Workplace Wellbeing Insights Paper:
Navigating the Future of Remote and Hybrid Working

Introduction: Kumar Kymal, Chair, MindForward Alliance USA, led a discussion on this topic, featuring:

- Barbara Jeffery, Partner at the McKinsey Health Institute
- L. Casey Chosewood, MD MPH, Director, Office for *Total Worker Health*® National Institute for Occupational Safety and Health, Centers for Disease Control and Prevention
- Jon Stone, Managing Director, Global Mobility Services, Employment Tax, KPMG
- Jason Morgan, Global Health & Wellbeing Lead, Splunk

Finalizing the direction of return to office post the pandemic has taken an outsized amount of time in most organizations, made more challenging by the lack of data on what optimizes productivity, performance and the wellbeing of employees, and complicated by the highly charged emotions that have been an element of the "return to office" transition for most companies.

Material was presented in three sections, with Barbara Jeffery sharing an overview of the latest trends in this area and insights based on various recent pieces of research by McKinsey Health Institute and others:

- Women in the workplace 2023, by McKinsey in partnership with LeanIn.Org, October 2023;
- The Flex Report Q1 2024, Flex Index by Scoop, Q1 2024;
- The Leesman Review, Issue 33, October 2023;
- Reframing employee health: Moving beyond burnout to holistic health, by MHI, November 2023;
- Gone for now, or gone for good? How to play the new talent game and win back workers, by McKinsey, March 2022

Ninety percent of companies with a minimum days/week model require 2 or 3 days in office. The majority of organisations have enterprise-wide policies, though one in four leave policy at the team/business unit level, and 19% have no formal policy. The percentage with a fully onsite approach reduced from 49% in Q1 2023 to 35% in Q1 2024. Structured Hybrid (specified days or minimum days) increased from 20% to 32%. Fully flexible was stable at around one in three companies. In summary, a total of 65% are either hybrid or fully flexible. Tech, smaller and more recently formed companies are all offering greater flexibility than other companies.

Takeaway 1: Flexibility Matters
Total Flexibility to work at home or the office outperforms each on their own:

- The average **office** outperforms on collaborative work, learning, large group meetings or where specialist equipment is needed;
- The average **home** outperforms on individual tasks, focused work and confidential discussions;
- However, when total flexibility is offered, it outperforms across all task areas.

The panelists discussed the findings, and possible reasons, and highlighted the following points:

- The findings were consistent both with other research in this area, over a 30-year period, as well as direct experience among the panelists, e.g. performance improvements in knowledge workers allowed to continue remote working post-pandemic;
- Flexibility increases trust, demonstrating the individual is more highly valued, and giving more autonomy, agency, creativity;
- Trust goes hand in hand with accountability, particularly when there is an open dialogue, which implies trust;
- Therefore the offering of flexibility enables a broader organizational impact, and is good for performance, health, and retention.
- Flexibility is also becoming a competitive differentiator – recruits are choosing flexibility over compensation, and behind only healthcare. Of those who left a job in 2021, then returned to the workforce, 40% cited workplace flexibility as a top reason for accepting their current job.

Takeaway 2: Employees preferred choice for location directly impacts holistic health, burnout and innovative behaviors

The further away employees are from their ideal working locations and patterns of work, the more holistic health is down, burnout up, and innovative work behaviours down.

"Ideal work location" refers to employees' personal preferences for working remote, in-office or hybrid. When employees are working 100% remote but want to work 100% in person, then 36% of them have high burnout symptoms. Conversely, when employees are working in their ideal work location, 60% have holistic health and 65% have innovative work behaviours.

- Panelists shared experience of metrics that support this thinking, showing that flexibility leads to increased recovery, and therefore has a positive impact on health outcomes, and also other compelling evidence that the highest burnout is in industries without choice, e.g. health, public safety and education;
- There has been a shift: after the lack of choice during the pandemic, there followed a period where it was a talent-oriented market, during the "Great Resignation", when companies had to be reactive and offered more flexibility. Now, it's more of an employer's market, and companies have tightened work patterns and have an upper hand;
- The right strategy for office use can therefore help mitigate the impact on burnout and mental health.

Takeaway 3: For employees to thrive organisations must address both burnout and holistic health.

Research shows self-reported burnout symptoms are independent of holistic health. While 49% may be faring well – with good holistic health and lower burnout symptoms – that leaves 51% who either have sub-optimal holistic health, higher burnout symptoms, or both. That leaves a significant opportunity for improvement.

There was a discussion amongst the panelists about what enable employees to thrive. Key takeaways came under the following headings:

Leadership/enterprise-wide thinking
- Leadership is critical to the outcome, positively advocating and leading on wellbeing, building it into the organisational DNA, and making it part of everything the organisation does;
- Practically, it's key to find a way that works within the organisation to elevate the importance of wellbeing, and impact other processes, including identifying and sharing the "why?";

Enabling managers and teams:
- In addition, managers and all employees need to be given the tools, including specifically to manage in a remote environment, down to practical ideas such as encouraging 25 rather than 30-minute meetings;
- A participatory approach is important, to create a two-way street on expectations, giving employees a role and a voice – reflecting that what is good for the workforce is good for productivity and the bottom line;
- As well as types of work (cf Leesman referenced above), it's also good to recognise "moments that matter" when it is good to come together;
- Different teams are likely to reach different conclusions, based on the optimal model for interaction;

For individuals
- Offering freedom and flexibility has allowed positive steps to building people and reduced turnover;
- It may be that this leads to different career paths and choices, where more control can be put in the hands of the individuals;
- Having open conversations with employees about their decisions, allowing them to understand the potential compromises that come with flexibility (e.g., fully remote can lead to slower career path and compensation, while meeting in-office/in-person criteria allow for maximum engagement for a steadier career path and compensation).

Measurement:
- Measurement is valuable to support the approach, e.g. via
  - The 15-minute WellBQ tool of NIOSH under its Total Worker Health approach, with 68 questions, provides a validated, comprehensive measure of worker well-being over five domains, allowing organizations to prioritize interventions where workers need the most help.
  - Assessment of human performance (see attached from Splunk, based on a variation of questions from the Human Performance Institute), or
  - Engagement-focused listening sessions or regular simple pulse surveys;
- These should be used to help inform the approach and develop the right interventions.

Final question: If you had an important piece of advice for an organization on how to approach Work – remote, hybrid, home – what would that be?

- Find a way to elevate the importance of wellbeing and impact other processes, including identifying and sharing the "why?"
- Integrate the principles of wellbeing - more important than any programmes;
- Flexibility is critical - folks will vote with their feet;
- Communication also needs to be constant and informed regularly by changing needs and conditions, ensuring workers have avenues to offer input and requests.
- Note that structured hybrid wins, but you need a reason for return, e.g. for teams working together, rather than a free-for-all. No one benefits if workers return to the office but never interact with each other.