

DIGITAL CHALLENGES OF WORK MODEL

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ABSTRACT

Nowadays we are facing global transformation driven by digital technology. A paradigm shift has been fostered by so many disruptions in almost all occupations and professions. Many companies that were present in the market for decades have digitalized parts of their business model, introduced new digital businesses, services or products and digitalized their processes, wherever applicable. Technology pace is increasing and is fundamentally changing the nature of job tasks, resulting in many new job roles that were created in the last decade, while others have become obsolete and fully automatized by robots, artificial intelligence, machine learning, chat bots and other digital technologies and solutions. Digital transformation has greatly affected all participants of a value change: service and product providers, their customers, and their employees. In this paper authors analyse challenges and benefits of remote/hybrid work for companies, employers, and employees, present the results of the conducted research on the employees' sample N:102 from one medium-sized company in the Republic of Croatia.

KEYWORDS

Work Model (Onsite, Hybrid, Online), Employees, Work Regulations, Workplace Disruption

1. INTRODUCTION

Business Digital transformation has created several significant changes in the way companies operate and in the way they provide their services and products. Technology has become an integral component of workspaces and is no longer viewed as an external support system (Venkatachalam, Parvathy et al., 2023). A greenfield digital companies have emerged that use fully digital processes and operate with their customers through digital channels only, often raving remote work model as only working option. Setting up digital company from scratch has proven to be much easier task than to transform existing business into digital, particularly when company has business processes operated with white collars employees. Many companies that have been present in the market for decades have digitalized parts of their business model, introduced new digital businesses, services or products and digitalized their processes, wherever applicable. Not only that products and services become globally available but the workers too. More and more companies have people employed across the globe and operate as one team regardless of their geographical dispersion. These companies have started applying remote work model as pioneers, but many more joined the same path because of Covid-19 pandemic (Ancillo, Antonio de Lucas et al., 2023) that significantly speeded up both digitalization and adoption of remote and hybrid work models. Technology pace is increasing and is fundamentally changing the nature of job tasks, resulting in many new job roles that were created in the last decade, while others have become obsolete and fully automatized by robots, artificial intelligence, machine learning, chat bots and other digital technologies and solutions. By 2025. machines and humans will be equal in terms of how tasks will be divided (Zahidi, S., 2020). Digital transformation is helping companies not only in customer interactions and in fulfilling emerging customers' expectations, many providing personalized customer experience and personalized services and products, but also in internal operations and process digitalization resulting in higher profits vs their competitors. Digital transformation has greatly affected all participants of a value change: service and product providers, their customers, and their employees.

2. WORKPLACE CHALLENGES

Some form of remote work model was here for more than 50 years, slowly developing as new technology were entering the workplace. First adopter of remote work were technology companies. CISCO in 1993 had one of the first systematic remote work programmes where employees could work either fully remotely or were offered flexible working hours and communicating via broadband technology. 10 years later, after a decade of working under remote and hybrid model, CISCO reported an increase in employee productivity and savings in 2003 of 195 mill \$ (Neeley, Tsedal, 2021). Sun Microsystems, in the late 1990s, enabled remote work for 35% of their employees as part of their global expansion. Within a decade, just on reducing 15% of their real estate holdings, they reported savings of 500 mill \$ (Neeley, Tsedal, 2021). Back in 1991. Peter F. Drucker declared that in the future “office work, rather than office workers, will do the traveling” (Drucker, Peter F. 2020). Since 2017 remote working started to be a common working option possibility, required by employees. Since the Covid-19 pandemic outbreak, telework (fully remote or hybrid) became the new normal, where almost 50% of all the employees all over the globe (during some point) worked remotely and continues to do so. “Flexible work is here to stay” according to findings done by Microsoft in 2021. Work Trend Index study of more than 30.000 people from 31 countries and trillions of Microsoft 365 and LinkedIn analyses of work signals (Microsoft, 2021). In 2015 19% of EU employees worked from home remotely or in a hybrid model using collaboration technologies, where Scandinavian countries were leading with 30%-38% working in remote or hybrid model (Samek Ladovici, M. European Parliament, 2021). According to a study by the International Labour Office from Geneva from 2019, 40% of US workers work remotely occasionally (Lister, Kate et al., 2020).

2.1 Challenges and Benefits for the Companies

Hybrid and remote work do not come without challenges. Organizations’ dynamic capabilities play a major role in enabling this transformation of the workplace (Chatterjeea, Sheshadri et al. 2023). Management typically questions if employees will be fully engaged without continuous monitoring, while there is a challenge of work-life balance, sense of loneliness and isolation on employees’ side, as well as lack of socialization with their colleagues. Chatterjeea, Sheshadri et al. 2023 developed a research model tested on a sample of 335 respondents from different types of organizations on the digital transformation. The study finds that the dynamic capabilities of organizations have a significant and positive influence on the digital transformation of the workplace, which in turn improves the employees’ work-life balance resulting better employee performance and superior organization performance. The study also highlights the significant role that digital leadership plays in the digital transformation of the workplace. According to 2020 BCG research, success of hybrid/remote work depends on several factors like transparent remote-work vision, selecting right operating model, enhancing trust-based management, establishing the technological foundation and solutions (Ferreira., José et al., 2020). Leadership proved to have a key role in motivation and communication among employees. Additionally, without a company culture built on trust and clear goal settings, it is hardly possible to successfully introduce hybrid and remote working models. According to BCG survey from 2020, 24% of managers believe that it’s harder to control and drive productivity while working remotely vs in-office work, 39% of managers believe it is harder to ensure team engagement and connection, and 30% of managers believe in less innovation while working remotely. Global Workplace Analytics survey (Lister, K. et al., 2019) points out that 35% of managers believe that main struggle of remote work is employee engagement, 34% believes that the main struggle is a lower performance of teamwork and cohesion among team members, followed by lower creativity and innovation and lower availability of manager’s control over employees work performance. 2021 research from Gartner shows that employees were very engaged in remote/hybrid model even when their work had not been under constant company control and monitoring. According to research data of 2.865 participants, 70% of leaders confirmed that remote work performance was the same or better as on-site (in office) work (Kamouri, Anita et al., 2020). McKinsey Global Survey on digital transformation from 2018 lays down five characteristics of successful digital transformation as prerequisite for successful remote / hybrid work: leadership by having the right, digital-savvy leader in place, capability building for the workforce of the future (engaging integrator and technology-innovation manager who would support employees to bridge the gap between traditional and digital parts of business - they will translate and integrate new digital methods and processes into the existing way of working), empowering employees to work in new ways, continuous upgrading of tools used for collaboration and process digitalization, frequent communication via traditional

and digital ways (McKinsey&Company, 2018). In a new remote and hybrid work model, relationships between manager and employees have become more important than ever, while through manager employee validate employer as well (Kropp, B. et al., 2022). Important criteria for successful remote work and productive teams are (Neeley, Tsedal, 2021): delivering results, individual growth facilitation, building team cohesion.

2.2 Employees Challenges and Benefits

Main benefits for employers/companies are (Florentine, Sharon, 2020): employee engagement and productivity increase, retention, morale, expanding talent pool, cost reduction. BCG survey from 2020 shows that companies have the following benefits from hybrid/remote work model: cost saving, talent attractiveness, productive workforce. Applying hybrid/remote working model allows companies to employ experts from any geography, allowing them to choose the best talents, but also serves as a way to expand their business in new geographies. What comes across all research and surveys investigated as common benefits of hybrid/remote working for employees and employers are following:

- work/life balance for employees,
- more personal and family time for employees,
- cost reduction for both employees and employers,
- increased flexibility and autonomy for employees,
- development of digital competences for employees,
- higher performance in well managed hybrid/remote work for both employees and employers,
- improved work satisfaction,
- expanding talent pool for employers.

BCG study from 2020 shows that two major employees benefit in hybrid/remote work are work-life balance (mainly related to less commute time which allows extra time to be spent for their personal needs and family) and cost reduction of living costs (mainly due to lower cost of commute, cost of meals, etc.). OWL Labs study from 2021 shows that more than 80% of respondents considers that main benefits of remote working are more time with their family 86%, that they are happier 84%, better able to handle work-life balance 83% and that hybrid work is better for their mental health 82% (OWL Labs, 2021). Main positive effects of remote/hybrid work according to European parliament study (Samek Ladovici, M. et.al., 2021) are: better balance of home and work life, more time to spend with a family 79%, more time for personal activities 66% and activities in local community 47%. Buffer – State of Remote report from 2022 shows that main disadvantages of working remotely are following: overwork and no clear boundaries between work and home time, too much of virtual communication and collaboration, social isolation, lack of support, inadequate equipment, career development challenges, inequalities between off site and on-site workers, difficulty focusing especially in fully remote work model, staying motivated especially in fully remote work model, feeling lonely and appropriate communication with managers or team members. The findings of the research made by (Van Zoonen, Ward et al. 2023) show that the negative relationship between isolation and trust is primarily established by reduced organizational communication quality and interpersonal information sharing quality compared to the frequency of communication. What comes across all research and surveys investigated as common challenges of hybrid/remote working for employees and employers are following:

- sense of loneliness and isolation on employees' side, as well as lack of socialization with their colleagues and losing team spirit,
- no clear boundaries between work and home time,
- too much of virtual communication,
- difficulty focusing on fully remote work model,
- staying motivated especially in fully remote work model,
- new colleagues onboarding,
- appropriate communication with managers and team members.

2.3 Management and Leadership Context of Challenges

In the “Neuroscience of Trust”, published in Harvard Business Review 2017, after long years of research, university professor Paul Zak wrote: “*Compared with people at low-trust companies, people at high-trust*

companies report: 74% less stress, 106% more energy at work, 50% higher productivity, 13% fewer sick days, 76% more engagement, 29% more satisfaction with their lives, 40% less burnout." (Harvard Business Organisation, 2022). The best leaders will create a culture of flexibility and wellbeing of their employees. Culture is the result of how a company works and operates (Capgemini Research Institute and Capgemini Invent, 2021). Culture is composed of the collective experience of leadership and employees, what they believe in and what they value (Capgemini Research Institute and Capgemini Invent, 2021). Capgemini Research Institute defines digital culture based on seven key attributes: agility and flexibility, collaboration, customer centricity, data-driven decision making, digital-first mindset, innovation, and open culture. Top leaders play vital role in adopting culture playing a role-modelling desired mindset and behaviour. High trust is possible to achieve only if it's mutual, two-way street (Harvard Business Organisation, 2022). A leader's job is to give freedom to their employees, but also clarity what they need to do, including why and how their contribution matter supported by information they need to accomplish the task (Harvard Business Organisation, 2022). Leaders must give the ownership and credit to employees for their results, however, be there as a support if help is needed. True leadership is about building satisfied employee with high productivity for growing company results, and it's on leader to nudge employee to have reasonable balance between work and life. Company culture growing on trust is mandatory for successful hybrid/remote work. And when things are changing rapidly, there is no time to lead under known chain command (Meyer, P. P., 2020). Exactly how to approach in remote and hybrid work should functionate. Under big trust between e-leaders and employees, every employee should be a small individual entrepreneur of his jobs-to-be-done, with end-to-end mindset. E-leader should encourage such mindset and connect individuals into a team, under clarified decision rights.

For productive remote and hybrid team, there are tactics for successful leading remote workers (Neeley, Tsedal, 2021):

- a) minimize location differences - leaders should not make differences in leading people who are working on a different location, no matter if locations are geographically different, or on site or off site working,
- b) strengths, not status emphasize - leaders should emphasize individual strengths, not working status for remote workers, key for leaders is to promote group-level identity and stress out that each individual represents one part of a team (chain link),
- c) create structure – predictability is important for remote workers, leaders should give clear direction to each team member with direct communication and clear job description and responsibilities,
- d) give feedback – in order to motivate team members, leaders must give appropriate and constructive feedback as an individual support for career development no matter if working in office or remotely,
- e) promote engagement, but not avoid conflicts – bonding of remote and hybrid workers through informal parts of the meetings in order to encourage engagement and fruitful discussion.

Taking all of the challenges employers and employees are facing in full remote work, hybrid work model seems to be more widely adopted by majority of employers, where applicable (Ancillo, Antonio de Lucas et al., 2023). It is considered that the optimum balance could be around two to three days of remote work a week (Samek Ladovici, M. et.al., 2021) giving possibility to the worker to organize work to maximize benefits of both options (in office and home office). Many companies are adopting much more aggressive hybrid models where majority of work is conducted remotely, while occasional physical in-office presence is used with intention to keep close relationships between co-workers and to nurture employees' sense of loyalty and belonging .

Hybrid/remote work model requires defining of measurable targets (Key Performance Indicators - KPIs) for achieving its purpose which will provide clarity about the goals and boost engagement of employees to achieve targets. The Performance Management must be adapted to a new way of working through (Ferreira., José et al., 2020):

- a) Trust-based management – as a first enabler for successful hybrid/remote work, means shifting towards measuring workers' output (e.g., achievement of settled KPIs and quality and timeliness of the work). It's important that teams and leaders, no matter working remotely or onsite, share information, and focus on successful results delivery. They should behave in the best interest of the team, make themselves available for each other, ensure that everyone feel included, share difficult jobs, and show cultural sensitivity.
- b) KPIs and OKRs (Objectives and Key Results) – companies should use measurable targets, which should be equally accessible and fair for both remote and onsite employees, by providing tools and information that enable reaching targets, and provide reporting for regular tracking of performance. OKRs are used for goals' setting and KPIs are used for tracking goal performance (Asana, 2022).
- c) Coaching and feedback – important in driving employee's individual development and managing employee expectation, which could be very challenging in remote work model.

New flexible working models require new practices and routines which could improve efficiency in daily tasks. One of the proposed work practices is agile practice. Survey showed that companies which implemented at least two agile practices of named below, reported 40% increase in productivity (Ferreira., José et al., 2020). Agile practices proposed for hybrid/remote teams are (Ferreira., José et al., 2020): daily “stand up” sessions – to review backlog and align on process and priorities, structure work of the day, and discuss potential roadblocks, asynchronous communication – by using tools like Teams, Slack to ensure information flow, weekly team meetings – to review each week deliverables and to define upcoming priorities, demo days – sharing of results and collecting feedback from stakeholders.

3. CONDUCTED RESEARCH

3.1 Methodology

METRO AG (umbrella brand name) last year turnover was 25,6 billion € with strong investments worldwide of 627 million €. METRO C&C Croatia d.o.o. is a subsidiary of METRO AG, in Croatia operated since 2001 with headquarters located in Zagreb, and currently 172 employees, 10 wholesale stores in major cities in Croatia, strong Food Service Distribution with 24% share, and offering digital services through DISH platform to HoReCa customers, and is a strong and reliable B2B partner to HoReCa (hotels, restaurants, cafes, and catering), Trader (traditional trade shops, kiosks, bakeries) and SCO customers (Small companies, offices, and services). METRO C&C Croatia case study was conducted with the primary method of data collection research, which was through a survey questionnaire sent to HQ (people who work at the headquarters of an organization) employees (with a response rate of 88%), individual one-on-one interviews, including Board members, Senior managers, Middle managers and other “white collars” employees, as well as internal data received by authorized HR employees. One-on-one interviews were conducted with Board members, Senior managers, Middle managers, and white collars workers in HQ within different departments for fair coverage of the whole company. A Google Form questionnaire was conducted to examine wider HQ employees’ responses of their expectations and preferences of work in the company located in Croatia (only in the office, only remote or hybrid), status of workplace disruption in the company, awareness of employees’ expectations toward their workplace and the way they respond to it. METRO C&C Croatia belongs to retail/wholesale industry. This industry doesn’t have the highest possibility for hybrid/remote work, as the nature of this sector is that there will always be a need to have employees in stores and warehouses (Retail Times, 2022). With new technologies emerging, rising trend of online shopping, staffing shortages etc. executives must consider the given situation and consider alternative ways of working and providing service.

COVID-19, like in many other companies worldwide, was the trigger to workplace disruption in METRO C&C Croatia. Before the pandemic, METRO C&C Croatia operated on-site work model. With the purpose to safeguard employee’s health being, both in HQ and stores and warehouses, and to secure main business purpose to serve customers, METRO C&C Croatia leadership and crisis committee, following corporate guidance, decided to change the work model for HQ employees. At the beginning of the pandemic, it applied remote work model to maximum extent, with few exceptions with which administrative roles were able to operate due to legislation rules (e.g., reception was kept for scanning documents like invoices, contracts, etc.). Once the situation with the pandemic calmed down with vaccinations, the hybrid work model with limited number of people per room was chosen. Returning to the office full time was on the table, however, the survey among employees has shown great satisfaction with flexible working possibility and higher productivity of employees, confirmed by stores and warehouse employees who were continuously on-site working. At the beginning of this research, 3 hypotheses have been set:

H1 – Hybrid/remote work is currently the preferred work model for white collars employees. (confirmed)

Primary research method results, based on METRO C&C Croatia case study show that 92,5% of HQ employees preferred way of work is hybrid/remote, store and warehouse employees work onsite full time, as their job is not able to be done remotely according to interview statements of the Board members and decision of the Board that only HQ employees can work hybrid/remote work model. Hypothesis 1 is confirmed. Hybrid/remote work is preferred way of work for white collars.

H2 - Companies are adopting and applying hybrid/remote way of working.

Primary research method results, based on METRO C&C Croatia case study, show that 92,5% of HQ employees works hybrid/remotely, out of which 79,2% works 2 days per week remotely (home office), and 15,1% works 1 day per week remotely (home office). Hypothesis 2 is confirmed. Companies are adopting and applying hybrid/remote way of working.

H3 - Companies are coming up with new work process and tools to support the hybrid/remote work model.

Primary research method results, based on METRO C&C Croatia case study show that 98% of HQ respondents to the survey stated they are very satisfied with software's available for hybrid/remote work, 100% of HQ respondents to survey stated that technology they have for their hybrid/remote work like laptops, mobile phones, internet connections... is suitable for hybrid/remote work. Hypothesis 3 is confirmed. Companies are coming up with new processes and tools to support hybrid/remote work.

3.2 Results and Discussion

METRO C&C Croatia conducted survey among HQ employees (N=172), a few months after the pandemic started and when employees were home-office working for majority of the time, with the response rate of 59% (N=102) which has been the typical response rate for other METRO C&C Croatia surveys too. Results of conducted survey shown that 95% of respondents declared they are satisfied with new work model (54% "completely satisfied" and 41% "partially satisfied"), 75% of employees declared their level of productivity is "completely satisfied", 40% declared "completely satisfied" with their work-life balance, and 37% of employees declared their work-life balance in home-office working model as "partially satisfied" as shown in Figure 1 below. It's clear from the survey results how the biggest employees struggle in remote work is work-life balance.

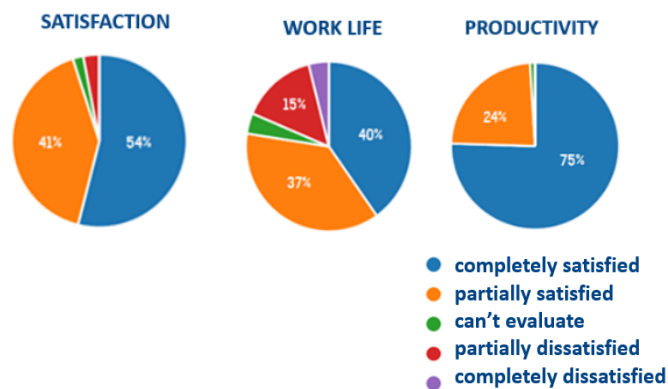


Figure 1. METRO C&C CROATIA survey results on employee productivity, satisfaction and work life balance

Survey has shown very positive results regarding communication with line manager and quality of feedback received from line manager, with 85% employees "completely satisfied" with communication with line manager and 82% of employees declared as "completely satisfied" with the feedback from line manager, in Figure 2.



Figure 2. METRO C&C CROATIA survey results on communication and feedback from line manager

METRO C&C CROATIA leadership decided to keep the hybrid model as a new working model in the HQ, with fixed 3 days in the office (Monday-Wednesday) and 2 days home office (Thursday-Friday), and to keep stores and warehouse on-site working model. As research among Metro C&C Croatia HQ employees shown, 92,5% of employees prefer to work in a hybrid/remote work model which means they see many benefits working at least a few days at their home office. Main benefits, according to questionnaire among Metro C&C Croatia HQ employees are:

- Less commute time and more time for work and private needs (40% declared this benefit as the top 1 benefit).
- Financially better position (21% declared this priority as the top 2 benefit).
- Flexibility to choose location where to work (21% declared this benefit as top 2 benefit).
- More time for family (19% declared this benefit as top 2 benefit).
- Better focus on work (21% declared this benefit as top 3 benefit).

Additionally, 60,4% (32 employees) declared they are more productive at home-office, for 50% of those employees it is important and very important that the company co-finance home utility costs, 50% of them said they would probably or certainly leave the company if they did not offer hybrid work model, and >95% of them are age 41-56. One-on-one interviews with Board Members/Senior Managers and Middle Managers and other white collars employees working in HQ gave us an even deeper understanding about the benefits that hybrid model is offering, both for company and for employees. More than 90% of all interviewed express that hybrid work model is much better work option than fully remote, due to importance of onsite socialization, face-to-face meetings and discussions which are not able to be done productively via online meetings. Top benefits, according to interviews are less commute time and more time for work and private needs, higher productivity (in hybrid work model), higher satisfaction of employees and higher engagement (in hybrid work model), and higher availability of co-workers regardless of their distant location. Detailed overview of benefits collected during one-on-one interviews is shown in the Table 1 below.

Table 1. METRO C&C CROATIA: Benefits of working in a hybrid work model

BENEFITS		
One-on-one interviews	For company	For employees
Board members/ Senior managers	<ul style="list-style-type: none"> – higher employees' satisfaction – higher productivity in >90% of employees – potential utility cost reduction (if some period completely closed HQ offices) – lower administrative and equipment costs (less printing paper and cartridges, less fixed printers - centralized printers installed vs printer in each room) – less postponing of the meetings (employees have chance to work from home when not feeling well, but able to work) – better competitiveness on the workforce market 	<ul style="list-style-type: none"> – flexibility in 2 days of home office possibility – more time for their families – more time for themselves – less commute time – lower commute cost – healthier living – possibilities – less stress – higher productivity
Middle managers/ other white collars	<ul style="list-style-type: none"> – higher productivity – better focus on work – more time available for colleagues and managers – higher satisfaction of employees – happier and more engaged employees 	<ul style="list-style-type: none"> – no commute time and cost – more time for work and private matters – higher productivity – less stress – better concentration due to less distraction during home office work (depends on situation at home) – better focus on work – fewer sick leaves – more satisfied and happier employees

Trust between Board Members, Senior Managers, Middle Managers, and other employees in Metro C&C Croatia HQ seems to be on a very high level, based on surveys and interviews conducted.

Based on survey results, Metro C&C Croatia has built a company culture on trust above authority, as prerequisite for hybrid/remote work. Employees were asked to grade their trust between managers and

employees from no trust (1) to very high trust (5). 94% (50 employees) stated that there is a very high and high level of trust between managers and employees. The questionnaire survey among METRO C&C Croatia HQ employees has shown that the top 3 struggles are:

1. Overtime work (no boundaries between work and private time when home-office work) (26% said this is top 1 struggle). However, the employer is not able to apply time registration in home office and longer working time might occur also due to longer usage of private breaks or different distribution of working time.
2. Top 2 struggle (for 25%) was “in-office meetings (face-to-face) on home-office days (Thursday-Friday)”.
3. Technical equipment not adequate or often technical problems was top 3 struggle (for 23% of employees).

Among additional struggles, employees stated (21% of them) that they feel inequality between in-office workers (the one that comes to the office in a day when home office is allowed) and the ones that stays at home office 2 days a week, also some of them (18%) struggle within line manager communication, 15% employees feel loneliness and some of them (8%) struggle with teamwork.

Table 2. METRO C&C CROATIA: struggles of working in a hybrid work model

STRUGGLES		
One-on-one interviews	For company	For employees
Board members/ Senior managers	<ul style="list-style-type: none"> – leading and maintaining of the meetings in hybrid mode (part of the team face-to-face and part of the team online) could be quite challenging and not so efficient – focus of the team is lower via Microsoft Teams meeting vs live meetings 	<ul style="list-style-type: none"> – too many Microsoft Teams meetings without breaks – no clear boundaries between work and life lives during remote work – missing socialization and potential drop of motivation during remote work (feeling isolated) – lower concentration (depends on home situation) – self-neglecting (always in pyjama...)
Middle managers/ other white collars	<ul style="list-style-type: none"> – potentially exhausted employees if meetings are not properly managed – leaving the company if company doesn't offer flexible work model – harder onboarding if not offer flexible work 	<ul style="list-style-type: none"> – too many Teams meetings without breaks – work-life balance disturbed (no clear boundaries between work and life in remote work) – meeting organized onsite during home-office days – meetings organized or mails sent by managers after regular work time – loneliness if fully remote work, in hybrid model not felt loneliness due to onsite socialization – in some cases, communication with managers could be improved (regular weekly meetings needed)

Questionnaire survey among METRO C&C Croatia HQ employees shows that communication and collaboration tool is very well accepted and helping them in daily collaboration with their line manager, their direct teams, and cross functional teams. According to one-on-one interviews, and internal data shared, many processes were changed across company and departments. Some of the examples are as follows:

- “Home office working rules and regulations” have been issued.
- Before “must printing files” were changed with e-documentation version (e.g., discount confirmation...) except for the Contracts and invoices that, according to Croatian Law, still must be signed and archived physically.
- Usage of OneDrive for sharing documentation, and real-time work on the same document within different departments has been introduced.
- MPOWER – software for digital vacation approvals, performance reviews, goal settings and development planning has been implemented.
- TalentLyft – talent search software for new employee selection process has been implemented.

- Tips and Tricks for on-line learning from home office prepared by METRO C&C HR team has been introduced.
- Wellbeing of hybrid/remote recommendations have been introduced.
- Mental health online booklet and body exercise guide for home office workers and their families has been issued by METRO C&C Croatia HR department.

Primary research method results, based on METRO C&C Croatia case study, are following: 92,5% of HQ employees preferred way of work is hybrid/remote, store and warehouse employees work onsite full time, as their job is not able to be done remotely according to interview statements of the Board members and decision of the Board that only HQ employees can work hybrid/remote work model. Primary research method results, based on METRO C&C Croatia case study, are following:

- 98% of HQ respondents to survey stated they are very satisfied with software's available for hybrid/remote work.
- 100% of HQ respondents to survey stated that technology they have for their hybrid/remote work like laptops, mobile phones, internet connections... is suitable for hybrid/remote work.
- METRO C&C Croatia is using following tools: Microsoft Office 365 platform with all available application, especially Microsoft Teams which is in everyday use, but also, Planner for project management, Viva Engage for international engagement, and many custom-built apps like Poll, Deskbooker B9, METRO.digital Chatbot, MAG HR Chatbot, I love learning, METRO Express...
- METRO C&C Croatia implemented many new processes for hybrid/remote work like "Home office working rules and regulations", e-documentation, OneDrive for sharing documentation and real-time work on the same documents/projects, new process for digital vacation approvals, performance reviews, goal settings and development planning via MPOWER, new process for talent search via TalentLyft software.

4. CONCLUSION

Research results have been analysed according to the sample of one middle-sized company in Croatia and probably have some limitation for wider conclusion but can serve as a solid basis for some other research. Nevertheless, the results clearly demonstrate that observed company has come up with new processes and tools to support hybrid/remote work. Hybrid work model, which is a blend of onsite and home-office work, and which this company is applying, seems to bring the best out of both models. Onsite work offer socialization, face-to-face meetings, direct communication of managers with direct reports for performance reviews and individual development, while home-office work offers focus on work and higher productivity, reduction in commute time and cost, better lifestyle, and happier employees. Hybrid work model became the mainstream in the observed company. Case study has shown that company can be transformed from fully onsite to hybrid work model organization, digitized certain processes to enable hybrid/remote working, invested into technology and digital tools, built company culture based on trust, settled clear OKRs and KPI's including feedback policy with achieving the best results ever in the current year. This research shows that the company has successfully adopted hybrid/remote work model, for both employees and company benefit from it. Observed example could also be applicable to other SMEs and that is something left for the further research.

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