

## Hybrid Workspaces for an efficient, resilient, and sustainable future.



The COVID pandemic has transformed the way we work and collaborate with each other. It has pushed many organisations to experiment with remote working options to maintain continuity of work. But now, as the world approaches some kind of normalcy and organisations slowly return to offices, the question remains to be asked - what lies ahead, for the future of the workspace? And more importantly, can hybrid working models be sustainable for employees and our environment?

In this article, we explore the hybrid working model for the future, with a deeper understanding of its impact on our world.

The pace of change of moving towards virtual environments and accelerating adoption of new ways of working could not have been predicted. Makeshift offices have altered our habits in some ways. Nevertheless, the hybrid working models are known to have their own share of benefits.

### **Work-life balance**

According to a survey conducted by Slack, flexibility was found to be a key reason why employees are attracted to the hybrid working model.<sup>1</sup> Unlike in conventional offices, in a hybrid workspace, an employee can work from anywhere they choose, like home, co-working spaces, cafes, and even the conventional office. In this way, employees have greater control over their schedule, which may translate to a greater work-life balance. Data also suggests that employees who have the option to work in a flexible schedule also score more favourably on elements such as stress and anxiety, work satisfaction, and productivity.<sup>1</sup>

Moreover, recent surveys also show that 47% of employees (that is, almost half) would look for another job if their employer doesn't adopt a flexible working model.<sup>2</sup> Therefore, in the future, more and more companies need the hybrid model to achieve the flexibility that is required for not only retaining employees but also attracting the best talent. However, on the flip side, overworking and often, not being able to switch off, can have the reverse effect.

There are enough studies that have revealed that lockdown had its own silver lining. The overall carbon emissions from commuting had fallen from pre-lockdown levels – a strong argument for increased or fully remote working. But has there been a digital carbon footprint cost? And if so, what is its impact?

### **Reduce exposure to a gathering**

While the cases reported due to COVID may be under control, this gives us no reason to drop our guard. We must be careful and hence, the concern is real. In a survey conducted by Envoy, a majority (66%) of employees say they are worried about their health and safety when it comes to returning to work.<sup>3</sup> Meanwhile, in another survey, 39% of the participants indicated that they would consider quitting if their employers weren't flexible about remote work.<sup>4</sup>

The hybrid working model, if planned well can reduce this risk significantly. The contained workspaces with limited employees will also ensure their safety and their families wellbeing.

As the COVID restrictions are lifted, most employees are keen to return to an office.<sup>5</sup> Therefore, employers are also finding new ways to encourage remote working. The focus is to ensure the health and safety of their employees, without compromising on the efficiency and efficacy of work. According to the Integrated Bureau Institute (IBI), COVID-19 could cost American employers 50.5 Billion USD due to missed work related to COVID.<sup>5</sup> Therefore, it is prudent to treat this as an opportunity to build resiliency and future readiness in our workspaces.

### **Stronger workforce participation and equal opportunity**

In the past months, we have found the division of roles and responsibilities between genders has blurred. Men have taken as much care of kids and home, while women have supported long hours at work, a positive shift from traditional perceptions.

The hybrid workspace provides for greater equity within the workforce. Disabled workers can now work from home without feeling disadvantaged or excluded. Women employees, who highlight not having flexibility as the main reason for leaving their job,<sup>8</sup> can continue working from home and tend to their personal commitments instead of spending time for office

commutes or business travel. The net effect of the hybrid workspace is a reduction in the dropout rate of women workers and the inclusion of a wider talent pool.

It is well known that diversity, equity and Inclusion (DEI) is a key enabler of business performance. There is even strong evidence to indicate that the financial performance of a company is positively co-related to DEI.<sup>6</sup> Diverse teams are known to radically innovate and anticipate shifts in consumer needs and consumption patterns. Therefore, those companies that embrace diverse talents and include multiple perspectives will emerge from this crisis stronger.

It is no surprise, that DEI is more relevant today than ever before. We need all hands on deck, and then it may take a lifetime or more, to reverse the effects of climate change. There are many reports correlating DEI to climate change. Without delving into it, we can be rest assured, that DEI doesn't just happen. It must be planned, and it has to be intentional. It must be included in our actions. But without actively embracing it in our day-to-day actions, we won't be able to solve the climate crisis we face.

### **Boost the bottom line**

A recent report from Global Workplace Analytics found that a typical U.S. employer stands to save USD 11,000 a year for each employee that works remotely 2-3 times a week.<sup>9</sup> This adds up to USD 1M for every thousand employees. These savings are primarily driven by a combination of increased productivity, reduced office costs, reduced absenteeism, and reduced turnover. For example, Ctrip, one of China's largest travel agencies, saw a 22% increase in productivity by introducing remote working options.<sup>10</sup> Similarly, the National Equity Fund reduced their real estate need by 25% and saved USD 2.5 million over the course of the 10-year lease by allowing remote working options for half of its employees.<sup>11</sup> Also, companies that offer remote working options see 25% less turnover than companies that don't.<sup>12</sup> Therefore, the financial benefits of embracing the hybrid working model are many and can come in many forms. So, every organisation should take advantage of the financial benefits that come with hybrid workspaces and boost their bottom lines in the process.

### **Environmental benefits**

The COP26 and the Paris climate agreement call for a greater balance between environment and business, which has pushed governments and companies across the world to take more ownership and become more sustainable. Consumers are demanding high standards of sustainability from companies and policymakers are constantly updating legal frameworks to regulate operations. It is a strong call to action for the organisations, to re-align themselves and start integrating financial and non-financial indicators as a critical part of their business.

The last few months have presented a unique opportunity for companies to evaluate hybrid work models, and in the process reduce their own carbon footprint. We all are aware that the choice of transportation can contribute heavily to GHGs, of which almost half comes from personal vehicles.<sup>13</sup> By going digital, daily commutes and avoidable business travel came to a halt, resulting in a decline in emission by an estimated 2.4 billion tonnes. This record-breaking drop was a result of reduced emissions from the transport sector, both on the ground and in the air.<sup>14</sup> While reduced emissions from hybrid work are balanced against increased energy use at home, many studies indicate that remote working results in a net reduction, with one study, even indicating that it can be as much as 77%.<sup>15</sup>

The hybrid work model is here to stay and will continue to evolve in the future. Although it comes with its own set of challenges, the opportunities it brings, and the benefits it has briefly demonstrated, gives us a solid case to try it further. However, the trick is to find the right balance to ensure better productivity, improved environmental gains and a deeper social connect.

-----

*Sattva has been working with various non-profits and social organisations as well as corporate clients to help them define their social impact goals. Our focus is to solve critical problems and find scalable solutions. We assist organisations in formulating their long-term impact strategy by aligning with business objectives and providing meaningful solutions to social issues.*

*If you have any such stories or ideas to share, please write to us: [esg@sattva.co.in](mailto:esg@sattva.co.in)*