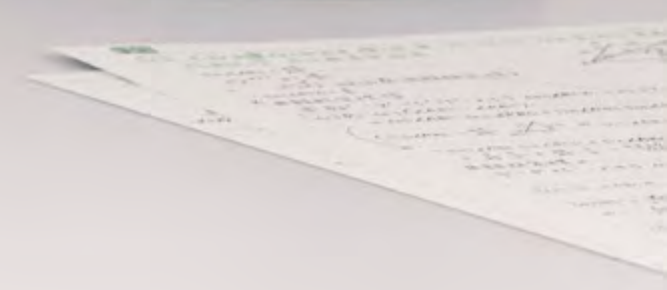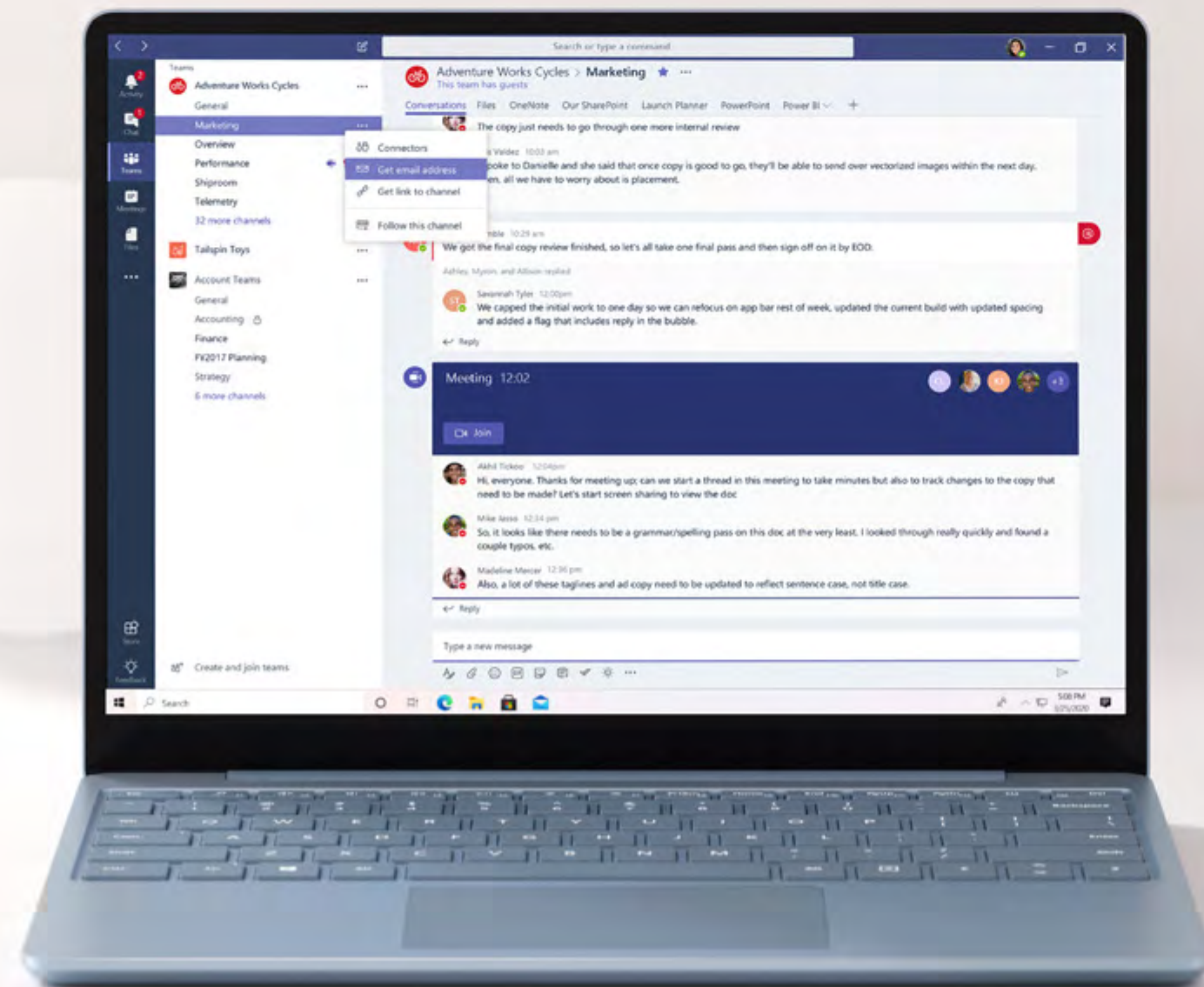Microsoft

Forever changed:
Report on remote work

Contents

This information is for you if

✓ You want credible global research conducted with similar companies to support your hybrid or fully remote working proposal.

✓ You've been waiting to see whether working remotely is here to stay before you make major changes for your employees.

✓ You are already convinced that moving from on-premises solutions to the cloud is the right direction, but you'd like more reassurance.

🕐 **Estimated reading time:** less than 7 minutes

A sudden workplace paradigm shift

In ordinary times widespread cultural change happens over years, if not decades. Generations ago it was normal for people to spend their entire career with one company. Today it's much more common for people to work at multiple companies throughout their career, building experience in different areas as they mature and grow. How did that shift happen?

Societal and cultural shifts follow a similar process that individuals follow. Organizations, which are obviously run by people, also follow this process. There are five stages organizations typically go through as they change.[1]

[1] Springer, "A Transtheoretical Approach to Changing Organizations," Janice M. Prochaska, James O. Prochaska, Deborah A. Levesque, March 2001.

1. Precontemplation

You haven't seriously thought about change yet. You're aware that there are other ways of doing what you're doing, but you're fine with things the way they are.

2. Contemplation

You start to recognize the potential consequences of not changing. In the context of business, for example, you might wonder if it would be easier for people across your organization to work in the cloud rather than with on-premises solutions.

3. Preparation

You make a plan for change. You research, gather input from colleagues and find people who can help with the change. You may spend a long time in this stage while all the information comes together and you clarify the steps in the plan.

4. Action

You start to execute the plan you made. This is the most exciting part of change. If you planned to transition to the cloud, this is the moment when the IT team begins implementing the new systems. This is when you train employees how to work in the cloud.

5. Maintenance

Maybe the most important part of change, it's important during this stage to remain mindful of pitfalls or obstacles that might tempt you to go back to the old ways. You intentionally find the help you need so you can stay on course with the change you implemented.

In 2020, this pace of change was suddenly accelerated for many organizations as they sought ways to maintain business continuity in the face of a global pandemic. The five phases of change still happened, but on a seriously abbreviated timeline. Companies' resilience is being tested, and those that are purposefully developing capabilities to address ambiguity and unpredictability are most likely to thrive.

Transformation accelerated

On the face of things, the big change that COVID-19 brought was digital transformation. When offices, schools, manufacturing, government, and so many other industries shut their physical locations, remote working in the cloud was the obvious, urgent, and easily available answer.

But there's more going on here. The digital transformation has itself accelerated deep cultural and societal change that may be long-lasting. We may already be in the maintenance phase of a global shift to remote working for office-based organizations. Five years from now working full-time in an office may be as foreign an idea as spending your entire career with one company. It's unlikely physical offices will disappear completely in the future of work. But how we use them has changed, maybe forever.

As the global pandemic swept across the globe, Microsoft commissioned research to understand the depth of change for organizations managing through COVID-19. The findings are reported here.

We may already be in the maintenance phase of a global shift to remote working for office-based organizations.

Methodology

PSB Insights fielded a survey to 225 business decision makers globally between September 11 and 28, 2020. Company size was 300-500 employees.
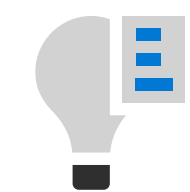
" We saw two years of digital transformation in two months."

Satya Nadella, CEO Microsoft

May 2020

Evidence for the paradigm shift

It's clear from news reports around the world that people are working from home more. This research provides evidence that supports anecdotal stories we see daily and breaks down how the shift happened.

75%

of business decision makers agreed that in-person presence leads to optimal effectiveness before COVID

25%

agree with this during COVID

In psychology, when we take a mental shortcut to make a judgment it's called "cognitive bias." There are a lot of ways to have a cognitive bias, including recency bias, which is what we're doing when we rely on our most recent experience as the truth of a more complex scenario. In this case, if managers have only had the experience of employees working in the office, they will see that experience as optimal. Only when COVID-19 sent workers home and they were still able to be productive did managers see the truth in the scenario.

There are no comparable changes in the global workplace that have happened in such a short time period.

As further evidence that remote work leads to optimal effectiveness, business decision makers already have plans to ensure workers are equipped to work remotely in a post-COVID world.

Based on this research, there is no scenario for an organization to require 100 percent of its workers to be on-site. This means in cases where in-person work is required, such as healthcare, manufacturing, first responders, or teaching, some part of the company will still work remote. This is where the magnitude of cultural change is most evident. Business decision makers are not even contemplating bringing every worker back to the physical office full time.

47%
were equipped to work remotely before COVID

60%
expect to be equipped to work remotely post-COVID

42%
will be moving from on-site to fully remote after COVID
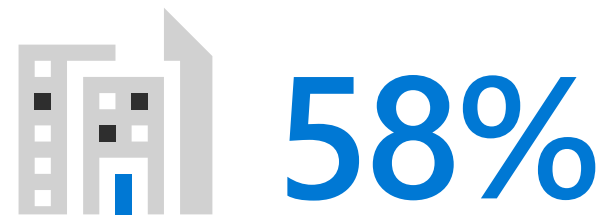
58%
will be partially remote after COVID

Based on this research, there is no scenario for an organization to require **100 percent of its workers to be on-site**.

Why the paradigm shift will stick

Based on the five stages of change, making a plan for action is one clear way to solidify the change. Research shows that in the case of remote work, business leaders are clear-eyed about what's required for success, and about the positive consequences.
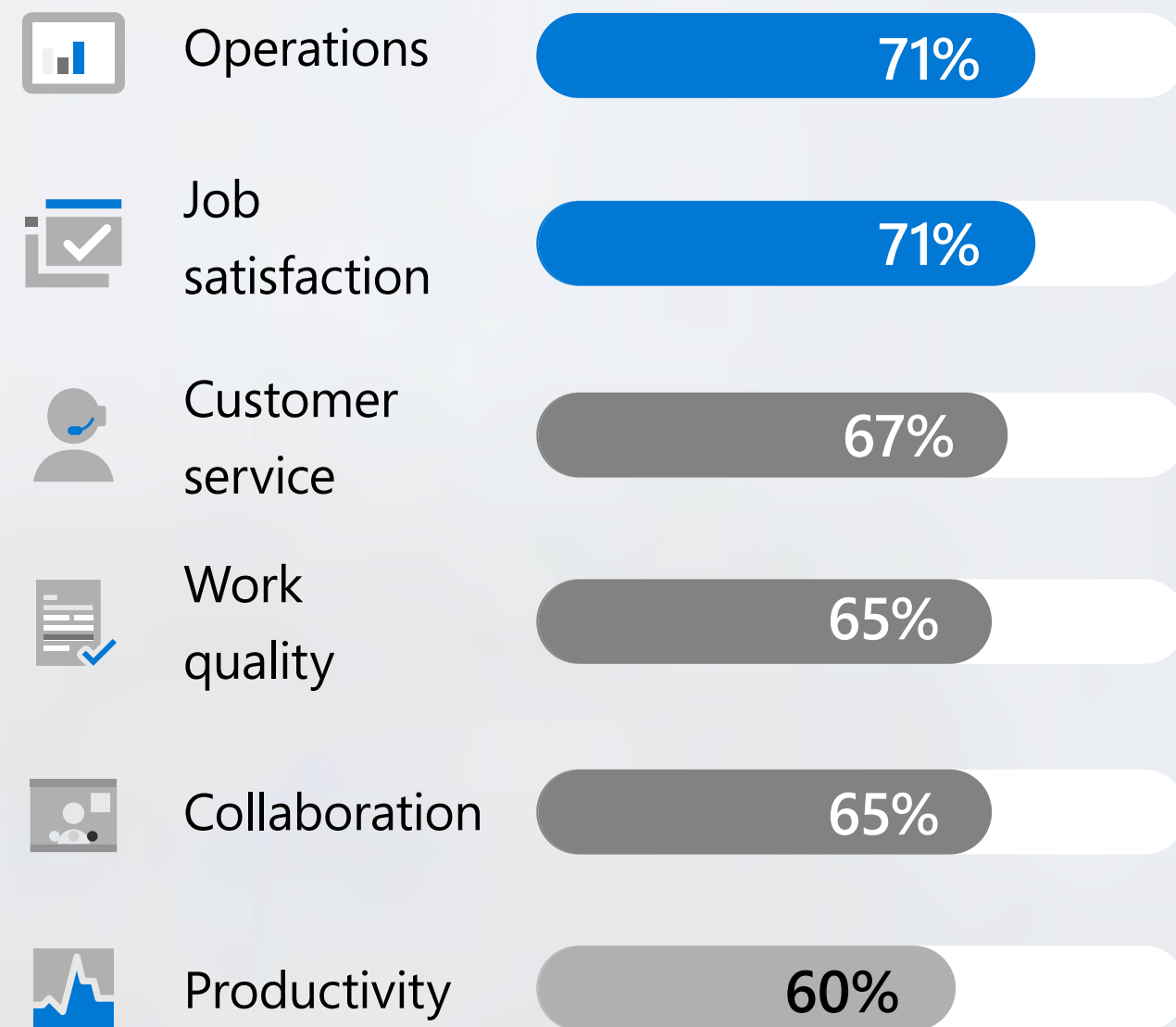
With the right technology, working remotely can be very effective.
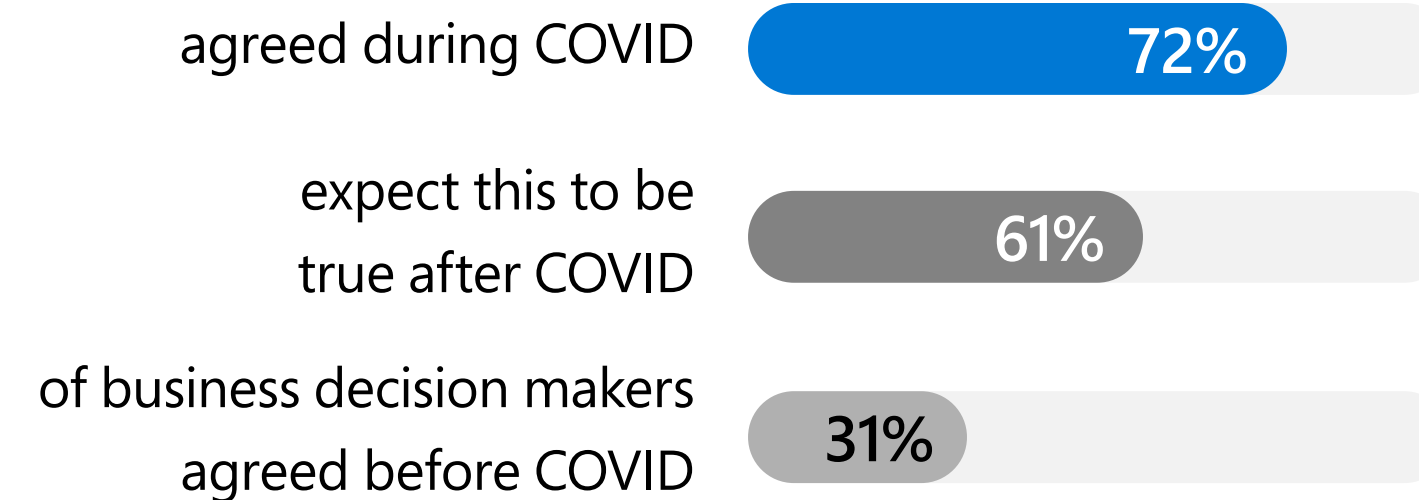
How to explain the slight downward shift in expectations that working remotely could be less effective after COVID than during COVID? Because of the inherent uncertainty in foretelling the future, it's understandable that decision makers would take a "let's wait and see" approach.

agreed during COVID **72%**

expect this to be true after COVID **61%**

of business decision makers agreed before COVID **31%**

Remote work has had a positive impact on the key performance indicators used to evaluate organizational success.

Showing percent of respondents who say remote work has had a positive impact on each category.

|		
Operations	**71%**	
Job satisfaction	**71%**	
Customer service	67%	
Work quality	65%	
Collaboration	65%	
Productivity	**60%**	

If there is a single data point from the research that points unequivocally to a lasting shift to remote work, it's that 71 percent of decision makers report a positive impact on operations. While decision makers put high value on things like employee job satisfaction and customer service, it's operations that show the big picture. A positive impact here is a positive impact on the bottom line.

71%

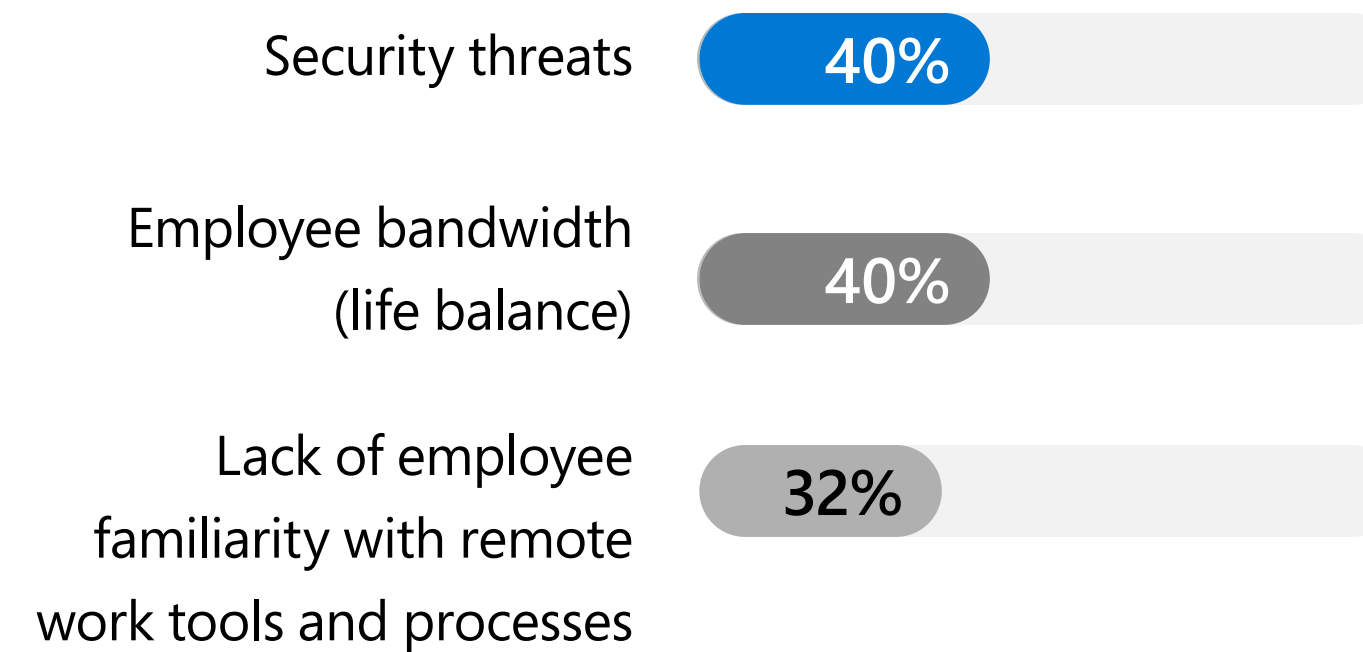**of decision makers report a positive impact on operations.**
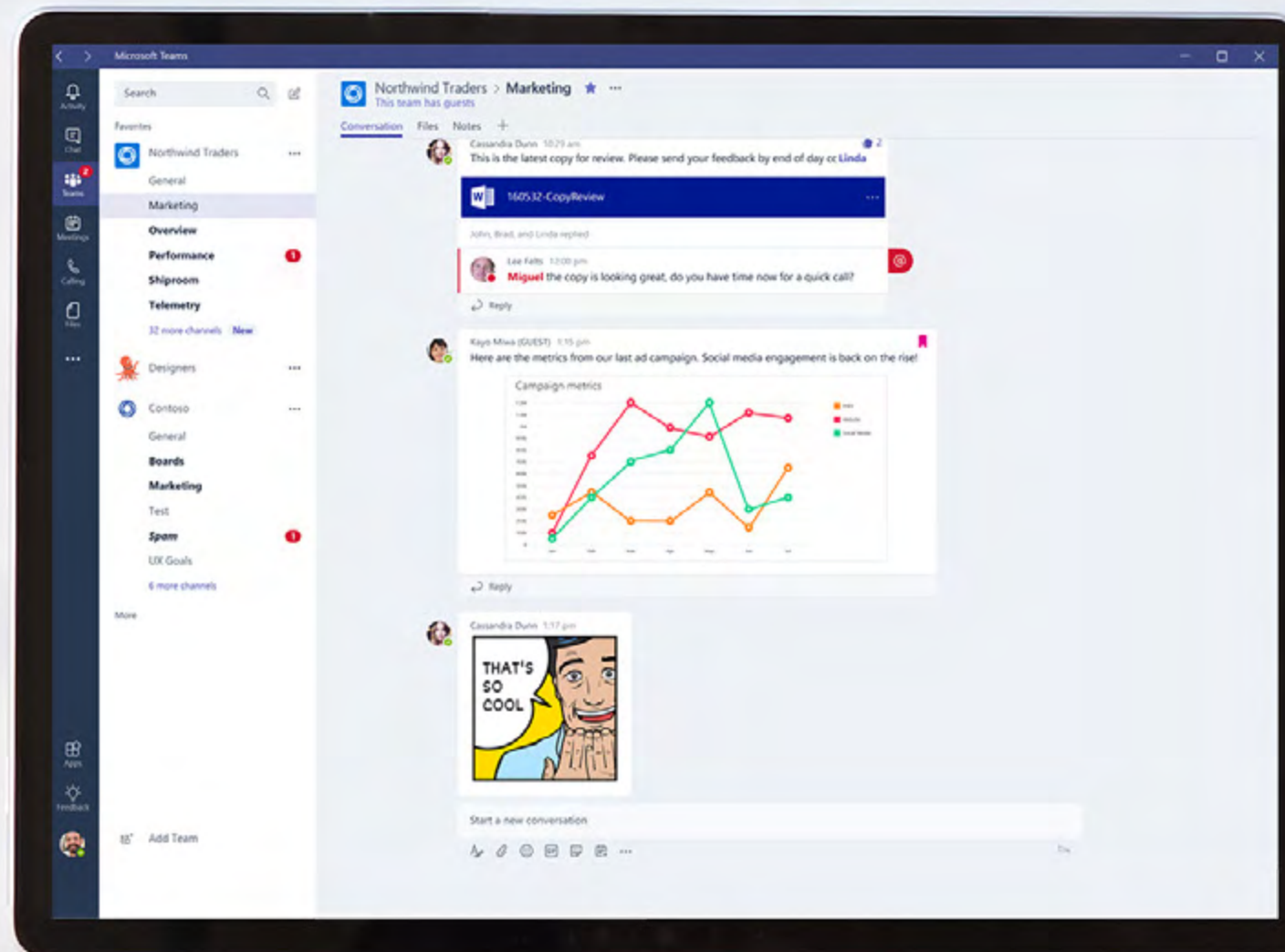
The challenges

As we learned in the five stages of change, the maintenance phase is when new ways can be sidetracked by pitfalls or obstacles. Being aware of the challenges and how to work through them can keep change heading in the right direction.
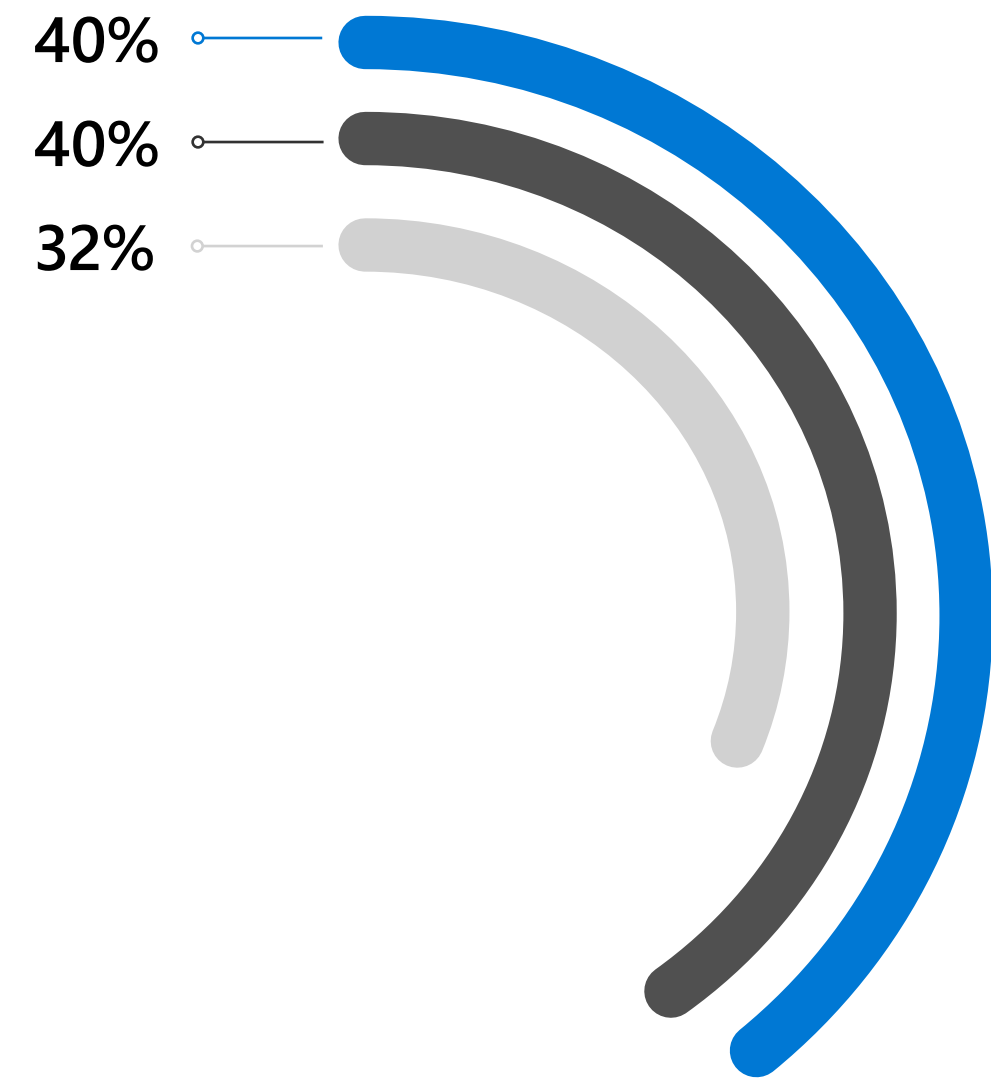
Top challenges when transitioning to remote work

Showing percent of respondents who chose these challenges in this order.

Security threats **40%**

Employee bandwidth (life balance) **40%**

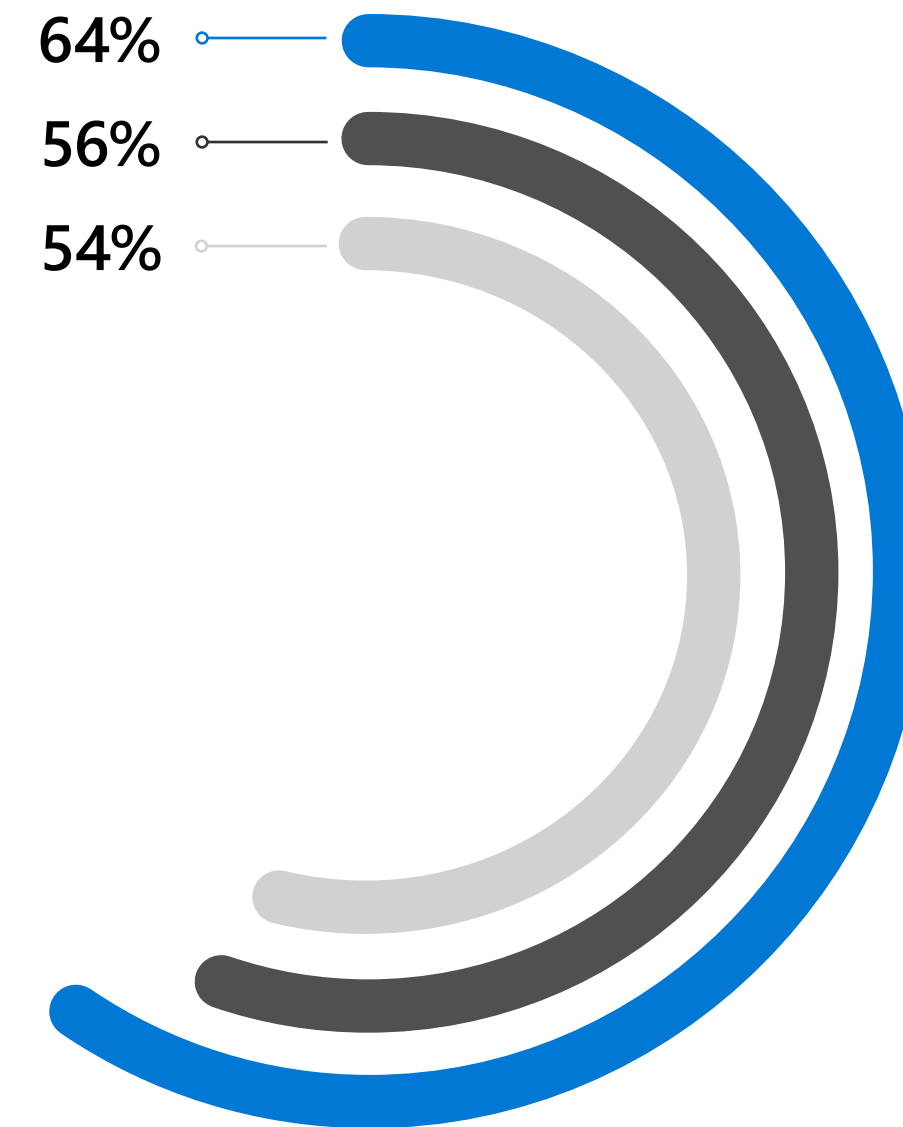Lack of employee familiarity with remote work tools and processes **32%**

Security threats with remote working is a challenge decision makers can solve. Helping employees balance work demands and home life in a remote working scenario is more complex but not impossible to work through. Training employees on the remote work tools and processes simply takes time. While these are valid bumps in the road to global societal change, they are not insurmountable.

Security threats encountered during
transition to remote work:

40%
40%
32%

Employee errors and high-risk behaviors
during transition to remote work:

64%
56%
54%

Drilling into the top security threats during
transition to remote work, employee errors show
up in two primary ways: using unsanctioned
apps and clicking on phishing emails. In a
scenario where employees are assigned work-
specific laptops equipped with high-level security
protocols, these risky behaviors can be mitigated.

- Data security
- Advanced cyberthreats
- Employee errors

- Use of unsanctioned apps
- Clicking on phishing emails
- Use of unsanctioned chat or
  conference apps

Why flexible remote work will become permanent

For change to take root and become the new reality, the challenges need to be appropriately resolved. The research points to concrete and sensible actions by decision makers to keep change on track.
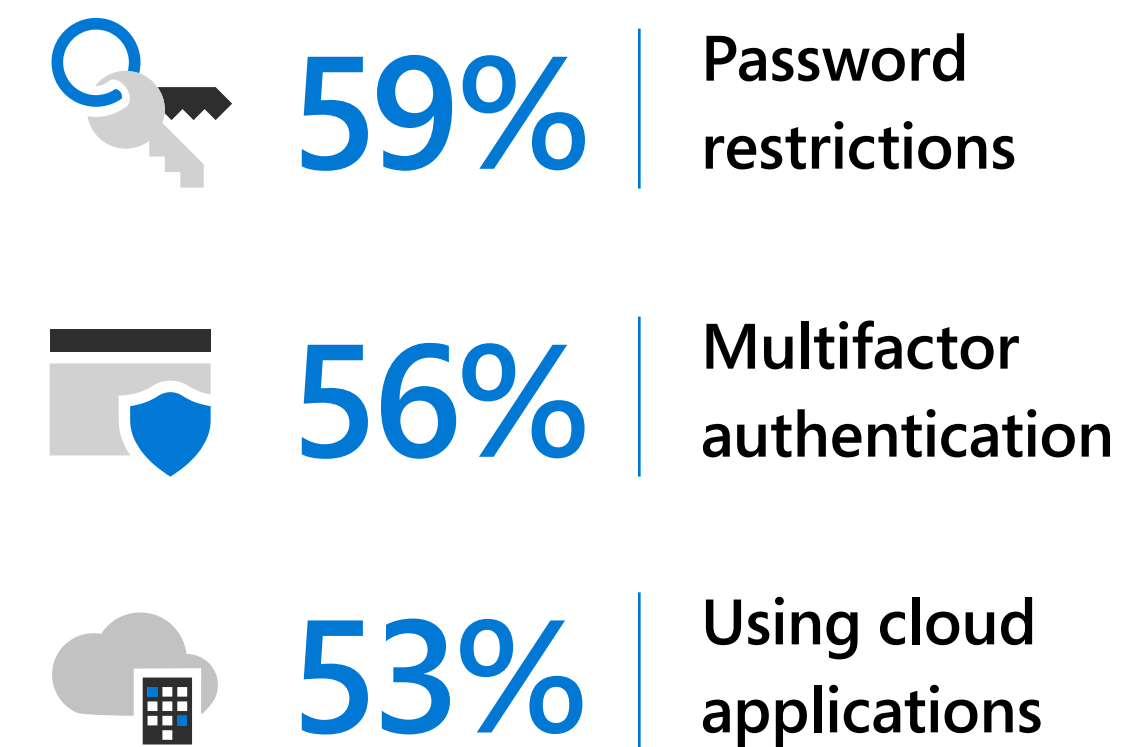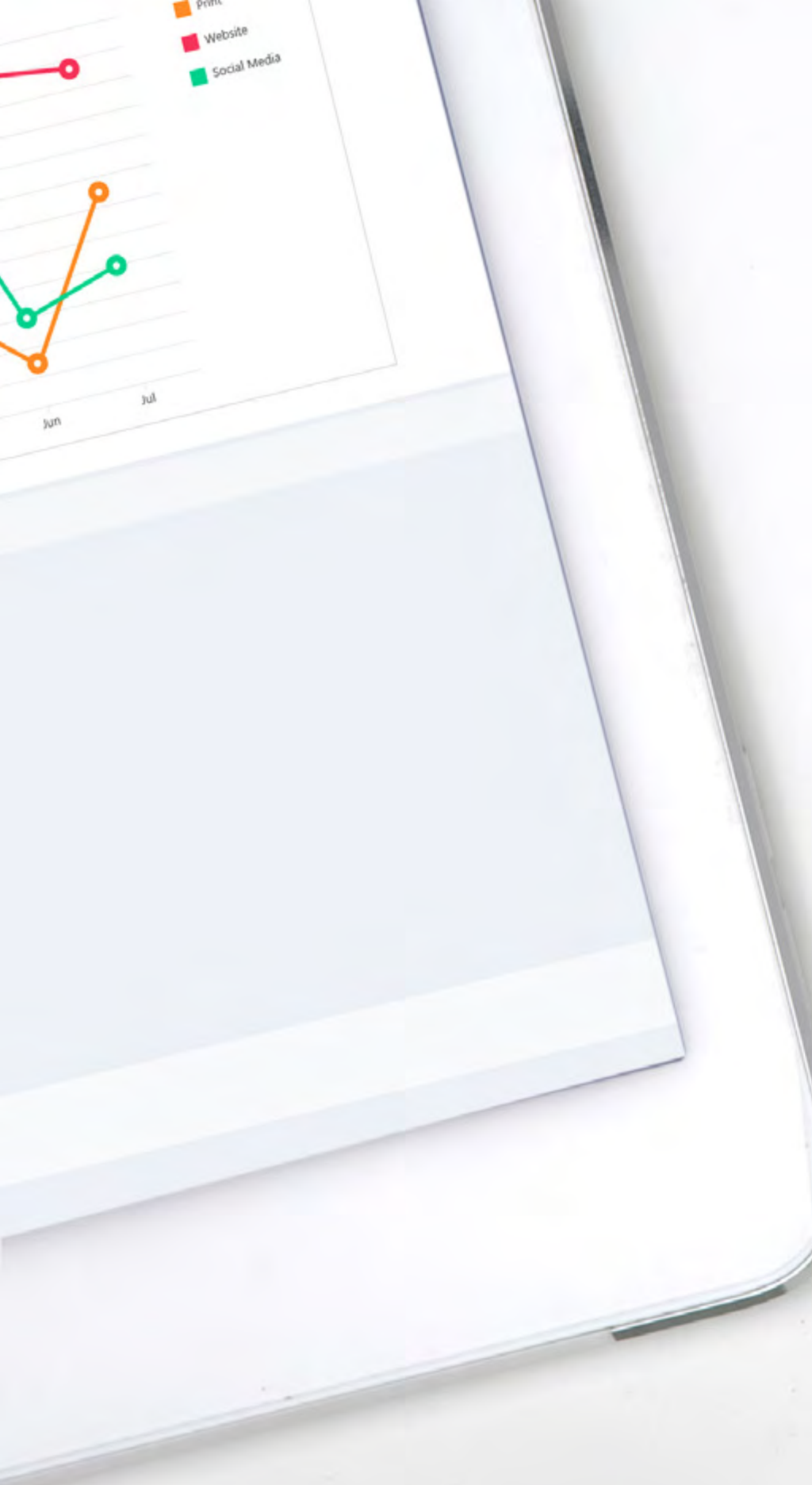
Security challenges are being addressed
Priority for decision makers in the coming months:

> **#1** Security controls to protect access to apps

Security precautions ideal for accommodating remote work:

Showing percent of respondents who chose these challenges in this order.

59% | Password restrictions

56% | Multifactor authentication

53% | Using cloud applications

Decision makers are already implementing the security measures needed to keep employee errors to a minimum. By moving to the cloud, organizations immediately improve their security position with automated security protocols.

Productivity is easier in the cloud

Top three benefits of cloud-based productivity solutions, as cited by the respondents:

1   **IT that's easier to manage**

2   **Overall cost savings**

3   **Help people and businesses stay connected, productive, and secure for remote work**

Without a doubt, cloud-based solutions are required for secure remote work. Business decision makers recognize that these productivity solutions have the added strategic advantage of being easier for IT to manage while bringing cost savings to the business.

With this foundation, there's ample reason to believe remote work in some form, across industries and organizations where it's possible, will become permanent.

Join the accelerated transformation

It's likely your organization has already experienced some of the change that this research revealed. Are you equipped for a permanent shift to remote work? Are you building capabilities that will help you be flexible in the face of ambiguity and unpredictability? Microsoft 365 Business helps organizations gain productivity and efficiency for remote work while increasing security by moving to the cloud.

Microsoft 365 Business is the right technology to enable remote work with:

- ✓ Chats, calls, and meetings.
- ✓ Cloud storage.
- ✓ Office apps and services.
- ✓ Email and calendaring.

Secure your business with safeguards built into Microsoft 365 Business like:

- ✓ Cyberdefense against viruses, malware, phishing attempts, ransomware, spam, and other threats.
- ✓ Data protection from cybercriminals, unauthorized access, and accidental deletion.
- ✓ Device security.
- ✓ Identity and access management.

Transitioning from on-premises to a cloud solution helps you:

- ✓ Consolidate apps to reduce costs.
- ✓ Streamline IT setup, deployment and management.
- ✓ Empower employees to work from anywhere.
- ✓ Secure your data and devices.

Learn more about Microsoft 365 >

Talk to a Microsoft 365 expert >

Microsoft