How the Hybrid Working Policy Affect an Organisation: A Case Study of Taiwanese Technology Startup Company

by

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Content

1. Introduction

Company UG, founded in 2018, aims to provide digital solutions to small and medium-sized companies. With about 23 employees, the company operates in a co-working space in Taipei, Taiwan. The onset of the COVID-19 pandemic poses unprecedented challenges to the company, which include the temporary close of the co-working space where Company UG is based. With the privilege of online meetings and collaboration tools, the company has transitioned from traditional on-site working to remote collaboration, marking a journey through three distinct phases of digital transformation. Initially, Company UG embraced remote work, integrating telecommunication technologies but encountering issues like collaboration overload (Cross et al., 2022) and disconnect (Aroles et al., 2021). The challenges highlighted the telework paradox (Boell et al., 2016) and led to adopting a hybrid work model, blending remote and in-office practices to offer greater autonomy and flexibility (Golden, 2009; Tremblay & Thomsin, 2012).

This case shows the dynamics of digital transformation when a company faces challenges. Considering the collaboration overload (Cross et al., 2022) and disconnection (Aroles et al., 2021) issues brought by the remote working model, the company shifted to the hybrid model. The transition reflects the company's capability to leverage technology to respond to the uncertainty of the external world and shows that digital transformation depends not solely on the technology dimension but also on the organisational culture. (Attaran et al., 2020). The company's journey provides valuable insights into managing digital work transformations, making it an intriguing case within the digital transformation of work (DTW) framework.

1.1 Data Collection

The data used for this case study are the first-hand experience of the author, who served as the project manager in the development team from December 2020 to June 2022. The involvement in the daily operation and strategy decisions provides the author with a unique perspective of the decisions made by the

organisation. This experiential knowledge is complemented by follow-up surveys.[1] conducted after the implementation of the remote working policy, observations, and reflection during the author's tenure as project manager, offering a comprehensive understanding of the digital transformation in Company UG.

2. Theory

To understand the DTW case in Company UG, the author utilises the digital workplace designing framework introduced by Jensen and Stein (2021) to analyse the interactions of four smart work elements.

2.1 The Definition of Smart Work Elements

Smart work is a worldview that leverages digital technology to transform the workplace. By a networked way of operating, the work can be conducted without the constraints of spatial-temporal dimensions. (Mitchell & Boorsma, 2011; Raguseo et al., 2016) The elements of smart work include all fundamental aspects and determine how the work can be conducted. According to Raguseo et al. (2016), technology, workforce, new ways of work, and leadership play the most vital part in designing a smart workplace.

Technology, according to Baptista et al. (2020), refers to a range of digital services that enable work within the organisation, acting as a trigger for new workplace design (Raguseo et al., 2016). Based on Attaran et al. (2019), the technologies in the paper are classified into four generations: The technology in the first generation aims to increase personal productivity and communication within the organisation and external parties, while the second generation aims to optimise the workspace and in-time collaboration. The third generation includes mobile devices and cloud-based tools to enable more efficient knowledge sharing, and the fourth generation includes AI-based tools to perform process optimisation and in-time decision-making. In the scale aspect, the tools are divided into small, which affects mainly the individual level; large, which can influence the organisation process; and at scale, which refers to the technology that can take advantage as the computational resource increases. (Galliers & Stein, 2017)

[1] Appendix: Follow-up Survey collects the surveys conducted after the implementation of remote work practice. (For the survey mentioned in the rest of the paper, you can find the data attached in this section)

The second element of smart work is the workforce, which refers to the people who perform the work. Although integrating technologies brings workers more flexibility in employment, scheduling, and location (Spreitzer et al., 2017), it also blurs the boundary between work and private life, causing various issues (Aroles et al., 2021; Boell et al., 2016; Cross et al., 2022; Schlagwein & Jarrahi, 2020; Tremblay & Thomsin, 2012). To analyse the influence of digital transformation on employees, the author uses the three dimensions of readiness (mental, relationship, and technological), introduced by Eckhardt et al. (2019), to analyse the supplement policy applied by Company UG. Mental readiness related to the individual's mental condition on handling the stress during working remotely. Relationship readiness to building trust among colleagues and leaders. Technical readiness refers to the worker's ability to use the relevant technology to perform remote work.

New Ways of Work, as the third element, includes training, communication, management, and projects to support the change of working format. (Raguseo et al., 2016) After defining the workforce element in company UG, we analysed the new ways of working elements that take part in the policy conduct. On the individual level, the workers should be empowered to choose the goal, content, and way to conduct the work with enough technical support. (Van Diermen & Beltman, 2016) At the group level, the team should be agile, increasing knowledge sharing and distributing tasks more easily. (Crocker, 2021) At the organisational level, the company considered the coherence of the working site with technology and human factors. (Van Diermen & Beltman, 2016)

The final element of smart work is leadership. Leadership styles must adapt to organisational structures and processes, and a new approach is required to promote organisational change. Steven & Jensen, 2021). In this case, Company UG should also adjust its leadership style to promote an innovative and adaptable culture.

Although four elements are introduced independently, they exhibit a complementary relationship. Therefore,

when the shifts in the practices are conducted, the organisation should also consider the interaction among other elements. The lack of consideration of complementary elements among different elements might result in the reduction of organisational productivity. However, conducting multiple changes in an organisation also poses coordination challenges, such as synchronisation in technology across the organisation and the mental readiness of the workers. (Galliers & Stein, 2017)

2.2 Telework Paradox

As described by Boell et al. (2016), the tele paradox highlights the dual nature of remote work practice. On the one hand, telework enhances employee autonomy, providing greater flexibility in different aspects and potentially increasing employee productivity. (Aroles et al., 2021; Boell et al., 2016; Golden, 2009; Tremblay & Thomsin, 2012) On the other hand, it can also introduce several challenges to the organisation if the organisation fails to consider the interplay of different smart work element. (Aroles et al., 2021; Boell et al., 2016; Golden, 2009; Tremblay & Thomsin, 2012; Wang & Prester, 2022) Without careful strategy management, telework can become backfire, contradicting the benefits of telework. (Baruch, 2000; Boell et al., 2016; Tremblay & Thomsin, 2012)

The risk of increasing surveillance and collaboration overload are significant challenges introduced by telework. (Cross et al., 2022; Wang & Prester, 2022) While telecommunication technologies enable seamless collaboration across spatial and temporal boundaries, they can also inadvertently create an environment where employees feel compelled to be perpetually connected and responsive. (Cross et al., 2022) The constant connectivity might lead to mental fatigue and decreased productivity.

The isolation and disconnection among employees are also big challenges in the organisation. Although telecommunication technologies enable organisations to overcome spatial constraints, the integration of technology might lead to emotional or professional disconnection. Aroles et al. (2021) emphasise the importance of maintaining team cohesion and engagement, even when working remotely, to avoid declining work engagement and job satisfaction.

3. Analysis

The DTW at Company UG occurred in three phases. The initial phase, triggered by the closure of the co-working space, focused on integrating technology for remote work, prioritising technological readiness but overlooking the on-site work environment simulation. The second phase, from July 2021 to March 2023, evolved based on feedback, emphasising mental readiness and modifying work practices and leadership to enhance individual and team dynamics. The final phase, post-reopening of the co-working space, transitioned to a hybrid model, addressing challenges like disconnection and collaboration overload encountered in earlier phases.

3.1 Initial Phase: Virtual Workspace (May 2021 – July 2021)

In the middle of May 2021, Company UG launched the initial phase of its DWT in response to the COVID-19 pandemic. In this phase, the initial goal of DWT was to transition all business processes from offline to online operations, replicating the physical office environment virtually. The company, already equipped with advanced technology for knowledge and online product development (Galliers & Stein, 2017), focused on integrating real-time collaboration tools and creating the technology readiness to help employees adapt to the new organisation process.

Technology Integration and Training Program

The company introduced large-scale, second-generation technology, such as Microsoft Teams, to facilitate real-time collaboration (Attaran et al., 2019; Galliers & Stein, 2017). The training programmes, virtual office guidelines and in-time IT support were introduced to ensure the technology readiness among the employees, addressing the challenges, such as creating the virtue meeting space (Wang & Prester, 2022), of virtue office transitions (Eckhardt et al., 2019).

Neglecting Mental Readiness and New Ways of Work Challenges

To simulate the on-site working environment, the company asked employees to mandate presence in department online meetings with cameras on during working hours. The lack of consideration for mental

readiness manifests in employees feeling overwhelmed by the continuous virtual presence required (Eckhardt et al., 2019; Wang & Prester, 2022). This practice also neglected the New Ways of Work principle at the individual level, which emphasises employee autonomy and flexibility in remote work settings (Aroles et al., 2021; Boell et al., 2016; Golden, 2009; Stein & Jensen, 2021; Van Diermen & Beltman, 2016).

Leadership and Organisational Dynamics

As in most companies in Taiwan, Company UG maintains a commanding leadership style. The leadership style not only added unnecessary stress but also hindered the group-level new ways of work elements, such as agile characteristics, in the organisation (Eckhardt et al., 2019; Goleman et al., 2013). The lack of adaptive leadership negatively impacted group dynamics, reducing the team's ability to function efficiently in a remote setting. (Crocker, 2021; Stein & Jensen, 2021; Van Diermen & Beltman, 2016)

Employee Feedback and Challenges

The continuous online presence requirement led to a sense of self-surveillance among employees, impacting their mental health (Eckhardt et al., 2019; Wang & Prester, 2022). A survey conducted after this phase indicates that over 75 % of employees felt uncomfortable with the constant online visibility. As a result, more than 50% of employees felt less productive when working remotely.

3.2 Second Phase: Evolving Toward Autonomy and Agile Practices (July 2021- March 2022)

To respond to the survey conducted, Company UG implemented the second phase of remote work practice, addressing the issues of the previous version. This phase focused on the mental readiness of the workforce and new ways of work practice. In the development department, the leadership style was also considered.

Employee Autonomy and Flexible Scheduling

In this phase, employees were empowered to choose their working hours as long as they fulfilled the 40-hour weekly working requirement. To conduct this practice, the development team introduced first-generation technology -online scheduling tools, such as the calendar- to facilitate flexible working practices. The

practice shows the consideration of individual-level new ways of work and reduces the discomfort of the previous structure. (Aroles et al., 2021; Baruch, 2000; Boell et al., 2016; Eckhardt et al., 2019)

Adopting Agile Meeting Practices

Company UG also empowered each department to develop ways to conduct the work. In the group-level collaboration, the development team introduced the daily brief meeting, where the team member can share their progress and the daily plan, adopting a more agile approach. This practice fostered information sharing, increasing the sense of accountability and collaboration. Opening access to project management tools to team members, the development team enabled a decentralised approach to task management. (Crocker, 2021)

Leadership Style Transition

The leadership style in the development department also evolved, moving away from the traditional commanding approach to a coaching leadership model. The leaders only give the direction of the project and the blueprint but empower team members to choose their own way to conduct the task (Goleman et al., 2013). This change was crucial in fostering a culture of trust and empowerment, essential elements for successful remote work (Stein & Jensen, 2021).

Challenges in Communication and Cross-Department Collaboration

However, the shift to autonomous working styles introduced new challenges. Employees were required to constantly monitor messages, which could be mentally taxing. The primary mode of communication became instant messaging tools, inadvertently leading to collaboration overload (Cross et al., 2022). Additionally, the autonomy granted to different departments led to inconsistencies in working styles across the organisation, complicating cross-departmental collaboration. Although the company considered individual- and group-level collaboration, embracing the flexibility and agility brought by remote work, oversight of the organisational process posed new challenges (Crocker, 2021; Van Diermen & Beltman, 2016). Although meetings provided opportunities for interaction, the lack of chances to chat with colleagues in person still

affected the emotional bonds among colleagues and with the organisation. This situation influenced employees' loyalty and engagement, underscoring the importance of interpersonal connections in the workplace. (Aroles et al., 2021)

Insights and Areas for Improvement

A follow-up meeting (referred to Appendix: Follow-up Survey-Phase 2) conducted in September 2021 highlighted the teleworks paradoxes. The removal of all-day meetings and the transition of leadership style increased employee autonomy and flexibility, increasing employee productivity. (Baruch, 2000; Boell et al., 2016; Tremblay & Thomsin, 2012) However, this adjustment also increased reliance on instant messaging and varying departmental practices, leading to collaboration overload and feelings of disconnection among team members (Aroles et al., 2021; Cross et al., 2022).

3.3 Third Phase: Transitioning to Hybrid Working (March 2022 – Present)

The third phase of Company UG's digital transformation journey, initiated in the post-Covid period, marked the transition to a hybrid working model. This phase was a strategic response to the challenges identified in the previous stages, particularly focusing on mitigating member disconnection and collaboration overload.

Hybrid Working: Balancing Remote and On-Site Work

After quarantine, the company UG introduced the hybrid model, in which all employees can choose to work remotely up to three days per week. This approach was designed to leverage the benefits of both environments: the flexibility and autonomy of remote work and the collaboration and community aspects of physical workspace(Baruch, 2000; Boell et al., 2016; Tremblay & Thomsin, 2012). Aligning with Golden (2009), the hybrid model offer the best of both models, enhancing productivity and employee satisfaction.

Addressing Collaboration Overload

The availability of physical workspaces combined with shared calendars enabled members to interact in person, reducing reliance on online communication and facilitating inter-organisational collaborations. The

company also allow employees to book "focus hours" during remote workdays, reducing the pressure of constant online availability and alleviating collaboration overload (Cross et al., 2022).

Implementing Agile Ceremonies for Engagement and Addressing Disconnect

To further enhance team engagement and cohesion, the development team implemented various agile ceremonies. These ceremonies, such as sprint reviews and retrospectives, provided structured forums for team collaboration and feedback, reinforcing the agile methodologies suggested by Crocker (2021). The celebration after achieving the milestone helps to increase the group engagement and to build the relationship among team members. The hybrid model's face-to-face interactions were crucial for building trust and emotional connections within teams (Tremblay & Thomsin, 2012). These in-person interactions helped mitigate feelings of disconnection and isolation that were more prevalent in the fully remote phase.

4. Discussion

4.1 Organisational Implications

The multiple phases of the adjustment during the transformation journey verified that technology integration is insufficient for the transformation of the organisational process. New ways of work, leadership style, and mental readiness of employees also play a big part in a successful DTW project. Adjusting team dynamics and leadership styles demonstrated the necessity of organisational adaptability in the digital work environment.

4.2 Political Implication

This Company UG case raised decision-making authority and power distribution issues in the organisation as team members gained more autonomy. The shift challenged traditional hierarchical structures in Taiwan.

4.3 Ethical Implication

From an ethical aspect, the case study also revealed a risk of violating employees' privacy when designing the virtual working space. The initial implementation of remote work at Company UG, emphasising constant

online presence, raised concerns about employee privacy and autonomy, indicating a debate on the ethical boundaries of organisational control in digital work environments. Furthermore, organisational adaptation not only shows consideration for employees' mental aspects but also reflects a growing awareness of balancing organisational goals with ethical considerations in organisational management.

4.4 Theoretical Implication

The DTW case in Company UG offers valuable insights into applying a smart work elements element framework when designing the digital workplace and the causes of the telework paradox. The case aligns with Jensen and Stein's (2021) theory of complementary technology, workforce, new ways of work, and leadership. The challenges caused by remote work practice implementation led to a comprehensive understanding of the telework paradox, particularly the importance of balancing flexibility, productivity, and organisational control.(Boell et al., 2016)

The study of the DTW case in Company UG not only highlights the practical aspects of implementing digital work but also brings to the forefront the organisational, political, ethical, and theoretical dimensions of such transformations. As the economic environment and technology capability are dynamic, the insights gained from Company UG's experience will undoubtedly contribute to shaping future digital work strategies and policies.

4.5 Future Research Direction: Cybersecurity in the Context of Digital Transformation

The experience of Company UG in its DTW journey suggests several areas for future research. One of the vital areas is establishing a cybersecurity strategy when introducing the remote or hybrid work model, particularly for companies with limited IT infrastructure. This involves technology integration, technology readiness of the workforce, and the organisational level new way of work consideration. This exploration is crucial for ensuring data safety and building resilience against cyber threats when conducting the digital transformation strategy.

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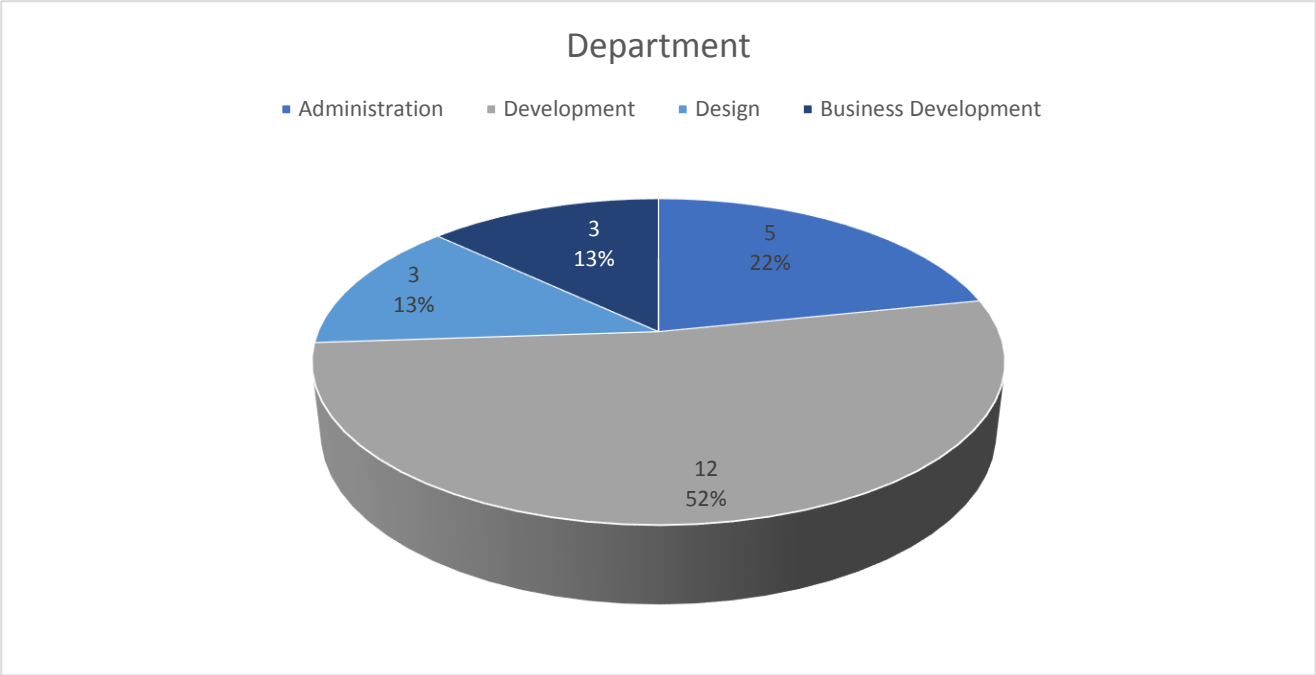
Appendix: Follow-up Surveys

Phase1:

Time :	15 Jun 2021-19 Jun 2021	**Scope:**	Organisation
Number of Participants	23	**Format**	Online Questionnaire



1: Strongly Disagree 2: Disagree 3:Nature 4:Agree 5:Strongly Agree

- Virtual Office Policy refers to the meeting room for all-day camera presence.

Question	1	2	3	4	5
General Question					
I feel more stratification of my job after working remotely	0	12	11	3	0
I have more autonomy when working remotely	2	6	14	1	0
I have more flexibility when working remotely	1	6	16	0	0
I feel more productive when working remotely	0	7	13	2	1
I have more engagement when working remotely	1	10	8	1	0
Technology					
The company has provided enough support when conducting the remote working	0	0	4	11	8
The company provide the necessary equipment for remote working	0	0	0	18	5

The training program provides the necessary guide for remote working	0	0	5	10	8
Policy					
The virtual office tool kits help me to create a more comfortable workspace	0	0	10	7	6
I do not feel the big difference when working remotely	0	8	12	3	0
The virtual office policy facilitates interdepartmental collaboration	0	3	17	3	0
The virtual office policy facilitates cross-department collaboration	2	15	6	0	0
I spend more time jumping around different meeting rooms than physical meetings	0	2	4	12	5
I feel more concentrated when joining the virtual meeting room the whole day	2	4	6	8	3
Reverse Question					
I feel more stress when working remotely	0	3	3	14	3
I feel less productive when working remotely	1	2	4	15	1
I am less flexible when working remotely	0	0	17	3	3
I feel isolated when working remotely	0	3	10	8	2
I am uncomfortable joining the virtual office all day	0	0	8	9	6

Phase 2

Time :	7 Sep 2021	**Scope:**	Development Department
Number of Participants	12	**Format**	Online Meeting

In the meeting, every team member was asked to write at least one item that works well and one that needs improvement after the second phase of remote work is implemented. Then, each team member had three votes for things that went well and things that needed improvement. The three chosen items for improvement will be converted into action items.

Thing goes well	Thing to improve	Action Item
Flexible working hours and location.	Challenges in collaborating across different departments due to varied working policies.	The manager will report the collaboration issue to the management board and develop a solution.
Employees are empowered to choose their most comfortable way of working	Employees feel overwhelmed and distracted by continuous messages and emails.	Implement 'focus hours' where employees are not expected to respond to messages or emails and communicate these times during daily meetings.

Team members have the freedom to express their preferences about work tasks and projects they want to join.	Reduced team belonging and familiarity among team members.	Organise additional ceremonies and virtual social events to enhance team engagement and foster a sense of belonging among team members.