

Hybrid is the future of work

By Nicholas Bloom

KEY TAKEAWAYS

- Hybrid working arrangements balance the benefits of being in the office with the benefits of working from home.
- Before implementing hybrid policies, executives and managers need to think through the implications of how and when employees work remotely.
- Issues of equity and equal treatment need to be carefully considered in a hybrid work arrangement

As businesses and everyday life slowly return to pre-pandemic activity, one point is becoming clear: The home office isn't about to shut down. In my [research](#) and discussions with hundreds of managers across different industries, I'm finding that about 70 percent of firms — from tiny companies to massive multinationals like [Apple](#), [Google](#), [Citi](#) and [HSBC](#) — plan to implement some form of hybrid working arrangements so their employees can divide their time between collaborating with colleagues on site and working from home.

Hybrid arrangements balance the benefits of being in the office in person — greater ability to collaborate, innovate and build culture — with the benefits of quiet and the lack of commuting that come from working from home. Firms often suggest employees work two days a week at home, focusing on individual tasks or small meetings, and three days a week in the office, for larger meetings, training and social events.

That chimes with the recent evidence from my research with [Paul Mizen](#) and [Shivani Taneja](#) that small meetings can be as efficient by video call as in person. In-person meetings are typically easier for communicating by visual cues and gestures. But video calls save the travel time required to meet in person. And since video calls for two to four people mean everyone occupies a large box on a Zoom screen, it is easy to be seen.

In contrast, almost half of respondents to our research survey reported large meetings of 10 or more people were worse by video call. People are allocated to smaller boxes in these situations so it is hard to see the faces and gestures of participants. And attendees normally have to mute, leading to stilted conversations.

A matter of choice?

But another question is controversial: How much choice should workers have in the days they work from home?

On the one hand, many managers are passionate that their employees should determine their own schedule. In my research with Jose Barrero and Steve Davis we surveyed more than 35,000 Americans since May 2020 and our [research data](#) show that post-pandemic 32 percent of employees say they never want to return to working in the office.

These are often employees with young kids who live in the suburbs and for whom the commute to work is painful. At the other extreme, 21 percent tell us they never want to spend another day working from home. These are often young, single employees or empty nesters in city-center apartments.

Figure 1. Small meetings can work by video conference; large meetings are best in person.

Question: “How do meetings compare by video call (Zoom, Teams, etc.) versus in person in terms of how efficient the meetings turn out to be?”

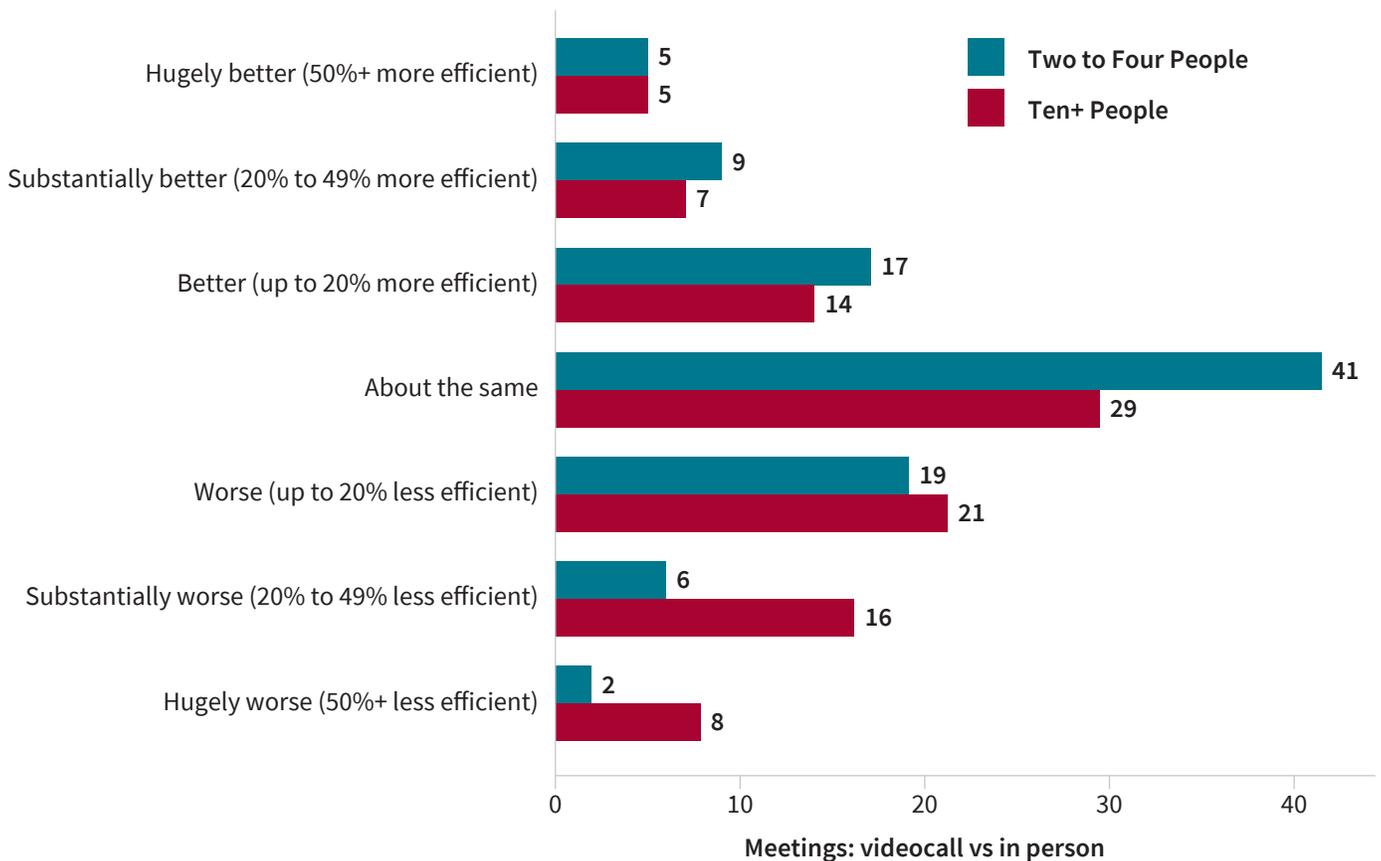
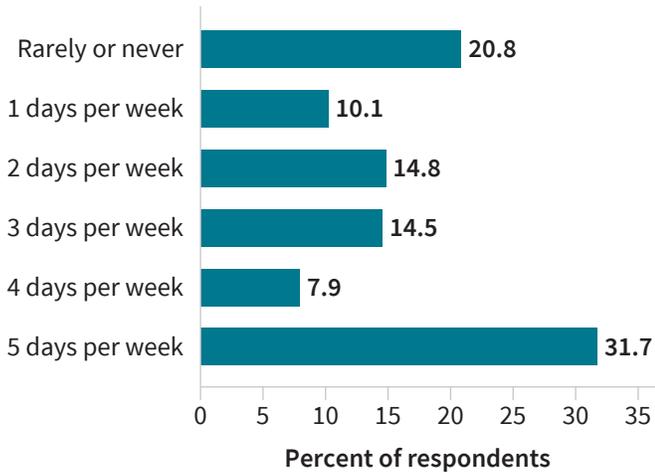


Figure 2. Employees are hugely varied in how many days per week they want to WFH.

Response to: “In 2022+ (after COVID) how often would you like to have paid work-days at home?”



Given such radically different views, it seems natural to let them choose. One manager told me, “I treat my team like adults. They get to decide when and where they work, as long as they get their jobs done.”

But I have three concerns — concerns, which after talking to hundreds of firms over the last year, have led me to change my advice from supporting to being against employees’ choosing their own WFH days.

A management nightmare?

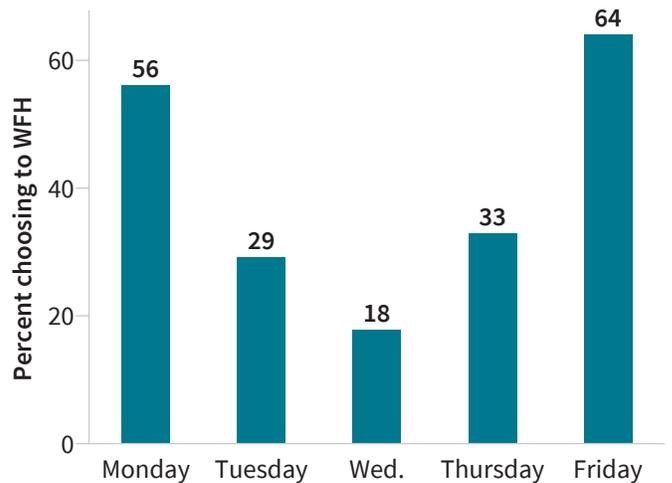
One concern is managing a hybrid team, where some people are at home and others are at the office. Many workers are expressing anxiety about this generating an office in-group and a home out-group. For example, employees at home can see glances or whispering in the office conference room but can’t tell exactly what is going on. Even when firms try to avoid this by requiring office employees to take video calls from their desks, home employees have told me that they can still feel excluded. They know after the meeting ends the folks

in the office may chat in the corridor or go grab a coffee together.

The second concern is what every firm has been fearing¹: That given a choice, most employees will take Monday and Friday off. Indeed, only 36 percent of employees would choose to come in on Friday compared with 82 percent on Wednesday. This highlights the severe problems firms could face over effective use of office space if they let employees pick their days to work from home. Providing enough desks for every employee coming in on Wednesday would leave half of these desks empty on Monday and Friday.

Figure 3. Efficient use of office space will require central coordination.

Question: “If you got to work from home for two days per week which two days would you choose?”



The third concern is the risk to diversity in the workplace. It turns out that who wants to work from home after the pandemic is not random. In our research we find, for example, that among college graduates with young children, women want to work from home full time almost 50 percent more than men.

1 “Empty offices on Monday and Friday spell trouble,” *Financial Times*, May 15, 2021, Pilita Clark.

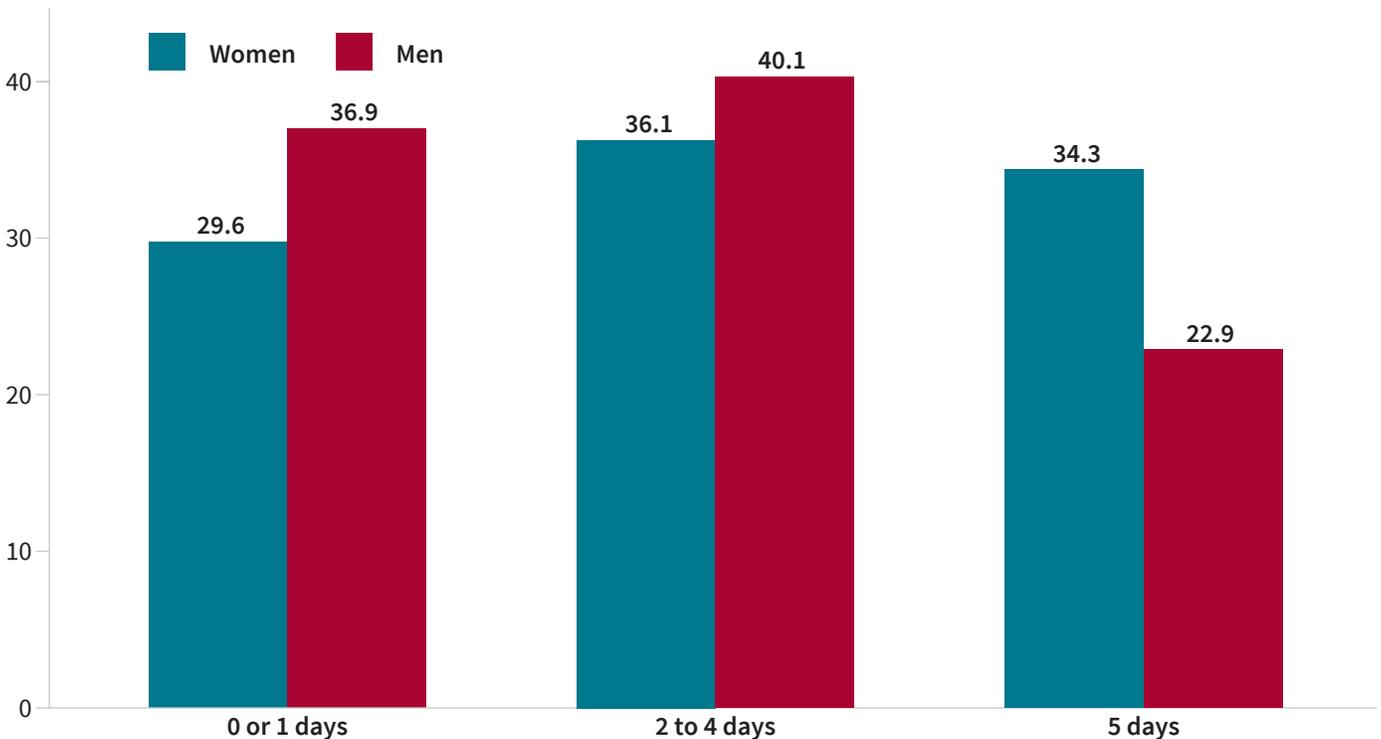
This is worrying given the evidence that working from home while your colleagues are in the office can be highly damaging to your career.

In a [2015 study](#) I conducted with a large multinational company based in China, my colleagues and I randomized 250 volunteers into a group that worked remotely for four days a week and another group that remained in the office full time. We found that WFH employees had a 50 percent lower rate of promotion after 21 months compared with their office colleagues. This huge WFH promotion penalty chimes with comments I’ve heard over the years from managers that home-based employees often get passed over on promotions.

Adding this up, you can see how allowing employees to choose their WFH schedules could exacerbate the lack of workplace diversity. Single young men could all choose to come into the office five days a week and rocket up the firm, while employees who live far from the office or have young children and choose to WFH most days are held back. This would be both a diversity loss and a legal time bomb for companies.

Figure 4. College-educated women and men with younger children differ in the number of days they want to WFH post-pandemic.

Response to: “In 2022+ (after COVID) how often would you like to have paid work-days at home?”



Note: College educated employees with children under 12.

I changed my mind

Based on this evidence I changed my mind and started advising firms that managers should decide which days their team should WFH. For example, if the manager decides WFH days are going to be Wednesday and Friday, everyone should work from home on those days and everyone should come to the office on the other days. Importantly, this should apply to the CEO downwards. If the top managers start coming in on extra days, then the managers one level below start coming in on extra days to curry favor with their bosses, and then managers two levels down start coming in on extra days to curry favor with their bosses, and so on until the system will collapse.

The pandemic has started a revolution in how we work, and our research shows working from home can make firms more productive and employees happier. But like all revolutions, this is difficult to navigate. Firms need leadership from the top to ensure their work force remains diverse and truly inclusive.

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