



WORK FROM ANYWHERE

IS WORK-FROM-ANYWHERE A TREND
THAT'S HERE TO STAY?

INTRODUCTION

Since 2020 and the dawn of COVID, work from anywhere has become an increasingly important work trend, in both the BPO (outsourcing) world and many other business worlds. Interestingly, like COVID itself, the discussion around work from anywhere (WFA) has mutated over these last 22 months, from “I guess we have to do this, and do it quickly, to keep operations humming” (March 2020) to “This will be over soon” (January 2021) to “No, really, it will be over soon” (September 2021) to “Maybe we need to figure out everything that goes along with this” (now). Obviously, different companies and different industries experience this curve differently and hit thought processes and policy at different times. Some industries, such as highly-regulated ones i.e. financial services, never truly embraced WFA models, even back when COVID was brand new. Some industries have been slower, and some have been faster. As 2022 dawns, though, everyone needs to at least be considering the idea and how it could impact their business, what their policies will be, etc. because now it’s morphed into a greater talent discussion as well as simply a logistical and operational front.

Cristina Mihai, one of our HR directors at Conectys, talked about some of these themes in mid-COVID times with TalkPush, and recently talked internally about some of the major shifts in management style because of WFA.

“Management used to be about hand on shoulder, especially in BPO and with agents,” she explained. “They had a boss, and that boss had a hand on the shoulder, course-correcting. Now that isn’t happening. The hand on the shoulder is likely digital, which can carry less weight. It’s changed the entire approach to management and what you need to be evaluating and protecting against, in all honesty.”

For years before COVID, the on-site model in BPO was that a client would hire a manager and a team co-located in the same physical space. It varied a little bit by industry, but not much. At Conectys, we have 10 global delivery locations -- soon moving to 12 -- and sometimes we’d deliver for a client from three locations based on languages and time zones, but at each of the three, there’d be a manager and agents on-site together. Clients generally liked this model. When COVID began raging, they had to accept two locations, three locations, four locations, and ultimately a huge mix of locations based on where employees were working. Now the model had to become more directly about productivity and agents following processes from their WFA locale, as opposed to seat time or control.

“There were definitely a lot of trends triggered around WFA,” noted Mihai. *“There was kind of a demise of the one-size-fits-all model and everyone had to adjust.”*

SOME OF THOSE ADJUSTMENTS

One of the main “rubber meets road” moments of WFA has been the chasm between what employers/clients want -- typically lowest cost, highest productivity -- and what agents/employees want -- typically highest salary possible (hourly/annual) and opportunities for growth. Because of resignations and general labor movement globally over the past 22 months, some employers and clients are offering 10-15% salary upticks, with some even offering close to 100% increases for agents and employees alike. Money isn’t everything, no, but it’s a powerful extrinsic motivator, and that’s caused a topsy-turvy agent market in some areas.

At the same time, of course, the companies hiring agents and moderators want to reduce cost, and the cost pressure gets applied to the BPO partner, i.e. Conectys or another vendor. There’s a huge desire to get language fluency -- especially in Dutch, French and German -- but to get that fluency at cost, almost to the point where firms are offshoring for language balance and trying to keep their cost position robust. But now, if agents want more money, or can find more money elsewhere, something has to give.

At the same time as we see a constant dance on cost, price, and compensation ... We see that inside a lot of client organizations, HR is being tasked with managing some of the WFA workforce. Unfortunately, though, HR is not an empowered function at many of these organizations, and so they’re managing potential chaos without the ability to drive true change or adjust decision-making. Some employees are taking advantage of the lack of managerial oversight, especially if they realize the company might be desperate to retain them in this weird labor market.

It’s messy and confusing and everyone -- honestly, almost every organization -- is having issues with all this and trying to figure out their path through.

Now let’s toss in one more wrench. If your vendor team is on three continents, that’s three entirely different sets of rules. The labor laws in the Philippines are very different from the USA or Eastern Europe. We won’t go into the nuance of every labor position around the globe -- it would take way too long, and not be that interesting to many -- but you need someone who understands the rules, and understands what the rules mean for your interactions with labor, the compensation baselines you need to offer, where people are migrating to if they can WFA, etc, etc. It’s a complicated picture.

Again, lots of questions and not a lot of answers readily available.

One thing we’ve heard from some companies is that they want to embrace “The Amazon Model,” whereby people matter less and turnover is completely acceptable; Amazon has had several years in its history with 100%+ turnover. That’s a great model if you can make it work, but

Amazon spent the better part of two decades building systems and processes around that idea, to make sure it could work. You cannot just up and reinvent yourself to a “Turnover is fine, leave when you want!” model overnight. The execution systems must be in place.

So, how should business leaders be thinking about WFA and other labor trends in 2022?

WFA QUESTIONS TO PONDER

First: is this still a major trend?

Yes and no. Yes in the sense that employees and agents still expect it, and enough companies are offering it that those employees may bolt you for them. But, we are seeing increasing client pressure for agents and employees to return to a central physical location. But -- and this is important -- there is a competitive advantage for BPOs / outsourcing vendors to step up and explain to clients where clients are missing the boat. If you're an organization using a third-party for agent work, you should listen to that vendor about the approach you need. (You should also listen to that vendor about product and sales decisions, since their agents are the ones talking to your customers all day.) From a balance perspective, you want a differentiated approach -- some on-premise, some WFA, some WFH/on-premise splits (2 days on-premise, 3 days at home), etc. You want to give employees flexibility and options where you can, so long as the core work is getting done and compliance/security needs are being met. The more flexibility you offer, and the more managers are not intruding constantly into agent/employee lives, the better you will be perceived on the open market, and this traditionally means you can get good talent without overpaying.

So do you need a WFA approach?

Yes. Most importantly, you need flexibility relative to your industry. If you're heavily regulated and employees cannot have a device off-premises, then no, you don't need a plan. You need compliance. But if there is a possibility for flexibility, offer that flexibility, and have different tiers, and work with your managers on understanding what matters -- the end goals being met -- as opposed to the how of the work. When managers overfocus on the “how,” they tend to become micromanagers or control-dirven. If they focus on the “what,” i.e. the results, they can generally afford more flexibility and tolerate some WFA approaches. This leaves you in a better talent position and often a better cost position. You can even consider shuttering some physical locations if the WFA approaches are consistently working well over time.

Partners with expertise

In a confusing climate with numerous labor pivots and different rules in different areas of the world, you need partners who are consultative and strategic and work with you, as opposed to

simply order-taking third-parties. There's validity to order-taking models, of course -- work gets done, and gets done in the way you like it -- but the world since COVID has shifted many times over in terms of people's relationship to work and income source, and in terms of restrictions and legal/compliance guidelines in various areas, so you need partners with expertise, not just partners who hit the right targets at the right costs. You need people to explain what's next to you, not just do your bidding. It's a big pivot for some organizations looking at vendors, but now's the time.

Be aware of the trends

A partner can help you with this. Here's an example. In the Philippines, when more agents for clients were on-premise, they tend to be clustered in the bigger cities, i.e. Davao. When some clients allowed for WFA, they moved back with their families to more rural areas. There were some interesting cost implications to this -- clients could try to pay agents less, because they're not in an urban area, but that can backfire. (You see this in the USA too, with tech companies trying to reduce salaries for those who moved away from Silicon Valley and NYC during the pandemic.) In reality, clients often end up paying more for rural-based agents, because transporting items to them is more expensive. In these setups, you might want to bring everyone back to the urban centers, because your overhead of maintaining contact with the agents can be reduced. It's easier to get a package into Davao than into the mountains. You need a partner who sees these trends happening in real-time and can tell you, "Hey, this is the landscape. This is what we need to do."

HOW CONECTYS HELPS

We pride ourselves on being small enough to be flexible but big enough to help you achieve global scale, and small enough to give you access to our decision-makers but big enough to help you seasonally adjust and rapid-scale hire when you need to. And above all, we pride ourselves on understanding the markets we work for clients within, and understanding where language hubs are emerging, and where costs are increasing and declining, and the generalized type of trend-spotting and expertise that you need to make sound business decisions.

If you'd like to talk to us more about WFA and other 2022 trends, reach out.

Contact us at sales@conectys.com

