

Executive Summary

Research Question

For professional roles in traditionally non-production environments, which highly value collaboration and diversity of thought (legal, finance, marketing, HR, etc.), what has the impact of hybrid and remote work been on productivity, quality of work, and business outcomes?

Introduction

While some methods exist for measuring knowledge worker (KW) productivity, none are universally accepted.[1] In general, most research suggests that the KW should be included in efforts to decide how to measure productivity as they have the best understanding of tasks they perform, relative importance, and potential metrics that assess performance.[1][2] In addition, the most common challenge for rendering the KW productive is an appropriate handling of workload in general. In particular, the administrative workload, multitasking, and task switching have accounted for 20% to 40% loss in potential productivity.[2] Therefore, keeping the KW focused on the tasks that matter most while ensuring that both the business and the KW understand what success looks like is paramount to strong business performance.[2]

Productivity Paranoia

According to Microsoft, productivity paranoia is the disconnect between how much people say they are working and how much leaders think they are working. According to their research, 87% of employees report they are productive at work, whereas only 12% of leaders say they have complete confidence that their team is productive.[3] A recent survey of 1,004 full-time employees across the U.S., 505 of whom worked remotely, found that, on average, remote KWs reported only 27 minutes of unproductive time (compared to 37 minutes for in-office KWs) and worked 1.4 more days every month.[4]

Research and data have shown that hybrid/remote work is not a significant factor in KW performance. Instead, remote/hybrid employees who work just as hard and just as long as those in the office in similar jobs end up getting lower performance evaluations, decreased raises, and fewer promotions due to leaders evaluating employees based on “facetime” rather than business outcomes.[5] Productivity paranoia is causing KWs to feel pressure to “prove” they are working, which increases risks of burnout, quiet quitting, and generally reduces the sustainability of new work modalities.[3] Therefore, senior leaders and managers must implement urgent and intentional pivots to enable essential collaboration, clarify work priorities, and track critical results. [3]

Collaboration Overload

Over the past two decades, the time spent by managers and employees in collaborative activities has increased by 50% or more.[6] While this is often seen as a good thing, ongoing research has found that being too involved or overloaded from collaboration strips KWs of the interactions that help them clarify and pursue the most impactful priorities.[7] When considering collaboration overload, it is important to distinguish between the three types of “collaborative resources” that individual KWs invest in to create value:

- **Informational**– knowledge and skills – expertise that can be recorded and passed on.[6]
- **Social**– one’s awareness, access, and position in a network, which can be used to help colleagues better collaborate with one another.[6]
- **Personal**– one’s own time and energy.[6] Unfortunately, personal resources are often the default demand when KWs want to collaborate, which can change an exchange that might have taken

five minutes or less into a 30-minute calendar invite that strains personal resources on both sides of the request.[6] (Appendix 3 shows how to reclaim personal time)

Essential Collaboration

Rob Cross, the Edward A. Madden Professor of Global Leadership at Babson College, suggests that organizations should actively address collaboration overload in three ways:

- **Challenge beliefs** about role identities and fear triggers (like productivity paranoia).
- **Impose a structure** that helps shield KWs from unnecessary collaborative demands.
- **Alter behaviors** to streamline collaboration practices across the organization.

Persistent actions in these three domains can help organizations reclaim 18% to 24% of the collaborative time per employee (see Appendix 2), or nearly eight hours per week.[7] Companies can enable essential collaboration in hybrid and remote work settings by implementing work modality policies that encourage KWs to: **develop and mobilize a broad network of connections** for innovation and the ability to scale their work; **create energy and engagement** in their networks, so opportunities and talent flow freely; and **find renewal** through personal connections that increase KW's physical and mental well-being.[7]

Intentionality and Work Modality

Microsoft has found that connecting with colleagues is a key motivation for working in person, which can be a key lever in enabling essential collaboration. To benefit from this, organizations must nurture social capital by helping workers to develop relationships outside immediate work groups and with the company as a whole. [3] Appendix 1 shows a strong connection between having some days in the office, but only when they are impactful. Key areas to intentionally take action:

- **Use in-person time** to help employees build team bonds and networks.[3]
- **Build a digital employee experience** to help employees stay connected to each other, to leadership, and to the company culture, no matter where they work.[3]
- **Create a digital community** with modern communication tools to fuel impactful conversations, empower people to express themselves, and connect leadership and employees.[3]

OKRs and Hybrid Work

As hybrid work drives business leaders to desire more line-of-sight into work being done, and employees desire greater transparency in expectations, the Objectives, and Key Results (OKR) framework presents an opportunity for clarifying work priorities. OKRs align the entire organization to strategy, shifting focus from the output– the everyday work of your teams– to outcomes, which are the results of that work.[8] Optimal KW productivity is achieved through focused execution of tasks, so embedding clarity of purpose and expectations will fully support a remote KW workforce. [1][8]

- **Objectives** should be clear, inspiring goals.[8]
- **Key results** are measurable outcomes, which should be ambitious but achievable and quantifiable enough to lead to objective grading.[8]
- **Key initiatives** are the individual activities whose execution will impact performance on the defined objectives.[8]

Conclusion

Positive business outcomes depend on positive people outcomes, so taking steps to reduce collaboration overload while adding transparency and clarity to KW business priorities will have an immediate impact.

References

- 1- Ramírez, Yuri & Nembhard, David. (2004). Measuring Knowledge Worker Productivity: A Taxonomy. *Journal of Intellectual Capital*. 5. 602-628. 10.1108/14691930410567040.
- 2- Erne, Rainer. (2011). What is Productivity in Knowledge Work? - A Cross-Industrial View -. *J. UCS*. 17. 1367-1389.
- 3- *Hybrid Work Is Just Work. Are We Doing It Wrong?* (n.d.). <https://www.microsoft.com/en-us/worklab/work-trend-index/hybrid-work-is-just-work>
- 4- Airtasker. (2020, March 31). *The Benefits of Working From Home*. Airtasker Blog. <https://www.airtasker.com/blog/the-benefits-of-working-from-home/>
- 5- Tsimpursky, G. (2022, November 3). *Workers Are Less Productive Working Remotely (At Least That's What Their Bosses Think)*. *Forbes*. <https://www.forbes.com/sites/glebtsimpursky/2022/11/03/workers-are-less-productive-working-remotely-at-least-thats-what-their-bosses-think/?sh=55ff8fad286a>
- 6- CROSS, R., REBELE, R., & GRANT, A. (2016). Collaborative Overload. (cover story). *Harvard Business Review*, 94(1), 74–79.
- 7- Cross, R. (n.d.). *Beyond Collaboration Overload: How to Work Smarter, Get Ahead, and Restore Your Well-Being*. United States: Harvard Business Review Press.
- 8- *Why Hybrid Work Makes OKRs More Essential than Ever*. (n.d.). <https://www.microsoft.com/en-us/worklab/why-hybrid-work-makes-okrs-more-essential-than-ever>

Additional Reading

<https://www.microsoft.com/en-us/worklab/why-hybrid-work-makes-okrs-more-essential-than-ever>

Article supporting Appendix 3: <https://www.microsoft.com/en-us/worklab/hybrid-work-guides/how-to-regain-work-life-balance-in-the-age-of-hybrid>

<https://www.microsoft.com/en-us/worklab/work-trend-index/hybrid-work-is-just-work>

There Are 10,080 Minutes in a Week. Here's How to Be the Boss of All of Them (microsoft.com)

<https://www.microsoft.com/en-us/worklab/podcast/new-strategies-for-finding-balance-at-work>

[Supporting Workplace Detachment and Reattachment with Conversational Intelligence](#)

<https://hbr.org/2016/01/collaborative-overload>

<https://store.hbr.org/product/beyond-collaboration-overload-how-to-work-smarter-get-ahead-and-restore-your-well-being/10414>

<https://www.sciencedirect.com/science/article/abs/pii/S2214367X21001083?via%3Dihub>

NOTTER, J. (2022). Adapt Company Culture KPIs to the Hybrid Workplace. *TD: Talent Development*, 76(5), 54–58.

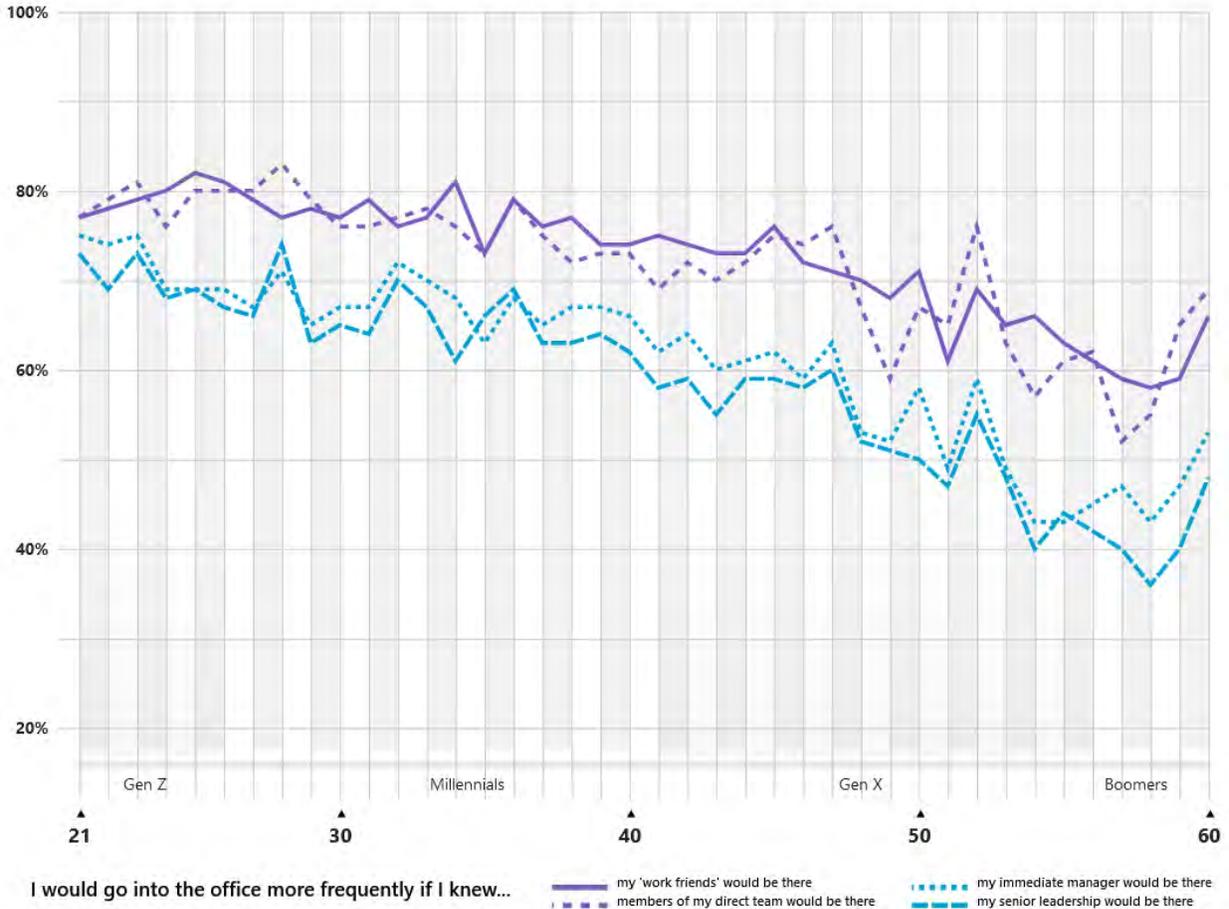
Teevan, J. (2021). Let's Redefine "Productivity" for the Hybrid Era. *Harvard Business Review Digital Articles*, 1–7.

Appendices

Appendix 1 - Social Connection is Worth the Commute

Social Connection Is Worth the Commute

Workers say they are even more interested in going into the office for their friends and peers than for managers and leadership.



Source: *Hybrid Work Is Just Work. Are We Doing It Wrong?* (n.d.). <https://www.microsoft.com/en-us/worklab/work-trend-index/hybrid-work-is-just-work>

The infinite loop

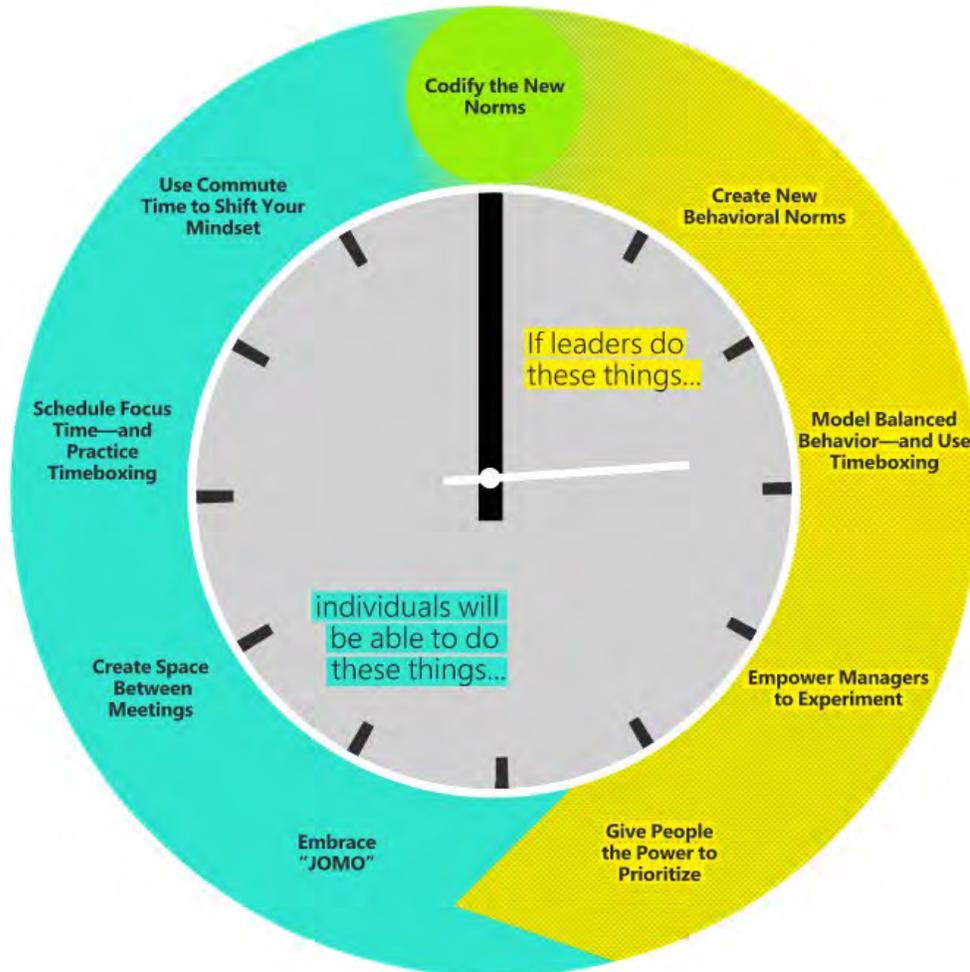


Source: Cross, R. (n.d.). Beyond Collaboration Overload: How to Work Smarter, Get Ahead, and Restore Your Well-Being. United States: Harvard Business Review Press.

Appendix 3- How Everyone Can Take Control of Their Time

How Everyone Can Take Control of Their Time

If leaders take a few key steps, and then codify those norms, individuals will be able to reclaim their time in several essential ways.



Source: *How to Regain Work-Life Balance in the Age of Hybrid*. (n.d.). <https://www.microsoft.com/en-us/worklab/hybrid-work-guides/how-to-regain-work-life-balance-in-the-age-of-hybrid>