

Hybrid Work Compass

Navigating the future
of how we work



In partnership with:





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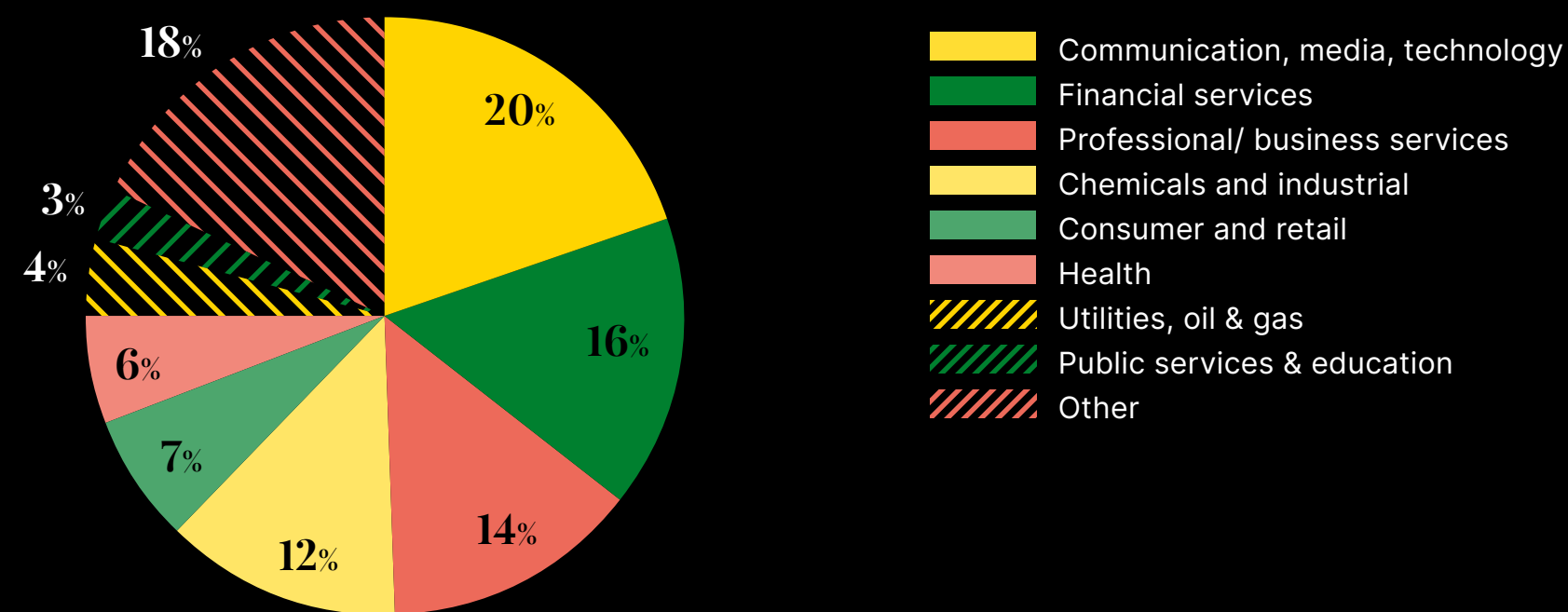
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Study methodology and sample characteristics

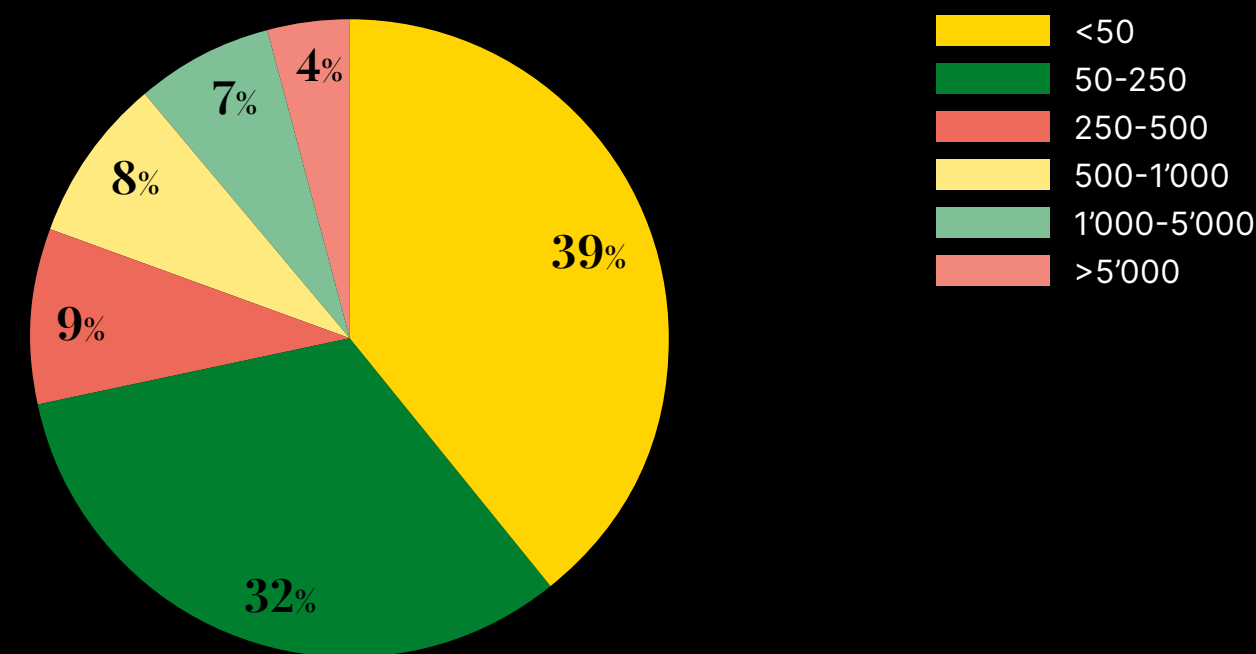
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The global outbreak of COVID-19 caused the single biggest shift to the way we work in living memory. Following such a rapid and radical transformation, the questions surrounding hybrid work models are no longer ‘if’, but ‘how’ and ‘when’.

Participating companies by industry



Participating companies by size



841

Swiss companies
participated

An uncertain future

Our joint research team of members from the University of St.Gallen, Novu Office, and HR Campus, interviewed over 150 senior executives based in Switzerland to understand the beliefs, challenges, and uncertainties of those navigating the world of hybrid working. Four key questions emerged:

- What will future work models look like post-pandemic?
- How advanced are organizations in developing and implementing such models?
- What are the key challenges that arise in development and implementation?
- What opportunities are on offer for companies that go beyond employees' expectations?

The full picture

To help answer these questions, we launched a large-scale survey of HR

and senior executives from 841 Swiss companies of all different sizes and industries. This report summarizes our key findings and serves as a practical, data-driven tool for all those considering their future working models.

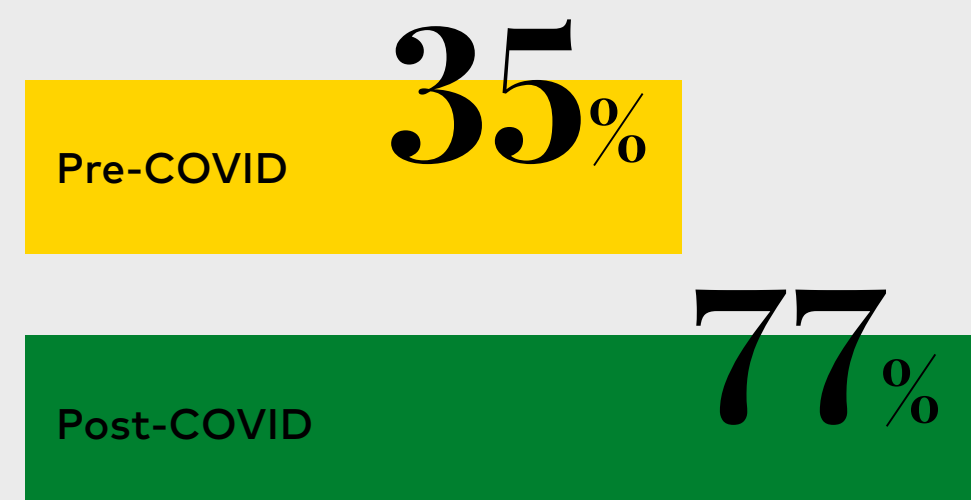
"Many of our clients came up with solutions for hybrid work models which worked in the short-term. But to most, it is still unclear what the best model for the future will look like. Companies are looking for guidance to face uncertainties."

Moritz Marti, CEO,
HR Campus

Hybrid working is here to stay

The model of how we work has changed for good. The major shift towards more remote working can be seen across companies of all different sizes and industries.

% of companies that use/plan to use hybrid work models (pre-COVID vs.post-COVID)



89%

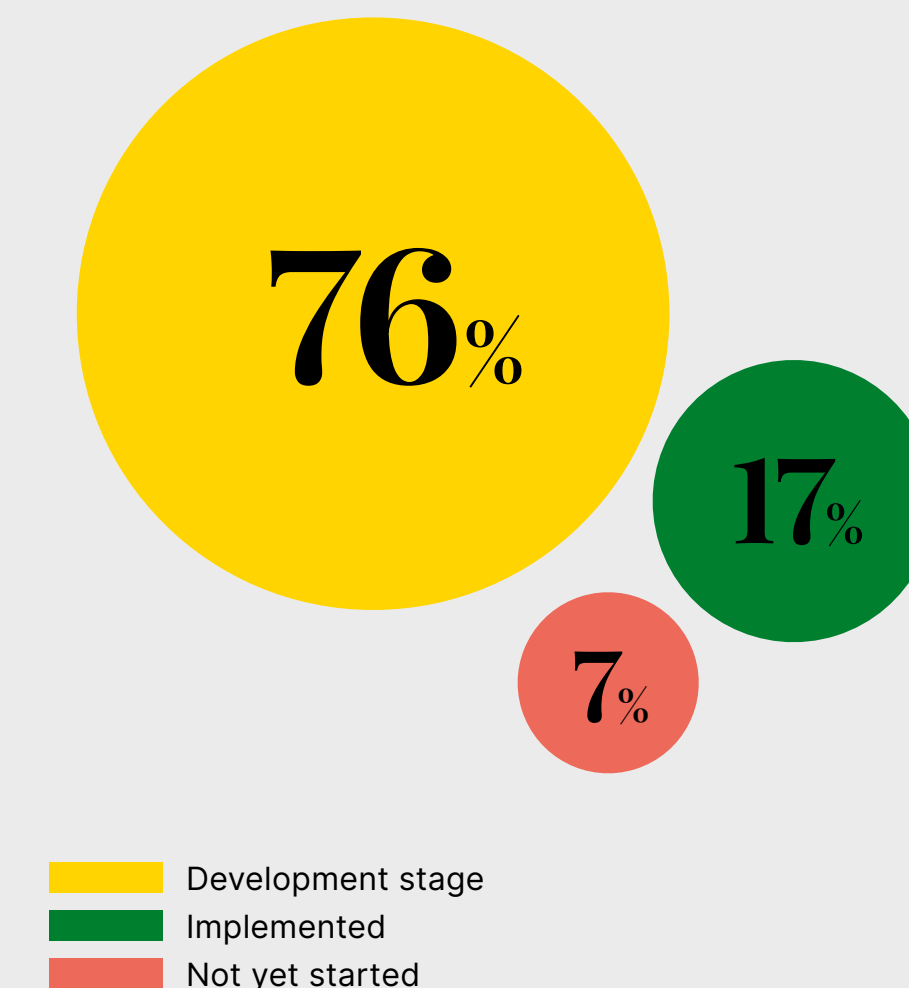
of companies see maintaining an inclusive corporate culture as the biggest challenge

New formats and tools must be implemented to unite both remote and on-site employees behind company culture.

Hybrid work models are still in their early stages

If you're yet to develop a hybrid work model, you're not alone. Most companies are still in the developmental stage, with sceptical leadership teams presenting the biggest obstacle to remote working.

The development status of hybrid work models in Switzerland



87%

of companies believe hybrid work models are crucial to attracting top talent

Hybrid work models and related policies are now major advantages in the war for talent, a critical factor behind a company's long-term success.

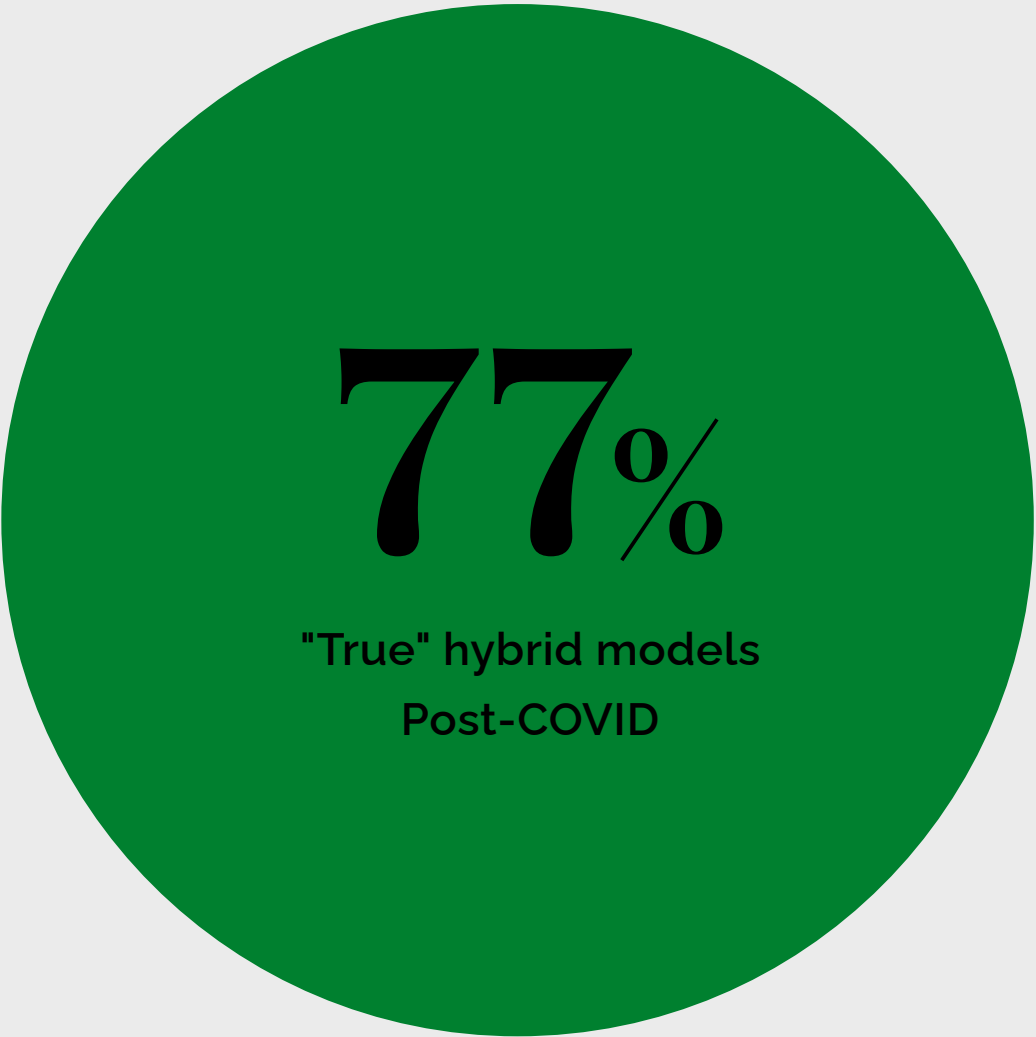
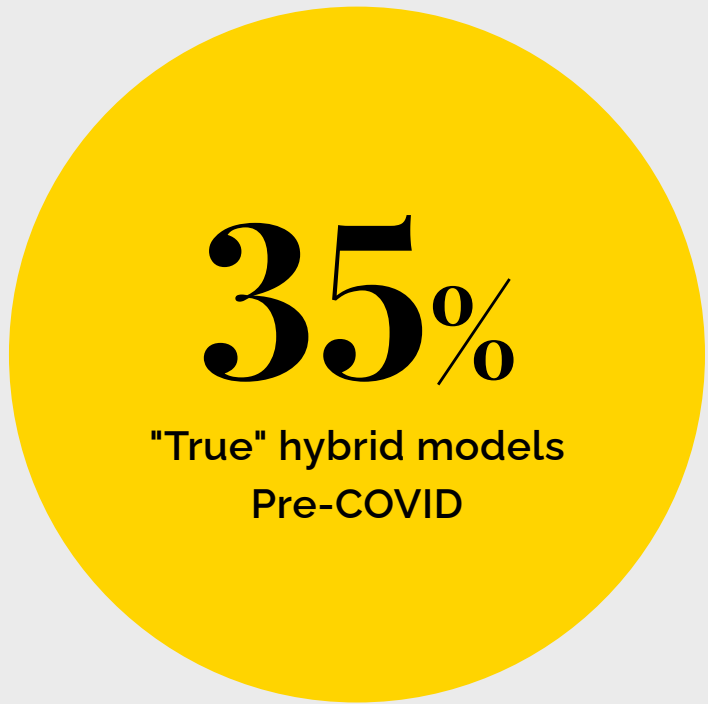
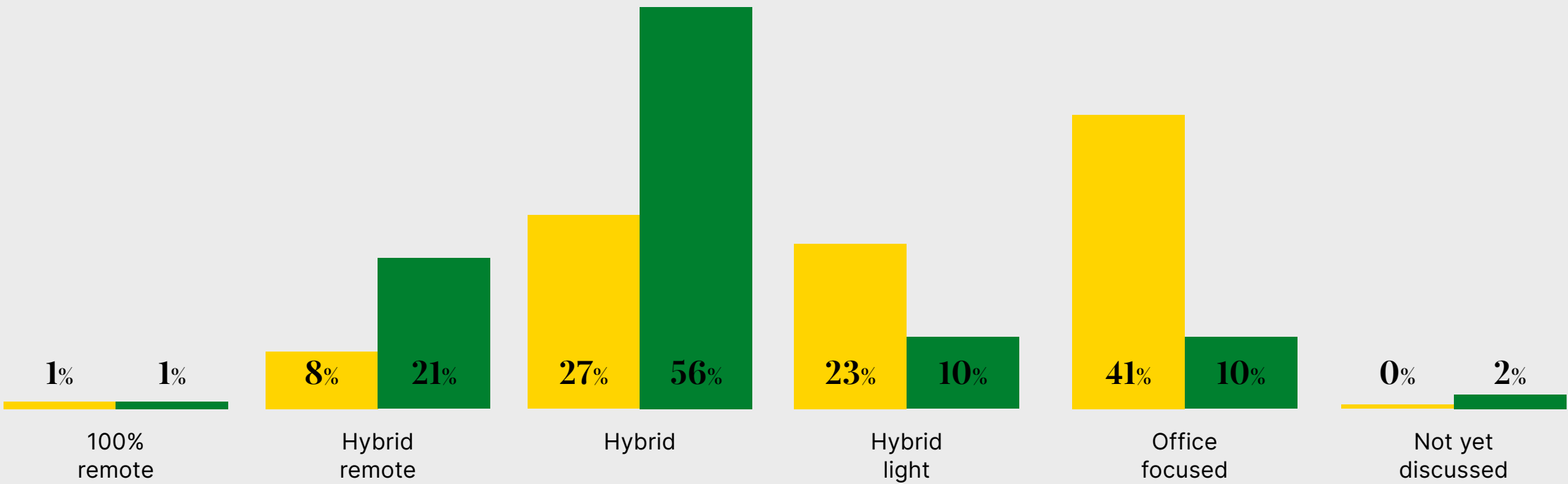
What will future work models look like post-pandemic? CEOs, board members, and HR experts envision five model archetypes:

- 1. Office Focused:** Where working outside the office is the exception
- 2. Hybrid Light:** The choice to work remotely for one day per week
- 3. Hybrid:** Employees are permitted to work remotely for multiple days per week, but the office remains essential
- 4. Hybrid Remote:** A fully flexible approach, with the office primarily used for in-person collaboration
- 5. 100% Remote:** Employees are expected to work entirely remotely

But which of these models will be the most prevalent, and how have recent events changed companies' plans?

“True” hybrid models

Work models pre-COVID vs. post-COVID
% of participating companies by work model



Pre-COVID
Post-COVID

A clear trend toward hybrid work models

Before the pandemic, only 35% of the companies used or planned to use hybrid work models. Today 77% of companies use or plan to use hybrid work models in the future. This trend is particularly strong in urban areas, where 84% of companies will focus on hybrid work models, compared to only 63% in rural areas.

From the results of the survey, we see that the shift toward hybrid models is taking place across industries. Public organizations plan the strongest shift, from only 25% exploring hybrid work models pre-pandemic to 86% post-pandemic. The second and third largest shifts come from financial service companies (28% to 80%), and chemical and industrial companies (25% to 63%).

A similar pattern can be seen when looking at work models across companies of different sizes. Previously mid-sized companies with 250-1000 employees were reluctant to use hybrid work models with only 28% in favor. Post-pandemic, support has risen to 84%.

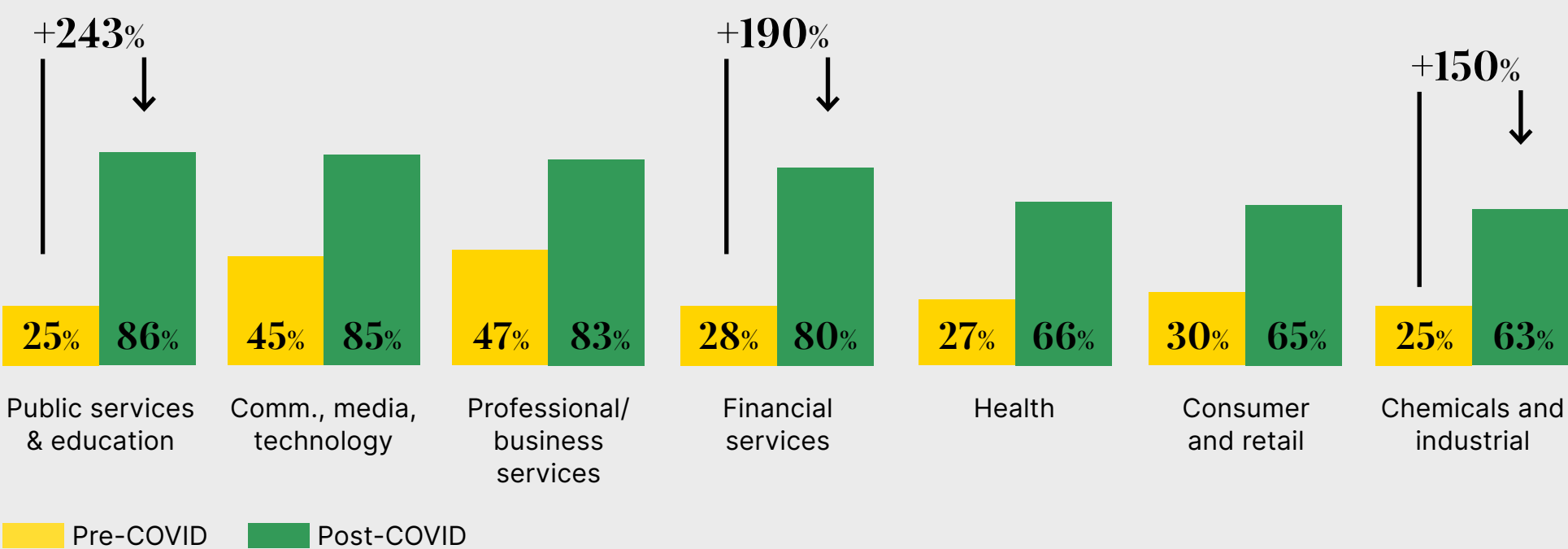


While in the past hybrid models were primarily used by companies of certain sizes from specific industries, the shift toward hybrid working today is universal. In fact, the strongest shifts can be seen across industries and company sizes that had the lowest rates of adoption previously.



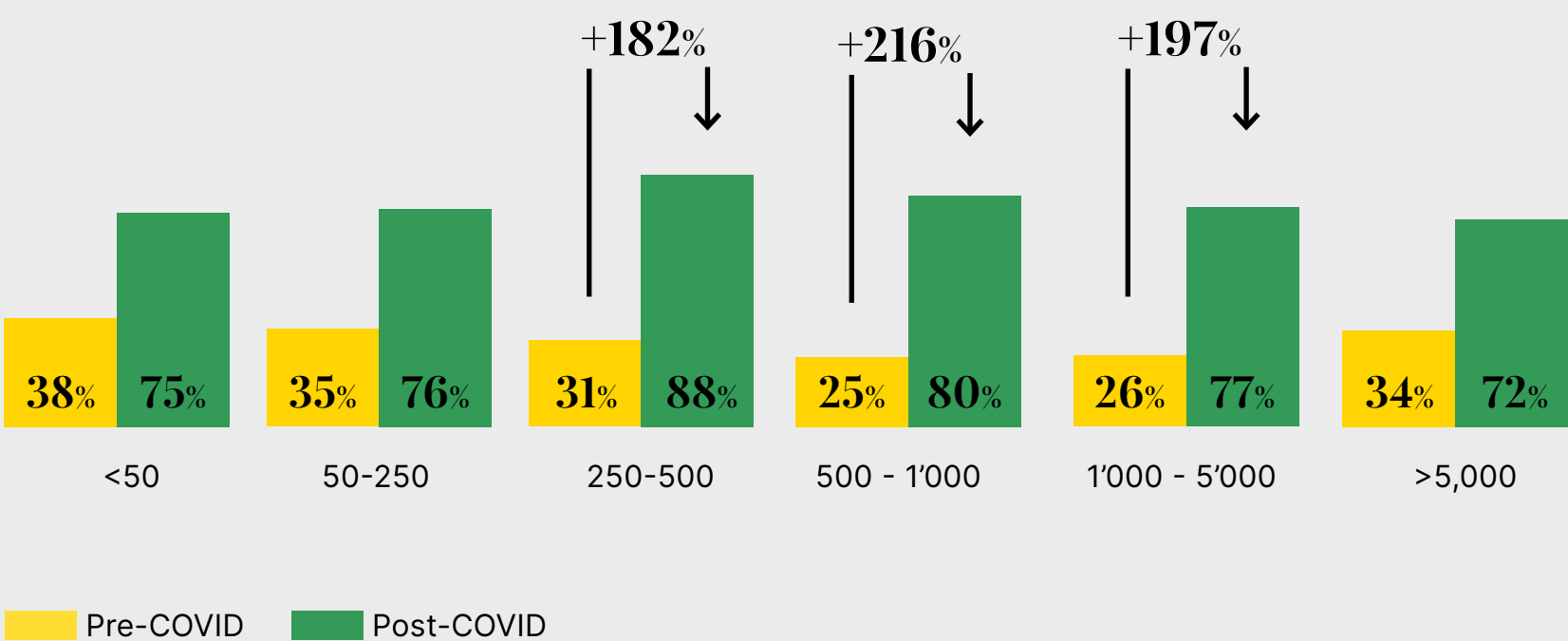
Hybrid work models – pre-COVID vs. post-COVID

% of companies that use/plan to use hybrid work models by industry



Hybrid work models – pre-COVID vs. post-COVID

% of companies that use/plan to use hybrid work models by number of employees



Business models and senior leadership present the biggest obstacles

So what are the key reasons keeping companies from moving toward hybrid work models?

Our research identified two main factors:

- 1. The business model:** The greater the number of roles that can be performed from home, the more likely the company is to apply hybrid work models. We found that 91% of companies where 80-100% of employees can work remotely are moving toward hybrid work models, compared to only 36% of companies with 0-20% of employees able to work remotely. This finding points to a key challenge of hybrid working – the inclusion of all employees in such models, independent of how well their jobs are suited for remote work.
- 2. Senior executives:** Even for companies whose business model is compatible with remote working, there is still a further challenge. 46% of such companies do not plan on exploring hybrid working because “leadership does not believe in remote work models”.



A flexible approach to hybrid working

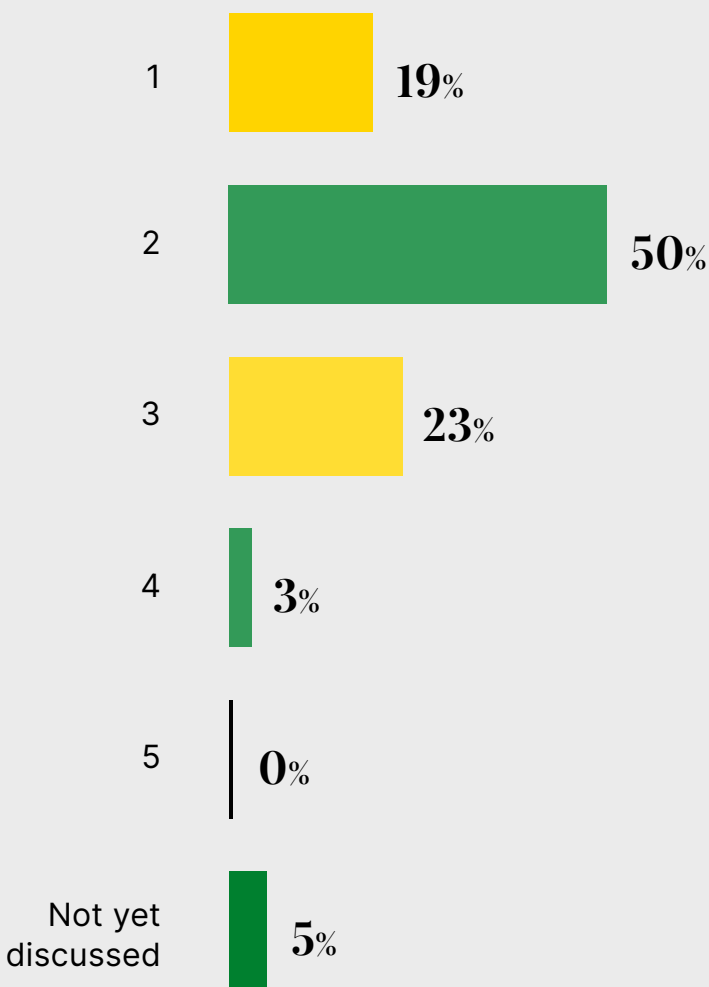
The consensus across companies is that one-size-fits-all solutions are not the answer. It's clear that some tasks and functions are simply better suited to remote working than others. Employees have different home environments and personal preferences. Where some individuals enjoy working from home and are set up to do so effectively, others may struggle from isolation and/or a lack of motivation and focus.

In recognition of these differences, most companies define 'general guidelines' that leave room for personalization. A good example of this flexibility is described as the following:

“All employees are entitled to work remotely 50% of their contractual workload. At the same time, each team will work together on-site for at least one day per week.”

Adrian Röthlisberger, Head of Human Resources,
Financial Market Supervisory Authority FINMA

Expected number of home office days per week



On average, companies expect employees to work from home for two days per week, with 31% opting for three or more days per week. When we look at companies that have already implemented new work models, we see their employees work from home at an average of 2.5 days per week.

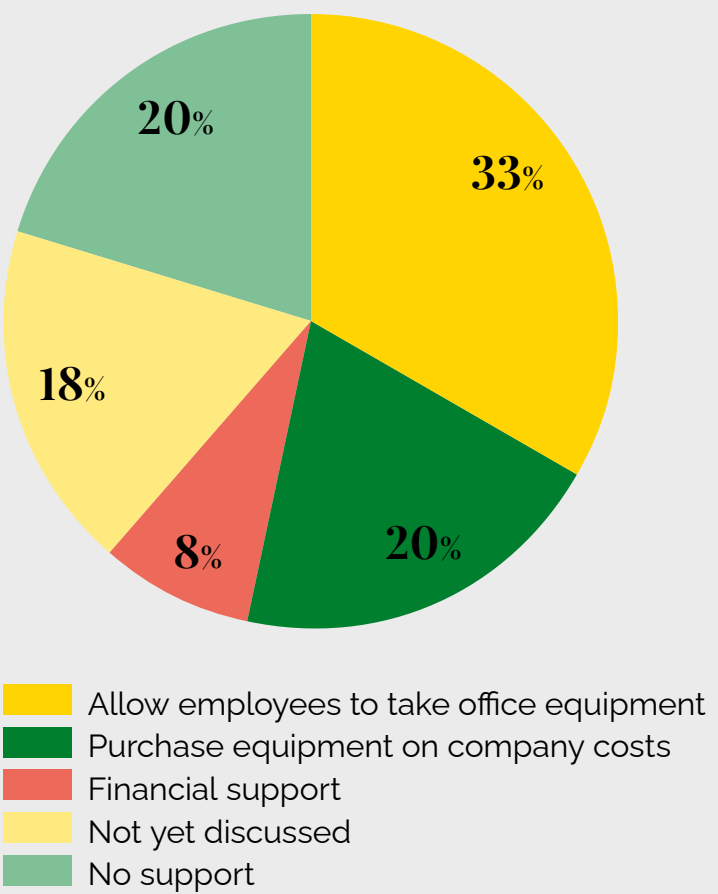
Companies that support out-of-office working are not in favor of cross-border set-ups

When it comes to possible places employees can work from, companies prefer some continuity. Aside from at-home working, 70% of companies also offer employees the option to work from co-working spaces. 38% of companies plan on implementing 'Anywhere, as long as in Switzerland' policies, while only 13% would allow employees to work abroad. This is mainly due to the tax implication of cross-border remote working set-ups, covered in the challenges section of this report.

Companies cover working-from-home expenses to varying degrees

80% of companies plan to support employees in making sure they have a functional workplace at home. This support can take different forms, from one-time payments between CHF 150-2000, monthly support fees between CH 25-400, to expense-based models. However, with 33% still planning to distribute existing office equipment and 18% not yet discussing this topic, most companies do not have a clear strategy in place.

Future employee support models



Companies also indicated that the level of support employees receive will differ depending on how much they work from home. A common model is to define a maximum amount for someone who works 100% remotely (e.g., CHF 100 per month), adjusting the amount based on the number of days worked at home (e.g., an employee who works from home two days per week would receive CHF 40).



"We at Kearney believe in the importance of safe, ergonomic, and functional workplaces. Therefore, we provide employees who work from home with the required equipment."

Dr. Christof Ledermann,
Partner & Managing Director,
Kearney

Key takeaways

Hybrid working is here to stay

We have seen a definitive movement toward more remote working by different-sized companies from across all industries.

Not all senior executives are convinced

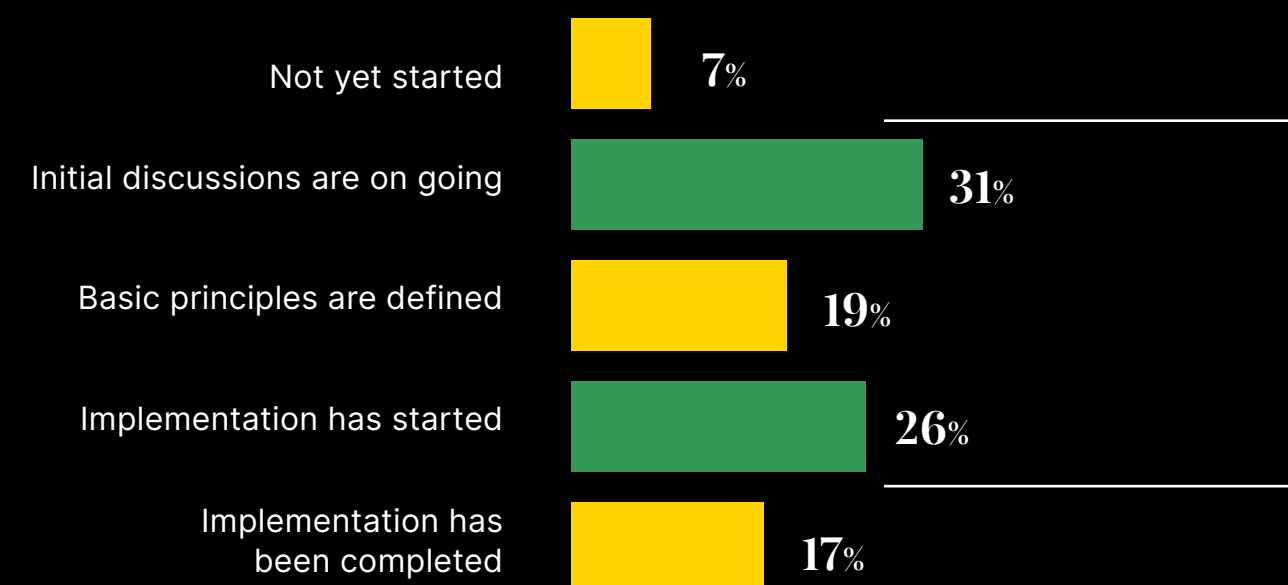
Aside from how well-suited certain business models are to remote working, senior executives' attitudes are cited as the number one reason why companies are not moving toward hybrid models.

While approaches differ, some preferences are emerging

Working from home for two days per week, 'work from home' rather than 'work from anywhere' models, and adequate at-home workplace support packages are emerging as common standards. Overall however, policies that can be customized on an individual or team level are favorable.

Where do Swiss companies stand with respect to developing and implementing hybrid work models?

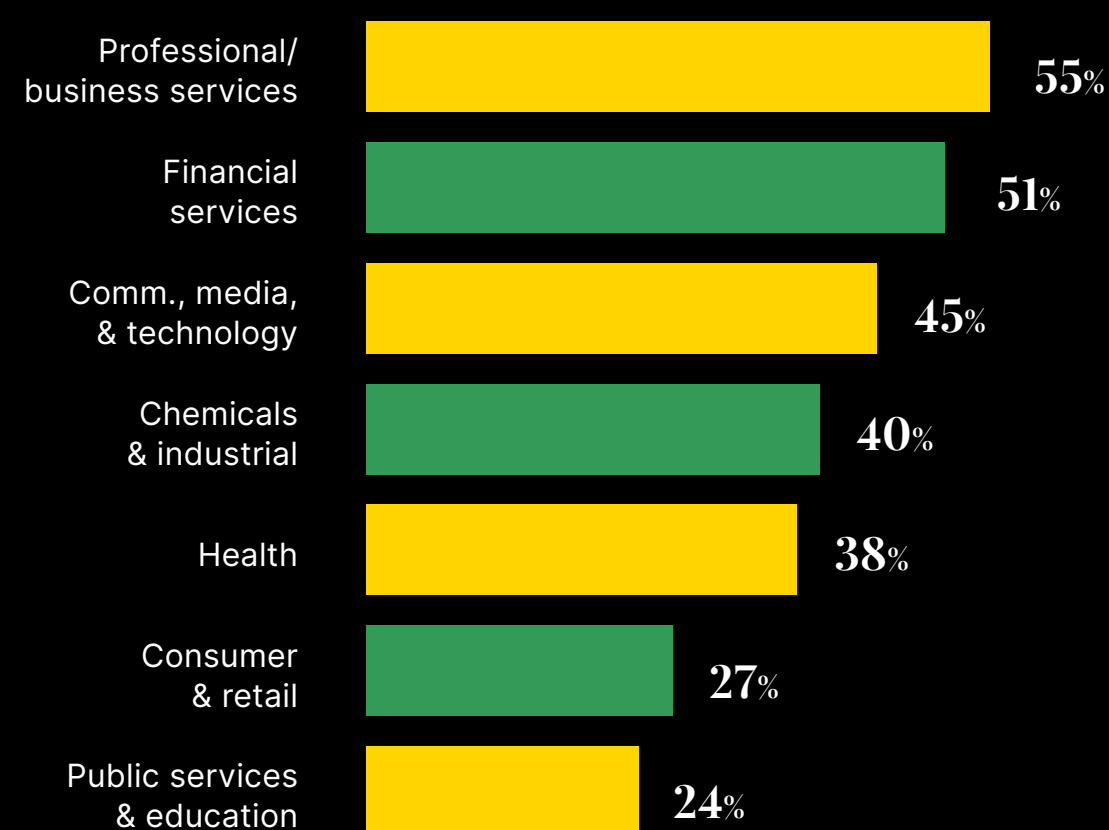
Development status of hybrid work models



76%
are currently in the development stage

Development status of hybrid work models by industry

% of companies that have at least started implementing hybrid work models

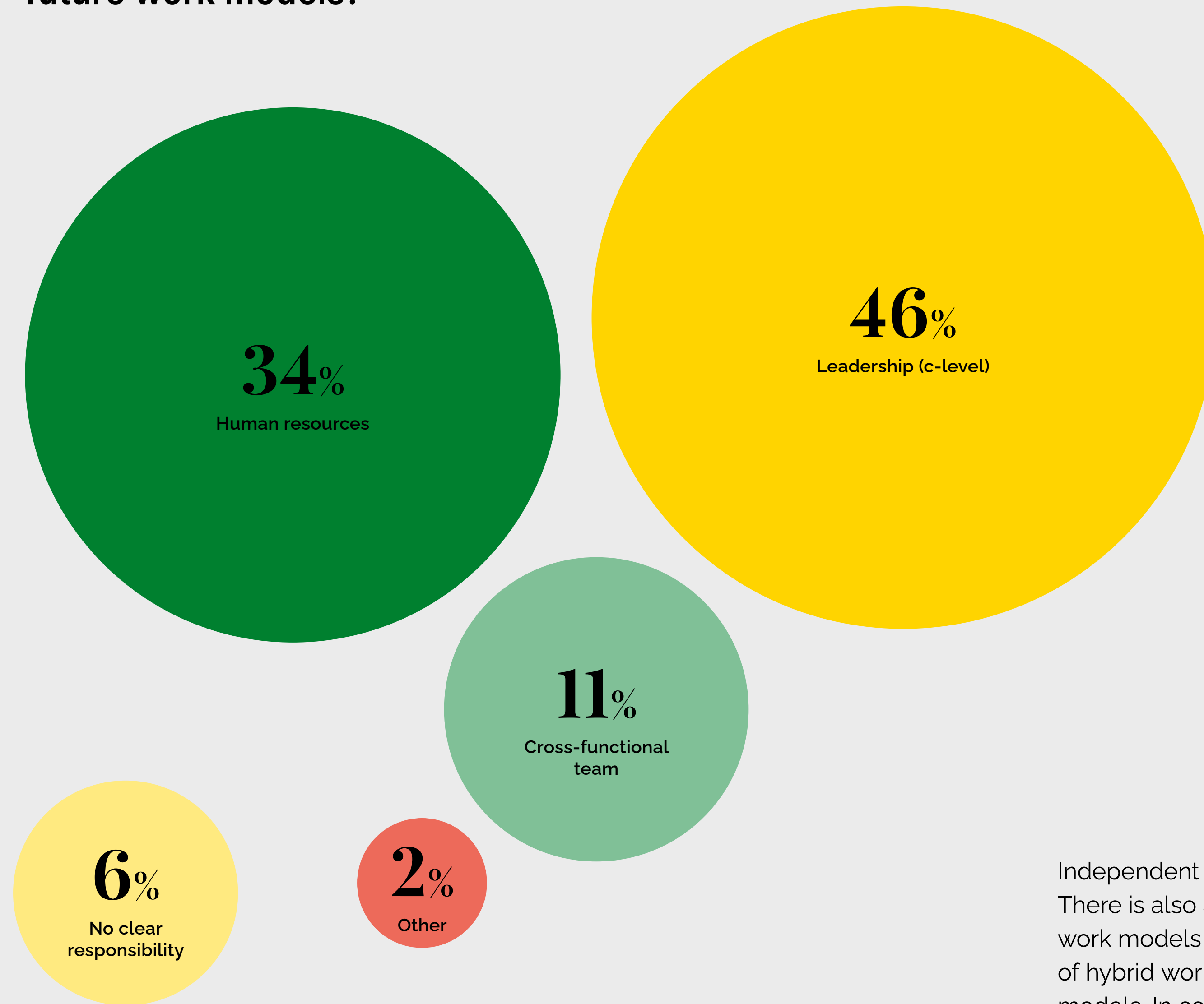


Across all companies that plan to use a hybrid work model, only 7% have not yet started with at least initial discussions on what potential models could look like. On the other side, only 17% of companies have already completed implementation. The majority of companies (76%) are currently somewhere in the development/early implementation phase.

Looking across different industries, we see that some are further along the development process than others. While professional/business and financial service companies are already quite advanced, other industries, and public sector organizations in particular, are further behind. Since financial service and public sector organizations shared a similar rate of hybrid work model adoption pre-pandemic, 28% and 25% respectively, it's clear that public organizations are moving a lot slower than those in the private sector.



Who is in charge of developing future work models?



Leadership matters

The senior leadership of an organization is often heavily involved in the development phase. 46% of companies stated that C-Suite executives are leading the shift toward hybrid work models, followed by HR representatives (34%), and cross-functional teams (11%). However, this differs according to company size. In smaller companies (less than 250 employees), the C-Suite leadership's role is even more prominent (54%). In larger companies (more than 1000 employees), HR is the driving force (52%).

Independent of who is leading the shift, senior leadership is almost always closely involved. There is also a direct correlation between the level of senior leadership support for hybrid work models and the rate of progress. 55% of companies with leaders who are supportive of hybrid work have already completed or started the implementation of hybrid work models. In contrast, the figure stands at just 17% for companies that are pursuing hybrid work models but don't have full leadership buy-in.

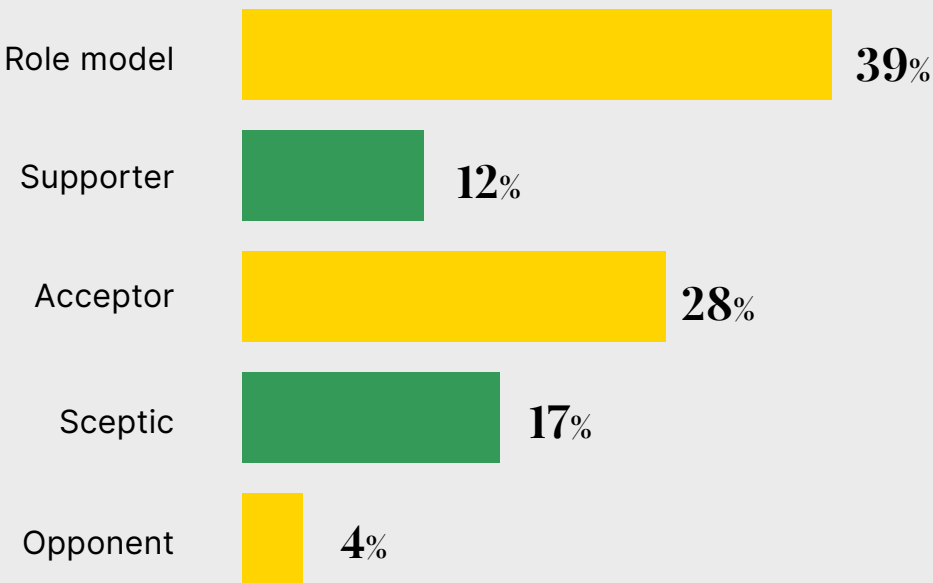
Open attitudes

Overall, Swiss leadership teams are open to hybrid work models. 51% are seen as having a positive opinion of such models, with only 21% feeling negative toward them. The key reason behind this increasing openness stems from the overall positive experience of hybrid working models during the pandemic. Not only did companies build the required infrastructure, but employees also quickly adjusted to the new reality and developed the appropriate skills.

Again, there are differences between industries. While 66% of leadership teams in the Communications, Media, and Technology industry are perceived as supportive of hybrid work, only 36% of leaders within the Chemicals and Industrial sector feel the same.

There are also differences between companies of different sizes. While leaders from small companies (less than 50 employees) and large companies (more than 5000 employees) are overall supportive of hybrid work models, leaders of mid-sized companies are less so (43%).

Leadership attitudes toward hybrid work models



Key takeaways

The implementation of hybrid models is still in its very early stages

If you have not yet fully implemented a hybrid work model, you're not alone. However, if you're still in the discussion phase, it won't be long before you're behind most organizations.

The involvement and support of senior leadership is crucial

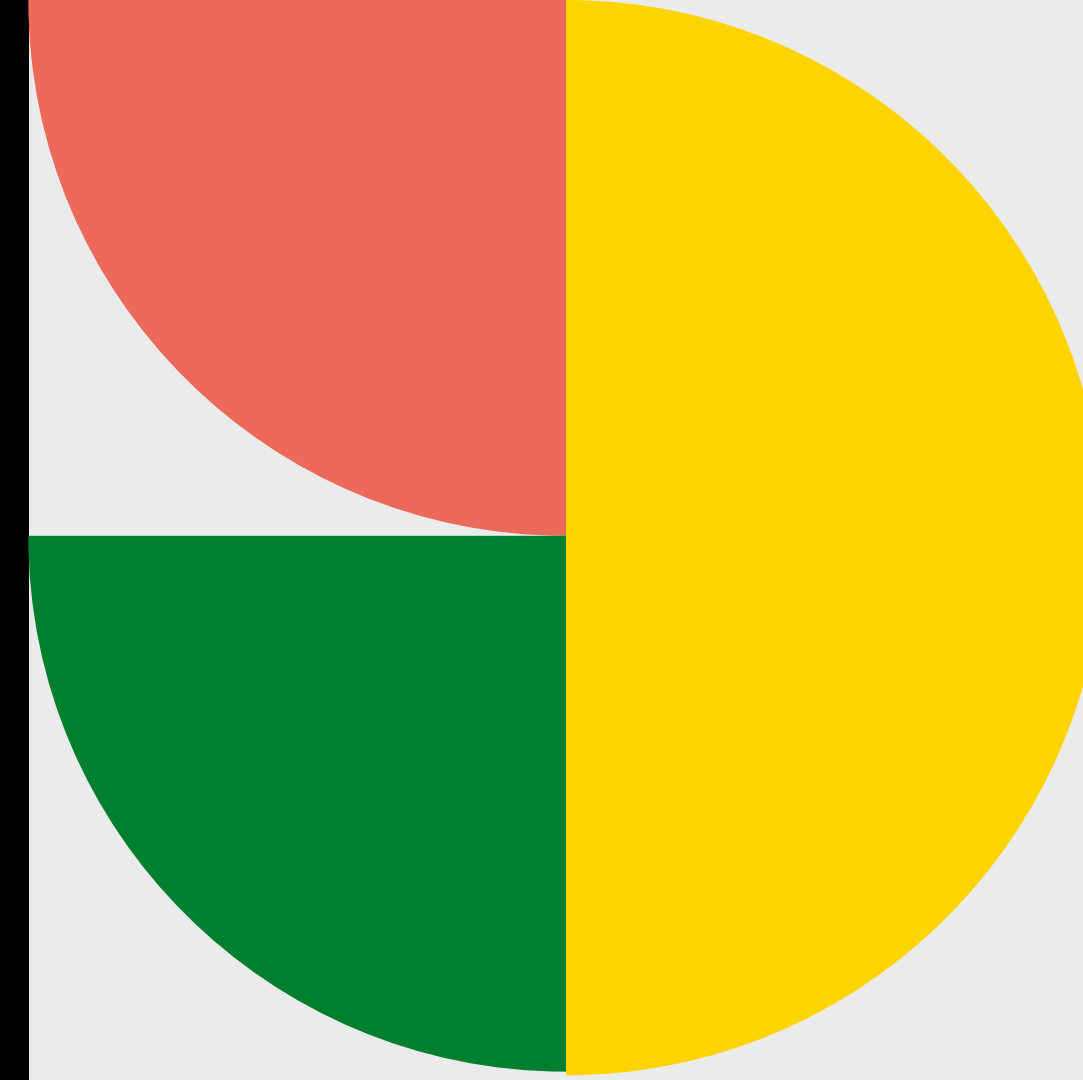
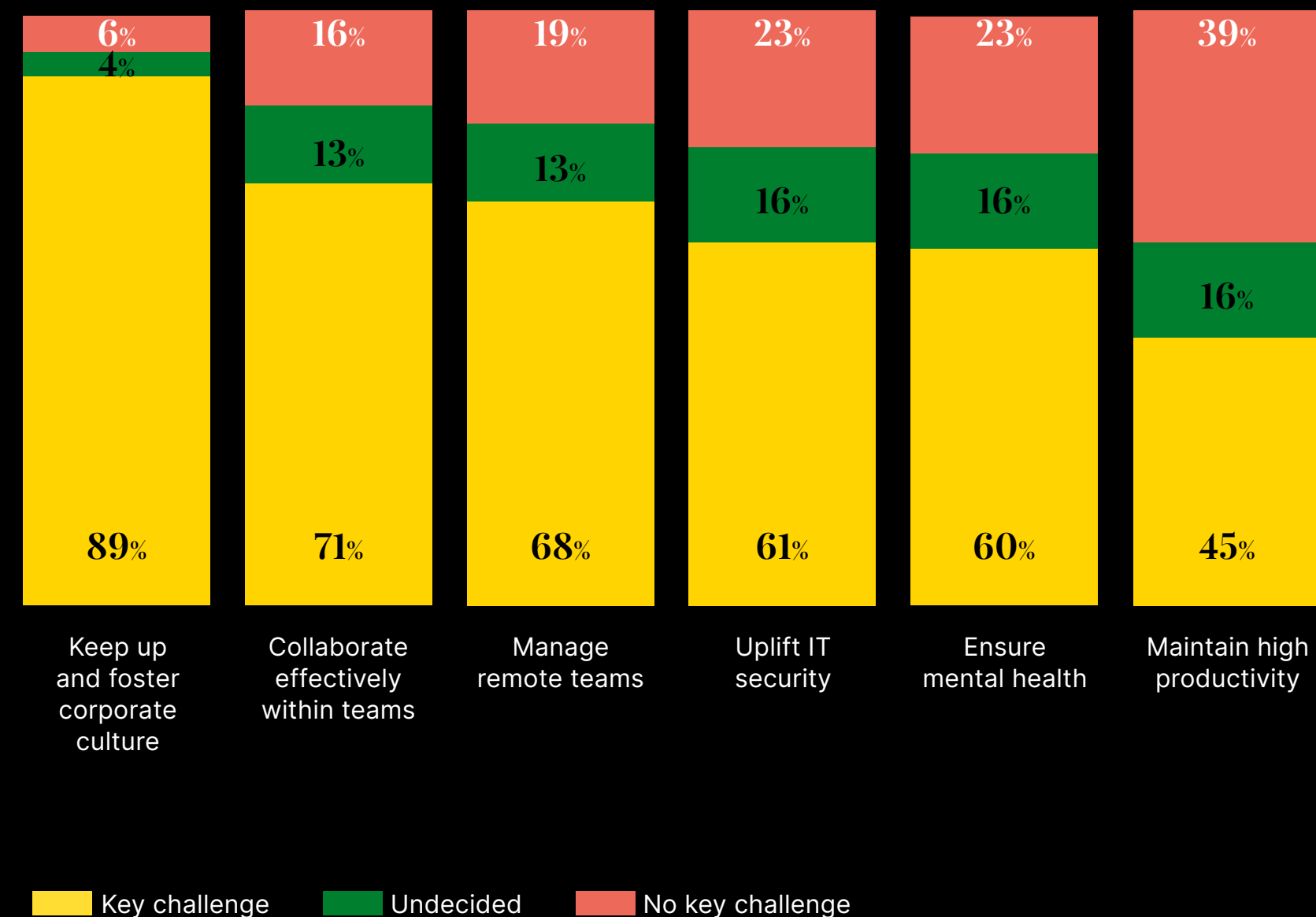
Simply put, senior leadership must be involved. The success of the process relies heavily on the level of senior-level endorsement.

Attitudes are changing

Leaders of Swiss organizations have become increasingly open to hybrid work models. This is mostly due to their positive experience of such models during the pandemic.

Over the past eighteen months, there has been a lot of discussion around the challenges of remote working. Rather than rely on anecdotal information often referred to in the media, we wanted to create a representative data sample that uncovers the key challenges faced by companies pursuing hybrid work models.

Top 6 challenges related to hybrid work models



Corporate culture is a key challenge

The need to 'keep up and foster corporate culture' was highlighted as the number one challenge by 89% of companies surveyed. Particular reference was made to concerns over the effective onboarding of new employees. On the topic of mental health, surveyed companies attributed related issues to the impact of social distancing and restrictions, and not just remote working. 60% agreed that ensuring good mental health is a key challenge in hybrid work models but saw aspects such as effective collaboration (72%) and managing teams remotely (69%) presenting more of a challenge.

"Corporate culture and remote management are the real challenges in hybrid work models. Each company has its own DNA based on individual needs and industry specifics. This must always be taken into account when evaluating and generalizing potential solutions."

Jörg Koch, CEO,
Pensimo Management AG

Potential solutions to foster corporate culture

1. Foster informal exchanges in both digital and physical settings. Potential measures include introducing virtual coffee rooms, rethinking offices as places for informal encounters, and an increased number of small, cross-functional physical events.
2. Rethink onboarding processes by shifting the focus from tools and processes to meeting people. A great approach is a 'meet and connect' schedule for each new joiner that runs for several months. This helps recruits meet with different people from across the organization.
3. Help senior management become role models by encouraging them to infuse shared company values into their management style. Many companies have taken the past year as an opportunity to evaluate and redefine their values.

Different rules for different roles

For companies whose employees can't all work remotely, the fairness of hybrid work models is also questioned. Many of the companies surveyed expressed concerns that hybrid work models will lead to perceived inequality between white-collar and blue-collar workers, as well as those whose roles demand their on-site presence.



Potential solutions for inclusive hybrid models

1. Allow for more flexible schedules.
A great example from our survey is an industrial company that offers production workers the flexibility to schedule their own shifts. As an example, employees can work more hours at the beginning of the week and take time off later in the week if preferred.
2. Offer additional services to imitate home office benefits. One company we spoke to organized a grocery delivery service for their employees. Workers can order groceries during the day which are then delivered to the office for employees to take home.
3. Think about new, extra benefits.
Our research found that a common additional benefit is to offer extra holidays to on-site workers.

A lack of legal regulation

For most companies, legal issues surrounding the home office are not seen as a major challenge. However, companies expressed concerns and uncertainties around the application of regulations with two situations standing out: cross-border home office set-ups and a missing regulatory foundation.

The 25% rule says that if an employee spends at least 25% of their total working time in a foreign country, the employer must pay social security contributions in accordance with the rules applicable in the foreign country. This obviously affects companies with a high share of cross-border commuters, adding complexity and additional costs.

What's missing is a general legal regulation clarifying the rights and obligations of both employers and employees. As of now, companies face regulatory uncertainty around topics such as insurance or compensation related to working from home.

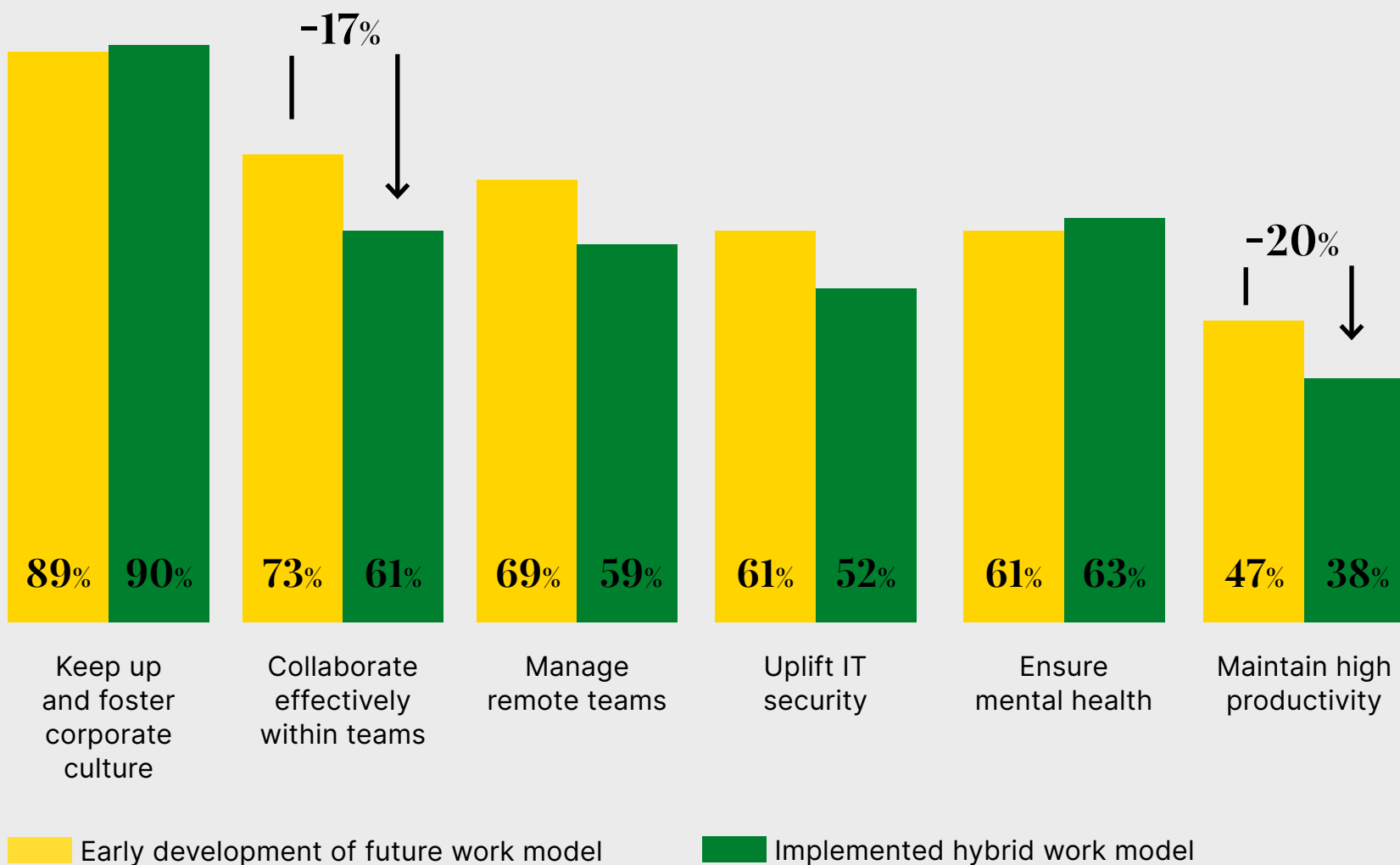
Challenges vary throughout the process

Companies that have implemented hybrid work models face different challenges from those still in the development phase.

Those already operating with hybrid work models see topics around corporate culture and mental health as more challenging than those at an earlier stage. However, there are especially two areas these companies see as less of a challenge than their counterparts still in development. These are productivity (38% vs. 47%), and effective collaboration (61% vs. 73%).

Perception of challenges – companies in early development of hybrid work models vs. companies with implemented hybrid work models

% of companies that perceive the following as key challenges



Key takeaways

Hybrid models work better than expected

Looking at companies that have already implemented hybrid work models, we see their predicated challenges are less difficult than anticipated.

New training methods for a new reality

Managing teams and collaborating remotely is fundamentally different than in-person. Training curriculums should be adjusted accordingly.

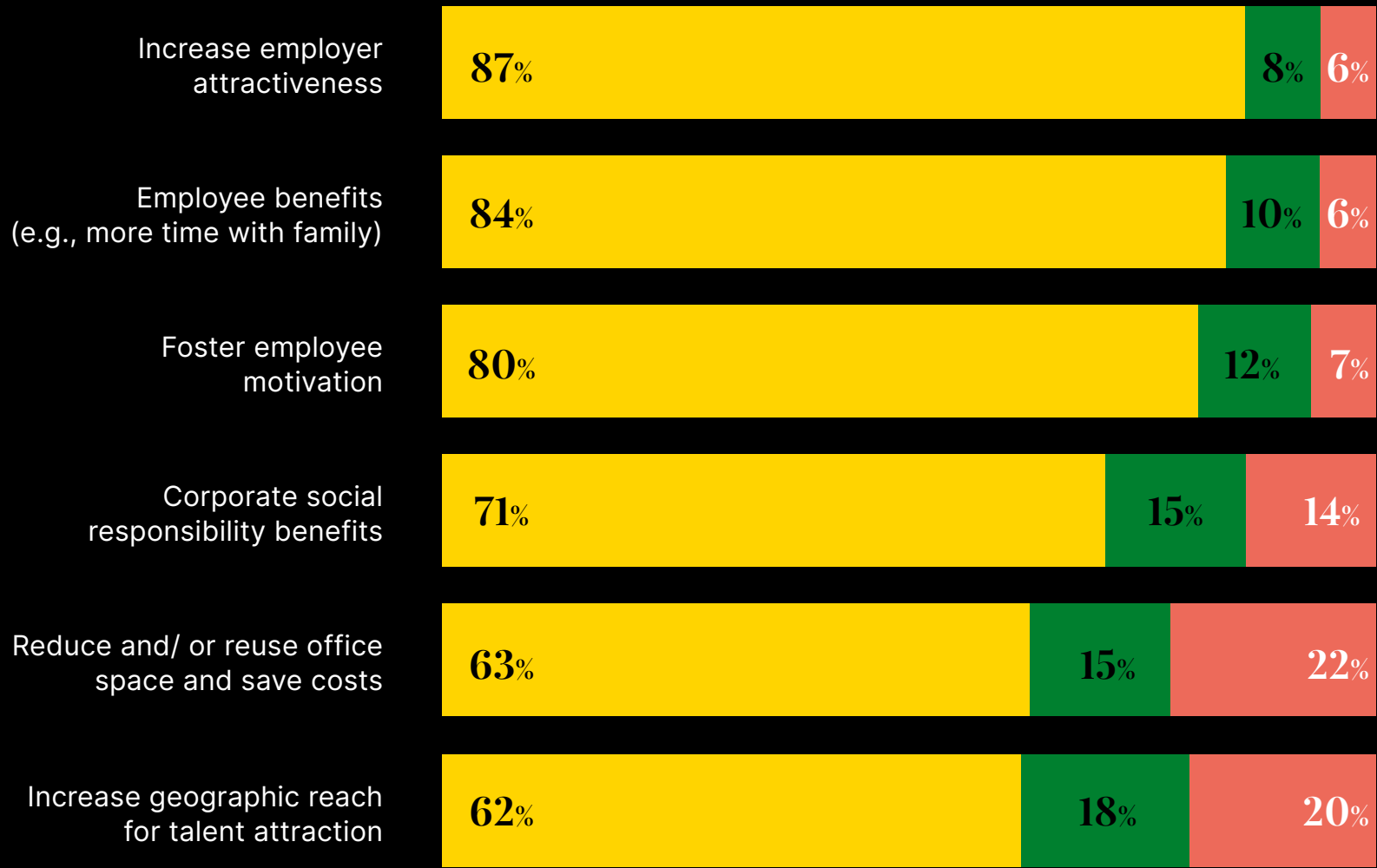
Corporate culture is a key challenge

With fewer informal, physical interactions in the office, new formats and tools both physical and digital must be used to bring people together and drive culture. The inclusion of those who cannot work remotely is also crucial.



The move toward hybrid work models is not only fueled by employees demanding more flexible working conditions, but also by a number of new opportunities there for the taking.

Top 6 opportunities related to hybrid work models



Key opportunity Undecided No key opportunity

A big draw for new talent

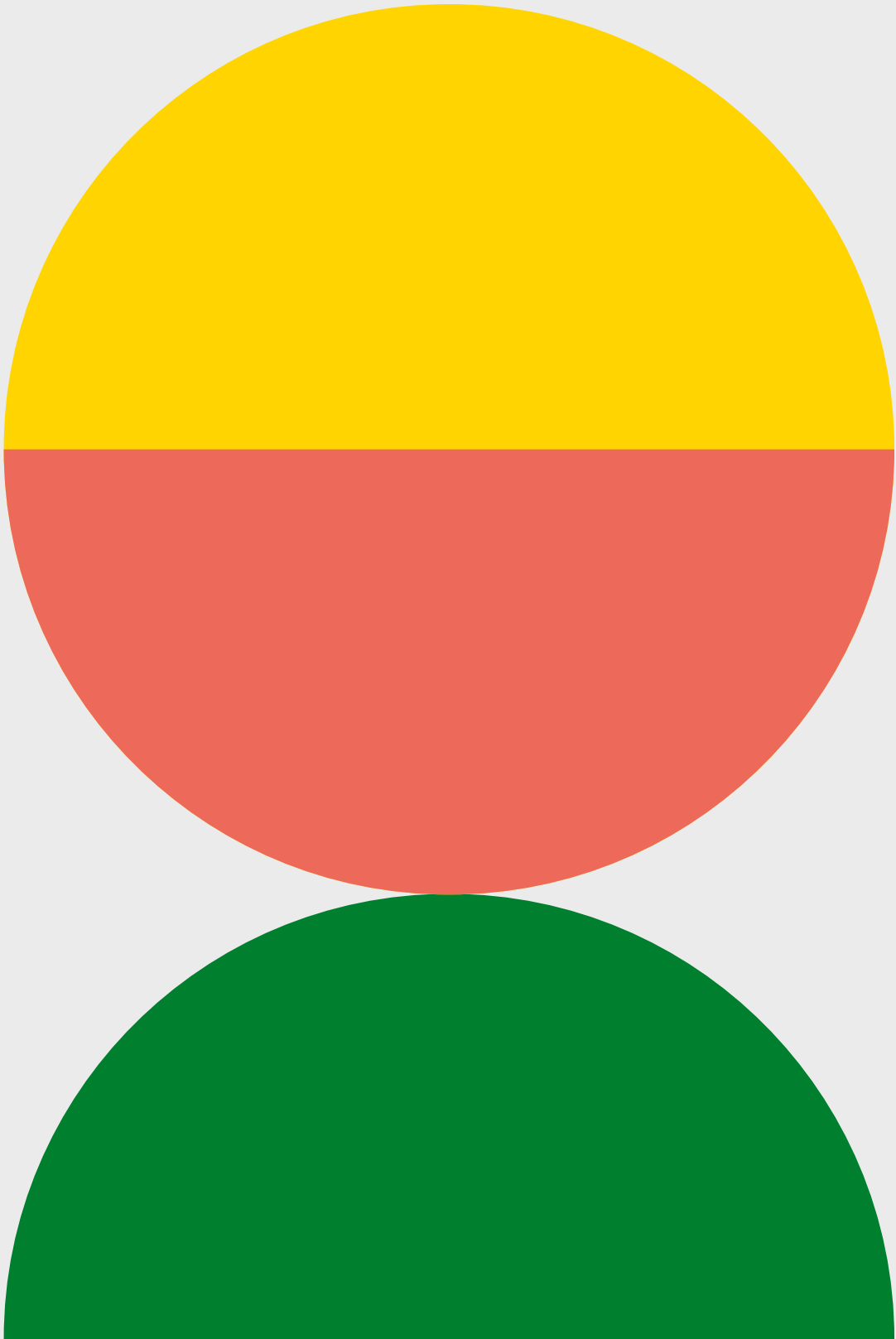
Offering attractive hybrid work policies is seen as a major way to attract talent. 87% of companies consider hybrid work models a great way to increase employer attractiveness and the geographic reach for talent acquisition (62%).

The ability to increase geographic reach is especially relevant to large companies. 89% of companies with more than 1000 employees consider this a major opportunity.

Lowering costs and boosting corporate social responsibility

Large companies with more than 1000 employees see the opportunity to save major costs through reducing office space (77%). Hybrid work models are also perceived as having a positive impact on corporate social responsibility initiatives, like the environmental benefit of fewer people commuting to work.

81% of companies acknowledge that the increased flexibility in hybrid work models fosters employee motivation. In many cases without the commute, employees benefit from more time for rest and relaxation with friends and family.

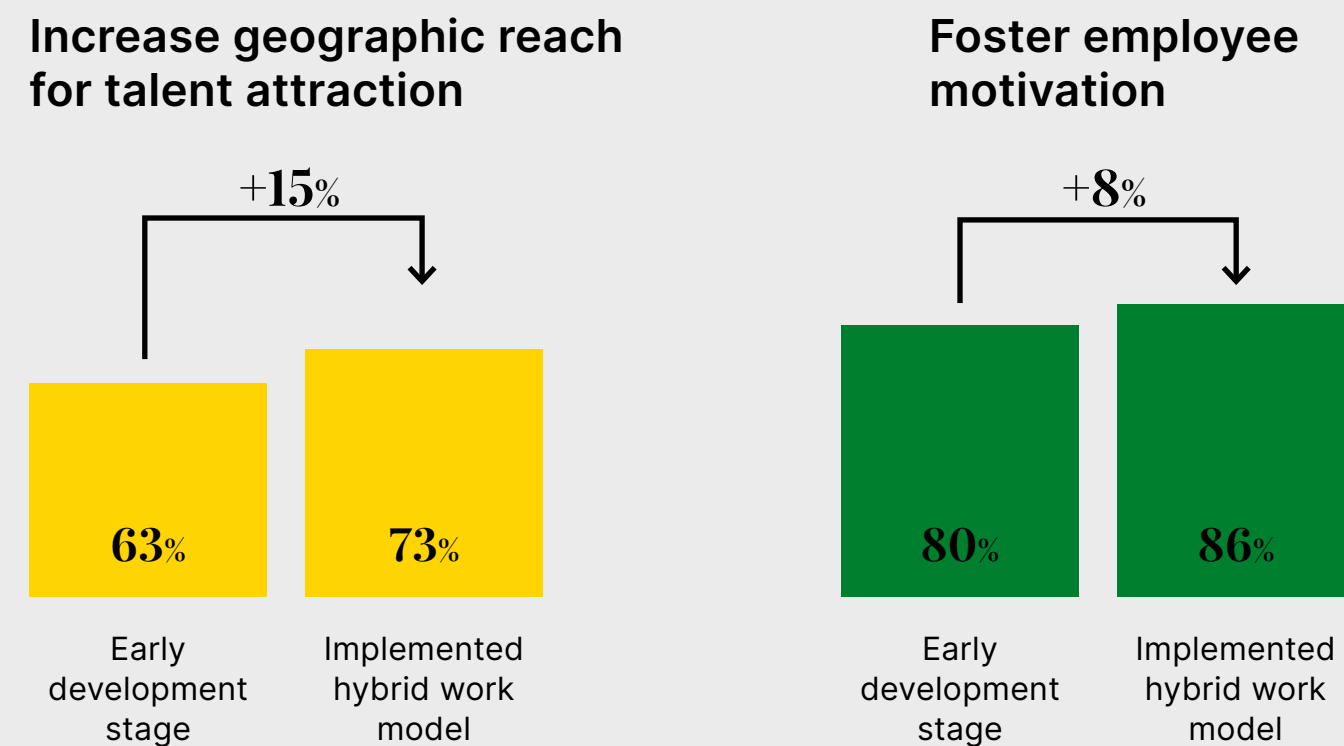


The positive impact is higher than expected

73% of companies that have implemented hybrid working see a positive impact on talent attraction, whereas only 63% of companies with policies still in development predict a good outcome. Similarly, the former group also reported a stronger positive impact on employee motivation than the latter predicted.

Perception of opportunities – companies with implemented hybrid work models vs. companies in early development of such models

% of companies that perceive the following as key opportunity



"Of course there are some challenges around hybrid work models, however I believe that the benefits of such models outweigh those challenges – both from an employer and employee perspective. Such benefits include more focused work, the variety which is often invigorating, fostering a culture of trust, an improved life balance due to reduced travel time, and increased autonomy."

Jürg Stadelmann, Head of Human Resources,
Luzerner Kantonalbank

Key takeaways

Hybrid models attract top talent

Hybrid work models and related policies have already become a decisive factor in the war for talent, even more than companies had expected. Embracing these models is key to staying competitive.

All-new levels of employee motivation

The additional flexibility and autonomy alongside other benefits like less time spent commuting increases employee motivation. Again, the effect is even stronger than companies anticipated.

Opportunity to save major costs

With fewer people working from the office, office space and related costs can either be entirely reduced or allocated elsewhere. Such measures should only be taken once hybrid working models have been trialed and the overall need for office space is clear.

The insights in this report are taken from a large-scale survey study with a diverse set of 841 participating Swiss companies.

We followed a two-step approach – firsts interviews, then the survey

Between February and May 2021, we conducted interviews with more than 150 Swiss executives and HR representatives in order to better understand the situation around hybrid work models in Switzerland and develop initial hypotheses.

Based on the interview insights, we created an extensive questionnaire to validate the initial findings and generate further insights. The nationwide survey was launched in July 2021 and ran for six weeks. The questionnaire included 27 questions with a mixture of closed, single and multiple-choice questions, and more open questions. It was also produced in multiple languages.

The responses were then screened, processed, and analyzed following scientific quality criteria. As an example, only one response per company was taken forward into analysis.

A diverse sample with senior representatives from 841 companies

In compiling the report, valid responses from 841 company representatives were analyzed, the majority of which were from HR leaders (36%) or CEOs (25%).

The participating companies came from all regions of Switzerland, with 41% situated in cities, 27% in urban agglomerations, 16% in small towns, and 16% in rural areas.

The sample represents multiple industries, from Communications, Media, and Technology (20%) to Chemicals and Industrial (10%) and Consumer and Retail (7%). See next page for details.

Corresponding with the company landscape of Switzerland, the majority of companies surveyed were small/medium-sized with less than 250 employees (71%), companies with between 250-100 employees made up 17%, those with 1000-5000 employees accounted for 8%, and those with more than 5000 employees totaled 4%.

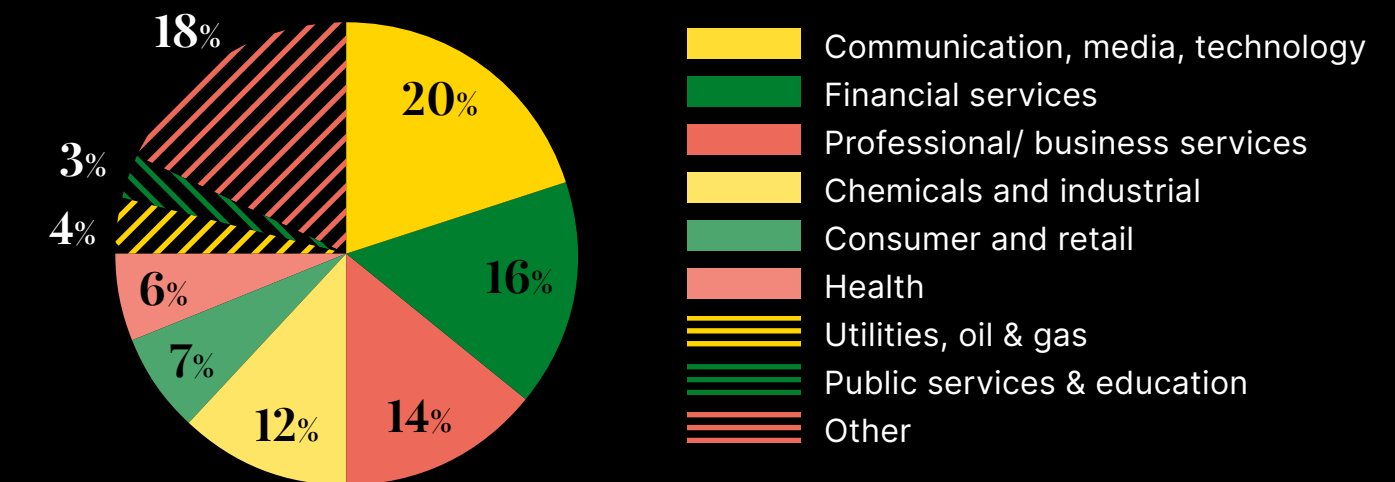
The sample also represents different business models and companies that have different prerequisites for hybrid work models. 47% of the participating companies indicated that over 80% of their employees can technically work remotely. On the other side, 23% indicated that less than 40% of their employees can work remotely.

In total, representatives of 841 companies participated in the survey – across industries, company sizes, and areas/regions

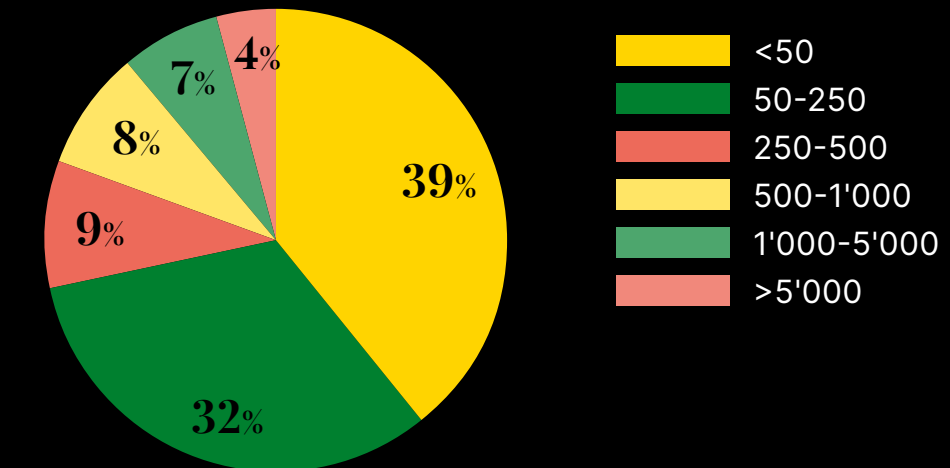


Participating companies by ...

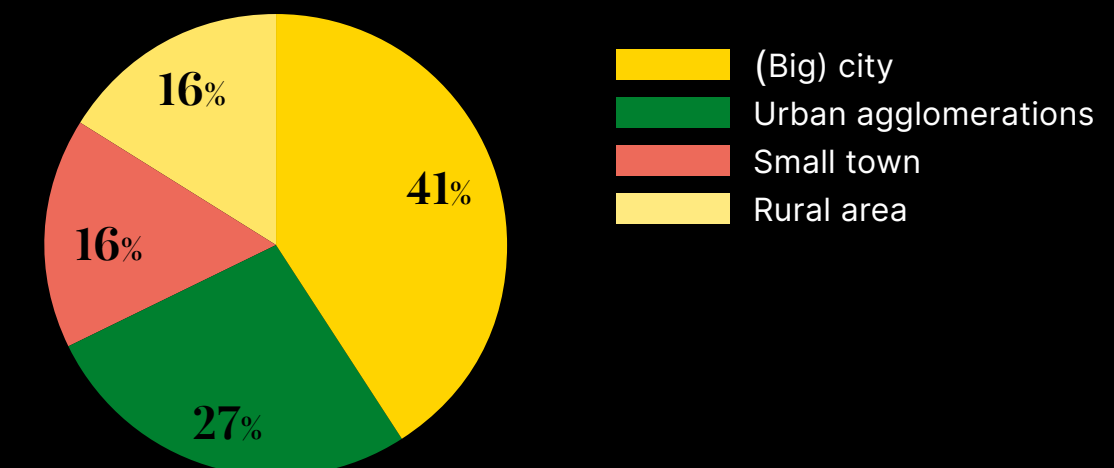
... industry



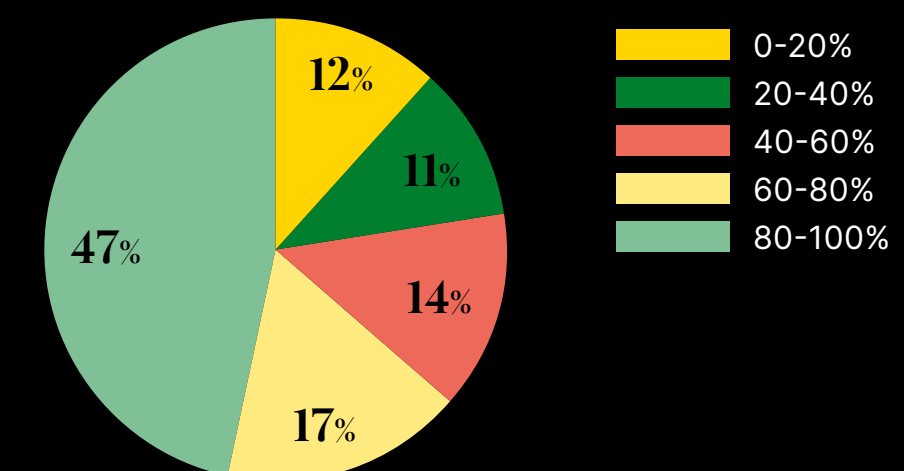
... number of employees



... area/ location



... % of employees that can work remote



For hybrid work models,
it's no longer 'if', but 'how'
and 'when'





Report Authors:

Dr. Stefan Berger, Postdoctoral
Researcher & Lecturer
University of St.Gallen
stefan.berger@unisg.ch



Falk Weber, Business Development
Novu Office
falk.weber@novuoffice.com



Anja Buser, HR Strategies Consultant
HR Campus
anja.buser@hr-campus.ch

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