

McKinsey Digital

A blueprint for remote working: Lessons from China

As home to some of the world's largest firms, China offers lessons for those that are just now starting to embrace the shift to remote working.

by Raphael Bick, Michael Chang, Kevin Wei Wang, Tianwen Yu



From Alibaba to Ping An and Google to Ford, companies around the globe are telling staff to work from home¹ in a bid to stem the spread of COVID-19.

Such remote working at scale is unprecedented and will leave a lasting impression on the way people live and work for many years to come. China, which felt the first impact of the pandemic², was an early mover in this space. As home to some of the world's largest firms, it offers lessons for those that are just now starting to embrace the shift.

Working from home sky-rocketed in China³ in the wake of the COVID-19 crisis as companies told their employees to stay home. Around 200 million people⁴ were working remotely by the end of the Chinese New Year holiday. While this arrangement has some benefits, such as avoiding long commutes, many employees and companies found it challenging. One employee at an internet company quipped his work day changed from '996' to '007', meaning from nine to nine, 6 days a week, to all the time. On the personal front, employees found it difficult to manage kids' home-schooling via video conference while coordinating with remote colleagues. At a company level, many felt that productivity rapidly tailed off if not managed properly.

This article brings together our experience helping clients navigate remote working, in-house analysis, and insights from conversations with executives in China as they responded to the situation and addressed the challenges.

Done right, remote working can boost productivity and morale; done badly, it can breed inefficiency, damage work relationships, and demotivate employees. Here are eight learnings from China that may be applicable around the world, depending on the circumstances:

1. Designing an effective structure

Teams or whole business units working remotely can quickly result in confusion and a lack of clarity. Being isolated leads to uncertainty about who to talk to on specific issues and how and when to approach them, leading to hold-ups and delays.

That's why establishing a structure and architecture for decision making and effective communication is key. Here, smaller cross-functional teams can be helpful, each with a clear mission and reporting line, where directions and tasks are easy to implement. This also simplifies onboarding new hires, who can integrate faster in a tight-knit group, at a time when the broad sweep of the organization isn't visible or easy to feel. With fewer in each team, there is more time to get to know each other and build the trust that would grow more organically in the office.

At Ping An Insurance, workers are typically grouped in project teams of, at most, 30 members, while larger business units are divided up to help them stay agile.

Strong company-wide foundations underpin this, such as having a common purpose and unified goals. Providing clarity on what decisions to escalate and which ones can be tackled at team level helps drive progress.

To mitigate the effects of closed retail stores, one leading fashion company set up a strategy control room and redeployed staff into four cross-functional squads to support its front-line. It designed standard ways for live broadcasting and established internal best practices to encourage front-line staff to use new retail tools to drive sales remotely.

The lesson: Setting up small, cross-functional teams with clear objectives and a common purpose keeps everyone on the same strategic course.

¹ <https://www.ft.com/content/1d54d08a-6555-11ea-b3f3-fe4680ea68b5>

² <https://www.who.int/health-topics/coronavirus>

³ <https://www.bbc.com/worklife/article/20200309-coronavirus-covid-19-advice-chinas-work-at-home-experiment>

⁴ <https://m.chinanews.com/wap/detail/zw/business/2020/02-03/9077412.shtml>

2. Leading from afar

Managing people is one of the most difficult elements of remote working, not least because everyone will respond differently to the cultural shift and challenges of the home-working environment.

Leaders need to energize the whole company by setting a clear direction and communicating⁵ it effectively. Offering a strong vision and a realistic outlook can have a powerful effect on motivation across the organization. It's essential to foster an outcome-driven culture that empowers and holds teams accountable for getting things done, while encouraging open, honest and productive communication.

Empowering your team in this way pays dividends. WeSure, part of leading internet company Tencent, assembled a COVID-19 response team⁶ at the start of the year to offer insurance coverage, free of charge, to front-line medical workers. Alan Lau, CEO of WeSure, credited his team, saying they had worked non-stop, many from remote locations while on leave during the Chinese New Year break, demonstrating how responsive they were to the vision.

For managers, the challenge is to lead, inspire and direct their team in their daily course of work, while being physically remote. Upping the levels of interaction can also work well here.

One chief information officer, responding to a McKinsey survey⁷, said he's texting the entire company with regular updates because it's a more human way of communicating than via the official corporate channels.

When working within distributed teams, e-commerce giant Alibaba increases the frequency of its one-to-one communications with employees to a weekly basis and, in some teams, members submit a weekly report for their colleagues,

complete with plans for the week ahead. Alibaba's productivity app DingTalk (Ding Ding) has features built-in to facilitate this by allowing managers to send voice-to-text messages to their teams, and to check in on progress.

The lesson: Determining how you communicate is just as important as what's being said, and it needs to be done confidently, consistently, and reliably⁸.

3. Instilling a caring culture

As companies transition to the new normal, it's important to acknowledge that some employees may be facing other pressures at home, including caring for their children when schools are shut, leading to feelings of isolation and insecurity. Business leaders need to respect and address these additional needs.

Empathy is a crucial tool here, offering a way to connect, promote inclusiveness, and create a sense of community in a void of physical interaction. Increasing social interactions within the team, particularly through one-on-one catchups, guards against feelings of isolation and demoralization and creates space for people to speak up and share their thoughts. By creating a sense of psychological safety for their colleagues, being inclusive in decision making, and offering perspective in challenging moments, managers can stay closer to what is going on, surface issues, and help their teams solve problems effectively.

A similar approach is important when dealing with customers and clients, providing valuable stability and enabling them to navigate unknown waters with confidence. For example, one global bank asked their relationship managers to connect with small business customers via WeChat and video-calls to understand their situation and help them weather the crisis. To do so effectively at scale, the managers

⁵ <https://www.mckinsey.com/business-functions/organization/our-insights/leadership-in-a-crisis-responding-to-the-coronavirus-outbreak-and-future-challenges>

⁶ <https://www.prnewswire.com/news-releases/wesure-launches-novel-coronavirus-pneumonia-insurance-covering-15-million-people-against-outbreak-of-covid-19-301005341.html>

⁷ <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/the-cio-moment-leadership-through-the-first-wave-of-the-coronavirus-crisis>

⁸ <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/the-cio-moment-leadership-through-the-first-wave-of-the-coronavirus-crisis>

are supported through dedicated product programs, online articles, scripts for communicating with clients, and internal trainings.

Inclusion is the ultimate show of empathy. Creating outlets for sharing best practices, success stories, challenges, and water-cooler chat are vital to create a human connection. Giving employees space to pursue personal or social endeavors, providing a clear span of control, and assigning meaningful tasks can also spur motivation.

The lesson: Connecting on a personal level and instilling empathy within the culture is doubly important when working remotely.

4. Finding a new routine

Moving to remote working risks disrupting the office-based flows and rhythms and it can be easy to hit the wrong note or miss important virtual meetings due to packed schedules. Spend time with your team addressing the nuts and bolts of how you will work together. Cover the daily rhythm, individual constraints, and specific norms you will commit to and anticipate what might go wrong and how you will mitigate it.

How companies plan and review their workflows needs to change to reflect this. The challenges of the new working pattern and of not being in one room together can be overcome by creating a digitally facilitated cadence of meetings. One leading insurance company adopted agile practices across its teams, with a daily and weekly ritual of check-ins, sprint planning, and review sessions.

As Alibaba embraced remote working, it also made sure its meetings were more tightly run. One person is assigned to track time and manage the outcomes. Team members can rate a meeting's usefulness using a five-star system that offers immediate feedback and positive ways forward.

To address the challenge of launching a digital business with a large remote team, one company created a new workflow for product requirements that clearly outlined use of digital tools, roles and responsibilities as requirements moved from ideation to validation to delivery stages. Reiteration

of decision-making structures like this isn't always necessary when people can communicate directly, but their absence can be keenly felt when remote working kicks in.

The lesson: Establishing robust working norms, workflows and lines of authority is critical, but all too easy to skimp on.

5. Supercharging ways of communicating

Poor communication is one of the key reasons remote offices are not productive.

How staff interact needs to be completely rethought using a full arsenal of channels and tools. Getting it right is tricky and requires experimentation.

Choosing the right channel matters. Video conferences are great for discussing complicated topics in real-time and for creating a sense of community, but they require team-wide coordination and focus. Channel (chat) based collaboration software is great for quick synchronization or easily answered questions, while email can be used to record outcomes and communicate more formally. Backlog management tools can be used to keep on top of tasks and process.

From McKinsey's remote work with clients, we know how effective video conferences can be, if a few simple rules are followed. Firstly, you need a clear agenda and moderator to keep the discussion on track. Having the camera turned on throughout the meeting is essential to build relationships and pick up non-verbal cues. In case the home office is not presentable on camera, most VC software offer virtual or blurred backgrounds. For joint problem solving, it is particularly useful to use screenshare or virtual whiteboards to co-edit documents.

Many teams find it useful to create channels for real-time communication—for example on DingTalk, WeChat, Microsoft Teams or Slack—with a simple rule to jump on a video conference if a complex topic requires face-to-face interaction. However, continuously switching between messages, tasks, and projects is a productivity killer and team members need to understand how quickly they're

expected to respond: is it urgent or can it wait? Turning off notifications and really focusing on one thing at a time can sometimes be the best way to get work done.

The lesson: Choosing the right channel is critical to getting it right. If you pull your employees from topic to topic, you'll interrupt their workflow and drive down productivity.

6. Harnessing the power of technology

Effective remote working starts with the basics—including a fast, stable, and secure internet connection, as well as setting up an ergonomic home office environment. Expanding VPN (virtual private network) access and bandwidth is one of the first steps many CIOs took to enable their employees to access systems remotely. Remote working is also empowered by a suite of SaaS (Software as a Service) technology tools that allow teams to effectively co-create, communicate, share documents, and manage processes.

A single, digitally accessible source of information—be it a performance dashboard, sprint backlog, or business plan—keeps everybody aligned.

Many Chinese companies have rapidly adopted local productivity solutions such as Alibaba's DingTalk or WeChat Work to communicate and deliver weekly meetings, training, and lectures. For example, as COVID-19 spread, monthly active users of DingTalk jumped by 66 percent to more than 125 million. Many multinational firms accelerated roll-out of productivity solutions they were already using elsewhere, like Slack, Microsoft Teams, or Zoom. Effective use of these tools required a change management effort from training staff on documenting key functionalities to setting up new workflows. Defining new ways of working with digital tools by collating best practices from various teams in the company can help to speed up adoption. At McKinsey, we created an internal portal on great remote working that brought together learnings from across the company, from how to run collaborative problem-solving sessions to effective decision meetings with clients while on VC.

In addition, many companies created special applications to allow their front-line teams to remain effective during remote work. For example, one big-four bank created a special WeChat mini-program to enable their relationship managers to interact with customers and generate leads. They then used bank-approved programs to engage with customers, and access bank systems from their laptops.

Trip.com, China's largest online travel agency, has long enabled its contact-center staff to work from home, which paid off in the recent crisis as it was able to deliver a high quality of service during widespread travel disruptions.

The lesson: Using technology can be vital in keeping everyone on track, but it's important to get the basics right.

7. Taking security seriously

Security concerns add a layer of complexity to the technological side of remote working and can have serious consequences, in particular when employees are not aware of safe practices or switch to unauthorized tools to get their work done.

Adopting a strong yet practical approach is not easy. Doing it right requires giving employees the tools they need to be productive while managing data confidentiality and access.

Leading players such as Ping An have addressed the security issue head-on through a set of mechanisms: establishing a confidentiality culture, mandating awareness training, and limiting data access to a need-to-know basis. For example, sensitive information such as customer data can be displayed with watermarks so that any leaks are traceable. Alibaba uses its own software Alilang to manage network and device security.

The lesson: Make it easy for employees to comply with security requirements while investing in strong safeguards.

8. Adopting a ‘test and learn’ mentality

The final lesson: Being ready to recognize what isn't working and changing it fast.

Leadership teams that continuously learn, actively identify best practices, and rapidly set up mechanisms to share ideas across the organization tend to be most successful in the long run. R&D teams at one leading high-tech manufacturer created a productivity target for remote work by estimating their productivity each week relative to onsite work and identifying levers to improve it. Within 4 weeks, they had progressed from 50 percent to 88 percent of their baseline.

As China's workforce begins to return to offices, these lessons from some of its leading companies help to illustrate how—with the right structure, culture, processes, and technology—working

remotely can boost productivity and morale. Employees who spend less time travelling or commuting and have a better work-life balance are likely to be happier, more motivated, and ready to mobilize in extreme situations.

Embracing remote working allows companies to define a new normal that drives productivity and employee satisfaction into the future. Alibaba launched TaoBao, by now the world's biggest e-Commerce website, while staff were working remotely on quarantine during the 2003 SARS outbreak. For Trip.com, a remote working experiment in 2014⁹ established the foundations for great customer service and flexible working culture. Hence, bringing together all the elements can enable a new way of working that will make your company fit for the future—whatever that may hold.

Raphael Bick is a partner in McKinsey & Company's Shanghai office, where **Tianwen Yu** is an associate partner. **Michael Chang** is an associate partner in McKinsey's Beijing office. **Kevin Wei Wang** is a senior partner in McKinsey's Hong Kong office.

The authors wish to thank Lihong Pan and Glenn Leibowitz for their contributions to this article. They'd also like to thank Enoch Chan, Natalie Chu, Desiree El Chebeir, Karel Eloot, Jeff Galvin, Alexei Korkmazov, Xu Lei, Nick Leung, Liesje Meijknecht, Kate Smaje, Hugo Sarrazin, Anand Swaminathan, Sha Sha, Gregor Theisen, Joe Zachariah, Rodney Zimmel, and Haimeng Zhang for their insights.

⁹ <https://hbr.org/2014/01/to-raise-productivity-let-more-employees-work-from-home>

Communication channels are crucial for remote working

Channel	Best for...	Communication considerations
 1:1 Call / VC	<ul style="list-style-type: none"> • Individual catch-ups and building relationships • Discussing sensitive and difficult topics 	<p>Time to create vs time to process information</p> <p>Synchronous vs Asynchronous</p> <p>1:1, 1:N, or N:N</p> <p>Structured vs stream</p> <p>Formal vs chatty</p> <p>Urgent vs important</p> <p>Visual vs spoken vs written vs non-verbal clues</p>
 Video conference	<ul style="list-style-type: none"> • Problem solving and co-creation using shared screen or whiteboard • Weekly planning and review sessions • Decision meetings • Workshops and trainings • Team talks and retrospectives 	
 Chat	<ul style="list-style-type: none"> • Process syndication • Urgent questions and seeking guidance • Keeping up to date in real-time • Social team talk 	
 Video captures & voice notes	<ul style="list-style-type: none"> • Showcasing and explaining work • Guidance to the team from managers with limited time • Debriefs after meetings that some may have missed 	
 eMail	<ul style="list-style-type: none"> • Updates and status to large groups of people • Formal communication inside and outside the company 	

Source: McKinsey & Company analysis

Technology: using digital tools effectively

	Best for	Example tools
Content creation	<ul style="list-style-type: none"> • Joint document creation • Live co-editing • Joint white-boarding • Central knowledge space 	<ul style="list-style-type: none"> • Office 365 • Google Docs (G Suite) • Confluence • Miro
Video conferencing	<ul style="list-style-type: none"> • Problem solving and co-creation using shared screen or whiteboard • Weekly planning and review sessions • Decision meetings • Workshops and trainings 	<ul style="list-style-type: none"> • Zoom • Tencent Conference • Ding Talk • Webex • Microsoft Teams
Document sharing	<ul style="list-style-type: none"> • Sharing files and documents • Structured repository of information • Version control management • Access across organizations 	<ul style="list-style-type: none"> • Box • Sharepoint • Dropbox Business • Baidu Cloud Disk • Google Drive
Channel-based communication	<ul style="list-style-type: none"> • Process syndication • Urgent questions and seeking guidance • Keeping up to date in real-time • Social team talk • Stream-based repository of knowledge 	<ul style="list-style-type: none"> • Ding Talk • WeChat Business • Slack • Microsoft Teams • Basecamp • Hipchat • Google Hangouts
Task management	<ul style="list-style-type: none"> • Keeping track of and assigning tasks • Backlog prioritization • Performance management • Project management • Checklists • Single source of status 	<ul style="list-style-type: none"> • Trello • Jira • Asana • Smartsheet • Microsoft Planner • Basecamp
Polling	<ul style="list-style-type: none"> • Interactive presentations • Retrospectives and team learnings • Interactive Q&A • Engagement • Polls 	<ul style="list-style-type: none"> • Kahoot • Ideboardz • Slido • Poll everywhere • Mentimeter

Many tools can be integrated with each other through single sign-on and content sync
 Choosing the right tools for the company requires close collaboration between Business, IT & Security
 Rolling them out effectively is a change management effort – from training to adapting ways of working