

## DIGITAL LEADERSHIP IN A HYBRID WORKING ENVIRONMENT

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### ABSTRACT

This article examines digital leadership in the hybrid working environment in more detail with the help of a literature review. The following findings result from the theoretical analyses: The digital transformation, the corona pandemic and the climate crisis have reinforced the introduction of hybrid working. Hybrid working brings enormous benefits such as better work performance, well-being and work-life balance. However, there are also numerous challenges, especially for managers. In order to successfully embed location- and time-flexible working in the company's digital transformation and to avoid social erosion, digital leaders must above all strengthen networking and communication. In addition, rules and regulations can be developed together with employees to define how to manage remotely, prevent lax working practices and achieve results-orientated work. If well-organised and moderated hybrid meetings are held, the potential risk of social erosion triggered by hybrid working can also be minimised.

### INTRODUCTION

Our current working world is characterised by numerous changes that also affect the working environment and management styles. Heterogeneity, flexibility and hybridity are standards that have become an integral part of the concepts of New Work, a term that has now become the "new normal". Managers must adapt to the new forms of work. Workplaces need to be redesigned. Employees work in teams. Crises require rapid action. Responsibility and trust are the basis for remaining competitive in today's highly complex systems. Working from home has become part of everyday life (see Bodanowitz & Scharf 2022, p. 9).

Hybrid working, which means a combination of working in the company, in a home office or at a third location (see Gilson et al. 2022, p. 1203), is no longer an exception and, in addition to a corresponding corporate culture, also requires leadership that adapts to these new circumstances. Flexible offers tailored to the respective needs of employees are necessary in order to meet the demands of a wide range of people of different ages, attitudes and values in times of diversity (see Bodanowitz & Scharf 2022, p. 9).

### Hybrid working in the digital transformation

The problems and challenges associated with the digital transformation and the change in life phases are described below. The extent to which hybrid working can have a positive influence on these changes is then explained.

### Digitalisation as a driver for hybrid working

"While computers and networks were initially the preserve of a few specialists, they are now an integral part of everyday life for everyone. Digital technology and its effects on information transfer are omnipresent." (Kollmann 2020, p. 1). Advancing globalisation and digitalisation as well as disruptive business models are forcing organisations to take new paths in order to remain

future-proof and competitive (see Überbacher et al. 2020, pp. 67-85). Employers are competing for well-trained specialist staff. However, only particularly attractive companies can inspire and interest the talent and skilled workers they are looking for in their job advertisements. The different generations on the labour market have different demands, and the demand for self-determination, personal responsibility and a good work-life balance is increasing. In view of the climate crisis, companies must take on more and more responsibility in order to reduce traffic volumes and CO<sub>2</sub> emissions. Satisfying these needs and requirements clearly seems to work better with mobile working than with traditional forms of work. Work that is flexible in terms of location and time can even contribute to solving social problems such as rural exodus, housing shortages or care. Hybrid working can therefore be considered an effective means of better coping with the multifaceted challenges of digital change (see Hertwig 2022, p. 17-18).

### **Change in the phases of life**

Changes in working models are not only due to the digital transformation that is shaping the economy, society and the environment, but also to the different life phases that characterise employees and companies (cf. Helms et al. 2024, p. 114). In order to categorise the requirements of life phases, the concept of life cycles was developed, which is basically divided into four areas:

- Biosocial life cycle
- Family life cycle
- Professional life cycle
- Operational life cycle (see Hellert 2014, p. 18).

With increasing life expectancy, there are more and more older employees, which means that the biosocial life cycle is changing. The family life cycle of employees is changing, as families are being started later and the birth rate remains constantly low. Frequent job changes and further training programmes influence the professional life cycle of employees. Events such as company mergers, the introduction of new technologies or the relocation of jobs in turn have an impact on the company life cycle.

These influences are changing people's attitudes towards work, which means that working time, the key resource in the world of work, is also subject to change. Helms et al. emphasise: "Positive well-being is in turn the key to a successful digital transformation" (Helms et al. 2024, p. 114). The authors refer to employee satisfaction and well-being as important key factors for a successful digital transformation (cf. Helms et al. 2024, p. 114-127). However, it has not yet been possible to clarify how managers can actively promote this well-being in the digital transformation (see Überbacher et al. 2020, pp. 67-85; Helms et al. 2024, p. 116).

However, it is clear that managers must take measures to meet the new needs. Maintaining the ability to work in old age must be ensured through health management and occupational health and safety, and the compatibility of work and family is also of fundamental importance in management decisions. Companies must therefore create innovative framework conditions that enable life-phase-orientated working in order to safeguard the future viability and competitiveness of their businesses. In the course of this, digital leaders must not only react to requirements, but also act proactively. They are in demand as important coordinators with regard to the management of sustainable working models (see Hellert 2014, p. 18).

### Changes due to the coronavirus pandemic

Another driver of change is the coronavirus pandemic, which has forced many people to work from home. Contrary to initial scepticism on the part of employers, many employees performed very efficiently and productively when working from home. The benefits of hybrid working have long been known, but it took the coronavirus crisis for the concept of flexible working in terms of time and place to become more widespread (see Kreuzer et al. 2022, p.1034)

Bath & Winkler (2024) assume that before the pandemic, technological and cultural reasons were perceived as too great a barrier, which is why hybrid work was not very widespread. The coronavirus pandemic and the associated lockdown regulations gave hybrid work an extreme boost. Although the handling of hybrid work is still not fully mature, the large number of employees who have had to deal with hybrid work due to the pandemic has helped to create new opportunities for hybrid working after the pandemic. The changes give companies the opportunity to reassess hybrid work and rethink its role in the organisation (cf. Bath & Winkler 2024, p.13).

### Hybrid working

Hybrid work refers to a work culture that is flexible in terms of location and time. In addition to working in the office, employees can also work from home or at a third location (cf. Bath & Kramer 2023, p. 19).

The type of work, the objective of the activity, the level of interaction and communication, the efficiency and the personal preferences of employees are considered more important in the hybrid work concept (cf. Kramer 2021, p. 37).

As the "Cisco Global Hybrid Work Study 2022", in which 28,000 employees were surveyed on hybrid work, shows, there are several benefits associated with hybrid work. According to the study, hybrid work increases work engagement, improves performance and optimises the work-life balance of employees. The participants surveyed primarily mentioned the time savings that are greater with hybrid working than with traditional working models. Furthermore, hybrid working results in employees feeling happier, healthier and more prosperous, as well as having stable family relationships (cf. Cisco 2022, p. 5-8).

Employees appreciate the freedom and flexibility of hybrid work and enjoy having more time for friends and family. The increased well-being of employees also leads to better employee retention, which is why hybrid workers change jobs less often (cf. Bath & Kramer 2023, p. 21).

As part of the Cisco study (2022), an attempt was made to identify the key criteria that are decisive for successful hybrid working. The following four influencing factors were recognised in this regard:

1. **Flexible working hours:** In the study, flexible working hours were of great importance to just under 66 per cent of respondents.
2. **Increased use of technology:** Around 54 per cent considered the use of technology to be an important factor.

3. **Much shorter or no commuting time:** Around 53 per cent felt that a shorter commute was particularly important.
4. **Use of virtual meetings and collaboration tools:** More than 50 per cent were of the opinion that virtual meetings and collaboration tools are important for hybrid working (cf. Cisco 2022, p. 14).

### **Digital leadership in a hybrid working environment**

At its core, the term "digital leadership" refers to an understanding of leadership that can be seen as essential for current and future challenges due to advancing digitalisation, as digitalisation will cause profound changes in terms of working conditions and the previous understanding of leadership and existing leadership tools will no longer be able to meet the new challenges and will therefore reach their limits. Digital leadership can therefore be understood as an approach to defining the tasks and instruments of leadership in the transformation resulting from digitalisation (see Fürst 2019, p. 279).

Hybrid working brings advantages for employees, but also challenges for digital managers. Digital leaders have to deal with the demands that digitalisation requires, but also with the needs that employees demand. All aspects must also comply with labour law regulations and legal requirements: a task that digital leaders have to deal with in many ways, as shown in the following points.

### **Hybrid working under digital leadership**

Hybrid working brings several benefits for employees. In addition to improved health and optimised well-being, the perception of work on the part of employees beyond the workplace has also changed for the better (cf. Cisco 2022, p. 5-12).

Hertwig (2022) sees hybrid working conditions as the "work of the future", as employees can react more quickly to the highly changeable circumstances in the economy, environment and society, while at the same time being given more freedom and participation in the company. Hybrid work could therefore make a valuable contribution to coping better with the more difficult circumstances. However, the flexible working concept is polarising, which is particularly noticeable among managers. On the one hand, the advantages are obvious: The time it takes to travel to work each day is minimised, the number of hours in the office vary, starting and finishing work can be arranged more flexibly, as can planning holidays and working at weekends. In addition, the requirements of certain lifestyles can be better taken into account, and the increase in self-determination, personal responsibility and a better work-life balance is easier to realise. On the other hand, however, people continue to work in traditional work concepts and stick to the "tried and tested". The reason for this is that many companies are still reluctant to change the way they work. Managers fear a loss of control, less team collaboration and a decrease in productivity. In order to develop a viable hybrid working model, digital leaders must not only recognise and take into account the digital requirements and challenges, but also integrate all employees in order to jointly create a set of rules that clearly defines hybrid working.

More than 20 years ago, in 2002 to be precise, Konradt & Hertel (2002) defined very precise and clear requirements for managers of virtual teams. Among other things, they listed the following criteria:

- Employees should have a low need for control
- Managers should establish a very high level of trust with their employees.
- Managers are participative and thus motivate employees sufficiently.
- There is a fair and inclusive environment, which is intended to retain employees in the long term.
- The needs of the employees and the climate in the team must be perceived sensitively, especially if there is little communication.
- Team leaders of virtual teams must have strong media skills and know when to use which media.
- The goals to be achieved are very challenging, but must be set realistically.
- Constructive feedback must be given competently, even if the distance between managers and employees is far apart.
- Team leaders of virtual teams create a motivating vision that is further developed, communicated and maintained by the manager.
- Managers of virtual teams are familiar with all phases of their team's development and adapt their own behaviour accordingly.
- In their role, team leaders are tolerant and sensitive to cultural differences and endeavour to impart intercultural skills to their employees (cf. Konradt & Hertel 2002, pp. 30-34).

Management at a distance demands different requirements than the management of employees who are present. Important aspects in this regard are

- Self-organisation of employees
- Results-orientated work
- Proactive communication
- Prevention of lax working practices.

In addition, digital leaders must take into account the applicable labour laws, legal aspects (e.g. data protection) and increased organisational requirements for desk sharing when working in a hybrid environment. Overall, digital leaders are encouraged to implement a corporate culture that not only regulates flexible working in terms of time and location, but also uses versatile digital tools that support collaboration and take processes such as recruiting, application and onboarding into account (cf. Hertwig 2022, p. 17-18).

Good leadership is therefore still closely linked to acting as a role model and actually living values and visions. This fact, which was already emphasised in 2002 by Konradt & Hertel (2002), is confirmed in the study by Schomburg, Sobieraj & Kruse (2016), in which 400 managers were asked about their conscious and unconscious values that determine their leadership actions. The following characteristics that characterise "good leadership" emerged from the survey:

- Managers know how to deal with unresolved issues and are still orientated despite instability, as they use vision and values to form their identity.
- Managers take on a full role model function, especially in the areas of authenticity, taking responsibility and dealing with competences.
- Managers are able to adapt creatively and quickly to changing market conditions.
- The handling of information is always transparent.
- A wide variety of lifestyles are integrated into the company.

- Employees are shown a high degree of empathy and are encouraged in their work.
- Employee coaching is considered part of good leadership.
- Employees are motivated to show greater appreciation, a sense of purpose and self-determination.
- Self-organised networks and interdisciplinary cooperation are promoted.
- Activities are synchronised.
- Growing momentum is bundled.
- Organisational efficiency is increased by means of a strategic approach based on key figures.
- Personal and organisational resilience in dealing with change is strengthened (see Berninger-Schäfer 2019, p. 31).

As the "Global Workplace Expectations" study by Millennial Branding & Randstad U.S. (2014) shows, surprisingly many of the criteria mentioned also largely correspond to the expectations that young employees have of their superiors. In this study, participants from the Generation Y and Z age cohort were asked about their expectations of the qualities a manager should have. Honesty and sincerity were named as the most important criteria for a manager. The second most important criterion was the need for a solid vision. The third most important criterion stated by the participants was that managers must have particularly good communication skills (see Berninger-Schäfer 2019, p. 31).

The Fraunhofer Institute points out four requirements that are responsible for the successful implementation of digital leadership:

- Active promotion of innovation
- Uncertainties due to existing market situations must be recognised and mastered.
- Employees have become much more self-confident in recent years. Companies must therefore find a way to deal with these employees appropriately.
- Corporate goals must be stringently aligned with the company's purpose. At the same time, employees must be continuously developed in order to cope with the highly changeable nature of the competitive world (see Hofmann & Wienken 2018, p. 32).

### **Challenges in a hybrid working environment**

However, hybrid work is not only associated with advantages, but also with certain challenges. It requires intensive thought and effort on the part of management in order to successfully and effectively guide the most important resource, the employees, into the hybrid working world (cf. Bath & Winkler 2024, p. 22).

Due to hybrid work and the associated absence of employees, networks are shrinking, chance encounters between employees at the workplace are decreasing and relationships between employees are becoming less close. However, these factors are important to ensure innovative strength, well-being, employee loyalty and good work performance in the company (cf. Bath & Winkler 2024, p. 23).

Digital managers must not only successfully drive forward the digital transformation in the company, but also introduce new working models such as hybrid work in a controlled manner. Their task is to establish a digital leadership style, a digital leadership culture and digital business



models within the company. However, the VUCA world, i.e. a working environment characterised by volatility, uncertainty, complexity and ambiguity, makes leading in the digital transformation more difficult. As Petry (2016, p. 45) emphasises, managers must be guided by the VOPA+ model (networking, openness, participation, agility plus trust) in order to promote both the use of new technology and networking (see Abels 2022, p. 8; Buhse 2014; Eggers & Hollmann 2018, p. 47).

As it is well known that management work consists to a large extent of relationship and communication work, difficulties are conceivable due to employees not being present. Managers must be aware of the work status and support needs of their employees. Sufficient time must also be allowed so that relationships between managers and employees can be cultivated and a scope for action characterised by trust can develop (cf. Hofmann & Rief 2023, p.18).

Promoting social relationships is probably the most important task for digital leaders in the context of hybrid work. If digital leaders fail to fulfil the task of networking due to absent employees, there is a risk of social erosion (cf. Hofmann & Rief 2023, p. 22).

### **Avoiding social erosion through hybrid work**

Working outside of the company organisation brings with it a number of side effects. According to the Fraunhofer Institute's study "Working after the coronavirus pandemic" (2023), hybrid working can lead to the social erosion of the working community. In particular, the integration of new employees into the company's operations has become more difficult due to the absence of employees. In some cases, employees who are already integrated also feel that hybrid working is accompanied by a deterioration in networking among employees. This also applies to the exchange of knowledge between employees. The interviewees also stated that hybrid working would result in less interest in social interaction and fewer social encounters. The survey shows that hybrid working can pose a potential risk of social erosion in the workplace.

Digital leaders must therefore be aware of the importance of the workplace as a place for integration, identity creation, everyday structuring and social participation, and respond to this with customised design approaches in order to avoid social erosion (cf. Hofmann & Piele 2023, p. 8).

### **Hybrid meetings - promoting hybrid collaboration with digital tools**

As already mentioned, the coronavirus crisis has given a massive boost to the implementation of hybrid working, making hybrid working conditions more firmly established in companies. What was considered unimaginable from an IT and security perspective before the pandemic suddenly became feasible as a result of the coronavirus crisis. Suddenly, working from home was possible almost everywhere. Communication with the company and the team was an important part of working from home. Hybrid meetings via "Zoom", "Microsoft Team" etc. became established during the pandemic and have been an integral part of hybrid working life ever since. After the pandemic, many employees returned to work, but digital communication tools did not disappear - they became more important than ever. It turned out that hybrid meetings play an important role in hybrid working. Hybrid meetings are characterised by the fact that some of the meeting participants take part in the meeting from the office, while other employees participate remotely via Zoom, Microsoft Teams, etc. In hybrid meetings, not all participants have the same framework conditions. In contrast, in online meetings, all participants are alone in one place, whether in the

home office or at the office workplace. Very similar conditions therefore apply here. In face-to-face meetings, all participants are in one place, which is why completely identical framework conditions apply to everyone (see Heitmann & Michel 2022, p. 22).

Hybrid meetings enable remote participation through digital audio and video conferencing technology. The focus of hybrid meetings is primarily on the exchange of information. However, hybrid meetings also require a different meeting culture than when employees meet in person at the same location. Digital leaders need to create a hybrid meeting culture in which all employees are seen and heard, regardless of whether they are working online or offline. Participation in hybrid meetings must work equally well for everyone. Further challenges when holding hybrid meetings are that different participants also bring different social contexts with them, which also entails different needs, behaviours and reactions. The facilitators of hybrid meetings, usually digital leaders, must therefore have the ability to communicate contexts well. An understanding of each other must also be created, as this forms the basis for hybrid working (cf. Heitmann & Michel 2022, p. 25).

## **CONCLUSION**

The digital transformation is causing rapid changes in the economy, environment and society. The coronavirus pandemic and the climate crisis have also had a lasting impact on the world of work. There are strong movements in everyday working life. Since the coronavirus pandemic, many organisations have responded by adapting to the new requirements and establishing hybrid working. In addition to professional collaboration, well-developed social relationships within employees and management are extremely important, as they help people to stick together and overcome problems even in challenging phases. Digital leaders must therefore prioritise networking and communication in order to avoid the risk of social erosion caused by working in absentia.

Hybrid working brings a number of benefits for employees, as they are given more flexibility, personal responsibility, co-determination and participation in the company. The flexibilisation of working hours supports employees in the respective phase of their lives and makes it possible, among other things, to respond better to family circumstances or to meet other needs and obligations. Hybrid working also increases employees' work commitment and work-life balance. According to the Cisco study (2022), hybrid work results in happier, healthier and wealthier employees. In turn, the effectiveness and performance of companies increases. However, hybrid working models also entail challenges that are particularly noticeable for digital leaders. Digital leaders must not only ensure that digital technologies are driven forward, but also take into account the changing needs of employees. Digital leaders are confronted with the need to harmonise both worlds. Many managers still fear that hybrid working will mean they lose control over their employees, there will be less team cohesion and productivity will decrease. In order to establish a stable hybrid working model, rules and regulations need to be developed together with the employees. These agreements define how to manage remotely, how employees must organise themselves, how results-oriented work is achieved, how proactive communication is possible and how lax working methods can be prevented. Holding well-organised and moderated hybrid meetings can help to improve collaboration and networking between employees, which also minimises the potential risk of social erosion caused by hybrid working.



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