HYBRID WORKING:

The never-ending search for the right approach

October 2022

Ipsos KARIAN AND BOX
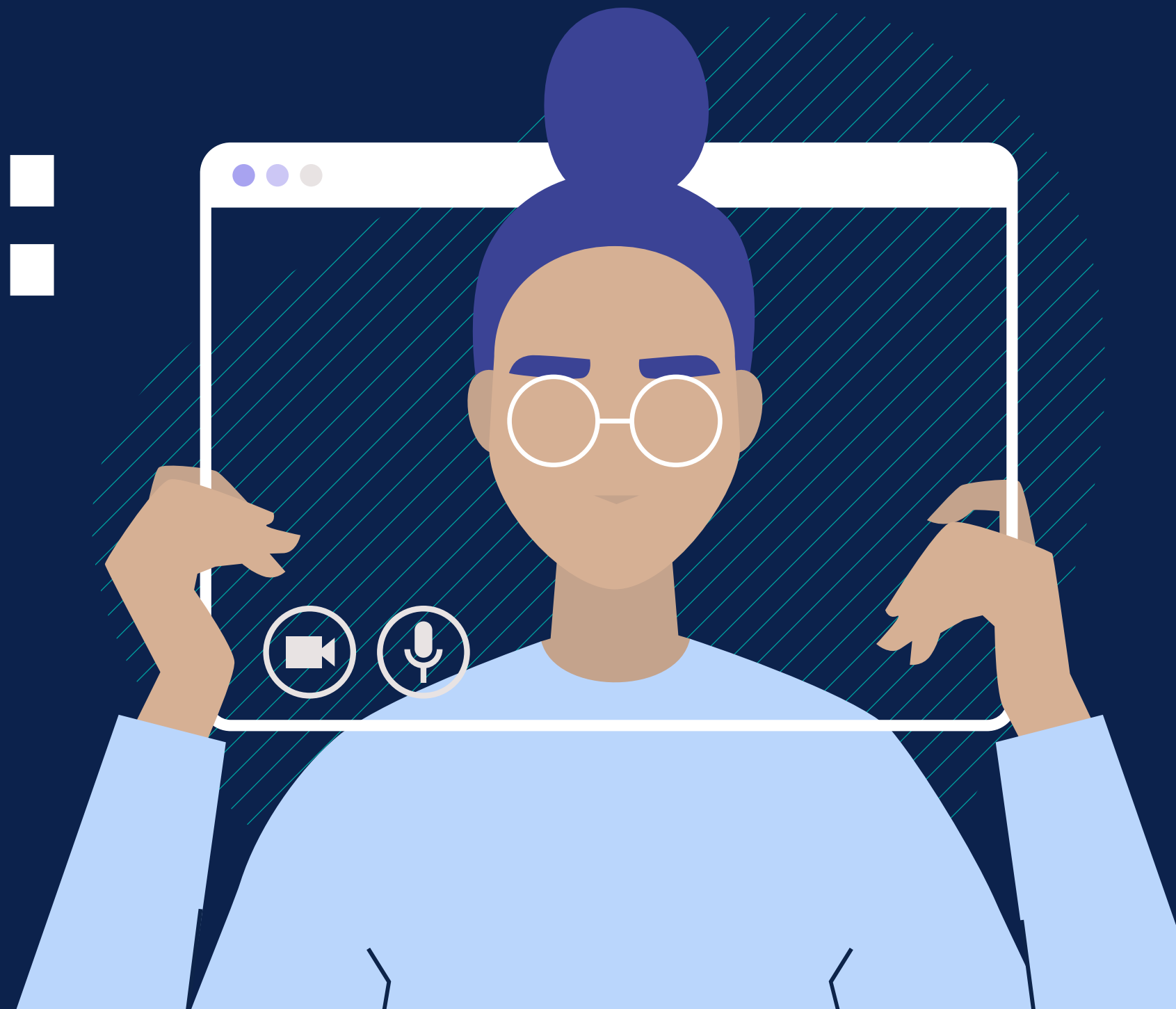
Introduction

There is a significant and widening experience gap between leaders and employees when it comes to hybrid working.

Many business leaders we speak to want to see more of their employees back in the office for larger portions of the working week. At the same time, employees have adapted to new working patterns and now expect greater flexibility, suggesting a return to pre-pandemic working patterns may be met with resistance.

As the debate continues to rumble on, more than two years on from the start of the conversation, we're no closer to consensus on the right way forward.

Our report explores what we know so far from this 'grand experiment', taking the views of over half a million employees across 95 countries to answer the question: what do business leaders really need to know to make a call on the future of office and hybrid working?

We provide five key findings and a framework for planning hybrid working approaches that suit individual organisations' circumstances.

The report also provides a checklist for organisational leaders and people managers to help them set their teams up for success in sustaining hybrid working.

I hope this report helps inform your decisions in implementing ways of working that benefit both you and your employees.

Ghassan

Ghassan Karian

CEO, Ipsos Karian and Box

About us and this report

- Part of the Ipsos global network, Ipsos Karian and Box is one of the leading employee experience and research specialists.

- Our team of 100+ experts surveys over 2 million employees annually and translates their feedback into tangible actions for their employers.

The data in this report comes from

542,423

responses to online surveys conducted by Ipsos Karian and Box in 95 countries, taking place between January and July 2022.

Five key findings

01

The majority of employees receive significant benefits from remote working related mostly to time and money savings and work-life balance

2 in 3

say they experience better work-life balance through hybrid or home working

Go to page 6

02

Location flexibility is now an expectation for most employees – especially in the UK, Germany and Southeast Asia

8%

want to work completely from the office

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03

Many senior leaders do not feel the same way about remote working, with concerns about its impact on collaboration and perceptions of increased bureaucracy

3x

greater preference to work wholly from home among junior staff vs. senior leaders

Go to page 8

04

A small increase in planned attrition over the last 12 months means many employers are scrambling to retain their best talent

22%

intend to leave their current employer in the next 2 years

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05

Attracting new talent is getting harder – and is a critical concern for many businesses

58%

of HR leaders are finding it harder to attract talent than before the pandemic

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Three critical challenges

A significant and widening experience gap between leaders and employees

Many leaders we speak to want to see more of their employees back in the office for larger portions of the working week. At the same time, employees have adapted to new working patterns and now expect greater flexibility, suggesting a return to pre-pandemic working patterns will be met with resistance.

In a tight labour market, the balance of power has swung in employees' favour

Although a likely recessionary economy in the coming year will rebalance that in the employers' direction. Where attrition rates are running higher in some sectors and organisations, offering hybrid working may seem like a non-negotiable.

While important, what employees want is not the only consideration

Organisations need to be able to look through multiple lenses to understand the impact of embracing (or not embracing) hybrid working – not just on employee experience, but business outcomes, operational considerations and, crucially, long-term factors such as organisational culture and skills development.

The widening gap between leaders and employees

- The majority of employees experience benefits in remote working: time saving, flexibility and better work-life balance

- Most employees want location flexibility, particularly in Germany, UK and Southeast Asia

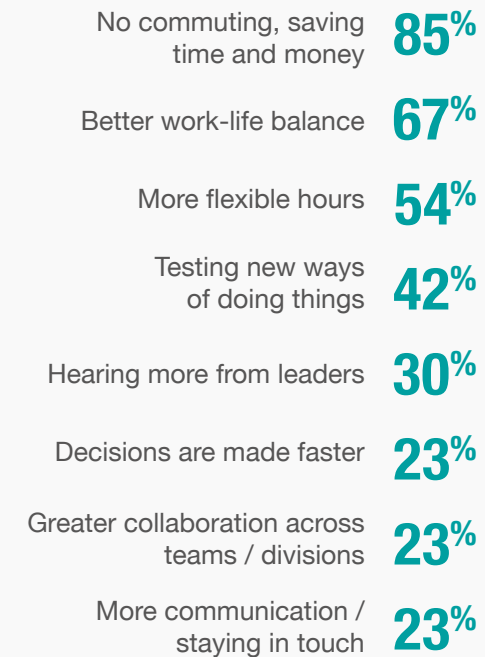- Many senior leaders are less convinced about the positives of remote working

Hybrid working saves employees time, money and improves work-life balance

We have been tracking what benefits employees experience from new hybrid ways of working. Reported benefits have been significant and wide ranging.

The vast majority have valued saving time and money – which only has more weight as we continue to experience an increasing cost of living.

Over two in three are also experiencing better work-life balance – especially important as almost half of UK employees report experiencing constant strain at work in the past 6 months.[1]

Q. What benefits, if any, are you experiencing from your current ways of working?[2]

Benefit	%
No commuting, saving time and money	85%
Better work-life balance	67%
More flexible hours	54%
Testing new ways of doing things	42%
Hearing more from leaders	30%
Decisions are made faster	23%
Greater collaboration across teams / divisions	23%
More communication / staying in touch	23%

1. Source: UK Workers survey conducted by Ipsos Karian and Box in May 2022, with a representative sample of 5,004 employees from across all UK sectors.

2. Source: 7,387 responses from employees currently working hybridly, collected through online surveys conducted globally between January 2020 and January 2021. Answers reported are the top mentions.

Less than 1 in 10 want to go back to the office full time

The opportunity to work remotely has shifted from an unexpected bonus to a hygiene factor for many people.

68% would prefer to work hybridly, with an additional 24% preferring to work wholly remotely.

The proportions differ by country, with smaller proportions preferring hybrid working in India, the USA and Poland. But rather than wanting to head back to the office, employees in these countries have a stronger preference for wholly remote working.

Employees in Singapore, Hong Kong, Germany and the UK are most likely to opt for hybrid working.

Overwhelming majority want the flexibility to work a hybrid pattern[3]

Q. In the absence of restrictions, where do you want to work from in the future?
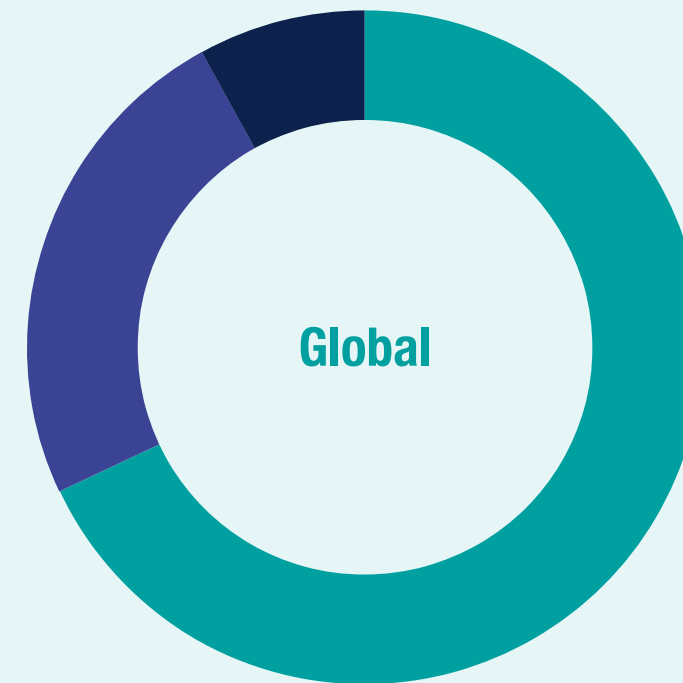
Global

68% Work hybridly

24% Work 100% from home

8% Work 100% from office / location

Country	Work hybridly	Work 100% from home	Work 100% from office
Singapore	78%	15%	7%
Hong Kong	77%	7%	15%
Germany	72%	18%	10%
UK	70%	24%	6%
China	67%	7%	26%
Poland	62%	35%	3%
USA	57%	34%	9%
India	54%	38%	8%

3. Source: 175,022 responses from employees to online surveys conducted globally between June 2020 and December 2021.

Senior leaders are unconvinced about the benefits of hybrid

While just over one in four junior employees want to work from home full time, many senior leaders are less enthusiastic.

Junior employees are around three times more likely to want to work from home as senior leaders. From previous research conducted by Ipsos Karian and Box, we see senior leaders are much more likely to report negative experiences and impacts from working remotely.

Senior leaders often feel that collaboration between teams is negatively impacted by remote working. In further analysis from this study, we see leaders are also 50% more likely to experience bureaucracy when they work remotely versus when they work from the office.
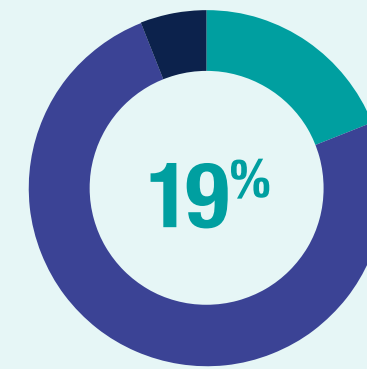
Senior leaders are far less likely to prefer to work from home than junior employees[4]

Q. In the absence of restrictions, where do you want to work from in the future?
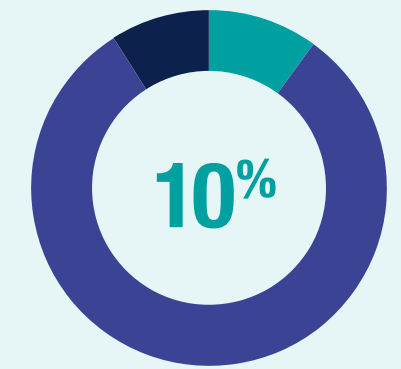
Key: ■ Work 100% from home ■ Work hybridly ■ Work 100% from the office / on location
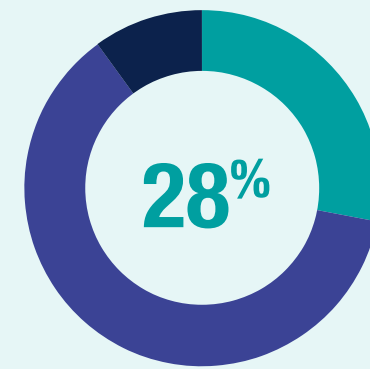
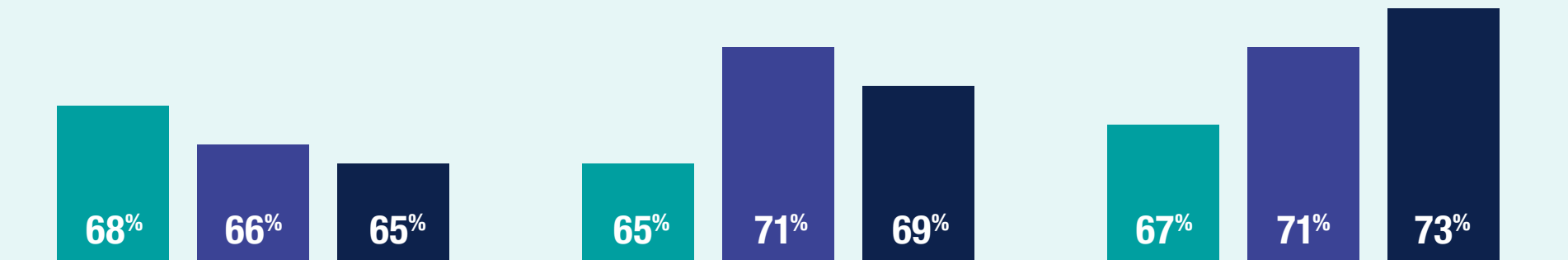| 28%	19%	10%
Junior employees	Middle managers	Senior leaders

Senior leaders much more likely to see and experience effective collaboration when working in the office[5]

Q. There is effective collaboration between different teams and departments

Key: ■ Positivity when working 100% from home ■ Positivity when working hybridly ■ Positivity when working 100% from office / location


Junior employees			Middle managers			Senior leaders		
68%	66%	65%	65%	71%	69%	67%	71%	73%

Considerations for designing a hybrid working strategy

- There is more to consider than just employees' and leaders' preferences

- Planned attrition is high, and organisations are struggling to attract and retain talent

- Ultimately, organisations need to understand whether hybrid working is an essential part of their EVP and if the benefits outweigh the costs
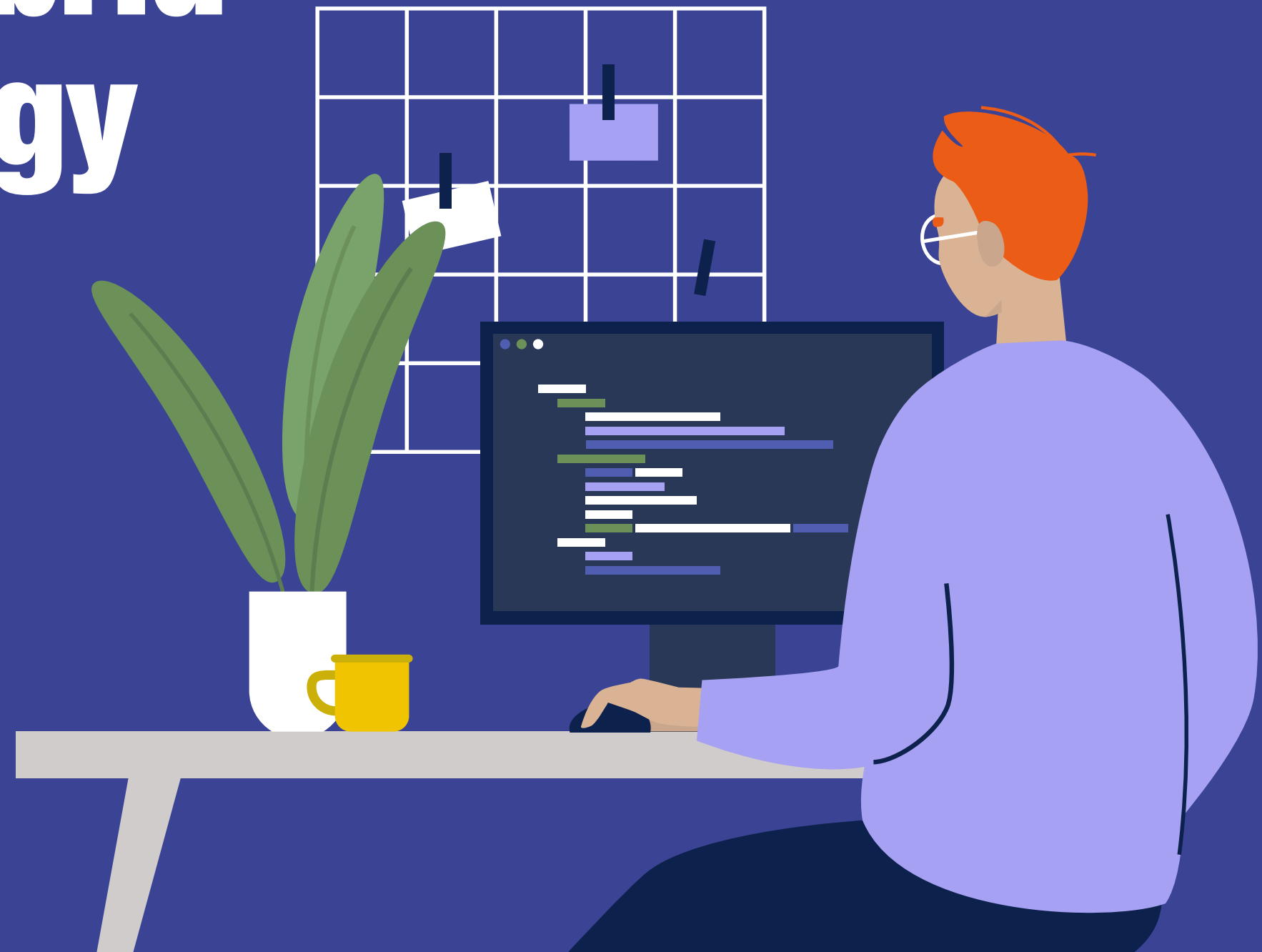
# A tough talent market can make hybrid a key differentiator for employers

The data so far shows a rift between what leaders and employees think about hybrid working – so the next question is, who gets to make the decision?

While in the past, the balance of power has swung in favour of leaders, the recent labour market has given employees the upper hand.

Difficulties in attracting talent mean organisations must think hard about whether hybrid working does or can form an essential part of their employee value proposition.

We've seen examples of employees resisting mandated returns at some of the world's biggest organisations.

So the question for organisations is – do you have a choice as to whether you offer attractive hybrid working policies, or will your people just vote with their feet?

22%
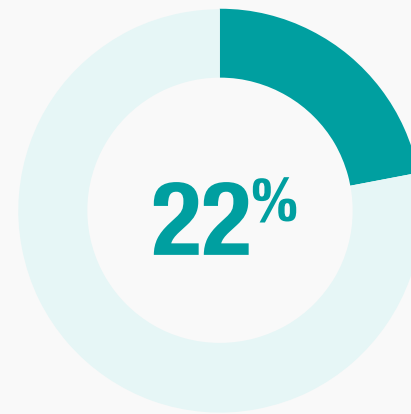
Just over 1 in 5 employees plan to leave their current employer in the next two years[6]

58%
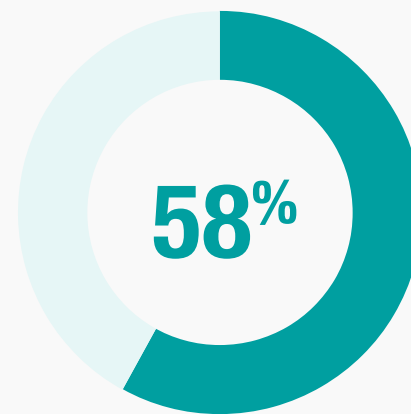
Over half of HR leaders say attracting talent is harder than before the pandemic[7]

A not-so-Great Resignation

- Our report earlier this year about the so-called Great Resignation highlighted the importance of following the data rather than the headlines.

- While some sectors have seen increased turnover of staff, for the majority the levels of planned, voluntary attrition are still lower than their pre-pandemic peaks.

- Numerous studies report similar findings, including the CIPD's Good Work Index, which found employee intention to quit in 2022 was similar to that in pre-pandemic research.

The great resignation: fake news?
What the data says about the real-world trends behind the headlines

Listen better, make meeting [unclear] action

Click here to download the Ipsos Karian and Box report on the Great Resignation

6. Source: 377,794 responses from employees to online surveys conducted globally in H1 2022.

7. Source: 415 responses from Global HR leaders to Ipsos Karian and Box's HR and EX Trends Survey, online, July 2022.

Hybrid working means balancing four often competing factors

Across board meetings and executive committees, there will be hundreds of debates continuing on the right approach to hybrid working.

But many organisations lack a comprehensive understanding of all the relevant factors – and without this, leaders risk making decisions based on the loudest voices or gut feel.
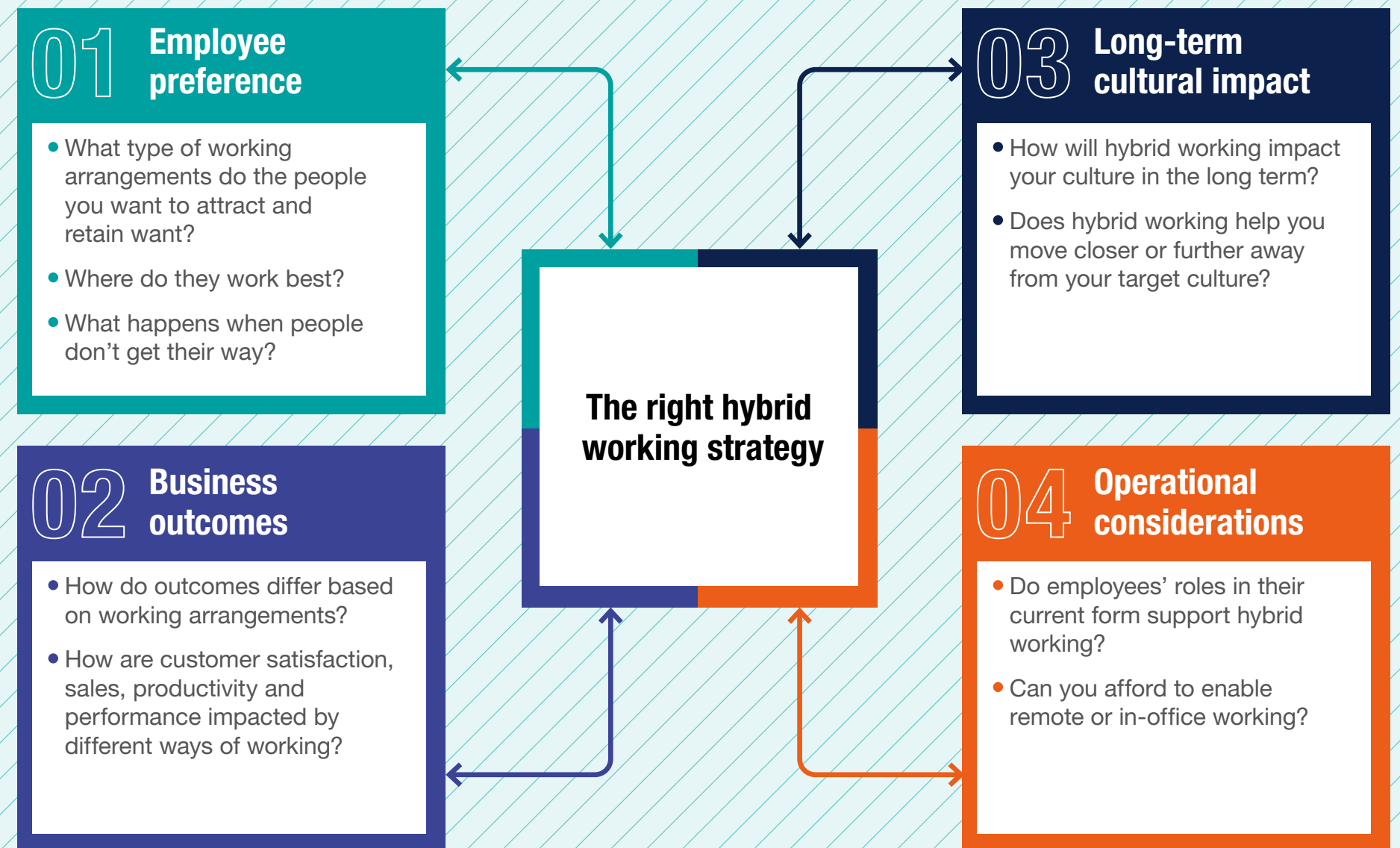
To help structure the ongoing debate within organisations, we propose a four-part framework through which to explore the cost and rewards of hybrid working.

These factors are often in tension with each other:

- **Employee preference vs. long-term cultural impact:** What's good for now (e.g. satisfied employees) vs. what's good for the future (e.g. where remote working comes at the cost of a culture of innovation or collaboration).

- **Operational considerations vs. business outcomes:** What we put in (e.g. cost efficient to downsize office space) vs. what we get out (e.g. lower customer satisfaction if we're not able to serve them as effectively outside the office).

It is only by evaluating each of these areas that leaders can make evidence-based decisions on what the right future of hybrid working looks like within their organisation – and whether they can afford (or afford not to) embrace it.

Four critical areas for exploration

01 Employee preference

- What type of working arrangements do the people you want to attract and retain want?
- Where do they work best?
- What happens when people don't get their way?

02 Business outcomes

- How do outcomes differ based on working arrangements?
- How are customer satisfaction, sales, productivity and performance impacted by different ways of working?

The right hybrid working strategy

03 Long-term cultural impact

- How will hybrid working impact your culture in the long term?
- Does hybrid working help you move closer or further away from your target culture?

04 Operational considerations

- Do employees' roles in their current form support hybrid working?
- Can you afford to enable remote or in-office working?

The way forward for employers and employees

- Comprehensive employee listening is critical to understanding the full impact of hybrid working
- There are critical commitments required from leaders to make hybrid work
- Managers also have a clear role to play, with ten actions to build successful hybrid teams

Building a comprehensive view of hybrid working to inform strategy

The first step for organisations is to ensure the data they have enables them to look at the full context to inform their conversations about hybrid working.

This means:

01 Examining current insights around each of the four areas laid out in the previous section (employee preference, long-term cultural impact, operational considerations and business outcomes)

02 Identifying the current gaps in knowledge and research

03 Exploring where and how you can gather critical insights that will help make evidence-based decisions.

At Ipsos Karian and Box, we have been helping organisations bring the best insight to the table:

Groundbreaking insights into employee attraction and retention

As well as targeted diagnostics into ways of working to understand current employee preference and experience, organisations are increasingly looking to learn from potential employees to help shape their employee value proposition.

Using customer research techniques, we're helping employers identify:

- **Who and where their potential employees are** – what is their outlook, what are their needs and expectations (specifically in regards to hybrid working) and what opportunities exist for expanding the pool?

- **What would motivate them to join** their organisation compared to their competitors?

- **How the perceptions of current and future employees of their organisation differ** from other competitors in their sector – and where the opportunities are to elevate motivating and differentiating characteristics.

- **What attracted their current employees,** what will make them stay and, crucially, help them develop?

- **Any differences in the experience of new vs. longer-tenured employees,** what can be done to reduce new-joiner attrition and how to empower employee ambassadors.

Actionable insights around ways of working and their impact on culture

It will be many years before the true impact of hybrid and remote working is known.

However, many organisations are tracking the impact that working arrangements are having on critical elements of their culture, including accountability, empowerment / autonomy, agility, collaboration and, critically, psychological safety.

Only through consistent assessments of their culture can organisations see the impact of working policies or spot early indicators of culture corrosion, allowing them to course correct and intervene as required.

Organisations should have a clear view of:

- Their current organisational culture measured through the behaviours employees experience every day

- Their target culture: the embedded behaviours they want to protect and the ones they need to shift

- How this is influenced by leaders, ways of working, team structure and manager behaviours.

Once agreed on the right hybrid working strategy, our experience shows 7 ways to ensure it works

As a starting point, leaders should offer the following commitments to their people:

Clarity

Provide clear and active support for true flexibility and hybrid working – **setting unambiguous requirements** for the level of office presence required of each individual. Unless employees are purely remote working, set expectations about what and why minimum office presence is needed.

Development

Take tangible steps to upweight the team's personal development through setting clear objectives, holding regular development conversations, encouraging buddying between younger / newer team members and more experienced ones – and ensuring active face time in the office for minimum periods of time.

Balance

Display a level of care and empathy in helping hybrid / remote workers **set the right work / life boundaries** and the right approach to productivity.

Empathy

Show empathy and make provisions for those who can't work hybrid patterns – those who want to work wholly from the office OR who have remote working contracts. Recognise that hybrid should work for most, but it doesn't suit all.

Targeted

Be targeted in the way hybrid is applied to teams – understanding the needs of different individuals, **with a concerted focus on newer, younger team members** who need to spend more time with and around managers and longer-serving colleagues.

Flexibility

Accept that hybrid can and should mean **flexibility of working time** as well as location – where possible within the confines of the job role, enabling employees to define when they work at their best, not just whether they work from home or not.

Role-model

Role-model what is expected – by visibly working flexibly and being clear about how and why working flexibly applies to everyone.

Managers also have a critical role to play

10 key actions for managers to enable successful hybrid working

01

Commit

Communicate your commitment and show active support for making hybrid working a reality.

02

Explain

Be explicit about your expectations for minimum levels of office working for team members – especially for team members who need to be in the office more often to aid their personal development.

03

Equip

Ask your team what tools, technology and systems need to be enhanced to support their day-to-day working and/or how you use those tools and technologies to better communicate and work together.

04

Plan

Plan 'anchor' office days for team members to be a focus for collaboration, personal development, and social interaction. Take a tailored approach to ensure a mix of colleagues are working in the office alongside each other to better enable collaboration, solutions and personal development.

05

Develop

Double-down on planning personal development for team members, through setting clear objectives and holding regular face-to-face development conversations – especially with younger / newer colleagues.

06

Care

Show empathy and support for team members to set boundaries that aid work-life balance and role-model that in their day-to-day work.

07

Tailor

Assess who is least comfortable working fully from home or the office, and help them shape the right working pattern that benefits their personal productivity and wellbeing alongside that of the whole team.

08

Talk

Ensure a consistent rhythm for team communications / conversations to create a level of fixed anchoring in people's working lives (when all else is more fluid) and one that works well irrespective of individual locations.

09

Empower

Let go where practical and possible to empower individuals to manage their workloads and delivery while remaining available for support and guidance when needed.

10

Include

Ensure the same considerations are used for teams that don't have the opportunity for hybrid or remote working. Make sure attitudes and actions are inclusive of the needs of both those who can't work virtually and those who want to work mostly from the office.

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