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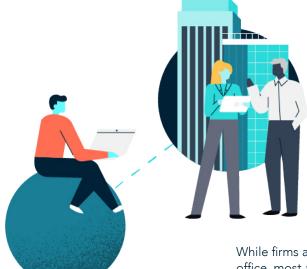
How HR can empower a hybrid culture and workplace: Four key focus areas

Interviews with eight HR leaders show how they are addressing four topics key to making hybrid models succeed.

Hybrid work models are here to stay. Despite recent pushes to return to office, 74% of US companies either have or are planning on implementing a permanent hybrid structure.[1] At an international level, a recent survey we conducted of CEOs in 10 markets around the world found that 63% said their companies were working in some form of hybrid model, and only 28% were back in the office full-time.[2]

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of US companies either have or are planning on implementing a **permanent hybrid structure**.

While firms are using both carrots and sticks to persuade people into the office, most are also grappling with the challenges of designing a hybrid work model that balances the flexibility workers are increasingly demanding[3] with the perceived benefits to productivity, collaboration, culture, and engagement that working together in person brings. Raul Vargas, CEO of Farmers Group, framed up the future aspirational state in an email to employees: "The company will have the opportunity to combine the best of both worlds—all that we've gained from flexible and virtual work with all the teamwork and collaboration we get when we work together in the office."[4]

HR leaders are typically on point for bringing together a holistic strategy to shape the future of work. With the persistence of hybrid, they play a key role in designing organization models that will not only yield greater retention, engagement, and business productivity, but also will be able to flex as market dynamics shift. HR leaders have deep insights into the demographic makeup of their organizations, requirements for work models, and how to develop tailored practices for improved performance, inclusion, and well-being. As Joe Militello, chief people officer at PagerDuty, noted in addressing the need to make the hybrid reality work, "The companies that can make decisions quicker, inform decisions quicker, that can work cross-functionally with the least amount of thrashing have a good chance of serving their customers better and staying ahead of the competition."

In discussions with eight HR leaders we interviewed on this topic, we found that they face four core dilemmas navigating hybrid: designing the structure, shaping an inclusive culture, promoting DE&I, and ensuring employee well-being. How they address these issues will have a lasting impact on the fortunes of their organization—and can offer insights for their peers.

1   Abby McCain, "30 Essential hybrid work statistics [2023]: Hybrid work model, data, and productivity," Zippia, June 15, 2023, zippia.com.
2   Rose Gailey, Ian Johnston, and Holly McLeod, "Aligning culture with the bottom line," Heidrick & Struggles, heidrick.com.
3   For example, 88% of respondents to a recent Ergotron study reported improved job satisfaction as a result of hybrid work structures. See "Hybrid Employees Prioritize Health and Wellness More Than Ever, According to New Ergotron Report," Ergotron, January 25, 2022, ergotron.com.
4   Peter Grant, "A New CEO Says Employees Can't Work Remotely After All, and They Revolt," *Wall Street Journal*, June 6, 2023, wsj.com.

Dilemma 1: Organizational structure

One of the key challenges of the hybrid workplace is designing an organizational structure that enables collaboration and innovation while accommodating flexible work arrangements. HR leaders know they must rethink traditional hierarchical structures and design more adaptive organizational models that allow for distributed decision-making and fluid communication channels. However, they face numerous challenges; a crucial one is the fact that remote and in-person preferences vary across worker demographics, departments, and functions, which makes fostering connection, engagement, and productivity among all employees a challenge.

HR leaders we talked with suggested three important considerations for designing hybrid models:

Tip 1: Frame up several organizational model options that are pragmatic and reflect broad input

Rather than follow the personal preferences of top executives, the key for HR leaders is to share several viable organizational models and facilitate a structured, thoughtful, and balanced dialogue across the organization about the choices being made. Input from other senior leaders and the broader employee population is critical for understanding and aligning on the criteria to map the business requirements or location realities. Holly Kortright, chief human resources officer at Navy Federal Credit Union, explained, "Our senior leaders have been involved in architecting our new talent philosophy and building this new leadership model."

Figma's former CHRO, David Galloreese, reinforced the point: "Bringing people through the thinking and data was incredibly helpful because even if they disagreed with the ultimate decision or the outcome, they really understood how you got there and then how you were going to revisit that data over time."

And data is equally important in influencing leaders. At one technology company, a survey of the workforce showed that the overwhelming majority of workers did not want to go into an office routinely—which surprised the leadership. The CHRO then had to engage the COO and CFO, who were resistant to a discussion about how such an approach could be viable and a win-win for both the employees and leadership. The CEO was already there.

The most effective dialogues include rating each potential model on criteria such as productivity, collaboration, inclusion, well-being, and shared culture. The result of the conversation might be a clear best choice—or a realization that different options will work better for different parts of the business. Joe Militello, at PagerDuty, emphasized responding to variety in team structures: "If we were to require folks to go back into the office, we don't think it would be as effective as our current hybrid situation. Thirty to 40 percent of our employees are not intact teams; many of them have distributed teams as well. Sending everyone to any office where they would spend the majority of their day on Zoom calls with people outside that office loses productivity."

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>
> David Galloreese
> Former CHRO, Figma

Tip 2: Enable agile ways of working

By empowering leaders and workers to have more ownership of how they work, HR leaders can establish processes that are agile and responsive to needs, whatever the model might be. "We never forced anyone into ways of working," said Elizabeth Berman, then the chief people officer at Harris Blitzer Sports & Entertainment.[5] "We granted full accountability and ownership to the department heads of those teams, and we continue to operate this way today. Allowing managers to manage to the needs of their team is pretty critical. Also, flexibility regarding when you show up and when you leave is core to retaining talent."

Olivier Dubuisson, former head of future of working, shared how the model evolved at Novartis: "In July 2020, we transitioned from a 'manager-approved' flexible policy to what we called the Choice with Responsibility program, emphasizing an 'employee-led, team-aligned, manager-informed' approach. Instead of concentrating on where and when people work, by 2022, Novartis recognized the importance of how teams operate optimally. We've since prioritized equipping leaders with skills and practices to enhance trust, work-life balance, and effective meeting management."

The key is to optimize team performance while balancing that with adaptability, case by case. Improved methods of communication and engagement among teams is another important element of ensuring agility in finding that balance. HR leaders can encourage the use of digital solutions such as virtual whiteboards, project management tools, and communication platforms to enhance agility, productivity, creativity, and engagement. To make blended teams more effective, Militello emphasized the importance of training leaders to be better facilitators in hybrid situations: "One of the powerful things about a really well-facilitated discussion is that a good facilitator is able to make sure that there's space and oxygen [for those who are more reticent to engage virtually]."

Tip 3: Overcommunicate

Once structure, decision-making processes, and ways of working have been agreed on, HR leaders should communicate early and often through a variety of mediums that are human-centered, transparent, and inclusive. According to Militello, "For a leader to be successful in hybrid teams, you've got to paint a very clear vision in terms of what you're trying to do. You have to make sure folks understand exactly where they fit in and have very clear goals."

Given that so many organizations are evolving and being fluid in their approaches, active and frequent communication is clearly vital. As highlighted by Elizabeth Berman, "It's crucial to think about communication top-down. What are the messages the CEO needs to ensure are conveyed throughout the organization? How do they hold town halls? How do they incorporate general information, the kind of information you get when you're physically together—those bits of fun and flavor? As an HR team, we doubled down on sending weekly newsletters and fostering intentional development and collaborations. We aimed to infuse some culture and togetherness."

Whatever formats work, leaders agree that identifying emerging issues, allowing for quick problem identification and resolution, and sustaining alignment across different organizational stakeholders are crucial to the long-term success of communicating about ways of working. The CEO of a technology company we know started weekly video messages about the "state of the business" and his current thinking when everyone was remote. This worked so well it has become an ongoing practice.

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5   On October 16, 2023, Elizabeth Berman became the chief people officer at Global Critical Logistics.

Dilemma 2:
The real effects on organizational culture and engagement

An obvious challenge of the hybrid workplace is maintaining a strong organizational culture when people are dispersed across different locations and working arrangements. When some CEOs push for a full return to the office, they often cite the chance to facilitate higher-quality engagement, collaboration, and innovation as the primary reasons. As Joe Militello explains, "Whenever I go to an office, I end up having a conversation with someone that would not have happened otherwise. I always learn something new. This helps prompt me, 'I've got to go fix that or I need to have someone go solve that or I will go noodle on that.' If you multiply that by hundreds a day with employees coming together, that's how you get innovation."

Our recent survey of CEOs showed that they are confident in their ability to use culture to improve retention and financial performance in any working model, from fully remote to fully in person—94% cited their culture as having somewhat or significantly improved retention and 84% said the same about financial performance.[6]

HR leaders can play a crucial role by helping other leaders separate their own feelings, preferences, and need for control from an objective analysis of what actually leads to engagement and productivity and by finding ways to foster a sense of connection, belonging, and purpose among employees regardless of their physical location.

Our interviews suggested two specific areas HR can help lead:

Tip 1: Create a shared purpose and foster it through leaders

Developing a sense of shared values and purpose is critical for maintaining a strong culture across any workforce, but it is particularly important for leaders to determine what tactics to use with workers who may not interact in person or as frequently as before given hybrid arrangements.

Having highly visible leaders who can unite around mutual aspirations despite distance or limited face-to-face interactions is paramount. Jennifer Caserta, the chief people officer at SoundCloud, noted that even short periods of time in person can make a big difference to shared purpose: "What we've tried to do is bring people together in an office location (even though they are globally distributed) to create moments that are meaningful, and really stress connectivity." On building a dynamic culture at Arrive Logistics, Chief People Officer Jonathan Schoonmaker commented that in promoting a shared purpose from the top down, "HR must help leaders from the C-suite to the front line understand, encourage and express purposeful leadership and reflect this in their own behavior and leadership shadow."

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Jonathan Schoonmaker
Chief people officer, Arrive Logistics

Tip 2: Initiate intentional, meaningful connections at individual, team, and customer levels

In hybrid work models it is more important than ever for employees to have opportunities to interact, both in collaborative work functions and in non-work social engagements. Joe Militello makes an important distinction. "We're focusing on maximizing in-person connections versus in-office." HR can guide or coach team leaders to take more initiative to check in on team members who are remote and to facilitate connection among others who may not regularly see each other in person or online. Elizabeth Berman stressed that "Ensuring that employees and their supervisors meet every week for a structured half-hour discussion is essential. It doesn't matter if two people are sitting in the same cubicle; there's still an expectation of dedicated one-on-one time to address important topics, ongoing work, developmental needs, and areas where improvement may be necessary. This structured approach helps regardless of whether employees are working from home or in the office, as it allows them to focus on their individual needs during these meetings."

6   Rose Gailey, Ian Johnston, and Holly McLeod, "Aligning culture with the bottom line," Heidrick & Struggles, heidrick.com.

> Our rationale for asking people back has been because of the need to collaborate, innovate, and learn from each other and make connections with people that you wouldn't normally make.

Cori Davis
Chief people officer, Genentech

This perspective is reinforced by a Gallup survey of more than 60,000 people that has tracked sentiment about jobs since 2000: "An employee's relationship with a direct boss is more important to engagement than where people work."[7] Nonetheless, given that employees often acknowledge that it is their relationships with their peers that determines their level of engagement at work, these interactions are the foundation for culture and the way it develops organically among a workforce. Cori Davis, chief people officer at Genentech, shared similar thoughts: "Our rationale for asking people back has been because of the need to collaborate, innovate, and learn from each other and make connections with people that you wouldn't normally make."

HR leaders should be mindful of not only hosting events and parties but also encouraging leaders to make time for meaningful employee interactions in smaller environments. Offering a weekly block for networking chats is just one way to help hybrid workers find moments for increased engagement. Jennifer Caserta, chief people officer at SoundCloud, gave us an insight into how she strives to help employees build authentic connections in a more organic way: "What we've found to be successful is to be very strategic about our all-hands meetings, how we place them on the calendars, the locations, and then getting our executive team to our offices together and in person, as often as possible. That creates a different reason for people to come to the office. And building blocks of connection around that, we'll layer events into specific weeks, for example, happy hours or ask-me-anything panels. Time where people really desire or get more from being in person. That entices employees, and as a result, creates social and in-person interaction, including between people who might not normally get together as often."

Although some of these tips might have been improvised when remote work first began to emerge, consistent habits and practices to check in and facilitate more intentional and meaningful connections will continue to be critical as hybrid is here to stay.

Dilemma 3: Diversity, equity, and inclusion

The hybrid workplace can present challenges for promoting diversity, equity, and inclusion. HR leaders must ensure that all employees have equal access to opportunities, resources, and support, regardless of their location or working arrangement. Research in the US and the UK, for example, has shown that women and employees who represent racial or ethnic minorities often prefer remote work, but also think they are missing out on opportunities. Jennifer Caserta described the responsibility HR carries in this area, saying, "It's not just about the unconscious biases individuals carry because of our backgrounds, or a function of how we identify, or a person's gender, abilities, ethnicity, age, or otherwise. There also might be innate bias attached to how individuals work in a hybrid model that should be considered. That means being mindful of inclusivity of thought, ideas, and of work styles. To be aware everyone has the same playing field when it comes to career advancement, development, and feedback. And that responsibility is on us."

Our interviews suggest several actions HR leaders can take to ensure inclusion, and the diversity and equity related to it remain at the forefront in hybrid work strategies:

Tip 1: Be flexible and adaptive in policies and processes

With so many unique work and life situations forming the new norm, HR plays a central role in fostering acceptance of individual differences and pragmatism with an organizational model that is inclusive. Holly Kortright emphasized the need to stay open-minded and adapt to future changes in work models and other processes and policies. She also expressed the importance of a DE&I lens as models evolve:

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7   "What Is Employee Engagement and How Do You Improve It?" Gallup, gallup.com.

"I do think fairness and equity are going to be a big deal because we're building a new leadership model and we're building new performance management and development practices, and those aspects will be core to whether we're treating remote hybrid and in-person employees equitably from a career advancement and development standpoint."

Policies around meeting times, communication channels when away from the office, and other work norms should be designed with a degree of flexibility embedded, so that both fully remote and hybrid workers feel supported and comfortable. Jonathan Schoonmaker shared a current example of adjusting to meet employees' needs and increase the sense of belonging: "We're going to open up smaller satellite offices. We feel that it's a little easier to hire and recruit, and in these smaller offices we find a greater sense of camaraderie." Offering more local options as points of connection and meeting employees where they are can help increase connectivity and make the experience for all workers, in-person or remote, to feel more inclusive to their specific situations.

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Tip 2: Invest in inclusive leadership learning—and inclusive learning formats

Leaders who developed and spent most of their careers in fully in-person environments are now at the helm of teams with some workers who have never been into an office. While organizations need hybrid champions who have the right mindsets and skillsets to be inclusive in the hybrid workplace, there are still some hybrid laggards and resistors with different perceptions about the future of work, which can create inequalities.[8] Given this context, it is critical for HR leaders and their teams to invest in learning and training offerings so that leaders who grew up through in-person environments can develop the mindsets and skills they need to effectively support those they manage in hybrid configurations.

Holly Kortright gave us a look into what has been successful at Navy Federal, and spoke highly about the value of learnings shared between leaders: "We did a lot of training and development for frontline leaders over the last year as we were going through hybrid, and what a lot of them found most useful was the sessions we did where the peer leaders worked together to find solutions and share best practices. They were learning from each other on how to be a frontline leader."

We also heard commentary on the importance of consistent and accessible learning opportunities across all styles of working. Jennifer Caserta told us what her team at SoundCloud offers the company's employees: "Everything including meeting etiquette to technology to how you're sharing information and presentations. In any kind of L&D offering, and investment in people, we do global in-person and virtual roadshows, we cater to various time zones, we make sure that we give everyone the same information. When well thought out, it should not even matter which location people reside in the world." With the right development offerings, leaders can learn to make sure remote voices are heard in an equitable fashion, that diverse views are encouraged, that healthy challenge is positive, and that people can feel part of the inner team wherever they might be sitting. Including this content in new leader onboarding can also help proactively address future concerns about inclusion across teams in hybrid organizations.

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>
> **Jennifer Caserta**
> Chief people officer, SoundCloud

8   Dorothy Badie and Steven Krupp, "Imperative 2023: Become a Great Hybrid Leader," LinkedIn, January 4, 2023, linkedin.com.

Dilemma 4: Employee health and well-being

Hybrid models must take into account research on employee health and well-being. Some studies have shown that one-third of workers who have returned to the office have cited a negative impact on their mental health,[9] and a requirement to return to the office can be seen as a lack of trust in employees.[10] However, people who work in a more remote structure can sense greater isolation and feel more pressure to be online and available more of their day, leading to burnout and stress.[11] When work models vary across team members it creates disparities in well-being and connectivity. All of this is on the minds of employers.

Holly Kortright discussed how this has been a priority at Navy Federal Credit Union, highlighting that, "We are a company and a culture that has always been known for and will continue to be known for our focus on care for our employees because the care for our employees translates into the care they provide for our members. So the real drive to create this hybrid model was because we wanted to offer flexibility and well-being while at the same time coming together to collaborate and deliver the highest level of service for our members."

HR leaders must ensure that employees have access to the resources and support they need to maintain their physical, mental, and emotional health, regardless of their working arrangement. This requires a comprehensive approach that addresses both the physical and psychological aspects of health and well-being.

The HR leaders we talked with suggested two places to focus:

Tip 1: Foster psychological safety, rather than focus on control

Whether the issue is that workers don't feel trusted, or they feel a need to always be on, HR can become an advocate to help leaders foster psychological safety, and provide tools to do so. Elizabeth Berman helped prioritize this early when she was at Harris Blitzer, explaining, "During COVID, we invested time in educating our leaders about the critical role they play in mental health. We emphasized the importance of identifying team members who might be struggling because not everyone walks around with a sign that says, 'Help me.' Some people do reach out directly, but many suffer in silence. As a leader, it's crucial to recognize signs that someone might not be their usual self and to create an environment where they feel comfortable sharing their challenges." One way to create such an environment is sharing stories of mental health or other adversities employees and leaders face can improve transparency, and will let new employees know they can feel safe in being open about the events and stresses of their lives. Not only will this help workers feel comfortable speaking up about their issues, but the research shows that it enables teams to produce better results.

Furthermore, a clear and well-communicated policy is one of the most effective tools for mitigating psychological safety risks in an organization. HR can promote clarity of communication about expectations for availability and setting boundaries for workers in a way that aligns with the structure of the organization and ensures that people managers and leaders understand the purpose and will adhere to guidelines. As David Galloreese, of Figma, noted, "When I hear leaders or employees or CEOs or people getting frustrated, it's usually because something's out of alignment." Equally important for developing psychological safety is a demonstrated trust in employees, rather than focusing on strict oversight. When discussing recent policies some organizations use to track when people are in the office, Jennifer Caserta said, "It has created bad sentiment when you're giving employees rigid rules and expectations, while also offering flexibility. For example, to say, 'You can work in a hybrid situation, but don't ever use it on Fridays.'

> " As a leader, it's crucial to recognize signs that someone might not be their usual self and to create an environment where they feel comfortable sharing their challenges.

Elizabeth Berman
Former chief people officer,
Harris Blitzer Sports & Entertainment

9   Emma Goldberg, "Everyone Is Not OK, but Back at Work Anyway," *New York Times*, March 30, 2022, nytimes.com.
10   Lindsay Ellis, "First It Was Quiet Quitting, Now Workers Are Facing Off With Their Bosses," *Wall Street Journal*, June 13, 2023, wsj.com.
11   Caroline Knight, Doina Olaru, Julie Anne Lee, and Sharon K. Parker, "The Loneliness of the Hybrid Worker," *MIT Sloan Management Review*, May 2, 2022, sloanreview.mit.edu.

Then it's like, 'Well, what's the point?' It will be interesting to see how the new flexible work policies will impact (positive or negative) engagement and attrition." Overall, HR plays a key role in ensuring policies are clear and consistent in order to enhance psychological safety as much as possible.

Tip 2: Enable flexibility and variety, once again

HR leaders and teams should not be afraid to experiment with ways to promote wellness. While one employee may greatly appreciate a free gym membership, another may get more well-being from a meditation session or childcare coverage for a day. Preferences vary notably by generation,[12] and definitions of well-being vary markedly.[13] And, of course, hybrid work models add another layer of variability. So some trial and investment will be needed to determine the right mix, starting with asking what people would find most helpful or accessible via a survey or focus groups. Being mindful and open to diverse needs where feasible is critical to enhancing both wellness and the hybrid model. Furthermore, creating more options for how and when we work can also be helpful. Elizabeth Berman highlighted to us how "promoting flexible scheduling and encouraging employees to take time off are crucial aspects of addressing mental health. It's also essential to recognize that mental health days are as valid as sick days. All of these efforts revolve around fostering conversations and nurturing a culture where leaders genuinely care about their teams."

One of the best ways to promote well-being is to ensure employees feel heard and that they are engaged in decision-making processes that affect them whenever possible. This offers a great feedback channel for ideating and finding new solutions. As such, HR leaders should be mindful to offer frequent check-ins with employees through engagement surveys and other feedback loops, making sure to provide one-on-one outlets as well for more sensitive concerns. From there, following up and acting on what is heard will be the real difference maker for HR teams and organizations that succeed in creating a thriving well-being culture for their employees in any model.

Hybrid is here today and will be a core part of how we work going forward. HR leaders will be essential to shaping the organization models, cultures, and work experiences for the entire workforce to thrive. By starting with the ideas offered here and navigating their own way through the dilemmas explored, HR leaders will be able to help create a workplace that fosters collaboration, innovation, and engagement, while also accommodating the needs and preferences of workers in a dynamic and ever-shifting environment. In addition, organizations and HR leaders who are pioneering how to address structure, culture, inclusion, and well-being will be especially attractive to the many individuals today seeking to make a difference and work hard, while also optimizing flexibility.

12   Kritika Langhauser, "HubSpot's 2023 Hybrid Work Report Uncovers Connection as Key Theme Driving the Future of Work," Hubspot, 2023, hubspot.com.
13   "Honeywell survey reveals increased expectations for healthier workplaces," PR Newswire, February 22, 2023, prnewswire.com.

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