

# Can hybrid working offer the best of both worlds?

Some companies in the City are embracing a mix of the office and home for staff, writes *Louis Ashworth*

For decades, London Bridge has been at the heart of a daily ritual for thousands of workers who make the City tick.

Armed with takeaway coffees and briefcases, the Square Mile's workforce poured out of trains every day and headed across the river to their offices to trade, deal and sell.

But in March last year, that steady buzz of activity came to a crashing halt. This week the bridge was quiet as evening drew in, with a thinned-out collection of tourists mixed among workers heading home in bright and casual clothes.

This is the post-pandemic reality of a financial hub running at half capacity. Like workers all over the country, City staff were forced by the events of 2020 to swap open-plan offices for bedrooms, ditching suits and skyscrapers for jeans, Zoom and a laptop on the sofa or kitchen table.

Normality still seems a long way off. According to the "Pret index" – an index of sales at the ubiquitous sandwich chain, compiled by Bloomberg – demand for office staples such as coffee in the City are still about 43pc below pre-pandemic levels.

But for all the disruption, Britain's

financial industry has shown few signs of flagging during the pandemic, with deal-making (and money-making) back in full flow. The shift raises questions about productivity that could upend long-standing assumptions about work, management, and the role of the office.

"We were all surprised to see how quickly office workers could actually move to online," says Bart van Ark, managing director of The Productivity Institute at the University of Manchester.

Van Ark describes a three-stage trajectory of pandemic working life. The early phase, when companies transitioned to remote working and discovered quickly that it carried many benefits and efficiencies. The second arrived in late 2020, when worker burnout became more of an issue, and bosses began to worry that staff were struggling to innovate and collaborate.

The third phase – the point at which companies must decide upon how they will work in the future – is now upon us.

Ben Harrison, director of the Work Foundation, part of [Lancaster University](#) Management School, agrees we are at a pivotal moment for the

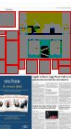
future of the "office job".

"We're really in that phase now where, for the majority of organisations, they're shifting from responding to the crisis that is unfolding and thinking more about what the new normal looks like," he says.

But that "new normal" doesn't have to resemble the old one, even in places like the City. While some financial sector chiefs may be keen to get their workforces back within eye line and earshot, there changes that experts say ought to be kept.

The UK's productivity puzzle is a long-standing problem. For decades, British workers have produced less output per hour than peers in other G7 countries. There are many reasons for this divide, but economists have pointed to skills shortages as a particular driver.

It's difficult to imagine that the pandemic will cause much of a shift by itself, but there are some reasons for optimism. Covid has forced many businesses and workers to rapidly embrace modern technology, revolutionising working methods that often may have been left barely changed since the dawn of the



personal computer.

In this new world, hybrid work may appear to offer the best of both worlds – allowing home-based employees to work without the disadvantages of a commute.

But it also carries challenges, ranging from the practical (such as how to conduct a Zoom call when half the people involved are in the office and half at home) to the psychological (how to make staff feel welcome when everyone else heads to the pub and they're working from a dining table).

"[Hybrid work] really needs a strategy," says Van Ark. "If you're not really thinking hard about how to do this, and what you want to achieve with it, and what the bottlenecks are that you want to resolve, it's going to end up in tears."

Some City companies have seen the potential benefits of a hybrid-working world, and embraced it. One is Aviva, the FTSE 100 insurance giant, which in January said it would allow all staff to work from home some of the time.

But Danny Harmer, chief people officer, insists that this is not the end of the traditional workplace.

"Our start point is that everyone spends time in the office," she says.

For Aviva, the office of the future will be more focused on meeting spaces and facilitating collaboration.

Such a shift may prove hard to swallow in other parts of London's financial elite, among banks and law firms notorious for having staff work brutally long hours, especially in the early years of their career.

But removing the centrality of the office could help put the brakes on a culture that has left many workers burned out, and drives away people seeking even a modicum of work/life balance.

"A culture of presenteeism is not good for employee well-being. It's not good for productivity either," says David Spencer, a professor of labour economics at the University of Leeds.

The biggest challenge, then, may be for managers. Where once a City management role often involved physically overseeing a team, it could now mean finding ways to leverage newfound flexibilities.

"The role of managers is going to

change and, in the short term, potentially become more challenging as we sort of negotiate and navigate this sort of transition period," says Harrison.

That might be intimidating, but Van Ark insists those who can pull it off may reap the rewards.

"[The hybrid model] could really be a sweet spot to end up with as a company, if you want to maximise your productivity."

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