



Background to policy development context

The COVID-19 pandemic is reshaping how people work and changing the popular perception of the places and spaces in which work can be done, like “working from home” and “hybrid working”. For example, emergency mandatory work-from-home policies turned most on-site UK workers into teleworkers during the height of the pandemic. Searches for “work/ing from home” surged during the period of the first lockdown (starting 26 March 2020) until all sectors of the economy reopened (19 July 2021) (Figure 1). Similarly, searches for “hybrid work/ing” increased significantly once the “work from home” order ended on 29 March 2021. Figure 1 shows that these searches, while low during lockdown periods, gradually increased once the lockdown restrictions were eased and some workers returned to office. Searches for “hybrid work/ing” and “work/ing from home” concurred at similar rates in April 2022, with a continuing upward trend for “hybrid work/ing” thereafter, while “work/ing from home” levelled out (Figure 2). Clearly, there was a trend developing in how people viewed working arrangements and that trend was tending towards “hybrid work”.

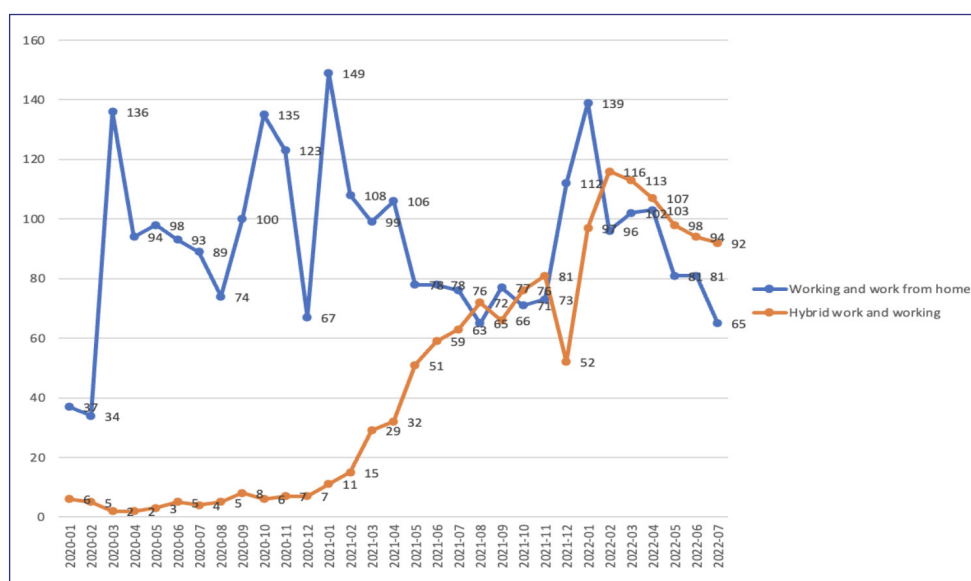


Figure 1. Data from Google Trends using search query: “Working from home”, “work from home”, “Hybrid work”, and “Hybrid working” (retrieved 5 July 2022)

According to research by Microsoft and YouGov¹ in October 2021, slightly more than half of UK workers would consider quitting their jobs if the option of hybrid work arrangements (e.g. the choice of mixed remote and office working) were not available. Similar research undertaken by McKinsey² in November 2021 also revealed that in North America, Europe, and Australia, more than two out of three employees prefer hybrid work models. This is particularly true among younger employees (18-34 years old) who were 59% more likely to leave their jobs if the choice of hybrid work was not available to them compared with their older counterparts (55-64 years old). This is also true of the traditionally underrepresented groups who said they were likely to leave the job if the option was not available.

¹ See link: <https://news.microsoft.com/en-gb/2021/12/09/more-than-half-of-uk-workers-would-consider-quitting-their-job-if-hybrid-working-was-axed-research-reveals/>

² See link: <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/hybrid-work-making-it-fit-with-your-diversity-equity-and-inclusion-strategy>

More recently, the Office for National Statistics (ONS)³, has recorded that the proportion of hybrid workers in the UK has risen from 13% in early February 2022 to 24% in May 2022. At the same time, the number of people planning to return permanently to office fell 3 percentage points from 11% in April 2021 to 8% in February 2022 (Figure 2). From four selected surveys of employees' and employers' attitudes towards work from home and hybrid work, we identified these key pros of hybrid work: *higher levels of flexibility, better work-life balance, and higher productivity*. Hybrid work models can, on the other hand, potentially *create uneven outcomes for workers*, privileging those whose jobs and resources allow them to opt for hybrid work over those whose circumstances do not allow this. Hybrid work can also make people feel *less connected to their co-workers* thereby making it difficult to build an organisational culture. Furthermore, hybrid work can potentially *divide workers into in-group and out-group cliques* and create anxiety among workers.

Not only do workers express their preference for hybrid work models, but a number of businesses also either consider or intend to make hybrid working a permanent feature. According to the ONS, this number increased from 16% in autumn 2020 to 23% in early April 2022. Hybrid working is now considered 'normal' practice in many organisations and likely to remain a feature of the future of work. Clearly, the trend towards hybrid working requires careful consideration of policy implications if it is to meet workers' high expectations while addressing the realities of implementing it on the ground.

Popular perceptions of hybrid work in the UK banking industry

To understand how the popular discourse on hybrid working is being shaped, we selected 10 UK banks and studied their client-facing and public documentation related to hybrid working. Our analysis produced a framework addressing the “What”, “How”, “Where”, “When” and “Who” of hybrid work (Table 1).

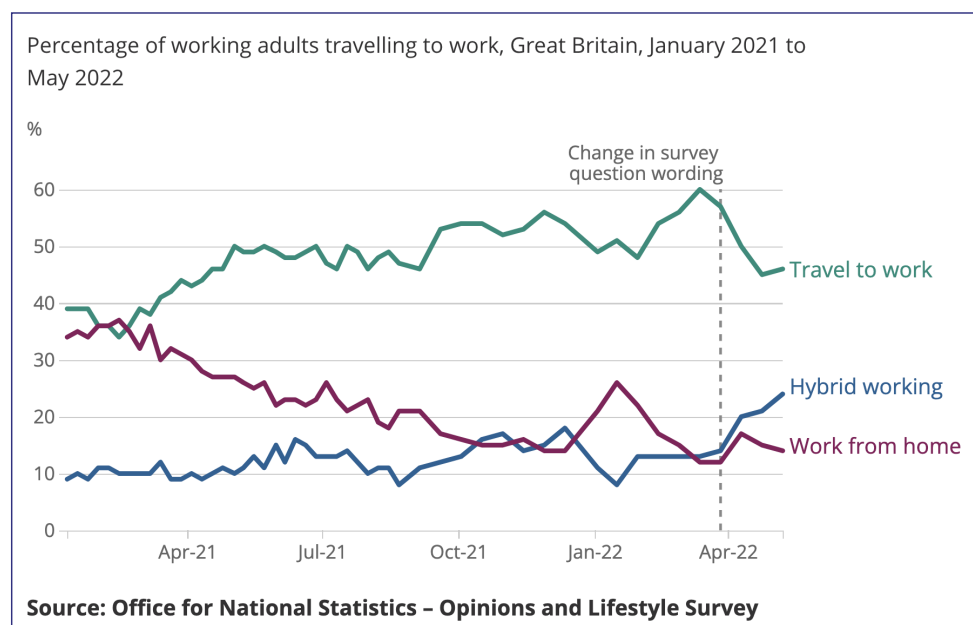


Figure 2. Comparison of trends in working from home, hybrid working and travelling to work

³ See link: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/ishybridworkingheretostay/2022-05-23>

Table 1. Popular perceptions of hybrid working taken from 10 UK banks' reports and other client-facing documentation

What – looking at how hybrid work is understood	How – looking at the new practices and how they are supported	Where – looking at place and space issues	When – looking at time and timing issues	Who – looking at people-centred issues
<p>A variety of terms used: flexible working, dynamic working, remote working, teleworking</p> <p>Any working arrangement that is not traditional 9-5 office-based work</p> <p>Mixing the virtual and the physical/the office with the home</p> <p>About flexibility, autonomy, work-life balance</p> <p>Aligning with business agility, digital transformation, technological resilience, cyber-risk</p>	<p>Using office-based space for collaboration, creativity, training, socialisation</p> <p>Making work “smarter” through new digital technologies and platforms</p> <p>Migrating technology from physical platforms to the cloud</p> <p>Enabling homeworking with IT kits and home office equipment</p> <p>Automating more organisational processes</p>	<p>New kinds of working spaces – hubs, break-out areas, collaboration spaces, desk-sharing</p> <p>Anytime/anywhere working ethos</p> <p>Less emphasis on office space</p> <p>Reimagining traditional work spaces</p>	<p>Fragmenting the working day, changing working time</p> <p>Personalised working time linked to allocated office space</p> <p>Working hours split between “office” and “home”</p>	<p>Emphasis on inclusivity – different modes of working for different people</p> <p>More roles to be made hybrid</p> <p>Pitching hybrid to younger staff</p> <p>Recruiting people not tied to a location</p> <p>Flexibility in accommodating workers' personal situations</p> <p>Emphasis on mental health and wellbeing</p>

Developing hybrid working policies – key concerns

We conducted a focus group with policy-makers and hybrid workspace designers and discussed hybrid working policy issues. From the workshop, the following were considered key points to address in any hybrid working policy. We present the opportunities and challenges of each.

Productivity and performance considerations	
Opportunities	Collaboration better in online environments
Challenges	<p>Difficult to be inclusive in online meetings</p> <p>Back to back meetings create stress</p> <p>More online meetings vs. traditional ones</p> <p>Information overload through online channels</p> <p>Presenteeism being practiced through online tools</p>

Employee well-being

Challenges	<ul style="list-style-type: none"> Isolation Work/life balance issues Intrusion of personal life into work life and vice versa Distractions from cohabitants
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Digital literacy capability

Opportunities	<ul style="list-style-type: none"> Learning new tools and adjusting to new technologies Training to conduct online meetings
Challenges	<ul style="list-style-type: none"> Technology barriers to effective collaboration

The experience of hybrid working

Opportunities	<ul style="list-style-type: none"> Changing perceptions of how you see people in their real life settings
Challenges	<ul style="list-style-type: none"> De-personalisation, detachment, disengagement Not being able to read the room or read people, i.e. indirect cues Not feeling included in online sessions Difficult to manage scale - online can increase scale of meetings, creating a broadcast mode of engagement, i.e., not interactive Technology failure, e.g. breakdown, malfunction

People issues

Opportunities	<ul style="list-style-type: none"> Addressing work/life balance and personal time Flexibility vs. routine - negotiating flexibility regarding starting times, working times EDI becomes a key driver - everyone whether working remotely or on-site, needs to feel included
Challenges	<ul style="list-style-type: none"> Staff wanting different patterns of hybrid work Cost of living a deciding factor for hybrid work - lower paid staff challenged by living costs increasing due to working from home Inclusivity - how to cater for different kinds of people, e.g. vulnerable staff "Monitoring" staff concerns - what can be done to ensure staff can be trusted to work at home without excessive surveillance Pet ownership leading to more working from home requests Blurring of the boundaries between work and home Managing physical space due to decreased investment in office space Catering for different working "cultures" that operated before the pandemic

Key considerations for the future of hybrid work

Our focus group also discussed how technology could shape the future of hybrid work, with the following key points being raised:

Infrastructure is going to be a key issue for the future of hybrid work because:

- Equipment and connectivity will influence what work can be done while at home and what needs to be slotted in at the office, in many cases influencing who can or cannot work from home/remotely
- Technology used in hybrid work will need to be 'workable' and 'social' but also there may be situations where workers babysit the technology rather than using it for work

There will be major changes to the **"places" of work**, i.e. where work can take place:

- Places of work would become very fluid; they can be office or home, but in many cases they can be the 'places' in-between e.g. when commuting, working in a coffee shop, on a "bleisure" trip
- Working time becomes stretched according to the influence of the place where work is done, e.g. the length and the type of commuting influences perceptions on how work can be done while commuting
- Place/placelessness will affect also who will take up job offers (e.g., location-specific work might be less attractive while anytime/anywhere might offer the most flexibility for a globalised workforce)

Hybrid work design could make use of lessons learned from process "reengineering":

- Hybrid work requires us to look at work processes from a different perspective; workplaces will need to go through change management programmes to support workers and managers who line manage hybrid workers
- Reimagining the workspace also means reengineering work processes that involve both local and remote workers to enable a hybrid environment

Physical office space design will change to accommodate new expectations from workspaces:

- Increased remote/hybrid working will result in decreasing office space for environmental and financial reasons
- Some thought has to be invested in how to enhance the client experience in new office spaces where there are now skeleton staff
- Spaces within the office for social meetings, serendipitous moments need to be reimagined; used to be the "watercooler", there needs to be an equivalent of that in hybrid work environments

Policy recommendations & proposals

For a hybrid working policy to be effective, it needs to address a matrix of concerns. First, it has to consider three key levels: the individual (personal situation and preferences of the worker), the organisational (balancing productivity and social relations, building organisational culture around hybrid working) and the regulatory (ensuring the regulatory environment supports both employer and employee equitably). Second, it needs to account for other human resource policy dimensions that support and enhance fair and equitable workplaces. We have identified some of those latter dimensions in the matrix below (Table 2):

Table 2. Matrix of proposed policy considerations for effective support of hybrid working

	Equality, Diversity & Inclusion (EDI)	Workspace Design	Technology support	Mental health and wellbeing
Individual	Taking an “intersectional” approach to understanding workers’ needs regarding hybrid work; negotiating working place and time according to these needs	Taking “working from home” set-ups seriously by enabling equivalent capability in the at-home and in-office spaces	Providing enhanced support for digital literacy training for all hybrid workers covering DSE, cyber-awareness, collaborative tools, emerging technologies	Supporting workers’ mental health and wellbeing in a hybrid working environment, e.g. guidelines around overwork, taking breaks, work/life balance
Organisational	Building hybrid into more roles and supporting them accordingly; establishing new ways of measuring productivity in hybrid work	In-office working spaces need to reflect the flexibility offered by hybrid work while enabling new spaces for collaboration and creativity	Leveraging technology to deliver HR services more effectively so no one feels left out; enabling more workflows and processes to support hybrid working	Establishing a culture where social aspects of face-to-face and efficiency aspects of online are in balance, e.g. no back-to-back meetings
Regulatory	Creating an environment which supports any worker’s right to request reasonable adjustments in doing hybrid work according to their personal situation	Providing financial incentives to employers and employees through mechanisms like tax breaks to help finance hybrid working arrangements	Providing the necessary policies guiding the development of technological infrastructure nationwide, e.g. fast fibre, 5G technology	Advancing policies around mental health and wellbeing work/life situations and supporting institutions delivering related services

Acknowledgements

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