

Reimagining the postpandemic workforce

Pandemic-style working from home may not translate easily to a “next normal” mix of on-site and remote working.

by Andrea Alexander, Aaron De Smet, and Mihir Mysore

As the pandemic begins to ease, many companies are planning a new combination of remote and on-site working, a *hybrid virtual model* in which some employees are on premises, while others work from home. The new model promises greater access to talent, increased productivity for individuals and small teams, lower costs, more individual flexibility, and improved employee experiences.

While these potential benefits are substantial, history shows that mixing virtual and on-site working might be a lot harder than it looks—despite its success during the pandemic. Consider how Yahoo! CEO Marissa Mayer ended that company’s remote-working experiment in 2013, observing that the company needed to become “one Yahoo!” again, or how HP Inc. did the same that year. Specific reasons may have varied. But in each case, the downsides of remote working at scale came to outweigh the positives.

These downsides arise from the organizational norms that underpin culture and performance—ways of working, as well as standards of behavior and interaction—that help create a common culture, generate social cohesion, and build shared trust. To lose sight of them during a significant shift to virtual-working arrangements is to risk an erosion over the long term of the very trust, cohesion, and shared culture that often helps remote working and virtual collaboration to be effective in the short term.

It also risks letting two organizational cultures emerge, dominated by the in-person workers and managers who continue to benefit from the positive elements of co-location and in-person collaboration, while culture and social cohesion for the

virtual workforce languish. When this occurs, remote workers can soon feel isolated, disenfranchised, and unhappy, the victims of unintentional behavior in an organization that failed to build a coherent model of, and capabilities for, virtual and in-person work. The sense of belonging, common purpose, and shared identity that inspires all of us to do our best work gets lost. Organizational performance deteriorates accordingly.

Now is the time, as you reimagine the postpandemic organization, to pay careful attention to the effect of your choices on organizational norms and culture. Focus on the ties that bind your people together. Pay heed to core aspects of your own leadership and that of your broader group of leaders and managers. Your opportunity is to fashion the hybrid virtual model that best fits your company, and let it give birth to a new shared culture for all your employees that provides stability, social cohesion, identity, and belonging, whether your employees are working remotely, on premises, or in some combination of both.

Cutting the ties that bind

If you happen to believe that remote work is no threat to social ties, consider the experience of Skygear.io, a company that provides an open-source platform for app development. Several years ago, Skygear was looking to accommodate several new hires by shifting to a hybrid remote-work model for their 40-plus-person team. The company soon abandoned the idea. Team members who didn't come to the office missed out on chances to strengthen their social ties through ad hoc team meals and discussions around interesting new tech launches. The wine and coffee tastings that built cohesion and trust had been lost. Similarly, GoNoodle employees found themselves at Zoom happy hour longing for the freshly remodeled offices they had left behind at lockdown. "We had this killer sound system," one employee, an extrovert who yearns for time with her colleagues, told the *New York Times*. "You know—we're drinking coffee, or maybe, 'Hey, want to take a walk?' I miss that."¹ Successful workplace cultures rely on these kinds of social interactions. That's something Yahoo!'s Mayer recognized in 2013 when she said, "We need to be one Yahoo!, and that starts with physically being together," having the "interactions and experiences that are only possible" face-to-face, such as "hallway and cafeteria discussions, meeting new people, and impromptu team meetings."²

Or consider how quickly two cultures emerged recently in one of the business units of a company we know. Within this business unit, one smaller group was widely distributed in Cape Town, Los Angeles, Mumbai, Paris, and other big cities. The larger group was concentrated in Chicago, with a shared office in the downtown area. When a new global leader arrived just prior to the pandemic, the leader based herself in Chicago and quickly bonded with the in-person group that worked alongside her in the office. As the pandemic began, but before everyone was sent home to work remotely, the new leader abruptly centralized operations into a crisis nerve center made up of everyone in the on-site group. The new arrangement persisted as remote working began. Meanwhile, the smaller group, which had already been remote working in other cities, quickly lost visibility into, and participation in, the new workflows and resources that had been centralized among the on-site group, even though that on-site group was now working

¹ Clive Thompson, "What if working from home goes on ... forever?," *New York Times*, June 9, 2020, nytimes.com.

² Kara Swisher, "Physically together": Here's the internal Yahoo no-work-from-home memo for remote workers and maybe more," *All Things Digital*, February 22, 2013, allthingsd.com.

virtually too. Newly created and highly sought-after assignments (which were part of the business unit's crisis response) went to members of the formerly on-site group, while those in the distributed group found many of their areas of responsibility reduced or taken away entirely. Within a matter of months, key employees in the smaller, distributed group were unhappy and underperforming.

The new global leader, in her understandable rush to address the crisis, had failed to create a level playing field and instead (perhaps unintentionally) favored one set of employees over the other. For us, it was stunning to observe how quickly, in the right circumstances, everything could go wrong. Avoiding these pitfalls requires thinking carefully about leadership and management in a hybrid virtual world, and about how smaller teams respond to new arrangements for work. Interactions between leaders and teams provide an essential locus for creating the social cohesion and the unified hybrid virtual culture that organizations need in the next normal.

Choose your model

Addressing working norms, and their effect on culture and performance, requires making a basic decision: Which part of the hybrid virtual continuum (exhibit) is right for your organization? The decision rests on the factors for which you're optimizing. Is it real-estate cost? Employee productivity? Access to talent? The employee experience? All of these are worthy goals, but in practice it can be difficult to optimize one without considering its effect on the others. Ultimately, you're left with a difficult problem to solve—one with a number of simultaneous factors and that defies simple formulas.

That said, we *can* make general points that apply across the board. These observations, which keep a careful eye on the organizational norms and ways of working that inform culture and performance, address two primary factors: the type of work your employees tend to do and the physical spaces you need to support that work.

First let's eliminate the extremes. We'd recommend a fully virtual model to very few companies, and those that choose this model would likely operate in specific industries such as outsourced call centers, customer service, contact telesales, publishing, PR, marketing, research and information services, IT, and software development, and under specific circumstances. Be cautious if you think better access to talent or lower real-estate cost—which the all-virtual model would seem to optimize—outweigh all other considerations. On the other hand, few companies would be better off choosing an entirely on-premises model, given that at least some of their workers need flexibility because of work-life or health constraints. That leaves most companies somewhere in the middle, with a hybrid mix of remote and on-site working.

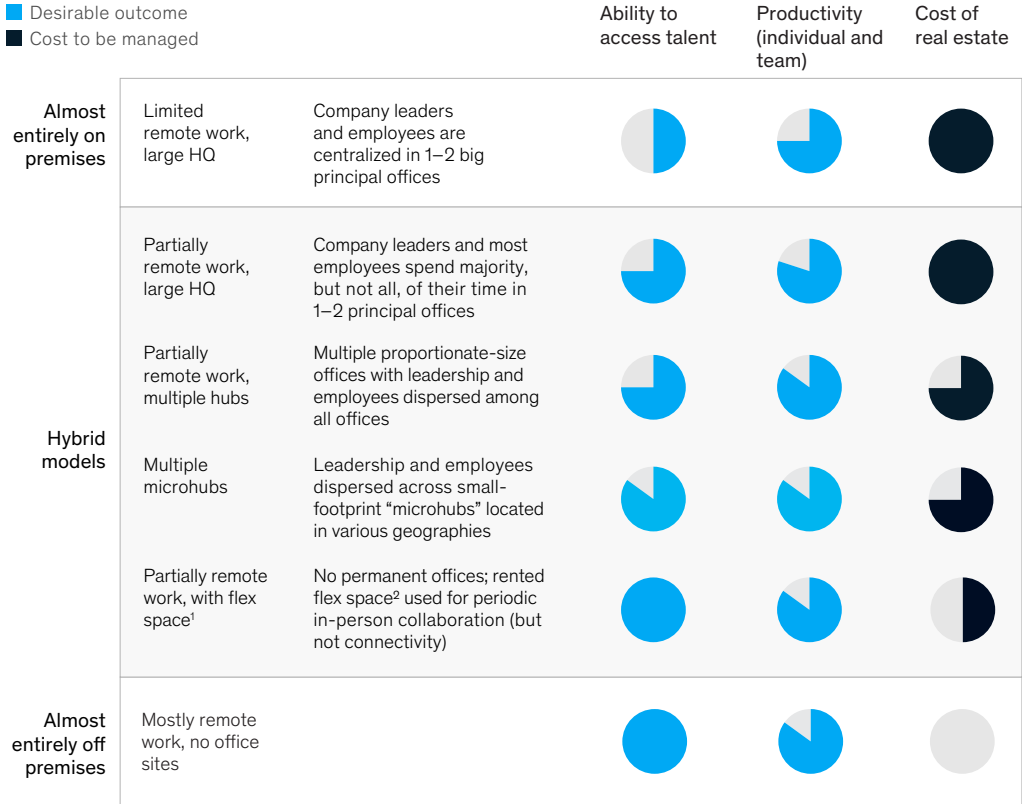
The physical spaces needed for work—or not

Being in the middle means sorting out the percentage of your employees who are working remotely and how often they are doing so. Let's say 80 percent of your employees work remotely but do so only one day per week. In the four days they *are* on premises, they are likely getting all the social interaction and connection needed for collaboration, serendipitous idea generation, innovation, and social cohesiveness. In this case, you might be fine with the partially remote, large headquarters (HQ) model in the exhibit.

Exhibit

Optimizing the hybrid virtual continuum

Six models reflecting a mix of on-site and remote working



¹Flex space includes temporarily (eg, monthly) rented space used in select cities for periodic gathering and collaboration.

If, instead, a third of your employees are working remotely but doing so 90 percent of the time, the challenges to social cohesion are more pronounced. The one-third of your workforce will miss out on social interaction with the two-thirds working on-premises—and the cohesion, coherence, and cultural belonging that comes with it. One solution would be to bring those remote workers into the office more frequently, in which case multiple hubs, or multiple microhubs (as seen in the exhibit), might be the better choice. Not only is it easier to travel to regional hubs than to a central HQ, at least for employees who don't happen to live near that HQ, but more dispersed hubs make the in-person culture less monolithic. Moreover, microhubs can often be energizing, fun, and innovative places in which to collaborate and connect with colleagues, which further benefits organizational culture.

Productivity and speed

Now let's begin to factor in other priorities, such as employee productivity. Here the question becomes less straightforward, and the answer will be unique to your circumstances. When tackling the question, be sure to go beyond the impulse to monitor inputs and activity as a proxy for productivity. Metrics focused on inputs

or volume of activity have always been a poor substitute for the true productivity that boosts outcomes and results, no matter how soothing it might be to look at the company parking lot to see all the that employees who have arrived early in the day, and all those who are leaving late. Applied to a hybrid model, counting inputs might leave you grasping at the number of hours that employees are spending in front of their computers and logged into your servers. Yet the small teams that are the lifeblood of today's organizational success thrive with empowering, less-controlling management styles. Better to define the outcomes you expect from your small teams rather than the specific activities or the time spent on them.

In addition to giving teams clear objectives, and both the accountability and autonomy for delivering them, leaders need to guide, inspire, and enable small teams, helping them overcome bureaucratic challenges that bog them down, such as organizational silos and resource inertia—all while helping to direct teams to the best opportunities, arming them with the right expertise, and giving them the tools they need to move fast. Once teams and individuals understand what they are responsible for delivering, in terms of results, leaders should focus on monitoring the outcome-based measurements. When leaders focus on outcomes and outputs, virtual workers deliver higher-quality work.

In this regard, you can take comfort in Netflix (which at the time of this writing is the 32nd largest company in the world by market capitalization), which thrives without limiting paid time off or specifying how much “face time” workers must spend in the office. Netflix measures productivity by outcomes, not inputs—and you should do the same.

No matter which model you choose for hybrid virtual work, your essential task will be to carefully manage the organizational norms that matter most when adopting any of these models. Let's dive more deeply into those now.

Managing the transition

Organizations thrive through a sense of belonging and shared purpose that can easily get lost when two cultures emerge. When this happens, our experience—and the experience at HP, IBM, and Yahoo!—is that the in-person culture comes to dominate, disenfranchising those who are working remotely. The difficulty arises through a thousand small occurrences: when teams mishandle conference calls such that remote workers feel overlooked, and when collaborators use on-site white boards rather than online collaboration tools such as Miro. But culture can split apart in bigger ways too, as when the pattern of promotions favors on-site employees or when on-premises workers get the more highly sought-after assignments.

Some things simply become more difficult when you are working remotely. Among them are acculturating new joiners; learning via hands-on coaching and apprenticeship; undertaking ambiguous, complex, and collaborative innovations; and fostering the creative collisions through which new ideas can emerge. Addressing these boils down to leadership and management styles, and how those styles and approaches support small teams. Team experience is a critical driver of hybrid virtual culture—and managers and team leaders have an outsize impact on their teams' experiences.

Managers and leaders

As a rule, the more geographically dispersed the team, the less effective the leadership becomes. Moreover, leaders who were effective in primarily on-site working arrangements may not necessarily prove so in a hybrid virtual approach. Many leaders will now need to “show up” differently when they are interacting with some employees face-to-face and others virtually. By defining and embracing new behaviors that are observable to all, and by deliberately making space for virtual employees to engage in informal interactions, leaders can facilitate social cohesion and trust-building in their teams.

More inspirational. There’s a reason why military commanders tour the troops rather than send emails from headquarters—hierarchical leadership thrives in person. Tom Peters used to call the in-person approach “management by walking around”: “Looking someone in the eye, shaking their hand, laughing with them when in their physical presence creates a very different kind of bond than can be achieved [virtually].”³

But when the workforce is hybrid virtual, leaders need to rely less on hierarchical and, by doing so, more on inspirational forms of leadership. The dispersed employees working remotely require new leadership behaviors to compensate for the reduced socioemotional cues characteristic of digital channels.

Cultivate informal interactions. Have you ever run into a colleague in the hallway and, by doing so, learned something you didn’t know? Informal interactions and unplanned encounters foster the unexpected cross-pollination of ideas—the exchange of tacit knowledge—that are essential to healthy, innovative organizations. Informal interactions provide a starting point for collegial relationships in which people collaborate on areas of shared interest, thereby bridging organizational silos and strengthening social networks and shared trust within your company.

Informal interactions, which occur more naturally among co-located employees, don’t come about as easily in a virtual environment. Leaders need new approaches to creating them as people work both remotely and on-site. One approach is to leave a part of the meeting agenda free, as a time for employees to discuss any topic. Leaders can also establish an open-door policy and hold virtual “fireside chats,” without any structured content at all, to create a forum for less formal interactions. The goal is for employees, those working remotely *and* in-person, to feel like they have access to leaders and to the kind of informal interactions that happen on the way to the company cafeteria.

Further approaches include virtual coffee rooms and social events, as well as virtual conferences in which group and private chat rooms and sessions complement plenary presentations. In between time, make sure you and all your team members are sending text messages to one another and that you are texting your team regularly for informal check-ins. These norms cultivate the habit of connecting informally.

Role model the right stance. It might seem obvious, but research shows that leaders consistently fail to recognize how their actions affect and will be interpreted by others.⁴ Consider the location from which you choose to work. If you want to signal that you

³ See *Tom Peters blog*, “The heart of MBWA,” blog entry by Shelley Dolley, February 27, 2013, tompeters.com.

⁴ Tomas Chamorro-Premuzic, “How to work for a boss who lacks self-awareness,” *Harvard Business Review*, April 3, 2018, hbr.org.

tolerate virtual work, come into the office every day and join meetings in-person with those who happen to be in the building. This will result in a cultural belief that the HQ or physical offices are the real centers of gravity, and that face time is what's important.

Come into the office every day, though, and your remote-working employees may soon feel that their choice to work virtually leaves them fewer career opportunities, and that their capabilities and contributions are secondary. By working from home (or a non-office location) a couple days a week, leaders signal that people don't need to be in the office to be productive or to get ahead. In a hybrid virtual world, seemingly trivial leadership decisions can have outsize effect on the rest of the organization.

Don't rely solely on virtual interactions. By the same token, despite big technological advancements over the years, nothing can entirely replace face-to-face interactions. Why? In part because so much of communication is nonverbal (even if it's not the 93 percent that some would assert), but also because so much communication involves equivocal, potentially contentious, or difficult-to-convey subject matter. Face-to-face interactions create significantly more opportunities for rich, informal interactions, emotional connection, and emergent "creative collision" that can be the lifeblood of trust, collaboration, innovation, and culture.

Media richness theory helps us understand the need to match the "richness" of the message with the capabilities of the medium. You wouldn't let your nephew know of the death of his father by fax, for instance—you would do it in person, if at all possible, and, failing that, by the next richest medium, probably video call. Some communication simply proceeds better face-to-face, and it is up to the leader to match the mode of communication to the equivocality of the message they are delivering.

In other cases, asynchronous communication—such as email and text—are sufficient, and even better, because it allows time for individuals to process information and compose responses after some reflection and thought. However, when developing trust (especially early on in a relationship) or discussing sensitive work-related issues, such as promotions, pay, and performance, face-to-face is preferred, followed by videoconferencing, which, compared with audio, improves the ability for participants to show understanding, anticipate responses, provide nonverbal information, enhance verbal descriptions, manage pauses, and express attitudes. However, compared with face-to-face interaction, it can be difficult in video interactions to notice peripheral cues, control the floor, have side conversations, and point to or manipulate real-world objects.

Whatever the exact mix of communication you choose in a given moment, you will want to convene everyone in person at least one or two times a year, even if the work a particular team is doing can technically be done entirely virtually. In person is where trust-based relationships develop and deepen, and where serendipitous conversations and connections can occur.

Track your informal networks. Corporate organizations consist of multiple, overlapping, and intersecting social networks. As these informal networks widen and deepen, they mobilize talent and knowledge across the enterprise, facilitating and informing cultural cohesiveness while helping to support cross-silo collaboration and knowledge sharing.

Because the hybrid virtual model reduces face-to-face interaction and the serendipitous encounters that occur between people with weak ties, social networks can lose their strength. To counter that risk, leaders should map and monitor the informal networks in their organization with semiannual refreshes of social-network maps. Approaches include identifying the functions or activities where connectivity seems most relevant and then mapping relationships within those priority areas—and then tracking the changes in those relationships over time. Options for obtaining the necessary information include tracking email, observing employees, using existing data (such as time cards and project charge codes), and administering short (five- to 20-minute) questionnaires. It is likely that leaders will need to intervene and create connections between groups that do not naturally interact or that now interact less frequently as a result of the hybrid virtual model.

Hybrid virtual teams

Leadership is crucial, but in the hybrid virtual model, teams (and networks of teams) also need to adopt new norms and change the way they work if they are to maintain—and improve—productivity, collaboration, and innovation. This means gathering information, devising solutions, putting new approaches into practice, and refining outcomes—and doing it all fast. The difficulty rises when the team is part virtual and part on-site. What follows are specific areas on which to focus.

Create ‘safe’ spaces to learn from mistakes and voice requests

Psychological safety matters in the workplace, obviously, and in a hybrid virtual model it requires more attention. First, because a feeling of safety can be harder to create with some people working on-site and others working remotely. And, second, because it’s often less obvious when safety erodes. Safety arises as organizations purposefully create a culture in which employees feel comfortable making mistakes, speaking up, and generating innovative ideas. Safety also requires helping employees feel supported when they request flexible operating approaches to accommodate personal needs.

Mind the time-zone gaps

The experience of a hybrid virtual team in the same time zone varies significantly from a hybrid virtual team with members in multiple time zones. Among other ills, unmanaged time-zone differences make sequencing workflows more difficult. When people work in different time zones, the default tends toward asynchronous communications (email) and a loss of real-time connectivity. Equally dysfunctional is asking or expecting team members to wake up early or stay up late for team meetings. It can work for a short period of time, but in the medium and longer run it reduces the cohesion that develops through real-time collaboration. (It also forces some team members to work when they’re tired and not at their best.) Moreover, if there is a smaller subgroup on the team in, say, Asia, while the rest are in North America, a two-culture problem can emerge, with the virtual group feeling lesser than. Better to simply build teams with at least four hours of overlap during the traditional workday to ensure time for collaboration.

Keep teams together, when possible, and hone the art of team kickoffs

Established teams, those that have been working together for longer periods of time, are more productive than newer teams that are still forming and storming. The productivity

they enjoy arises from clear norms and trust-based relationships—not to mention familiarity with workflows and routines. That said, new blood often energizes a team.

In an entirely on-premises model, chances are you would swap people in and out of your small teams more frequently. The pace at which you do so will likely decline in a hybrid virtual model, in which working norms and team cohesion are more at risk. But don't take it to an extreme. Teams need members with the appropriate expertise and backgrounds, and the right mix of those tends to evolve over time.

Meanwhile, pay close attention to team kickoffs as you add new people to teams or stand up new ones. Kickoffs should include an opportunity to align the overall goals of the team with those of team members while clarifying personal working preferences.

Keeping track

Once you have your transition to a hybrid virtual model underway, how will you know if it's working, and whether you maintained or enhanced your organization's performance culture? Did your access to talent increase, and are you attracting and inspiring top talent? Are you developing and deploying strong leaders? To what extent are all your employees engaged in driving performance and innovation, gathering insights, and sharing knowledge?

The right metrics will depend on your goals, of course. Be wary of trying to achieve across all parameters, though. McKinsey research shows that winning performance cultures emerge from carefully selecting the right combinations of practices (or "recipes") that, when applied together, create superior organizational performance.⁵ Tracking results against these combinations of practices can help indicate, over time, if you've managed to keep your unified performance culture intact in the transition to a new hybrid virtual model.

We'll close by saying you don't have to make all the decisions about your hybrid virtual model up front and in advance. See what happens. See where your best talent emerges. If you end up finding, say, 30 (or 300) employees clustered around Jakarta, and other groups in Kuala Lumpur and Singapore, ask them what might help them feel a socially supported sense of belonging. To the extent that in-person interactions are important—as we guess they will be—perhaps consider a microhub in one of those cities, if you don't have one already.

Approached in the right way, the new hybrid model can help you make the most of talent wherever it resides, while lowering costs and making your organization's performance culture even stronger than before. Q

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⁵ See Chris Gagnon, Elizabeth John, and Rob Theunissen, "Organizational health: A fast track to performance improvement," *McKinsey Quarterly*, September 2017, McKinsey.com.