It's time for leaders to get real about hybrid

Employers are ready to get back to significant in-person presence. Employees aren't. The disconnect is deeper than most employers believe, and a spike in attrition and disengagement may be imminent.

by Aaron De Smet, Bonnie Dowling, Mihir Mysore, and Angelika Reich

Once in a generation (if that), we have the opportunity to reimagine how we work. In the 1800s, the Industrial Revolution moved many in Europe and the United States from fields to factories. In the 1940s, World War II brought women into the workforce (if not the C-suite) at unprecedented rates. In the 1990s, the explosion of PCs and email drove a rapid increase in productivity and the speed of decision making, ushering in the digital age as we know it today. And in 2020, the COVID-19 pandemic drove employees out of offices to work from home. Thanks to the development and wide distribution of COVID-19 vaccines, 2021 presents another such opportunity. The return to the workplace is a chance to create a new, more effective operating model that works for companies and people navigating a world of increasing uncertainty. There is, however, one big catch: employers must confront the broadening disconnect between how they and their employees see the future.
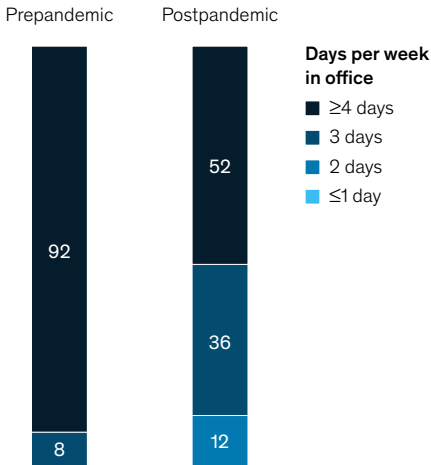
Employees don't know what they want and are reevaluating their relationships with work

More than three-quarters of C-suite executives recently surveyed by McKinsey report that they expected the typical "core" employee to be back in the office three or more days a week (Exhibit 1). While they realize that the great work-from-home experiment was surprisingly effective, they also believe that it hurt organizational culture and belonging.

Exhibit 1

Most C-suite executives report believing that the primary center for work will be the office.

Average share of workdays in office reported before and expected after COVID-19 pandemic, % of C-suite respondents (n = 504)[1]

Prepandemic   Postpandemic

Days per week in office
- ■ ≥4 days
- ■ 3 days
- ■ 2 days
- ■ ≤1 day

Prepandemic: 92, 8

Postpandemic: 52, 36, 12

[1]Based on responses from 504 C-suite executives.
Source: McKinsey CxO Survey on Return to Workplace, May 2021

They are hungry for employees to be back in the office and for a new normal that's somewhat more flexible but not dramatically different from the one we left behind.

In stark contrast, nearly three-quarters of around 5,000 employees McKinsey queried globally would like to work from home for two or more days per week, and more than half want at least three days of remote work (Exhibit 2). But their message is a bit convoluted. Many employees also report that working from home through the stress of the pandemic has driven fatigue, difficulty in disconnecting from work, deterioration of their social networks, and weakening of their sense of belonging.

When employers have small-group conversations to understand such survey results in greater detail, they discover that neither they nor large swathes of their workforces really know what employees want.

This isn't surprising. Workers have been through a lot in the past year. Many experienced unprecedented uncertainty and anxiety. They saw life-expectancy rates in their communities decrease. They managed difficult personal situations, from the loss of people close to them to their own physical- and mental-health struggles. Yet the experience wasn't all negative. Pushed to shelter at home, many rediscovered a connection to their home and family in ways that changed them. Many workers became wealthier (because of the strong global market rebound in share prices, as well as government stimulus), giving them more confidence to reaffirm their paths through life—or choose new ones.

Exhibit 2

Most employees report preferring a more flexible working model in the future.

Working model before COVID-19 pandemic and desired working model after COVID-19 pandemic, % of employee respondents (n = 5,043)

	Fully on site	Hybrid	Fully remote
Prepandemic	62	30	8
Postpandemic	37	52	11
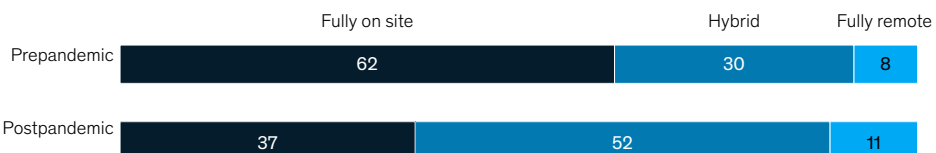
Source: McKinsey Reimagine Work: Employee Survey, January 2021

This increase in optionality, combined with a greater disconnect between personal lives and work obligations, is driving workers to reevaluate their relationships with their employers, as well as with their work. Today, this process of reevaluation is surfacing discordant views on returning to work. Tomorrow, it may well surface reduced engagement, greater unwillingness to work longer hours, and attrition.

Employers are underestimating the disconnect and failing to realize that the 'finish line' is a mirage

Many employers, keen to establish some sense of normalcy quickly, are focused on answering simple logistical questions that give them a sense of control. These questions typically focus on the number of days that employees will be in the office, collaboration tools they will use, and policies on pay levels and norms for meeting behaviors. While the answers to them can help employees who are seeking a measure of pragmatism for what comes next, they are typically accompanied by a message that the "finish line" is in sight and that we will soon enter a period of normalcy that will be the standard for many years to come.

In the enthusiasm about the return from remote working, business leaders run the risk of actually increasing the disconnect between themselves and their people. The idea that we will cross a finish line and suddenly be done with all the hard stuff seems to exist only in the minds of senior leaders.

At best, the rosy messaging of a grand return to the office is falling flat. At worst, the tone deafness of the messaging may also be accelerating what's already shaping up to be the "great attrition" of 2021 (and 2022 and even 2023). At companies across the globe, workers are leaving at much higher rates than normal. Recent surveys found that 26 percent of workers in the United States are already preparing to look for new employment opportunities and 40 percent of workers globally are considering leaving their current employers by the end of the year.

Communicating that some magical finish line is just around the corner isn't going to eliminate the disconnect that some employees feel between themselves and their employers—it will simply make it deeper. When people with that impression get back to the office and find that they aren't fully reenergized, that they still feel tired, and that they still carry uncertainty and unresolved grief, they will disconnect emotionally even further from their organizations and leaders. The "finish-line effect" could drive more attrition, making things even worse for companies whose leaders are raring to go. In fact, executives who don't expect more waves of attrition may well be kidding themselves.

Instead of directing a rah-rah return to the office, leaders would be wise to focus on deeper listening and meeting their workforces where they are today. It will be important for leaders to acknowledge, for instance, that they don't have all the answers—as their companies transition to hybrid working models, they will still be trying to discover what the right longer-term working model (the one that works for most employees) will be. It will also be important for leaders to signal that they hope to make their employees partners in designing the future of how their companies work.

Companies don't know what comes next

Some organizations and their people are beginning to exit a grand experiment in remote working. They've learned many things, including how to be more productive in an operating model that was jerry rigged in a rush to meet the constant challenges and uncertainty of the COVID-19 crisis. Employers couldn't stem the human tragedy of the pandemic, of course. But many worked with their people to figure out ingenious ways to keep their companies productive while caring for their workforces.

But the lessons learned during the pandemic only go so far in helping leaders address the next great experiment: hybrid working. A hybrid model is more complicated than is a fully remote one. At scale, using it will be an unprecedented event in which all kinds of norms that have been accepted practice for decades will be put to the test. Leaders are a long way from knowing how it will work.

The question of how many days in office per week are best is the most obvious one to answer, but it isn't the only question, and it may not even be the right one to answer first. There will likely be a bevy of questions to address: What work is better done in person than virtually, and vice versa? How will meetings work best? How can influence and experience be balanced between those who work on site and those who don't? How can you avoid a two-tier system in which people working in the office are valued and rewarded more than are those working more from home? Should teams physically gather in a single place while tackling a project, and if so, how often? Can leadership communication to off-site workers be as effective as it is to workers in the office?

Those who are no longer working remotely must accept that they are returning to the office without clear, solid answers to such questions. We'll get there, eventually. But policies, practices, working norms, collaboration technologies, and more will need to change and evolve as we test and learn. After emerging from the pandemic, we will be just starting a new and difficult journey.

So what should employers do to reduce the disconnect as they consider the return to in-person work? We suggest three actions.

Be clear that fixing the next operating model will take years and is a separate effort from the near-term return to the office

Many employers we talk to spend far too little time acknowledging that building the muscles for a truly effective hybrid operating model could take years, not least because they are still learning what actually works in such environments. At a time when much of the workforce is experiencing significant discontent and overwhelming exhaustion, few employees see a return to an office-centric working model as a path to improvement, and given the success of remote working in the past year, employers will be asked to justify their decisions to change the arrangement. However, if leaders are willing to start from scratch, question everything, and make intentional decisions with a clear, evidence-based rationale, the current disconnect between them and their employees could serve as the creative tension point that will power a customer-focused, employee-led operating model designed for today—and tomorrow.

Consider all the research showing that building new relationships is better done in person. During the COVID-19 pandemic, 39 percent of employees struggled to maintain

a strong connection with colleagues as informal social networks weakened and people leaned in heavily to the people and groups with whom they most identified.[1] Anchored in facts such as that, leaders have a concrete reason for why some amount of face time is critical. That's also one of the reasons a company should invest in figuring out how hybrid social networks work best, along with other ways to help employees establish high-quality relationships, strengthen connections, and bolster trust. By joining employees' search for why, leaders can begin to assemble the building blocks of a shared and nimble future-oriented culture.

Don't just repeat what the workforce says explicitly, empathize with what they are trying to convey implicitly

Many organizations today are playing back select results of employee surveys to their workforces, partly to justify their choices about a physical return to the office. This is fine, but it fails to signal that the organization understands and appreciates the altered postpandemic relationship between employees and employers. Meeting employees where they are means signaling awareness that there is a deeper undercurrent of beliefs that will take time to surface and understand, accompanied by a clear commitment that the organization will continue to listen for, process, and act on those signals.

Doing so will mean complementing traditional listening mechanisms (such as pulse checks) with true listening, as well as intentionally creating forums and space to enable sharing. Top leaders must lead by example in showing that feedback and expressions of vulnerability are welcomed. Listening tours, fireside chats, ask-me-anything sessions, reverse town halls, and the sharing of personal stories can help build a safe environment for employees to share as well.

Team leaders must also follow through with sharing, listening, and hearing the needs of their team members. Without true partnership at that level, top leaders' talk about partnering with employees is just that—talk.

Done right, listening at the individual level is a kind of early intervention that may head off deeper morale issues down the line. As companies move from the chaos of the pandemic to the uncertainty of the return to the office, listening to employees will continue to be more critical than ever.

Be sincere about experimenting and learning from the outcomes of your experiments

Without a road map or playbook for what the next normal should look like, people must collectively adopt a test-and-learn mindset. Organizations can try out different working models and norms, physical-space layouts, and tools to create a future that balances individual productivity with innovation-driving creativity, personal flexibility with team collaboration, and the office with the home. That means experimenting and piloting as individuals, teams, business units, offices, and organizations.

For example, the design of office space plays a key role in positive collaboration and connection, but traditional offices typically dedicate more than two-thirds of their space to individual, heads-down workspaces, such as desks and cubicles. What new designs and technologies could be piloted to provide flexibility and collaboration? One top tech

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[1] Jennifer Moss, "Beyond burned out," *Harvard Business Review*, February 10, 2021, hbr.org.

company is developing an array of sensors and movable walls to allow for ongoing and real-time adjustments based on employee needs and patterns of work. A global financial-services leader is trying out a fully open floor plan with "hot desks" where management will share space with workers.

Similarly, the norms surrounding meetings are ripe for refreshing. Who needs to attend which meetings, for how long, and in what format? How can meetings be redesigned in a way that maximizes efficiency, accelerates effective decision making, and builds connectivity and social cohesion? The answers aren't clear yet, but companies will figure them out by trial and error—by testing and learning.

Letting experiments play out will be a challenge for many leaders. As we mentioned previously, the uncertainty of the COVID-19 pandemic froze some leaders as it took away their sense of control. Embracing a test-and-learn culture will entail a real mindset shift for some leaders. They will need to get comfortable with the fact that a clear solution may not be immediately apparent—the big answers may not emerge for years. And they will have to help their employees adapt by providing a set of guiding principles and criteria for evaluating solutions and ideas. (For more on what leaders can do, see "Return as a muscle: How lessons from COVID-19 can shape a robust operating model for hybrid and beyond" on McKinsey.com.)

Denying the disconnect is no strategy at all

It would be nice if employees were jumping for joy at the prospect of a full return to the office. And it would be nice if the future turns out to be as glorious and stable as we sometimes imagine the past to have been. But those are fantasies built on nostalgia. They are anything but a solid foundation for building a future-ready company.

Right now, a lot of wishful thinking is guiding the return from remote working. With notable and heartbreaking exceptions, many leaders were insulated from the COVID-19 pandemic. They think it's both easy and desirable for companies to move on quickly. But their people aren't begging to disagree. They are voting with their feet.

If leaders don't accept the fact that they don't know the shape of the future of hybrid working, their talent will keep walking out the door. But leaders can make a choice. They can continue to believe that they will deliver in the future because they have always delivered in the past. Or they can embrace this singular opportunity for change and work with their people—closely and transparently, with curiosity, respect, and a willingness to learn together instead of mandating—to discover a new and better way to work. Q

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