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#### MANAGING ORGANIZATIONS

# Does Your Company Have a Long-Term Plan for Remote Work?

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CATHERINE MACBRIDGE/STOCKSY

Mark Zuckerberg recently shared his plans for the future of remote work at Facebook. By 2030, he promised, at least half of Facebook's 50,000 employees would be working from home. "We are going to be the most forward-leaning company on remote work at our scale," he declared in a follow-up interview. A few days before, Jack Dorsey had announced that Twitter and Square's employees would be allowed to work "where[ever] they feel most creative and productive...even once offices begin to reopen."

After spending the last two decades building amenity-filled campuses that maximize the "collisionability" of talent and ideas while enticing their workers to stay in the office for as much time as they can, Covid-19 has shown these leading-edge technology companies that their workers can be just as productive — or in some cases, even more so — when they stay at home. It's not just tech. Executives in traditional industries who spent days and weeks on the road are discovering that a well-managed Zoom meeting can be as effective as a face-to-face — and a lot easier (and less expensive) to organize.

Will Apple's new \$5 billion HQ, aka The Spaceship, turn out to be a white elephant? Will Google abandon its Googleplex? Will corporations empty out their office buildings everywhere and shrink their physical footprints? Are we on the brink of a new paradigm for work? Microsoft's Satya Nadella isn't so sure. Switching from all offices to all remote is "replacing one dogma with another," he said in a conversation with *The New York Times*. "One of the things I feel is, hey, maybe we are burning some of the social capital we built up in this phase where we are all working remote. What's the measure for that?"

We suspect that the workforces of Twitter and Facebook will be less remote in 10 years than their leaders are predicting today, but much more remote than they could have imagined six months ago. The real issue, however, is not whose predictions turn out to be right or wrong (no one has a crystal ball), but whether those leaders are thinking deeply enough about what they want their new work paradigm to achieve — and whether they can architect and construct systems that will allow them to meet their objectives.

WFH is helping them muddle through the immediate crisis, but what do they want from it in the long run? Higher productivity? Savings on office space, travel, and cost-of-living adjusted salaries for workers in cheaper locations? Better morale and higher retention rates?

To know what's "best" for your organization's future when it comes to remote work, you have to put it in the context of all the things that you are looking to achieve. In other words, you have to have a conscious aspiration. Then you need to envision the "workforce system" that will make those things possible.

Having more or less remote work is not a "point change" in an otherwise stable system — work from home is a system in and of itself, with many interfaces and interdependencies, both human and technological. These include:

• The technologies (existing and yet to be created) that you will need to make your system workable, including collaboration, creativity, and productivity tools.

- The resources (your physical footprint, people, and the technology interfaces you use to organize
  them) and the policies, practices, and processes your system needs to function. These include HR
  considerations like travel, talent development, and compensation; operational issues like office
  design and logistical challenges like "hoteling" making temporary desks available to remote
  workers when they need to work on site.
- The rules, norms, and key metrics you will need to prescribe to preserve and enhance your culture and values.

While you can model such a system up to a point, its design specs will inevitably need to be revised as they come into contact with reality; as such, experimentation and learning will be key — you cannot expect to have a one-time rollout.

For all of this to be developed and managed in the right way, a different innovation approach is needed.

#### **Future-Back Thinking and Planning**

At Innosight, where both of us work, we've developed a way of thinking and planning that we call "Future-back." We cover this in detail in our new book, *Lead from the Future*, but here's the gist: Future-back is designed to help business leaders develop a vision of their best possible future and a clearly laid-out strategy to achieve it.

Thinking and planning from the future back allows you to fully articulate what you hope to achieve with your new work system and then design its major components from a "clean sheet," unencumbered by how things work today or how they worked in the past. Once you have developed your vision, you need to consider all the things that would have to be true for that vision to be achievable, and then test those assumptions with initiatives you can begin today.

The process unfolds in four distinct stages.

#### Stage 1: What is your overall vision of your ideal work system of the future?

You are doing two things in this stage: Articulating your grand purpose and aspiration (your reason for designing the new system) and envisioning the system and what it looks like.

To determine your grand objective — your reason for re-imagining your existing system — think about what you have learned from the Covid-19 emergency that led you down this path. Your initial aim is simply to develop clarity about your intended future, not achieve analytic certainty.

As you begin to sketch out your workforce system of the future, frame it as a purpose- and objective-driven narrative. This is your vision. As such, it should include: your *Purpose* (your ultimate inspirational "why"); your *objectives and metrics* (your tangible "why"); and a concise description of the *components of your system* and how they fit together (your "what"). For example:

In order to expand our talent base to the four corners of the world and ensure that they are fully-motivated by 2022, 50% of our creative workforce will work remotely for up to 50% of their time. Employees will be fully reimbursed for the costs of their home offices and work-related travel; salaries will reflect local costs of living.

Moving on to the system itself, ask yourself a series of questions about its resources and assets. What kinds of people will make up your system and where will they will be located? How will you organize your different functions and ensure that they work? What will your physical footprint look like? What remote technologies and tools will you need, and how will you combine them with in-person tools and technologies to ensure individual productivity and effective virtual collaborations?

Then you need to ask similar questions about policies and processes, and norms, and metrics.

#### Stage 2: Consider the implicit and explicit assumptions you are making.

As Donald Rumsfeld famously put it, there are known knowns and known unknowns, and also unknown unknowns that you must take account of. Work through each of them, surfacing as many of those known and unknown unknowns as you can. Each will need to be proven or disproven: that virtually-convened teams can problem-solve as well as teams that meet in person; that executive development can be carried out online as well as in-person meetings — or not, as the case may be.

#### Stage 3: Test those assumptions.

What do you need to learn and how can you best do it? To answer these questions, walk your vision and its key assumptions back to the present in the form of experiments. You will need more than one if there are different circumstances or contexts in which the system would work — for example, if your company includes geographic locations with different societal norms or government regulations, or business units that are fundamentally different from one another (e.g., one that is more service- and manufacturing-oriented versus others that focus on knowledge work and design). People are different, too. WFH makes tremendous sense for some roles and personality types; less for others.

If you are a multinational and want to learn if WFH can work within one of your geographies, carve out a business function or small business unit; systematically apply the WFH technologies, practices, and rules and norms that you wish to use; run it in parallel for a short time; and then carefully measure its results against those of the larger unit.

## Stage 4: Use the learnings from these experiments to adjust or pivot your system's components and your vision itself.

Through this iterative process of exploring, envisioning, and testing, you will ultimately discover your best way forward. This learning will be an ongoing process, not a discrete event, unfolding over time as your assumptions are converted to knowledge.

Inevitably, there will be tradeoffs that must be negotiated. While you may be able to tap more talent and save money by not requiring your new hires to move, it is also likely that your creative

ecosystem will become more diffuse. Some teams may need to meet in person as frequently as several days a week, so they won't have the luxury of living wherever they wish. You will likely have to beef up your technical and human capabilities before you can fully apply your new knowledge across your organization; significant investments may be required to provide sufficient bandwidth for your employees' homes, reducing some of your expected savings. You may find, per those early experiments, that your new system won't work in every business unit or geography.

You will likely have to grapple with the pitfalls of causal ambiguity (the fact that what drives good results in one context may very well not in another). Any organization has constraints on its absorptive capacity; you must be prepared for systemic incompatibilities and rejection, which can stem from poor communication between units, the lack of a shared language, or longstanding rivalries and resentments.

#### **Don't Trade One Dogma for Another**

At all times, it's important to remember that your aspirational "what's best" should be about more than your bottom line. Back in August 2019, the Business Roundtable redefined the purpose of a corporation from one that solely serves its shareholders' financial interests to delivering value to all of its stakeholders, including customers, employees, suppliers, and communities. Ideally, a company's vision of its future workforce system or systems should reflect its leaders deepest thinking about its "why," not just its "what" and "how."

Even if remote work turns out to be less productive on some metrics than others, reducing carbon-based emissions or the improving work-life balance could make up for it. Or not. It's possible that what works for Twitter and Facebook won't work for you, at least initially. Your struggles with it may point the way towards deeper changes that you have to make.

Future-back thinking doesn't reveal a future that is written in stone — it gives you a way to shape it and own it, ensuring your organization's long-term viability. As Satya Nadella suggested, trading one dogma for another is rarely your best solution; in most cases, those dogmas themselves are your biggest problem. At the end of the day, the organizations that can develop the clearest, most inspiring visions, learn the fastest, and pivot the most capably, are the ones that win.

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