Inka Wappula

Employee Wellbeing and Inequality in a Hybrid Working World

Research study on the effects of hybrid working

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Abstract

Hybrid working has become increasingly normal during the COVID-19 pandemic amongst many industries in Finland. It is an employee benefit that companies can offer to their employees if they want to, but it is by no means necessary for companies to offer this possibility. Hybrid working does pose challenges, such as not being able to monitor employees properly, difficulties with collaboration, and difficulties with building trust. However, hybrid working also has many upsides, for example, increased work-life balance, and better productivity. Hybrid working is also not accessible to everyone, which can bring out additional problems related to equality.

The purpose of this thesis is to discuss the topic of hybrid working based on the findings of the qualitative research, and to find out whether hybrid working increases employee wellbeing, and if equality decreases because of it. The thesis statement that the thesis itself tries to focus on is: “The future of work is hybrid, even though it increases inequality, because it also increases employee wellbeing.” The statement is partially correct, as the thesis finds out that employee wellbeing does increase in many ways due to hybrid working possibilities, but hybrid working in itself does not impact equality in a noticeable manner.

Keywords: hybrid working, remote working, employee wellbeing, inequality, employee benefits
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Glossary

1 Introduction

Even before the COVID-19 pandemic, working from home has been a somewhat increasing option for some employees. Before the pandemic, approximately five percent of office workers primarily telecommuted in the United States, but the number is expected to increase to 20-30% due to the pandemic. Lockdowns forced many companies to quickly adapt to working remotely, which offered multiple white-collar employees and other employees working with a computer a chance to switch to working remotely. However, even during the pandemic, working remotely has not been an option for most blue-collar workers. (Levanon, 2020).

Those employees that have been able to stay safe and work from home, the shift from office to home has had its own challenges, as remote working can be quite straining on employees. Therefore, most employees prefer a hybrid working model where they have some freedom in choosing where to work. (Microsoft: 2021 Work Trend Index, 2021) However, as good as hybrid working can be in the eyes of the employees, it is not problem free. Hybrid working has many layers, and this thesis will be focusing on the topics of inequality and employee wellbeing. The research will focus on Finland, but also discuss some other countries.

As some employees have been able to make the shift to working remotely, others have not been as successful. Most employees that work from home would prefer to work from home every now and then in the future, but some employees have of course been struggling with the new shift to working outside their offices. What the thesis aims to answer, is whether the positive aspects of hybrid working outweigh the negative aspect, and whether hybrid working has increased inequality amongst employees. While hybrid working is becoming the new norm, it has reviled the importance of employee wellbeing, and how it should be a priority for companies. But can hybrid working decrease wellbeing?
This thesis aims to solve some of the problems of hybrid working and discuss the multitudes of impacts this model has on wellbeing and to equality. The data for the thesis has been collected in a qualitative research method focusing on secondary sources. The data has been collected mainly from online articles, newspaper articles, and some peer-reviewed journals and surveys. The data has been collected from Finnish and international sources to offer a full view of the topic in general and on a Finnish scale. The reason for the abundant use of online articles is that they have been a good and recent source of knowledge related to hybrid working as of late, and not only from the time before the pandemic when it was highly different from what it is now.

The goal of this thesis is to examine the topics from as many points of views as possible to find out whether the thesis statement stands correct. Another goal is to try and answer how hybrid working will affect employee wellbeing and overall inequality. As a conclusion, this thesis discusses the challenges and benefits of hybrid and remote working generally, but also from the angles of inequality and employee wellbeing. The future of work is hybrid, even though it increases inequality, because it also increases employee wellbeing.

2 Terminology

The importance of terminology when discussing different topics and subjects is fundamental as it helps with understanding the correct meaning behind something said or written. When the correct terms are understood and used properly, it helps with the discussion. (Fathi, 2017) Understanding what something means is the first step in grasping the full picture of a certain topic, which is why it is important to begin the thesis by going through the four main terms: hybrid working, employee wellbeing, employee benefits, and inequality.

2.1 Hybrid Working

The Cambridge Online Dictionary defines both the noun and adjective “hybrid” as a “mixture”, a combination of two or even multiple different things. The term
hybrid is adaptable to many different situations. For example, hybrid cars use petrol and another energy source, such as electricity or gas, to function. (Cambridge Dictionary a., n.d.) Hybrid working is also a mixture of two different things: working in an office; and working remotely outside of the office, such as from home. The quote from Cambridge Dictionary explains hybrid working below.

Used to describe a way of working that involves sometimes being physically present and sometimes working at a distance using the internet.

Cambridge Dictionary, n.d.

While hybrid working entails both office and remote working possibilities, besides that, there are many different variations of hybrid working. In some companies, hybrid working might mean total autonomy in choosing where to work, while other companies might have a set number of office and remote days. It is also important to note that within one company, some employees have different rules than others when it comes to hybrid working possibilities, due to differences in job description. (Hinds, 2021) As a conclusion, the meaning of hybrid working is highly adaptable.

2.2 Employee Wellbeing

Employee wellbeing is the sum of multiple smaller and larger factors, that together form the idea of wellbeing. Some of these factors include clear responsibilities, sufficient onboarding, and good work-life balance. Also, personal matters outside of the workplace can influence workplace wellbeing on an individual or team level. (Short, 2018) Good employee wellbeing has great, positive outcomes on happiness, health, and work engagement. (Reilly, 2020) The problem with creating a healthy environment that boosts employee wellbeing is that wellbeing is a highly individual experience, and what might boost the wellbeing of some employees can cause distress for others. (Finnish Ministry of Social Affairs and Health, n.d.) Employee wellbeing can be summed
up as something that is affected by all employees and managers, and at its’
best aims to provide a safe, good, and amiable atmosphere to everyone.

2.3 Employee Benefits

Salaries and wages are a traditional form of compensation received by
employees for their work efforts. Employee benefits on the other hand are
another form of compensation that employees can receive in addition to the
traditional salaries and wages. (Merhar, 2020) Good employee benefits can act
as an incentive and motivator for employees, and even attract future employees
to a company. (Hanna, 2020)

In Finland some of the most popular employee benefits are lunch benefits,
cultural benefits, and phone benefits. Even flexible working times, or flexitime,
and hybrid working possibilities are seen as employee benefits. Other benefits
that might not be noted as being employee benefits are parties and events
arranged and paid by management. (Hanna, 2020)

Benefits are generally a slightly cheaper version to rewards employees instead
of monetary rewards. (Hanna, 2020) However according to the rules by the Tax
Authorities in Finland, many personal benefits are taxable, which means
employees must pay taxes on said benefits, but some benefits are tax free up to
a certain point. For an example, employees can receive 400 years annually for
sports and culture benefit without taxes. (Vero, 2021) Companies have some
freedom in choosing what benefits they offer to their employees, and the
systems do vary from country to country. Different taxing systems, legislations
on vacation time, and nationwide healthcare models are just some examples of
what can affect a company’s benefits policies. (Aon, n.d.)

2.4 Inequality

The fundamental meaning for the word inequality is unfairness, which can be
further explained by some members of the society having more opportunities,
better social standing, and more wealth than others. Overall, the word inequality
is the antonym of the word equality, which by itself is already quite a description to the word. (Cambridge Dictionary b., n.d.) Inequality is a difficult topic to discuss since individuals do interpret the lack of equality differently and from their own point of view. (Afonso, LaFleaur and Alacrón, 2015)

Possibly the most talked about forms of inequality are economic and social. Economic inequality can be seen in differences between salaries, wages, and assets. Social inequality on the other hand can be seen by giving or not giving people opportunities or treating them differently based on race, gender, age, disabilities, or family backgrounds. (Afonso, LaFleaur and Alacrón, 2015)

3 The COVID-19 Pandemic

A survey published in 2020 in the National Bureau of Economic Research Working Paper Series collected responses twice from a sample group of 25,000 people during the spring of 2020. The study found that over a third of the respondents shifted to remote working, while 10% were laid-off or furloughed due to the pandemic. (Brynjolfsson, Horton, Ozimek, Rock, Sharma and TuYe, 2020) The survey is a great indicator of the impact of the COVID-19 pandemic to remote and hybrid working, which is why it is important to have a closer look on how the pandemic has impacted the economy of Finland and its' people.

3.1 Finland vs. USA

Comparing the economic impact of the COVID-19 pandemic in Finland to the ones in the United States provides an interesting pairing. Whereas the United States is the number one economy in the world, Finland is not even part of the top 25 largest economies in the world. (Silver, 2021) In addition to being the only military superpower of the world, the US produces approximately a quarter of the world’s wealth in 2015 and participates highly in global matters, for example, through international aid. The culture of the States is also extremely
influential and affects the rest of the world, as many other cultures consume American media and speak American English. (Bitesize, n.d.)

Since January 2020, when COVID-19 was first reported in the US, there has been over 80 million confirmed cases and nearly a million deaths by the beginning of April 2022. (Bloomberg a., 2022) In Finland during the same period there has been over 900 thousand confirmed cases and over 3 thousand deaths. (Bloomberg b. 2022) In Finland remote working has been recommended by different severity levels on multiple occasions to keep people as safe as possible from catching the virus and to help control the healthcare capacity. (Ministry of Finance, Ministry of Social Affairs and Health, 2021)

The pandemic has had huge impacts on the economy of the United States. In the spring of 2020 the unemployment rate peaked, multiple businesses closed temporarily, interest rates dropped, oil prices collapsed, and stock markets crashed for three days. Another drastic change caused by the pandemic was an almost overnight transfer to working from home. This turn accelerated the housing markets as people yearned for private outdoor spaces and home offices. All the while millions of renters were facing a risk of losing their homes due to loss of income. (Amadeo, 2021)

The Finnish economy is highly impacted by other economies, due to being a smaller economy and belonging in the European Union, and it has not survived without being impacted by the pandemic. The amount of public debt has increased and the people living in Finland have been more conservative with their spending. The pandemic and the restrictions hit Finland hard in the March of 2020, after which unemployment numbers and especially furlough numbers increased. It has been estimated that approximately 20 percent of employees in the Finnish labour markets have faced the threat of being furloughed since March of 2020. (Tiirinki, Tynkkynen, Sovala, Atkins, Koivusalo, Rautiainen, Jormanainen and Keskimäki, 2020)
Both Finland and the United States have helped their people by granting relief packages and benefits. The Finnish Government has granted its municipalities over five billion euros during the pandemic, (Valtiovarainministeriö, n.d.) and Finnish companies have been granted over 2.4 billion euros of direct benefits in total to aid them with the increased costs of the pandemic. (Pantzar, 2021) The people in Finland have also been able to apply for different additional benefits through Kela, such as payback reliefs or aid for loan payments if they have needed additional grants due to loss of income from the pandemic. (Uimonen, 2021)

The United States has been planning on providing 350 billion USD emergency funding for governments through The American Rescue Plan. They will also provide other funding meant for state, local, and tribal governments, for example, 10 billion USD for homeowners, 21.6 billion USD for renters, and 10 billion USD for small business credit expansion initiatives. These are meant to be shared by the governments to the people and entities in their area in need of help. (U.S. Department of Treasury, n.d.) From this we can see that the size of the economy has not had considerable effects on how they have approached the issues caused by the pandemic.

3.2 Inequality and COVID-19

The furloughs and layoffs caused by the pandemic is an issue that has not affected everyone. The one major reason for the furloughs and lay-offs in Finland has been the COVID-19 restrictions set by the Government to help decrease the spread of the pandemic, and these restrictions have not treated everyone equally. Travelling industry, restaurant industry and cultural sector were some of the fields that the restrictions hit the hardest, since they had some of the strictest restrictions. (Sosiaali- ja terveysministeriö, työ- ja elinkeinoministeriö, 2020). That might be because these industries have not been seen as a necessity for everyday life, and because they bring people close together, which can help spread the virus.
When going beyond economic inequality, the pandemic has also increased social inequality. Older people have been stuck at home without human connections, teenagers and children have had to cut down their social connections and seeing their friends, and partners have not been able to participate in the births of their children. Students living by themselves or with partners, who have already been tight on money, have not had access to the cheap student meals their schools offer, and some immigrants might have not received enough information about the pandemic and restrictions in a language they understand. (Sosiaali- ja terveysministeriö, työ- ja elinkeinoministeriö, 2020)

Based on what we have learned, the COVID-19 pandemic has increased inequality amongst people in many different ways. While some have been able to continue working from the safety of their own homes, others have lost their jobs. While some have had the chance to cut down on their social encounters without losing their jobs, others have not had the possibility to do so. When talking about hybrid working and remote working possibilities, it is important to note that it a benefit for some, not all.

4 Hybrid Working and Remote Working

During the pandemic, over a million people in Finland have transferred to working either fully remotely or working remotely from time to time. (Pantsu, 2020) Tilastokeskus, a Finnish statistics authority, has researched and created statistics of how the pandemic has impacted remote working possibilities in Finland. Figure 1. below, has been created by Tilastokeskus and it shows a comparison of regular remote working statistics of 2019 to the statistics of 2020. (Leskinen, 2021)
Figure 1. The percentages of regular remote working opportunities in 2019 and 2020 by sector (Leskinen, 2021)

From Figure 1. we can see that remote working has increased the most in sectors C, D, and E, which consists of industrial processing, electricity, gas, warmth, and water maintenance. These sectors are generally seen as entailing of manual labour or being “blue-collar”. The other sectors that have had the most noticeable increase in remote working possibilities are sector J, which is information and communication, and sector K, which is financing and insurance. The only sector that has not had any increase in remote working opportunities
during the pandemic is sector I, which is the hotel and restaurant industry. (Leskinen, 2021)

Tilastokeskus has also researched other statistics related to remote working in Finland. They found that remote working has increased all over Finland, but the biggest development has happened in Uusimaa, where remote working has increased by over 15 percentage points. Differences between genders are not remarkable, as in 2019 66% of men and 70% of women did not work remotely even once, and in 2020 59% of men and 62% of women did not have any remote working possibilities. (Leskinen, 2021) This shows that the division of remote working opportunities stems from the work sector itself, not from other determinants.

Luckily hybrid working, and remote working seems to suit most Finns, as over half of the Finnish employees that have been able to work remotely do wish for remote working possibilities to continue even after the pandemic. (Pantsu, 2020) And again, it is important to remember that hybrid working (and what Tilastokeskus has researched) has multiple different variations from company to company or even team to team. Some variations of hybrid working require physical presence at different scales, and others do not. (Mitchell, 2021)

4.1 Challenges Presented by Hybrid Working

Hybrid working and remote working opportunities have become the norm for many employees, but they can present additional challenges for teams, managers, and employees themselves. (Mitchell, 2021) The challenges discussed in this Thesis are not by any means the only challenges presented by hybrid working, nor does everyone face these challenges, but they are some of the most prominent ones that should be noted.

Starting first with the challenge of building relationships when working remotely from one another. Collaborating remotely can make it more difficult to build trust and create solidarity between individuals. Managers cannot see with their own eyes how their employees are performing, and they cannot make estimations by
the behaviour of the employees. (Mitchell, 2021) Rather they need to rely on results, which requires setting clear performance metrics and expectations, so that employees know what is expected of them. (Farmiloe, 2021)

Focusing on healthy and empowering working culture by setting expectations, focusing on effective communication, and helping colleagues to collaborate and connect are steps managers need to take. This needs to be done in a way that does not promote or feel like micromanaging, which on its own decreases the trust between employees and managers. (Farmiloe, 2021)

When further digging into collaborating remotely in teams, it is important to remember to incorporate all parties in brainstorming and decision-making. When there is a team of multiple people, some of whom are in the same shared space, and some who are participating virtually, it is easy to discount the virtual participants. A solution to this is utilising as many virtual tools as possible. Using electronic whiteboards, proper speakers, and a webcam for the conference room, are just some tools that can make it easier for the remote workers to participate. (Paulise, 2021)

Remote working itself is only possible due to technology that allows for cooperation without being in the same space. A popular virtual collaboration tool is Microsoft Teams, which allows for meetings to be held virtually. This is an important tool for many remote workers, but also a cause for fatigue. The continuous meetings have been made possible due to lack of commuting, but they are also very tiring. Having no breaks, no time for operative tasks, and continuously seeing yourself can create a stain on employees. Some solutions for these are hiding your own video, scheduling shorter meetings that allow for breaks, and overall considering the importance of the meetings. (Oxford University Hospitals, 2020) Another solution is having designated “No-Meeting Days”, which allow for employees to focus on the operative tasks. (Mitchell, 2021)
When discussing the challenges of hybrid working, it is important to understand the inequality it causes. Managers tend to favour the people they see the most and give them the best projects, and even promotions or rewards. (Paulise, 2021) On the other hand, people that work from home might feel additional pressure to be more productive and cut down on their breaks. Especially women tend to struggle with this. Remote working can also blur the lines between work and leisure, especially for people that do not have home offices and see their work (meaning computer and other tools) continuously. (Niskanen, 2021)

4.2 Benefits of Hybrid Working

Hybrid working is nothing new, it has merely increased during the pandemic. (Mitchell, 2021) Even though it does present challenges, it also has many benefits, which makes it attractive for most employees. (Pogue McLaurin and Pittman, n.d.) The many variations of hybrid working also make it possible for companies to try and figure out the best models for them, whether it is having set office days or complete freedom in choosing where to work. (Mitchell, 2021)

Hybrid working by no means only stands for remote working, rather it is a combination of remote and non-remote work. This allows for employees to get the best of both worlds, by having more freedom in planning their weeks. Employees that have set team meetings can come to the office and socialise on other days, and on the other hand they can work from home on the days that they require full concentration. (Pogue McLaurin and Pittman, n.d.) Virtual collaboration with teammates is also easier than ever due to online platforms, so if the tools work there should be no problem in joining meetings virtually. (Bandaru, 2021)

Actually, a clear benefit of hybrid working is increased productivity. This might be because employees might have less distractions at home. One reason for this might be increased energy levels, as the employees can wake up later and cut off the back-and-forth commute. (Alexander, Cracknell, De Smet, Langstaff,
Mysore and Ravid, 2021) Commute can be very tiring, and the lack of it increases work-life balance, as workdays become shorter, and it opens more time for other activities before or after work. (Advanced Workplace, 2021) In this case it is also important to remember that as employees are individuals, some might be more distracted at home or face other problems when working from home. (Alexander, Cracknell, De Smet, Langstaff, Mysore and Ravid, 2021)

The lack of commute and the opportunity to work from home can save money for employees, but also for companies. Not wasting money on gas, public transport, office lunches, and other takeaway items can have significant impacts on the amount of money employees use in a month. On the other hand, companies can opt for smaller office spaces that require less electricity and heating, thus lowering their carbon footprints. Pollution levels also are cut down when people stay at home. (Advanced Workplace, 2021)

Due to hybrid working, companies can take an advantage of larger pools of candidates when hiring new people. When once location was a selection criterion for applicants, due to hybrid working location is not as important as it once was. (Bandaru, 2021) It is also possible for companies to hire new employees without needing larger offices that accommodate all of them simultaneously. (Advanced Workplace, 2021)

4.3 Significance of Hybrid Working

It is safe to assume that the future of work will be hybrid. (Mitchell, 2021) Unfortunately, hybrid working is not possible for all employees since some have very location dependent jobs. For example, machinery operators and kindergarten nurses have location dependent jobs, since it is difficult to operate machines manually from home, or to take care of children via videocalls. In fact, more than half of the employees either have very rare opportunities to work remotely or no opportunities at all. Hybrid working, in fact, concerns only a small portion of the workforce. (Lund, Madgavkar, Manyika and Smit, 2020)
Employees generally enjoy the possibility to work flexibly whereas managers commonly prefer people working in the office (Duval, 2021). Of course, as has been mentioned, not every employee enjoys hybrid working model in general, even though Global Workplace Survey has shown that most employees in the US, the UK, France, and Australia prefer hybrid working model. Socialising with colleagues is very important to many, even those who enjoy the occasional remote day. (Pogue McLaurin and Pittman, n.d.) It can also be argued that culture has a considerable impact on how employees feel about remote working.

A McKinsey survey conducted of 100 executives in various industries and geographics found out that productivity and customer satisfaction has increased during hybrid working, but it has required a different style of management that has better suited the current situation. (Alexander, Cracknell, De Smet, Langstaff, Mysore, and Ravid, 2021) It is extremely important for managers to listen to their employees and their needs, and to offer their support. Even though this requires additional effort from management, the true pitfall of hybrid working really is the lack of listening to employees. (Mitchell, 2021)

Hybrid working also has an economic and environmental significance. While employees save money by staying at home and do not pollute as much as they did before, the services nearby offices are losing customers. This means that the companies and entrepreneurs that have had office workers as their primary audience, either completely or during parts of the day, cannot rely on them anymore to bring in as much money as they did before. (Lund, Madgavkar, Manyika, and Smit, 2020)

5 Workspaces and Hybrid Working

Open offices were once all the rage amongst companies since they were cheaper. Open offices required fewer square metres, because nearly everyone worked in the same space with each other, which on the other hand made the spaces more packed and louder. The pandemic that caused employees to
transfer from these offices to their quiet homes and allowed people to work in quieter offices has made people realise that office spaces need to be updated. Loud spaces without any safe distances between employees that might be sick are possibly putting the health and wellbeing of the employees at risk. (Koutonen, 2020)

The health aspect goes hand in hand with the environmental aspect, as the appreciation of sustainable and greener values has increased in the recent years. Open offices have already been more sustainable, because they were smaller than offices before, but they were maybe too focused on the saving aspect. Spaces that are only meant to be cheaper for the company by fitting every employee in and not considering the type of work done in the space might have had negative impacts on the productivity of employees. (YIT, 2020)

As the offices now have fewer people working in them or possibly even nobody on some days, it is environmentally wasteful to keep larger offices where people do not want to come. This has created the need to update the office spaces that support the ways employees work and make it comfortable for the employees to come to the office and collaborate with their colleagues. (Koutonen, 2020) This raises an interesting question of whether employees would feel more enticed to working in the office if the environment would better support their needs and wellbeing.

5.1 Future Offices and Coworking Spaces

It is estimated that companies in Finland will require even smaller office spaces in the future as the focus will be on creating a comfortable and versatile space that allows for employees to meet each other, collaborate, and find an area that suits their workloads. The open offices with rows of desk next to one another will most likely stay in the past, as people have grown accustomed to the peace and quiet that their homes have offered. Also, to reduce the risk of spreading viruses, it is important to keep a safe distance to others. The spaces
themselves can become smaller as there will be less employees present simultaneously due to hybrid working. (Koutonen, 2020)

As there will be fewer people present at the office on the same days, there is less of a need for designated desks for each employee. Having no designated desks or “hot desking” is nothing new, but it has increased during the shift to remote and hybrid working. This can be challenging to employees, especially at first, since it requires constantly packing, unpacking, and carrying around laptops and other tools required for work. On the other hand, hot desking opens up possibilities to choose a desk based on needs. Employees that require collaboration can sit next to their teammates, and employees that require peace can sit somewhere further from noise. (Vasel, 2021) Fewer desks also opens up possibilities to create a more versatile and adaptable space for employees.

How the future offices will look like is of course dependent on the needs of a company and its employees. There is no correct or incorrect layout for an office as long as it serves the needs of the employees. The main priorities when thinking about the needs of the employees are safety and wellbeing. These can be achieved by creating an arid layout that is properly sanitised. It is also important to offer different spaces for different needs that will inspire the employees to work. Quiet rooms guarantee the silence some employees need, while proper collaboration spaces allow for teams to brainstorm and be loud, if necessary, without disrupting the other employees too much. Of course, long-term changes should only be made to offices when the changes of hybrid working are properly examined first. (Hogarty, 2021)

In the times that offices are reimagined, it is important not to forget the remote workers. Having equality amongst employees that choose to work from home and remotely is utterly important, as everyone should have same possibilities when working in the same company. As some remote workers might live in different cities or even countries, one possible idea is for companies to offer subscriptions to coworking spaces. (Hogarty, 2021)
Coworking spaces are shared spaces where people from different backgrounds and organisations can come together to work in an office setting if they have a membership plan. This allows for people to work from outside of their home and socialise with others, which is especially important if they do not live close to their own organisations’ offices but would occasionally enjoy being in an office. Unfortunately, coworking spaces can lack privacy and be very loud, which means that they might be more suited for someone without set schedules. (Cassidy, 2021) Subscriptions to coworking spaces might not be necessary for employees that live close to the offices, but they can have a significant boost in wellbeing of the employees that would otherwise have to work from home every day of the week.

5.2 Home Offices

Having a long commute and not enough free time can increase the amount of daily stress amongst employees. Therefore, many employees have chosen to live somewhere where they have a manageable commute that does not cause additional stress and allows for more free time. However, living in cities close to work does have negative aspects. Cities usually have higher rent prices and overall higher costs of living, which can be a strain on especially younger adults. The higher prices force people to either live further and suffer from the long commutes, live in small apartments, or have roommates to help split the rents. (Sirull, 2019)

During the pandemic, when remote working has increased, some general tips that employees have received are having designated and functional working spaces that decrease the number of distractions. Unfortunately for the people that live with roommates, family, or partners, this can be a tall order to fulfil. (Cook, 2021) Smaller apartments can also make it more difficult to arrange a designated working area.

This brings us to the possibilities presented by hybrid working. Once people have been able work mainly or even completely from home, they have been
able to consider the possibility of moving somewhere further from city with lower living costs that allow for larger or own apartments. The longer commute caused by moving further from the city will not feel as bad if there are only a couple of office days in a week, which also allows for more free time. (Meunier, 2021)

In Finland, the effects of hybrid working can be seen in the housing markets, as people have been wanting bigger spaces for themselves. In 2020 the Helsinki Metropolitan Area faced migration loss for the first time in the 21st century. However, cities have not lost their pull since many people still want to live in cities, but maybe in larger apartments or further from the city centre. Finns have also become more interested in living in houses and terraced houses in nearby cities, which has caused the prices of houses and larger apartments to increase. (Laukkanen, Paavilainen, and Vuorio, 2021)

The effects of hybrid working have impacted the Finnish housing markets because it seems like the future of work will be hybrid. The people that have lived in the city only for the convenience of location have been able to move further from the city noises. Many people still enjoy living in cities and being closer to the services city centres offer, which means that there are again individual preferences that come into play. (Laukkanen, Paavilainen, and Vuorio, 2021) Yet again, not everyone has the financial possibilities to even buy themselves houses or larger apartments.

6 Employee Benefits

Employees that have higher job satisfaction are more productive, and something that affect productivity is sufficient pay and benefits. In addition to employees valuing having benefits on top of their salary, benefits can also help attract and retain employees. (Tessema, Ready, and Embaye, 2013) Employee benefits can also help shape the image of a company to one that cares about their employees and values them. As an example, offering sports and wellbeing benefits increases the wellbeing of the employees, which can show that the
company cares about these values. Offering these can save the company more money in the long run, as healthier employees might not have as many sick days in a year. (Rumpu, 2018)

Some typical employee benefits are extensive healthcare, insurances, performance bonuses, relocation assistance, flexible hours (Indeed Editorial Team, 2021), sports- and culture vouchers, phone benefits, lunch vouchers, car benefits, and company parties. (Rumpu, 2018) The list of benefits and perks is terribly long and some of the rarest employee benefits in Finland are, for example: bike benefits, free berth, hunting benefits, and dentist benefit. (Pietarinen, 2012) Remote working and hybrid working are also employee benefits. This means that companies can choose whether to offer their employees the possibility to work remotely. (Indeed Editorial Team, 2021)

Benefits such as flexible hours and the ability to work from home offer employees a better chance for work-life balance. These can help employees to arrange their work around their personal lives and focus more on personal matters, such as exercising or taking kids to kindergarten in the morning. It has also been shown, as previously mentioned, working from home without distractions can cause employees to be more productive. (Indeed Editorial Team, 2021)

When talking about employee benefits in general, it is important to note that as there are differences in wages, there are also differences in benefits. People working in lower income fields tend to not receive as good benefits as people working in higher paying fields. Also, people living from paycheque to paycheque prefer receiving more money to better make ends meet, whereas people in higher paying positions might prefer receiving benefits. Typically, white men have been more represented in higher paying jobs and tend to have received more benefits as well. Women and people of colour have been able to get to higher paying positions in the present day, but white men are still the majority in these jobs. (Kristal, Cohen, and Navot, 2018)
7 Employee Wellbeing

Work is a huge part of many people’s lives, yet it can be a source of stress if it interferes too much with free time, creating a lack of work-life balance. Work related stress can decrease productivity and employee satisfaction, cause social issues, and most notably decrease the quality of employees’ lives. Being exhausted and tired both mentally and physically can cause people to make more mistakes at work and in personal lives, and even cause injuries due to carelessness. Exhaustion can also cause employees to cut out on social events and meeting their friends, which can further increase stress levels. Stress can also cause physical issues, such as weight gain, depression, migraines, weakened immune system, and even cardiovascular disease. (Ross and Vasantha, 2014)

To combat the issues work related stress can cause, managers need to take responsibility on creating an environment at work that encourages employee wellbeing. (Ross and Vasantha, 2014) A huge mistake managers can sometimes make is that they are too focused on the financial numbers and forget the importance of wellbeing, even though studies have continuously shown that a good wellbeing strategy at work can positively impact the performance of employees. (Reilley, 2020) When employees are doing well both mentally and physically, both at home and at work, the results can be seen in the workplace by increased productivity, higher morale, and employee retention. (Marinaki, n.d.)

The Chartered Institute of Personnel and Development, or the CIPD, conducted a study with Simplyhealth about Health and Wellbeing at Work in March of 2020. The CIPD is a global professional organisation with a focus on HR and the development of people, (CIPD, 2020) while Simplyhealth is a healthcare company in the United Kingdom. (Simplyhealth, n.d.) The study is an annual study related to learning about the themes of health and wellbeing - both physical and mental health - in the UK workplaces. The goal of the study is to learn about the themes of health and wellbeing, since employees that are
unhealthy and stressed, can cause the companies to perform negatively. Even though employee wellbeing is an important theme managers should focus on, financial numbers can act as an incentive for them to better focus on wellbeing. (CIPD, 2020)

The study finds that companies have widely varying ways of dealing with employee wellbeing: some companies aim to prevent issues, some companies act when they notice issues, and other companies do not react to any employee wellbeing issues. Solutions companies have to combat employee wellbeing issues are: offering wellbeing benefits, such as sports benefits to increase physical wellbeing; offering access to counselling services; and allowing employees access to private healthcare. Unfortunately, companies focus on profit maximisation, which means their wellbeing budgets can be tight, and managers might not see the significance of wellbeing benefits, even though healthy employees have less absences, better motivation, improved productivity, and an overall better company culture. (CIPD, 2020)

7.1 Causes and Solutions to Employee Wellbeing

There are many factors that come into play when talking about employee wellbeing and what affects it. According to the CIPD study, stress is one of the major reasons for employee absences. (CIPD, 2020) Workplace stress is something that can affect people both mentally and physically, and in the United States it costs almost $200 billion annually for companies. (Pfeffer, 2018)

Employee wellbeing or satisfaction is actually a measurement of how well a company is actually doing, since happier employees perform better. (Tessema, Ready, and Embaye, 2013)

Companies have mostly become aware of the problems that are caused by high stress levels, which is why many companies are trying to reduce their employees’ stress levels. (Pfeffer, 2018) As mentioned before, companies do have different approaches to dealing with employee wellbeing, but they also have different stressors. Also different positions inside the same companies
have different levels of stressors. Employees can also feel stress from their private lives. (CIPD, 2020) Below, Figure 2. showcases some of the most common causes of stress at work amongst employees, based on the CIPD study.

Figure 2. Most common causes of stress at work (CIPD, 2020)

The figure above shows the percentages of the respondents that have answered the question about the most common causes of stress at work in the CIPD study of 2020. (CIPD, 2020) To further analyse the figure, the two most common causes of stress at work are in fact work-related rather than non-work related. 60% of the respondents feel that their workloads are too much, which causes them stress. Having too much work can mean that employees must skip lunch, work continuously overtime, and that they do not have time to focus properly on their tasks. Management style is the second most frequent cause of stress for employees at 41% response rate. Managers might micromanage, add too much work on their employees’ plates, and might not listen to their employees’ needs, which all can cause additional stress.

It is also important to address the 26% of employees that feel like relationships at work cause stress and the 23% of the respondents who face stress from
trying to meet deadlines. Bad relationships at work can be the cause of poor management that does not address issues amongst teammates, or overall, from a too stressful environment that keeps everyone on the edge. Deadline stress is most likely because of workloads or just from expecting all tasks to be done as soon as possible. Many simultaneous projects with ad hoc tasks that require immediate action can cause employees to fall behind schedule or even miss deadlines, which is a terrible cause for stress.

The results of this survey are interesting. As has been mentioned, many companies encourage healthy lifestyles, (Pfeffer, 2018) but most of the respondents feel stress coming from the work environment or the workload itself. Employees themselves are wishing for more autonomy and control over their own work because micromanaging can make it feel as the employees are not valued and trusted enough. The issue of autonomy can be somewhat helped with introducing more flexibility in the job description. This allows for employees to utilise their expertise and areas of interests, which helps them keep motivation levels high. (Pfeffer, 2018) It is also important to train and onboard employees and provide them with clear goals and expectations. These give the employees more confidence, thus increasing their wellbeing. (Marinaki, n.d.)

Employee wellbeing is the sum of multiple smaller and larger factors, and it is an individual feeling. Therefore, it is important to find the proper solutions for each company, branch, team, and even employee. This is where the importance of managers and their efforts are best seen. When and if managers have the tools and training to recognise problems in the workplace, and the passion to work out the difficult situations, it can have a significant impact on the wellbeing of employees. Therefore, it is important to continuously train managers in employee wellbeing matters. Good training for managers can also ease their stress levels, as they know how to address difficult situations correctly. An important tool managers can utilise if they are unable to help, is encouraging employees to use the offered healthcare benefits. This assures
that the employees receive the help they require without long queues. (CIPD, 2020)

As the survey showed, leadership styles and workloads are not the only cause of stress at work. Employees can feel stress at work also due to personal matters. (CIPD, 2020) Some other causes of stress and unhappiness amongst employees are recognition, pay, and benefits. When employees feel that their efforts are not recognised, it might cause the feeling of not being valued. On the other hand, when employees are recognised, they feel more positive and productive. Therefore, it is important for managers to try and see the good work their employees are doing and give them compliments. Some examples of this are: naming and complimenting employees aloud in weekly or monthly company meetings, giving a small memory of the successful task, or even giving a gift certificate to a nearby café. (Tessema, Ready, and Embaye, 2013)

Salaries, wages, and benefits also have a significant impact on employee wellbeing. (Tessema, Ready, and Embaye, 2013) Employees that are paid according to their skills, help the company in retaining their skilled employees, act as an incentive to be more productive, and help minimise personal stress caused by financial troubles. (Boitnott, 2018) Benefits on the other hand can help with work-life balance, which can positively impact employee wellbeing. (Indeed Editorial Team, 2021)

7.2 Employee Wellbeing and Hybrid Working

Hybrid working and remote working is something that employees enjoy. The lack of commutes, better work-life balance, having more time to spend with family and friends, having better concentration during working hours and getting to work without external distractions are all good reasons why employees enjoy the possibility. Hybrid working is in fact a good tool to combat workplace stress, as we can see from Figure 3. below.
The figure above showcases the preferred methods to identify and reduce stress in the workplace in percentages according to the respondents. An interesting takeout from these answers is the fact that 69% of the respondents feel that having flexible working options or improved work-life balance reduces stress. Hybrid working is a flexible working option, but for example, also flexitime is also an alternative. The possibility to occasionally or whenever necessary to work from home can help employees in planning out their days to be more productive, and to have more time for other things instead of only work and commuting. This helps improve the balance between work and personal life. (CIPD, 2020)

However, hybrid working can also negatively impact employee wellbeing. Not having a commute that entails of walking, and not walking around a large office, decreases the number of steps an employee takes during working days. People that work from home, sit around much more than people that work in an office, and they might sit around in bad postures, which causes physical problems and pain. In addition to physical problems, the lack of exercise and movement can cause mental problems, such as stress. (Robinson, 2021)
Being too cooped up in one’s home can cause mental problems and stir craziness. This highlights the importance of treating physical wellbeing and mental wellbeing as equals. Companies should encourage employees to carer for their mental health by means that suit them the best, for example, having a couple of free mental health days in a year, or even just by creating an environment where it is acceptable to talk about mental wellbeing. (Robinson, 2021)

Another important issue that needs to be focused on is communication. Understanding the limits (Robinson, 2021) and wants of the employees is utterly important. (Financial Times, n.d.) Creating communication methods that allow for frequent check-ins with office and remote workers will make it possible for managers to understand how the employees are doing and how their tasks are going. This would be a good time to talk about wellbeing, workloads, and other matters that can affect productivity. (Robinson, 2021) The most important thing at the end of the day, is remembering that employees are individuals. Some enjoy working in an office and some prefer working from home. For the sake of employee wellbeing, it is best to offer employees the possibility to work in an environment that suits their needs the best, whenever possible, rather than forcing them to always work in an environment that can cause excess challenges. (Financial Times, n.d.)

8 Conclusion

The research data has come from multiple secondary sources. The sources used have been relatively new, which suited the thesis and its’ goals the best. Unfortunately, not many peer-reviewed journals or books have yet been published that would have shed light into the issues of equality and employee wellbeing in hybrid working world, which is no wonder, as it is a relatively recent topic. For future research purposes, it would be best to further the surveys and articles into becoming published and reviewed journals focusing on inequality and wellbeing in a hybrid working world.
The research focused on questions about whether hybrid working is becoming the new norm and the future of many employees, does the positives outweigh the negatives when talking about hybrid working, and if hybrid working increases inequality. The thesis also aims to prove whether the thesis statement – “The future of work is hybrid, even though it increases inequality, because it also increases employee wellbeing” – stands correct.

Hybrid working has increased in Finland during the COVID-19 pandemic, but so has inequality. People have lost their jobs or been furloughed, have been stuck at home alone, or have had to risk their health by going to work somewhere where social distancing has been difficult to implement. All the while other people have been able to continue working from the safety of their homes. Some people might even have been able to move to a more spacious home. The inequality is evident, but not the bypass of hybrid working.

Hybrid working during the pandemic has been just one of the many inequalities, rather than the source of one. Even though research also showed that inequality due to hybrid working can be a true problem that needs to be considered but can be generally easily fixed. Inequality because of hybrid working can be from the difference in tools and equipment; from managers favouring some employees over the others, because they do not know how their remote workers are performing; and from the possibilities on who gets to work from home and who does not. The latter one being a problem if companies have different job descriptions, some requiring constant presence at the office, and some not requiring such. The first two inequalities listed are quite easily fixed, and the latter is actually something that increases inequality.

The research results do in many ways prove that hybrid working is here to stay. Many of the surveys that have been talked in this thesis show that majority of employees and managers stand behind the idea of continuing with the hybrid working model. Employees seem to enjoy the occasional or frequent remote days, which based on the research results is not that big of a surprise.
Hybrid working does have challenges or negative aspects, such as decreased amounts of movement, not getting to socialise with colleagues as easily, and difficulties with managing employees. Lack of movement and exercise can drastically decrease the wellbeing of employees since bad habits have bad outcomes. Socialising with colleagues and building trustful relationships with them can be more difficult with virtual video tools, which is especially difficult when talking about the relationships between employees and managers. Managers tend to favour the people they see and interact with the most, which does increase inequality.

The negative aspects considered; hybrid working is still what people want. That is because hybrid working can increase employee wellbeing more than it can decrease it. Employees are more productive when they get to work at home without distractions, and the personal lives of employees are doing better than before thanks to the better work-life balance made possible due to the lack of commute. Even though work is such a big part of many people’s lives, most people prioritise their free time over work. This is most likely why the positives aspects outweigh the negative aspects.

When looking into the future that will be hybrid, it is utterly important to keep employee wellbeing as a priority. It can be done by creating inviting office spaces that offer both areas for collaboration and privacy, which can act as an incentive for people to visit their offices more. This can increase wellbeing since it offers changes for workdays, and offices can be more ergonomic. It is also important to consider what employee benefits suit the needs of hybrid workers. For example, hybrid workers might not use lunch benefits that they are offered but would prefer sports benefits to make up for the lack of exercise that commute once offered them.

As a conclusion, based on what we have learned, we can say that the thesis statement was partially correct. The future in some industries in Finland and with some employees will be hybrid while other employees are tied to location centric work. Hybrid working does not increase inequality that much. There are
some issues in regards of equality that are impacted by hybrid working, but nothing that raises a red flag. The last part about employee wellbeing increasing, on the other hand, is true for employees that enjoy working from home. Some employees do not thrive when they are forced to work from home, while others choose to work from home. It can be assumed that wellbeing for those who work from home and enjoy working from home increases more than it decreases, when it is the opposite for those who do not enjoy working from home. Whether the thesis statement is correct or not, comes down to individual experience and opinion.
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