



Hybrid Working: Are you set for success?



8th March 2021

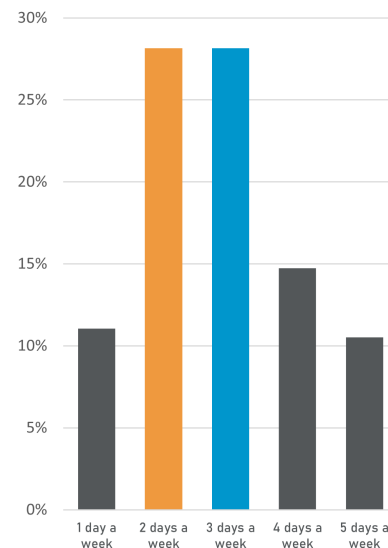
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As Covid-19 continues to disrupt daily life around the globe the arrival of vaccines is starting to provide hope that our pre-pandemic lives will return. With approximately 50% of the workforce working at home during the height of the pandemic^[1] does that mean that working from home will be banished to the history books in the not-too-distant future? Our global survey suggests not. We believe that a hybrid working model is here to stay and one that will require a different set of skills and abilities for employees and managers alike.

"I don't think I'll be back in the office more than 2 days a week, 3 at the most. In fact I don't want to go back even if I had to". This was a pretty common theme from our initial interviews in January and something that has had plenty of coverage in the press as people and businesses start to think about their work location beyond the pandemic.

The economic driver for most companies to continue with some form of working from home is significant. With a 72% drop in annual pre-tax profit for 2020 Lloyds Banking Group^[2] recently announced its plan to reduce office space by 20% in an attempt to better balance the books. They aren't the only ones. HSBC, Facebook, Google and Amazon have also coalesced around a hybrid model with any in-office work to focus on team-based activity.

In our recent global survey we found that 82% of participants expect to work from home at least two days a week once all social distancing restrictions are lifted, with over 50% expecting to work three days a week at home. Even those participants that don't believe working from home to be a positive experience



Anticipated number of days working from home once all social distancing measures are lifted



believe a hybrid model is here in for the long term: 50% of them expect to work from home two days a week or more once all social distancing restrictions are lifted.

We believe that organisations that resolutely want all their people back in the office will face a backlash from employees, or they'll most certainly struggle in the recruitment market[3]. As of one of our interviewees so eloquently put it: "If I'm told I have to work in the office 5 days a week, I'll leave. It's as simple as that."

Like it or lump it, working from home is here to stay in some form or other.

It has it ups, downs....and a sweet-spot

So what's the attraction of working from home? Simple, more time. More time to spend with family, less time commuting and more flexibility to ensure work fits better into the life people lead in the 21st Century. Let's not forget that the common working week was introduced in the early 20th Century.

It's not surprising that one century later and people are hankering for change.

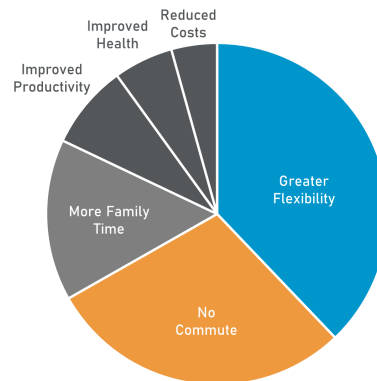
Our respondents did cite some clear downsides associated with working from home though. With all that extra flexibility comes the challenge of creating clear boundaries between work and life and subsequently working longer hours. Not being able to connect with colleagues and peers is also an issue.

Being able to speak and connect with another human is a constant reminder of our humanity in this technology enabled world of home working.

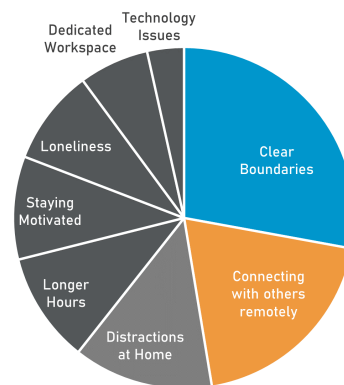
We also found that the hybrid working model isn't a theoretical model that may or may not come to fruition in the future. It's here already. Our participants that currently work 2 days a week at home were most positive about the experience, with higher levels of advocacy and productivity. It seems that the hybrid model aligns perfectly with this working-from-home-sweet-spot.

Our Survey

Australia to the UK, Ireland to America, the Middle East to China, South America to South Africa. CEOs to front-line salespeople, kitchen-desk workers to those logging on in their new garden offices. Single occupants, flat-sharing buddies, cram-packed households with zero internet coverage. People living on the breadline, carers, young professionals, working parents. Our survey was comprehensive enough to be statistically representative of an organisation with over 40,000 employees.



Main benefits of working from home



Main challenges of working from home



And through our survey we set out to explore a few key issues:

- What makes for a good experience working at home?
- How do organisations know if they're getting this right?
- What can organisations do to make working from home as good as possible?
- (and maybe most crucially) What can individuals do to have the best experience working from home?

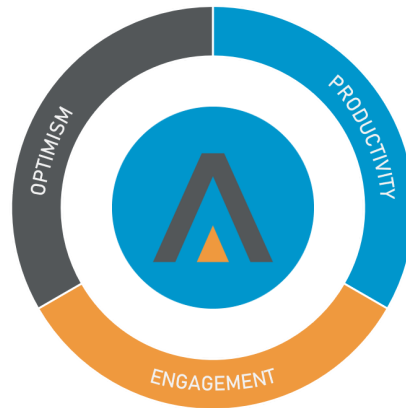
What we didn't expect to find is the answer to perhaps a more pertinent question: How can I be most effective when I work at home and how can I be most effective when I work in the office?

What's the end game?

It's a simple question that we hear from CEOs, HR Directors and line managers alike: what's the impact for people of working from home and are they doing what I need them to do?

To answer this question we have developed a robust and reliable measure of working from home – we refer to it as our Working From Home Index[®] (WFH Index[®]). It has three important factors:

- | | |
|--------------|---|
| OPTIMISM | Does the employee feel positive about working from home? |
| PRODUCTIVITY | Is the employee (more) productive when they work from home? |
| ENGAGEMENT | Is the employee emotionally engaged with the organisation and do they contribute accordingly? |



AERMID Working From Home Index

Put simply, we believe that if an employee loves working at home, believes they are more productive working and feels highly connected to the organisation then the organisation can expect to see long-term commitment and contribution from that employee.

This is a fully quantifiable measure that can be assessed over time, within departments and between managers. It provides organisations with clarity over the health of their workforce during extended periods away from the office.

Working from home – the organisational factors

So if organisations want to improve their WFH Index what can they do about it? We've discovered a range of factors that account for approximately 50% of why an employee would have a higher WFH Index:

1. Their Line Manager

The role of a line manager has been well understood for many years. It is of central importance in the organisation-employee relationship. Our findings reconfirm this, with some important distinctions – the frequency of contact, the clarity of direction and the emotional intelligence of the line manager have all taken a step up. For great managers the transition to managing a team at home will have been seamless. For the others it has been a real challenge.



2. Trust

Quite simply the employees with the highest WFH Index believe that their organisation trusts them to deliver their objectives. Those that are micro-managed have the lowest WFH Index. Did we mention that emotionally intelligent line managers that set clear objectives were important?

3. Work Challenge

Spending too much time at home doing the bare minimum can be boring. Our research demonstrates that employees that are challenged and stimulated by their work thrive when working from home. Ensuring that individuals are positively challenged by their work is a pre-cursor to a higher WFH Index.

4. Relationships

In this digitally enabled world it's too easy to forget how important real human interactions are to us. Organisations that facilitate and encourage non-work based conversations and interactions can expect to have better WFH Index outcomes. It's the equivalent of the water-cooler conversation. It's important. Just don't organise another Zoom-quiz - that will have the opposite effect.

5. Time efficiency

Zoom-fatigue. Teams-itis. Take your video-calling application of choice. It doesn't matter, too much of it and it becomes a real issue for people. People are literally getting fed up looking at their colleagues and themselves [4].

Our research shows that organisations that respect the value of people's time (think shorter meetings, key team members only) have a significantly higher WFH Index. Just because you can get 100 people on the next call doesn't mean you should.

6. Empathy

It's fair to say that working from home isn't the same experience for all of us, especially during a national lockdown with multiple other responsibilities competing for our time. We see clear evidence that organisations that understand the implications for their people when they work from home (start times, end times, availability outside of traditional hours, work patterns) have higher WFH Index outcomes. Remember: "same storm, different boats".

We also uncovered a host of hygiene factors that are vitally important including technology, mental health awareness and support and ongoing development. These elements won't necessarily boost an employee's WFH Index, however they are most certainly prerequisites and will be a source of major irritation if they aren't sufficiently addressed.



Organisational and personal factors influencing WFH Index



Working from home – the individual's external factors

If there are range of factors that an organisation can influence, what can an individual do to take charge of their situation? Let's start with the external, environmental factors that our research demonstrates are predictors of productivity and higher engagement levels. There are two significant elements:

1. Dedicated Workspace

This doesn't need to be a fully functioning replica of your office situated in the west-wing of your house. It can be a converted alcove, space under the stairs, a desk in the hall, clear space in the attic. Grandiose it doesn't need to be, however it does need to be a space that is understood to have one purpose and one purpose only: work.

2. Respect from others

Participants in our research were really clear – when others in their household respect their time and space then they have a better experience working from home. However when they find themselves tending to the needs of others in their household they really struggle. It's why having a dedicated workspace is so important. Not only does it mentally switch the employee into work-mode, it sends the same clear signal to everyone else.

Working from home – the individual's internal factors

So what can an individual change in themselves that will enhance their experience working from home? Our research uncovered six key personality factors that predict how well someone will react to the reality of working at home:

1. The degree to which someone is scheduled and organised vs. spontaneous and adaptable;
2. How they create boundaries between work and life;
3. How they connect with others;
4. How flexible they are in their approach to work;
5. The workspace they have when not in the office;
6. How they arrange their work-pattern, and;
7. How they transition from 'work' to 'home'.

Because these are 'internal' personality elements, does that mean some people aren't just cut-out for working from home? No. These same 7 personality factors also predict how someone will respond to the prospect of working in an office.

Our findings demonstrate that individuals have clear preferences for how they approach their work, and that their preferences might naturally lead them to prefer working from home over working in an office or vice-versa. However, having a preference doesn't mean that we can't be highly effective.

Consider this: which hand do you prefer to write with? Imagine breaking that same hand and then spending the next 6 months writing with the other. Chances are that you'd get pretty good at it.

With time and practice we can learn to thrive in our non-preferred states.



Our research reveals some well-known truths and throws up some new 21st century challenges. We believe that a great experience at work is built upon a solid, balanced relationship that requires mutual respect and understanding.

After this 21st century pandemic passes it will demand us to live in a new 21st century world, one that is likely to be materially changed. It is our opinion that the employee-employer relationship will be impacted for the better. Organisations have the opportunity to review the impact their 20th century working practices have on their people, and employees have the opportunity to look inward and ensure that they contribute their best as they move their work location fluidly from office to home and back again.

Dark nights are always followed by early dawns and those people and organisations that take the opportunity to embrace the moment are likely to thrive. If the Covid pandemic has taught us one thing: we all need to be ready for change.

Summary

The key take-aways from our research are straightforward yet significant:

1. Our Working From Home Index helps organisations assess the impact of working from home on their workforce;
2. There are 6 factors that organisations can actively work on to improve the WFH Index for their people. These include: Line Management, Trust, Work Challenge, Relationships, Time Efficiency, Empathy.
3. There are a range of personal factors that significantly influence an individual's preference to work either in an office or at home: Workspace, Respect (from others), Planning & Organising, Boundaries, Connections, Flexibility, Work-pattern, Transition.
4. Individuals can flex their style depending upon their required work location, and managers can use this insight to build highly flexible, efficient teams.

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Our Insight Tools

Detailed analysis on all of the elements highlighted in this paper is available through our suite of Insight Tools, including individual, team & manager and company-wide diagnostics.

Organisation Work Location Diagnostic[©]

Provides an overview of the impact of working from home on an organisation's workforce, an assessment against the key success factors for working at home, and a summary of the workforce's preferred work location.

Team Work Location Profile Map[©]

Details the specific characteristics needed for an effective line manager dealing with a 21st Century post-pandemic workforce and helps a team to manage the transition from working at home to working in an office and vice-versa.

Individual Work Location Profile Map[©]

Helps individuals to better understand and take control of the main variables that lead to the best possible experience of working at home and in the office.

About AERMID

We are a start-up consultancy helping people to find balance in life and work.

We're small with big ideas and the experience to match.

Come follow us - be part of our journey.

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