

# Making the Most of Remote and Hybrid Work

Data-Backed Advice  
for Small and Medium-Sized Businesses



**gusto**



## Introduction

The past few years have transformed work as we know it. We've been reimagining how, when, and where we work. This presents an opportunity for SMBs - a strategic advantage for those embracing remote and hybrid work, and using that advantage to attract the best and brightest.

But we're entering uncharted territory. To create great remote and hybrid places to work, leaders have been forced to rely on guesswork and instinct - until now.

This report provides SMBs with data-backed advice and recommendations from nearly 1,000 SMBs on what habits, best practices, and rituals the most successful SMBs are doing to empower their remote and hybrid teams.

The result: A how-to-guide for SMBs interested in building a distributed workforce that's high-performing, committed, and happily connected.



## Key Findings:

### **Giving workers flexibility isn't about worker satisfaction. It's about performance.**

Remote and hybrid companies that offer flexibility around working hours report improved talent attraction, increased company performance, and reduced employee burnout.

In addition, for hybrid companies, giving employees the ability to choose when to come into the office, and when to work elsewhere, has a positive tie to company productivity.

### **Don't assume your employees will pick up on key information - you need to document it.**

Because workers are working at different times or locations, they are more dependent on written knowledge and documentation to have the needed information to do their jobs without getting 'stuck' trying to find that information. Companies with highly effective documentation are more than twice as likely to report they strongly agree that their company has been able to maximize the positives and minimize the negatives of remote work, compared to companies with somewhat effective documentation.

### **Make sure your leaders set clear goals and hold regular check-in meetings to ensure remote and hybrid employees are set up for success.**

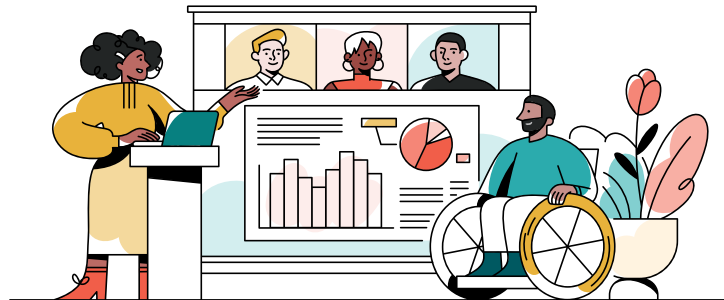
The businesses that are most satisfied with remote and hybrid work focus on getting clear alignment across the company on what employees need to achieve. Holding regular check-in meetings with their managers and providing written updates to their teams can help - but too many meetings and updates can cause employees to feel micromanaged, raising the risk of burnout and attrition.

### **Building a positive company culture doesn't have to involve expensive perks or regular in-person meetings. Use celebrations, expressions of gratitude, and kudos to build company culture.**

The most successful businesses focus on the little moments - positive, in-the-moment feedback, regular celebrations, and gestures of appreciation.

## Our methodology

Gusto surveyed 930 owners and key decision-makers at small and medium-sized businesses that identified themselves as having either a fully remote or hybrid workforce during April 2023. The survey asked respondents about the company's experience with remote and hybrid work, and the behaviors and practices at the company related to recruiting, managing, and building culture with remote and hybrid organizations.



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## Chapter 1: Offering Employees Flexibility Improves Company Performance

**Autonomy over when/where work gets done leads to increased worker productivity and improved overall performance.**

One of the key benefits employees cite from remote and hybrid work is flexibility. It's not just about location - it's also giving them more choices about where, when, and how they work.

SMBs that give employees more autonomy over their workdays reported higher performance, access to higher-quality talent, more positive company cultures, and less employee burnout than those that offered little to no flexibility.

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**Remote companies offering “a lot” of flexibility for working hours are 20% more likely to say remote work has boosted their performance - compared to companies with “no” flexibility.**

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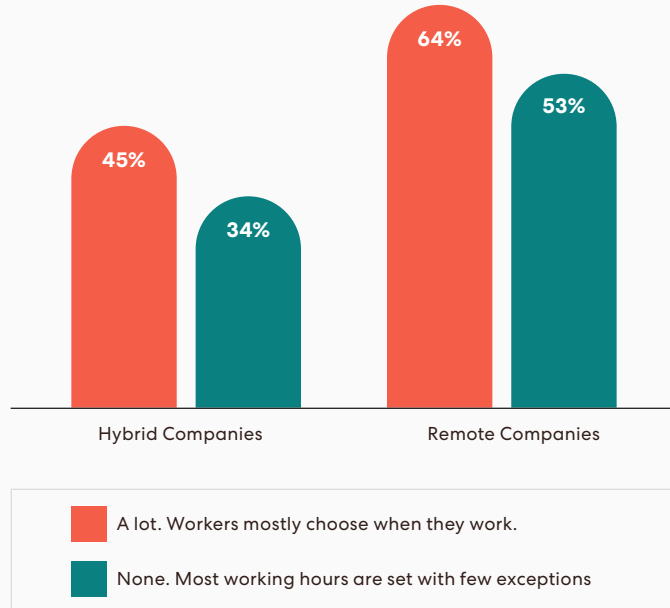
**Hybrid companies offering “a lot” of flexibility are 32% more likely to say hybrid work has improved their performance, compared to those with “no” flexibility.**

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Figure 1

**Remote and hybrid companies can increase company performance by offering more flexibility over working hours.**



**The takeaway:** By embracing a work culture that allows employees to have autonomy over when they work, your business can tap into more of the benefits of remote and hybrid work, and increase productivity and improve overall performance.

## More worker choice over hours and locations is a talent draw.

**Remote companies** that offer ‘a lot’ of flexibility\* in working hours are twice as likely to report being far above average at finding high-quality candidates compared to those with no flexibility\*.

**Hybrid companies** that offer ‘a lot’ of flexibility over working hours are nearly two and a half times more likely to report being far above average at finding high-quality candidates compared to those with no flexibility.

The data is in: By accommodating diverse scheduling needs, you’re signaling that your business values work-life balance, which data confirm is significantly helpful when it comes to attracting and retaining top talent.



\*A lot of flexibility - Workers mostly choose when they work.

\*No flexibility - Working hours are set with few exceptions

## Worker choice and flexibility reduces employee burnout.

Remote and hybrid companies that prioritize flexibility over working hours report having a significant advantage in managing employee burnout. **Remote companies** that offer ‘a lot’ of flexibility\* over working hours are **32%** more likely to report being ‘far above average’ at managing employee burnout, compared to companies that provide no flexibility\* over working hours.

For hybrid companies, this is an even larger benefit. **Hybrid companies** that offer ‘a lot’ of flexibility over working hours are more than **two** times more likely to report being far above average at managing burnout compared to companies that offer no flexibility over working hours.

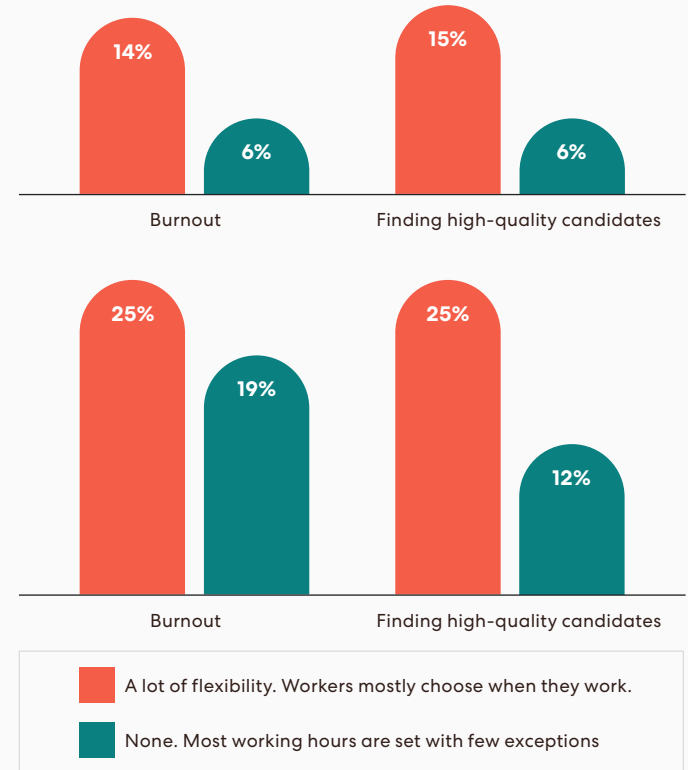
Flexible work arrangements empower employees to maintain a healthy work-life balance, prevent exhaustion, and reduce stress levels, ultimately promoting employee well-being and engagement.

\*A lot of flexibility - Workers mostly choose when they work.

\*No flexibility - Working hours are set with few exceptions

Figure 2

**Hybrid (top) and Remote (bottom) companies are more likely to report being far above average in talent acquisition and managing burnout when they offer flexibility over working hours.**



## Offering employees more choice leads to better culture.

Among both remote and hybrid companies, empowering employees with flexibility over their working hours is associated with a positive impact on company culture.

**Remote companies** that give employees 'a lot' of flexibility\* over working hours are **13%** more likely to report having a very positive culture than those with no flexibility.\* Moreover, remote companies with 'a lot' of flexibility are **30%** more likely to report a positive benefit to the company culture after transitioning to remote work than companies that offer no flexibility.

Similarly, **hybrid companies** that provide 'a lot' of flexibility over working hours are **22%** more likely to report having a very positive culture than companies with no flexibility over working hours.

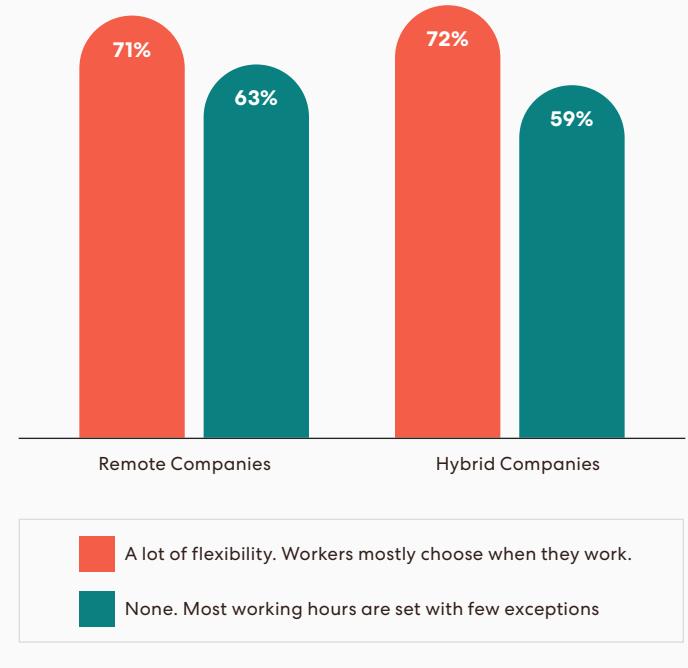


\*A lot of flexibility - Workers mostly choose when they work.

\*No flexibility - Working hours are set with few exceptions

Figure 3

**Both remote and hybrid companies can increase the likelihood of having a very positive culture by embracing flexibility over working hours.**





## For hybrid companies, having employees in the office 1-2 days a week is optimal to maximize company productivity and foster a positive culture.

As displayed in Figure 4, hybrid companies that ask employees to come into the office for 1-2 days a week are more likely to report that their company has maximized the positives and minimized the negatives of hybrid work, and that their company has a very positive company culture, compared to companies that have employees in the office 3-4 days per week.

However, there are benefits to having more in-office time. Companies that ask employees to work onsite 3-4 days a week tend to report a better ability to build personal connections among workers.

Plus, most businesses seem to use in-office days for larger meetings and in-person collaborations. Three-quarters of businesses said they believe smaller meetings of 2-3 participants are as effective when conducted remotely. However, nearly 60% believe larger meetings of 4-9 participants are more effective in person.

Figure 4

**Hybrid companies that come into the office 1-2 days per week are more likely to report high satisfaction with remote work.**

	That strongly agree that the company has maximized the positives and minimized the negatives of hybrid work	That report having a very positive company culture	That report being far above average at building personal connections
1-2 days in office	41%	55%	20%
3-4 days in office	25%	41%	27%

## However, to optimize company performance, you should involve employees in the decision-making process for in-office days.

Hybrid companies that **allow employees to choose in-office days, either as a team or individually**, are the most likely to report that remote work has been a positive development for company performance. The key is allowing employees to determine for themselves - either as individuals or with their close teams - what arrangement makes the most sense to encourage great work.

The difference between giving employees input and choice over in-office days versus not is large. Thirty percent (30%) of companies that have teams choose their own in-office days and give employees input into those in-office days agree that remote work has been a positive development for company performance. This is 45% higher than companies that do not give employees input into the decision-making process for in-office days. If management has a need to set in-office days for the entire company, creating a process that allows employees to provide input can help employees embrace the decision.

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## 41% of businesses allowing employees to choose in-office days “strongly agree” remote work has positively impacted company performance.

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Among companies that do require a minimum number of days in the office, but allow employees to choose those days - just 26% say remote work has been positive for their company’s performance. The decision to make employees come into the office may seem arbitrary to workers, and they may be less likely to come into the office when their peers and colleagues are in, even if they get to choose.

### **Remember the primary benefits of in-office work are group collaboration, mentorship, and personal relationship-building.**

If you do need employees to have in-office days, consider striking a balance between giving them autonomy over their working schedules, while ensuring that in-office days are well-attended and effective in facilitating these benefits.

## **SMBs in tech and professional services are starting to push the envelope on the 4-day workweek.**

Roughly 10% of SMBs in tech and professional services are offering a 4-day workweek - and 14% are considering it. This appears to be a shift, as these industries have traditionally had 5-day workweeks, with most employees working 9-5.

Surprisingly, there was no noticeable difference in companies’ ability to attract talent or reduced employee burnout if they offered a 4-day workweek. But businesses with a 4-day workweek were 20% more likely to strongly agree they have maximized the positives while minimizing the negatives of remote work - showing a 4-day workweek may complement a well-executed remote work strategy.

If you’re considering offering a 4-day workweek, you may want to run a test pilot first to determine if it’s the right fit for your team.



### SMB Spotlight



**Kahl Orr** is the founder of **Rise Marketing**, a digital marketing firm in Philadelphia, PA. He allows his team to choose which projects they want to work on, and how much time they want to spend on them. This allows him to attract top talent to serve clients.

“What I loved about freelancing was not only did I earn more, but I had the flexibility to live life on my terms ... Creative minds are seeking that kind of flexibility. Oftentimes we hear that’s part of why they’re deciding to work with us.”

### Check out our blog post on

[how to set up a flexible work schedule](#)  
for your employees.

### Need to hire employees in other states?

[Learn how to register for payroll taxes](#)  
and stay compliant in all 50 states.

## Chapter 2: Success Comes From Documentation, Check-Ins, and Clear Goals

Good documentation is widely recognized as a crucial aspect of knowledge management, and it’s even more important for remote and hybrid work. Because workers are working at different times or locations, they are more dependent on written knowledge and documentation to have the needed information to do their jobs without getting ‘stuck’ trying to find that information.

Remote companies that reported ‘highly effective’\* documentation are nearly **two** times more likely, and hybrid companies that reported ‘highly effective’ documentation are nearly **three** times more likely to report strong agreement that remote and hybrid work has been a positive development for the company’s performance compared to companies that reported having ‘somewhat effective’\* documentation.

Figure 5

**Companies with highly effective documentation are much more likely to say remote or hybrid work has benefited company performance, compared to those with just somewhat effective documentation.**

	Times more likely
Remote companies	<b>1.8X</b>
Hybrid companies	<b>2.8X</b>

\*Highly effective. Strong documentation practices are major contributors to the company’s performance today.

\*Somewhat effective. The company would perform better if more things were documented well.

**Strong project and process documentation are essential for remote and hybrid success. Strong documentation around company values and policies are differentiators.**

Documentation should be focused on the outcomes to be achieved, the tools required to achieve those outcomes, and the principles to follow while achieving those outcomes. Overall, just over half of companies report that **processes and project documentation** are the most important things to document.

However, documenting **company values** and **policies** is the biggest differentiator between companies that strongly believe remote work has been a positive development and those that do not. For companies that reported remote or hybrid work did NOT improve performance, they also tended to focus their documentation on management principles, expectations, and behaviors.

In short, they tend to focus on explaining how people should behave - rather than providing them with the information they need to complete their work and achieve their goals.

Companies for whom remote work has been a net positive for performance tend to focus on (1) documenting what goals should be achieved, (2) helping workers understand the tools available for achieving them, and (3) setting the values that should be employed in their pursuit.

Figure 6

**Top practices for companies that believe remote work has been a positive development for the company.**

Companies that have the right documentation habits are much more likely to strongly believe **remote work** has been a positive development for company performance, compared to being neutral

Company Policies	2.1X
Company Values	1.4X
Project Documentation	1.2X
Processes and Use of Tools	1.1X



## Set clear goals to guide behavior in between check-ins and serve as a north star during check-ins.

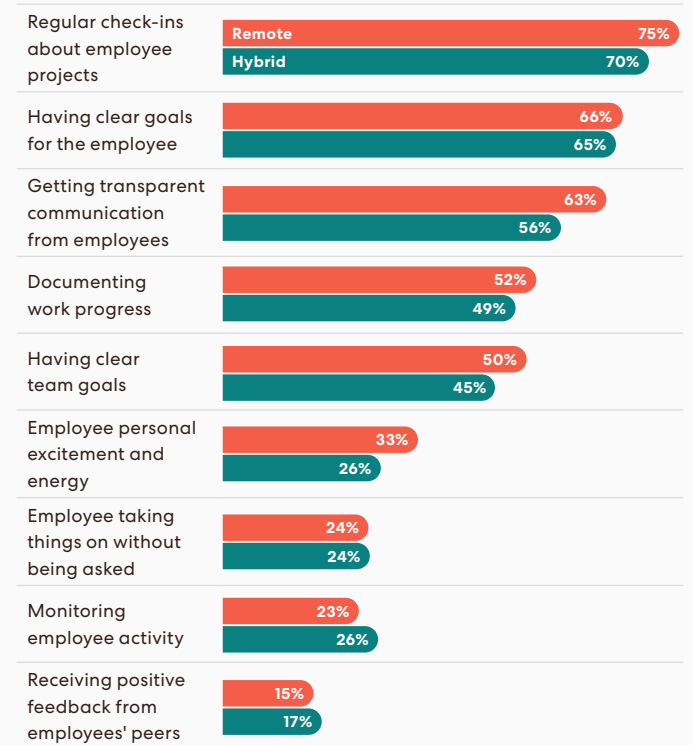
**Setting clear goals for the team is the best way to ensure employees are productive.** Across both remote and hybrid companies, having clear team goals is the biggest differentiator between companies that believe remote work has been a positive development for the company and those that do not. However, only about half of companies report having clear team goals.

Of companies that report having clear team goals, 46% of **remote companies** and 49% of **hybrid companies** also reported strong agreement that remote or hybrid work has been positive for company performance.



Figure 7

### Regular check-ins and clear goals are the most common ways managers at remote and hybrid companies trust their employees are working.



## Have live check-ins a few times per week to assess progress, provide clarity, and gain alignment.

When it comes to remote work, successful day-to-day management involves trusting the team by default while still holding them accountable and ensuring constant conversations, like the virtual version of an 'open-door' policy. Regular check-in between managers and employees about projects is the most common practice managers use to trust employees are getting their work done. Three-quarters of both remote and hybrid companies use regular check-ins between managers and employees to maintain productivity in a remote environment.

A combination of written updates and live meetings **multiple times a week** is optimal for managers to ensure productivity. However, it is important to remember that people like remote work for the flexibility. Therefore, managers should avoid burdening employees with too many check-ins.

Managers need to find a balance between keeping the work flowing and making employees feel micromanaged. Most remote companies had regular communication between managers and their direct reports, with 80% holding live meetings at least once weekly.

A strong relationship with one's manager is crucial for employee engagement. Additionally, there is a slight productivity gain at companies where employees provide written updates to their managers more frequently.

Companies where managers meet multiple times per week are 20% more likely to report being better at retaining workers. They're also 30% more likely to report being much better at managing burnout than companies with meetings only once a week.

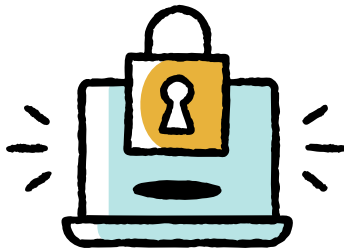
However, asking employees to provide updates to their managers more than once a day is also linked to a higher risk of burnout and attrition - so there needs to be a balance.



## Monitoring employee activity may be counterproductive

When managers cannot physically see their employees working in the office, there may be a desire to implement surveillance or tracking systems to ensure that work is still getting done. However, monitoring employee activity may not only be unnecessary - it can also be counterproductive.

Overall, approximately one in four companies reported monitoring employee activity as a way for managers to trust that employees are getting their work done. However, these companies are **28%** less likely to strongly agree that their company has been able to maximize the positives and minimize the negatives of remote and hybrid work and 16% less likely to strongly agree that remote work has been a positive development for company performance than companies that do not report monitoring employee activity.



### SMB Spotlight



**Michael Ly** is the founder of **Reconciled**, an accounting firm headquartered in Burlington, Vermont. Reconciled recently acquired three other firms across the country, so it's been critical to document and standardize knowledge and training processes to better serve clients.

“I think the practice of getting used to creating documentation is not something that's common for most people who have not worked in a remote role most of their career...

Once you learn and you've created that knowledge base and that standardization of practice, you need to document it and put it into a knowledge database versus letting it sit in somebody's head.”

## Learn how you can nurture your team's growth

through goal-setting and performance management tools that will help you develop your team.

## Chapter 3: Gratitude and Celebrations Help Employees Feel Connected

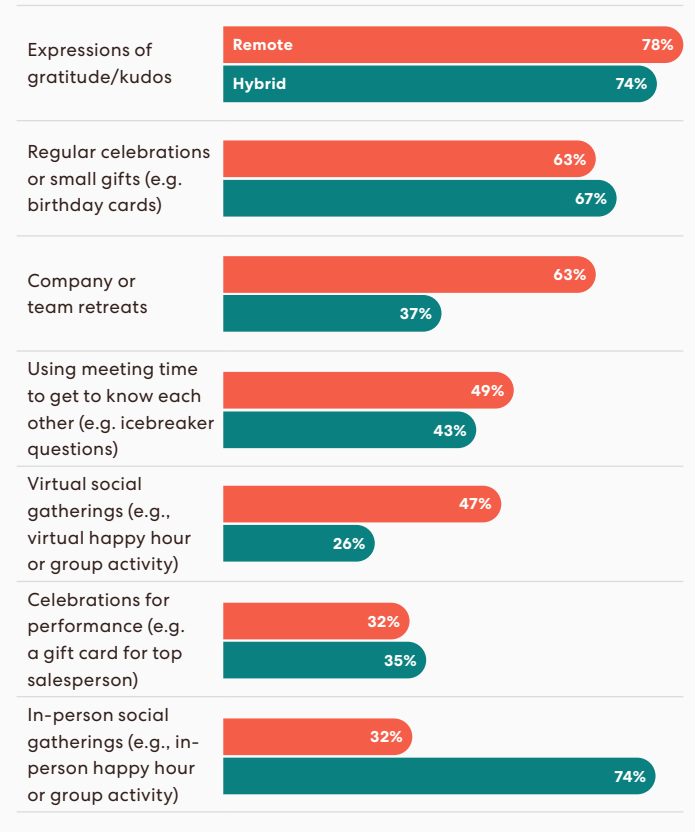
The most common practices that both **remote and hybrid companies** use to foster connections within the company are regular celebrations or small gifts and expressions of gratitude/ kudos.

Nearly three-quarters of **hybrid** companies also rely on in-person social gatherings to foster connections within the company. In contrast, only one in three fully remote companies reported holding in-person social gatherings. However, remote companies are significantly more likely to have company or team retreats. Two in three fully remote reported holding in-person social gatherings or company or team retreats.



Figure 8

**Regular celebrations and expressions of gratitude/ kudos are the most common practices remote and hybrid companies use to foster connections within the company.**





## Face-to-face interaction is still one of the best practices for building relationships among workers.

For both **remote and hybrid companies**, in-person gatherings are a major factor that sets companies that are great at building personal connections apart from companies that are average at this.

Remote companies that hold in-person gatherings are **three** times more likely to report being far above average in their ability to build personal connections among workers, respectively, compared to those companies that rate themselves as average. Hybrid companies that held in-person gatherings were **2.5** times more likely to say the same.

However, while in-person gatherings are effective at fostering relationships, they may not always be practical for remote companies. With fewer in-person interactions, remote companies need to be more intentional about building culture, such as taking a few minutes in meetings to get to know one another personally.

### Looking for some ideas for in-person team building activities?

[Check out these 25 fun ways to connect your team.](#)

## SMBs do not need to sacrifice culture to adopt fully remote work.

When employees are not in the office together, it becomes crucial for company leadership to ensure that employees still feel a sense of connection to the company and their fellow employees.

Anecdotal evidence suggests that creating a positive company culture can be more difficult for a fully remote company. However, the data suggests this is not the case.

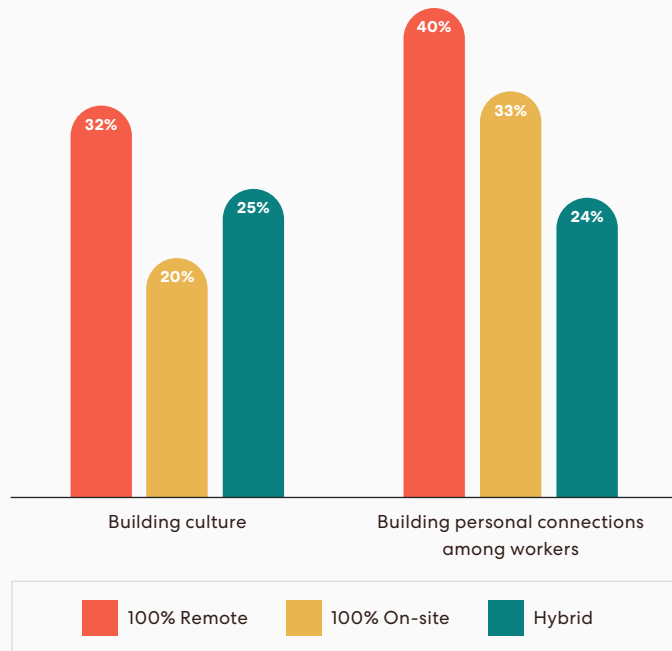
## Remote companies generally report a better ability to build culture and connections between employees, compared to fully in-person or hybrid companies.

This could be because remote companies need to be more intentional and thoughtful about managing and developing a culture in a remote setting.



Figure 9

**Remote companies are more likely to report a far above average ability to build culture and connections between employees.**



### **Building a positive remote culture starts with the little things - appreciation and celebration.**

Regular celebrations and expressions of gratitude/kudos are key differentiators between companies that say they excel in building connections between employees and company culture and those that are average in these areas.

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**Remote companies that hold regular celebrations are nearly twice as likely to report building stronger company cultures.**

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**Remote companies that express gratitude / kudos are 1.5 times more likely to report building stronger company cultures.**

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Hybrid companies that report holding regular celebrations and giving expressions of gratitude/kudos also have similar benefits to building company culture.

## Need some ideas for how you can celebrate your employees for great work?

[Check out our suggestions here.](#)

Figure 10

**Companies that regularly celebrate and thank employees are more likely to report being far above average at building culture compared to being average.**

	Remote	Hybrid
Regular Celebrations	1.9x	1.3x
Expressions of gratitude/kudos	1.5x	1.4x
In-person social gatherings	2.6x	1.4x
Company or team retreats	2.0x	1.3x

Figure 11

**Companies that regularly celebrate and thank employees are more likely to report being far above average at building connections between their employees compared to being average.**

	Remote	Hybrid
Regular Celebrations	1.7x	1.4x
Expressions of gratitude/kudos	1.9x	1.6x
In-person social gatherings	3.0x	1.2x
Company or team retreats	1.2x	2.1x

## Want to write a note to thank your employee for their amazing work on that tough project?

[See our employee recognition letter templates here.](#)

## Prioritize social gatherings during working hours to build connections and culture.

If a company decides to utilize in-person gatherings, it's important to consider employees' commitments outside of work when organizing these gatherings. 37% of companies that prioritize hosting social gatherings during working hours report that their company has been able to maximize the benefits of remote work while minimizing the negatives, this is 40% higher than companies that do not prioritize hosting social gatherings during working hours.

## Surveys are an underutilized but effective tool to take action on culture.

Just **one-quarter** of companies conduct regular surveys to monitor company culture. However, companies that conduct regular surveys are 20% more likely to report having a very positive culture compared to companies that do not conduct regular surveys and leave the responsibility of monitoring company culture to the manager.

### SMB Spotlight



**Delante L. Bess** is the Vice President of Technology at **New Apprenticeship**. Delante believes in the power of harnessing data gleaned through employee surveys to guide him on how to best retain top talent. For example, through surveys, New Apprenticeship learned its team wanted retirement benefits - so they set up a 401(k) plan.

“It’s absolutely essential right now to have readily available, employee-driven data so leadership can better understand the psychology of our organization. The surveys we administer through Gusto provide vital information that helps us make well-informed business decisions that put the employee first.”

## Conclusion

SMBs are at the forefront of an evolution in the ways we work. They're leading the charge in shaping what remote and hybrid work will look like in the future. Having the right practices in place will help them attract and retain the best people, ultimately boosting their growth and success.



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