

A Hybrid Office How-To:

Developing a framework to address the complexities of the post-pandemic return to the physical office

Kerstin Sailer^{1,2}, **Matt Thomas**^{2,3}, **Rosica Pachilova**²

1 The Bartlett School of Architecture, University College London, UK

2 brainybirdz, UK

3 Department of Strategy and International Business, The Business School, University of Birmingham, UK

Corresponding author: Kerstin Sailer, k.sailer@ucl.ac.uk

ABSTRACT

Purpose: Organisations wishing to combine working from home with some office-based activities in a so-called hybrid model seem to struggle knowing where to start and how to decide what is right for them. In this paper we address this apparent lack of strategies on how to make decisions around a hybrid office and develop a systematic framework covering five distinct aspects of the post-pandemic office: 1) Where will staff work? 2) How will the office be organised spatially? 3) How do management and practices need to adapt? 4) What to do with existing real estate? 5) What technology will support this?

Theory: The Covid-19 pandemic has provided a natural experiment for many organisations to trial working from home at speed and at scale. Employees have adopted these more flexible practices, and many are now demanding a different approach to physical office space allowing them to work from home for 2-3 days a week. In setting their return to the office policies, organisations find themselves faced with tricky decisions to make to be able to balance competing objectives with newly introduced variables.

Design / methodology / approach: A review of the latest published research, surveys and articles covering the topic of hybrid working.

Findings: By defining a series of parameters and spelling out decisions, options and parameter interplay as well as potential outcomes such as collaborative cultures, learning, onboarding, knowledge exchange, coordination or well-being, this framework allows organisations to ask themselves a series of relevant questions, helping to reflect on the hybrid office, its possible shapes and variations, and how those might support desired organisational outcomes and strategies.

Originality: This newly developed framework will help organisations who wish to adopt hybrid working to decide where to start from and understand hidden implications of certain decisions and their interdependencies.

Keywords: Covid-19, Hybrid Office, Decision-Making, Strategy, Workplace Layout

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1 INTRODUCTION

Organisations are facing critical decisions relating to their return to the workplace as many have found that hybrid working offers potential benefits to both the employer and employee. But as organisations anticipate a post-pandemic workplace strategy, analysis of the benefits of hybrid working is changing and often shows contradictory evidence. This paper reviews the changing evidence and provides possible explanations. The paper concludes by offering a more scientific and systematic way to make decisions on hybrid working that will allow organisations to support desired organisational outcomes and strategies.

2 HYBRID WORKING – THE EVIDENCE TO DATE

In the early days of the Covid-19 pandemic, remote working looked like a win-win. One 2020 survey of American office workers found respondents reporting that employees were more productive while working from home (Birkinshaw, J. et al, 2020). As companies return to the office, hybrid working seems to offer the best deal for both employers and employees. It combines pre-Covid-19 patterns of office-based working with remote days, in a working schedule that would allow both in-person collaboration and team building, as well as greater convenience, flexibility and the opportunity for continued work at home. Some companies even offer hybrid working in employee's contracts, aware that across all generations and life circumstances, employees want more remote working and flexible work schedules (Nachiappan, 2022).

However, hybrid working doesn't seem so attractive to everyone. In December 2021, just after the prime minister announced new work from home guidance, the vacuum cleaner maker Dyson told many of its UK employees to continue working in the office (Jolly & Davies, 2021). The claim by Dyson was that large portions of its business are impossible to carry out from home. The explanation for this decision appears to be all about innovation. The UK operations, where employees have been told to work from the office, is a centre for research and development where creativity and innovation are clearly critical. The statements made by the company explaining the instruction to work from the office and not from home talk about the value of collaboration and the role that face-to-face interaction plays in making effective collaboration (*ibid*). This view is in line with academic findings that unplanned social interaction is critical to creativity (Penn & Hillier, 1992; Sailer et al. 2021).

But there is a tension at Dyson. Employees have not universally responded well to these demands to work from the office as it is potentially less convenient, more costly and many have got used to the personal benefits of working from home. But these personal benefits appear to be in conflict with the strategic demands of the company and, at least in the view of Dyson, may damage key organisational outcomes. This tension is by no means restricted to Dyson.

Given that many companies have adopted more flexible policies, allowing individual teams to work from home for a number of pre-agreed days, it is important to review the evidence that continues to emerge on the value and dangers of hybrid working. What becomes apparent is that the picture has become more nuanced since the early days of the Covid-19 pandemic. A study of 10,000 skilled professionals at a large Asian tech company found that many were working longer hours, and productivity fell, partly because they were just having more meetings (Gibbs, Mengel & Siemroth, 2021). Some executives revealed "I love my staff ... But they're taking far longer to get things done

at home.” Studies have found that employees are busier, having more meetings and seeing more internal emails, partly because remote working requires more co-ordination (Cavendish, 2022). New hires struggle to learn from senior people while leaders find it difficult to know what is really going on if they’re not having informal encounters with people outside their senior circle (*ibid*).

The wellbeing of employees also appears to have suffered. A recent study found 20% of UK workers reported difficulties switching off from work and feeling ‘always on’; struggling to adapt to hybrid, and the permeable boundaries between home and work, was cited as a major factor (Samsung & The Future Laboratory, 2021). Workers reported hybrid was more emotionally demanding than fully remote arrangements and even full-time office-based work (Tinypulse, 2021). It is the change of setting every day, the constant feeling of never being settled, the constant planning, the stop-start routine, the maintenance of two workplaces, that makes people tired. With these frequent changes to daily habits, it is hard for workers to find a routine when their schedule is always in-and-out the office.

To resolve this tension, a dialogue between employees and employers needs to happen that is based on more than gutfeel and policies made on-the-fly. For this dialogue to be successful a more systematic and scientific approach needs to be adopted. The following section proposes a framework for such a dialogue to allow organisations to support desired outcomes and strategies following hybrid working policies.

3 A FRAMEWORK FOR HYBRID WORKING

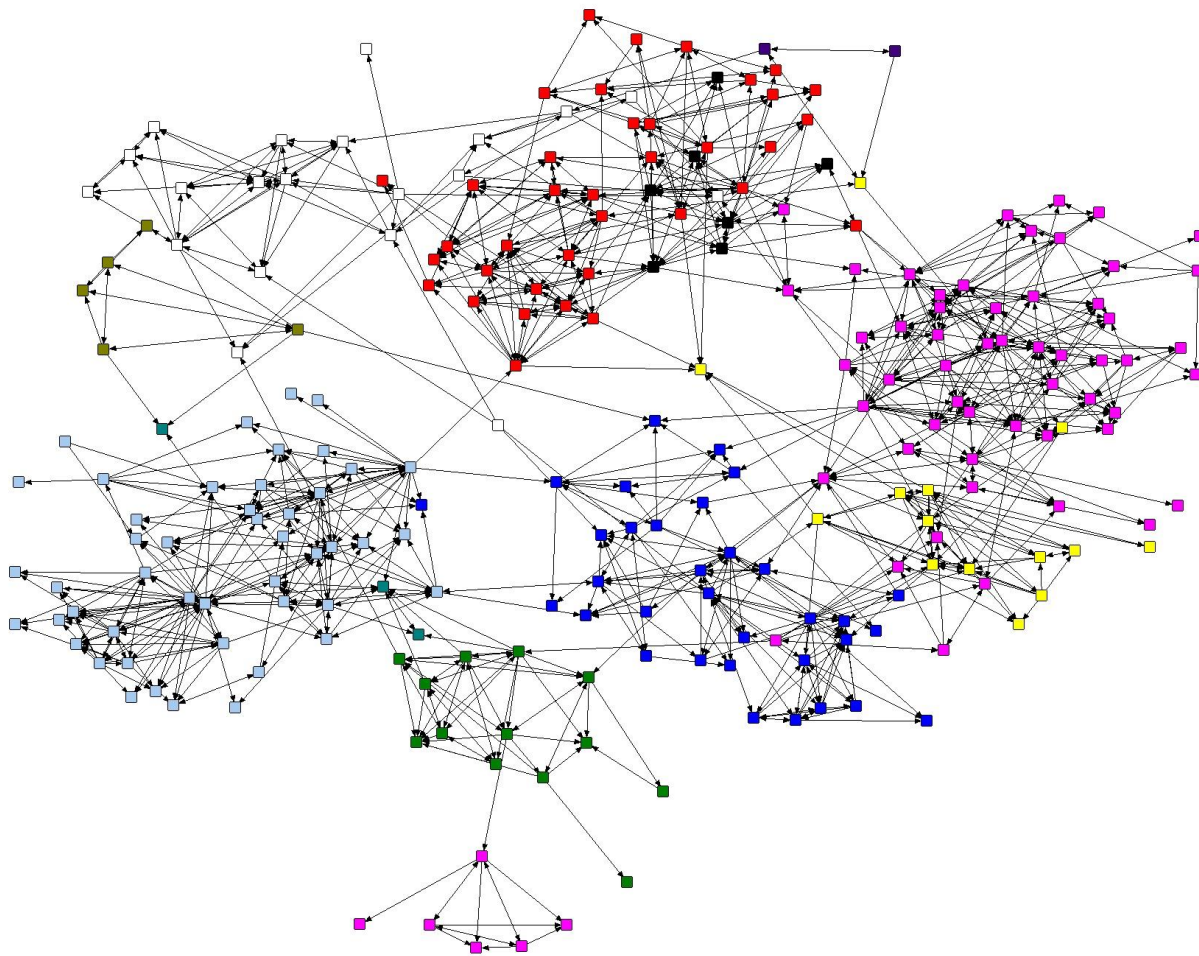
To make decisions around a hybrid office we propose a systematic framework covering five distinct decision variables: 1) Where will staff work? 2) How will the office be organised spatially? 3) How do management and practices need to adapt? 4) What to do with existing real estate? 5) What technology will support this?

3.1 Where shall staff work?

This is the question at the heart of any policy on hybrid working, assuming that organisations aim to move away from everyone in at all times and are not keen to abolish the physical office completely. It therefore needs to be asked how often employees should be in, do they choose their own days, are office days stable or variable, and does this vary by function. The number of variables means that these decisions are often reduced to ‘who we as managers want to be in the office?’ or conversely, ‘what are employees demanding in terms of flexibility?’. The problem with both is that they ignore the collaborative dynamics of the business. Another factor that is often overlooked is the kind of solidarities required, for example, is it important to the organisation’s prosperity and culture that everyone feels connected to everyone else, or does the organisation thrive on strong subgroups and identities? This idea has been termed correspondence (Hillier & Hanson, 1984) and applied to workplace strategy (Sailer & Thomas, 2019, 2020). A correspondent organisation is one where social solidarity (e.g., team affiliation) and spatial closeness match. Imagine an agency deciding its creatives would come to the office Mondays and Tuesdays, whereas business development and sales would come Wednesdays and Thursdays. This organisation would develop strong islands at the detriment of cross-functional exchange and cohesiveness of the whole.

Organizational network analysis (ONA) offers a novel approach for guiding those return-to-office decisions. ONA is a method that visualises employees' working relationships (see figure 1) and provides an evidence-based approach that can help leaders understand which connections among employees should ideally happen in person and which ones can occur digitally. Leaders and companies relying on intuition-based approaches tend to assign too much weight to functional structures and miss the importance of cross-functional interactions. ONA helps to optimize for both within- and between-unit collaborations and can prioritize interactions that consume significant time as opposed to those that are lighter touch. Return-to-office assessments ask employees to rate the relative importance of digital versus in-person interaction modalities for each person in their network. Aggregating and analysing this data reveals clusters of employees who most need to work together in person at some point during the workweek (Cross & Gray, 2021).

Figure 1. Example case of an ONA showing frequent interactions among staff within and across departments pre-pandemic (highlighted by node colour).



In a recent study, the network data inspired some reluctant people to want to return as they found out that half of their network thought they were more effective in person rather than digitally (*ibid*). This shift in thinking — from solely about what was most efficient for the individual to a true understanding of how others relied on them — had a profound motivating effect. Many employees

have become hesitant to incur the personal costs of going to the office if they think they will have exactly the same interactions that could have been done digitally. Showing employees that the more precious in-person time will be used only for interactions that really do have more value in person than digitally can make it worthwhile for employees to actually come in.

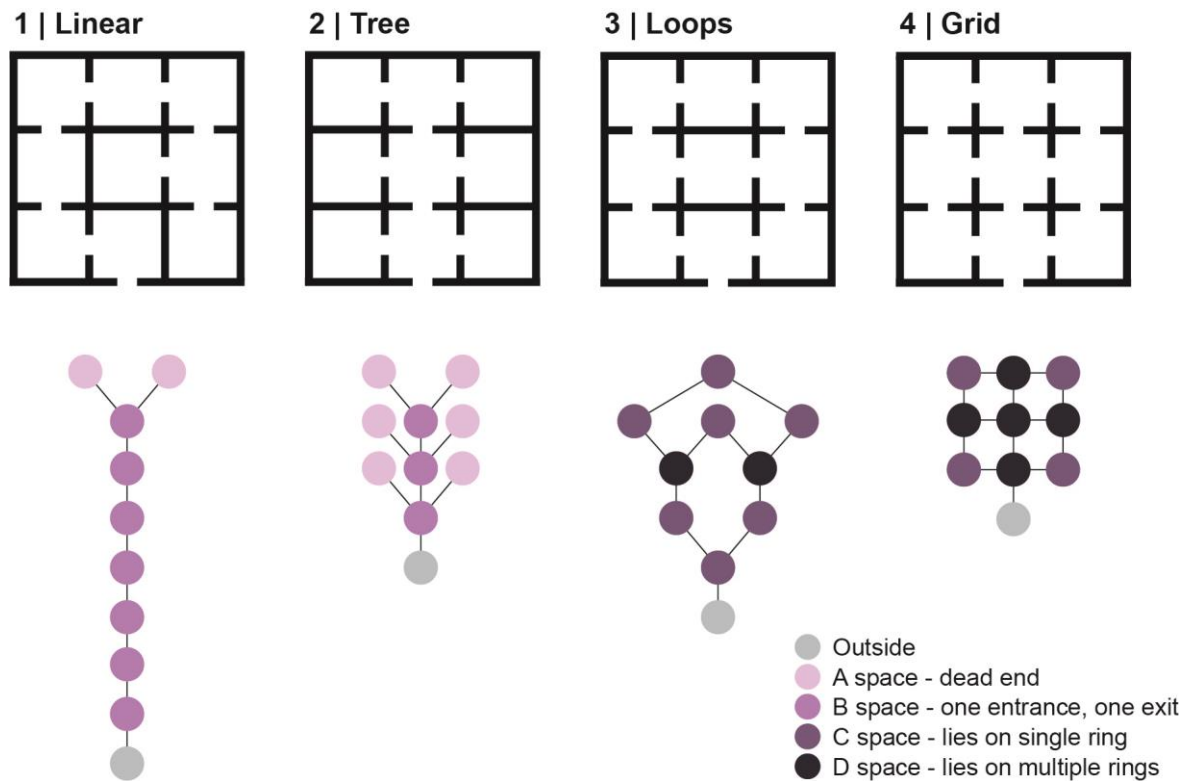
In the context of a hybrid return-to-office strategy, ONA provides unique insights into the types of in-person interactions that leaders must prioritize. We must now think about whether the office is organised spatially in a way that will encourage those interactions.

3.2 How will the office be organized spatially?

A hybrid policy allows an organisation to focus their office space on the important social interactions and collaborations that are evident from an organization network analysis. More concentrated individual work might be more productively achieved from home. The problem here is that not all offices are designed to encourage collaborative work, and many will not be fit for purpose. To design an office suited to collaboration and other social encounters it is useful to turn to configurational thinking as introduced by Hillier and colleagues. Two different aspects are relevant here: 1) the overall physical structure of the office; 2) visibility across the office.

To address the first aspect, research has suggested that different spatial network structures have an impact on the movement and encounter potential in a workplace. Figure 2 illustrates four different configurations of a simple system of 3x3 rooms. Following the classification of spaces by Hillier (1996) depending on the movement they engender, Sailer et al. have argued that “*these configurational principles – a linear system, a tree, a loop or a grid – might result in different encounter profiles across an organisation occupying such an office structure*” (Sailer et al, 2021, p.85). Linear as well as tree systems might engender more local movement and encounter, while a grid maximises overall random encounters and choice, whereas a loop structure works to avoid encounters. Thus, organisations planning for a hybrid office need to rethink what they want employees to do face-to-face and provide office structures that serve those needs, for instance in supporting collaboration and encounter potential.

Figure 2. Different combinations of connecting spaces result in distinct spatial qualities and therefore movement patterns and encounter profiles (adapted from Sailer et al., 2021)



The second aspect to consider is the degree to which workplaces allow for visibility. Extant research has shown that the majority of interactions in workplaces tends to be unplanned, short and fleeting (Penn et al., 1999) and arises from people walking past others (Backhouse and Drew, 1992). This means encounters and collaborative behaviour stem from visibility opportunities. More recently, however, research has shown that workplace satisfaction including with effective teamwork can be negatively affected by too much visibility and too large open-plan spaces (Sailer, Koutsolampros and Pachilova, 2021), which means a balance must be found in line with business objectives for the hybrid office.

3.3 How do management practices need to adapt?

Leaders often rely on in-person interactions that provide them with visual cues, for example whether their employees are working effectively and whether they are doing alright from a health and well-being standpoint (Laker & Roulet, 2021). Many leaders are trained to manage people based on these visual cues but with hybrid working many of these are absent. This means that leaders need to focus their attention on organisational outcomes rather than more traditional measures of productivity.

In this environment, purpose matters more than ever. A recent study showed that people who didn't feel their work contributed to their company's mission were 630% more likely to quit their jobs than their peers who did (Fosslien, 2021). Managers need to tie each team member's work back to the bigger picture of why what they do matters. When assigning tasks, managers should consistently outline answers to: Why is this project important? How will it impact others? How does it fit into the

company's broader mission? To help hybrid teams succeed, managers should clearly outline the milestones they'd like their employees to hit — and then let them figure out how to get there. Teams that index the highest on trust and psychological safety are 40% more productive than those who are low on these areas (Bock, 2021). In order to achieve this, most managers might require change management training.

3.4 What to do with existing real estate?

So far, our systematic approach to hybrid working decisions has used ONA to help decide who needs to be in the office and when. Configurational thinking has helped decide how the physical space should be organised and we have discussed how the resulting hybrid teams can be effectively managed. With these pieces of the jigsaw in place, an organisation is in a position to start making decisions about what to do with their real estate.

There was a temptation, particularly in the early days of the pandemic to downsize real estate footprints. Yet more recently another trend has become apparent – towards premium office space. Investors are eyeing opportunities in London, but this interest is focused on “prime” offices on the market which are modern and environmentally sustainable (Hammond, 2021). Flexibility is also increasingly in demand (Hassell, 2020). Prime offices make up just 10 to 15 per cent of the total UK market. Owners of “secondary” buildings face real challenges in attracting tenants and the prospect of deep valuation falls as a result.

Costs for building owners are set to rise as tenants demand more to make their workspace appeal to returning workers and environmental legislation will require commercial property to meet stringent energy efficiency standards by 2030. British Land and Landsec, said it would cost more than £100m each to comply with the new environmental regulations and both companies have relatively modern, well-maintained offices (Hammond, 2021). Owners of older buildings face these extra costs at the same time as vacancy rates rise. London's vacancy rate has risen from 5.7 per cent immediately before the pandemic to 7.7 per cent, with older offices hardest hit.

This trend is in line with the view that organisations are increasingly viewing their offices as social and collaborative hubs (described in 3.2 above). A value is being placed on social interaction, so organisations realise that for this to work employees must want to come into the office. Somehow, the physical office space needs to be attractive enough to outweigh the inconvenience and cost of commuting. In addition, sustainable design and well-being of employees matter even more than ever and those who choose to return to the office even part time need to be assured that their office space is environmentally friendly and caters for their mental and physical health. It is possible that with hybrid working, companies may need less office space than before the pandemic, but this office space needs to be of premium quality and designed in a way that encourages attendance. We would observe that some caution is needed in reducing office space too quickly, even if the organisation is committed to hybrid working and has a clearly thought through policy. The trend as the pandemic has worn on is for more and more companies to understand the value of face-to-face interaction and it is perfectly possible that this trend will continue.

3.5 What technology will support this?

We have deliberately left decisions about technology until last. Clearly, the technology that each organisation needs to put into place needs to support the decisions described above. The

technological needs of each organisation will, in reality, vary a great deal. We believe that the focus of this key decision should be on well-being. There is a growing body of evidence that hybrid working is exhausting and not necessarily good for mental health. Polls continue to show that a majority of people want to keep working from home part-time. However, in a recent global study, more than 80% of leaders reported hybrid working was exhausting for their employees (Tinypulse, 2021) and digital communication policies needs to be in place to control for this.

Another downside to remote working is that the less time workers spent physically together, the more their social ties would weaken, as well as the attachment to an employer. Collaboration networks of employees would become more static and siloed, thus correspondent, with fewer bridges between disparate parts. Different meta collaboration platforms are currently flooding the market trying to be online game-like and mimic office environment settings in the meta verse, none of those can replicate the face-to-face conversation that workers could have in the physical office.

With a possible detachment from the physical workplace, work would simply become “less important” in our lives. However, work provides individuals with a wide range of benefits besides the opportunity to earn money – a time structure to the day, opportunities to interact with others outside the family, and the means of establishing an identity outside of the home.

5 HYBRID WORKING DECISIONS AND INTERDEPENDENCIES

The systematic framework proposed in this paper covers five distinct decision variables including work location, spatial organisation, management practices, existing real estate and technology, to help managers make decisions around a hybrid office. Under each of these variables, we listed parameters and decision tools (*Table 1*). For example, the number of days in the office could vary and ONA can help decision makers to identify the right number of days and people to come together in the office on the right days to enjoy meaningful and effective collaborations. In terms of spatial organisation, we highlighted the need to think configurationally to support work practices depending on the number of days employees would spend in the office. Spatial configuration analysis can be used to inform the layout of the space. The more people choose to work from home, the more management practices should focus on organisational outcomes and may require professional management training on how to manage online and manage change. Regarding real estate, the more companies want to attract people back to the office, the more the office needs to offer modern and environmentally sustainable spaces, amenities and conveniences, supporting health and well-being of employees. Different type of assessments e.g., energy efficiency, carbon footprint, daylight and views, and fit out, could be used to understand the current state of the office space and how to upgrade it to premium standards. Regarding technology, organisations need to decide on the collaboration platform they would like to use, establish digital communication policies, ways for staff to feel connected and enable meeting rooms with VC capabilities as well as small booths for quick calls with those at home depending on the level of hybrid working they would like to adopt.

Table 1. List of parameters to be considered when hybrid working is adopted including options, decision tools and potential outcomes.

Decision Variables	Parameters	Decision Tools	Potential Outcomes
WORK LOCATION	<ul style="list-style-type: none"> No of days in the office Days of the week in the office Flexible or stable Correspondence 	<ul style="list-style-type: none"> ONA 	Collaborative Culture Learning Onboarding Knowledge Exchange Coordination Well-being
SPATIAL ORGANISATION	<ul style="list-style-type: none"> Overall physical structure Visibility 	<ul style="list-style-type: none"> Spatial configuration analysis 	
MANAGEMENT PRACTICES	<ul style="list-style-type: none"> Focus on organizational outcomes or productivity 	<ul style="list-style-type: none"> Change management 	
EXISTING REAL ESTATE	<ul style="list-style-type: none"> Upgrading to premium office space Sustainable design Introducing amenities and conveniences Flexibility 	<ul style="list-style-type: none"> Energy efficiency assessment Carbon footprint assessment Daylight and views assessment Fit-out assessment 	
TECHNOLOGY	<ul style="list-style-type: none"> Collaboration platform Digital communication policies 	<ul style="list-style-type: none"> Technological needs assessment 	

When adopting hybrid working practices, it needs to be taken into account that the parameters are interconnected (see figure 3).

Imagine an organisation 1 deciding that employees will come into the office 1-2 days, on different days of the week and mixed by function to avoid siloes. A more linear configuration as well as high levels of visibility would match to maximise encounters with the few people who are in. Managing by outcomes would be most appropriate, however the organisation can afford to leave real estate rather basic and instead invest heavily in technology and digital policies.

In contrast, organisation 2 might choose 4 office days. Since staff will overlap anyway, it can set stable days, also by function as cross-departmental encounters happen naturally. A grid like configuration would be suitable to generate encounters among larger numbers of people. Visibility should be more limited to allow for concentration and local team identities. Leaders can manage more through presence. In this case technology can be more basic, while real estate needs to be premium.

In any case, a well-matched hybrid office strategy capitalising on the interplay of parameters can result in positive outcomes including collaborative cultures, learning, onboarding, knowledge exchange, coordination and well-being.

Figure 3. a) Framework: list of parameters to be considered for a hybrid work environment; b) Examples: organisation 1 and 2



This framework allows organisations to ask themselves a series of relevant and interconnected questions, helping to reflect on the hybrid office, its possible shapes and variations, and how those might support desired organisational outcomes.

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