

REMOTE AND HYBRID WORKING MODELS AND THE CLOSELY HELD BUSINESS

The COVID-19 pandemic upended nearly every aspect of daily life, especially work environments. Companies of all sizes were forced to adapt quickly. First, lockdowns led to the remote working model. Next, widespread vaccination and the lift of social distancing ushered in the era of the hybrid work model. While large corporations had the resources to implement these changes seamlessly, closely held businesses, often owned by a small group of individuals or family members, faced unique challenges and opportunities. As companies now evaluate whether or not to revert back to in-office policies, new opportunities and challenges have emerged.

This article explores the benefits, challenges, and best practices for adapting to remote and hybrid working models in closely held businesses, emphasizing how these businesses can leverage their flexibility, culture, and leadership dynamics to thrive in a new work environment.



Key Trends

According to the U.S. Bureau of Labor Statistics (BLS), only 6.5% of workers in the private business sector worked primarily from home in 2019. When the pandemic hit, it forced a massive experiment, which ultimately proved that it was possible for many “non-essential” jobs to be performed remotely. Since that time, remote and hybrid work models gained widespread acceptance with businesses leaning on technological advancements to accommodate employees’ increased desires for job flexibility. Although some of the impact is softening over time, many businesses may never completely revert back to the traditional in-office model. According to a recent BLS study, as of August 2024, 22.8% of US employees worked at least partially remote, which represents one-fifth of the U.S. workforce.

Remote & Hybrid Models: Pros and Cons For Closely Held Businesses

The shift to remote and hybrid work environments reshaped how businesses have been forced to adapt to new operational paradigms. For closely held businesses, these models present opportunities to reduce overhead costs, attract talent from a broader geographic area, and enhance employee satisfaction. However, they also introduce challenges related to communication, company culture, and operational efficiency.

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While remote and hybrid work models offer flexibility, closely held businesses have been forced to address several issues. Smaller businesses often rely on informal, face-to-face interactions to facilitate decision-making. However, the shift to a remote work environment often leads to communication breakdowns, misalignment of goals, and decreased spontaneity in problem-solving.

Closely held businesses often have a strong, family-like culture and a remote work environment can create a sense of isolation, reducing the connection to the company's mission and values. Maintaining engagement and cohesion requires intentional effort, which is less likely if employees are not face to face on a routine basis. In addition, a closely held businesses may lack the IT infrastructure necessary for secure and efficient remote work. Cybersecurity risks, data management, and ensuring employees have access to the right tools are significant concerns.

Without direct supervision, monitoring employee performance and productivity can be more challenging. Business owners must establish clear expectations, performance metrics, and feedback mechanisms as well as deal with new employment laws regarding remote work vary by state and country. It is a challenge ensuring compliance with labor laws, tax regulations, and workplace safety requirements due to a remote work model.

Ways to Overcome the Challenges:

To successfully transition to remote and hybrid models, closely held businesses need to develop a well-defined policy that includes who is eligible for remote work, expectations for availability, communication protocols, and performance metrics. Establishing clear guidelines ensures consistency and accountability. Additionally, implementing reliable communication and collaboration tools (e.g., Microsoft Teams, Zoom) has become essential, as is the investment in cybersecurity tools such as Virtual Private Networks (VPNs), encrypted file sharing, and multi-factor authentication to protect sensitive information.

To preserve company culture, leaders should schedule regular check-ins, host team-building activities, and encourage open communication. Hybrid models should include periodic in-person gatherings to strengthen relationships and reinforce company values. Business owners need to adopt structured communication methods, such as daily meetings or weekly progress reports, to keep teams aligned. Encouraging transparency and active feedback helps employees feel engaged and valued.

Providing employees with autonomy in their work schedules, as long as productivity remains high, can increase job satisfaction and retention. Hybrid schedules should balance in-office collaboration with remote flexibility. Rather than measuring productivity based on hours worked, businesses should focus on deliverables and outcomes. Using project management tools like Asana or Trello can help track progress and maintain accountability. Employees and managers may require training on remote work best practices, digital collaboration tools, and cybersecurity. Providing support ensures that all team members are equipped to work efficiently in a remote or hybrid environment.

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Given the myriad of challenges, closely held business owner(s) should consult legal and HR professionals to ensure compliance with employment laws, tax implications, and remote work regulations, including considerations for employee classification, benefits, and expenses.

Conclusion

Adapting to remote and hybrid working models presents both challenges and opportunities for closely held businesses. By implementing comprehensive policies, leveraging technology, and maintaining a strong company culture, businesses can successfully navigate the transition while preserving their core values and operational efficiency. As the workplace continues to evolve, closely held businesses that embrace flexibility and innovation will be well-positioned for long-term success.

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