



PERMANENT FLEXIBILITY:

REIMAGINING REMOTE WORKING POST-COVID

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PERMANENT FLEXIBILITY: REIMAGINING REMOTE WORKING POST-COVID

INTRODUCTION

It has been almost a year since millions of employees were told they should work from home as part of global efforts to curb the spread of Covid-19. Major cities became ghost-towns virtually overnight as workers set up office at their kitchen tables across the globe, and countries headed into their first national lockdowns.

For organisations, a process that would in normal circumstances have taken months if not years to implement took just days. Meetings were transitioned to new virtual platforms, budgets were allocated to provide the necessary homeworking equipment, and processes were set up to endure what many thought would be a short spell out of the office. Instead, organisations have experienced a seismic shift in working practices and it is likely that hybrid models of working will persist in some form after the pandemic.

The statistics for the UK are fairly representative of the global picture in developed countries. Prior to the pandemic, just over 5% of UK workers reported working mainly at home. However, by April 2020, during the height of coronavirus restrictions, around half of employees did some work at home – with 86% of those as a direct result of the Covid-19 pandemic. Currently, around a third of UK workers are still working exclusively from home and on a global scale employers expect to move about 44% of employees to work from home in the longer term.

Given the circumstances, many pandemic practices in remote working were imagined and designed with a temporary mindset and to get the company through the crisis. Now, organisations are turning their attentions to the long-term possibilities of remote and hybrid working or the resulting implications.

What is the purpose of an office in the future? Will talent stagnate without opportunities for informal learning? Will corporate cultures erode without face-to-face interaction? Does a remote environment provide the same opportunity for innovation? How do we monitor wellbeing in a hybrid workforce? Are teams as productive remotely, and how can we monitor productivity in a hybrid environment? Does communication suffer when teams work in a hybrid way?

This briefing offers an initial exploration of these questions, and of companies' approach to the post-pandemic workforce. Attitudes towards, and plans for, hybrid working continue to evolve and our interviews find that businesses are still in the early stages of their decision making. This research therefore outlines the emerging issues and offers key questions to consider for each.

A HYBRID REMOTE FUTURE

The coronavirus crisis has provided organisations the opportunity to rethink their physical workspaces, and the work that happens there. At the outset of the crisis, it may have been a logical assumption that things would return to normal after the pandemic subsided. However, such a prolonged period of working from home has expedited the gradual trend towards hybrid remote working and sparked a rethink of the work that happens when colleagues come together in offices.

Over the past year, organisations have undergone the unique experience of being pushed into a remote working scenario, exposing both the benefits and risks first hand. “One of the positive things about the Covid-19 experience is the people who had been less positive [about remote working] changed their attitudes to say we can make this work,” said Faye Farrant, Head of Talent and Inclusion at Schroders.

The multinational asset management company was quick to establish their response to the new world of work, and in August of last year introduced a new set of guiding principles for flexible working. The principles replace the formal, flexible working policy for those employees who want a more adaptable approach. Instead of making a contractual agreement, employees can now agree flexible working patterns with their managers without having to justify their reasoning, as long as it doesn’t impact the outcome for the client.

“In a pulse survey in May, we asked what’s the one thing you want to hold on to when we go back to business as normal – 80% of the 1,200 comments we got back contained the word flexibility,” explained Farrant. “The guidelines we developed give people a framework to have the conversation with their manager around what they want to do, and what might work for them, and recognises that everyone is different.”

Schroders is not alone in this approach. Companies including Facebook, Twitter and Hitachi have announced plans for greater remote work among their employees, and Morgan Stanley and Mondelez have said they will be using hybrid models going forward. Of course, the potential for homeworking is limited to a handful of industries, occupations and geographies. A recent global study by McKinsey found that half of the global workforce has little or no opportunity for remote working. The finance, management and professional services sectors have the highest potential

for remote work, whilst those in industries such as agriculture, retail, manufacturing and construction are understandably limited in the work they can effectively perform from home.

As a result, remote work is better suited to advanced countries. The UK has the highest potential globally, closely followed by Germany, America, Japan, France and Spain. UK businesses look set to take advantage of this – ONS data suggests almost a fifth (17%) of businesses intend to use increased homeworking as a permanent business model in the future.

From an employee perspective, much of the workforce has grown accustomed to the flexibility that remote working has provided, and surveys suggest more than a quarter of employees expect to spend more time working from home once the pandemic has subsided. A trend towards more permanent and personalised flexibility that was already occurring has accelerated. Mercer's 2018 Global Talent Trends Study found that, prior to Covid-19, over half of all employees wanted their company to offer more flexible work options citing reasons including reducing work-related stress, increasing productivity, providing support for health, and to find a better work life balance.

In the Covid-19 reality employees have had very differentiated experiences of homeworking due to factors including living arrangements, caring responsibilities (for children and the elderly), and physical and mental health. The pandemic has lowered the waterline: organisations are now more aware of their employees' personal situations, and employees have a clearer picture about what they need from a workplace environment. Therefore, the future of work looks much more personalised.

As such, infrastructure business HS2 has approached its future of work programme as a "culture exercise", HR Director Neil Hayward explains.

"There is very little work we can identify where we think somebody has to spend five days a week in an office environment," Hayward said. "Instead, we're heading towards the blend of the individualised contract, choices around how and where you work, with minimum rules from the company and specific reasons why we want some work to be done in an office from time to time."

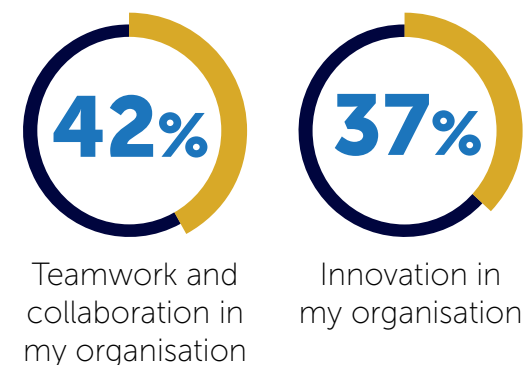
He adds: "It's about listening to the individual and asking, 'how can we make this work best for you and us, not just us?'. How and when you come into the office will be very much led by the employees' choice. We would never have reached that level of more radical thinking and flex if we'd not proven that it works during this year of Covid-19 response."

TO WHAT EXTENT DO YOU THINK EACH OF THE FOLLOWING WILL IMPROVE OR WORSEN BY PHYSICALLY RETURNING TO YOUR USUAL PLACE OF WORK?

STAY ABOUT THE SAME



WILL IMPROVE



WILL GET WORSE



Source: ENGAGE and YouGov Plc, online survey of 2082 UK adults in May 2020.

THE NEW ROLE OF THE OFFICE



A permanently dispersed and hybrid workforce means time spent in the office becomes much more valuable. Avoiding the pitfalls of remote working (in areas such as communication, learning, collaboration and culture) requires careful consideration of how and why you are bringing people together. Interactions between leaders and teams are essential for creating social cohesion and a unified culture, and businesses need to prioritise the activities taking place face-to-face.

Consider how in 2013 Yahoo! CEO Marissa Mayer ended the company's experiment in remote working. A company memo told staff "We need to be one Yahoo!, and that starts with physically being together," having the "interactions and experiences that are only possible" face-to-face, such as "hallway and cafeteria discussions, meeting new people and impromptu team meetings".

A successful hybrid model has the potential to meet the challenges Yahoo! faced. Instead of letting two distinct cultures emerge between remote and office, it should act as a meeting point for the two. Research finds that organisations are reimagining offices as places of collaboration, innovation and social interaction.

"From a corporate perspective, we're reimagining the role of the corporate workplace to be much more around connection, collaboration, growth and wellbeing," said Lianne Corriette, Director of Wellbeing and Future of Work at IHG.

As part of its new flexible approach, HS2 is also considering how it might work differently with space. Neil Hayward explains: "We've come to the conclusion we want one-to-one face-to-face meetings at least monthly, a team meeting monthly and want various project teams to meet up [in the office]." Taking the business' Birmingham office as an example, Hayward explains the new set up will see seats reduced by half, and an increase in zoned and collaboration areas alongside more meeting space.

He adds: "It will be completely different, less space, less expensive, differently organised and utilised around how we want people to work and how they themselves want to work."

As with much of the work to be done reimagining the post-pandemic workforce there is no one size fits all approach. Instead, the opportunity is to build a model that best fits your company and your culture. Consider why you are redesigning your office space. To reduce real estate costs? To improve employee productivity? To provide a better employee experience?

In managing hybrid teams there is a danger of creating the same silos as remote working when bringing teams back into the office. To foster diversity of thought and create opportunities for collaboration consider which teams and individuals would benefit from in-person interaction, and on what basis. Research found that some organisations are combining design personas with activity-based working to organise this. Much like customer segmentation, design personas group employees with comparable demographics, behaviour patterns, motivations, and goals. These personas, based on research and data, can then be used to assign people to work styles such as home-based, office-based, or hybrid-based. Combined with activity-based working – which evolves around giving the flexibility to do work tasks in the optimal environment – organisations are mapping out what work is done best where, and who works best where.

With hybrid working a long-term reality, technologies are emerging which try and recreate casual office interaction on a virtual basis. The Sneek app promises ‘human contact for remote teams’. Employees can see their entire team on one screen thanks to photos taken at regular intervals and can then click on the image of any colleague to start an instant video chat. Similarly, Yonderdesk offers a personalised virtual office with conference rooms, social spaces and individual offices. It provides instant access to people, with employees able to pop into virtual office rooms for a quick flyby meeting or one-to-one chat. Both technologies go some way in recreating natural interaction – however also raise questions of surveillance and privacy.

QUESTIONS TO CONSIDER:

- Who can and should be coming together in the office, based on the work you want to happen there? Have you understood the need for in-person collaboration and innovation? How do you identify natural or project work teams, and what resources, capabilities and strategies do you need to ensure appropriate synchronisation of physical attendance?
- What types of work are best suited to face-to-face interaction versus virtual communication? How do you distinguish between different work types? Can you define design personas and assign job types to them?
- What are the considerations for organisations with mixed workforces (e.g. manufacturing, retail etc.)? How do you ensure equity of treatment? What actions can you take to improve perceived fairness?
- Do you need to define a new role or roles within HR, or elsewhere, to manage remote working arrangements and strategy?
- How do you need to adapt your offices to match this work? Considerations of collaborative spaces, and technology requirements of hybrid meetings and communication.
- Where do you want your offices to be, and how much space/real estate do you need? Will you still use a central HQ, or set up microhubs closer to people’s homes?
- How much of the above do you want to enshrine in policy versus guidance to staff and managers? How do you avoid a free-for-all through top-down monitoring or team self-management?

Prior to Covid-19, remote working was taking place on a fairly limited basis. One major concern was the perceived negative impact on performance, given the restrictions on managers' ability to monitor employees' day-to-day working habits.

This is despite evidence prior to the pandemic suggesting that remote working improves productivity. For example, an oft-cited study by Nichols Bloom *et al.* (2015) which analysed the effect of working from home on the productivity of call centre employees at a Chinese travel company. In the randomised control trial home working led to a 13% performance increase as a result of fewer breaks and sick-days and a quieter working environment. When the company later rolled out working from home as an option for all employees, half made the switch. The move improved company performance by 22%.

Mercer's 2018 Global Talent Trends Report also suggests a positive impact – of employees who said they were thriving at work, 71% reported that their organisation offered permanent flexible work options, compared to 32% of those not thriving.

However, evidence has been varied regarding productivity levels during the crisis. Although all those we spoke to for this research noted little to no impact on performance, ONS data suggests that a quarter of workers believe their productivity has been negatively affected by home-working, compared with only 12% who said it had improved.

The World Economic Forum's Future of Jobs Report (October 2020) found that 78% of business leaders think hybrid and home working will have a negative impact on productivity. The report outlined likely reasons to be three-fold. Firstly, the switch to remote working occurring during a period of additional stress (Covid-19); secondly, many faced additional pressures of childcare due to coronavirus restrictions, and finally newly remote-working companies are still establishing a sense of community and ensuring good communication in a post-lockdown world of work.

In the context of a global pandemic it is understandable that productivity would initially be impacted as employees acclimatised to unfamiliar working environments, and companies shifted processes to account for remote working. Research into productivity of the UK workforce during Covid (Felstead and Reuschke, 2020) found that, after a "shaky start", productivity had not been adversely affected by the shift towards homeworking. The study shows two-fifths of homeworkers were able to

PERFORMANCE MANAGEMENT: HOW TO LEAD A HYBRID TEAM

get as much work done in June 2020 as six months earlier, and over a quarter of homeworkers said their productivity increased.

The switch to homeworking has been particularly positive for knowledge workers, whose productivity is often hard to measure. Lockdown meant less time spent in meetings and more time to focus on the tasks that matter, and saw a 50% increase in the activities undertaken through personal choice, compared with a 50% decrease in tasks undertaken because someone else asked them to, according to a study by Harvard Business Review. As a result, work was viewed as much more worthwhile and seen as valuable both to the employer and the employee.

To account for hybrid working in the long-term, our research found that performance management is shifting to an output-based model involving more frequent check-ins between manager and employee. Prior to Covid-19 Schroders was already working on adapting its performance process, to do away with mid-year reviews and launch more regular, employee-based check ins. The new process launched in May, with a supporting platform launched in 2021 to allow for much regular feedback.

"It's a culture change with feedback so that it's employee driven, pushing the accountability to individuals to check in with their managers," explains Faye Farrant, Head of Talent & Inclusion.

Ahead of year end reviews, the asset management company also provided managers with training to consider the varied experiences employees have had through the Covid-19 crisis.

"It's about being able to be really thoughtful to ensure the process is fair and equitable, and we're measuring output, not just who comes into the office. The training asked 'How might you think about the context people worked in differently this year? How do you consider an employee's individual experience and take that into account in performance discussion?'."

FAYE FARRANT, HEAD OF TALENT & INCLUSION, SCHRODERS

IHG's Lianne Corriette agrees: "Leaders know what productivity looks like. It is about performance versus presenteeism and managing output. Trust is the new workplace currency that sits at the heart of any manager-employee relationship, built around having regular conversations and open, ongoing feedback."

However, all-important informal touch points for performance management fall away in a hybrid world, emphasising the role of the line manager in keeping up to date with their team via remote means. Regular light-touch conversations will help inform formal performance processes but rely on building trust in a remote setting.

Leading a remote/hybrid team requires different capabilities to that of managing office-based employees. Software company GitLab has operated as all-remote company since its inception in 2011 and has created a remote working manifesto. The handbook outlines the traits of a good remote leader as self-awareness, empathy, servant-leader qualities, and being able to build trust.

A hybrid workforce exposes lazy leadership, requiring managers to be dynamic and inquisitive of each individual employees' circumstances on a much more frequent basis. To get the most out of these check-in conversations, remote leaders must be empathetic and able to develop a level of trust with employees, so that they feel comfortable to be honest about their situation.

Research Scientist Kristine Dery, whose work at MIT focusses on the dynamic between technology and the way people work, makes the distinction between 'checking up' and 'checking in'. Instead of centring check-ins around KPIs and performance outputs, remote leaders should instead focus on checking in empathetically to ascertain the mindset and emotional status of employees. This is a difficult and time-consuming leadership approach, but managers can reinvest time saved from more efficient virtual meetings and the loss of 'water cooler' moments, into these more informal conversations. There are also new technologies that can assist the process, such as wearables that monitor stress and anxiety (with employee consent) and chatbots that enquire about your emotional state and provide appropriate advice.

New technologies have also emerged to monitor what employees are up to on day-to-day basis, with some companies keen to ascertain their workforce are doing what they are supposed to be doing. Productivity tracking softwares, such as Hubstaff, can take screenshots while employees work, log websites visited, track words typed and monitor people's GPS co-ordinates. A main feature of Hubstaff in particular is an activity monitor

which generates a percentage productivity score in 10-minute increments based on the time the worker has been typing or moving the computer mouse.

Clearly, such technologies raise thorny questions about privacy and surveillance. Professional services firm PwC came under fire last year for developing a facial recognition tool that logs when employees are away from their computer screens whilst working from home. One of the benefits of working from home has been the flexibility it has given employees to work around the standard working. For example, a lack of commute may see some employees starting work earlier, while childcare responsibilities may see others working later in the evenings. Rather than revert to command and control methods of monitoring employees, that one interviewee branded “backwards and old fashioned”, leaders will need to develop empathy to understand the new varied working conditions of their teams.

This also swings the other way, with an increased risk of overworking in a remote or hybrid workforce. A survey of more than 13,000 knowledge workers across eight countries, by office software company Asana, found that on average in 2020 employees worked 455 hours a year more than their contracted requirement. This had doubled compared to 2019, and accounted for around two extra hours a day.

“We will have to think of a way of ensuring people log off. It’s the same for sick leave – if you’re sick, you’re sick – and we’ll have to get used to that idea. Even though you could log on, it doesn’t mean you should.”

MARK BEESLEY, GROUP HR DIRECTOR, NEWS UK

Tesco has recently made a number of group wide commitments aimed at setting appropriate boundaries between home and work. Teams are being encouraged to only hold meetings between 9am and 5pm and limit them to 25 or 50 minutes to ensure a break time in between. The retail organisation is also encouraging meetings not be scheduled between 12pm and 1pm to protect a wellbeing hour for employees.

QUESTIONS TO CONSIDER:

- How does your performance management system need to change to reflect hybrid working? Do you need to reset the cadence of objective setting and performance evaluations? What implications does this have for the selection, development and evaluation of leadership?
- How do you monitor productivity, or indeed should you? What are the privacy considerations of using new technologies to monitor productivity remotely? Will close monitoring create a negative culture, and how will employees/potential employees react?
- How do you manage a team with multiple working arrangements and a stretched working day?
- Are you able to define the overall impact of hybrid working to inform future policy? What analytics can you employ to assist this?
- How do contracts of employment and people policies need to change to reflect this? Do your reward systems need to change to reflect a greater emphasis on output?

LEARNING: DOES INFORMAL LEARNING WORK IN A REMOTE SETTING?



In CRF's recent [HRD Briefing Paper](#), IMD Business School Professor David Bach outlined the future for Corporate Learning, highlighting the opportunity for digital learning. He emphasised how learning has "been swept up in a digital-first moment" with corporate clients and individual learners embracing online learning and its benefits. Whilst it is true, and research shows, that there has been an uptick in digital and online learning during the coronavirus pandemic, businesses and colleagues have simultaneously lost the opportunity for informal learning opportunities.

Lost are the spontaneous opportunities to observe others at work, interact with those outside of your direct team and overhear conversations in the workplace. From a development perspective, informal learning is a vital counterpart to formal online training courses, in particular for graduates and apprentices. Research found that the longer-term development of younger employees in a remote setting is an emerging concern for organisations. Companies are sceptical about the ability to recreate informal learning in a virtual environment and have identified early career employees as a group that would benefit from returning to the office where possible to sustain in-person learning at some level.

In a remote setting, informal learning takes a more deliberate form, with the role of the line manager once again emphasised. Efforts highlighted by interviewees included:

- Mentoring and coaching via videocall
- Regular senior executive check-ins with graduate cohorts
- Scheduled buddy calls between employees and leaders
- Deliberate internal networking opportunities and facilitated interaction
- Scheduled idea exchanges between team members
- Formalising younger team members sitting in on meetings for observational learning
- Bite-sized online learning to supplement informal opportunities

Retail organisation Tesco has been encouraging colleagues and teams to connect via virtual 'coffee roulette' sessions and step-count challenges. The aim is for colleagues to connect, learn and share what they're working on in as informal way as possible. Additionally, the business' capability centre of excellence has created 'reflection' and 'conversation' guides to encourage colleagues to reflect on their learning outside of formal face-to-face interactions and continue to develop ways of working as a team.

QUESTIONS TO CONSIDER:

- Are you clear about how adults learn and how to apply this in a remote context? CRF's [Primer on Adult Learning](#) outlines the six adult learning principles that underline Malcolm Knowles' theory of 'andragogy', and provides recommendations on the design of adult learning strategies. Consider how you can continue to uphold the principles in a hybrid or remote scenario.
- What learning is best suited to virtual methods? Clearly distinguish and define where digital learning is adequate and where other models are needed.
- Which areas of your workforce are most at need of informal learning, and to what extent can you recreate this virtually? In what circumstances do employees need to come together?
- How are you adjusting your graduate and apprenticeship programmes to account for remote working? How can you recreate the experience of learning while working alongside a more senior colleague? How can you maintain the traditional cohort environment of graduate programmes and apprenticeships to enable cohesion, development and social aspects?
- How do you organise onboarding for hybrid working? What can be done independently and virtually, and what needs to happen through face-to-face interactions with managers and colleagues?



WELLBEING: WHAT ARE THE LONG-TERM IMPACTS?

The long-term impacts of the pandemic on employee wellbeing are still to be seen, however recent data suggests a rise in stress and anxiety related to working conditions. In December 2020, a global Ipsos survey for the World Economic Forum found the following had been experienced by adults globally as a result of the Covid-19 pandemic:

- Increased anxiety around job security (56%)
- Stress due to changes in work routines and organisation (55%)
- Difficulty finding a work-life balance (50%)
- Stress due to family pressures such as childcare (45%)
- Feeling lonely or isolated when working from home (49%)
- Difficulty getting work done at home due to inadequate home office setup or equipment (46%)

The survey of nearly 13,000 employees across 28 countries found stress, anxiety and loneliness have increased among working people and that Covid-19 prompted around 30% of employed adults to take a leave of absence. The results underscore the ongoing impact of the coronavirus pandemic on employee wellbeing.

In recent decades, many more organisations have invested in employee wellbeing as its link to business performance has become clearer. A 2017 study by Deloitte, commissioned as part of Stevenson and Farmer's independent review of mental health at work for the UK government, found that the annual cost to employers of poor mental health among employees is between £33bn – 42bn. Over half of this is in productivity losses due to presenteeism. Now, the dramatic impact of pandemic on workers' physical, mental and financial wellbeing has expedited employers' responses and wellbeing initiatives.

There is a fundamental requirement on employers to provide a safe working environment which still applies in a homeworking scenario. This includes provision of the necessary equipment to avoid long term injury. In addition, consideration should be given to additional costs incurred by homeworking employees such as utilities and connectivity charges via consistent policies.

As outlined in our recent research report [Let's Get \(Beyond\) Physical](#), organisations should be taking a multidimensional approach to employee wellbeing encompassing mental and financial considerations as well as physical. The impact of the pandemic, as outlined by the aforementioned Ipsos survey, has emphasised the need for this 'whole-person' approach.

Recognising this, IHG created a new role of Director of Wellbeing and Future of Work to lead the business' efforts on a global basis. The organisation has just launched a People's Practice Committee to update flexible and remote working policies, including those on health and wellbeing. During the pandemic, IHG engaged thousands of colleagues with virtual summits and resources, including a leader-led series to share personal stories and experiences and to reduce the stigma of talking about mental health in the workplace.

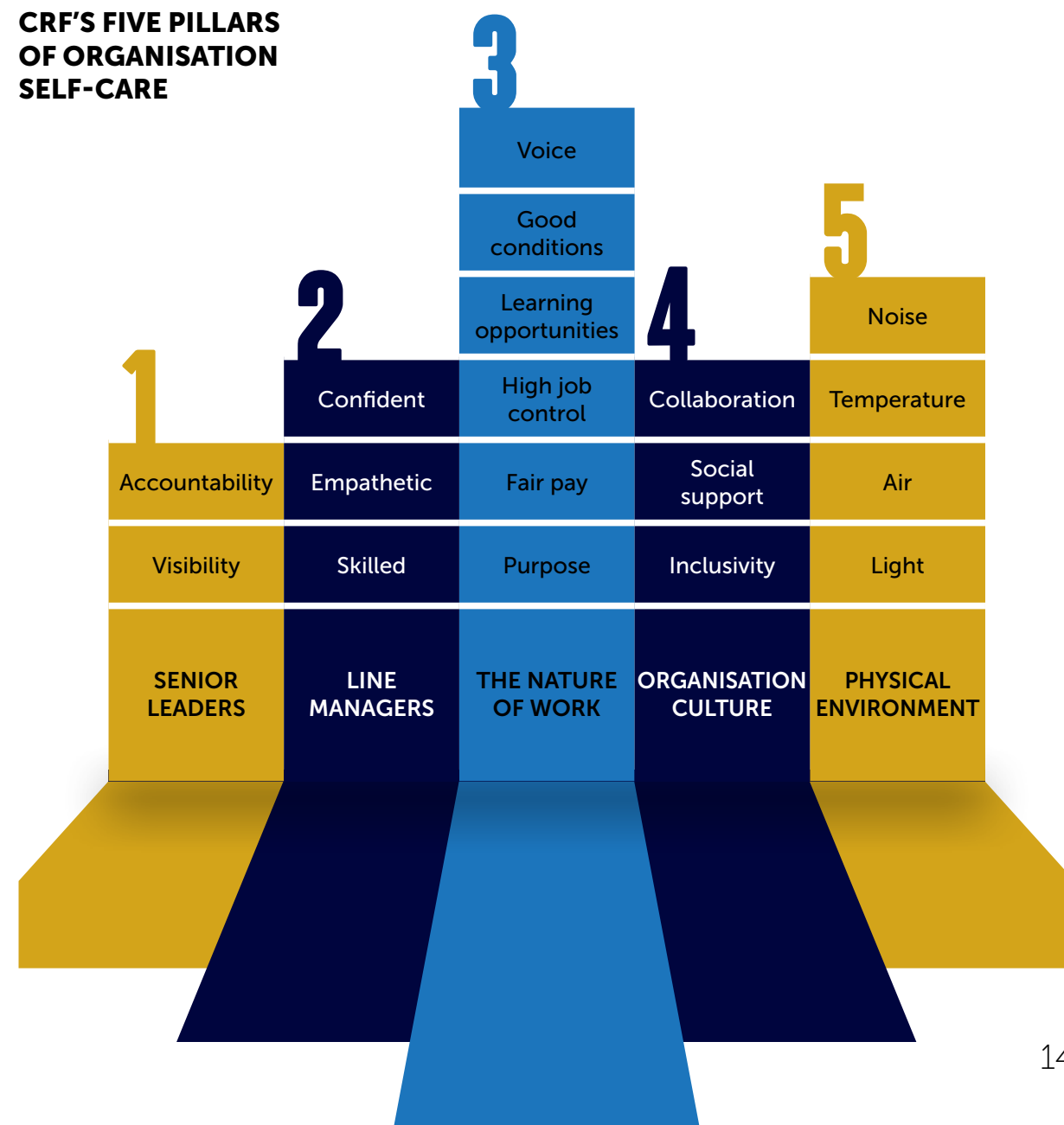
The pandemic has highlighted the need for taking a data-driven approach to employee wellbeing. Continual assessment has proved important and regular pulse surveys have been a crucial tool to organisations throughout the crisis, to keep abreast of the mental health of their workforce. Among other measures, News UK established simple weekly check-ins via its employee engagement app through which employees gave a score out of 10 for how they were feeling. Anyone scoring below a 3 would be contacted confidentially by a member of HR to explore support options. The organisation has also increased training of Mental Health First Aiders and trained employees in Sustaining Resilience at Work (StRaW) a peer support system to detect and prevent occupational mental health issues. Like many organisations, News UK increased the communication of health and wellbeing services already available at the business including counselling through its Employee Assistance programme.

Similarly, during Covid Schrodgers developed a toolkit for managers on how to spot mental health issues and signs of burnout. To build on this it is currently designing modules for all managers on topics including resilience, wellbeing and flexible working. The organisation is keen to approach wellbeing on an individual and bespoke basis, rather than implementing enterprise-wide initiatives to match the differentiated experiences of its staff.

We are still discovering what the wellbeing implications of Covid-19 will be and organisations should keep it front of mind. CRF's research report on [Crafting a Multidimensional Approach to Employee Wellbeing](#) outlines CRF's Five Pillars

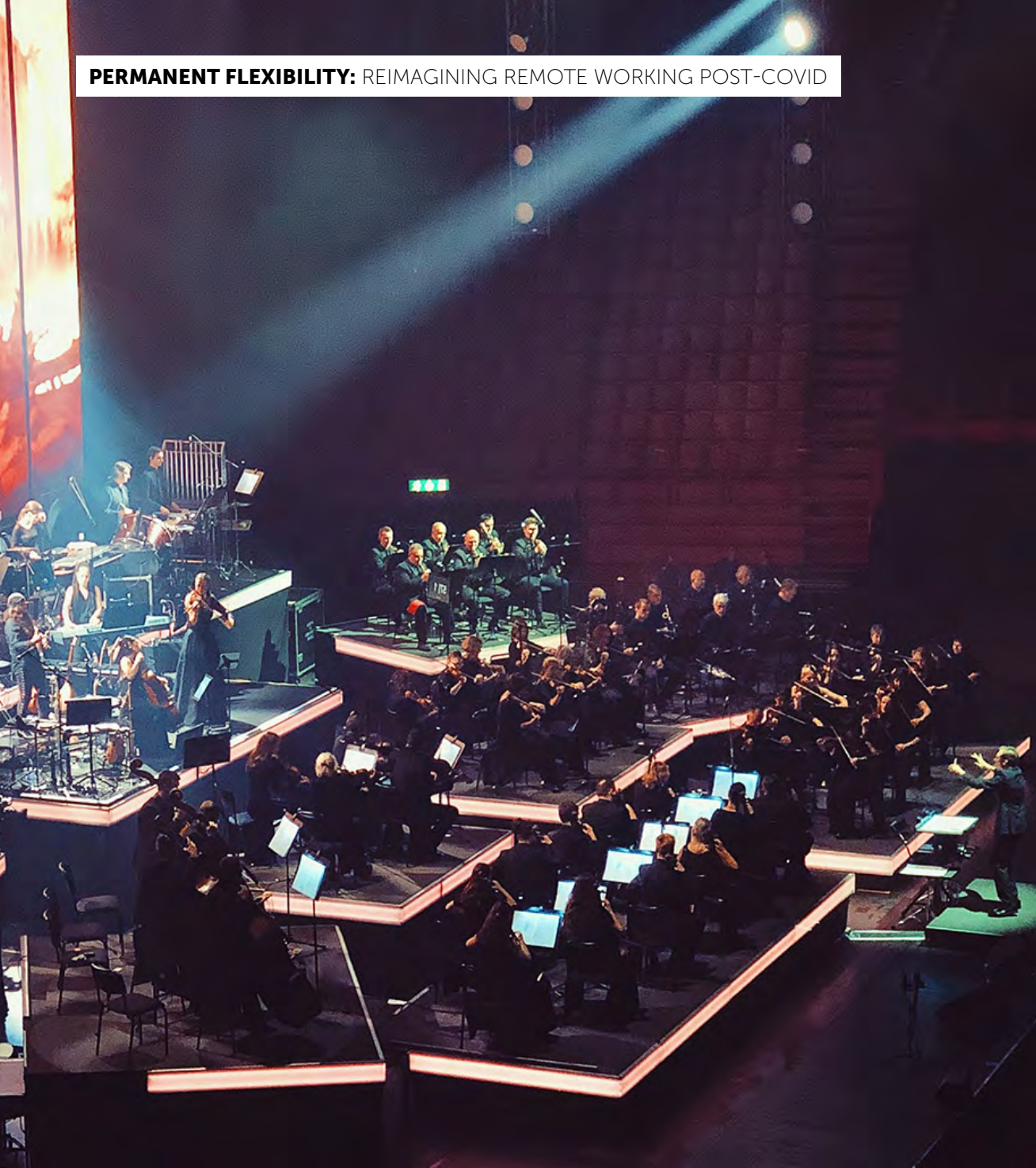
of Organisation Self-Care to drive a systemic approach. The model identifies the activities and initiatives that organisations are using to support employee health and wellbeing systemically by engaging senior leaders, improving the capability of managers, designing good conditions of work and building psychological and physical environments that support wellbeing.

CRF'S FIVE PILLARS OF ORGANISATION SELF-CARE



QUESTIONS TO CONSIDER: //

- How are you exercising your duty of care with respect to homeworkers?
- How do policies need to be revised to take account for homeworking (equipment, associated costs)? To what extent do you want to regulate the homeworking environment of employees, and how actively will you enforce health and safety measures?
- How are you monitoring the physical and psychological wellbeing of homeworkers?
- How can you train your managers to identify both physical and psychological issues associated with homeworking?
- How can you identify longer-term wellbeing trends with data from employee hotlines, regular pulse survey, healthcare plan usage and sickness records?
- Do you need to revise your wellbeing and healthcare provisions to reflect evolving needs associated with homeworking?



INCLUSION, COMMUNICATION AND CULTURE

Those organisations looking to implement hybrid or remote working models permanently face the longer-term challenge of maintaining an inclusive culture across a dispersed workforce. In an environment which will see sections of the workforce returning to the office whilst others remain at home, in/out group dynamics are in danger of being exacerbated. Though it may be inadvertent rather than deliberate, exclusive behaviour and biases are easily reinforced in remote and hybrid work settings.

"Companies have spent the last ten years trying to reduce their siloed ways of working, and now they are at risk of being more siloed than ever before," said Jennifer Jordan, Professor of Leadership and Organizational Behaviour at IMD Business School. "You only attract the people that are directly involved with you in a remote environment."

CRF's Briefing Paper: [*Remote Inclusion*](#) identified the groups most at risk of remote exclusion as: working mothers, new starters, part-time employees, older and younger employees, those from more deprived social backgrounds, and employees with any form of disability that makes it harder to work remotely.

It is important that organisations and senior leaders establish inclusive practices between remote and on-premise groups and consider the working patterns of employees in at-risk groups.

"We have been thinking quite hard about the impact [of remote working] on people. We now review our data to see if there is a certain characteristic or a group that's being impacted more than others, knowing what we know from a social perspective. We are shifting the narrative from it being an HR owned topic to ask what leaders can do and how they are contributing."

FAYE FARRANT, HEAD OF TALENT AND INCLUSION, SCHRODERS

At HS2, HR Director Neil Hayward and CEO Mark Thurston have initiated one-hour group check-ins with all new starters, within their first month at the company, to reduce possible isolation from the outset. The process allows for feedback on the onboarding process, but also sets the tone and promotes a culture of inclusion.

Moving from a remote to a hybrid model will increase the need for cohesion between in-person and virtual communication. To sustain an inclusive culture team members need to feel comfortable to demonstrate vulnerability and empathy, and leaders need to have taken time to understand their team's individual needs and concerns.

At CRF's 2020 Digital Conference, IMD Business School Professor Jennifer Jordan outlined some suggestions for how leaders can be effective at this in a remote environment:

- **Encourage open information sharing:** 40% of how teams perform is explained by how much open information vs unique information they share (Mesmer-Magnus *et al.*). Encouraging teams to share open information through casual conversation at the beginning of meetings builds greater team trust and develops social structures to improve effectiveness.
- **Use tools to gauge your team's emotional status:** In a safe environment do an aloud check in at the start of the meeting. For more cautious environments start meetings with an annotated slide which asks employees to rate their energy levels anonymously on a 2 x 2 grid (Dr Silke Mischke, 2020). This starts a conversation without putting anyone on the spot.

- **Use emoticons:** Research shows that use of emoticons, where appropriate, helps reduce miscommunication and brings more energy and enjoyment into virtual communication (Dirks, Bos, & Von Grumbkow; Huang, Yen, & Zhang)

Advice for remote inclusion can be grouped under four categories, as defined in our Remote Inclusion briefing paper in more detail:

- **How to Lead Meetings:** Have ground rules and a moderator, introduce and call on everyone during a meeting, be mindful about using video, invite different opinions, and consider using Zoom for all hybrid meetings
- **Communication:** Implement 'quiet hours' to get around time zone issues, demonstrate vulnerability by sharing more about your personal circumstances and encouraging others to do the same, schedule check-ins and engage in difficult conversations appropriately, share feedback on the team's overall climate, celebrate accomplishments and communicate the company values for inclusion
- **Connection:** Connect people from all levels, schedule time for remote working and team-building, keep employee networks engaged
- **Development:** Be fair in allocating opportunities for development, don't just lean on your 'go to' people, regularly assess team members' goals, increase the transparency of opportunities, and always ask whether people are interested

QUESTIONS TO CONSIDER: //

- Who are the groups/individuals most at risk of exclusion in your workforce? How can you use data and feedback to develop a targeted response for these groups?
- How are you supporting your line managers to implement inclusive measures and behaviours? Is more training required to help them understand their natural biases and 'in' and 'out' groups, and the actions they can take to address this?
- In a hybrid scenario have you reconsidered the cadence and nature of communication, and encouraged 'checking in' versus 'checking up'? What is the optimal frequency of communication both formal and informal in hybrid circumstances?
- How do you structure meetings and communication to avoid exclusion? In hybrid teams there will be meeting scenarios where certain employees join remotely while others are together in a meeting room. What should be the etiquette for these meetings to avoid excluding remote employees? Can you take a digital-first hybrid approach which is mindful of lag-time over video communication, limits the number of people that can be in the same room when joining a hybrid meeting, and outlines a clear agenda?
- What is the best form of communication for each objective? Are you defaulting to Zoom meetings without assessing whether your objective would be better suited to asynchronous communication? By considering outcomes rather than mediums you might identify new inclusive and efficient ways to work collaboratively in a remote/hybrid scenario.
- Do you need to adjust or implement formal culture surveys and measurement? How will data be reviewed by senior management, and how will it inform policy and decisions? How can you support managers to monitor culture informally?

POLICY CONSIDERATIONS

Bird & Bird

Bird & Bird Senior Associate Furat Ashraf outlines the key policy considerations for remote and hybrid working

2020 saw one of the most dramatic transformations of the global workforce imaginable as a result of the Covid-19 pandemic. As we enter 2021, we are seeing a growing trend towards more flexible and agile working practices. Employers across a number of sectors are considering the implementation of a range of different remote working models from permanent or semi-permanent work from home arrangements to more radical “work from anywhere” measures. In response to changing employee expectations and a fierce competition for talent, many have already adopted permanent remote working policies with the closure of expensive city centre office spaces and the recruitment of fully remote roles. As the meaning of the workplace continues to evolve, employers must navigate a complex legal landscape as they formulate and modify their flexible working practices.

First, and perhaps foremost, they must grapple with the tax consequences of having employees working from multiple jurisdictions. Not only can remote working in certain roles have implications on corporate taxation (to the extent a “permanent establishment” is deemed to exist) but extended periods of work from abroad can also trigger mandatory withholding obligations under local law with respect to income tax and social security charges. From a financial and corporate perspective, this can often be the most significant risk associated with remote working, given the potential of hefty penalties (or even criminal sanctions) being imposed by local tax authorities.

Employers must also try to identify which employment laws will govern the employment of employees working remotely from other countries. A fact-specific analysis will ultimately be required in each case but there is a risk that employees who spend substantial periods of time working in a jurisdiction outside of their home country or the country in which they were hired may acquire dual (or even multiple sets of) employment rights and be entitled to cherry-pick between them, especially with respect to working time rules, overtime premiums, holiday entitlements and termination rights.

Compliance with the relevant employment legislation can be practically challenging when employees are not working in the office. Employers will need to ensure that they are complying with their health and safety obligations towards remote workers,

both in terms of their physical health and mental wellbeing. They must also consider how best to comply with any statutory limitations on working time, especially in view of the privacy issues surrounding specific types of employee monitoring. Many countries such as Spain and Belgium have already passed local law legislation that seeks to regulate flexible working during the pandemic, providing for statutory allowances to cover homeworking expenses and the relatively novel “right to disconnect”. It likely that such employee protections will only increase globally as remote working becomes more commonplace.

Employers should also review their existing information security arrangements carefully and update their policies accordingly. Not only will this be important to ensure the safeguarding of confidential information by employees working remotely but it may also be necessary in view of contractual obligations owed to customers or other third parties. Additional data protection issues may arise where data is being transferred abroad and/or accessed via public networks. Employers will need to consider whether data encryption and/or pseudonymisation may be appropriate where employees based overseas have access to particularly sensitive information.

As regards business protection more generally, employers should audit their existing restrictive covenants, confidentiality and IP assignment provisions to ensure they are adequate vis-à-vis employees working abroad. Given the practical and legal hurdles of enforcing covenants governed by the laws of one jurisdiction in the courts of another and the fact that IP assignment laws may well differ between jurisdictions, it may be appropriate to require employees to enter into local law agreements containing equivalent provisions.

Finally, employers should ensure that employees who are working abroad have the appropriate immigration permissions to do so. They may otherwise be faced with significant penalties and fines and find employees being expelled from key jurisdictions in which they operate. While most immigration authorities have demonstrated a degree of flexibility during the Covid-19 crisis, this is unlikely to continue and certainly not in relation to more permanent flexible working arrangements.

Bird & Bird has prepared a global remote working guide to further advise employers in this space. Please contact [Ian Hunter](#) for more information.

PERMANENT FLEXIBILITY: REIMAGINING REMOTE WORKING POST-COVID

CONCLUSIONS

- ▶ The coronavirus pandemic has shown employers what is possible and has debunked many assumptions about the feasibility of hybrid remote working and its impact on productivity.
- ▶ Current circumstances present an opportunity to rethink policies and approaches to people management for the longer term, potentially in radical ways.
- ▶ Employees have had drastically different experiences of the Covid-19 pandemic. Going forwards organisations must develop people strategies that are flexible and responsive to the needs of different employee groups and tailored to personal circumstances.
- ▶ A flexible approach will remain crucial as we continue to understand the long-term impacts of remote and hybrid working on employee wellbeing.
- ▶ HR can use the pandemic as a springboard for innovation in people practices and as an opportunity to deepen its partnership with the business.

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