2023

UNLOCKING SUCCESS IN THE HYBRID WORK ENVIRONMENT

Addressing the 7 Key Employee Engagement and Wellbeing Challenges

CONTENTS

👥 Notes from the Authors

> ❝ I have made it my personal mission to empower organisations to truly prioritise employee engagement and wellbeing in their business.

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Alexandra is passionate about wellbeing and reimagining the employee workplace experience. She has spent countless hours with teams across start-up and enterprise-level businesses, which has allowed her to design and launch Oxyzn, a B2B solution to the current workplace engagement and wellbeing challenges.

> ❝ There is only way to unlock the hidden treasure of your organisation, and that is by focusing on your most valuable asset — your people. Their experiences, wellbeing and potential hold the key to unparalleled business success.
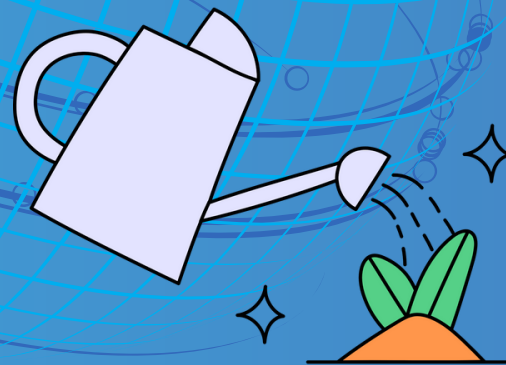
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01–

Executive Summary

Navigating Key Challenges for Employee Engagement and Wellbeing

Executive Summary

In an era marked by transformative changes in the workplace, the hybrid work environment has emerged as a defining feature of the modern professional landscape. This white paper, **"Unlocking Success in the Hybrid Work Environment: Addressing the 7 Key Employee Engagement and Wellbeing Challenges,"** delves into the critical challenges organisations face as they navigate this new terrain. It offers a comprehensive analysis of the unique hurdles associated with employee engagement and wellbeing in the hybrid work setting and provides actionable insights for leaders seeking to thrive in this evolving paradigm.

> **The white paper identifies seven key challenges that organisations must confront in order to foster a culture of engagement and wellbeing in a hybrid work environment.**

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> **For each of these challenges, the white paper provides valuable insights and practical recommendations. It emphasises the importance of proactive strategies, highlighting the role of leadership, technology, and evolving workplace policies.**

Organisations that adapt and address these challenges will be better positioned to unlock the full potential of the hybrid work environment, fostering employee engagement and wellbeing. Success in the hybrid workplace requires a holistic approach that considers both the individual needs of employees and the overarching goals of the organisation.

In conclusion, "Unlocking Success in the Hybrid Work Environment" offers a roadmap for organisations seeking to thrive in the ever-evolving world of work. By recognising and proactively addressing these seven key challenges, organisations can empower their employees and foster a culture of engagement, wellbeing, and sustained success in the hybrid work environment.
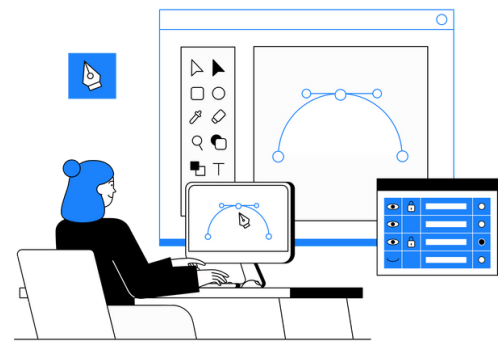

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7 Key Challenges

1 digital fatigue

As remote work and digital communication become more prevalent, employees grapple with an ever-increasing load of digital interactions, leading to burnout and disengagement.

2 maintaining connection

Building and sustaining meaningful relationships among remote and in-office team members can be a complex undertaking, impacting employee morale and cohesion.

3 work-life boundaries

The blending of personal and professional life in a hybrid work environment can blur boundaries, resulting in stress and reduced wellbeing.

4 mental health support

The hybrid model necessitates a more robust approach to mental health support and resources to address the unique challenges it poses.

5 leadership in a virtual world

Effective leadership in a hybrid environment requires new strategies, as traditional methods may not translate seamlessly to remote or hybrid teams.

6 measuring and managing performance

Rethinking how performance is assessed and managed is essential to ensure employees remain engaged and motivated.

7 inclusivity and equity

Hybrid work can introduce disparities in opportunities and experiences, making it vital to address equity and inclusivity concerns.

02–
Introduction

Unravelling the Impact of Employee Engagement on Business Success

🧠 Introduction

🏯 The Imperative of Employee Engagement and Wellbeing

In the dynamic landscape of modern workplaces, the concept of employee engagement has become central to the success and sustainability of organisations. Employee engagement, at its core, represents the emotional commitment that an employee holds towards their organisation. However, it is important to distinguish employee engagement from employee happiness or satisfaction, as they are distinct but interconnected facets of the employee experience.

While content and satisfied employees often exhibit enthusiasm and positivity in their roles, true engagement transcends these sentiments. Employee engagement hinges on a deeper, purpose-driven connection to the organisation, where the primary objective is to actively contribute to its success. In essence, it is not about the allure of employee benefits or financial incentives but, rather, the intrinsic motivation to be **a driving force behind a thriving business.**

Furthermore, employee engagement is not a static trait inherent to individuals; instead, it is an experience crafted by organisations, managers, and team members. The ability to foster and sustain employee engagement has emerged as a defining factor that distinguishes growing, resilient companies from those plagued by high employee turnover rates.

📈 The Staggering Challenge of Retaining Top Talent

Moreover, in today's fast-changing business environment, retaining top talent is the key challenge for most businesses. **Research in 2020, encompassing more than 600 US businesses with 50-500 employees, revealed that over 63% of companies found retaining employees more challenging than hiring them, and employee turnover emerged as a costly problem, amounting to a global expense of $8.8 trillion.**

Despite significant investments in employee engagement and development programs, statistics from research and advisory firm Gallup are disheartening. **Over the past two decades, employee engagement has remained stagnant, standing at 31% in the US and 23% globally. In Europe, the situation is even more precarious, with employee engagement at a mere 13%, as per Gallup's Global Workplace 2023 Report. The UK ranks 33rd out of 38 countries, with a concerning employee engagement rate of just 10%.**

U.S. Employee Engagement Trend, Annual Averages
— % Engaged — % Actively disengaged

GALLUP
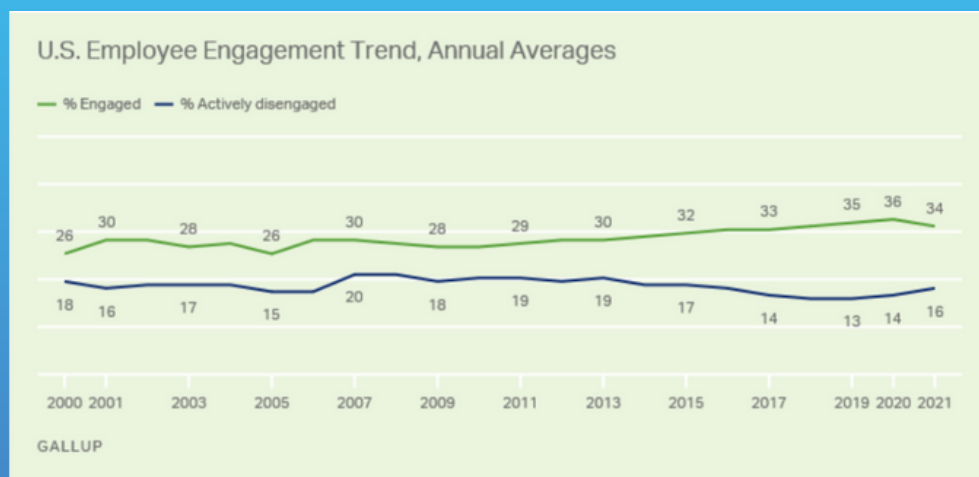
🔎 The Impact of Employee Engagement on Business Success

The Path to Highly Engaged Organisations

The significance of employee engagement extends far beyond the workplace morale. It underpins business outcomes, performance, productivity, and the overall wellbeing of employees. Highly engaged organisations consistently achieve higher productivity (17%), profitability (21%), and substantial revenue growth (682%) over an extended period. Employee retention is another crucial factor, with nearly 80% of small businesses recognising the detrimental impact of employee turnover on growth. Alarmingly, 73% of employees are contemplating leaving their jobs, even without a pay increase. In this context, 86% of millennials are willing to accept a pay cut for a chance to work for a company they are fully aligned with. Highly engaged businesses demonstrate an 18% higher employee retention rate.

Additionally, highly engaged workplaces report 41% lower absenteeism, 10% higher customer service ratings, and an impressive 18% boost in sales. These statistics reaffirm the concrete impact of employee engagement on business success, making it an integral part of any robust business strategy.

The Impact of Highly Engaged Organisations over an Extended Period

17% — They achieve higher productivity (17%) more than disengaged.

21% — They exhibit higher productivity (21%).

682% — Achieved a substantial revenue growth (682%).

The Concrete Impact of Employee Engagement on Business Strategy

41% — Highly engaged workplaces report (41%) lower absenteeism.

10% — They achieved (10%) higher costumer service rating.

18% — Gained a boost of sales (18%)

⚲ The Path to HIghly Engaged Organisations

Highly engaged organisations share common philosophies and practices. They understand that creating a culture of engagement starts at the top, with leaders prioritising engagement as a competitive and strategic differentiator. Effective communication, the right metrics, and the recruitment and development of exceptional managers are key components of their approach.

Since the pandemic revolutionised the way we work, connect, and engage, leaders are now tasked with creating resilient and adaptable work environments. The future trajectory of employee engagement will be the key measure of business success, as engaged employees are the engine propelling organisations forward on every level.

This white paper, "Unlocking Success in the Hybrid Work Environment: Addressing the 7 Key Employee Engagement and Wellbeing Challenges," delves into the multifaceted nature of employee engagement and the critical role it plays in shaping the future of work in the hybrid environment. It explores the challenges, strategies, and actionable insights required to harness the full potential of engaged and thriving employees in this evolving landscape. As we delve deeper into this discussion, it becomes evident that employee engagement and wellbeing are not merely buzzwords but integral components essential to the growth and prosperity of businesses of all sizes and across industries.

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"...a work model where employees are expected to attend the office at least one day per week while being permitted to work from a location other than the office some of the time."
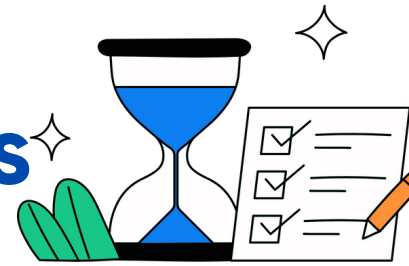
03—
The 7 Key Challenges

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🎯 The 7 Key Challenges

🧑‍💻 Challenge #1: Digital Fatigue

In the current post-pandemic landscape, hybrid work is increasingly perceived as an optimal arrangement, offering the advantages of both remote and in-office work. Nonetheless, it is essential to recognise that what proves effective for one business or employee may not necessarily be suitable for another, underscoring the intrinsic diversity of needs and circumstances within this evolving work paradigm.

Gartner, a prominent market research firm, defines hybrid work as "…a work model where employees are expected to attend the office at least one day per week while being permitted to work from a location other than the office some of the time." Yet, the interpretation and implementation of this model can vary significantly, giving way to productivity and employee wellbeing challenges that organisations must navigate.

As part of this white paper, we interviewed ten businesses in the United Kingdom, ranging from agile start-ups to formidable enterprise-level entities spanning various industries. Our objective was to delve into the current state of their hybrid work environments and understand the primary challenges that affect employee engagement and wellbeing.

Our findings have revealed a compelling commonality transcending the boundaries of business size and industry; the fundamental challenges faced by these organisations in fostering employee engagement and wellbeing, along with the strategies employed to address them, exhibit a remarkable degree of universality. This section of the white paper seeks to illuminate these shared challenges and provide actionable insights to guide organisations on their journey towards unlocking the full potential of the hybrid work environment.

🧑‍💻 Challenge #1: Digital Fatigue

When we compare traditional on-site work environments with the hybrid model, a striking realisation emerges: the very features that define the hybrid work environment, while offering newfound flexibility, can also inadvertently contribute to digital fatigue and jeopardise employee wellbeing. Moreover, a significant number of strategies employed by organisations to boost productivity have, in some cases, exacerbated these fatigue-inducing factors. **It is not surprising, then, that 93% of HR leaders express growing concerns about employee burnout.**

The key drivers of remote work fatigue are threefold: digital distractions, virtual overload, and the challenge of disconnecting from work. To address these issues, it is imperative that we evolve the way we engage with, lead, and assess our employees. Practices such as micromanagement, digital presenteeism, and intrusive surveillance only serve to compound the alarming rates of digital fatigue reported by employees. A more effective approach is to focus on empowering and trusting employees, adopting a "human-centric" design philosophy that places emphasis on flexibility, collaboration, and empathy.

According to Gartner, adopting a human-centric approach to work yields significant benefits, including a 28% increase in overall employee performance and a remarkable 44% decrease in employee fatigue. In the quest to reduce workplace digital exhaustion, fatigue, and burnout, a critical element of the strategy involves establishing a new form of communication etiquette between leaders and their teams. Trust and efficiency in a hybrid workplace hinge on improved communication that provides timely, relevant, informative, and concise updates, ideally centralised for easy access.

Gartner's Transformative Impact of a Human-Centric Approach to Work

28%
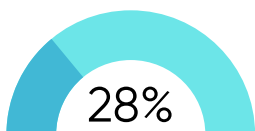
28% increase in overall employee performance

44%
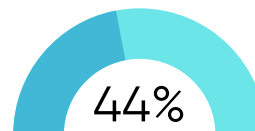
44% decrease in employee fatigue

🔑 Key Themes

This enhanced communication not only fosters a deeper connection between on-site and remote team members but also dispels the misconception that remote workers are less productive. It promotes efficiency by facilitating better coordination among team members and reduces the need for excessive messaging outside of regular working hours. This, in turn, leads to a reduction in screen time, with fewer messages to respond to and fewer unnecessary meetings to attend, allowing employees to optimise their productivity cycles.

In interviews conducted for this white paper, organisations underscored communication as one of their primary challenges in the hybrid work environment. In response, many have invested in revamping their communication channels, which now include intranets, newsletters, collective video meetings with company leaders, more frequent well-being training webinars, e-learning initiatives and company-wide events with wellbeing as a central theme.

Despite these efforts, organisations have reported subpar attendance and participation rates in their employee engagement and wellbeing programs. Attendance for activities like lunch and learns sometimes dipped as low as 1%, while participation in learning and development (L&D) platforms averaged 25%. The most popular webinars garnered around 65% attendance, and events featuring the CEO or other leaders saw up to 95% attendance and high engagement levels. This underscores the vital role that leaders play in modelling positive behaviours and actively engaging employees in wellbeing initiatives and workshops.

These concerning attendance and participation rates align with broader market data that underscores the rising levels of digital exhaustion. Intriguingly, only 3 out of 10 organisations surveyed reported conducting regular employee engagement surveys. The most common feedback loops typically revolved around collecting input following online workshops or e-learning sessions. Astonishingly, no respondents reported actively assessing the impact of their employee engagement and well-being initiatives on key business success metrics.

In summary, the challenges and solutions uncovered in this research highlight the urgency of addressing digital fatigue, disconnect, and burnout in the hybrid work environment. The importance of evolving communication and leadership practices cannot be understated, and organisations must adopt a human-centric approach that empowers and trusts their employees. The active involvement of leaders in setting positive examples and actively engaging employees is crucial to fostering a culture of well-being and engagement in the evolving world of work.

Only 3 out of 10 organisations surveyed reported conducting regular employee engagement surveys

🔗 Challenge #2: Maintaining Connection

Maintaining connections with colleagues hasn't been an easy or equitable experience for many workers. In the absence of the typical in-person social norms, rituals, and spontaneous interactions, work relationships have become fragmented, leaving many employees with a profound sense of disconnection. While technology in the hybrid workplace can facilitate collaboration, it frequently struggles to replicate a fundamental aspect of traditional office environments: the human connection.

Maintaining employee connections is not merely a matter of social interaction; it is fundamental to the continued functioning of an organisation. However, the proliferation of digital tools and technologies, as discussed in the preceding section, has the potential to undermine business productivity, performance and profitability. **For example, according to the latest Microsoft Work Trend Index, half of employees admit that their relationships outside their immediate teams have eroded, and 43% express a sense of disconnection from their company.** With a dispersed workforce, leaders must prioritise the cultivation of team cohesion, a critical factor for both team and business success.

A recent study by RedThread Research underscores the value of strong connections within organisations. Those with higher levels of connection were found to be 5.4 times more likely to exhibit agility, 3.2 times more likely to have satisfied customers, and 2.3 times more likely to have engaged employees.

Employees who enjoy thriving relationships with their immediate team members report

76% — Superior wellbeing compared to those with less robust connections (76% versus 57%)

50% — They exhibit higher productivity (50% versus 36%)

61% — are less inclined to seek new employment in the year ahead (61% versus 39%).

Our intrinsic human need for connection remains unwavering. However, in a hybrid work environment, achieving this connection is notably more challenging. Organisations cannot rely solely on conventional team-building techniques. Technology can bridge the divide, creating robust bonds between team members even when physically separated. Yet, the current deluge of disjointed digital tools and productivity platforms can contribute to a sense of fragmentation.

During our research, we often encountered an assumption that physical proximity equates to connection. Seventy percent of surveyed companies expected their employees to work from the office at least three days a week. However, it's essential to debunk this assumption; mere physical presence does not guarantee the establishment of meaningful connections.

70%
of surveyed companies expected their employees to work from the office at least 3 days a week

A potent strategy to foster these connections involves the adoption of transparent and scalable systems. These systems should provide HR and People leaders with advanced analytics tools, enabling them to identify prevalent wellbeing issues within their organisation, the most discussed topics among employees, and to collect instant feedback. This empowers them to manage risks and enhance decision-making more effectively.

While organisations are adept at managing risks in projects and finances, the management of risk in employee wellbeing often remains underdeveloped. When executives have access to real-time insights into the state of employee wellbeing and engagement, they can swiftly identify potential issues, allocate resources more efficiently, and **make critical decisions in a timely manner.**

Furthermore, it is imperative for organisations to recognise the diverse wellbeing needs of their employees. Our interviews highlighted the challenge organisations face in managing the multifaceted needs of different generations within their workforce. This points out that one-size-fits-all solutions are inadequate and instead employers should seek for digital platforms that offer high levels of personalisation.

In summary, in the evolving landscape of remote work, organisational success hinges on more than just employee management or treating employees as mere "resources." **It is by prioritising meaningful employee connections and treating employees as whole individuals that companies will truly thrive in this new paradigm.**

Challenge #3: Work-Life Boundaries

It is evident that the shift to flexible and hybrid work environments has provided employees with greater freedom and flexibility. However, this newfound freedom has not come without its challenges. Screen time has surged, team dynamics have become more siloed, and digital exhaustion has emerged as a pressing and unsustainable threat.

One notable challenge faced by remote workers is the struggle to establish clear work-life boundaries. Our interviews with **employers reveal that a staggering 80% of them identify blurred work-life boundaries** as a significant contributor to employee health issues, absenteeism, and burnout. **With a growing number of employees prioritising work-life balance over salary, supporting personal time has become a pivotal component of the evolving workplace well-being initiatives.**

The importance of safeguarding personal time is underscored by the fact that <u>one in four companies</u> is contemplating the implementation of offline hours, during which staff are not expected to respond to phone calls or emails. This emphasis on work-life balance has even gained legislative recognition in several countries, including Italy, Spain, France, and more recently, Portugal, which have enshrined the "right to disconnect" in their employment laws. <u>The European Parliament</u> has also called for other EU nations to follow suit.

In such countries as Italy, Spain, France and Portugal, the emphasis on work-life balance has gained legislative recognition and is becoming part of employment laws
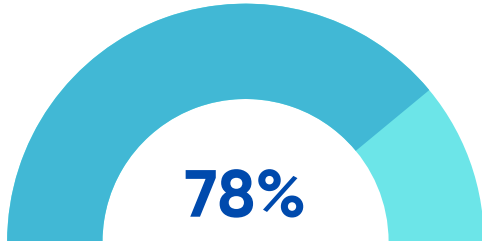
🔍 Key Themes

It's worth noting that some leaders, in their embrace of more traditional modes of connection and engagement, have voiced concerns that remote and hybrid work may be detrimental to employees' mental well-being, fostering a sense of social isolation, meaninglessness, and an inability to establish clear work-life boundaries. While these concerns are valid, attributing these challenges solely to hybrid work can be misleading, as it overlooks the systemic issues that have long persisted in traditional office-based environments. Such issues have, for years, created inequities for individuals with disabilities, women, millennials, and various other worker demographics.

Contrary to these concerns, a 2022 survey by CISCO of **28,000 full-time employees worldwide revealed that 78% of respondents found remote or hybrid work to improve their overall well-being.** However, what many have found challenging is the ability to "disconnect from work."

This sentiment is echoed in a 2022 report by Future Forum, which indicates that full-time in-office workers expressed the least satisfaction with their work-life balance, while hybrid workers fell in the middle, and fully remote workers reported the highest satisfaction. The same distribution applied to questions about stress and anxiety. A 2022 survey conducted by a mental health website, Tracking Happiness, with over 12,000 workers found that fully remote employees reported a happiness level about 20% higher than their office-centric counterparts.

Cisco 2022 Survey Result of Employees thriving from Remote and Hybrid work

78%

Found remote or hybrid work improve overall wellbeing

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🔑 Key Themes

While remote and hybrid work appears to be more favourable for overall well-being, specific challenges related to work-life separation persist. The uncertainty and lack of clear guidelines around what constitutes appropriate disconnection can leave many employees feeling uncomfortable about stepping away from work. To address this, organisations must establish norms and policies that provide clear expectations and help employees set boundaries.

Another aspect of unhealthy hybrid workplace expectations is the assumption that once the workday begins at home, it should continue uninterrupted. This differs from the physical office, where short breaks are integrated into the day. Research has consistently shown that both physical and mental breaks reduce burnout, enhance productivity, and reduce mistakes. Therefore, companies should strongly encourage employees to take at least a **10-minute break every hour during remote work.** At least half of these breaks should involve physical activity, such as stretching or walking, to counteract the negative effects of prolonged sitting. The other breaks should consist of restorative mental activities, such as meditation, brief naps or whatever else feels restorative to each individual employee.

Ultimately, the wellbeing, motivation, and productivity of employees are optimised when they are energised, engaged, and not burdened by fatigue and stress. If home working is to be a significant part of the hybrid work model, it is essential to establish clear boundaries between work hours and personal time. Companies should not only introduce these measures but also actively demonstrate their support for them.

> **Companies should strongly encourage employees to take at least a 10-minute break every hour during remote work.**
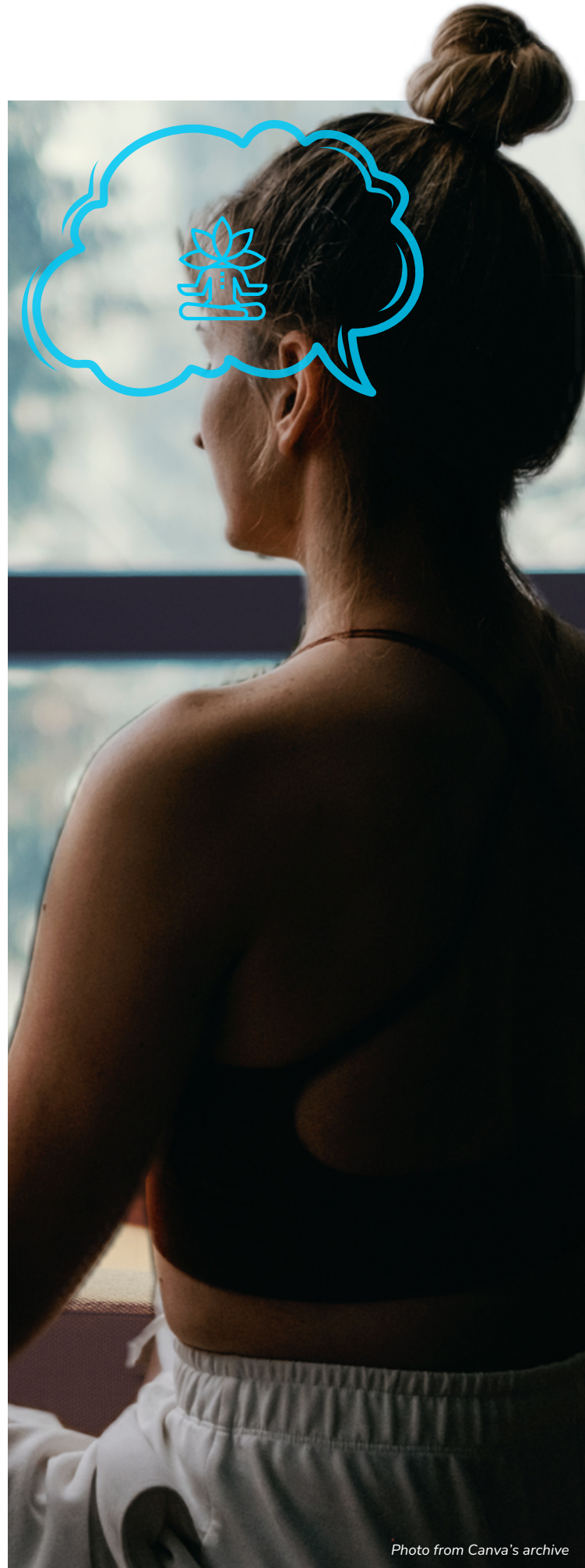
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🧠 Challenge #4: Mental Health Support

Another area that the pandemic has highlighted is the significance of health and wellbeing in the workplace. **Notably, 53% of employees are now more inclined to prioritise health and wellbeing over work, as compared to before the pandemic. This shift is reflected in the top five reasons employees would consider leaving their jobs, of which the top three are:**

Top 3 Reasons Employees leave their Jobs

24% Mental health

24% Work-life balance

21% Lack of confidence in leadership
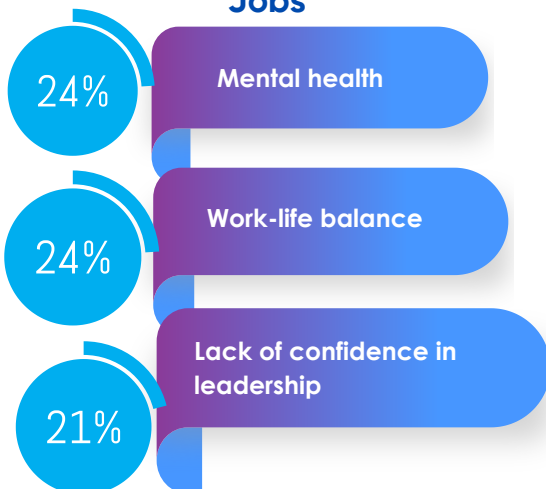
Condeco's <u>Attitudes on Hybrid Working</u> report reveals that **7 in 10 employees perceive hybrid working as a demonstration of their company's commitment to their emotional and mental wellbeing.** Similarly, a recent <u>white paper by IWG</u> suggests that flexible work arrangements positively impact employees' mental health. However, it's essential to acknowledge that workplace burnout has also seen an increase, especially when it comes to the Millennial and Gen-Z generations in the workplace.

While flexible work arrangements contribute to employee wellbeing and mental health, they are not a guarantee against workplace burnout. The initial enthusiasm generated by company announcements promoting hybrid working can be short-lived if the work environment is not adapted to support this new working model. Micromanagement practices, ineffective communication, inadequate support and other counterproductive behaviours that persist in the workplace can exacerbate stress and frustration among employees. **Furthermore, as previously noted, humans are inherently social beings, and the office serves as a vital hub for social interactions. Working from home can, for some individuals, lead to increased isolation and decreased human interaction, contributing to a sense of isolation and loneliness**.
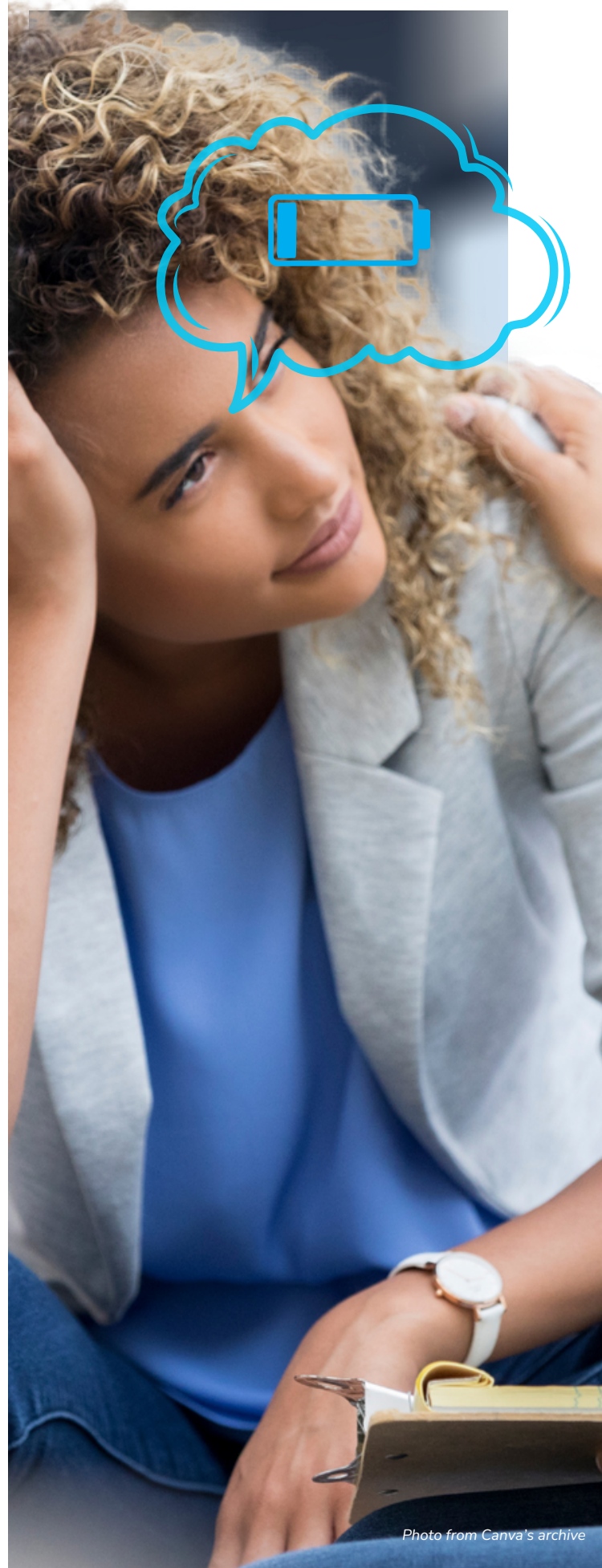

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xyzn ⟼ White Paper

🧠 Challenge #4: Mental Health Support

Three fundamental aspects of our lives significantly impact our overall health: diet, sleep patterns and physical activity. Encouragingly, as demonstrated by the IWG study, hybrid work arrangements offer improvements in all three of these areas. **Surveyed individuals reported increased participation in physical activities, extending from 3.4 hours per week to 4.7 hours. Additionally, they reported longer and more consistent sleep patterns, with a focus on achieving the recommended 7 to 8 hours of sleep crucial for overall health.** Moreover, they noted that they had more time for meal preparation, leading to healthier eating habits. While these improvements do not provide complete immunity from mental health challenges, they significantly reduce the associated risks. For example, adequate sleep is known to reduce stress and anxiety levels, while physical activity boosts endorphin levels, promoting relaxation and enhanced focus.

In today's digital age, technology plays an integral role in our lives. Employing technology in a manner that supports employee wellbeing and productivity while providing organisations with essential workforce visibility is a skill that should not be underestimated. Workplace solutions designed to enhance collaboration, maintain workplace connections and improve communication have been a sound investment for many organisations. Surprisingly, our interviews with organisations indicate that most have not invested in digital solutions for employee engagement and wellbeing.

The majority of surveyed organisations have basic, often unstructured initiatives related to mental wellbeing and employee engagement. These initiatives are frequently disconnected from the organisation's broader goals and lack centralised, flexible and user-friendly platforms or applications. Instead, many organisations rely on a multitude of basic applications from various providers that do not integrate or communicate effectively. This fragmented approach places additional strain on HR resources, often leading to mediocre attendance at initiatives and abbreviated event series due to resource limitations. As a result, HR and People teams prioritise ease of use, scheduling flexibility, and personalisation when seeking wellbeing platforms.

A Growing Recognition of the Importance of Wellbeing Initiatives

40% of organisations report plans to onboard wellbeing teams and /or platforms and organise employee wellbeing retreat featuring wellbeing speakers within the next 12 months.

⚇ Challenge #5: Leadership in a Virtual World

The shift to hybrid work in the post-pandemic era has ushered in a new digital workplace paradigm, necessitating adjustments from companies, managers, and employees. This transition to the digital realm, however, is not without its challenges, including issues of inequality and disparities within teams, as well as obstacles related to leadership, team cohesion, and communication. Leadership stands out as a crucial element for the success of remote work in this evolving landscape.

Leaders have faced immense pressure over the past two years, guiding their organisations through unprecedented economic challenges and uncertainty. It is not surprising that some may view a return to the traditional office as a solution. Nevertheless, leaders now face a new and pressing challenge in an uncertain economy and labour market: establishing a model for flexible work that strikes a balance between achieving business objectives and meeting the evolving expectations of employees.

It is worth noting that while, **before COVID-19, 99% of executives anticipated employees spending over 80% of their time in a physical office, this perspective is now shared by just 10%.** For some managers and leaders accustomed to daily interactions with their teams in a physical office, adapting to this shift has been a culture shock. They must now find innovative ways to manage, engage, and support their team members effectively, regardless of where they work, to attract and retain top talent. This transition presents the challenge of effectively managing in a hybrid environment, with only **20% of leaders** rating themselves as "very effective" at leading virtual teams. Moreover, while **89% of HR leaders** expect their leaders to **employ empathy-based leadership in the hybrid workplace,** they agree that organisational investment to enable empathy-based management is falling short.

Challenges and Opportunities in Leadership Effectiveness and Empathy–Based Management

20%
of leaders rate themselves as "very effective" at leading virtual teams

89%
of HR leaders expect their leaders to employ empathy-based leadership

Furthermore, there exists a significant disconnect between managers and employees when it comes to productivity. **Eighty-five percent of managers admit to not fully trusting that their employees are performing their job duties when working remotely, whereas 87% of employees believe they maintain the same level of productivity while working from home.** This divide between leaders and employees is supported by research conducted by Ipsos, which analysed **more than 540,000 survey responses from 95 countries regarding attitudes toward hybrid working.** The results exposed a growing gap between leaders and their teams.

While 68% of respondents in the Ipsos study favoured a hybrid work routine, senior leaders expressed a different preference, with just 10% indicating a preference for full-time remote work. This sentiment aligns with findings from another study revealing that some leaders perceive hybrid work as more demanding, time-consuming, and challenging than traditional on-site work.

Another concerning aspect that emerged from our research is the prevailing perception that employee engagement and mental wellbeing initiatives are relegated primarily to HR departments and seen as HR's exclusive responsibility. In organisations where HR departments are small or outsourced, targeted wellbeing initiatives and employee engagement intelligence are often non-existent. Our research confirmed a lack of ownership and accountability among leaders when it comes to employee engagement as part of their roles. Even in organisations with an internal HR capability, dedicated employee engagement or wellbeing teams are rare, resulting in HR teams that are already overworked and stretched thin. This often leads to the implementation of basic wellbeing and engagement initiatives that are seldom linked to business goals or able to demonstrate their impact on employee engagement levels.

The concept of team building and the formation of team connections need to be reimagined. Leaders must consciously invest in educating and empowering employee engagement. Building strong teams now necessitates visible leadership that fosters a trusting environment for employees to collaborate. Leaders should set the tone for their teams and serve as role models whom employees can look up to for guidance on navigating the evolving landscape.

Challenge #6: Measuring and Managing Performance

Navigating performance assessment in a hybrid work environment is one of the most significant challenges faced by organisations today. As some employees predominantly work from the office, while others opt for remote locations, it is imperative that performance evaluations are conducted in a manner that is not disproportionately influenced by face-to-face interactions. Thus, innovative approaches to performance evaluation are essential in hybrid workplaces to ensure that all employees are assessed and developed based on their merits, irrespective of their primary work location.

Not long ago, managers could oversee their employees' tasks and confidently believe that everyone was putting in work. However, in a hybrid environment, evaluating productivity and managing performance is no longer as simple as relying on outdated metrics such as "time spent at work."

In a hybrid work setting, trust between leaders and teams becomes more critical. The organisational culture should therefore pivot toward valuing results achieved rather than the hours spent working to attain them. **To assess performance based on outcomes rather than the time spent connected to the company system, employees and managers must have a shared, well-defined understanding of the exact results they are striving to achieve, ensuring that objectives are crystal clear.**

Regrettably, only about <u>half of employees</u> strongly agree that they fully understand their work expectations. At a time when the pandemic has strained employee mental wellbeing and increased overall uncertainty, unclear targets and guidelines further add to the stress employees experience. However, before setting goals for employees, **it is crucial to thoroughly align these goals with the broader organisational mission**, as this helps to mitigate bias and ensures objectivity during performance reviews, contributing to the creation of an inclusive work culture.
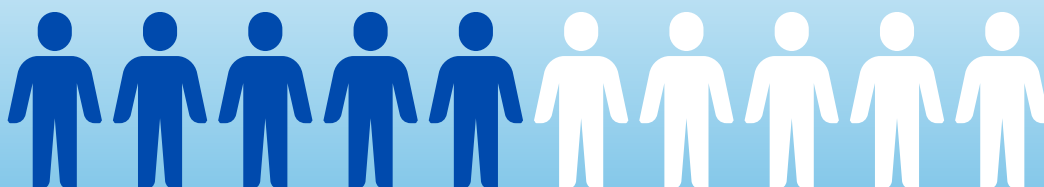
Only about half of employees strongly agree that they fully understand their work expectations

🔑 Key Themes

Having goals that directly align with the larger organisational mission can be a <u>powerful motivator for employees</u>, which is especially important when you consider that a significant portion of employees is unclear about what their company represents. This holds particularly true for remote employees, who often feel less recognised for their contributions at work.

Sadly, some toxic practices of micromanagement have crept into the hybrid workplace. This has led some companies to implement digital monitoring systems and track trivial metrics in an effort to alleviate their concerns and fears.

Instead of relying on superficial indicators of productivity, leaders must prioritise impact. Offering employees clarity regarding the results their work should achieve is now more crucial than ever, especially as almost half of workers report experiencing burnout. This alarming statistic should motivate every leader to step up in their role, as burnout not only affects employee wellbeing but also stifles innovation and harms talent retention.

A crucial first step is to actively listen to your employees. Surprisingly, over half of companies (57%) seldom, if ever, seek insights into their employees' experiences at work. Timely feedback loops and actionable employee insights are essential to keeping a finger on the pulse of your organisation, enabling you to address issues before they escalate and result in talent loss, time wastage, and financial costs.

Performance management should not be a top-down process. Organisations should empower direct reports to work closely with their managers and engage in honest two-way feedback about performance. In both physical and remote or hybrid work settings, performance development is a shared responsibility of managers and employees. Honest feedback supports the management and improvement of employee performance and helps establish more realistic objectives for the future. Companies that institute fair and relatively accurate performance management systems tend to retain employees longer, thereby improving internal efficiency and knowledge retention over time.

Percentage of Companies that Prioritizing Active Listening

57% Over half of companies seek insights into their employees' experience experience at work.

Photo from Canva's archive

It's essential to acknowledge that a one-size-fits-all approach is not applicable in this context. With the arrival of Gen-Z employees in many organisations, leadership styles and performance measurement expectations need to be recalibrated. **Each generation requires a tailored approach**, and, as already noted, our interviews have also highlighted the differences in employee experience for different generations in the workplace.

Additionally, our research has revealed a significant gap in acquiring reliable and effective business intelligence concerning employee mental wellbeing. **A mere two out of ten respondents mentioned having an employee wellbeing platform deployed for their workforce.** Yet, they couldn't pinpoint key insights offered by these platforms. Furthermore, all the respondents displayed little or no experience and capability in measuring the impact of their employee engagement and wellbeing programs. It's a known fact that without measurement, improvement is challenging. Currently, most organisations continue to rely on rudimentary productivity metrics to gauge employee engagement and mental wellbeing. The absence of insights into employee wellbeing complicates the process of securing funding for employee engagement initiatives.

Successful hybrid environments have witnessed a shift toward outcome-oriented and impact-driven management. This involves setting clear roles, tangible goals and milestones, followed by regular check-ins to identify and remove obstacles and ensure that workloads remain manageable.

Managing performance in a hybrid work environment requires a focus on outcomes, impact, and shared ownership.

2 out of 10 respondents mentioned having an employee wellbeing platform

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Challenge #7: Inclusion and Equity

In the age of the hybrid workplace, technology has paved the way for global employees to connect, collaborate, and communicate effectively. However, while hybrid work models are becoming the standard for many organisations, achieving equitable and inclusive hybrid work environments remains a challenge, which can have both immediate and long-term implications for teams and organisations alike. **An equitable workplace is one where all types of workers have equal and fair access to opportunities and resources.** As such, organisations and their leaders must take proactive steps to level the playing field.

It is important to recognise that working remotely and returning to the office carry different meanings and preferences for different employees. **For instance, in a 2022 article by McKinsey, it was reported that 75% of workers preferred a hybrid working model over working solely on-site.** Notably, some traditionally underrepresented groups demonstrated an even stronger preference for hybrid work:

Employees with disabilities were 11% more likely to prefer a hybrid work than employees without disabilities
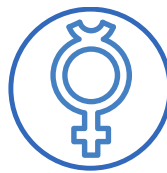
Non–binary employees were 14% more likely to prefer hybrid work than men and women

LGBTQ+ employees were 13% more likely to prefer hybrid work than their heterosexual peers

Younger employees were 59% more likely to leave than older ones (55+)

Black employees were 14% more likely than their White peers

LGBTQ+ employees were 24% more likely to leave than heterosexual ones

Employees with disabilities were 14% more likely to leave than employees without them

For managers who understand the importance of inclusion and diversity, these examples underscore another potential benefit of hybrid work models.

McKinsey's results on workers work preference

75%

of workers preferred a hybrid working model over working solely on-site

🔑 Key Themes

20% of companies still lack well-defined hybrid working guidelines.

It is vital to recognise that in a hybrid work environment, employees, depending on their location, have different access to resources and varying levels of visibility, which are both key sources of power and influence, as suggested in a 2021 Harvard Business Review article.

Employees working from the office enjoy immediate and seamless access to technology and infrastructure that support their work. They tend to have quicker access to information, which is often more up-to-date and extensive. Being in the office also provides access to the emotional and task-based support offered by peers.

On the other hand, remote employees frequently contend with less advanced technology and infrastructure (e.g., slow connections, limited access to certain resources from home, less sophisticated home office setups), making it more challenging for them to showcase their competence. The absence of informal interactions leaves remote workers feeling disconnected and uninformed, and working remotely can lead to feelings of isolation and a lack of social support.

Moreover, not all individuals possess equal proficiency in navigating a hybrid work environment. Proficiency in operating within a hybrid environment itself represents a skill and, therefore, a source of power. Hybrid work has the potential to create an unequal playing field and to exacerbate in-group versus out-group dynamics, which can render those advantages as liabilities. For organisations already grappling with diversification and talent retention, poorly designed hybrid work models may expedite departures, diminish inclusion, and harm performance.

Lastly, our research, in line with existing market research, revealed that 20% of companies still lack well-defined hybrid working guidelines, particularly regarding who is permitted to work from home and who is not. Such a lack of transparency and clarity can give rise to significant equity issues.

Photo from Canva's archive

The One Stop Shop for all your
Wellbeing Needs

04–

Introduction Oxyzn

Photo from Canva's archive

Introducing Oxyzn

## Empowering Your Hybrid Workforce

In today's evolving business landscape, the challenges associated with employee engagement and wellbeing have never been more prevalent or pressing. These challenges pose a pervasive and urgent problem for businesses, impacting profitability, productivity, and sustainability. Oxyzn, a groundbreaking AI employee engagement and wellbeing platform, is designed to address these challenges head-on and offer a comprehensive solution.

At Oxyzn, we understand the multifaceted nature of the challenges faced by organisations in the hybrid work era. **Our platform is meticulously crafted to alleviate the rising rates of employee digital fatigue, prioritise mental health and empower HR and People leaders to effectively advocate for their employees' needs while seamlessly implementing the necessary resources and interventions.**

Hybrid work promises flexibility, improved work-life balance, and a tailored employee experience. However, realising these benefits necessitates a thoughtful and purposeful approach to the new work environment. Oxyzn is dedicated to making true flexibility a reality, extending beyond physical location to accommodate the diverse preferences and requirements of today's workforce.

To personalise the employee experience, Oxyzn leverages gamification elements and integrated artificial intelligence (AI) and machine learning capabilities. This empowers us to offer each employee an individualised journey, irrespective of their work location, fostering a sense of inclusivity and empowerment.

We recognise the paramount importance of timely and open two-way feedback exchanges. Oxyzn employs real-time user feedback collection, enabling continuous improvements to the overall experience based on employee input.
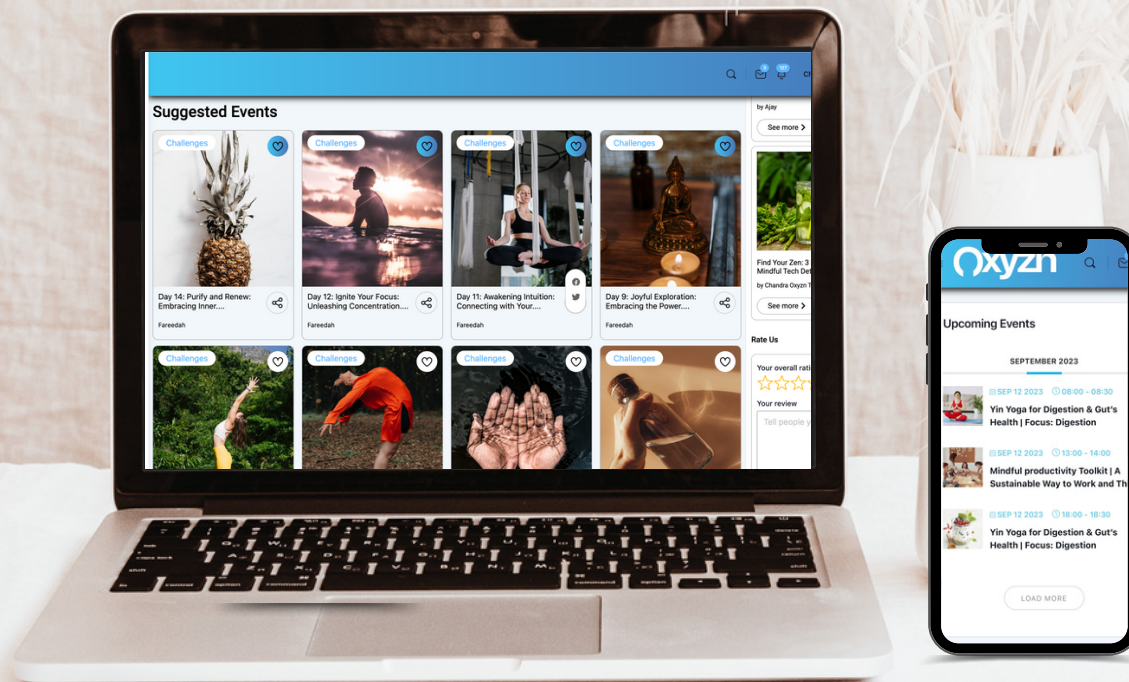
🔑 Key Themes

To bridge the existing gaps in employee engagement and wellbeing reporting intelligence, Oxyzn offers customised reporting, internal communication tools, and automated planning features. This ensures that HR and People leaders remain vigilant and attuned to the pulse of employee experience. It equips them to proactively address current concerns and prevent future issues, such as burnout, disconnection or loneliness. Reporting and visualisation features enable HR leaders to engage in a comprehensive planning and justified allocation of resources to enhance the employee experience journey.

We understand the challenges faced by HR and People teams that are often stretched thin, overworked and under-resourced. To relieve them of the burden of managing employee wellbeing and engagement, Oxyzn offers a centralised, automated and highly intuitive user experience. It seamlessly integrates with business calendars, sending timely reminders and valuable notifications, so that employees did not miss a session vital to their wellbeing. Moreover, People leaders gain access to a rich repository of constantly updated internal communication resources, toolkits, demos and other invaluable materials. These features help save precious time and energy that can be redirected towards other impactful efforts.

Oxyzn caters to the diverse spectrum of employee needs by offering resources and workshops across ten distinct wellbeing categories and a variety of subcategories to match various interests. From quick 10-minute wellness breaks to in-depth courses aimed at skill development, Oxyzn's offerings cater to the full spectrum of employee needs.

Oxyzn stands as the ultimate one-stop-shop for all employee wellbeing resources, activities, training and other engagements. The platform simplifies management for HR and People teams and provides an intuitive, user-friendly experience for employees. With Oxyzn, you can empower your workforce, foster a culture of wellbeing, and pave the way for a thriving and resilient organisation in the hybrid work era.

Photo from personal archive

"Thriving employees are what will give organisations a competitive advantage in today's dynamic economic environment,"

05—
Conclusion

Photo from Canva's archive

Conclusion

> "Thriving employees are what give an organisations a competitive advantage in today's dynamic economic environment" Satya Nadella, Microsoft Chairman & CEO.

Navigating the Future of Work

In the evolving landscape of the modern workplace, the concept of hybrid work has emerged as a transformative force that bridges the benefits of both remote and in-office work. This white paper, "Unlocking Success in the Hybrid Work Environment: Addressing the 7 Key Employee Engagement and Wellbeing Challenges," has undertaken a comprehensive exploration of the critical hurdles organisations face as they navigate this dynamic terrain. By examining these challenges, we have provided actionable insights aimed at helping leaders thrive in this ever-evolving paradigm.

The seven key challenges unveiled in this white paper reflect the intricacies of fostering a culture of engagement and wellbeing in the hybrid work environment. From the pervasive issue of digital fatigue to the imperative of maintaining human connection, and from the delicate balance of work-life boundaries to the urgent need for enhanced mental health support, these challenges are inherent to the hybrid work landscape. They underscore the vital role of leadership, technology, and evolving workplace policies in addressing the complex interplay of engagement and wellbeing.

In the pursuit of success within the hybrid workplace, we have witnessed a common thread that unites organisations of diverse sizes and industries. The challenges and solutions identified in our research transcend these boundaries, reaffirming the universality of the struggle to harness the full potential of the hybrid work environment.

Furthermore, the significance of employee engagement in the post-pandemic era cannot be overstated. The statistics highlighting its impact on business success, from productivity and profitability to employee retention and customer service, underscore the critical role it plays in the growth and prosperity of organisations.

As we move forward into this new era of work, the concept of the hybrid work environment and the accompanying challenges are inextricably linked to the overarching goals of organisations. It is clear that employee engagement and wellbeing are not mere buzzwords; they are foundational components that define the path to success.

In conclusion, "Unlocking Success in the Hybrid Work Environment" provides a roadmap for organisations navigating the ever-evolving world of work. **By recognizing and proactively addressing the seven key challenges, organisations can empower their employees and foster a culture of engagement, wellbeing, and sustained success in the hybrid work environment.** The future of work is now, and by understanding the dynamics at play, we can chart a course towards a brighter and more engaged future. As this white paper has revealed, there is an urgent opportunity - and responsibility - for leaders to approach the transition with intention and a growth mindset, or risk being left behind.

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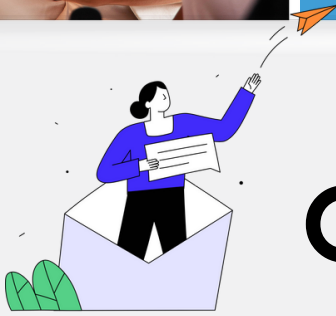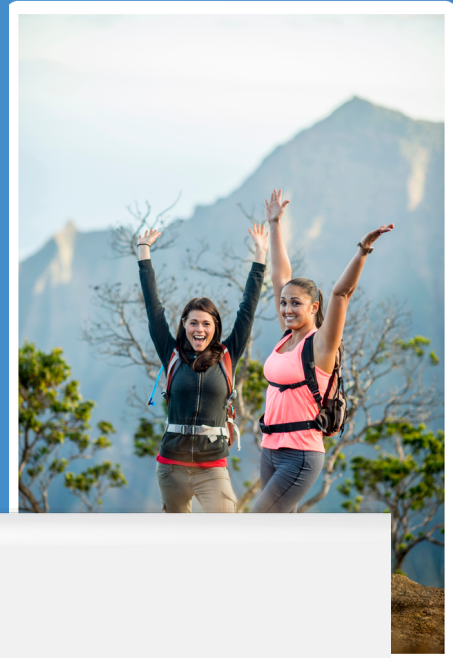Available at:
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Book a 30-minute discovery call with us and learn more about how to elevate your employee engagement and wellbeing in 2024!
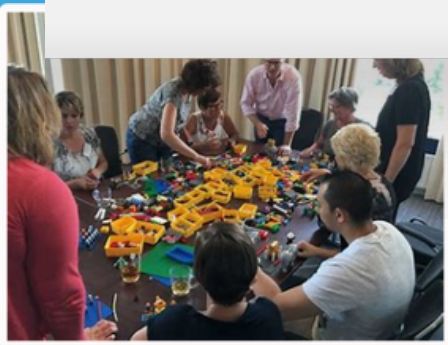
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