The Hybrid Work Model: Benefits, Challenges & Strategies for Companies

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Abstract

The COVID-19 pandemic has changed the way organizations operate. Most companies shifted to remote work as far as their nature would allow. However, many employers want to return to the office but most employees want to keep the flexibility they have experienced working from home. This study explored the hybrid work model, what drives companies to adopt it, the benefits and challenges of implementing it, and the strategies that companies employ to make sure that their hybrid workplace succeeds. The study utilized an exploratory, qualitative-descriptive methodology through case studies and analysis of secondary sources of data. It was determined that the hybrid work model is the most preferred setup for both the employees and employers. Recommendations regarding the implementation of a hybrid workplace are also offered.

Keywords: hybrid work, productivity, happiness, remote work, workplace, flexibility

Introduction

Remote work has been around for years, but many companies were hesitant to shift to this work arrangement or even give it a try. Then came the novel coronavirus 2019 (COVID-19) that resulted in a global pandemic. COVID-19 is a disease that can trigger respiratory tract infection it spreads fast through person-to-person contact. It was discovered in Wuhan, China, in December 2019 and quickly spread around the world (Centers for Disease Control and Prevention, Basics of COVID-19, 2019). At the onset of the disease when there was no vaccine yet, the coronavirus has claimed millions of lives globally.

As governments across the world mandated lockdowns and community quarantines, many companies have to stop their business operations while others had to shut down completely. A lot of companies that thrive to stay afloat gave remote work a try. Still, not all of them are willing to fully transition to a remote work setup. Understandably, not all industries and sectors can run in a completely remote arrangement. India, for example, has been known for having high-tech and financial services industries. However, the majority of its workforce is in the retail and agriculture sectors in occupations that cannot be done remotely (Lund, Madgavkar, Manyika, & Smit, 2020).

Asthe vaccination rate increases and the world starts to ease into the new normal and businesses try to get back their footing, many organizations explore the hybrid workplace model. Essentially, it means that a portion of their workforce can work from home while another portion reports back to their physical offices. It can also mean people working remotely

on certain days of the week and reporting to the office on other days. It is hoped that this setup will help mitigate the risks of exposure to COVID-19 infections and reduce chances of spreading the virus by limiting contact with other people (Centers for Disease Control and Prevention, Operational Strategy for K-12 Schools through Phased Prevention, 2021). Some organizations have also seen the benefits of a work-from-home setup and would like to adopt it for the long term. A PwC survey of executives and office workers in the last part of 2020 revealed that 83% of employers considered their shift to remote work setup amid the COVID-19 pandemic has been successful for their company (PwC's US Remote Work Survey, 2021).

Meanwhile, questions emerge to the viability of the hybrid workplace model. It is not without challenges and it may not be suitable for certain types of businesses. This research aimed to understand the hybrid workplace benefits, challenges, and strategies for businesses and what it means for the future of work.

Research Objectives

This study aimed to determine the following:

1.   What drives the companies to adopt a hybrid work model;
2.   The benefits of a hybrid work model to the company;
3.   The challenges of implementing a hybrid work setup; and
4.   The strategies that organizations are using to ensure the success of the hybrid work model for them.

Review Of Literature

The Rise of the Modern Workplace

The coronavirus pandemic has driven the shift in how businesses operate, primarily to survive amid the lockdowns and economic downturn. As COVID-19 vaccination rolls out all over the world and businesses slowly open, the concept of the modern workplace, which is a hybrid model, has risen. While a lot of people were quick to claim that remote work is here to stay (Popovici & Popovici, 2020), not everyone is prepared, equipped, and interested in a completely remote work setup. A US workforce survey revealed that more than half of American workers want a hybrid work model (Gensler Research Institute, 2020).

The survey from Gensler also indicated that the desire of US workers to return to the physical workspace in some capacity is driven by their belief that in-person collaboration is a key aspect of their jobs. In addition, being able to socialize will have a long-term positive impact on their careers and relationships within the organization. The survey also noted that there is a need to ensure that the many benefits of remote work shall be incorporated in a modern workplace, such as greater flexibility (Gensler Research Institute, 2020).

Company leaders seem to echo the same sentiment about choosing a hybrid model rather than returning full-time to the office or adopting work from home completely. A report from Steelcase indicated that 70% of leaders in the US are considering a hybrid model. Worldwide, 72% of leaders plan to use a hybrid workplace model, allowing employees to spend some time in the office and some time at home in a week (Steelcase, 2021).

Leaders also indicated that they will allow workers the flexibility to choose how or where they work. However, it is expected that implementing a hybrid model will not be as easy as it sounds. It will be a complex issue to decide who works from the office, who works at

home, and how often the mix will be. When not done properly, the hybrid model poses a threat to a company's culture, innovation, and collaboration. On the other hand, a properly executed hybrid model can strengthen the organization and make people work better than ever(Keanne & Heiser, 2021).

The Benefits and Challenges of Remote Work Setup

Remote work is not a new concept. It has been around for many years but it was not a prevailing practice among companies. The COVID-19 pandemic, however, has pushed a huge portion of the global workforce to shift to a work-from-home setup, making it a massive trial run for both employees and companies (Ozimek, 2020).

Because work from home has worked well for many companies and has lots of promising benefits to workers and organizations, a lot of people are quick to claim that remote work is going to be the future of work. Even so, many leaders are not planning to make remote work a permanent practice (Licite-Kurbe & Leonovica, 2021).

The remote work setup has several benefits and challenges for employees and companies. One of the top benefits to employees is flexibility and a sense of freedom when it comes to managing their time. Workers laden with other family responsibilities are particularly appreciating the flexibility. Because they can work from home, they can also attend to taking care of their children, going to medical appointments, caring for their elderly parents, and so on. It saves them the need to file for a leave of absence to take care of their appointments because they can work from anywhere. For employers, it means reduced absenteeism. They know they can still count on their employees to do their work even when they have other personal responsibilities to attend to.

Another highlight of remote work is cost savings. Employees can save money from transportation, lunch, snacks, and clothes for work, among others. For employees with children to look after, they can also reduce childcare expenses when do not need to hire child sitter. They can choose to work at night when the children are asleep or early in the morning before the whole household is awakened.

Meanwhile, employers can also save money by reducing expenses on utilities, office rent, cleaning, equipment, furniture, and other provisions. While companies may need to sponsor their employees' home office expenses such as for computers and internet connections, others choose to hire freelancers for work that they can outsource (Licite-Kurbe & Leonovica, 2021). In that case, they do not have to provide them with equipment and other allowances.

With remote work, people are not bound to one place that does not meet their preferences or standards. Employees don't have to relocate to keep their jobs. They can live wherever they want, as long as they have access to a good internet connection. On the other hand, employers are not limited to workers in their local business location. They can tap a wide range of top talents from different parts of the world, improving the diversity in their organizations.

One of the challenges of remote work is effective communication with each other (Licite-Kurbe & Leonovica, 2021). There are barriers because the team members are scattered from different locations. Companies are addressing this challenge with the use of collaboration tools and frequent virtual meetings. However, some still prefer in-person communications, especially during brainstorming and strategizing among leaders and making key business decisions among the top-level management.

Meanwhile, another challenge of remote work from the managerial perspective is building a culture that is supportive of this setup. Popovici&Popovici (2020) said that this poses a threat to a company's retention rates because it challenges the motivation and job satisfaction of the employees.

The Case for Returning to the Office

Ultimately, the benefits and challenges of remote work vary from organization to organization. Depending on the nature of their jobs, employees may find more satisfaction with work from home. Depending on the nature of the business, companies may fare well in allowing flexibility among their employees.

A PwC survey revealed that most employers that despite their employees being productive while working from home, they are eager to bring them back to the office where they can collaborate and build their company culture. Some leaders also consider bringing their people back to the office as part of their commitments to other small businesses that they work with. Meanwhile, employees who are also less experienced feel that returning to the office is better for their productivity and growth (Carnes, 2021).

It may take time before people can return to the office because of the delta variant of COVID-19, which is more contagious and infectious than the original one. However, when the pandemic is over or when it is safe to return, workers would want to return to the office eventually. Human behavior experts say that for now, people are not in the best shape to think about their motives in the best possible way due to stress, anxiety, and worry brought by the pandemic. When the uncertainty is over, people could be surprised about their decisions. Working in person with their team in the office is still beneficial for personal interaction and collaboration that are missing in a virtual setup (Cohen, 2021). Moreover, people are deeply social beings and social connection is a fundamental need (Seppala, Rossomando, & Doty, 2013). Isolation and working from home have made people forget about this, but when they return to the office, even as part of the hybrid model, they would remember the value of social interactions (Cohen, 2021).

Methodology

This study used a qualitative-descriptive research method by seeking insights from companies through a survey via an online resource platform and analyzing secondary sources of data, including organizational reports, online interviews, and journals.

Results and Discussion

The following data relates to the research objectives of the study.

Why Companies Choose A Hybrid Work Model

The decision of several companies to shift to a hybrid work setup is motivated by several factors. These include the following:

- Safety of employees and clients
- Flexibility
- Saving money on personal expenses
- Reducing costs of operations
- Increased productivity

- Employee preferences
- Employee morale
- Interpersonal relationships

One of the big companies that plan to return to the office is Apple. The tech giant has the strictest return-to-office policy, requiring employees to work in the office on Mondays, Tuesdays, and Thursdays, with the option to work from home on Wednesdays and Fridays, beginning January 2022. Employees can also work from home for up to two weeks a year. While some employees are against the plan of the company to make them work in the office, Apple has argued that in-person is essential to the company's culture (Esposito, 2021). Apple CEO Tim Cook suggested that working in the office creates energy, creativity, collaboration, and a sense of community (Schiffer, 2021).

Another company that plans to reopen its offices across the world is Microsoft. The company hopes that shifting to a hybrid setup will help improve in the areas of employee satisfaction with work-life balance, as well as team connection, as employees crave in-person interactions while wanting to keep the flexibility of working from home (Spataro, 2021).

Other companies are prompted to experiment with the hybrid workplace based on the preferences of their employees. Jeff Goodwin, Senior Director of Performance Marketing and eCommerce of Orgain, said that certain things work better in-person but employees also want to keep the flexibility they have while working from home. The hybrid model has been the compromise.

Another motivation for some companies in using a mix of in-office and remote work is retaining employees, reducing attritions, and attracting new talents. The move of big companies like Apple and Microsoft resulted in the resignations of many employees who wanted to remain working from home.

Yet Lisa Lacey, CEO of Lisa Buys Austin Homes, believes that hybrid work policies can help reduce attrition rates. The hybrid work setup can help restore work-life balance among demotivated employees and prevent them from leaving the company. Digital Nexa, a digital marketing agency based in Dubai, was able to maintain its headquarters in Dubai while attracting and hiring the best talents from different countries.

The Benefits of Hybrid Work Model to the Companies

Companies that have started to use the hybrid work model have observed several benefits to their business and employees. These include the following:
- Reduced absenteeism and attrition rates
- Increased employee happiness
- Reduced operational costs
- Improved collaboration
- Better productivity and efficiency
- Improved relationships
- Genuine innovation

Jessica Robinson, Content and Outreach Manager at The Speaking Polymath, said that their employees have become happier since they implementeda hybrid setup. That was because they have the choice to work in the office or from home. The company considers employee happiness to mean a more productive workforce, a better quality of work, and good

relationships between employees. Moreover, an internal survey has revealed that their employees have better morale and increased levels of satisfaction in the organization.

At Microsoft, 90% of employees felt more included as the company embraced flexibility and different work styles, along with a culture of trust. The company has also seen all-time high employee confidence and support from managers (Spataro, 2021).

Laura Fuentes, operation of Infinity Dish with 500-plus employees in Jacksonville, Florida, said that bringing some of their employees back onsite allowed them to meet with their clients in person again. The hybrid model also provided a safe space for their executives to make decisions and for employees who struggled to work from home.

PeopleFinderFree based in Singapore has seen an increased level of productivity from its staff, partly because they can work whenever they feel most productive and because they don't have to commute every day, they can use their time better. Co-Founder Eden Cheng said that their employees have become more efficient and produce quality results.

It was the same observation of Robb Wagner, founder of Stimulated Inc. based in Los Angeles. When they first adopted the hybrid work model in their creative studio, one of their top-level in-house artists decided to work from home instead of driving to the studio every day. As a result, the artist was able to do his great work and finish ahead of schedule. The company was able to do great work on time and budget because of flexible working (O'Brien, 2021).

The Challenges of Implementing a Hybrid Work Setup

Albeit all the benefits, it is undeniable that implementing a hybrid work setup comes with several challenges. Not all employees are happy to return to the office, especially as the COVID-19 continues to spread and new variants have been emerging. The challenges that companies noted include the following:

- Increasing their investments in information technology (IT)
- Risk of employee burnout
- Poor communication
- Maintaining relationships between employees
- Maintaining company culture
- Providing close supervision and constant feedback to those who need them
- Determining which functions should be done in the office and which one should be done at home
- Building relationships with the new hires
- A new form of workplace equality
- Having unconscious bias
- Resistance among employees and managers

The hybrid work model comes with increasing reliance on technology. For PeopleFinderFree, that means needing more technical staff to help with their daily operations and ensure that their work systems and communication channels are reliable and stable. At the same time, there is a need to secure company data. The company also had to overcome the risk of employee burnout because when working from home, some employees tend to work long hours and take fewer breaks. Some fear that they would be perceived as slacking, so they tend to overdeliver. While it can benefit the company, the employees could feel exhausted, which would lead to dissatisfaction and burnout.

Tomek Mlodzki, CEO of PhotoAiD, shared that it is a challenge to maintain relationships with colleagues in the hybrid work setup. When one part of the team works in the office and the other part works remotely, it creates perceived in-groups. As a result, remote workers may feel excluded, alone, and disenfranchised,which creates a gap in employee experience.

For Pixoul, a web design firm, it was challenging to determine which functions should be done in the office and which ones can be performed remotely. CEO Devon Fata said there were lots of preconceptions about how crucial in-person interactions are, but most of them have proven to be false.

Onboarding new staff can also be challenging. For ForexToStocks, a digital consulting firm, new hires needed to learn the software that they use for operations, but it is challenging for them since they do not see their coworkers every day. In addition, it makes it harder for new hires to form genuine relationships with their coworkers.

The Strategies Companies Use to Ensure the Success of Hybrid Work Model

Companies need to be creative and innovative in their implementation of a hybrid work model to ensure that it will be successful and will work for the best interest of the company and its employees. Companies consider the following strategies to be useful:

- Segmenting employees and reevaluating roles based on their strengths
- Showing trust from the management
- Ensuring sound communication systems
- Careful planning
- Managing culture
- Focusing on core competencies
- Ensuring equality
- Giving rewards and recognition for both in-office and remote teams
- Increasing engagement
- Conducing regular check-ins with employees

People Finder Free used employee self-assessment surveys, which helped managers to pinpoint strengths and understand what kinds of roles to assign each employee so they can work in their best capacity. Segmenting employees based on their natural aptitude in working from home or in the office can help foster a strong hybrid workplace culture.

Nectar, a peer-to-peer rewards software developer, recognizes that recognition and rewards for both remote and in-office employees are key to equal inclusion in company planning. CEO Trevor Larson said people might feel neglected in a hybrid workplace when it becomes apparent that one group of employees or one type of worker is favored or prioritized over another.

Rolf Bax, Chief Human Resources Officer at Resume.io, suggests that it is important that the hybrid work is experienced by all employees, including the upper management. In a hybrid environment, information silos tend to develop and teams tend to divide between remote and in-office. When everyone experiences the hybrid work, with the upper management also working from home, it makes it clear to everyone that remote work is legitimate and valid.

Conclusion

Based on the findings of the study, the hybrid workplace is becoming the most preferred setup for both the employers and the employees and the most viable option while the COVID-19 pandemic continues. The hybrid work model comes with benefits and challenges, but incorporating strategic solutions helps organizations to navigate through and overcome them.

Not all employees are eager to return to the office amid the pandemic, even for only a few times. Those who are not happy with the hybrid work model as their employer's compromise quit their jobs and try to shift their careers so they can work from home permanently. Behavioral experts, however, believe that eventually, people will remember that they are deeply social beingsand would want to return to the office for in-person interactions in some capacity.

Recommendations

The hybrid work model provides opportunities for organizations and they must find ways to make the most of it. It is recommended that companies conduct a trial of a hybrid work model to see if it is the right fit for the organization. There are several preconceived notions about the hybrid workplace, but allowing employees to experience it first will give the companies better insights into its effectiveness and what strategies they can implement to make adjustments and succeed.

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