MHP
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HYBRID WORK

How Hybrid Working Models Promote
Innovation, Improve Cooperation, and
Make Companies More Resilient

Content

The Current State of Play

Rarely has the world been in such turmoil as in recent times. This mysterious virus that has dominated our lives for a year and a half may not have been defeated, but it does seem at least to have been contained. Case numbers, R-values and incidences are heading in a positive direction. Almost all schools in Germany are returning to normal. Restaurants are welcoming guests and retailers are welcoming customers through their doors. You might think that public life has been restored.

So has it? Or will everything have to close again? Has the virus been defeated or are we at the beginning of a fourth wave? What next? This may be the most important of all questions.

To close or to open. Anyone who is responsible for running a company or organizing an office in the current circumstances can be forgiven for feeling a general sense of despair. Virtually overnight, all offices were closed and entire factories were shut down. In response, home offices had to be created at a breath-taking pace and "teleworking" jobs set up – you may laugh at this term now but that is what they are actually called in the translation of Germany's "Ordinance on Workplaces" (ArbStättV) § 2 paragraph 7, sentence 1. A short time later, offices and industrial workplaces were reopened, then closed again and so

on and so on. As something of a consolation, it can at least be said that companies, HR departments and employees now know how to relocate a job effectively.

But thinking beyond jobs, we need to get to the bottom of this one question: What next? But also what will happen to us and our company next year? And the year after that? In five years? It is always very difficult to predict the future, of course. However, companies must respond; they must learn from this crisis and identify strategies to ensure that the new normal is a better one. They need to make sure that the valuable experiences gained in recent times are not lost.

And there has certainly been a lot to learn: In addition to understanding how to open and close offices every three months, companies have also learned a great deal about work and collaboration. Things that were considered impossible for a long time had to be implemented at lightning speed. Aside from technical considerations, these things also included questions around leadership, organization and, above all, corporate culture.

Not everyone reacted competently; the response from some even lacked integrity and decency. In an article about home working during the pandemic, ZDF reported on companies that threatened to dis-

miss employees who asked to work from home, even though the German government had instructed everyone to do so. We are talking about companies at which even employees with cold symptoms are expected to appear at work. Some managers even consider the home office to be "like a vacation."[1] The "Legal Tribune Online" dedicates a whole article to "Technical monitoring of workers in the home office" and clarifies whether employers are allowed to track the movement profiles of a business cell phone, monitor employees via a webcam, or turn up at their home unannounced to make sure that they are actually working during working hours.

All of this is deplorable, of course. Whether companies with such little confidence in their own workforce can survive in the long term may be in doubt. Who would want to work in this type of environment? Who would voluntarily subject themselves to such treatment?

Other companies did things completely differently. They embraced the challenges of the pandemic as opportunities, and developed a strategy that combined the company office and the home office into a hybrid work model, granting both the company and its workforce a high degree of flexibility. Throughout the coronavirus crisis, many people had to work from home because of their children.

Others were unable to work from home because of their children. A company that can combine working at its company premises with working at home, and offer the equipment, processes, cooperation, management, organization, and culture to enable a hybrid model, provides space for both scenarios and increases employee satisfaction and productivity.

And that, in turn, pays off in every sense.

A company that aligns its processes, collaboration, leadership, organization and culture with hybrid work, increases employee satisfaction and productivity.
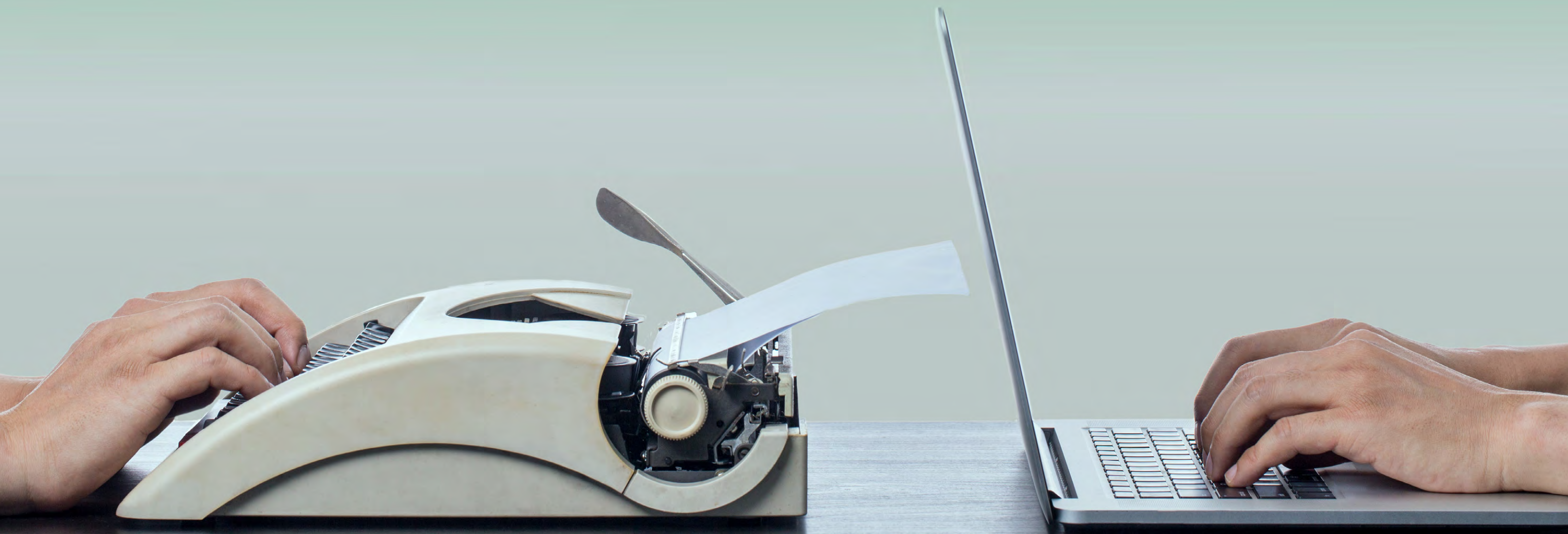
Looking Back on 100 Years of Office Work

But what does this hybrid work model actually involve? What is the best way to introduce it? And what needs to be considered?

To understand this, it is worth taking a brief look at the past. An article by online magazine Krautreporter describes the development of the open-plan office as follows: "In the USA, the industrial revolution brought about the idea that office work should be optimized, organized and supervised in the same way as industrial production. The first open-plan offices were introduced and they generally looked no different from a machine room in a weaving mill, just with desks instead of looms."[3]

The basic idea was clear: When desks are arranged in the same way as looms, the concept of piecework is transferred from craft work to knowledge work, and it is possible to oversee a large number of workers at the same time. From the 1930s onward, things changed: Although the architect Frank Lloyd Wright retained the general idea of the open-plan office by arranging desks symmetrically in a large area, he chose designer furniture, had carpets laid, and boasted that working in one of his buildings was as inspiring as praying in a cathedral.

In the 1950s and 1960s, this became the all-defining creed in the world of work. Office landscapes featuring large plants, pictures, table groups, and curved sofas became popular throughout the world. That is until the first companies introduced partitions into their open-plan offices in the 1970s and invented the "cubicle" – tiny cubes designed to corral employees as they do their work. While architects claimed to be imitating churches and cathedrals in the office designs of the 1930s, the people in these cubicles were now being compared to chickens in cages.

You could say that the understanding of humanity in the world of work has done a full 360 over the past 100 years: from piecework in the machine room to the inspiring open-plan office and back to piecework in a cubicle. A tragedy in three acts.

But more and more companies are breaking away from this idea and trying to offer their employees more than just a dismal desk. The employee experience is being considered to an increasing degree, chief happiness officers are being appointed, and health and wellbeing is becoming a unique selling point for companies to promote their businesses. An essential aspect of this is the function and design of the office. To some extent it is about returning to the past, at least to the point where work spaces can again be perceived as places for inspiration and contact. This is – once again – a paradigm shift. Following the industrialization of office work and the invention of cubicles, approaches to humane working environments are now being intermeshed with the more flexible possibility of the home office. The result is a hybrid workplace.

The First Steps Toward Hybrid Work

It is essential to understand the history of office work and the importance of positive, humane working environments if we are to prepare for the work of the future. Unfortunately however, the future of work is still being discussed with a rigid view of technological and digital developments at many companies. It would be much better to consider people and their needs, their own demands on their own work and their understanding of their environment in the overall planning of work and the workplace. This is important, perhaps even existential, at a time when the sense of purpose of an activity is playing an increasingly important role, when basic philosophical ideas such as "new work" keep cropping up, and even investment companies are acknowledging the fact that sustainability and human rights are part of corporate responsibility.

Even the designers of offices and workplaces cannot escape these considerations.

To address all of these issues, MHP has developed its Hybrid Work model that divides the key elements of creating a hybrid workplace into two introductory strands. Technological, organizational, and process structures play an important role here – but not the only one. The second strand therefore also takes into account social and cultural changes, and integrates these dimensions into a change process underpinned by change management and organizational development measures.

> **As the "Sense of Purpose" plays an increasingly important role in professional life, companies should focus on how to make their employees with their own needs and demands upon their own work a priority.**

The structures

Creating the right conditions

Even before any form of hybrid work can be introduced into company culture, it is important to clarify the general framework conditions. These include legal regulations as well as personnel planning and an expansion policy. Anyone who needs to recruit new employees in the near future must already know how they will be integrated into the existing business. If there are plans to open new offices, their integration and organization must be considered in advance. In all matters, it is important to take into account current and future hygiene concepts, occupational safety guidelines and also key priorities. The things that will be a priority for setting up a tax office will differ from those involved in setting up an innovation laboratory. And the things that affect a call center will differ from a sales office.

Depending on who is doing what work and whether or not customers will visit the premises, how high the employee turnover is and how often the onboarding of new employees takes place, different work zones and different workspaces are required. These zones and workplaces must also be networked with employees' home offices – in some cases to create a mirror image of the company premises.

Defining the target situation and the maturity level

To evaluate which specific steps toward hybrid work are required, it is necessary to carefully consider the current and target situation and to determine the maturity level of the organization in question. To do this, a company's hybrid capability is determined on the basis of MHP's New Work model (→ refer to the MHP "New Work" white paper) . This model considers the elements of "space and environment," "tools and technology," "organization and structure," "culture and people," and "values." This evaluation allows us to determine the maturity level of an organization and identify specific fields of action.

Scrutinizing manual processes and prioritizing digitalization

One of the essential factors for the success of hybrid work is targeted digitalization of manual processes. Whenever manual processes are the norm, error rates increase and efficiency decreases. Manual processes,

sometimes across multiple media, are the greatest source of quantitative and qualitative waste of resources.[5] If digitalization is a problem within a collaboration model that takes place exclusively in the context of the company office, it becomes an existential question when it comes to home office work and the hybrid working model. Anyone who organizes all their work into folders simply cannot work if they are not available at their home office. Those who still rely on analog signature rules within internal processes lose time if the people involved and their representatives are not available in person. These and other scenarios must be considered carefully, critically and, whenever possible, targeted for digitalization along the respective process chains. Here too, the requirement for hybrid work must be considered: Are offline applications possible? What are the waiting and access times? Where do employees get help when applications produce errors? Anyone who carries out stress tests on such scenarios will find that an attentive and well-qualified IT team is indispensable for digitalizing a company, and makes every digitalization step possible in the first place.

Creating lean and efficient structures

While examining internal process chains, digitalization is not the only consideration: efficient alignment of structures is also important. Unnecessary intermediate steps and recurring duplication of work tie up valuable resources, create additional work and lead to frustration amongst the workforce. Streamlining structures in the right place creates a more pleasant working environment, saving time and money. It is also true that any inefficiency is intensified in the home office and hybrid work environment. Every ambiguity and every superfluous process element must be identified, recorded, processed, and logged from at least two perspectives. Creating lean and efficient structures is therefore essential.

Introducing flexible hybrid models

Once the prerequisites for introducing hybrid work are in place, the maturity level has been determined, fields of action have been identified, processes have been digitalized, and structures have been streamlined, nothing stands in the way of introducing a hybrid work model. However, when preparing for this change, it is not only processes and structures but also fundamental questions regarding the future work model that must be clarified. For example, a company may wish to specify fixed core hours in

which all employees can be contacted. The amount of time employees are expected to spend in the office and working from home must also be clarified and agreed with institutions such as the works council. In addition to a strong IT department, there is also a need for an office management team and experts to assist employees with legal and tax-related assessments of home office regulations. This is the only way that hybrid can work succeed.

The new world

It is important to examine technical considerations, technology, IT systems and software components. Without a technical connection between the home office and the company infrastructure, hybrid work cannot take place. Without the appropriate processes and structures, hybrid work becomes a struggle. Without the understanding that the workplace is a major contributor to whether people feel like chickens in cages or like worshipers in a cathedral, hybrid work cannot be successful.

But this is not all that hybrid work is about. The evolution of work is more than just the digitalization of a workplace. Anyone who has seen Simon Sinek's "Golden Circle" presentation will know that the questions about "how?" and "what?" are located on the outer layers of the circle.[6] By contrast, the central question of "why?" is decisive for the success of every enterprise.

Developing a vision and setting up strategic initiatives

Companies that wish to introduce hybrid work must be clear about why they consider it important and meaningful. Anyone who cannot answer this simple question will find it difficult to communicate the numerous changes and challenges in a way that will convince their colleagues to support the plan of action. A clear vision, a credible mission, and a considered strategy must be the anchor points for a project of this magnitude. Even during regular discussions about budgeting and resources, it is important to have a vision that has been jointly developed and adopted. But it is also important for those involved in this transformation process to always be aware of the "why?" behind the change. It is only when the people involved understand that the move to a better and more flexible working model is not a gamble being made by management but a commitment

to the well-being of staff that the people concerned actually get involved and the skeptics can be convinced.

Guiding people into the new world

The support of others is sorely needed. Even though they may often be underestimated, work and cooperation are central elements of a person's social identity. Those who enjoy doing their jobs because they can rely on their team and find solidarity there and who appreciate the friendly working environment and thrive in a healthy corporate culture not only work better, but even lead a happier life. There is a reason why terms originally from the world of work such as "colleague" or "mate" have become synonyms for friends and acquaintances. With this in mind, it is important to have patience as you guide employees toward new working models and new working environments. Together, decisions need to be made on what form conferences will take in the future, what meeting culture will prevail, and also in what form work results will be agreed and made transparent between the team and management.

Questions regarding performance, visibility, and incentives also become important whenever changes to the organizational model are to be made. It is exactly these issues that must discussed openly, agreed clearly, and then made transparent within the entire organization without holding anything back. The concern that those who dial in to a departmental meeting from home will be less able to participate than those who sit together in a conference room is an important aspect that can lead to long-term resentment and frustration.

Developing leadership and empowering leaders

Dealing with all these challenges is an important task for managers and the executive management team. Considering career paths, criteria for promotion and breaking with long-standing performance evaluations also becomes a crucial management task. Whereas in the past it might have been the person who worked late into the night and was the last person to leave the office who was promoted, now it may be the person who does the same job in less time, leaves earlier in the evening and plays to their own strengths within the framework of a transparent performance model rather than in an environment where presenteeism is the measure of all things.

All of this requires managers to understand and feel empowered by the changed framework conditions for their work. In the past, if employees were working in a neighboring office, every small request involved picking up the telephone or switching on the video conference system. In a hybrid working model, reducing the separation between workforce and company, and maintaining emotional contact is becoming a core activity for managers.

Developing a culture gradually

This is not always easy. At times, the very foundations of a corporate culture must be put to the test. If a company has previously relied on the autonomy of its departments and on internal competition, collaboration and cooperation must now be strengthened. If strong individual competitors used to succeed in the classic office environment, the team now wins as a unit. The development of skills as well as the promotion of communication and networking are fundamental for hybrid work. This applies to individuals as well as to larger organizational units. Lone wolves will find it very difficult in an environment like this.

Some teams may start their day with a shared virtual coffee; others will hold daily morning meetings based on the SCRUM method or enjoy an after-work drink together in the evening as a virtual social.

Try it out and implement what works.

In principle, there is no one-size-fits-all formula – despite all the examples and standardized procedural models available. The introduction of hybrid work models and networked working spaces depends to a large extent on an organization's starting point. Do different time zones need to be covered, for example? Have agile ways of working such as SCRUM been tried and tested among the workforce? In addition to technology, are digital skills required that must be taught to the workforce and managers? Do basic trust and goodwill prevail in the corporate culture or do mistrust and reservations need to be overcome? All these things determine which steps are necessary to make the future of work visible within the company.

"A company that supports its employees' requests for flexible working models is sure to do well – not only in the wake of the coronavirus pandemic, but also long term thanks to the increase in its attractiveness as an employer."

Case Studies

These changes are not necessarily a long way off. As discussed, no company dodged the upheaval brought about by the coronavirus pandemic in 2020 and 2021. Even businesses that had been struggling with home working and flexible working models for decades managed to replan, be creative and find their first hybrid solutions in the short term.

Many companies are now taking the opportunity to integrate the knowledge gained into the organization's long-term strategy. For example, technology company Fujitsu has implemented a permanent "remote policy" for its workforce of over 80,000 employees worldwide. Using the Tandemploy job-sharing platform, employees specify their weekly hours and decide for themselves where they will spend them. This agreement is then contractually confirmed for both parties.

Porsche AG

Porsche AG has also decided to give its employees the opportunity to decide whether and how they want to work remotely for 12 days per month via various model projects. Porsche has embedded this option into a project set up to gradually digitalize all specialist areas of the company according to a predefined approach. MHP partnered with Porsche AG on this project, working together in several iteration stages and sprints to make virtual collaboration more efficient, strengthen the hybrid work culture, improve digital literacy, and digitalize established processes. To evaluate the success of these measures, the Group defines a start score at the beginning of a project that determines the hybrid capability of the department. The same evaluation is repeated at the end of the project. In some areas of the company, digital literacy rates have increased by 54 per cent over a period of just three months.

The aim of the project is nothing less than a long-term increase in digital literacy across the entire Group and to establish a flexible and hybrid working method within the company. At the end of the sprints, the department is transferred to a community for digitalized departments. If any further digitalization projects need to be implemented, additional sprints are added until the department is digitalized in its entirety and the new working method is understood and fully functional.

MHP

In line with the numerous changes in industry and the public sector, the advisory sector is also facing a fundamental change. With this in mind, at MHP we have identified and introduced measures to combat the effects of the pandemic that we can now apply to a new and better normal. We have summarized all our ideas in our "Better Normal" program and embedded them within our coronavirus taskforce. The "Better Normal" concept has also been anchored in MHP as a strategic project to improve cooperation within our own organization and with our customers.

In the future, new working and collaboration models will give employees the flexibility to customize their working environment. Work carried out on company premises will be agreed as a conscious decision between the customer and the adviser so that time not spent traveling can be used for other tasks. In the future, meetings will be planned as video conferences first and not as physical meetings like they were before when people from all across Germany had to travel to one place.

At MHP, we see hybrid work as a basic cultural element that will prevail in all areas of the company, from sales activities and recruitment to marketing. In addition to implementing various other measures, we have therefore developed a comprehensive management program that redefines the management principles of MHP and implements them via our "We Love To Lead" program.

Our customers also benefit from these new programs, insights and experiences in the spirit of our mission statement Enabling You To Shape A Better Tomorrow.

Conclusion

The future world of work will be determined by hybrid working models. According to a survey by IHK Berlin, more than 70 per cent of the companies who responded are planning to either extend the home office regulations (23.5 per cent) or introduce a hybrid solution that combines working from the company office and remotely (47.4 per cent).[7]

A company that responds to its employees' requests for flexible working models, creates humane workspaces, prioritizes the needs of its workforce, and establishes intelligent forms of organization and management is sure to do well – not only in the wake of the coronavirus pandemic, but also long term thanks to the increase in its attractiveness as an employer.

We have developed a model for introducing hybrid work that we have helped to successfully implement in several specialist departments at Porsche AG. The interaction between working at a company office and at home is rarely simple – but it is feasible. We are happy to help you with this challenge.

The working world of tomorrow will be defined by hybrid working models. Those who pave the way for this now will become active shapers of change – not just spectators.

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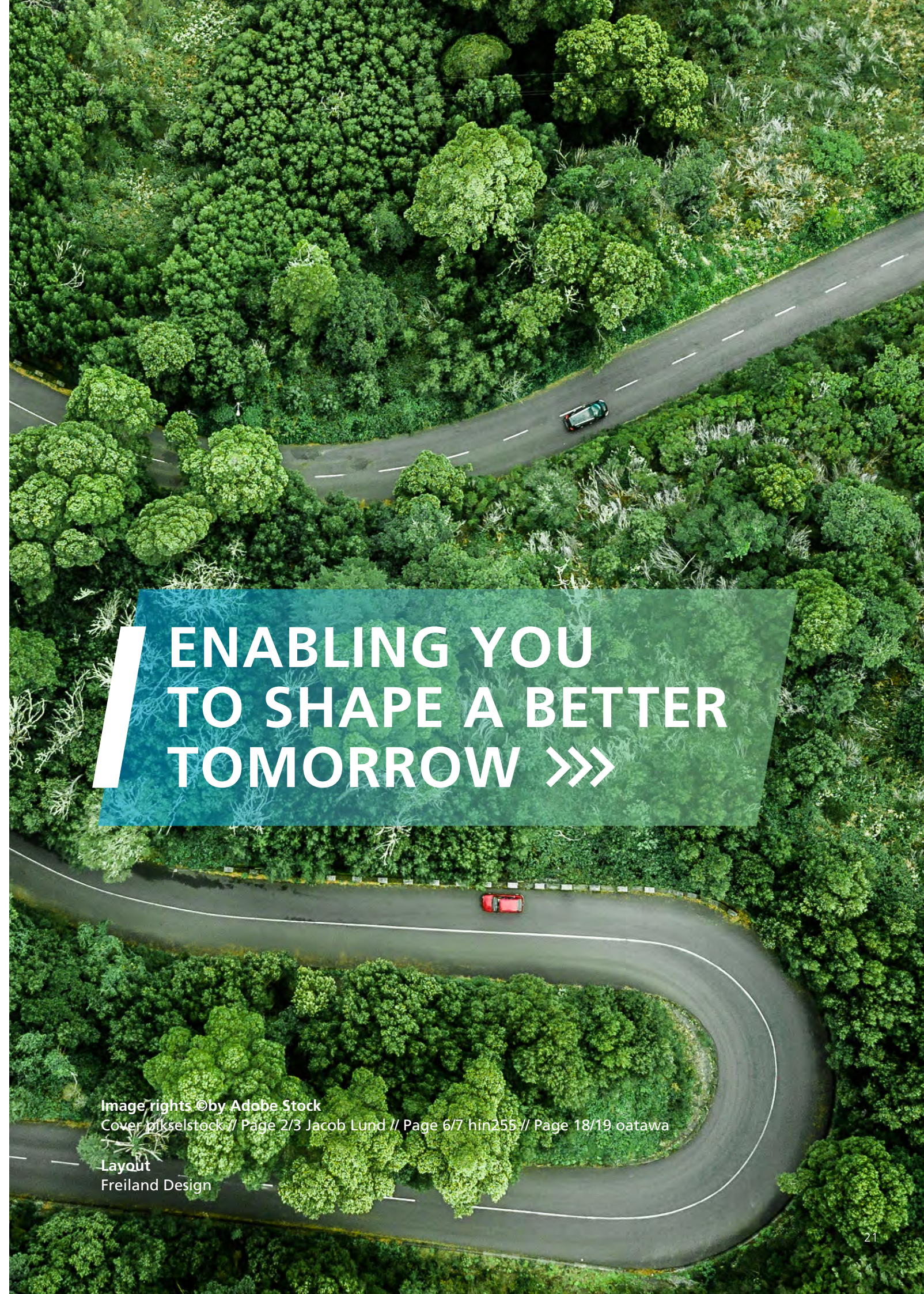Organisation & Strategy
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