The Impact of Remote Work on Leadership Teams

Amrop explores the leadership challenges of remote work models in global technology companies

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Leaders For What's Next

Contents

Foreword

Large technology companies have broadly embraced remote and hybrid work models and the responsibility of creating work environments that allow them to operate efficiently and support employees in performing productively.

There has been a lot of emphasis on the impact of remote and hybrid work models on employees, but much less on the challenges faced by executive leaders adjusting to this new landscape.

Amrop interviewed 12 multinational technology and IT organizations to understand the impact of remote and hybrid work on business performance, best practices, and the challenges executive leadership and middle management teams are facing when it comes to running teams within remote and hybrid frameworks.

We spoke to CEOs, HR leaders and Technology heads, across a range of tech sub-sectors.

We analyzed and compared participants' insights in five key areas:

1. Challenges posed by remote / hybrid work models, and their impact on business performance

2. Strategies and best practices: changing company cultures

3. The emergence of new leadership competencies

4. Tipping the balance of power: the future of work in the technology sector

5. Current remote / hybrid work models of the interviewed companies.

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Participants

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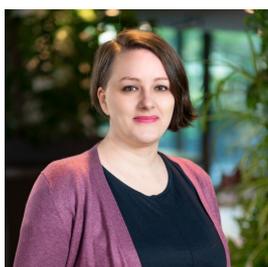
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The shift to remote leadership

Key Insights

Key Insights

The move to remote and hybrid work has triggered the largest shift in professional working patterns in decades, the consequences of which are yet to be fully realized in the corporate world. The effects are felt across a wide range of areas including employee productivity, leadership styles and skills, technological development, succession planning, company culture, mental health and many more.

Meeting in the middle

"The pandemic forced us to recognize that a main reason employees previously had to spend so much time at the office was so that managers could physically control them and literally see what they were doing at any given moment," says Ewa Baranek, Partner at Amrop Poland. "Those who find it hard to give up this type of control and still feel the urge to micromanage, struggle to adjust to the new circumstances." The new leadership is very much about trusting employees to do what they're supposed to do.

"There are leaders who believe that everything will be solved when they manage to get everyone back to the office," Baranek continues. "And yet there's clearly a resistance from employees which it would not be wise to ignore. Especially when it comes to the technology sector, it is obvious that employees won't budge and, if forced to come to the office more than they deem necessary, or in many cases, at all, they'll simply look for a more lenient employer." As one of our interviewees said: "On a macro-level, power is generally shifting more towards the employees and away from the corporations."

"Smart leaders who think long term will pick their battles and won't attempt to force people back to the office," Baranek says. "They may use positive reinforcement and create circumstances where people want to come in and find it useful, but just as much focus needs to be directed at making the hybrid work model really work for the organization."

Creating together

"Leaders cannot assume that previous models will continue to work, when the professional landscape is largely hybrid," says Matej Taliga, Partner at Amrop Slovakia. "Hybrid and remote work models are not a problem in themselves, but management teams which pretend that it is possible to continue as if nothing has changed are very likely going to experience issues in their organizations.

Hybrid models require substantial adjustments in leadership mindsets – not merely moving meetings to take place online. That's not to say that the technology isn't important – but it's only the baseline."

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"Smart leaders who think long term will pick their battles and won't attempt to force people back to the office."

Many organizations have already taken a step further and identified a model that functions well in the hybrid environment: inviting people to the office for tasks that cannot be performed successfully remotely, like brainstorming, creative work, and strategic planning.

"Most leaders from the tech companies we've spoken to talk about how much easier and more organic it is to exchange ideas and "connect the dots" when people are in the same room," Baranek explains. "Some even say that it's the only way these exchanges can be truly productive. Organizations don't want to bring people back to the office for the sake of it, but rather to have them on site for team and creative work, and effective communication."

"The same goes for socializing, which is of no less importance because it helps the team leaders to convey the company culture and values, and creates a sense of belonging in their teams," adds Taliga. "Meeting in person has a positive impact on employees' wellbeing and mental health – those more introverted can really benefit from sometimes being dragged out of their homes!"

Learning leadership

There are additional challenges that need to be addressed when thinking about remote leadership. These include aspects like career development and succession planning, which don't have an obvious way of unfolding in a hybrid or largely remote professional environment.

"For example, first-time managers can miss out on their own development and successful acquisition of leadership skills, if they are working in a largely remote environment from the get-go," says Baranek. "They don't have a chance to directly observe different management styles and ways of working across the larger team of managers. This needs to be addressed specifically, by introducing strong mentorship programs for new managers."

The same goes for employees in positions where it has been common to learn by observing and collaborating with one's peers.

"Organizations where skills are acquired in this way need to address it," says Milos Djurkovic, Managing Partner at Amrop Adria. "Some attempt to tackle it by requesting new employees to work in an "office-first" mode for the beginning of their employment to increase their chances of learning by observation. That, of course, requires that enough peers show up to the office at the same time, but, if addressed properly, such a challenge can be solved. It simply requires conscious action and planning."

The network structures

A less hierarchical type of organizational structure is emerging as a result of the shift to hybrid work models. "Within these more decentralized, more flexible organizational structures each employee can be said to emerge as a small-scale entrepreneur," says Viesturs Liegis, Managing Partner at Amrop Latvia and Amrop Ukraine. "The magnitude of this shift is reflected in the general increase of people working freelance globally, but very much applies to the changing work modes observed in tech organizations everywhere."

"This shift relates to the previously mentioned issue of learning on the job – the emergence of network structures means there's a decrease in less qualified work and increase in 'smart work'; and there's the expectation that the employee, as a 'small-scale entrepreneur', will appear fully skilled and start adding value to the organization from the beginning," said Liegis.

Working as a free agent has its impact on how an organization's culture and values are conveyed and internalized too. "Shifting to network structures in a hybrid environment requires that companies really think about how culture and values are embodied. What's evident in the new environment is how substantial the idea of an organization's culture and values actually is," continues Liegis. "Previously it might have been more about statements on the company website or slogans printed on the walls, which employees hardly even noticed. Now it's high time for leaders to recognize how powerful these factors can be if introduced properly, and how much influence they can have as we continue working in the hybrid environment."

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1. The impacts of remote work models on technology organizations

Amrop found varying opinions regarding the effectiveness and longevity of remote and hybrid work models. Companies face challenges in adapting new models to different geographies and functions. While some track effectiveness using tools, there is still a strong human factor at play. Many executive team members have a "gut feeling" that something is missing and acknowledge the difficulty in fully replicating the benefits of in-person communication in the digital world.

Amrop asked our interviewees about the challenges posed by the new working models on their organizations, and their potential impact on performance, productivity, and overall organizational success.

CREATIVITY

"Creative work, R&D, and analysis don't really work remotely," says Mazurkiewicz from BLIK. "Not being at the office means less productivity in these departments, less teamwork, less brainstorming. Singular activities can, of course, be accomplished remotely; however, when we consider the company's future needs, strategic projects, as well as how business ideas are generated through spontaneous communication – all that plays a significant role and cannot be accomplished remotely."

Mazurkiewicz notes that his company observed a drop in productivity when the work model was fully remote. "During the pandemic we focused on operations and maintenance, which is, of course, insufficient when it comes to the longer-term perspective of a business – when no time is spent at the office, it affects productivity," he states.

Another issue is the integration of new employees: "If we talk about employees who were hired during or after the pandemic – had it not returned to at least a hybrid model of work, it would be almost impossible to integrate them in the company. When they finally came to the office for the first time, it felt like onboarding all over again."

Drzewiecki from SoftServe shares a similar opinion: "There's data showing that innovation suffers when people don't collaborate at the same premises. Innovation and creative work should be done mostly on-premises, while core business and tech functions can remain hybrid or even mainly remote."

Unconscious innovation seems to play a more significant role than we might want to think, and it tends to happen in a natural setting where thoughts are exchanged. Drzewiecki says, "Many innovations are a happy accident, and remote work removes the possibility of that. Different departments need to be together throughout the innovation process – it's much easier to move things forward, discuss both operational aspects and how to work together. When it comes to patents, a smooth collaboration with the legal team is vital and this is much harder to achieve remotely."

Similarly, Bakshi from Wipro has also observed that the quality of creative work suffers. "Remote teams don't create as well as they do when they're together. When people meet physically, the ideas that are generated are far better. Yes, we have tools which enable online work, but people themselves also feel that being together is more efficient."

PRODUCTIVITY

Arnava from Accenture offers a more positive outlook than many of her peers, stating that employee productivity has not suffered – if anything, the opposite may be true. "Remote work was not something unexpected for us, since we already had the option to sometimes work from home," Arnava says. But, like Richnak, she also emphasizes the hiring challenges companies now face: "The IT talent market has become extremely competitive due to the new modes of work, and we have to fight to remain competitive salary-wise."

Michnova from ERSTE Digital says that while a hybrid work model has not created quantifiable productivity issues, they also see a connection between hybrid work and a need for stronger employer branding: "There was a phase of higher turnover during the pandemic. Now the situation is quite stable, but we are still heavily hiring – there are lots of positions to be filled, which is why employer branding is now very important."

RELATIONSHIPS & COLLABORATION

Abbott from Efigence is certain that remote work causes a decay in personal relationships, as employees identify less with the company, which reduces the strength of that connection: "It has a downside for the employees too – they're less recognizable and known to the company, which means that their career path can be stunted as well."

And there are other limitations. "We've noticed that working remotely in English is a challenge to those for whom it's a second language. Also, when it comes to certain activities: I wouldn't schedule a strategic workshop online, since it just wouldn't work. And I don't mean that it wouldn't be as effective; I actually think it wouldn't work at all. Certain activities don't work online, especially when working with people with whom you don't have a prior personal relationship. There are things you can do remotely and things you can't do, like strategy work, cultural change, individual performance management. After all, the whole concept of business travel is built around this idea."

Abbott also sees that young people are especially missing out on development and understanding. "I'm not saying that something new will not replace the "old ways" of doing things," he considers. "But we need to be aware that it's not enough to just remove something – a new approach has to replace it."

Different geographies within the organization can also present different challenges. Zrnic from Zühlke explains: "There are locations where people are expected to be at the office 50%. But cultural differences do exist, meaning that in some places even this expectation of 50% presents an obstacle. In some countries, Zühlke's leadership teams insist that their employees return to the office because they feel that the sense of belonging is missing." This was also reflected in the internal survey Zühlke ran last year. While employees value having a choice in the work model, they also report feeling the lack of connection: "People are missing real, physical human connection, but at the same time many choose not to be at the office more than once per week."

Petrovic from Yettel agrees that, although the company achieved its best financial results and experienced no drop in productivity over the last three years, collaboration and teamwork strategies now need to be addressed more than before: "People need to communicate and collaborate more closely and do it intentionally – and this is something that needs to be addressed by the team leaders."

Perception matters too. "We run an employee engagement survey a couple of times per year," says Bichl from Allegro. "And it tells us that many things within an organization are about perception. For example, the perception of those employees who come into the office regularly is that they communicate better and are better informed than the people who work remotely. At the same time, those who work remotely feel disconnected. Perception is not fact, but it is important and can make a difference."

ATTRACTING TALENT, ONBOARDING & RETENTION

In today's "employee's market", companies have lost their upper hand in negotiations with potential hires. Bruģe from Tet admits that due to the scarcity of specialized talent they've been hiring people across the country on a fully remote basis: "During the pandemic many people sold their apartments in the capital cities and moved outside of the city; these are the employees who find it burdensome to come into the office even once per week. Many of the IT specialists present us with an ultimatum: they'll work remotely, or they'll go and work someplace else where this is possible…"

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Bruǵe would like to have people at the office at least two days per week: "We don't want to issue an order, but if it doesn't happen in the long run, there might not be another option. People are very much used to working remotely, and they might even be more productive on some level, but we feel that the informal exchanges are really missing, and that's creating problems in communication between departments."

Bruǵe also mentions the challenges that leadership teams are facing. "When asked if they need support with remote leadership, they usually reply: "Yes, we do, please get them to come back to the office!"", she laughs. "Not all leaders are dealing with remote and hybrid leadership equally well, so it is our priority to train them and offer our support both in leading within the new set-up and incentivizing people to come to the office more."

The disruptive effect of remote working on the IT talent market is also felt by the natural gas network operator in CE. The company's fomer IT director confirms this: "IT is a very competitive field in terms of talent availability and many of the larger companies are offering fully remote employment contracts. We cannot compete unless we do too: candidates immediately ask if they'll be able to work remotely, and, unless it's a yes, they're not interested. Often, it's because they've moved outside of the big cities, but now it's also that within IT you can work for other, higher-paying countries, while living in a country with a lower cost of living. In this regard, the remote work models have definitely had a negative financial impact on the company, since we cannot afford to offer the same salary level and have lost a lot of talent."

Company loyalty is also seen to be suffering. "Not being at the office results in a decrease in loyalty, but it's especially true for employees below 30 years of age. For the 40+ segment the impact is lower, they are more stable and attached to the organization," he mentions.

The former IT director has also noticed that employees' perception of their own productivity often differs from management's view. "Employees think that they are more efficient, they say that they're working longer hours than before," he explains. "Yet individual performance levels are the same as before, whereas the productivity of group discussions and brainstorming is much lower. In my view, when they're at home, people don't feel the same kind of urgency, the pressure of back-and-forth discussion in collaborative work. When strategies are created in online meetings, the results are very average."

Richnak from Zlavomat talks about both challenges and advantages presented by the hybrid work model. "For a while it felt like the situation in the labor market was unfair, because most of the time candidates were expecting to be offered a fully remote position," Richnak explains. "Now, when even some of the tech giants are going back to a hybrid model, the situation has improved." Richnak would like employees to spend much more time at the office, preferably in a fully on-site model, but he is aware of the benefits that a hybrid model offers to employees and doesn't believe that trying to enforce more time at the office would actually benefit the organization: "Employees want a model that's even more remote, while the company wants them to spend more time at the office; at the moment both sides seem to accept the current balance."

Similar concerns are voiced by Bakshi, and he emphasizes the regional differences within the organization. "As an example, when the pandemic started it took seven days for the Romanian branch to move online, while there were countries where the move took about a month," Bakshi explains. "There are also infrastructural issues across different countries: in Europe there was no problem with phone connections or high-speed internet access at home, but for other countries like the Philippines it posed a massive problem, therefore people were still coming to the office."

Now the company is facing employee resistance to return to the office. "Moving away from the big cities and working remotely became the new normal and now we're facing the consequences – people cannot connect to the company, and you start losing them."

Wipro has experienced higher employee turnover since remote and hybrid work models were introduced. "One reason is people wanting to go hybrid and not being allowed. But more than anything, in the IT sector it is now an employee's market, not an employer's market – they demand to work remotely, and that way, for the new employees, the connection with the company is not formed. If your only link to the employee is your paycheck, then, once anybody offers you an additional 100 euros per month, you jump!"

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2. Strategies and best practices: changing company cultures

Amrop identified several distinct areas where organizations introduced bespoke solutions to the daily work of the organization.

1. Infrastructural changes

2. Adapting the communication culture

3. Defining activities which require in-person presence

4. Relying on middle management to organize the particular hybrid model for their teams

5. Helping leaders adapt to remote leadership

6. Prioritizing social interactions, employee-driven activities and mental health.

INFRASTRUCTURE

"As we moved into the hybrid mode, we really needed to have both culture and infrastructure in place, to guarantee efficient communication," says Mazurkiewicz from BLIK. "We were not prepared for the hybrid mode. For example, we didn't have a proper meeting room set up where some participants are at the office and some join remotely. We sometimes just all had to go back to our desks and open Teams! Such an issue might seem basic but can actually be very disruptive. The organization also learned that with online meetings it's important to limit the intensity of the meeting schedule: "We learned not to give people six back-to-back online meetings per day, which proved counterproductive."

As the transaction and e-commerce markets grew exponentially, BLIK too grew a lot. Rather than experiencing serious challenges, they instead benefited from the market situation. "However, even though the number of employees grew significantly over this period, we decided to keep every single desk for every employee, rather than introduce the desk-switch system and limit the office space," Mazurkiewicz explains. "We want to encourage people to come to the office, and having your own space makes it much more personal and sends the kind of message we want to convey. We're striving towards a situation where managers and their teams dedicate time to come to the office for discussion and brainstorming, while the more compartmentalized work can be done remotely."

Bakshi from Wipro describes the infrastructural changes that they were faced with: "Pre-pandemic we were attracting people to offices in larger cities, whereas now offices need to move to the employees. Instead of large hubs with thousands of people working there, I think we will end up with small hubs in smaller areas, where you can still work together as much as necessary, but only need to go to the nearest office."

Wipro too experienced the need to limit the intensity of daily agendas. "During the pandemic the calendars became full," Bakshi recalls. "There were lots of back-to-back meetings without the natural breaks between them that happen in the office. We've tried to address that: now when you set up a meeting the calendar has an automatic recommendation to have a 45-55-minute-long meeting rather than one hour, to include breaks. This way we wanted to address issues with work-life balance and boundaries. But I have to admit, it is still limited."

Wipro also encourages the managers to come to the office more and organize team-level activities. "We want to make sure that, when people actually come to the office, they're not sitting in online meetings," Bakshi mentions. "There are different activities organized, external speakers invited and so on, but the resistance to come in is still there. We're trying to develop more infrastructural benefits, like, come to the office and charge your electric car for free."

COMMUNICATION CULTURE

Improving infrastructural aspects goes hand in hand with adapting communication culture for Efigence too. "We used to say that the IT industry is "remote native", but the fully remote experience clearly demonstrated that it was not the case," Abbott says. "Previously hybrid meetings were not really functioning – to put it simply, the people in the room mattered, while the people on the screen didn't. That has changed now."

At Efigence, different work models are in place around the world. For example, in Saudi Arabia everyone goes to the office, in North America it's 2-3 days at the office, whereas in Europe 80% of the staff work remotely, and they're attempting to increase the amount of time people spend at the office, where the numbers are low. "We're basically trying to lure people in," Abbott admits. "It's a matter of picking your battles - and forcing definitely doesn't work. We're trying to create reasons for people to come in, and we focus a lot on development planning, getting people to consider what they want to learn from others."

"None of the meetings now are held fully "in person" at Accenture," states Arnava. "The infrastructure is adapted so that there's always a possibility to join remotely. People try to be at the office for meetings which are meant to be primarily in-person, but the general attitude is very understanding." At Accenture Baltics the remote-first model has been widely accepted and poses no challenges regarding the organization and employee productivity. "It is not the office that generates the sense of belonging, but rather how you work and communicate within your team," she continues. "We offer people the opportunity to work from abroad for periods of time too, and people are generally grateful for having the freedom to decide and self-organize. Positive reinforcement works best."

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A similar opportunity - the possibility to work from abroad for a limited period of time - is extended to employees by Tet and ERSTE Digital. "At Tet we allow people to work from abroad for up to three months per year," explains Bruģe. "IT specialists really appreciate it, and it has made us much more competitive as an employer. We also now discuss the work arrangement expectations very clearly during the interviews. It is almost certain that people will have certain expectations with regards to the level of remote work they want to do, and it is important to discuss and agree on it upfront."

Echoing the view that time at the office should not be spent doing individual work or attending online meetings, Drzewiecki from SoftServe shares the organization's internal rule: "When we have to innovate together, we meet. When it comes to thinking and planning together, we meet, be it once a month or once every two months. There's no point coming to the office for what is essentially still remote work. Belonging is expressed at team-level - the people working together on a project become a 'family' unit." Additionally, each of the company's seven offices offers at least one social or subject-driven event monthly, which have approximately 25% attendance.

He adds that at SoftServe everything is well measured: "It's even more of a data-driven company now, and we can really measure if people are delivering the work. One of the related changes we introduced in the culture is that the focus now is much more on the outcome than on the tasks performed to reach it."

LEADERSHIP ADAPTATION

Some organizations have tackled or even prevented issues caused by the transition to remote or hybrid work models via leadership skills improvement – helping leaders to adapt so they can work successfully with their team.

"We wanted to know if leaders were able to work effectively with their teams in a remote manner," shared Petrovic from Yettel. "We tracked employee turnover, to see whether it had increased after the new work models were introduced. It wasn't the case, however, and we saw that the leaders were adapting to the situation on a project-by-project basis, organizing the work as they deemed necessary."

Yettel frequently ran engagement surveys, which included questions about leadership support. "Based on the results, we implemented new incentives around how to best support employees, make them feel better, less isolated, like they belong to the company," Petrovic continues. "Our goal was not to bring them back to the office but to provide them with what they felt was missing. People wanted more flexible working hours, and really appreciated the opportunity to work remotely. It was difficult for the leaders at first, but they adapted to the situation."

The former IT director of a natural gas network operator agrees that one of the fundamental changes faced by company was related to leadership skills. "We realized that as managers we need to be much closer to our employees, to keep them emotionally linked to the team," he admits. "Now we're considering issues around inclusion much more carefully and we still need to find other ways to do it now that people are not with us in the room." One thing that they quickly decided against was the use of various control mechanisms which had seemed useful at first to track employee productivity. "We realized that it would send the wrong message to the employees - we were certain they would feel as if we were treating them as robots, who are supposed to stay in front of the screen for eight hours and click on the screen at certain intervals." This realization is echoed by Bruģe from Tet, who explains that they tried using the tracking app DeskTime: "We quickly quit it, because the employees were very unhappy about it – they reported that they felt a lack of trust."

PRIORITIZING SOCIAL INTERACTIONS

Despite the fact that remote and hybrid work models are usually preferred by employees, many of the organizations Amrop spoke to are considering the impacts on employee's mental health, the sense of belonging and the need to socialize with their coworkers. Rather than simply focusing on having employees come into the office for a certain number of days per week, they prioritize social interactions and educational and employee-driven activities during the on-site periods.

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"Our managers organize various activities for their teams for the times they are at the office," Bruģe explains. "Otherwise, employees tell us that there's no difference between working from the office or from home. So, it's usually something special – larger meetings, training sessions, brainstorms… it's about the emotional connection."

"These days employees themselves come up with many social initiatives, which they're participating in even out of office hours," reveals Zrnic from Zühlke. "They have game nights, parties… The management team is also organizing "lunch talks" on various topics, and all of this is happening regularly - more than once per week." Bichl from Allegro reports similar activities: "There are various incentives, mainly around employee-driven communities and activities: yoga, dance, board games, and more."

Michnova from ERSTE Digital also considers the varying attitudes employees have towards work models and how it affects their performance and wellbeing. "There are people who are very happy to be coming back to the office – these are the ones who need closer cooperation with their colleagues," she explains. "Everyone can choose what suits them best – for us it's important to balance the needs of the company with the needs of an individual." The company has also introduced new benefits for employees: "We wanted to help employees with work-life balance which had become an issue during the pandemic, when many people sought psychological help. We've added a contribution to psychological support and healthcare, which was very welcome by employees."

Richnak from Zlavomat admits that, while employee engagement surveys show that no special improvements are necessary, they are considering investing more in mental health support for employees: "It might not be currently necessary, but the pandemic experience showed that it's a meaningful and valuable benefit to add to the basket. Likewise, we value social interaction more than ever: even employees now perceive their time together at the office as beneficial for social reasons."

"Previously… people in the room mattered, while the people on the screen didn't. That has changed now."

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3. The emergence of new leadership competencies

Although many recent studies have focused on the employee experience, or the difficulties of defining hybrid work models, Amrop was interested in understanding the challenges of executive leadership teams within the new work environments. Are organizations proactively helping their leaders navigate the new hybrid landscape, and are new leadership competencies emerging?

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Amrop identified several distinct and recurring areas where leadership adaptations and new competencies have emerged.

+ Acknowledging that leading people in remote mode is different

+ Acknowledging that remote models create a false sense of self-management (which both employees and managers believe)

+ Distinguishing between tasks that can be done remotely and those which should be done on-site/in-person

+ Balancing leading online and offline simultaneously

+ Balancing between providing more precise instructions with having broader strategic discussions

+ Trusting teams more, avoiding micromanaging, and offering more emotional support

+ Ability to show teams that their work is meaningful and part of something larger.

"...the future of leadership in this new hybrid environment is characterized by kindness."

Most interviewees view the current situation as requiring some changes in leadership style and competencies.

"The organization was reasonably adept at remote work before, but now it's a standard," explains Abbott from Efigence. "There were learnings for the management team, but we didn't experience huge management turnover, which could be considered a sign. Managers are faster to see the benefit of being in the office - the fact that their roles rely a lot on in-person communication."

However, Abbott and some others worry that the sense that 'not much will change' for leaders in a hybrid setting is probably misleading, and that new skills and competencies, which are not always easy to pinpoint, would have to be developed for fully successful adaptation. Abbott, for example, is not convinced specific remote management skills are at the necessary level: "I cannot prove it, but I have a sense that there's a certain amount of not managing. There seems to be this conviction that people are now better at managing themselves, and clients are not complaining, so it's not in the numbers, but there might be something still missing."

Bichl from Allegro is certain that remote leadership requires more skill from managers: "It's about orchestrating people across different time zones, locations, schedules, as well as being able to connect with them, reading their moods and facial expressions." And leaders are not always aware that remote and hybrid models will place additional demands on them. "One must start by acknowledging that leading people in hybrid or remote mode is different," says Bichl. "They must acknowledge the different needs and create the necessary space to address those needs – because most people don't even acknowledge that they might need to start leading differently. And they need to create the space for informal conversation to happen too."

Bruģe from Tet is concerned about leaders' ability to ensure productivity in a remote or hybrid environment unless they adapt their leadership style. "The average age of our employees is above 40. At the same time new technology is constantly appearing," Bruģe explains. "I'm worried that when leading remotely the managers are currently not fully able to evaluate how smart their teams are working. You can easily see the mistakes when you're standing next to someone, and that's not possible in a remote setting."

They are actively seeking solutions, however. "We're organizing performance management trainings, because at the office these conversations were happening organically, but now we have to teach managers how to communicate with the people in their teams, how to set tasks, how to drive performance and development, how to work with team building online," Bruģe says. "Another challenge, given the high average age and the number of unique skills across departments, is succession planning: leaders need to understand how to plan for it in remote and hybrid environments. We're going to launch a program on the prioritization process for the management team, which will take place this year."

Zrnic talks about the practical solutions Zühlke has implemented to make sure team leaders are in a position to ensure efficient work outcomes. "The managers need to become expert users of Miro – it's a visual workspace where teams manage projects, brainstorm, discuss and build together," Zrnic explains. "Surprisingly, sometimes it's even more efficient than having all the people in the room – there's a lot more focus on a task, efficiency is increased." At the same time, they are aware that the social component of work needs to be prioritized differently. "Leadership teams have biannual physical meetings, with a chance to socialize too. The leaders also travel more now to meet people face to face," Zrnic concludes.

On the other hand, some tech companies now seem to value traditional management competencies more than before. "It seems that "traditional" competencies have become more important – like the organization of teamwork," admits Mazurkiewicz from BLIK. "Nowadays everything is about being "a leader", but the experience of remote and hybrid work made us realize that we tend to underestimate the functions of "a manager". Administrative and organizational roles are more crucial to the proper functioning of a company than we were used to thinking."

He also refers to the differences in managing in-person and remote teams simultaneously. "Managers found it challenging to adjust to the hybrid model at first," Mazurkiewicz says. "One thing that remote workers really required from them was very precise guidelines. The longer people work remotely, the more precisely they want to be told how to accomplish tasks – that happens in the absence of free, spontaneous discussion and opinion-sharing.

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And without balancing both the precise instructions and the open discussions, leaders can end up in a task-focused mode, lacking the strategic thinking and process."

A number of organizations are placing place greater emphasis on creating a more trusting environment for their employees via building on the soft skills of their leaders. "We offered voluntary training sessions for people who never managed remote teams before," shares Petrovic from Yettel. "But the main message we're trying to convey is that the leadership style that goes along with remote and hybrid work environments is more trusting, liberal, and creative. And this style is bound to be more time-consuming for leaders because they need to figure out how to keep people involved and engaged." To this end, trust is very important. "It may sound very simplistic, but leaders need to understand that people who work from home are actually working," she continues. "We can track the results and delivery, but a trusting relationship between leaders and their teams is a must."

The former IT director of a natural gas network operator too believes that now is the time for a "kind management" approach and development of leaders' soft skills. "It is, of course, difficult to keep the same pace without being physically in touch with your team; there's naturally less alignment when work is done remotely," he states. "I find that we need to travel much more regularly to our other locations to meet the team – otherwise they lose interest and do the work half-heartedly. That's something for the leaders to solve and soft skills are more important than ever."

Drzewiecki from SoftServe also places emphasis on trust and reliance when it comes to leadership in hybrid and remote environments. "We want to give people a target but don't want to control and micromanage them," he says. "If people know that someone is relying on their work, they are much more productive. They feel that they're part of something larger. Leaders need to be able to show their teams that their actions are part of something bigger in the company, that the project they're working on is contributing to company targets and so on. Now it's more important for people to feel that they're doing meaningful work."

They too have observed that managers tend to have more challenges than the team. "Leaders struggle to move from online to offline work and back," Drzewiecki explains. "They need to be less of "control freaks", and instead help people grow; focus on outcomes rather than try to monitor how much time people spend on accomplishing tasks."

At ERSTE Digital, while adjusting to the new working models, employees also had to adjust to a new leadership team. "We went through a merger during the pandemic and, as a result, built a new management team, so employees had to get used to new leadership styles, regardless of the changes required by leading remotely," explains Michnova. "At the same time, I'm confident that the future of leadership in this new hybrid environment is characterized by kindness. I'm trying to introduce these values in all interactions, and treat employees as individuals, trusting them to be the experts in their area. The pandemic showed us that personal life and relationships should be valued much more in a professional setting."

Trust and empathy are also highlighted by Bakshi from Wipro. "It is tough for leaders to lead digitally and learn to relate to people again online – it's a learning process, and true social connection is not easy; we're learning it all collectively," he admits. "Leaders now need to trust their teams more than ever and micromanagers are certainly experiencing trouble these days... They need to trust their teams to do the right thing, even when they're not watching them. It should have always been that way, but now it's more important than ever." He also refers to the need to manage by outcome rather than by process or hours spent on a task. "How you as a leader measure success has to be different now, and that too has to do with trust and empathy."

Bruģe from Tet refers to more severe cases where leaders are truly required to demonstrate whole new levels of empathy and understanding: "They need to notice when people start exhibiting signs of a deteriorating emotional state, because situations such as these also affect the team as a whole."

At Accenture, inclusive and humane leadership is nothing new – for years their approach has been one where leaders should notice and listen to employees who will then feel good and provide results. "Now the hardest thing for the leaders is to convey the human factor digitally," explains Arnava. "This is especially so if it's a conversation about a difficulty the employee is having. There are conversations for which it would still be best to meet face-to-face." Besides that, they have a strong mentorship program - "godfathers/godmothers" - as well as a very active feedback culture, where team members receive regular feedback from team leaders.

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4. Tipping the balance of power: the future of work in the tech sector

While it seems unanimous that remote and hybrid work are here to stay, the current models pose significant challenges in today's technology sector landscape and require actively seeking new solutions and new approaches to leadership.

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"Some sort of hybrid mode of work is here to stay - for most people, in most organizations," comments Abbott from Efigence. He also believes that eventually we may expect a systematic policy around hybrid work at a state level: "It should be fair and transparent. Nobody wants government imposition, but there should be a standard, which would also make it easier with candidate negotiations – everybody should know the ground rules. For example, if a company wants you to come in five days a week, you know they have to pay you more…".

At the same time, it's a question of power. "Technology workers historically have more power, as there are not enough of them and everybody wants the good ones," Abbott continues. "They are the ones who can already decide not to come into the office. At the same time, on a macro-level power is generally shifting more towards the employees and away from the corporations." Organizations might not like it, but hardly anyone denies it or thinks it can be overlooked. "The work will continue remotely, regardless of how we feel about it – we now employ people from outside of the city, outside of the country; there are people who stay abroad for four months per year," states the former IT director of a natural gas network operator. "The competition for IT talent is very harsh, and people are getting used to it. What we need is synchronization, as there are people who need the office too. But coming in will be a privilege, not an obligation."

Bruĝe from Tet is certain that trying to force people back to the office would always backfire, therefore the future is almost certainly hybrid. "It would be very hard to retain people, if we asked them to come in more than they feel they should, except maybe by offering larger salaries," she comments. "And apart from the shift to hybrid we also see the new generation coming in with different requirements from their employer: they're ambitious, they want things to happen fast, and they don't want to waste time coming to the office. They've got their rules about work-life balance, and I'm certain that we'll also soon start talking about a four-day work week."

Bespoke solutions that work for everybody

The future of work is changing, and organizations will sooner or later realize that they need to create work conditions that "work" for everyone. "There are people who need to come to the office – they need other people like plants need water," Bichl from Allegro is certain. "Then there are introverts who hate coming to the office, but it's good for them to come out and connect with others, even if

it's not their "natural habitat". In today's environment both styles can learn something from the other."

Going fully remote is not a solution for most companies - unless it's a fully tech company with the right set-up and process-oriented infrastructure. Most also agree that forcing people to come back to the office doesn't work either. "Unless the company goes 100% remote, they will need to find a way to have a hybrid set-up that works for everyone – to cater to all the different needs," Bichl concludes.

Drzewiecki from SoftServe doesn't believe it will work out for those who are pushing people to come back to the office. "Google has office attendance as part of their bonus system, but we don't believe in doing things this way. Data shows that people are much happier working remotely," he says. He believes the future set-up depends on the type of work a company does. "Most of what we do can be done remotely, but we try to agree to come in for brainstorming and innovation. It's important that people themselves feel that certain things work better for them too when they come in and work together.

The future of the human factor

Whatever technological solutions emerge to make remote and hybrid work easier and more efficient, the human factor will need to play a central role. "We will need new ways of building culture, relationships, and engagement with the company," Michnova from ERSTE Digital says. "For the people who were hired remotely and have been working remotely ever since, it took much longer to be onboarded and to achieve a sense of belonging." Generational change has an impact too. "Young people have very different priorities and different expectations, but there are older people in the company too, and management styles will need to accommodate both," she concludes.

It was also observed that the initial surge in efficiency that accompanied the introduction of fully remote work didn't last until a more integrated approach was found, where social and mental health aspects were carefully considered. "Initially when people went remote, productivity went up across different industries and geographies, but then it plateaued," Bakshi from Wipro reminds. "Now people know that work can be done remotely, but it's not necessarily good for your mental health.

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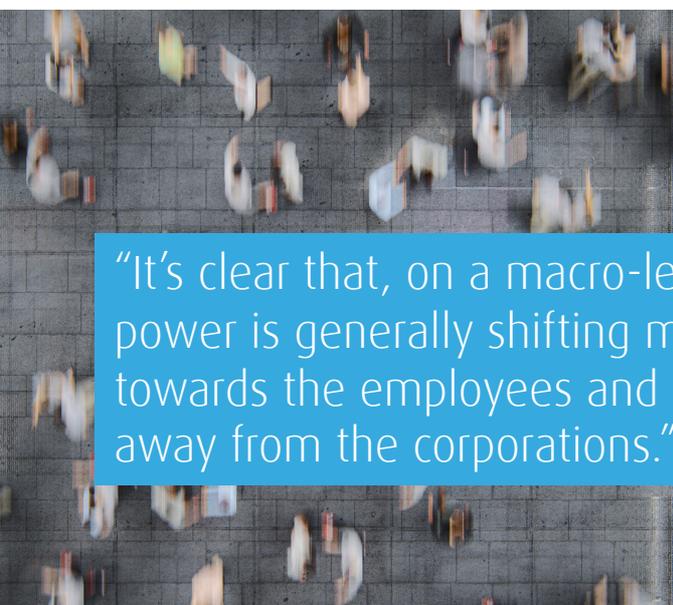
"It's clear that, on a macro-level, power is generally shifting more towards the employees and away from the corporations."

You need to meet people, go to the office sometimes, and use your social skills. Teams need to meet to be creative, they need to know the people they work with, and meet in person – at least initially."

Remote and hybrid work models are going to be more and more widespread – and not only because we've tried remote and seen that it's possible. "Yes, technology has developed rapidly to facilitate the shift to hybrid and remote work, but climate change, for example, is affecting things too. COVID-19 is definitely not the last virus to hit us on a global scale," Petrovic from Yettel ascertains. "We were already prioritizing people's wishes and were open to remote work before COVID-19. There were employees who worked remotely for various reasons – but now more and more people are interested in it, and we want to put their needs and wellbeing first.

Going against the trend

While some organizations have radically reduced the number of offices and workspaces to match the number of people currently coming to the office, some are going the opposite way. "I believe that the office space will continue to exist," claims Mazurkiewicz from BLIK. "We knew we would keep the physical office space as it was before, but we've even increased it recently due to the increase in the number of employees. We want everyone to have their individual space. "Hot-desking" is not something we want to do – we believe that it makes a difference when people have their own private space, where they can keep their things, which they can personalize. People need this."

Richnak from Zlavomat is certain that, while hybrid models are here to stay, personal contact with both employees and clients will be more important than ever. "We have offices where there are more contractual employees, like programmers, who work fully remotely, and it is clear that in some cases this set-up works," he comments. "But mainly we have seen that meeting clients, and for employees to meet their teams face-to-face at least sometimes, is crucial."

For some organizations, this even extends to rejecting the full-scale use of technologies that remote working has influenced. "When it comes to AI and automation, we're going slightly against the trend. We are in no rush to automate all services, like, for example, customer service. We still believe in the human connection."

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5. Current work structures of the companies interviewed

Amrop explored the different modes of remote and hybrid work across different functions and departments within these organizations, including how they arrived at their current models and whether or not they are considered to be optimal.

Amrop's interview sample included executive team members at companies across the broader technology space, including global and regional fintech and e-commerce, technology services, consulting and software development, internet services, telecommunications, and infrastructure.

BLIK is a mobile payments company, founded in 2015 and based in Poland. We spoke to Dariusz Mazurkiewicz, CIO. "We're currently using a "3+2" hybrid work model - employees spend three days at the office and two days a week working remotely. However, we only really insist on attendance once per week, meaning that the three days per week at the office are recommended, but not compulsory," states Mazurkiewicz. "A larger proportion of remote work is considered acceptable for those employees whose roles involve more repetitive and predictable parts of the business, like administration and operations."

Allegro, the most popular shopping platform in Poland and the largest e-commerce player of European origin, currently offers four different hybrid work models to their employees. Sandra Bichl, CHRO, describes them: "There is a "remote first" option, which means working one day per week from the office; "hybrid" - three days at the office and two days of remote work per week (including hot-desking); "office first", where the intention is to come to the office four days per week and thus to have a guaranteed office space, and "office only" for the employees whose job requires them to be at the office or on premises (for example, at the sorting center).

Zlavomat, one of the leading e-commerce sites in Slovakia, is currently using an intensified hybrid work model compared to that which they already employed before the pandemic. Erik Richnák, CEO, explains: "Previously, we allowed people to have five "home office" days per month, and they could freely choose when to use them. Now it's eight days per month. It functions within a "3+2" model, where employees have to be at the office every Tuesday and every Thursday to work together. They can choose the third day freely."

ERSTE Digital is the digital arm of Erste Group, one of the largest banking groups in Central and Eastern Europe with more than 2000 employees located in Vienna, Bratislava, Kosice and Prague. Viera Michnova, Head of People & Culture, explains their set-up: "In the past, employees from remote locations travelled to our Vienna headquarters three to four times a week. However, during the pandemic, we shifted to fully remote work. Currently, office attendance is based on team agreements, recognizing the importance of the social factor in remote work. While we aim to minimize work-related travel, each manager has discretion in organizing their team's office presence."

Efigence is a digital acceleration consultancy creating technology solutions for the financial world. Efigence's Chief Strategy Officer Karl Abbott spoke about their current model of work on a global scale. "We currently offer an almost fully remote work model: there are people in positions which require them to come in, but most individual contributors don't. Before COVID-19 it was generally fully office-based work," says Abbott.

Efigence currently distinguishes between three types of work model:

1. Those who are in the office almost 100% of the time (HR, Finance, members of the leadership team) - about 10% of employees

2. Those who want to work from the office for personal reasons or due to project-based demand - about 10% of employees

3. Those who mostly work remotely - about 80% of employees.

At **Accenture**, the global professional services company, everyone transitioned to remote work during the pandemic. Initially, offices were closed, but employees with a doctor's or well-being specialist's notice about their mental health were allowed to work from the office when restrictions were eased. In the latter half of 2022, Accenture Baltics closed four of their six offices. They now have one office in Riga and one in Vilnius. According to Zanda Arnava, HR Director Baltics, with approximately 2000 employees in Riga, there are 450 available office spaces. Currently, only 10% of employees come to work at the office, resulting in one office space available for 7-10 employees.

SoftServe, specializing in consultancy services and software development, currently employs a "remote-first" model and switches to hybrid or office work when customers require it. "Our current arrangement allows everyone who wants to work remotely to do so, fully supported by the company," comments Sebastian Drzewiecki, VP and Country Manager in Poland. "Now approximately 90% of our employees work remotely. No departments or positions at SoftServe are forced to work from the office. For some functions, like HR or finance, it's also easier to spend some days per week at the office to process data and documents."

Zühlke specializes in digital solutions and device and systems engineering, with 1,900 staff based across Europe and Asia. Milan Zrnic, Zühlke's Human Resources Business Partner, explains that, while at group level Zühlke offers remote and flexible work arrangements, there are different arrangements in different geographies. "In some locations people choose their work model freely and are also allowed to work from foreign locations for periods of time," Zrnic explains. "Some have fully remote contracts but there are also locations where people are expected to be at the office 50% of the time. When we hire new people, they can choose a remote contract, but we suggest that they come into the office for the onboarding period," Zrnic elaborates.

Wipro is an Indian multinational that provides IT, consulting and business process services. Vivek Bakshi, General Manager at Wipro Technologies explains that there are currently different hybrid work arrangements across different geographies: "In India, where Wipro has about 100,000 employees, people are back to working from the office 3-4 days per week, while in Eastern Europe it is on average 1-2 days per week - there's a lot of resistance there! At the same time, in the Philippines it is against the law to work from home, which means that the arrangement is 100% office work there."

Tet, a Latvian internet service provider, telecommunications, technology and entertainment company, which employs over 1,150 people, currently has their employees working mainly remotely. "We've requested that teams meet at least once per month," explains Solvita Bruģe, Tet's HR director. "At the same time, there are so many different functions across the organization that it's not all homogenous. There are office workers who made the switch to a remote model and are now back in the office; there are tech workers who, once settled within their remote setting, are more inclined to stay remote; and there are engineers who have been and are still mainly going out to the clients."

Yettel, the Serbia-based mobile, fixed, internet and IPTV provider, which is owned by the Czech investment group PPF, has an IT organization of approximately 200 people. Ninoslava Petrovic, Head of HR Operations and Analytics, explains that the company's employees were allowed to work fully remotely even before the pandemic, but this option was not widely used. "We have different types of engagements based on IT profiles," comments Petrovic. "Mainly people work remotely, but we do invite people to gather at the office once a week."

The former IT Director of a natural gas network operator in CE (part of one of Europe's largest energy network and infrastructure operators) talks about the model they have arrived at after a period of trial and error: "For the IT organization, which is more than 200 employees, we offer 100% remote work; for all other roles we've come to an arrangement of two days at the office and three days working remotely per week. Initially we tried implementing three mandatory days at the office, but it didn't work due to employee resistance."

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