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A GUIDE TO
DEVELOPING HYBRID WORKING OPERATING SYSTEMS

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HOW TO USE THIS GUIDE

This guide is for anyone who needs to design and execute a hybrid working strategy or build and iterate on their working model. It is an operations **reference guide.** Sharing knowledge and best practices will be critical as we transition to new ways of working.

Whilst the information here provides a framework to help you develop hybrid working operations within your organisation, **it will not function as a silver bullet**. Ongoing problem solving, alongside local and cultural adaptation is essential, as well as strong team leadership.

This is a live document. As new ways of formulating custom hybrid models arise within the Balderton portfolio and beyond, we will continue to share our learnings.

HOW TO THINK ABOUT HYBRID WORKING.

Working from home during a pandemic vs working remotely

Many of us have spent the past two years dealing with the effects of a global pandemic while managing our working lives from desks, sofas, and dining tables in our homes. As we look to reshape our working world with flexibility and newly acquired habits in mind, **it is important to recognise that these were not normal conditions for remote work.**

Remote work is about providing flexibility. Companies that adopt this model need to have a culture of remote working to be successful - i.e., employees should be used to virtual meetings, clear written communication, and using tools and messaging systems to collaborate and stay in touch.

Many of the companies that were forced into working from home during the pandemic lacked a digital culture. Employees were also unable to prepare psychologically or create suitable working conditions from home. Conversely, remote companies and employees undergo full preparations including rigorous testing of tech setups before setting up a hybrid working model.

Note: Flexibility to the extent we are experiencing today is an added evolution of remote working. Traditionally, remote employees worked the same hours as those in the office. Employees today expect to have complete freedom over their working hours, to be able to organise their schedules around their most productive times and competing responsibilities (family, caretaking, etc), while choosing when to go into offices or co-working spaces.

The challenges and obstacles from the past year should therefore not form the basis of an organisation's thinking when designing a hybrid model for remote working.

Instead, focus on designing your hybrid working model around three key factors:

1. Improving productivity

We know that hybrid working can impact collaboration between teams and employees, but exactly how and to what extent remains an active debate. Some argue working side by side allows for rapid transfer of information and collaboration, while others believe employees are equally or more productive when unconstrained by geographic and temporal boundaries. An internal survey within our own portfolio supports the latter point.

2. Attracting and retaining talent

The pandemic has irrevocably changed employees' expectations of how they should be allowed to work. Many organisations have found employees are prepared to quit if not allowed to work remotely, suggesting those not offering flexibility will find themselves at a disadvantage when attracting and retaining talent. Focus on designing an approach that ensures your business succeeds in the increasingly competitive Talent market.

3. Retaining a strong company culture

Historically, company culture relied heavily on employees experiencing the culture, in person, from the leadership team. There are widely differing opinions on whether company beliefs and behaviours can be communicated via technology, as well as on how best to do so. Making matters more complex, we now face a potential fracture between more employees who experienced the company culture first-hand and newer employees who may have very limited exposure. A normal turnover rate of about 10% per year would mean 10% of every organisation's workforce may have never been in their offices.

Your hybrid work model should enhance the existing company culture, not damage, or dissolve it.

Distributed equals hybrid

The central challenge now is how to offer personalisation, flexibility, and choice at scale.

A hybrid work model relies on interdependencies, making it, by far, the most challenging to construct and manage well. **The best approach is to design all internal operating systems as if you are a fully distributed team.**

This approach avoids creating segregated classes of employees, where there is an inherent advantage to those who can be in the office versus those who cannot.

Many successful companies operated distributed models long before the recent health crisis. To inform your strategy, take a look at how companies like Zapier and Stripe managed distributed teams from inception.

Systems must be re-engineered to allow employees to work happily maintaining their newfound freedoms. This task now falls to the People teams as much as it does to line managers and executives.

What does good look like?

The better approach is to question, "What should good look like?"

At this stage, no one can predict which hybrid working model will be most successful.

'Good' working models will begin to take shape when both obvious and not so obvious questions begin to have answers that are specific to your organisation.

Pertinent questions such as 'how many days in the office per week is best?', may not even be the right ones to answer first.

Important questions to address include:

- What work is better done in person than virtually, and vice versa?
- How much travel is necessary?
- How can influence and experience be balanced between those who work on-site and those who work remotely?
- How can you avoid a two-tier system in which people working in the office are valued and rewarded more than those working more from home?
- Should teams be co-located in one space while tackling a project, and if so, how often?
- Can leadership communication to remote workers be as effective as it is to workers in the office?

It is essential to stay agile and measure feedback. Policies, practices, working norms and collaboration technologies will need to evolve as teams test and learn.

Finetuning the hybrid operating model will take years and is a separate effort from the near-term return to the office.

SETTING A STRATEGY.

As People teams now have the grand task of developing hybrid work models, it is critical there is a strong relationship between them and company leadership. When setting a strategy, decision-makers should agree on and use the three initial common factors previously discussed:

1. Productivity
2. Talent
3. Culture

Each factor needs to be evaluated and the three need to be considered together.

Understand the landscape of your firm

1. Collect data

Hybrid models work best when customised for each company. It is critical to solicit feedback and find ways to measure the pulse of each team. Define and segment your company's stakeholders - line managers, employees, the leadership team, etc. and use surveys to ask each stakeholder their top priorities and objectives when it comes to setting a hybrid operations policy.

Note: Research on decision-making shows that gathering opinions independently and anonymously provides the most accurate and comprehensive understanding results. Gather individual responses onto a master list that addresses all priorities and objectives. If there is a lack of participation from an important portion of your company, the data isn't valuable and might be misleading.

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2. Visualise

Visualisation is the key to understanding the 'lay of the land'. Stakeholders should rate the importance of each criterion on a master list.

Alternatively, use polling software to have decision makers rate the elements under review, and let the software show the distribution ratings for each. If it's not possible to assess all decision makers within the same poll, it can be done via a second survey.

- Make sense of the data collectively, with a focus on tensions
- Based on the data generated, discuss as a leadership team what the data tells you about collective priorities

The next challenge is negotiating trade-offs. A resolution may naturally result from a discussion about the data, but teams should also remember that certain complexities may not be picked up, and that the process may be subject to bias.

Make sure the People team has a true voice in this discussion and make use of the many [decision support tools](#) available.

The objective at this stage is not to agree on the right hybrid solution, but on what the data reveals is most important to your company.

Revisiting Assumptions

Today's working environment is incredibly complex and continually changing. It is therefore unrealistic to think that any company will get the hybrid model right the first time, or that any given approach can be used indefinitely.

The best way to ensure fit in volatile environments is to use a process that includes a planned revaluation and reassessment.

Since your firm will have gone through this process once, when revising your hybrid model you only need to look at areas where either priorities or options have changed. If nothing's changed, maintain the set policies until the next planned re-evaluation, ensuring some stability within your firm.

The length of time between re-evaluations depends on the volatility of the environment affecting your company's productivity, culture, and talent pool. If these are changing rapidly, make sure you re-evaluate policies more frequently.

Building an 'expiration date' into your approach ensures that there will be fewer surprises from a policy that is long past viability.

EXECUTING.

How do you reinforce company culture in new and better ways? More importantly, how do you ensure the culture permeates to both employees in the office and those working remotely? The data gathered to inform your strategy should also drive your execution.

1. Executing on productivity

Asynchronous Communications

As companies meet and collaborate in the real world, institutional knowledge will be built inside your team that will not magically flow to the rest of the company. Knowledge needs to be regularly documented, and key conversations shared with others, asynchronously.

This will be extra work for everyone involved. Make sure to enact norms and create habits that ensure an even playing field, to avoid risking some members of your team feeling disconnected.

> Tip: some companies have brought in Integration Managers to aid with this.

Training and Development

Hybrid working brings new demands on your team, creating challenges they are unlikely to have faced before. As an employer, you should put in place learning and development to help ensure the productivity of your workforce. Areas to pay particular attention to are performance management, team building and developing effective communication.

Tools and equipment

Employees should be able to seamlessly work between locations. Those who are working from home need to have the correct equipment to be productive. You must also consider how your firm's office space is structured. Many companies have opted for converting static 'set spaces' into hot desks and creating an online booking system for office access.

Companies should also offer support and training to their employees to help them work easily from both the home and office, this includes:

- Providing a list of recommended tools and software including training on how to use the tools effectively, if not already available (see examples below)
- Putting appropriate IT security measures in place to help keep data secure
- Conducting a review of the equipment available in the office and at employees' homes to assess whether hybrid work is supported
- Revising or augmenting current benefits or perks to support hybrid work, such as home fitness equipment, co-working spaces, or even Netflix stipends

2. Executing on People and Talent

The access and attractiveness of the hybrid model your company puts forward to your current and future workforce, is fundamental for retaining and attracting Talent. Prospective Talent is now deeply evaluating company's policies when it comes to hybrid working.

One major aspect to keep in mind when executing new hybrid policies for current employees is the legality of the execution.

Legal implications to keep in mind:

- The change to a hybrid working model will amount to a formal change of the terms and conditions of employment at your company. To adapt to this, new employment contracts should state their contractual location, with those working from home, having their home address as their workplace. Make it clear to employees that they should discuss their move with their landlord, mortgage provider, and house insurer, as this may affect some of the policies and the structure of their personal agreements
- There are also [tax benefits](#) for those working from home that your employees may benefit from. As workers move or new remote workers are onboarded, there will also be new tax compliance issues to track in terms of benefits, withholdings, and tax slips. [Partnering with a payroll provider](#) experienced in international payments is a way to mitigate some of these legal issues

3. Executing on culture

One of the greatest risks with hybrid work is the potential for new employees to have different and incompatible understandings of the company culture.

Ensuring inclusiveness might mean changing habits around how and where information is communicated. For example, asynchronous, video-based updates might work better for hybrid productivity than in-person, all-hands meetings.

Organisations require a mix of practices that enable efficient, inclusive engagement while at the same time preserving the aspects of synchronous and in-person activities that strengthen team culture.

If left unchecked, a culture of overworking can also slide into the hybrid workplace model.

Your remote staff might overwork themselves by working longer hours, taking shorter or no breaks, and making themselves available outside traditional work hours.

Therefore, it's up to managers to curate a company culture that focuses more on the output of the work being done, and not simply the hours being logged in to the system.

It will take early experimentation to generate a holistic companywide culture that promotes new ways of remote-first cultures while preserving the value of in-office and side-by-side working norms.

Tolerance for failures along the way should be essential to finding a path forward.

Leaders must recognise that thriving in the new era of work depends on being open to new formulas for building and maintaining a strong culture.

KEEPING A FINGER ON THE PULSE.

Here is a brief list of tools to consider implementing in your hybrid strategy.

CATEGORY	TOOL
PROJECT MANAGEMENT	Forecast app
	Asana
	Instagantt
	Monday
	Proofhub
COMMS & COLLABORATION	Slack
	Zoom
	Demodesk
	Riff
PRODUCTIVITY	Notion
	Evernote
	Oyster Academy
TEAM ENGAGEMENT	Peakon
	Cultureamp
	Lattice
	Tiny pulse
EMPLOYEE WELLBEING	Spill

ADDITIONAL READING.

- The future of remote work: An analysis of 2,000 tasks, 800 jobs, and nine countries
- Zapier's Suddenly Remote Book - A guide for remote comms
- Slack launches the Future Forum to create a better way to work
- Lars Schmidt Return to Work Crowdsourced Guide
- This is how COVID-19 could change the world of work for good