



Your Company Has a Hybrid Work Policy, So Now What?

Executive Summary

In December of 2021, Calven surveyed 289 US executives, managers, and employees about their remote work experiences and evolving hybrid work policies and the supporting investments. The respondents represented a range of verticals, size of companies, and titles/functions (see Appendix A). For the research and this white paper, Calven defines a hybrid work policy as one that,

“States that employees’ time is split between the office and home based on either a required number of hours in the office or the personal discretion of the employee.”

Despite the success of employees working remotely during the pandemic, firms are coming to realize that they need to address the longer-term requirements of mentoring and developing new staff and driving increased innovation/collaboration. To do this, most businesses need employees to return to the office for some portion of the time. This hybrid approach will maintain the flexibility that staff like about remote work but give companies the ability to jump start the mentoring and collaboration that has often been missing in a remote-first world.

However, staff are reluctant to return to the office if it's just going in to do work like in the pre-pandemic world. To incentivize and cajole employees back, senior management is going to have to move beyond simply defining a policy and shift to creating an employee experience that treats the office as the “new offsite.” This means creating a more compelling employee experience by redesigning the office space for collaboration, creating a desk management system that fosters meeting staff from across the organization, and investing in software that provides for interactions and curates a contextually appropriate experience. Without these investments, firms will see productivity lag and attrition rise as employees become frustrated:

- 1. Nearly three quarters of the respondents will have a hybrid work policy by the end of 2022.** Over the next 12 months firms that will have a hybrid work policy will triple from the only 21% that have one currently. And 91% of those companies will require employees to be in the office a set number of days per week, biweekly, or monthly. But the work is far from finished; 38% have changed the policy over the last 6 months and another 48% expect that they will evolve it in the coming six months as well.
- 2. Individuals like the flexibility of working remotely.** 62% say that they have more flexibility in juggling the completion of work and family/personal tasks and 53% state, “It is easier for me to concentrate and complete my work.”
- 3. Companies face the hurdle of mentoring employees and innovating in the remote-first world.** 25% of the respondents said that it is harder to bring onboard and train new employees and another 23% said that it's a challenge mentoring and doing career planning with existing employees as well. A fifth of the companies state it is harder to innovate and collaborate with business partners and within that group, 44% say that the main implication of that lack of innovation is that it takes longer to sort out issues and disruptions in our supply chain.
- 4. Firms cannot dictate that staff return to the office – the experience needs to be rethought.** Companies need employees to return part time as part of the hybrid work policy to address the long-term need for innovation/collaboration and staff development and mentoring. Yet, 26% of the respondents say employees do not want to come back. Of the companies that have a hybrid work policy, 44% are investing in improving the overall employee experience to incentivize staff to return to the office.

Firms Moving To Implement A Hybrid Work Model, Replacing Remote-Only Edict

With the policies and guidance around COVID changing seemingly almost every day, supporting remote work is an increasingly important element of companies' employee retention and experience strategies. As new mutations of the COVID virus have come and gone in parallel with government work at home mandates, firms have implemented remote work in various forms:

- **Firms have made a wholesale shift to remote work since the start of the pandemic.** 69% of the respondents said that their companies had required them to work from home either part or full time since the start of the pandemic, circa March 2020 (see Figure 1a).
- **By the end of 2022, only 19% have “No plans” to implement a hybrid work strategy.** Firms are grappling with ways to bring employees back into the office some percentage of the time to foster the mentoring and collaboration that is critical to a vital and productive organization. Today 21% have a mandated formal “hybrid work” policy, but the data shows that the number will increase dramatically over the next 6-9 months (see Figure 1b).
- **Over 90% of firms will require staff to spend a set amount of time in the office.** Respondents are asking/telling employees that they need to be in the office a set number of days per week, bi-weekly or per month.

KEY FINDING:

Larger companies have been more impacted by the shift to remote work. 56% of the respondents with more than 1,000 employees have over half of their staff at home which is almost double the number working remotely at small and medium-size enterprises.

Figure 1a

Most Companies Support/Require Some Form of Remote Work

“Today, what is your company's policy regarding work from home?”

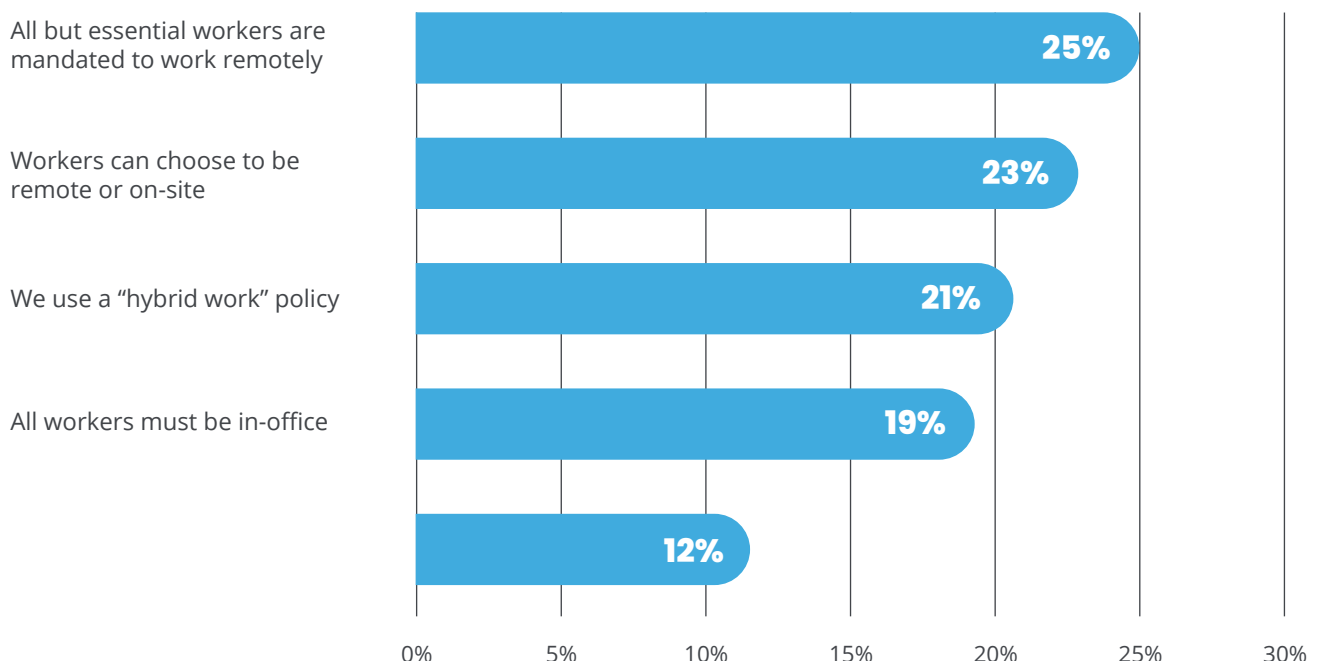
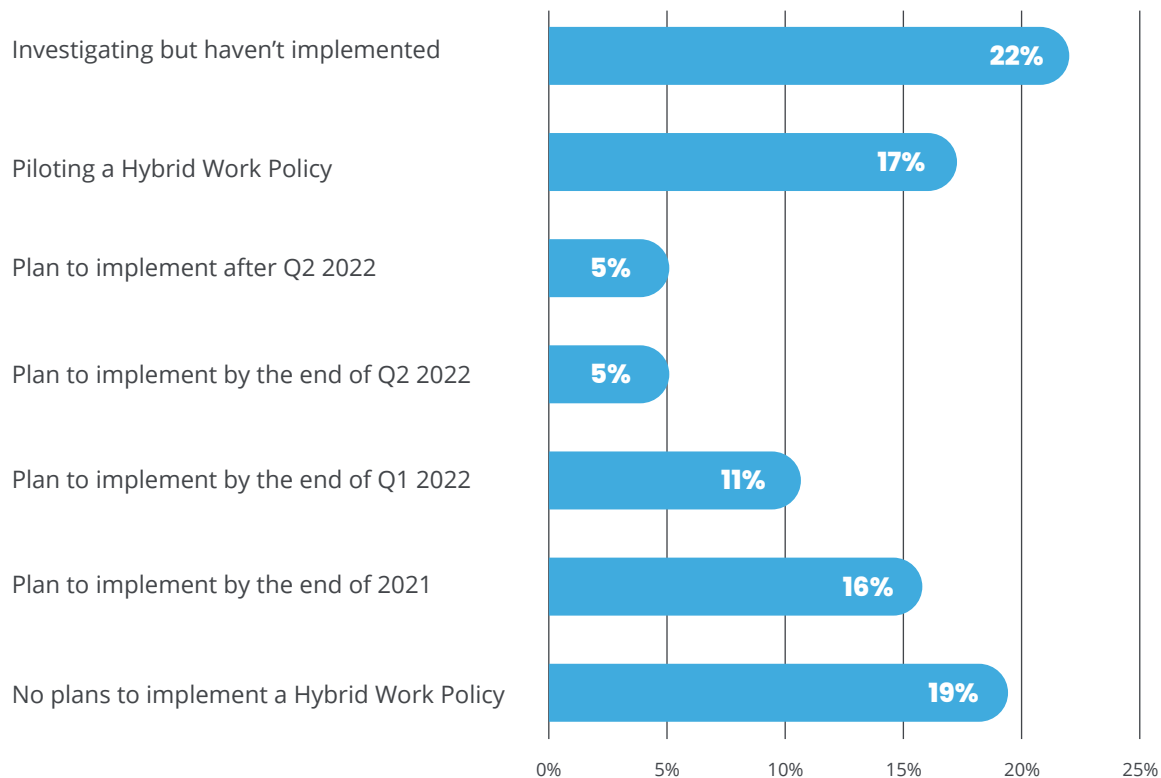


Figure 1b

Companies are on the Path to Implement a Hybrid Work Strategy

"Which of the following best defines where your company is in terms of defining its Hybrid Work Policy?"



Hybrid Work Policies Are In A State of Flux, Under the Cloud of Covid

Firms' hybrid policies are not cast in stone or being implemented in a hierarchical, top-down manner. The rise of new variants, coupled with changes in government policies and employees' attitudes has left firms with hybrid work policies in a state of flux in terms of how they are implemented and how quickly they are evolving:

- **Policy have shifted over last 6 months and will most likely change in the future.** 38% of the respondents have changed their policy over the second half of 2021 and another 48% predict that it will evolve further in the first six months of 2022. At one multinational, corporate stated that staff needed to come in at least three days a week in the fall of 2020. But at one subsidiary, government-mandated quarantines required all work to be done remotely so the corporate policy had to create an exception. Later with the breakout of the omicron variant, the corporate policy shifted to remote-first with staff only coming into facilities as work and customer needs required it.
- **The design and implementation of the policy is diffused across the organization.** While 35% of the respondents said corporate was taking the lead role in a hybrid work policy, the uncertainty and the spikes in COVID outbreaks has the implementation being executed further down the organization (see Figure 2).

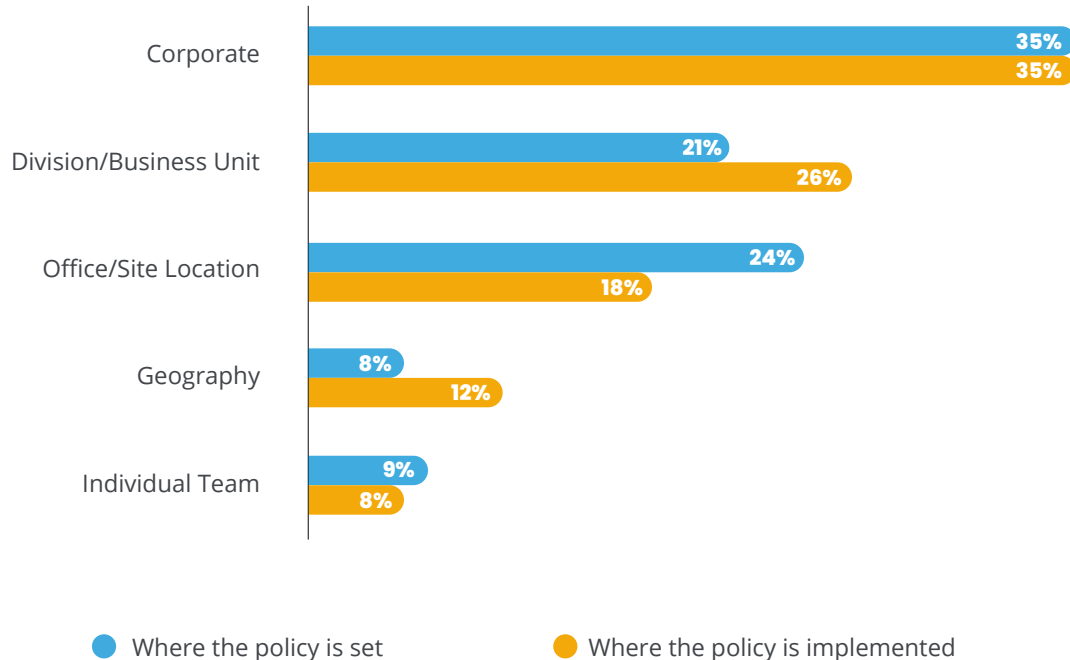
KEY FINDING:

Larger companies see the policy being set at the corporate level where small companies set it at the individual office location.

Figure 2

Hybrid Work Policy Creation and Implementation is Diffused Across the Organization

“At what level of the organization is your company’s policy set and implemented?”



Individuals Value The Flexibility Of Remote Work, While Firms Benefit From Increased Productivity

Part of why firms are refining and updating their hybrid work strategies is that employees have quickly grown comfortable with not having to be in the office all the time. Given the pressures around home schooling, lack of daycare, elder management, and government-mandated quarantines, individuals have come to rely on the flexibility that remote work provides. Companies see a concomitant rise in morale and having the bulk of people remote acts to flatten the organization and make them more agile.

- **Employees are happy to ditch the commute and manage their time differently.** Individuals said that work at home provided them with the flexibility that they needed especially during the pandemic (see Figure 3a). Only 15% of the respondents live on their own. Yet, 65% stated that it was easier to concentrate outside of the hubbub of the office even with family members around. The improved concentration lead 55% to say that they were more productive as well.
- **In parallel, companies see that employee flexibility is reflected in better morale.** 42% of the respondents said that the company has seen staff attitudes improve as a result of work from home (see Figure 3b). Given the need to dampen attrition, the morale boost becomes a key benefit. Respondents also experienced benefits that will potentially play out in the long term around improved innovation and agility. One chief people officer stated that, “Work at home had helped breakdown the silos and democratize the organization.”.

KEY FINDING:

The benefits for companies are not centered on reducing costs, the improvements to morale and agility are more pervasive.

Figure 3a

Work at Home has given Individuals Greater Flexibility and Time

"What are the benefits you've experienced as an individual working from home?"

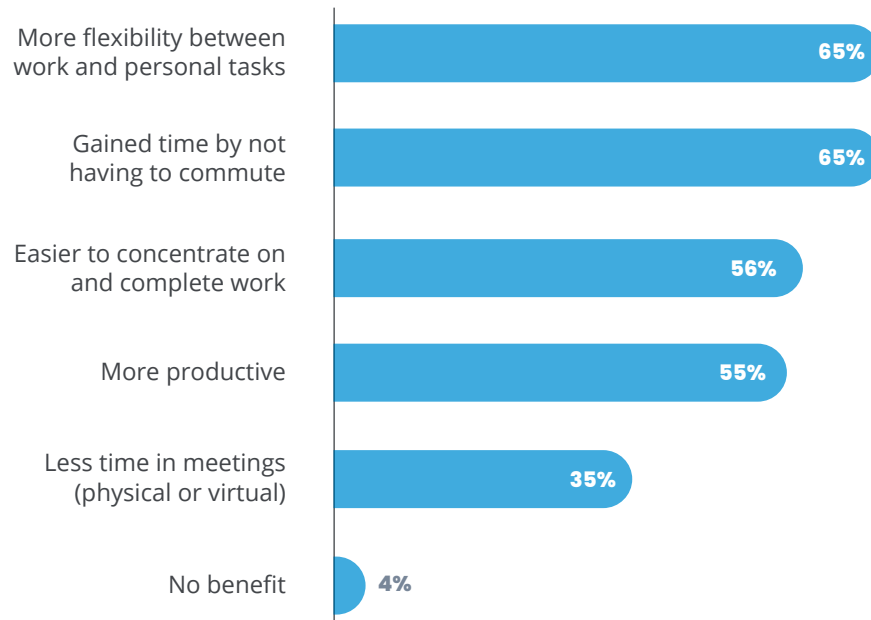
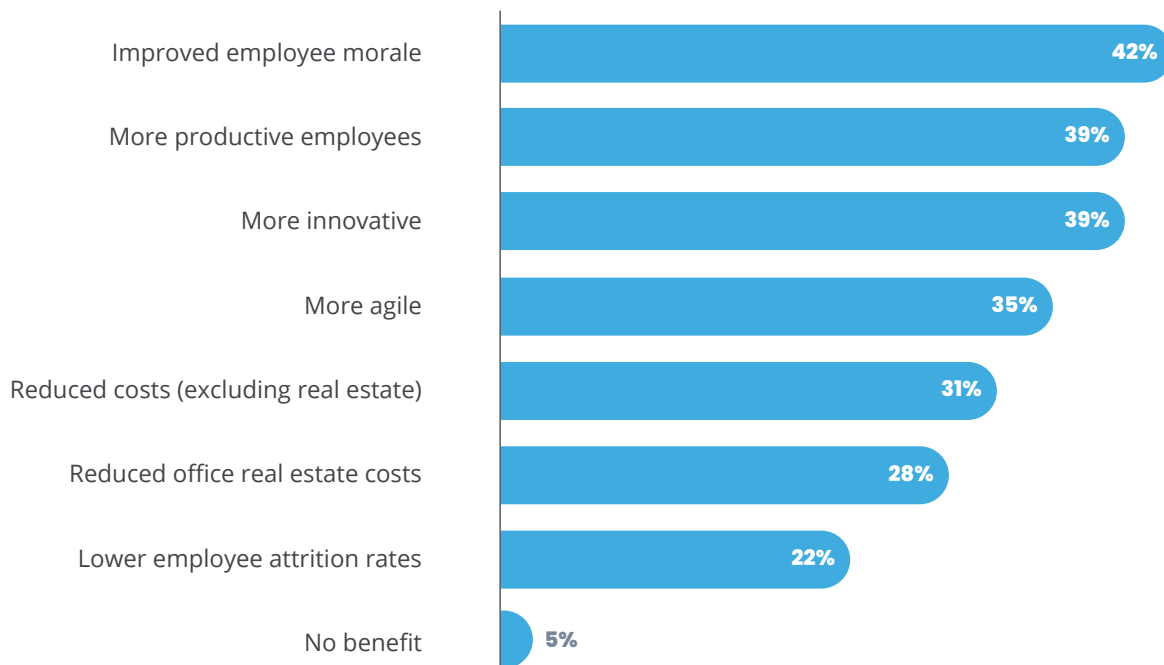


Figure 3b

Improved Morale and Productivity Fuel Organizations Support for Hybrid Work

"What benefits have organizations seen as a result of employees working from home during the pandemic?"



Remote/Hybrid Work Poses Long-Term Staffing And Innovation Hurdles If Not Properly Managed

While transactions/work/tasks are being done remotely very effectively, respondents are challenged to innovate as well as mentor and develop new and existing employees. In the remote world, firms struggle to replace those casual, impromptu conversations at the water cooler, in the elevator, or waiting for the start of a meeting that are often the key spark for the new idea or get a younger employee noticed by senior management. From the employee perspective, they are experiencing similar challenges with the added factor of isolation:

- **Individuals struggle to overcome the isolation and develop new team members.** 60% of the respondents said that they were not as well connected with their team and the rest of the company while working from home and that it was harder to innovate as a result (see Figure 4a). Management find it harder to train and mentor new staff and younger employees when they are not in the office together every day.
- **Employees do not want a wholesale return to the office.** A large part of the challenge for organizations wanting to go “hybrid” is that employees do not want to come back to the office (see Figure 4b). Additional phone interviews show that firms that tried to dictate return to the office strategies saw an increase in attrition and had to back-pedal to implement a more flexible hybrid strategy or remote-first approach.
- **While not listed as top a challenge with remote work, rising attrition remains a problem.** Respondents see rising attrition across the company and at their individual offices (see Figure 5). In particular, the war for technology talent has skyrocketed given the boost that digital initiatives have seen because of the pandemic.

KEY FINDING:

Employees are reluctant to return to office which means that firms need more than just policy – They need to rethink and redefine the office experience and tools associated with it to draw employees back into the fold.

Figure 4a

Remote Work Hinders Staff Development and Increases Isolation

“What challenges have you experienced as an individual while working from home during the pandemic?”

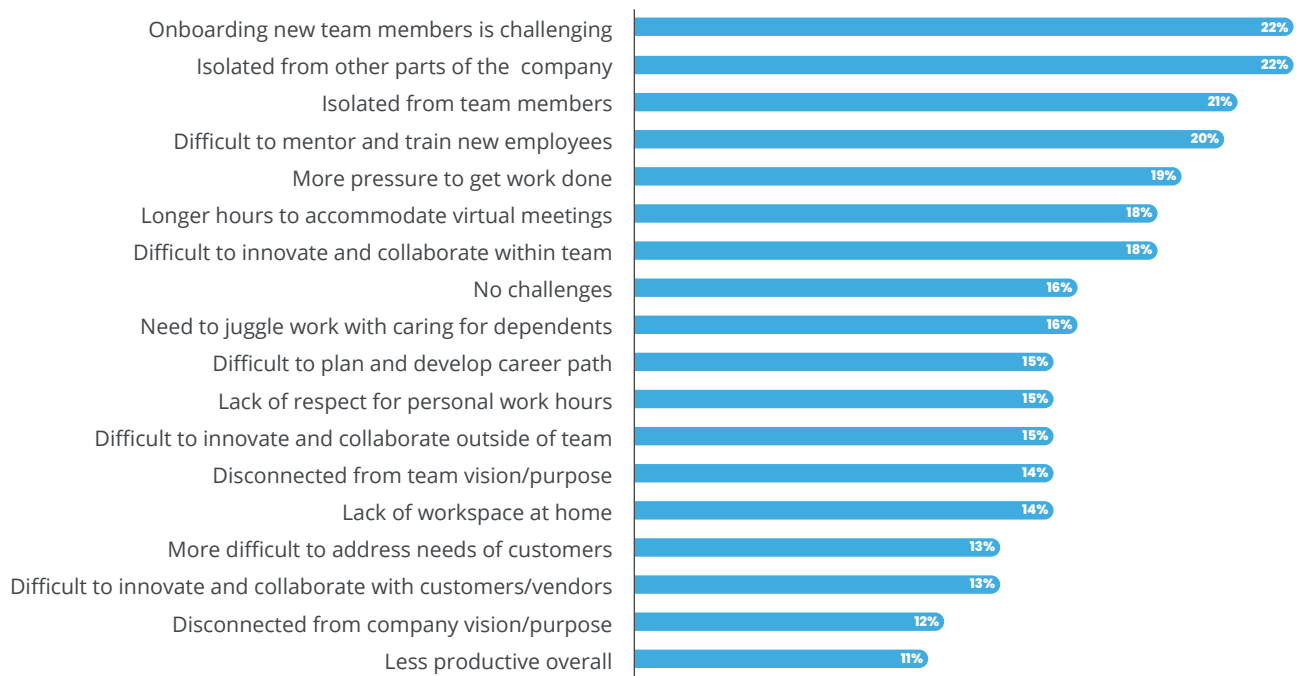


Figure 4b

Firms Biggest Challenge is Employee Reluctance in Returning to Office

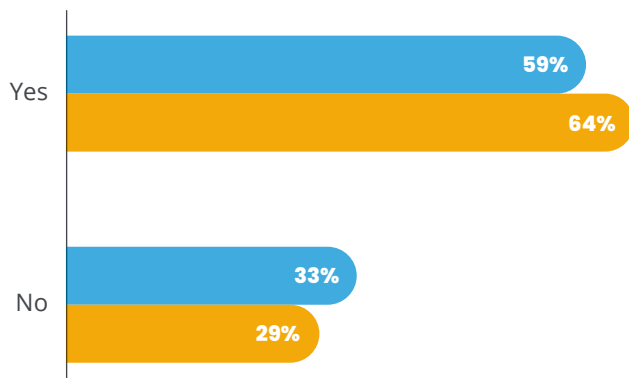
"What challenges have you seen regarding employees working from home during the pandemic?"



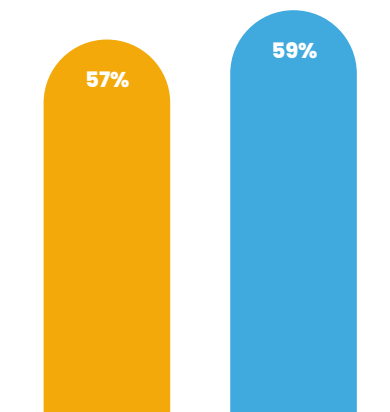
Figure 5

Attrition Remains a Serious Problem at All Levels of the Organization

"Has employee attrition increased since the beginning of the pandemic?"



"How much has attrition increased since the beginning of the pandemic compared to 2019?"



● At the respondent's location

● At the company level

Remote Work Hinders Collaboration with External Partners and Exacerbates Supply Chain Woes

Coordinating with different parts of the organization and suppliers where those relationships are not as tightly formed has been made more convoluted with remote work. This is making it more complex, and time consuming to clear supply chain bottlenecks and resolve customer service issues:

- **Remote work adds to the problem of global supply chain disruptions.** 39% of the firms that said collaborating with business partners was a challenge with remote work stated that the main implication of that reduced cooperation was that it took longer to sort out the supply chain disruptions (see Figure 6). Another 32% state it takes more staff to solve those problems which hurts productivity and rises costs.
- **The employee isolation slows down the launch of new offerings.** 28% said that it takes longer to get new products to market and another 30% say they are challenged to maintain the quality of their products in a remote-first world.
- **The customer relationship and sales revenue are also impacted.** 23% said revenue from customers had declined reflecting the fact that 19% said their customer satisfaction scores dropped and they were no longer viewed as a strategic supplier.

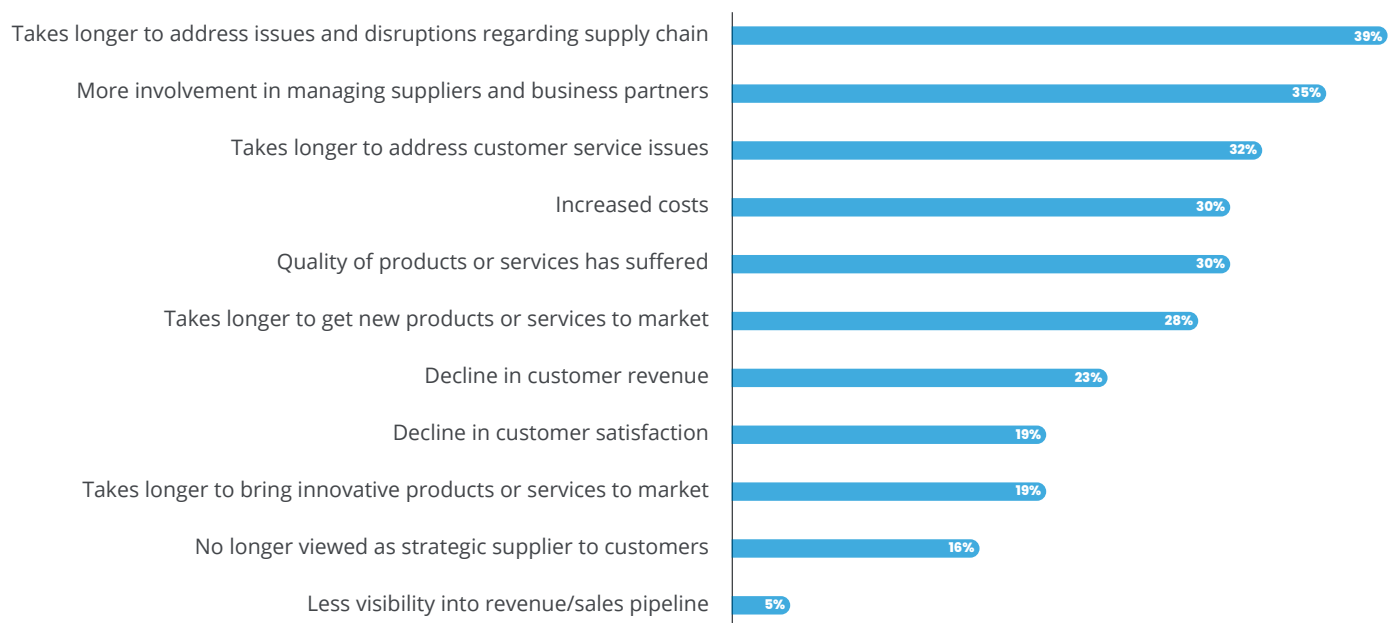
KEY FINDING:

If firms do not implement hybrid work effectively and overcome the collaboration challenges, it will increase their costs as product quality suffers and it takes longer to sort out supply chain and customer service issues.

Figure 6

Remote Work Makes it Harder to Innovate with Partners and Sort Out Logistics

“What are the difficulties with innovation and collaboration when it comes to business partners and customers?”



A Hybrid Work Policy Alone is not Enough to Retain Employees Long-term

As their hybrid work policies take shape, firms are making a broad range of changes and investments. Organizations' scattered spending likely reflects three different factors. First, a successful hybrid work policy will require a broad set of changes in how the company does business. Secondly, it reflects that no clear playbook for how to implement a hybrid policy has emerged. And thirdly, Firms could be taking a wait and see approach given the volatility that different variants like Omicron have brought. The first round of investments in support of hybrid work span training, office design, process refinement, technology investment, and incentive creation:

- **Firms with a hybrid policy, place a greater emphasis on improving employee experience.** There is an interesting dichotomy when the data is cut by where firms are at in the implementation of their hybrid work policy implementation. The top investment area for the more seasoned firms is around improving the overall employee experience (see Figure 7). They have the early insight to know that they need to incentivize employees to return to the office. The respondents who have not yet implemented a hybrid policy are focused on the more tactile issues of office hoteling/desk sharing and redesigning business processes.
- **Firms are also investing in software to meet challenges of remote work.** Overall, 27% of the companies surveyed said that they were investing in new applications "To help them connect and collaborate with other employees" and another 23% are "Investing in new software to manage whether people are working from home or in the office."

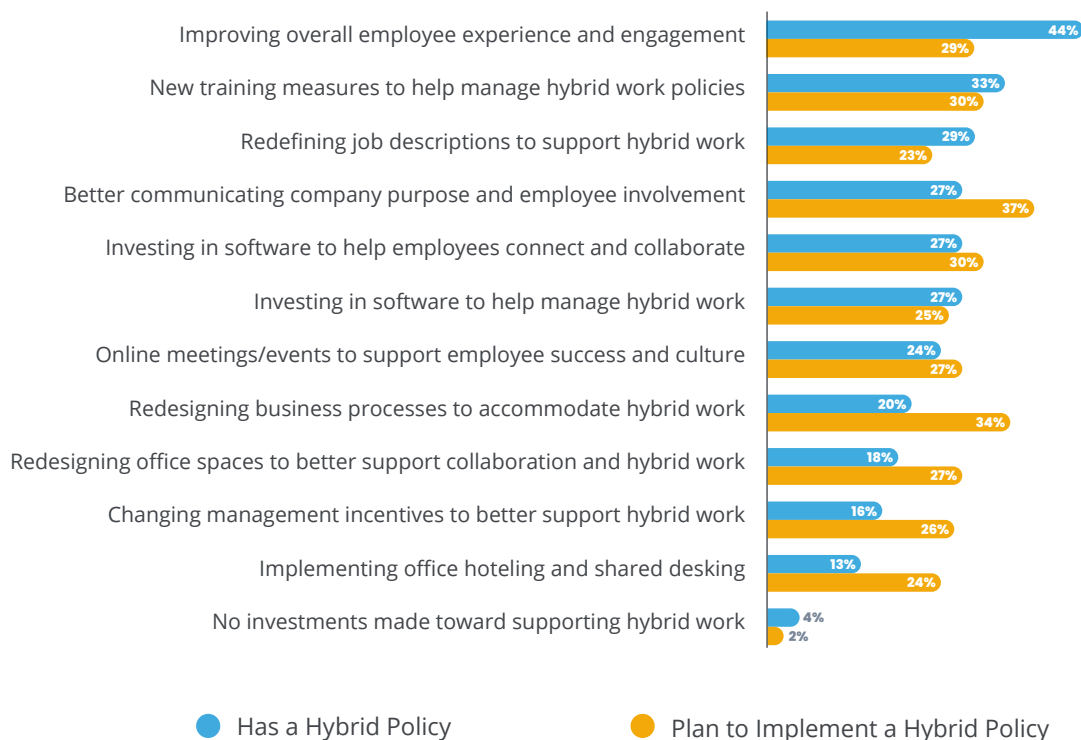
KEY INSIGHT:

Leading edge firms are looking at their hybrid policy in terms of improving the overall employee experience and creating the incentives and changes that draw people into the office without a dictatorial policy. They embrace ideas like the "office is new offsite", rethinking why employees come in and how they use the time in it for training, ice breaker sessions, and in newly designed collaboration spaces.

Figure 7

Firms Beginning to Realize the Need to Invest Beyond Policy to Make Hybrid Work

"What investments are companies making to support Hybrid Work policy over the next 12 months?"



Management of Hybrid Policy Remains Hands-off, but will that Approach Bring Success?

Further reflective of how firms are still in the initial stages of defining their hybrid work policy, few respondents have developed concrete and specific processes for managing new hybrid work policies. Respondents are giving employees and managers a huge amount of discretion. Despite taking a lightweight management approach, respondents are confident that hybrid work will be a success:

- **Firms rely on managers and employees to self-report policy adherence.** 61% of respondents will either let managers track or employees themselves report their time in the office (see Figure 8a). Another 18% will leverage unsophisticated paper or spreadsheet systems to implement the policy.
- **Companies approach to optimizing employee “in-office” availability is limited.** To help foster employee in person interaction, 49% of firms are “mandating employees be in the office a set number of days per week/month (see Figure 8b). Another 47% are asking staff to publish when they will be in the office.
- **Early implementors demonstrate more confidence in making hybrid work programs work.** Firms with an existing hybrid policy in place were 36% more confident that their systems on employee availability would be accurate and that managers would be able to effectively coordinate employee’s office availability even though the supporting processes are not very sophisticated (See Figure 9).

KEY FINDING:

The data shows that firms are taking a passive approach to managing hybrid work yet interviews with firms that have successful policies show they are taking a much more activist approach to managing those in-office days. The goal is to create an experience different from Zoom that leverages more active agenda planning, redesigned space, and structured cross team collaboration.

Figure 8a

Firms Plan on Casual Approach to Managing Time In-Office

“How is required time in-office managed?”

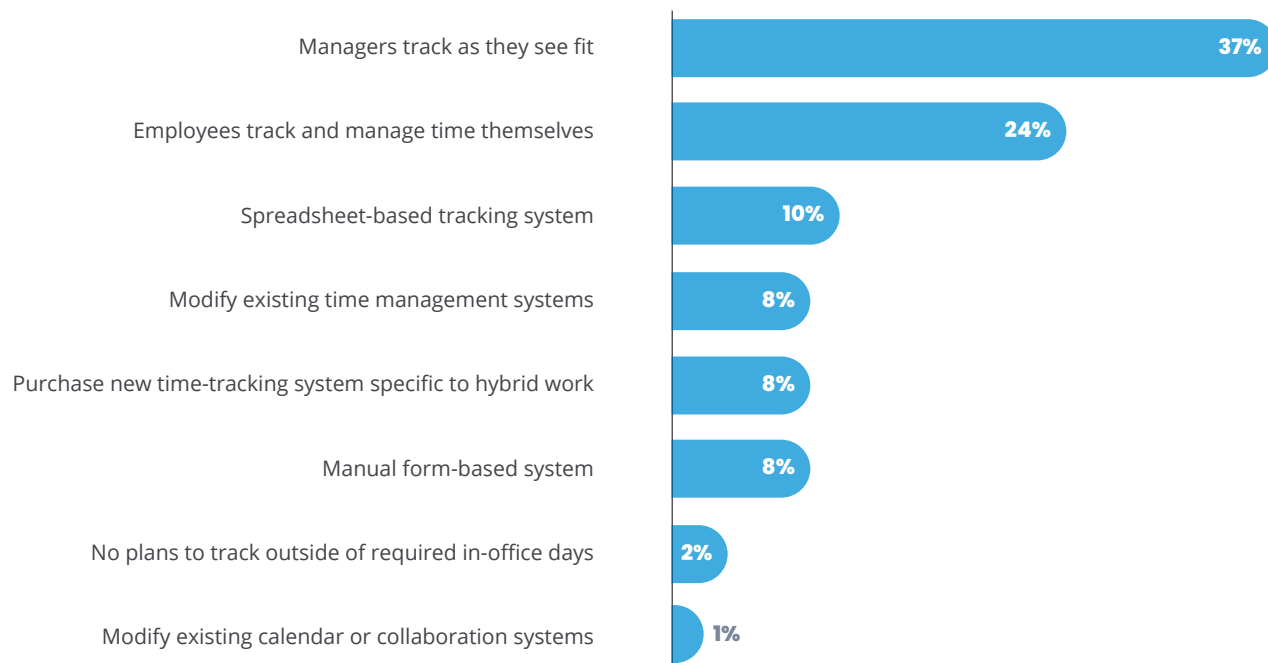


Figure 8b

Companies Plan for Managing Staff in Office Availability Centers on Requiring Days in the Office

"When employees are in the office, how will availability and visibility be managed to allow for collaboration?"

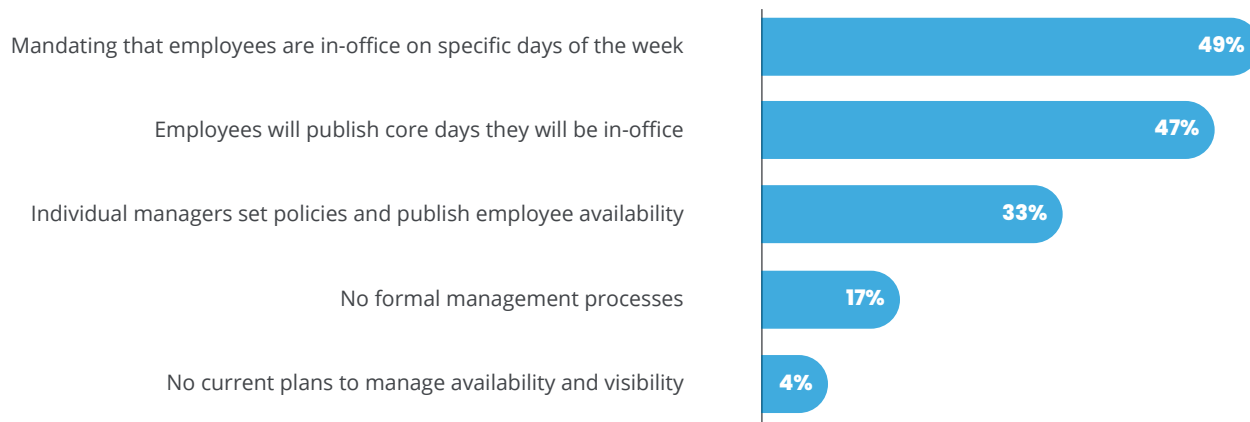
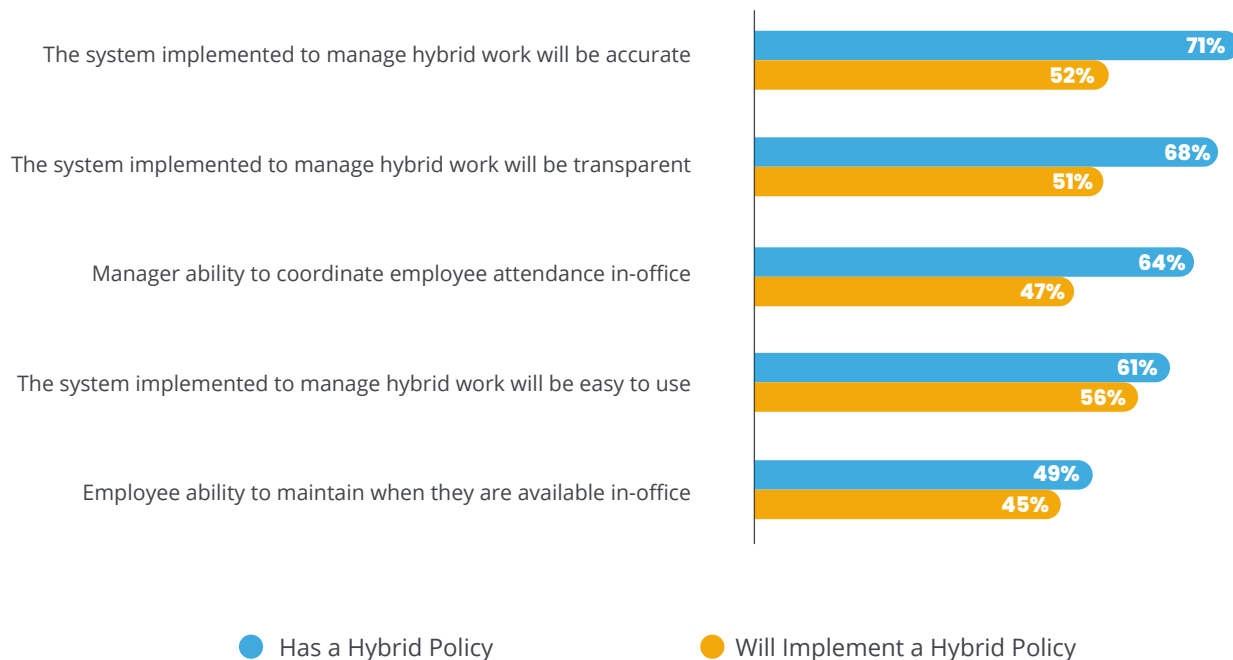


Figure 9

Firms that have a Hybrid Work Policy are More Optimistic of Success than Those in the Early Implementation Phase

"How confident are you in your company's ability to implement and coordinate its hybrid work policy?"



How Calven Can Help Firms Make Hybrid ‘Work’ Better

Hybrid work will only be successful if it's driven by individual employee preferences, team objectives and organizational policies, all combined. Welcome to Calven.

Calven is an employee experience platform that powers the future of work by fusing together employee experience and workplace operations in one single application. It's a platform for organizations to implement the future of work, manage and measure it, and create the best employee and office experience through its ease of use and key features.

About Calven

Headquartered in Sydney, Australia, Calven is an experience platform that enables the future of work for individuals, teams and the organization. Calven's vision is to help its customers create the best employee experience and power the most efficient workplace operations during an era of work from anywhere.

Founded in 2020 by Jeremy Pollak and Daniel Jackson, who both have decades of experience in workplace strategy and workplace technology, Calven enables organizations to design, implement, manage and measure future of work policies and create the best employee and office experience possible.

Appendix A: Calven Future of Work Research Study Demographics and Methodology

The Hybrid Work US Survey aimed to examine and extract various attitudes and perceptions regarding this changing world of work from home and hybrid environments. The survey was programmed and fielded through a nationwide panel throughout December of 2021. A total of 289 responses (n=289) were collected, validated, and analyzed. Representing an estimated population of employed individuals in the U.S. of approximately 159 million, the margin of error at a 95% confidence level from this sample was $\pm 6\%$. This means that if the survey were to be repeated exactly the same, 95 times out of 100 the responses would be within ± 6 percentage points from the original findings.

The respondents represented a range of different titles and functions in their organizations as well as a variety of different industries and size companies (see Figure 10a-d). In parallel to the online survey, Calven interviewed 10 CEOs, Heads of HR, and VPs of marketing about their organizations' hybrid work policy plans, investments and challenges.