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Leadership capabilities needed to support hybrid work in NSW Government

GROUP 15—WORK BASED PROJECT
2022


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EXECUTIVE SUMMARY

This Work Based Research Project was created between June - October 2022 by a team of five public servants from three State Government departments and two Commonwealth departments, as part of the Executive Master of Public Administration (EMPA) with the Australia and New Zealand School of Government (ANZSOG).

The NSW Public Service Commission is the agency sponsor of this project.

The COVID environment firmly established hybrid organisational models in the workplace, and they are here to stay. Hybrid models incorporate employees who work in office locations, those who work from home, and those who alternate between both.

The NSW Government positions hybrid work as the preferred and expected model of work for many of its employees. Hybrid work is central to its employee value proposition. The NSW Government advocates for an “if not, why not?” approach to hybrid work and considers hybrid work the ‘new normal’.

This research project explored what new approaches, skills, and resources leaders need in order to meet the challenges and opportunities of hybrid organisational models. It examined how the public service is equipping its leaders with these capabilities and analyses what is missing. It identified what capabilities will equip public sector leaders to flourish during this evolution of working practices.

The research adopted a mixed methods approach including gathering information from an extensive literature review that consisted of contemporary articles in human resource, business, and public service publications as well as recent media editorials on hybrid work and leadership capabilities. Academically reviewed journal articles and studies on hybrid work and leadership capabilities conducted by the Australian Public Service, State Governments and consultancy experts were also considered.

Research involved qualitative data collection of interviews with 12 senior public servants and a focus group. Participating agencies included:

- ▶ NSW Public Service Commission
- ▶ The Australian Public Service Commission
- ▶ NSW Department of Transport
- ▶ NSW Department of Customer Service
- ▶ NSW Ministry of Health
- ▶ The Victorian Public Service
- ▶ ACT Government
- ▶ The National Indigenous Australians Agency
- ▶ Comcare
- ▶ Utrecht University, the Netherlands.

In addition to the recommended NSW Government interviewee candidates from the sponsor agency, the project team proactively identified other relevant interviewees. This included the National Indigenous Australians Agency, the Victorian Public Service and Comcare. These departments have a keen interest in the topic of hybrid work and leadership capabilities. These interviews were included to consider an Australian Public Service perspective of leadership capabilities and hybrid work in a Commonwealth Government environment and other state Government jurisdictional perspectives, in addition to the NSW Government collection. The NSW Public Service Commission also nominated a leader in the Australian Public Service Commission to be interviewed to provide a Commonwealth perspective. The project group also identified an international academic to provide a perspective through a different lens.

Qualitative research methods allowed for detailed insights about hybrid leadership experiences by NSW Government leaders. This also allowed follow up questions to interviewees in order to explore additional themes that emerged.

The research explored what new approaches, skills, and resources leaders may need in order to meet the challenges and opportunities of hybrid work based on the NSW Public Sector Leadership Framework. It examined how the public service equips its leaders with these capabilities and analyses what is missing. It identifies what capabilities public sector leaders need to develop in order to flourish during the evolution of working practices.

The research found leadership is a key critical factor in the success or otherwise of hybrid work in the NSW public service. Leadership and good leaders matter now, more than ever. Another common theme emerging from the research was leaders have a greater work-life “spill over” and additional responsibilities with hybrid work.

All research participants were keen to optimise the benefits and minimise the risks of hybrid work. Our research identified 7 specific leadership capabilities and behaviours required to support hybrid work across NSW Government departments:

TRUST BUILDING

Being explicit about trust and being confident and comfortable in empowering and delegating is a key leadership capability in leading a hybrid team, even more so than in a traditional 9-5 physical office setting, due to the lack of physical visibility.

LEADERSHIP FLEXIBILITY

Employees’ needs vary depending on the role, the team dynamic, personal circumstances, living situation, and preferences. Leaders need to know what works best for individuals, the team and the business.

MANAGING THE ‘NEW’ PRESSURES THAT COME FROM HYBRID WORK

The blurred physical lines between home and work have meant extra pressures for many leaders in Government. These demands have caused some leaders to feel that they always have to ‘be on’.

DIGITAL SKILLS

Digital literacy is a fundamental leadership capability in a hybrid work environment. Leaders need to be ‘digitally fit’ in a hybrid work setting in order to share and collaborate with their employees regardless of place, time or setting.

BUILDING CULTURE

Focus on building culture and leading team members beyond just productivity and outputs. Leaders need to focus on, and be more deliberate in, caring about their employee’s wellbeing, creating shared memories, and focusing on how team members work together to solve complex problems and learn.

MANAGING A NEW TEAM AND NEW STAFF

Onboard new staff in a more personalised way in a hybrid work environment. Leaders need to be deliberate in the induction of a new starter by tailoring the information provided to them. Check in frequently to assist them in understanding priorities and try to meet with them in-person as early as possible to develop rapport.

EMPOWERING AUTONOMY RATHER THAN MICROMANAGING

Focus on outcomes based on clear goals and objectives. Capable hybrid leaders encourage and enable employees to work independently and advise employees to reach out if support is required.

The research findings led to five key recommendations. These are themed around what the NSW Public Service Commission should stop, start or continue doing to support leadership capabilities in a hybrid work environment across NSW Government.

STOP

1. LONGING FOR THE “GOOD OLE DAYS”

The traditional command and control style of leadership is not a leadership style now preferred by many NSW public service employees. Leaders who long to go back to “before COVID” and a traditional office-based work environment are no longer relevant. Leaders need to focus on achieving a productive and harmonious workplace, with a focus on outcomes and outputs *in addition* to the processes.

2. COMPLEX MESSAGING

Leaders have less time in a hybrid work environment and therefore need easy-to-use reference guides, checklists and support to help them. Communication needs to be clear, concise and consistent. Key behavioural elements for leaders include trust, flexibility and autonomy combined with simple tools and tricks such as walking the floor, intentional and deliberate engagement with teams, anchor days with set agendas, creating the online ‘water cooler’ and deliberately selling the benefits of the office.

START

3. WHOLE-OF-GOVERNMENT HYBRID LEADERSHIP TRAINING AND DEVELOPMENT

The NSW Public Service Commission should develop and distribute an overarching leadership training program, learning resources and support tools to help leaders across the NSW Public Service understand the benefits and challenges of leading a team in a hybrid work setting and how best to address these challenges. In addition, the NSW Public Service Commission should encourage peer-to-peer coaching sessions to facilitate open and honest communication on the good, bad and ugly experiences of NSW public sector leaders in leading hybrid teams.

CONTINUE

4. UPDATE THE HYBRID GUIDANCE DOCUMENTS

The NSW Public Service Commission should update and continue to refine its hybrid guidance documents to incorporate new research findings to encourage leaders across NSW Government to continue to build and sustain a positive hybrid workplace culture. Public Service leaders need to set clear boundaries and provide support documents e.g. a hybrid team agreement template.

5. FOCUS ON NEW STARTERS AND INEXPERIENCED EMPLOYEES

Onboarding new staff in a hybrid work setting is a challenge for many leaders across the NSW Public Service. However, if a leader does not take an active role in onboarding new staff or if there is a lack of consistency in approach or policies and procedures, the new employee may not feel welcome or understand their role. A face-to-face meeting is a vital onboarding leadership tool, and encourages relationships and sets a precedent for your expectations of the employee in a hybrid work arrangement. Setting up a hybrid support buddy to assist people when joining the team, so that support is provided when both in the office and working remotely.

CONTEXT

RATIONALE

This research aims to answer the question: **‘What leadership capabilities are needed to support hybrid work in NSW Government?’** The question was created in collaboration with the sponsor agency, the NSW Public Service Commission, who expressed an interest in the topic of hybrid work.

Hybrid work incorporates employees who work in office locations, those who work from home, and those who alternate between both (NSW Government 2021). The COVID-19 pandemic environment fast-tracked hybrid work in NSW Government workplaces and hybrid work is now here to stay. As a result of over two years of having to adapt to hybrid working, NSW Government employees now want to continue to have the choice of working from home rather than returning to the office full time (NSW Government 2021).

The NSW Public Service Commission defines leadership as an individual’s ability to motivate, guide and influence a group of people towards the achievement of a common goal or strategy (NSW Public Service Commission 2022). An effective leader is someone who shows leadership capability; will take on leadership responsibilities; and is motivated to deliver for the people of NSW (NSW Public Service Commission 2022).

The NSW Public Service Capability Framework defines capabilities expected of NSW public service leaders. These include having the knowledge (theoretical or practical understanding of a subject), skills (proficiencies developed through training, experience, or practice) and abilities (qualities of being able to do something) needed to lead people (NSW Public Service Commission 2020).

The NSW Public Service Commission sets the NSW Public Sector Leadership Framework. The framework identifies 12 attributes and 5 leadership impact areas for public sector leaders (see Image 1 below). The actions and recommendations in this report are connected to these leadership attributes, mindsets and behaviours.

IMAGE 1: NSW PUBLIC SECTOR LEADERSHIP FRAMEWORK



This research explored what new approaches, skills, and resources leaders may need to meet the challenges and opportunities of hybrid work based on the NSW Public Sector Leadership Framework. It examines how the public service equips its leaders with these capabilities and analyses what is missing. It identifies what capabilities can be further developed for public sector leaders to flourish during this evolution of working practices.

NSW has the largest government in the southern hemisphere. With more than 430,000 employees, NSW public service employees make up 10.4% of the entire NSW population. The NSW Public Service is grouped into ‘clusters’ of agencies with the Health and Education clusters making up most employees with 128,738 and 112,929 respectively. Stronger Communities which consist of functions such as NSW Police Force, the Department of Justice and Family and Children’s Services, is the next largest cluster of 52,782 employees. Transport is the fourth largest cluster consisting of 27,616 employees. In 2021, there were 3,680 senior executives in the NSW government sector, of which 47% were female (NSW Public Service Commission 2021).

The NSW Public Service Commission is an agency within the NSW Public Service whose purpose is to be *“a trusted partner and advisor to the NSW public sector in shaping a world class workforce”* (NSW Public Service Commission, 2022). They have three focus areas: smarter ways of working, capability for high performance, and an inclusive and ethical public sector (NSW Public Service Commission 2022). They have previously conducted research in related areas prior to the pandemic, and found that leaders did not have the confidence, skills and tools, and experience in managing flexible working practices and that this was negatively affecting their staff’s work (NSW Public Service Commission 2021).

This research aims to build on that work by identifying the leadership capabilities that can have a positive influence on hybrid work in NSW Government and aligning these to the existing NSW Public Sector Leadership Framework.

OVERVIEW OF THE RESEARCH

An extensive literature review was conducted, examining hybrid work and leadership capabilities in academically reviewed journal articles and studies conducted by Australian Public Service, State Governments and consultancy experts. The review also examined recent articles in human resource, business and public service publications as well as media articles. This literature review informed the data collection for the research.

The subsequent data collection involved qualitative data collection through the research methods of interviews and a focus group. Data collection occurred between June and October 2022. Qualitative research methods allowed for detailed insights about hybrid leadership experiences by NSW Government leaders. This also allowed for follow-up questions to interviewees, in order to further identify themes.

Interviewees included:

- ▶ ACT Government
- ▶ Australian Public Service Commission
- ▶ Comcare
- ▶ National Indigenous Australians Agency
- ▶ NSW Department of Customer Service
- ▶ NSW Ministry of Health
- ▶ NSW Public Service Commission
- ▶ Transport for NSW
- ▶ Utrecht University, The Netherlands
- ▶ Victorian Public Service.

The sponsor agency nominated interviewee candidates. The sponsor agency also identified Transport for NSW as being a potential candidate for a focus group as they are a leader in hybrid work. NSW Transport had been nominated, and subsequently won the Best Remote Work Strategy at the 2022 Australian HR Awards (Macdonald 2022). An initial meeting was held with a Transport for NSW representative to identify specific contacts within their department for the case study. The focus group consisted of three Transport for NSW managers who report through to leaders at Transport for NSW who were interviewed.

In addition to the recommended NSW Government interviewee candidates from the sponsor agency, the project team also proactively identified other relevant interviewees. This included the National Indigenous Australians Agency, the Victorian Public Service and Comcare. These organisations have a keen interest in the topic of hybrid work and leadership capabilities. These interviews were included to consider an Australian Public Service perspective of leadership capabilities and hybrid work in a Commonwealth Government environment and other state Government jurisdictional perspectives, in addition to the NSW Government collection. The NSW Public Service Commission also nominated a leader in the Australian Public Service Commission to be interviewed to provide a Commonwealth perspective. The project group also identified an international academic to provide a perspective through a different lens. Unfortunately, a number of industry experts and peak training and research bodies were approached but no interviews were successfully scheduled.

Findings of this report might not represent views from diverse and Indigenous communities as this was not a focus of the sponsor agency and is out of scope. The team considered a focus on diverse communities would be a research project in itself.

The research focused on knowledge workers, whose occupation allow them to work autonomously to undertake knowledge-intensive tasks. The questions put to the interviewees are in **Appendix A**. A similar subset of questions was put to the focus group participants.

Notes were recorded for all interviews and the focus group. Transcriptions and recordings are captured for all interviews and the focus group. Consent forms for all participants are completed. All information in this report has been de-identified. Information from interviewees is referenced using a letter or letters of the alphabet and sometimes a number, which has been randomly selected and does not in any way reflect identifying information of the interviewees.

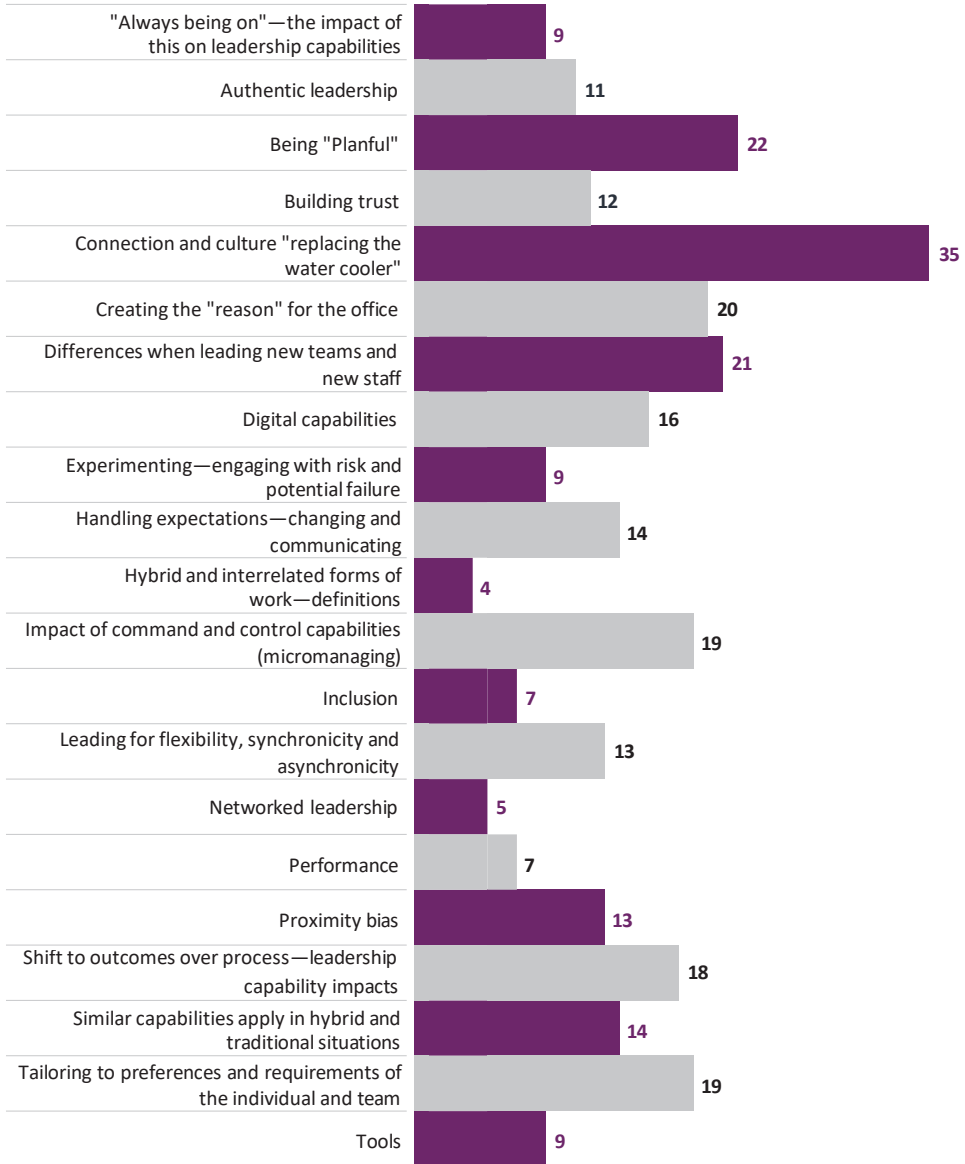
DATA ANALYSIS

The qualitative data was analysed using the 6-step method identified by O’Leary (2017). The process included identifying biases and noting overall impressions, reducing, organising, and coding the data, searching for patterns and interconnections, mapping and building themes, building, and verifying theories and then drawing conclusions.

Reducing and organising the data collected from the interviews and the focus group produced 297 individual lines of data. These are coded into 21 categories in total.

A summary of the categories and mentions is provided in the graph below.

IMAGE 2: GRAPH REPRESENTING CATEGORIES FROM INTERVIEWEE AND FOCUS GROUP DATA ANALYSIS



These categories are combined and grouped with the initial literature review to create sub-themes, and the 2 overarching themes under which this report is structured. Items in the ‘other’ column are not considered in the findings of this report as they did not relate to the research question. The mapping of these categories into sub-themes and to the literature review is shown in the next image.

IMAGE 3: SUB-THEMES GROUPED TO OVERARCHING THEMES AND CATEGORIES

THEME 1 Individual leadership capabilities and behaviours	THEME 2 “Leading a team” capabilities	OTHER
Trust building <ul style="list-style-type: none"> ▶ Building trust ▶ Experimenting—engaging with risk and potential failure ▶ Networked leadership ▶ Authentic leadership ▶ Proximity bias 	Building culture <ul style="list-style-type: none"> ▶ Connection and culture “replacing the water cooler” ▶ Create the “reason” for the office ▶ Handling expectations—change and communication 	<ul style="list-style-type: none"> ▶ Inclusion ▶ Performance ▶ Tools ▶ Being ‘planful’ ▶ Hybrid and interrelated forms of work - definitions
Flexibility <ul style="list-style-type: none"> ▶ Leading for flexibility, synchronicity and asynchronicity 	Leading for new teams and staff <ul style="list-style-type: none"> ▶ Differences when leading a new team and new staff ▶ Tailoring to preferences and requirements of the individual and the team 	
Managing new pressures <ul style="list-style-type: none"> ▶ “Always being on” the impact on leadership capabilities ▶ Shift to outcomes-oriented approach ▶ Leadership capability impacts 	Empowering autonomy <ul style="list-style-type: none"> ▶ Impact of command-and-control capabilities (micromanaging) ▶ Similar capabilities apply in hybrid and traditional situations ▶ Proximity bias 	
Digital capabilities		

DISCUSSION, ANALYSIS AND FINDINGS

The findings are grouped into 2 overarching themes with seven sub themes. These sub-themes and categories were identified in both the data collection (interviews and focus group) and the literature review. The findings are presented incorporating both the insights from the data collection and the literature review.

The first theme of individual **leadership capabilities** required for hybrid work has 4 sub-themes, these include:

- ▶ Trust building
- ▶ Leadership flexibility
- ▶ Managing the new pressures that come from hybrid work
- ▶ Digital capabilities

The second theme, **“leading a team”** has three sub-themes, these are:

- ▶ Building culture
- ▶ Managing a new team and new staff
- ▶ Empowering autonomy

THEME 1: INDIVIDUAL LEADERSHIP CAPABILITIES AND BEHAVIOURS

This theme focuses on the individual leadership capabilities and behaviours that leaders require, according to our research, to successfully lead in a hybrid work environment. Therefore, they are focused on the individual and what skills and abilities they need to have and what they need to do to support employees in a hybrid work environment.

TRUST BUILDING

The qualitative data collected identified that leaders in NSW Government consider trust in the workplace is the foundation of positive and productive working relationships, as well as the culture of the organisation. Bentzen defines trust as *“the willingness to accept the risk of making oneself vulnerable to another person or party, and is considered essential for successful collaborative processes and organisational effectiveness”* (Bentzen 2022, p.1).



A good leader doesn't necessarily make a good hybrid leader.

Interviewee B



The topic of trust in a hybrid working environment has received plenty of media and employer attention, with many questioning whether employee engagement and productivity should be monitored online. It is not surprising therefore, that the ability of a leader to build trust among team members in a hybrid work environment is a key theme that emerged from the interviews and focus group that were undertaken for this project. This is further highlighted by a recent global survey finding that trust and collaboration from leaders is a key aspect of effectively working in a hybrid environment (Global Workplace Analytics 2020). After all, *“A strong workplace culture bolsters...and promotes trust and ownership – leading to colleagues feeling happier and more rewarded”* (Evans 2022, p. 47).

TRUST AND PRODUCTIVITY

A recent study conducted in the United Kingdom also found that 43% of leaders who have high trust in their employees increased their productivity with hybrid work, compared to 34% of leaders with low trust in their employees (Chartered Management Institute 2020). In comparison with their teams, leaders also often experience higher levels of certainty, status, and relatedness when physically in the office (Cassiday and Rock 2022). A survey by Gartner recently found that 41% of employees working in a hybrid work arrangement had lower trust in their team members, while 37% of employees said their trust in leaders had declined during the pandemic (Deutsch 2022).

THE HYBRID HEADACHE

The “hybrid headache” could be behind lower levels of trust: *“When employees don’t have day-to-day direct contact with their managers, companies need to carefully manage this in order to restore, maintain and improve trust. The primary factors contributing to a disintegration of trust are overwork and a lack of fairness”* (Deutsch 2022). When cues such as in-person support and socialising are missing, employees can be less likely to trust each other and their leaders, and a sense of disconnection can prevail.



The lack of trust becomes really magnified in a hybrid work situation.

Interviewee E



PROXIMITY BIAS

The lack of day-to-day contact and in-person support can also lead to proximity bias. Proximity bias was described in interviews as leaders not trusting their employees and wanting to have them around all the time (Interviewee G). Interviewees described witnessing leaders who prefer seeing all their people in the office (Interviewees B and F). Proximity bias can be described as *“an unconscious – and unwise – tendency to give preferential treatment to those in our immediate vicinity”* (Johanson 2021). But how can this proximity bias be overcome? Because it is a bias, Bowman (2022) says the first step to overcoming it, is acknowledging it.

LEADERSHIP VISIBILITY

Multiple interviewees said trust was a key leadership capability needed in leading a hybrid team, even more so than in a traditional 9-5 physical office setting, due to the lack of physical visibility. Interviewee G said, *“Leaders need to be checking in rather than checking upon”*. In other words, teams want personal contact with their leader, rather than their leader simply making contact to discuss the status of a particular task.



Empowerment and trust. Trusting your people that they will deliver whether you see them in front of you, whether they are at home, whether they are working remotely as long as they are delivering on their role.

Interviewee D



Interviewee F said leaders need to be more explicit about trust in a hybrid work environment, *“it is about empowering and delegating and being confident and comfortable to do that in an environment where you can’t always see and feel and touch what you what you need too.”* Interviewee F also said this is particularly true for leaders who are on-boarding new employees in a hybrid work environment *“trust and communication are critical in this scenario and are needed to convey how you like to work as a leader, and how best to communicate with each other.”* Interviewee E said lack of trust between a leader and employee can become heightened in a hybrid work situation. *“In hybrid some leaders may overcompensate and start micro-managing as you don’t have the same opportunity to observe behaviour, as you do in the office.”* These statements are strengthened in the literature, *“People form relationships with individuals they know, like, and trust, and working apart from each other can slow that process”* (Turmel 2022, p. 35).

Mortensen and Hass (2021) say that a hybrid environment with lower leadership visibility tends to reward employees who can provide proof of their own trustworthiness to leaders. They can do this by thinking and acting adaptably and flexibly. *“Employees who are strong at relationship building, both face-to-face and virtually, have an advantage in hybrid environments, as do those who are willing to ask for, find, and claim the resources*





they may not have easy access to” (Mortensen & Hass 2021). Those who establish strong relationships can surpass the gap between face-to-face and remote hybrid working by using familiar connections to substitute missing information.

INTENTIONAL LEADERSHIP

During the focus group session interviewees commented that *“I’ve seen my leader build trust and engagement with our team in a hybrid setting really well...We are a genuine team that support each other through everything, whether it is work or the personal stuff...There is a level of comfort that comes from that trust”*. The interviewees in the focus group also spoke about how this trust can be built, *“[It’s] more about developing how I like to lead and what works...Trust. Not just about teamwork it’s all about trust... communication with the team – personal conversations with the team and then one on ones with individuals...open door but online open door”*.

Many of the senior public servant leaders we interviewed said because they have less physical visibility of their staff, they must be intentional about how they set up workflows, get employees to collaborate, and how they meet the needs of their employees, whether that be giving them a sense of autonomy or supporting career advancement. The research supports a more intentional leadership approach by public sector leaders in a hybrid work environment, to sustain performance. This includes leaders actively considering who works from home or in the office, which tasks can be done synchronously and asynchronously, and how to measure performance (Timmes 2021).

How can leaders in NSW Government build trust in their team members?

	<p>Encourage and practice autonomy—enable teams to work independently, deliver their outputs based on clear goals and objectives without being micro-managed.</p>
	<p>Walk the talk—your leadership behaviours need to match the values and expectations of the organisation to ensure staff do not see a disconnect from what they are being told.</p>
	<p>Be intentional and deliberate—with your communication and actions. Develop a clear strategy on how to engage teams and to ensure information flow is two way, rather than passive one-way models.</p>
	<p>Be as open and as transparent as possible—being as open and transparent about issues and decisions will enable greater trust between leaders and teams.</p>

LEADERSHIP FLEXIBILITY

Many of the public service leaders interviewed said that when considering hybrid work models, flexibility was crucial to recruitment and retention, and for the employee value proposition. Leaders interviewed mentioned the need for them to be both flexible in their approach and flexible in how they manage their teams in a hybrid work model. The importance of not adopting a one size fits all approach, and that hybrid work is a two-way street, came across strongly. *“We give our people the flexibility they need, when they need it, and then sometimes we need them to give more when business demands require it.”* (Donovan 2019).

Leaders interviewed agreed that to be successful in a hybrid work model, leaders need to be flexible in their approach to flexible work! What works for one employee may not work for another and varies depending on a person’s role, the team dynamic, personal circumstances, living situation, and preferences.

At PwC they call it “everyday flexibility” a mentality and a way of life that should be individualised for each person (PwC 2021). Interviewee H agreed, *“Everyone’s different. Do not just put these blanket rules down for everyone. Be a bit flexible. I mean, this whole way of working is about being flexible. So, you’ve also got to make sure that you’re catering for the different work types and your team.”*



It's not a set and forget model. I think it does shift and change as a new issue or new challenges come up. There is no one way to do this. Each leadership team will need to come up with an agreement. What might work well in one agency might not work well in the other.

Interviewee A



Interviewee D said the hybrid work model also requires leaders to be flexible in how they manage their team. *“Newer generations of the workforce have particular expectations of how they want to be led and managed.”* Leaders need to make a concerted effort to engage with employees in a hybrid work model. *“How does walking the floor in the office translate to when they are working away from the office?”* stated Interviewee D. Some of the leaders we spoke to said they ask their team members what works best for them as individuals and as a team. This could be a regular one-on-one online teams meeting, a face-to-face meeting when the work in the office days align, or a phone call. Importantly, when possible, they take into account individual team members’ preferences.

Interviewee A said, *“You need to be aware of where your teams are at. Does the team have a sense of maturity, and they all know one another? If so, it is fine to work in a hybrid way, because you will have your routines. But if there’s changes to the team, or there’s a new challenge, I think having options to reset and really think about how the team agrees to ways of working, is really important. It shifts and changes as a new issue or new challenge comes up, or new team member joins or team members leave.”*



Being agile is required to work successfully.

Interviewee B



SYNCHRONOUS COMMUNICATION

One NSW Government department described the work they are doing, so they understand the difference between synchronous communication (scheduled, real-time interactions by phone, video, or in-person) and asynchronous communication (interactions that happen on your own time and do not need scheduling). Interviewee A said, *“How do you make decisions that can still be inclusive, even though somebody might be working hybrid and not immediately responding to stuff. We have a real tendency for synchronous work, whether we are co-located or through online teams. We are not very good at asynchronous work, which enables people to work at a different pace or timing. But asynchronous work can take into consideration time zone changes and offshore travel. I think that is probably the big thing, really helping people think differently about what is urgent, what is most important, what has to be synchronous versus asynchronous, and how to be plan more around that.”*

How can leaders in NSW Government manage flexibility?

	Hybrid ‘walking the floor’ —Regularly and deliberately check in with your team. Communicating, and not just for task completion, is vital for employees to feel valued and productive.
	Communicate, communicate, communicate, and then communicate some more —Do not underestimate the need to be in contact with team members, whether it is by email, a virtual meeting, in-person, phone, text or Microsoft Teams channel. You will never over-communicate with staff – they want and need to hear from you in a hybrid environment. This can provide clarity on tasks, expectations, and culture. Remember, everyone is different, and will need a different method of communication so you may need to say the same thing in person as you put in an email and then have a one-on-one conversation all about the same topic.
	Prioritise —Help your team, and yourself, by constantly reprioritising the priorities. This will help your team know what is wanted and what the expectations are by you, each other and the executive leadership.
	Mentoring and shadowing —Set up shadowing opportunities for you and your staff. There is value in spending the day undertaking professional development with other members of the broader team. It will help you to understand the role of you and your team in a broader organisational context as well as provide visibility to team members and build commitment to organisational goals and objectives.
	Anchor Days —Where it is relevant to your working environment, create ‘anchor days’ where all staff attend the office at least one day a week, fortnight, or month. It will help build or sustain team trust and culture and enable creative discussions. These days should have clear agendas with a focus on person-to-person collaboration. This can involve work tasks or interpersonal culture building activities.

MANAGING THE NEW PRESSURES THAT COME FROM HYBRID WORK

Moving to hybrid work has brought many challenges for leaders. A successful two-way street requires employees and employers to be flexible with employees sometimes giving more of what the business demands (Donovan 2019). A leader does not have to be providing guidance every day, but they clearly need to be demonstrating, by their actions and words, *“this is how we work”* (Interviewee B).

This measure of success requires leaders to have the capabilities to actively manage different circumstances and provide clear messages to all about the outcomes and goals to be achieved. Although relevant in a traditional office environment, one size does not fit all with everyone having different experiences and preferences (PwC 2022).

These demands cause some leaders to feel that they have to ‘always be on’ (Interviewee B). The blurred physical lines between home and work have meant an increase in communication methods, such as Microsoft Teams, texts, WhatsApp, emails (Interviewees F and CSF). This level of multitasking leads to different work schedules with more meetings and impacts employees’ down time as employees skip lunch, don’t stop to take any breaks, and stay indoors and forget to be more physically active (Interviewee CSF).

Deutsch notes that leaders with high levels of trust and credibility with their teams can better sense when employees are at risk of burning out (Deutsch 2022). A ‘very deliberate’ strategy is required by leaders in hybrid working situations to schedule time to engage with teams to gain trust (Interview CSF). This trust and understanding of each individuals working style and motivations can work to balance the expectations on staff and their output. Having structured processes to ensure staff and leaders are not constantly working, and therefore either not being productive or risking burn out, is an important consideration for hybrid working models.

THE ACTIVE LEADER

A focus on outcomes rather than only outputs is essential for achieving sufficient accountability by governments (Victorian Auditor-General’s Office 2021). Therefore, a focus on the process of how employees are doing work rather than solely on the outcomes they are achieving is not best practice. This is observed more so in hybrid work as leaders are responsible for geographically diverse employees and need to navigate these issues sometimes without the physical cues they would have previously seen in person.

There is a need to upskill leaders and focus on outcomes, not tasks, and to ensure there is a strong relationship built on trust (PwC 2022). Leaders need to “grind out” from the team what bottlenecks exist with processes that are affecting productive work (Interviewee B). PwC found that only a small number of leaders had training in leading and managing in a hybrid environment and therefore did not always have the correct tools to enable a productive and effective workplace (2022).

The active leader can block out time in the day to ensure that outcomes are being achieved rather than looking at tasks that are being completed (Interviewee D). This focus on outcomes as a measure of performance by leaders means working towards better productivity (Interviewee CS1). Some of those interviewed indicated that the majority enjoyed autonomy and were more productive when in a hybrid situation, but that some people were not (Interviewee D).



Uplift the collective leadership capability, less about an individual.

Interviewee A



A focus on “process work” with increasing communication (Interviewee B) has meant that there is a shift to focusing on tasks instead of the people and what they are feeling and if they are productive (Interviewee C). A strong more empowering outcomes-based approach, with sufficient and proper support from leaders, is considered essential in the leadership toolkit for hybrid work (Interviewee D). A good leader is described as someone who provides a good balance between giving too much detail and being too prescriptive to ensure autonomy of teams and giving employees some control over their work and lives (Interviewee E). Those who strike the right balance seem to have had some previous experience in dealing with these hybrid arrangements and are more practiced in this environment (Interviewee F).

How can leaders in NSW Government manage the pressures that come with hybrid work?



Focus on outcomes—ensure managers and leaders are focusing on outcomes. This renewed focus will allow leaders to focus on the key aspects of their teams and not feel as compelled to ‘monitor’ staff.



Focus on people—schedule time to engage with individual employees and teams and understand each individual’s working style, pressures and motivations.

DIGITAL CAPABILITIES

Digital capabilities were emphasised as an important leadership capability in a hybrid work setting through the interviews and in the literature. Digital capabilities, at an individual level, are those skills which equip someone to live, learn and work in a digital society (Jisc 2022). This is not just a required leadership capability for those working in a hybrid environment, but for all types of leadership. According to Torre and Sarti, over recent decades digital technologies have “*permeated the relationship between leaders and followers with an ever-increasing intensity*” (2020, p. 2) meaning it has become a fundamental part of how leaders and teams both communicate and undertake their work. Most interviewees and the focus group said that leaders must have digital capabilities to operate effectively in hybrid organisational model.



Hybrid leaders need to be “champions of technology” (Interviewee B). It was noted frequently by other interviewees how fundamental digital capabilities are to hybrid leadership. Jisc (2022) provides a framework of digital capabilities and two of its elements resonate with the themes emerging from our interviewees.

IMAGE 4: FRAMEWORK OF DIGITAL LEADERSHIP CAPABILITIES

Participation	Function skills
Digital communication	Digital proficiency
Collaboration	Digital productivity
Participation	

One leader said they actively tackled their digital skills gap by conducting digital fitness assessments using a tool that has since been decommissioned by PwC (Interviewee D). The interviewee did not identify why the tool has been decommissioned. Focus group participants described digital leadership training for hybrid work at their department, which included topics such as how to present effectively using Microsoft Teams.

How can leaders in NSW Government use digital capabilities to support hybrid work?

- 
Improve your digital literacy—be open to learning new digital tools that can help you share and collaborate regardless of time, place and setting. Contemporary time management applications can reduce workloads for you and your team and assist with team coordination.
- 
Don't set and forget—regularly source 'stretch' digital training opportunities for yourself and your team.
- 
Skin in the game—regularly talk with your IT colleagues. Let them know if you have the flexibility, connectivity and scalability that you need to support your team to work and connect in a hybrid setting.

THEME 2: “LEADING A TEAM” CAPABILITIES

This theme focuses on the capabilities and behaviours that emerged from our research that highlight what capabilities NSW Government leaders need to be successful in leading a team in a hybrid work environment.

BUILDING CULTURE

One of the most challenging aspects of being a leader in a ‘normal work environment’ is building and maintaining a strong workplace culture. Having a good culture is a focus for every public sector agency and their leaders as it sets out the expected values, principles, acceptable behaviours, and norms adopted and practiced by all employees.

Culture is difficult to translate into a hybrid work environment. Historically culture and the ‘this is how we do things around here’ is a sentiment that mostly occurs in person through organic and non-verbal cues. The sudden transition to hybrid work due to COVID lockdowns meant many organisations and their employees relied on the existing culture to get them through this adjusted working arrangement, and the pandemic. However, some view that hybrid work can result in *“workplace culture decays due to few or lower-quality interactions among workers”* (Australian Government Productivity Commission 2021, p. 26). There is also the challenge that working in a hybrid environment can negatively affect people’s health and wellbeing, and thus their productivity and connection to an organisation (Colley & Williamson 2020).



There are fewer non-verbal cues—hybrid is words and writing. Non-verbal leadership presences, cues and behaviours are harder to convey in a hybrid environment.

Interviewee E



“Workplace culture plays an important role in enabling employees to set appropriate boundaries and manage their wellbeing to avoid psychological injury” (Australian Government Productivity Commission 2021, p. 46). This presents a new challenge for leaders in the NSW public service as they move to a more permanent hybrid working arrangement.

REPLACE THE WATER-COOLER

The physical disconnection from teams and subsequently the culture of the workplace means that leaders need to ‘replace the water cooler’ moments, create reasons for staff to be in the office, and innovatively find ways to communicate and manage expectations.

Interviewees expressed the need to focus on culture and for leaders to think about their team members beyond just productivity and outputs. Leaders need to focus on, and be more deliberate in, caring about their employee’s wellbeing, *“I think leaders have to be more mindful of people...Some people have been losing a bit of connection and perhaps feeling a little isolated or feeling out of touch...it does not take long to feel disconnected”* (Interviewee H). While another public service leader focused on the need to connect *“and communicate [the] vision as a leader and [share] what is happening across the organisation”* (Interviewee D). Another commented *“culture is really hard to shape from afar. Hard to monitor. I don’t have the eyes [there] to see what the behaviour is.”* (Interviewee C) These examples speak to the difficulty of conveying cultural expectations and norms in a hybrid environment – not only is culture about connecting about organisational vision and objectives, but also focusing on the personal needs of individuals. An external interviewee to the NSW Government spoke about the need for leaders to ensure they are displaying *“attentiveness and communication and shared purpose...in a hybrid environment – all of the fundamentals – in a hybrid environment, people respond to leaders that do that and are thoughtful about the environment they are doing it in”* (Interviewee I).

Research also supports that one of the key problems with working remotely is the reduction in rich and organic interactions between team members that not only enables learning but also developing and aligning oneself with the organisation and its culture (Gifford 2022). Studies validate the notion put forward by interviewees that relying on technological means to build relationships has affected them via the inability to read, or pick up on, non-verbal and social cues in the workplace. With hybrid work here to stay the ability to rely on conveying workplace culture via ‘water cooler’ moments or organic face-to-face interactions in the office is diminished and leaders will need to work hard to find avenues to re-create these circumstances (Australian Government Productivity Commission 2021). This is backed-up by science, with a report produced by The NeuroTech Institute finding:

“These ‘invisible’ forms of information exchange have a multitude of effects. They aid communication by providing a huge amount of information on people’s emotional states, disposition, intent, and level of engagement, as well as by improving the level of understanding between people as we ‘tune in’ to each other. Synchronisation aids the building of shared values, empathy, and trust. In a team it can increase creativity, create shared memories, and alter how team members solve complex problems and learn. We truly are neurophysiologically built to connect” (Kerr 2022, p. 9).

It is no surprise that research points out that *“A strong workplace culture bolsters creativity, innovation, teamwork, better decision-making and promotes trust and ownership – leading to colleagues feeling happier and more rewarded”* (Evans 2022, p.47). Another study has found that *“...similar to pre-pandemic research findings, organisations that had fostered a sense of belonging, and made efforts to bring people together experienced workplace benefits”* (Williamson 2021, p.12). People who feel a sense of appreciation, connection and value produce better results for the organisation (Evans 2022).

Poor workplace culture can hinder worker performance and impact on how a team, or an organisation meets its aims and objectives (Sanchez-Burks 2009). The interviews and subsequent research on the importance of culture and the ability to translate culture in a hybrid work environment have provided some practical solutions for leaders in how they can do this effectively.

There are five key components that leaders within the NSW Government need to consider when building and maintaining their workplace culture. It will be critical to consider these components to *“embed culture into the new way of working to help employees understand, believe in and live the desired culture in a hybrid or remote environment”* (Turner & Baker 2022).








Professionals who used to do the work need to adjust to leading rather than guiding that work. Team spirit, wellbeing etc. are more important.

Interviewee G



How can leaders in the NSW Government build appropriate hybrid culture?

	<p>Recognition—Both the research and interviewees agree that showing appreciation for employees, or teams, and the efforts that they have put in are valuable to building and demonstrating the organisational culture.</p>
	<p>Authenticity—The pandemic has resulted in employees being a part of each other’s lives like never before. Therefore, there is a need to respond to this and as a leader balance being your authentic, true self at work but also leading and managing people.</p> <p>There is a mismatch between employee perceptions of leaders displaying the organisational culture and leaders believing they are, <i>“closing these gaps in perception and authenticity is essential, because authenticity is correlated with not just good feelings but also measurable business outcomes”</i> (PWC 2021). These statements all point to the need for leaders to be human and authentic in their transactions with their team members. In turn, this will build rapport, trust, employee wellbeing and influence the culture of the organisation.</p>
	<p>Role modelling—It is not a new concept that leaders need to role model the values and behaviours that they expect of staff. However, in a hybrid work environment it is more critical to be deliberate and to think through how leaders can display and showcase those non-verbal expectations that they have of employees.</p>
	<p>Create the ‘water cooler’ moments—In-person communication styles from the office will never be replaced in totality in a hybrid work environment. However, leaders can create those ‘water cooler’ moments to replace those traditional methods of communication in a virtual setting. There are multiple ways in which this can be done including utilising all technological channels that are open – virtual whiteboards to generate ideas, having check-ins or team sessions that are focused on idea generation and not the ‘work or task of the day’ or using Teams channels. Also, when in the office, utilise that time to connect and create the physical ‘water cooler’ moments by having unscheduled time and conversations with staff.</p>
	<p>Selling the office—After living through a pandemic and having to work remotely for a lot of that time, many employees are hesitant to return to the office. It is therefore critical that leaders deliberately ‘sell the office’ to staff but then subsequently make time in the office add some value to their ‘working from home offer’. Staff need to know that they aren’t going to sit in virtual meetings all day (from the office) and need to get that face-to-face interaction and social aspect of working in a physical space together. Leaders need to be deliberate in organising ‘face time’ between staff and other levels of leadership, having collaboration sessions in person and making use of the time physically together to have those aforementioned “water cooler moments”.</p>

LEADING NEW TEAMS AND NEW STAFF

Onboarding new staff can come with a plethora of challenges: the provision of training, formal induction processes, building rapport, team introductions and education on relevant subject matter. With the rapid movement to work from home during the COVID-19 pandemic and scaling up of some government services both leaders and new employees in the public service were required to respond with agility. This resulted in leaders needing to adapt their processes to a new environment and onboard new employees in what can be an isolating environment.



[The] onboarding experience is quite different. Online requires more preparation...We can't just take them to introduce people in the kitchen.

Interviewee E



Learning a new job is never easy, but in a hybrid work environment, *“as a newcomer you have many questions, big and small, but often no-one close by to learn from”* (Anseel 2022). It is not only the formalities of learning about the requirements of the job or the organisation’s ‘way of doing things’, but also about workplace culture and building relationships.

Typically, new starters can notice workplace culture cues by listening to other employees in the office but *“relationship-building and cultural immersion is much harder in a virtual or hybrid work environment”* (Metcalf 2022, p. 9). If you do not understand a process, cannot remember a person’s name, or have a simple question you have the option of asking a person that you are physically located near. However, when working in a hybrid environment it can be isolating when starting and cause insecurities for the individual as well as challenges for the team, such as proximity bias. One interviewee commented *“[I] wasn’t really onboarded. Got the equipment. There wasn’t a structure.”* (Interviewee CSF).

BRING EMPLOYEES ON THE JOURNEY

Hybrid work has caused a reduction in organic knowledge sharing between staff and for some, misunderstandings of the teams' priorities or the tasks of the day (Williamson 2021). This presents a unique challenge for leaders in a hybrid work environment, with many interviewees commenting on the difficulties associated with it. *"We have just had someone start – if we were spending a day in the office, it would be easier to build connection"* (Interviewee CS2). On the other side, there is also the need to bring an existing team on the journey with new starters and the idea of hybrid work. There is a need for leaders to respond differently when onboarding new people in this new environment versus 'the traditional methods' and to deliberately ensure individuals and the collective team's needs are being met.

For leaders in a hybrid environment, it may seem like an impossible task to integrate new team members effectively into an existing team, or to become a leader of a pre-established team. This statement was validated via the focus group and interviews with one commenting that it is *"harder to be super transparent and open straight away"* (Interviewee CS2) and another posing the question *"...how do you induct a new person into that team, so they don't feel like they're on the outer, you know?"* (Interviewee H). Microsoft have also researched this problem, surveying 25,000 of its staff that commenced during the pandemic, it was found that teams had developed a firm reliance on their managers for everything related to onboarding, *"New hires' reliance on their managers for onboarding support increased nearly 20 per cent compared to before the pandemic"* (Microsoft 2021). The challenge then for leaders is set to continue.



It's about how the leader can adapt to the preferences of the staff.

Interviewee B



“Managers who are remote from their employees may feel like they’re operating in the dark” (Mortensen & Hass 2021).

A study found that 40% of employees in a hybrid work environment begin their working day without understanding their goals for the day or the priorities of their team (Williamson 2021, p. 19). As such, in a hybrid work environment, leaders are now relied on more than ever to support new staff and connect their teams.






The ability of a leader to *“work with their whole team, regardless of location, is a powerful skill in the modern workplace...”* (Turmel 2022, p. 35). Leaders in NSW Government need to adapt to their teams working increasingly flexibly and to overcome the challenges of everyone being different and responding to the expectations of hybrid working differently. As one interviewee described *“everyone’s different and receives information differently...don’t just put these blanket rules down for everyone. Be a bit flexible...you’ve also got to make sure you’re catering for the different work types of your team”* (Interviewee H).

MANAGE UNBOUNDING FLEXIBILITY

There is also a need to balance the potential ‘unbounding flexibility’ of hybrid work against the need for individuals to connect with each other in-person. *“Staff should only work from home for part of the week...This allows workers to get the best of both worlds – quieter days with no community time when working from home; collaboration and interaction when working from the office.”* (Oxford Economics 2022, p.14). This is further validated by an interviewee who commented, *“unbounded flexibility is too complex...Managers reported that individual preferences were too hard to manage... there are [some] things that cannot be replicated on the screen”* (Interviewee I).

To manage all the competing needs of team members, leaders need to lean on the fundamentals of leadership – *“prioritisation, productivity, work-life balance, a supportive team culture and, love of work...Managers should work to nurture these essentials”* (Microsoft 2021).

The expectations of leaders, by their staff, as hybrid-work continues and adapts, is exponential, not only in bringing staff onboard but also in managing teams. Leaders need to learn from their experiences, adapt to the preferences of staff both individually and collectively, and constantly adapt their approaches. It will be critical for people managers to rely on their leadership fundamentals and learn to apply these in this new environment. The research and interviews have provided some practical insights for leaders in how to do this moving forward.

How can leaders in NSW Government manage leading new teams and staff in a hybrid environment?	
	Set up technology early —Ensure new starters have access to a computer and have their login information prior to commencement. This might mean meeting the new starter at the office to hand over equipment or couriering it to their hybrid work location.
	Introductions —Go beyond sending a welcome email for new starters. Set up introductory meetings for key colleagues they will be working with, including executive leaders, either in-person or virtually, so they can understand their role in the broader team but also get a sense of the culture.
	Induct and check in —Be deliberate as a leader in the induction of your new starter by tailoring the information provided to them. Check in frequently to assist them in understanding the priorities and try to meet with them in-person as early as possible to develop rapport.
	Have a hybrid buddy —Assign a peer support buddy to the new starter so they have someone else they can lean on to answer the ‘silly questions’ but to also learn about the organisation and its culture. This will also assist in developing meaningful relationships with staff and overcome proximity bias.
	Frequent check-ins with staff, independently and collectively —Leaders must be deliberate in planning interactions with staff and schedule these as frequently as necessary. If possible, do this in-person to build relationships both between yourself and the team members, and for the team members together. Not every catch-up needs to be about work. Schedule time to solely talk to employees on a personal level to build better relationships.

EMPOWERING AUTONOMY—NOT MICRO-MANAGING

Many interviewees identified that those that lacked leadership capabilities in a traditional work environment also lacked leadership capabilities in hybrid work setting and vice versa. One interviewee commented that while this project team’s research was focused on hybrid work situations, they would imagine the findings would be equally applicable to traditional work situations (Interviewee D).

LEADERS NEED TO MOVE WITH THE TIMES

An observation from many interviewees was that successful leadership capabilities have changed over time. Leaders who were not moving with these changes were “*longing for the return*” (Interviewee A) of being 100 percent back in the office. This presents a significant challenge for HR professionals to support leaders that hold this view and change this fixed mindset. What was successful four years ago does not still apply (Interviewee A).

This view is supported by Billinger and Workiewicz who prior to the pandemic, wrote of the phenomenon of “*the slow but steady replacement of traditional top-down hierarchies with more decentralized structures where employees are given significant autonomy in how to carry out their work or which projects to undertake*” (2019, p.1).

Interviewees said that traditional leadership capabilities need to evolve, and the skills used in leading hybrid teams are now the new ways of leading that are expected (Interviewee D). Chamakiotis, Panteli & Davison concur, with their research finding that leaders in a hybrid work environment should avoid creating replicas of older leadership practices, which do not apply, in the post pandemic context (2021). They say that emergency and varying types of leadership “*could be more suitable and work better for all*” (Chamakiotis, Panteli & Davison 2021, p.8).



There is a place for hierarchy. But if hierarchy is the standard approach in a hybrid work situation, it does not work.

Interviewee D



However, other interviewees said that the capabilities of a good leader are similar in traditional and a hybrid work environment, but how they are applied and the degree to which they are applied is different (Interviewee B). For example, the capabilities one would hope to see in an office environment are similar to what one would hope to see in hybrid environment. This includes working in an agile way, being outcomes focused rather than process driven, having more purposeful collaboration and being able to *“take the temperature of the team without making people feel like they are under the microscope”* (Interviewees B, CS1 and E). These differences in application are outlined in the previous sections of this report.

The predominant view of interviewees was that high performing leaders continue to perform well and are engaged in a hybrid environment; while leaders that had challenges in leading prior to hybrid work continue to have challenges. However, this difference may become more obvious and amplified in a hybrid work situation.

“A bad leader in real life is a worse leader in hybrid” (Interviewee E)

One interviewee did offer a contrary view.

“A good leader doesn’t necessarily make a good hybrid leader” (Interviewee B).

MICRO-MANAGEMENT KILLS HYBRID

A predominant theme in the interviews was the negative impact of micro-management in a hybrid work environment. Command or control is not effective in hybrid work environments, but it was also described as no longer being applicable to traditional work situations (Interviewees A and B). Some who are used to working in hierarchical environments may want to continue to be told prescriptively what to do and leaders may also have trouble letting go of control (Interviewee D). Autocratic leadership does not work (Interviewee CSF) and there is a need for leaders to get much more comfortable with *“delegation from a distance”* (Interviewee F) and getting the balance right between autonomy and micromanaging (Interviewee CS1).

Interviewees described language used by some leaders gives the impression that *“if you are not working from the office, then you are not working”* (Interviewee F). A leader acknowledged they used to have the *“out of sight, out of mind”* mentality, saying they had previously had an unconscious bias of favouring those that were near them physically. Now, as a leader of hybrid teams, they regularly self-reflect by asking themselves whether they are sharing with their team equitably (Interviewee CS1).

BEWARE OF PROXIMITY BIAS

This aligns with the concept of proximity bias, which is also referred to in the ‘Trust building’ section of this report. One survey of 10,000 white-collar workers found that more than four-out-of-ten executives ranked the potential inequities between remote and in-office employees as their predominant concern (Hirsch 2022). According to Agovino (2022), some “companies hope to avoid proximity bias by training managers to be more inclusive so remote workers’ careers don’t stall”. While these are consistent observations among the interviewees and focus group, one interviewee described how a “traditional micro-management approach” be engaged when employees are not performing (Interviewee C). Additionally, even if the preference of a leader is not to micro-manage, it may be the preference of the organisation due to a low-risk appetite (Interviewee D).

THE NEW NORMAL

Leaders who are not successful in traditional work settings do not suddenly become competent in a hybrid work setting. Progressive leadership styles have emerged during the last couple of decades and are now the expectation of the workforce. The themes identified in the previous sections do not only reflect the capabilities required by hybrid leaders, but all leaders. Trust, flexibility and building culture are the ‘new normal’ no matter the workplace setting.



Traditional leadership styles need to progress...The skills being used in hybrid now are the new ways of leading.




Interviewee D



Therefore, it is vitally important that leadership skills are continuously improved across the breadth of workplaces in the NSW Public Service. Interviewees mentioned that leaders are responsive and receptive to receiving training and information on general aspects of leadership, not just hybrid aspects of leadership. Continuous reinforcement leadership principles that empower autonomy is vitally important, even when it may seem obvious to corporate People and Culture teams.

Interviewee C implemented micro learning on six aspects of leadership across their department:

“You started to think, hang on, we are not telling these people anything they haven’t heard before. And we started to really doubt it...but we got so many people writing back to us saying, ‘oh my God, this is amazing, it’s so helpful’... we realised that what we needed to do was kind of go back to basics with some work with management and supervisors to almost reset some capability, building around management capability in a contemporary world. So, it’s not just about hybrid.”

How can leaders in NSW Government empower autonomy?	
	Avoid proximity bias —Do not show preference for those who are near you physically. Be inclusive and supportive of regional and rural employees, part time employees and those who work hybrid. Become comfortable with delegating from a distance.
	Micro learnings —Regular leadership micro-learnings to continually improve your leadership capability (hybrid or otherwise).
	Avoid micromanaging —Leaders need to focus on outcomes and outputs <i>in addition</i> to the processes.

RECOMMENDATIONS

Identified actions emerged from the two overarching strategic themes from the research.

The recommendations propose options the NSW Public Service Commission may consider to develop leadership capabilities in order to support hybrid work in NSW departments and agencies.

STOP, START AND CONTINUE

- ▶ What should NSW Public Service Commission **stop** doing to support leadership capabilities in a hybrid work environment in NSW Government.
- ▶ What can NSW Public Service Commission **start** doing to support leadership capabilities in a hybrid work environment in NSW Government.
- ▶ What should NSW Public Service Commission **continue** to best support leadership capabilities in a hybrid work environment in NSW Government.

STOP

1. LONGING FOR THE “GOOD OLE DAYS”

The traditional command and control style of leadership is not a leadership style now preferred by many NSW public service employees. Leaders who long to go back to “before COVID” and a traditional office-based work environment are no longer relevant. Leaders need to focus on achieving a productive and harmonious workplace, with a focus on outcomes and outputs *in addition* to the processes.

In addition, leaders need to upskill their digital capabilities to be able to engage and lead their teams in a hybrid environment.

It is recommended that NSW Public Service Commission reiterate in its materials that command and control management styles are less successful in a hybrid working environment. In addition, increased communication is required recommending leaders upskill themselves in digital capabilities.

Actions related to Recommendation 1

- ▶ Encourage and practice autonomy
- ▶ Focus on outcomes
- ▶ Focus on people
- ▶ Improve your digital literacy
- ▶ Avoid proximity bias

2. COMPLEX MESSAGING

Some of the information provided to NSW Public Service leaders on hybrid work is complex. The interviews and focus group discussion confirmed that leaders have less time in a hybrid work environment and therefore need easy-to-use reference guides, checklists and support to help them.

Communication on hybrid work needs to be clear, concise and consistent. Key behavioural elements for leaders such as trust, flexibility and autonomy combined with simple tools and tricks such as walking the floor, intentional and deliberate engagement with teams, anchor days with set agendas, creating the ‘water cooler’ and selling the benefits of the office.

The work office still provides a unique setting for leaders and employees to learn, develop, discuss and share. Leaders need to encourage face-to-face engagement within and between teams, particularly when employees need to work together to interact, share knowledge and collaborate. In many government departments and agencies, the narrative on a return to the office has focused on business need. However, public sector leaders need to acknowledge the personal benefit for employees of having a continued physical connection to the workplace. These should not focus on superficial solutions like free lunches, yoga sessions or games rooms, but rather on the interpersonal and relationship benefits.

Attract employees back into the office by giving them a reason to want to come back! Employees are likely to want to come to the office if they know most of their colleagues will be there on an 'overlapping day'.

Simple communication materials are required to support agencies to reframe the purpose of being in the office. This information should support leaders to find the right balance between the office and the physical workplace for you and your employees and provide tools to enable a hybrid version of the office 'water cooler' so employees have the opportunity to socialise and connect with purpose.

It is recommended that the NSW Public Service Commission provide simple fact sheets using the Actions outlined in this report to assist leaders in managing in a hybrid work environment. This should include more focus on selling the benefit of being in an office together.

Actions related to Recommendation 2

- ▶ Be intentional and deliberate in your communication.
- ▶ Be open and as transparent on all matters.
- ▶ Do the hybrid version of 'walking the floor'.
- ▶ Communicate, communicate, communicate, and then communicate some more!
- ▶ Encourage Anchor days.
- ▶ Create the 'water cooler' in a hybrid setting.
- ▶ Sell the office and give employees a reason to want to come in.

START

3. WHOLE-OF-GOVERNMENT HYBRID LEADERSHIP TRAINING AND DEVELOPMENT

The development of overarching training programs, learning resources and support tools will help leaders across Government to understand the benefits and challenges of leading a team in a hybrid work setting and how best to address them.

The NSW Public Service Commission should develop and distribute ELearning training programs and learning resources on 'leading in a hybrid work setting.' In addition, they should encourage peer-to-peer coaching sessions to facilitate open and honest communication on the good, bad and ugly experiences of NSW public sector leaders in leading hybrid teams.

Many departments, agencies, and leaders within NSW Government are developing innovative responses to leadership challenges posed by hybrid work. Sharing case studies across government will encourage a continuous focus on improving leadership capability.

It is recommended that NSW Public Service Commission highlight a series of best practice real-life case studies of leaders across NSW Government who have addressed hybrid leadership challenges in innovative ways. This will highlight success stories and promote further innovation among leaders in hybrid work settings. These case studies should focus on the successful actions identified in this research report.

Actions related to Recommendation 3

- ▶ All actions identified in this research should be incorporated in the training programs.

CONTINUE

4. UPDATE THE HYBRID GUIDANCE DOCUMENTS

The NSW Public Service Commission should update and continue to refine its hybrid guidance documents to incorporate new research findings to encourage leaders across NSW Government to continue to build and sustain a positive hybrid workplace culture. Public Service leaders need to set clear boundaries and provide support documents e.g. a consistent team agreement templates, to support their team in a hybrid work environment.

Actions related to Recommendation 4

- ▶ All actions identified in this research should be incorporated in the hybrid guidance documents.

5. FOCUS ON NEW STARTERS AND INEXPERIENCED EMPLOYEES

Onboarding new staff in a hybrid work setting is a challenge for many leaders across the NSW Public Service. However, if a leader does not take an active role in onboarding new staff or if there is a lack of consistency in approach or policies and procedures, the new employee may not feel welcome or understand their role. A face-to-face meeting is a vital onboarding leadership tool, and encourages relationships and sets a precedent for your expectations of the employee in a hybrid work arrangement. Setting up a hybrid support buddy to assist people when joining the team, so that support is provided when both in the office and working remotely. Given this research has shown that impacts from hybrid occur more acutely for less experienced staff, either younger staff or those new to the agency or government, there should be clear communication towards impacted groups. It is noted that this is also likely for minority groups but the research did not focus on these particular groups.

It is recommended that the NSW Public Service Commission update induction material on on-boarding tips based on actions identified in this research to assist managers and new starters.

Actions related to Recommendation 5

- ▶ Set up technology early
- ▶ Introductions
- ▶ Induct and check in
- ▶ Have a hybrid buddy
- ▶ Frequent check-ins with staff, independently and collectively

Appendix B provides a comparison of NSW Public Sector Capability Framework, NSW Public Sector Leadership Framework – leadership impact, NSW Public Sector Leadership Framework – attributes, mindsets, behaviours, Research Themes, Research Actions and Research Recommendations.

CONCLUSION

This research has identified seven specific leadership capabilities required to support hybrid work in NSW Government. Trust building, leadership flexibility, managing the new pressures that come from hybrid work and digital skills are vital individual leadership capabilities in hybrid settings. Building culture, managing a new team and new staff, and empowering autonomy rather than micromanaging are vital “leading a team” capabilities.

The recommendations identified are for action by the NSW Public Service Commission who has a stewardship role in promoting and facilitating best practice leadership in hybrid work environments across the NSW Public Service. There is an opportunity for the NSW Public Service Commission to implement the recommendations of this report including stopping, starting and continuing specific actions. Implementation of these recommendations will promote, amplify and develop the leadership capabilities needed to support hybrid work in NSW Government.

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APPENDIX A

INTERVIEW AND FOCUS GROUP QUESTIONS

1. What observations do you have on how different members of hybrid teams respond to different leadership capabilities?
2. Do you believe there is anything specific or different about the leadership capabilities required in hybrid work?
3. What capabilities do you think leaders need in hybrid work situations?
4. What leadership capabilities have you observed that are effective in leading hybrid teams?
5. What leadership capabilities do you believe have led to less effective hybrid work situations?
6. What has surprised you about leadership in hybrid work situations?
7. How do the leadership capabilities you observe in hybrid work situations differ from those you observe in traditional work situations?
8. Where have you found useful tools and guidance to develop leadership capabilities in hybrid work?
9. What leadership capabilities do you utilise in hybrid work situations? Why do you think these work? What hasn't played out as expected?
10. What leadership capabilities are you personally developing in supporting hybrid teams? Why have you identified these for development?
11. How do the leadership capabilities you utilise in hybrid work situations differ from those you use in traditional work situations?

APPENDIX B COMPARISON TABLE

NSW Public Sector Capability Framework	NSW Public Sector Leadership Framework—leadership impact	NSW Public Sector Leadership Framework—attributes, mindsets, behaviours	Research Themes	Research Actions	Research Recommendations (with associated Actions)
<p>Personal Attributes</p> <ul style="list-style-type: none"> ▶ Display resilience and courage ▶ Act with integrity ▶ Manage self ▶ Value diversity and courage <p>Relationships</p> <ul style="list-style-type: none"> ▶ Communicate effectively ▶ Commit to customer service ▶ Work collaboratively ▶ Influence and negotiate <p>Results</p> <ul style="list-style-type: none"> ▶ Deliver results ▶ Plan and prioritise ▶ Think and solve problems ▶ Demonstrate accountability <p>Business Enablers</p> <ul style="list-style-type: none"> ▶ Finance ▶ Technology ▶ Procurement and Contract Management ▶ Project management <p>People Management</p> <ul style="list-style-type: none"> ▶ Manage and develop people ▶ Inspire direction and purpose ▶ Optimise business outcomes ▶ Manage reform and change 	<p>People—engaged respectful and high trust relationships</p> <p>Results—agency and citizen outcomes</p> <p>Systems—the environment processes systems and ways of working</p> <p>Culture—positive high performance workplace culture</p> <p>Public value—trust, engagement and the perception of public values amongst citizens</p>	<ol style="list-style-type: none"> 1. Strategic 2. Collaborative 3. Inspiring 4. Inclusive 5. Accountable 6. Empathetic 7. Authentic 8. Resilient 9. Courageous 10. Adaptable 11. Innovative 12. Growth Mindset 	<p>Individual leadership capabilities</p> <ol style="list-style-type: none"> 1. Trust 2. Flexibility 3. Managing the new pressures that come from hybrid work 4. Digital capabilities <p>Leading team capabilities</p> <ol style="list-style-type: none"> 5. Building culture 6. Managing new teams and new staff 7. Empowering autonomy rather than micromanaging 	<ol style="list-style-type: none"> 1. Encourage and practice autonomy 2. Walk the talk 3. Be intentional and deliberate 4. Be as open and as transparent as possible 5. Hybrid ‘walking the floor’ 6. Communicate, communicate, and then communicate some more 7. Prioritise 8. Mentoring and shadowing 9. Anchor days 10. Focus on outcomes 11. Focus on people 12. Improve your digital literacy 13. Don’t set and forget 14. Skin in the game 15. Recognition 16. Authenticity 17. Role modelling 18. Create the ‘water cooler’ 19. Selling the office 20. Set up technology early 21. Introductions 22. Induct and check in 23. Have a hybrid buddy 24. Frequent check-ins with staff, independently and collectively 25. Avoid proximity bias 26. Micro learnings 	<ol style="list-style-type: none"> 1. Longing for the good ole days (1, 10, 11, 12, 25) 2. Simplify messaging (3, 4, 6, 7, 9, 14, 18, 19) 3. Whole-of-Government hybrid leadership training and development (All) 4. Update the hybrid guidance documents (All) 5. Focus on new starters and inexperienced employees (13, 20-24)



**Leadership capabilities
needed to support hybrid
work in NSW Government**

Group 15—Work based project 2022

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