view, remote work has given executives an enormous opportunity to develop new levels of empathy. "Through remote meetings, they can see what is going on in people's lives and relate that to the challenges at work," he says. "Before the pandemic, if you were working from home, you kept your phone on mute. You put the dog in the garage and kept children out of the room. You did everything to conceal the fact that you were working at the dining room table. But then the pandemic hit, and we really got to know each other as people. Managers who had always worked in the office were all of a sudden working at home. Their empathy for others who were doing the same went way up."

The concept of "walking the talk" of corporate values also hasn't suffered because of remote and hybrid models. Nearly 50% of respondents believe that the alignment of company practices with values has improved (as opposed to staying the same or declining). The percentages among remote and hybrid workers are equally high, indicating that hybrid work models aren't weakening this core aspect of corporate culture.

Advancements in telecom technology have also supported the concept of "management by walking around."

Senior executives in many organizations have long been advised to casually chat with employees in hallways or stop by their desks to hear what's on their minds. Doing so can go a long way toward making employees feel that they're being heard and strengthen executive decision-making by giving leaders firsthand knowledge of what's actually happening in the organization. The challenge, as Kochan points out: Many executives don't have the time to walk through offices, especially if the company has multiple sites.

But that situation is changing rapidly, he adds. As employees at every level become more used to connecting electronically, business leaders can now connect with people directly online. Although rank-and-file workers may initially find it surprising to be "pinged" by a top exec, comfort levels are likely to rise quickly as these informal conversations become the norm.

Some 80% of survey respondents say their company's senior leaders "always" or "frequently" encourage honest and open feedback even on controversial topics. About the same percentage say that their organization's senior leaders "always" or "frequently" serve as role models of inclusion.

Kochan's point is borne out by the survey results. A decisive majority of respondents — 77% — "strongly agree" or "agree" that company leaders regularly check in with employees to see how they are doing.

McKinsey's De Smet believes that many positive outcomes have come from management by walking around. "Fostering informal connections to strengthen the culture is one of the best things to have emerged," he says. "Another is creative collision, which brings new ideas to the table that otherwise might not have come to light." Teleconferencing tools can make these opportunities grow exponentially.

The survey also found that company leadership is quite sensitive to the use of language that can inadvertently alienate people. Nearly 80% of respondents "strongly agree" or "agree" that their managers avoid language that could make some people feel left out. Such language might include everything from highly contentious political opinions to overusing local idioms with remote teams whose members don't share the same native language.

Fear of Missing Out: Not Equally Scary for All

It's a reasonable assumption that employees working in remote or hybrid situations might experience "FOMO" — that is, fear of missing out on important workplace activities and interactions.

However, the survey indicates that FOMO actually isn't that widespread: Only about a third of all survey respondents identified it as worrisome.

But that percentage changes significantly depending on individual respondents' roles. Generally, the less senior employees are, the less likely they are to worry about FOMO at all.

For instance, when asked to rate their level of concern about getting sufficient face time with their managers and others important to their careers, 43% of senior executives describe themselves as "very concerned," while just 10% say they're unconcerned about that issue.

Individual contributors, on the other hand, seem to be less worried about missing out on such interactions. Only 19% of individual contributors consider themselves "very concerned" in that regard; an impressive 40% say they're not concerned at all **(see Fig. 6)**.

Higher-level executives are also more worried that hybrid or remote situations could make them appear to be insufficiently motivated about their work or careers. For example, 41% of senior executives are "very concerned," while only 16% are unconcerned. Again, individual contributors appear far more sanguine; while 27% feel "very concerned" about being viewed as insufficiently motivated, for fully 39%, it's simply not an issue **(see Fig. 7)**.

Figure 6:
Who's Most (and Least) Worried About Face Time?

Respondents' level of concern about hybrid or remote work environments interfering with important interactions with managers and key colleagues, by role:*

Role	Very Concerned	Somewhat Concerned	Not Concerned
Board members	29%	43%	29%
C-suite	37%	46%	17%
Senior executives	43%	46%	10%
Middle/upper managers	34%	43%	23%
Supervisor/manager	25%	51%	24%
Individual contributor (non-manager)	19%	41%	40%

Rows may not add to 100% due to rounding.

Figure 7:
Who's Most (and Least) Worried About Appearing Motivated?

Respondents' level of concern about hybrid or remote work environments making it look like they're insufficiently motivated about their careers, by role:*

Role	Very Concerned	Somewhat Concerned	Not Concerned
Board members	33%	42%	25%
C-suite	38%	40%	22%
Senior executives	41%	43%	16%
Middle/upper managers	37%	40%	23%
Supervisor/manager	31%	44%	26%
Individual contributor (non-manager)	27%	34%	39%

Rows may not add to 100% due to rounding.

Culture Is Only the Beginning

The survey also found that company leaders are trying harder to avoid pitfalls that can damage or dampen morale. Being fair in assigning desirable projects is a prime example, and business leaders are rising to the occasion. Almost 75% of respondents say that their managers "always" or "frequently" give top assignments to everyone, instead of just a select few.

However, baby boomer respondents are less inclined to agree with that finding, possibly because they believe the assignments they receive don't match their extensive experience. Ultimately, that could lead to feelings of exclusion or even age discrimination.

Overall, company leadership has also made significant gains in treating all employees equitably when including them in important decisions: Nearly 80% of respondents say this occurs "always" or "frequently." That finding extends across all generations and holds even for those who identified the most with characteristics of introversion.

Kochan again points out that videoconferencing is potentially a very powerful tool to improve the quality and fairness of meetings and discussions. "A skilled facilitator has many tools available to level the playing field," he says. To illustrate, he mentions the ability to mute everyone until they want to speak by using the raise-your-hand feature. Doing so prevents more aggressive participants from interrupting others or speaking over them. The chat function allows people to address the group without interrupting whoever's speaking and also enables private side conversations without distracting others.

The accomplishment with the greatest impact is managing *outputs* instead of *processes*. More than 60% of respondents "strongly agree" or "agree" that this is the case in their organizations. Among those working in remote and hybrid environments, the numbers are even larger: the finding includes 60% of respondents working remotely full time and 65% of individuals working in hybrid environments.

Again, many of these issues have been percolating for years. "But now it seems like the demands of the pandemic have finally pushed us over the tipping point and away from practices such as command-and-control and micromanagement," Turmel observes.

Robert C. Pozen, senior lecturer at the MIT Sloan School of Management, echoes the sentiment of many survey respondents. "I think it's a fair statement to look at these findings and say that managers in remote and hybrid environments have very deep concerns and understand the possible pitfalls," says Pozen, former president of Fidelity Investments and coauthor of *Remote Inc.: How to Thrive at Work … Wherever You Are* (Harper Business, 2021). "They are being very intentional about how to manage these situations and seem to be pretty successful."

> **" It seems like the demands of the pandemic have finally pushed us over the tipping point and away from practices such as command-and-control and micromanagement."**

WAYNE TURMEL
Cofounder, Remote Leadership Institute

A New Social Contract for Work Is Emerging

The high marks that corporate leaders earn in managing remote and hybrid environments are translating into a strong sense of fairness. This feeling of fairness, in turn, is breeding a new social contract that alleviates many of the tensions swirling around the expectations of remote and hybrid work models going forward. It also contributes to upending the assumption that employees in such environments universally feel left out of key interactions and activities (see "Fear of Missing Out: Not Equally Scary for All").

At the same time, this new compact is in its infancy, with mindsets still shifting to accept and adapt to the new approaches. Flexibility and choice will be essential to success.

However, employee sentiment on remote work compensation and benefits is apparently still aligned to in-office models, perhaps because survey respondents are themselves adjusting to the new landscape. When asked whether the opportunity to work from home should be considered a benefit or a given, a majority of respondents — 59% — said it should be a benefit, as opposed to 36% who say it should be a given.

Employees generally prefer benefits that they view as *options* more than *givens*, which are essentially mandates, says Kevin Martin, chief research officer for the Institute for Corporate Productivity. Gratton, of the London Business School, points out that while flexibility is one advantage of remote and hybrid work, it's not a universal must-have for employees.

To illustrate, she describes how Unilever, the global consumer products giant, gives employees the option to work on an as-needed basis. Employees who elect the "U-Work" option receive a regular stipend, health insurance, and other benefits, in addition to fees for specific work. Gratton was surprised to find out that only about 5% of Unilever employees chose that option. Bottom line: "Some people don't want flexibility," she says. But as Martin points out, people *do* want the choice.

The survey also found that most individuals are relatively undemanding in their expectations for other aspects of remote and hybrid work. Despite passionate debates about compensation

Despite passionate debates about compensation levels based on where employees live, as opposed to their roles or job grades, 70% of respondents "strongly agree" or "agree" that compensation should be based on the cost of living in the areas where workers reside.

levels based on where employees live, as opposed to their roles or job grades, 70% of respondents "strongly agree" or "agree" that compensation should be based on the cost of living in the areas where workers reside.

Employees also don't have high expectations about critical provisions for remote work. Only about 20% say their organizations should pick up the tab for office equipment and space. A similarly small number believe that hybrid and remote workers should be offered the same benefits **(see Fig. 8)**.

Respondents also believe that remote and hybrid environments promote fairness. For instance, 60% of respondents "strongly agree" or "agree" that they have been recognized more frequently for the work they do in such environments.

There is also a fairly strong wave of optimism for the quality of performance appraisals, often the subject of criticism. Nearly 40% of respondents expect such evaluations to be more fair in these environments. (A majority also feel the work environments of the past two years have actually improved their insights into their own careers (see "COVID-19 Side Effect: Increased Career Clarity").

The age-old conflict between Theory X and Theory Y is dissolving in the current environment, says Jeremiah Lee, an innovation leader and consultant at Spencer Stuart. "Whether people believe that humans are by nature going to be self-directed or need to be controlled is becoming less relevant," Lee says. "Since the pandemic began, we have seen increasing amounts of self-direction and motivation."

De Smet, of McKinsey, applauds the change. He stresses that typical command-and-control structures and the old contract assumption that employers "own" their employees' time for a given number of hours and days were fine for the industrial era, where work processes were specialized and easily controlled through a hierarchy. But in the current age, business is faster and more complex, and companies need to drive innovation and swifter decision-making.

The dust has yet to settle, in Gratton's view. "These conversations are going on right now," she says. "Who should get flexible work options? Should it be something you get because you're a high performer, or because of your role? People have different points of view. We know from history that these fundamental changes take a long time to sort out. But hybrid has actually created a conversation about a new social contract."

Complicating matters, of course, is the "Great Resignation," the popular name for the ongoing economic trend in which 33 million Americans have quit their jobs since early 2021, leaving organizations nationwide struggling to find workers. As Amanda Aronczyk, a cohost of NPR's *Planet Money*, argued in a December 2021 broadcast, a better description might be the "*Great Renegotiation*," reflecting the fact that workers and job candidates, rather than employers, now hold the bargaining power.[1]
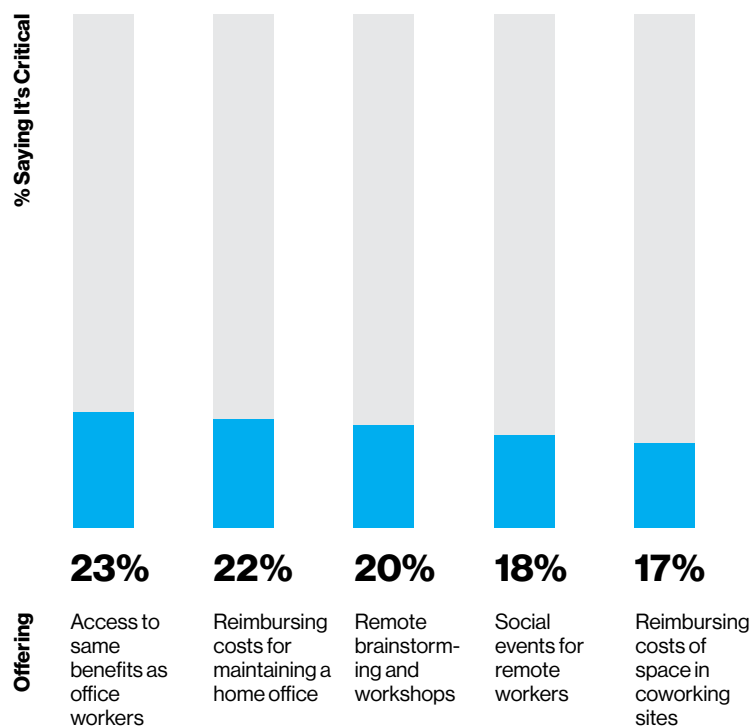
And they aren't just looking for more money. Speaking on that same program, Karin Kimbrough, chief economist for the professional networking site LinkedIn, listed dignity of work, fairness, and transparency as top priorities for current job applicants. Employees also want flexibility about where they work. In fact, they're more than two-and-a-half times as likely to apply for remote jobs as for location-based ones, Kimbrough said, adding: "Job seekers like remote, and I don't think they want to go back."

Employers are apparently listening: During an interview on 60 *Minutes* in January 2022, Kimbrough told correspondent Bill Whitaker that, before the pandemic, 1 in every 67 jobs posted on LinkedIn was for remote work; today, it's 1 in 7.[2]

Clearly, the Great Renegotiation is leading both parties to scrap traditional agreements about work. As Kimbrough noted on 60 *Minutes*: It's as if that social contract of work is being rewritten, and right now, the worker's holding the pen."

Figure 8:
What Remote Workers Say They Need

Percentage of respondents indicating that each item below is a critical offering for remote and hybrid workers (multiple responses allowed):

% Saying It's Critical

23%	22%	20%	18%	17%
Access to same benefits as office workers	Reimbursing costs for maintaining a home office	Remote brainstorming and workshops	Social events for remote workers	Reimbursing costs of space in coworking sites

Offering

Conclusion: Mind the Fault Lines

Although the jury may still be out about what the future of work will look like, given today's uncertainties, business leaders must be vigilant about protecting the progress they've made to date. Backsliding is a realistic worry, and experts interviewed for this report offer the following advice for avoiding common pitfalls.

1. **Make effective use of technologies such as videoconferencing platforms and messaging apps to bring executives, managers, and employees closer together.** It's now feasible to reach out regularly to more individuals in an organization than ever before. These tools can help eliminate disconnects between managers and the managed. They can also make it possible to meet new people and expand internal networks. Not maximizing the use of these tools risks returning to the old normal — and losing the ground gained in employee sentiment and productivity during the pandemic.

2. **Think carefully about what "returning to normal" means.** According to the survey, business leaders have built up strong levels of trust and confidence in their abilities over the past two difficult years. It's important to preserve those gains in whatever new environments evolve beyond the pandemic, as opposed to simply going back to the "old normal."

3. **Ensure that management ranks are thoroughly populated with leaders committed to innovation.** Not everyone will be equally enamored with the emerging corporate cultures. It's no secret that some executives are always reluctant to change.

While their resistance may not be blatantly obvious, they can exert influence in subtle ways, such as expressing support for new approaches in public settings while being vague or dismissive in private. Employees who report to such change-averse leaders can be easily intimidated and ultimately resist innovation to protect themselves. For that reason, corporate leaders must install executives and managers who are comfortable with change and deeply committed to ongoing innovation. ●

> " **I think it's a fair statement to look at these findings and say that managers in remote and hybrid environments have very deep concerns and understand the possible pitfalls. They are being very intentional about how to manage these situations and seem to be pretty successful.** "

ROBERT C. POZEN
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A Q&A With Jeetu Patel

Jeetu Patel is executive vice president and general manager of Cisco's Security and Collaboration business units. He leads strategy and development and owns P&L responsibility for the multibillion-dollar portfolio. Previously, he was chief product officer and chief strategy officer at Box. Earlier roles included serving as general manager and chief executive of EMC's Syncplicity business unit and president of Doculabs, a research and advisory firm focused on collaboration and content management. He received a bachelor's degree in information decision sciences from the University of Illinois, Chicago.

In this Q&A, Cisco executive Jeetu Patel discusses key findings from the recent MIT SMR Connections/Cisco global survey on hybrid and remote work and offers insights about what's likely to come next.

This conversation has been edited for clarity, length, and editorial style.

Q: Our survey found that corporate cultures are actually thriving despite fewer people being in the office. Why is that the case?

Jeetu Patel: We all surprised ourselves at how productive people were when everyone started working overnight from home due to the pandemic. At the same time, most companies had a heightened sense of urgency about making sure their unique cultures didn't get lost due to people working offsite. They encouraged going beyond structured meeting agendas and allowing conversations to wander into other areas of people's lives. To preserve culture, interactions and engagements can't simply be transactional — you have to build relationships.

For instance, if you just say, "Here's my agenda for a 30-minute meeting, and if I get done five minutes earlier, I'm going to give you back five minutes," that's great for about 70% of meetings. But there are times when you have to build relationships, and those relationships, and that trust, get established if you spend a little time wandering. That has to be encouraged within an organization. I think you're starting to see that happen with companies, where companies are getting more emotionally intelligent about the dimensions other than earnings per share and revenue growth.

Q: A majority of survey respondents say camaraderie and inclusiveness have improved or stayed the same despite the pandemic. What's been your experience in that regard?

Patel: I started at Cisco during the pandemic. For the first nine months, the relationships were built by allowing enough space to have those wandering conversations I mentioned earlier. You didn't realize when you were doing it. But, boy, that became really valuable because when we did meet, it didn't feel like you were meeting a stranger. It felt like you were meeting a good friend.

And that was a breakthrough. If we can successfully remove the barriers of distance, we can make sure anyone globally can participate in an organization, regardless of where they are. That is where you start to see a company become more empathetic, more conscious.

Frankly, the companies that don't learn to do this won't be able to attract the best talent. When a company doesn't know how to empathetically deal with people from different walks of life, it just won't be able to operate well.

Q: Survey respondents worldwide say their ability to express personal opinions has improved since they began working remotely. Why do you think that's so?

Patel: The way we run meetings, culturally, is fundamentally changing. People are pausing, asking others for opinions, making sure they can voice their opinions through chat or having a slide-up poll.

But there's a risk of regressing. Right now, the participatory quotient is higher because everyone is on a level playing field — we all have a single box on the screen. When that changes to mixed mode [of hybrid work], we'll start to see the limits of physics take hold. The audio latency for people present in the room, for example, is about five milliseconds, compared with 100 to 150 milliseconds for those who aren't. That's why you sometimes see people have a hard time getting a word in edgewise. So what do you do?

One thing is providing more training around facilitating good meetings. Knowing how to run good meetings and being a great organization will increasingly be intrinsically tied. From time to time, pause

and ask the people who haven't spoken whether they have an opinion. Make sure the introverts can speak up if the extroverts are sucking up all the oxygen in the room.

Q: Many respondents gave their organizations' leadership high marks for supporting remote and hybrid work environments. But 43% of senior executives are "very concerned" about having insufficient face time with employees in those environments. Your thoughts?

Patel: It's great that senior leaders are more conscious about making sure they have face time, but they need to master the current medium to do that. If you look at U.S. President Franklin D. Roosevelt, the medium he had to master was radio. For John F. Kennedy, it was radio and television. Now it's Twitter and social media.

Similarly, senior leaders need to be good at managing people both in person and when they're not in person. As new media evolve, that will need to be mastered as well to be a great leader of the next generation.

Q: The survey highlighted differences in how employees of different generations think about location-based work issues. Are you seeing this as well?

Patel: Absolutely. We've found the people who are earlier in their careers find it less important to be there in person because they're so used to that *not* being the norm. And the people later in their careers are really yearning to come back together. That's why this mixed mode is so important, because neither demographic is more important than the other.

Hybrid work is about trusting your employees to work when they're not in front of you all the time. Studies have shown that when you trust people, they exceed the expectations put upon them. But when you don't trust people, they get demotivated. So this is an ultimate barometer of trust: Do you trust your workforce?

Q: What do you see in the future for hybrid and remote work and collaboration?

Patel: The future will be hybrid — 98% of meetings will have at least one participant who won't be in the same physical space as everyone else.

But this mixed mode will be harder than when everyone worked either in the office or at home. You'll need to make sure no one feels left out because of their personality, disposition, geography, or barriers in language. If someone happens to not be in the same physical space as everyone else, and therefore unable to

contribute effectively to a meeting, that would be a huge loss for the organization. And it would be a setback for the progress made on inclusivity over the past couple of years.

Culturally, people will master the new medium: how they run meetings, construct physical spaces, enable people to participate.

Technologically, we'll see better ways of engaging with each other, where you don't even notice you're not together. We'll see huge progress with photorealistic holograms and augmented reality, both incrementally and discontinuously at the same time.

Another area will be heightening the scale of this change. Right now, people are still in the mindset of "How can we make 'mixed-mode' work *as well* as in-person?" But you have to think about it as, "How can we make it 10 times *better* than in-person?" That gets to the point where it's hard to avoid doing it better that way so that people won't revert back to the previous norm.

Another consideration is mental health and well-being. While we've been productive, the goal of life is not to have 12 hours of meetings at 30-minute increments back-to-back for the next 20 years. There are actually better ways to work and think and engage with people and build relationships, and we need to focus on those.

Bottom line: We are in the very early innings of this new era, and I don't think most people have grasped fully the possibilities of how remote and hybrid work will change society for the better. But when an individual in a village in Bangladesh has the same opportunity as someone in the heart of Silicon Valley, that will change society in some consequential ways. Anyone can add value in society, and that's freeing for every human on the planet.

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Methodology

MIT SMR Connections conducted a global online survey, sponsored by Webex by Cisco, that drew responses from 1,561 employees at organizations in 56 countries, with emphasis on Australia, Brazil, Canada, China, France, Germany, India, Japan, Mexico, South Korea, the United Kingdom, and the United States. Qualtrics fielded the survey in August and September 2021. Respondents span several demographic generations, from Generation Z employees new to the workforce to Baby Boomers approaching retirement age. Their roles range from top executives to middle managers to individual contributors. They represent organizations of all sizes in a variety of industries, including financial services, IT/telecommunications, retail, consumer products, manufacturing, government, and health care, among others. We examined the data based on respondents' geographical locations, demographic generations, industry, and company size. To provide a rich context for discussion of the quantitative research results, we interviewed subject matter experts, including consultants, academics, and authors. These individuals provided insight into current trends and future priorities for hybrid and remote work.

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