

# The challenges of hybrid and remote work

## Information on the Case Study

**Organisation:** Inditex

**Size:** 165,042 employees

**Location:** La Coruña, Spain

**Sector:** Textile industry

## Operational Context

Inditex (Industria de Diseño Textil), is a multinational textile manufacturing and distribution company. It is one of the largest fashion distribution companies in the world with brands such as Zara, Massimo Dutti and Bershka. It is characterised by its dynamic and constant evolution.

## The Problem/Opportunity

### Problem:

At the beginning of the Covid-19 pandemic, the company recorded losses of more than €400 million, so it was necessary to adapt its online sales capacity immediately, and to do so, it had to renew the functions in all its employees' jobs. This situation has allowed the company to detect the main challenges to be overcome to implement the hybrid and remote work (HRW) model.

### Opportunity:

Inditex has a complex structure, with different areas ranging from logistics and physical shops to design and marketing teams. The challenge has been to adapt the hybrid model to the different needs of each area. This has been excellently achieved, which would not have been possible without the company's ongoing digitisation strategy and integration of online and offline channels. Containment boosted online demand, with total group sales rising from €20,402 million in 2020 to €27,716 million in 2021, an increase of 36%. Gross margin increased by 39% in 2021 compared to the previous year, reaching 15,814 million euros (Inditex, 2021).

## What Was Done

1. **Adaptation of the work culture:** Inditex has been changing its work culture towards a hybrid model in which diverse social groups are included.

**Action:** Transition to the hybrid model with a change in the mentality of employees and managers accustomed to seeing face-to-face work as the standard for productivity.

**Examples:** Inditex's Compliance System is committed to good governance and social and environmental sustainability, as well as to transmitting this ethical corporate culture. To this end, it develops an inclusive culture to cater for diversity. It is based on values such as inclusion, equality and respect. Diversity and equality are addressed through four global priorities: gender equality, inclusion of people with disabilities, LGBT+ people, and socio-ethnicity.

2. **Coordination of global teams:** Inditex operates in multiple countries, and maintaining coordination between teams working in a hybrid way and in different time zones has been one of the main challenges.

**Action:** Ensure that communication is fluid and that projects continue to move forward with geographically dispersed teams. increased investment in technological tools and more flexible management

**Examples:** IOP (Inditex Open Platform) is the hybrid cloud reproduction of each of the phases of the work model. It is adapted to each department and employees' needs and allows for permanent interaction and adaptation.

3. **Investment in technology and training:** The technological infrastructure for hybrid work was not fully optimised before the pandemic.

**Action:** Investing in collaborative platforms, improving cybersecurity and training employees in the use of new digital tools to be able to implement the hybrid model efficiently.

**Examples:** Implementation of a proprietary technological platform, Inditex Open Platform (IOP). The platform integrates the entire life cycle of the product, which allows for permanent interaction and adaptation between all of them.

## Outcomes

### 1. Adapting the working culture:

**Outcome:** The Inditex Compliance System, as a commitment to good governance and social and environmental sustainability, has been implementing an inclusive culture to attend to diversity.

**Evidence:** This has been implemented in 100% of the workforce, with women accounting for 75% of the workforce, and 80% of management positions in the company are held by women. Inditex also employs 1 698 people with disabilities.

### 2. Hybrid work management:

**Outcome:** Employees have increased their online work functions, mainly in online sales, so that dealing with queries about order status, delivery times or the online operation itself is a very important part of their work.

**Evidence:** A total of 45 443 721 customer contacts (calls, emails, WhatsApp conversations and messages from social media profiles) were handled in 2023.

### 3. Investment in technology and training of the IOP (Inditex Open Platform):

**Outcome:** It has developed the capacity to constantly generate technological solutions, in an agile and versatile way in a digital environment.

**Evidence:** IOP has been implemented in 5 800 shops of the group's brands. This represents 100% of the company's facilities.

## Conclusion

The transition to the hybrid and remote work (HRW) model has been a challenge to change the mindset of employees and managers used to seeing face-to-face work, as the standard for productivity. Ensuring that communication is seamless and that projects continue to move forward with geographically dispersed teams has required greater investment in technology tools and more flexible management. Managing these differences and providing equity between different types of workers has been a challenge. The company has had to invest in collaborative platforms, improve cybersecurity and train employees in the use of new digital tools to implement the hybrid model efficiently.