



Remote working on the island of Ireland

A cross-border comparison

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This briefing paper builds on recently published research from the Ulster University Economic Policy Centre which analysed trends in remote working in Northern Ireland (NI)¹. One of the key findings of this report was that NI had the lowest levels of remote working across all UK regions. This report analyses data from across the UK and Republic of Ireland (ROI) to give an island of Ireland perspective. We also consider what might lie behind differences in trends and offer suggestion on how remote working might continue to evolve.

Key Findings

Following the pandemic, the uptake of remote working in Northern Ireland has been consistently lower than all other regions in both the United Kingdom and Republic of Ireland.

Factors that influence adoption of this working practice include:

- Sectoral structure of the economy Greater concertation of sectors associated with high-remote working potential (i.e.: ICT, finance and professional services) will impact a city, region or country's overall capacity for remote work.
- Levels of self-employment Remote working is more prevalent amongst the self-employed compared to traditional employees. A larger self-employed cohort is likely to boost overall levels of remote working.
- **Commuting patterns** Regions associated with longer pre-pandemic commuting times (1 hour +) are now more likely to have higher levels of remote working.
- Qualification levels Workers with degree level and above qualifications are more closely associated with remote working.
- **Government policy** Different government policies either side of the border can promote or hinder remote working potential.

In addition, **other more difficult to quantify factors** have a strong influence on the extent to which remote working has been adopted, including: employee behaviour, job quality, and, perhaps most importantly, **management practices**.

Employees across the island of Ireland express similar experiences of remote working to date and desires surrounding their future working patterns. Individual circumstances highlight some of the positive and negative aspects of remote working however the overwhelming majority of employees express positive benefits associated with the practice including: increased well-being, work-life balance and job satisfaction.

In the longer term, issues such as the impact on **productivity and innovation**, **high-street footfall** and **spending**, **employee training and development and labour market conditions** will all influence the extent to which remote working becomes permanently embedded.

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¹ UUEPC, Is Remote Working, Working (2023)

How the Covid-19 pandemic altered remote working

- 1. The widespread adoption of remote working practices during the Covid-19 pandemic shifted the perspectives of many employers and employees away from the traditional office-based working model. Primarily, the pandemic offered a challenge to existing societal views on the meaning of the workplace, on work-life balance and on the ability for technology solutions and practices to support remote and home-working. As this landscape continues to evolve the onus is now on business leaders to decide if (and how) remote and hybrid working will form an integral part of modern working practice.
- 2. For the purpose of this report, we use the term "remote working" to encompass various categories: including those "working from home", "working from a location outside of the home and workplace" and "working in a hybrid model" (i.e. sharing time between the workplace and another location).
- 3. Prior to pandemic, the prevalence of remote working in ROI was **double** the levels experienced in NI i.e.: 20% vs. 9% average across 2018-2019. At this time in ROI, a larger proportion of employees worked from home "sometimes" rather than "usually". For example, in Q4 2019 13.3% "sometimes" worked from home and 8.2% "usually" worked from home.

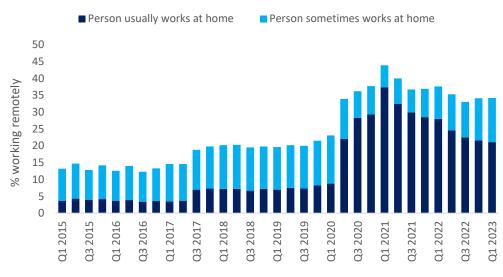


Figure 1: Remote working in Ireland (aged 15+), Q1 2015 - Q1 2023

Source: CSO, Labour Force Survey

- 4. However, Figure 1 above shows that this dynamic changed in the early months of the pandemic with the number "usually" working from home rising sharply. In Q1 2023, 21% "usually" work from home compared to 13% who "sometimes" do. Since the peak of remote working in Q1 2021, the proportion "sometimes" working from home has grown again, perhaps reflecting the shift to hybrid working from fully remote that other parts of the UK and NI have also experienced.
- 5. As noted, the proportion of employees working remotely peaked at over 40% in both NI and ROI during the Covid-19 pandemic according to Labour Force Survey data.² However, other

² Source: CSO, Personal and Work-Life Balance 2021. ONS, Labour market survey - estimates of homeworking in the United Kingdom

data sources suggest this figure may have been even higher in ROI³ including that from Eurofound (Figure 2). This shows that the proportion of people working from home in ROI was amongst the highest in Europe, ranking third behind Belgium and Denmark in Summer 2020 before falling to fourth highest in Spring 2021. Between the two surveys, the proportion of people working remotely actually increased in ROI, something which happened in only a small number of other EU countries. This may reflect different approaches to government restrictions during the early 2021 period.

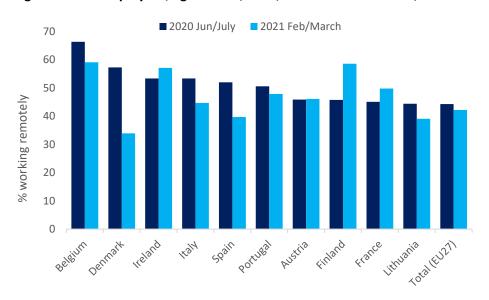


Figure 2: % of employees, aged 16-64, WFH, selected EU countries, 2020 & 2021

Source: Eurofound, Living, Working and COVID-19 dataset

6. Turning to NI, Q1 2023 data shows that it has the lowest uptake of remote working across all regions in the UK⁴ and on the island of Ireland, with 17% of employees working remotely. In contrast, remote working remains much higher across the UK and ROI average, with respective proportions of 31% and 34% of employees. These proportions are partly driven by higher levels of remote working in their respective capital cities, 42% in Dublin and 41% in London. Aside from the capital cities, NI is an outlier when compared to most UK and ROI regions. Q1 2023 levels in NI are similar to pre-pandemic trends in the rest of the UK and ROI (Figure 3 overleaf).

³ CSO Pulse Survey - Our Lives Online - Remote Work November 2021

⁴ UUEPC, Is remote working, working? (August 2023)

■ Q1 2019 ■ Q1 2023 45 % of employees wokring remotely 40 35 30 25 20 15

Figure 3: % working remotely, UK average, NI & ROI regions, Q1 2019 vs Q1 2023

Source: ONS, CSO, Labour Force Survey

Mid-East

10 5

7. Across UK and ROI regions, NI had the second lowest increase (7 percentage points) in the uptake of remote working compared to pre-pandemic figures, second only to the Border region of ROI which increased by 5 percentage points. At the opposite end, Figure 4 illustrates the increased levels of remote working within capital cities Dublin and London.

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nid west

Midland

SouthEast

West

South West

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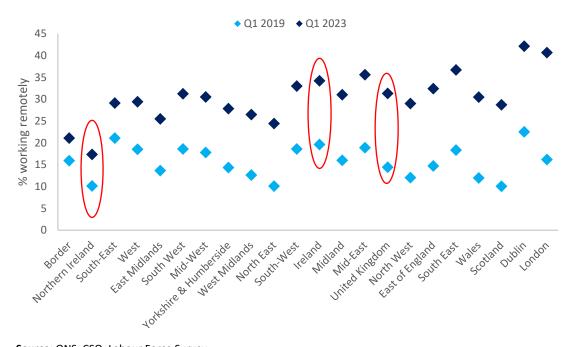


Figure 4: % working remotely, UK & Irish regions, Q1 2019 vs Q1 2023

Source: ONS, CSO, Labour Force Survey

Recruitment patterns mirror the changes in the workforce

8. The increased levels of remote and hybrid working is reflected in an increase in the number of job adverts from organisations offering these working patterns. On average in 2019, 1-3% of online job adverts offered remote/hybrid working across NI, UK and ROI. A surge in postings offering remote work in March/April 2020 reflect the onset of government restrictions. However, by January 2023, a significant divergence can be observed where the UK and ROI have a much higher proportion of jobs offering hybrid/remote (20% and 16% respectively) compared to only 6% in NI. The UK and ROI have some of the highest levels of advertised remote/hybrid roles across the rest of Europe and globally.⁵

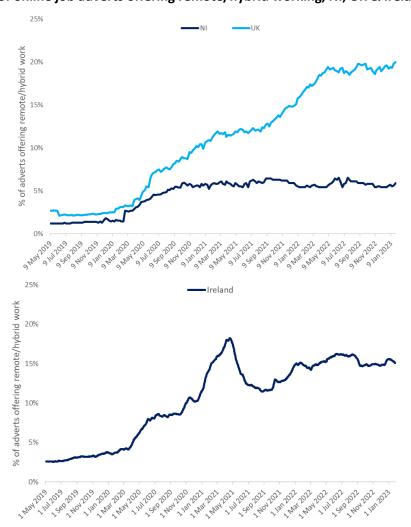


Figure 5: % of online job adverts offering remote/hybrid working, NI, UK & Ireland, 2019-2023

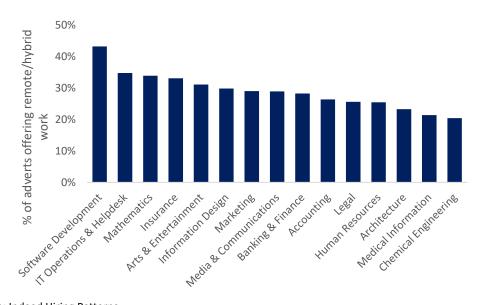
Source: Indeed Hiring Lab & ONS, Online Job Adverts Estimates using Adzuna data; UUEPC analysis (OPN)

9. The data for online job adverts in ROI allows further analysis by occupational categories. Figure 6 shows the occupations offering the highest proportion of remote/hybrid adverts within the given occupation. The higher proportions naturally tend to be found in those sectors which are associated with a higher propensity for remote working such as ICT, Finance

⁵ Source: Centre for Economic Policy Research (CEPR), April 2023 & Indeed Hiring Lab, June 2023

and Professional Services. In contrast, occupations in veterinary, beauty & wellbeing, pharmacy and dental services have public-facing roles and thus cannot be completed remotely. This is reflected in all 5 of these occupation groups having less than 1% of adverts offering hybrid/remote work. Interestingly, of the 52 occupational categories only 12 offered more than a quarter of hybrid/remote working opportunities.

Figure 6: Top 15 occupations by % of adverts offering remote/hybrid working, Ireland, Jan-July 2023



Source: Indeed Hiring Patterns

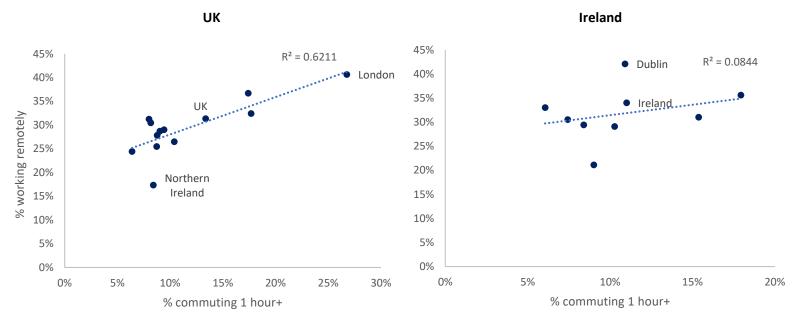
Commuting patterns

- 10. When surveyed, employees often cite reduced commuting time as a key benefit of remote working, a sense of getting time back. Global estimates of time saved commuting range from 120 minutes per week (24 minutes per day for a five-day week)⁶ to 72 minutes per day⁷. This could point to longer commuting times creating a demand for higher levels of remote working among employees.
- 11. Historically Northern Ireland has been associated with shorter commuting times, reflected in Figure 7, highlighting that NI has the lowest share of commuters travelling more than an hour. There is also a significant statistical relationship across the UK regions between the proportion of employees who worked remotely in Q1 2023 and those who commuted for over an hour per day before the Covid-19 pandemic. This same relationship (based on commuting times from the 2016 Census) is less prevalent in Irish regions where levels of remote working are typically higher, regardless of commute time.

⁶ Centre for Economic Performance (January 2023)

⁷ Bloomberg (January 2023)

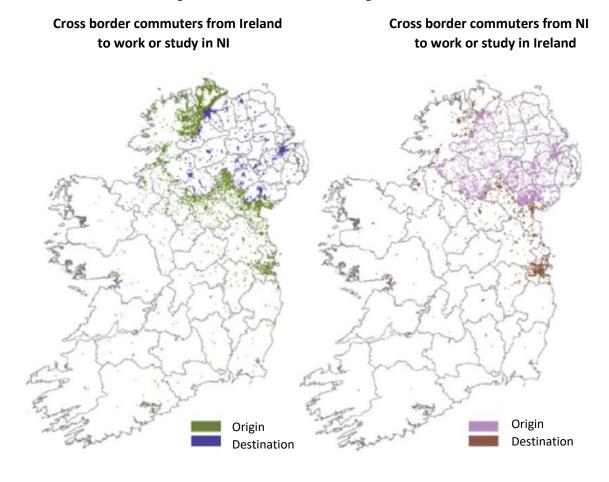
Figure 7: Proportion of people working remotely (Q1 2023) vs Proportion of employees who commuted over 1 hour prior to the pandemic, UK and Irish regions.



Source: Labour Force Survey (2018 & 2019 average), CSO (2016 Census)

- 12. Employees may be willing to commute further for a role where hybrid working is available. Interestingly, in November 2021 employees in ROI were asked if they would like to continue to work remotely after the pandemic. The "would like to" category was strongest in the Mid-East region (93%). This region also has the highest proportion of people in ROI who commuted over one hour each day prior to the pandemic (18%) and is typically associated with commuting to the wider Dublin area.
- 13. Analysis from the 2011 Census (Figure 8), shows that cross-border commuters from Northern Ireland are more likely to commute a greater distance to Dublin whereas cross border workers from the Republic of Ireland typically travel a shorter distance to several hotspots throughout NI.
- 14. At the beginning of the pandemic, it was suggested that remote working would broaden opportunities as employees could theoretically work anywhere across the globe from their own home. However, the uptake of this practice did not prove significant in Northern Ireland when consulting business owners. The ongoing shift towards a hybrid model (i.e. with some physical attendance) has drastically decreased the feasibility of this practice for employees.
- 15. Historically, workers from Northern Ireland have made the commute across the border to Dublin attracted by higher wages and broader opportunities. However, by reducing the lengthy commuting time, remote working has in turn made cross-border commuting more practical. Under a hybrid setting, commuting a longer distance may be more viable for employees if they only have to make the journey 1-3 times per week. Coupled with increased remote working opportunities in ROI, particularly in Dublin, as well as the benefits aforementioned, there is the potential for a theoretical increase in cross-border working across a range of occupations.

Figure 8: Cross border commuting flows, 2011



Source: Brexit and the Border Corridor Report (2017), All-Island Research Observatory, Census 2011

The potential for remote work in NI, UK and ROI

- 16. Earlier UUEPC research produced "effective" estimates of potential remote working in 2022. These estimates were based on wider literature and the sectoral/occupational shares in the NI economy. ⁸ Due to the nature of occupations and tasks within sectors, remote working potential differs across roles. This potential is reflected in a remote working "score", hence different geographic regions receive a different overall potential based upon their sectoral structure. By this measure, NI has a marginally lower "effective" potential (40%) than the UK and ROI, 43% and 42% respectively.
- 17. Figure 9 below highlights the three sectors with the highest remote working potential: ICT; Professional Services and Financial Services. When compared to ROI and the UK, NI has a lower employment concentration within the ICT and Finance sectors, hence contributing to the slightly lower potential score.
- 18. However, the sectoral structures alone would not explain the scale of the difference in **actual** uptake of remote working between the island of Ireland, NI and other UK regions as

⁸ UUEPC, The Future of Remote Working in Northern Ireland (2022). The research used was Dingel & Newman (2020).

highlighted earlier in Figure 3. This raises questions around the types of employment, commuting and other employee behaviours or, perhaps most importantly, management practices which are influencing the adoption of remote and hybrid working.

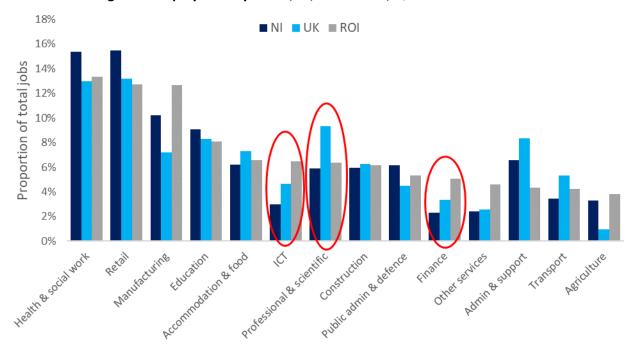


Figure 9: Employment by sector, NI, UK and ROI, Q1 2023

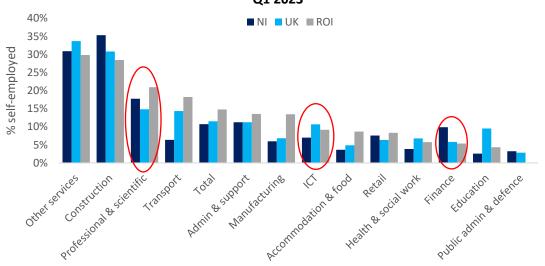
Source: CSO, NOMIS

Notes: Some sectors have been removed due to the lack of comparability between NACE Rev 2 codes and SIC codes

- 19. In addition, self-employed workers are twice as likely to work remotely compared to employees⁹. The data shows that ROI has a marginally higher proportion of self-employed (13%) in Q1 2023 compared to NI (11%) and the UK (12%). Separately, self-employment levels across all three geographic areas remain 1-2 percentage points below their pre-pandemic shares. This strengthens previous conclusions that supports for the self-employment were not as effective as the supports for employees during the pandemic.
- 20. Figure 10 below looks at the prevalence of self-employment across sectors in NI, ROI and UK and the sectors with the greatest propensity for remote working have been highlighted. Professional Services is the sector with high remote working potential which may be due to both the nature of the work but also extended by the high share of self-employment within this sector. Ireland has a noticeably higher share of self-employed (21%) in the Professional Services sector compared to NI and UK, 18% and 15% respectively. In ICT, NI has a low proportion of workers in the sector being self-employed (7%), while ROI and the UK are higher (9% and 11%). Unexpectedly, Northern Ireland has a much greater share of self-employed within the Finance sector (10%), when compared to ROI (4%) and UK (3%). Given the overall proportions of total sectoral employment are lower for Finance than for other sectors, this would potentially limit the overall impact in remote working uptake.

⁹ ONS, Characteristics of homeworkers, Great Britain: September 2022 to January 2023

Figure 10: Self-employment as a proportion of total employment in sector, NI, UK and ROI, Q1 2023



Source: CSO, NOMIS

Notes: Some sectors have been removed due to the lack of comparability between NACE Rev 2 codes and SIC codes. Agriculture has been removed due to the disproportionately high share of self-employment.

21. A clear correlation between degree-level qualifications and homeworking was established in UUEPC's September 2023 report using data from Census 2021 – typically graduates are more likely to work from home (at least on a hybrid basis). At the broad tertiary level, qualification attainment in ROI and the UK are almost identical (40.7% and 40.6% respectively¹⁰). However, LFS¹¹ data shows that Northern Ireland has a lower level of tertiary and degree level qualifiers compared to the UK, again offering further explanation for the gap between remote working levels in NI and ROI/UK.

Employee survey findings

- 22. The findings below compare three surveys from Ulster University (2023), Leitrim County Council¹² (2023) and National University of Ireland Galway (NUIG) & Western Development Commission¹³ (2022). The two ROI surveys come from the West and Border regions, both of which have higher levels of remote working than NI, but lag other parts of the Irish economy in terms of shares of employees working remotely (see Figure 3).
- 23. In general, the employee surveys report a high level of satisfaction among workers with remote or hybrid working and a hope or expectation that they could work remotely, on average, at least three days a week. While the UUEPC survey found that remote working would make a future job role more appealing to 88% of respondents, the NUIG/WDC survey found that, of the those that had changed job during the Covid-19 outbreak, almost half (47%) reported better remote working opportunities as a key factor.
- 24. Improved work life balance was identified as one of the key benefits for employees associated with greater levels of remote working. Leitrim County Council found that 85% of respondents

¹⁰ Source: Eurostat, 2019.

¹¹ Available via the UUEPC LMI portal: https://www.ulster.ac.uk/epc/dashboards

¹² Results kindly shared by Leitrim County Council

¹³ Microsoft Word - Remote Working Survey Report 2022 v6 (westerndevelopment.ie)

had experienced a positive impact on their work life balance, rising to 91% of respondents seeing a similar impact in the NUIG/WDC survey. Similar sentiments were expressed in the UUEPC survey.

- 25. That said, employees also raised negative aspects to remote working. For example, an inability to switch off from work is one identified by 16.5% in the UUEPC research. This was also identified as an issue by 23% of respondents in the Leitrim County Council survey. Interestingly, women respondents in the Leitrim survey tended to struggle more with switching off from work (27% of females vs 20% of males), whereas the UUEPC survey found no significant gender difference.
- 26. Researchers, managers and business owners have all been interested in changes to employee's output and productivity as a result of increased remote working practices. From a business perspective, Northern Ireland firms reported output and productivity levels remaining similar to those observed pre-pandemic or slightly better.
- 27. Across the three surveys, **80-85% of employees self-reported that they are more productive when working remotely**. This is conclusive with many other global self-reporting surveys. This has been questioned and may be supported by the finding that employees tend to report working more hours when working from home. The UUEPC and NUIG/WDC survey found that employees were working a greater number of hours compared to pre-pandemic (35% and 49% respectively). This may be linked to an inability to switch off while remote working, but a majority of respondents did report that they would be more willing to work additional hours if they could do this remotely.

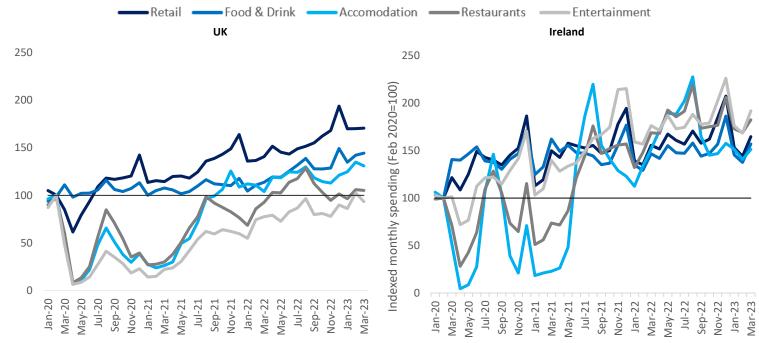
Impacts to the wider economy

- 28. With increased levels of remote working there have been lengthy debates often with data and research taking time to catch up about the wider economic impacts. These can be either productive impacts (in terms of productivity, innovation or management of staff) or consumption impacts (including the effect on consumer spending and property investment, from office real estate to house/rental prices).
- 29. One of these wider concerns is that Highstreet spending of office workers would either be displaced out of city centres to towns and suburbs and/or overall spending levels would decrease. However, further research¹⁴ has suggested that suburbs do not benefit significantly from increased levels of remote working.

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¹⁴ Centre for Cities (2022)

Figure 11: Indexed monthly average spending by sector (Feb 2020 = 100), UK and ROI, Jan 2020 – Mar 2023



Source: Revolut card spending, ONS and Central Bank of Ireland

Note: UK 'Restaurants' contains Pubs, Restaurants and Fast Food; in Ireland 'Restaurants' contains Restaurants and Dining.

- 30. Figure 11 shows that, in the UK, spending in Pubs, Restaurants & Fast Food and Entertainment had yet to return to pre-pandemic levels in May 2023. In the Republic of Ireland, in contrast, the same sectors affected greatest by government restrictions during the pandemic (travel/accommodation and restaurants) have surpassed pre-pandemic levels, as have all sectors across the Irish economy.
- 31. More detailed data would be required to determine if weekday spending associated with major places of work had declined or has been condensed across a core number of days (i.e. Tuesday-Thursday) reflecting typical hybrid working patterns. The footfall patterns reflect the hybrid work patterns, but it is not yet clear the extent to which spending has followed this. It is also difficult to disentangle impacts of higher levels of remote working from other factors, such the cost of living crisis.

 $^{^{15}}$ Figure 10 covers data from Jan 2020 – Mar 2023 given the availability of comparable data at time of writing.

Fostering and enabling remote work through policy¹⁶

- 32. In the Republic of Ireland, the legal right to request remote working was signed into law in April 2023 as part of the Work Life Balance and Miscellaneous Provisions Act, but has yet to be brought into effect. This will allow employees who have worked for a firm for more than six months to request to work remotely providing they give adequate notice (8 weeks) before they intend to begin working remotely. Employers must respond to the request and may decline if the change will result in business needs not being met. Employers also have the right to end the arrangement if the practice is negatively affecting the firm.
- 33. In NI the same right to request remote working is not a stand-alone item but employees can request "flexible working", including working from home. Employees must have worked for a firm for more than 26 weeks, not be returning from parental leave and not have made any applications in the past 12 months. Under law, employers must take any applications seriously but can decline under legitimate business needs.
- 34. Policy has developed in other ways in the ROI around remote working. The issue of being "always on", with associated potential for stress and burn-out, has begun to be tackled through the Code of Practice on the Right to Disconnect, which became effective in April 2021. This offers employers a framework on which to form their own policies and offers employees assistance if they feel routinely obliged to work a greater number of hours than they are contracted or working outside of "normal" hours. In addition, the Irish government have sought to address additional expenses associated with homeworking, such as extra heat, light and broadband consumption. From January 2022, employees in Ireland can claim tax relief for 30% of these costs when working from home if their employer does not provide an allowance. It is different in the UK, where up to £6 tax relief per week can be claimed on business calls and utilities for your work area, but only when your employer does not have an office or if the employee lives "far away" from the office.
- 35. However, taxation implications faced by ROI residents working for NI companies pose a significant barrier for those with the ability to work remotely from their place of residence. Double taxation agreements and transborder workers relief prevents workers having to pay tax in both Ireland and the UK (NI) however this requires the employee to cross the border to their place of work. By working from home employees are then liable to pay tax in both jurisdictions. The Cross Border Workers Coalition (CBWC) has drawn attention to this issue highlighting that the conditions are outdated and do not reflect the modern world of work. CBWC estimates that this may affect 10,000-15,000 workers however actual figures may be much higher. During the pandemic the requirements were temporarily waived by the Irish Government however permanent change to legislation is yet to be discussed.
- 36. At firm level, maintaining equality amongst employees was identified as a key issue for HR and management going forward when reviewing remote working policies and practices. However, different remote working policy at government level brings to light the inequality that cross border workers are faced with as they navigate policies that may or may not be applicable to them due to their location of work.

¹⁶ Further information can be found in Centre for Cross Border Studies, The policy landscape for remote working and rural development in Northern Ireland: A comparative study (2023).

Conclusions

- 37. Whilst the Labour Force Survey data allows for headline trends and comparison to be made between NI and ROI the differences in data collection, underlying assumptions, survey question interpretation and use of variables need to be recognised and accounted for in any interpretation of the statistics. Comparing geographics at differing NUTS levels has also been necessary to produce meaningful findings with differentiation between geographic areas.
- 38. With these caveats, the data highlights significant disparities between levels of remote working on the island of Ireland and across the UK. This paper offers a number of potential reasons to explain this difference such as the sectoral structure of the economy, levels of self-employment, commuting patterns, qualification levels and government policy. However, it is important to note that other factors such as management practices and job quality are highly likely to influence how successfully remote working practices have "worked" to date within organisations which will inevitably shape future working patterns. Other researchers have recognised this issue: "Leaders need to ask if poor remote work performance or poor hybrid work performance is a location problem or a management problem. No location can 'fix' poor management, and the office alone has no magic to create a great organisational culture." 17
- 39. Researchers and managers alike are aware that the work-from-home directions thrust line managers and senior staff into managing working patterns that they were unprepared for and were unlikely to have received training for. Some adapted well using the opportunity to alter their management styles and techniques, whilst others were blind-sided by not being able to see their staff every day. The experiences of employees have also been shaped by this ability to adapt. Many managers operating either side of the border will have to place a greater emphasis on coordinating hybrid working employees and facilitating innovation, creativity and collaboration which may have naturally occurred in a traditional office environment. The success or otherwise of these efforts will largely dictate the success of remote working within a firm and determine its place in the working world.
- 40. Earlier in 2023 there were suggestions that managers and senior executives had a "secret desire" for employees to return to the office. Some felt unable to act upon it given how vocal employees had been regarding the value they place on remote working opportunities. Some having gone as far to say they would change jobs or look for additional compensation if they could no longer work remotely. However, these sentiments have been expressed during a time of labour market tightness where employees have bargaining power in terms of wages and working conditions as businesses struggle to recruit and fill positions. Remote working may have been utilised as a tool to attract employees towards a role. In future, labour market conditions may also influence the uptake of remote working. If unemployment rises and vacancies decrease, employees' bargaining power will deteriorate and regardless of whether the decision is justified, managers will have increased leverage to mandate a return to the office.
- 41. To conclude, a number of factors have shaped remote working practices across the island of Ireland since the beginning of the pandemic, some more tangible and quantifiable than others. Looking forwards emerging factors, such as changing labour market conditions, will

¹⁷ Gallup, State of the Global Workplace 2023 Report

continue to influence the remote working landscape. In addition, there are factors to which the extent of their impact is still unknown and equally different to isolate and quantify. These are wide ranging and include impacts to long term productivity & innovation, nurturing and training young people entering the workforce, commuting, housing & behavioural patterns, and effects on highstreets and city centres. Taken together, these factors will determine whether remote working is here to stay as a "new normal" in working lives, or whether it will be looked back on as knock-on and passing social phenomenon associated with the Covid-19 pandemic.

About UUEPC

UUEPC is an independent research centre focused on producing evidence-based research to inform policy development and implementation. It engages with all organisations that have an interest in enhancing the Northern Ireland economy. The UUEPC's work is relevant to Government, business and the wider public with the aim of engaging those who may previously have been disengaged from economic debate.

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