

THE VIRTUAL FLOORPLAN

New Rules for a
New Era of Work







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Introducing the Virtual Floorplan

Hybrid work is here, and it's here to stay. The pandemic wasn't the sole cause; it only accelerated what was already possible thanks to advances in digital workspace technology. In many sectors, people are waking up to a new reality where they don't need to be "at work" to work effectively — where in fact, more flexibility is vital in staying competitive, attracting new talent, and ensuring higher job satisfaction overall.

We're witnessing the birth of an entirely new way of organizing the workforce: the "virtual floorplan," where colleagues collaborate and form connections primarily over digital channels.

These are uncharted waters, and wading into them raises a slew of questions: How does remote work impact performance? Can workers and managers still feel connected despite being geographically distant? And how can IT teams ensure that sensitive information is secure across ever-multiplying endpoints?

As it turns out, embracing hybrid work brings great opportunities for growth: unprecedented freedom, increased productivity, and even improved cohesiveness. In companies that adapt well to this new model, employees and leaders report feeling closer to their teams than ever before, and employees say they feel more valued by their managers. One of the biggest strengths of the virtual floorplan is that it encourages open communication, which fosters an increased sense of trust, transparency, and personal investment in the workplace.

But it's still a delicate balancing act. Data security poses a problem, with employees removed from the watchful eye of IT departments. On top of that, it's crucial to ensure people feel fully integrated into their organizations despite not having daily face-to-face interactions with colleagues and managers. With that in mind, here are some considerations for how to make sense of this hyper-competitive, hybrid world — and how to stay ahead.

Insights from the Survey

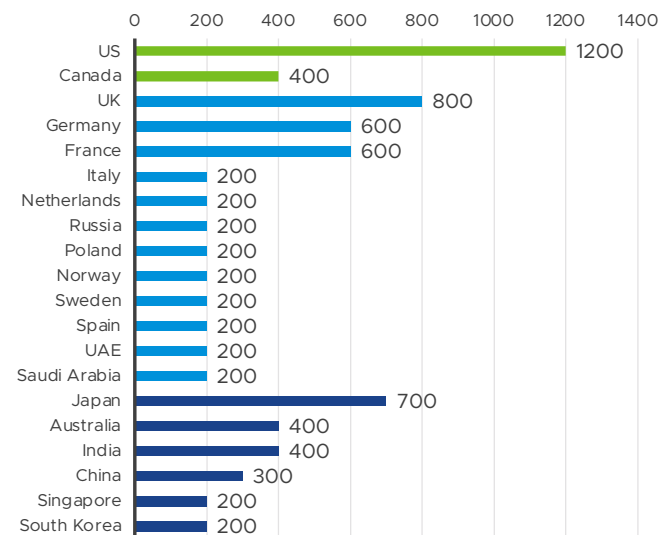
Key Findings

- ① The stabilization of hybrid work has resulted in a new kind of office floorplan — a “virtual floorplan,” which is based more on affinity, shared goals, and shared values than physical proximity. The virtual floorplan comes with new rules, as well as new success factors for employees, leaders, and teams.
- ② With less central control and in-person interaction, transparency and trust are emerging as vital qualities that leaders must embrace to advance and unify their organizations in a hybrid-by-default world.
- ③ The virtual floorplan introduces countless freedoms for employees — and just as many security risks for IT. With less direct control over apps, devices, and networks, IT is navigating a new paradigm where security is a team sport.

Survey Demographics

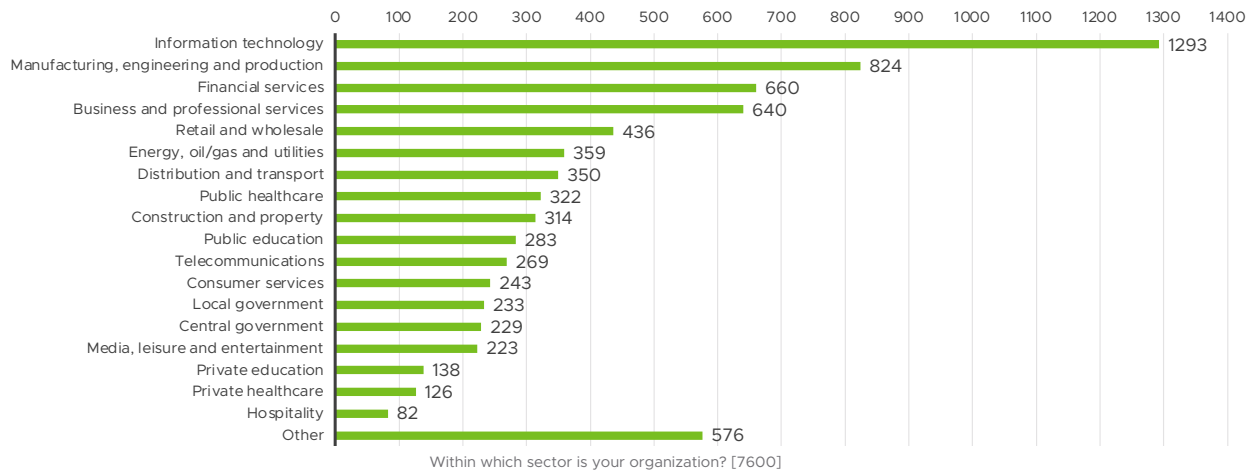
The survey — conducted by Vanson Bourne and commissioned by VMware — collected global data from 7600 IT decision makers, HR decision makers, business decision makers, and employees during July and August of 2021, split across the following dimensions...

COUNTRY

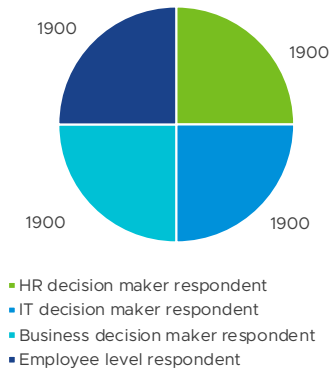


Showing respondent country [7600]

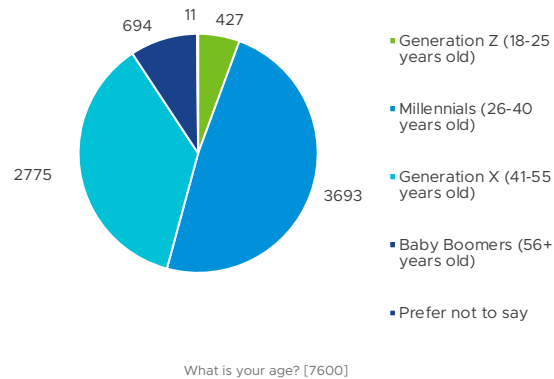
INDUSTRY



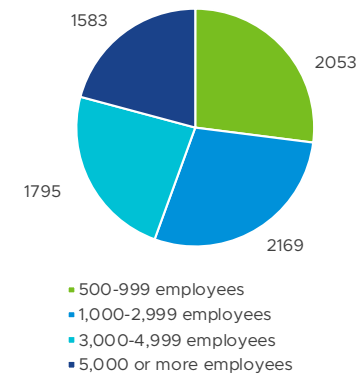
RESPONDENT TYPE



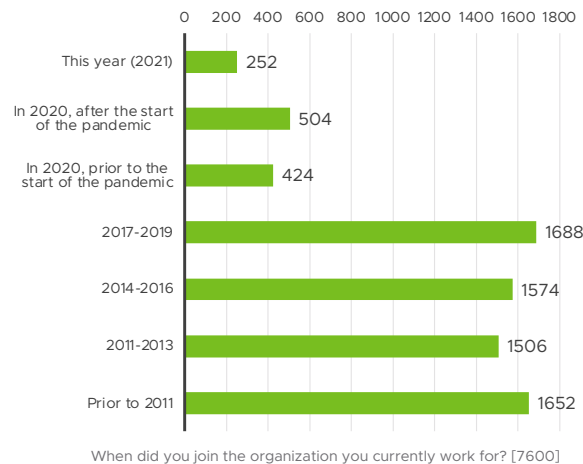
RESPONDENT GENERATION



ORGANIZATION SIZE



RESPONDENT LENGTH OF SERVICE







1 New Rules of the Road in the “Virtual Floorplan”

Conventional wisdom holds that physical proximity is the most important factor in good workplace communication. According to the widely influential Allen Curve, developed in the 1970s by MIT professor Thomas Allen, those sitting more than 10 meters apart from each other communicate far less frequently, and might as well work for different companies. But the emergence of a “virtual floorplan” brings a whole new set of rules, and new opportunities for leaders to advance their organizations — and their careers.

Tribes defined by affinity rather than proximity shape the virtual floorplan.

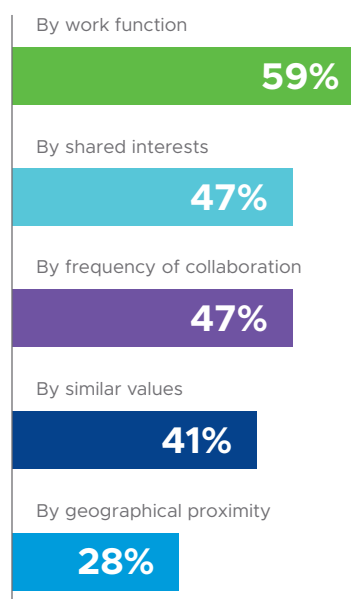
Most respondents said the transition to remote work has left them feeling more connected to and valued by their colleagues. So, it should come as no surprise that the flourishing of digital tools has given rise to newly defined ‘tribes,’ or groups of employees who connect and interact during work hours and socially.

NEW WORKPLACE TRIBES HAVE
EMERGED VIA DIGITAL TOOLS
USED BY EMPLOYEES



Among the factors that play into the emergence of workplace tribes, proximity ranks last — well behind work function, frequency of collaboration, and even shared values.

IN WHICH OF THE FOLLOWING WAYS ARE
THE TRIBES THAT HAVE EMERGED IN YOUR
ORGANIZATION DEFINED?



High-performing organizations are reaping the benefits, while others struggle to adapt.

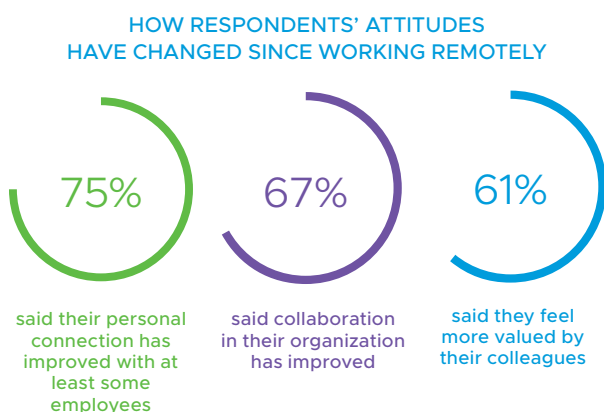
The virtual floorplan is defined by surprising affinities between employees who are physically distant. At high-growth¹ organizations, the consequences of these tribes have been largely positive, while underperforming² companies are more likely to report challenges.

WHAT HAVE BEEN THE CONSEQUENCES OF TRIBALISM IN YOUR ORGANIZATION?



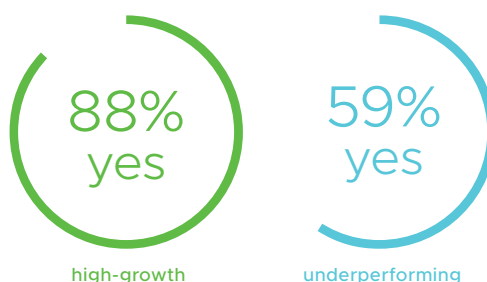
The virtual floorplan is a boon for team cohesion, productivity, and morale.

The shift to hybrid (or fully remote) work has been good for worker morale and productivity. Overall, respondents said they felt a stronger connection to their colleagues. Additionally, many state that collaboration in their organization has increased, and that they feel more valued by their managers.



This impact was even more pronounced in high-growth companies. In underperforming organizations, on the other hand, respondents were far less likely to report improved connections with their colleagues.

GENERALLY, DO YOU THINK YOUR PERSONAL CONNECTION WITH YOUR COLLEAGUES HAS IMPROVED SINCE WORKING REMOTELY?



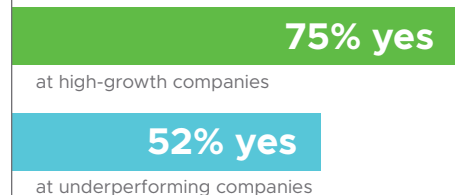
Employees at high-growth organizations were also more likely to report feeling more empowered to speak their minds in a hybrid setting, and more empowered to speak up in video meetings.

EMPLOYEE SENSE OF EMPOWERMENT IN A HYBRID SETTING

SINCE THE TRANSITION TO REMOTE WORK, DO YOU FEEL MORE EMPOWERED TO SPEAK YOUR MIND TO LEADERSHIP?



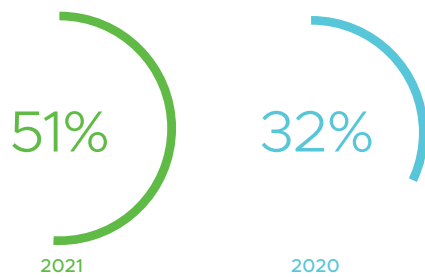
DO YOU FEEL MORE EMPOWERED TO SPEAK UP IN VIDEO MEETINGS THAN IN PERSON?



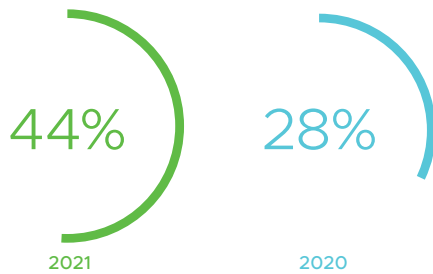
Additionally, a vast majority of respondents (**82%**) across all organizations said productivity has either increased or stayed the same since more employees began working remotely.

The volume of respondents reporting productivity and morale benefits has gone up noticeably since a similar survey in 2020, suggesting that their teams are settling in and finding their rhythm in the virtual floorplan.

PRODUCTIVITY HAS EITHER INCREASED OR DRASTICALLY INCREASED SINCE WORKING REMOTELY³

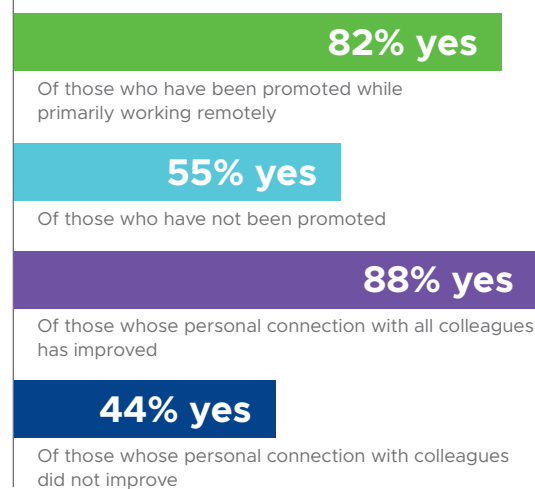


MORALE HAS EITHER INCREASED OR DRASTICALLY INCREASED SINCE WORKING REMOTELY



And simple behaviors like turning on the camera during virtual meetings can have a significant impact on recognition and feelings of cohesion.

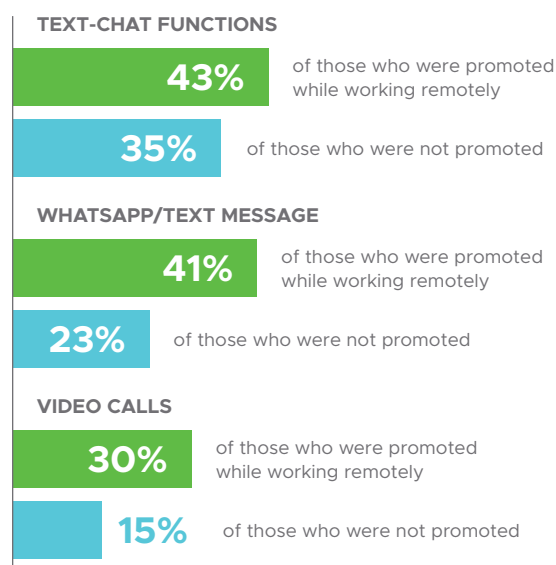
DO YOU TURN YOUR CAMERA ON DURING MEETINGS MOST OF THE TIME?



Career advancement looks different in the virtual floorplan.

Certain behaviors correlate to success in the virtual floorplan. For instance, respondents who were promoted while primarily working remotely were more likely to report communicating with their managers over informal platforms daily compared to those who were not.

PERCENTAGE OF RESPONDENTS WHO COMMUNICATE WITH THEIR MANAGER VIA THE FOLLOWING CHANNELS EVERY DAY, DIVIDED BY WHETHER THEY HAVE BEEN PROMOTED



Redefining Success in the Virtual Floorplan

These findings suggest emerging success factors for individuals in the virtual floorplan. They also point to potential blind spots for managers as they are assessing cultural inclusion and considering candidates for promotion. **70%** of respondents believe a more fractured workplace — defined by those who are able to work remotely and those who are not — could emerge as a result of hybrid work. Those who cannot work remotely, communicate with managers frequently or use video conferencing technology due to bandwidth or other issues risk being overlooked regardless of their performance in other areas.

2 A New Era of Transparency and Trust

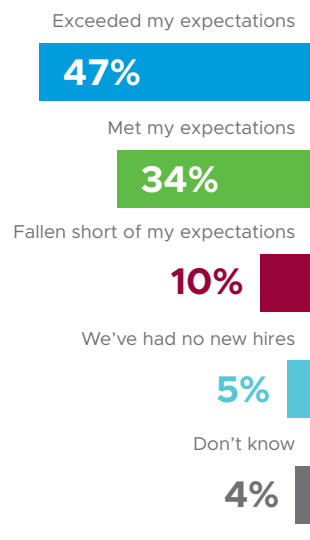
Remote work is clearly here to stay: **92%** of respondents say at least some employees are now working remotely — which is down just 2% from the height of the Covid-19 pandemic — and **74%** predict that will remain the case 12 months from now.

Leadership must negotiate a delicate balancing act: providing employees the freedom to do their work where, when, and how they want while ensuring productivity and security standards are met. High-performing organizations are adapting better to this new hybrid world, creating cultures that foster strong interpersonal relationships between colleagues, and between managers and staff.

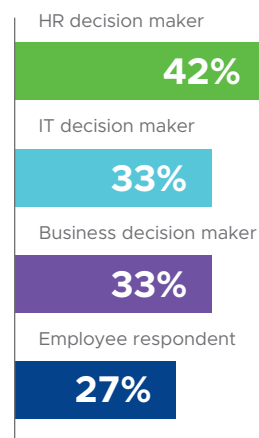
Volatility in the talent market points to opportunities and risks.

The virtual floorplan comes with unique challenges: while onboarding new employees to remote or hybrid positions has gone better than expected, many leaders report high employee turnover — especially HR decision maker respondents with the highest visibility in staffing trends.

CULTURAL INTEGRATION OF NEW EMPLOYEES WHILE WORKING IN A HYBRID WORK ENVIRONMENT



EMPLOYEE TURNOVER HAS INCREASED WHILE WORKING IN A HYBRID WORK ENVIRONMENT



This is an area with lots of room for growth and innovation; most respondents agree organizations need to adopt new tools to more seamlessly integrate new employees who may not regularly be in the office.

"MY ORGANIZATION NEEDS TO ADOPT NEW TOOLS AND HR POLICIES TO BETTER MEET THE NEEDS OF EMPLOYEES WHO ARE HIRED INTO FULLY OR PARTIALLY REMOTE POSITIONS"



"OUR CURRENT RECRUITMENT PROCESS COULD BE DEVELOPED TO BETTER SCREEN FOR THE ABILITY TO COLLABORATE OUTSIDE AN OFFICE ENVIRONMENT"



New tools and processes, in combination with new leadership behaviors, promise to further stabilize the virtual workforce and enable organizations to reap the benefits.

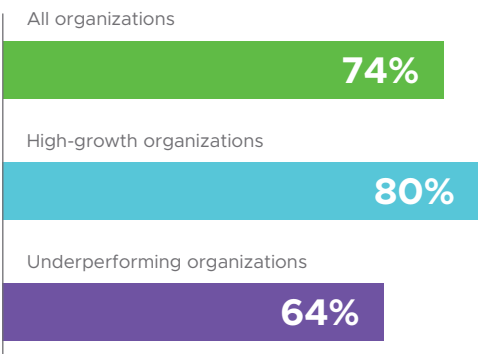
Hybrid work is motivating high-performing teams to step up.

In this competitive talent landscape, employees and managers are putting in more time and effort to drive integration and cohesion within their organizations. Rather than automating human interactions in the workplace, the virtual floorplan has resulted in more time spent checking in and being present with teams. This effect is exaggerated in high-growth organizations and for C-suites.

RESPONDENTS WHO SAY THEY NEED TO PUT MORE EFFORT INTO NETWORKING SINCE WORKING REMOTELY

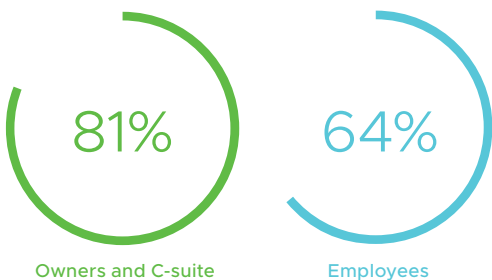


MANAGERS WHO SAY THEY SPEND MORE TIME ON EMPLOYEE CHECK-INS SINCE WORKING REMOTELY



The more senior the respondent, the more effort they reported in maintaining relationships — suggesting the critical role leadership plays in gaining alignment and building consensus within the virtual floorplan.

RESPONDENTS WHO SAY THEY NEED TO SPEND MORE TIME AND EFFORT MAINTAINING RELATIONSHIPS

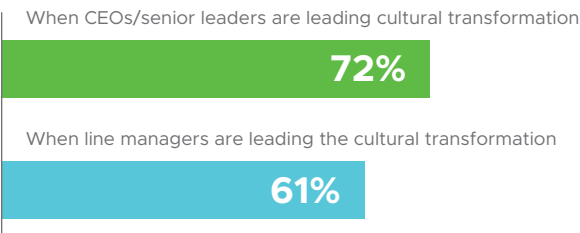


For success in hybrid work, hands-on leadership is key.

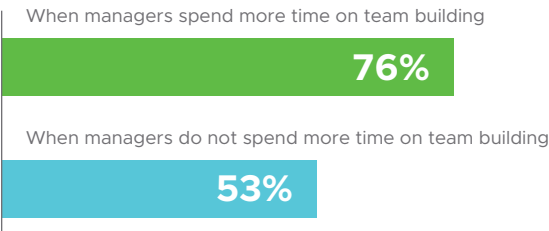
The positive benefits of hybrid work are enjoyed most drastically by organizations where the cultural shift to hybrid work is not only led but also implemented by the CEO or other senior leaders.

Organizations with senior leaders who are “in the work” of transformation report more cohesion and collaboration than those where the responsibility sits with mid-level managers. The same is true of organizations with leaders who invested more time on team-building in remote environments.

“MY CONNECTION WITH ALL OR THE MAJORITY OF MY COLLEAGUES HAS IMPROVED SINCE WORKING REMOTELY”



“COLLABORATION WITHIN THE ORGANIZATION HAS IMPROVED SINCE WORKING REMOTELY”



Reflecting this need for senior-level engagement in cultural transformation, high-growth companies are creating new C-level roles to address the opportunities of hybrid work to a greater degree than underperforming companies.

ORGANIZATIONS THAT HAVE CREATED NEW LEADERSHIP POSITIONS

CHIEF REMOTE OFFICER OR EQUIVALENT



CHIEF HR OFFICER OR EQUIVALENT



But, certain policies undermine hybrid work culture.

Given the unique security challenges that come with the virtual floorplan, most organizations say they've implemented systems on remote devices to monitor them for security threats. However, many also say they've put systems in place to surveil employee productivity.

HAS YOUR ORGANIZATION IMPLEMENTED DEVICE MONITORING SYSTEMS ON REMOTE DEVICES FOR THE FOLLOWING PURPOSES SINCE THE START OF THE COVID-19 PANDEMIC?

TO MONITOR FOR SECURITY THREATS

84%

have or plan to do so

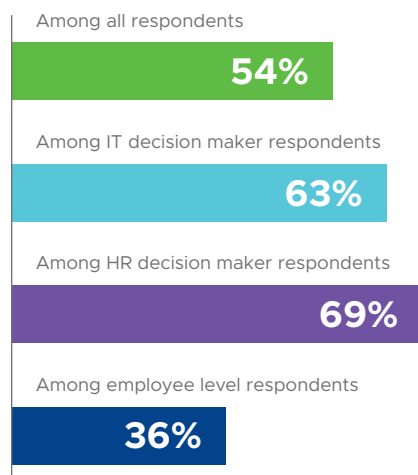
TO SURVEIL EMPLOYEE PRODUCTIVITY

70%

have or plan to do so

This could pose a problem, as employees' expectations of device privacy seem to be out of step with reality. Though **77%** of all respondents agreed their organization has a right to monitor their productivity, employees significantly underestimated whether this monitoring was occurring compared to HR and IT decision makers.

RESPONDENTS WHO THINK THEIR ORGANIZATION HAS INSTALLED PRODUCTIVITY-MONITORING SYSTEMS ON REMOTE DEVICES, OR THAT IT'S IN THE PROCESS OF DOING SO



While security is a pressing concern in the virtual workplace, so is trust. If employees do not believe they are being monitored and discover that they are, it may erode their trust in the organization — resulting in lower productivity and higher turnover.

As an early indicator of the consequences, organizations that implemented monitoring technology or plan to do so reported considerably higher levels of employee turnover.

“EMPLOYEE TURNOVER HAS INCREASED SINCE MORE EMPLOYEES STARTED WORKING REMOTELY”



This once again underscores the significance of transparency and trust in the virtual floorplan. The productivity benefits of remote work have been well documented by this study and others. Therefore, leaders who trust their employees to be and stay productive may enjoy a lasting advantage in the increasingly competitive war for talent.

A New Era of Leadership in the Virtual Floorplan

There is no question that the virtual floorplan increases demands on leaders to build cohesive teams and implement lasting cultural change — and successful organizations are rising to the occasion, using digital tools to foster an environment where employees feel more empowered and connected than they ever did in the office. These findings suggest an increased expectation that leaders embrace an “open door” policy with employees and teams — even and especially when physical doors no longer exist.

3 New Risks Mean Security Is a Team Sport

Whether promoted or not, C-suite or individual contributor, or working at high-growth or underperforming organizations, all respondents agreed on one thing: security risks have increased substantially because of remote work. With less direct control over apps, devices, and networks, IT is navigating a brave new world where security is everyone's responsibility.

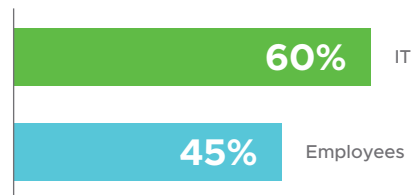
Security is a barrier to fully capitalizing on the benefits of virtual floorplans.

Despite the immense benefits of embracing the virtual floorplan, security concerns could pose a hurdle for some companies:



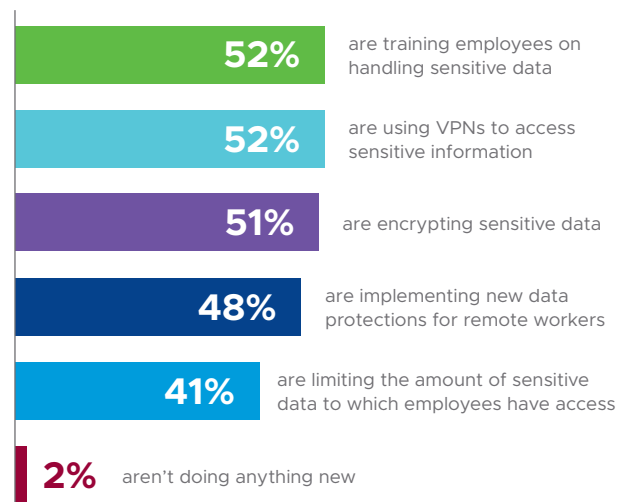
But there appears to be a disconnect within organizations about how serious these concerns are. When asked about threats that have emerged due to remote work, IT respondents were far more likely to report an increase compared to employees. This gap in perceived risk cannot be tackled by employee training alone.

"NEW SECURITY RISKS HAVE INCREASED IN MY ORGANIZATION SINCE EMPLOYEES STARTED WORKING REMOTELY"



Organizations must diversify their toolbox to combat threats.

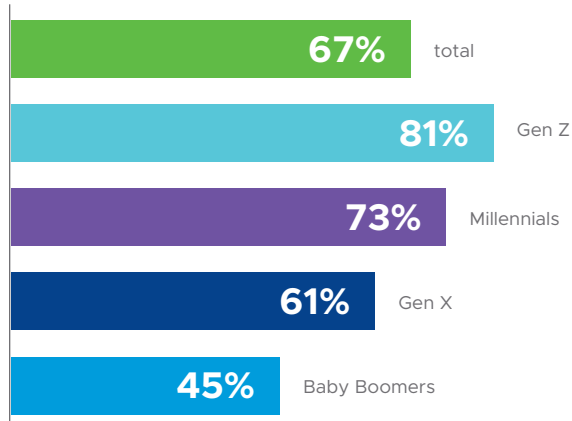
Moving forward, competitive organizations must balance a range of education, policy, and technology solutions in order to meet the evolving risks. The good news is that almost every organization is already taking a number of additional steps to ensure sensitive data is protected — including installing VPNs and developing new data policies — and implementing them via new trainings.



Security measures must evolve with employee behavior.

Though employees are aware of the security risks associated with using a personal device, nearly half have done it anyway — with Gen Z and millennials especially likely to admit to doing so.

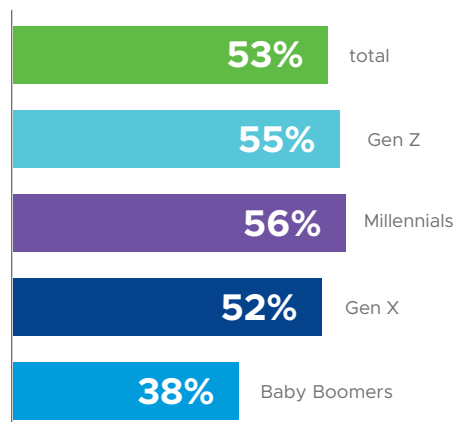
EMPLOYEES WHO HAVE USED A PERSONAL DEVICE TO CONNECT TO ORGANIZATION'S NETWORK OR HANDLE ORGANIZATION DATA OR FILES



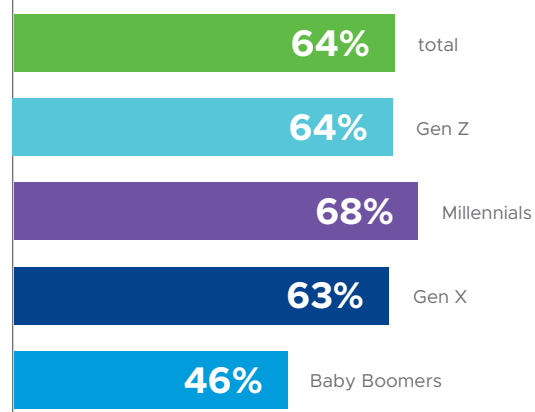
This tendency to default to personal devices should not come as a surprise to any IT team, but it should be top of mind when considering new technologies or policies — because the behavior will only increase as the work force ages.

And many respondents — younger generations especially — feel restricted by the data protection and network security measures organizations have implemented so far.

"I FEEL LOCKED IN BY RESTRICTIONS UPON WHICH TECHNOLOGY I CAN USE AS PART OF MY WORK"



"IT SECURITY MEASURES IMPLEMENTED TO PROTECT REMOTE DEVICES HAVE SOMETIMES HELD BACK PRODUCTIVITY IN MY TEAM"



Striking the Balance Between Security and Experience

As the hybrid work landscape stabilizes, it's clear that many organizations still need to resolve the fundamental tension between security and productivity. A key focus for IT teams will be to identify tools and solutions that protect sensitive data without sacrificing employee efficiency. Mastering this balance will be crucial to securing the virtual floorplan as a business advantage for years to come.

What the Future Holds

The virtual floorplan is here to stay, and the benefits are obvious: Across all organizations, respondents say that embracing remote work has reduced conflict and improved cohesion in the workplace. Not only that — a vast majority of respondents report the virtual floorplan has created a more inclusive environment for diverse talent.



allowing employees to work remotely or in a distributed environment enables their organization to get the most out of diverse talent pools



working in a remote or distributed environment has created an environment more inclusive of diverse viewpoints and needs



working in a remote or distributed environment has led to employees being valued more on performance, and less on traditional metrics such as time spent in the office

In many ways, remote work is revolutionizing the way we think about work in general: It's causing leaders to re-evaluate how they build and manage teams; it's allowing colleagues to connect in new and fruitful ways; and it's solidifying the importance of trust, transparency, and communication in the workplace.

This is a brave, new world, and it comes with its own set of rules and roles across organizations:

- + **Embrace the power of the virtual floorplan.** More than ever, employees are connecting over shared purpose rather than proximity. Organizations can harness the power of these virtual tribes by enabling and encouraging more formal and informal connections over digital channels.
- + **Visible, transparent leadership is more important than ever.** In the virtual floorplan, managers that focus more on team-building see a clear payoff in team cohesion and productivity. And leaders who operate from a place of transparency and trust are more likely to retain their talent.
- + **Enact security that works with employee behavior, not against it.** As lines continue to blur between personal and professional spaces and devices, IT teams must broaden their toolbox — embracing a combination of education, technology, and policy to secure their most sensitive data and defend against cyber threats.

As businesses grow more and more comfortable with the virtual floorplan, the question is not whether it will work — it's how to use it to maximize productivity, morale, performance, and team cohesion. The rules have totally changed, and any organization that hopes to be competitive now must learn to master them.

¹ High-growth organizations are those that have self-reported year-over-year revenue growth of 15% or more.

² Underperforming organizations are those for which revenue is shrinking by 1% or more year over year; not growing organizations are those that have 0% revenue growth year over year.

³ Comparisons with 2020 data include IT decision makers, HR decision makers, and business decision makers, and exclude employees.



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