

Work / Place

London returning

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The journey to hybrid working

**How London-based employers
experienced forced work from home and
their intentions for the post-pandemic era**

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Work/Place



This project, led jointly by the Policy Institute at King's and the King's Business School, is the first phase of a major programme of work to convene a group of large London-based employers and policy stakeholders to understand how the pandemic has impacted the way Londoners work, what the future of work in the city will look like, and how these changes have affected employers, employees, and London as a whole.

This will be achieved through a place-based, evidence-driven, and co-productive approach, which will develop and identify lessons for London in particular, and UK and international cities in general.

This paper is part of the Work/Place: London Returning Project at King's College London, jointly led by the Policy Institute at King's and the King's Business School. For more information, please go to: kcl.ac.uk/policy-institute/research-analysis/work-place

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1. Introduction

1.1 The emerging context: hybrid working vs office return

The long-anticipated return to the London office is underway. But far from the re-establishment of the traditional office-based working culture, evidence from our recent survey of 2000 London-based employees reveals that working practices are now predominantly characterised by a “hybrid” approach. While hybrid working, which involves working part of the week from the office, and part from another location – typically home – is far from new, its establishment – at least in some sectors – as the “new normal” constitutes a significant paradigm shift in the world of work.

Until quite recently, working from home was a relatively limited practice in the UK (Felstead and Reuschke, 2020). While the numbers of remote workers were gradually increasing prior to 2020, the Covid-19 pandemic served as the disruptive event which triggered significant, wide-spread changes to working practices, almost overnight. Where tasks allowed, organisations clamoured to move operations online and employees, who were largely confined to their homes, did their best to maintain “business as usual” within the parameters of their roles and personal circumstances. After this initial shock came several successive lockdowns and related restrictions which kept many operations remote over a two-year period. During this time, huge investments in equipment and technology and adaptations to policies and processes were required to ensure operations were supported and to safeguard employees’ wellbeing. As constraints eased and remote working skills and technologies were enhanced, organisations and their employees began not only to “normalise” but master these new working practices (Papagiannidis et al., 2020).

Now that restrictions have lifted, organisational members and other stakeholders reflect on the opportunities and challenges presented to them by what has been called the “great homeworking experiment” (Kossek and Keliher, 2022). Subtle, and not so subtle, negotiations persist between different actors vying to shape the changes brought about by the widespread implementation of hybrid working into the kind of “new normal” which supports their personal and professional goals.

So, what will this new work environment work look like? We are starting to see some patterns emerging, but the picture is incomplete. Since the pandemic, studies of remote and hybrid working have largely favoured employees’ perspectives, revealing mixed, but broadly positive, reactions to it (eg, Jacobs, 2022). By contrast, studies which seek employers’ perspectives, have been more limited. As employers are important decision makers on workplace policy, their perspectives provide essential insights into what we can expect in terms of the future of working practises.

To date, studies which sample employers have primarily focused on the economic benefits of remote working during the pandemic period. For example, in the US, Howe et al. (2020) highlight recognised cost savings for organisations from transitioning to virtual work through reducing office space, saving on utilities, and lowering other expenses, such as pay for remote working employees. An alternative study by Erdsiek’s (2021) which surveyed 1,700 managers, including senior managers, in Germany, also revealed positive attitudes regarding employees’ homeworking. Respondents reported welcome investments in technology and human capital during the pandemic which enabled more efficient remote working, and a general push within firms towards digital progress, with no reduction in productivity. Barrero, Bloom, and Davis (2021) used data from the American Time Use survey and the Survey of Work Arrangements and Attitudes (SWAA) to estimate work status and work arrangements during the pandemic. They considered, among other things, employers’ plans concerning the extent of WFH after the pandemic ends. They estimated that employers’ plans – and the relative productivity of WFH – imply a 5 per cent productivity boost in the post-pandemic economy due to re-optimized working arrangements.

On a less positive note, O’Connor (2021) found that employers feared sustained remote working would reduce collaboration between employees, stifling innovation and diminishing organisational culture.

While these studies provide interesting insights into employers’ perceptions of remote working in general,



research on UK employers' perspectives is limited. Some data are available from the voluntary Business Insights and Conditions survey (BICS), which is based on employers' estimates. In the first half of April 2022, 46 per cent of London businesses indicated that they would use homeworking as a permanent business model (32 percent in England). When asked why, the most prominent reasons were "Improved staff

wellbeing" (82 per cent), "Increased productivity" (44 per cent), and the "Ability to recruit from a wider geographical pool in the UK" (43 per cent). However, while these data provide an interesting glimpse into what employers in the sample intend to do, survey data of this nature provides limited insight into the justifications for, and strategies by which employers intend to implement these preferences.

1.2 Our study of London-based employers

To help address this knowledge gap, we carried out in-depth interviews with 12 major London employers between May and August 2022. From our interviews we sought to develop a thorough understanding of how employers in the London area experienced the Covid-19 pandemic and how this has affected their perceptions of remote working and their intentions towards managing employees' locations and methods of work going forward. We wanted to use this understanding to deliver insights for senior managers into, and innovative recommendations towards, understanding and managing the future London workplace.

These qualitative interviews formed part of the Work/Place research programme at King's College London which aimed to uncover London employers' and employees' attitudes and intentions towards a post-lockdown return to office working. The interviews complemented the other parts of the Work/Place programme: a large-scale two-wave quantitative survey of London employees, and desk-based research on specific topics such as the relationship of wfh/hybrid working to productivity, and how and why alternative estimates of the extent of wfh/hybrid working differ.

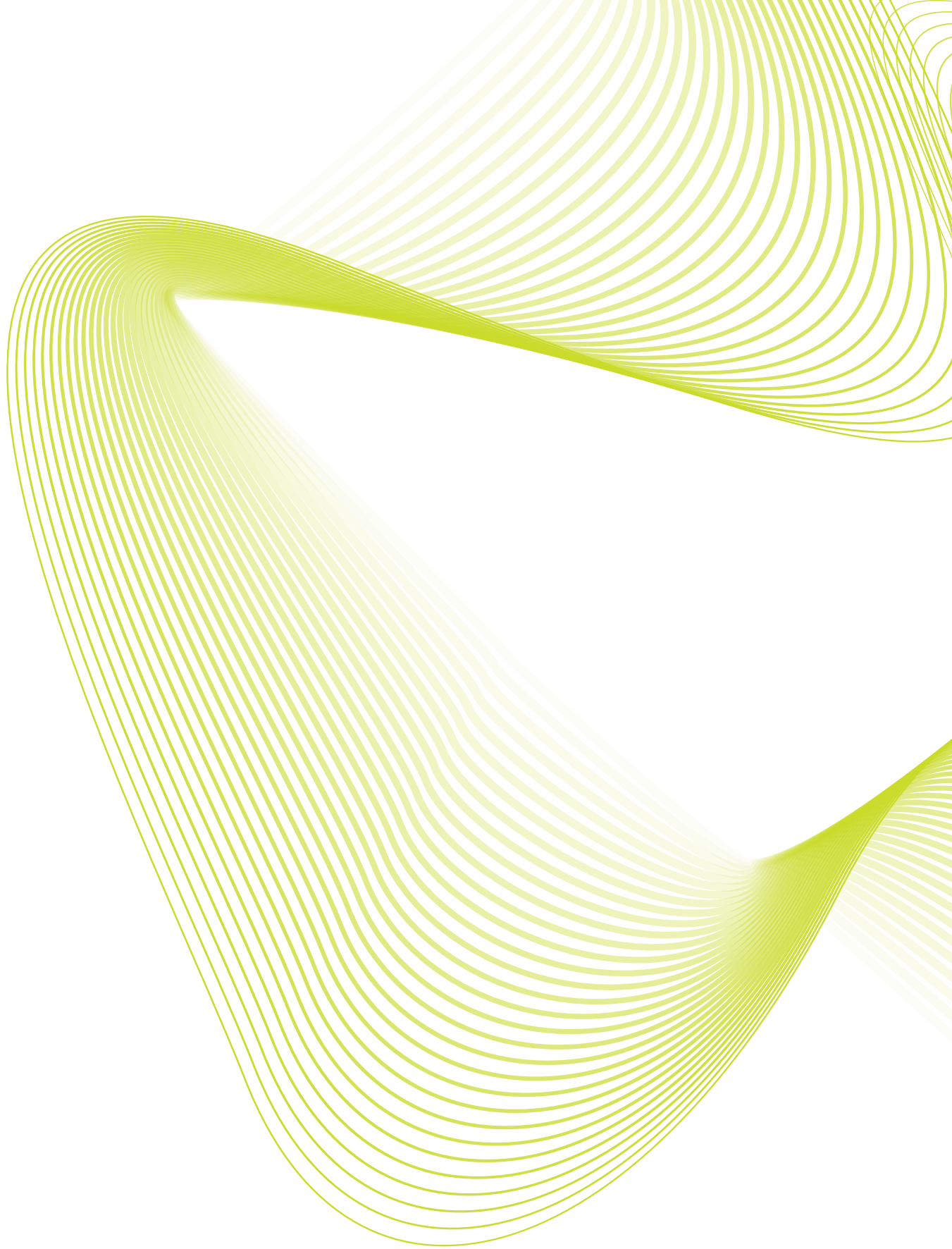
Our interview informants occupied senior management positions within both public sector (all local authorities) and private sector organisations the latter including representatives from the legal, infrastructure, retail, banking, tech, media, and telecommunications industries. The conversations within the interviews and subsequent data analysis were directed toward answering the following questions:

How do London employers feel about this sustained shift in working practices for both employees and the organisation and to what extent do they intend to use hybrid working going forward? What have senior managers learned from the pandemic and how will this inform any future workforce strategy? What did senior managers see as the benefits and challenges for employees during the pandemic with regards to hybrid working and do their perceptions and future aspirations match those of employees? What can be identified as the main management challenges regarding the management of hybrid working or of transitioning back to the office? Indeed, do we expect a gradual return to the London office over time, or a mass exodus, not only of employees (four in ten of our survey respondents suggested they would consider moving out of the capital), but of the organisations they work for? If a prime London location no longer holds the same advantages, will re-location to cheaper sites in the pursuit of cost reductions and access to distributed employees be inevitable?

An important caveat is that our research focused on London only. However, we consider the implications of our work relevant to both other cities within the UK and around the globe where big increases in remote working during government lockdowns were also reported (eg, European Commission, 2020). The London economy represents more than a fifth of the total UK economy, and the essential contribution of remote working to supporting business operations during the pandemic period is demonstrated by London and the Southeast seeing the biggest pandemic-triggered surge in homeworking in the country (Felstead and Reuschke, 2020). Importantly, we know from our own Work/Place survey findings that not only are 66% of London-



based employees still working in a hybrid way, but around half (47%) now feel better able to do their job than they did before the pandemic. This figure is double the proportion (21%) of those who commute to the London workplace every day of the week. Consequently, we wanted to know how employers in the London area feel about these changing working practices in the post-pandemic era and consider what this means for the future of work. The remainder of this paper details our findings in this regard.



2. Strategic responses: how are senior managers approaching the shift to hybrid working?

2.1 Availability of remote working

Employers' strategic responses towards office return are varied. At the time of our interviews, only one (public sector) employer in our sample was considering a full office return policy and none had chosen to go "fully remote". Most respondents described a hybrid-working preference where employees spent part of the week at home and part in the office. However, there was also variation on how this should be managed. Some employers leave it entirely up to employees and their managers to decide when they should attend. For example, one senior manager from the private sector explained using this idiosyncratic approach, which he described as a "dramatic shift" within what had previously been a very "traditional culture". While this can lead to management challenges, outlined later, this approach provides employees with much desired autonomy over their working patterns and if attendance is low, enables employers to justify reducing, or subletting office space.

However, the risk is the inevitable demise of the pre-pandemic office atmosphere (eg, casual interactions, serendipity, sense of community) desired by many, which relies on regular attendance and critical mass.

"The culture is drifting away by just having people not coming together ... productivity is still good and that's why we can't say or force people to come back"
(Senior Manager, Private Sector)

Large numbers of employees who favour specific, but opposing days may also never cross paths, restricting the incidental interactions and chance collaborations many senior managers seek. Reflecting long-established perspectives on remote working (eg, Haddon and Lewis, 1994), several managers described these interactions as particularly important for more junior staff to facilitate social contact, incidental learning, and development, and foster a sense of organisational attachment, discussed further below.

Some organisations specified rigid office days aimed at recreating the "pre-pandemic office environment", albeit for only part of the week. The disadvantage of this approach is the risk of appearing inflexible to individuals' needs and leaving expensive office spaces under-utilised for a proportion of the working week. To overcome these issues, other strategies have included specifying some office days and leaving others "floating"; or trialling particular office days and adjusting them when issues arise. An example of such a learning process is provided by a senior manager from the finance sector. Initially the organisation specified Monday and Wednesday as universal office days before quickly realising two consecutive days were far less disruptive for employees travelling a significant distance to attend work.

Finally, many respondents emphasised that employees' work location, and therefore the availability of remote working should primarily reflect the requirements of the occupation and/or task they perform. In the public sector, there was particular emphasis on working methods benefiting, and importantly, not disadvantaging service users. For example, one senior manager from a local authority described a hybrid approach in which employees were in the best place (be it office, home, school, hospital etc) to deliver services to residents. Public sector managers were also concerned that too much remote working by employees would reduce essential visibility to the public, and possibly be damaging to the local economy. In addition, it was considered important that local authority employees understood what was going on "on the ground" in the boroughs that they served – for example, seeing potholes, or uncollected rubbish when travelling to work. The requirement for certain numbers of employees to be in attendance has obvious implications for restricting the availability of remote working in general.



2.2 Extent of remote working

The ideal level of office return required or desired by employers was overwhelmingly pitched at two or in some cases, three days per week. Partly, this preference reflects a shift in working practices more generally and its influence on work-related interactions. To illustrate, while in the past, many interactions with clients, suppliers, and other stakeholders took place “face to face”, through site visits, travel, or lunch meetings, currently, many of these interactions are now taking place on online. As one senior manager commented:

“We are still having a lot of Zoom meetings ... a lot of people coming into the office and spending the majority of their time on Zoom calls”.

(Senior Manager, Private Sector)

It seems widely accepted that such tasks may be more conducive to a home environment, especially if employees are otherwise situated in an open plan office where disturbances are likely and privacy is lacking. On top of normative shifts in working locations, independent and focused tasks may also justifiably be performed more effectively without office distractions. But while having a certain amount of flexibility over where to perform tasks may be sensible, the flipside is a lack of consensus on which tasks might be performed remotely and a related lack of predictability regarding when and how remote working might occur.

What is clear is that many organisations expect to experiment with different approaches to hybrid working but ultimately work towards a “steady state” where an acceptable and mutually understood approach to hybrid working is established. This does not necessarily mean adopting a fixed working pattern of set days in the office and set days at home. As another senior manager from the private sector suggested, it could reflect “two-way flexibility” where an employee’s work pattern reflects what else is going on and when other team members are present. This respondent acknowledged that this would be more difficult for those in junior and/or routine roles compared with senior staff who are used to managing around peaks and troughs. However, at the same time

as wanting to be flexible, organisations are fearful that individual productivity enhancement – or at least perceived productivity enhancement – comes at the cost of reduced “collective” productivity, discussed later.

A literature review of productivity impacts from wfh/hybrid as part of the Work/Place project found that while self-report studies suggest productivity gains, studies based on more objective output measures find negative impacts on productivity (Escudero and Kleinman, 2022). Currently, there is something of a quest for the “sweet spot” of hybrid working, to ensure connections are maintained and sufficient collaboration takes place – assumed to fall somewhere around the two or three-day mark. Ideally, guidance should not only serve to protect such interactions but provide a clear indication to employees that part of their week should be directed towards this end. The assumption is that employees organise their tasks to fit appropriately into their different environments within this timeframe and if they or their task don’t fit this, they’re probably not collaborating enough:

“We expect to see you in two days a week ideally because we think that’s the right level for the work we do”

(Senior Manager, Private Sector)

Our qualitative findings from a small sample of large employers are consistent with evidence on transport patterns in London since the pandemic. Tube ridership in London in November 2022 was back up to 80% of pre-pandemic levels, with a very particular pattern: busiest at weekends, with nearly 90% of pre-pandemic trips, Monday, Tuesdays, and Fridays are quieter with averages of 65–70%, and Wednesdays and Thursdays slightly busier with averages of 70–75% (Brown, 2022). However, as Richard Brown points out, compared with the beginning of September 2022, the recovery in trip numbers has been particularly sharp around the City of London and Canary Wharf, suggesting that an increasing proportion of passengers are office workers, as opposed to leisure visitors or workers in other sectors.

This current convergence, or perhaps temporary equilibrium, is striking, and is also broadly consistent



with US evidence from the WFH Research project, whose January 2023 update finds that days worked from home in the US are stabilizing at around 30%. As of Q4, 2022, 13% of US full-time employees are fully remote, 58% are full-time on site, and 29% work hybrid (WFH Research 2023). Nevertheless, it is perhaps too early to refer to this pattern as a “new normal” for office working, and expectations of workers and employers have not yet converged. In the UK, the proportion of employers planning to use home-working as a permanent part of their business model rose from 16% in October 2021 to 24% in May 2022 but started to fall in August 2022 (Brown, 2022). A study based on survey evidence of workers in 27 countries in mid-2021 and early 2022 found that employers were planning an average of 0.7 WFH days per week after the pandemic, but workers want 1.7 days (Aksoy et al. 2022). However, more recent evidence for the US shows that this gap between how many days workers want to work from home, and employer plans for working from home, has reduced considerably (WFH Research 2023). Overall, there is a strong impression of “no going back”, from employers as well as employees:

“I believe the organisation will probably in due course increase [guidance] to three days a week ... It won't be a mandate ... it's never going to get back to “we expect you in five days a week” ”

(Senior Manager, Private Sector)

On the flipside, in our public sector interviews, there was also some concern expressed about performance management by managers towards remote working staff, especially at more junior levels. Some managers were particularly concerned about reduced output from employees with more routine tasks:

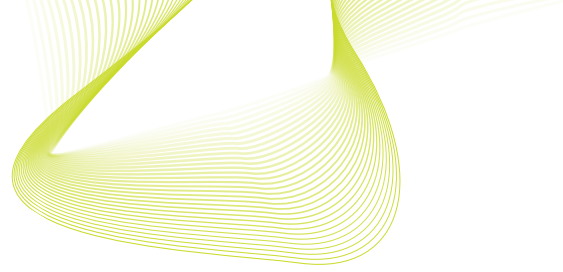
“[some kinds] of activity needs to be strictly monitored because it's a boring job. People look for distractions and the distraction as sometimes being perceived, and it's probably true in a minority of instances, is Netflix and ... the box set. I'll just have my laptop on occasionally tap the keyboard and that kind of stuff and few monitoring tools so the systems don't tend to monitor particularly what activity levels have been.”

(Senior Manager, Public Sector)

Monitoring performance for certain routine roles is not a new issue but presents a different kind of challenge in a hybrid environment.

Local authority senior managers were more likely than our private sector interviewees to be considering a more directive approach to return to the office, perhaps reflecting the importance to these public sector employers of visibility, community responsibility and political accountability. In one case the organisation was considering mandating a complete return to the office in order to manage performance both of staff with routine functions and professional staff more closely.

However, performance concerns were not perceived to be a widespread problem, and our interviewees were generally sceptical of the need for or value of a comprehensive hard-line approach: Overall, our local authority respondents saw this problem as a significant but relatively small issue and were resistant to putting in place widespread mandatory measures for tackling a minority problem when the majority of staff were performing well or better in the hybrid environment.



2.3 Formality of remote working

Regardless of the organisation's preferred strategic approach, a common belief among senior managers is that organisations now need to be much more receptive to individuals' circumstances since the onset of the pandemic. For this reason, most organisations favour a "light touch" approach, with responsibility for employees' working patterns delegated to line management. But while the resultant flexibility and inclusivity for employees are seen as desirable, there are accompanying concerns over consistency and stability. The danger is that line managers' interpretation and implementation of the remote working policies may be uneven, exacerbating concerns over inequity and inequality. A somewhat more cynical view is that a "light touch" approach shifts the difficult, messy conversations away from the architects of the policy at the top of the organisation to those – usually middle managers – implementing it. It is perhaps telling that many respondents highlighted an on-going reluctance from both managers and employees to adhere to current "top-down" guidance, especially from some specific sections of the workforce. We discuss this further below in section 4.

Overall, it seems that the major strategic task for organisations with respect to hybrid working is seen as balancing consistency, equity (including between workers) and flexibility. Respondents aimed to achieve this through policy formulation alongside permitting management the discretion to act flexibly and with empathy. The extent to which each was favoured seemed dependent on the sector, industry, and the nature of the workforce, but the underlying tensions between these multiple goals is common to all sectors. There was also a strong sense that we have not reached a desired "steady state", despite the apparent convergence around a preferred "new norm" of 2–3 days per week. We should therefore expect more experimentation, changes in policy and practice and perhaps increasingly divergent responses across organisations and sectors in the months and years to come. However, the goal is very much to find out what works and move towards establishing some type of certainty:

"if we keep changing, like, it's two (days) and then in a couple of months three and then it's four and then oh actually we go back to three then we don't get a chance to really work out how the space in the buildings being used because you keep moving the goal posts"

(Senior Manager, Private Sector)



3. What have senior managers learned from the pandemic and how does it inform their future strategy?

3.1 Remote working can work well and even enhance agility, inclusivity, and sustainability but appropriate equipment, technology, attention to wellbeing, and communications are essential

Senior managers in our study invariably felt that their organisations had been supportive towards their employees during the pandemic. This support included providing appropriate infrastructure such as monitors, ergonomic chairs and so on to enable employees to have the appropriate tools to work effectively from home. Numerous additional investments and interventions were levied at creating a more highly conducive remote working environment and supporting employees' physical and mental health and wellbeing. These trends were common across our respondents, although the pace of change varied. There was a strong sense of the pandemic having catalysed or accelerated both technical changes with regard to "agile working" and different attitudes to the use of office space, as well as more fundamentally to the concept of hybrid working.

"There was a lot of investment the IT capability ... We needed chunky financial investment upfront. Then there was a lot of people stuff...support offered for things like mental health...tips for working from home ... how to maintain a work life balance ... People needed equipment for home working, so screens, a proper work chair"
(Senior Manager, Private Sector)

Communications also took on a renewed significance to ensure that dispersed employees felt informed and included and to prevent isolation. That said, senior managers also had to ensure that communications took account of those that remained working in-place as well as those working remotely:

"If I write ... and say welcome back to the office, I get hundreds of emails saying to me we're here already"
(Senior Manager, Public Sector)

Several respondents made the point that some enforced changes in communications had longer term positive benefits for the organisation such as enhancing efficiency and reducing the need for travel which in turn facilitates inclusion and enhances sustainability:

"We do a big midyear comms and end of year comms ... where it used to be our chief exec flying around the world to 8 different hub offices and delivering a presentation. Now it's a virtual session broadcast to four and half thousand people ... the mood music on carbon has meant that it's no longer acceptable to fly one person to 8 offices and generate 19 tonnes of carbon as it used to be. But also, it's just a better event virtually"
(Senior Manager, private sector)

"Early on in the pandemic ... I had an all-staff Teams call ... 500 people turned up ... [and so now] every Thursday we have an all-staff team session ... we have 300 people a week turning up to that versus the 50 a month we had [for a previous in-person monthly event]"
(Senior Manager, public sector)

These investments in technology and equipment during the lockdowns were both necessary and admirable. However, a consequence is that they may have inadvertently contributed to the continued popularity and embeddedness of hybrid working going forward. Not only might employees interpret such investments as a signal of employers' ongoing



commitment to remote working, but faced with requests to re-enter the office, they can now legitimately argue that they can adeptly perform their jobs from home. Indeed, as senior managers recognise, they have been doing so successfully for some time:

“Everyone’s much better at using teams and zoom and learning how to share files and that sort of thing has improved dramatically ... and people hadn’t realized. I probably hadn’t really realized how easy and how possible it was ... That’s probably the reason people are a little bit more comfortable about working from home now.”

(Senior Manager, Private Sector)

3.2 Certain groups could be inherently advantaged or disadvantaged by forced homeworking which in turn could lead to uneven experiences and create perceptions of inequity within the workforce

We asked senior managers who reaped the greatest benefits and faced the biggest challenges during the pandemic. The ultimate “winners” and “losers” are hard to determine but there were some consistent patterns of behaviour, preferences or advantages and disadvantages identified for specific employee groups with broad agreement about how and when this occurred.

For example, it was commonly felt that employees who were unable to work from home due to the specific nature of their job tying them to workplace suffered a disadvantage, not only during the pandemic, but going forward. This was particularly important to our local authority interviewees, responsible for providing front-line and essential services. These employers noted early on that their organisations employed a sizeable number of people in roles that were not office-based, and therefore who were entirely unable to work from home with attendant health risks in public-facing roles. Importantly, many such staff were on comparatively lower grades, and it was higher paid, more professional staff who were able to work from home. This was due both to the nature of their jobs, and because they were more likely to live in larger homes with sufficient space and privacy to work effectively. This condition was relevant as a consideration in setting working policy for the workforce in general:

through some kind of compensation ... a four day week arrangement or whatever ... we’re in discussion with them to ensure that there’s no separation between us [and] them or they feel under-valued.”

(Senior Manager, Public Sector)

“near enough 2000 of our colleagues have always been working in the borough all the way through the pandemic situation. So be that street cleaners...through to our children’s social workers, they had to remain pretty much at post.”

(Senior Manager, Public Sector)

Hence, there are equity and fairness issues between those required to work in-place, including during the pandemic, when face-to-face roles meant personal health risks, and those, often better paid, better qualified, more senior and with more work autonomy, who are able to, and may indeed insist on, performing their jobs from home:

“over 50% of our workforce are what you call frontline staff ... there’s a big equity question here because some people have been in every day throughout the pandemic ... [We need to] make those people feel valued ...



“There are pockets of the organization ... where our frontline staff started saying to us, I haven’t seen a manager in 18 months or two years. They’re all sat at home, while I’m expected to be ... here ... So ... we’ve had to say to [these] managers ... your job is to be here. Your job is to be visible to your staff.”
(Senior Manager, Public Sector)

Respondents in the private sector echoed the view that those in higher paid positions reaped greater advantages from working from home. Across sectors, older and more senior employees were generally also felt to benefit from health and wellbeing improvements from reduced travel:

“(In terms of working from home) more senior colleagues may well have a better working environment.”
(Senior Manager, Private Sector)

However, employees for whom working from home meant that they lost the benefits from proximate interactions were highlighted as disadvantaged. This category included younger employees with less experience and a greater need for proximity to others to make contacts or learn on the job. Returning to the office was also highlighted as a welcome step forward for new starters, especially those recruited during the pandemic who had yet to experience the “culture and camaraderie” of the bustling office environment.

There were also those who, regardless of their demographics or characteristics, were described as preferring the office environment. Some employees were described as simply more motivated by

the office environment, either because of the requirements of their role or their personality type. There were also those who preferred the office either because they lived alone or had a homeworking environment considered uncondusive to home working, perhaps due to the presence of others such as flatmates or family.

For example, during the early stages of the pandemic, those with dependants, and those with very young children, were perhaps considered to be among those who suffered the most from the forced homeworking. Balancing work with childcare and related activities such as home-schooling was recognised to be stressful and challenging, leading some managers to suggest that many employees, and especially women in this position were disadvantaged:

“Women suffer more in that scenario ... they are still doing more [domestic tasks] and expected to balance it more easily with work because it’s remote. And so as a result they take a lot of the opportunity cost in a way that that men don’t. And I think that ... if you’re looking for a loser in this scenario, I think that that is one of the areas where it’s where it’s a real issue.”
(Senior Manager, Private Sector)

Senior managers felt that not only could being forced to work at home negatively affect employees’ wellbeing but may also impact their performance if their home environment was distracting or overly demanding. But what’s most important is that due to the removal of choice thrust upon people by lockdown, at this point in the pandemic, there were very few winners.

3.3 For some groups, benefits and challenges changed during the pandemic, mirroring changing norms

However, restrictions eventually lifted, employees could meet with friends and childcare was freely available again. Now, employees who were considered heavily disadvantaged under lockdown restrictions were thought to experience some of the greatest benefits from the flexibility afforded though continued home and hybrid working. While recognised work-life balance benefits from working

remotely are not new (eg, Kossek et al., 2006), what may have changed is the proportion of employees experience these benefits without attracting the stigma attached to remote working when it less common (Golden and Eddleston, 2020) or are simply prepared to accept such a trade-off.



Our survey findings support these perceptions demonstrating that not only do 65% of 25–49 year-olds continue to work at home, but four in ten employees said they would like to take the opportunity to relocate outside of London. Remote and hybrid working has therefore become more than a preferred working method, but a mechanism whereby some employees can achieve life goals, such as living in a preferred area or acquiring property. These conditions add another dimension of embeddedness to hybrid and remote working methods for such employees, who, given an ultimatum, may have re-evaluated their priorities since the start of the pandemic away from work as a central life focus (Kossek and Kelliher, 2023).

So, perhaps unsurprisingly, those in the workforce with caring responsibilities have been pinpointed by our senior management participants as the most reluctant to return to office working, with the ability

to manage their work and non-work commitments cited as the most common explanation. Employees with children are a group commonly considered to benefit from hybrid working. Within this group, first time parents and men in particular, may now feel less stigmatized when choosing to work flexibly post-parental leave as a product of changing norms of office presence.

“I think for many individuals in our company and elsewhere, you know ... there’s always examples I pick out about like young first-time fathers. I think the experience of being a young dad has been totally transformed by the pandemic because you would have had to go back to the office in two weeks, in some cases ... now you don’t go back to the office, you go back to the office two days a week and you get to see your new-born kid.”

(Senior Manager, Private Sector)

3.4 Traditionally marginalised employees may see life-changing benefits from the increased availability of remote working

Employees with specific needs, such as those with physical impairments, mental health challenges, or who are neurodivergent may also have benefited from the changes which accompanied the pandemic. For some employees with physical impairments, the availability of remote working may increase their access to paid employment (Schur et al., 2020). Avoiding the commute, which is already cited as a popular benefit in general as it reduces the costs and hassle of getting to work, can also assist neurodivergent employees in reducing overwhelm and managing their work life balance (Szulc et al., 2021). One senior manager described how these benefits could be game-changing for neurodivergent employees through increasing their ability to be productive and succeed in their career and ultimately could enhance their quality of life:

“some of the guys with autism the commute kills them. By the time they’re in the office they’re dead ... new offices typically are quite noisy and bright, and the sensory overload is too much ... that kind of environment

is not attractive to them and they kind of built their ideal home environment, so again closing off and saying you have to be in an office, I think would cause a bit of an issue with people with some of those issues”

(Senior Manager, Private Sector)

However, it should be noted that alternative evidence highlights the importance of providing proper support for employees with disability or diverse needs to mitigate against isolation and other disadvantages while working remotely (Szulc et al., 2021).

Overall, our evidence suggests that senior managers are becoming increasingly aware not only of their obligations to cater to diverse employee’s needs, but of the benefits of doing so. While a certain amount of nostalgia was evident for the traditional office environment, many managers felt that employees often work in a distributed way anyway. On top of this, there was recognition that remote working may benefit, or at least be desired by employees with a variety of characteristics in diverse circumstances.



However, alongside a clear acknowledgement and acceptance of the benefits of hybrid working for

some there were concerns relating to inequality and uncertainty among the workforce more generally.

3.5 While it's important to consider individual needs, we also need to consider the workforce as a whole

Employers' acknowledgement of the benefits of maintaining empathy and flexibility towards an individual employee's needs must be balanced against their emphasis on the continued value of office presence. In many cases, it was those employees who prefer the office environment towards which senior managers expressed the most concern going forward. This is perhaps an indication that managers have acknowledged a "tipping point" where, in many cases, the traditional five day per week, 9–5 office environment is a thing of the past.

But while employees overwhelmingly welcome hybrid working, our large-scale survey also found that one in six still say they don't want to work from home at all. Given the popularity of hybrid working within many employee groups, it's arguable that these employees are the real "losers" of the pandemic if they yearn to return to a traditional "pre-pandemic" office environment that no longer exists. Previous research also suggests that even for those more amenable to hybrid working, while some remote working can increase job satisfaction, too much can lead to a decrease (Golden and Veiga, 2005). This evidence tells us that maintaining a reasonable amount of proximate contact and interaction at work may be vital to keeping the workforce happy overall.

The aim for many managers then is to try to create a working environment that benefits those who

appreciate working remotely but reduces the associated challenges for those who don't. Consequently, while nearly all senior management respondents desired more office presence, they favoured enticements over mandates to incentivise enough employees into the workplace to prevent those with an office-working preference from feeling they were working in an empty office. Strategies to increase presence included free food, spa treatments, and even opportunities to play with puppies:

"they bring around ten dogs to the office, ten puppies and you have to book slots and stuff so you can just pet the puppies and feel good. So, I'm just saying that there are all these different things that people are trying"
(Senior Manager, Private Sector)

It's notable that such initiatives were restricted to the private sector, which is probably due to private sector organisations having more flexibility and being subject to comparatively less external scrutiny than public sector organisations. Consequently, when it comes to strategizing towards office return private sector organisations seem to have more scope in terms of offering carrots to entice employees back into the office. Ultimately, this could make the private sector a comparatively more appealing place to work.

3.6 Employers now need to justify and demonstrate a need for office presence

This realisation that continued remote working may not be the disaster it was anticipated to be seems to span industries and sectors. This includes some sectors described as "traditional", where a clear shift in norms from remote working being previously considered unthinkable to now being commonplace was noted. This shift led several senior managers to

conclude that while, prior to the pandemic, the onus for justifying voluntary remote working largely fell to employees, it now falls to employers to demonstrate a need for office presence.

So, given employers' recognition that they need to justify office attendance, how do senior managers



go about this? In general, a steep, forced learning curve within organisation revealed both benefits and drawbacks for organisation from employees' remote working. A popular highlighted benefit was increased productivity from happier employees. As one senior manager from the public sector suggested:

"If people are looking after themselves and getting what they need out of the ability to spend time with family ... they will be that much more productive in the time that they give us."

(Senior Manager, Public Sector)

In combination with recognised recruitment and retention advantages, another senior manager in the public sector suggested flexibility in where employees were based (main office, home, other location) could ultimately enhance the end user experience, leading to: "a win-win" situation:

"We know it's the right thing in terms of retention, wellbeing, staff satisfaction, it's often the best outcome in terms of delivery of services as well."

(Senior Manager, Public Sector)

On the other hand, and reflective of research elsewhere (O'Connor, 2021), many senior managers felt strongly that remote working could diminish employee collaboration, productivity, and organisational culture. Invariably, the preservation of collaboration and culture was felt to be achieved by bringing employees back together as much as possible.

"I think the struggle is the (organisational) culture ... the culture is drifting away by just having people not coming together."

(Senior Manager, Private Sector)

They also felt that "too much" remote working was detrimental to employees' wellbeing. For these reasons, senior managers primarily cited increasing workplace collaboration, the preservation of organisational culture, and improved productivity and wellbeing through enhancing employees' social

contact, as reasonable justifications for pursuing employees' return to the workplace.

It is interesting to compare such responses with employees' perspectives. While 57% of employees in our survey did feel that seeing more people was the biggest benefit of going to the office and 35% said it makes it easier to complete work tasks, 65% felt that productivity was maintained or even improved while working remotely.

"Everybody's willing to tell you they're much more productive when they [are] working from home"

(Senior Manager, Private Sector)

This disparity probably results from different conceptualisations of "productivity" – the more quantitative studies of productivity suggest that wfh/hybrid working is likely to be detrimental to productivity as strictly defined ie, in terms of output per hour (Escudero and Kleinman, 2022). However, employees are perhaps interpreting the concept rather differently – they feel they are producing the output required of them in terms of the contract, but at a time and in a way where they have more control compared to a traditional office environment. In other words, it may well be the case that output per person may be maintained or even increased in the hybrid environment, in part through employees working longer hours but with greater autonomy, while at the same time, output per hour, ie, a strict measure of productivity, may be falling. Both outcomes can be true simultaneously. Furthermore, the respective definitions and values of productivity and autonomy will differ between managers and employees.

While collective performance, often achieved through collaboration, is most valuable to the organisation, employees' collective contributions may produce fewer tangible, individual outputs and therefore attract lower immediate recognition and reward. Consequently, employees may be disincentivised to compromise tangible improvements to their own performance, especially where these elevate their position in the labour market at a time when they would rather exit the organisation than compromise their working preferences. Indeed, in our quantitative survey, we found that two thirds of London workers



would rather quit than be forced to follow a working pattern they didn't like. But some of our senior manager respondents feel this is short-sighted and overlooks the value of building and maintaining relationships to secure future productivity and advancement:

At the early stages of the pandemic, employees might agree that the personal sacrifices made to maintain their performance, and ultimately the organisation's survival, occurred at the expense of their wellbeing. However, this sacrifice was often made willingly to enable organisations, and their jobs, to survive. As time passed, the situation eased, and people adapted, most employees ultimately experienced improvements, rather than detriments to their work-life balance and wellbeing from continuing to working remotely. For example, our survey revealed that a massive 8 in 10 London employees reported positive or very positive improvements to their wellbeing from continued homeworking. What's more, these improvements were felt regardless of employees' age, gender, industry sector, or whether they identified as an introvert or extrovert. This is a strong finding, but it is a relatively short-term and self-reported finding of the well-being impact of hybrid/WFH. Longer-term impacts on well-being and on physical and mental health may be more complex and less benign.

However, where employees have personally experienced wellbeing advantages from working remotely, as many have, employers' citing employees' own wellbeing as a reason for their return to the office, is likely to sit uncomfortably with the London-based workforce. While attempts may be made to restrict remote and hybrid working, managers invariably described already allowing employees to return to the office "as often as they want". Consequently, a justification of protected wellbeing used by managers for mandating office working implies that those who choose to continue working remotely don't know what's good for them. While this may indeed be the case in some circumstances, such an approach, given that the pandemic has afforded periods of self-reflection to employees who now purposefully use hybrid working to enhance their wellbeing, is likely to annoy them.



4. Management challenges related to the transition back to the office

From our analysis of the information provided during the interviews we highlight the following five challenges faced by senior managers in the context of a desired post-lockdown transition of employees back to the workplace:

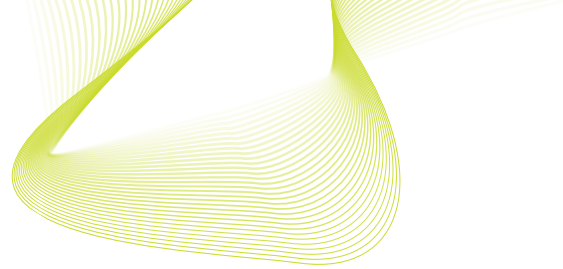
• Challenge 1: Perceptions of benefits and challenges are inconsistent between senior leaders, line managers, and different groups of employees

Given that the burden of justifying office presence may now have shifted to employers, discussed above, a major challenge might be the establishment of shared, congruous perceptions of valid justifications to return to the office between different groups. For example, while some senior managers highlight the disadvantages faced by women when working remotely, which reflect established debates pre-dating the pandemic, by contrast, the female employees who responded to our employee survey were more likely to report positive outcomes than men, 84% and 74% respectively. Perhaps, one explanation is that senior managers are projecting their own blanket criteria for success onto a demographic that, in the main, don't share it.

The same could be said for younger employees and new starters. After the Government lifted coronavirus restrictions in July 2021, the then-Chancellor Rishi Sunak called for young people to return to the office. He argued that inevitable damage to young people's careers would follow from their inability to build strong, long-lasting, career-enhancing relationships with distant colleagues. This perception seems widely shared as 48% of our survey respondents agreed that working from home would negatively impact young peoples' careers compared with 25% that disagreed. Similarly, the senior managers we spoke to also suggested that younger employees were eager to re-enter the office for this reason, seeking the increased socialisation, learning, and development opportunities that only close working proximity to others provides.

However, it is important to acknowledge that young people themselves had little desire to return to the office full time and were far less concerned about their own prospects than older generations were on their behalf. As our survey indicates, 64% of 16–24 year-

olds still work from home for at least part of the week and prefer to do so. Partly this may reflect their desire to alleviate financial burdens such as commuting costs, especially as younger employees tend to be on comparatively lower salaries. Another explanation is that trends towards growing independence and career mobility play a part in young people's satisfaction with hybrid arrangements and many seem disinclined to be persuaded back to full time office working. Our survey evidence also suggests that young employees actually find remote working beneficial to their career feeling it serves to dismantle perceptions of hierarchy. Around 40% of 16–25 year-olds said they found it much easier or easier to ask questions, put themselves forward for tasks and be honest with colleagues when working remotely.



● **Challenge 2: Deciding which changes implemented during/after the pandemic can and should be reversed, and which should be permanently incorporated**

Unsurprisingly, organisations want to retain the benefits experienced from “forced” hybrid working/wfh during the pandemic, while simultaneously securing the benefits of interaction, community, career development, and innovation which fully distributed working may inhibit.

A commonly recurring management challenge in the context of workplace return is that of integrating those recruited during the pandemic. These employees have often negotiated flexibility as a condition of employment or become used to working in this way. A simple compromise to fill a much-needed position when everyone was working remotely “anyway” could have lasting, far-reaching effects on culture and practice.

While it might seem reasonable enough to ask those whose contracts pre-date the pandemic to come back as before, for new employees “before” never existed. Naturally, organisations are beholden to honour the new agreements, especially if distance makes office working impractical. Unsurprisingly, the disparity between “old” and “new” staff becomes clear, especially where office working had previously been the norm. In this situation, organisational culture change may be irreversible, as not only are new joiners maintaining distance working, but existing employees may legitimately ask why they can’t access the same opportunity.

Some interviewees reported being asked by candidates whether they can work 100% remotely, ie, why do they need to be in the office at all? In general, the organisations we spoke to did not favour 100% remote working, although this did exist in some cases, and the balance in terms of number of days required, expected, or encouraged varied. A related question is whether employees working mostly or entirely remotely should be paid lower salaries than London-based workers.

While such an approach might enhance stability as well as contributing to perceptions of equity, findings from our quantitative survey of employees

show that – unsurprisingly – it may not prove popular with employees. London workers are much more likely to disagree (66%) than agree (18%) with employers being able to pay home-workers less than those who go into the workplace – and even people who go into their workplace every day of the week are more likely to reject than support this idea.

For the local authorities, hybrid or even fully remote working could potentially help with chronic recruitment challenges, for example in areas such as planning, building control, IT, and finance. But this would need to be balanced against other goals such as strengthening visibility to, and understanding of, the communities that these organisations serve, being able to “walk in the shoes” of residents and members.

In terms of downsides, there is a potential legacy risk from the pandemic period for workers of blurring work/home boundaries, being “always on” and the technology enabling overworking and over-commitment. This is in addition to the potential disbenefits to the organisation and its employees of the loss of informal conversations, sense of community and access to body language and nonverbal forms of communication. These are established issues of home working pre-dating the pandemic, rather than new challenges, but they now apply to a larger group of employees and organisations.



● Challenge 3: Clarifying and managing the roles and expectations of Senior Leadership, Middle Management, and Human Resources in the face of office return

Another shift which exacerbates issues of workforce separation further is the increased desirability for senior managers themselves of working remotely. Prior to the pandemic, visibility and presence were seen as inherent within the role requirements of the senior manager. The switch to forced homeworking exposed these employees, who are also often older, to health and wellbeing benefits stemming from fewer interruptions with focused tasks, reduced commutes, and fewer travel requirements. The senior managers we interviewed reflected this as most reported experiencing benefits from working at home, as one head of communication noted:

“I will never work for a company in the rest of my life that demands I’m in an office five days a week because it would feel ... like working for a company that told me I had to wear a suit, tie, waistcoat, tie pin, and ... a tailcoat to work. It feels very formal and restrictive.”
(Senior Manager, Private Sector)

While senior managers accepted that they need to attend the office some of the time, many felt they and the organisation benefited from hybrid working through their increased efficiency and concentration. A consequence of senior managers’ new appreciation of hybrid working alongside their felt requirement to encourage others back can be interpreted as “do as I say, not as I do”. Indeed, our survey found that only 27% of employees in London felt senior management want staff to often or always work from home while 51% felt that senior management always or often did so themselves. An explanation offered by senior managers to justify this disparity is that they themselves are already “established” while junior employees need to gain the requisite exposure, learning, interaction, and networks to achieve the same status.

Importantly, and as discussed previously, this perception was not shared by younger people and can appear somewhat hypocritical. Part of the issue appears to be that senior managers find their own flexibility easier to manage than that of their reports.

This perception carried an implication that younger employees should remain in, or return to, the office to reap the benefit of remaining office-based when more senior employees, who now work more flexibly, attend.

“I think (senior) leaders are more comfortable leading when they can walk around and see people and what they’re not so sure is ... how to manage in a hybrid model. They’ve learnt rapidly how to manage in a remote model ... But (hybrid) becomes a lot more complicated”
(Senior Manager, Private Sector)

“I pulled one of them up the other day, but because they said, oh, well, my door is always open. And I said, well, that’s great if you’re in London, but your digital door needs to be open. So, it’s a mindset shift ... Senior leadership ... need “hand holding” because they are the ones that are back, but they’re also the ones that are most frustrated that nobody else is.”
(Senior Manager, Private Sector)

The answer to this one is clear. If senior managers want more junior employees to behave in a certain way, they need to lead by example. This applies whether it’s return to the office more or engaging in a certain amount of hybrid. Professor Barbara Larson at Northeastern University [quoted in the Washington Post argues](#) that it would help if senior leaders stopped coming in five days a week. “C-suite people hate it when I say this,” she admits. “but by showing up every day, they’re signalling that hybrid work isn’t compatible with a senior role and undercutting their efforts to help employees establish a new rhythm.”

Some of our interviewees were clear about the importance of senior leadership demonstrating behaviours they wish to see in the organisation:

“It’s a leadership role and they need to lead.”
(Senior Manager, Private Sector)



This was particularly true of the local authorities we spoke to:

“during the lockdown I was in the office between three and four days a week. I wasn’t there all day, but it was important ... to lead by example and come into the office.”

(Senior Manager, Public Sector)

“during all of the lockdowns I was in this building six days a week, we had frontline staff who [were] required to continue to do their job ... in the face of the pandemic”

(Senior Manager, Public Sector)

“[the Chief Executive] came in the majority of the time during the pandemic and made a point of walking the building.”

(Senior Manager, Public Sector)

However, in the same way, it’s also important to recognise that if organisations are serious about supporting employees through hybrid working, they should also lead by example and engage in remote working. Employees look to managers as role models and are more likely to adopt work-life balance and wellbeing enhancing working practises without feeling the threat of stigmatisation, if their managers are doing so (Koch and Binnewies, 2015). In short, managers should be prepared to “walk the walk” and engage in the type of behaviour they want to see performed by employees.

The transition back to the office is also recognised to be particularly challenging for middle management. Overseeing the transition to remote working during the pandemic was already difficult, but the subsequent move towards hybrid working adds yet another layer of complexity. Co-ordinating individuals’ working tasks, interactions, training and development needs, and maintaining effective relationships in a context of contrasting schedules and working preferences, while determining which “special arrangements” to honour and which to push back on, can be both difficult and stressful. This also needs to be considered in the context of managers’ required acquiescence to senior manager-

led directives and expectations and their own working preferences:

“People [organisations or your line manager] would be much more happy to have a conversation with individuals that goes along the lines of, you know, we expect you to be in the office probably mostly three days a week. Those three days will depend on what else is going on and when other team members are in and what we need to do and achieve and the rest ... but on average, we expect to be something like that and that would be as far as the business would ideally want to go”

(Senior Manager, Private Sector)

This is a complex area and will continue to evolve. On the one hand, it makes sense in a hybrid environment, for the leadership of the organisation to devolve to individual teams, the operational details of how to implement hybrid arrangements to those who understand the context-specific working practices and constraints. It can be presented as empowering teams and local leadership. On the other hand, this means difficult conversations at the team and individual level, and a requirement to monitor and adapt working practices in the new world of hybrid which increases pressure on middle management:

“leadership is quite hard in a hybrid model ... leaders are more comfortable leading when they can walk around and see people”

(Senior Manager, Private Sector)

“the issues of managing people remotely was a challenge and is a challenge”

(Senior Manager, Public Sector)

This is all in the context where many employees have, through the necessity of their organisations adapting to the pandemic, acquired greater autonomy, and where the power balance between employee and employer may have shifted somewhat (whether this will persist is another question of course):



“I think [employees] are emboldened and I don’t think that’s a bad thing.”

(Senior Manager, Private Sector)

Finally, Human Resource (HR) managers and professionals face similar but distinct problems to line managers. This is a significant issue as HR departments have (or should have) a fundamental involvement both in return-to-office policy and the continuing management of hybrid working.

There is an inherent contradiction within the HR role between implementing senior managers’ preferred policies while simultaneously representing employees and safeguarding their wellbeing. On top of this in the post-pandemic context HR professionals face constant pressure to get the best out of employees and attract sufficient additional human capital to remain competitive. For example, one participant explained how, since the pandemic, recruitment for what were previously highly desirable jobs had become a huge challenge taking much longer than usual and required them to compromise on flexibility:

“it’s a well-paid good benefits position and you know we found somebody that I think is great and definitely the calibre that we would have looked for. But we spent six

● Challenge 4: Reluctance to return

Reluctance to return was identified as an issue for a range of different categories of employees. These include employees who are immuno-compromised and hence anxious about travelling; those with certain needs or disabilities for whom working from home may be a reasonable adjustment; those who significantly changed working or life patterns, eg, place of residence; those performing routine functions, who do not need to interact with other colleagues; as well as senior leaders and/or professionals with relatively large homes suitable for home working and perhaps also caring responsibilities discussed above.

“people who [are] most of their days replying to emails ... they’ve been quite resistant to coming back in ...

months filling it instead of a month or two maximum”.

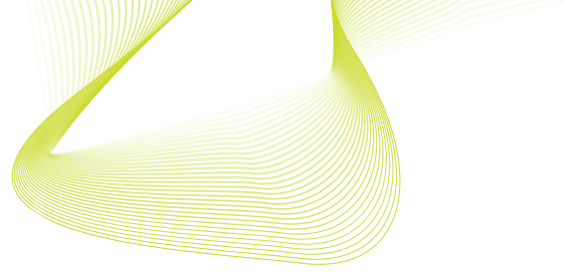
(Senior Manager, Private Sector)

The organisation’s desire to return to the office and therefore to advertise the role as “office based” was credited with this slow recruitment. This situation demonstrates that HR may need to encourage management to offer more flexibility if they want to successfully fill vacancies with the best candidates who may now see purely office-based working as a dealbreaker.

So, for HR, cultivating a desirable organisational environment which projects the image of an “employer of choice”, provides employees with sufficient opportunities for development, and is conducive to maintaining individual and collective performance, is extremely challenging. Getting this balance right, when a shift in norms and employees’ power has elevated individual preferences and priorities over required adherence to blanket policies, can make these challenges sometimes appear insurmountable. There is palpable frustration from HR that culture change is required to support a lasting hybrid arrangement, but it may not be happening fast enough to secure necessary, and scarce talent.

They don’t need to have a conversation with nine different people from nine different departments [to]do their job right. They just need to be able to respond to an email promptly.”

(Senior Manager, Private Sector)



● Challenge 5: Future use of space

The shift to a hybrid model of working opens up the question of office space – not just how much office space an organisation needs, but how this space can best be used. Many of our interviewees spoke not only about reducing the total amount of space they used, but also about how to configure their remaining office space to meet the demands of hybrid working. There are a number of drivers here: moving away from “desks in rows” towards more collaborative and interactive space; providing more private spaces suitable for Zoom and Teams calls; more casual meeting spaces; reducing costs. Another important consideration is the use of technology used to monitor office usage. Participants spoke of innovations which they used to help them understand space and how it is being utilised.

As with other aspects of the pandemic, the effect has been to speed up changes and innovations which were already underway, or at least desired. In addition, there is the need for organisations to provide a more attractive working environment in and even around the office to attract in employees who now have the option of working from home.

It is notable that while adjustments to office space were considered inevitable, a number of respondents did not consider altering the amount of office space they used. Others proposed creative solutions such as gifting space to start-ups with whom they wanted to partner which they considered good for their business and the economy. Most respondents also intended to retain a central London location which they still saw as advantageous, a finding that bodes well for the wider economic benefits to the city of having a dense concentration of firms and industries in close proximity, in terms of interactions, synergies and agglomeration effects. Related to this was a palpable, if perhaps unexpected, optimism that a shift towards a greater acceptance of hybrid working would not be detrimental to the vibrancy or economic functioning of the capital. But as with the organisations within it, the city itself may require some creative design to ensure that it can thrive in this “new normal”. As one senior manager said:

“London will still be London. It’s not going to change. It might be an opportunity, not necessarily a challenge, but there will be a lot of commercial spaces that will be vacant and that could possibly turn out to homes, you know. So, we do have a problem somewhere that could be the solution”.

(Senior Manager, Private Sector)

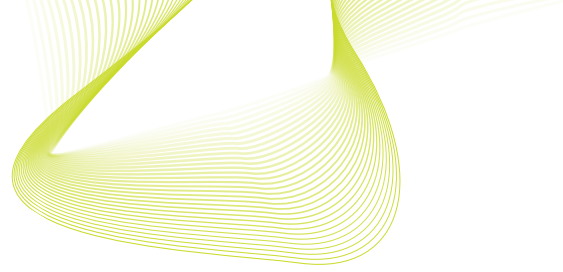


5. Conclusions and take-aways

We set out to investigate employers' perspectives and intended approach to working practices in the post-pandemic context. We were interested in discovering what senior managers have learned from enforced remote working during the lockdowns, what should be retained or reversed, and whether employees' perspectives match those of employers. We sought to identify the main management challenges going forward and gain insights into what the future of work may look like including working patterns and use of space. In summary, we present the following take-aways:

5.1 For organisations

- The experience of the pandemic has induced a permanent shift in perceptions and working behaviours towards a more widespread (but not universal) hybrid model, rather than using it as a temporary response followed by “return to normal”. The evidence suggests that we have reached a “tipping point” where norms no longer support traditional office working. An important condition is that organisations do not exist in isolation and norms have changed in wider society, precipitating a shift in the type of interactions required between and within organisations generally.
- While it would be premature and probably inaccurate to posit a specific “new normal” or “steady state”, there is evidence currently of convergence at around 2–3 days per week in the office for hybrid workers.
- Norms and the expectations of workers have changed leading to a recognised shift in the power dynamic between employers and employees where employers may now need to justify office working rather than employees having to justify a need to work remotely.
- While recognition of the potential benefits of hybrid working is shared by employers and employees, contrasting perceptions of the benefits of office work exist between employees and employers particularly with respect to its impact on employees' wellbeing, productivity, and development. Though debated, there is also growing recognition that hybrid working may benefit some previously marginalised employees (women, young people, those with dependants, with disability), but disadvantage those who previously thrived in an office environment.
- There has been a range of management/organisational responses to these developments; most managers generally accept that this change is inevitable and are taking steps to develop appropriate strategies to harness the benefits and mitigate the challenges of hybrid working within their organisation. Attitudes from our (admittedly limited) qualitative interviews with employers, are generally similar across sectors.
- There is a general perception from the interviews and from other evidence (outside our study) that, while most organisations and employees are adjusting to a hybrid model, organisations want employees to attend the office for more time than employees would choose, though the gap is relatively small. Above all else, employers seem to desire a stable and predictable state.
- Local authority employers are particularly conscious of the need for equity between those who can and those who can't work from home. They also retain the need to be visible to the local communities they serve and to elected politicians to whom they are accountable. These employers must blend hybrid working practices with the perceived importance that employees must remain aware of what is going on “on the ground” in the local area. Local authorities in particular may need to be creative in finding solutions to the competing demands of cost savings and office attendance or may be forced into the unpopular position of mandating working practices for employees.
- Changes to working practices put increased pressure on middle and line managers who manage staff performance and outputs. These pressures include both dealing with



under-performance in a hybrid or remote setting (although there is consensus between employees and employers that most employees continue to work at least as hard in a remote setting) and providing appropriate support. For example, employees performing contact centre work may struggle with reduced motivation and/or difficult and aggressive customers to a greater extent without the benefit of proximity to colleagues and supervisors.

- ♦ Having a broad policy but delegating decisions on individuals' working arrangements to line managers can provide flexibility, but risks those managers being forced into "difficult and messy" conversations. Steps should be taken to ensure line managers do not face situations, such as employees with specific needs who are requesting remote working as a "reasonable adjustment", that they are not equipped for. Such scenarios may cause stress for managers and potentially expose organisations to litigation.
- ♦ HR also face challenges as they must encourage adherence to organisational policies, often including a drive for increased office presence, while at the same time trying to create a work environment that is attractive to new recruits, which often requires the provision of autonomy and flexibility over working location. Senior managers should be mindful of these pressures and work with HR to consider their workplace priorities and come up with workable compromises.
- ♦ While it is important to consider individuals' preferences and specific needs when it comes to hybrid working our findings emphasise the importance of considering the workforce as a whole and the benefits of interaction from employees' regular office presence. These considerations require a delicate balance. They must promoting/encouraging sufficient office

attendance for reasons of community, interaction, and innovation while not being coercive or counter-productive for those with working preferences and real needs which are best supported by the option to work remotely.

- ♦ Managing the gap (real or perceived) between management and employee expectations entails enhanced two-way communication channels. Communication is facilitated by regularly collecting qualitative and quantitative data from employees to monitor how strategic approaches to hybrid working are being received and how they are affecting employees as well as the business more generally. Organisations should act on this information to review their strategies regularly and encourage senior and middle managers to role model desired behaviour. A successful shift to hybrid working requires flexibility and adaptability as much as it requires technology.
- ♦ Managers and HR need to continue to be aware of and mitigate the downsides of hybrid working such as work/home blurring, overwork, and isolation. At the same time, they need to harness the benefits of hybrid working for employees and the organisation, such as enhanced wellbeing and employees' greater ability to concentrate on certain tasks at home.
- ♦ Organisations will need to learn continuously how to manage the use of space for optimum benefit – eg, what does creating "collaborative space" actually involve? Employers need to be aware that by re-designing space to be more collaborative, it may actually encourage more remote working if this space is unconducive to individual, focused, or confidential tasks, or for conducting online collaborations. The creative use of space will also be an essential and on-going strategic concern for organisations if they want to effectively utilise and legitimise a prime London location, as employers still seem keen to do.

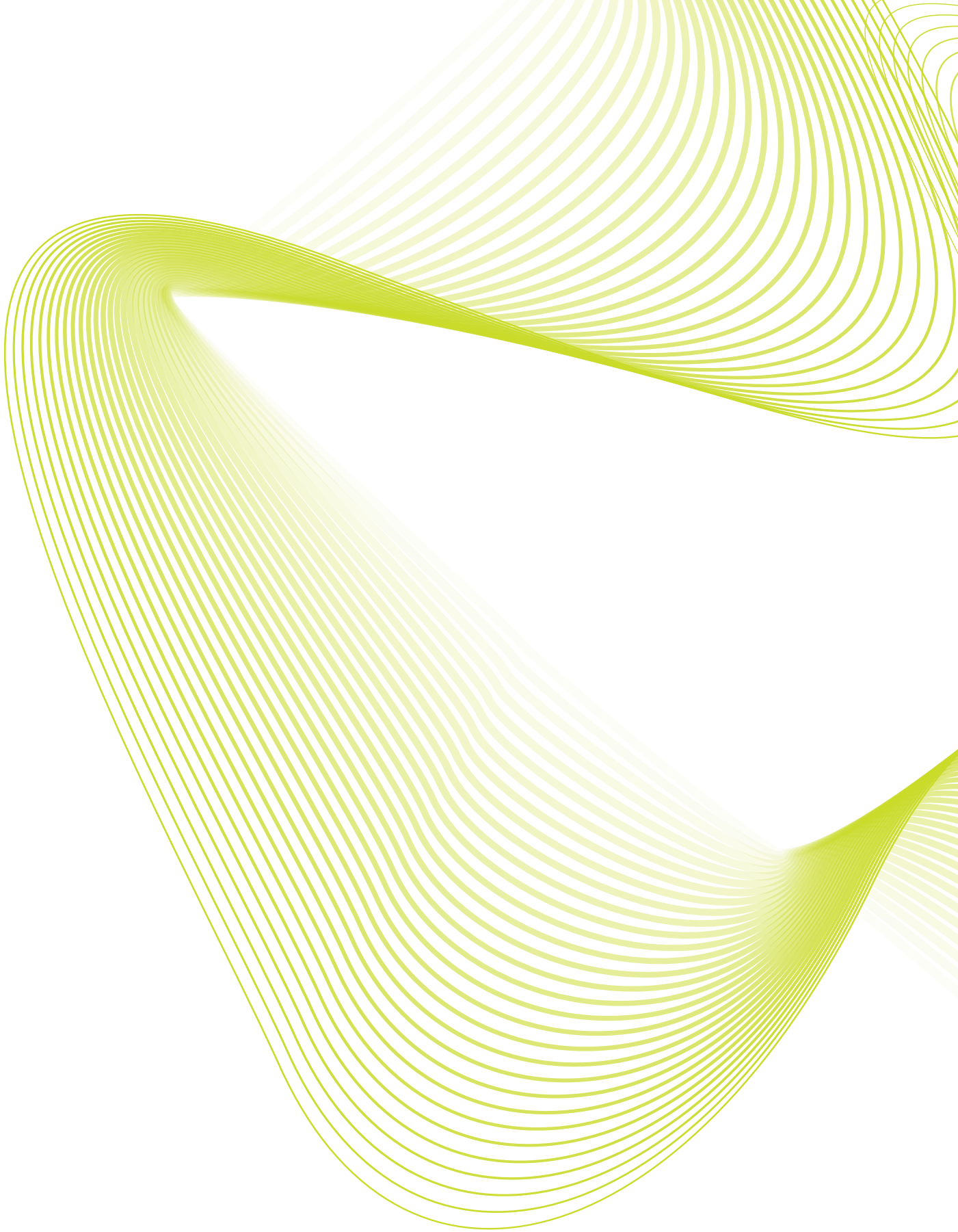


5.2 For policy

- This is a profound structural shift in the world of work. Many impacts will not become clear for a while yet – for example on overall productivity, on the balance of well-being benefits and disbenefits, on career progression and networking.
- ‘One size fits all’ policy approaches and a priori ideological preferences either for fully remote or for fully in-place working are not helpful or practical.
- The experience of wfh/hybrid during and after the pandemic has changed the lived experience, expectations, and attitudes of both workers and managers. This is having, and will continue to have, structural consequences.
- It may be possible to use lessons learned from the pandemic to try to provide enhanced opportunities and access to high quality work for disabled employees. There is a lot of untapped potential in the disabled workforce which could be valuable to employers during a time of recognised skill shortages.
- There is evidence of a shift in the power balance between employers and workers, and increased worker autonomy is evident, at least for certain groups of professional workers. Looking ahead we do not yet know what impact a recession and growth in unemployment will have on employee and employer attitudes and on employee/ employer power balance. We are headed into a less benign economic environment, although many forecasters suggest a long but shallow recession (a “long U” rather than a “V”)

5.3 For London and other cities

- Our “Work/Place” research project is focussed on a single city, London, but nevertheless we can generalise to other cities facing similar conditions, challenges, and opportunities. Our analysis suggests profound structural changes to the world of work, which will have wider applicability, both to other employment centres in the UK, and to major cities world-wide. However, the impacts and consequences in London will reflect the specific structure of the London economy and workforce, with its high proportion of both employees and firms suited to hybrid working, and the importance of commuting, including long-distance commuting.
- Employment in London remains highly centralised in the Central Activities Zone. We do not expect this pattern to change significantly. Rather, both firms and employees will adjust and adapt to the realities of hybrid working. We expect London’s CAZ to continue to be a dynamic source of economic activity and employment growth, with a continuing increase in footfall and mobility back to and probably beyond pre-pandemic levels, driven by a gradual increase in office occupancy, as well as the return of international and domestic tourism, and growth in leisure, retail, and other activities.
- Nevertheless, the mainstreaming of hybrid working will have important long-term consequences for commuting patterns, public transport pricing and sustainability, housing markets and patterns of land use. Policy-makers will need to respond to these changes, even though behaviours and outcomes are in flux. For policy-makers as for employers, flexibility, adaptability and real-time evidence will be key.



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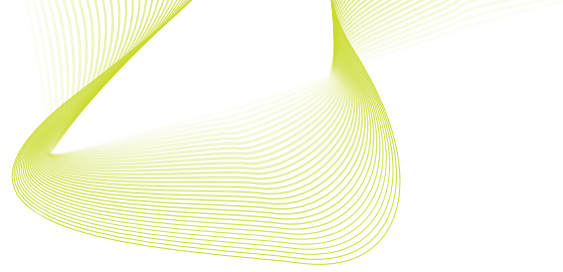
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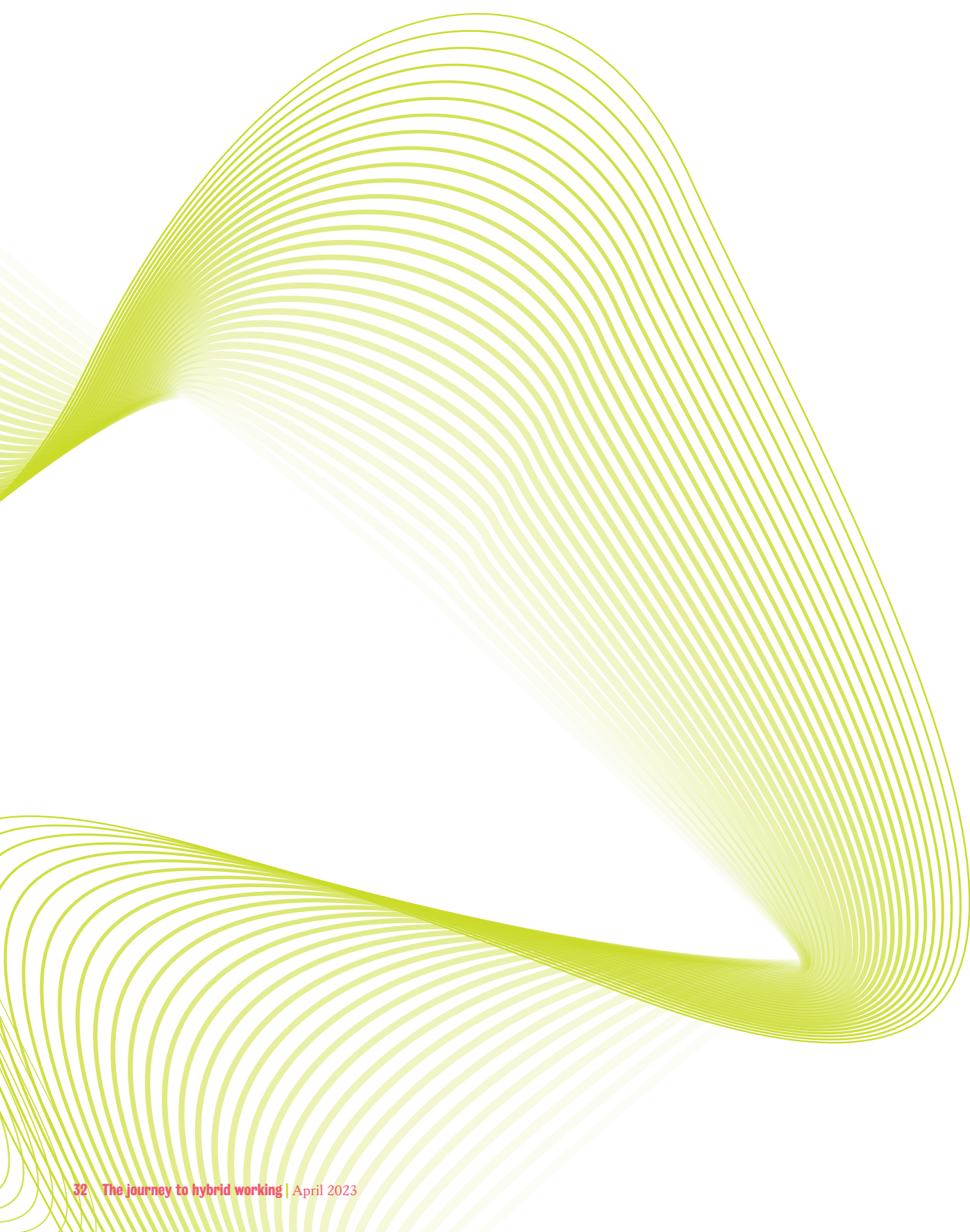


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