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A HYBRID FUTURE?

The evolution of the workplace through Covid-19 and beyond

Management Today

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As Covid-19 continues to disrupt both personal and professional lives worldwide, the pandemic is no longer a short term crisis to react to and is now an ongoing situation to manage. Throughout the national lockdown employer responses were largely uniform as a result of the UK wide restrictions, but the recent changes to government guidance have produced a range of approaches from organisations.

In order to gauge the sentiment around this workplace evolution and how organisations are modelling both their near-term plans and long-term strategies, we partnered with leading business publication *Management Today* to survey 280 business leaders. The insights we gathered from this data paint a picture of exactly how leaders are approaching a 'hybrid' working model, and what may lie ahead as we navigate an undetermined future.

## RETURN TO THE OFFICE IS DEPENDENT ON THE PANDEMIC

Our survey was conducted in September, prior to the recent re-tightening of the lockdown in many areas across the UK. However, it showed that most leaders were not making it essential for their staff to come back in. 59% said that it currently wasn't mandatory for employees to come into the workplace and two thirds (66%) of leaders said their current occupancy rate was less than 20%.

Furthermore, when asked when they expected it to become mandatory for their office-based workers to return to the workplace, 42% said that this was dependent on the pandemic. Only 38% expected to make it essential that workers come into the office within the next six months.

When do you expect it will become mandatory for your office-based workers to come into the office?
(September 2020)

■ 0-3 months ■ 4-6 months ■ 7-9 months ■ 10 months or more
■ It depends on the pandemic

13%
25%
19%
1%
42%
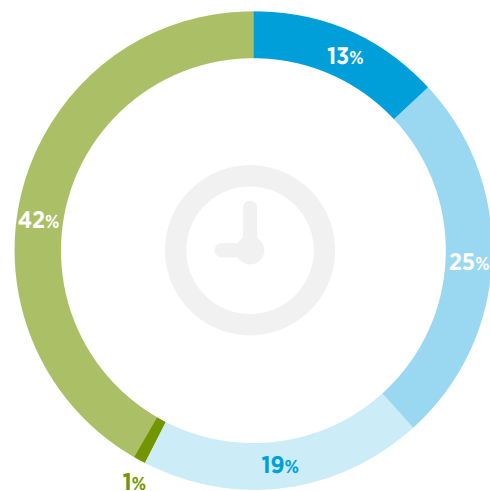
A SIGNIFICANT DECLINE IN FUTURE FULL-TIME OFFICE WORKING FORECAST

Our research shows that office occupancy rates are unlikely to return to pre-pandemic levels in the future. Before Covid-19, the office occupancy rate of over three quarters (76%) of organisations sat at 81%-100%. However, only 17% of leaders expect their office occupancy rates to reach 81%-100% once the pandemic is over.

A more employee-led approach is expected to be adopted when it comes to remote working in the future. Only 19% expect that it will become mandatory for all employees to come into the office in the future, and over two fifths (42%) don't expect to make it essential for their employees to be workplace based. Indeed, it seems that the pandemic has changed attitudes towards remote working for good, with over four fifths (81%) saying that their organisation now views it more favourably.

Once the pandemic is over, what do you expect your average office occupancy rate to be?

■ 0% ■ 1-20% ■ 21-40% ■ 41-60% ■ 61-80% ■ 81-100%

2%
10% 19% 37% 15% 17%

PRODUCTIVITY IS KEY IN DETERMINING REMOTE WORKING POLICIES

When asked which factors are most important when considering whether employees are able to work remotely, productivity was deemed the most significant, with 70% saying this was very important. This was followed closely by health and safety concerns around Covid-19 in the office (65%) and on the commute (59%). Leaders were less concerned about the seniority and level of an employee, which only 13% deemed very important.

How important do you believe the following factors are when considering whether employees are able to work remotely?

■ Very important ■ Important ■ Somewhat important ■ Not important

Cost of office space

| 22% | 27% | 31% | 20% |

Whether employees want to work from home

| 42% | 40% | 15% | 3% |

Productivity of workers when working from home

2% 1%

| 70% | 27% | |

Sustainability of the company culture

2%

| 58% | 34% | 6% | |

Seniority and level of an employee

| 13% | 23% | 28% | 36% |

Health and safety concerns around Covid-19 in the office

2%

| 65% | 27% | 6% | |

Health and safety concerns around Covid-19 on the commute

| 59% | 26% | 11% | 4% |

PRODUCTIVITY IMPROVED DURING LOCKDOWN

Organisational output has largely been seen to be unaffected by the Covid-19 lockdown, with only 16% saying they have seen a decline in productivity, and over half (52%) saying there has been no difference. Nearly a third (32%) said that productivity actually improved over lockdown. Furthermore, over a third (37%) say that their workforce are more productive now than they were this time last year.

The negative impact of the lockdown on staff creativity is also deemed to be minimal, with only 14% saying their employees are less creative now than they were this time last year. 59% say there is no difference and over a quarter (27%) believe their staff are more creative.

Collaboration between employees is more likely to have been detrimentally affected by the pandemic as it has forced many to adopt a more isolated working style, with over a third (35%) saying that their staff are less able to collaborate than they were this time last year.

What happened to your workforce productivity during the full lockdown?

■ It improved   ■ There was no difference   ■ It worsened
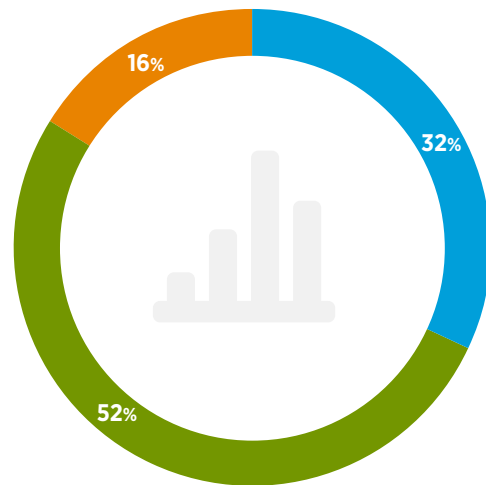
"Empower your team to do the work under their own steam, don't micro-manage and allow them to grow into the future the organisation needs."

Manager, South East England

REEVALUATING THE NEED FOR A BRICKS AND MORTAR SPACE

Almost half of leaders are either considering reducing their office real estate footprint as a result of the pandemic or have already done so, with 10% already making the decision to reduce and over a third (36%) currently considering it. Nearly two thirds (63%) of those who have made this decision attribute this to an increase in remote working.

Nearly three quarters (71%) say that the cost savings of reducing their office real estate footprint would be significant or very significant. Only 6% said that these savings would not be significant.

Are you planning to reduce your office real estate footprint?

■ Yes, we already have   ■ Yes, we're considering it   ■ No
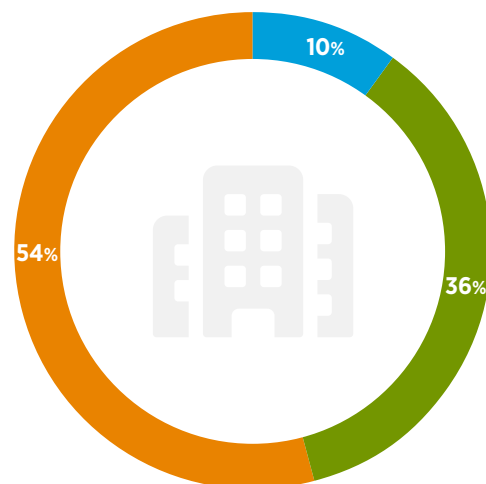
> 71% say that the cost savings of reducing their office real estate footprint would be significant or very significant.

A NEW APPROACH TO RECRUITMENT

The extended period of remote working has had a significant impact both on organisations' approaches to recruitment, and the approaches that they plan to take in the future. Over two thirds of those surveyed (67%) have recruited people on a remote basis since the beginning of the lockdown, and 65% said that there had been no difference in the effectiveness of this remote approach in comparison with face-to-face interviews. Less than a third (31%) said that it was less effective than face-to-face.

The adoption of these new practices has changed the approach to future hiring for many leaders. When asked if they expected to advertise jobs in future as fully or partially remote, over two fifths (42%) said that they expected to advertise jobs in the future that were at least partly based at home.

Do you expect to advertise jobs in future as fully or partially remote?

Yes, we expect to advertise jobs that are fully based at home
1%

Yes, we expect to advertise jobs that are at least partially based at home
42%

Yes, both
22%

No
35%

HOME WORKING A THREAT TO COMPANY CULTURE

To a significant extent, leaders deem the sustainability of their organisational culture to be dependent on office-based working. 87% would like to see employees come into the office at least three days a week on average in order to maintain their organisational culture.

Further to this, when asked whether they agreed with the statement that the more people who work at home, the harder it is for your organisation to maintain its culture, nearly three quarters (73%) of respondents said that they agreed, and 15% said that maintaining company culture was their single biggest concern around allowing a significant proportion of their team to work from home.

In terms of what are deemed to be the areas most at risk of being negatively affected by the rise of home working, communication and morale were jointly the most commonly cited concerns (both 27%). Many leaders themselves have had to adapt in their role as a result, with almost half (46%) saying they have had to modify their personal leadership style as a result of the shift to remote working.

"I've had to take much more time to check in, both with teams and individually. I've also upped communication of important company messages and given clearer instructions on areas of focus."

Director/VP, East of England

Do you agree that the more people work at home, the harder it is for your organisation to maintain its culture?

■ Strongly agree ■ Agree ■ Somewhat agree ■ Neither agree nor disagree ■ Somewhat disagree ■ Disagree ■ Strongly disagree

| 14% | 26% | 33% | 9% | 10% | 6% | 2% |

REMOTE WORKING A TALENT ATTRACTION AND RETENTION TOOL

Remote working is recognised by leaders as an important tool for engaging talent, with two thirds (66%) saying that offering it improves both talent attraction and retention.

Only 14% don't believe that remote working helps improve talent engagement.

Does offering more remote working improve talent retention and attraction?

Yes, it improves talent retention
13%

Yes, it improves talent attraction
7%

Yes, it improves talent retention and attraction
66%

No
14%

RECOMMENDATIONS FOR LEADING IN A 'HYBRID' WORKING WORLD

RETHINK HOW YOU AND YOUR TEAMS ARE COMMUNICATING

With many team members likely to be working in different locations and to different schedules for the foreseeable future, opportunities to connect will now need to become more structured, and less informal. This not only presents an opportunity for leaders to ensure that all meetings have a clear agenda and outcomes, but also to acknowledge different personality types, communication styles and preferences. Digital communication may make it difficult for those who are more introverted to feel able to contribute, but keep in mind that everyone has something valuable to say and should feel empowered to make their voices heard. Be mindful that your team may be spending a lot of their time on back-to-back video calls, so be aware when scheduling as they will need to have plenty of time for their day-to-day activities as well.

LEVERAGE YOUR REMOTE WORKING POLICIES TO ENGAGE TALENT

Our research has shown that remote working is an important tool for engaging and retaining talent, and it's something that should be showcased throughout the candidate journey to maximise its potential. If you plan to make remote working a permanent fixture in your organisation, on a part-time basis or otherwise, this should be advertised from the initial points of candidate contact, whether on your website, on a job advert or at interview.

REMEMBER THAT EMPOWERMENT AND TRUST ARE KEY TO PRODUCTIVITY

This extended period of remote working has demonstrated that productivity need not be confined to the walls of your workplace. A significant proportion of leaders deem productivity to have in fact improved over lockdown, demonstrating people's ability to meet challenging circumstances with innovation, creativity and resourcefulness. In order for employees to really engage with a task or a project, they need to feel responsible for its success and also empowered to ensure that it happens. It's important to ensure that expectations are clear but also that employees feel able to share challenges and work together to find solutions, despite the fact that they may not be together in person. You can facilitate this culture by making sure that team members all have the opportunity to participate in meetings, irrespective of location, and trusting individuals to get on with their assigned tasks from wherever they are working – whilst checking in at regular intervals. Autonomy is a strong motivating force that will maximise the potential of your team members.

For further resources and insights on topics including how to support your team's wellbeing, managing hybrid teams, and recruiting remotely, visit our Inspire Me in the New Era of Work hub.

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