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How Does Organisational Design Influence Models of Hybrid Working?

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# How Does Organisational Design Influence Models Of Hybrid Working?

## Title Page

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**Summary:** The return to a state of relative organisational stability, post Covid, has seen the emergence of hybrid working as the most common work arrangement for knowledge workers (Hopkins & Bardoel, 2023). Hybrid working is an emerging field and this research aims to make a contribution to knowledge in this field by asking *how does organisational design influence the models of hybrid working?* To try to answer this question we undertook a comparative case study approach with two organisations, with different organisational designs and operating different models of hybrid working. We adopt the approach of Siggelkow, (2007), and present these case studies to illustrate potential causal relationships and explore the interplay between each organisational design and the model of hybrid working adopted by each organisation.

**Track:** Organisational Transformation Change and Development Track

# How Does Organisational Design Influence Models Of Hybrid Working?

## Introduction

In a post Covid-19 world, leaders and managers are engaged with trying to bring their organizations out from, what were often rolling phases of crisis management, toward phases of learning and implementation (Buchanan & Denyer, 2013). This return to a state of relative organisational stability has seen the emergence of hybrid working as the most common work arrangement for knowledge workers (Hopkins & Bardoel, 2023). In fact, a recent pulse survey from Future Forum stated that hybrid work is the dominant business model for 49% of the 10,646 knowledge workers they surveyed across the world. Similarly, in the Future Workplace Report published in the UK, it noted an increase in the percentage of office workers who want to engage in hybrid working to 52% (Davis et al., 2022a). Hybrid work can be defined as an approach where the workforce is split into cohorts that alternate their time between working in the office and working remotely, from home and other locations (Phillips, 2020). While achieving the effective execution of hybrid working has the potential to improve employment relationships in terms of work-life balance, flexibility, agility and productivity (Best, 2021), this is very much an emerging field and significant gaps in knowledge remain. In particular, gaps in our understanding of how organisational design potentially influences the model of hybrid working. Organisational design is fundamental to how a business performs, the interconnection and interdependency of multiple elements, hard and soft, that comprise an organisation, and how the tensions and compromises between them are managed. How organisational design influences the models of hybrid working is, as of yet, an unknown. This research aims to make a contribution to knowledge in this field by undertaking a comparative case study approach with two organisations and asking that very question.

The structure of the paper is as follows: first, we introduce organisational design theory as our conceptual framework. Then we describe hybrid working and discuss key findings from recent publications in this field. We will then introduce our two case organisations and using the approach of Siggelkow, (2007), present these case studies to illustrative potential causal relationships and explore the interplay between organisational design and the model of hybrid working adopted by each organisation. Finally, we discuss how our findings might have implications for future research in both organisation design and hybrid working

## Organisation Design

Organisational design is described by Greenwood & Miller (2010, P78 cf Miller & Friesen 1984) as “the structures of accountability and responsibility used to develop and implement strategies, and the human resource practices and information and business practices that activate those structures”. There are many way of looking at organisational design, some scholars have established” specific models of organisational design, such as Galbraith’s Star Model, Waterman and Peter’s, 7-S Model, Nadler and Tuchman’s Congruence Model (Lemus-Aguilar et al., 2019). Organisational designs has also been viewed through the lens of organisational types (Greenwood et al., 2010; Greenwood and Miller, 2010; Harris and Raviv, 2002; Miller and Friesen, 1980), and what we can learn from the process of designing them (Dunbar and Starbuck, 2006). Organisational design is not static but is something that is the focus of managerial choice and decision making, described by Stanford (2022, p.10) as “intentionally arranging people, work and formal organisational elements to effectively and efficiently achieve a business purpose and strategy”. Organisations can evaluate their organisational design “fit” through a series of tests and plan any changes through a series of steps (Goold and Campbell, 2002). This concept of change in organisational design has also been the focus of much research, in particular in the context of strategic change and the capturing of opportunity (Foss et al., 2015, 2013; Greenwood and Hinings, 1988; Hardman and Mookherjee, 2016). Gratton (Gratton, 2011, 2010), for example has focused the future of the

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workplace, the forces impacting on organisations and the resultant opportunities and challenges for organisations. Covid-19, was undoubtedly an impacting force for organisations and in writing about this in the context of organisations design Foss (2020, p 270) noted that the pandemic presents “not only a unique test bed for examining existing principles of organisational design, but also stimulate new theory related to the temporal dimension of the organisational design and path-dependence.”

### Hybrid Working

Hybrid working can be defined as an approach where the workforce is split into cohorts that alternate their time between working in the office and working remotely, from home and other locations (Phillips, 2020). While it is a relatively new way of working, it has gained popularity post Covid and is now the most common working arrangement for knowledge workers (Hopkins and Bardoel, 2023). Not all hybrid working is the same however and different classifications or models of hybrid working have been identified in the literature. These are typically linked to the degree of autonomy and flexibility workers have over the time and/or the place of work, ranging from complete freedom to choose the where and the when of work to having fixed working hours and working in a specific location, such as the worker's home (Davis et al., 2022a, 2022b; Gratton, 2021a, 2021b; Hopkins and Bardoel, 2023). These conversations relating to place and time have further prompted questions such as; what is the purpose of the office now when workers are on-site? What is the impact on synchronous and asynchronous communication within teams or the wider organisation? What is the impact on productivity when workers have flexibility over their working day? (Bloom et al., 2022; Choudhury, 2020; Choudhury et al., 2022; Davis et al., 2022a, 2022b; Gratton, 2021a, 2021b, 2011, 2010; Hopkins and Bardoel, 2023). Many of the answers to these questions are as of yet, unclear, but recent field and diary studies such as those by Bloom (2022) and Choudhury (2022) and Davis (2022) are trying to provide answers.

The picture that is emerging from the literature (Best, 2021; Choudhury et al., 2022; Davis, Collis, et al., 2022; Davis, Hughes, et al., 2022; Gratton, 2021a, 2021b, 2022), is that workers like the flexibility associated with hybrid working. This has led to increases in job-satisfaction measures and lower, self-reported, reductions in stress, associated with the day to day demands of the office and commuting, and higher self-reported work-life balance. The ability to concentrate on tasks without the distractions of the office, long been associated with remote working, is also a positive outcome of hybrid working, as is providing enhanced work opportunities for people with a disability or caring responsibilities. Further hybrid working can reduce some of the negatives associated with fully remote work, such as social isolation and lack of spontaneous socialization.

For organisations, hybrid working, has been linked to a reduction in attrition rates by up to 33% (Bloom, 2020), potential access to a wider pool of employees, no negative impact on productivity, higher performance ratings by managers and not only higher volumes of communication but more positive sentiment of emails (Bloom et al., 2022; Choudhury et al., 2022; Davis et al., 2022b; Gratton, 2021a)..

However, hybrid working is not without its challenges. While Bloom (Bloom et al., 2022) found that employees reduced their working hours on the days they worked from home, they increased them on office days and also increased their working hours on the weekend, while, Davis (2022) found that workers find it more difficult switching off when working from home and work longer hours on these days. Both these findings suggest a potential altering of the structure of the working week. Communication and collaboration have also been noted across studies as being a challenge of hybrid working particularly in the context of asynchronous communication and not all workers being co-located at the same time (Davis, Collis, et al., 2022; Davis, Hughes, et al., 2022; Gratton, 2021a, 2021b, 2022). Research, is also pointing to

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future opportunities for organisations in terms of training managers and workers how to work in hybrid patterns to enhance connectivity, communication and collaboration and new technology and AI and the next generation of communication tools. This is raising questions relating to how work and organisations will be designed in the future, what the drivers of productivity and performance will be, and what impact this will have on different roles. How workers from different backgrounds, ages and personality types experience hybrid working and what impact hybrid working will have on organisational culture. (Best, 2021; Choudhury et al., 2022; Davis, Collis, et al., 2022; Davis, Hughes, et al., 2022; Gratton, 2021a, 2021b, 2022). In summary, hybrid working, requires organisations, managers and workers to acquire radically new ways of working, and to figure out how to capture the positives, while addressing the challenges that hybrid working brings.

### Methodology

A multiple-case study approach was adopted for this study (Eisenhardt, 2021; Yin, 2009). This method has been established as being particularly relevant for process questions (Eisenhardt et al., 2016; Yin, 2018). Two organisations, Smeco and Fisco, that contrasted in size and organisational design (see table 1) were selected for this study, as they offered opportunities for theoretical replication (Eisenhardt, 2021; Yin, 2018).

|                          | <b>Smeco</b>                                                                                                         | <b>Fisco</b>                                                                                                   |
|--------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Organisational Design    | Unitary Form (U-Form)                                                                                                | Transnational Professional Services Firm (PSF)                                                                 |
| Division of Labour       | By Inputs                                                                                                            | By Inputs & Outputs, flexible teams                                                                            |
| Coordination Mechanisms  | Hierarchical, plans & procedures                                                                                     | Dual reporting relationships                                                                                   |
| Power/Decision Rights    | Centralised                                                                                                          | Shared                                                                                                         |
| Basis of Authority       | Position & Functional Expertise                                                                                      | Negotiating skill & resources                                                                                  |
| Politics                 | Inter-Functional – Functional loyalty strong                                                                         | Along Matrix lines – overlapping responsibilities                                                              |
| Participants Interviewed | Managing Director<br>Finance Manager<br>Production Manager<br>Engineering Manager (Europe)<br>Operations team member | Senior Leader<br>Director of Division<br>Senior Manager Project Management<br>Head of Office<br>HR team member |

Table 1 Overview of Smeco & Fisco

Several data sources were used, as shown in Figure 1. These data sources were used to triangulate insights and to improve understanding of the link, if any, between organisation design and the approach to hybrid working undertaken and why. All semi-structured interviews, with the leader, three managers and one team member, took place either face to face onsite at the location of the organisation, or online using MS Teams, between the 13<sup>th</sup> of October 2022 and the 7<sup>th</sup> of February 2023. Interviews lasted between 45 mins and one hour 40 minutes and these were audio recorded. Specific questions were asked in all interviews relating to what the organisation looked like before Covid and the processes that took place in the organisation to develop the model of hybrid working it had. To ensure data validity, open,

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non-directive interview questions were asked. Follow up questions were employed by the researcher to clarify any points raised in the interviews or address any gaps in knowledge and anonymity encouraged informants to speak openly and honestly (Hannah and Eisenhardt, 2018).

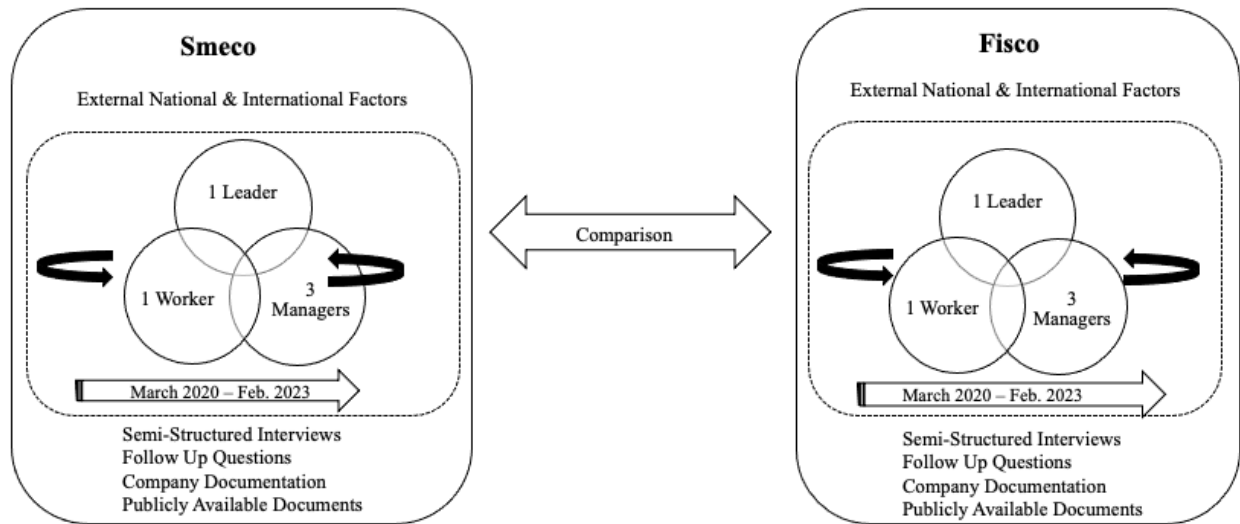


Figure 1 Data Sources

## Cases

### Case 1 Smeco

Smeco, is a small and medium enterprise (SME) involved in manufacturing, and research and development (R&D) (The Dept. For International Trade, 2020). It is run by the owner manager, who holds dual roles, as Managing Director (MD) and as General Manager (GM). Due to his strong technical background, he was traditionally heavily involved in R&D, until the Head of Engineering (HE), was recruited in 2016. Two other managers hold dual roles, the Finance Manager is also the HR Manager and the IT Manager is also the Health and Safety (H&S) Manager. The company exports to OEM customers internationally. The organisational design of Smeco is U-Form (unitary). This is typical of many SME's, particular those at the upper-end of the size-band for SMEs, as Smeco is (Jones, 2003a; Miles et al., 2010; Qian et al., 1999). U-Form organisations have centralised vertically integrated functional structures with managers in each key functional areas. Decision making is centralised with high levels of control at operational, strategic and financial levels and similar tasks are grouped together (Galbraith, 2012; Jones, 2003b; Miles et al., 2009; Obel, 1978). Galbraith (Galbraith, 2012) notes potential disadvantages of U-Forms being that they can lack managerial resources and functional specialists activities can be poorly managed. The organisational structure of Smeco is outlined in figure 2

Most function managers have worked at Smeco for two decades, and have some autonomy regarding operational and financial decisions, (up to established max limits). The MD holds one to one meetings with these managers, receiving written reports from each in advance. There are no team meetings with function managers, rather collaboration is on needs or project basis. This is also typical of U-Form organisations, and the literature highlights three potential negative outcomes of this; (i) there may be a lack of coordination or collaboration between managers, (ii) the top level manager can potentially become overwhelmed with

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communication and (iii) there can be issues regarding the quality of communication provided to the MD ((Qian et al., 2006). In Smeco all 5 function managers' report directly to the MD. All managers, except the IT Manager, have between one and three middle managers reporting to them, who in turn are managing a small team at the lower level of the organisation.

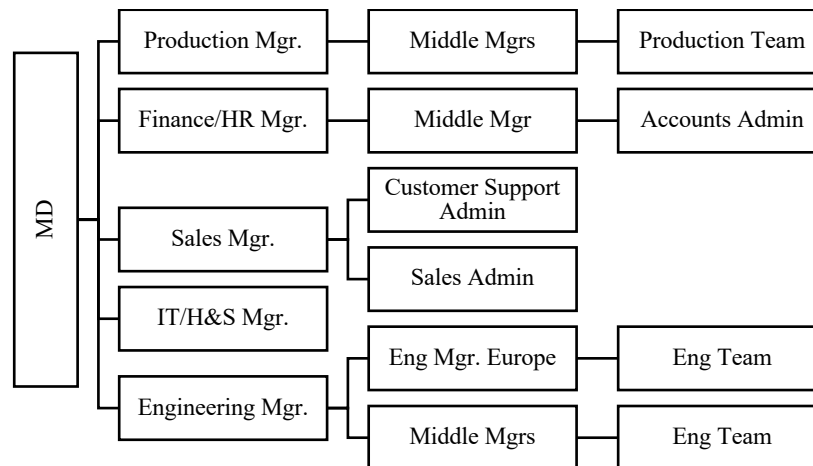


Figure 2 Smeco Organisational Structure

### Case 2 Fisco

Fisco, is the national division of a transnational professional services firm (PSF) that globally is based in 48 countries. A PSF “sell expertise- that most intangible of outputs – and they seek to provide customised solutions to demanding clients on a global basis” (Greenwood et al., 2010). PSFs have “multiplex” organisational form, which involves (i) specialisation into multiple axes of expertise, (ii) establishing criss-crossing teams, (iii) implementing and prioritising a client management system and (iv) developing a culture of reciprocity, and creates internal structures to serve these (Greenwood et al., 2010; Harlacher and Reihlen, 2014). Figure 3 depicts an indicative simple PSF structure, viewed at a high level.

The purpose of reciprocity here is service to the client. Fisco’s clients include Fortune 100 companies, as well as SMEs, public sector entities and individual customers. It has developed expertise in health and wealth. Fisco’s staff are organised along multiple axes, including core practice areas, clients, projects, management teams and informal groups. Fisco employ a CMS where staff record details, on a daily basis, of the work they undertook with clients, in addition, Fisco undertake client experience reviews, where a person external to the client relationship engage the client to score the service received, details of this are shared with senior management and the client team(s).

The culture of reciprocity was identified by Greenwood et al. (2010) as combining of four reinforcing factors, (i) use of organisational strategy/rhetoric, to guide and unite the firm as one. (ii) Visible role models, who are exemplars of behaviour, centred on cooperation, junior staff are encouraged to emulate their behaviour. (iii) The alignment of organisational processes, formal and informal through which reciprocity is reinforced. (iv) Visible rewards of reciprocal relations, e.g. bonuses/promotions. Fisco work to “global operating principles” and wording from these are found on all communications. They have open plan offices, only the CEO has his own office, facilitating visible role models. The importance of connectivity and networking within the organisation were key themes that emerged from interviews at Fisco, evidenced by a range of formal and informal teams. Staff are encouraged to join informal groups “to develop networks and connectivity across business lines.”

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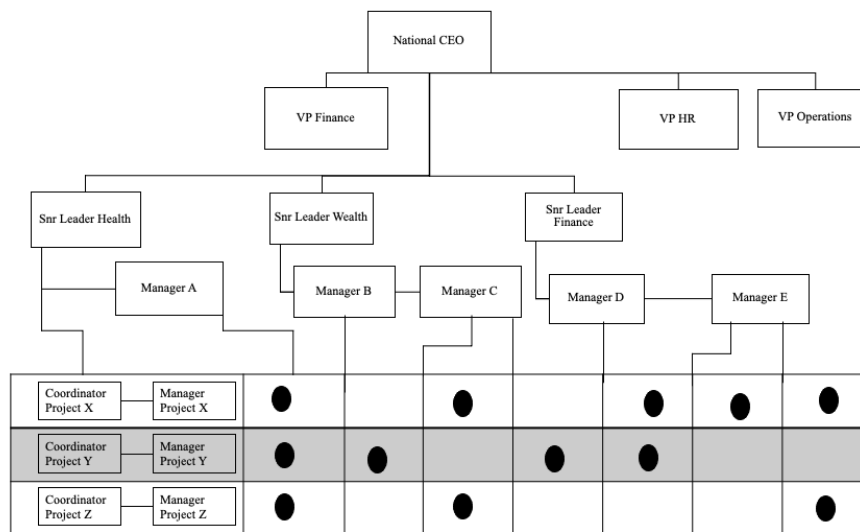


Figure 3 Indicative Simple Org Structure for National PSF

## Data Analysis

All data from the interviews were transcribed by the researcher. Initially a detailed within case analysis was undertaken using the multiple data sources in order for the researcher to become deeply familiar with each case (Eisenhardt, 1989). First the researcher undertook an analysis of the major activities relating to hybrid working that took place within each organisation between March 12 2020, (the date it was announced by government there would be a national closure of schools, universities and childcare facilities to reduce the spread of Covid-19), and the date of interview. These major activities were mapped on a timeline by the researcher and all activities were corroborated from the interviews of the multiple informants. The researcher further compiled a tabular display of information about each case which were linked to categories that emerged from the interview question. Following this the researcher undertook a cross-case comparison looking for patterns. In order to assist this process the researcher listed the similarities and differences between the cases to identify and review these across the categories that emerged from the interviews and also across the different informant hierarchical levels, leader, manager and team member (Eisenhardt, 1989). As the insights from the analysis became clearer the researcher undertook an iterative cycle of referring to the literature relating to organisational design to enable the identification of themes, the refining insights and the building of arguments (Hannah and Eisenhardt, 2018).

## Findings

### Illustrations From The Case Studies

The two case studies are presented as a way to illustrate potential causal relationships and explore the dynamics that happened in each case over a period of time between 12<sup>th</sup> of March 2020 and the hybrid model that was in place in February 2023, Siggelkow (2007). Two case organisations, Smeco and Fisco, were selected on the basis that (i) the focal phenomena (hybrid work) was present, but in purposively different settings, different industries and different sizes. Yet both case organisations had long established organisation designs of a type that were well researched in the literature.

## **How Does Organisational Design Influence Models Of Hybrid Working?**

### **Smeco – Hybrid Working**

#### **Leader's outlook**

The Managing Director (MD), of Smeco has a preference that all staff members and managers work onsite. This has guided the approach to hybrid working undertaken by the organisation.

“There is very limited benefit in working from home and it's more of a constraint than anything else. But it can be managed for a limited amount of time.”

MD Smeco.

On March 12<sup>th</sup> 2020 the MD of Smeco advised all staff to remain at home with those who could work remotely to do so. Shortly after this date, Smeco was designated as a critical supplier by a key customer.

#### **Coordination & communication mechanisms**

The MD authorised the Production Manager to bring back on-site, those staff directly involved in the production of parts, and to liaise with the H&S Manager to ensure full compliance with all health guidelines. The H&S Manager was instructed to report progress back to the MD. The H&S Manager, then established a Covid Committee comprising of all functional managers, who met regularly on MS Teams. There was no employee representative. Discussions at these meetings were based at a function level, focused mainly on health and safety issues for employees. The MD did not attend, but received regular updates from the H&S Manager and individual managers.

“Well I was over seeing it all, I was in daily contact with the H&S Manager, I would get updates from him and I would get reports from him.”

MD Smeco.

These meetings continued for ten months, as the situation relating to Covid evolved. Communication relating to working patterns followed hierarchical line, there was no direct communication between the HR Manager and the workers of Smeco.

“No, the line managers would have, I suppose, communicated to the staff.”

HR Manager, Smeco (when asked was there any communication with all workers)

#### **Power and basis of authority**

In May 2020, the Engineering (Eng.) Manager, independent of other functions, introduced a trial Core Working Hours policy just for engineering staff. This provided greater flexibility for the engineering team over their start and finish times, and provided a methodology for them to agree their location of work, on a weekly basis, with their line manager. It is not clear if this was approved by the MD, either formally or informally. While the Eng. Manager and his management team worked fully remotely from March 2020 until January 2022, other engineering staff worked in a hybrid pattern agreed individually, within core hours. However, information relating to the hours and location of work of this team were not always shared internally and there were no formal channels or shared depository for such information or communication. This resulted in some “quite stressful” situations at times for production and supply chain management, particularly when engineering input was urgently required.

“But it's, it's a company problem like, not a supply chain problem or problem in operations, it's a company problem to get sorted. Resources have to come from where ever, at the end of the day you've got to get sales out the door, and you've got to keep

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the customer happy, so I think it was a bit. That caused us stress... You know that did become quite stressful from that point of view.'

Manager Smeco

During the same time other functions, in consultation with the MD, began transitioning from remote to hybrid working, as government restrictions relating to a physical return to the workplace were lifted. Arrangements for these teams were agreed between the function managers and middle managers, on an individual basis, based on roles and personal circumstances. In February 2022, the Eng. Manager moved to another organisation and the MD took over his role. Following this, there was a notable return to working on-site in this function, however the Core Working Hours Policy remained in place, but appears not to be universally used in engineering.

"I'd say the majority of the time people work on-site, the majority of the time. I'd say 80% to 90% of the time as a group we all work on-site and the remote working is used as people need it... So the core working hour policy is being used by some individuals, not everybody."

Manager Smeco.

### **Current model of hybrid working**

All functions and workers in Semco are now predominately based on-site, with hybrid working agreed, on a limited, case-by-case basis, between the MD and the function managers, and the function managers and middle managers. Lower level of staff work fully on-site, although there is flexibility to facilitate short-term situations. The MD has no plans to alter this working arrangement going forward.

### **Fisco – Hybrid Working**

#### **Leaders outlook**

The CEO of Fisco has stated internally that he supports hybrid working and recognises the benefits of this for workers, although the location of work has been restricted to that of the organisation. Prior to Covid, Fisco operated informal flexible working, agreed between employees and their line managers, with an on average, 70% office occupancy level. On March 12<sup>th</sup> 2020, the CEO of Fisco advised all employees to work from home.

#### **Coordination and communication mechanisms**

Within a short time of this enforced remote working for all, an "Action Planning Group" was established by the CEO, consisting of the CEO, the HR Manager and a cross section of senior management. The focus of this group was for organisational planning and communication, relating to the changes associated with Covid. In addition, Fisco has a "Country Leadership Team" consisting of senior managers, the CEO and the HR Manager and a "People Managers Group", with membership of all people managers, the HR manager and CEO. All groups met regularly online, with meetings used for planning and communication updates. In addition the CEO issued weekly emails to workers, and held quarterly town-hall meetings online to facilitate two-way communication.

In October 2020, Fisco Global HQ issued a paper to all national CEO's in the group, outlining their view of work post-Covid, which centred on three pillars, (i) creating greater agility (ii) adopting a people focused approach of leadership (iii) creating a sustainable ecosystem. During 2020 and into 2021, Fisco introduced a wide range of online supports, training and social events

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for workers, and a soft approach to encouraging workers to return to the office. The HR team also issued an annual company-wide remote work survey, seeking input from all workers of their preferences in terms of a model of work going forward. This found hybrid working to be the preferred model. Fisco also changed their office layout during this time to open plan where only the CEO has a dedicated office, embedding their commitment to the use of visual role models.

“We have an open plan structure, if you’re in the office, you’re gonna overhear senior people talking to their clients, talking to you know, talking to people on their teams etc., so you’re gonna pick up an awful lot of stuff.”

Leader Fisco

### Power and basis of authority

In early 2022, Fisco Global HQ issued an email to all national CEO’s, outlining their preferences for hybrid working based on an in office presence of between 40% and 60%. Following this, Fisco adopted a more focused approach to hybrid working, which was described by those interviewed as “strongly encouraging” workers to return to the office. All communication emphasised the importance of organisational culture, connectivity and face-to-face collaboration and interactions with colleagues and clients. However the messaging also highlighted that Fisco was understanding of the personal circumstances of individual employees. People Managers worked with their teams to identify two days a week workers could work on-site, considering both personal preferences and their roles. In practice, this often resulted in far greater levels of flexibility at an individual level.

“Our hybrid approach was to maintain and enhance a culture where colleagues can collaborate, learn from each other, and importantly build both their professional and social network. We are people business, where in-person interactions and relationships with our clients and colleagues are at the core of what we do.”

Leader, Fisco

Fisco currently operates at a 30% occupancy rate on-site. When on-site, teams are encouraged to sit together through a desk booking app, which automatically locates workers within their designated team areas and beside teams with whom they are known to collaborate.

However, one outlier has been noted within Fisco, junior staff members, who are not returning to the office in the numbers that managers would like. All managers interviewed expressed their concerns of the potential negative impacts of this as they saw it.

“Yeah that culture point, learning opportunities and just the kind of the softer career development needs of junior-mid level colleagues...I think in the longer term it will impact their career developments a little bit more because they have to still build the connections. They’re still in learning phase and to there’s a lot of soft learning and learning through osmosis....will the next level of senior leaders as they come through in the next kind of 3, 5, 10 years, will they have picked up everything the previous generation picked up on because they were in the office all the time. I would have concerns about that.”

Leader, Fisco.

## **How Does Organisational Design Influence Models Of Hybrid Working?**

### **Current model of hybrid working**

Hybrid working is agreed on a team and individual basis, depending on team membership and role. Fisco CEO and senior management are continuing to review their approach to hybrid working. They are continuing to encourage all, but particularly junior, workers, to maintain a presence on-site for a minimum of 2 days a week, but for many this is often less, or less frequently. Communication is through a mixture of CEO weekly emails, town halls, HR communications, people manager review meetings and team meetings.

### **Discussion**

Organisational design is a process that is driven by multiple factors, including the organisational purpose, strategy, operating model and the operating context. It establishes and explains how resources and power are distributed that reinforces the coherence of that design, how vested interests and their powerbase become interwoven within that design, and how in particular circumstances, that can result in design change or design inertia (Greenwood and Hinings, 1988; Greenwood and Miller, 2010; Miller and Friesen, 1980; Stanford, 2022). In this post Covid world, organisations are asking themselves how they can successfully capture the benefits of hybrid working, while addressing the challenges. As this involves both internal factors as well as the external operating context, then organisational design must be a key consideration within this evaluation, not only in terms of what the final design might look like, but also in terms of the process of how organisations and managers will go about planning, communicating and implementing changes. In these two case organisations their approach to and design of hybrid working can be seen to very much reflect their organisational design, who had the power to make decisions, what and how they communicated with workers, how their internal structures were used throughout the process and how ultimately they landed on the hybrid working model that they did. This research may help organisations and managers to take a step back and assess what their organisational design is, identify all of the factors that constitutes that design and take a systemic view of how these will impact the design and implementation of a hybrid model of work, that works for them.

In the context of these two cases, Covid happened without warning, and so these cases provide us with a real window through which we can see, almost in real-time, how events unfolded within these organisations, how they planned, communicated, adapted and reacted, to internal and external factors. We can see how two organisational designs played a fundamental role in the formation of two distinct models of hybrid working, in terms of the influence of, and the location of power, and how it was distributed within the organisational, and the influence of the operating model, internal structures and formal and informal communication channels.

“Getting things done requires power” (Pfeffer, 1992). Organisations approaching the design and implementation of hybrid working need to understand their organisational design in terms of not only the dispersion of power but also the structures and strategies through which power is developed and employed. In Smeco, power was centralised, very much resting with the MD, which is typical in a U-Form organisational. The MD, was opposed to a widescale, long-term model of remote working, and he adopted a pinnacle approach to organisational design change (Hardman and Mookherjee, 2016), with functional managers reporting change directly to him. However, there was, what appears to be, a challenge to this power when the Eng. Manager introduced a core working hours policy alongside hybrid working in his department, resulting in what Greenwood & Hinings, (1988, p.302) describe as a “structural adjustment” within the organisational design. At this time, the Eng. Manager, may have had preferential access to the key decision processes, relating to these two policy changes, arising from an opportunity associated with the fact that the MD, the engineering management team and most engineers

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were working remotely. In this instance he was in a position to use his hierarchical power as function head within this U-Form organisation, to introduce this new pattern of working. The interviews indicate that most engineers supported this flexible new work pattern, and so he also had an established powerbase. However, in the U-Form organisational design it is questionable, in the absence of the uncertainty created by Covid, that this change would have happened, given the preferences of the MD. This is borne out, by the fact that, when the MD assumed power of the engineering department it reverted back to his preferred working pattern of predominately on-site. In the PSF organisational design, however, power was, on the face of it, initially shared at the start of the pandemic, with the establishment in Fisco of an executive team, consisting of key functions, who were tasked with managing the organisations approach to Covid and resulting changes to work patterns. This approach echoes what (Hardman and Mookherjee, 2016) describe as a U-Shaped approach, which would be in keeping with the establishment of criss-crossing teams in a PSF. However, the real source of power here is the global HQ. This became evident when it released the email to all national CEO's clearly stating their preference for a certain type of hybrid working. Following this, we can see the notable change of pace and approach internally along with matching communication echoing that of the Global HQ. However, in this organisational design, authority is based on negotiation, and we can see this play out when people managers met with their team members in agreeing the days of on-site working and in the fact that despite the high importance of visual role models within their organisational design, senior leaders are not issuing a dictate to junior workers to return to the office on a two day a week basis. In summary, the organisational design can help managers to understand not only the source of power within their organisation but also how it is distributed, both of which are critical when changing to a model of hybrid working, during the planning and implementation stage.

Looking next to the implementation of hybrid working. The organisational design determines the organisation's internal operating model and structures. These in turn influence how organisations approach implementation and communication of changes. Managers can evaluate these to determine how they can use these structures to engage with workers, to inform and also to create a community (Elving, 2005). In Fisco they used the full range of formal and informal structures widely internally, vertically and horizontally, to inform and create community. Communication ran along the factors of reciprocity as identified by Greenwood et al (2012). Firstly, the initial paper and the follow up email issued by the Global HQ were very much used to guide the approach and communication relating to the transition from enforced remote working to hybrid working. This approach emphasised the importance of face to face connection within the organisation and with the client, but also this was a people centred approach, aligning with the paper issued by Global HQ in late 2020. Fisco employed a range of infrastructures, formal and informal, to reinforce reciprocity, which included not only Covid specific planning teams, but the use of formal groups such as the People Manager Group and informal interest groups. In addition, the introduction of a desk-booking app that limited employees choice of location to within their team, and co-located them with a collaborating team, also reinforced reciprocity. Notable here was the perceived failure of communication to achieve behavioural change with the junior workers, which manifested as concern expressed by all managers interviewed and the perceived threat to the visible role model behaviour. In Smeco, as is common in U-Form organisations, no cross-function teams existed prior to Covid. Even though the H&S Manager tried to establish one, through the Covid committee, and to use this enhance communication, the success of this approach was shown to be limited. This is possibly because functional managers in this type of organisation design are only required to communicate with the top level of management, and these committee meetings were not attended by the MD. The actual outcome was that different approaches were adopted within

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different functions, and communication remained primarily at a vertical level, with the goal to inform workers of change, rather than build a community. Smeco also experienced a well-established potential negative impact of this organisational design type, the lack of cross function communication, resulting in additional stress being experienced between two key functions, production and engineering. Looking to these cases we can see the importance of understanding how formal and informal structures operate within an organisational design and how communication can be employed within these structures. Importantly lessons are here too for managers, who may need to evaluate whether their existing channels, or messages, are the most appropriate to reach all cohorts of workers, in the context of changing to hybrid working.

The preferred model of hybrid working, as outlined by the source of power in each organisations, fully on site for Smeco, and a blanket 40%-60% onsite for Fisco, were not the models actually in place in each. The change between the two can be explained by organisational design. In Fisco, these centre on the factors of reciprocity, where teams negotiated the days of the week that they would be on-site with their line manager on a person by person basis. These negotiations took place over a period of time and resulted in some teams agreeing to be on-site two days a week, while others are on site once a month. The organisation further invested resources into the development of a desk booking app, that was sophisticated enough to facilitate multiple teams with varying onsite work patterns. The decision to invest in this technology, may be explained by Foss (2021), who posits that as remote working makes reciprocal interdependencies more difficult to organise, organisations will invest more into pre-planning task execution. In Smeco, the basis of authority lies in position and functional expertise. Most managers have been with this organisation for multiple decades and have built up a significant depth and breadth of knowledge about their function, the products, the customers and suppliers. In this case, the MD may have been willing to accept a model of limited access to hybrid working within these key functions, once it is within his direct line of command. By understanding how the organisational design impacts on the basis of authority within their organisation managers can use this information to inform how they approach the planning, implementation and communication of hybrid working and enable them to identify key internal gate-keepers to change.

Finally, these cases highlighted how reporting responsibilities for managers within the structure of organisational design influence the approach to hybrid working. In PSF organisations managers are members of criss-crossing teams, running along matrix lines, with overlapping responsibilities, yet their core location, and loyalty is very much related to their own area of specialization. An example of this can be seen in Fisco with the HR Manager, who, while a member of multiple groups and executive teams, was still very much at the centre of all decisions relating to hybrid working, in the role of HR Manager, for example heading up staff surveys relating to hybrid working. Similarly it is common in U-Form organisations for managers to have dual function responsibility. Two managers in Smeco held dual functions in addition to the MD. One of these dual functions was also that of the HR Manager. However in this case, within this organisational design, this secondary role of HR Manager was not evident at all. This role did not play an active role within the Covid Committee, nor was there evidence of engagement with employees within the role of HR Manager. This may have been due to a number of factors, lack of structures, lack of resources, lack of training, pressure on the primary function (Finance) at a particularly challenging time. However, this situation is not uncommon in U-Form organisations, as pointed out by Galbraith (2012), who stated that functional specialist activities tended to be poorly managed in U-Form organisations due to a lack of managerial resources. Organisations, by understanding the reporting responsibilities of managers within their organisation structure can identify potential stresses or weaknesses

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within their organisations which might impact on how hybrid work is planned and implemented and take measures to address these weaknesses.

### **Theoretical implications and future research**

By integrating organisational design theories with recent research on hybrid working, it allows for a greater understanding of how organisational designs may influence the design, planning and implementation, of a model of hybrid working that works for that organisation. In terms of the specific organisational design of the two case studies here, while the U-Form organisation design is considered to be an older form of organisation design, it is still one that is in practice in many SMEs (Jones, 2003; Miles et al., 2010). This study brings to the fore the question of the long term viability of a hybrid model of work in a U-Form organisation when the leader has a preference for a model that is not hybrid in nature, either wholly on-site or wholly remote working. For scholars of the PSF organisational design, this study provides an insight into potential changes that might occur in the future of this design. In particular what impact of hybrid working might have on the culture of reciprocity and how new technology might influence this going forward, particularly with regards to connectivity, networking and collaboration. Further questions arise relating to how these organisations will address challenges of how to engage junior workers going forward and the long-term practice of the use of visible role models within these organisations. Finally this study makes a contribution to research and understanding of hybrid working, by providing a link between the organisational design and the model of hybrid working, it opens up new avenues for managers and scholars to explore in terms of how different organisations approach changes to new ways of working.

### **Limitations**

The limitations of this research must be acknowledged, in that it is based on two case studies with a total participation of five participants per organisation.

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