

Pandemic of Under-Preparedness:

A Status Report on Digital Workplaces and the Organisational Response to COVID-19 in Australia



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“47% of workers in Australia and New Zealand have no experience of remote working”¹

¹ Leesman Index via https://twitter.com/Leesman_Index/status/1240330020549206018

Introduction

Status report: This is a highly dynamic situation. On Monday 16 March, the Covid-19 pandemic in Australia moved to a new phase – with a wave of public events being cancelled and a number of firms making public announcements – e.g. consulting behemoth EY told their staff to work from home from Wednesday. We expect the majority of non-essential workers to be “sent home” by the end of this week.

Purpose of this report

To provide insight to stakeholders how the Covid-19 crisis response and enterprise transformation programs - particularly what we think of as the digital workplace capabilities that support productivity and employee engagement using a range of collaboration technologies - are impacting each other.

The report begins with one-page actionable summaries for each of the following stakeholders:

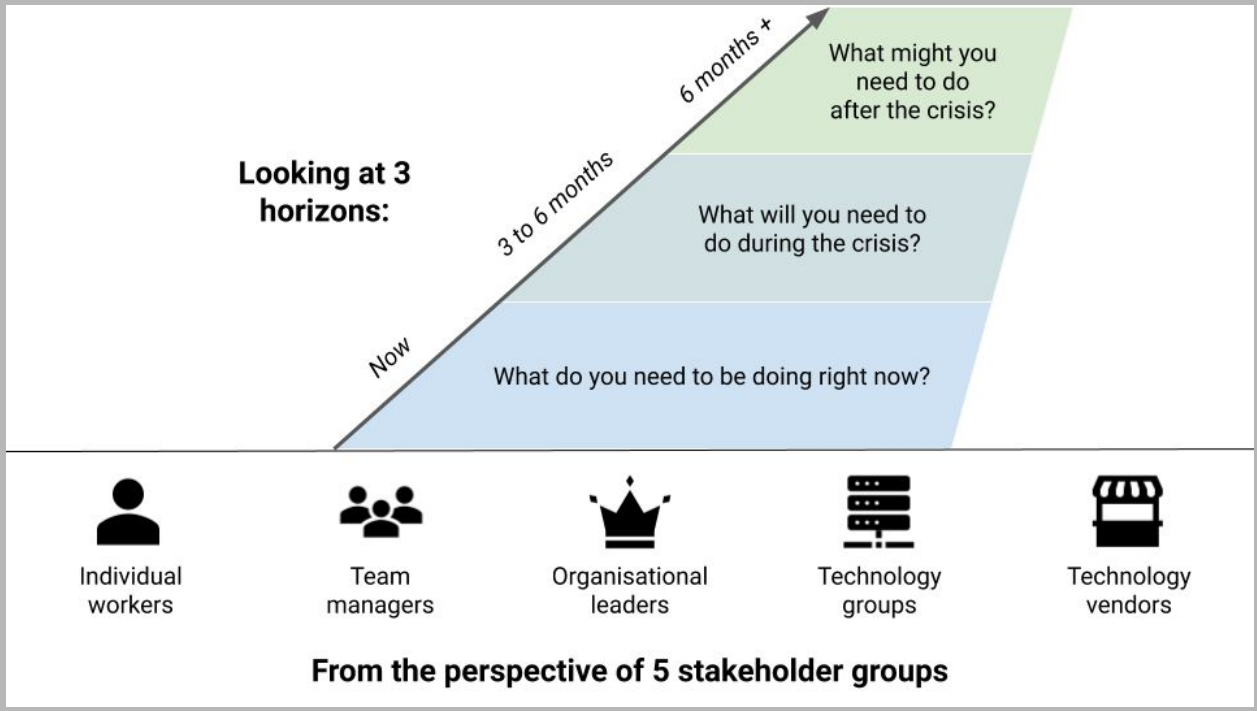
- Individual workers.
- Team managers.
- Organisational leaders.
- Technology groups within organisations.
- Vendors of technology infrastructure, software, and services.

Definitions

- Covid-19 is a viral disease that originated in China in late 2019 that has now spread globally. It is a flu-like illness that is highly contagious, with a higher mortality rate in vulnerable groups.
- The “Digital Workplace” is a concept for understanding how various enterprise technologies used by end-users for communication, collaboration, coordination, and cooperation work together cohesively. The quality of a digital workplace is based on several elements, starting with network infrastructure, devices and hardware then through to access to people, information and expertise.

Key Player Summaries

Our Key Player Summaries cover five stakeholder groups and they address three horizons:



Individual workers

Who are you?

Any individual who now has to work remotely or as part of a distributed team.

Current Diagnostic - What do you need to be doing right now?

- Do you have the right environment? E.g. Lighting, noise, distractions.
- Have you set up a good routine for yourself? (e.g. start/end times, regular breaks, healthy eating, exercise).
- Do you have the equipment you need? E.g. laptop, tablet, phone, keyboard, mouse, monitor, chair, desk.
- Can you get access to the applications you need? E.g. Network, VPN, application accounts and logins.
- Do you know the right ways to engage with your colleagues?
- Do I have access to social support? E.g. Someone to talk to about my fears? If you are feeling lonely or overwhelmed?

What will you need to do during the crisis (next 3 to 6 months)?

- Maintain your health and energy and take care of your family and friends.
- Maintain and build your network through acts of kindness - not every conversation with your colleagues and peers has to be about work.
- Deliver on your work commitments - and be seen to do so.
- Find things to improve and opportunities to learn new, marketable skills.
- Ensure that your CV is up-to-date and ready to go.

What might you need to do after the crisis (6 months plus)?

- If you stay with your current employer, discuss what form of working arrangement works for you.
- If you are no longer with your current employer, decide what kind of work you want to do (e.g. permanent, contracting, self-employed, gig) and pursue it with others in your network.

Team managers

Who are you?

Someone who has to manage a team, who could be either fully distributed or a mixed team of remote and non-remote workers.

Current Diagnostic - What do you need to be doing right now?

- Check that your team members have all the things they need to be successful? (see Individual workers).
- You will likely need to ask your Technology group what resources you have available.
- Are you clear on the messages that you need to be giving them?
- Are you working with them to manage their anxiety and boredom?

What will you need to do during the crisis (next 3 to 6 months)?

- Ensure that your team knows what is going on.
- Find appropriate ways to feedback insights into organisational leadership.
- Share lessons in what works and what does not with other managers in your network.
- Work with your team on experiments in different forms of working.
- Review your team's capabilities (skills, processes, technology, governance) that will allow you to scale down or up at short notice.
- Prepare your team for a range of possible employment outcomes.

What might you need to do after the crisis (6 months plus)?

- Be prepared to scale up your team's delivery with the expectation of a quick recovery.
- Start to reflect on the potential for this new way of working and for business transformation.
- Work with your team on agreeing on sustainable ways of working going forwards.

Organisational leaders

Who are you?

Someone who has to manage an organisation (e.g. C-Suite, Divisional Head)

Current Diagnostic - What do you need to be doing right now?

- Are you responding to the crisis with the appropriate balance of speed and consideration?
- Have you consulted with your technology group to ensure you are fully apprised of the known constraints in your IT infrastructure and the implications for business continuity?
- Are your messages clear, short, and sent through multiple channels? This includes addressing “fake news”.
- Do you have a strategy for managing an expected short-term productivity drop? You need to manage morale and set the vision for once teams move through the productivity plateau.
- Do you have mechanisms in place to monitor what is going on? (e.g. pulse surveys, feedback channels, monitoring tools, sentiment analysis, asking people who will tell you the truth).

What will you need to do during the crisis (next 3 to 6 months)?

- Establish and maintain robust, two-way communication channels with your staff and managers with the assistance of your corporate communications team.
- Role model good distributed working behaviour to all your managers and staff. Appoint a trusted team member to give you feedback or coach you on this.
- Maintain a learning mindset - in this situation, you are unlikely to have all the answers.
- If revenues are declining, decide how you will keep your business going without crippling its potential to grow in the near future (e.g. taking on more debt, cost cutting, seeking new sources of capital, diversifying revenue).
- Prepare to scale your business when the crisis ends - what capabilities (skills, processes, technology, governance) will you need?

What might you need to do after the crisis (6 months plus)?

- Hopefully, you will need to scale, and you have spent the previous six months building the capabilities to do so.
- Develop a business as usual stance and apply the lessons that you have learned around productivity and employee engagement.

Technology groups

Who are you?

Technologists who work in your organisation's information technology group.

Current Diagnostic - What do you need to be doing right now?

If you are yet to undertake any preparation and testing for the crisis, it may be too late as the crisis is already happening. For those that have already started, you should:

- Ensure that everyone in your organisation is aware of the tools that are available and open a two-way dialogue with managers to manage 'shadow IT' - depending on circumstances, you may need to permit the use of unofficial tools so that people can keep working.
- Deal quickly and decisively with the inevitable mini-crises that will emerge. Is your service desk adequately staffed? Can your employees self-service?
- Watch for infrastructure failures in your supply chain (e.g. broadband providers, SAAS providers, etc.).
- Audit your licensing and subscriptions to determine those billed in non-Australian currency, such as US dollars, and evaluate the impact of the exchange rate on these transactions.

What will you need to do during the crisis (next 3 to 6 months)?

- Set up proactive monitoring capabilities to identify failure points in your organisation.
- Continue to work with your vendors to proactively develop contingency plans should critical infrastructure fail.
- Don't put off progressing with digital workplace initiatives. Assess and source the non-technological capabilities that you require to deliver these initiatives.
- Create a plan to deal with the inevitable shadow IT tools that have been bought, used and now embedded in organisational teams.
- Plan how to scale your capabilities up or down.

What might you need to do after the crisis (6 months plus)?

- Reevaluate your digital workplace plans in consultation with organisational leaders and team managers.
- Remediate any sub-optimal short-term solutions that have been implemented during the crisis.
- Review your vendors in the light of their performance during the crisis.

Technology vendors

Who are you?

You provide technology hardware, software and services.

Current Diagnostic - What do you need to be doing right now?

- Have you ensured that your infrastructure can scale with exponential demand?
- Are you providing the support that your customers need - especially if they reach out to your or you proactively identify a critical risk for them.
- Have you recognised that all of your customer's other vendors will be doing the same thing, so do not overwhelm them.
- Are you able to be flexible in adjusting delivery methods or your timeline, especially if you are mid-flight in a project?

If you bill in non-Australian currency, such as US dollars, consider the impact of the exchange rate on these transactions.

Also, be careful when offering free services to not-for-profits to ensure that they will be unable to sustain them in the medium to long term.

What will you need to do during the crisis (next 3 to 6 months)?

- Recognise that you should have a better understanding of the use of your tools in an organisation than any in that organisation. How can you connect advocates, if appropriate?
- Invest in your customer success and technical support services as these will be in heavy demand. Do your programs and services work in a distributed environment (e.g. online learning)?
- Ensure that your infrastructure and service monitoring capabilities are excellent.
- Focus on fixing bugs rather than rolling out new features.

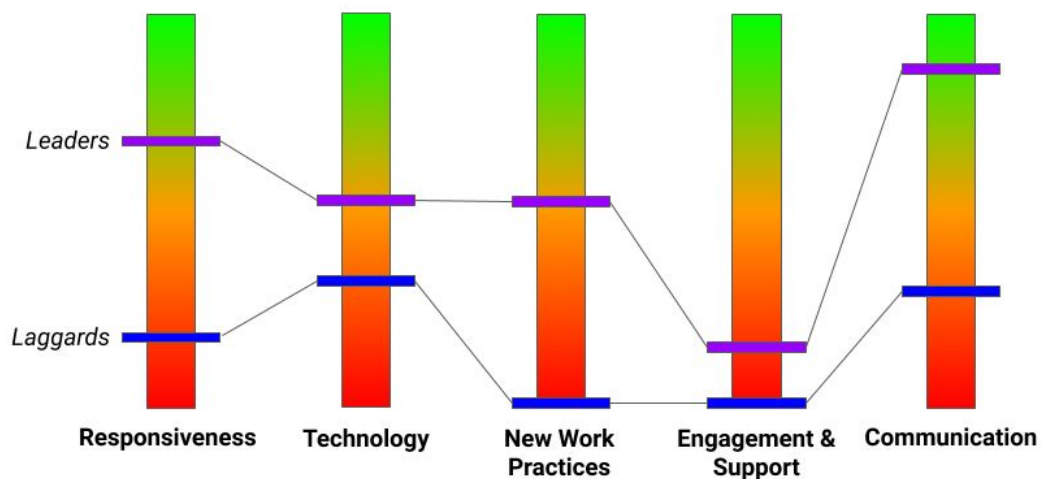
What might you need to do after the crisis (6 months plus)?

- Work with your customers on their longer-term product roadmap, digital workplace initiatives, and capability building.
- Proactively share insights across customers to add additional value.
- Explore innovative approaches to financing adoption and expansion of your products and services with customers who may be temporarily cash poor.

What is happening now

Overview

Looking across five themes that have emerged from our research on the current state of preparedness, we have attempted to gauge the level of current effectiveness in those areas. Naturally, there are caveats with such qualitative research, but we are confident that people interviewed represented enough of a range of business types to draw some conclusions.



In most of the thematic areas we identified, there is a sharp distinction between “leaders” and “laggards”, though there are exceptions. The gap is narrower than expected around technology. The overall pattern is strongly suggestive that while organisations that have some pre-existing capability to work in a remote or distributed fashion have been able to respond quickly and decisively, this first-mover advantage may be limited.

We noticed that the technology advantage of using cloud or SAAS in the current environment might be more limited than expected. Constraints exist because of either the capacity of vendors and services to support rapid demand or specific points of failure, such as legacy apps that require remote access so act as blockers. For example, while a team might have access to cloud-based collaboration tools, they may also need access to an on-premise only system to take action.

Where they exist, we are confident technology access issues will be fixed. But for the more distant horizon, we are more concerned that access to technology infrastructure does not mean an equivalent level of capability to manage or operate as part of a high performing distributed team. Unfortunately, poor performance could have profound economic and social consequences.

These themes are explored in more depth in the following sections.

Speed up or do the minimum

Organisations seem to be sorting into two categories.

Category 1: Those with elements of a digital workplace program in place are using the crisis to aggressively move forward with their program. This includes:

- Moving any remaining on-premise applications to environments like Azure Application Portal that remove the need for VPN access.
- Bringing forward planned digital workplace projects such as Office365 implementations. Programs that were six months away are happening now.

Leaders will have already sent home their staff in groups last week or earlier to identify any remote working issues.

Category 2: Everyone else. In the sales world, it is a truism that your biggest competitor in any deal is “do nothing”. “Do nothing” is now not an option. So many organisations are seeking to do the minimum.

Technology blockers

Whether leaders or everyone else, the major challenges that organisations face right now are legacy elements of the technology infrastructure².

- Legacy on-premise applications and the VPN and virtual desktop solutions needed to access them off-premise remain stubbornly in place.
- Many organisations are either buying enough VPN tokens to support all their staff or rationing access to VPN based applications that staff need.

² For example, ‘Work from home? ANZ narrowly avoids IT problems as ASX, Westpac staff infected’ <https://www.smh.com.au/business/banking-and-finance/work-from-home-anz-narrowly-avoids-it-problems-as-asx-westpac-staff-infected-20200316-p54ajx.html>

- Everyone is testing how their networks perform when all their staff log in via VPN. While these tests are sensible on their own, they cannot replicate all the issues that staff will face when everyone in Australia is doing this at once.

Agreeing new work practices

Research by the Leesman Index³ indicates that 47% of workers in Australia and New Zealand have no experience of remote working. Those who can work from home (82%) do so for up to one day a week. Nearly half (46%) use dedicated work rooms, and 28% use non-work specific home locations"

For those that have not worked remotely before the initial focus will be on hygiene factors:

- Do they have the right environment? E.g. Lighting, noise, distractions. Many family households are not set up to support two people working from home (plus kids off school).
- Do they have the equipment they need? E.g. laptop, tablet, phone, keyboard, mouse, monitor, chair, desk.
- Can they get access to the applications they need? Ideally, the network, VPN and applications should just work and be invisible. But many organisations are a long way from offering a seamless experience.
- Do they know the right ways of engaging their colleagues? Some people do not answer the phone. Some people do not answer emails. What are the "service level agreements" between team members?
- Do they have access to social support? E.g. Someone to talk to about their fears, if they are feeling lonely or overwhelmed.

In this new environment, role modelling is critical. Employees are smart enough not to listen to what their leaders and managers say (because it is often contradictory) but to observe what they do. And, unfortunately, many of our interviewees stated that leaders exhibit the worst collaborative behaviour. Some senior staff members do not turn up to online meetings promptly, are distracted in online meetings and do not pay attention. Smart leaders will appoint someone they trust to give their feedback on their collaboration behaviours. This will ensure that they are operating at the necessary level of performance.

The emotional labour of management

An under-recognised role of the manager is that of sensemaker and emotional regulator. The world is a confusing place and managers help both their subordinates and superiors make sense of it. A good manager recognises that their team is made up of people with values, beliefs

³ Via https://twitter.com/Leesman_Index/status/1240330020549206018

and feelings. They seek to encourage their team to manage their feelings productively (which is not the same as repressing them).

The uncertainty of Covid-19 has caused a panic reaction across the whole population – manifest in behaviours like public fist-fights over toilet paper. People are scared for their lives, their health, their families, and their livelihoods. Managers will need to reassure their staff members, not only by telling them facts but ensuring their staff both are and feel listened to and that their concerns are addressed.

Communicate like a boss

It should be evident that organisational leaders need to follow the basics of good crisis communications:

- People are overwhelmed so communications should be short and relevant to what they are thinking and feeling now.
- Communications should come from a single source but use multiple channels (email, SMS, personal call from a manager to their direct report) as no one channel is standard for everyone. You know that you have communicated enough when people ask you to stop.
- Communication should be two-way. You need to be listening as well as talking.
- Your people's need for information should drive your cadence. You will need to communicate more frequently in times of rapid change.

Some organisations are using their digital workplace platforms to enable both one-way and two-way communication across the organisation. More conservative communications practitioners might fear that two-way platforms open up the opportunity for disgruntled employees to vent. The truth is that such venting is happening anyway and dealing with these issues publicly is a great way of showing that the leadership is listening and acting.

Not just out of the office

In this report, we mostly focus on “knowledge workers”, a somewhat patronising term used for people who work in offices or in roles considered “white collar”. Workers with “blue collar” roles (whose jobs often require considerable knowledge) will require similar levels of support and care but the specifics of supporting them in their jobs will be different.

During the crisis (3-6 months)

Macroview

It is now apparent that the crisis will hit particular industries hard – e.g. hospitality, travel, cultural and sporting events. Consumer confidence hit a decade low this week⁴ (from a low base). The crisis will almost certainly trigger a recession in Australia and other geographies. Following the 2008 Global Financial Crisis, we have exhausted monetary stimulus tools, and many governments are either unable or unwilling to supply fiscal stimulus at this stage. There will be intense pressure on all levels of government to maintain service provision in areas such as health while dealing with declining revenue streams. This will lead to cost-cutting and redundancies in both the public and private sectors.

Technology infrastructure

- If staff cannot get the technology they need from their employer's IT department, then they will buy it themselves online. They will not care about security or integration issues. They just need to get the job done. This is 'shadow IT' but a shadow on the scale of a solar eclipse.
- In the rush to enable their workforces to work remotely, security concerns have been deprioritised. Organisations will need to review their security policies and infrastructure to ensure that they reduce their vulnerability to opportunistic cyberattacks and to mistakes made by staff working in unfamiliar situations.
- Australia's broadband network will come under significant strain. Many employers assume that with staff working from home, broadband issues become "someone else's problem". However, the public network has never been tested in this way before. Those homes in areas still using some form of ADSL may not be able to access the network, and therefore people might switch to mobile – which is far more expensive and also may shift congestion issues to that network instead. Organisations will need to enforce broadband rationing through asynchronous replication.
- VPN, virtual desktop, web-conferencing and other SAAS vendors will find their infrastructure tested as never before. Many organisations again assume that they have outsourced risk to another entity, but you can never truly make these issues "someone else's problem". Organisations need to work closely with their vendors to ensure continuity of service. For vendors, this is a "moment of truth". Those that come through will have built more trusting relationships with their customers. Those that don't will fail quickly. As Warren Buffet is fond of saying: "It's only when the tide goes out that you learn who has been swimming naked".

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<http://www.roymorgan.com/findings/8335-anz-roy-morgan-consumer-confidence-march-17-2020-202003162206>

- The leading organisations will continue to build out their infrastructure – access to budgets permitting. Vendors may wish to consider their payment plans for organisations that are in cash-strapped positions.

Maintaining and improving work practices - moving from panic to boredom

During World War I, a phrase began circulating to describe the nature of warfare: “Months of boredom punctuated by moments of extreme terror”. There will be moments of panic with Covid-19 - especially when either you or someone you know tests positive or is taken seriously ill or if a major piece of infrastructure fails. However, there will also be long periods of boredom. This can be an opportunity to do some activities that everyone has previously said they are too busy to undertake - such as:

- Cleaning up the intranet or document stores
- Building new personal relationships or repairing existing ones
- Engaging in continuous improvement or innovation programs (e.g. virtual hackathons)
- Building effective monitoring systems
- Digitising hardcopy documentation with appropriate metadata.

Above all, any downtime should be used to plan for what happens next. There is no excuse for coming out of this crisis without such a plan.

Productivity will take a hit with everyone in a household working from home and also having to look after children should schools close. Many organisations have “Employee Assistance Programs”. They should ensure that these services cover marriage guidance, parenting, domestic violence and substance abuse.

After the crisis

Macroview

Given the difficulty in predicting what will happen tomorrow, it would be foolish to say what will happen in a year’s time. Nevertheless, we can make some educated guesses.

- The economy will eventually bounce back. And once self-isolation and social distancing is over, people will yearn to go out, to come together collectively, and to travel.
- There will be a large number of unemployed people requiring support services and reskilling opportunities. Some of these people will take roles in the new growth cycle. Some of these people will move into the gig economy. Some of them will become entrepreneurs.

- The months of enforced time together, the stress and the boredom will lead to two outcomes for many families. Firstly, there will be a “baby boom” beginning nine months after the crisis. Secondly, without the pressure valve of escaping to the office, some marriages will not be able to survive.

Technology infrastructure

Corporate IT departments will have three options when dealing with the ‘shadow IT’ explosion:

- 1) If they can quickly release centrally-sanctioned alternatives, then they can move their staff off the shadow applications and into the controlled alternative. Smart organisations will treat the shadow applications as proof of concept experiments to inform their own versions and ensure high levels of user take-up.
- 2) If they cannot do this, then they will likely have to leave the shadow alternatives in place. They will then have to engage in remediation efforts to identify any applications that present unacceptable security risks and work to integrate the others into the organisation’s Standard Operating Environment.
- 3) The last and least favoured option would be for IT to shut down all these applications without quickly providing alternatives. This will simply result in staff reacquiring unsanctioned applications – but doing it in a sneakier (and riskier) manner.

Work practices - the new normal?

One option after the crisis is to return to pretend the whole thing did not happen and to return to the old ways of working. A more productive option would be for managers and staff to review their work practices in the light of what they have learned from the crisis. Part of that will be where work gets done. Everyone benefits from a more mindful approach to how to choose between being in the office, working from home, and working elsewhere. In a harsh economic climate, the temptation for employers will be to use this as leverage against their remaining employees to extract terms of work advantageous themselves. This only lasts as long as the economy gives an employer that leverage. A more sustainable approach is to view this as an opportunity to make everyone’s lives better. Such negotiation should start work like any other:

- Start by focusing on what each party wants, needs, and values.
- Proceed on to the win-wins.
- Create an agreement that contains concrete provisions (e.g. where people need to be in specific circumstances), but that also allows the flexibility that life inevitably demands.

This is going to be hard. So we need to do our best to make it easier for each other.

Be kind.

“Day two and I'm already bored”⁵

⁵ 'Coronavirus has forced many of us to work from home. Here's what that looks like'
<https://www.abc.net.au/news/2020-03-18/coronavirus-covid-19-working-from-home-self-isolation/12066322>

How we wrote this report

We would typically conduct extensive interviews and surveys to underpin our point of view but the dynamic nature of the crisis means that a little data now is better than a lot of (out of date) data later. We interviewed individuals in our network who work in or have an appreciation of the digital workplace space in organisations, we reviewed the literature and we monitored social media for insights and stories. Above all, we followed sound distributed, collaborative practices - checking in with each other regularly, tagging relevant content for each other, and making drafts of material available to each other early using a content collaboration tool. Knowing each other for 15 years probably helped as well.

Who we are

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