Hybrid Working: From ‘the new normal’ to ‘business as usual’

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## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contents</td>
<td>3</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>4</td>
</tr>
<tr>
<td>Key Findings</td>
<td>6</td>
</tr>
<tr>
<td>Tips</td>
<td>8</td>
</tr>
<tr>
<td>Introduction</td>
<td>10</td>
</tr>
<tr>
<td>Our Study</td>
<td>10</td>
</tr>
<tr>
<td>Working from home policies and support for hybrid working</td>
<td>12</td>
</tr>
<tr>
<td>Productivity and performance</td>
<td>14</td>
</tr>
<tr>
<td>Ways of working</td>
<td>16</td>
</tr>
<tr>
<td>Autonomy and trust</td>
<td>19</td>
</tr>
<tr>
<td>How managers worked</td>
<td>21</td>
</tr>
<tr>
<td>Resource and support requirements</td>
<td>22</td>
</tr>
<tr>
<td>Case Study: Australian Tax Office</td>
<td>24</td>
</tr>
<tr>
<td>Managerial capability and practices</td>
<td>26</td>
</tr>
<tr>
<td>Managing work processes</td>
<td>28</td>
</tr>
<tr>
<td>Socialising and connecting</td>
<td>29</td>
</tr>
<tr>
<td>Wellbeing</td>
<td>30</td>
</tr>
<tr>
<td>Building managerial capability</td>
<td>31</td>
</tr>
<tr>
<td>Career development and visibility</td>
<td>33</td>
</tr>
<tr>
<td>Conclusions</td>
<td>34</td>
</tr>
<tr>
<td>Contacts</td>
<td>34</td>
</tr>
</tbody>
</table>
Executive Summary
Four years on from the initial pandemic lockdowns, working from home, in the form of hybrid working, is embedded. It is no longer ‘the new normal’, but is ‘business as usual’ and there is no going back. The research team has been examining working from home in the Australian public service (APS) since 2020, and in this report, we focus on the experiences of APS managers and supervisors.

It is becoming increasingly clear that while the location of work has changed to incorporate hybrid working, ways of working and managing have only changed in a limited way. We are aware that the APS is focused on identifying lessons arising from working through the pandemic and is actively examining the future of work. While these considerations are occurring, managers and supervisors may be more focused on current work rather than future possibilities, leading them to undertake business as usual. Further consideration could be given to whether agencies are maximising the opportunities associated with new ways of working, to benefit individuals, teams, and agencies. The new world of work provides opportunities to experiment with how work is done in various locations, and the best ways to undertake work for enhanced performance.

One of the few changes we have identified is that workplaces could almost be relabelled as ‘worksocials’. Organisations and managers have realised the need to maintain connections and employee engagement and do this through increasing social opportunities. This is a major benefit for organisations, teams and individuals arising from hybrid working being ‘business as usual’. Another main positive we have identified is that managers are adopting an outcomes focus, where location of work is irrelevant, as long as the work is satisfactorily completed. The focus has moved from hours spent working, or being visible, to achieving outcomes, with managers being conscious of proximity bias (where being proximate to managers results in increased opportunities). Another benefit of hybrid working that we have identified is that many managers are becoming more intentional in their management style. Even while working in high pressure jobs, we heard many examples of managers very consciously thinking about how to be better managers, how to ensure team wellbeing and cohesion, while meeting agency key performance indicators.

However, our research has also revealed issues on purposefully crafting work according to location and employing intentional management. In our discussions, some managers demonstrated a lack of trust in their team and used software to gauge attendance. Further, career development opportunities were not offered to staff due to proximity bias. Managers also highlighted that they needed a range of technology enhanced tools and resources to more effectively perform their work.

Overall, however, we find that hybrid working in the APS is effective towards meeting the needs of organisations, managers, teams and individuals. Productivity does not appear to be impacted by hybrid working, and giving employees more autonomy, with flexibility, has resulted in sustained productivity, as well as employee engagement. Nevertheless, there are some challenges which may need to be resolved, such as how to manage performance, and have difficult conversations virtually. Maximising the opportunities enabled by working in different locations, and experimenting with ways of working hybridly may be the next step forward in working for the APS, as well as for other sectors.
Key Findings
1. Business as usual

The APS demonstrated high levels of agility at the start of the pandemic, however, some ways of working remain the same as pre-pandemic. Many managers noted little to no difference in how their staff undertook work, how they managed workflows or measured outcomes.

2. Location-agnostic

In APS agencies, unlike other sectors, location does not seem to be affecting the type of work done: employees undertake the same tasks at home as they do in the office. Agencies may not be capitalising on opportunities associated with working in different locations.

3. Sociability

One of the changes identified was that workplaces are becoming more social, to entice employees back into the office.

4. Outcomes-focused

Managers focused on outcomes and output over hours and when and where work was performed. Autonomy of the team and trust between managers and teams were emphasised as key contributors to successful hybrid working.

5. Bias

Many managers are becoming more aware of proximity bias and are taking steps to prevent this form of bias.

6. Challenges

Remaining challenges include managing performance, and having difficult conversations virtually. Managers requested training on these areas.
Tips
Policies
Organisations will need to review their working from home policy to remove any mandates requiring minimum hours of in-person attendance, in line with Australian Government policy.

Productivity and performance
Agencies may need to review performance and monitoring systems, informed by diverse qualitative and quantitative data sources/analytics, to more holistically measure outcomes, as well as output.

Ways of working
APS managers are encouraged to engage in meaningful discussions with their teams about what type of work is best undertaken at home and in the office. Encourage teams to experiment with ways of working and workspaces.
APS managers are encouraged to provide teams with high levels of flexibility and autonomy to enable successful hybrid working.
APS managers are encouraged to engage in open discussions with their teams about what autonomy and trust look like in terms of behaviours in a hybrid working environment.
Senior leaders are encouraged to further consider the amount of time managers and supervisors are required to be in the office, and associated expectations.

Resource and support requirements
Managers should give conscious consideration of the resources and support they and their teams need to function effectively as hybrid teams.
APS managers are encouraged to practice intentional leadership, considering time and place of work, capabilities of team members, and opportunities for team members’ growth and development.

Managerial capability and practices
APS managers are encouraged to collaboratively and critically investigate potential work process changes which could enhance performance and engagement. The key to success for such an action is approaching with genuine curiosity and openness to new ways of working.
Managers and their teams should engage in conversations about social and connectivity benefits of time spent together in the workplace and develop plans to facilitate this in a manner that is attentive to performance and wellbeing outcomes.
Employee wellbeing should feature in all conversations managers have with their teams about ways of working.
Bespoke training on managing hybrid teams for performance and wellbeing outcomes should be readily available for managers at all levels.

Career development and visibility
Managers should give deliberate consideration to ensuring career development opportunities are not being impacted by where their employees undertake work, and monitor development opportunities to prevent proximity bias.
Introduction
The world of work for knowledge workers has transformed since the onset of the COVID-19 pandemic. Work locations have shifted from employer’s premises, to working at home full time, to working hybridly (ie where some part of the week is worked at home or remotely, and the rest of the week is worked on the employer’s premise). The public sector in Australia reflects these changes, and working from home became ‘the new normal’ during the height of the pandemic.\(^1\) As the Australian Public Sector (APS) workforce began returning to offices in 2021-22, hybrid working gained popularity.\(^2\)

Extending research conducted in 2020 and 2021 by the first author, the research team was keen to examine how hybrid working was being undertaken in the APS in 2023. We found that hybrid working is now entrenched at the APS, with employees at all levels accessing options to work from home for some of their working week. Currently, there is limited research that considers how this ‘new normal’ has become ‘business as usual’ in the APS. Based on interviews and focus groups with over 80 managers and supervisors in the APS, we examine a range of aspects that are central to understanding the state of hybrid working. We detail support for hybrid working, the establishment and implementation of policy, and the details of working arrangements. We also focus on management practices and capabilities of managers and supervisors to better understand how managers have adjusted to account for hybrid teams.

Hybrid working is becoming increasingly important in knowledge industries, with one study estimating that almost two in five knowledge workers would work hybridly by the end of 2023.\(^3\) Hybrid working and working from home continues to be common in the APS, with over half of APS employees reporting they worked from home or away from the office in 2023.\(^4\) Hybrid and flexible working was also a prominent policy area in 2023, with requirements that employees work a minimum number of days in their agency’s workplace removed, resulting from enterprise bargaining negotiations.\(^5\) This will further entrench hybrid working in the APS.

This report examines hybrid working in the APS, highlighting that this form of working is an entrenched, business as usual practice. We present our findings, tips to assist practitioners, and showcase leading practice in undertaking hybrid working.

**Our study**

This report is the third study of working from home/hybrid working in the APS from the first author and colleagues. The previous two studies were based on the results of surveying around 5,000 APS employees and managers in both 2020 and 2021. For this project we wanted a more in-depth examination of how APS managers and employees were working hybridly in 2023. Hybrid working arrangements are increasingly common across APS agencies, presenting an opportunity to understand how such arrangements are shaping management practices.

We conducted 20 focus groups and small group interviews with 78 APS middle managers and supervisors in 37 agencies, and a further five interviews with Senior Executive Service (SES) officers, which formed a case study [see p24]. Managers were located in policy areas, as well as program and service delivery areas. We also held focus groups with 43 employees, however, these findings have not been included in this report. The focus groups and interviews were held from February to August 2023. We conducted the interviews via MS Teams, downloaded transcripts, and these were then coded by a research assistant in NVivo12, against a codebook developed by the authors. We then analysed the data, and the findings are presented in this report. All four authors participated in conducting the interviews, data analysis and compiling this report.
Comparing responses from our 2020 and 2021 studies with 2023 shows us that the ‘shock’ of changed working arrangements has been replaced by emerging clarity around the benefits and challenges of hybrid working. Research shows that hybrid working should not be considered a temporary workplace adjustment. Instead, this type of working arrangement reflects the present and represents the future for workplaces. Understanding this shift as a more permanent aspect of work is reflected in the establishment of policies to guide organisations as they incorporate hybrid working.

We asked managers how they applied their organisation’s working from home policies. Not surprisingly, we found that policy implementation differed amongst teams. Some managers adhered to policies which mandated employees to be in the office three days a week (noting that data collection was conducted before the mandatory caps on working from home were removed); others were more flexible. Eighteen per cent of our participants noted that in some agencies the mandate did not apply to client-facing teams, which were required to be in the office full-time. Generally, managers used their discretion in applying policy, which caused some problems, as “people look across and see others aren’t there”, and there is “no equality in choice” i.e., some people have a choice and others do not. Participants acknowledged that this approach had led to some resentment, as these comments show:

"Here at [my agency], there is a requirement to be in the office, some days per week, there doesn’t seem to be a consistent approach. I can only talk about my section because each branch will have its own requirements, depending on the preferences of the branch head."

Another stated:

"And there’s also a fair amount of cynicism around, this whole requirement about three days a week, because it seems to be a lack of evidence-based reasoning behind whether people are productive, or not. The official line is, if you come into the office, you’re more connected, you’re more productive."

Emerging research reinforces our finding that mandated returns to work can cause resentment. Overall, however, managers and supervisors tended to support their staff working from home. Generally, team members had some autonomy and were able to decide which days they wanted to work from home. Some managers oversaw scheduling, for example, to ensure the organisation of ‘anchor days’ where all staff were expected to be in the office."
Despite policies to support hybrid working arrangements, almost 20% of managers described a push from their agency to adhere to mandated returns to working in the office. While one participant described the agency justifying this because “the business community was complaining [that] not enough people are using city centres”, most other participants were less clear about why mandates had been imposed. Where such requirements were supported by team managers and senior managers, our participants believed that this was based on managers needing to exert control over their team, evidencing a lack of trust. One participant detailed how this impacted the management of their team:

I can remember when we were first directed to start a return to the workplace. And [the team] said, ‘Don’t you trust me?’ I said, ‘Well, no, this is just a new policy’. They said, ‘but we’ve worked three years at home. And you’ve never once had to question the quality, quantity, all those things about my work’.

By the conclusion of our interviews, the Australian Government had agreed to provisions removing the cap on the amount of time which could be spent working from home. The government has stated that “[t]here are no caps on the number of days you can request to work from home and your agency will consider your request based on its merits and business requirements”.

Policies that require a mandatory number of days to be worked in the office will therefore need to be reviewed.

**Tip:** Organisations will need to review their working from home policy to remove any mandates requiring minimum hours of in-person attendance, in line with Australian Government policy.

In 2020, 37% of managers said they would be more supportive of employees working from home. This increased to 44% in 2021. We are now seeing widespread support for working from home and hybrid working.
Working from home has been found to result in increased productivity. New research shows that for each extra day worked remotely, organisational productivity is around £15,000 (or $29,000) higher. However, managers and employees can hold different perceptions of whether employees are just as productive working remotely and hybridly as they are working on the employer's premise. Our 2021 survey of employees showed that almost two-thirds of employees considered they were more productive working from home than in the office. Our 2022 report highlighted that three in five employees considered that their productivity increased while working remotely; however, two-thirds of managers believed that productivity had stayed the same, rather than increased.

Of 33 managers who specifically mentioned productivity in the focus groups, 23 stated productivity had increased since working from home and hybridly. Ten managers stated that productivity had stayed the same. One reflected on this in terms of changing attitudes in the workplace:

> People were just as, if not more, productive. So that was a real eye opener. And so I’ve certainly shifted myself and I know others in my agency have shifted to a sense of “look, just get the work done. I know you can do it. I don’t care where you are”.

Examining our data longitudinally, these findings suggest that productivity increased during the initial pandemic lockdowns. It then fell slightly to a more usual level as workers could not maintain the intensity of the work during lockdowns. This phenomenon is known as ‘panic productivity’, where workers were highly productive during the initial phases of the pandemic due to fears about job loss, and a commitment to working harder during a crisis. It appears that productivity has now increased again as employees have adapted to working hybridly and ‘business as usual’ has been established. We sound a note of caution, however, as our finding is exploratory.

Researchers are recommending that organisations focus on performance, rather than productivity. Our research reveals that managers are doing just that – in our focus groups, they discussed work performance with an emphasis on outcomes. Managers who previously used timesheets told us that these had been removed or were maintained more as a compliance requirement, rather than as a monitoring tool. This emphasised the focus on outcomes:

> One key thing that I think really did happen for us across COVID, and is continuing now, is a complete removal of looking at the times, looking at timesheets. Not that we don’t look at timesheets, but we’re only interested in the outcomes, we’re interested in ‘is the job being done?’
Managers and supervisors’ focus on outcomes over rigid working hours or location of work informed their approach to managing their teams, with one manager saying they aimed to foster “a productivity culture versus an attendance culture”. This productivity is dependent on performance, and management which focuses on outcomes. However, more attention on an outcomes focus is needed. One manager suggested a shift in culture that prioritised wellbeing by focusing on outcomes of their team rather than where and when they were working:

> I wish we focused on that [model], which is our people safe and healthy and happy and getting the work done in the hours that suit them and that work of suitable quality should be the only thing that matters...It would take away a lot of, not just the stress, but the sense of inflexibility and having to deal with all these other nonsensical issues which are just bureaucratic. In terms of managing a team, basically let us just get on with it.

While we saw a change in focus from hours worked to outcomes, measurement of outputs and outcomes changed to a lesser degree. Almost a third of participants stated that there were no changes in how performance was measured. They attributed this consistency to the continuing use of existing software and reporting systems, which made team outcomes visible. Shared platforms enabled the visible tracking of projects. One manager said, “we measure everything”, another commented they “could actually keep an eye on performance as far as output”. These systems also indicated when work was not being completed, or staff working from home were being less productive. One manager described how monitoring outcomes contributed to maintaining productivity, and informed their management strategies:

> We use the same systems to monitor people’s work, whether they’re in the office or whether they’re at home. Everything is electronic these days, you can’t really hide, and output is output. So, we do...cases, like I said, you will get through this many...cases. And the expectation is that you’ll get through this many...cases in this amount of time. So if you don’t, regardless of where you’re working, then we need to have a chat.

Managers tended to refer to tasks and outputs which were easily measurable. Measuring outcomes may therefore need a different approach to monitoring and measuring performance, to capture higher level, and less transactional achievements.

**Tip:** Agencies may need to review performance and monitoring systems, informed by diverse qualitative and quantitative data sources/analytics, to more holistically measure outcomes, as well as output.
Ways of working
Working arrangements were determined by the physical set-up of the office. Prior to the 2020 pandemic, a range of APS agencies had incorporated hot-desking and activity-based working. Research has considered the benefits of these types of working spaces, which include benefits of flexibility for teleworking teams to utilise physical workspaces as needed, as well as ease of access to tangible work resources such as internal systems, hard copies of files and technical assistance. Access to intangible resources including face to face discussion, being close to decision makers, and colleagues have also been noted. Research, however, has also highlighted the considerable disadvantages associated with hot-desking, which include isolation from team members, time wasted as employees relocate to new spaces and the attendant decrease in productivity.

Participants told us that some agencies did not have enough desks for all workers, should everyone be in the workplace at the same time. As one explained, “we can’t have everyone in – the office is built for 70% or 85% of employees”. Desk-sharing, where multiple team members are assigned one desk to use on alternate days during the week, was mentioned. One manager explained:

> So my team here in [city], there’s six of us. And we have two desks that are mine. They belong to me. But we have to desk share with the team sitting next to us. So it’s different to that agile thing in, that two individuals share a desk. So people have a desk, they just share it with someone else who does a different arrangement to them so that they’re not in the same days.

Similarly, managers of client-facing teams explained that team members had a roster when they were required to be in but could work from home at other times. Others stated that the lack of an assigned desk resulted in staff not being co-located, so staff tended to work from home.

A significant finding of our research is that how work is undertaken in the APS appears not to follow approaches in other sectors. Practitioner literature has found that workers undertake different tasks depending on location, with employees undertaking tasks requiring deep concentration being done at home, and more routine tasks being done in the office. Academic researchers have found that working at home is more suited to individual-focused work, such as writing, rather than team-based work. We asked managers about this. With the exception of customer-facing roles, very few stated that employees worked on different tasks depending on location. The majority said that there had not been a marked change in how and where tasks were completed, largely due to the tools enabling virtual working. Managers reflected that their teams “adapted easily”, and that it was “completely irrelevant” where staff worked from. As one manager said:

> You just do what you need to do, and that’s pretty much the same types of work, whether you’re at home or in the office. So I think that’s more idealised that you would do different stuff at home.
Location does not affect the type of work done: employees undertake the same tasks at home as they do in the office. The shock of the pandemic was not enough to change the way people work.

This finding is important not only as it is contrary to existing research – but more importantly, it highlights that the shock of the pandemic was not enough to change the way people work. Literature on crises argues that crises, such as a pandemic, may not be the time for reform, and once the crisis passes, employees want stability. Further, leaders may not have reflected on the crises and lessons learnt, resulting in business as usual, rather than 'business anew'. We are aware that the APS is focused on identifying lessons arising from working through the pandemic and is actively examining the future of work. While these considerations are occurring, managers and supervisors may be more focused on current work rather than future possibilities, leading them to undertake business as usual. Further consideration could be given to the opportunities associated with tailoring work to different locations. For example, teams might come together in the office to work on projects, with individual work undertaken at home; client-facing work could be rotated to those working in the office, enabling hybrid working. Most importantly, however, agencies and teams may benefit from experimenting, and adopting a "test and learn" approach to determine optimal working arrangements and workspaces.

**Tip:** APS managers are encouraged to engage in meaningful discussions with their teams about what type of work is best undertaken at home and in the office. Encourage teams to experiment with ways of working and workspaces.
Autonomy and trust

Recent research shows that working hybridly can increase employees’ autonomy as they are able to manage themselves to achieve work outcomes. This greater job control can increase employee engagement and motivation. Increased autonomy and control over workflow when working from home is key for health and wellbeing. Autonomy is essential to increased flexibility, and practitioner research recommends organisations provide hybrid employees with high levels of autonomy, and high levels of flexibility. This will ensure organisations remain competitive, as flexibility with autonomy has been shown to be essential to retaining staff.

Autonomy to deliver outcomes had a significant impact on how managers oversaw their teams in a hybrid working environment. While a small number of managers stated that they had more control over employees pre-pandemic, most managers spoke positively about the role of autonomy in managing hybrid teams. Benefits described included greater opportunities for staff to develop new skills and build independence. One manager said:

I think because we were all together in a team, it was just easier for the team to always touch base with the manager, ‘what do I need to do, blah blah blah’. And so, you did maintain more control per se, but at the expense of allowing people...or people even letting themselves just go away and do things. [...] people have also grown a bit more in confidence, in knowing that ‘I might only speak to my manager briefly once a day, unless a crisis crops up, I just need to go off and get on with it’.

Another manager described their team “having kind of greater ownership over the work, it’s giving them their agency back”. When discussing employees working autonomously at home, managers treated their employees as “responsible adults”, and explained that when staff worked autonomously, they would only check in when they needed help or had questions. Almost a quarter of managers spoke positively about staff working autonomously. When expanding upon specific managerial practices to enable autonomy, managers were clear that this was not about doing less:

Participant 1: I don't think it's about managing them less.

Participant 2: I think it is about managing differently.

Employees working autonomously made decisions about when and how their work was completed. As one participant explained, “for me the input and the output, that’s the way I can control, and in the middle they can do whatever they want to”. Managers valuing autonomy often framed this in terms of trusting their teams to work hybridly. Managers reflecting on autonomy implied trust in their teams to take responsibility and be agentic. Enacting trust was described in terms of communication:

It fundamentally comes down to a combination of having trust in your staff, being able to regularly touch base with them and say, ‘how are you going with that? Any problems, any hurdles, any blockers?’

Managers were asked to explain how they demonstrated this trust to their teams. Almost half of all our participants discussed this, and described practices of communication, as well as encouraging autonomy amongst their teams to manage their work. One manager felt their absence of micromanaging helped to convey trust; another manager planned to ensure shared understanding with team members:

It’s just, how much planning you put into it. So if you’re on the same page, and people know the steps in a project and what needs to happen, it’s just the who, and then your team members will check in for further clarification if you haven’t shared your vision with them.
While many had positive responses, some managers also described how a lack of trust had shaped their practices of managing a hybrid team. This often translated as behaviour management and surveillance. Increased autonomy was offset by increased monitoring. Twenty-eight per cent of managers spoke about monitoring staff working from home in some capacity; this included being able to see when team members were online. As one manager stated: “things are a lot more trackable than when people were in the office”. One manager explained:

> You could see on MS Teams, whether it’s green or yellow, so they’re responding to you straightaway. So you know that they’re there.

Other managers acknowledged this ability to monitor but did not use this. One manager even expressed an aversion to this practice, explaining:

> And for me, turns me into the police and I don’t want to be the police. I, like probably the other managers here, just want the work done. And I don’t care where it’s done. I just want quality work delivered on time. I don’t need to see my staff look over their shoulder. I think that’s a big issue for a lot of people.

Flexibility, autonomy and trust are key to successful hybrid working. Practitioner research highlights that autonomy and trust complement an outcomes-focused approach, and lead to increased performance and productivity. Our research supports this finding.

**Tips:**

- APS managers are encouraged to provide teams with high levels of flexibility and autonomy to enable successful hybrid working.
- APS managers are encouraged to engage in open discussions with their teams about what autonomy and trust look like in terms of behaviours in a hybrid working environment.
How managers worked

The importance of managers role modelling flexible working cannot be underestimated. However, in some agencies, senior managers were encouraged to return to the office to set an example. Recent practitioner literature argues ‘face-time’ is still central to good managerial practices. The research suggests that the most important face-time for an organisation is leadership presence and accessibility. A number of ‘visibility strategies’ are proposed, including in-office days for communicating key messages, video as ‘next-best’ for communication and a strategy for face-to-face time with a team.

Managers being visible and in the office can facilitate meaningful engagement and effective communication. Many of our participants corroborated this, explaining that senior and middle managers and team leaders were expected to be in the office. One participant noted this expectation, and linked it with proximity bias (where being proximate to managers results in increased opportunities):

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When you get higher up the food chain, the expectation or requirement – I’m not sure if it’s one or the other – is that you’re kind of physically [in the office]. And I guess it goes back to that question of, what impact does you physically [being] there have on your ability to get promotions and be thought of, and if you’re physically there, does that mean you’re kind of thought of more or whatever it is? So it’s interesting.
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Another manager explained they were conscious of visibility, or ‘optics’:

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When you’re a public agency sometimes, it’s not the look, either. I know, optics, I think there is a big optics thing about that, too. So, they see us every second Friday and Monday, they see us in. I mean, I don’t know, I just think it’s – probably optics is a consideration.
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Senior managers desired middle managers to be visible; middle managers also wanted senior managers to role model hybrid working. One manager stated:

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I’d like to see SES required to do a certain amount of work from home, unless they have a strong reason not to. I think a lot of other improvements would follow from that. I feel like a lot of the things that frustrate us about working from home come down to conservatism from people who’ve spent a very long time under the old model and are scared about shifting to the new model and don’t understand how it works.
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Middle managers tended to work hybridly. All managers participating in the focus groups were required to have current or recent experience managing hybrid teams to be eligible to participate in our project, but almost all were also working hybridly. Over ninety per cent (93%) of managers indicated they were working hybridly and to the same policies followed by their teams. While not all disclosed specific arrangements, 10% shared that they worked in a different location to their teams, and commuted to the closest agency office for their in-office days. A small number (5%) of managers worked entirely remotely.

Tip: Senior leaders are encouraged to further consider the amount of time managers and supervisors are required to be in the office, and associated expectations.

Resource and support requirements

Managers identified three main categories of resources and supports which would improve management of hybrid teams and hybrid working. These included: first, routine resourcing and support; second, adjustments to the social needs and engagement of their teams; and third, the continued shifting of attitudes towards hybrid working in their agencies and the sector.

Managers who highlighted resourcing and support emphasised the importance of practical aspects that would resource staff to work from home, including providing them with equipment or a budget to purchase equipment for a home office. Improvements to ICT were mostly likely to be mentioned – 47% of managers mentioned ICT in their responses. This included suggesting the development of software that “mimics us all being in the office”, and core systems that run smoothly when accessed remotely through VPN connections. One manager stated they needed:

Systems, whether it’s access, whether it’s equipment that’s available for people to take home, whether it’s just general functionality of everything.

Managers also discussed the need for ICT support, including ICT training for software used to connect and communicate with their teams.

Supporting hybrid teams with ICT

Managers identified a range of specific ICT requirements to improve management of hybrid teams in the public sector:

• Strong and reliable internet access
• Capacity to use collaborative platforms on government servers
• Current hardware and software provided to ensure accessibility to all systems, including hardware to support communications needs
• Purpose-built software for data and project management
• Access to additional devices specific to roles (telephones, tablets)
Managers who were concerned about the engagement and social needs of their teams highlighted the importance of specific practices for team cohesion and morale. Managers described the need for planned and resourced opportunities to travel and work together in the same physical environment at regularly scheduled times throughout the year. For example, one explained:

I would direct [the team] to actually come into the office on a very small periodical basis, because they need the corporate connectedness, to use a word that someone hates. The corporate aspect of it rather than the social aspect of it. You need to be able to directly engage with your colleagues, at least the office you’re domicile to, periodically.

Another manager suggested ensuring budget to enable staff working in different cities to be able to travel and come together. Managers also mentioned pastoral care, guidance to manage social engagements with the team, and awkwardness:

If I could change one thing, [it] would be, a magic wand that would make building connection and establishing social relationships not awkward over a hybrid environment.

Managers who mentioned this aspect of their roles also discussed ‘netiquette’, expressing the importance of communication through use of video during meetings. One manager said:

Can you please turn your webcam on so we can see, not so much what you’re doing, but are you okay? It’s hard to have a conversation with somebody when you’re just looking at a blank screen. Do they look fatigued? Are they alright? Are they well? That was quite difficult. So building that rapport and explaining ‘look, it’s not to judge your surroundings or see where you’re living or anything like that. But we just want to connect with you and actually know, are you okay?’

Managers who highlighted these social and relational aspects also suggested a more consistent understanding of team engagement through the use of communications platforms, including how messages are used, and where and when staff members should join a team meeting if in the office.

**Tip:** Managers should give conscious consideration of the resources and support they and their teams need to function effectively as hybrid teams.
Case Study: Australian Tax Office
With Australian Tax Office (ATO) Chief Operating Officer Jacqui Curtis appointed as APS head of human resource professionals in 2019, it comes as no surprise that the organisation has been seen as a leader for workplace reforms within the public sector in recent years. This has positioned the agency as an attractive place to work, as evidenced by a 79% rating for being recommended as a good place to work in the 2023 APS Employee Census, 11% higher than the APS average, and a 4-star rating on Glassdoor (an American website where employees review organisations) with 75% of respondents indicating they would recommend the agency to a friend.

The ATO seeks to capitalise on this reputation through promotion of “genuine flexibility to help achieve a balance between work and life including access to flexible hours, opportunity for hybrid work and flextime” in promotion of it’s value proposition to prospective employees. In 2022-23 the agency reported this approach as assisting it to maximise engagement and increase its ability to attract and retain talent in a highly competitive labour market.

For these reasons, the ATO is considered to be an instructive case study to include in this report as hybrid working is becoming business as usual in the APS. The research team conducted five interviews with senior managers (SES) within the agency to explore issues around hybrid working.

Findings: ATO Senior Executive Service (SES)

ATO SES were overwhelmingly positive about the benefits of hybrid working for both the agency and employees. Benefits cited included enhanced talent attraction and retention, better work-life balance, productivity improvements and increased opportunities for deep thinking time.

Additionally, hybrid working was seen to create opportunities for a greater sense of ownership and collaboration around how work can be undertaken for the benefit of individuals and teams – a ‘mutual benefit’ approach to working arrangements. Managers did, however, express some concerns about aspects of workplace health and safety, and wellbeing. These included the potential for isolation and back-to-back meetings having a negative impact and needing to be managed. Additional concerns included reduced human interaction leading to decreased creativity and some additional challenges in managing performance. Working hybridly was also not considered as good for career development as being on the employer’s premise, due to lower visibility.

The key findings from the interviews and focus groups with cross-agency managers and supervisors, appeared relevant within the ATO context, but the agency stood out as having higher level of recognition of the need for managers to be intentional in relation to how and where the work of their teams is undertaken. This includes managers at all levels being more deliberate and purposeful about how they use their time in different work locations.

Agencies seeking to enhance their reputations as good places to work and to leverage this for competitive advantage are encouraged to seriously consider the findings and tips within this report, including lessons from this ATO case, to maximise benefits of hybrid working for all stakeholders.
Managerial capability and practices
Previous research conducted by the first author with colleagues in 2022 showed that many managers were adopting a more intentional approach to managing staff in a working from home/hybrid work environment.40 Emerging practitioner literature supports this finding. Leaders are encouraged to reflect on their decision-making styles and the ways in which traditional working culture can hinder virtual teams.41 The literature frames much of this advice through a consideration of the social and cultural nature of work and organisations, where the social impact of remote work, the importance of ‘EQ’ (emotional quotient), and “humanising the office” are highlighted.42

We asked about management practices and found that many of our participants who were more comfortable with leading hybrid work teams practiced intentional management or leadership. ‘Intentional leadership’ is a practice whereby managers consciously and reflectively manage teams. This process involves being mindful of time, capability, and growth.43 Intentional management was evident through work practices. Some managers for example, detailed routine practices such as personal check-ins with their team:

> [W]e’re humans, we’re not robots. I think that you get more out of your staff, the bee to the honey, whatever it is, approach. And people can often be on their own.

Others explained their intentional approaches to feedback – “continual feedback or praise on what they’ve done well, or what they could work on”. One manager also stated:

> Whenever I sign off, whether it’s in the office, or if I’m speaking to them on the phone, I’ll just say, ‘Thanks for your work today. I notice that you’ve made good traction on that task. Thanks so much’.

Some managers also described practices for more intentional rewarding of staff due to hybrid work arrangements, including recognising them by copying staff into emails “shouting out” their work in emails to more senior managers. Another manager described “taking the opportunity to get them in front of [senior] exec virtually”, offering “a little bit of credit where it’s due”. Managers also displayed innovative ways of being intentional. One brought her children to work events to role model flexibility. Another sent flowers in lieu of coffee and lunches to celebrate the team’s wins.

Adopting a more intentional approach to managing staff can ensure performance remains high.44 Such an approach would include considering who works from home or hybridly, which tasks could be done in the office or at home, and how to measure performance while working hybridly.

**Tip:** APS managers are encouraged to practice intentional leadership, considering time and place of work, capabilities of team members, and opportunities for team members’ growth and development.
Managing work processes

We found that managers used a range of tools and systems to manage work processes. Tools mentioned included a team calendar, a task processing register, and online catchups. Anchor days, where all team members were in the office on a specified day, were discussed in detail by 36% of managers. They were described in a range of ways – one team came in on a Wednesday, but the manager explained that because they “all like each other” they also came in on a Tuesday, even though there was not enough office space.

Managers also had regular team meetings or morning stand-ups, as well as significant amounts of ad hoc communication. Both regular and ad hoc communication used Teams and similar platforms – the chat functions were often used to keep an “open line of communication throughout the day”. One manager explained:

> You can chat to each other throughout the day, partly a social thing. But also, 'I'm going to a meeting' or 'I'm off this afternoon for an appointment', like that sort of stuff that you would have just said out loud, normally in your team, you can do it in the same way on those platforms.

Managers stated that contact had increased due to working hybridly. Another kept track of teams closely:

> Basically, your staff need to be really on the ball. Those little things that I would normally go over and remind them to do or catch up with them as I walk past, I can’t do that. So contact is via Teams or a phone call, so they need to be really vigilant.

Managers reflected a range of approaches to overseeing work processes. Some described these in detail, such as the use of an action list for the week to allocate tasks and follow up with emails and phone calls. Managers acknowledged that these did not tend to differ significantly from practices used in non-hybrid working environments – one commented “we probably just already had all of those systems in place”. Another said “really, it’s still the same structure [...] still usings tasks on Teams”.

A smaller group of managers highlighted some challenges. Management practices in hybrid teams needed to account for the lack of incidental interaction between managers and staff, which required more active delegation and co-ordination:

> You’ve got to make a lot more effort to communicate with all your team, make sure everyone's on board for [projects that are a priority]. A lot more instructions and checking where everyone is too, whereas if you say that your team’s all in the office, things can happen, as I said organically, they can reach out. It feels a bit less of an effort working and supervising in the office compared with working from home.

Just as the nature of the work undertaken has not varied between work and home, work processes have also shown limited change. There may be scope to collaboratively re-think this to consider opportunities for improving performance and engagement outcomes.

Tip: APS managers are encouraged to collaboratively and critically investigate potential work process changes which could enhance performance and engagement. The key to success for such an action is approaching with genuine curiosity and openness to new ways of working.
Socialising and connecting

Managing employees in a hybrid working environment has become routine but may warrant questioning in terms of impacts on team culture. Practitioner literature suggests that organisations need to make workplaces attractive to entice employees back into the office. Organisations encouraging a return to the office, even as part of a hybrid working week, need to ‘earn the commute’ by acknowledging workers are investing effort in being present in offices. Practitioner literature has found that workplaces are indeed becoming more social to attract workers back into the office. Similarly, participants told us that their workplaces were committed to make the workplace more social. As one stated:

We’re all trying a bit harder when we are together to make it more social, and having branch afternoon teas and things, whereas we didn’t really have them before. Because we do want to take advantage of bringing people together for just a bit of light entertainment at times, as well as to try and make sure we don’t lose the bonds between people.

Developing social cohesion in the workplace was seen as a departmental-wide responsibility by some. For example, one agency organised branch afternoon teas and another with a social club had organised activities outside of work, which included a lawn bowls day, axe-throwing, and an end of year party. A minority of managers also stated that their teams were more productive working from home but came into the office specifically to socialise.

Teams were also becoming more social. Many managers told us about having morning teas and team lunches on the days when employees were in the office. Yet others maintained connectivity online, and had monthly or fortnightly face to face events. Others incorporated social time into meetings. They were advised to do this in training; this was to replace ‘water cooler chats’. There was a general consensus that being in the office facilitated sociability and it was also beneficial for wellbeing checks. The benefits of workplace sociability are clear – research has also shown that having friends and close acquaintances in the workplace improves job satisfaction, performance, and wellbeing. Productivity, engagement and wellbeing are enhanced through this new approach to making workplaces, ‘worksocials’.

Workplaces are becoming more social, to entice employees back into the office. This is beneficial for team cohesion and employee wellness.
Yet, managers were concerned about the lack of connection in teams and diminishing social relationships. A couple of managers also noted changed communication practices, with one stating that:

...there’s certain groups that are very talkative, but even in the office people tend to want to even communicate via the chat room rather than just chatting to the person next to them.

This finding corroborates recent research which shows increased online communications even when people are co-located in an office. Another manager observed that when working hybridly, “even when you’re working in the office it can feel as though you’re working remotely”. Another commented that monthly team meetings could be awkward when people were working different days, which also defeated the purpose of catch ups.

Current research finds that employees have adjusted to virtual working, including using a range of technology. Employees are bringing these new work habits ‘back to the office’, including approaches to communication with colleagues and team meetings. Research more broadly suggests that hybrid working has barriers that include isolation, and limits to the development of social and organisational culture. This also presents challenges for team collaboration.

**Tip:** Managers and their teams should engage in conversations about social and connectivity benefits of time spent together in the workplace and develop plans to facilitate this in a manner that is attentive to performance and wellbeing outcomes.

### Wellbeing

Managing overwork and burnout was a common challenge for participants. Almost a third (32%) of participants described managing different aspects of overwork and burnout, giving examples of “working ridiculous hours”, including working beyond the APS 7am – 7pm bandwidth, and not taking breaks throughout the day. Ten per cent of managers commented specifically on decreased levels of unscheduled absence. One indicated they knew their employees were electing to manage personal, family and caring responsibilities alongside work hours:

I’ve seen a significant decrease in unplanned leave, particularly carer’s leave, as a consequence of the working from home arrangements...if [the child is] not well, the [child] will lie on the couch and watch TV for the day. And that allows my staff members to work from home, with regular check ins, with their child or having their child visible in the background. And they’re still able to be productive. It may not be 100%, but they’re still there, they’re still present, they’re still able to contribute to the team.

Rates of unscheduled absence did decline during the initial stages of the pandemic, however, started to increase from 2021-22, as pre-COVID ways of working were re-established.

Managers were acutely aware of the psychosocial hazards associated with working from home, and were quite deliberate and regularly conducted wellbeing checks. A manager described checking in on her employees’ wellbeing in her regular daily catch-up with the team. Another manager used the time before the formal meeting started, and at the meeting’s conclusion for “non-work-related discussion and trivia”. This manager aimed to replicate in-person interactions online: “what do I get in the office interacting with my team, and how can I get this online?”. Managers were also quite intentional in calling out staff working long hours.

**Tip:** Employee wellbeing should feature in all conversations managers have with their teams about ways of working.
Building managerial capability

Researchers have examined the capabilities of those managing teams working remotely and hybridly. They prompt reflection from managers around practical issues of technological capability, but also highlight performance management and team isolation as key areas for managers to build capability. In late 2022, the Australian Public Service Commission surveyed managers about capability. The agency found that while over 70% of respondents were ‘confident’ or ‘fairly confident’ managing hybrid teams, 18% were only ‘somewhat confident’ and 10% were ‘slightly’ or ‘not confident’. Generally, the managers and supervisors we spoke with were confident managing remote and hybrid workers, however, also requested additional training on technology, and soft skills. Some explained that training in their agency had been uneven:

`...one thing I think would be helpful is to have more training on the technology because it really is patchy, like some managers are really good at the different tech kind of solutions and video conferencing, and but then others are completely... it's a black hole for them, and they don't really engage...`

Others stated that they would benefit from training in online performance management, particularly as new ways of managing performance are needed. A minority of managers also experienced challenges having difficult performance management conversations online, and would like training on this. Some also stated that they would benefit from guidance on how to provide hybrid teams with pastoral care and how to more effectively communicate with the team. Several stated that they would benefit from support and guidance on onboarding new employees. A range of additional training was also requested, including inclusive meetings training and time management training.

**Tip:** Bespoke training on managing hybrid teams for performance and wellbeing outcomes should be readily available for managers at all levels.
Career development and visibility

Both academic and practitioner literature has found that not being physically present in an employer’s workplace can have negative consequences for career development. Proximity bias results in managers allocating career development opportunities to those who are physically located near them. We were interested to find out if this was occurring, and if managers had ways to mitigate this form of bias.

Managers were careful to consider if working hybridly had significant consequences on career development. Overall, they believed that the location of work did not make any difference to being offered career development opportunities. Yet others believed that career development opportunities for those working from home had improved in a COVID-normal era. One manager explained:

[There’s] the opportunity for the person that’s taking advantage of the full hybrid approach, I think that’s the best way to put it. They are on trial, from another area. I didn’t even consider for one minute that they wouldn’t be a fit, because they were utilising the hybrid method. I just thought, we’ll just see how it goes.

Another stated that “staff seem to want to take up new opportunities quicker than they used to”, suggesting that hybrid working had enabled more movement amongst teams as well as agencies. When one manager reflected on the role that connection between teams and colleagues plays, and how networking helps career progression, another commented that they believe this is shifting, saying:

There used to be this whole big thing about it’s who you know, and how to network and this and the other. But I find specifically, it’s become more down to how you write your application and how you interview. So it’s kind of flipped a little bit.

Managers spoke of staff working from home being able to access online learning and opportunities for training and conferences. As one stated, “training has opened up massively in terms of, there no longer being a room capacity issue, or needing to be in the same physical space”. More staff being online for at least some of the time also appeared to have an equalising effect, with staff working from home not missing out on opportunities that they previously may have not been able to access:

Nobody had to travel around Australia to deliver PowerPoint presentations, we could just do them online, which meant more people got to do them, which also just meant we have more accessibility.
Some managers noted, however, that there was still some way to go before opportunities were truly equal. They considered that working at home or hybridly was not as good for career development as being on the employer’s premise, due to lower visibility. One manager noted a tendency for more work to be given to people who were in the office, which meant that others off-site were provided with fewer opportunities:

We had a discussion with our branch head about this, because we found that a lot of work was getting fed to people who were in the office. And people that weren’t in the office were perhaps not getting the same opportunities. So our branch head would often, there’d be a task that needs to be done and just go out to the four people in the office and pick one and they do the task, and they end up working quite closely with her. And so they will getting a lot of exposure and visibility to the process and experience.

Agencies and managers are encouraged to be mindful when providing career development opportunities. Proximity bias existed pre-COVID, and there is the potential for this form of bias to become more pronounced in hybrid working environments. Managers should monitor access to development opportunities; this is also an area requiring further research.

**Tip:** Managers should give deliberate consideration to ensuring career development opportunities are not being impacted by where their employees undertake work, and monitor development opportunities to prevent proximity bias.

Many managers are becoming more aware of proximity bias and are taking steps to mitigate this form of bias.
Conclusions

We have identified both positives and negatives associated with hybrid working in the APS – with the positives outweighing the negatives. Increased trust, autonomy and flexibility, better work/life balance, improved wellbeing from team engagement and socialising in the office are all benefitting individuals and teams. Some of the negatives can be remedied relatively easily, such as changes to ICT, and more training for managers. Other problematic aspects will require more thought and attention, such as preventing proximity bias, and limiting surveillance and behaviour management techniques. These require cultural change as well as behavioural change, which is necessarily slower.

Our main finding is that hybrid working is no longer being seen as a new way of working or as the ‘new normal’. Instead, it is ‘business as usual’. We see this as the type of work undertaken does not tend to vary much by location – both administrative and more complex work, and individual and teamwork, are being undertaken both in the office and at home. Further, ways of working do not appear to have changed much and work processes are largely the same as when we first started examining working from home/hybrid working in 2020. While management techniques have changed in relation to technology, the processes of management still appear to be the same.

This ‘business as usual’ is indicative of public sector adapability and is positive, as performance, productivity, and team cohesion are maintained. However, agencies would do well to consider whether opportunities to innovate are available which are not being fully harnessed. As discussed in this report, hybrid working offers possibilities to change how teams work together, how individuals maximise being in the office, or at home, how workflows are managed and how performance is measured. As earlier stated, some APS agencies are reviewing lessons learnt over the past few years and are innovating and looking to the future of work. Further experimenting and trials may yield positive results for agencies.

There is still much to learn about hybrid working. Our study was based on a very small sample and further research is needed to see whether our findings can be replicated over a larger sample. Questions remain as to the extent to which managers are focused on outcomes over hours and presence; and the extent to which intentional management is occurring. How organisations, managers, teams and individuals are responding to challenges, including proximity bias, monitoring through surveillance, and risks to wellbeing all deserve further investigation. We look forward to further examining the future of work in the APS.

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Hybrid Working: From 'the new normal' to 'business as usual'
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