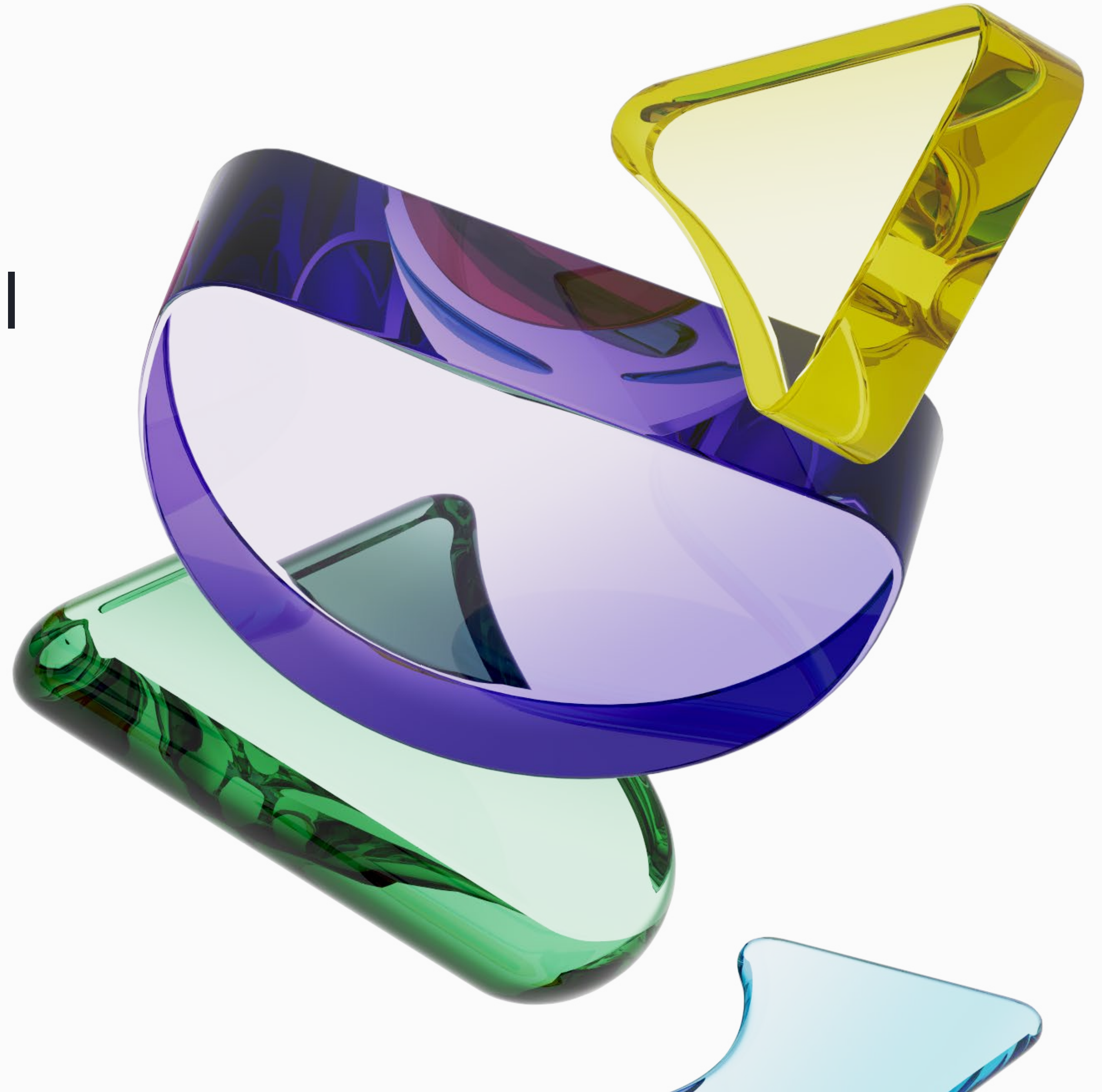




# The great organizational balancing act: making the hybrid office work for everyone

BSI Future of Work Insight Report



# Foreword



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The office has been a staple of millions of people's working lives for years. But thanks to technological advances, changing social norms and the shifting expectations of the global workforce post-pandemic, the workplace of today is undergoing a radical evolution that goes way beyond the physical building but has the opportunity to have a positive impact on society.

As knowledge workers move away from the traditional nine-to-five, there's an opportunity for organizations to reassess how they work, how they use technology, and of course, the space they need. This report explores how, as they navigate these changes, there's the potential for organizations to drive progress by increasing productivity, recruiting and retaining talented people and improving worker well-being.

This report is based upon a Future of Work webinar held in July 2023 on The Office of the Future hosted by BSI's Kate Field, Global Head of Human and Social Sustainability. Watch it [here](#)

The experts contributing to this report are:

- **Dr Nicola Millard**, Principal Innovation Partner, BT Digital Solutions
- **Kate Field**, Global Head of Human and Social Sustainability, BSI

# Striking a balance: the hybrid working tipping point

Many may point to the COVID pandemic as a tipping point for hybrid working. In early 2022, the UK's Office for National Statistics<sup>1</sup> found that 84% of workers who had to work from home because of the pandemic, planned to carry out a mix of working from home and their place of work.

McKinsey, similarly found that of the remote work that can be done without a loss of productivity, about 20% to 25% of the workforces in advanced economies could work from home between three and five days a week – four to five times more remote work than before the pandemic.

However, the potential for remote and hybrid working had been growing for years before global lockdowns made it essential, largely due to technological advances. Improved connectivity, tools for collaboration, and cloud storage proved to be a 'holy trinity' that enabled organizations to rapidly deploy homeworking.

"BT's research shows that technology has made it possible for around half of all workers to work entirely from home," says Dr Nicola Millard, Principal Innovation Partner at BT, who over the last 30 years has taken a cross-disciplinary approach to drive innovation in the experiences of both employees and customers. "What the pandemic did, was make that fact apparent."

"Our research also showed that for 70% of those mostly knowledge workers<sup>2</sup>, working from home worked. The remaining 30% struggled, as a mostly younger cohort of workers who were sharing internet bandwidth as well as their physical living space with others, and who found developing networks of connection with their co-workers challenging digitally."

## The evolution of remote working: The Inverness Experiment

BT's first experiments in home working took place in 1992, when the company set up 'The Inverness Experiment' inviting employees in the Scottish city to volunteer to work from home for a whole year. It was a trial to see if the technology could support it, as well as a psychological experiment to understand how people responded to working remotely.

"The big difference from the 90s to today was technology," says Dr Nicola Millard, who was involved in setting it up. "We literally had to set up people's front gardens in order to get a big enough pipe to support the connectivity they'd need in their house. It cost £11,000 per house and for understandable reasons didn't take off. Now we don't have to dig people's front gardens up anymore." Today, thanks to better connectivity, working from home is no longer an experiment, but part of the norm of many people's working life.



## Working from home or living from work?

Long before COVID, many workers in office-based roles may have experienced the blurring of the boundaries between life and work that technology can bring, perhaps feeling the pressure to check work emails on a smartphone while away on holiday, for example. Now, Millard suggests, an organizational balancing act is at play, as leaders navigating a hybrid work set-up try to balance the needs of individuals, against the collective good of the team they're part of, while also trying to ensure that the organization is able to achieve its own desired outcomes in terms of growth and productivity.

On the surface, this has manifested itself as an almost wholesale abandonment of the traditional Monday to Friday working week at the office<sup>3</sup>.

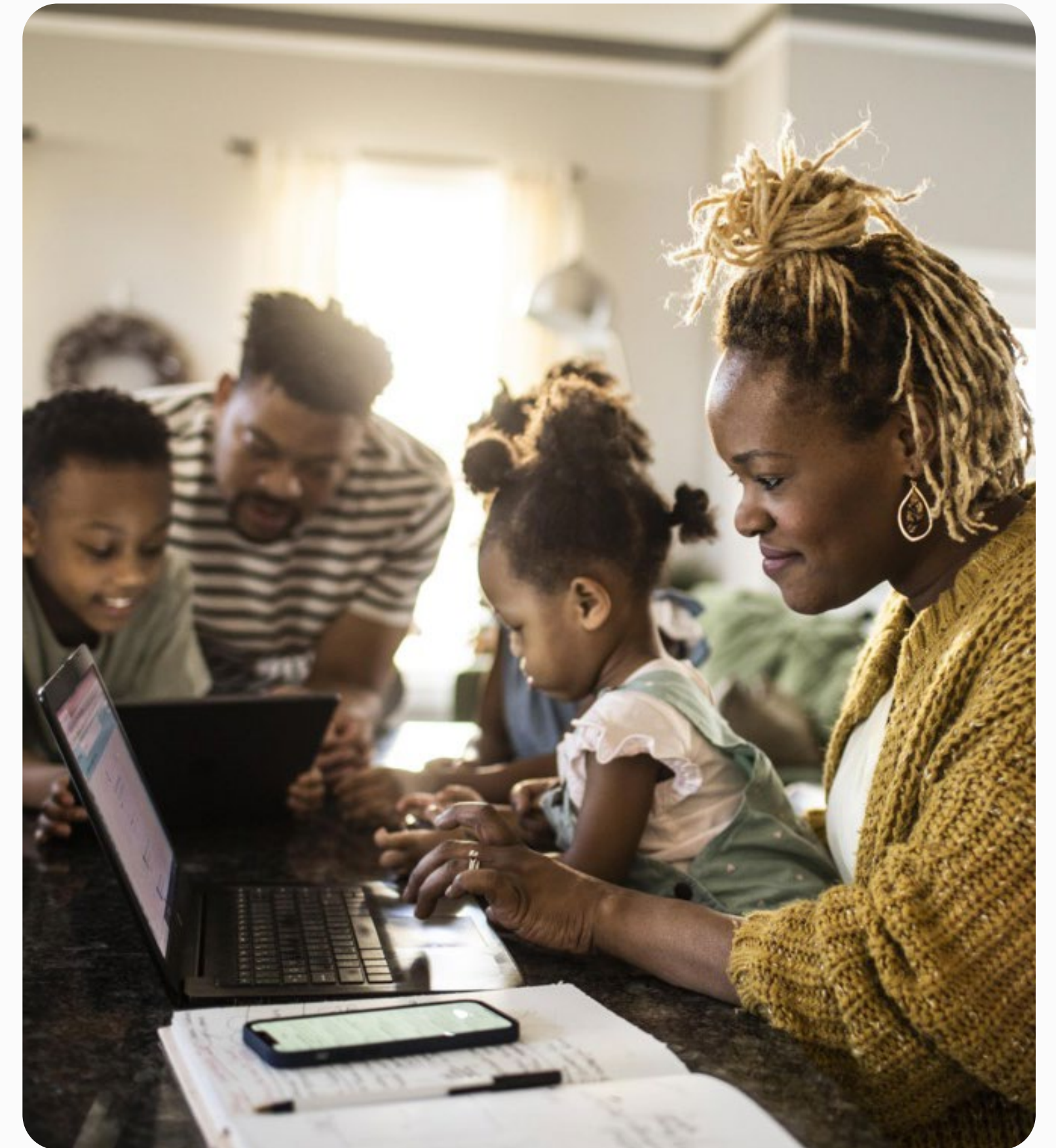
"Typically, what we've found in our research<sup>4</sup> into global attitudes to hybrid working is that most companies have settled on a three to two ratio – three days in

the office and two at home – and if people are given a choice, they generally choose to go in on Tuesdays to Thursdays."

"Sadly, more companies are telling those they're recruiting they either want them to work permanently in the office or to be fully remote," says Dr Millard. "Yet in our data both these ways of working are the outliers." But, she says, hybrid working, when done well, can be the key to talent acquisition, talent retention and overall productivity.

**84%** 

In 2022, 84% of those who worked from home during the pandemic, planned to carry out a mix of working from home and their place of work<sup>5</sup>



## Trust and productivity

This is crucial when the evidence indicates that productivity is increasingly stagnant<sup>6</sup> – research suggests that since the financial crisis, the productivity growth trends of most countries stabilized close to a growth rate of slightly above zero. Even with the rise of AI and greater automation, organizations can benefit from highly skilled workers able to take on the more complex roles machines cannot fulfil.

“Pay is no longer the biggest driver in what employees want from their work,” explains Millard. “People want flexibility, purpose, autonomy and trust – regardless of whether you’re a frontline worker or a knowledge worker.”

She continues: “An environment of trust is not just attractive to those looking for a job,” says Millard. “It increases their likelihood of remaining with your organization. If you can retain someone in a job and they become very skilled at it, they’re also going to become more productive.”

**25%** 

of the workforce in advanced economies could work from home between three and five days a week<sup>7</sup>



# Revisiting the value of the nine-to-five

In the factory era it was Henry Ford who invented the five-day work week<sup>8</sup>, thus creating the concept of the weekend. Now, in the digital era, there is a question for organizations as to whether the five-day work week is still the working pattern that can have the greatest positive impact on people.

Between June and December 2022, the largest global trial of the four-day working week took place in the UK. Workers received 100% pay for working 80% of their previous hours in exchange for a commitment to maintain 100% productivity. Of the 61 organizations that took part, more than 90% opted to continue with the four-day week, saying they saw productivity levels maintained, and improvements in staff retention and well-being<sup>9</sup>. Business revenue stayed broadly the same, there was a 65% reduction in the number of sick days and 71% of employees reported lower levels of burnout.

But those involved found there was a value in shifting how they operated: “Companies on the four-day work week trial rapidly came to the conclusion that they had to reinvent the way they collaborate to be productive,” says Millard. “The first thing they looked at were meetings, because meetings are a time vampire.”

## Busting meeting myths

### **Myth #1: You have to brainstorm to have good ideas**

Research conducted by Stanford University<sup>10</sup> found many of us are addicted to synchrony when it comes to collaboration – that everyone has to be together in one place at the same time to work together on a problem or to come up with ideas to be successful. But the impact of peer pressure dynamics and the contrasts between introverts and extraverts means in-person brainstorming doesn't always generate the best results. Researchers instead found that when it comes to generating ideas, using tools which allow people to think in their own time and share ideas without gaining instant feedback (either positive or negative) improved both the quality and quantity of ideas.

### **Myth #2: Working remotely makes meetings more productive**

When you're working remotely it's possible to stack 30- and 60-minute meetings back-to-back meetings into the diary. Microsoft monitored the impact on people's brains if they did just this, as part of a piece of research<sup>11</sup>, and discovered that, in terms of brain activity, people's ability to focus was lost by mid-afternoon if they didn't take any breaks.



This is supported by BT's research conducted with Cambridge University into what a balanced communication diet for business<sup>12</sup> might look like.

BT's research found three drivers of stress among workers in terms of managing work-life balance, whether working remotely or in the office:

**Meetings** – where, as Millard explains, “work is talked about rather than done”

**Managers** – “who are unboundaried around the times of day or night they contact their teams”

**Messages** – “where a bewildering number of tools and communication channels can make individuals feel like they are juggling”

## The real estate dilemma

For organizations holding on to expensive office real estate, the dilemma can be whether to pay building costs for energy on days when the office is barely being used or to downsize and leave people without guaranteed desks midweek.

“Therein lies one of the complications with the hybrid model – it requires a lot of coordination. One size doesn't really fit all here,” Millard says. Having good data, for example, on how offices are being used, she suggests, “can help organizations to use technology to minimize energy usage in the building on days when it's quiet”, or to collaborate with the workforce to create a schedule that makes having a building worthwhile.

## Digital space is the new common ground

Increasingly, says Millard, it's the digital space that's the shared workspace, rather than a physical office. “If organizations build digital fabric into the ways they work, then the places people work, and even the times they work, become less relevant,” says Millard.

This is not as straightforward as conducting business in the Metaverse, for example, or developing VR solutions “where the headsets are ergonomically uncomfortable or heavy, women are more prone to nausea because of the latency inherent in the technology, and it's very difficult to drink coffee.”

But it could involve simple steps such as working out what parts of work could be done asynchronously, or investing in meeting room technology where there are multiple cameras that can zoom in on the people who are talking.

# The great office reset: four next steps for leaders

Remembering what the fundamental benefits of the office are can help organizations design the office spaces needed for their workforce. Millard shares four areas that she believes will be key to ensuring the workspaces of the future support communication, collaboration, and the creation of community, whether they are physical or digital.

## 01 Gather good data

Good data can help ensure offices are designed well. This is not just about energy consumption or CO<sub>2</sub> levels, but about productivity, which Millard says is about “more than noting how long people are looking at their screens, or monitoring their keyboard usage... If we can get data to figure out how work works better, that’s good.”

## 02 Use the data well

Uncovering the drivers behind the data can also help develop a good hybrid work environment. “Consider how you can create something that’s digital first, and which also sits within a culture where people can admit they’re feeling stressed and have managers that will do something about it,” says Millard.

It’s also about using the data positively, not punitively. For example, excessive monitoring can either cause stress or produce ‘rational cheating’ behaviours, such as getting others to swipe cards to make them look as if they are attending the office.



## 03 Create a good work culture

Technology can solve some of the challenges of hybrid working, but it can also intensify the nature of work, making the creation of a good work culture essential. “With the tools we have, we could all work 24 hours a day if we wanted to. But the challenge for the future is not greater connection - it’s about disconnecting.

So, whether it’s having the freedom to take a walk in the middle of your working day, or to choose your working hours, the levers that increase autonomy, reduce burnout.”

## 04 Collaborate and experiment

Different people have different abilities to cope with different levels of stress, and this can change over time, but employers can empower their teams to understand what stress is, to recognize it and set systems in place to help them manage it and maintain their well-being.

“Give people permission to play and support them with guidelines, training, advice and examples of best practice,” says Millard. “No one has all the answers, so keep an open mind and innovate.”

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