

Evolution of Hybrid Work — Transforming Workplace Dynamics

2020

COVID-19 Pandemic era

Immediate shift to remote work, rapid technology adoption, challenges and adoptions to hybrid work

2022

Refinement of Hybrid work

Policy development, investment in technology, culture shift (focus on outcomes and productivity)





2019

Pre-COVID era

Traditional in-office model, remote work was limited and emerging flexi hours trend



2021

Transition to Hybrid Work

Return to office plans, emergence of hybrid work models, focus on employee experience



2023-2025

Continued Adaptation — Shaping Hybrid Work Environment

Flexible work arrangements (hybrid vs fully remote), focus on wellbeing, inclusion etc.

Key trends:

- Most organizations globally are implementing remote work options.
- Younger generations, particularly Gen Z and Millennials, prefer hybrid work models.
- Flexibility and worklife balance are crucial factors for employees when considering potential employers.



Hybrid Work: Misalignment Between Employers and Employees

Employers are keen to see their employees return to the office.

However, employees have different expectations

By the end of 2024, 90% of companies have started implementing return-to-office plans, and only 2% expected to allow complete remote working.

Employee preference for being fully remote is shifting to hybrid — 28% in 2024 vs 34% in 2023 but remains way above employer of 14%.

More than 70% of employers expect higher productivity from employees working in the office.

Employer preferences for 2-3 remote workdays exceed employee preferences by 7%.

~70% of knowledge workers no longer have assigned seats, but employees prefer coming to the office for social interactions — 34% of workers indicate they want a stronger connection to their teams.

Employees have individual requirements and contexts; a "one-size-fits-all" approach to hybrid work policy does not work.

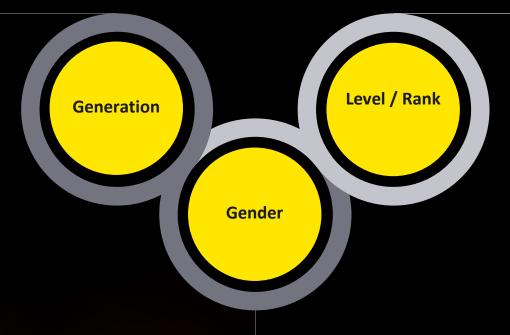
Sources of the data in this presentation (unless others indicated on the slides): EY Work reimagined survey 2024 — Insights of the survey covers responses from across 23 countries (including North & South America, Europe, Middle East, India and APAC); HCRO2030 — EY research based on discussions with 160+ executives across 15 sectors and 26 countries



Hybrid and Remote Work Preferences Differ by Generation, Gender and Job Role

All generations have a similar aggregate view of 67%-68% as a mix of 3+ days working remotely. However,

 Gen Z (67%) and Millennials (66%) show the highest interest in hybrid work, with 1-4 days per week, compared to Boomers at 52%.



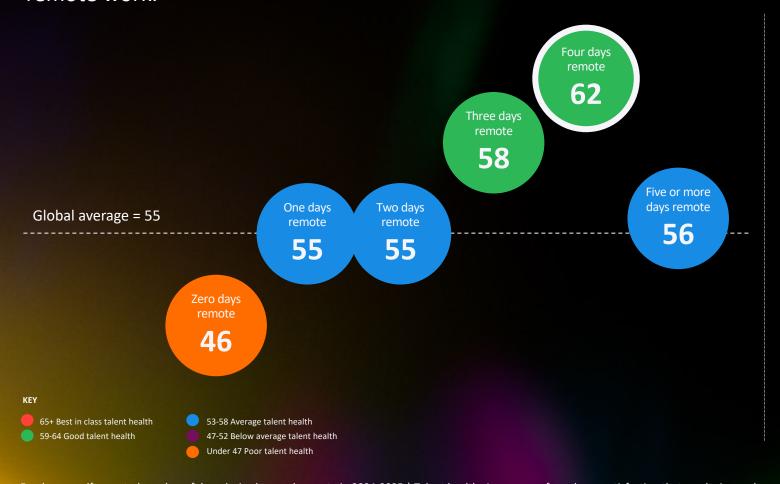
- Male and female workers have consistent preference for 3+ days working remotely but females have a higher preference (71% vs 66%).
- Higher proportion of female workers desire fully remote work: female workers are more likely to want fully remote work (31%) compared to male workers (25%).

- Knowledge workers favor remote work over onsite options, seeking flexibility in their work location, timing, and methods.
- Sales professionals prefer hybrid working: Sales roles show a significant preference for hybrid setups (70%) compared to fully remote setups (22%).
- Managers (42% hybrid vs. 25% remote) and leaders (45% hybrid vs. 27% remote) have a higher preference for hybrid setups.



Impact on Talent Health

Talent health scores are highest with four days of remote work per week, outperforming both full on-site and full remote work.



- Employees who do not work remote at all have the lowest talent health score and are 9 points behind the global average.
- Knowledge workers who come in one day per week show the highest talent health; those forced to full return are the lowest.
- Gender difference there is a 6 points gap in the Talent health between males and females (52 vs 58).
- Generation differences Talent health scores peak at:
 - Gen Z: 5+ days remote
 - Millennials: four days remote
 - Gen X: four days remote
 - Boomers: two days remote

Employees self-reported number of days desired to work remote in 2024-2025 | Talent health: A measure of employee satisfaction that results in employees promoting their employer.



Challenges Creating Unequal Playing Field

Visibility and recognition

Proximity Bias:

The unconscious tendency to favor employees who are physically present in the office, can lead to disparities.

Career Advancement:

Employees who work fewer days in the office tend to report lower satisfaction with recognition of their work due to reduced visibility and perceived commitment.

Gender challenges

Caregiving Responsibilities:

Women often shoulder more caregiving duties, impacting visibility and advancement.

Cultural challenges

Inclusion of Diverse Voices:

Remote workers from diverse backgrounds may feel marginalized, impacting their sense of belonging and engagement.

Communication Styles:

Varied communication preferences across cultures can lead to misunderstandings.

In-Person vs. Remote Interactions

Office employees' benefit from spontaneous networking, while remote workers may feel isolated.

Generational impact

Differing Expectations:

Younger generations prefer flexibility, while older generations value in-person interactions, leading to tensions in team cohesion.

Talent health scores peaks:

- Gen Z: 5+ days remote
- Millennials: four days remote
- Gen X: four days remote
- Boomers: two days remote



Corporate Responses Towards Equity in Hybrid

The hybrid work model represents more than a temporary shift; it signifies a fundamental transformation in how we perceive productivity, collaboration, and equity in the workplace.

Flexible work policies

- Flexible Hours: Allowing flexible working hours to accommodate family responsibilities, including school drop-off/pick-up and caregiving.
- Reduced work-week: Offering four-day workweek for women to provide an extra day for personal commitments, reducing burnout while maintaining productivity.

Accessibility and Visibility

- Information Equity: Ensure all employees have equal access to information and resources needed to perform their roles effectively including fair meeting practices and skills-based work allocation.
- Outcome-Based Performance Measurement: Focus on measuring performance by outcomes rather than visibility and perceived effort.
- Inclusive Recognition Practices: Celebrate achievements across all locations to ensure that remote employees are recognized equally.

Culture

• Foster a culture of flexibility and fairness: Creation of equitable work experience is a required leadership behavior. Providing guidance on how leading in a hybrid world.



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