

# *HRO Today* Research Flash Report Hybrid Workforce Model Still Developing

*HRO Today* Flash Reports are a series of ongoing research initiatives that address today's topics of interest in the HR community. These are focused briefs that can be used to support business decisions and discussions among industry practitioners and thought leaders.

This report examines how well organizations are managing their hybrid workforce policies consistently, what they are offering employees to return to the office, and what is required of hybrid workers with respect to time in the office.

This study was sponsored by CapRelo.



# Methodology

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Between November 21 and December 15, 2023, a series of emails were sent to subscribers of *HRO Today* magazine and *HRO Today* newsletters inviting them to take part in an online study. Respondents were manager level or above within their Human Resources departments. They were also screened to ensure that they had some hybrid employees. A hybrid workforce was defined as one that required employees to be in the office some days every week and gave remote work options.

This report presents findings based on company size where meaningful differences could be found.

## Background

While many companies, such as JPMorgan Chase, made headlines in 2022 by ordering its managing directors to work from the office five days a week, there was a presumption among many that remote work was on its way out as the pandemic faded into memory. But that prediction failed to develop, as office-based full-time work was not reestablished. In fact, according to a new study, the future may not be fully remote, but it will not be full-time in-office either. At the end of 2023, 38% of companies required full-time in-office work, down from 39% one quarter ago and 49% at the start of 2023.<sup>1</sup>

But given that many hybrid work policies have been in place for years and hybrid work is only increasing, how well are organizations managing workforce policy around it? What are typical requirements for being in office, and how often do organizations impose geographic proximity limits on employees so they can better commute to the office when required. This study sheds some light on these questions.

# Key Findings

## There were six key findings from this study:

1. Overall, just over three-quarters (76%) of senior Human Resources (HR) leaders indicated their organization currently uses a hybrid workforce model.
2. The average number of days required to be in the office for a hybrid workforce is 2.5 days per week. However, nearly one-in-five (18%) could not estimate the typical number of days required to be in the office because of internal inconsistencies or the lack of any days required.
3. Just over one-third (34%) feel their hybrid work policy is largely consistent, suggesting that application of policy is often inconsistent for two-thirds (66%) of organizations.
4. Most organizations (72%) do not require full-time employees to live within a set geographic proximity to their headquarters or branch office.
5. Over one-half (54%) of organizations offer some form of incentive to encourage hybrid employees to come into the office. The most common incentive is team building, used by nearly eight-in-ten (79%) organizations.
6. The most common action to push employees to return to the office in a hybrid capacity is through mandates, as issued by 53% of study respondents. Mandates to return to the office take many forms, and the term can be described more gently as a return to office policy. Pay adjustments are seldom used, with only 4% of HR leaders indicating the use of it.

## HYBRID POLICIES FOR SMALLER VS. LARGER ORGANIZATIONS

- Smaller organizations have more consistent hybrid policies than larger ones. In total, **68%** of smaller organizations have policies that are largely or moderately consistent vs. just over one-half (57%) of larger organizations.
- Smaller organizations ask employees to be in the office more than larger ones, with **an average of 3.0 days per week vs. 2.3 days**, respectively.
- Smaller employers are nearly twice as likely as larger ones to require employees to live within a set geographic area, **36% vs. 20%**, respectively.
- Smaller organizations are less likely than larger ones to require employees to be onsite based on where they live, **23% vs. 33%**, respectively.
- Smaller organizations are much less likely than larger ones to issue mandates to return to the office, **36% vs. 65%**, respectively.

# Detailed Findings

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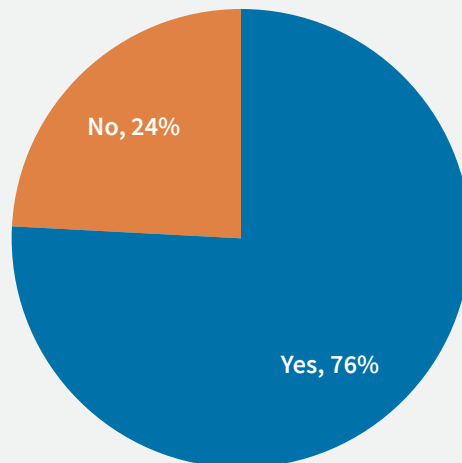
## Percentage of Organizations with a Hybrid Workforce

Study participants were asked if their organization currently uses a hybrid workforce. Having at least some hybrid workers was also part of the screening process to complete this survey. Overall, just over three-quarters (76%) of senior HR leaders indicated that their organization currently uses a hybrid workforce model.

Our findings are corroborated. A report published in 2023 found that 74% of U.S. companies are using or plan to implement a permanent hybrid work model.<sup>2</sup>

Further, hybrid workforces are here to stay in most organizations. According to a survey conducted by Gallup in February 2023, six-in-ten remote-capable employees (60%) prefer some degree of remote-work flexibility going forward, specifically hybrid work.<sup>3</sup>

### Does your organization currently use a hybrid workforce?

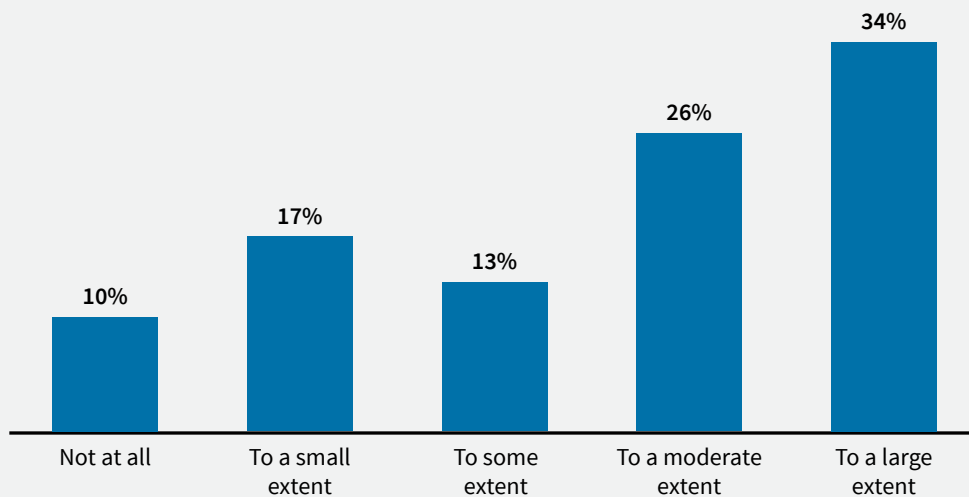


## Consistency of Hybrid Policy

Respondents were asked to indicate the extent to which their hybrid policy is consistent for all employees. Just over one-third (34%) feel the policy is largely consistent, suggesting that application of policy is often inconsistent for two-thirds (66%) of organizations.

A consistent hybrid work policy promotes fairness, transparency, and employee satisfaction while contributing to organizational success by attracting and retaining talent and enhancing productivity. Further, consistency in policies helps organizations comply with legal requirements related to remote work, ensuring that they adhere to labor laws, data protection regulations, and other relevant statutes.

### To what extent is your hybrid policy consistent for all employees?



Smaller organizations, defined in this report as organizations with fewer than 500 employees, tend to have more consistent hybrid policies. In total, 68% of smaller organizations have policies that are largely or moderately consistent vs. just over one-half (57%) of organizations with larger workforces. The workforce in smaller organizations may not be as varied as larger ones, making it easier to offer consistent guidance.

### Consistency of Hybrid Policy By Employee Count

	Fewer than 500	500 or More
(Net) large/moderate extent	68%	57%

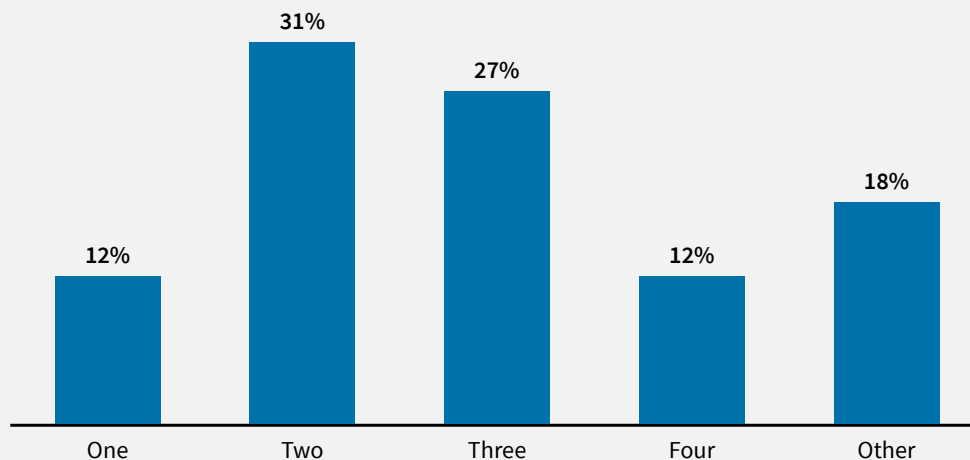
## Days per Week in Office Typically Required

Study participants selected the number of days that corresponded to how many days employees were typically required to be in the office per week. Nearly one-in-five (18%) could not estimate the typical number of days required to be in the office because of internal inconsistencies or the lack of any days required.

But among those that could estimate, over one-half (58%) indicated between two and three days per week. The average across the week is 2.5 days per week.

Gallup study findings are very consistent with this result. According to Gallup, hybrid workers report coming into the office 2.6 days per week on average. The biggest change is that more hybrid workers are now coming in three days per week, while fewer are coming in one or four days. Further, employees prefer to be in the office two to three days per week—a schedule which tends to optimize employee engagement for many roles.<sup>4</sup>

### How many days per week are employees typically required to be in the office per week?



Smaller organizations are less than half as likely as larger organizations to require employees to be in the office one or two days per week, 23% vs. 50%, respectively, and they average 3.0 days per week vs. 2.3 days for larger organizations.

### Days per Week in Office Typically Required By Employee Count

	Fewer than 500	500 or More
1-2	23%	50%
3-4	50%	30%
Average	3.0	2.3

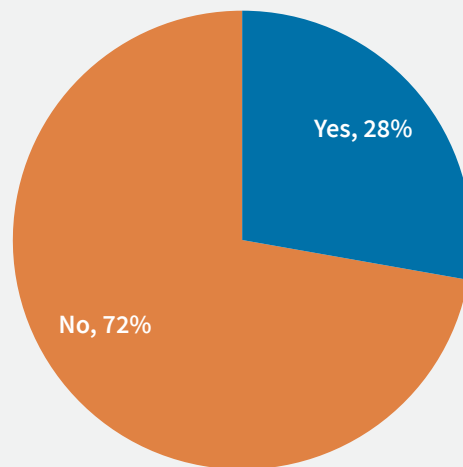
## Requirement to Live Within Set Geographic Area

Respondents were asked if they require full-time employees to live within a set geographic proximity to their headquarters or branch office. In total, nearly three-quarters (72%) of respondents do not have such a requirement.

There are several reasons why job requirements would require geographic proximity for a hybrid work model. These reasons include collaboration, company culture, and access to resources, such as laboratories, specialized equipment, or on-site facilities crucial for certain job tasks. Other considerations occur in specific industries, such as in the defense, finance, or healthcare industries.

Many organizations are reevaluating their traditional approaches to strike a balance between the benefits of in-person collaboration and the flexibility of remote work.

### Do you require full-time employees to live within a set geographic area from your headquarters or branch office?



Smaller employers are nearly twice as likely to require employees to live within a set geographic area than larger, 36% vs. 20%.

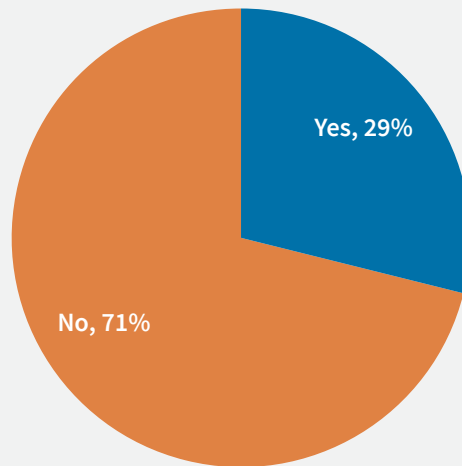
### Requirement to Live Within Set Geographic Area By Employee Count

	Fewer than 500	500 or More
Yes	36%	20%
No	64%	80%

## Requirement to Onsite More Within Set Geographic Area

Study participants were asked if employees were required to be in the office more than those outside of it if they lived within a set geographic area. Overall, nearly three-quarters (71%) do not require employees to be in the office more if they are closer to it.

**If employees live within a set geographic area, are they required to be in the office more than those outside that perimeter?**



Smaller organizations are less likely than larger ones to require employees to be onsite based on where they live, 23% vs. 33%.

### Requirement to Onsite More Within Set Geographic Area By Employee Count

	Fewer than 500	500 or More
Yes	23%	33%
No	77%	67%



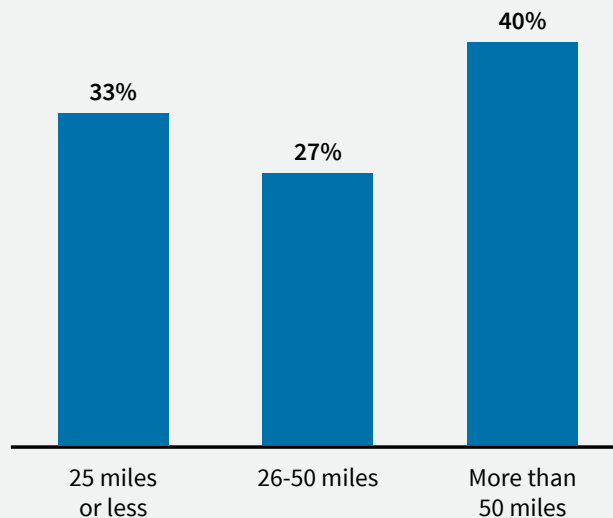
## Boundary Requirements

### Base: Require employees to live in defined geographic areas

Senior HR leaders who are in organizations that require employees to live within a defined geographic boundary were asked to define that area. Overall, 40% indicated geographic boundary extends to more than 50 miles, with one-third (33%) imposing a more restrictive limit of 25 miles or less. The conclusion is that geographic area limitations vary considerably, likely due to more factors than proximity alone, such as rural vs. urban settings, typical commuting times for the area, and the like.

Establishing set geographic limitations for employment can present several challenges for organizations. By limiting employment to a specific geographic area, organizations may miss out on a broader and more diverse talent pool. Companies with strict geographic limitations may face a competitive disadvantage compared to those that have a more flexible approach, both in attracting and retaining employees. And limiting employment to a specific region may hinder efforts to build a diverse and inclusive workforce.

### What is the boundary you require workers to live within to be in the office on a hybrid or full-time basis?

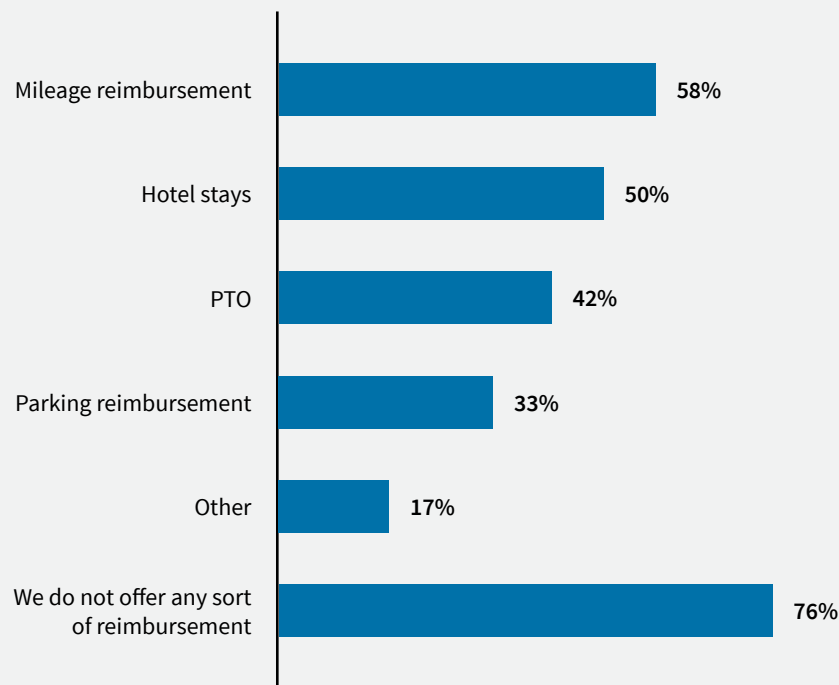


## Employee Compensation for Onsite Requirements

Respondents were asked if they reimbursed hybrid employees who live beyond the organization's geographic boundaries to encourage them to come into the office. Over three-quarters (76%) of organizations do not offer any sort of reimbursement. It is likely that the option to work in a hybrid environment is viewed as incentive enough for employees to work in person a few days per week.

Among those organizations that do provide reimbursement for onsite requirements, the most common (58%) is for mileage reimbursement, followed by hotel stays (50%).

**For hybrid workers living beyond your geographic boundary, does your company offer reimbursement to employees for any of the following?**



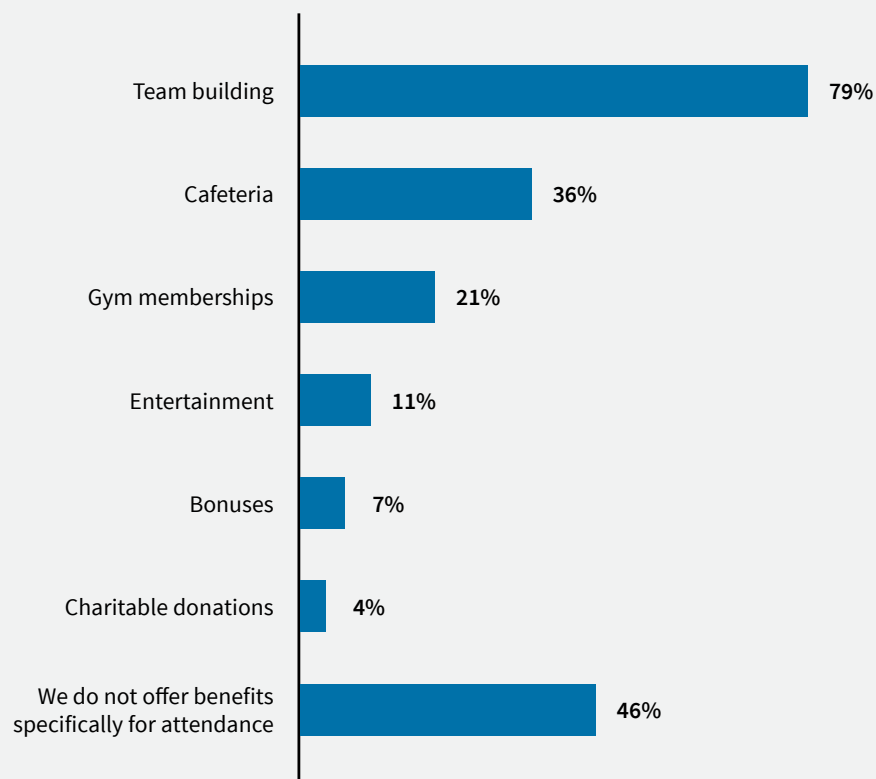
## Incentives Offered to Encourage Employees to RTO

Study participants were asked to identify the ways they encourage hybrid employees to come into the office. Overall, over one-half (54%) offer some form of incentive. The most common incentive is team building, used by nearly eight-in-ten (79%) organizations. There are many team-building activities organizations can benefit from. Workshops can focus on team building, communication, and problem-solving skills. Volunteer activities can foster team building as well as contribute to the employer brand. Redesigning the office space as part of a team effort can encourage collaboration and a sense of ownership of the work environment.

A cafeteria, or at least a common break room, can also encourage employees to return to the office. The space can encourage interaction and gives an opportunity for employees to increase their comfort with others in an environment that is not only about immediate work objectives. Food, which is becoming an increasingly valuable tool, can bring employees together to share ideas, collaborate, and create innovative solutions.<sup>5</sup>

Gym memberships are used by 21% as an incentive to return to the office. These memberships can be part of wellness programs that focus on both physical and mental well-being

### What incentives, if any, do you offer to encourage employees to come into the office?

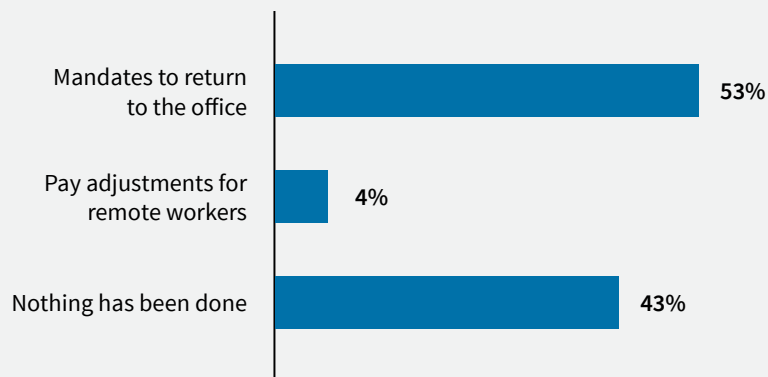


## Actions Taken to Encourage Employees to Return to the Office

Respondents were asked if their organization has issued mandates or pay adjustments to encourage employees to return to the office. Over one-half (57%) have taken some action, mostly in the form of mandates, while 43% did not issue mandates or provide pay adjustments. Only 4% offered pay adjustments.

Mandates to return to the office take many forms, and the term can be described more gently as a return to office policy. Organizations can legitimately believe that productivity is negatively impacted by too much remote work, along with adverse impact on company culture. A recent study by Resume Builder found that 90% of organizations plan to implement return-to-office policies by the end of 2024, and nearly 30% will threaten to fire employees if they do not comply with in-office requirements.<sup>4</sup>

### Has your organization done any of the following to encourage employees to return to the office?



But even as large firms on Wall Street and in Silicon Valley consider a full return to in-person work, workplace experts agree that most organizations will stick with the post-pandemic norm of spending two or three days per week in the office.<sup>7</sup>

Larger organizations are far more likely than smaller organizations to issue mandates to return to the office, 65% vs. 36%, respectively. This may be because smaller organizations already have more consistent hybrid work policies, with fewer variables in job requirements.

### Actions Taken to Encourage Employees to Return to the Office by Employee Count

	Fewer than 500	500 or More
Mandates to return to the office	36%	65%
Pay adjustments for remote workers	5%	3%
Nothing has been done	59%	32%

## Anticipated Changes to Remote or Hybrid Policies Going Forward

### **Lastly what changes, if any, do you anticipate in your remote or hybrid policy going forward?**

With an open-ended question, study participants were asked to explain what they anticipated would happen to their remote or hybrid policies going forward.

There remains a great deal of uncertainty about how organizations will proceed with their off-site vs. on-site work requirements going forward. Many felt that there would be greater emphasis on onsite work arrangements, while others thought there would be greater flexibility for the workforce. About one-third felt they would not change policies going forward.

Below are some of the comments, which provide a sample of the contrasting opinions on the topic.

- “Continue to evaluate opportunities to adjust real estate commitments as well as coverage commitments for staff needs in daily activities and conflict management situations.”
- “Continued flexibility with hub locations in major cities.”
- “I think having remote/hybrid positions has been a positive in our administrative workforce. I do foresee us wanting to potentially begin bringing more people in-office or have those positions be more hybrid vs. remote, to assist in personal interaction between team members.”
- “It works well as-is, however, the policies are not centrally determined for the entire organization. Therefore, some department heads may mandate that their staff comes into the office a minimum of X number of days per week, while others may allow their entire department to be functionally full-time remote.”
- “Less flexibility”
- “More flexibility”
- “Region based focus for some corporate and manufacturing positions.”
- “We are focusing more on remote when we can be due to lower cost of living areas and wider pool of talent.”
- “We may eventually require employees to work in office three days a week in 2024, may also consider four-day work weeks.”

# Notes

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### About *HRO Today*

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### About CapRelo

CapRelo won the 2022 and 2023 Baker's Dozen Best Relocation Management Company designation and has been consistently awarded Best in Quality of Service from *HRO Today* magazine. CapRelo is a full-service mobility management company providing unparalleled support, expertise, and flexibility to companies around the globe. With over 25 years' experience, CapRelo's trusted and tenured professionals are uniquely qualified to assist in achieving your program goals. At CapRelo, we focus on strengthening your mobility program, creating efficiencies for you and your team, and streamlining or cost-effectiveness. You can count on CapRelo to deliver a professional and seamless relocation experience that meets your specific needs.