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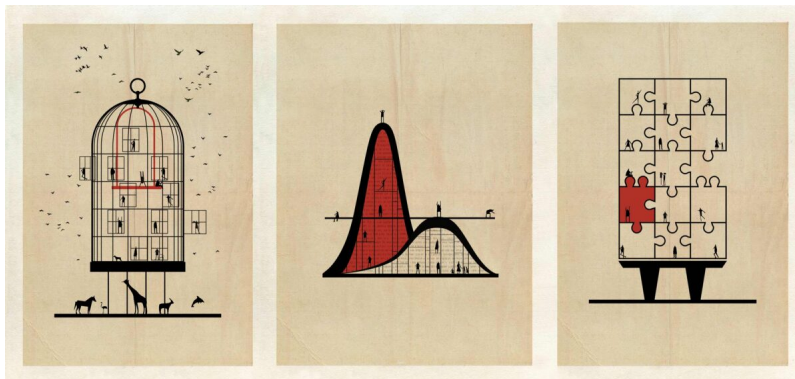
Managing People

How to Do Hybrid Right

by Lynda Gratton

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Federico Babina

Summary.   Since the pandemic, companies have adopted the technologies of virtual work remarkably quickly—and employees are seeing the...   **more**

By late February 2020, as the implications of Covid-19 were becoming clear, Hiroki Hiramatsu, the head of global HR at Fujitsu, realized that the company was in for a shock.

For years, flexible work arrangements had been on the agenda at Fujitsu, but little had actually changed. Most managers in the Japan offices still prized face-to-face interaction and long office hours—and according to an internal survey conducted not long before, more than 74% of all employees considered the office to be the best place to work. But the pandemic, Hiramatsu foresaw, was about to turn everything upside down.

By the middle of March, the majority of Fujitsu's Japan-based employees—some 80,000—were working from home. And it didn't take long for them to appreciate the advantages of their new flexibility. By May, according to a follow-up survey, only 15% of Fujitsu employees considered the office to be the best place to work. Some 30% said the best place was their homes, and the remaining 55% favored a mix of home and office—a hybrid model.

As employees settled into their new routines, Hiramatsu recognized that something profound was happening. "We are not going back," he told me this past September. "The two hours many people spend commuting is wasted—we can use that time for education, training, time with our family. We need many ideas about how to make remote work effective. We are embarking on a work-life shift."

For 10 years, I've led the Future of Work Consortium, which has brought together more than 100 companies from across the world to research future trends, identify current good practice, and learn from emerging experiments. Since the pandemic I've focused our research on the extraordinary impact that Covid-19 is having on working arrangements. As part of that effort, I've talked extensively to executives, many of whom, like Hiramatsu, report that they've detected a silver lining in our collective struggle to adapt to the pandemic. These executives told me that given the astonishing speed with which companies have adopted the technology of virtual work, and the extent to which most employees don't want to revert to past ways of working, they're seeing a once-in-a-lifetime opportunity to reset work using a hybrid model—one that, if we can get it right, will allow us to make our work lives more purposeful, productive, agile, and flexible.

If leaders and managers want to make this transition successfully, however, they'll need to do something they're not accustomed to doing: design hybrid work arrangements with individual human concerns in mind, not just institutional ones.

The Elements of Hybrid

Figuring out how to do this is far from straightforward. That's because to design hybrid work properly, you have to think about it along two axes: place and time.

Place is the axis that's getting the most attention at the moment. Like Fujitsu's employees, millions of workers around the world this year have made a sudden shift from being place-constrained (working in the office) to being place-unconstrained (working anywhere).

Perhaps less noticed is the shift many have also made along the time axis, from being time-constrained (working synchronously with others) to being time-unconstrained (working asynchronously whenever they choose).

To help managers conceptualize the two-dimensional nature of this problem, I've long used a simple 2×2 matrix that's organized along those axes. Before Covid-19, most companies offered minimal flexibility along both dimensions. This put them in the lower-left quadrant, with employees working in the office during prescribed hours. Some firms had begun to venture into the lower-right quadrant, by allowing more-flexible hours; others were experimenting in the upper-left quadrant, by offering employees more flexibility in where they work, most often from home. Very few firms, however, were moving directly into the upper-right quadrant, which represents an anywhere, anytime model of working—the hybrid model.

Work Arrangements in Place and Time

Working in the office from 9 to 5 used to be the norm, with companies allowing limited flexibility in where or when employees worked. The pandemic has upended that model, as managers recognize that many employees can work productively anywhere, anytime.
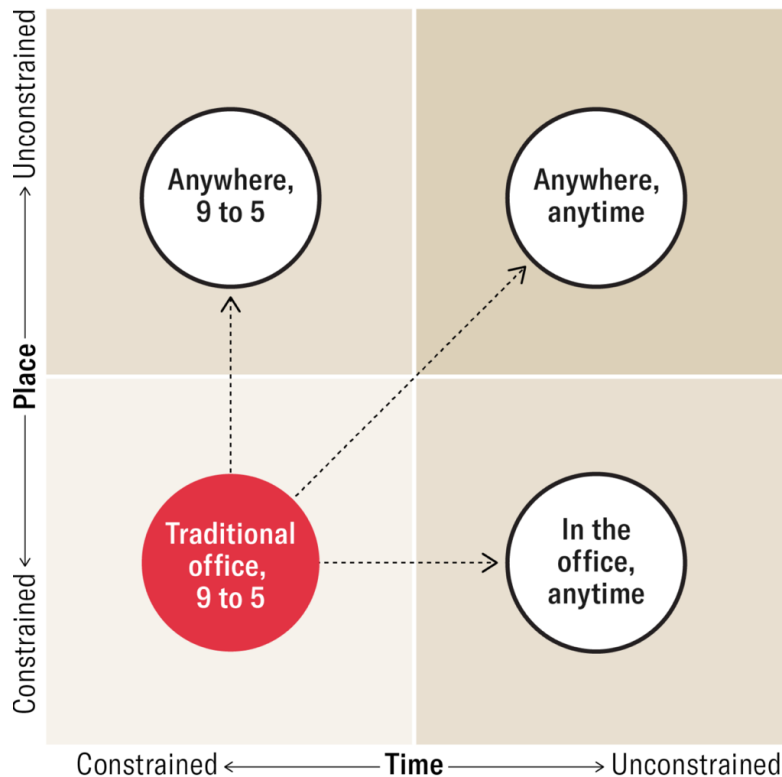
But that's changing. As we emerge from the pandemic, many companies have firmly set their sights on flexible working arrangements that can significantly boost productivity and employee satisfaction. Making that happen, I've learned in my research, will require that managers consider the challenge from four distinct

perspectives: (1) jobs and tasks, (2) employee preferences, (3) projects and workflows, and (4) inclusion and fairness. Let's look at each in turn.

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Jobs and Tasks

When thinking about jobs and tasks, start by understanding the critical drivers of productivity—energy, focus, coordination, and cooperation—for each. Next, consider how those drivers will be affected by changes in working arrangements along the axes of time and place.

To illustrate, let's consider a few kinds of jobs and tasks, their key drivers, and the time and place needs that each involves:

Strategic planner. A critical driver of productivity for this role is focus. Planners often need to work undisturbed for stretches of at least three hours in order to, for example, gather market information and develop business plans. The axis that best enables focus is time—specifically, asynchronous time. If planners are freed from the scheduled demands of others, place becomes less critical: They can perform their work either at home or in the office.

Team manager. Here the critical driver of productivity is coordination. Managers need to regularly communicate in-the-moment feedback with team members. They need to engage in conversation and debate, share best practices, and mentor and coach those on their team. The axis most likely to encourage this aspect of productivity is once again time—but in this case, the time needs to be

synchronous. If that can be arranged, then place again becomes less critical: Managers and employees can do their coordination tasks together in the office or from home, on platforms such as Zoom and Microsoft Teams.

Product innovator. For this role, the critical driver is cooperation. But now the important axis is place. Innovation is stimulated by face-to-face contact with colleagues, associates, and clients, who generate ideas in all sorts of ways: by brainstorming in small groups, bumping into one another in the hallways, striking up conversations between meetings, attending group sessions. This kind of cooperation is fostered most effectively in a shared location—an office or a creative hub where employees have the chance to get to know one another and socialize. To that end, cooperative tasks must be synchronous and conducted in a shared space. Looking to the future, we can expect that the development of more-sophisticated cooperative technologies will render shared physical space less of an issue.

Marketing manager. Productivity in this role—indeed, in most roles—requires sustained energy. Both time and place can play a role here. As we've learned during the pandemic, many people find being at home energizing, because they are freed from the burden of long commutes, they can take time out during the day to exercise and walk, they can eat more healthily, and they can spend more time with their families.

The challenge in designing hybrid work arrangements is not simply to optimize the benefits but also to minimize the downsides and understand the trade-offs. Working from home can boost energy, but it can also be isolating, in a way that hinders cooperation. Working

on a synchronous schedule can improve coordination, but it can also introduce constant communications and interruptions that disrupt focus.

To combat these potential downsides, Hiramatsu and his team at Fujitsu have committed to creating an ecosystem of spaces that together make up what they call the borderless office. Depending on employees' or teams' specific drivers of productivity, these spaces can take several forms: hubs, which maximize cooperation; satellites, which facilitate coordination; and shared offices, which enable focus.
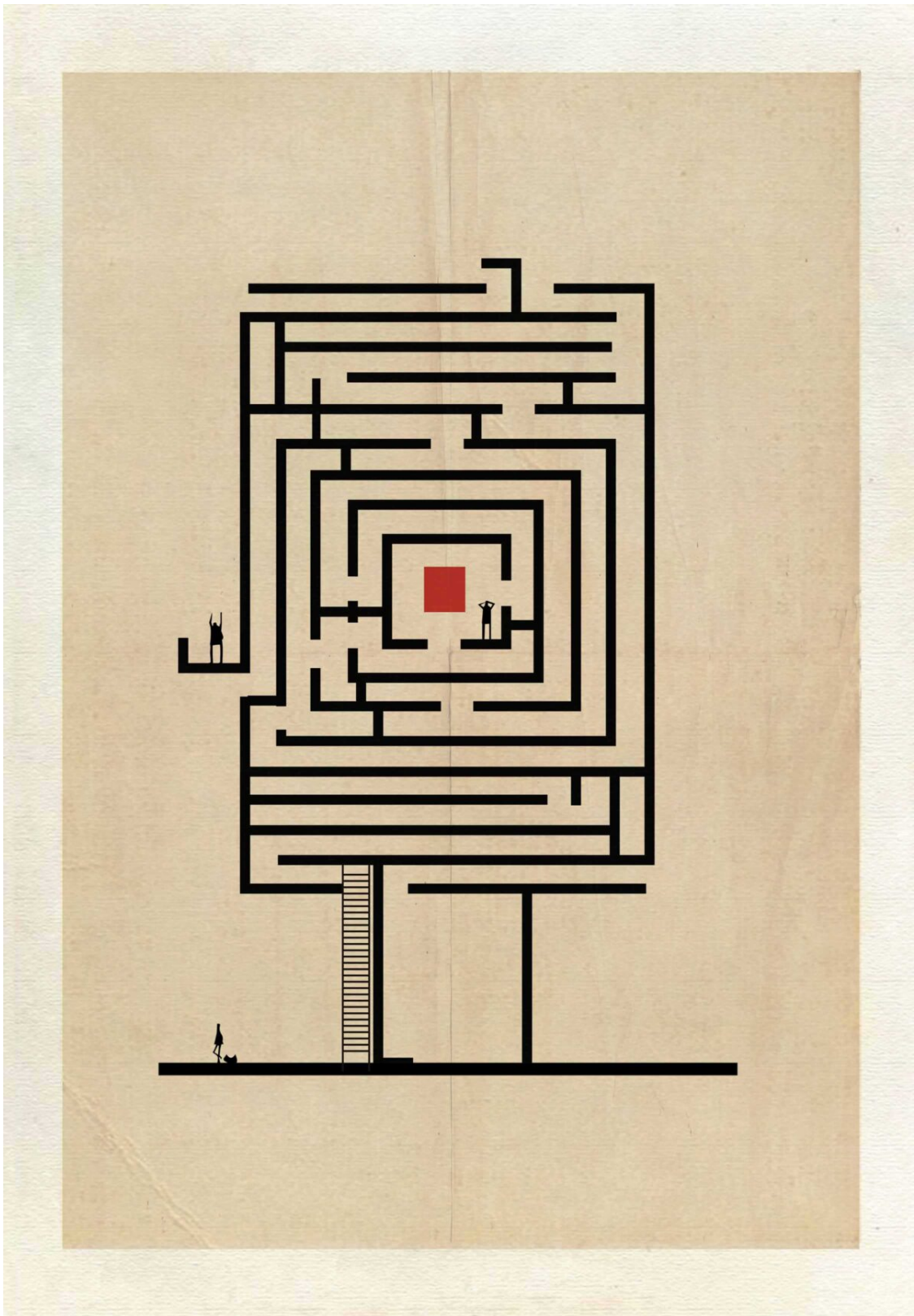
Fujitsu's hubs are designed with cross-functional cooperation and serendipitous encounters in mind. Located in the major cities, they are comfortable and welcoming open-plan spaces, equipped with the advanced technologies necessary for brainstorming, team building, and the cocreation of new products. When Fujitsu employees want to work creatively with customers or partners, they invite them to a hub.

The company's satellites are spaces designed to facilitate coordination within and between teams that are working on shared projects. They contain meeting spaces where teams can come together, both in person and virtually, supported by secure networks and advanced videoconferencing facilities. These opportunities for coordination, especially face-to-face, address some of the isolation and loneliness that employees may suffer when working from home. Shared offices, which make up most of Fujitsu's ecosystem of spaces, are located all over Japan, often near or in urban or suburban train stations. They can be used as short stopovers when people are traveling to visit customers, or as alternatives to working at home. They are designed to function as quiet spaces that employees can easily get to, thus minimizing commuting time. The productivity aim here is focus. The shared offices are equipped with desks and internet connections, allowing employees to work independently and undisturbed or to attend online meetings or engage in online learning.

Employee Preferences

Our capacity to operate at peak productivity and performance varies dramatically according to our personal preferences. So in designing hybrid work, consider the preferences of your employees—and enable others to understand and accommodate those preferences.

Imagine, for example, two strategic planners who hold the same job at the same company, with focus as a critical driver of performance. One of them, Jorge, is 40. He and his family live some distance from his office, requiring him to commute an hour each day to and from work. He has a well-equipped home office, and his children are at school during the day—so, not surprisingly, Jorge feels he is most productive and focused when he can skip the commute and stay home alone to work. He prefers to go into the office only once or twice a week, to meet with his team.

Lillian's situation is very different. She's 28. She lives in the center of town and shares a small apartment with three other people. Because of her living situation, she can't work for long stretches of time at home without being disturbed. To focus, she prefers to be in the office, which is not far from where she lives.

Jorge and Lillian differ in another way: tenure with the company. This, too, affects their preferences. Jorge has been with the firm for eight years and has established a strong network, so time in the office is less crucial for his learning or development. Lillian, on the other hand, is new to her role and is keen to be mentored and coached, activities that demand time with others in the office.

Companies on the hybrid journey are finding ways to take their employees' perspective. Many, like one of the technology companies in the Future of Work Consortium, are providing managers with simple diagnostic survey tools to better understand their teams' personal preferences, work contexts, and key tasks—tools that allow them to learn, for example, where their team members feel most energized, whether they have a well-functioning home office, and what their needs are for cooperation, coordination, and focus.

Equinor, a Norwegian energy company, has recently taken an ingenious approach to understanding its employees: It surveyed them about their preferences and developed nine composite "personas," with guidelines for hybrid work arrangements tailored to each one. One of the personas is described like this: "Anna" is a sector manager in Oslo who has been with the company for 20 years. She has three teenagers at home and a 40-minute bicycle commute into the office. Before Covid-19, she worked every other week from home, primarily to focus. But with her teenagers now doing remote schooling in the house, she is often distracted when working from home. When the pandemic is at last behind us, and her kids are back at school, she hopes to spend two days a week at home, doing focused work, and three days in the office, collaborating with her team.

As managers seek to identify the hybrid arrangements that are best for their teams, they consider, for example, how they would respond to an "Anna": How would her circumstances and preferences affect her capacity to collaborate with others? More broadly, managers consider the implications of coordinating a variety of personas across virtual teams. What are the risks to the safety, security, and

effectiveness of operations? How will changes affect collaboration, leadership, and culture? What might the overall effects be when it comes to taxes, compliance, and external reputation?

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Projects and Workflows

To make hybrid a success, you have to consider how work gets done. An executive who manages Jorge and Lillian, the hypothetical strategic planners mentioned above, must not only consider their needs and preferences but also coordinate the work they do with that of the others on their team—and with other functions and consumers of their work. That kind of coordination was relatively straightforward when team members all worked in the same place at the same time. But in the era of hybrid work it has grown significantly more complex. I've observed executives tackling this in two ways.

One is to significantly boost the use of technology to coordinate activities as employees move to more-flexible work arrangements. Consider the case of Jonas, an Equinor employee. Jonas works as an inspection engineer in the Kollsnes plant, which processes gas from fields in the North Sea. After the pandemic hit, the plant's managers made it possible for Jonas and his team to carry out some inspection tasks from home, by supplying them with state-of-the-art video and digital tools. These include, for example, robotic devices that move around the plant recording detailed in-the-moment visual data, which is then streamed back to all the team members for analysis. As a result of these changes, Jonas and his colleagues can now conduct very effective remote field-safety inspections.

Managers at Fujitsu, for their part, use a range of digital tools to categorize and visualize the types of work their teams are performing as they experiment with new arrangements on the axes of time and place. That, in turn, has enabled them to better assess individual and team workloads, analyze remote working conditions, and confirm work projections. Team leaders are also able to understand employee working patterns by studying detailed movement data and examining space utilization and floor density data. This allows Fujitsu managers to design the right arrangements for their workflows and projects.

When thinking about jobs and tasks, consider how key productivity drivers—energy, focus, coordination, and cooperation—will be affected by changes in working arrangements.

Other companies are using this moment as an opportunity to reimagine workflows. New hybrid arrangements should never replicate existing bad practices—as was the case when companies began automating work processes, decades ago. Instead of redesigning their workflows to take advantage of what the new technologies made possible, many companies simply layered them onto existing processes, inadvertently replicating their flaws, idiosyncrasies, and workarounds. It often was only years later, after many painful rounds of reengineering, that companies really began making the most of those new technologies.

Companies designing hybrid arrangements need to work hard to get

workflows right the first time. Leaders at one of the retail banks in our Future of Work Consortium analyzed and reimagined workflows by asking three crucial questions:

Are any team tasks redundant? When executives at the bank asked themselves that question, they realized that in their new hybrid model they had retained too many traditional meetings. By eliminating some and making others (such as status updates) asynchronous, they boosted productivity.

Can any tasks be automated or reassigned to people outside the team? In many new hybrid arrangements, the bank executives realized, the simple answer was yes. Take the process for opening an account with a new high-net-worth customer. Before Covid-19, everybody assumed that this required face-to-face meetings and client signatures. But now, thanks to the redesigned process introduced during the pandemic, bank managers and customers alike recognize the ease and value of remote sign-up.

Can we reimagine a new purpose for our place of work? Here, too, the answer turned out to be yes. To make their hybrid model work successfully, the bank executives decided to reconfigure their existing office space in ways that would encourage cooperation and creativity, and they invested more in tools to enable people to work effectively and collaboratively at home.

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Inclusion and Fairness

As you develop new hybrid practices and processes, pay particular attention to questions of inclusion and fairness. This is vitally important. Research tells us that feelings of unfairness in the workplace can hurt productivity, increase burnout, reduce collaboration, and decrease retention.

In the past, when companies began experimenting with flexible approaches to work, they typically allowed individual managers to drive the process on an ad hoc basis. As a result, different departments and teams were afforded varying degrees of flexibility and freedom, which inevitably gave rise to accusations of unfairness. And many employees, of course, had time- and place-dependent jobs that made hybrid arrangements either impossible or far from optimal. They often felt treated unfairly.

Brit Insurance has done admirable work on inclusion and fairness. As the company's CEO, Matthew Wilson, and its chief engagement officer, Lorraine Denny, began the design and implementation of new ways of working, early in 2020, they made a bold choice. Rather than involving "the usual suspects" in the design process, they randomly chose employees from offices in the United States, Bermuda, and London—amounting to 10% of the workforce, from receptionists to senior underwriters—to participate.

During the following six months, teams of six employees—each drawn from multiple divisions, levels, and generational cohorts—worked together virtually across Brit Insurance. They began with diagnostic tools that helped them profile and share their own working capabilities and preferences. Then they embarked on a series of learning modules designed to create deeper insights into how they could work together to better serve one another's needs and those of

the company as a whole. Finally, they engaged in a half-day virtual "hackathon," during which they came up with ideas and pitched them to the CEO. The result was what they called the Brit Playbook, which described some of the new ways they would now all work together.

Selina Millstam, the vice president and head of talent management at Ericsson, a Swedish multinational, recently conducted a similarly inclusive effort. Every new work arrangement, she and the executive team decided, would have to be rooted in the company culture, important aspects of which were "a speak-up environment," "empathy," and "cooperation and collaboration."

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To ensure that this would be the case, Millstam and her team last year engaged employees in "jams" that were conducted virtually during a 72-hour period and supported by a team of facilitators, who subsequently analyzed the conversational threads. One of these jams, launched in late April 2020, played a crucial role in giving Ericsson employees a platform to talk about how hybrid ways of working during the pandemic might affect the company culture. More than 17,000 people from 132 countries participated in this virtual conversation. Participants made some 28,000 comments, addressing

how working during the pandemic had created both challenges (such as lack of social contact) and benefits (such as increased productivity through reduced distraction).

This jam and others like it helped Ericsson's senior leaders develop a more nuanced understanding of the issues and priorities they need to take into account as they design hybrid work arrangements. Change, they realized, is bound to create feelings of unfairness and inequity, and the best way to address that problem is to ensure that as many employees as possible are involved in the design process. They need to have their voices heard, to hear from others, and to know that the changes being made are not just the result of individual managers' whims and sensibilities.

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So how can you propel your firm toward an anywhere, anytime model? Start by identifying key jobs and tasks, determine what the drivers of productivity and performance are for each, and think about the arrangements that would serve them best. Engage employees in the process, using a combination of surveys, personas, and interviews to understand what they really want and need. This will differ significantly from company to company, so don't take shortcuts. Think expansively and creatively, with an eye toward eliminating duplication and unproductive elements in your current work arrangements. Communicate broadly so that at every stage of your journey everybody understands how hybrid arrangements will enhance rather than deplete their productivity. Train leaders in the management of hybrid teams, and invest in the tools of coordination that will help your teams align their schedules.

Finally, ask yourself whether your new hybrid arrangements, whatever they are, accentuate your company's values and support its culture. Carefully and thoughtfully take stock: In the changes you've made, have you created a foundation for the future that everybody in the company will find engaging, fair, inspiring, and meaningful?

Lynda Gratton is a professor of management practice at London Business School and the founder of HSM, the future-of-work research consultancy. Her most recent book, coauthored with Andrew J. Scott, is *The New Long Life: A Framework for Flourishing in a Changing World.*