



Companies faced with balancing *hybrid and high performance*

BY BO JACKSON | JULY 2023

A hybrid workforce existed prior to the pandemic. It is not a new concept. However, the COVID-19 pandemic expedited the existence of this flexible practice, edging it ever so close to a workforce standard, depending on the size of the company.

Today, two-thirds of companies with fewer than 500 employees have a fully flexible workplace policy allowing employees to work remotely if they choose. Yet, only 13 percent of companies with more than 50,000 employees allow a flexible work schedule, although 60 percent permit a structured hybrid option. Most prevalent is a schedule that allows employees to work remotely on Fridays, yet only 25 percent of employers require a Monday presence.

How is this impacting companies and the workforce?

Advantages + challenges

As with any workforce practice or emerging trend, there are advantages and disadvantages and, surprisingly, employers and employees align when citing these.

Advantages of a hybrid workstyle include:

- Improved work-life balance
- More efficient use of personal time
- Control over work hours and location
- Reduced chance of burnout

Yet, challenges associated with this practice do exist.

Employees often feel disconnected from the company culture and lack co-worker relationships, resulting in diminished loyalty and “quiet quitting.” Collaboration is regularly impaired and work processes disrupted, essentially minimizing employee productivity and limiting the potential for success.

In particular, young professionals in a hybrid setting are impacted the most due to minimized opportunities to curate connections with colleagues and managers and, ultimately, mature professionally. Lack of feedback and limited recognition inhibits professional development.

Subsequently, even with the most sophisticated technology, leadership must coordinate and plan with greater intention – managing schedules in various locations, crafting more-structured agendas to ensure results, curating events to gather employees to reinforce their company culture, plus coordinating and communicating equitably between virtual and in-person staff.

Do the challenges outweigh the advantages?

Recent shifts in workplace policies indicate “yes.” As labor markets soften and the impact of minimized productivity grows more prominent, return to the office (RTO) policies are tightening across industries and markets – particularly in the technology, finance and professional-services sectors. According to LinkedIn, only 12.5 percent of new jobs posted in January offered remote alternatives, compared to a peak of 20.6 percent in February 2022.

Today’s reality is that industry leaders are wrestling with their human-capital strategies and how to recruit and retain and engage top-level talent – a company’s greatest competitive advantage. Many studies pointing to remote work as the catalyst to declining workforce productivity and engagement are alerting the top brass.

According to studies by EY-Parthenon and JLL with the Bureau of Labor Statistics, the United States is experiencing its biggest decline in worker productivity since 1948. Recent Gallup research revealed that U.S. employee engagement has declined to only **31 percent** of employees actively engaged in their daily work.



Comparatively, Gallup indicates that top-performing companies create a culture that results in 70-percent employee engagement.

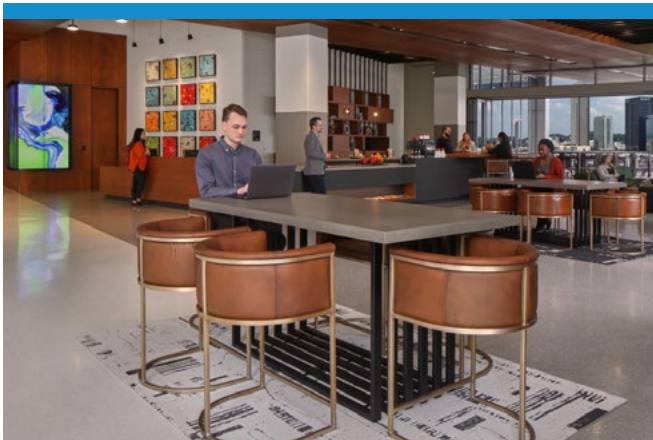
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Even digital giant Meta has sounded the RTO alarms. Beginning in September, the Facebook parent will require employees to work in the office three days a week. CEO Mark Zuckerberg recently stated in an employee memo that employees who joined in a remote capacity, particularly younger employees, have a lower performance than peers whose employment began in an office environment.

High-performance workplaces

RTO policies are just one driver to improve productivity and engagement of the hybrid workforce. Just as important is the workplace to where the workforce is returning. Therefore, many leaders are boosting their human-capital strategy with an optimized workplace strategy.

Consider this. Employers that curate a flexible and hybrid workplace within the office walls employ a



workforce that finds value in being in-office, in-person three to four days each week. According to Gensler's recent U.S. Workplace Survey, employees want the office to be a great place to get work done, even beyond collaboration.

So, what makes a great workplace? Workspace with an ecosystem of diverse spaces that support a desirable new mix of workstyles. A great workplace prioritizes hospitality and optimizes the human experience. It heightens productivity with an environment that answers the needs of today's workforce while fulfilling the demands of diverse workstyles.

Call it a hybrid workplace. It's an environment that is craved by employees – and calls them back to the office for high-performance work.

Now more than ever, with four generations in the workplace, diverse space is imperative. Top-performing companies recognize that to elevate their employees' engagement and productivity – regardless of age – they must encourage employee autonomy over workstyle and the workplace environment.

Employees want the workplace to offer places for singular focus, energizing socialization, creative collaboration, work-life balance and corporate connectivity. The most diverse spaces feature:

- individual focus zones
- innovative collaboration hubs
- virtual work rooms
- restorative quiet spaces
- plush alcoves
- urban parks

Spaces for creative group work and individual quiet work are reported to have the most significant impact on the workplace experience, according to Gensler.

Yet, the hybrid workspace must extend beyond the office halls to the surrounding neighborhood. Connectivity to community amenities also amps the workforce experience and, subsequently, workplace performance and workforce engagement. Top restaurants, the daily errands, a fresh-air walk and more all add to an experience-rich environment.

A hybrid workforce calls for a hybrid workplace

It appears hybrid is here to stay within the workplace. Whether it's a hybrid workforce grappling with RTO policies and diminishing productivity or a hybrid workplace expanding to offer diverse environments that align with diverse workstyles, the near-term result is sure to be a fusion of the two.

Nonetheless, today, workers in high-performing workplaces report that the office positively contributes to their personal well-being, career advancement and job satisfaction. What company wouldn't benefit from that?



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