



Moving Beyond Perks & Policing: Normalizing Hybrid Work

FlexPaths Insight Report
SEPTEMBER 2023

Stabilizing Hybrid Work

Navigating the New Normal with Intention

As we enter the final months of 2023, employers face the evolving challenge of stabilizing hybrid work for the long term, going beyond Return to Office (RTO) concerns. The present landscape, as illuminated by industry data and FlexPaths' proprietary research, suggests a need to recalibrate:

- Despite significant efforts by companies, employees aren't coming back into the office at the rate employers had hoped or expected.
- Policies set at 2023's onset aren't yielding expected shifts.
- Subsequent efforts to rethink RTO policies are largely missing the mark, with employer concern focused on perks and policing, over tangible in-office outcomes or collaborative, inclusive employee experiences.

The path forward envisions a model that:

- Acknowledges hybrid is the new normal and here to stay.
- Articulates why purposeful in-office presence is beneficial.
- Expresses the genuine value and objectives behind in-person collaborations.
- Encourages adaptability in how and where employees operate optimally.
- Resists the urge of demanding irrelevant productivity proofs — pivoting managers to outcomes based results.

The stakes are high. More than ever, talent and organizational culture are emerging as central human capital risks, demanding heightened focus from not just employees, but corporate boards. Boards, recognizing that effectively implementing hybrid is an issue that intersects with a variety of other challenges facing businesses today (i.e. talent profile, transformation and technology acceleration, employee experience), are rightly seeking increased oversight and accountability.

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Boards are recognizing the importance of oversight in this arena. There's an increasing push for clear governance and accountability when it comes to managing human capital risks. Consequently, hybrid work is one part of the changing talent landscape — and policies around it should be clear and aligned with the broader organizational goals.

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MERYL ROSENTHAL
CEO, FLEXPATHS

FlexPaths Snap Survey

Insights from a Cross-Sectional Corporate Lens

In August 2023, FlexPaths conducted a snap survey of a cross-section of companies on the status and success of their RTO policies, across a range of industries including banking, financial services, fintech, insurance, health insurance, health care, manufacturing and more.

OUT OF 21 RESPONDENTS



DEFINED HYBRID INITIATIVES

About half had a clearly defined hybrid plan/approach at the start of 2023.



AMBIGUITY ON DETAILS AND GOALS

Some set parameters at the top, leaving managers/employees to decide on details, without defining accountability or clear outcomes.



REASSESSED/ REASSESSING

About one in four say they have adjusted or will need to adjust plans.

Both FlexPaths' and industry findings indicate that 2023 has shown an erratic progression in hybrid strategies. Despite constant discussions (and media hype) on RTO, implementation is inconsistent and often unstable. Companies struggle to craft and adjust their policies, leading to ambiguous benefits for employees and firms alike. The static real estate occupancy rates amid ongoing office return debates underscore the year's uncertain trends.

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Return To Office In 2023 Has Been...Non-Existent

Companies with a Minimum Days/Week model, on average, require 2.56 days in office (up from 2.49 in January). That sits squarely between what the average employer wants (2.75 days) and what the average employee wants (2.21 days), which is likely a big reason why occupancy rates are flat year to date.

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FLEX INDEX, 2023

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Flexible workplaces are hiring talent 2X as fast as those requiring full-time attendance.

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FORTUNE, AUGUST, 2023
Citing data from the Flex Index July 2023 Job Growth Report

Bridging the Gap Requires a Change in Perspective

The FlexPaths Snap Survey, complemented by industry data, underscores the challenges many employers face in devising and maintaining effective hybrid policies. Not only have many companies set clear office-time requirements without conveying a compelling rationale, leading to employee resistance, but there's also a marked inconsistency in these policies. Whether it's not clear who is deciding which days and when or establishing a corporate policy with no managerial accountability for enforcement, many organizations are mired in ambiguity. This often leaves HR departments to become the unintended "badging police." Consequently, many companies find themselves revisiting their initial hybrid strategies.

FROM

Debating bagels and badge swipes

SHIFTING THE FOCUS

While operational questions are important, creating and communicating a meaningful hybrid strategy requires contemplating approaches that are impact-focused, experience and inclusivity-driven.

FlexPaths Survey respondents shared concerns that were largely operational and marketing-focused:

- Day-to-day policy management and utilization
- Monitoring office attendance
- The belief that attractive perks and promotions can entice and retain



TO

Aligning on impact and employee experience

Recommended focus emphasizes the broader vision of hybrid work by addressing:

- Overarching objectives
- The needs of all employees
- Workplace experience that facilitates collaboration and innovation

It's Time to Ask the Right Questions

So, what are the fundamental questions to be asking? Questions that are rooted in enhancing employee experience and achieving organizational outcomes in a post-pandemic workplace. For example:

ARE WE ALIGNED AS LEADERS ON WHAT WE WANT TO ACHIEVE WITH OUR HYBRID MODEL AND HOW WILL WE MEASURE IT?

What are we trying to achieve in terms of quality, innovation, productivity, growth, and engagement? How will we measure our success?

ARE WE CREATING CUSTOM HYBRID MODELS AT THE FUNCTIONAL UNIT AND TEAM LEVEL?

Given all the research showing that employees work better remotely for some types of tasks and in person for others, what steps do we need to take to help teams segment work and develop hybrid models suited to how employees work best?

ARE WE GIVING AGENCY TO LEADERS TO CREATE TEAM AGREEMENTS ENABLING ENGAGEMENT AND PRACTICALITY?

Are leaders empowered to make these decisions for specific functional units/ teams? What collaboration tools (physical space and technology) do we need?

HAVE WE PRIORITIZED EMPLOYEE EXPERIENCE AND ENGAGEMENT?

What training and development do we need to help managers thrive and lead in a hybrid flexible environment? Are we investing enough in the workplace experience — to create a destination for networking, collaboration and connection?

ARE WE USING OUR HYBRID MODEL AS A TOOL FOR INCLUSION AND TALENT DEVELOPMENT?

Are we using our hybrid model to attract a broader range of candidates? Aligning our location and real estate choices with key talent markets can help in this. Further, how can we leverage the flexibility of hybrid work to further our diversity agenda across recruitment and talent development? Hybrid work is not just a policy; it's a valuable tool.

Why Are Impact and Experience-Focused Questions the Right Ones?

Hybrid work is here to stay.

Most employees prefer a hybrid work model and are likely to look for other opportunities if it is not available.¹

Employees need to understand and relate to the reasons to return to office in a hybrid model.

If goals and impacts of RTO are not meaningful and measured, and not articulated well, efforts will ring hollow — and no amount of free food will make it seem worthwhile to employees.

Employees want their organizations to improve inclusion practices:

Work-life support, team building, and mutual respect. These practices can foster trust, collaboration, well-being, and recognition among employees in a hybrid work environment.²

ONE SIZE DOESN'T FIT ALL

Leaders need to listen, experiment, and adapt. Hybrid work models vary widely and require leaders to tap into their employees' expectations and feedback. Leaders should also model flexibility, coach employees on effective communication and conflict management, and celebrate employee contributions.

The High Stakes of Getting Hybrid Right

Protecting Profitability, Talent, and Agility

The misalignment in hybrid priorities presents significant human capital risks that can impact profitability, talent retention, and organizational agility.

Effectively implementing hybrid models is a complex issue that intersects with a variety of other challenges facing businesses today, such as talent supply, transformation and technology acceleration, employee experience, compliance and conduct risk, and governance. If employers aren't able to shift hybrid priorities to those focused on impact and employee experience (and then communicate them effectively), they could face a number of risks, including:

Lack of Employee Engagement

- When hybrid measures don't resonate, there's potential for waning employee engagement. This can subtly impact productivity, innovation, and client rapport.

Talent Retention & Costs

- Dissatisfaction with hybrid policies can lead to talent considering other avenues, which might result in recruitment challenges and associated costs.

Skill Adaptability

- Not facilitating employee training for hybrid environments? This oversight can lead to gaps in skills required for modern work setups and technology advances.

Leadership Resistance

- Leaders who are not supportive of hybrid work arrangements could create a culture of resistance that makes it difficult to implement and maintain successful policies. This is a warning sign for companies pursuing aggressive transformation agendas as leaders must role model change.

Where Do We Go From Here?

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HR leaders play a critical role in orchestrating the transition to a hybrid or remote work setup. They must be flexible, inclusive, and continuously learning to create a harmonious and effective workplace.

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FORBES, JULY 2023
How HR Leaders Embrace
The Hybrid Symphony

ADDRESSING THE CHALLENGES REMAINING

As we settle into hybrid working as the new normal, we are faced with a continuing need for innovative, flexible leadership and solutions to these remaining challenges:

- Posing self-critical questions about the purpose of hybrid.
- Crafting a meaningful strategy, aligning leadership, and communicating it effectively to employees.
- Cultivating trust, rapport, and community among hybrid employees.
- Establishing inclusive and collaborative environments and experiences.
- Shifting focus from monitoring employee behavior and location to prioritizing outcome-based performance.
- And more...

In a world adapting to new work norms, FlexPaths can help you address these challenges — and make truly flexible hybrid work and inclusive cultures a reality.

A trailblazer in flexible workplaces and hybrid policies since 2005, we provide bespoke approaches to help clients manage the acceleration and complexity of change in today's workplaces.

Schedule a complimentary initial consult with FlexPaths CEO Meryl Rosenthal:

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Insight Report References

1. "Hybrid work: Making it fit with your diversity, equity, and inclusion strategy," McKinsey, 2022
2. "Hybrid work: Making it fit with your diversity, equity, and inclusion strategy," McKinsey, 2022

ADDITIONAL REFERENCES:

"How HR Leaders Embrace The Hybrid Symphony," Forbes, July 2023

"Making Flexible Working Models Work," Boston Consulting Group, 2023

"Making Work Work Better for Deskless Workers," Boston Consulting Group, 2022

FlexPaths Snap Survey, 2023



Shifting business priorities increase the rate and complexity of change needed in every company.

We're here to help.

www.flexpaths.com