

# SUPPORTING SMALL BUSINESSES DEVELOP A CULTURE OF INCLUSION AS THEY TRANSITION TO HYBRID WORKING



## EXECUTIVE SUMMARY

The Covid-19 pandemic has changed the way we view work, modern offices as well as ourselves as a workforce. It has demonstrated the need to reimagine flexible work, beyond the dichotomy of office work and remote work. Hybrid working is an arrangement where in-person work and remote work co-exist, and workers use at-work spaces and at-home spaces for work as needed. While initially used as a necessary response to the pandemic, it is now clear that workers and employers are increasingly keen to explore new ways of working. For workers, it allows them flexibility with time and location, with opportunities for enhanced work-life balance. For organisations, it enables them to minimise overheads associated with running office spaces. This has propelled organisations across sectors to explore a transformation in work culture.

Small businesses, third sector and public sector organisations have been as impacted by these changing trends in work as large businesses. The workforce has developed anxieties around perceptions around performance and productivity measures which could impact role progressions and reviews. They are also dealing with the burnout that is caused by the additional demands placed on them during the pandemic, exacerbated by the lack of adequate supports in place in a hybrid world of work. Team building and social connectedness have suffered as employees tend to become isolated and work asynchronously.

Although these impacts have been felt across the employment sector, small businesses and frontline organisations may not necessarily possess the resources and capital to systemically transition their work culture to fit the changing trends. This resource aims to support small-and-medium enterprises (SMEs) and the voluntary/third sector to prepare for, be responsive to, and navigate the uncertainty and change that comes with transitioning to a hybrid model of work.

## CONTEXT

The changes in work trends are reflected in data gathered from the employment sector over the last two years. Microsoft analysed data from 31,000 employees in 31 countries in their 2022 Work Trend Index survey. They found that over half of those surveyed were considering hybrid or remote work in the year ahead, and were more likely to prioritise health and well-being over work. It is clear that the most important aspects of work that employees look for now are positive culture and mental/health and wellbeing benefits. This demonstrates a clear shift in priorities for the workforce as they navigate the 'new normal'. A 2020 survey by YouGov of 4933 adults in the UK found that 57% of those working prior to Covid-19 wanted the option to work from home to continue, of which 18% wanted to work fully remotely and 39% wanted the option to work from home some of the time (Smith, 2020). These statistics remained unchanged in YouGov's 2021 survey of 1671 adults in the UK suggesting that the workforce is unlikely to want to return to physical workplaces to the same extent as pre-pandemic times.

YouGov surveyed 1061 senior business decision makers to understand the business response to the pandemic. They found that only one in five businesses (19%) will mandate all their employees to return to the office full-time, suggesting that businesses are responding to the workforce's changing needs, as well as recognising that home

working can be productive as well as reduce office costs and overheads. Results from a poll surveying 50 of UK's biggest employers (collectively employing 1.1 million people) also found that almost all of those surveyed have said that they do not plan to bring their workforce back to the office full-time. It is to be seen how the employment sector will adapt to these changes, but it is clear that both the workforce as well as businesses in the UK are keen to embrace a hybrid model of work.

## KEY MESSAGES

- Co-designing the processes, policies and culture change with all members of the workforce is essential towards understanding how to democratically embed an enriched culture of work.
- One size doesn't fill all. Hybrid working must be tailored to organisational size, capacity, goals, as well as staff roles, responsibilities, needs and preferences.
- The co-design process is not just a managerial 'tick-box'. Hybrid working is a culture change that must have real impact on accessibility of work and wellbeing of the workforce.
- It is a marathon, not a sprint. Culture change is a slow process. The process will need adjustments over time, so it is important to plan for periodic review and feedback.

## AIMS

- To support small businesses and frontline organisations adapt to hybrid working in a fair, equitable and inclusive manner.
- To develop a collaborative process of inclusive culture change at work to future-proof organisations from other shocks and crises.

### The team

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- To support organisations develop a process of consultation with their workforce to co-design processes, service, and resources that help them adapt to changing trends in work.

## FINDINGS

- Productivity, performance measures within the organisation require re-imagining and re-assessing.
- Team building and social connections are more challenging in hybrid work environments and can impact the wellbeing and mental health of the workforce.
- Social connectedness must become a priority for organisations adopting hybrid working practices to ensure that virtual social and work spaces are accessible to everyone.
- The risk of burnout increases in the absence of a physical work space where support can be accessed more easily.
- Transparency and consultation in the decision-making process make hybrid working fair and equitable for everyone.

## POLICY IMPLICATIONS

- Policies must reflect the changing priorities of the workforce on health, wellbeing and inclusion.
- The concept of flexible work must evolve beyond the dichotomy of 'remote' and 'office-based' work and look at blending the benefits of both cultures to maximise retention, wellbeing and job satisfaction.
- Organisations must be provided with the necessary frameworks and structural supports needed to transition to more accessible work cultures such as hybrid working.
- Co-designing inclusive processes to transform the culture of work should be adapted and implemented in response to future crises and shocks to build organisational resilience over time.



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