

THE FUTURE IS FLEXIBLE

In the post-pandemic world, the hybrid workplace may be the critical key to drive results

Thought Leadership



For better or worse, the COVID-19 pandemic has changed the world of work.

When, where, and how we work look fundamentally different today, not by choice but by chance. We have all had to pivot and adapt to new challenges and increasing uncertainty in order to survive and thrive in a world under siege by an outbreak few of us saw coming. But now, as we start to emerge from the pandemic, some of us have become eager to return to the pre-pandemic version of work, while many others want the changes—and gains—made during the crisis to last beyond it.

This friction is no more evident than in the workplace debate. As more and more people become vaccinated, an increasing number of leaders are calling their employees back to the office—with no option to work remotely, even part of the time. The majority of professionals, however, want to continue to work from home, with the option to work on site, when it suits them. It's a disconnect that has had significant consequences for companies: Federal labor statistics show that, in the United States alone, workers are quitting their jobs at record rates, with nearly 4 million quitting as of June.

One of the top reasons for this mass exodus, according to more than a third of professionals surveyed by Korn Ferry, is that the global pandemic allowed people to re-evaluate what they really want out of their work. Some employees who always worked in an office realized all of what they were missing at home; others have found more freedom to be themselves at work by going remote. Then there

are those professionals who found their productivity skyrocketed because they gained flexibility in their workday. For many professionals, going back to the office five days a week would mean giving up many of these gains that have, in many ways, increased their engagement and work commitment over the course of the pandemic.

On the surface, this paradox between leadership demands and employee needs may seem impossible to solve. But, in many organizations, a new type of workplace is increasingly becoming the norm. After all, different roles—and different people—require different work arrangements. And the COVID-19 pandemic has shown that it is possible for an organization to listen to its workforce and the market, map its needs to current and emerging situations, and be flexible.

Because work is not a zero-sum game—and nor are work arrangements.

Toward the hybrid workplace

Despite its newfound popularity, the hybrid work model is not a new concept. Many organizations have, for years, enabled hybrid workplaces—some employees would work only onsite, some would work only from home, and some would opt for a combination of the two.

And these hybrid workforces have been productive and effective: a recent study found 63% of high-revenue growth companies adopted the hybrid work model, while 69% of negative- or no-growth organizations have rejected the

concept, requiring all employees to either work remotely or in the office—never both.

Hybrid workplaces, of course, have been the exception to the rule. But emerging from the pandemic has shown that more organizations may benefit from adopting a hybrid model as the new long-term normal. Consider, for instance, the tension between post-pandemic work expectations: although, according to one study, 83% of CEOs want their staff back in the office this year, another found that 82% of US professionals would rather work remotely at least *some* of the time after the pandemic ends. Less than 10% want to return to the office full-time.

One of the reasons CEOs and senior business leaders want people to return to the office is to help them exercise their leadership role more effectively. When workers are on site, leaders can perform these duties (think guiding, inspiring, coaching, providing feedback, observing) on the spot, without filters or time lags. As for those employees who do want to return, some have a strong need for socialization, finding energy through their face-to-face interactions, while others want to be in the office to be seen and appreciated, so they are on top of their leader's mind for the next project, opportunity, or reward.

For those professionals who prefer not to return to the office, safety, childcare, and transportation are often at the forefront of their minds. Many employees may worry about exposure to the virus and what their organizations are doing to mitigate risk. Some may still lack access to reliable childcare or have chosen to continue virtual learning until the surge in new cases alleviates. Others may feel more productive working from home, thanks to the hours they've gained back from what would've been their commute time to the office.

Organizations can address the issue more effectively when it is framed in terms of functionality and expected benefits. A few questions to consider are:

- What is the level of interaction required to build trust, share knowledge, solve problems, innovate, develop skills, and shape a distinct culture?
- What alternative forums and mechanisms are available to achieve those benefits, in addition to going to the office (offsites, immersion labs, client visits, virtual team building)?

The case for remote work

Organizations once hesitant to adopt a remote model quickly saw the benefits of enabling a remote workforce—so much so that, in one survey, 74% of US chief financial officers say their companies will shift at least 5% of their workforce to permanent remote-work status, post-pandemic. Of that group, nearly a quarter said that upwards of 50% of their employees will remain remote.

It's no surprise that remote work has been embraced by even the most staunch of skeptics. After all, high-speed internet and the rise of 5G, democratization of high-definition audio and video equipment, collaborative platforms like Zoom and Microsoft Teams, and increasingly rich interactive capabilities have dramatically reduced virtual distances. And this has had a tremendous impact on the bottom line. In dollars and cents, remote work translates to more than \$30 billion a day that US business will save in what would have otherwise been lost productivity due to pandemic-era shutdowns.

The benefit of remote work extends beyond the books. In a recent Korn Ferry survey, 74% of professionals say they have more energy and focus when working from home. In another, 58% said they were more productive in a remote setting. This is because remote workers have greater control over when and how they respond to interruptions and distractions, both of which can negatively impact performance. What's more, remote work allows for greater diversity and engagement—employees can be their authentic selves at home, thus, bringing their best selves to the job. And as research shows, when employees can be themselves and fulfill their personal purpose at work, they are more engaged and committed.

- Should the office be reinvented beyond a series of individual close or open workstations to enable exchanges, mutual learning, co-creation, and honest conversations?
- Should the “coffee-machine casual dialogue” be the new norm of the office, while people carry out their individual work wherever they want?

The case for going back to the office

To be sure, certain business contexts require in-person interactions to drive performance. In the case of private equity firms, for example, speed means everything: if a client wants a rapid response, an analyst must give an instant answer. Sure, you could send out an urgent email, then anxiously wait for a reply. But that would leave you at the mercy of technology—the internet may be down unexpectedly or the analyst is not at their desk. Being in the same building, let alone the same office, would allow for a quicker exchange. This leads to faster decisions and even faster actions, which in turn accelerates growth in and of the business.

It is more than just business performance, however, that benefits from going back to the office. Beyond a strong culture, research shows that co-location facilitates the building of trust, because of more opportunity for face-to-face conversation. This is because being in close proximity requires people to invest time, effort, and energy into developing and maintaining relationships, leading to mutual trust and seamless collaboration. People share knowledge more freely and engage in more collaborative, innovative problem-solving. And where there is mutual trust, there is a greater sense of belonging, ownership, and shared values.

The key to reimagining the office space is to take the time to explore underlying assumptions, get relevant facts, listen and be open to creative solutions that were not considered previously. As research shows, many professionals want the option to work remotely, while many others want to work in the office, at least part of the time. Dialogue and deeper reflection will allow leaders and organizations to better surface ways to transcend the tension and integrate the best of both worlds into one inclusive, flexible workplace that is fit for the culture, team-building, and joint problem-solving.

Of course, the hybrid workplace is not “one size fits all.” Organizations would need to tailor their models to address their most dominant business needs. This means they will have to consider their learnings from the pandemic: are face-to-face meetings still more effective or did remote interactions work just as well or better? Do employees feel disconnected by not being on-site or has the social connection grown stronger by going virtual? Depending on the answers, some companies may need to institute a hybrid workplace that is primarily remote, with one or two days in the office, while others may need to design a flexible workspace that has employees on site at least three days a week. And these models may evolve over time as organizations evaluate business performance data, workplace trends, safety concerns, and client feedback.

Looking ahead

The global pandemic has, without a doubt, shown that organizations can no longer operate with an “either/or” mindset.

Whether it’s leadership or the workspace, approaching the future of work from an all-or-nothing perspective will hinder companies’ ability to perform and transform in an increasingly volatile, uncertain, and unpredictable world.

The research is clear: remote work is here to stay. Professionals crave flexibility and autonomy over rigidity concerning where, when, and how they work, and working from home affords them that opportunity. But there is also a clear need for in-person interactions to build relationships, alignment and trust and allow for much-needed social connection. Moving towards a hybrid or flexible workspace not only allows organizations to integrate competing needs, but to also build a new performance culture—one that is diverse, inclusive, respectful, and an evolution from the legacy work models employees are used to.

Ultimately, the hybrid workplace empowers leaders and workers according to business demands and personal preferences. But the question of going back to the office is the tip of the iceberg. The future of work also begs another, more substantive question: how ready are managers and leaders to embrace a new generation of digital-native talent that is asking for more empowerment, space, and tools to exercise their power?

To attract and retain the best of the best, leaders will need to learn to be effective without having their teams at arms' length. This can be done by leveraging flexibility in the workplace. And by leveraging flexibility, organizations and their leaders can optimize their entire workforce to drive better performance and better results.

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