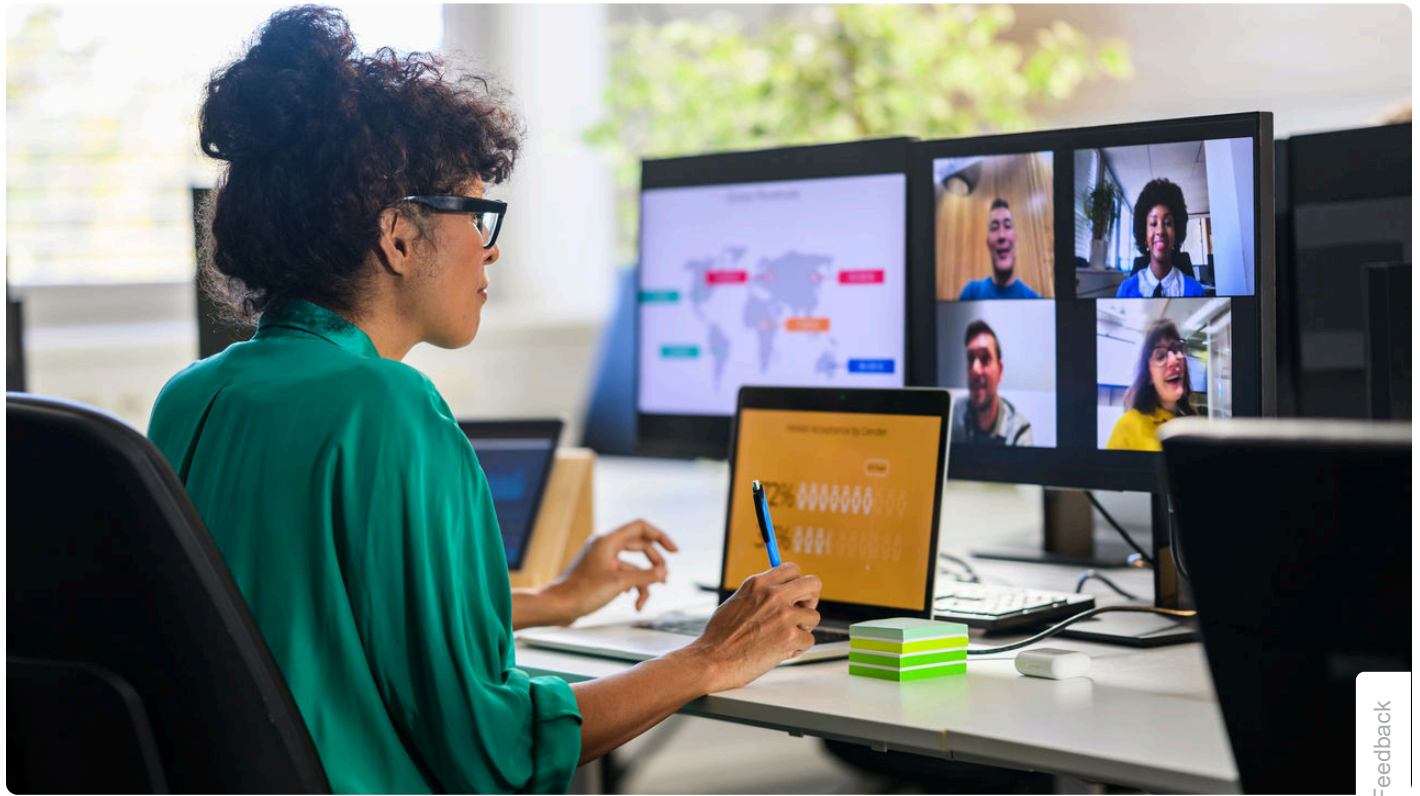


FEATURE

Hybrid Work Reigns Supreme, Despite Leadership Doubts

September 20, 2024 | Theresa Agovino



Feedback

On March 19, 2020, California Gov. Gavin Newsom became the first state leader to issue a stay-at-home order to stop the spread of COVID-19. Other governors soon followed. But many people around the U.S. were already hunkering down: In mid-March of that year, office building occupancy levels in the country's 10 largest cities had already dropped to 50%, according to Kastle, a Falls Church, Va.-based provider of security solutions to residential and commercial buildings. Occupancy rates plunged to 15% by April 2020 before slowly starting to inch back up. It wasn't until the middle of 2023 that office occupancy rates regularly hovered at around 50%, and they haven't gotten any higher.

Hybrid work has become the norm for most companies with jobs that can be done remotely. The number of companies offering flexible work options rose to 65% in the first quarter of this year, compared to 51% in the first three months of 2023, according to Scoop, a San Francisco-based maker of work management platforms for hybrid teams, which tracks over 8,000 employers. That includes the 7% of organizations that are fully remote. Meanwhile, the share of companies requiring employees to show up to the office five days a week fell to 35% from 49% during the same time frame.

Remote Reversals

Hybrid and remote work appeal to many employees because they offer greater flexibility and a better balance than onsite positions. Yet there's still a desire among many business leaders to bring employees back to the communal workplace, citing better productivity and team collaboration. [Published reports - \(https://arstechnica.com/gadgets/2024/06/nearly-half-of-dells-workforce-refused-to-return-to-the-office/ \)](https://arstechnica.com/gadgets/2024/06/nearly-half-of-dells-workforce-refused-to-return-to-the-office/) in June said that Round Rock, Texas-based Dell Technologies told employees that it would no longer promote fully remote workers. In January, Atlanta-based shipping company UPS [announced - \(https://nypost.com/2024/01/30/business/ups-to-slash-12000-jobs-as-workers-ordered-to-be-in-office-5-days-a-week/ \)](https://nypost.com/2024/01/30/business/ups-to-slash-12000-jobs-as-workers-ordered-to-be-in-office-5-days-a-week/) it was eliminating hybrid work and requiring everyone to report to an office location.

Seventy percent of employers with hybrid work arrangements plan to either increase employees' in-office days or keep them the same, according to a study of roughly 750 business leaders by ResumeBuilder.com, a Guaynabo, Puerto Rico-based provider of resources for job seekers. Still, 80% of those employers said they lost talent because of return-to-office mandates.

Despite a majority of employers offering hybrid work, flexible jobs are becoming harder to find. Ads for fully remote work fell 47% in the four years in May 2024, according to Indeed, an Austin, Texas-based jobs site. And while the number of hybrid job posts increased 137% in the same time period, they fell 94% from May 2023 to May 2024.

Still, the hybrid jobs are there for those that wish to pursue them.

“Hybrid is still the prevailing type of work for [desk workers], and I think it is here to stay for a while,” says Anthony Abbatiello, workforce transformation leader and partner at PwC US in New York City.

Abbatiello says companies may feel more confident in pushing people back to the office because employees may be unable to find a new position quickly now that the hot job market has cooled. Still, he believes issuing mandates without explaining why a return is necessary is a terrible idea. “It disenfranchises the worker and creates further dissonance,” he says, adding that some companies may be using mandates to drive people to quit to reduce headcount. Other employers may believe they will be able to attract new talent even if some employees resign, Abbatiello says.

Workplace strategies have evolved since employees began returning to the office and will likely continue to change. More companies are asking for employees to spend more time at the office and requiring their presence on specific days to enhance collaboration: 32% of companies had a structured hybrid mode in the first quarter, compared with 20% in the first three months of last year, according to Scoop. Even fully remote organizations are developing more ways for employees to meet in person.

Amid the workplace attendance adjustments, experts don’t expect employees’ desire for flexibility to change. Nearly one-third of workers (32%) who go into the office at least one day a week are willing to take an average pay cut of 18% to work entirely remotely, according to a survey conducted last year by Robert Half, a Menlo Park, Calif.-based staffing firm. Another study by consulting firm WTW found that 58% of remote workers earning \$200,000 annually say they would take a pay cut to keep working remotely. WTW also found that flexibility is one of the five most important attributes for employees—a distinction that cuts across generations.

“Pay design is under a lot of scrutiny, period, whether it be pay transparency or pay equity,” says Tracey Malcolm, global leader, future of work & risk at WTW, based in New York City and London. She says that as pay designs are re-evaluated, employees’ desire to work remotely may be considered when developing their compensation packages.

But that’s not happening right now. Most organizations (86%) say they have not changed their methodology for paying remote workers since the pandemic, according to a study released last year by Payscale, a Seattle-based provider of salary data, services, and software. However, there has been an increase in the number of companies that pay remote workers according to their location and not that of the organization’s headquarters, jumping to 37% from 30%. The survey also showed that the majority (91%) of the nearly 1,000 businesspeople surveyed, including executives and HR professionals, said flexibility was key for retention.

‘A Healthy Balancing Act’

Employees’ desire for flexibility is why Jeremy Heilpern, founder and CEO of Atlanta-based digital ad agency Ammunition, allows people to work remotely even though he suspects they might be more productive while at the office.

His suspicions about productivity stem from seeing employees spend more time on various office software platforms and produce more computer code while at the office. Plus, the father of two young girls says he gets more distracted while at home. Yet, Heilpern realizes that people may perform different functions while working at home and that everyone has a unique work style.

“I think it is a healthy balancing act, and we want to treat people like adults,” he says.

However, Heilpern has made some changes to employees’ schedules. About a year after the pandemic started, people began coming to the office one day a week. That eventually increased to two and then three. Employees were allowed to choose the third day, though last year, Heilpern says he set a Tuesday-to-Thursday schedule so everyone would be in the office simultaneously to allow for better cooperation and teamwork. He acknowledges losing some talent because of the changes, but he thinks the decision works best for the company, especially younger workers.

“You [a seasoned worker] may be super experienced, super capable. You can do your job from space if you could, right? There is a net benefit to junior people who are coming up in their career, being able to have proximity to you,” Heilpern says. “As people with experience, I think it behooves us to serve as mentors and to build those relationships.”

In-Person Connections Are Vital

Fostering connections is part of the reason Reid's Heritage Homes in Cambridge, Ontario, has remained a primarily full-time, work-onsite organization. Builders such as Reid's were considered vital in Canada and were allowed to resume office operations quickly after pandemic shutdowns. Most of the 150 employees were back onsite in June 2020, according to Jennifer Muller, the company's vice president of sales, marketing, and culture. She says the company could fulfill its obligations, though "what was missing was the connection to the team."

According to Muller, remote environments make it more challenging to establish strong bonds and have impromptu conversations that can lead to good ideas. For example, a colleague you've never met in person will provide you with an answer if you ask for help. But if you are in the same office, she says, you can meet and discuss the issue more thoroughly.

"Relaying information is one thing," Muller says. "Relaying information with care and intent and intention, and attention to detail—all of those things are much more prevalent when we have the opportunity to connect face to face."

Research conducted by SHRM last year found that 72% of employees who shifted to remote work during the pandemic said their return to the workplace was a somewhat or very positive experience. Nearly 80% said they were more productive in the workplace, while 78% said they were more effective.

Remote-First Requires Adjustments

Experts say some remote or hybrid experiments failed because companies didn't develop protocols to adapt to the new environment. Dropbox, the cloud-based platform for storing and sharing files based in San Francisco, has continued to adjust its approach to remote-first working since adopting it during the pandemic.

"What our company has tried to accomplish in terms of designing is a more enlightened way of work," says Allison Vendt, Dropbox's global head of virtual first. "We really thought this is an opportunity to really upgrade and evolve modern work," saying that the approach has allowed the company to broaden its talent pool.

Dropbox employees were primarily concentrated in 10 offices, though now almost half—47%—work outside major tech centers such as San Francisco and New York City. The company enacted core working hours across different time zones where most people would be available for collaborative work, yet employees would still have significant freedom in their schedules for things like deep work, as well. While maintaining connections is especially crucial in a remote environment, Dropbox employees embrace asynchronous communication. Dropbox streamlined its communication channels to avoid duplication and overloading people with the dinging and pinging that often accompany such connection tools.

Vendt says the company understands the importance of personal connections even though they are remote first. She says the new approach pushed Dropbox to deepen and expand its mentoring programs, which weren't consistent throughout the organization. In-person collaboration, specifically, is crucial to the virtual first model because Dropbox believes there is no substitution for real human connection. Therefore, Dropbox prioritizes gathering in-person and teams typically meet four times a year. The company created an offsite planning team, a concierge of internal employees who offer end-to-end support on everything from location scouting and event space bookings to programming and travel.

Dropbox also provides funds and support for employees who want to meet with nearby colleagues for organized Dropbox events. Additionally, a companywide calendar provides visibility into all offsites and events happening across Dropbox. This calendar tool has made it easier for cross-functional teams to sync in person or coordinate their respective offsites for heightened collaboration opportunities.

The approach seems to be working. Employee satisfaction among Dropbox's 2,700 workers rose to 72% this year from 64% four years ago. Most workers (88%) say they feel successful working in virtual first.

"We are listening to the feedback that we're getting from our employees and continuing to really adjust our resources, our practices, and the support that we're giving to folks," Vendt says.

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