

How hybrid working will boost personal productivity and economic growth

Issued by [GO Content Lab](#)

30 Sep 2021

We know that economic growth comes from increased productivity, and the hybrid model gives workers the opportunity to choose when and where they're likely to be at their most effective.



Hybrid working saves money. According to Global Workplace Analytics, a typical employer can save around R150,000 every year for every person who works remotely half of the time. When multiplied across a whole organisation, this can amount to a significant sum of cash that can be redirected into growth or training, for example.

And hybrid working also boosts productivity. Research by IWG found that companies are realising that their workforces can be both highly engaged and productive while working according to a hybrid model of home, local office and corporate HQ. According to IWG's survey, three times the number of FTSE 250 companies are currently looking to employ a hybrid office model compared to those looking to carry on in the same way as pre-pandemic.

Mark Dixon, Founder and CEO of IWG, said: "Over the last 18 months we've seen businesses not only recognise the benefits hybrid working has on their productivity and their bottom line, but this report demonstrates its growing importance to local communities too. Throughout South Africa we are seeing previously inactive towns and villages come back to life as workers split their time between home, a local workspace and corporate HQ."

Productivity

The productivity boost of hybrid working comes from combining the best of both worlds. On the one hand, some work requires quiet and focused thinking free from interruption. Sometimes the home can be the best place for this but, if there are distractions such as children or other family members on hand, the quiet areas of a local flex space are more appropriate. A large corporate HQ tends to have too many distractions.

But we also need times when we get together for brainstorming and collective problem solving. Nicholas Bloom, Professor of Economics at Stanford University, believes this kind of collaboration is essential for companies to thrive.

“I fear this collapse in office face time will lead to a slump in innovation,” he said of the effects of lockdown. “The new ideas we are losing today could show up as fewer new products in 2021 and beyond, lowering long-run growth.” Bloom’s research has shown that face-to-face meetings are essential for developing new ideas and keeping staff motivated and focused.

South African employers are now becoming more open to the new working philosophy, and the workers themselves are learning to come to terms with it as the new norm. Unsurprisingly, workers are keen to enhance their work-life balance, and their experience during the pandemic has shown them that they are able to perform their jobs just as well while working from home.

Microsoft’s newly launched Work Reworked research initiative conducted jointly with Boston Consulting Group, KRC Research and Dr Michael Parke of the Wharton School, found that South African employees still see value in working from a main office at least some of the time, findings show that on average, people would now like to spend just less than half (42%) of their time outside of the traditional office setting.

In fact, the study found that people still see time spent at the office as a powerful way to maintain bonds with their colleagues.

The challenge around increased remote working has not been related to business continuity or productivity. Rather, the issue is around ensuring teams continue feeling tight-knit and connected to the pulse of a company’s culture, says Colin Erasmus, Modern Workplace Business Group Lead at Microsoft South Africa. More than a third of South African business leaders admitted to struggling with creating a strong and unified team culture as remote work has become more common.

“When people are physically together five days a week, it’s easy to bond – whether it’s sharing a joke at the watercooler, having a casual team lunch, or hunkering down together to meet a deadline. In an office setting, it’s also easy for senior staff to ‘walk the halls’ and talk with employees in a more informal way. All of these seemingly little things add up and have a big impact on the health of a business and team culture”, he adds.

The potential knock-on effect of a “less cohesive company culture” is significant, not only when it comes to employee engagement and retention, but also future innovation.

Economy

Although flexible working may have been widely implemented out of necessity, there are many benefits to be found if we embrace this mode of working in the long-term. Employers should not be afraid of doing so – change might be scary, but if the evidence is in favour of flexible working they should not stand in the way of progress. As the South African economy looks to recover in the future, revolutionary and exciting steps like these might be just what we need to get the country going again.

The Covid-19 pandemic has weakened the gravitational pull of urban centres, with new forces now reshaping knowledge-based economies. Journeys into metropolis are down, as are coffee shop sales, while demand for real estate in leafy suburbs is up. While a more permanent transformation of working life is likely to have painful consequences for many inner-city businesses, economists see a recalibration under way that could revitalise smaller towns and suburbs. New digital tools mean that retail and hospitality - as well as knowledge-intensive industries - are already undergoing far-reaching change.

Faced with the pandemic and the key role of work in our lives it is important to consider the impact on work and workplaces. In particular, we should consider two questions: Who works and how or where are they working? These questions are particularly pertinent in countries like South Africa which have very high rates of job losses.

Hybrid workplaces are not only important for convenience. They might, some studies show, have the power to overcome talent shortages in a variety of spheres around the world. While the workforce is seemingly flooded with qualified candidates, a significant number of posts are going unanswered. Hybrid schedules are in a position to solve the problem and turn freelancers into viable workforce additions.

Organisations will no longer be limited in their candidates by geographical location, allowing them to choose from a much larger talent selection of potential employees. HR can help solve this talent shortage by supporting both current and future employees as they work remotely, just as they do with employees who work from the office full-time.

Up to 30 per cent of the global office market is likely to be flexible by 2025 according to the property consultancy JLL, which will lead to a major shift in where and how we work. Instead of travelling from suburbs and commuter towns into urban centres, more workers will be located at smaller offices closer to their homes.

About IWG

IWG is the global operator of leading workspace providers. Our companies help more than 2.5 million people and their businesses to work more productively. We do so by providing a choice of professional, inspiring and collaborative workspaces, communities and services.

Digitalisation and new technologies are transforming the world of work. People want the personal productivity benefits of living and working how and where they want. Businesses want the financial and strategic benefits. Our customers are start-ups, small and medium-sized enterprises, and large multinationals. With unique business goals, people and aspirations. They want workspaces and communities to match their needs. They want choice.

Through our companies we provide that choice, and serve the whole world of work: Regus, Spaces, No18, Basepoint, Open Office and Signature. We create personal, financial and strategic value for businesses of every size. From some of the most exciting companies and well-known organisations on the planet, to individuals and the next generation of industry leaders. All of them harness the power of flexible working to increase their productivity, efficiency, agility, and market proximity.

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