



Hybrid Working Policies:

Features, perceptions and strategies

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Foreword

Many senior leaders remain uncertain about how the experiences of the pandemic should change long-term working patterns and practices. It is clear that hybrid models will play an important role in the future of work, but it will be a challenge for managers to find new and innovative ways to make them work for their teams and businesses.

Hybrid policies bring significant cultural changes within an organisation, and can have a considerable effect on productivity and collaboration. Leaders must also ensure that remote workers have access to the same resources and opportunities as on-site workers, and that sensitive financial data is protected when employees work remotely - but there is very little data available to help managers make informed decisions.

We hope this report will go some way to bridging that gap, and help leaders when developing and implementing their own hybrid working initiatives.

The report gives an up-to-the-minute snapshot of the types of hybrid and flexible initiatives being implemented across all of the Winmark C-Suite networks. It provides a useful benchmark of current policies, gives a picture of how flexible those policies are and how they are structured, and also identifies how departments differ from one another in their approach.

We are, as always, extremely grateful to all those who kindly participated in the research, and welcome and encourage your feedback and suggestions.



John Jeffcock
Chief Executive, Winmark

This report is based on results from an on-line survey of **340** function or department heads representing a wide range of business sectors and sizes. Fieldwork took place in January and February 2023.

For a full breakdown of respondents see *Appendix: Sample profile*.

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About Winmark

Headlines

Hybrid working policies



- Many leaders are still working out what policies will work best in the long-term and are experimenting and adapting as they balance the needs of employees with good business outcomes.
- Almost all organisations (96%) are implementing some form of hybrid working policy
- The large majority of policies expect staff to be in the office for at least some days each week. The average is **2.5 days** (per week) overall.
- Smaller organisations are more likely to allow ‘work anywhere’ flexibility in their policies (26%) than large ones (just 3%). The technology sector has the highest degree of flexibility.

Perceptions of hybrid policies



- Concerns or criticisms of hybrid models focus on the:
 - Possible negative impact on the training and integration of new staff.
 - Challenges of enabling effective teamwork, collaboration and innovation.
 - Potential to lose productivity through inefficiencies.
 - Administrative, governance, financial, legal and operational complexities that can arise.
- Ideas to mitigate these negative impacts include:
 - A 100% work from office policy for new recruits for the first six months in role.
 - Empowering existing staff to take responsibility for ensuring their work approach works well both for the business and colleagues.
 - Implementing a ‘3 Cs’ formula of Concentration (or Contemplation), Communication and Collaboration – with ‘Concentration/Contemplation’ work conducted more at home, ‘Collaboration’ more at the office and ‘Communication’ using a mix of locations.
- Hybrid working policies should, ideally, work to ensure that home and office time are allocated to maximise the benefits of each location. Simply thinking in terms of days of the week spent in the office may not be enough.

Impact of hybrid policies on recruitment



- Hybrid working policies have become the 'new normal' for most workplaces, and in a competitive talent environment, they have become an important element of employment packages. New recruits will often expect or demand flexible arrangements and potentially go elsewhere if expectations are not fulfilled.
- The increased geographic pool of recruits is a major benefit for some organisations, not only raising the volume of available applicants, but also potentially supporting diversity and inclusion initiatives.

Hybrid working equipment and office space



- A third of organisations provide all staff equipment used for home working, and a half provide some equipment.
- The extent to which organisations provide equipment varies widely by sector, with government/public sector organisations providing the highest proportion.
- Just over half of all organisations have reconfigured their office space to adapt to post-pandemic working patterns.
- The extent to which organisations have adapted their working space varies widely by sector, with media organisations most likely to reconfigure their offices.

Departmental differences



- Approximately a quarter of respondents say that their department's approach to hybrid working is different than other departments in the organisation.
- However, the extent of difference varies by department. Operations departments are most likely to see themselves as having a different approach (39%), whereas only 4% of HR departments do so.
- The main reasons departments give for having different policies to other functions is because their organisation's policies permit or encourage independent decision making - not because of operational considerations specific to their activities.

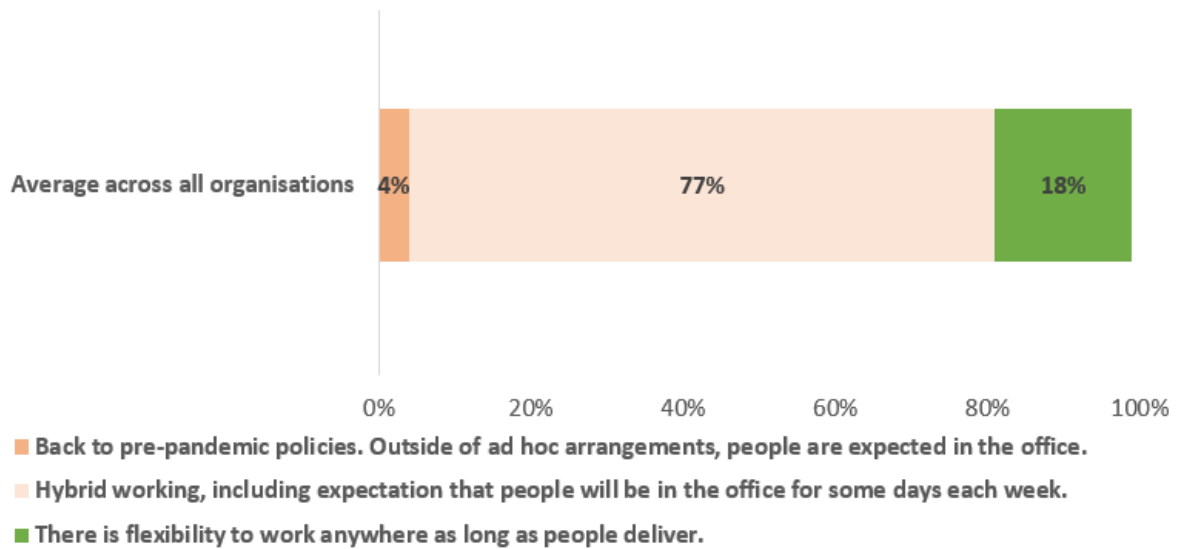
1 Hybrid working policies

1.1 Policy type

Almost all organisations (96%) are implementing some form of hybrid working policy – fewer than one in twenty plan a return to pre-pandemic practices.

Over three quarters (77%) of all organisations have implemented hybrid working policies where staff are expected to be in the office for at least some days each week. Just under one in five (18%) have implemented entirely flexible policies, where staff are free to work anywhere as long as they deliver.

Just 4% of organisations have reverted to pre-pandemic policies where staff are expected to be in the office for all the time they work.



Many leaders are still working out what will work best for their department and their organisation in the long-term, and are slowly feeling their way towards policies that will balance the needs of current employees and new recruits with the need for operational efficiency, productivity and innovative collaboration.

"I see it shifting - I think SLOWLY, we will move to a more firm requirement for three days in [the office], possibly with everyone in on the same days. We are still treading somewhat softly, but I cannot see the current situation being sustained...because we see the downsides when the majority opt to stay at home for four or more days a week, [particularly] in a creative, collaboration-driven apprenticeship type industry."

SVP Strategic HR Operations, professional/business services, 50,000 + employees

"Emerging work expectations and the [changing] world of work...mean that we need to be alive to changing needs and expectations. Working from home needs a whole business approach across policies, expenses, recruitment and development."

Chief Customer Officer, charity/non-profit/social housing, 250 to 999 employees

"[We are] still experimenting...there is a bit of a 'softly, softly' [approach] right now - many people got used to home work, and management generally are not being absolutist so as to avoid increasing employee churn. The status quo is probably 'the contract says five days a week in the office but line managers have discretion to allow some work out of the office'."

Tax Director, technology, 5,000 to 50,000 employees

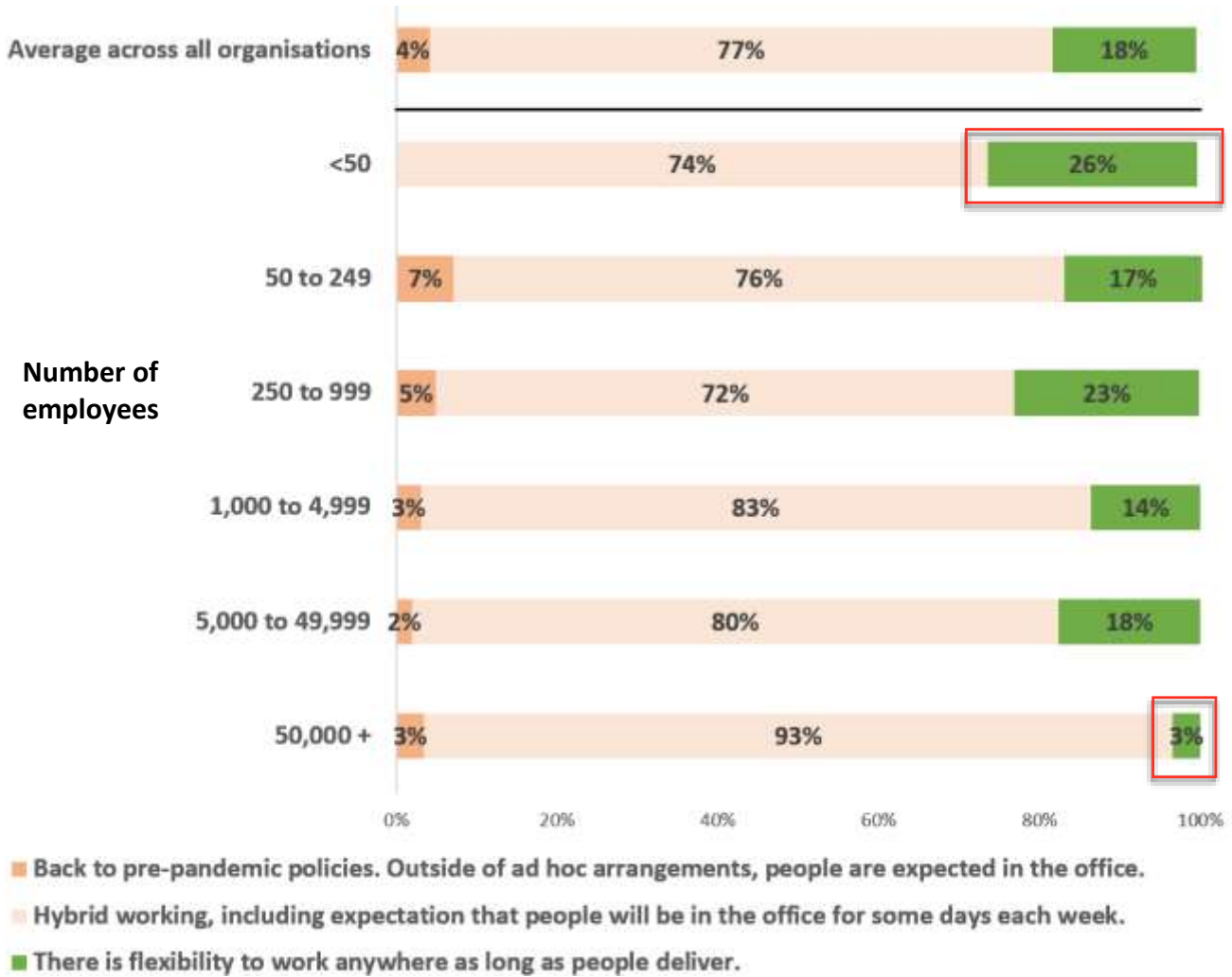
Although the individual requirements of employees need to be considered; and management has to demonstrate the clarity and fairness of its policies, ultimately, good business outcomes have to be the paramount consideration for department heads.

"People are focussing too much on adherence to process rather than delivery of business outcomes."

Group HRD, charity/non-profit/social housing, 1,000 to 4,999 employees

1.1.2 Policy type by organisation size

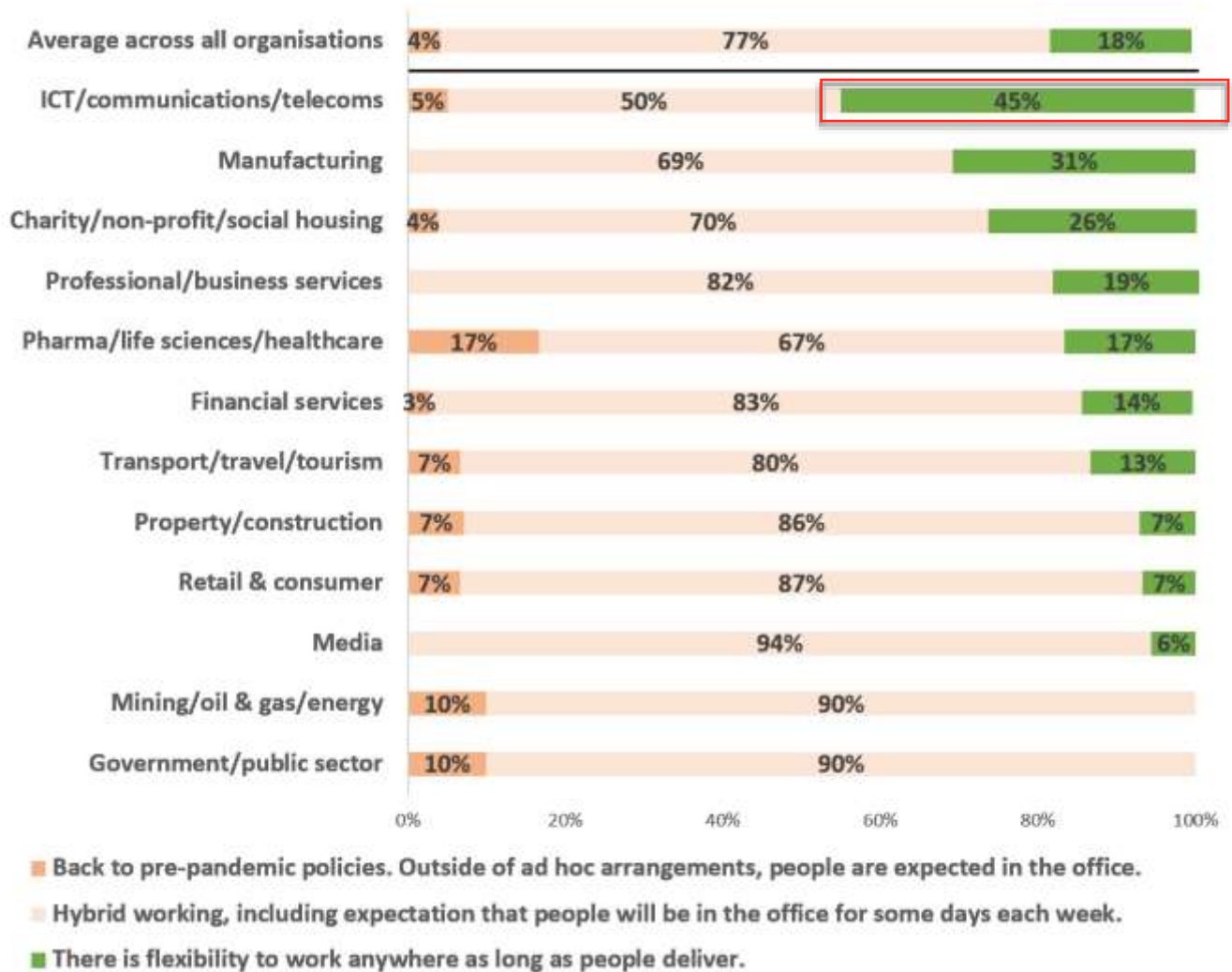
The proportion of organisations with some form of hybrid working policy is similar irrespective of the size of the organisation, but smaller organisations are significantly more likely to allow 'work anywhere' flexibility in their policies. One in four (26%) organisations with fewer than 50 employees allow this flexibility, compared to only 3% of organisations with 50,000 or more employees (see chart below).



1.1.3 Policy type by sector

The technology sector has the highest degree of flexibility when implementing hybrid work policies, with nearly half (45%) allowing flexibility for staff to ‘work anywhere’ as long as they deliver (see chart below).

Although 90% of mining & energy and public sector organisations have hybrid work policies, these sectors are least likely to allow complete flexibility to workers, with no organisations reporting ‘work anywhere’ rules.



1.2 Perceptions of hybrid policies

When asked to provide general thoughts and comments on hybrid practices, about a third of respondents focus on the benefits – such as saving employee commuting time and costs, being attractive to new recruits, aiding well-being and widening the geographic pool from which to hire people.

1.2.1 The importance of hybrid policies to successful recruitment

Hybrid working policies have become the ‘new normal’ for most workplaces, and in a competitive talent environment, they have become an important element of employment packages. New recruits will often expect or demand flexible arrangements and potentially go elsewhere if expectations are not fulfilled.

“The opportunity to work from home has become an important parameter when employees compare employers.”

CLO, financial services, 50 to 249 employees

“The flexibility which we offer our staff is a positive differentiator in attracting new colleagues.”

CEO, financial services, 250 to 999 employees

“If businesses do not allow people to work from other remote locations, including overseas, they will lose valuable people.”

Tax Director, financial services, 5,000 to 50,000 employees

“In my view insisting upon anything greater than 40% office working seriously impedes a business' ability to recruit the best candidates.”

CLO, financial services, 1,000 to 4,999 employees

“It would be very difficult for the organisation to do more than three days in central London without losing a lot of staff. Hybrid working is here to stay.”

Tax Director, mining/oil & gas/energy, 50 to 249 employees

The widening of the geographic pool of recruits is a major benefit for some organisations, not only increasing the volume of available applicants, but also potentially supporting diversity and inclusion initiatives:

“Hybrid working has enabled me to recruit talent from anywhere, with recruitment more based on getting the right type of prior experience and skills at an economic price, and less on location of office and ability to regularly get in the office. It also means the team is more internationally located rather than UK centric, bringing better diversity. It also enables more inclusivity because people can better manage their personal and working lives (e.g. parents with school-age children, people with elderly parent-care responsibilities).”

VP of Global Tax & Treasury, pharma/healthcare, 5,000 to 50,000 employees

1.2.2 Concerns and critiques

A fifth of respondents express concerns or criticisms about hybrid working models – primarily focussing on the possible negative impact on the training and integration of new staff (and imbuing a shared culture); and the challenges of enabling effective teamwork, collaboration and innovation.

“I am a firm believer that face-to-face contact is the best working environment, enabling ad hoc meetings/information gathering/training/collaboration and problem solving. Video calling is a great enabler but not a long term/complete replacement.”

Head of Business Operations, professional/business services, 250 to 999 employees

“We are reassessing our requirements in terms of number of days in the office, etc as we are finding it is having a negative impact on team cohesion, project clarity, learning & development.”

COO, media, 50 to 249 employees

“Young graduates or new employees do not get the chance to learn the workplace culture and develop trust in colleagues.”

Partner, professional/business services, 50 to 249 employees

“Hybrid working is good for flexibility but some people take the view that being in the office is the exception however I think that home should be the exception. There is definitely a loss of teamwork and collaboration when people are not in the office.”

Head of Legal, property/construction, 250 to 999 employees

“We need presence to share experiences and come up with new ideas. At least 60% [of time being spent in the office] seems reasonable.”

Tax Director Europe and Digital, technology, 50,000 + employees

“Maintaining the collaborative engagement culture in hybrid teams is challenging especially as more 'new' people arrive in the organisation.”

Head of UK and Partner operations, financial services, 1,000 to 4,999 employees

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The next most frequently mentioned concern about hybrid approaches is the potential to lose productivity through inefficiencies.

“Hybrid gives rise to more complexity [such as] having to organise meetings rather than just speak face-to-face, [resulting in] decreased efficiencies.”

Managing Director, financial services, <50 employees

“Hybrid working aids individual productivity and helps attract and retain staff, but at the expense of team culture and organisational productivity, particularly when delivering complex projects.”

CMO, professional/business services, <50 employees

“I think there is great value to working as a team and this can only be achieved by in person contact. The idea that people are as productive at home is self-rationalisation of the first order.”

CFO, financial services, 1,000 to 4,999 employees

“Productivity is down. [We] need more people back. [The] balance of power between employee and employer is [misaligned].”

Board Director, financial services, 50,000 + employees

Heads of finance and tax are particularly aware of the complexities of managing hybrid workforces, including the administrative, governance, financial, legal and operational implications that can arise, both with domestic and overseas staff:

“A key issue from a tax complexity perspective...is cross-border hybrid working where a group entity already has a PE, because it potentially triggers PAYE obligations in both jurisdictions and risk of adverse cashflow for employees/employer.”

UK Tax Director, financial services, 5,000 to 50,000 employees

“In our company we are expected in a minimum of one day per week to maintain our right to receive London salary allowance.”

Tax Director, mining/energy, 50,000 + employees

“...changing employment contracts to allow homework or hybrid work changes the expenses entitlement and tax treatment of reimbursements - not to be done lightly as it increases the cost base.”

Tax Director, technology, 5,000 to 50,000 employees

1.2.3 Ideas and suggestions

To mitigate the impact of hybrid policies on new hires, one respondent suggests that all fresh recruits could follow a work from office policy for the first six months in role in order to help them learn and embed in the culture:

“A work from office policy for six months for new joiners would enable them to absorb the culture and learn.”

Board Director, professional/business services, 250 to 999 employees

Another respondent highlights the potential benefits of passing responsibility back to staff, asking them to be pro-active by taking ownership of ensuring their approach works well both for the business and colleagues. Following an extended period where employees have been introspective and reactive – and perhaps overly focused on their own needs – this could potentially be a motivating and empowering strategy.

“During the pandemic, the main focus was about making working work for the individual (whether due to childcare, helping dependents, illness worries etc.). I think this made employees quite insular, with it all being about them as individuals. With a desired return to the workplace (to improve culture and effectiveness on collaborative working), neither a stick nor carrot is effective so we are encouraging people to make their working patterns work for others (pushing responsibility back onto them). We will see if this is effective over the next few months.”

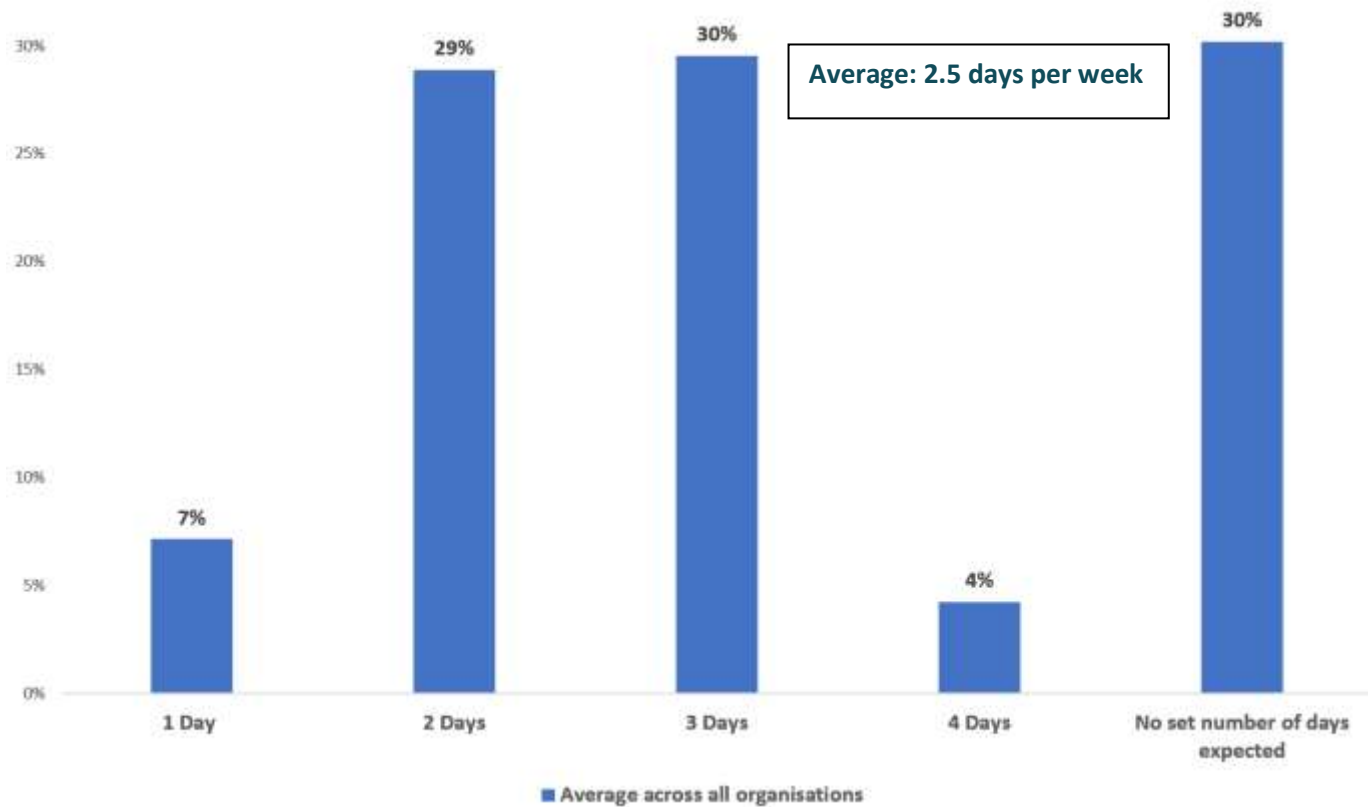
COO, retail & consumer, 250 to 999 employees

2 Hybrid working specific arrangements

2.1 Number of days per week expected in office

Across all organisations operating hybrid or flexible working arrangements, just under a third (30%) **do not** specify a fixed number of days that full-time employees are expected to work in the office.

Of those organisations that **do** specify a fixed number, the average is **2.5 days** (per week) overall.



Several respondents emphasise that hybrid working policies should, ideally, ensure that home and office time are allocated sensibly to maximise the benefits of each location, for example ensuring collaborative team tasks are conducted in the office.

“More emphasis should be placed on making the most out of each environment rather than just focusing on the number of days spent in the office.”

Head of GGC Operations, financial services, 250 to 999 employees

“I think there is too much focus on specific number of days in the office or occupancy levels, flexibility should be flexible, the office remains a place of immense relevance for interconnection, culture development and career development, if people are not getting that out of it the organisation needs to question what they are not doing right.”

CLO, financial services, 5,000 to 50,000 employees

“...flexibility is key to ensure people are motivated and also productive. Time in the office is pointless if all that is done is sat at a desk answering emails or shut away in an office. Time in the office needs to be used for collaboration/face-to-face activities.”

Chief Operating Officer (COO), charity/non-profit/social housing, 50 to 249 employees

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Simply thinking in terms of days of the week spent in the office may be restrictive – some organisations work on a ‘days per month’ basis, or allocate blocks of time (sometimes dedicated to specific tasks or types of work).

“We tried to drop word “days” to focus on “time” to avoid a ‘I don’t work Tuesdays’ type scenario if the business needs staff sometimes on a Tuesday for instance.”

CEO, professional/business services, 250 to 999 employees

“We have two ‘anchor days’ each month when the whole department is expected to be in.”

CIO, professional/business services, 1,000 to 4,999 employees

“We also have three work from anywhere weeks per year, which colleagues can use to work from home or any other remote location -- including overseas.”

Head of Business Operations, media, 1,000 to 4,999 employees

One respondent recommended the ‘3 Cs’ formula for allocating tasks to the appropriate work environment, where Concentration (or Contemplation) work is conducted more from home, ‘Collaboration’ more at the office and ‘Communication’ using a mix of locations.

“We use a ‘3 Cs’ formula to help guide [us]: Concentration, Communication and Collaboration - with ‘Concentration’ work at home, ‘Collaboration’ at the office and ‘Communication’ a mix.”

COO and CFO, professional/business services, 250 to 999 employees

2.1.2 Number of days per week expected in office - by organisation size and sector

Smaller organisations (i.e. those with less than 50 employees) are significantly less likely than larger organisations to specify a fixed number of office-based days for hybrid workers.

A third (33%) of smaller organisations **do not** specify a fixed number of office days, compared to just 14% of organisations with 50,000 or more employees.

Smaller organisations that **do** specify a fixed number of days require, on average, **2.2 days** per week on-site, significantly fewer than the average of **2.8 days** demanded in large organisations.

There are also significant differences by sector, with property/construction organisations with hybrid policies specifying more than 3 days per week in the office, and charity and pharmaceutical organisations requiring just 2 days (see table below).

| Sector | Number of days full-time employees expected in office |
|---|---|
| Charity/non-profit/social housing | 2.0 |
| Pharma/life sciences/healthcare | 2.0 |
| Professional/business services | 2.2 |
| Technology: ICT/communications/telecoms | 2.3 |
| Transport/travel/tourism | 2.3 |
| Government/public sector | 2.3 |
| Average across all sectors | 2.4 |
| Financial services | 2.5 |
| Mining/oil & gas/energy | 2.6 |
| Retail & consumer | 2.8 |
| Manufacturing | 2.9 |
| Media | 3.0 |
| Property/construction | 3.1 |

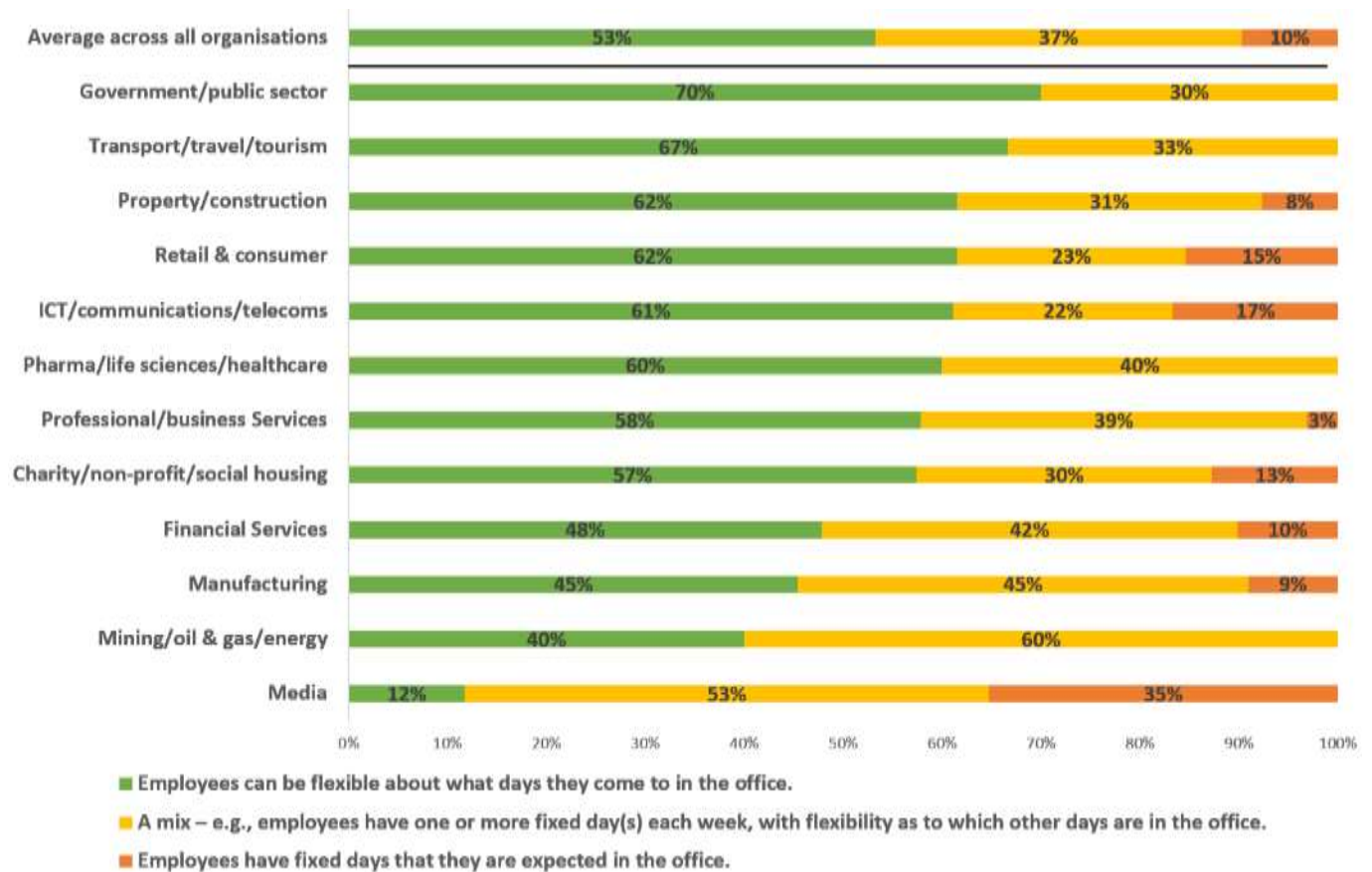
2.1.3 Degree of flexibility about choosing what days to be in the office

The majority of organisations have flexible hybrid policies in terms of specifying on-site days.

Of those organisations operating hybrid policies, over a half (53%) are flexible about what days staff choose to come into the office, approximately a third (37%) have one or more fixed day(s) each week, with flexibility as to other days, and 10% have fixed days with no flexibility at all.

The government/public sector has the highest level of flexibility about choosing which days to be on-site, with 70% saying employees can be flexible about what days to go in the office (see chart below).

The media sector has the lowest level of flexibility, with only 12% offering employee choice. Media also has by far the highest proportion (35%) of organisations specifying fixed days with no flexibility at all.



2.2 Hybrid working equipment provision

Just over a third (35%) of organisations provide all staff equipment used for home working. A half (53%) provide some equipment and 12% rely on staff to use their own equipment.

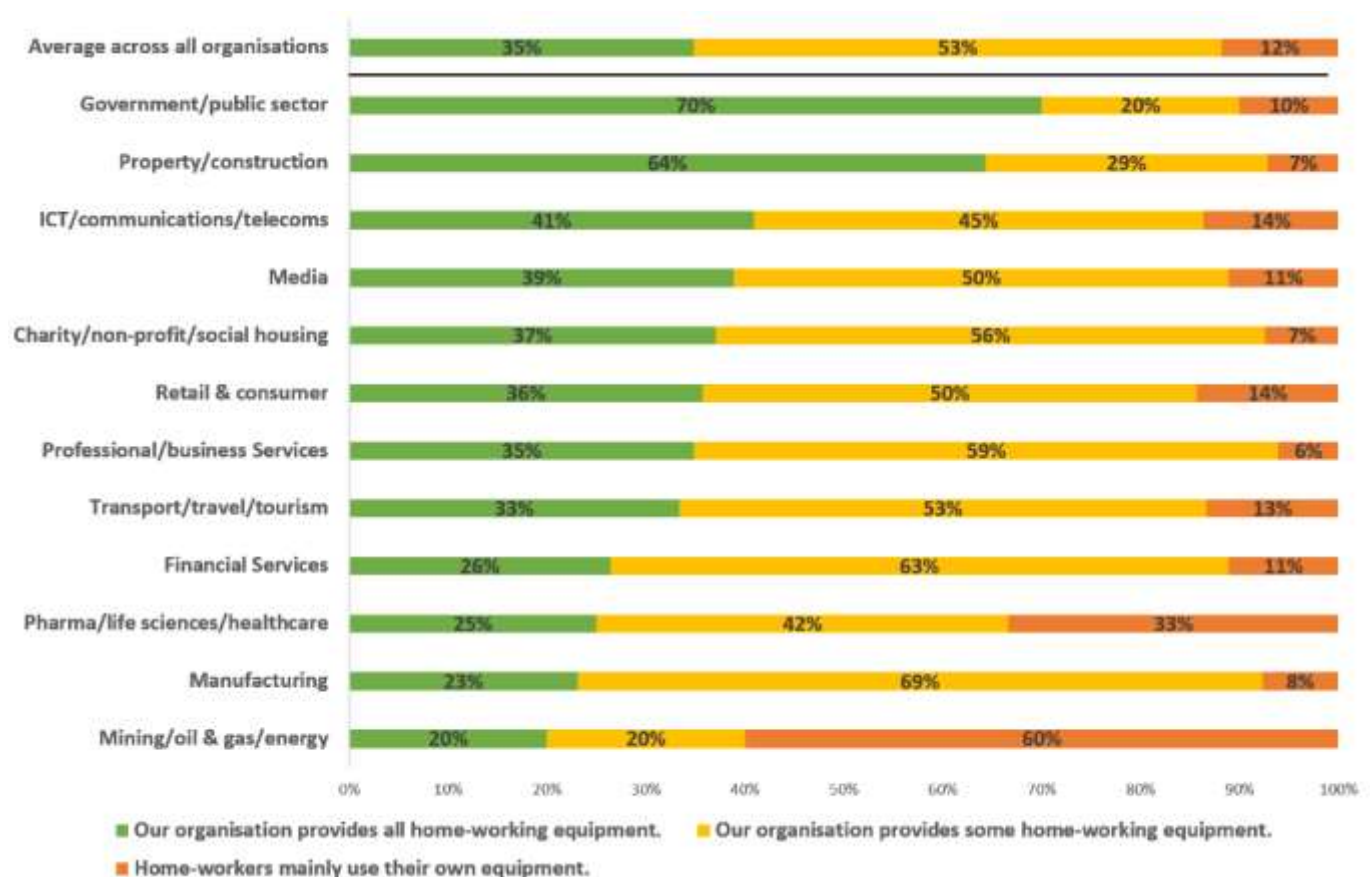
Equipment does not necessarily refer to just technology – it can encompass desks, chairs and lighting, and can be provided direct and/or through an allowance:

“...provision of home equipment is limited to IT, such as laptops. Instead, we provide an allowance to staff towards any further items, such as desks, chairs, screens and so on.”

Finance Director & Managing Director, professional/business services, 50 to 249 employees

The extent to which organisations provide home-working equipment varies widely by sector (see chart below), ranging from 70% of government/public sector organisations providing all home-working equipment down to just 20% of mining & energy companies doing so.

Size of company has little influence on whether home-working equipment is supplied by the organisation or not.



2.3 Reconfiguring hybrid working office space

Just over half of all organisations - 55% - have reconfigured their office space to adapt to post-pandemic working patterns.

Leaders should consider if office space is conducive to the types of work best suited to the office, and flexible enough to accommodate the ebb and flow of employee demand:

“Space is not flexible enough to cater for days when everyone is in the office which inhibits getting people back to the office.”

General Counsel, financial services, 5,000 to 50,000 employees

“Hybrid working has been successful from a productivity perspective, but the organisation has not yet adapted its workspaces to be fully ready... For example, having guaranteed equipment available at desks in the office to make it easier to go back and forth between home and office.”

Tax Director, transport/travel/tourism, 5,000 to 50,000 employees

Office space may also need to adapt to the new expectations or customs and habits that staff have acquired after a long period out of the office. One CEO remarks that some staff now find the office environment to be too noisy:

“It is interesting to hear how people find offices noisy after a long period of working from home, and the need for quiet spaces and the pressure on meeting rooms is greater.”

Managing Partner, professional/business services, <50 employees

As with the propensity to provide home working equipment, the extent to which organisations have adapted their working space to hybrid working practices varies widely by sector (see chart below), ranging from 83% of Media organisations reconfiguring offices, down to just 20% of mining & energy companies doing so.

| Sector | % who have reconfigured office space to adapt to post-pandemic working patterns |
|---|---|
| Mining/oil & gas/energy | 20% |
| Property/construction | 21% |
| Government/public sector | 30% |
| Retail & consumer | 40% |
| Manufacturing | 46% |
| Average across all organisations | 55% |
| Financial services | 56% |
| Pharma/life sciences/healthcare | 58% |
| Technology: ICT/communications/telecoms | 59% |
| Transport/travel/tourism | 60% |
| Professional/business services | 61% |
| Charity/non-profit/social housing | 65% |
| Media | 83% |

2.4 Departmental differences

Approximately a quarter (23%) of respondents say that their department’s approach to hybrid working differs from other departments in the organisation.

However, the extent of this perceived difference varies by department (see table below). Operations departments are most likely to see themselves as having a different approach (39%), whereas only 4% of HR departments do so.

| Department | % perceiving approach to hybrid working as different to other departments |
|---|---|
| Operations | 39% |
| Finance | 37% |
| Legal | 24% |
| Tax | 24% |
| Average across all organisations | 23% |
| Marketing | 22% |
| Technology | 21% |
| Human Resources | 4% |

The top reasons given for departments having different hybrid policies are because the organisation allows flexibility across the company as a whole, or encourages each department to act independently according to its needs.

In fact, nearly all of the reasons departments give for having different policies to other functions are not because of operational considerations specific to their activities, but because their organisation's strategy permits or encourage independent decision making, or that policies are driven by general employee needs and productivity requirements.

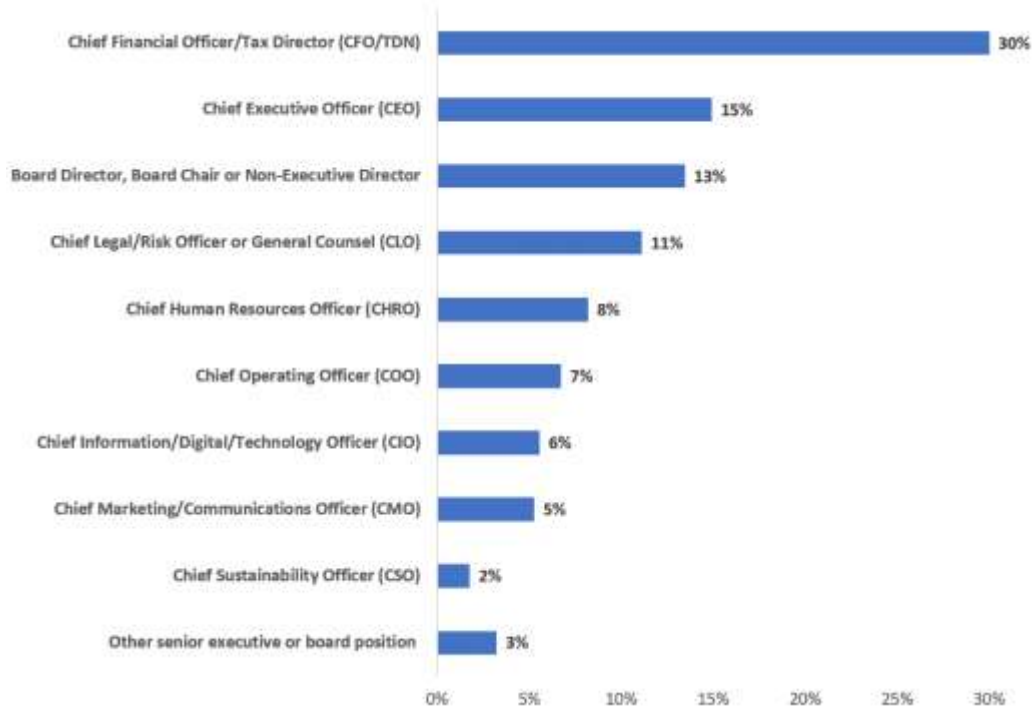
The key reasons cited are summarised in the table below.

| Reasons for difference: | % | |
|--|-----|--|
| Our organisation allows our department to be flexible and make our own decisions | 51% | <p><i>"Each team is allowed to work in a way that is best for the client, then firm, then team, then individual."</i></p> <p>Legal Counsel, financial services, 50 to 249 employees</p> |
| All departments tailor policies to their individual needs | 31% | <p><i>"We operate frontline services so the expectation is to be on patch more than some teams who are able to work more effectively from home."</i></p> <p>COO, charity/non-profit, 250 to 999 employees</p> |
| Our department has policies in place to encourage office working | 18% | <p><i>"I do not like home working for my team, so I discourage it."</i></p> <p>CFO, financial services, 1,000 to 4,999 employees</p> |
| Our department is more client facing than others | 14% | <p><i>"Our accounting software is not supported well remotely so most staff work from the office."</i></p> <p>Head of Finance Integrations, professional services, 50 to 249 employees</p> |
| Our department specifies fixed days in office | 14% | <p><i>"We have adopted roles-based working which allows different roles to spend more time at home than other roles. For example software engineers mainly work from home whilst client facing advisers mainly work from the office."</i></p> <p>Chief Strategy Officer, financial services, 250 to 999 employees</p> |
| Our department has policies to encourage working from home | 14% | <p><i>"Greater flexibility[is allowed] based on greater need to work on confidential matters (one of the changes office wide has been greater use of open-plan system which makes this a challenge)."</i></p> <p>CLO, financial services, 1,000 to 4,999 employees</p> |
| We customise subject to employee needs in each department | 11% | |
| Hybrid policies allow for more productivity in our department | 8% | |
| Our department has special work arrangements in place for some individuals | 8% | |
| Our department has a different geographical profile of staff to others | 5% | |

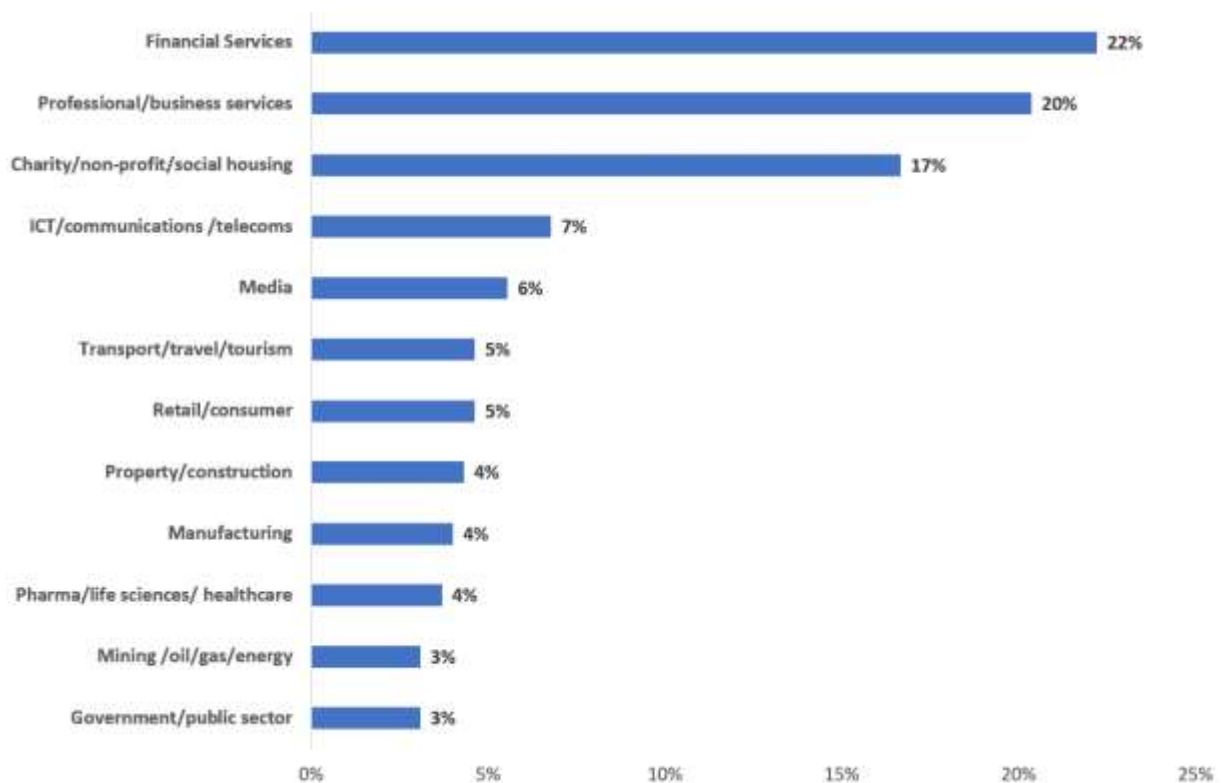
Appendix: Sample profile

The research consulted a total of **340** function or department heads representing a wide range of business sectors and sizes. Fieldwork took place in January and February 2023.

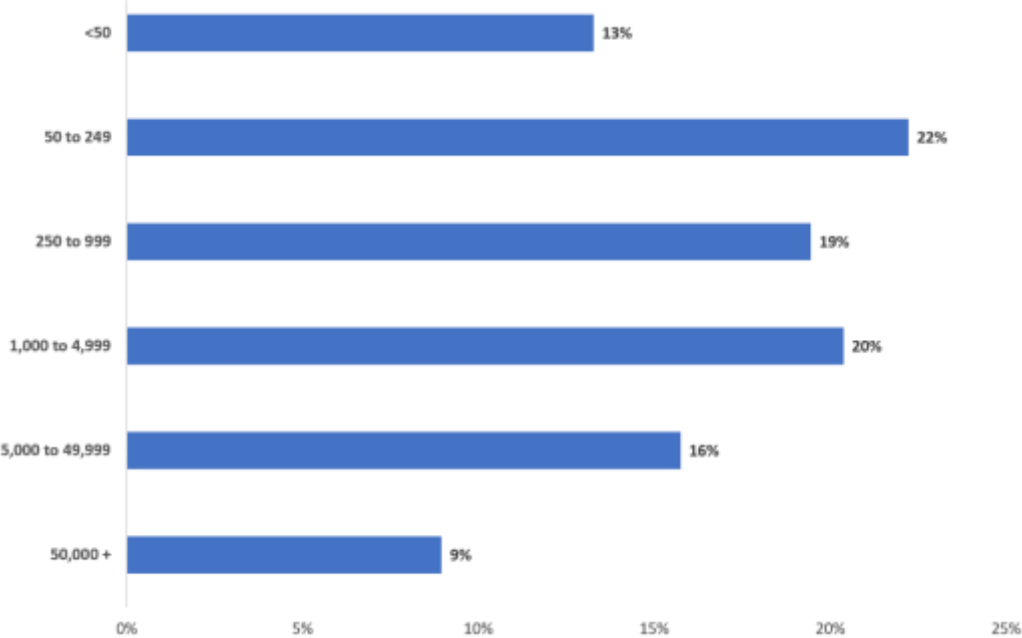
Department profile



Sector profile



Size profile





About Winmark

Winmark inspires the global C-Suite to create value for all

Networks: Our C-Suite and Specialist Networks bring together peers to share insights, develop skills and explore best practice. Membership provides you and your leadership teams with an exclusive network where you can gain knowledge, build your profile, extend your connections and access the tools to enhance your organisational performance.

Academies: Our executive education Academies develop and empower executives across industries and functions to create enhanced value in their role. Our programmes combine proven management methodology with hands-on, real-life experience.

Research: Winmark's high quality research – including diagnostics, benchmarking, thought leadership, competitor intelligence and client insight - helps our partners build business intelligence, showcase their expertise, and engage with senior decision-makers.

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