

Hybrid work does not equal the end of city-based business in London

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Increased hybrid working has not signalled the death of city-based working, but managers are grappling with five big challenges that this new way of working poses, finds a new study by King's Business School and The Policy Institute, King's College London.

Undertaken by Dr Amanda Jones at King's Business School, Visiting Professor Mark Kleinman at the Policy Institute, and Jiyoung Chang, the report, which is based on interviews with senior managers, followed a survey of 2000 London-based employees and reveals that hybrid working isn't as unpopular amongst employers in the city as people might expect.

Employers see the increased flexibility provided by hybrid working as largely positive but stress that this doesn't come without challenges. Key areas of concern are recruitment and performance management, which have become more complex and are critical priorities in the face of greater remote working. In many ways, this has put more stress on line managers, who are now tasked with providing remote support and feedback. In a similar vein, employers are now also having to consider how to enable the flexibility many employees, including new recruits, demand at the same time as treating workers fairly when some can, and some cannot undertake their job roles remotely.

Nonetheless, employers emphasised that two or three days of hybrid working is their preference; the research suggests that this has become the new norm in London offices, much like full-time in-person work was the standard prior to the Covid-19 pandemic.

"Rather than expressing dread at the demise of the collegial, collaborative work environment and nostalgia for the once buzzing city, I have mainly encountered liberated employees, including managers, and senior managers who are harnessing opportunities afforded by altered working patterns to their benefit," says Dr Jones.

"We've seen businesses, like HSBC, respond to hybrid working by strategically downsizing larger offices but moving to a preferred location, all whilst accepting that hybrid work is here to stay. But this is very far from the end of the story - hybrid working is creating new challenges and changing the role of a manager quite profoundly."

Dr Jones and Professor Kleinman uncovered five common challenges the interviewees, all senior managers in large London organisations from across different industries, are facing:

1. Inconsistent perceptions: Views differ between employers and employees, as well as between different employee groups on the benefits and drawbacks of returning to the office, making it challenging to establish a shared understanding of optimal working methods.
2. Reversing or incorporating changes: Deciding which pandemic-related changes should be reversed or permanently incorporated requires organisations to balance the benefits of hybrid work and in-person interaction. A recognised 'power shift' where employers must now justify office presence has prompted organisations to rely on enticements rather than mandates to encourage people back into the office, with

one organisation even offering in-office visits from puppies.

3. Role and expectation management: Clarifying and managing the expectations of senior leaders, middle management, and employees regarding office presence is key. One middle manager interviewee highlighted “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.”

4. Transition management: Managing the transition back to the office for senior managers and middle management, including coordination of tasks and working preferences in a hybrid environment.

5. HR involvement and contradictions: Balancing the implementation of policies with employee representation and well-being, while optimising performance and attracting talent.

The conclusions come from in-depth interviews with senior managers from 12 of London’s major employers; both in the private and public sectors.

The research is the third part of a series undertaken by King’s Business School examining the evolving work trends in the UK’s capital, in the years following the pandemic. More information about the series can be found here (<https://www.kcl.ac.uk/policy-institute/research-analysis/work-place>).

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