Hybrid Work Is Here To Stay: Evaluating Its Offerings

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Introduction and Background

Even before the life-changing COVID-19 pandemic, the notion of a hybrid work environment was slowly entering mainstream thinking. From human resource professionals to software developers, many were allowed to telework once or twice per week if they proved they could effectively do their jobs from the comfort of their homes. In March of 2020, the potential pervasiveness of hybrid work was erased, as professional service providers across the country were forced to move completely to a remote model. Relying on established virtual communication platforms and motivated by hope that things would eventually normalize, companies trudged into the unknown. For the most part, the transition into a remote workforce was smoother than anticipated, especially given the suddenness of the switch.

As the pandemic progressed, the science surrounding the virus became clearer that lent itself to returning to the office. Mask protocols, disinfecting procedures, and, most importantly, vaccination allowed many companies to progressively return to gathering in-person. Still, a total return to normalcy was not in reach, so teams across the world began exploring hybrid options that balanced the flexibility and safety of working from home with the in-person connection that many sought. The repercussions of hybrid work were all-encompassing, affecting companies' financial, operational, and cultural wellbeing. This piece intends to highlight the lasting effects of hybrid work, both positive and negative.

Hybrid Work's Ramifications

Financial:

The COVID-19 pandemic has created unique positive and negative financial outcomes for firms. At first, the idea that a global pandemic could financially benefit a firm and their employees might sound counterintuitive. However, the pandemic has prompted unanticipated advances for many companies' bottom-lines. One example relates to the cost-efficiencies the pandemic engendered. Fewer employees commuting afforded companies an opportunity to reconsider their office lease agreements, thereby reducing costs and saving their employees time and money. Conceivably, firms could downsize their office spaces to accommodate only those employees coming to the

office. Ultimately, this shift has saved companies hundreds of millions of dollars in rent in 2020 alone[1].

The savings prompted by this shift helped companies prepare for the more accelerated shift to hybrid work. Those savings could be redirected to accentuate employee home-offices or make investments in other firm-wide needs. Home-office improvements can also be a new benefit to offer prospective employees, enabling companies to differentiate themselves in a competitive hiring market. The newly tolerated remote model could also be used to attract distant employees who would otherwise be inhibited from coming to the office and prevent losing employees who are looking for a remote offering.

This creates intangible savings opportunities, by increasing retention, mitigating the difficulties associated with hiring and even justifying lowering salaries for those employees that elect to use the remote model. The greater reception of hybrid work caused by the pandemic makes its more expansive adoption appear inevitable. Companies would do well to consider how they can leverage the possible tangible and intangible financial benefits as they implement their hybrid plan.

Company Operations and Productivity:

Even with the possible financial benefits, the hybrid work model presents real operational challenges relative to a traditional in-person model. Naturally, detached settings make monitoring employees' activities and performance more difficult. Still, there are several operational and functional benefits that could be gained. One example is the ability to hire a more diverse pool of employees from a wider geographic area. This more expansive hiring pool affords the prospective employees a more flexible work environment and the employer a less daunting hiring market. Fundamentally, it opens doors to talent that was otherwise inaccessible in the conventional in-office work setting, where only applicants in close proximity to the office could be considered.

The hybrid work environment also reduces the time associated with traveling to and from the office. This saved time can be reappropriated to perform the duties for the firm, and limits externalities that could cause lateness or work disruptions. For those often burdened with a lengthy commute, this could minimize sleep-deprivation issues which can have a direct impact on an employee's wellbeing and productivity. While the transition into remote work showcased that productivity could be maintained, not everyone achieved a seamless shift.

Fortunately, new technological improvements have provided a solution for weary companies concerned with being capable of measuring the productivity of their employees. Companies can now use tools to track the activity of their employees to ensure they are meeting their productivity goals. It should be noted, however, this oversight can be poorly received by employees who perceive it as overreach or intrusive. Companies looking to enjoy the operational and functional benefits afforded by the hybrid work environment must be intentional about implementing these policies in a manner that promotes efficiencies without subverting privacy.

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1 Covid changed how we think of offices. Now companies want their spaces to work as hard as they do (2020): (https://www.cnbc.com/2021/03/10/1-year-into-covid-employers-rethink-offices-and-function-matters-most.html)

Corporate Culture and Morale:

There is a common misconception that hybrid work is not conducive to a vibrant company culture or improved employee morale. Many will point to limited office interactions and "water cooler chats" that, over a period, can bring teams closer together. While those fears are legitimate, modern virtual communication technologies, supplemented by the shared in-office experiences that a hybrid model offers, can preserve the potential to forge strong work relationships. In other words, the hybrid work model allows employees to still connect directly while enjoying a more flexible work environment.

The more variegated work model provides a useful change of scenery that removes the redundancy associated with a conventional in-office model. This balance can keep employees refreshed, motivated, and more engaged in a company's culture. But companies must be intentional when striving to achieve this balance. Having work enter the home can complicate an employee's work-life balance and negatively impact morale. When in the office, it is clear when the workday begins and ends. At home those boundaries easily dissolve and can lead to burnout amongst employees. Regular check-ins with employees should be integrated to ensure those boundaries are not being breached.

Additionally, employers can and should make an effort to foster employee connectivity through sponsoring, when possible, their employees to connect for non-work activities. This affords the employees the flexible work environment while presenting chances to connect more substantively with their peers. Though it is certainly not guaranteed, a more robust sense of culture and heightened company morale can be achieved in a hybrid work model.

Hybrid Work Success Stories

Hybrid work models are not new to 2020 and 2021, as some Scandinavian countries adopted these models prior to the pandemic. Still, with more companies adopting the model, it allows firms to explore real-world successes that show seamless adoption, an increase in productivity, and heightened employer and employee satisfaction. One such example is NVIDIA, which switched to a hybrid work model during the pandemic.

When NVIDIA adapted to the new work environment, they instituted a "project is the boss" philosophy,[2] in which they leave it up to the employee to dictate their schedule and when their daily work responsibilities are complete. This approach, of course, entailed trusting their employees to meet their deadlines and remain efficient. However, NVIDIA's success has mirrored the broader market with one recent analysis[3] indicating a 47% increase in worker productivity since the switch to a remote and hybrid-based environment.

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2 NVIDIA Remote Work Policy: (https://www.nvidia.com/en-us/remote-work/)

3 Forbes Article (2020): New Survey Shows 47% Increase In Productivity: 3 Things You Must Do When Working From Home
(https://www.forbes.com/sites/chriswestfall/2020/05/20/new-survey-shows-47-increase-in-productivity-3-things-you-must-do-when-working-from-home/?sh=44ab14cc80dc)

Another success story is the model Salesforce has implemented. Salesforce has instituted what they call Flex Team Agreements (FTAs)[4], which outline standard operating procedures for how work gets done. These agreements address everything from how workdays are scheduled, how colleagues collaborate in a digital space and how meetings are run. Each employee is left with a clear guide on how to be successful while working remotely and the company establishes a consistent standard across the company that keeps their workforce aligned with their objectives and expectations. Programs like the FTAs has allowed Salesforce to maintain an "A" rating in employee retention, even through these turbulent times.

Implementation Strategy

In designing a forward-looking office environment, communication is key. Employees should have a voice, although not a veto, in what their future office space looks like. That means it is more important than ever for corporate leadership to play an active role in disseminating information, collecting feedback, and developing actionable solutions with those details in mind. Poll after poll has shown that the preferred office model is a hybrid one. Still, each company's situation is unique, and simple employee surveys can help understand employee sentiments to this question that could have tangible impacts on employee retention in the long term.

After over two years of pandemic life and 45% of the workforce[5] working either fully or partially remote, best practices are emerging to combat the endemic challenges associated with the hybrid model. Every sector is different and what may work for a consulting firm may not work for a Wall Street bank or a military contractor. It is critical to test different best practices and codify those that work for your organization. A list of some examples is included below:

Assess Employee Sentiment and Communicate:

The initial strategy should begin by understanding what your current employee community feels towards the different models of work solutions. Surveying the employees can help a firm identify a potential alignment or divergence in their interests and expectations and allow the firm leadership to make any adjustments to their work model plan (See "Survey" stage in Figure 1 below). After collecting that internal assessment, the firm should be intentional about communicating the firm-wide expectations and standards that will be reviewed as the model is implemented. This ensures no confusion amongst employees, draws a definitive line that employees should strive to reach and demonstrate a willingness to incorporate their employees' feedback in their deliberations and strategies.

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4 Business Insider Article (2021): Salesforce says, 'the 9-to-5 workday is dead' and will provide three new ways for employees to work — including the possibility of working from home forever (https://www.businessinsider.com/salesforce-employees-can-work-from-home-permanently-2021-2)

5 Gallup Article (2021): Remote Work Persisting and Trending Permanent (https://news.gallup.com/poll/355907/remote-work-persisting-trending-permanent.aspx)

Figure 1: Implementation Strategy

Connecting Colleagues - Keep Cameras On (Within Reason):

The dawn of hybrid and remote work has spawned challenges for companies trying to maintain their company culture. While there is no easy solution, communication and visibility can help alleviate some of the impacts of having disbursed teams. As mentioned, one of the biggest challenges of remote work is feeling connected to coworkers and maintaining consistent and strong communication with employees situated disparately. Remote work can elicit communication hurdles that are likely familiar to many employees today: Did that long pause in the meeting indicate displeasure or stalled internet connectivity? Are people listening, or are they working on other tasks?

Keeping video on for meetings can help eliminate some of the ambiguity and create more of a personal connection, particularly as we enter an age where employees are starting new jobs remotely without having met with a recruiter, manager, or coworker in-person (See "Connect" in Figure 1 above). This expectation should be managed softly, without the "Big Brother" perceptions that could leave employees feeling as though they are being constantly watched. For this reason, the initial communication stages should precede the creative efforts to connect employees as a means of mitigating any negative, overbearing impressions.

Use Technology:

Equally of concern to maintaining company culture in a hybrid or remote environment is reducing any slippage in productivity. Gone permanently are the days of a supervisor walking the cubicle halls to keep employees on task. However, the loss of in-person monitoring has given rise to the

advent of remote monitoring systems. Productivity monitoring tools, like ActivTrak and Hubstaff, afford leadership unprecedented access to employee productivity metrics. Of course, this level of intrusion is not going to fit every company's culture and sometimes a more subtle touch is needed.

In these cases, it can be helpful to set up regular touchpoints within teams or with leadership to report on what work they have performed or project forward what work they intend to complete by the following meeting. As more of the workforce goes hybrid or remote, it is vital that companies install productivity–enhancing measures now, before long-term inertia sets in. Maintaining productivity with technology can be achieved with simple measures. Employees should utilize internal chat systems and be asked to maintain updated calendars to show when they are reachable. These systems can increase personal accountability and availability during the workday. This will also further inform the subsequent assessment performed by leadership concerning whether the hybrid model is effective, or whether additional guardrails are needed to maintain employee productivity (See "Assess" category in Figure 1 above).

To feel comfortable that they can still tangibly measure their employee's performance and work ethic, companies that are able should also consider providing corporate laptops to further increase both oversight and separation of work and personal life for employees. More intrusive surveillance tools can have a detrimental impact on company morale, however, making employees feel untrusted and undervalued. Clearly articulating company oversight and which basic activities like site visits will be monitored can often be sufficient in minimizing superfluous non-work activities.

Encourage Work-Life Balance:

Working from home can lead to blurry lines for employees and managers. Employees have now been forced to confront questions like, "Am I really expected to always be available?" and "When does the workday start and end?" Companies should be thoughtful about setting boundaries to preserve work-life balance for remote workers. This starts with the leadership team.

Managers should set a good example of modeling work-life balance by scheduling meetings only during working hours and limiting email activity after hours. Managers can also check-in with their peers to ensure they feel supported and to assess whether the balance is being fostered successfully (See "Assess" in Figure 1 above). It is difficult to overstate the impacts of leading by example and how setting expectations can have positive outcomes for employee morale and the productivity of your team generally.

Stay Flexible:

Allowing the option for in-office time each week can alleviate some of the disconnect that can plague companies with remote teams. Employees overwhelmingly want to remain at least partially remote, with 91% reporting in a September 2021 Gallup poll that they would like to continue working remotely either full or part-time[6]. If the leadership of a company can set clear expectations with their personnel about what is expected of them, even when working remotely, there will be less room for misunderstandings and challenges in transitioning to a flexible work format.

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6 Gallup Article (2021): Remote Work Persisting and Trending Permanent (https://news.gallup.com/poll/355907/remote-work-persisting-trending-permanent.aspx)

This is particularly imperative in the high turnover job market we currently inhabit. Companies should be creative to keep their employees engaged and feeling part of a larger whole. This could look like virtual happy hours, outdoor picnics or other group activities that can be done together. While each company will take a different approach, it is important the effort to build community within the organization is made. This should be exhibited by companies adjusting iteratively to find the best balance and mix after implementation attempts. Establishing those initial standards and assessing the employee responses both in terms of their capacity to connect with their peers and in their individual productivity should be perceived as inputs for further adjustments and iterations to the model (See "Adjust" in Figure 1 above).

This should be seen as an opportunity to adapt to a changing environment, while achieving broader efficiencies in a new era. If companies refuse, it will be a negative differentiator for both current employees and those they are seeking to attract.

Long Term Impact of Hybrid Work

The COVID-19 pandemic has likely changed the way business will be conducted moving forward, with the long-term impacts of hybrid work yet to be fully understood. There will be firms that elect to return to the office full-time while others will allow employees to work remotely. But the hybrid approach - a few days in the office and a few days remote - is likely to be the most popular choice within the business world. This approach allows employees to work from the comfort of their homes while still having the camaraderie and social cohesion of going into an office when they so choose.

We should not deny the innumerable benefits of working in an office and being able to connect on a personal level with colleagues. With the hybrid model, firms can grant their employees the benefits of working from home while still participating in the in-office experience. Employees and firms will also be able to leverage the cost and time efficiencies the model offers. This includes minimizing commuting to work and recapturing that time both for the firm and for the employees. Having the flexibility will keep employees motivated, energized and likely more productive in the long term.

As is evident over the past two years, the face of the corporate office has changed. However, what drives business: fulfilled employees, company culture, productivity, efficiency, profitability, remain foundational. It is up to the leadership of every company to adapt to the seismic changes of hybrid and remote work and guide their companies into the next phase of flexible work solutions. With that in mind, we will see you soon on Teams. Do not forget to keep your cameras on.

How has our work impacted our clients?

McBride Consulting has collaborated with teaming partners and clients in hybrid work settings that have elicited successful outcomes. Part of that success emanates from McBride's capacity to adopt and promote the strategies encouraged herein, that are mindful of internal employee sentiments, establish and communicate programmatic and managerial expectations, leverage available tools to preserve productivity, and anticipate any future adjustment needs. As companies consider the future of their hybrid work models, McBride is well positioned to provide their insights and direction for achieving an adaptive and effective process to the satisfaction of the firm and their clients.

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