Hybrid Work: The Inclusion Question.

A report on the Future of Work in partnership with TSB and Nationwide Building Society.

Foreword.

Will hybrid work make your organisation more inclusive? We're optimistic but not naïve. This paradigm-shift has been forced upon us all by a global health crisis. There are more questions than answers, and plenty of risks as well as opportunities ahead.

We understand this uncertainty may feel unsatisfying. It might make your heart beat a bit faster, and overconfident positions sound more compelling. We want you to resist their temptation as you read this report.

Our leading insight is simple: Hybrid work is not inclusive or exclusive; it has the potential to be either. If you hope to use it as a tool for equality, you must design it as a tool for equality and test your impact on those grounds.

The intent of this report is not to provide a systematic review, but to promote a scientific approach to the design of emerging work-life experiences. We have focused on research themes we see as valuable first steps, divided into the ways we make decisions (recruitment and performance management) and the ways we work (within a team, and within a broader organisation).

Ultimately, each is a lens with which to ask more precise questions to explore with experimental research. We call on leaders to bring their influence, resources, creativity, and collective intelligence to that mission. This is a unique social as well as organisational challenge. We'll only make the most of it if we act together, learning, sharing, and building on each other's work.

Terms and scope

The most obvious omission in this research is that not everyone has access to hybrid work, and any advantages to this style of working may amplify broader inequalities. This article from the BBC is a good introduction to that theme. We have also not attempted, in any exhaustive way, to detail how hybrid work may explicitly advantage or disadvantage different demographic groups. This is a question of feasibility rather than a lack of evidence. Emerging research is starting to detail how hybrid work may affect women and men, minority groups, carers and parents, neurodivergent people, people with disabilities and more. Each of these groups deserves the full attention of a team of specialist researchers, which we are keen to put together alongside interested organisations and collaborators. In the case of this report, we have purposefully focused on research themes that we believe to be 'all-inclusive', making work better and fairer for everyone, while positively impacting vulnerable or disadvantaged groups disproportionately. As we mention in the last section of this report, tracking the impact of hybrid work against demographic variables and intervening in any adverse variances will be critical for progress in the years ahead. Organisations should start building the data infrastructure, and the analytical and experimental capability to use it right away.

Authors

Zsofia Belovai

James Elfer

Pieter Cornel

Nicole Russell Pascual

Mustafa Biber

Contents.

Performance Management.

Hybrid work has the potential to exacerbate the flaws of performance management. More remote work and less 1-2-1 contact can unfairly shape managers' perceptions of employees, leave room for unconscious biases to influence ratings, and remove prompts for managers and employees to discuss personal goals and circumstances. This explains why home workers are less likely to get promoted or receive bonuses. **With this motivation, it is time for managers to embrace assessing performance through outcomes, value, and contribution.**

Example risks of exclusion

INCREASE IN UNPAID OVERTIME
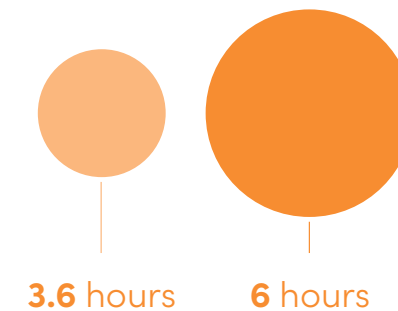
3.6 hours   **6** hours

The ONS found that UK employees who worked from home did 6.0 hours of unpaid overtime on average per week in 2020, compared with 3.6 hours for those that never work from home.

DECREASE IN 1-2-1 TIME BETWEEN STAFF AND MANAGERS
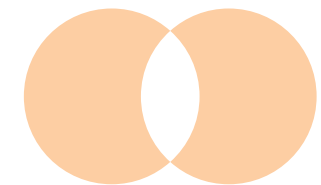
Researchers in the US found that during the pandemic, staff had significantly less 1-2-1 contact with their managers leading them to miss out on coaching and support.

1

The return to calibration

Calibrating ratings across teams has fallen out of fashion, but it's essential to spot inequalities and increase the accuracy of performance ratings. Organisations that continue to use ratings should reimagine a meaningful calibration process involving a diverse group of raters to reduce the risk that hybrid workers will be systematically disadvantaged.

Performance rating calibrations have been used at pioneering companies such as Google to ensure decisions are fair and consistent across all employees. This process becomes an even more important element of performance management as we transition to the hybrid future of work.

Generally, calibration meetings invite employees' peers and managers to weigh in on how they perceive their colleagues' performance from their own unique perspective. Multiple experiments have found that raters who took part in calibration meetings showed significantly higher rating accuracy than those in the control condition.

While there is evidence pointing towards the usefulness of this process, there are several outstanding questions – especially in light of remote and flexible working schedules.

To demonstrate, a study by Palmer and Loveland (2008) showed that rating accuracy decreased in calibration meetings when all group members held similar impressions of the ratee prior to the discussion. In a hybrid world, this may be an issue if an employees' rating committee is all office-based or all work traditional hours, and the person being rated does not.

To pre-empt this, inviting a diverse committee of raters from various demographic and work backgrounds to calibration meetings is essential. In the future of work, organisations must ensure that decision-makers with similar working schedules and caring responsibilities as the employees' are involved in the rating process. The calibration 'experience' must also be redesigned and optimised to be carried out remotely.

Clearer, more objective goal-setting

Ambiguity leaves room for bias, giving a free pass to distorted performance assessment. In response to limited evidence for optimal goal setting in a remote environment, organisations should work towards creating a standardised process that creates equal opportunities for progression and reward.

Individuals with specific, difficult but attainable goals perform better than those with easy, non-specific, or no goals at all. This is most successful if the individuals have sufficient ability, accept their mutually agreed goals, and receive regular feedback.

Goals have a two-way effect on performance reviews. First, they provide an individualised and clear set of performance indicators to increase rater accuracy. Second, experiments have shown that goals set cooperatively by an individual and their supervisor lead to better subjective and objective performance, and higher motivation.

It is important to caveat that goal-setting research has not been assessed in a specifically hybrid working environment, let alone after a global pandemic. There is a risk that other (subjective) ways of assessing performance will introduce bias between in-person and remote workers. This means that organisations should use clear goal-setting to allow all workers to demonstrate their contributions objectively to ensure that remote and in-person workers receive similarly ambitious goals while minimising biased decisions.

There are no easy answers here: we encourage organisations to adopt experimentation to find the optimal method of implementation. Behavioural science principles and rigorous testing can help us determine the best way to standardise goals and performance assessment to focus on work output, rather than personal circumstances.

In 2020, MoreThanNow conducted a large-scale randomised controlled trial with a global telecommunications company, showing how the way a performance management process is framed can influence manager and employee assessment and reduce demographic performance gaps. This type of de-biasing will become increasingly important as experiences move to a remote environment.

The rise of the 1–2–1

RECOMMENDATION

Good management needs to be planned and intentional in a remote environment. Otherwise, the performance of remote workers will suffer, and inequalities will be amplified in comparison to colleagues working at the office. Organisations should support managers by being clear about what 1-2-1s should achieve, as well as measuring these outcomes to provide sound, evidence-based guidance.

Intentionally setting up regular 1-2-1 time with all team members can help managers accurately assess thier staff's performance, regardless of where they work and when they work. Ideally, these conversations focus on a mix of performance-related topics, informal catch ups, and check-ins on everyone's circumstances that could affect their work. As a result, performance assessments can be informed by a rich pool of information regardless of how often someone works in the office.

Previous research supports these expectations. Koch et al.'s (2014) meta-analysis showed that decision-makers who were motivated to make careful decisions based on a relatively higher amount of information tended to exhibit less gender bias in their ratings. Bauer and Baltes (2002; 2007) are pioneers in experimental research on the topic and demonstrate how this can be achieved through simple process design changes, for example, by asking managers to recall five negative and five positive facts about individuals.

There is no one-size-fits all approach on how to make recurring 1-2-1s work for every single organisation. While research is already under way with one of our partners, we recommend ensuring that remote colleagues get sufficient 1-2-1 time with their managers to match up with their office-based peers. We encourage companies to use experimentation to find the best ways of structuring remote 1-2-1s to optimise performance management as well as wellbeing.

EXPERIMENT IN PROGRESS

MoreThanNow are conducting a randomised controlled trial on the quantity and optimal structure of 1-2-1's in the wake of the pandemic, in collaboration with Sandoz and researchers from INSEAD. Our results are expected in Q4 2021.

2

Recruitment and Reward.

Companies that allow for more remote working can attract people from a larger geographical area and can increase their applicant pool by offering people flexibility in their working hours. Attracting and accommodating talent in ways their competitors cannot will help them bring in the best people, and reap the benefits over time (such as higher share prices).

However, hybrid working may also mean that the possibility for biased decision-making in recruitment processes is amplified. If recruitment processes disadvantage people who are applying remotely, or for remote positions, this can reduce diversity over time. For example, women work from home more frequently than men. If companies maintain benefits that advantage office workers over remote workers – such as company cars or season ticket loans – they risk not being able to attract talented colleagues as well as disproportionately rewarding office workers over remote peers.

Example risks of exclusion

INCREASED ANXIETY DURING VIDEO INTERVIEWS

A systematic review of research on video interviewing highlights that applicants often feel anxious they will not be able to express themselves as fully as when interviewing face-to-face.

LOWER RATINGS THROUGH VIDEO INTERVIEWS

A meta-analysis found that people interviewed via video receive lower ratings on average than in-person interviewees. This could negatively impact those less willing or able to travel.

The promotion of flexible working

For every role you advertise, state clearly what flexible working or hybrid options are possible and expected. Experiment with changes to how you describe that flexibility to increase the diversity of applicants, for example by leveraging positive social norms.

Companies need to make sure all qualified talent is encouraged to apply, especially for roles where a hybrid model is feasible. Job applicants make decisions about whether to apply or not based on limited information, often exclusively derived from the job advertisement. What information is provided, and how it is framed influences who choose to apply. MoreThanNow's previous experimental research has suggested this happens in ways that are often counter-intuitive to organisations and their HR teams.

Small variances in recruitment communications can lead to the amplification or reduction of inequalities, and often in ways we do not expect. Research by the Behavioural

Insights Team showed how a simple prompt for hiring managers to indicate what types of flexible working they would allow increased the number of applicants by 30%, and increased the balance of female-to-male applicants. Our own study with researcher partners from Exeter University shows how a simple message that explained that hybrid work is the 'social norm' at an organization increased demand for flexible work.

Recruitment attraction is an accessible and effective place to experiment, and the vast changes brought about by remote and hybrid working means that research should increase in the months and years ahead.

> **EXPERIMENT COMPLETE**
>
> Read more about our randomised controlled trial on the inclusive promotion of hybrid work in the wake of the pandemic on page 15 and 16, conducted by our academic partners Nicole Russell Pascual and Mustafa Biber at Exeter University.

What is the best way to promote hybrid working?

A randomised controlled trial with researchers from Exeter University.

Companies are reviewing their flexible working policies to fit employees' expectations of our hybrid future. But as behavioural scientists know, whether the policies work as intended will depend on how people engage with them. Flexible work can allow people to balance their work and life, and can be powerful in helping parents and people caring for family members balance jobs with their caring responsibilities. However, it can also mean emails after hours, and lots of unpaid overtime leading to burnout.

We put the promotion of flexible work policies to the test in an experiment, led by Nicole Russell Pascual and Mustafa Biber from Exeter University and funded by the Economic and Social Research Council. People with caring responsibilities for children, people with disabilities, or elderly relatives may stand to benefit most from flexible working options, so we looked at this group to test how they responded to different types of flexible work policies.

We compared a job ad that vaguely mentioned 'flexible work', with more precise language around a specific 'flexible location' or 'flexible hours' to see if carers responded differently. To our surprise, we found no result. Carers were no more or less likely to apply for the job or to tell the employer that they were carers. We had thought that flexible hours would be best for carers, but the evidence suggests we were wrong.

However, alongside the 'rational' descriptions of flexible work, we also tested the impact of setting flexible work as the social norm in an organisation. Quite simply, we told prospective applicants that the majority of people in the organisation worked flexibly – something that will be the case for many organisations at the moment. The social norm message led people who identified more strongly as carers to feel significantly more comfortable telling the employer about their caring responsibilities. And this norm also made it easier for people who do not have caring responsibilities to ask to work flexibly themselves.

The way employers talk about flexible work influences how comfortable people are asking to work flexibly
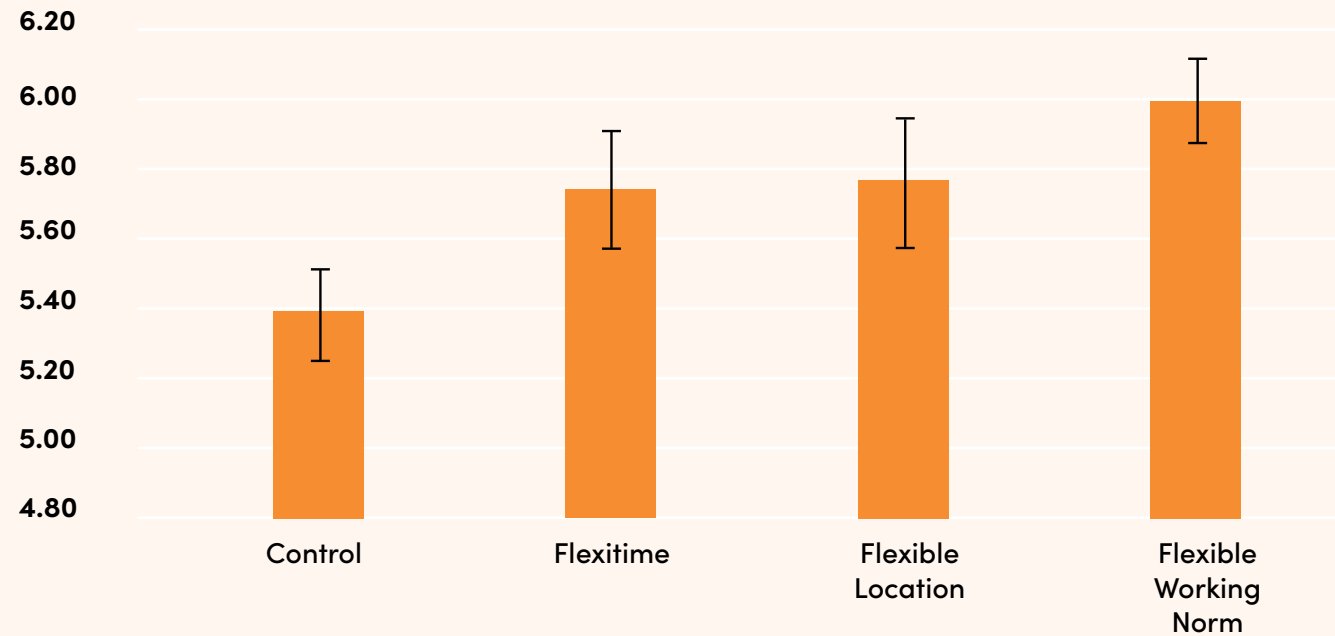
COMFORT ASKING TO WORK FLEXIBLY RATED ON A SCALE OF 1-7

We're often asked about the 'best' flexible or hybrid working policy but our results show that the way that policy is promoted might be more important than the policy itself. In this case, a social norm - a 'non-rational' feature of communication in economic terms - is an enabler of flexibility for both caregivers and non-caregivers. This is genuinely inclusive – while we were hoping to find out what worked best for caregivers we found something that benefited carers and non-carers alike.

There is a bigger insight here too of course: our findings suggest that the impact of whatever policies companies set will be influenced (or even overridden) by what people do, or are perceived to do internally. Informal rules and social norms will be set very quickly from this point onwards, and companies should be cognizant of that as they are reviewing their hybrid future. As always, more research is needed!

Double down on an objective application process

Use a structured interview process with a diverse group of interviewers as well as work sample tests to reduce bias in recruitment for remote and hybrid roles.

Your application and recruitment processes have always needed to be designed to eliminate bias. This is often about getting the basics right: make sure your assessments are consistent and structured. Try not to share irrelevant demographic information with assessors that could induce bias (such as name and gender) at various stages of the assessment process. Plan processes that involve multiple peers and teammates (Google famously has multiple decision-makers at all stages of the interview process, as does Amazon).

A shift to hybrid will mean more recruitment will be done remotely. This means it has never been more important to promote inclusivity and reduce bias during the interview process. Participants in video interviews tend to receive lower ratings than equivalent face-to-face interviewees. Companies should avoid mixing interview mediums between applicants for the same role, as this could unfairly disadvantage remote workers. They should also explore other measures of making remote interviewees more comfortable. For example, initial evidence from hiring during the pandemic suggests that mutual ice-breakers at the start of video interviews can relax participants and

replace some of the introductory small-talk that may otherwise occur before an interview.

The most accurate approach to interviewing is to capture data by asking different colleagues to each interview the applicant separately. This can take the form of shorter interviews, as the length of interviews has been shown to be mostly irrelevant for their reliability. Interestingly, applicants also seem to prefer interview approaches in which they speak to multiple interviewers for a short period each, as they are seen as fairer and less stressful. This reduces bias and helps find the highest performing candidates possible.

Remote roles might also create new opportunities to embed 'work sample tests' that mimic the requirements of the job into the application process. A large meta-analysis on hiring and recruitment found that many traditional considerations, such as the information on someone's CV, were only moderately helpful in predicting whether a particular candidate was right for the job. Instead, it found that work sample tests and structured interviews were the most effective ways of finding out if the person you're speaking to will do a good job.

Benefits to benefit all

Ensure your benefits package offers flexibility and choice, and provides benefits that facilitate people to do their best whether they come into the office or work predominantly from home.

Benefits can serve a powerful role in attracting candidates to your company. Almost three quarters (73%) of job applicants report that benefits play a role in their decisions on whether to accept a job. But ill-considered benefits could mean failure to attract and retain people equally regardless of their circumstances.

With a shift to hybrid working, some of the elements of traditional reward and benefit packages may no longer do the heavy lifting employers hope for given the investment. For example, a season ticket loan is no longer beneficial for someone who works remotely. Other types of benefits can suit hybrid workers better and make all your employees feel equally valued. To help adapt to hybrid working, companies should consider how they can use benefits to accommodate working from home. A set of practical benefits to allow people to set up a workspace to work from home more effectively can particularly benefit those with specific accommodation needs, or those who have to balance work and family responsibilities.

One of the key challenges around benefits is driving uptake, especially by the employees who might need them most. For example, researchers found that only about half of the employees who have access to health and lifestyle benefits use these. To increase uptake, especially by harder-to-reach groups, employers should communicate explicitly about how the benefits available can support all employees. For example, list the variety of issues covered by Employee Assistance Programmes (EAPs) to reduce stigma and make sure people with specific accommodation needs feel supported. This can include targeted messages to hybrid workers about the benefits set up to help them most.

EXPERIMENT IN PROGRESS

Many of our partners have explored novel benefits in the aftermath of the pandemic, to support outcomes from mental health to optimal home working. We are currently running a randomised controlled trial with a large financial services provider to encourage uptake of a supported switch to renewable energy in the home. We expect our results in Q1 2022.

3

Team Dynamics.

There are many ways in which digital accessibility, virtual working practices and work-life balance challenges can impact team dynamics, and risk excluding vulnerable or already disadvantaged employees. A valuable, all-encompassing first step is to explore how teams can effectively organise themselves under the constraints of their employer's hybrid working policy. In short, how can we help teams make the best start possible, *while meeting their own unique diversity of preferences and needs?*

Example risks of exclusion

GENDER INEQUALITY
INCREASED SHOWN BY
DAYS SPENT DOING
HOUSEHOLD CHORES

INCREASED RISK
OF BURNOUT FOR
YOUNGER EMPLOYEES

MEN   WOMEN

AGE

18–24

45–54

55–64
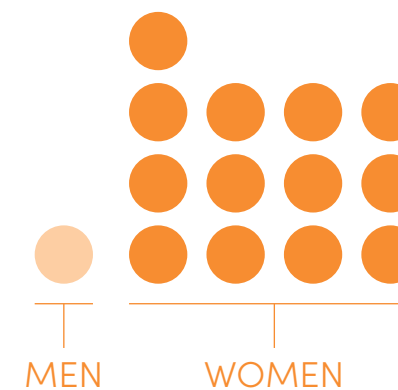
Women, and especially mothers, spent more time than men on childcare and household chores; this means that over time, women will have spent doing 12 full calendar days more of household chores. More time spent on household chores (not childcare) was negatively associated with women's wellbeing.
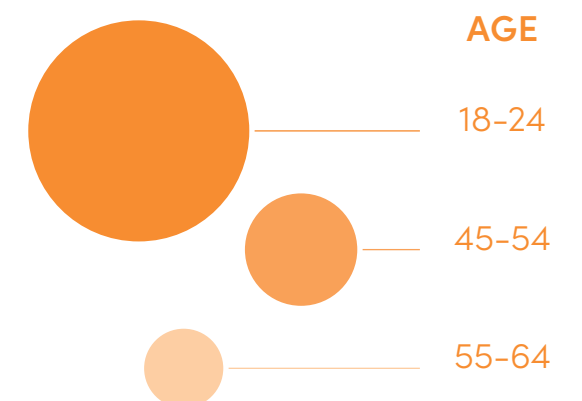
According to a survey by Glassdoor, three quarters of those aged 18-24 say they feel burned out by working from home during the pandemic, compared to 39 per cent of those aged 45-54 and 28 per cent of those aged 55-64.

Create time and prioritisation

RECOMMENDATION

Time-use and work prioritisation may not feel like an intuitive start to an inclusive hybrid work strategy but teams need the space to adjust to this new way of working. Unless the escalating problem of time pressure in organisations is tackled, employees' ability to adapt will be severely hampered.

WFH has escalated rather than alleviated time pressures over the course of the pandemic. People are attending more meetings, sending more emails, spending more time outside of working hours, and reporting more anxiety and burnout as a result. Unless this challenge is addressed, managers (and perhaps their teams) will instinctively and reactively develop new ways of working. It's the opposite of inclusion-by-design.

There are no well-worn answers to how we manage time in a newly virtual world, but we can draw inspiration from a recent experiment at Nationwide Building Society called The Reset, outlined in full on page 23. In short, teams were asked to take part in a brief, self-guided workshop to reprioritise tasks and redistribute responsibilities across the team.

They were then asked to adopt two simple agile principles - blocked focus time and weekly stand ups - to keep them on track over a six-week period.

The Reset increased how productive people felt and encouraged managers to reflect on and change working practices. While this is not a solution to inclusive team dynamics on its own, the release of time is a vital start. We remain optimistic about how productive time-use could be developed further with a range of digital nudges in suites like Microsoft Office 365. We encourage organisations to go on their own research journey on this theme. The potential productivity, wellbeing, and inclusion returns are compelling.

EXPERIMENT COMPLETE

Read more about our randomised controlled trial on management, team dynamics and effective time-use at Nationwide Building Society on page 23.

What is the best way to help managers and their teams prepare for hybrid work?

A randomised controlled trial at Nationwide Building Society.

In 2021 Nationwide Building Society worked with MoreThanNow to test a new way of supporting leaders. To try something radical, we built on the academic work by Dr Laura Giurge at MoreThanNow – an expert on time-use within organisations. We invited leaders to take part in an intervention designed to help them reprioritise workload, unlock time, and reset the relationship between leader and team. The idea was to focus on developing their capacity rather than capability to lead.

These aims would be achieved through three stages:

Reset Session → 6 Weeks Focus Time → Weekly Check in

The reset session is designed to reprioritise tasks and workload. Leaders identify what they want to delegate to their team to free up time, while team members define what support they need from their leaders to complete those tasks. The team creates 'reset goals' for the next 6 weeks.

To achieve their reset goals, teams block 2 hours in their calendar for 4 days/week for 6 weeks and label them as 'Focus Time'. These blocks of time should be uninterrupted by other responsibilities and should be reserved strictly for leaders to lead and for the team members to focus on their priority responsibilities.

A 30-minute session is pre-booked every Monday or Friday for 6 weeks. This time is used to reflect on the previous week, and to check that the Focus Time blocks will achieve the reset goals for the week ahead.

Our intervention encouraged teams to block out significant chunks of their diary and their leader to step away from delivery and play a supporting role. This meant we prompted some hard conversations about priorities.

To help us really understand the impact of The Reset and whether this approach was helpful, we evaluated it with 50 teams in a randomised controlled trial.

Difference in productivity compared to the pre-experiment survey (%)

Treatment Group   Control Group
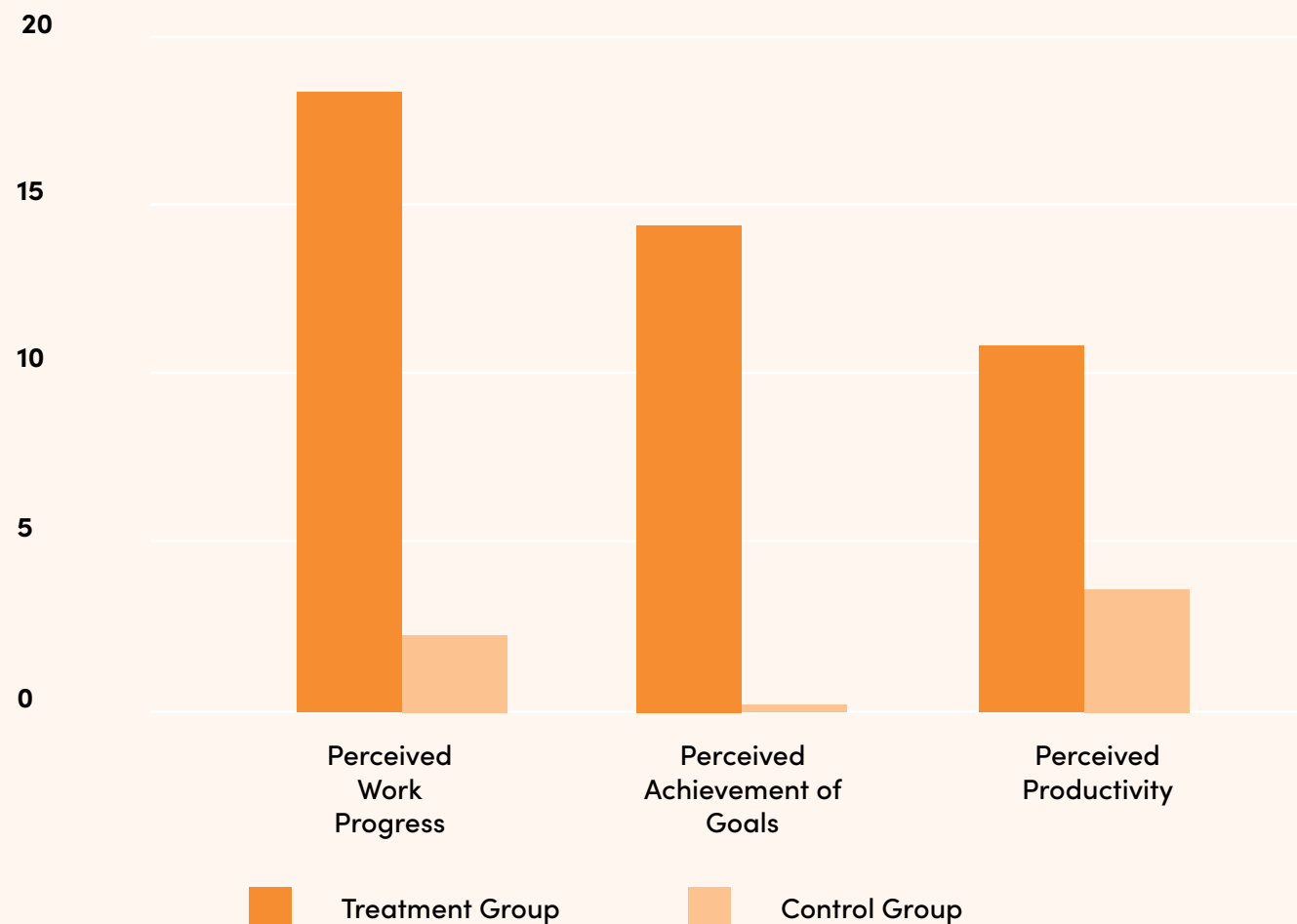
We used a survey sent out before and after the intervention to measure the outcome and found that the treatment group who went through The Reset reported significantly higher productivity than their peers.

While this was just one experiment in leadership, it shows how powerful it can be to test new approaches robustly. We found the positive evidence we needed and we are rolling out The Reset to other leaders at Nationwide on that basis. But, more importantly, we continue to experiment to continually improve how they support colleagues to deliver their best work, while living their best life.

Make a plan

For teams to address the diverse needs and preferences of every colleague, they need to make an intentional plan of how they'll work together. The quality of the plan – and an equal share of input in its design – will determine their success. Organisations should make sure teams and managers have the support they need to make this happen.

We start by challenging the idea that 'everyone can decide when and where they work for themselves as preferences within a team may trade off against each other. What happens if one team member is starting their career and wants to spend as much time with their colleagues as possible, while their more experienced teammates have young families and are happier to work from home? There are endless variations of such compromises: and the challenge is to help teams confront and navigate them during planning phases.

This insight leads us to focus on facilitating those discussions rather than attempting to offer clear and consistent instruction. And as always, we stress curiosity in searching for answers. Based on pre-pandemic studies at Nationwide, we believe there is merit in structured team-based conversations, focused on precise, practical, everyday considerations. We call this technique a 'TeamTalk' and it has been tested experimentally and refined over the previous three years. The aim is to help teams make active decisions about their working practices in a way that is not

manager-led and encourages input from all. The most recent variant of the TeamTalk was rolled out as a core pillar of Nationwide's *Work Anywhere* strategy in 2021.

Similarly, TSB have put locally owned team-charters at the heart of how teams will work together. Like the TeamTalk, the purpose of these charters is not to instruct, but to generate meaningful conversations within each team, for example on questions like "how do we want to meet?" and "how do we make sure we meet everyone's needs?". These charters aim to address concerns around visibility, presenteeism, and inclusion.

Of course, 'making a plan' might involve more than your immediate team. There is also the question of how managers and employees review their individual ways of working, or how project teams come together and organise themselves around a specific project. As above, we encourage organisations to learn what they can from effective, inclusive facilitation and then test these interventions robustly to learn what works and what does not.

EXPERIMENT IN PROGRESS

We are endlessly interested in how to effectively promote self-organisation within teams, from our randomised controlled trial on Nationwide's TeamTalk to the 1-2-1 trial with Sandoz mentioned earlier in this report.

Planning for inclusion

Policy and practice working hand-in-hand at TSB

TSB's goal is to create a truly inclusive workplace and we have been working with individuals and teams to put an intentional plan in place to make our new ways of working inclusive by design.

Every team has worked together to create a 'Team Charter' agreeing how they do their best work, based on bank-wide ways of working principles. These will be reviewed regularly as each team learns more about what they need. This complements work with groups of colleagues with specific needs who have also been co-creating more tailored support.

Approximately 3 million people in the UK are juggling work alongside caring for older, ill or disabled loved ones. That's around 1 in 9 in every workplace. At TSB, we understand that combining caring responsibilities with work can often be challenging, and whilst different ways of working during the Covd-19 pandemic have provided more informal flexibility for some, it has also increased the challenge for others.

In 2020, TSB introduced a Carer Policy to support our working carers when they need it most. The policy covers how TSB can support colleagues with a flexible solution to help them find a balance between work and caring. A range of support is available from flexible approaches to work, different paid and unpaid leave options including up to 70 hours paid leave.

As part of the policy, TSB made some broader improvements to our Workplace Adjustment Passport. It's a key tool for all TSB colleagues to use as a conversation starter, not just about

their caring responsibilities, but any health or other impairments they are managing, and how that impacts them at work. From this conversation, the individual and manager will be able to work together on the reasonable support measures that best suit the individual's needs.

As we co-create TSB's new ways of working with colleagues the Workplace Adjustment Passport, alongside the Team Charters, are helping make sure that how we work is inclusive by design.

One of our key measures as we learn the most effective ways to work at TSB is listening to colleagues.

As at April 2021, 4 in 5 say TSB promotes an inclusive work environment that accepts everyone's individual differences. When we asked them specifically about the impact of the Carer policy we heard:

TSB fully supports me with my caring responsibilities

★★★★½
4.5 Average Rating

I feel comfortable using the Workplace Adjustment Passport to start a conversation with my manager about my caring responsibilities

★★★★½
4.5 Average Rating

Even with the best plan possible, *organisations and their teams must expect cracks to appear as they embed their own unique ways of hybrid working*. An active, team-owned feedback loop is the final part of our three-pronged strategy. This 'test, learn, adapt' approach can be integrated into the planning framework, but is also a characteristic to build over time.

Whatever the unique needs and preferences of the team, a feedback loop means they'll be able to identify risks and opportunities and adapt accordingly. This will not happen unless they have time to do so and a plan they are evaluating, which, should not be underestimated as prerequisites. But there are several other considerations that may limit this cycle of self-reflection and improvement:

Hybrid management is likely to be a distinct capability, if not only because of the additional time pressures and complexities of managing a remote, asynchronous team. We encourage an open and long-term exploration of how this capability might be unlocked in a post-pandemic culture, including the redesign of management performance incentives, the

removal of operational responsibilities, team size restrictions, and rethinking traditional learning and development.

Psychological safety has not suffered from a lack of attention in recent years, but that attention has rarely turned into robust, experimental research. While we can confidently predict that teams with high psychological safety will be better attuned to feedback loops, we are far less confident about the interventions that will build this capability in a newly remote working world. We hope organisations who have already recognised the value of this cultural characteristic, will see the value in pursuing it with the power of experimental research in the months and years to come.

4

Organisational Culture.

The ideas in the previous section can only thrive in the right organisational climate. It's an obvious insight, but also a tricky one to approach practically. After all, this is a topic that encompasses the shared meaning that employees perceive in the policies and practices of their organisation. Where do we start with that?!

To pin down a research agenda, we returned to our pre-pandemic work on Self Determination Theory and the positive connection to organisational performance and wellbeing. The following section is focused on the interaction between hybrid work and the three basic psychological needs underpinning the theory. Namely, how will an organisation's new way of working influence employees' *sense of autonomy, competence, and belonging at work?* How might that amplify or reduce inequalities in employee motivation, and what can organisations do to intervene for the better?

Establish new systems of feedback to enable managers and local leaders to identify precise problems and address them on their own terms. Rethink leadership development to support this decentralised approach to cultural development.

The trend towards hybrid work represents a profound shift over who defines the time and place in which work is done. More autonomy means more variability in teams' experience of work, which also means facing different culture and inclusion challenges at different times.

In this context, the value of top-down and organisation-wide cultural feedback is reduced, and the importance of localised loops should be prioritised. For managers to take ownership of the constant adaptation outlined in section 3, they need to receive precise, regular feedback from their team and have access to systems that promote and guide an active, effective response.

This requires an integrative, strategic approach from HR teams which may include adaptations to employee listening strategy, technology use, as well as developing and evaluating managers in new ways. There will

be delicate balancing acts to resolve between data privacy and the identification of specific exclusion challenges along that journey. They should not be avoided.

Finally, organisations should reconsider the nature of leadership in a more localised, democratic climate. Research shows that people remain pulled towards the confident, competitive, decisive traits traditionally associated with men which are also more likely to suppress rather than foster autonomy in a hybrid world. Leaders will remain vision and strategy setters, but they are also the architects, champions, and facilitators of a climate that enables autonomy and this is likely to require more communal leadership styles. There is much research to conduct on what this shift means for leadership selection, development and evaluation.

Competence – learning and development

The excitement about trends including virtual education technology, eLearning, and asynchronous learning should be channelled into robust evaluations about how well they work. To reduce rather than amplify inequalities, learning initiatives should be measured against inclusion outcomes alongside wellbeing, sustainability, and performance metrics.

A great advantage of office-based working is the opportunity for constant learning from colleagues. In a hybrid working environment, those who choose to stay at home may be missing out on capability development, especially when it comes to informal learning. This challenge is perhaps most difficult for young people who have not had these opportunities much before.

Similar equity challenges exist around formal learning options. Self-led online learning has become an industry of its own and could provide a powerful solution to those who continue to work remotely or work non-standard hours. But this is unlikely to be the answer without a strong organisational commitment to making effective tools accessible for everyone. For example, a recent survey of UK workers found that junior employees have less time available for training than senior colleagues. In fact, 58% of employers' education funding is awarded to employees with bachelor's degrees while only 17% goes to those with only a high school diploma. Learning and development tools can only promote equality and inclusivity if everyone has time, headspace, and support to access them.

Digital and remote learning and development programmes can level the playing field, but that potential does not come without risk, and the exponential rise in digital learning methods has not been matched by an exponential rise in our understanding of their effect. The digitisation and standardisation of learning experiences offers an accessible landscape for experimental research. It's a chance to evaluate the causal impact of initiatives, and steadily improve their effectiveness and inclusivity.

Competence – progression and mobility

Progression needs more than a debiased performance management process. Organisations should apply inclusive UX principles to internal mobility, and ensure they are promoted in a way that does not inadvertently appeal to a dominant demographic group. They should also focus on optimising informal and semi-formal routes to progression, including the increasing use of talent marketplace technology.

Many progression inequalities are amplified by biased performance management processes (see section 1). While these can be addressed, they still need to be embedded within an organisational climate where inclusion is fostered. These factors interact in research dating back over 20 years, showing that remote workers are disadvantaged when it comes to career progression and opportunities across organisations, especially for women and individuals with caring responsibilities. It's critical that we mitigate the risk of this bias worsening in response to hybrid work, which can include making adaptations to formal channels like internal recruitment and informal channels like networking.

We know, for example, from experimental partnerships with BT and Ericsson that the way roles are promoted can change both the size and diversity of a candidate pool. This insight can be extended to the entire internal candidate experience, from how progression opportunities are promoted to how decisions are made. While we encourage organisations to conduct their own research, we have found that promotional messages that focused on community, purpose, and encouraging 'exploration' of career opportunities can yield more gender-inclusive results than those focused on personal progression. It may also be important to show representative examples of existing leaders and employees working remotely, although this is a hypothesis that needs to be put to the test.

Finally, and connected to the L&D section, we acknowledge the rapid progress in the digital career progression and talent marketplace platforms, such as Gloat. We are excited about the potential of these tools but ask leaders to proceed with caution, evaluating the impact on grounds of inclusivity as well as performance.

EXPERIMENT COMPLETE

Our randomised controlled trial with Ericcson showed how variances in the way internal roles were promoted changed the gender diversity of the applicant shortlist, identifying a more inclusive employee experience. We call on organisations to redesign and test mobility processes in this newly remote environment – there is much to learn about these processes.

Belonging

Leaders must bring people and teams together across the organisation. This should involve a bird's eye view of robust inclusion data to identify and address areas where specific demographic groups are excluded.

As mentioned earlier in the report, managers should be encouraged to identify local challenges and promote belonging at the team level. The organisation's role, alongside facilitating and inspiring this approach, is to create belonging between teams and divisions.

This is a live and active problem: recent evidence from Microsoft has demonstrated how networking between teams and across organisations has dramatically declined over the course of the pandemic, and we are concerned about disproportionate impacts on some groups over others. The evidence for sponsorship rather than mentorship as an intervention was gaining ground pre-pandemic, however we need to consider how this can be done effectively remotely.

There is also more room for new technologies to encourage cross-team networking. For example, TSB use Microsoft's Ice Breaker tool, which connects people to a random other person in their organisation. This promotes interactions across the business. Uptake is voluntary, but TSB are assessing how they can build on this and other tools to maintain links between people who would have otherwise only met in physical office spaces. Such approaches can help create connections across an organisation, but as with many new technologies entering the workplace, they need to be tested for their return on investment.

It is critical that organisations include the systemic exclusion of specific demographic groups in their analysis. This may start by recording responses to staff survey questions about belonging by demographic variables, so any variances can be explored and addressed. As we mention at the start of this report, we can expect the impact of hybrid working to vary greatly between people depending on all manner of demographic, trait, and contextual factors. Only by embracing these intersectional effects and exploring and testing interventions when cracks appear will organisations truly design a more inclusive working world.

5

Test, Learn, Adapt.

No one, including the team at MoreThanNow, can tell you how to adapt to a radically new way of working, in the wake of a global health crisis, in ways that reduce rather than amplify inequality in your workplace.

Organisations should see themselves as researchers on the unchartered road ahead. Everything in this report leads you in that direction.

Set yourself up with the data infrastructure to track progress and identify problems early. Deliver as much of that insight as possible back to local leaders and inspire an active response. Finally, put your culture interventions and policies under the spotlight of experimental research, so you can learn if they are working and adapt to what you find.

This is a profound time of change in our working lives and the way we respond will reverberate for decades to come. It's an opportunity that deserves more than good ideas and crossed fingers. Let's design a better future of work together.

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hello@morethannow.co.uk