

Why Hybrid Work Will Win Out Over Remote and In-Person – Whether You Like It or Not.

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The Covid-19 pandemic has handed us a Rubik's cube, transforming how and where we work. With the gift of hindsight, we can start to solve this complex puzzle, understanding what works best for productivity working from home, per a new white paper on this topic by researchers from Stanford University, University of Chicago, and the Instituto Tecnológico Autónomo de México.

This compelling research provides a new and definitive level of insights that I will be sharing with clients who I help guide in figuring out the future of work.

The discordant notes of fully remote work

When considering work from home, it's crucial to differentiate between two distinct styles: fully remote and hybrid work.

Studies by Emmanuel and Harrington (2023) and Gibbs et al. (2022) highlight the discordant notes of fully remote work. To illustrate, imagine workers as runners on a track. When the gun fires, and workers go fully remote, our sprinters stumble, tripping over an 8% to 19% reduction in productivity.

Challenges in communication and innovation – likened to a game of telephone where messages get distorted – can stifle

productivity. Like playing Jenga in the dark, building new connections becomes more challenging in a remote setting (Yang et al., 2021).

Now, imagine trying to cook up a Michelin-star meal in a cluttered kitchen. The ingredients of creativity are there, but the chaos makes it harder to focus. Brucks and Levav (2022) found that fully remote teams struggled in this cluttered kitchen, producing lower-rated product ideas.

An orchestra without a conductor might start playing out of tune. Similarly, in a remote setting, it's easier for employees to deviate from tasks, leading to the "shirking from home" phenomenon. It's the proverbial battle between the allure of your Netflix queue and that daunting spreadsheet.

Thus, fully remote work is best for individual contributors who are self-motivated. Those employees who work in more collaboration-focused roles, or individual contributors with poor motivation, would best work in a hybrid setting.

Related: Remote Work Skeptics Are Forgetting Their Most Valuable Asset: Their Customers. Here's Why.

The harmony of hybrid working

The researchers find the rhythm of hybrid working more harmonious. As though conducting an orchestra with precision, hybrid work schedules allow employees to strike a balance between remote and in-office work. The recent research sings in its favor.

An early study by Bloom et al. (2015) serves as our overture. Picture employees as instruments in an orchestra. In a hybrid setting, our instruments were 13% more melodious. They hit more notes (9% more working time) and hit them with more finesse (4% greater efficiency per hour).

Additionally, studies by Choudhury (2020) and Choudhury et al.

(2022) demonstrate that the sweet melody of hybrid work can increase productivity and job satisfaction. Employees not only produced more (a 5% to 13% increase in productivity) but also felt happier doing it.

Furthermore, Bloom, Han, and Liang's (2022) randomized control trial lends more support to this tune. It revealed that productivity either stayed the same or increased by around 4%. A perfect harmony, you might say.

Our encore is the positive self-assessments of hybrid workers. As if applauding their own performance, hybrid workers reported 3% to 5% increases in productivity (Barrero et al., 2023). The international echo was similar, with positive reports from around the world (Aksoy et al., 2022).

Conducting the future of work

Blanket return to office mandates, especially for full-time in-office work, harm productivity by decreasing employee engagement. That's why I see so many clients adopting a flexible hybrid work model as the most harmonious tune for productivity. Like a symphony that hits all the right notes, it's poised to become the standard performance for advanced economies.

So why, you might ask, would an organization choose the discordant notes of fully remote work? The researchers find that it boils down to cost savings, like tuning your business guitar to play more economically. Remote employees require less office space and can be hired at lower wages.

So overall, depending on the organization and business model, you might get a higher return on investment from remote workers even for collaborative roles. In other words, the reduction in productivity per employee might be overcome by the reduced cost of each employee.

Moreover, the researchers only evaluated remote work productivity where managers used traditional, office-based collaboration and leadership methodology. I've seen fully remote teams and even companies succeed when they apply new techniques and effective technology stacks to work remotely; it does take more discipline and effort to do so, and requires training managers to manage remote teams.

The researchers themselves suggest that as technology improves, the number of people working remotely will increase. Still, at this stage, for most clients, I recommend a hybrid-first, flexible model, where teams make the decisions on when they need to come in together based on the activities best done in the office: synchronous collaboration, mentoring and training, socializing, and nuanced conversations. That approach results in the highest engagement and productivity while boosting retention and wellbeing.

Related: Employers: Hybrid Work is Not The Problem – Your Guidelines Are. Here's Why and How to Fix Them.

Final bow

Let's take our final bow and appreciate this: Remote work is here to stay. But let's be discerning conductors, choosing the most harmonious tune – the hybrid work model. Not only does it strike the right balance for productivity, but it also sets the stage for a more dynamic, adaptable, and resilient business environment.

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