

The End of Remote Work?

27/02/2024 Not everyone by a long shot has the chance to work largely from home. However, those who do get that chance — on a temporary basis — are then reluctant to give it up. This is a controversial topic. "Nonetheless, there are good ways of preventing conflicts between employers and employees from arising in the first place," says Dr. Wolfgang Freibichler, the author of this article and a partner at the Porsche Consulting management consultancy.

Back to the office? Many people find working from home so attractive that they would be happy if they only rarely had to return to the office. Executives and HR managers have been addressing these preferences, and will need to continue doing so in the future. But how, exactly? What makes sense here? Which models can managers use to retain their employees and how can they recruit new staff? Exceptional levels of flexibility are called for — from companies themselves and from all managers, not just in HR. One major insurance company, which earns top reviews as an employer in business rankings, shows how this can be done.

Zurich Group Germany has been successful with its new "FlexWork 2.0" model, which gives employees a high degree of flexibility. The model benefited from the experience Zurich gained during the peak of the COVID pandemic, when many workers were required to stay at home; and during the period

immediately thereafter, when employees could choose whether to come to the office or remain home. Zurich announced a new goal: to achieve a "healthy balance between sustainable company success and individual needs." FlexWork 2.0 defines three categories that give employees different levels of flexibility in selecting their place of work. The "FixOffice" category requires its members to spend 100 percent of their contractual working time at fixed work stations on company premises. In the "HomeOffice" category, employees may work from home up to three days a week, and spend the other two days at the company.

The "FlexOffice" category, which covers most of Zurich's workforce, offers the greatest flexibility. Under "FlexOffice" rules, the place of work is secondary to the task. In consultation with their supervisors, employees can decide which location is most suitable. That might be on company premises or somewhere else. The "FlexOffice" category does not require office presence on specified days — unless that serves the interest of the task at hand. Per quarter, these employees may work outside the company an average of 50 percent of the time. This in turn lowers the company's space requirements. Zurich has converted the office space thereby freed up to other purposes such as conference and creativity rooms.

Presence does not equal performance

Dr. Carsten Schildknecht, CEO of Zurich Group Germany, describes his company's intentions as follows: "FlexWork 2.0 is an expression of the high level of trust we place in our employees. We enable freedom in choosing work locations, yet we also make it clear that for us as a company, it's important to ensure direct contact with customers and partners as well as interpersonal relations among co-workers and on teams."

Zurich's example shows that new guidelines on collaborative work also require new ways of thinking. Roles, tasks, and actions are changing for managers on all levels. Control has given way to coordination. Mere presence in an office is not the same as performance. How and where this performance is provided can now be a matter of the employee's discretion. It is the supervisor's job to ensure that overall targets are met. Modern managers are placing more trust in their team members' ability to work independently. At the same time, they are contributing to their companies' success by astutely coordinating the skills and capacities of their staff members. The main task here is to steer — within the guardrails or guidelines that every company and every organization should be setting up within its models for collaboration.

Freedom also means responsibility

These guidelines serve an important orientational purpose. Yet they are evidently still in short supply. Only 27 percent of German companies surveyed by Porsche Consulting are developing new guidelines to govern modern types of collaboration. In order for the guidelines to develop their full power, existing target and incentive systems also need to be scrutinized. For the more freedom and responsibility

employees have, the more important it is to have systems that measure individual goal attainment and combine personalized incentives with performance-based compensation. After all, freer models of work also require greater motivational measures for employees to assume more entrepreneurial responsibility. And for them to no longer view their job as "just doing what the boss says."

As part of a Change Management Compass analysis, Porsche Consulting surveyed top managers at Germany's 100 largest companies about the changes underway in large parts of working life. Around 90 percent of survey participants shared an important observation: when people are given the chance to determine temporal, locational, and focus-based aspects of their professional lives, they are much more productive. However, the survey also showed that around half of managers in Germany do not find it easy to shift more responsibility to their employees. This is also noted by Uwe Schöpe, the experienced chief HR officer and work director at Zurich Group Germany. In a televised interview he observed, "There are managers who are skilled at handling remote workers, who grant their employees freedom, and whose teams are still productive. Other managers need some guidance in how to achieve that."

Balance and discernment

Generally speaking, every company — in conjunction with their employees — should find the right balance between working from home and coming to the office. Regular on-site meetings are relevant for a sense of community and important for a good working atmosphere. Sixty-three percent of managers surveyed by Porsche Consulting for the Change Management Compass are convinced that potential concerns on the part of employees working remotely are less visible and therefore less apt to be recognized and understood. It is important to work together on a team with physical presence, but that does not have to be every day. The combination is what leads to success.

Studies by Porsche Consulting in different sectors have yielded the recommendation that team members should meet at their place of work at least once a week. Among other things, this fosters informal dialogue among colleagues and mutual learning opportunities by virtue of direct contact, neither of which should be underestimated. Zurich Group Germany's HR head Uwe Schöpe, agrees. "We're sure that regular in-person contact is important for a corporate culture to work well. We at Zurich want to keep developing our shared identity."

Flexibility for everyone

The direction is clear: a strict "No more remote work" policy is no longer compatible with the changes taking place in the working world. Flexible and more nuanced solutions are needed. Furthermore, there are good chances that this will raise the ability to reconcile professional life with a family and private life to new levels. The option of working from home also relieves pressure on people with responsibilities such as caring for family members.

One point should not be forgotten in discussions of remote work, namely that only some groups of

employees are in fact able to enjoy more flexible conditions. According to the Federal Statistical Office of Germany, that was the case for 24.2 percent of the country's employees in 2022. Conversely, however, that means three-quarters of employees in Germany continue to work on site every day at their companies. Many occupations, such as machine and equipment operators, tradespeople, and retail sales staff, have strict on-site presence requirements. But here too, within the realm of possibility, employers should be developing more flexible models and incentives if they want to retain their personnel and design attractive options for the next generation.

The author

Dr. Wolfgang Freibichler is an expert in business management and a partner at Porsche Consulting. His counsel is followed by top managers from the automotive, mechanical engineering, electronics, and construction supply industries as well as the banking and insurance sectors. His experience derives from strategic consulting for more than 1,000 leadership personnel in 14 countries. The author of numerous books, studies, and technical articles on business management, he plays key roles in research projects to identify crucial factors for success, conducted with institutions such as the University of Cambridge and Harvard University. His own education as an industrial engineer at the Technical Universities of Darmstadt and Karlsruhe was supplemented by a French Grande École degree from a dual program with the Grenoble Institute of Technology. During early years of professional work in Germany and China, he earned a doctorate in strategic management consultancy from the University of Hohenheim in Stuttgart.

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Image Sublines

Path: The End of Remote Work?/Images/img_1.jpg
Title: Greater chances for remote work, 2024, Porsche Consulting GmbH
Subline: Of German companies with more than 500 employees, 94 percent offer the chance to work from home. The smaller the company, the lower the odds for flexible work models. That is one result of a 2023 survey of 540 HR directors commissioned by Randstad and conducted by the Munich-based ifo Institute. Some 59 percent of employees want to choose their place of work at least some of the time. Around 40 percent would not take a job without that option. Among young employees (18–24 years old), half insist on the possibility of remote work, according to the "Randstad Work Barometer" study. © Randstad/ifo-Institut

Path: The End of Remote Work?/Images/img_2.jpg
Title: Dr. Carsten Schildknecht, CEO of Zurich Group Germany, 2024, Porsche Consulting GmbH
Subline: Dr. Carsten Schildknecht, CEO of Zurich Group Germany, enables freedom in the choice of working location: "We place a high level of trust in our employees." © Zurich/Richard Unger

Path: The End of Remote Work?/Images/img_3.jpg
Title: Little flexibility, 2024, Porsche Consulting GmbH
Subline: Not every profession or occupation can be done remotely. Machine and equipment operators, tradespeople, and service providers, for example, generally have to be physically present at their sites. Here, too, companies should be developing alternative solutions for more flexible work models that benefit both their employees and themselves. © Employee survey/Federal Statistical Office of Germany (Destatis)

Path: The End of Remote Work?/Images/img_4.jpg
Title: Uwe Schöpe, Member of the Executive Board for Human Resources at Zurich Group Germany, 2024, Porsche Consulting GmbH
Subline: Uwe Schöpe, Member of the Executive Board for Human Resources at Zurich Group Germany, speaks from experience: "There are managers who are skilled at handling remote workers, who grant their employees freedom, and whose teams are still productive." © Zurich/Jörg Sänger

Path: The End of Remote Work?/Images/img_5.jpg
Title: Greater freedom, 2024, Porsche Consulting GmbH
Subline: In 2022, 24.2 percent of employees in Germany worked from home, and 14.7 percent worked from home every day or at least half the time. That is twice the level of pre-COVID figures. Self-employed persons with their own employees work remotely much more frequently than people in dependent employment relations (38.7 versus 22.1 percent). © Employee survey/Federal Statistical Office of Germany (Destatis)

Path: The End of Remote Work?/Images/img_6.jpg
Title: Dr. Wolfgang Freibichler, Partner at Porsche Consulting, expert in new types of collaboration, 2024, Porsche Consulting GmbH
Subline: Dr. Wolfgang Freibichler is a partner at Porsche Consulting and an expert in new types of collaboration. As a consultant for top-level managers, he has spent many years studying the roles and needs of people in professional life. © Porsche Consulting/Jörg Eberl

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