

Hybrid Working: What's Changed?

How the conversation on hybrid working has shifted over the last year

Kindred

May 2023

Hybrid Working: What's Changed? © 2023 Kindred Consulting Ltd

Background

In early 2022, the UK was emerging from a pandemic that had begun almost two years earlier, and that had ushered in a sustained period of remote working across the world. Against this backdrop, Kindred embarked on a piece of research to understand how organisations were tackling the big questions around returning (or not returning) to the office.

We spoke to HR and people leaders across a range of sectors, who represented historically office-based workforces ranging from around 500 to more than 100,000, in both UK-only and multinational organisations.

The result of this research was a report called 'The Hybrid Conundrum', which acknowledged hybrid working as the future most organisations saw for themselves, and noted the different approaches organisations were taking to get to that future.

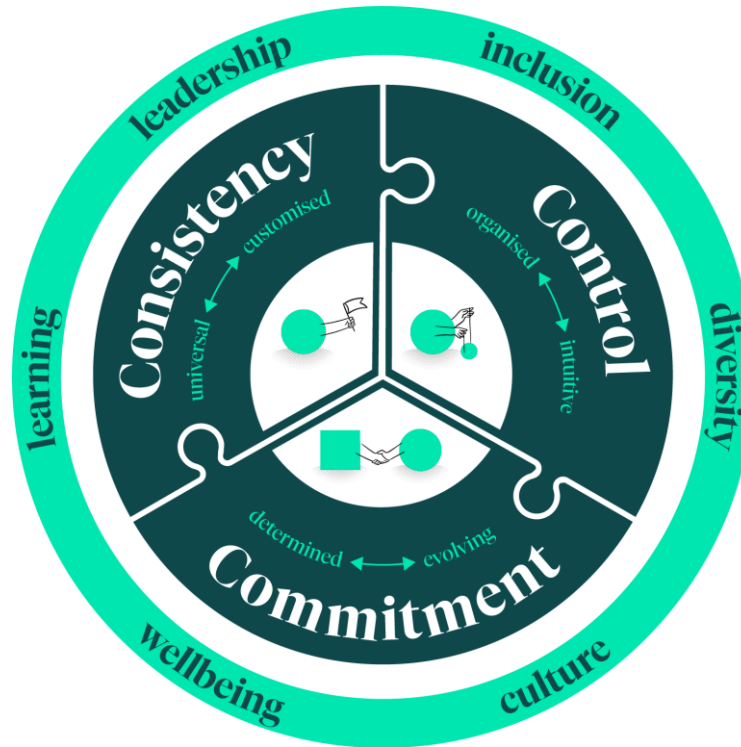


We identified three 'spectrums' on which different hybrid working models could be considered:

Consistency: The degree to which a common hybrid model existed across an organisation

Commitment: The degree to which hybrid models had been defined for the long term

Control: The degree to which hybrid working was managed in centralised ways.



While all the leaders we spoke with had adopted hybrid working as the model for their organisation, there was high variability in what that looked like in practice along the different spectrums.

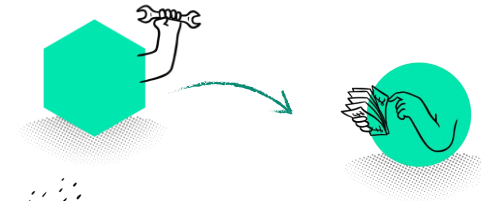
Approach

At the end of 2022 – almost a year after our original research – we checked back in with the people we'd interviewed. We wanted to understand how their approaches to hybrid working were progressing, and where things might have shifted.

The key finding in our research was that whilst hybrid working models themselves may not have changed substantially over the course of 2022, the context and conversations around them had moved on significantly. Organisations were seeking to adapt to both the lessons they had learnt around hybrid working from a year of experience, and – perhaps most importantly – a very different economic climate. This has meant that, despite some variable approaches, organisations are now grappling with similar challenges relating to their hybrid working models.

We identified **three key common themes** from our discussions:

The conversations have shifted **from productivity to cost**



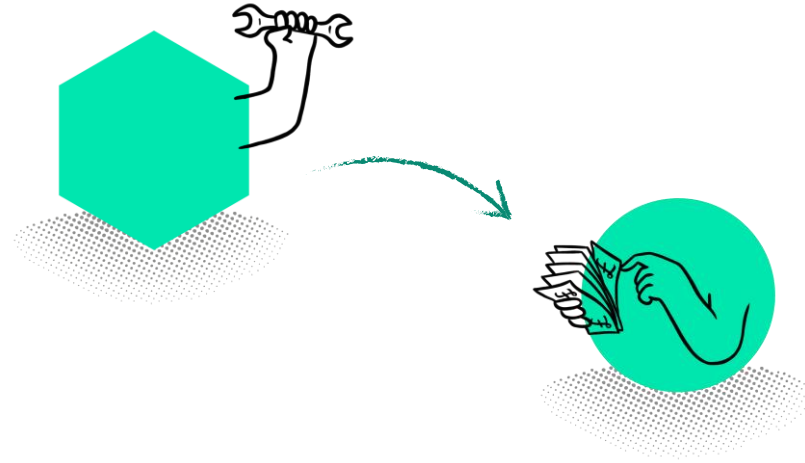
The focus has shifted **from weathering the storm to long-term performance**



The approaches have shifted away **from being centred on individuals to being centred on the collective**



From conversations about productivity... to conversations about cost



When we spoke to HR and people leaders at the beginning of 2022, the UK was emerging from the height of the pandemic, with many organisations slowly transitioning to a more formalised working model. Conversations on hybrid working were largely centred on productivity, with many organisations adopting an approach that encouraged employee-led decisions about when and where to work based on the nature of the job to be done. Remote working was typically considered conducive to tasks requiring high levels of focus, and face-to-face time together was considered best

for collaboration. Utilisation of office space was generally treated as the result of this employee decision-making, rather than a starting point.

Fast-forward a year and the context has shifted. Increased inflation and flat economic growth are driving organisations to place a renewed focus on managing costs across the board. For many, under-utilised property now feels like an unaffordable luxury rather than the acceptable cost of a hybrid model.

“ **Cost is the driving reason why hybrid working has come back to the forefront of people’s minds.** ”

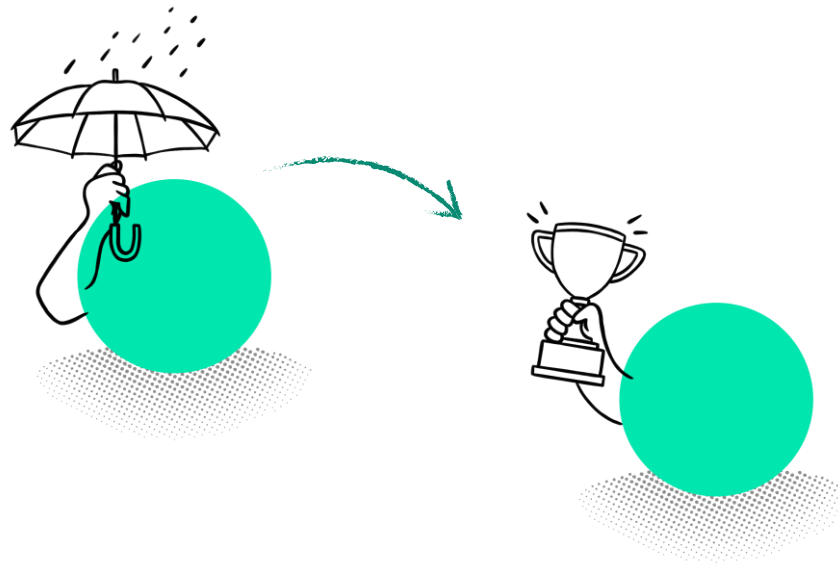
“The big question we’re asking ourselves is whether we need as much office space when costs are paramount.”

This context has driven changes in the discussion on hybrid working. Firstly, in organisations that were initially on the ‘evolving’ end of the commitment spectrum, it has increased pressure on HR leaders to get to more definitive solutions more quickly, with some being required to harness data on office utilisation (via tools such as desk-booking systems or footfall analysis) to gauge current and future needs. This is typically being driven by questions around whether to divest or sublet property to help reduce running costs. More broadly, it has raised questions around the purpose of the office, with organisations seeking to reduce expensive under-utilised desk space in favour of more effective collaboration space.

Whilst striving to reduce costs does not in itself challenge the hybrid working model, it does have the potential to create tensions where productivity considerations and cost considerations come into conflict. Most obviously, this can play out in seeking for the office to be a ‘social hub’ for employees whilst also seeking to optimise capacity. The former lends itself to people coordinating with each other to co-work on certain ‘anchor’ days, whilst the latter lends itself to even utilisation across the week. The tendency for offices to be crowded on a Tuesday and Wednesday but deserted on a Friday was a consistent theme in our conversations. From a productivity perspective, this may not be a problem, but viewed through the lens of cost it starts to become one.

From a focus on weathering a storm... to a focus on long term performance

Back at the start of 2022, there was universal recognition that we had collectively been through a period of unique challenge and uncertainty. Whilst there was very significant and direct impact on those working in front-line services, even people in roles further removed from the pandemic itself had felt a profound change. Leaders had typically been managing teams working in highly individualised – and often highly challenging – personal circumstances. Organisations sought to weather the storm, maintaining their operations, and managing immediate financial impacts.



A year later and the context for organisations is less about responding to an acute shock, and more about managing through longer-term economic challenges. As a result, business – and by extension employee – performance is coming under greater scrutiny.

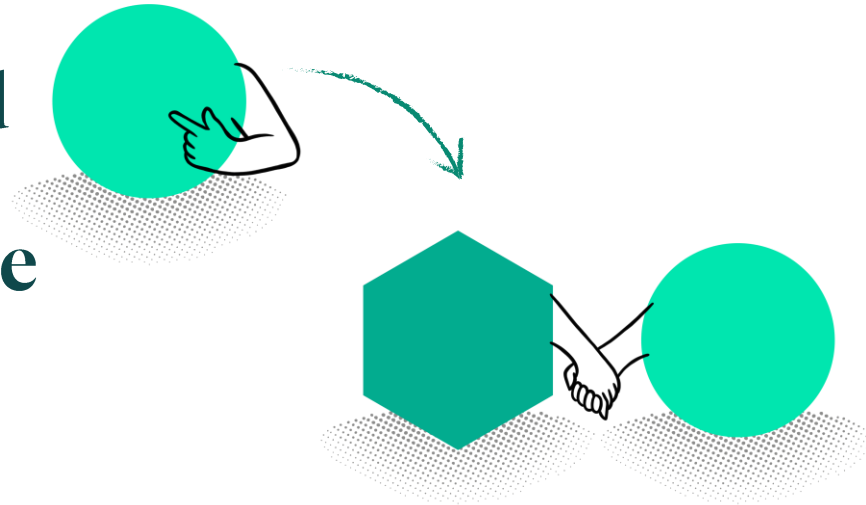
“ We’ve found that those who do come to the office 30-40% of the week are easier to rally around to support the organisation than people who are fully remote. ”

“ Things that matter longer term for productivity such as culture, learning and personal relationships seem to be getting compromised. ”

This dynamic has shifted some of the discussion on hybrid working. A year ago, the priority for leaders was identifying a working model that would support employee satisfaction and, by implication, competitiveness in the market for talent. These remain important factors. That said, in our conversations we heard additional considerations starting to emerge, including the need for the model to support a ‘rallying around’ in moments of organisational challenge. In essence, ways of working are increasingly required to support staff engagement not just in the form of personal satisfaction, but also connection to the wider vision and strategy.

This theme surfaced most clearly in organisations that had taken an ‘intuitive’ approach to hybrid working and, as a result, had seen a tendency toward de-facto remote working among individuals keen not to return to the office. With limited data on the effectiveness of different models, HR leaders, are increasingly being required to strike a balance, driving greater in-person engagement in the interests of overall effectiveness, whilst not falling into the old traps of presenteeism or ‘productivity paranoia’.

From approaches centred on individuals... to approaches centred on the collective



In our conversations in early 2022, we found that most organisations were grounding their approaches to hybrid working in autonomy, and a belief that individual-led decision-making would lead to the best outcome for the collective. This meant taking approaches that were ‘intuitive’ rather than ‘organised’. Leaders anticipated that individuals making their own decisions on where (and often when) to work on a given day – based on the requirements of their to-do list – would lead to the right collective balance.

Whilst this was a positive aspiration, experiences in the year since have surfaced how challenging it can be to put into practice. In our follow-up conversations, many leaders were finding that individual and collective needs were not always working in harmony. Day-to-day challenges they cited included issues of making hybrid meetings work effectively and inclusively where individuals were making different decisions on where to work, and/or struggling to co-ordinate across multiple conflicting schedules where in-person interaction was preferred.

“ **New joiners find it harder to get up to speed and miss the informal conversations that help their learning, which was reflected in our recent employee surveys.** ”

Education for line managers around how you create purpose is a key focus for us.

Broader challenges included ensuring the environment was conducive to junior employees learning from their more senior colleagues. The context to this was typically one in which early-career individuals were keen to experience the organic learning derived from being in a shared space with colleagues, whilst those in middle management were keen to realise the benefits of remote working (including reduced commute time and the ability to work more flexibly). In essence, decision-making rooted in an individual's personal to-do list appears to risk undervaluing the broader, often less tangible, role that an individual plays as part of the collective.

There are some consistent themes in how leaders have chosen to respond. The most direct of these is choosing to set clearer expectations on the balance of remote versus office working and managing more

determinedly to this. In our discussions, interviewees cited the need in particular to apply such an expectation to middle management and senior leaders, as key role models within the organisation. For organisations that have already adopted a manager-led approach, there is recognition of the need to focus more support and guidance to the management population to make this dynamic work in practice, such that there are clear and consistent expectations across the business on when employees should be in the office.

A further response has been to use 'pull' factors to encourage office attendance where it has most value. This has included the creation of high-quality collaboration spaces, and the introduction of key 'moments that matter' – such as 'town halls' or social events – to give purpose to time spent together.

Conclusion

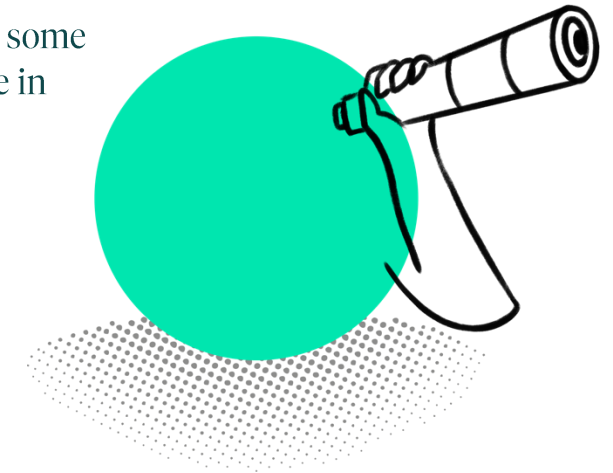
The shifting context around hybrid working has kept it high on the agenda for organisational leaders. Managing working models amidst the context of controlling costs, performance pressures and acting in the collective interests continues to require ongoing responsiveness. Hybrid working can no longer be considered as simply a component of the 'people strategy', but instead plays directly into (and sometimes comes into tension with) commercial, organisational, and technology strategies as well.

Whilst managing the complexities of hybrid working are highly contextual to each organisation's circumstances, we have previously discussed four ways in which

businesses can move beyond tactical or reactive approaches to hybrid working in order to create a clearer vision for a better world of work.

Defining the future role of the office, renewing the social contract so that there are clear expectations on how work gets done, reshaping the working week to become more efficient and effective, and embedding self-management practices to manage complexity are some ways that business leaders can be more deliberate in managing their hybrid working approaches.

You can read more about this on our website: www.wearekindred.co.uk.



Let's chat

If this research has resonated with you or you'd like to stay connected around the issues of hybrid working, do get in touch with the Kindred team at hello@wearekindred.co.uk or follow us on [LinkedIn](#)

Kindred