

Virtual Working
Group:
Managing
Organizational
Culture in a
Hybrid
Environment

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April 20, 2022

Position on Hybrid Work

Participants in the session generally agreed that the norm for office-based work will continue to be hybrid. Some of the participating companies have set a standard for number of days office employees are expected to be in-person, while others have left decisions about how to structure hybrid up to managers. While not true for all of the participating companies, there was a trend that companies were letting employees determine which days to come to the office and were also creating flexibility on time of day that employees would come in to the office.

DISCUSSION TAKEAWAYS

Positive Outcomes

The session participants noted that there were positive impacts of bringing employees back to the office with hybrid work designs.

- **Talent Retention and Attraction.** Across the board, participants noted that a permanent shift to hybrid work designs is essential to compete for and retain talent. Prior to the recession, top talent was increasingly pushing for more flexibility in terms of when and where they completed their work. Coming out of the pandemic, it seems clear that most employees do not want to return to the office full-time and there is strong evidence that employees can be productive when working remotely. Given wide-scale changes across companies and industries that make hybrid the norm, companies that don't have this flexible work design may struggle to attract and retain talent.
- **Enhanced Employee Engagement.** Participants noted that in addition to retention and attraction, the shift to hybrid has also had a positive impact on employee engagement. Multiple participants noted that their shift to a hybrid structure, particularly when employees have choice in when and how often to come into the office, increases employee engagement by showing the company's commitment to them, enhancing the overall work experience, and by empowering employees. In addition, participants noted that having some in-person element (rather than the work being strictly remote) can enhance overall employee engagement because it enhances and deepens social connections to other employees and leaders. Coming out of pandemic-related measures that drove work to being fully remote, employees missed the social connections and relationships that are driven by working in person. Further, some participants noted that hybrid work can help to enhance connections and engagement to the broader company when employees develop a sense of purpose for going into the office. That is, when employees have a clear understanding of when and which tasks and activities are best completed in person, they may develop a stronger sense

8
participants
from
7
CAHRS Companies:

Bloomberg
Boeing
Bristol Myers Squibb
Bumble
Estée Lauder
IBM
Otis

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of connection to their broader workgroup and the mission/purpose of the unit or company as a whole. For new employees, in-person work enables them to more quickly absorb the company culture, helping to enhance their connection/engagement to the broader organization.

- **Increase in Knowledge Sharing.** One of the critical downsides of the move to fully remote work was the reduction of opportunities for employees to connect with a wider range of employees for casual conversations, open discussions, etc. that both foster stronger relationships and trust and the opportunity to share insights and information that might not come out in structured meetings. A return to the office through hybrid work helps to create more opportunities for employees to bump into each other, have conversations outside of structured meetings, see and hear what others are working on, etc. The net result should be an increase in sharing information on past learnings, exchange of information and knowledge that might spark new ideas, and exposure to a broader range of employees who can share ideas and knowledge that might not otherwise have been connected.

Key Challenges

While there are multiple positives of hybrid work, participants of the working group also noted several challenges.

- **Managing team dynamics and performance.** The move to hybrid work, particularly designs where there is more freedom for employees to choose what days and times they work in the office, can have negative impact on team dynamics and performance. Teams and groups may face coordination issues when individual choices regarding when to work in the office do not line up with one another – certainly this created challenges for setting meetings, in-person interactions and exchanges, the coordination of joint work, etc. Further, there are communication challenges to share what was discussed or shared in person during casual conversations or impromptu meetings with other team or group members who weren't in the office at the time. These issues have the greatest impact on team or group performance for work outcomes that require higher levels of coordination.
- **Potential fairness issues.** A mixed hybrid environment does create the potential for an unlevel playing field with some employees potentially getting more exposure and attention from leaders, greater access to information or opportunities, etc. This is particularly true in groups/teams where the leader has made a personal choice to be in person more often and where some employees mirror that leader's schedule or also choose to work in person more frequently. Leaders need to make sure they create fair opportunities for in-person *and* remote team members (not giving extra opportunities to those who are there in person, face-time with leaders who prefer to work in the office, etc.)
- **Ongoing knowledge sharing challenges.** While knowledge flow and exchange seems to have improved with hybrid work over fully remote work, there are still situations where knowledge flow is far lower than when most or all employees were in the office full-time. These challenges are most prevalent when in-person team members'

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schedules differ from one another, in connecting and sharing knowledge across groups with different in-person schedules, and for information that is not connected to specific planned meetings. This creates challenges for how to encourage and create opportunities for cross-team collaboration and knowledge exchange: How can unique ideas and knowledge from employees who don't typically work on the same team or projects bump into each other as happened in older office structure?

- **Frequency of returning to the office lower than expected.** Some participants noted that the percentage of employees returning to the office and number of days that employees are coming in is lower than expected. This outcome was particularly true for those organizations that haven't set clear expectations for the number of days of in-person work. Participants noted that they have been working on trying to create a stronger case to employees as to why to come back into the office more frequently.

Creative Solutions

Participants in the session identified a wide range of interesting solutions to help address some of the challenges noted above.

- **Technology solutions.** Multiple participants discussed technology solutions that have helped employees to connect with one another and share ideas and knowledge, build relationships and networks, and collaborate more effectively. For example, one participant noted that their organization has provided new employees an App that makes recommendations and helps them connect with employees in other parts of the organization to help them build their internal network. Another participant noted the use of off-the-shelf technology tools that enable collaboration and joint editing of documents, presentations, etc., so that team members can collaborate remotely, enabling each member of the team to add new ideas, edit, and share thoughts and insights asynchronously.
- **Role of leaders in making connections.** Several participants noted how leaders can play a key role in connecting employees who can learn from each other and who should share information that could enhance productivity or innovation. For example, one participant talked about how their company uses touring executives who can become nodes of connection between different work groups, business units, or geographic regions.
- **Creating a buzz to come in to the office.** Multiple participants noted that their organizations have been using specific events or activities to draw employees back into the office specific days of the week. For example, several noted using events, food trucks, etc. that create a buzz of coming into the office and where employees can bump into each other.
- **Team-building.** Multiple participants noted that their companies have been using team-building sessions to create rules of the road, agreed upon times or days to be together as a team. Participants noted that these activities may be most effective when focused on specific business challenges, objectives, etc., so that there is clear direction or goals to encourage useful collaboration and knowledge exchange.

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Leadership Development

Similar to prior CAHRS working groups on this general topic, there was general agreement among participants in this discussion that people leaders play a key role in supporting and driving culture in a hybrid environment. While HR systems and practices help to shape how employees experience organizational culture, people leaders play the most critical role in enacting and demonstrating culture on a day-to-day basis. Importantly, there is quite a bit of variability in terms of how well leaders demonstrate and support culture, leading the group to discuss factors that drive this variation and how companies can impact the effectiveness of people leaders in support of organizational culture.

- **Key Attributes/Behaviors.** Part of the discussion centered around leadership attributes and behaviors that seem to differentiate more successful/effective leaders from those who are less successful in shaping organizational culture in a hybrid environment. Some of these included empathy, flexibility/agility, coaching, and the ability to have meaningful conversations. Underlying these attributes and behaviors may be a leaders' ability to develop personal connections and curiosity about others.
- **Training.** Multiple participants noted that they have increased or changed the focus of leadership training to give leaders more resources and programming to enhance their ability to lead and support employees in a hybrid environment. Several participants noted that their organizations have had success with scenario based training and that successful transfer of learning to leading teams seems to be best facilitated in group learning sessions where participants get to practice new behaviors, exchange experiences and collaboratively discuss how to respond in different scenarios, and vicariously learn from one another and facilitators.
- **Manager champions.** Several participants noted their organizations have also had success in impacting leadership abilities in this space through the use of manager champions of culture and leading in a hybrid environment. The manager champions can be used to help create a best practices playbook; identify key issues in managing the experience of their teams and design an effective flexible work environment; run leader-led training sessions; create learning content and scenarios; and mentor or coach newer or less successful people leaders.
- **Measure leadership performance more broadly.** The group also discussed that their organizations have continued to look at broader measures of leader performance to identify potential manager champions, assess leaders that would benefit from new training/learning programs, and better determine individuals ready for larger leadership assignments, etc.

This Summary Report was prepared by Chris Collins for participants of "Managing Organizational Culture in a Hybrid Environment" Virtual Working Group.

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