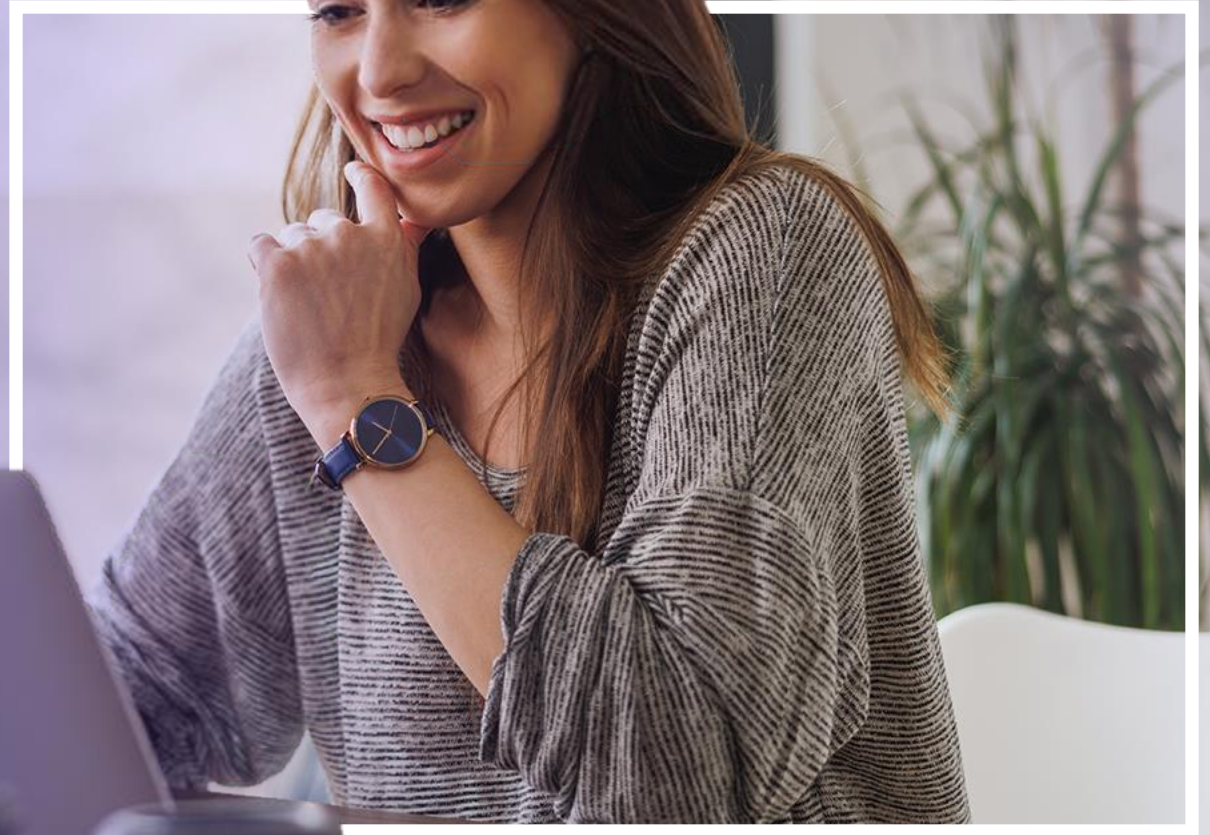




The future is hybrid

The playbook for a successful hybrid
workplace in New Zealand



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1 Introduction

Hybrid working is a model of flexible working which enables employees to change where and how they work, based on their individual and the organisation's needs.

Many New Zealanders traded office life for remote work at the onset of the pandemic, swinging the pendulum from a (mostly) in-office work experience to everyone working from home. At a personal level we adjusted to significant changes to our livelihood. Organisations implemented crisis response activities to ensure the safety and wellbeing of their people.

Fast forward to today, when stay home mandates feel like a distant memory and organisations are actively encouraging people to come back into the office. Some of us raced back to the office as soon as we could, eager to reconnect with our colleagues in person. Others were more hesitant, and have become used to working from the comfort of their homes with the convenience of not having to commute. These competing preferences have given rise to a new and evolving hybrid approach to work.

We have seen demand for hybrid work models in almost every industry. Even sectors with an onsite, in-person requirement (e.g. construction, brick-and-mortar retail, food and hospitality, etc.) have roles that can be performed remotely on a full or part-time basis. We have also noticed changing expectations from those who can't work from home. More people are seeking flexibility in hours or shift patterns, and/or a degree of autonomy over when they deliver their work.

It is no longer a question of whether organisations will adopt hybrid or not – the demand for talent in New Zealand during and post-pandemic has made hybrid working a key element of an organisation's ability to attract and retain talent. As a result, employers across a number of sectors in New Zealand have faced the question:

How can we adapt to embrace hybrid work? And what does 'good' look like in the New Zealand context?

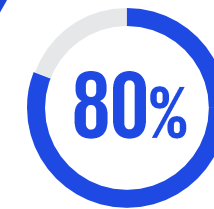
In this hybrid work playbook, we outline the foundations required for a successful hybrid workplace, and key questions your organisation can answer to guide how you enhance your hybrid approach. The insights in this pack align with the thinking developed by the KPMG global network on hybrid work, adapted by the KPMG New Zealand team to suit Aotearoa's unique context.



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80% of New Zealand CEOs feel hybrid working has had a **positive effect** on employee morale (80% vs 41% globally)

[Source: KPMG CEO Outlook Report 2022]



2 How hybrid work has evolved in New Zealand

2020

PRE PANDEMIC

FLEXIBLE WORK BY EXCEPTION

- Prior to 2020, employees primarily worked from a centralised office or specific location.
- Some flexibility in hours/location to accommodate work life balance was available – this was the exception, not the default.
- Employees would formally apply for flexible work arrangements, on an individual basis.
- Limited use of collaboration software - mainly conference calls and basic video-conferencing.

2021

A UNIQUE NATIONAL RESPONSE

LOCKDOWN/CRISIS WORKING

- The New Zealand Government imposed strict stay home arrangements in response to the global pandemic. Organisations scrambled to make sure their people were equipped to work from home.
- All employees were required to work from home for extended periods. In-office return was graduated in recognition of personal concerns, and to mitigate the potential health risk to the entire workforce.
- This signalled the start of a hybrid approach based on personal concern/preference.
- We saw rapid investment and adoption of technology to support a workforce that was operating from multiple locations.

2022

POST PANDEMIC

A HYBRID APPROACH TO WHERE WE WORK

- As government restrictions lifted, organisations were forced to determine their stance on hybrid work. Some organisations kept their people working from home for longer, others mandated a physical return to the workplace.
- Organisations were learning as they went. There was recognition that employee expectations had changed, and organisations were forced to re-think how they defined their workplace experience.
- Many employers sought staff input on what worked for them. Some enforced mandated periods of working from home or office (aligned with reduced footprint/ social distancing requirements in workplaces).
- We saw an increased availability of remote work, with recruitment platforms having designated 'work remotely' categories for jobs that could be undertaken anywhere.
- Employees sought greater support from their employer to establish a suitable work from home environment. Technology continued to support the workforce operating from multiple locations.

2 How hybrid work has evolved in New Zealand (cont).

2023

A NEW NORMAL

EXTENDING THE HYBRID APPROACH

- A more considered approach to hybrid work is emerging, with organisations learning from what has and hasn't worked over the past couple of years.
- Customer expectations are changing, with greater acceptance and understanding of hybrid work arrangements from some service providers.
- Employees are 'voting with their feet'. High demand for talent across the New Zealand market means that organisations are shaping a hybrid approach in order to attract and retain talent – for many it is a key component of the employee value proposition. Some companies are considering hybrid work options for employees who wish to work from overseas for extended periods of time (noting tax, health and safety, and legal implications).

Future



WHAT NEXT?

There are many possible directions for the future of hybrid work. Below are some future scenarios based on current trends:

- Technology continues to evolve to solve the challenge of maintaining connections across hybrid workplaces. Virtual reality and artificial intelligence will enable greater human connection in a perpetually hybrid model. Technology will better leverage the lessons from social media to feed the human desire for purpose and connection, instead of simply being a tool of efficiency or convenience.
- Automation will change the nature of work and will assist in streamlining processes to help organisations effectively adopt hybrid working. This could include the adoption of chatbots to assist remote workers with queries to ensure everyone has the information they need, when they need it.
- The successful adoption of enterprise wide agile ('agile at scale') will lead to organisations thinking more simply and flexibly about how they approach ways of working, and how they generate benefits from it.
- Continuous development of organisational culture will ensure workers feel connected even when working outside the office. Virtual meetings will be more engaging and interactive. This could be done through the metaverse or a similar computer generated platform to engage with colleagues in real time.
- Leaders who are struggling to navigate hybrid work may mandate a return to the office to align to their working preferences. This may be influenced by businesses who have struggled with a customer base that is working from home (e.g. cafés, drycleaners etc). Employees who have adapted their lives around a hybrid approach and are thriving will look to find different employers.

3 A balance between two models

The reactive move to remote work during lockdowns highlighted benefits and challenges for organisations and individuals. The experience has also made people and organisations look differently at the benefits and challenges of being physically co-located in our workplace. Creating an effective hybrid workplace means combining the best of both working models below, based on organisational goals and people preferences.

	REMOTE WORKING		PHYSICAL WORKPLACE (OFFICE)	
	Benefits	Considerations	Benefits	Considerations
 <p>INDIVIDUALS WANT Purpose Belonging Engagement</p>	<ul style="list-style-type: none"> ✓ Removal of commute, which saves the individual time and money, and reduces the environmental impact associated with commuting. ✓ Ability to manage distractions. ✓ Better accessibility, more equity, less stress for some. ✓ Allows greater flexibility for people to care for children and/or other dependents. 	<ul style="list-style-type: none"> • Social isolation. • Meeting overload and digital exhaustion, and lack of downtime / gaps between meetings. • Ambiguous employer expectations. • Less collaboration and feedback. • Challenges building relationships and developing career through incidental interactions. • Distractions at home. 	<ul style="list-style-type: none"> ✓ Easier to communicate and engage with colleagues. ✓ Greater ability to connect socially with colleagues. ✓ Increased visibility/access to leaders. ✓ Easier to observe and learn from others. ✓ Physical setup is more likely to be ergonomic. 	<ul style="list-style-type: none"> • Commuting time and cost. • Individual concern about environmental impact of travel. • Potential barriers to accessibility, inclusiveness and equity. • Harder to achieve focused work, particularly if there is an open-plan office / other distractions in the work environment.
 <p>ORGANISATIONS WANT Performance Efficiency To attract and retain talent Innovation</p>	<ul style="list-style-type: none"> ✓ Real estate and travel savings. ✓ Potential for reduction in indirect greenhouse gas emissions associated with employee commuting. ✓ Access to talent, suppliers and customers in different geographical locations. ✓ Gains to productivity. ✓ Can support retention of employees. ✓ Validates continued investment in technology/ digital. 	<ul style="list-style-type: none"> • Challenging for traditional management styles, as there is a perceived lack of control and oversight. • Some perceptions of reduced productivity. • Harder to identify disengagement, which may lead to attrition. • Tax and legal compliance. 	<ul style="list-style-type: none"> ✓ Greater visibility of employees, allowing managers to balance workloads across the team. ✓ Teams connect easier, and relationships between staff members are stronger. ✓ Easier to on-board new staff members. ✓ Those at the start of their career can learn more from others when working together in-person. ✓ Organisational culture is easier to influence when people are co-located. 	<ul style="list-style-type: none"> • Real estate and travel costs. • Greater environmental impact associated with employee commuting. • Geo-constrained pool of talent, suppliers and customers. • Retention challenges as employees actively seek hybrid / flexible workplaces.

4 Design your hybrid workplace

Evolve from hybrid by crisis, to hybrid by design

The shift from crisis-response to the 'new reality' of hybrid work has identified considerations that may have been initially overlooked – from real estate, legal, finance, and tax, to wellbeing and purpose.

For hybrid models to thrive, considerations must be made to ensure all working spaces are safe, engaging, and connected. There is no one-size-fits-all hybrid model, as each organisation has different needs.



Determine who should be involved

The design, implementation and management of hybrid workplaces requires a people-centred roll out strategy with a strong operational framework to support it. That strategy is best led by a representative internal team who can bring a focus on workplace preparation and management, technology and systems, governance and risk. Consider which perspectives are represented on this team – for example, do digital natives have a voice? Are your future leaders part of the process?

Set clear goals and expectations

A clear definition of why you are adopting a hybrid work approach allows your organisation to tailor investments, training, and technology to get meaningful results.

It's important to note that there are different levels of maturity in the hybrid workplace approach. The diagram to the right shows how hybrid could evolve over time in your organisation. Determine what is appropriate for your organisation, and be clear on what hybrid does and doesn't mean for you.

“The great WFH revolution did not empty the traditional workplace. It gave rise to a blended model of work that can be advantageous to all parties, provided it is designed, implemented, and managed effectively”
– KPMG Canada

Questions to ask

- Why are we pursuing a hybrid model? What are we trying to achieve?
- Is the goal to drive productivity? How could we define and measure productivity in a hybrid context?
- Are we adapting our hybrid approach to attract or retain talent? Or reduce our physical office space requirements?

5 Set the foundations of a hybrid workplace

Organisations may be able to accommodate a mix of in-house and remote teams, but it takes a considered plan and framework to make hybrid work, *work*. The diagram below shows the foundations required to build a successful and sustainable hybrid work model. Each aspect is covered in further detail on the following pages:

GOALS AND EXPECTATIONS



1. Customer

- How services can be delivered, and from where.
- Service level Agreements, Metrics and KPI's.
- Acknowledge genuine customer demand vs perceived requirements.



2. People

- Talent retention, development.
- Teaming, ways of working.
- Culture.
- Inclusion & Diversity.



3. Policies & Processes

- Policy development and alignment.
- Process design.
- Governance and decision-making.



4. Regulatory

- Employment and labour law.
- Occupational health & safety.
- Tax and immigration.
- Regulatory and licensing.



5. Digital

- Productivity and collaboration tools.
- Digital learning tools.
- Workflow, approval, and tracking capabilities.
- Employee service platforms.
- Performance and career management tools.
- Security tools and patterns.



6. Physical

- Workplace/ workspace.
- Location(s).
- Equipment and tools.



Measures



Customer

Design consistent experiences

The pandemic has changed customer expectations, and has increased the importance of omnichannel experiences. Many organisations had to rapidly adapt to be able to operate online, and have continued to offer goods and services without face-to-face interaction. This has allowed organisations to continue hybrid work environments for staff, as activities required to deliver to online customers can be done from any location.

Consider how you can make sure your customers have a great experience with your organisation, irrespective of how they interact (online or face-to-face), and where staff are working from.

For example, if you have great internet connection from your premises, but employees don't have an optimal connection at home, are you comfortable with video calls with customers that may not be the same quality? Do you have different expectations in response time to customers, if your flexible work approach also allows people to flex the hours they work (when working from home)?

Understand customer expectations

Media commentary suggests that for some industries, customers are more understanding and open to services being provided by employees working from home. Some customers are also expecting greater flexibility in response hours, outside of the traditional 9am to 5pm timeframe.

In our experience, this largely depends on who your customer is, and the nature of your work. For example, customers who engage with you in relation to highly sensitive or personal information may have concerns about employees working from home if it risks conversations being overheard, being interrupted, or information being shared. Consider whether your employees need to disclose to customers that they are working from home if this is likely to be an issue.

Review service level agreements or metrics

If you have service level agreements with other teams in your organisation, or metrics with external organisations you provide services to, consider whether these could or should change in a hybrid work environment.

Some organisations see hybrid as an opportunity to shift metrics as there are less in-office distractions. However, be aware that metrics and measures can change behaviour and lead to unintended consequences (e.g. employees working longer if they are at home, at risk of them burning out, with little visibility of hours worked).

Questions to consider

- How have our customer needs and expectations changed over the past few years? How do we anticipate they will change in the future?
- Are customers comfortable with engaging with staff who are working at home? Do they need to know that staff are working from home?
- How will we ensure a consistent experience for our customers while operating a hybrid workplace?
- Do our service level agreements or metrics need to change?



People

Start from a foundation of trust

Successful flexible working arrangements need trust and accountability, which stems from a good company culture. Personal accountability plays a vital role in shaping best practices for flexible workplaces. Employees should understand they will be held accountable for the results of their work and productivity, no matter if they are working from home or working a flexible schedule.

Before it is an issue you need to manage, identify how your organisation will respond to incidents where an individual abuses the trust required for a hybrid work environment. For example, what will you do if you identify that someone is employed in two jobs at the same time, or is consistently unavailable while working from home?

Manage the volume of attendance

As organisations move to a hybrid model, some employers are reducing the footprint of their in-person locations. These organisations need to determine how they will manage attendance volume in the workplace, particularly if employees have the choice of where they work. It's not helpful for employees to come into the office if they can't find a space to work from.

Some organisations manage attendance volume through allocated team 'anchor' days, where teams who commonly work together have set days of the week that they work from the office. Others are adopting robust information management systems alongside reporting tools (e.g., to manage attendance volume, 'desk booking', etc.), and looking at their office space to create more collaborative or quiet focus spaces.

Define how you will shape your culture in a hybrid context

Physical co-location of staff is a great way to build and shape organisational culture, and it's easy for leaders to feel dismayed if they get a sense that this is 'lost' with remote work arrangements. Part of setting the foundation of hybrid work in your environment is to define what you want your organisational culture to be *with* hybrid work opportunities, and identify how you will shape culture in a hybrid context.

Determine who needs to be in the physical premises

Not everyone needs to be in the physical workplace all the time. Assess each role or function for the extent to which it can be done remotely. You may also consider employee preferences (including a choice to work from the office all the time), as long as these do not conflict with the goal of their team and the organisation.

Questions to consider

- Which roles will be eligible to work remotely, at least some of the time? If our people can't work remotely, can they flex other aspects of their role (e.g. their hours)?
- Will employees be required to obtain manager approval to work remotely?
- What are our expectations for remote employees? For example: advance notice of working from home, availability, responsiveness, productivity.
- How will we manage bias and challenge stereotypes of employee choice in a hybrid environment?
- How will we manage incidents where trust is broken and employment issues arise?

People

Define ways of working that foster an inclusive hybrid work environment

Employee experience in a hybrid work environment is shaped by cultural norms and behaviours. Without guidance or defined ways of doing things, behaviour can emerge which doesn't create an equal experience for those working remotely and those who are co-located.

A common example is hybrid meetings where some people dial in to a video call, and some are in the same meeting room. How people behave can vary – for example:

- Does everyone online have their camera on?
- Do those in the room dominate the discussion over those online?
- How should people online contribute to the discussion – should they raise a virtual hand to talk?

Unbiased opportunities and equity

People who prefer to work from home may be concerned they will be seen as less committed than their in-person peers. They may also worry about being seen as less valuable than their in-office peers and overlooked for job opportunities. Adding to these concerns, employees who cannot work remotely (due to their role or personal circumstance) may resent those who can, with implications for workplace culture.

Organisations who have adopted hybrid models must ensure that these biases are recognised and addressed at all levels. For hybrid teams to work as one, employees must receive the same or equivalent support, incentives, and opportunities no matter where they choose to work.

Ensure managers and team leaders have the skills to manage hybrid teams

Overseeing hybrid teams requires managers who can set and communicate clear goals, plans, deadlines, and quality expectations while also establishing guardrails to limit burnout, isolation, and other related challenges that remote work can amplify.

Historical in-office 'visibility' as a way for employees to access support, and for managers to measure productivity, cannot be simply replicated online. In addition to this, Managers may feel stuck balancing differing leadership and employee expectations, and powerless to make change.

Connections between Managers and employees need to evolve in frequency, duration, and/or type of conversation in a hybrid environment, to maintain staff wellbeing and help absorb the risk of disengagement. For some organisations, teams find it helpful to have structured daily video call check-ins to see how everyone is, and manage challenges or issues with work.

Considerations as a Manager

- ✓ **Am I equipped to clearly interpret remote work eligibility criteria and expectations?**
Do I understand the skills required to make working from home arrangements work? Do I know how to balance employee needs with organisational goals?
- ✓ **How can I create an engaging team atmosphere?**
How will I gauge morale, monitor team progress, recognise achievements, and read body language from behind a screen?
- ✓ **How do I help our people to manage their work day?**
Do our leadership planning discussions incorporate a focus on how we can help people to find sustainable ways of managing their own working day, and connect purposefully with the work they are doing?
- ✓ **Can I fairly assess team limitations and performance?**
How will I ensure each employee's circumstances are being taken into consideration no matter where they log-in, and that they are being considered equally when career opportunities arise?
- ✓ **Do I have the technology and facilitation skills to run effective meetings with team members sitting across locations?**
- ✓ **How can I connect with, and learn from, other Managers in my organisation who have hybrid teams?**

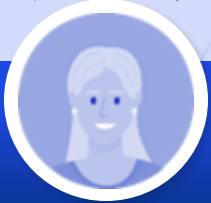
Different perspectives in a hybrid workplace

Your employees will have differing perspectives on hybrid working, depending on their life situation, previous workplace experiences, and personal preferences. The challenge for leaders is not to bring bias into decision-making about hybrid work, or assume individual preferences based on what is known of their situation.

Below are some examples of situations we hear from employees about hybrid work. Could some, or all, of these perspectives be at play in your organisation?

I love working from home, but I am worried I'm missing out on a chance to learn from others if I'm not in the office.

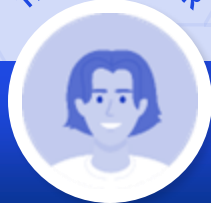
NEW JOINER



- How can employees best connect with colleagues in a hybrid work environment?
- How can employees ask for help if they are not physically in the office?
- What mechanisms can you put in place to make sure people can learn from those with greater experience or knowledge?

We are encouraged to come into the office, but I feel like when I come in, no one else that I work with is in that day.

TEAM MEMBER



- What are your minimum requirements for staff to work from your offices / workplace location?
- How will you manage individual preferences if they don't support the culture and connection that you want to foster in the team?
- How can other employees learn from those who are working from other locations more than they are working together in your workplace?

I have a busy family life, but I can't do my job at home because I'm in our field operations team.

TEAM MEMBER



- Do you have alternate flexible options for those who are unable to work from different locations? Could they have flexibility in start/end times, or days of the week instead?

I've been a Manager for years. It's hard to manage our team dynamics when some of us are online and some are in person.

MANAGER



- Do your Managers have the knowledge and skills required to lead their team in a hybrid environment?
- Can Managers / Team Leaders shape hybrid working arrangements for their team?
- Do you have different expectations for leaders in your organisation? How will you ensure they are visible and present to employees?

My team prefers to work from home, but I like to get away from the chaos of my personal life. I struggle with lots of screen time in one day.

TEAM MEMBER



- Does your hybrid approach assume that employees can work from home / elsewhere?
- Is there enough space in your workplace for people who choose not to or cannot work from their home?
- Does your hybrid approach allow people to change their 'usual' routine for short periods of time?
- How does your team balance time on screen vs time together?

Policies and processes

Digitise processes

Organisations may need to update their business processes and operating procedures to reflect the hybrid workforce and new ways of working. For some organisations, this includes digitisation of paper-based processes (e.g. obtaining approval / signatures on documents), or adding clarity on business travel policies and expense reimbursements. Enabling hybrid work shouldn't be an 'add on' - it needs to be part of core business processes.

Policy change? Or employment contract change?

Legally formalising the processes, terms, and conditions that govern your organisation's hybrid work model will ensure clarity and enforceability down the line. The challenges associated with these changes will depend on the level of mitigation, enforceability, and expediency that your organisation is aiming to achieve.

On one hand, making changes at the level of workplace policies can provide an expedient option to formalise changes across all employees.

On the other, making changes through renewed terms of employment or a contract addendum can provide for greater enforceability and mitigation down the line. Under either approach, providing advance notice and obtaining employee sign-off on workplace changes is essential for formalising the changes required to establish a hybrid work model.

Develop guidance material to support policy documents

Many organisations have developed and published additional guidelines to support their people in the implementation of policies. Guidance material can be used to cover expectations and behavioural aspects of your hybrid work approach, such as whether you expect people to have their cameras on during meetings, what platforms or communication channels are used across the team, and what appropriate workplace attire is if your people are dialling in to video calls from home.

Considerations for onboarding new staff members

It's challenging for new starters to find their feet in a hybrid workplace, as working from home can amplify feelings of being disconnected or a lack of belonging. Equally, it becomes harder for those working remotely to access information from co-workers.

Consider what may need to change in your on-boarding processes, so that new joiners are set up for success:

- Do you suggest that new joiners work from the office for a set period of time, to get to know people? Does the team need to be in the office during this period of time?
- Do you set up 1:1 catch ups with the team, so that new joiners can connect with others irrespective of where they are working?
- How can new joiners learn from others in a hybrid work environment?

Questions to consider

- What policies need to be updated to reflect our hybrid work approach?
- What processes can we update or automate, to ensure people can deliver their role from any location?
- What process changes do we need to make for on-boarding new staff members?
- What guidance material do we need to develop or update, so that the way people implement hybrid working supports our organisation and our culture?

Policies and processes

CHECKLIST: What we would expect to see in a hybrid work policy

- Purpose of the policy** - why it exists, and what the organisation seeks to achieve by adopting a hybrid work approach.
- Who is covered by the policy** – articulate whether all staff are covered by the policy, which roles are the exceptions to the policy (e.g. customer facing staff / receptionists) or if there are differing approaches for different staff groups.
- Guiding principles** – what are the key principles which underpin your hybrid work approach? For example, *‘we trust our staff to work from a location which enables them to be at their best.’*
- Formal vs informal requirements** – articulate which hybrid arrangements can be adopted informally, and how an employee would decide to use it. For example, *‘employees can work from home if they have reliable and stable internet connection.’* It is also important to articulate which arrangements require a formal change to the terms and conditions of an individual’s employment, such as varying your main location of work on a long-term basis.
- Expectations of where staff work** – articulate if you have an expectation about where staff will spend the majority of their time, and what you mean by that. For example, your policy may state that you expect staff to work from your workplace for at least three days per week. Alternately, each team may have guidance documents (such as the ‘Hybrid Work Team Charter’) to articulate expectations.
- What is provided to enable hybrid work** – articulate what is provided by your organisation to enable the hybrid work policy. Will you provide monitors, desks and chairs? Will you provide financial compensation for employee internet bills and electricity?
- Document owner and revision** – who is responsible for the policy? When will the policy next be updated/reviewed?



Example: hybrid work team charter

Where we work

- We aim to work more days in the office than from home.
- Everyone is always welcome to work from the office.

When we work

- Our core working hours are between 8.30am and 5pm.

When we meet as a team

- Daily morning stand-up meeting, held online.
- In-person team days at the office every Monday and Tuesday.
- In-person team meeting every Tuesday at 9am.
- We prioritise collaboration and team activities on Mondays and Tuesdays.

When we best work from home

- Wednesday and Friday are the preferred work from home day for our team.
- We prioritise deep focus work on a Thursday, and don’t book regular meetings on this day.

How we stay connected

- We leverage technology to collaborate remotely e.g. Teams chats, channels, whiteboards, screen sharing, co-editable documents etc.
- We share our Outlook calendars.
- We turn our cameras on and actively participate in online meetings.
- Regular contact is maintained with our Team Leader and colleagues.

Regulatory

Health and safety in a hybrid work environment

Under the [Health and Safety at Work Act 2015](#) and related regulations, employers must provide employees with the highest level of protection from workplace health and safety risks, so far as is reasonably practicable. This includes risks to both physical and mental health.

Employment New Zealand states that:

“if employees regularly work from home, employers should consider whether this would be a ‘home-workplace’ that needs a health and safety risk assessment. This could include things like ergonomics of the workstation setup, fire safety equipment, and first aid kits.”

Mental health risks can amplify in hybrid work arrangements, particularly if people leaders and managers don't have the skills to effectively manage their people and teams (see People Management, page 11).

Increased legal complexities, particularly if hybrid includes working from overseas

More workplace flexibility presents greater legal complexities. This is especially true when hybrid models evolve from allowing employees to work from home to letting them work regularly in a different location or another country altogether.

Setting up remote work arrangements in different geographical locations may also surface tax, immigration, or data security implications. These are all important considerations that require a sound understanding of your organisation's legal obligations and risk exposure – both now and into the future.

If employees are working from different countries, the employee and workplace will need to consider necessary work rights, health and safety considerations and tax obligations as a result of the arrangement. It is also important to outline what the criteria is for working overseas, if there's an application process, and if there are countries that employees are not allowed to work from (e.g. 'do not travel' or 'high risk' listed countries that the New Zealand Government deems unsafe).

Questions to consider

- How does our hybrid approach impact existing employee contracts?
- Do we need to change our contract wording to reflect our hybrid approach? What is the potential consequence of this if we need to manage performance?
- Is our organisation willing to take on additional legal complexities if our hybrid approach extends to working from overseas?
- Are there new / different health and safety considerations for our people in a hybrid environment?
- How will we check the standard of remote work set-ups?



Digital and technology

Continued investment in technology to support a hybrid workforce

Hybrid workforces thrive on their ability to keep all teams connected and equipped to handle anything that comes their way, no matter their location. That means adopting video conferencing technology, team collaboration platforms, and online resources (e.g., “desk booking”), while ensuring people who are working from home/elsewhere have the same tools as their in-office colleagues.

New devices and methods of service delivery and access might also be needed. When planning, take stock of your existing technology (software and hardware), assess what’s needed, and make a plan for filling the gaps.

Staying connected

In a society where technology is so prevalent in the ways in which we communicate and work, it must not be assumed that all regions of New Zealand have the same level of technological infrastructure. There are some regions that do not have fast internet connection speeds, and this can adversely impact an employee’s ability to effectively work remotely. Determine whether this is of concern for your organisation, and if so, how you will manage requests for remote work from these locations.

Cyber security and data protection

Your office network may already be secure, but allowing remote employees to access sensitive data and key systems from outside your physical workplace location breeds cyber security risks. We often talk of a mindset shift in moving from “perimeter security” to a “zero trust” type model, as it is best suited to remote working.

Digital security mechanisms that staff depend on in the office may not be available to them at home, or if they are, they may not be as effective. Therefore, it’s important to assess your cyber maturity and the gaps that you’ll need to address before opening your network to remote access.

In the future, connection will be purposeful, creative and enabled through new technology

In the future, virtual reality and artificial intelligence will enable greater human connection in a perpetually hybrid model. Technology will better leverage the lessons from social media to feed the human desire for purpose and connection, instead of simply being a tool of efficiency or convenience. How is your organisation positioned to leverage technology as improvements are made in the future?

Questions to consider

- What investment do we need to make in our technology now, to enable a seamless hybrid work approach?
- How can we update our digital strategy to embrace improvements in technology in the future?
- Do we have robust mechanisms in place to detect and manage cyber threats? Are these reviewed regularly to match changes in our operating context?
- How do we educate and upskill our people on how to identify and mitigate cyber threats (e.g. malware and phishing emails), and manage data privacy?



Spotlight on Cyber Security

Q.

Is how you are authenticating to remote systems, (including to cloud based systems) placing the organisation at undue risk?

While remote access is nothing new, in a hybrid workplace it is increasingly relied upon to access to IT resources – whether they be in-house systems, or cloud-based systems provided by third parties.

Many organisations continue to rely solely upon username and password to authenticate users. All too commonly, users don't use multi-factor authentication, or it is only used for some scenarios e.g. for VPN access, but not for accessing core cloud applications such as Microsoft 365.

A stance of using multi-factor authentication for all remote access, including for accessing all cloud solutions, should be taken. This doesn't need to be cumbersome on users, and can often be implemented transparently.

Q.

How will you detect and respond to a cyber security incident in a hybrid working environment?

A hybrid working environment can reduce the ability to detect potential security incidents. It can also mean a slow or no response time for handling an incident because computers cannot be remotely accessed, or because key IT staff are working remotely and can't access company IT systems in a timely manner.

As part of establishing your security incident response strategy, determine how you would detect and respond to a security incident that occurs remotely, or when the staff responding are remote themselves.

A robust EDR (Endpoint Detection and Response) solution goes a long way to providing visibility about potential security incidents, no matter where the computer is. An EDR solution also provides a mechanism to rapidly contain an incident and allow you to remotely investigate.

Q.

Are you overly reliant on perimeter defences to protect you from cyber attack?

Traditional cyber security approaches relying on security 'at the perimeter' were adequate in a world where data and its users resided within specific, well-defined locations. With physical boundaries disappearing, conventional cyber security approaches are being rendered obsolete, ultimately driving the need for modern solutions to protect critical assets and information.

More and more businesses are moving towards to a zero trust architecture to restructure their cyber defences.

A zero trust approach puts user identity, access management and data at the heart of cyber security. Zero trust is not a technology solution but a model and approach that requires a mindset shift based on three key principles: Assume nothing, check everything and limit access.

Physical workplace

Reimagining the role of the office

Planning a hybrid workplace is an opportunity to rethink how you're using your existing workspace. Employees who have worked from home are now asking why, when and how often they should join their team in-person.

38% of hybrid employees say their biggest challenge is knowing when and why to come into the office.

– Microsoft

Consider re-configuring your real estate in ways that:

- promote safe working practices and allow for collaboration (e.g. hybrid meeting spaces, multi-purpose team rooms, or movable walls and desks).
- enable effective interactions between employees that come into the office and those working remotely (e.g. installing acoustic panels to buffer noise, meeting rooms with seamless collaboration technology).
- consider sustainability as a key factor, which benefits the environment, drives productivity, health and well-being of employees, and reduces operating costs.

Equipment and tools for a seamless experience

Consider the equipment required to enable a seamless hybrid work environment. You may need to:

- invest in different equipment for physical locations which allow for your desired ways of working and culture.
- make changes to your infrastructure, assets or processes to make the experience seamless if people move work locations during the day.
- identify which tools or equipment need to be at each location.

Hybrid work arrangements also have an impact on asset management and procurement – with dispersed assets and procurement to multiple locations. It may be timely to revisit your organisation's asset management or procurement approach in light of this.

Providing support for working from home

If your organisation has adopted a hybrid approach and forecast for people not working from the office, consideration needs to be made for how you will support working from home.

True flexibility means providing financial and logistical support to help individuals thrive - whether they in the office or at a location across the country.

Consider the costs your remote teams are incurring (e.g., internet, phone, office equipment, etc.) and decide which will be compensated by your organisation. Keep in mind that remote workers may actually be saving the company by not taking up physical space and resources.

Geographical locations of company workplaces

With an increase in the uptake of hybrid work, organisations are rethinking expensive central city rent and either considering shifting office locations to other areas, or reducing the footprint of existing locations.

As part of your approach to hybrid work, consider the location, quantity and types of spaces you need to be able to deliver to your customers and for your workforce to be productive. For example, if your customers engage with you online, do you need to have a physical location near where they are?

Questions to consider

- What changes might we need to make to our office layout, to enable our desired culture and ways of working?
- How can you make the experience seamless as employees move between working from the office and working from home? What tools or equipment do we need to provide to employees?
- Do we have the right geographical footprint to serve our customers?
- Do you need to make changes to your asset management and/or procurement approach?



Measures

How will we know if our hybrid approach is working?

Similar to workplace culture, the way that hybrid work is adopted and embedded will change over time. It is important that organisations have mechanisms in place to frequently measure employee expectations and experiences.

You can measure the effectiveness of your hybrid approach through:

- Employee surveys – including existing staff engagement or culture surveys.
- Focus groups .
- Informal feedback channels – e.g. staff conversations with team leaders, peer feedback groups.
- Customer feedback channels.

Insights from these measures can be used to ensure that your hybrid policies and intent are translating in working practices, and to inform future decisions on how to evolve hybrid work in your organisation.

A mindset shift on how to measure productivity

Hybrid work challenges the notion that ‘if people are in our workplace during our working hours, then they are productive’. Historical management approaches use time and visibility as a way of determining productivity, however this is not feasible in a hybrid environment.

As part of your hybrid workplace, consider how your organisation defines productivity, and what is used to measure it. Many organisations are now looking at outcomes as a productivity measure, irrespective of time taken. This is great for those who can operate efficiently, but can be troublesome for those who might get stuck during delivery, or work better if they have time for deep thinking. Other organisations are shifting their focus to measure collaboration and innovation, and growth and learning.

Monitoring is not measuring

Software and tools exist which are marketed to employers who may be concerned about employee productivity when not working from a central location. This is not a recommended way of measuring productivity, or whether hybrid is working for your organisation.

As outlined by Employment New Zealand:

“Employers should think carefully about monitoring employees’ productivity whilst working remotely. Employers should only consider setting up cameras and software to monitor employees if it’s reasonable, for example, to ensure their safety. Monitoring staff can affect their morale and productivity because they may feel that they are not trusted by their employer. Employers need to be mindful of the different privacy concerns that arise when monitoring or filming occurs in the employee’s home environment.”

Questions to consider

- How will we measure if our hybrid approach is working for our customers and staff? What does success look like?
- What data do we already collect? What new data will be needed?
- How often will we measure?
- How will we measure the impact of hybrid working on our culture?
- Do we need to rethink what productivity means for our organisation, and how we measure it?

6 Case study: Hybrid work at KPMG New Zealand

At KPMG New Zealand, we have recently refreshed our approach to flexible working to reflect the changes made to the working world over the past three years.

These changes have been captured in our Flex@KPMG Policy which can be summarised as follows:

- Most roles are able to be successfully performed across a mix of different locations.
- Consideration should be given to the type of work being undertaken and where it will be most conducive to perform it from. We call these the Office, Client and Home hubs.
- KPMG New Zealand encourages flexible working for our staff members depending on a wide array of circumstances. We recommend that KPMG staff utilise the hub that suits them best for each day, enabling them to achieve their professional targets and personal goals.
- KPMG New Zealand does not limit one hub to be selected and an employee can freely move between hubs throughout the day depending on the demands of their clients, their KPMG colleagues and their personal lives.
- Our people have weekly team meetings that are conducted virtually to enable a shared sense of belonging amongst all employees regardless of which hub they are currently working in. This fosters inclusivity, empathy and consideration for all employees wherever they choose to work.

Our leaders measure whether our hybrid approach is working through employee engagement surveys, staff discussions, and feedback from leaders and people managers.



Office hub

Ideal for ideation, collaboration, networking, social/team connections, learning, observing and onboarding.



Client hub

Ideal for building and strengthening client relationships, access to clients and material, client requests.



Home hub

Ideal for focus time, less travel, work/life balance.

7 How we can help

We hope this guide leaves with you a good starting point for you to enhance your hybrid workplace.

Our team at KPMG are excited to partner with you to develop and evolve your hybrid working model. Our expertise in people experience is augmented with our KPMG specialists in digital transformation, tax, organisational design and change management, cyber security, inclusion and diversity. We can work with you to add value to your employee experience and business outcomes.

Examples of how we can help include:

- Partner with your organisation to define your hybrid work approach, and which aspects of your organisation may need to change to reflect a hybrid environment.
- Develop the case for change to hybrid working.
- Deliver an organisational wide culture diagnostic to help understand how your organisation's culture can best evolve and be enriched in a new hybrid model.
- Support your executive leadership to embed and sustain change.
- Advise on tax and compliance.
- Outline remote work policy and guidelines.
- Implement and drive adoption of collaboration and productivity technology tools.
- Develop processes and guidelines for your teams to work effectively in a hybrid approach.
- Apply and/or build leading cyber security practices for your organisation.
- Help you assess climate change risks and opportunities and sustainability impacts of your organisation.



Insightful resources

Physical Workplace

- [Making Hybrid Work Work](#)
- [Interview with Ross Eddington, KPMG on designing a hybrid workplace](#)
- [A Green Office Equals A Productive Office](#)

Measures

- [Fewer New Zealand organisations linking data and strategy](#)
- [HBR: Revitalising Culture in the World of Hybrid Work](#)

Customer

- [KPMG Global – Orchestrating the connected customer experience](#)

People

- [Employment New Zealand: Flexible working arrangements](#)
- [Public Service Commission: Hybrid Working - the quick guide](#)
- [KPMG People & Change: People underpin your organisation's ability to grow, transform and thrive.](#)

Policies and Processes

- [Public Service Commission: Hybrid Working - the quick guide](#)
- [Employment New Zealand: Flexible working arrangements](#)

Regulatory

- [Worksafe New Zealand: Setting up a healthy workstation when working from home](#)
- [Employment New Zealand: Flexible working arrangements](#)

Digital and Technology

- [KPMG report shows cybersecurity and privacy expectations increase](#)
- [Can SMEs run a hybrid work model securely in Aotearoa?](#)
- [CertNZ – Working Remotely Securely](#)
- [Working Remotely: Advice for Organisations and Staff](#)

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