

Why companies should adopt a hub-and-spoke work model post-pandemic

Article

Accepted Version

Laker, B. ORCID: <https://orcid.org/0000-0003-0850-9744>
(2021) Why companies should adopt a hub-and-spoke work model post-pandemic. MIT Sloan Management Review. ISSN 1532-9194 Available at <https://centaur.reading.ac.uk/98259/>

It is advisable to refer to the publisher's version if you intend to cite from the work. See [Guidance on citing](#).

Published version at: <https://sloanreview.mit.edu/article/why-companies-should-adopt-a-hub-and-spoke-work-model-post-pandemic/>

Publisher: MIT Sloan School of Management

All outputs in CentAUR are protected by Intellectual Property Rights law, including copyright law. Copyright and IPR is retained by the creators or other copyright holders. Terms and conditions for use of this material are defined in the [End User Agreement](#).

www.reading.ac.uk/centaur

CentAUR

Central Archive at the University of Reading

Reading's research outputs online

Why Companies Should Adopt a Hub-and-Spoke Work Model Post-Pandemic

As the COVID-19 pandemic upended the traditional model of a corporate headquarters where employees congregate daily, it has also highlighted how companies can more effectively use schedules, space, and technology to be more productive. Copresence is no longer essential for productivity because more jobs than ever can be conducted and monitored virtually. In the U.S., for example, remote working has doubled during the past 12 months, with 1 in 4 employees situated entirely at home.

But a significant majority of businesses — 77% — believe the lack of social contact during work hours has compromised employee wellness. As a result, many organizations believe it's time to reinvent the working environment with a middle ground between packed offices and the isolation of working at home: the hub-and-spoke office model. This setup — in which a company operates a centralized main office (hub) with more localized satellite offices (spokes) — is a fundamental driver of workspace mobility. Offering an attractive yet accessible hybrid of both home and office work, the model increases the options and flexibility for employees by including the home as an essential spoke.

The hub-and-spoke concept is not new. The term derives from the airport industry, where instead of sending half-empty flights directly between smaller spoke destinations, airlines have passengers change flights at a central hub between the two airports. More recently, the term has come to refer to a more flexible workspace and working style, given that hub-and-spoke offices allow employees to work from either their city hub; a dedicated, strategic spoke location such as a regional workspace; or a personal home-based spoke.

Search for Common Ground, a nonprofit with more than 500 employees globally, has operated under the hub-and-spoke model since 2018. This approach enabled the organization to reduce its office space by 65% and optimize the employee experience through the modernization of its communication tools, design, and technology. Similar benefits were experienced by MotoRefi, a consumer refinance company based in Washington, D.C., with spokes spread across two states.

Enabling a Cohesive Culture

While office space is a physical representation of an organization's people, culture, and values, office space itself does not make a company. But the challenge of having multiple office spokes is ensuring that the employee experience — both in the office and culturally — feels cohesive. Companies must then deliberately define what cohesion means for them with consistent and clear interventions.

Creating a sense of cohesion is no doubt harder to do remotely than in person, which is why many companies seek specialist help from organizations that offer sophisticated scheduling technology, such as Cove. Someone in an Austin, Texas-based office, for example, can book a conference room in New York; someone from the New York office who's visiting a spoke in Columbus, Ohio, can reserve a time and space for a cross-function team meeting spanning multiple locations and time zones. Such an integrated system makes it easy to communicate, manage, and collaborate, offering a consistent way to engage with teammates and offices and merging the online and offline worlds into one.

Adam Segal, Cove's CEO, has observed increasing numbers of executives adopting the hub-and-spoke model. This supports my assertion that this hybrid model is an example of what's next for forward-thinking modern companies: leveraging physical spaces in key cities to create a unified cultural experience that can attract a wide variety of talent beyond the hub city — all while layering technology to coordinate and optimize that experience.

Flexibility has become the No. 1 requirement for key talent when considering joining a company, and demand for flexibility will doubtless continue. By establishing new spokes — satellite offices in other cities — a company gains greater access to talent located beyond its hub city. Companies that foster flexible work arrangements will benefit by attracting top-shelf candidates — as well as increased productivity, profitability, and loyalty from their current workforce.

The impact of the hub-and-spoke model is also significant in terms of a company's environmental impact — a growing concern of many employees. Downsizing to a smaller hub can shrink a company's carbon footprint by lowering the amount of energy expended on appliances, air-conditioning, and heating, as well as emissions from commuting employees' vehicles.

Embracing Behavior-Based Design

The way we use office space must also evolve. On one end of the spectrum, the closed-door office allows individuals the space for all types of work behaviors and styles within a bigger shared space — but this layout is costly to build and can be inefficient. On the opposite end of the spectrum is the open floor plan, which allows for excellent efficiency, in theory, but is too often a behavioral mess in practice, as when one employee talking on Zoom distracts a colleague nearby who's trying to do heads-down focused work.

Another factor, then, of a successful hub-and-spoke model is an office layout steeped in behavior-based design offering separate spaces for meetings and collaboration, phone booths for video and phone calls, and quiet rooms for focused work. In this arrangement, individual employees will no longer need dedicated desks; instead, employees can choose a work location, either a hub or spoke, that best suits their intended behavior. This is an exciting time for employees, as employers increasingly empower them to personalize and customize how and where they work best.

Why stay in one location when your business could go further? Adopting the hub-and-spoke model gives you a larger, more significant geographic footprint that can broaden your company's audience, customer, and client reach.