Is remote working, working?

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Background to the research

The changing nature of the working world

- The world of work (and workplaces) underwent a significant change during the Covid-19 pandemic – propelled by a rapid adoption of digital technologies – including, where many of us worked, how we communicated with colleagues and how we made transactions.

- Of particular interest to this research is that the pandemic related restrictions resulted in more people than ever working remotely. Businesses continued to function and many staff were introduced to a new style of working.

- Many employers and employees continue to navigate a post-pandemic working world, settling on a 'new normal' which incorporates some form of hybrid approach, between the working office and another location (usually their home).

- The future remains uncertain and hybrid approaches may evolve as economic conditions change. The current tightness in the labour market with historically low unemployment in many advanced economies adds much to the context. A sharp rise in unemployment could change labour market dynamics and change the questions we set out to answer in this research.

Definitions of the concepts

Working *from* outside the workplace is a nuanced concept

We often use terms such as remote working, hybrid working, teleworking and working from home interchangeably but some of these can mean quite different things:

- **Remote working:** used here to mean working outside the conventional workplace and can include working from home or from a third space (eg: co-working spaces, cafes, etc). This can either be done on a full-time basis or part-time (see hybrid working).

- **Hybrid working:** has come to mean an employee working at least one day per week at home and at least one day per week in the office. It also refers to work being organised/ managed by an employer to combine on-site and off-site (or remote) work.

- **Homeworking:** used in some statistical data to mean either 'working *at* home' or 'working *from* home as a base' (including travelling to different places to carry out work).

- **Teleworking:** also has a fixed (statistical) meaning, referring to work which can be undertaken in the workplace, but is regularly undertaken elsewhere (including home) because it can be facilitated by technology.

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Our findings in 2022

A continuing ebb and flow of opinions among firms about the benefits of remote working

There was a recognition among many employer consultees that 'tethering to a location' had evolved since the 2000s as digitisation and sectoral change meant more people had the *potential* to work remotely from their workplace. Despite the pandemic and the stresses arising from the enforced working from home, employees saw remote working as a benefit not to be easily given up.

The balance between two inclinations was influencing choices for employers:

1. To have staff onsite to *ensure* productivity and management; versus
2. To believe this is not necessary and that there is a **competitive advantage** (eg: retention/ recruitment of staff) in offering greater levels of remote working.

The research found that the future of remote working was (and is) still being debated:

- Concerns that remote working poses a threat to office spaces and urban centres;
- There was a growing view, which strengthened during 2021 and 2022 as new frameworks were being developed, that hybrid models could pose a challenge for HR management; and
- As 2022 progressed, there was an increasing opinion that many employers *secretly* wanted a return to the office.

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Research objectives

The questions to answer in 2023?

The following research questions have been identified:

- What are the current levels of remote and hybrid working in Northern Ireland and are they likely to change?

- What are the organisational and economic implications?
  - Are higher levels of remote working helping or hindering productivity?
  - What does this mean for inclusion of staff or 'reaching out' to new cohorts?
  - Are there barriers or challenges to 'full remote working potential'
- What are the employee implications in terms of well-being, work/life balance and satisfaction?

- What are the spatial/regional and sustainability implications of a greater shift to remote working – for towns, cities, working hubs and commuting patterns?

A great transformation?

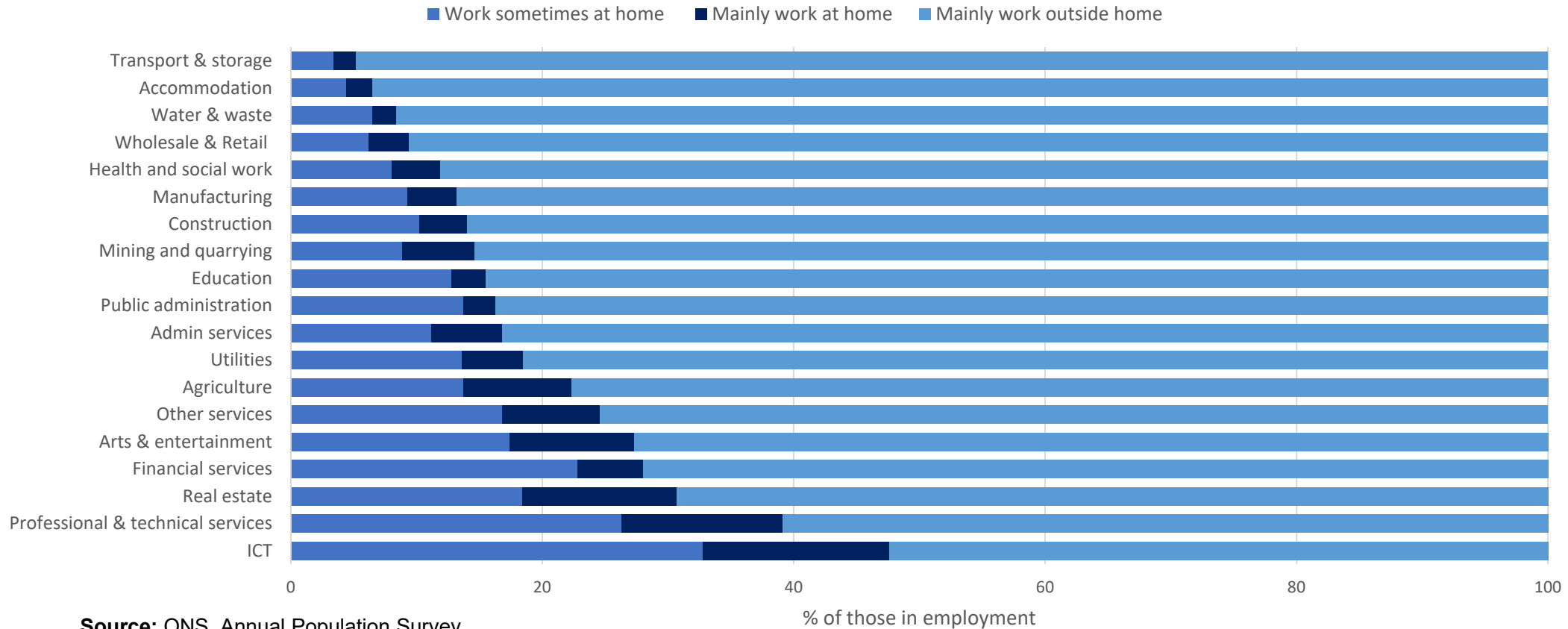**Teleworking, remote and hybrid working before and after the pandemic**

Where have we got to?

A leap forward, 'stickiness' and the hybrid model

Most people have always 'gone out' to work

Working from home was something done only occasionally in many industries

% of UK workforce working by location, by industry, 2019

■ Work sometimes at home ■ Mainly work at home ■ Mainly work outside home
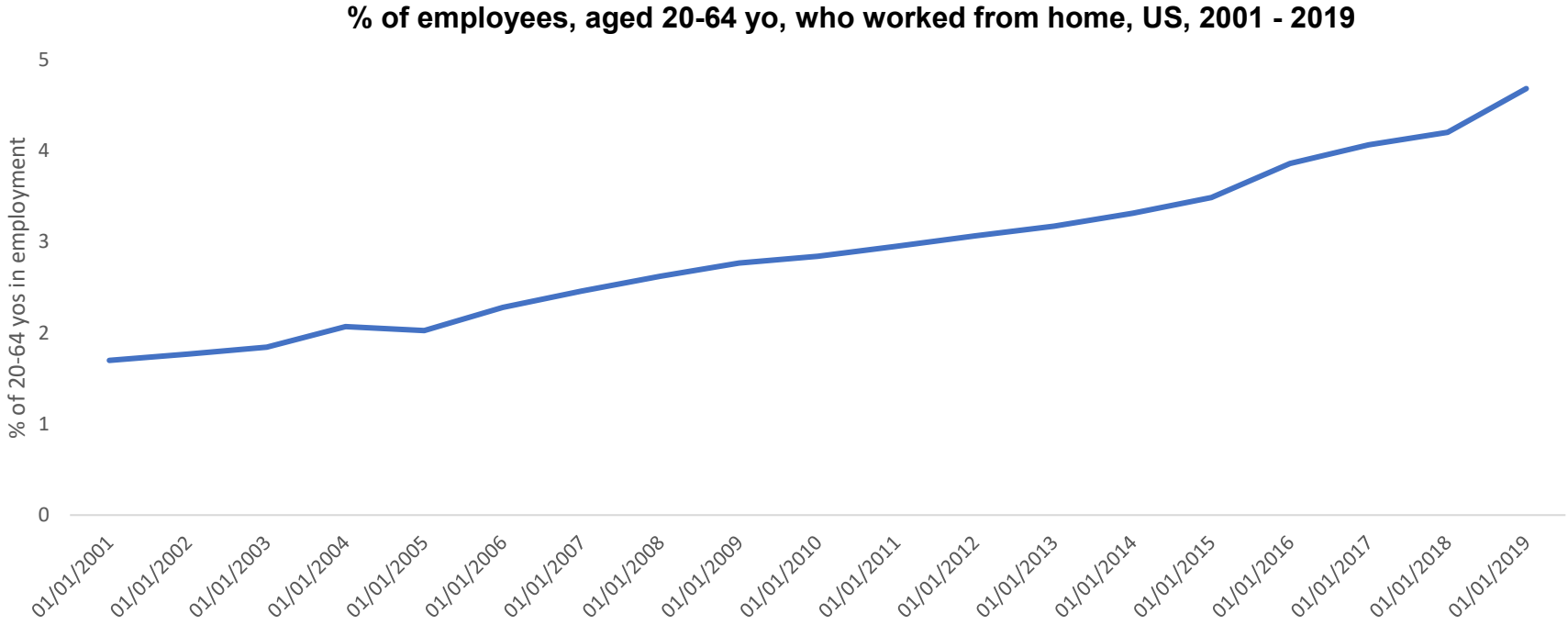

% of those in employment

Source: ONS, Annual Population Survey

- As recently as 2019, across most sectors more than 80% of employees in the UK – and more than 90% in Retail, Transport or Accommodation – had separate home and work lives.

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Remote working trends before 2020

Any revolution in numbers working outside the office in the US was slow

% of employees, aged 20-64 yo, who worked from home, US, 2001 - 2019

Y-axis: % of 20-64 yos in employment (0 to 5)
*X-axis: 01/01/2001 to 01/01/2019*

Source: Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. "Why working from home will stick," National Bureau of Economic Research Working Paper 28731.

"People have been working remotely from many locations for many years but the growth in work from home has tended to be slow across advanced economies – most of those who worked from home did so for a (small) portion of their hours and days"
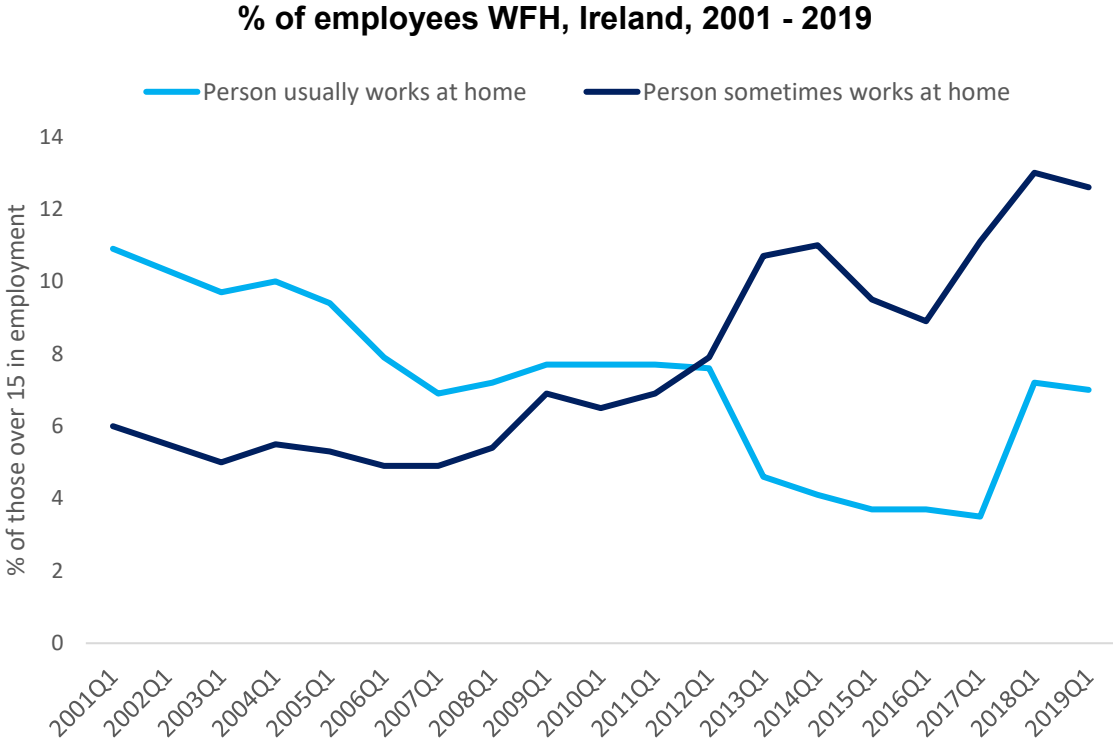
J. Scott Marcus (2021)

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Remote working trends before 2020 – UK and Ireland

A similar picture to the international one: a very gradual increase up to 2019

% of employees WFH, UK, 2001 - 2019

— Work mainly at home — Work mainly from home
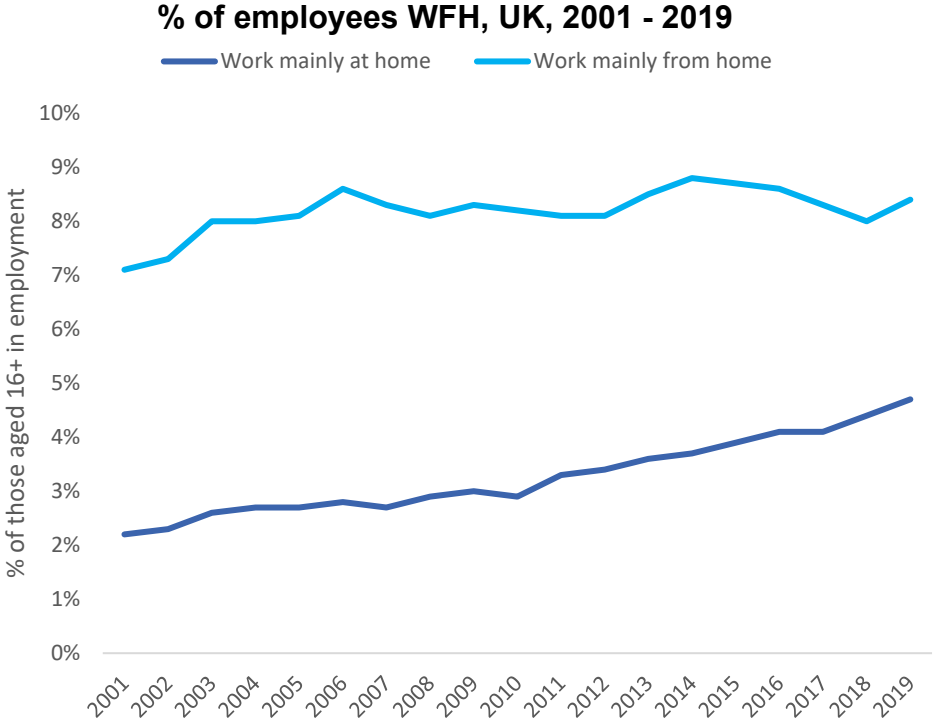
Source: Felstead (2022)
Note: Data taken from ONS LFS (Q2 in each year) and compared to APS data, 2015-2019. 'From home' refers to home being a base for work elsewhere (eg: for tradespeople).

% of employees WFH, Ireland, 2001 - 2019

— Person usually works at home — Person sometimes works at home


Source: LFS, CSO
Note: 'Usually' refers to more than half of time; 'sometimes' to less than half but more than two hours per week in last four weeks

- In the UK there has been a doubling from a low base (2.2% to 4.8%) over 20 years of those who work <u>at</u> home while in Ireland the 'occasional' homeworker became more prevalent.
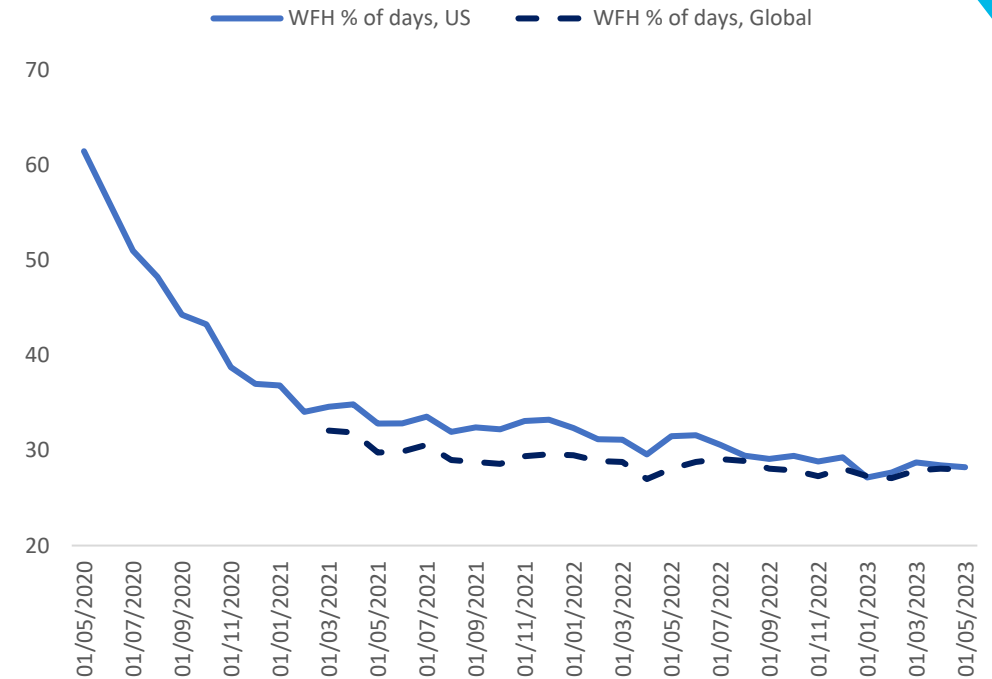
How the pandemic changed these trends

Overnight a huge change followed by uncertainty and some 'stickiness'

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

% of days WFH, US and worldwide, May 2020 - May 2023
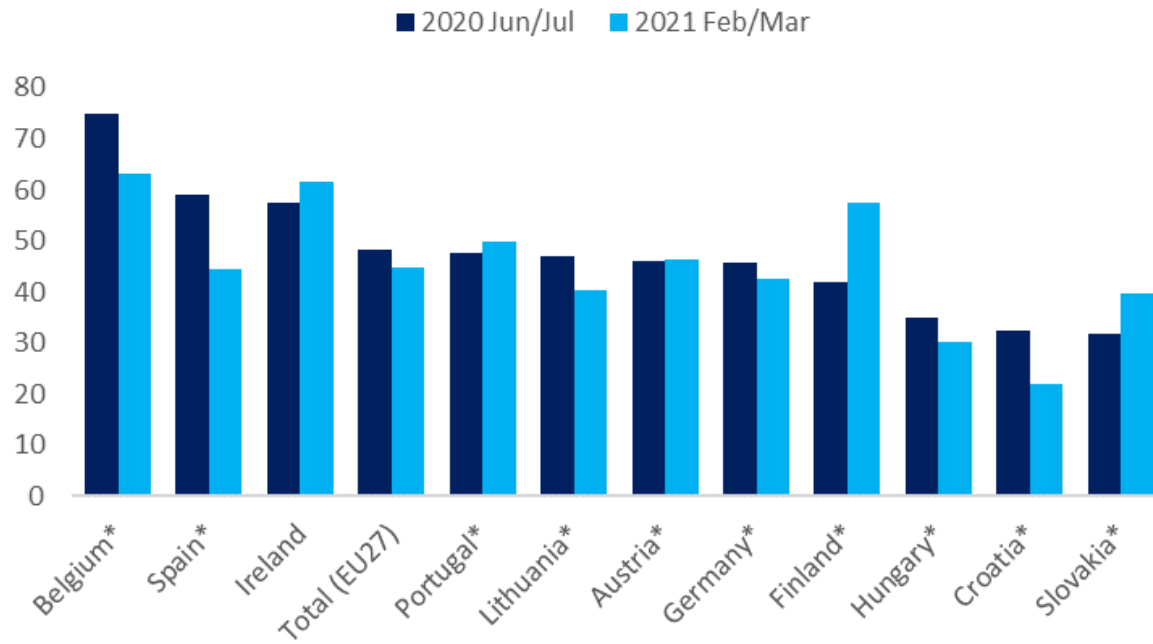
Source: Eurofound (2020), Living, working and COVID-19 dataset,

Source: Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. "Why working from home will stick," National Bureau of Economic Research Working Paper 28731.

- Surge in levels of remote working – to between 40% and 60% of those in employment – due to Covid restrictions and then began to fall back towards <30% by mid-2022.

As restrictions eased a 'return to the workplace' began

Hybrid models became the core one for those working across different locations in the EU

Location of work, EU surveys, 2020 - 2022
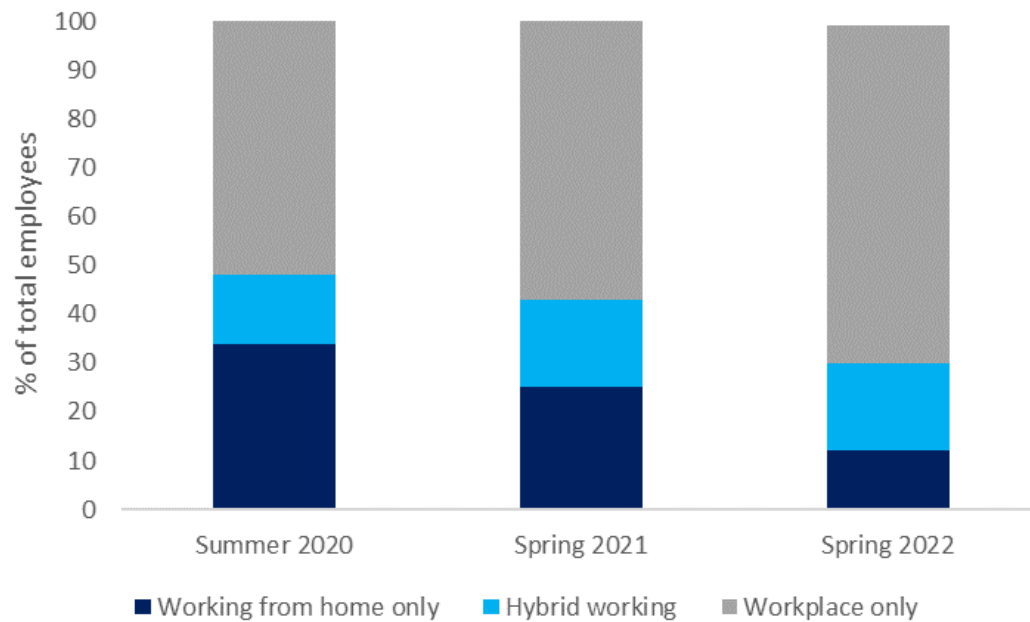
- Between Summer 2020 (high point of public health restrictions) and Spring 2022 (when workplace restrictions had eased) there has been a shift away from "working from home only" and an increase in 'workplace only' from 50% to over 70%.

- However, the number of 'hybrid workers' had increased to 18% in Spring 2022 from 14% in the Summer of 2020.

- This suggests that the key decrease has been in those who fully worked from home, some of whom have moved into a hybrid model and others who have returned full-time to their workplace.

Source: Eurofound (2022)
Note: With rounding the 2022 survey does not add exactly to 100%.

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Work location patterns in GB since 2020

Patterns show a 'stickiness' in levels of home working after the pandemic

% of respondents who worked from home in last week, GB, March 2020 – May 2023
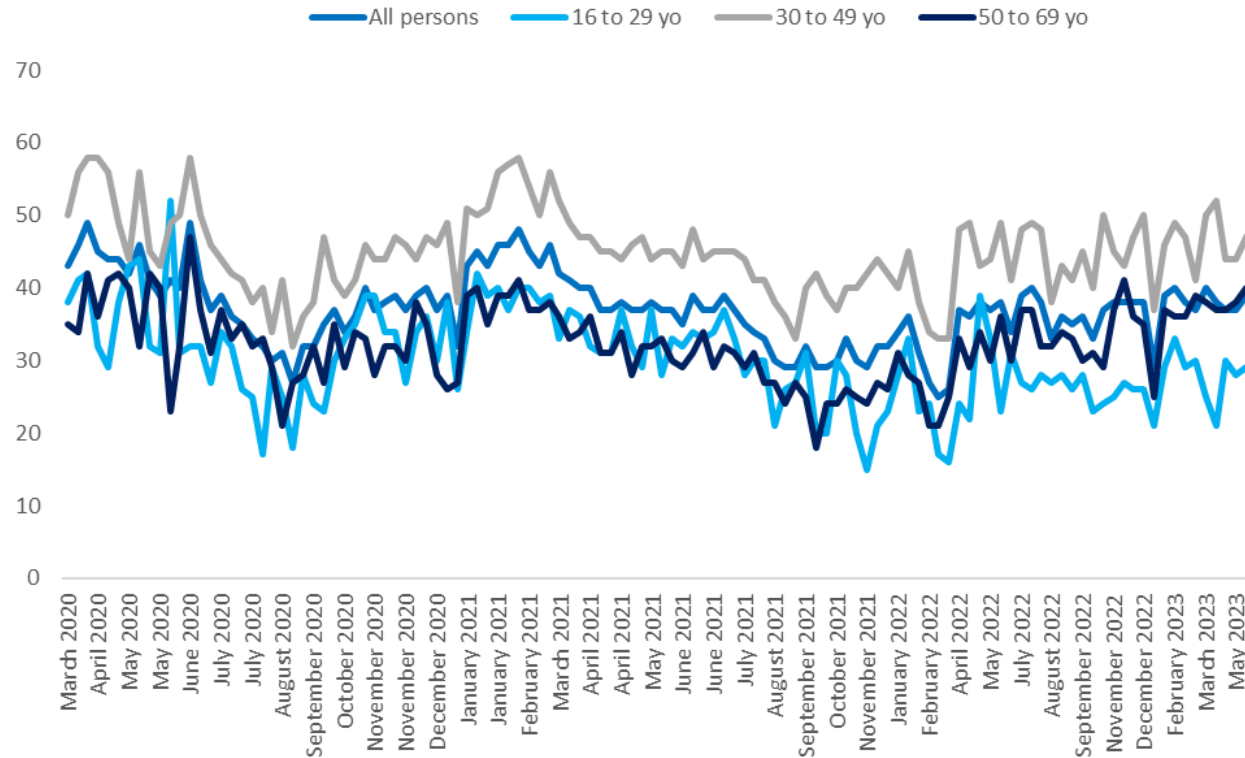
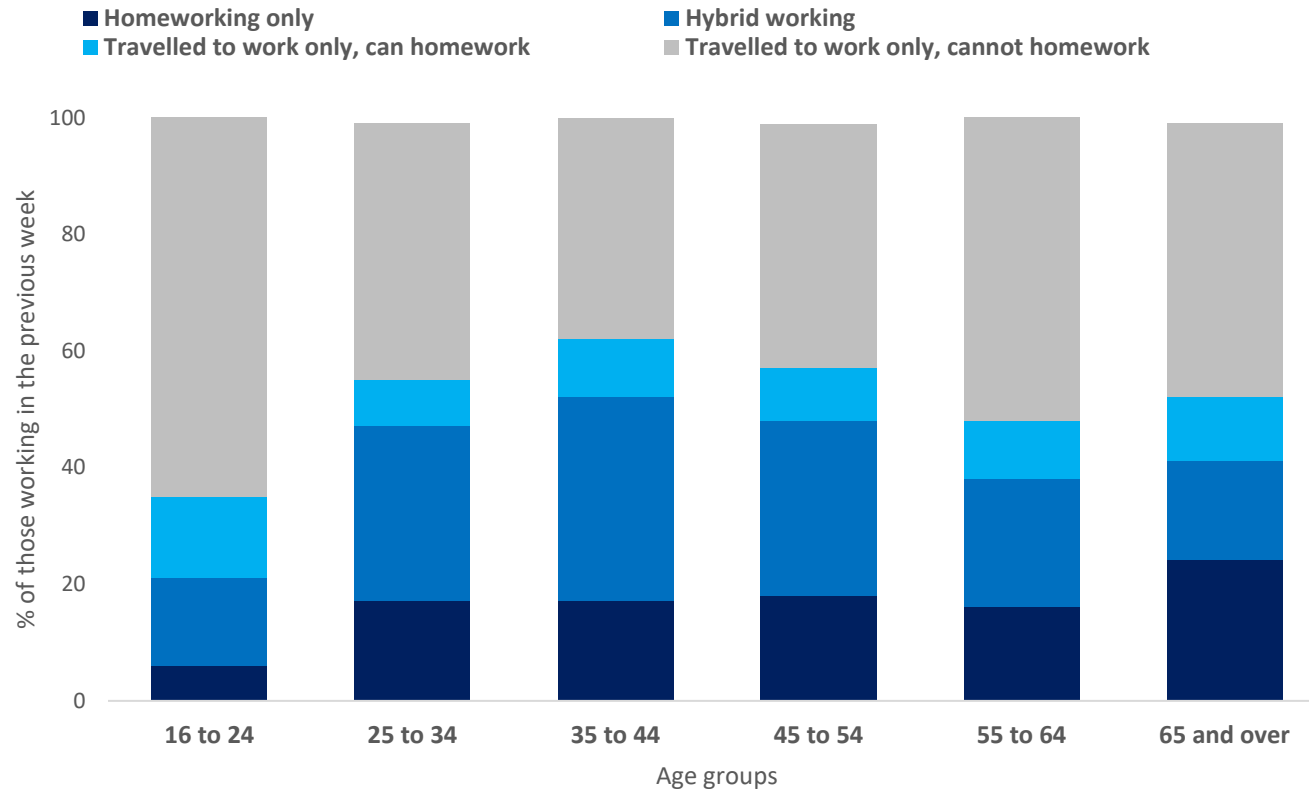**Source:** ONS, Opinions & Lifestyles Survey

- Survey data is volatile across the three years – but does suggest 35-40% of employes in Great Britain continued to work outside their workplace in Q2 2023.

- Age differences: younger workers have been less likely to work remotely, either in part or in full, since the start of 2020 – those in the 30-49 y.o. group have the highest levels of remote working.

Who is working from home in 2023?

Middle-aged workers more likely to work remotely in Britain

Location of work for adult workers, by age, GB, Sep 2022 - Jan 2023

- ■ Homeworking only
- ■ Travelled to work only, can homework
- ■ Hybrid working
- ■ Travelled to work only, cannot homework

% of those working in the previous week

Age groups: 16 to 24, 25 to 34, 35 to 44, 45 to 54, 55 to 64, 65 and over

- One in six (16%) working adults were 'fully remote' at the start of 2023 in GB with the lowest share (6%) among young workers (aged 16-24).

- More than half (56%) of all adult workers went into their workplace every day with 46% having no choice.

- The hybrid model – working from home some of the time – is taken up by 28% of all employees rising to 35% of 35-44 y.o.

Source: Office for National Statistics (ONS) – Opinions and Lifestyle Survey (OPN)

Is remote working an elite pursuit?

Those on higher incomes and with better qualification are more likely to work from home

Location of work for adult workers, by income, GB, Sep 2022 - Jan 2023

- ■ Homeworking only
- ■ Hybrid working
- ■ Travelled to work only, can homework
- ■ Travelled to work only, cannot homework

% of those working in the previous week

Income bands (annual)
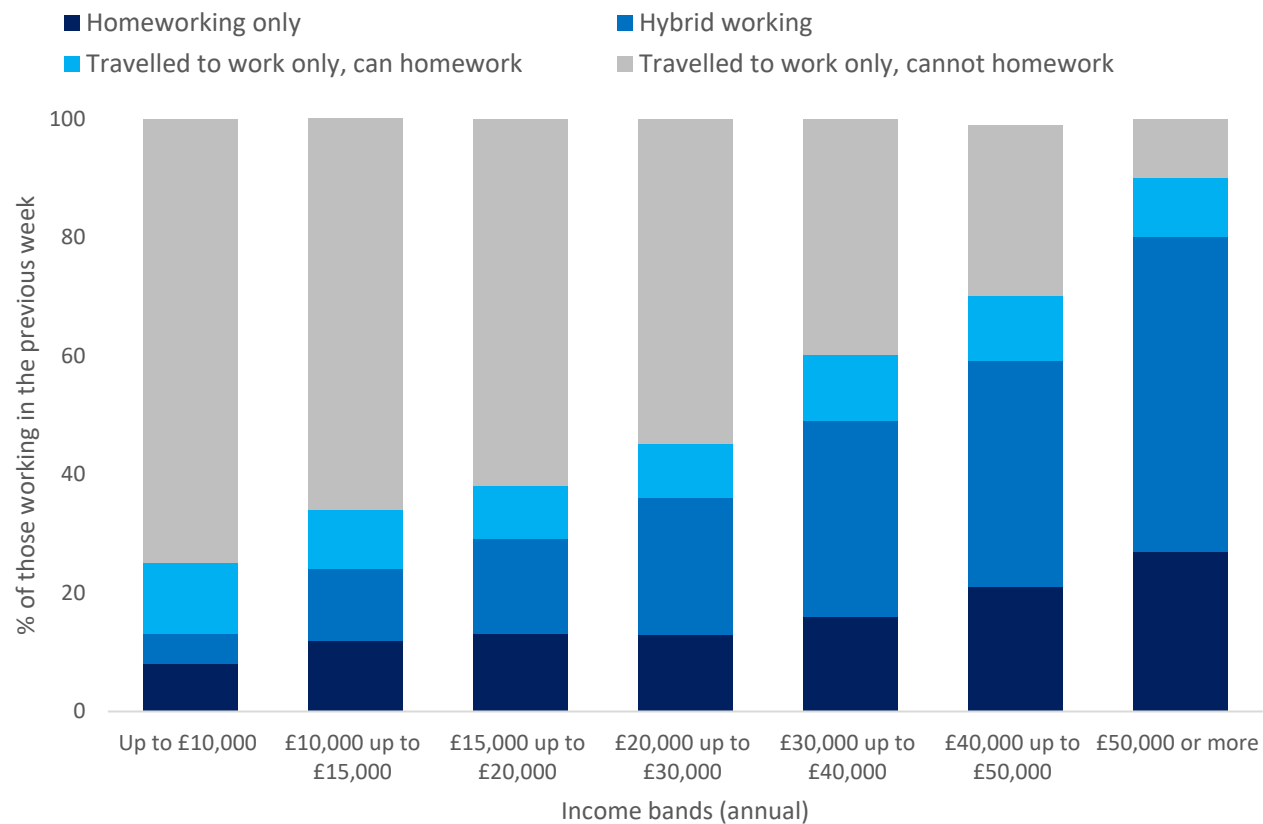
- Clear correlation between the ability to work from home and income (Remote working is **not** an option for 72% of those earning <£15k compared to only 10% of those earning over £50k).

- Qualifications are an even stronger distinguishing factor (67% of graduates working from home only or hybrid, compared to 14% of those with no qualifications.

Source: Office for National Statistics (ONS) – Opinions and Lifestyle Survey (OPN)

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Relationship between homeworking and higher qualifications in NI

Levels of homeworking and degree level qualifications, towns and cities, NI, 2021
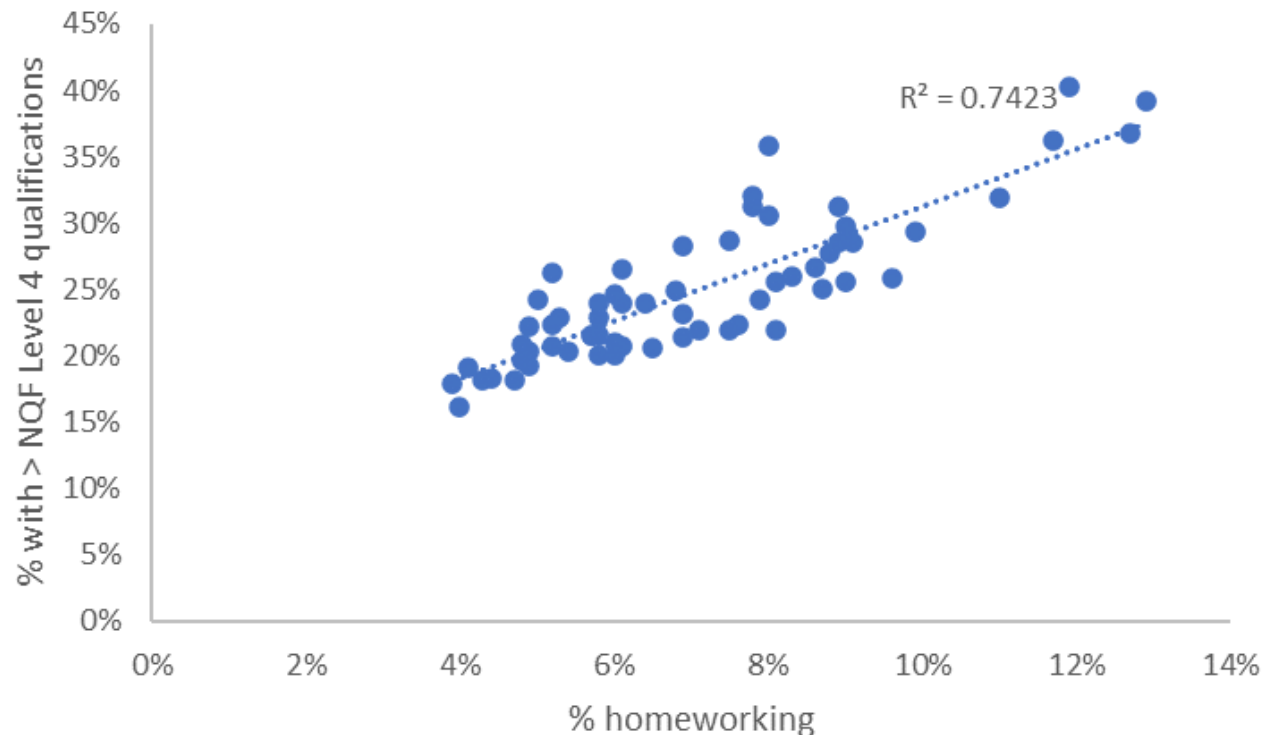
- Data from the 2021 Census shows that those towns/ cities in NI with residents who have higher levels of qualifications (NQF Level 4+) also have higher levels of home working.

- Those areas with higher qualified residents were typically found within or close to the Belfast travel to work area suggesting a larger effect in workplaces in the Belfast commuter belt.

Source: NISRA Census 2021, UUEPC analysis
Note: We use the Settlement 2015 geography of 59 towns in NI within 30 minutes drivetime of towns with more than 10,000 people.

Levels of remote working vary across UK regions

Northern Ireland had the lowest rates of WFH of any UK region in 2023
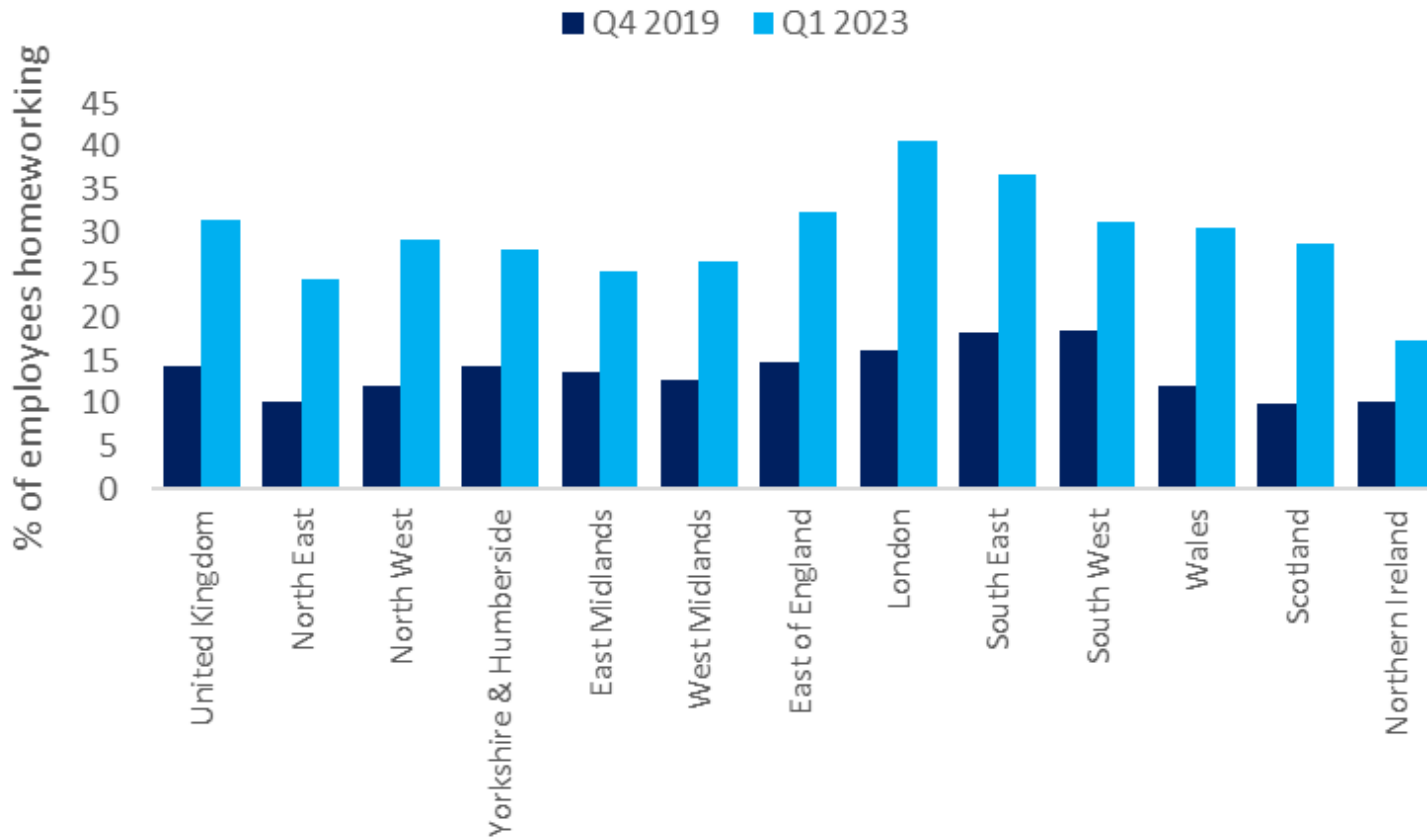
- All UK regions saw an increase in working from home levels – on average a doubling of the proportions from 14.5% in Q4 2019 to 31.3% in Q1 2023.

- Female working from home rates almost trebled between 2019 and 2023.
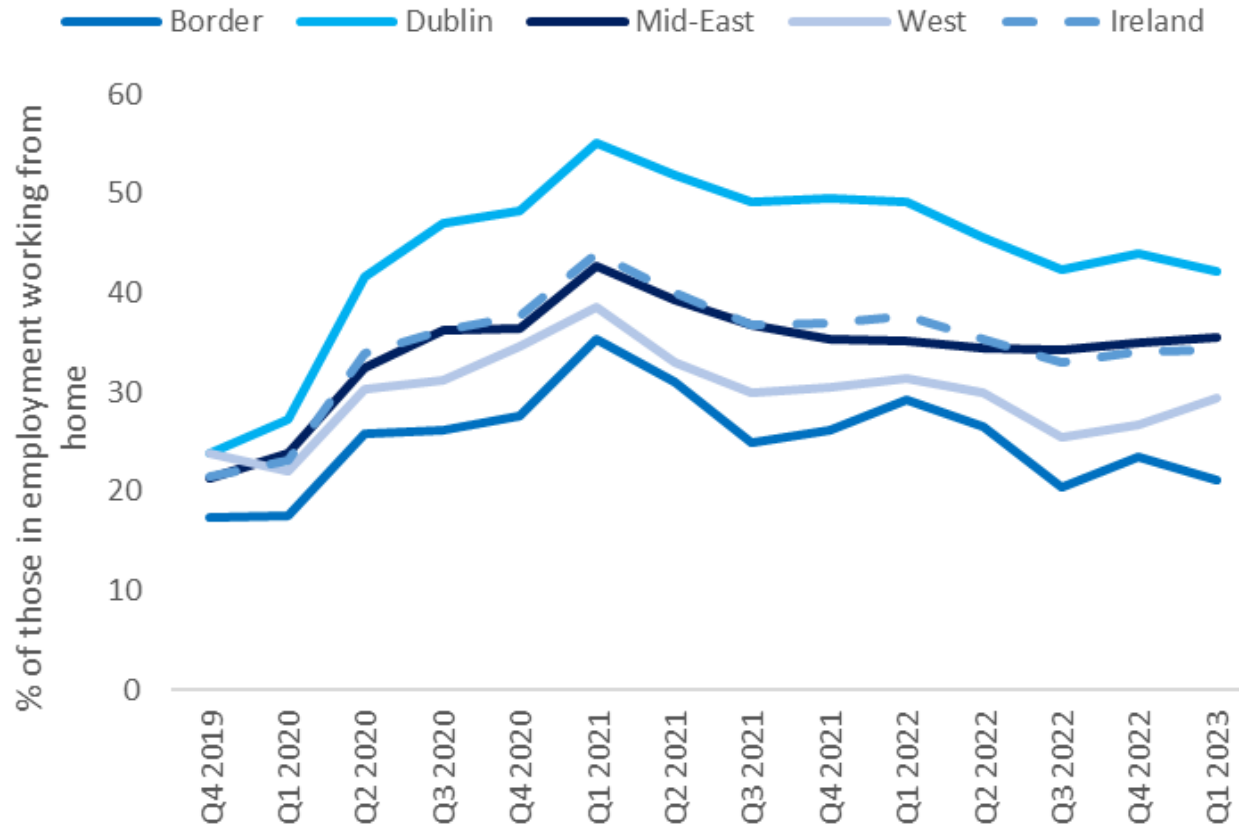
- NI saw the smallest increase (+ 7 percentage points) and less than half the UK average increase.

Source: ONS, Labour Force Survey, Q4 2019 and Q1 2023

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Similar variation across regions in Ireland

Border and West have much lower levels of remote working than areas closer to Dublin

% of employees WFH, Ireland, Q4 2019 – Q1 2023

- A similar picture emerged for Irish regions with WFH levels surging between the end of 2019 (approx. 21%) and Q1 2021 (to 44%) before falling back to approximately one third of workers from Q3 2022 onwards.

- Levels of home working has remained higher in Dublin and Mid-East compared to the West or Border regions.

Source: CSO, LFS
Note: The figures combine those who 'usually' and those who 'sometimes' work from home in the past four weeks.

Future of remote working

Potential levels, intentions and reservations

Increasing share of hybrid jobs in online adverts

UK share much larger than that in NI from mid-2020

Online job adverts, % for homeworking, UK and NI, May 2019 – Jan 2023

— NI homeworking (%) — UK homeworking %
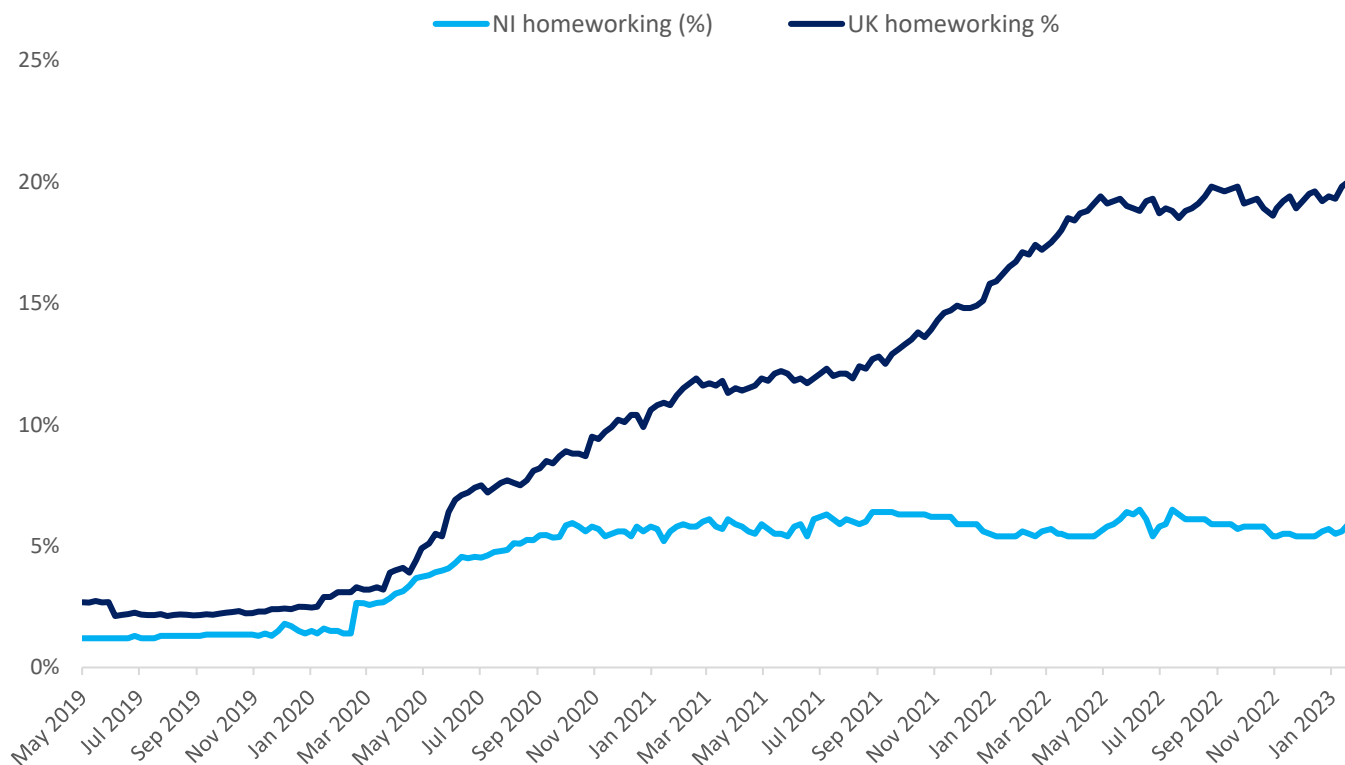
- Pre-pandemic less than 4% of adverts referred to remote, home or hybrid working.

- Has increased very significantly across the UK, but not to the same level in NI (approx. 14 pps lower).

- Adzuna have reported that the share of 'fully remote' job adverts is now much lower than those for a hybrid model. A similar picture for the Republic of Ireland, indicating a partial return to the office.

Source: ONS, Online Job Adverts Estimates using Adzuna data; UUEPC analysis
Note: Adverts are de-duplicated the search terms.
 Other data from Department for Economy (2022), using data from Burning Glass / Lightcast suggests similar levels for NI adverts for remote working in late 2021 and early 2022

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NI businesses have embraced the remote model to a lesser extent than in other UK regions ...

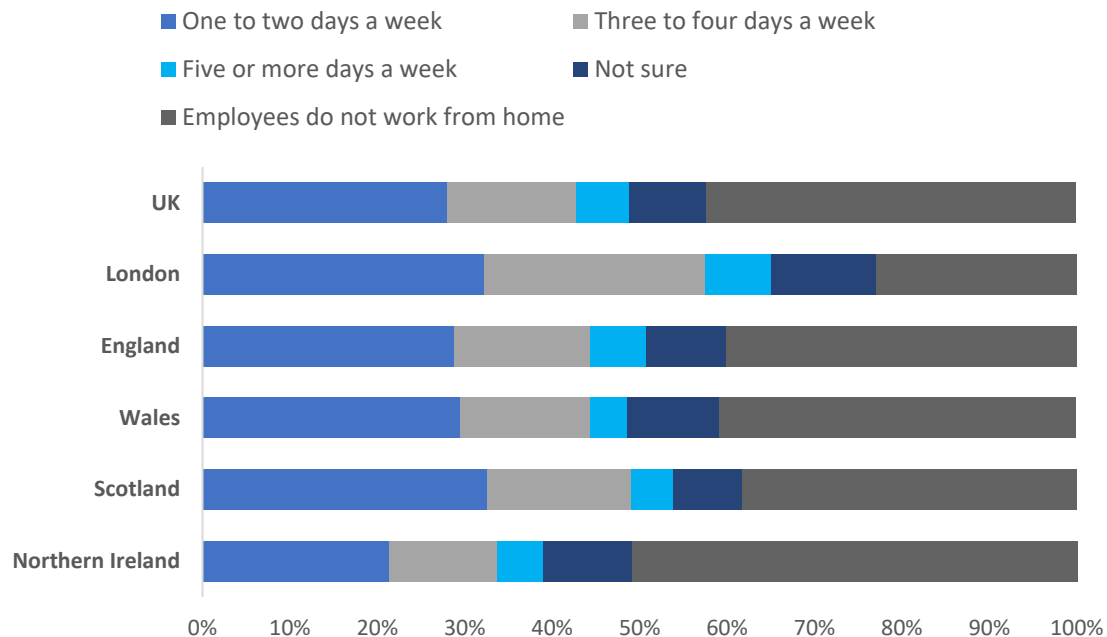## Firms in NI have been less likely than UK peers to have staff working remotely

How many days a week do your employees WFH?, Nov 22

- One to two days a week
- Three to four days a week
- Five or more days a week
- Not sure
- Employees do not work from home

Source: ONS, Business Insights and Conditions Survey, Wave 63

- 51% of NI businesses have no employees working remotely compared to Scotland (38%) and UK (42%).
- In all regions WFH 1-2 days per week was most common with only 6% operating a fully remote model.

- 64% of UK private sector employers expect the current patterns to remain in 2023,
- Compared to 57% in NI with 34% uncertain.
- Smaller numbers expect change but a decrease in WFH.

Expectations of businesses for WFH in next 12 months, Nov 22

- Number of days will likely increase
- Number of days will likely stay the same
- Number of days will likely decrease
- Not sure
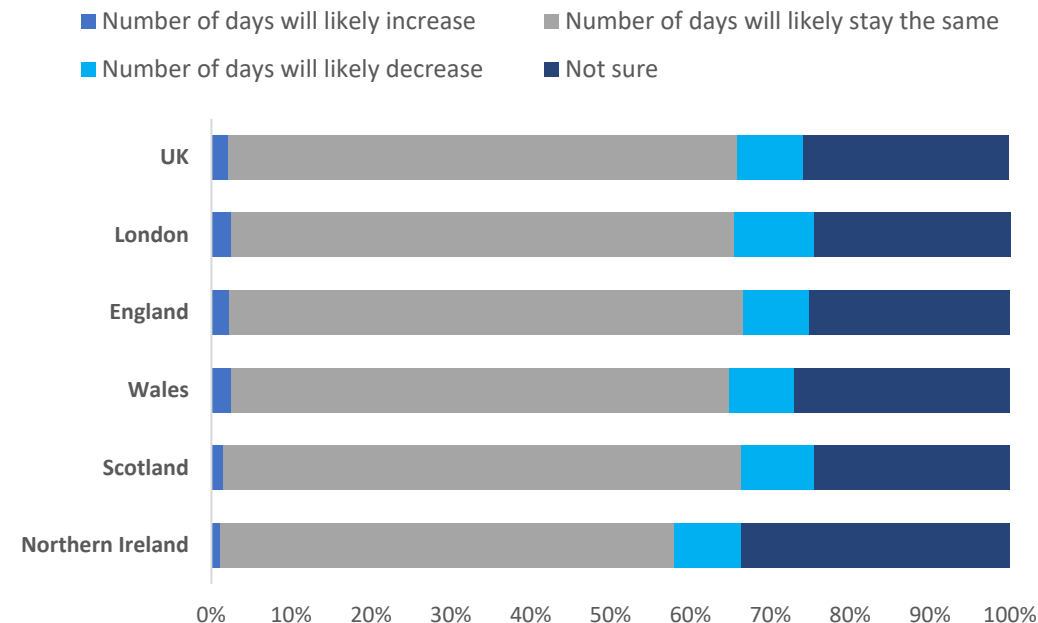
Source: ONS, Business Insights and Conditions Survey, Wave 63

… and they have lower levels of intent to use homeworking in an increased way

Is your business using or intending to use increased homeworking going forward? May 2023

■ Yes ■ No ■ Not sure
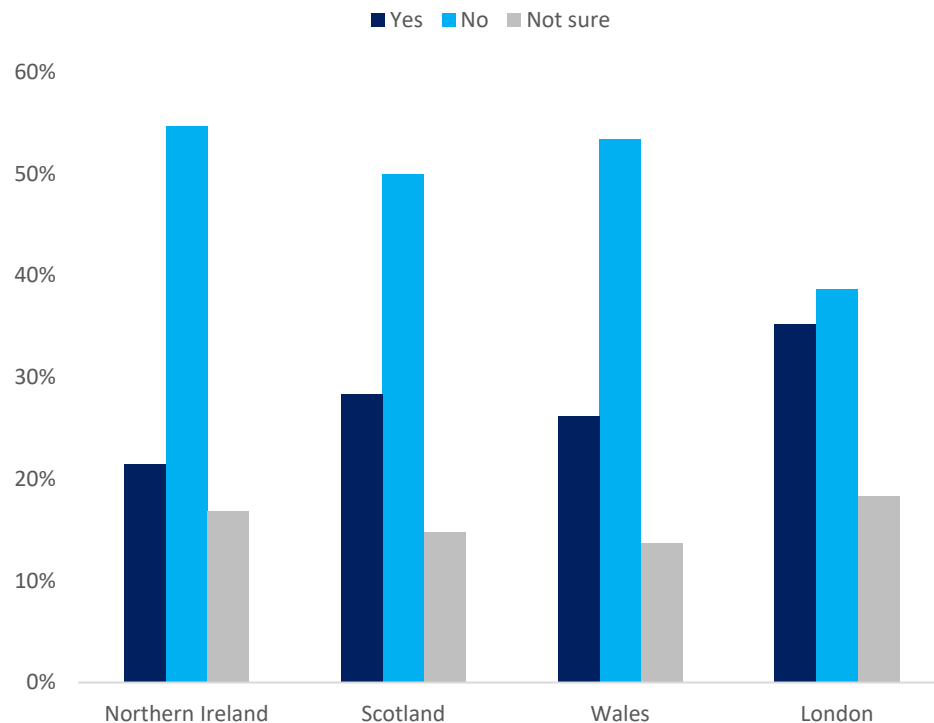
- Most businesses across the UK regions (except London and South East of England) are not planning to increase levels of homeworking.

- ICT, Professional Services and Admin Services more likely to embrace homeworking.

- NI least likely region to use increased homeworking going forward.

- Raises a question of whether sectoral structures or other factors such as management practices drives this difference.

Source: ONS, Business Insights and Conditions Survey, Wave 83
Note: Unweighted data

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Similar views across UK on benefits of remote working…

Why would your business use increased homeworking going forward?, May 2023

Legend:
- Ability to recruit more widely - international
- Ability to better match jobs to skills
- Reduced overheads
- Increased productivity
- Ability to recruit more widely - UK
- Improved staff wellbeing
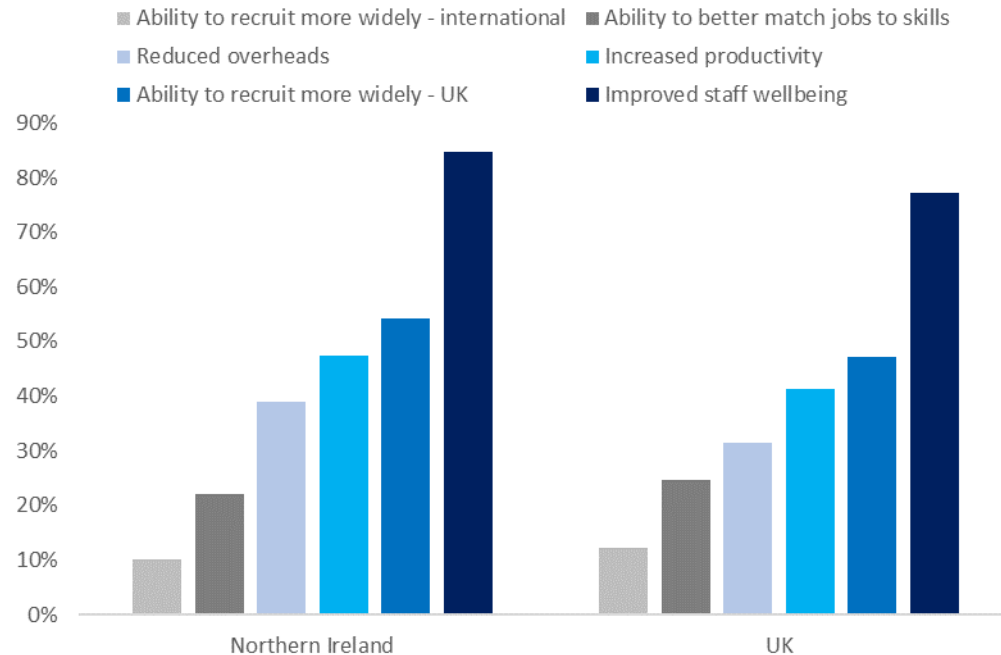
Source: ONS, Business Insights and Conditions Survey, Wave 83

- Improved staff well-being is the primary reason for businesses to increase remote working (85% NI firms and 77% across UK).

- More than half of NI firms cite the ability to reduce overheads as the next largest reason to increase homeworking alongside a greater ability to recruit staff.

- Firms in both NI and the UK more widely (47.5% and 47%) point to increased productivity as a rationale to increase remote working – important issue to determine if the practice increases or reduces productivity.

… and of the concerns attached with this practice

Why would your business <u>not</u> use increased homeworking going forward?, May 2023

Legend:
- Reduced reliability and retention of staff
- Concerns with integrating new starters into the workplace
- Reduced productivity
- Reduced communication
- Negative impact on working culture
- Difficulties managing staff remotely

Chart categories: Northern Ireland, UK
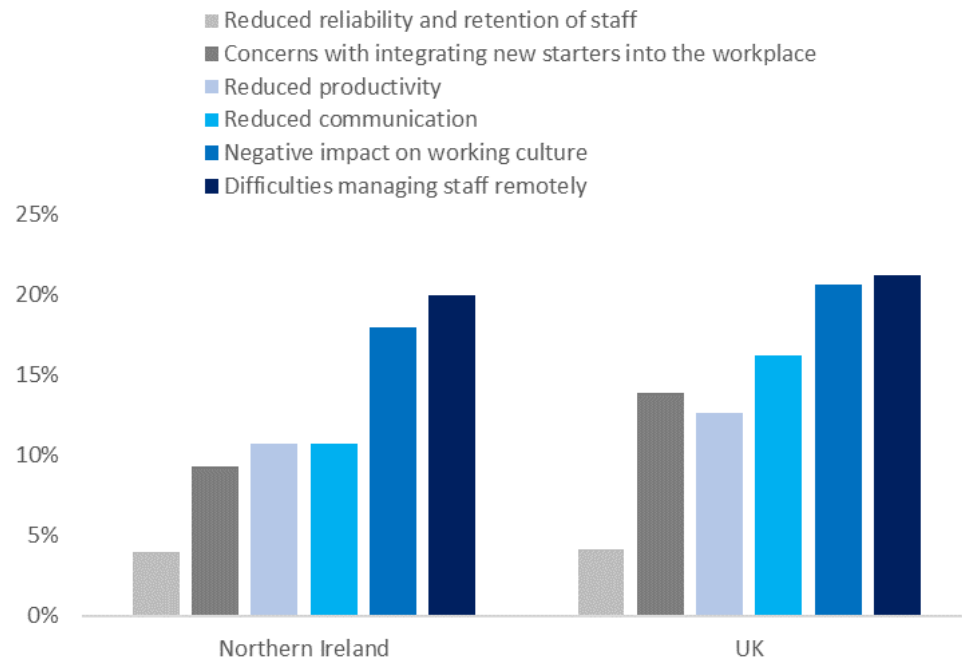
- Three quarters (76% in NI) of businesses indicated remote working was "not applicable to their business".

- Rationale for not increasing home working:
  - difficulty managing staff (cited by 20%);
  - negative impact on culture (18%)
  - reduced productivity (11%).

- Difficult to draw firm conclusions on productivity impacts. Suggests that productivity impacts differ across organisations.

- Also suggests the quality of management practices varies across firms and sectors.

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Current potential for remote working in NI ...

Higher and lower estimates % of employees that could work remotely, NI LGDs, 2020

Source: Higher - Crowley & Doran (2020); Lower – Dingel & Neiman (2020), UUEPC analysis

- A range of estimates for home working potential have been identified in the academic research (as presented in our previous report (UUEPC 2022)). This was then calculated across each NI council area, with different sectoral structures explaining the differences.
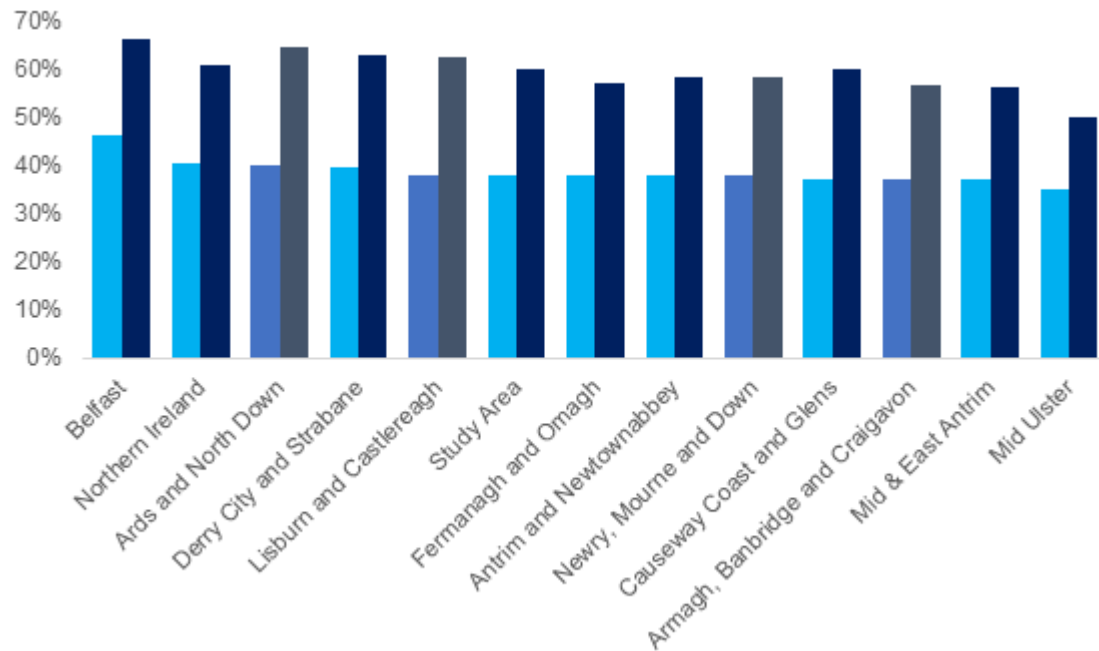
- Crowley & Doran estimate that between 40% and 61% of then current jobs could be completed remotely in full or partly.
- Even sectors less suited to remote working have some potential (eg: a third of jobs in the Manufacturing sector have potential for remote working).
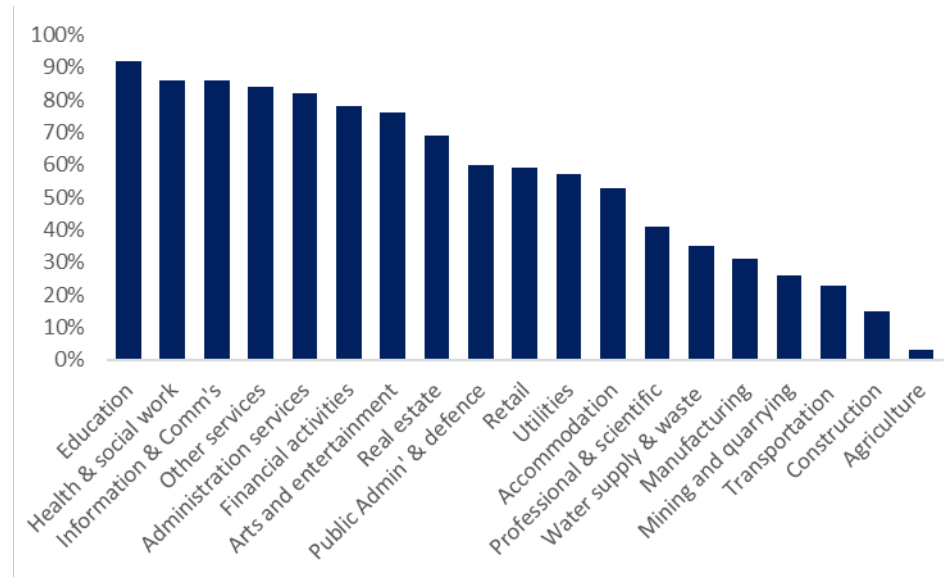
Remote working 'theoretical' potential by sector, 2020

Source: Crowley & Doran (2020), UUEPC analysis

… and a marginally higher future potential in 2033

Higher and lower estimates of employees that could work remotely, NI, 2033
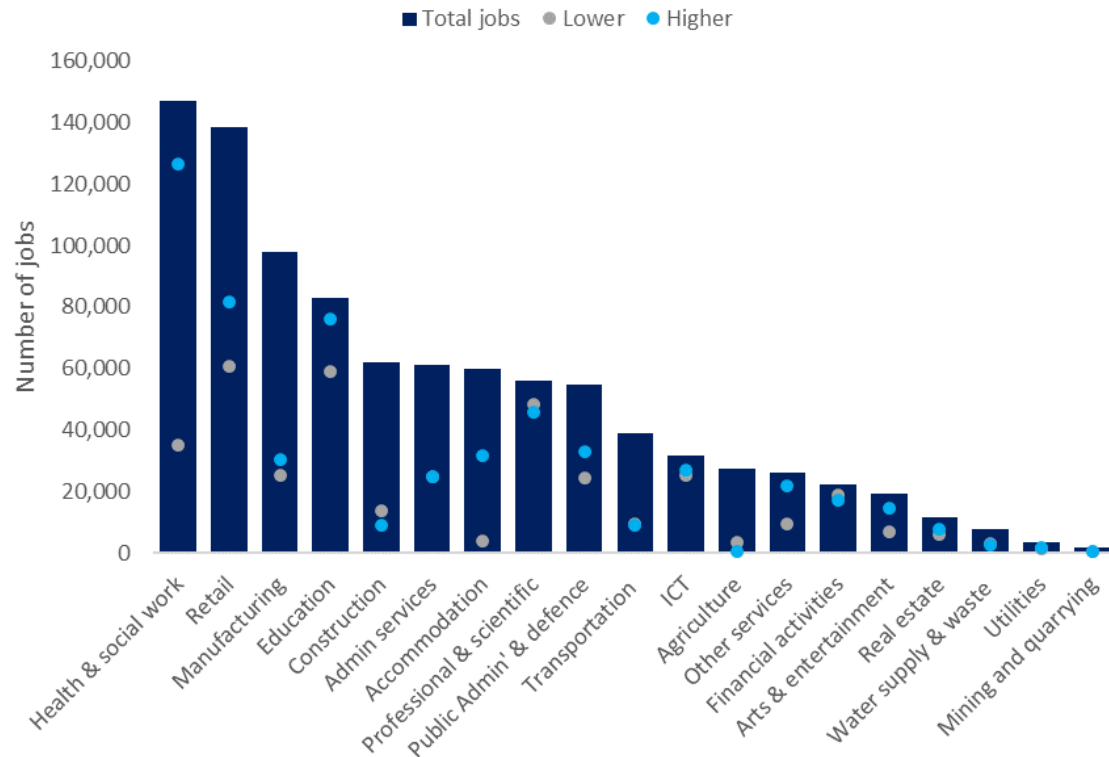
- Although it may be possible for remote working to be facilitated, it may not be the most effective way to perform the role or deliver the service (e.g. jobs in sectors such as, Health, Education and Hospitality/Accommodation). This explains different estimates of potential levels of remote working.

- Based on the UUEPC Spring 2023 employment forecast, by 2033 between 382k and 564k could will involve some aspect of remote working, most likely in hybrid. [The higher estimate is more theoretical].

Source: Higher - Crowley & Doran (2020); Lower – Dingel & Neiman (2020), UUEPC analysis

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How far do occupations, enterprise culture or other factors predict working patterns?

Research literature is still evolving, but two, high level, predictive factors for teleworking, homeworking or remote working are typically applied (Bailey & Kerland, 2002).

Job suitability
- Suitability appears to be the key factor in predicting what jobs will be eligible for remote working or – at least – have that potential.
- Occupational tasks become the key element used in this understanding (used by Dingel & Neiman, 2020; Crowley & Doran, 2020, etc).
- However, it is recognised that more 'intimate knowledge' of job categories and tasks rather than the global criteria is more powerful.

Employer/ manager choices
- Researchers also point to the 'status and power' issue linked with occupations and the selection of who works from home – this may be increasing (Darby, McIntyre & Roy, 2022).
- Brings to the fore manager willingness, workplace interactions and self-perceived suitability.
- Other factors around perceptions of work ethic, need for teamwork and concerns about distractions and productivity.

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Conclusions

- The level of home, remote or hybrid working has increased sharply since the start of the Covid-19 pandemic – from less than 10% to approx. 15-20% (based on LFS data). However, the increase and rate of remote working in NI is the lowest across all UK regions (from a range of data sources). Furthermore, the profile of online job adverts suggest this position is unlikely to change.

- Raises a number of questions:
  - Are fewer jobs in NI suitable for remote or hybrid working (for sectoral, occupational reasons, etc)?
  - Are NI employees less likely to embrace homeworking (e.g. due to shorter commutes)?
  - Are NI employers more reluctant to embrace homeworking?

- The benefits and concerns cited by NI businesses (in ONS surveys) are similar to those raised in other UK regions: staff well-being and reduced overheads vs impact on culture and managing staff, whether the firm is intending (or not) to increase their use of homeworking. Improving productivity is cited as a reason for some to increase levels of homeworking and for others to reduce homeworking.

Findings from the employer consultations

"Glass half full" on the hybrid workplace

Who we spoke to and what about

Broad range of consultees and discussion points

- Consulted owner/founders or senior HR managers in:
  - Organisations that adopted remote working in the pandemic and have managed this since;
  - Fourteen private sector firms – each employing >100 people in the ICT, Professional and Financial Services, Manufacturing and Retail sectors;
  - Five public sector organisations – each employing >100 people in Civil Service or ALBs;
  - Three focus groups (28 organisations) – i) Belfast-based; ii) smaller firms (25-50 employees); and iii) FDI businesses.
  - Consultations had both a gender mix as well as a mix of owners/founders and HR directors.
  - More details on the consultees in Appendix 2.

- Consultations covered the following topics:
  - Changes in work patterns.
  - The impact of remote working on firm/ organisational performance.
  - Impact on management practices and skills for employers and employees.
  - Broader impacts on the NI economy including: urban centres, demand for commercial property; sub-regional balance and the environment.

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Current position

Proportions and the return to the workplace since 2022

Views of consultees on current proportions of their staff working in different locations, Apr-May 23

Legend: ■ <10% ■ 11-25% ■ 26-50% ■ 51-75% ■ 76-90% ■ >90%
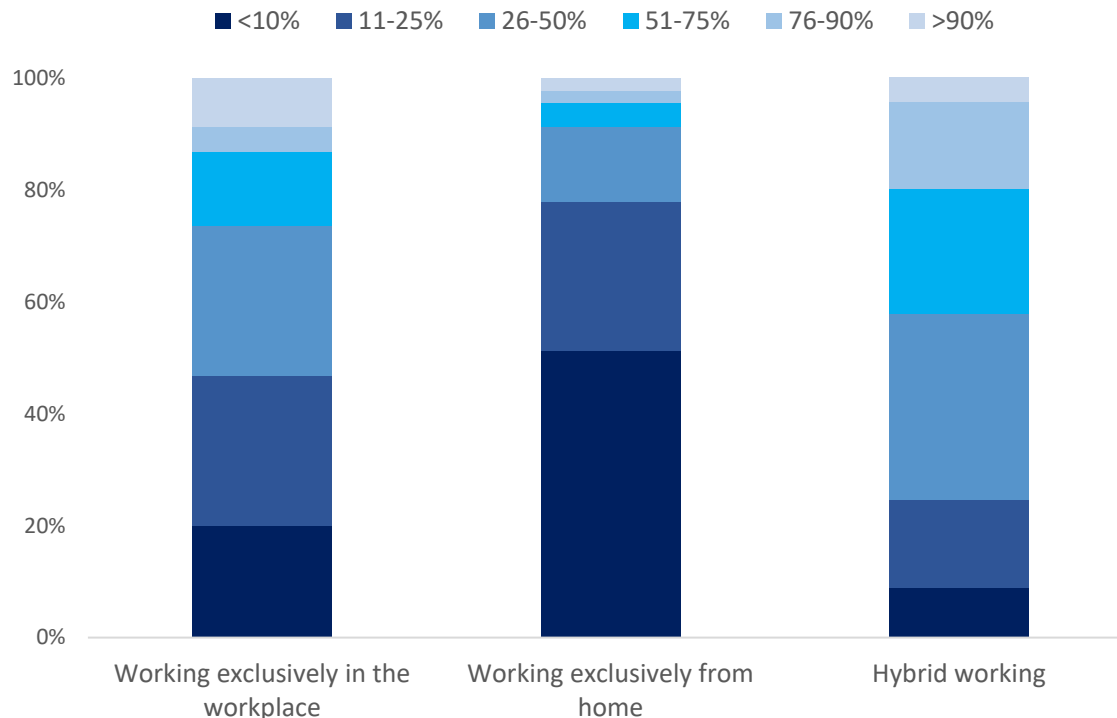
Source: Consultee responses; UUEPC analysis
Note: Consultees asked about the current location of different proportions of their employees; N = 45.

- Hybrid working has become the most common working model adopted by consultees.

- Three quarters of consultees have >25% of their employees working in hybrid models and 20% allow three quarters or more of their workforce to work in this way.

- The return to the workplace has been partial – and at times reluctant – but very few are embracing a 'fully remote' position for their staff.

"The vast majority of staff are now back in the office at least some of the time – we felt that to be completely working from home was neither good for us as a business or for them as our people. Too much of a reminder of the lockdowns." (Consultee J)

"The return to the office has not been a clear path – we chose an informal route and that has made it more difficult and more protracted than it needed to be." (Consultee, FG2)

Current position

Is the balance right between home, workplace and the hybrid?

- Most consultees have settled on offering some flexibility – only one consultee allowed all employees to choose where they work and only three mandated everyone back into the workplace in 2022 (with some allowance for staff depending on personal circumstances).

- Consultees associate 'flexibility' with a hybrid approach (Dublin Chamber/Savills, 2023) and there is variation in terms of days, but generally it is:
  - A requirement to come into the workplace only on specific days of the week (Tues-Thurs most common days);
  - A requirement to come into the workplace for a minimum number of days (two-three-four being the common choice);
  - Or a combination of the first two or over a longer period – say 20-25 working days.

"We've settled on a balance that works for the firm more widely [across three countries] combining a minimum number of days and Tuesday and Wednesday having to be among these. Flexibility with having teams together each week being the aim" (Consultee FG3)

- Only half of consultees were using remote or hybrid working in recruitment adverts. Lower than elsewhere in the UK or RoI (Hansen et al, 2021).

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Current position

Areas of difference among employers on the hybrid model

- The implementation of a hybrid model has differed across three particular areas:
    1. The number of days employees are in their workplace;
    2. Strictness of implementing the policy or framework – is it the same for all staff?; and
    3. Who decides when and how often to 'be in' – line managers, senior staff or teams themselves.
- Generally, there was a feeling that most organisations would have hybrid working to some degree (with the exception of sectors where physical presence was required e.g. Hospitality).

"Whatever about personal feelings we have now broken with past practice and in our business and others whom I talk to, we are now what I call 'earning presenteeism' at work. We need to be able to both justify it and show its value." (Consultee M)

- For some the trade-off between flexibility and wider performance is still a work in progress.

"In the past our best performers had some allowance about working outside the workplace or from home. This was not something everyone had access to. … we now have a greater variety of staff working in a hybrid model, not all of them great performers. My own preference would be to go back to at least four days a week in work as the starting point and then allow people to work remotely depending on their tasks and performance. Will take time and persuasion." (Consultee D)

Current position

Remote working and the labour market

- The issue of the labour market and the recruitment and retention of key staff was discussed in previous UUEPC research (based on Q4 2021 consultations) where offering remote working was seen as a positive.
- The *"drive to flexibility"* identified by one consultee remains strong in many sectors (in particular, tradeable services) and several spoke about this being almost as important to staff as wage offers.

"Our employees and we hear similar stories elsewhere in our sector [Professional Services] are prioritizing their well-being and flexibility in the way that career progression and wages were spoken of in the past. It may not last but that's the current buyer's market for employees." (Consultee FG3)

- Optimism around remote working as a recruitment tool seems to have waned, because competitors can offer the same and it reduces staff cohesion and loyalty to the employer.

"We recruited several people from Scotland and England in 2021 but none of these staff are still with us. They could get the same deal with some element of office-based work closer to home or our wages were not competitive with what other businesses were offering with similar flexibility. Never felt like they integrated at all." (Consultee D)

- Hybrid models were also seen as having potential to offer flexible work for recruits with caring roles or with disabilities – this is still very much in early discussion stages for consultees.

Business performance and productivity

Experience of the impact of changing work models on productivity

Views of consultees on their own firm's productivity since 2020, Apr-May 23

Legend: ■ Strongly agree ■ Agree ■ Same ■ Disagree ■ Strongly disagree ■ Not sure

Y-axis: 0%, 20%, 40%, 60%, 80%, 100%

Categories: Working longer hours | Generating more output per hour | Producing better quality work | Greater efficiency of work
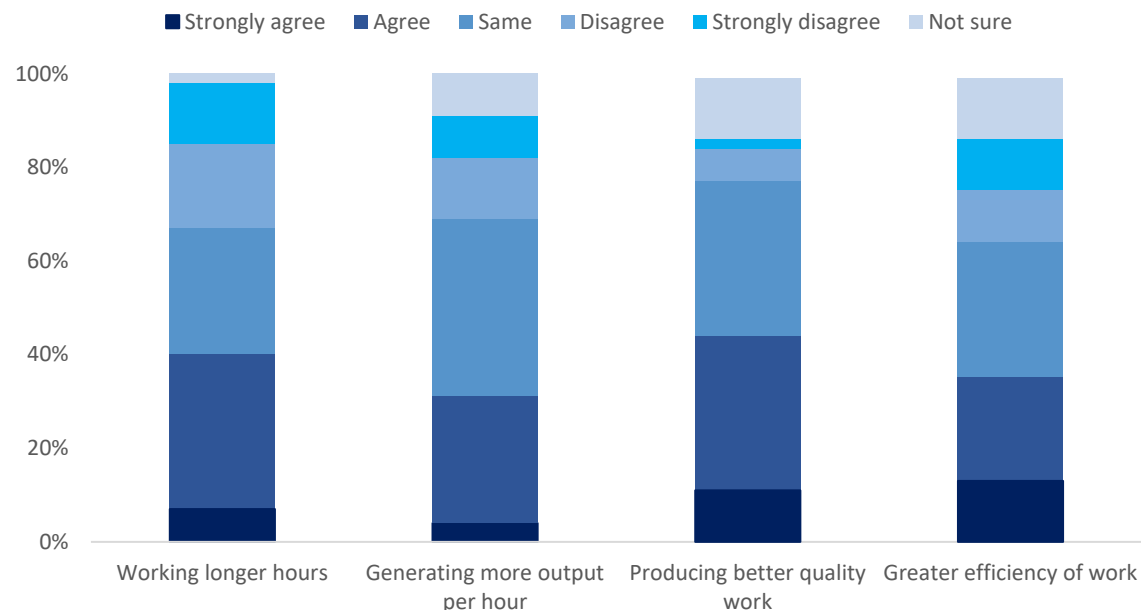
Source: Consultee responses; UUEPC analysis
Note: Consultees asked to reflect on changing work performance within the firm since q1 2020; N = 45.

- Views on productivity are mixed – reflecting wider research which also fails to reach a definitive conclusion. Productivity is probably similar to 2019 or a little better.

- Consultees were more likely to agree that their staff worked longer or produced better work and less likely to agree that they saw efficiency or productivity improvements from the new working arrangements.

"On balance we have seen very little change in this area, which was not what we expected back in 2020 and 2021 when we felt that delivering our services would take more time. A pleasant surprise really, but there are questions around the longer term." (Consultee G)

"Productivity is not something we measure well, but we do believe as a public body we are not getting any more product from longer hours which is a negative." (Consultee L)

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Business performance and productivity

Changing impact over time – or perception of this

- Existing evidence on the impact of remote/ hybrid working on employee performance points to either no impact or a positive impact (Allen et al (2015); CIPD (2020)). Individual case studies – Asian call centres and ICT firms – showed that total output rose but output per hour may have fallen (Bloom et al (2015); Gibbs et al (2021)).

- A significant number of consultees were clear that they often see performance and productivity differently from their employees – even when both agree it has improved with higher levels of remote working – and some saw it as curving downwards over time.

"I would have a different view to some of my staff about output per hour as I think standards are key to any understanding of this. In our [manufacturing] sector I think quality of work deteriorates the longer people work remotely, but we need to explain that coming into work is a way we can protect our standards." (Consultee O)

- Other consultees argue that there are large differences in productivity depending on the type of job done remotely – while some functions lend themselves to this model of work this is not the case universally.

"Remote and hybrid doesn't work for all aspects of those jobs which have lots of functions that can be done remotely. In logistics the data work needs to be supplemented by an understanding of what is happening on the ground. So, a good mix for us is that our people come into work two days a week to see what the drivers are working with – hard for them to understand that just through timesheets and traffic models." (Consultee E)

Business performance and productivity

The innovation challenge or development of new products and processes

- There is very limited research assessing the impact of higher levels of remote/ hybrid working on innovation within businesses. Those consultees who commented on the activities of their staff quickly reflected a greater knowledge of how they spent their time (in meetings, networking with clients or colleagues and on specific tasks) when in the workplace:

"We like to operate a 'fail fast, fail cheap' approach to innovation but this has been more challenging out of the workplace." (Consultee F)

"Improving and innovating our processes is crucial to sustainability but we've found that key staff have struggled to work without distractions – or at least distractions from the wrong people. The sort of uninterrupted sessions needed for innovation are harder in a hybrid set-up." (Consultee N)

- In contrast, other consultees (in the customer service sector) pointed to the potential for faster development and access to knowledge with remote working technology.

"We have found that the incremental innovations that are critical to our [retail] industry have sped up since 2020, so it's been a big plus for us in a fast-moving business." (Consultee S)

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Ideas, collaboration and culture

Has collaboration become more difficult?

- Consultees made several points about the challenges of collaboration in a hybrid environment, in particular, during the period when almost everyone in their organisation was working remotely:

"With more staff working remotely it seemed like it got harder to ask for help and easier to ignore the request." (Consultee I)

"Much of our work is teamwork and this effort slumped when we were all remote. Our behaviour changed with very little brainstorming or adding to each other's ideas." (Consultee K)

"Collaboration actually seemed to get lost in all the online communication – it was like a blizzard in 2021 until we worked to reduce it last year." (Consultee B)

- There are mixed views on the impact the move to greater hybrid models from fully remote will have on collaboration, in particular the stronger tendency to work in silos when outside the workplace and behaviours around competing vs collaborating.

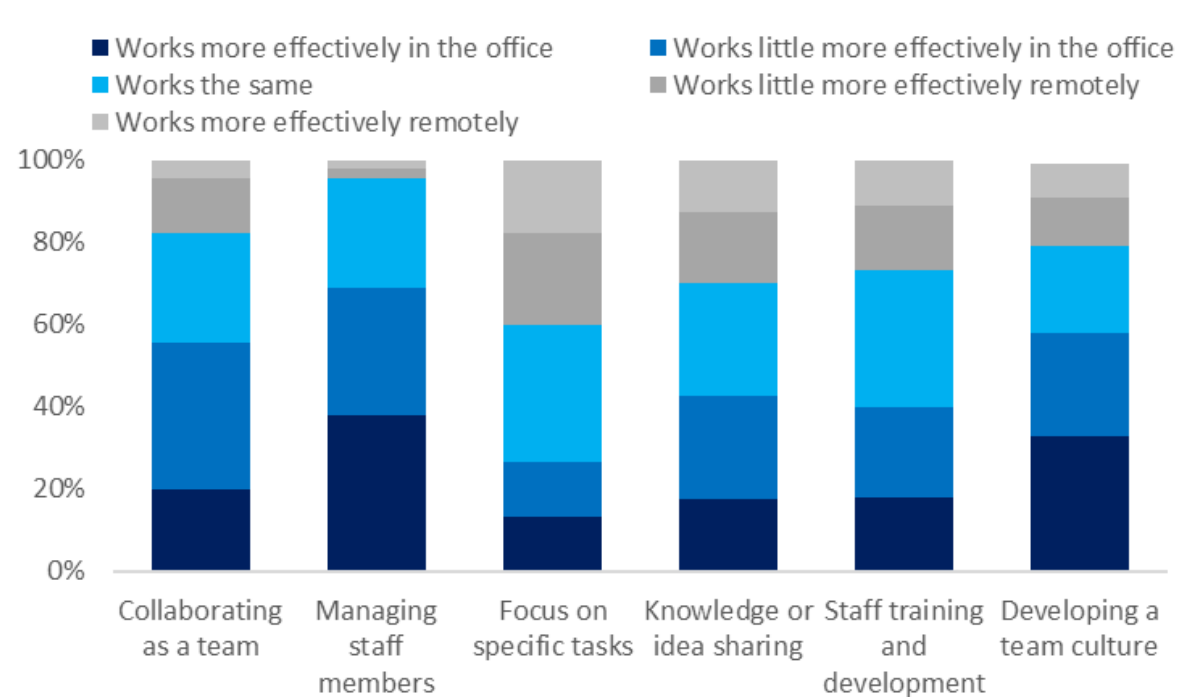*"Our collaborative efforts have become more narrow, perhaps more focused but somehow lacking the dynamic nature we have when in person working, so hybrid needs to ensure quality time in work." (Consultee, FG1)*

"More time out of the office has meant staff are more competitive in terms of claiming credit for work and this makes collaboration much more difficult to get right." (Consultee J)

Ideas, collaboration and culture

Remote vs workplace for various working tasks and functions

Views of consultees on various working tasks, Apr-May 23

Legend:
- Works more effectively in the office
- Works little more effectively in the office
- Works the same
- Works little more effectively remotely
- Works more effectively remotely

Categories: Collaborating as a team, Managing staff members, Focus on specific tasks, Knowledge or idea sharing, Staff training and development, Developing a team culture

Source: Consultee responses; UUEPC analysis
Note: Consultees identified which tasks were done more effectively where; N = 45.

- Consultees typically believed that managing staff, developing a team culture and team collaboration were the three management tasks which suffer most from working remotely.

- In contrast, a greater proportion believed focusing on specific tasks was easier in a remote working environment:

"There are things [meetings and communication] that you can do really well with the technology and distributed teams and this is especially the case with larger teams in service industries." (Consultee M)

"Our exchange of ideas works very well remotely – the only issue now is translating that into a hybrid setting, so that you need to coordinate teams and staff well to be sure the knowledge flow works. Don't buy or see the water cooler moment concept." (Consultee A)

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Ideas, collaboration and culture

Is company culture suffering?

- Interestingly culture drew most comment from respondents as being negatively impacted. Though evidence for this is limited and most consultees, when asked, found it difficult to articulate their culture.
- This echoes survey results elsewhere (Dublin Chamber, 2023) with a particular emphasis on 'on-boarding' new staff and the challenges of this in a remote environment. Consultees pointed out that their culture has changed and one identified an improvement which they attributed to an increase in remote working.

"We began to wonder whether the increase in hybrid working challenged our existing organisational culture to become one more based on autonomy and trust. We've adapted for our in-work staff who are 80-90% of our people [in retail] as well as remote workers, with some really good results around customer service." (Consultee S)

- Drawing on Kane et al (2021) – and the emphasis on the challenge to 'cues' such as workplace design or dress codes in a virtual environment – respondents were asked about how easy it was to (re)instil an understanding of the values of the business. In particular, this issue found echoes with foreign-owned firms.

"Its not like we have a company song each morning, but there are reminders about the company's values within the office and we consistently refer to these in in-person meetings and discussions. Meeting clients in-person also helps with reinforcing who we are and what we do. All of that almost virtually disappeared and we have struggled to get it back among staff." (Consultee FG3)

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Management practices and learning

How well have managers adapted to the new world of 'hybrid'?

- There was the issue of the 'blinkered boss' being blind-sided because they could not see their staff everyday and were not aware of what was happening in the workplace. This created a response of an increased reliance on task-based management (e.g. setting deadlines, holding on-line meetings and communicating information) (Burkinshaw, 2021)

- Consultees were keen to emphasise how well **they** had adapted with several making the point that they had taken the opportunity to improve their techniques.

"Once it became clear in 2021 that our business would not be returning to be in the office full-time, I began to look for training and mentoring about embracing managing a hybrid team and it has I think made me a better manager, more observant and looking to understand what drives my team." (Consultee FG3)

- However, this positive outcome was not the case for all management team members. Some line managers, in particular those with a more direct supervisory role, have found that increased levels of remote working has increased their workload and they have been left to work out this new world (Ipsen et al, 2022).

"Our managers have been put in the firing line here, trying to manage in a situation they never expected or were trained for. Most would love for everything to revert back to 2019 … I don't share that view, but I can see how it stresses those who do." (Consultee H)

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Management practices and learning

Mentoring is something that has not adapted to remote working

Number of minutes spent mentoring each day, by age and location

Legend: ■ Worked from home ■ Came into work

Adaptations to mentoring practice due to a move to a hybrid working model
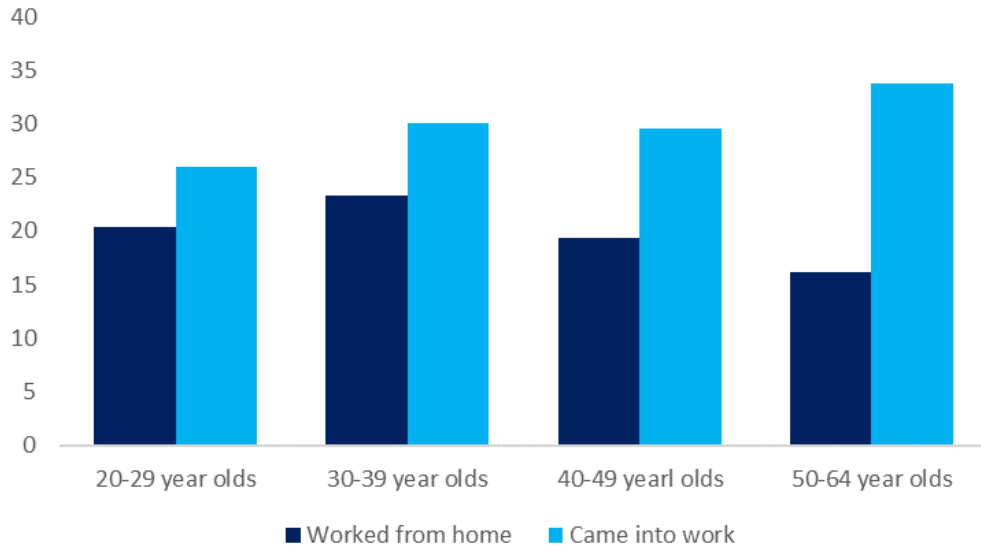
Source: Nick Bloom LinkedIn post, 23 April 2023
Note: N = 3,844 respondents in a global survey.
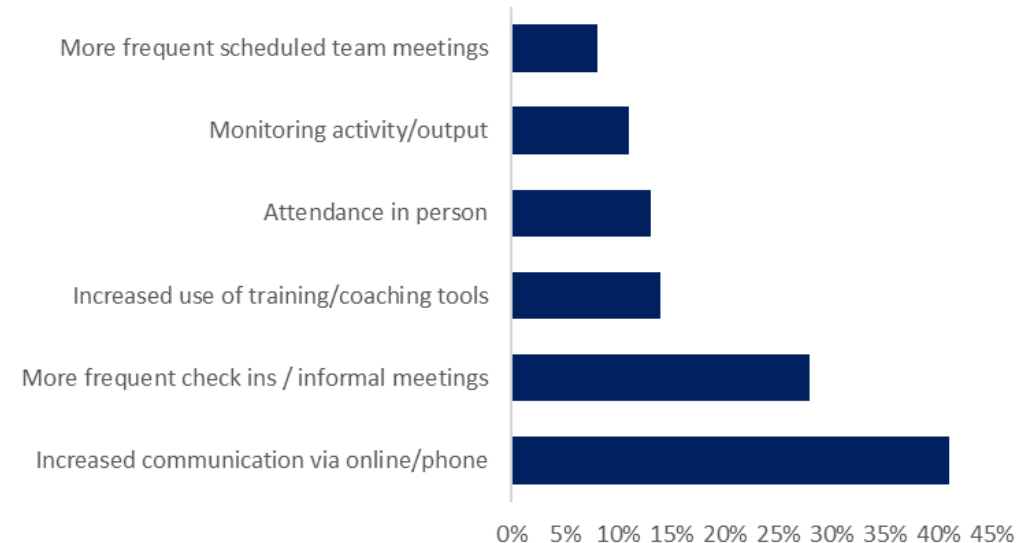
Source: Atlanta Fed (Jan. 2023)
Note: N = 64 respondents in a CEO survey.

- Mentoring is a key element of management and appears to be significantly impacted with higher levels of remote working. Global surveys point to mentors of every age group and especially those over 40 spending significantly less time mentoring in a remote environment.
- The Atlanta Fed results were surprising because *only a quarter* (64) of the 250 CEOs surveyed had changed their mentoring practises to adapt to a hybrid working model.
- Perhaps more encouragingly, separate LFS data shows little difference between the proportion of employees receiving job related training irrespective of hybrid or workplace working in both NI and the UK.

Management practices and learning

Engagement, monitoring and trust all debated and scrutinised

- Pre-pandemic research suggests that staff engagement and commitment to the business is neutral or can increase with some remote working (Allen et al, 2015). More recently, findings point to engagement falling over time, as employees found less support from colleagues and leaders, the longer they were working remotely (Strauss et al, 2022).

- This was put to consultees, many of whom agreed it applied to the pandemic period, but was less of an issue more recently as people transitioned from remote to hybrid working over the past 12-18 months.

"This [declining engagement] was an issue for us back at the start of 2022 but has been reversed as we moved to a hybrid model. On this basis we have been able to get more support to staff where needed but also give them space to do their jobs well." (Consultee P)

- Recent research with employers found a 'hard no' with the use of monitoring software (analytics of time usage of software packages, etc) (Mulcahy & Andreeva, 2023). This was echoed by the consultees, none were using this type of technology and some were not sure they even had access to it.

"I'm pretty sure we have the monitoring ability but don't see the need for it. Maybe it works for customer service and contact centre work but not for us in a more creative sector and would just cause more problems around interpreting what you are monitoring. We find it best to trust our staff." (Consultee FG2)

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Broader impacts on economy and society

Positives – around inclusion – but concerns about high streets

- Consultees were more circumspect in discussing the 'bigger picture' questions, though almost all were keen to dismiss two emerging narratives: firstly, the decline of the office and commercial property; and secondly less commuting and the associated reduction in emissions. Consultees indicated this was speculation driven by hype.

- Some consultees believed that offering greater flexibility around work location would increase inclusion in the workforce. Although it was also accepted that this was not without its challenges (Work Foundation, 2022).

"I can see all the benefits of greater flexibility, especially for those with childcare responsibilities and costs. It [requires] strong management of those arrangements to ensure everyone is getting what they need from it." (Consultee FG3)

- Others though, were quite concerned about the impact fewer people in urban centre workplaces were having on the high street and the viability of service businesses there – cafes, shops, restaurants, bars, etc.

"It's now a three-day week for the high street in Belfast and I don't believe increased tourist visitors is sufficient to replace the spending lost. The high street is adapting to reduce hours so it's like a return to the days before the ceasefires." (Consultee H).

And finally…the secret longing to get back to the office

- Consultees were asked if there was a discussion among senior managers in their organisation, sector or other networks about the "need" to get back to the office, as has been reported.

- In general, consultees were amused that there would ever be consensus on anything among business (bar taxes) and, if there was, that this was not being more publicly articulated - *"is this what other people are telling you?"* In general, this was not seen as an issue and concerns about remote working should not be confused with a desire for everyone to be back in the office all the time.

"I'm in a sector [Manufacturing] where 70% of our staff are in work every day and the remainder have flexibility to work remotely. You definitely hear some grumbles about not always being able to get people when you want to, but nobody wants to turn back the clock." (Consultee T)

- The consultees in general see the current hybrid working model operating quite well, with no need for a broader intervention.

"There's been talk of a right to request hybrid working but we certainly would not want that. We're still in the space of allocating this on a needs-only basis." (Consultee R)

Getting back into the office

"What does this look like in the future?"

- Several consultees recognised that other factors might lead staff to want to be back in the office more, in particularly if they were to feel disadvantaged by working remotely.

"Staff working remotely run the risk of weakening their relationships with colleagues and external networks and that this is more of an issue for recent recruits and younger people who are only starting to build up a peer group." (Consultee C)

"I'm a fan of hybrid working in general for our staff and they like it but the one worry I have is how much visibility employees lose if they are not around the HQ and stores. Their lack of visibility and the promotion of their own work may impact them in the long run." (Consultee S)

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Conclusions: where are businesses with the hybrid working world?

- Consultees indicated that current working patterns are probably here to stay; they are working well for staff; and there is no evidence of a 'secret longing' to return staff to the office.

- However, consultees identified concerns remain around certain tasks or aspects of work, including: collaboration; customer relations; improving processes and products, organisational/ team culture; and impact on younger people and new recruits integrating into the workplace and building networks.

- This in turn has raised issues around the need for support and development for managers to develop new approaches in a hybrid environment. Many have been left to "figure it out themselves".

- There is also a recognition among employers – borne out by the data – that weekday footfall everywhere is impacted and especially so in Belfast.

- The impact on productivity remains open – measurement remains a difficult issue and consultees are not sure whether more hours worked means more output or better quality. There are no clear trends emerging in terms of sectors more or less likely to experience productivity improvements which suggests that benefits may be derived in organisations which have identified more effective management approaches (although this is uncertain).

"We are comfortable with hybrid but cannot go further than the current position. Any more than this and the risks to collaboration, teamwork and overall activity could become too large." (Consultee D)

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Results of the employee survey
Embracing a 'new normal'?

Remote working patterns and wants

Employees would like to work from home more than is currently the case

How often are you currently working remotely per week?

0 days	**109** (12.6%)
1 day	**84** (9.7%)
2 days	**230** (26.6%)
3 days	**251** (29%)
4 days	**115** (13.3%)
5+ days	**76** (8.8%)
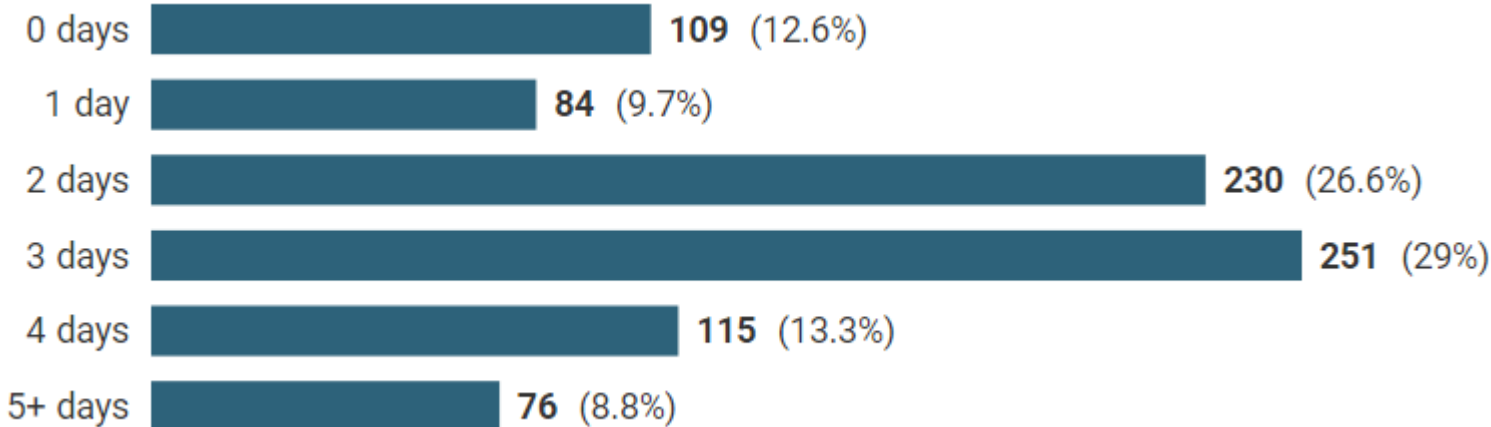
How many days would you like to work remotely per week?

0 days	**50** (5.8%)
1 day	**55** (6.4%)
2 days	**151** (17.5%)
3 days	**271** (31.3%)
4 days	**188** (21.7%)
5+ days	**150** (17.3%)
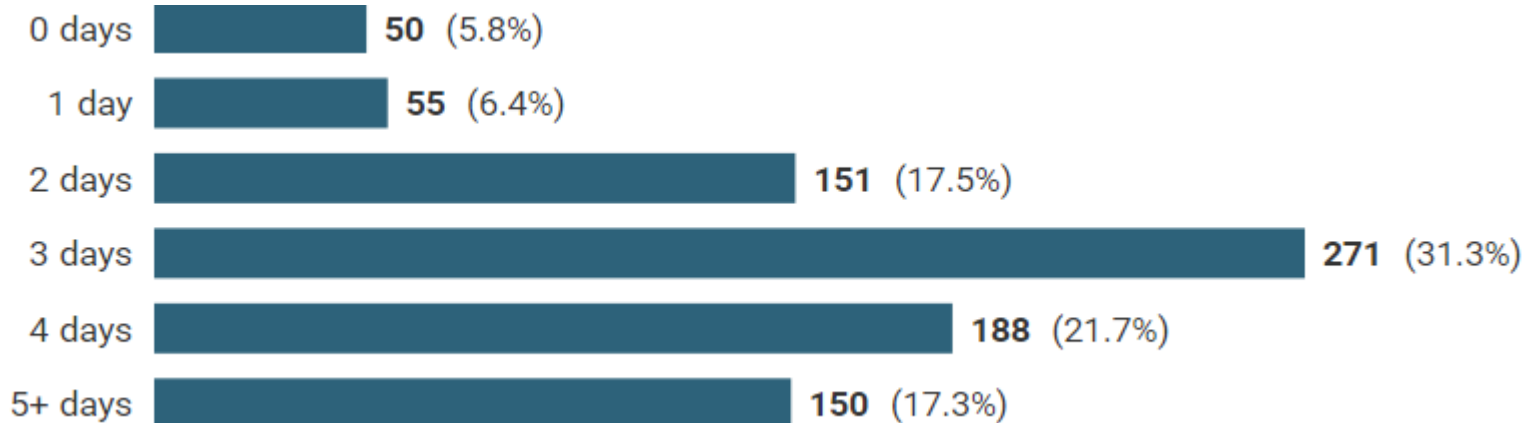
- Two to three days per week is the new norm for a majority (55%) of respondents.

- If given the choice respondents would prefer three to four days per week (53%).

- Only 9% work on a 'fully remote' basis but 17% would like to.

Source: UUEPC employee survey, 2023
Note: N = 865

Satisfaction and expectations around work

Generally strong satisfaction with the current arrangements, guidelines and frameworks

Are you satisfied with the current arrangements your employer has in place for working from home?

Yes — **624** (80.4%)
No — **138** (17.8%)
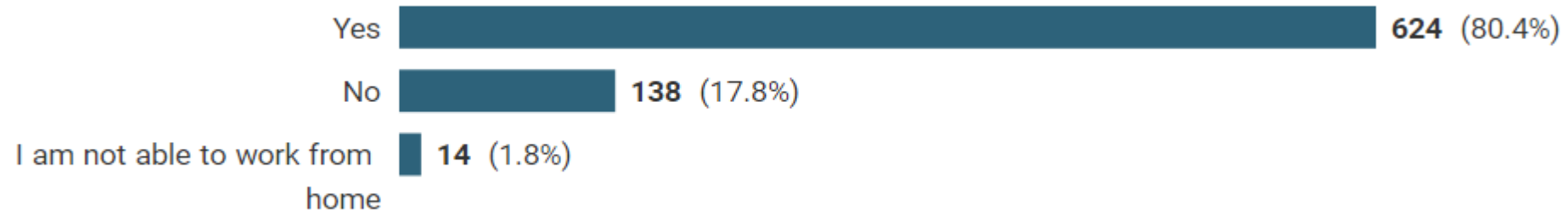I am not able to work from home — **14** (1.8%)

Source: UUEPC employee survey, 2023
Note: N = 865

- High levels of satisfaction (80%) for those where a hybrid or remote working policy is in place – particularly if there is certainty around the arrangements.

- Issues typically fall into two categories:

  - Equity – where the policy is not being implemented consistently by all line managers across the organisation and/ or staff feel that the 'return to work' was not handled in the same way for all staff.

  - Communication – one respondent believed that their return was badly handled. *"We don't know why we are in, when others will be in and what this will look like in a month's time, never mind a year."*

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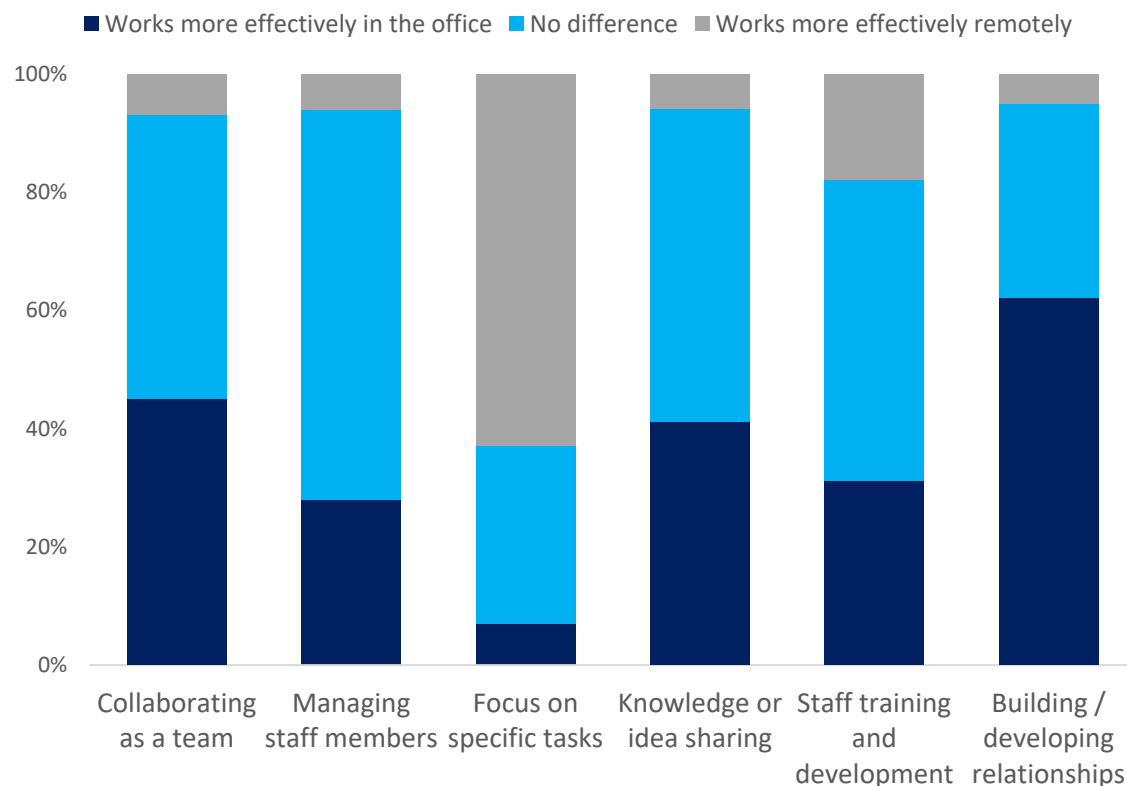
Incentives to go into the workplace

Making the 'office days' **work** may be key

- All respondents were asked what might encourage them to go into their workplace more often (open-ended question with 450+ replies).

- In general, most were satisfied with current arrangements, but for those working remotely four/five days per week, 75% of those who provided a response identified the following would make attendance more attractive:
  - Organised collaboration with colleagues (e.g. workshops, group work and wider social, creative, and team activities);
  - Access to breakfasts, healthy option items, coffee, etc related to work gatherings;
  - Retain the flexibility that remote working allows (e.g. ability to flex hours around caring responsibilities);
  - A better commute including free/accessible car parking or a free travel card for public transport;
  - An improved workplace environment from comfortable workstations to environmental controls for temperature and light, more privacy/ quiet areas.

- Staff typically derive a benefit from the increased flexibility and therefore compensation (particularly financial) would be required if that benefit were to be removed.

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Awareness of particular benefits of the office…

Relationships, collaboration and knowledge flows all benefit from face-to-face interaction

Which location best facilitates the following tasks you might do at work?

■ Works more effectively in the office ■ No difference ■ Works more effectively remotely

Source: UUEPC employee survey, 2023
Note: N = 776

- The office was recognised as the best location for building relationships (62%) and team collaboration (45%).

- Only one task – completion of specific jobs – was perceived to be best done remotely.

- A majority of respondents considered that there was 'no difference' between remote working and office base on the effective management of staff, training and knowledge sharing.

- Younger workers (18-35 yos) were more likely to see 'no difference' across tasks. This suggests there may be less of an understanding or knowledge of how these tasks are best undertaken.
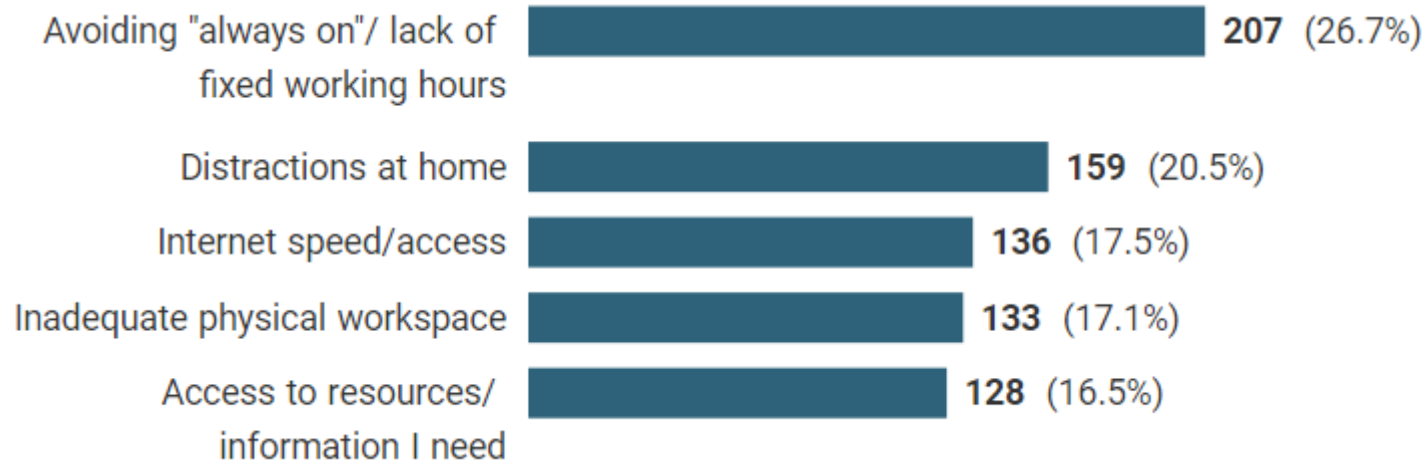
…and of the challenges of working remotely

Technology, distractions and 'always on' are all issues for homeworking

Are any the following barriers to successful working from home?

Barrier	Count	Percentage
Avoiding "always on"/ lack of fixed working hours	207	(26.7%)
Distractions at home	159	(20.5%)
Internet speed/access	136	(17.5%)
Inadequate physical workspace	133	(17.1%)
Access to resources/ information I need	128	(16.5%)

Source: UUEPC employee survey, 2023
Note: N = 776. Respondents could choose more than one option so does not round to 100%

- Top two issues for those working from home were: managing your working time and avoiding distractions.

- Other factors outside potentially outside the control of employers include: poor internet access/ speed; the nature of the 'home workspace'; and access to information (either due to employers' IT infrastructure or working between locations).

- A large proportion answered (45%) 'None' or cited other reasons such as interactions with colleagues.

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Remote work and caring responsibilities
Childcare, in particular, made easier but a nuanced picture on balancing tasks

How has remote working changed your ability to carry out caring responsibilities while in employment?

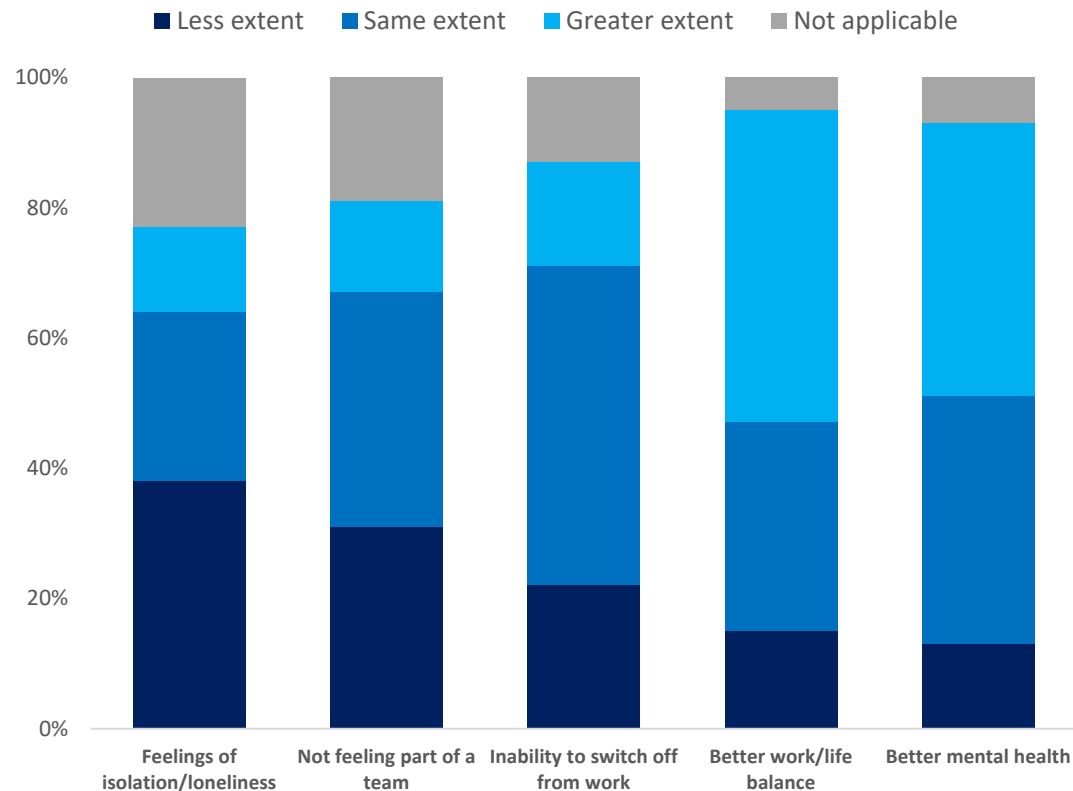| Response	Count	Percentage
Much easier	165	(49.5%)
Easier	108	(32.4%)
Stayed the same	48	(14.4%)
Harder	10	(3%)
Much harder	2	(0.6%)
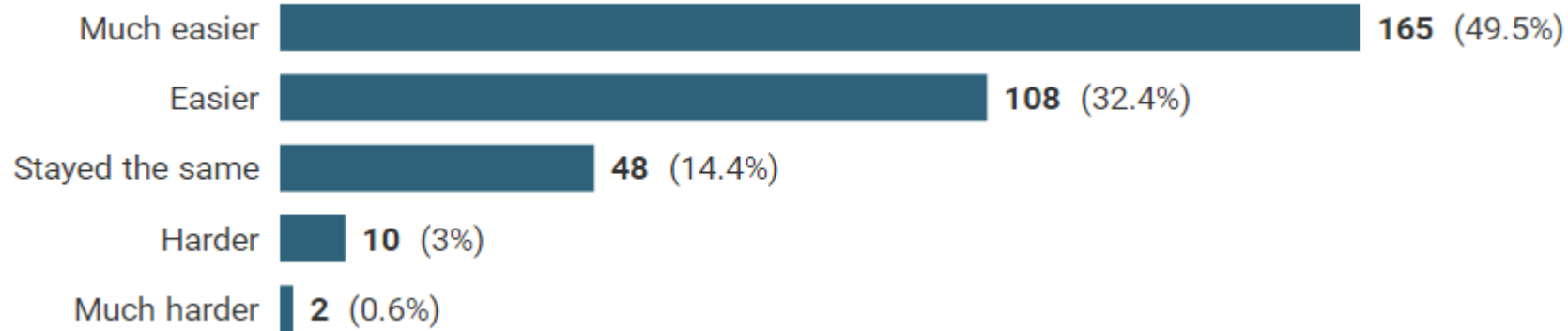
Source: UUEPC employee survey, 2023
Note: N = 333

- Clear positives in terms of access to local childcare or school locations and an ability to combine after-school and work responsibilities. Flexibility can also deliver a reduction in the cost of care.

- Most respondents returned to using childcare and other care facilities after restrictions eased, so the 'ease of access' is important and linked to the high levels of 'made easier' replies.

- For the minority who replied 'stayed the same' or 'harder' (80% of whom are female), an ongoing struggle remains to balance caring and work responsibilities with 'stress' a recurrent theme: *"Remote working has led to increased expectations that we can deal with both childcare and work at the same time – the stress is exceptional."*

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Hybrid working and employee well-being

All of the indicators have improved in the current period

In terms of current hybrid working how do the following feelings compare to the period during the pandemic?

Legend: ■ Less extent ■ Same extent ■ Greater extent ■ Not applicable

Source: UUEPC employee survey, 2023
Note: N = 776

- Those working remotely one day per week or more reported that the feelings of isolation or not feeling part of a team have reduced since the lifting of restrictions when they were required to work from home at all times.

- Mental health and work/life balance has also improved.

- The challenge of not switching off from work remains an issue for some – a frequent complaint with longer working hours during Covid.

- More 'fully remote' employees (i.e. working remotely 4/5 days per week) tend to have greater feelings of isolation and not feeling part of a team, but also report better work/life balance and mental health than the full respondent cohort.

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Self-reported productivity reflects a belief of working hard when working remotely

When working from home do you feel you complete … ?

- Much more work in the same time
- More work in the same time
- Same amount of work in same time
- Less work in the same time
- Much less work in the same time
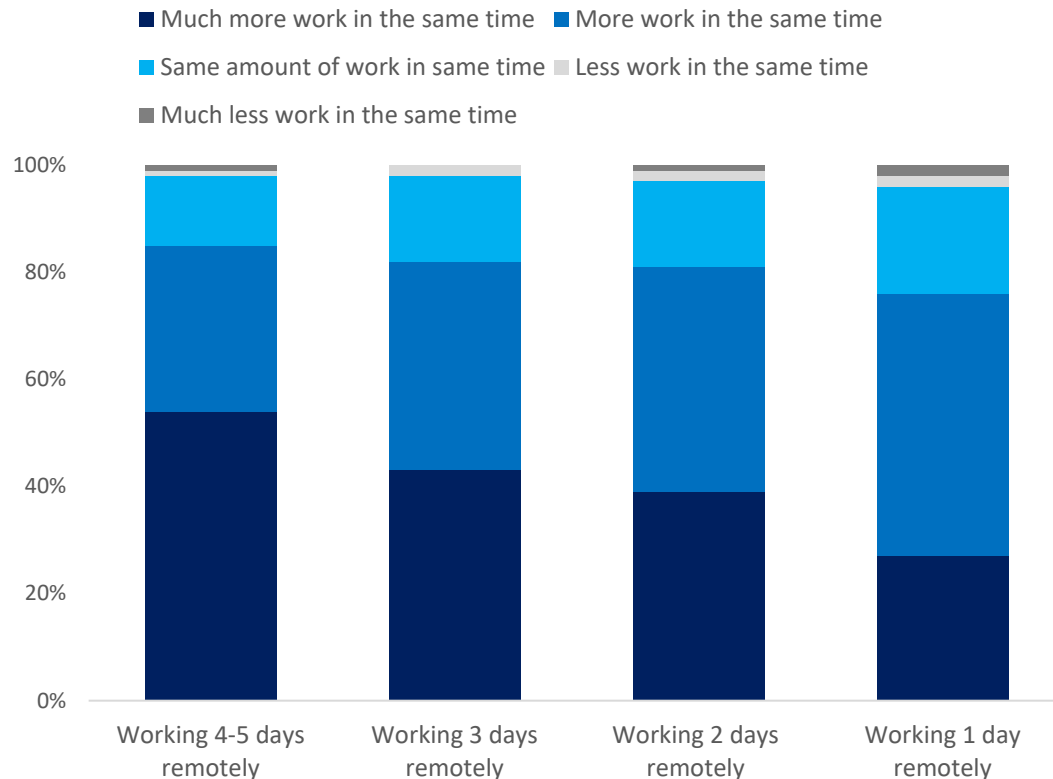
Source: UUEPC employee survey, 2023
Note: N = 796

- Respondents reflect the view (similar to most self-reported surveys in the UK, Canada, US, etc) that their productivity (i.e. the work they complete in the same time) is higher when working remotely.

- The greater the level of remote working the stronger the belief that remote working delivers greater productivity improvements.

- Only a very small proportion of respondents considered they were less productive when remote working.

- The same positive self-reporting patterns hold across age and gender groups. However, those with caring responsibilities are more likely to indicate they may be less productive when remote working.

Spending and the high street

Consumption and spending attached to work is generally less than before

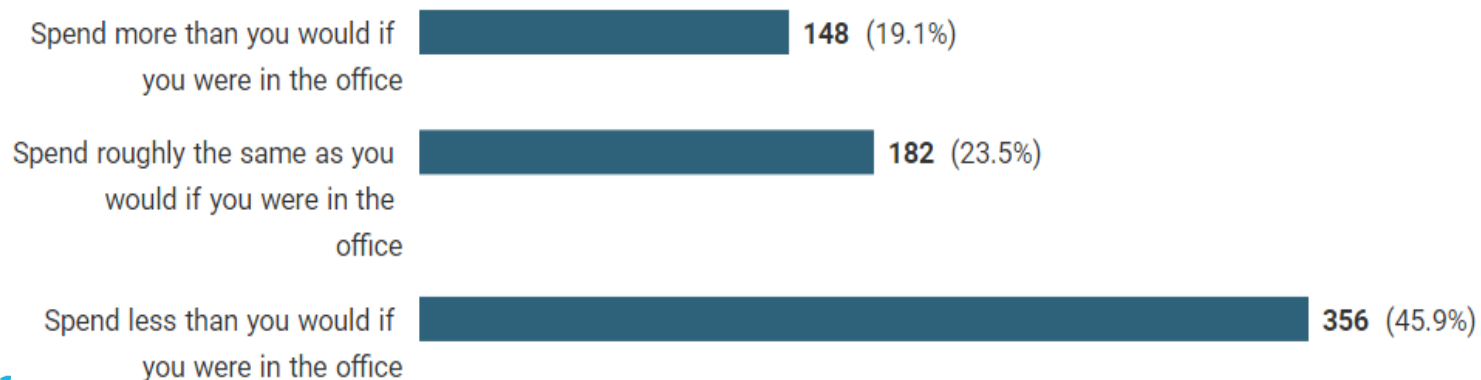**With regards to the high street near work, on days you are in the workplace do you…?**

Category	Value
Spend more than you did before Covid	138 (17.8%)
Spend roughly the same as you did pre Covid	294 (37.9%)
Spend less than you did pre Covid	251 (32.3%)
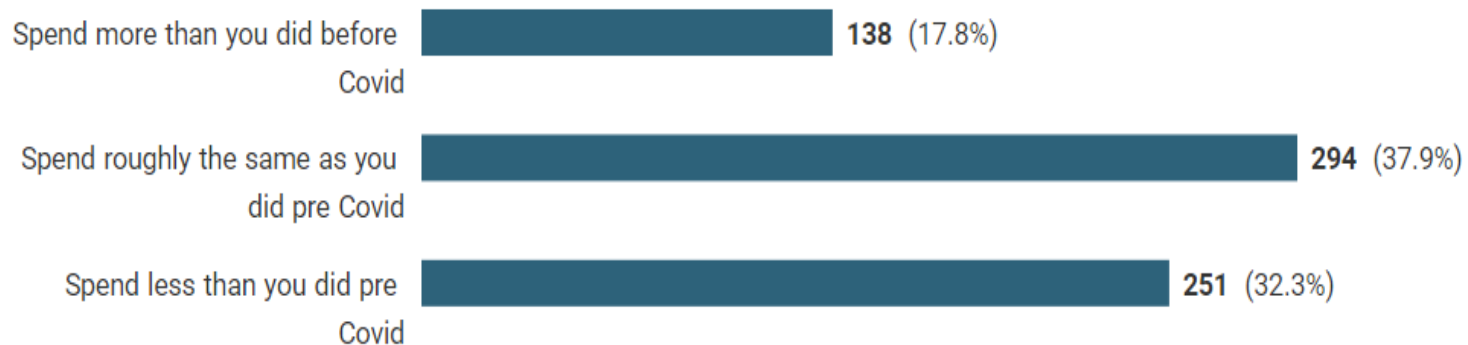
With regards to the high street near home, on days you are working remotely do you…?

Category	Value
Spend more than you would if you were in the office	148 (19.1%)
Spend roughly the same as you would if you were in the office	182 (23.5%)
Spend less than you would if you were in the office	356 (45.9%)

- In general people are not saving their high street spending for the days they are in their workplace. Only 18% are spending more than they did before Covid.

- Nor are they displacing this spend in their residential area with almost half spending less than they would if in they were in work.

- Important to be cognisant that the cost-of-living crisis will impact spending behaviour, but these findings are consistent with other ONS data which showed remote workers were generally spending less.

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Qualitative responses from the employee survey

Changing feeling following remote working during the pandemic
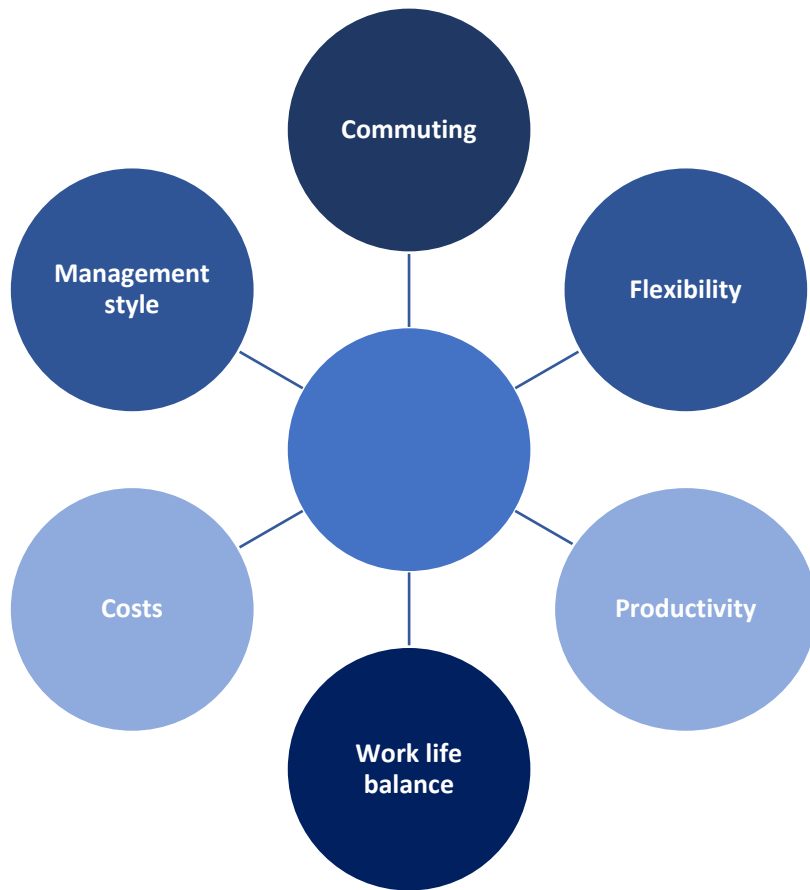
- In the first UUEPC employee survey conducted for the 2022 report, respondents provided a range of views with mixed opinions on remote working. This was in part due to the restrictions of Covid-19 e.g. parents were juggling their work commitments with homeschooling their children and social restrictions left some people feeling more isolated and lonelier.

- This latest employee survey gives a more positive picture of remote working. The issues identified (illustrated in the chart on the left) are largely positive but also raises the need to give more consideration management style and practice.

- The slides that follow offer a sample of quotes from employees.

Commuting

"Working from home saves huge amount of time that would be spent commuting. The time wasted commuting puts me off returning to the office. Also avoids environmental impact of driving into work."

"The money saved commuting to Belfast is very welcomed. Also, the 15-20 hours per week saved commuting means I do spend a little more time working, but I also have a lot of time freed up for me, walking, biking, instead of 90 minutes in a car each way to Belfast."

Productivity

"I am more motivated to work in a hybrid environment, I find it easier to make time to organise and think how to use my time to be more productive."

"I am more productive at home due to less distractions, therefore I now finish work at my designated time and have a better work-life balance together with less commuting."

"Productivity is up within the team and the focus is on the right things rather than traditional presenteeism."

Flexibility

"I like the flexibility working from home offers me when I need it, but I prefer to work in the office in general as I find it's better for my work-life balance and I need the commute time to have that barrier between work and home."

"I find I have more energy in general, don't spend 2 hours a day driving, am inclined to be more helpful at work as I appreciate the flexibility of remote working. The team I work in is split between two geographical areas and use of Microsoft Teams for meetings has actually resulted in a better and closer team than previous office working."

Work-life balance

"Greater work-life balance as a result of remote working as I can now go to the gym multiple times per week and make home-cooked meals."

"Take no breaks at home, less of a balance in terms of self care."

"I love the work life balance of gaining more time i.e. tidying up home in the morning and walking the dog at lunchtime, using my time more productively in personal and work life."

Costs

"I don't feel I could afford to travel to the office four days per week anymore due to the cost of living crisis."

"Cost of keeping warm-heating/ oil/electric for using computer laptop charging phones etc."

"It costs me approx £150 a week to commute, park etc. I am saving this now most weeks, or it has been reduced and this also alleviates financial pressure. No job should make you feel like you're losing money just to show up."

Management style

"Senior members of staff not providing the same level of on the job training as pre-covid due to WFH."

"Low quality, control management styles and bad communication are the biggest challenge to the advantages of home working.

"Senior managers do not want to come onsite but expect junior staff to come on site - this is not fair and not the duty of junior staff."

"2 days in the office is enough until management step up and make some culture or some sort of desire to go in and connect/network."

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Wider considerations

## Implications for the wider economy

Conclusion: How is hybrid working, working for employees?

- Broad satisfaction with current hybrid patterns (2 to 3 days per week WFH for 55% of respondents) – on average a preference expressed for an increase in home working (3 to 4 days per week) and some concerns about the future of the option to work on a 'fully remote' basis.

- In-work/remote working patterns are being increasingly set by policy, though informal arrangements are continuing for a third of respondents – this can be a source of both flexibility as well as tension.

- Emerging view that the current split between days at home relative to days in work is still not settled for everyone. Some still need to embrace the new hybrid model and/ or it may need to be enforced to ensure consistency across organisations.

- Recognised that team collaboration and building relationships are best in work and face-to-face.

- Employees believe they are being more productive (i.e. completing more work in the same time) when working remotely – this belief increases with the numbers of days spent WFH.

- Clear change in spending habits, typically away from the high street or local town centres – perhaps online or a more general downturn in demand partially caused by current higher cost of living.

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Changing consumer spending habits since 2020

Retail and (non-hospitality) food & drink least impacted

Indexed monthly average spending by sector (Feb 2020 = 100), UK, Jan 2020 – May 2023
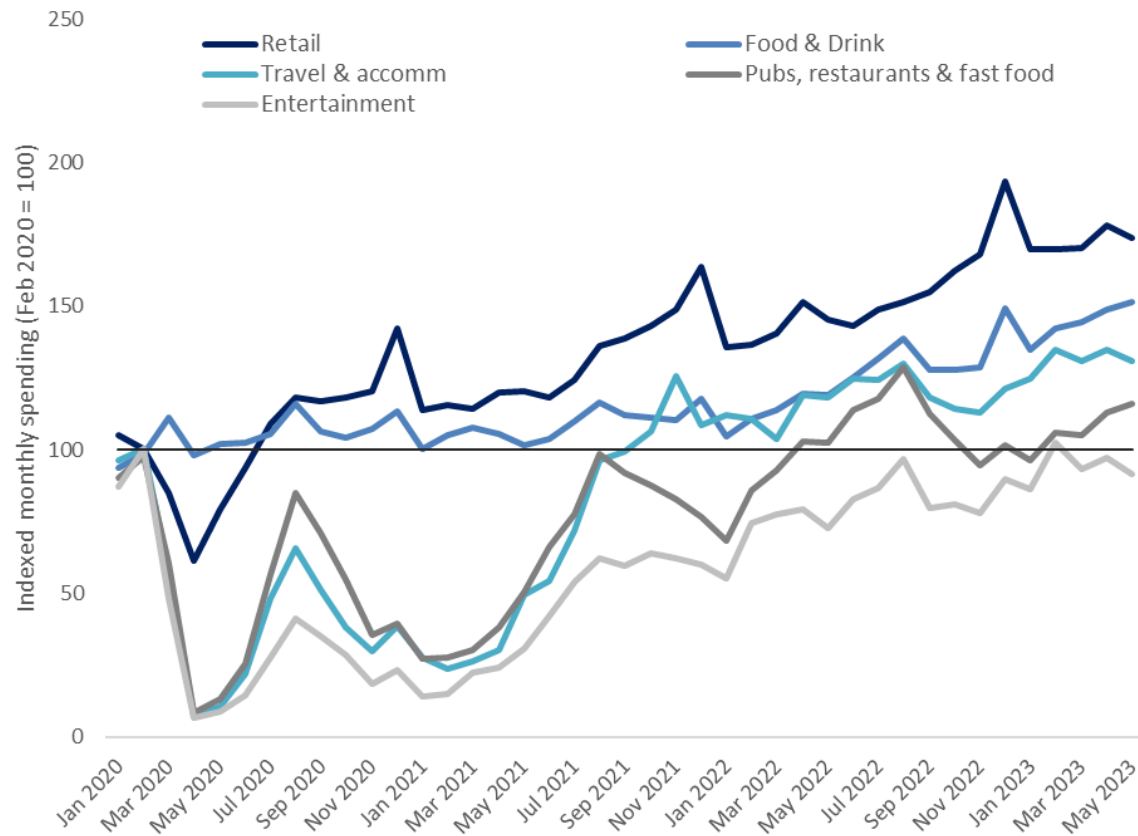
- Retail and (non-hospitality) food & drink were least impacted during the pandemic and experienced reasonable growth since mid-2021.

- Travel & accommodation; Pubs & restaurants (Hospitality); and entertainment all experienced very significant reductions in spending (almost 100%) with lockdown, but then recovered to differing levels from mid-2021.

- The impact of lockdown has resulted in people being more willing to spend on travel and to a lesser extent on hospitality, but both are now above pre-pandemic levels.

- Entertainment has still yet to decisively pass pre-pandemic levels of spending.

Source: Revolut card spending, ONS

Little displacement from High St. to suburban areas

… but overall spending in physical stores is down

- Our employee survey suggests that suburban areas may have benefitted from increased levels of remote working, however almost half (46%) of respondents said they spend **less in their local area than they would spend when in the office,** suggesting a net decrease in overall expenditure.

- This is consistent with Centre for Cities (2022) research which suggests suburbs do not benefit significantly from increased spending in cities with high levels of remote working. Strangely, the displacement was greater in areas with lower levels of remote working.

- This is at least partially explained by the increasing share of online spending – data from Revolut shows that online spending increased from 29% of total spending in Jan/Feb 2020 to 43% in 2023. This was an acceleration of pre-pandemic trends.

- All analysis of more recent spending data must be cognisant of the increased cost of living, higher interest rates and a slowing economy. In addition to the change in behaviours and the creation of new spending habits during lockdown restrictions (i.e. greater need for on-line shopping), these economic factors may also be driving consumers online to secure better value for money (real or perceived).

Has productivity improved?

Evidence gaps and counter-factuals

- **No definitive conclusion on productivity:** The employee survey found that staff believe remote/ hybrid working allows them to be more productive. However, the view from employers was more nuanced. Firstly, many recognised it was difficult to measure and secondly, they were more likely to agree that staff worked longer hours and produced better quality outputs but were not necessarily more productive. Whilst employers had a range of opinions, the overall conclusion was that remote/ hybrid working did not have a material impact on productivity.

- **The research evidence is mixed also:** Pre-pandemic research suggested that remote workers had a positive impact on productivity but evidence from 2020 onwards suggests that while output has risen, output per hour may have fallen.

- **Being aware of a potential downward curve over time:** Some consultees suggested output and productivity from remote workers had fallen over time and some research suggests this may be linked to processes used to select those eligible to work remotely. Other consultees suggested management practices needed to catch-up with the new remote/ hybrid working environment.

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Managing in the hybrid world
A range of challenges for managers to address

Adapting to the issues faced by line managers: Many line managers have been left to 'figure out' how best to manage staff, meet their needs and continue to deliver high quality outputs in this new working environment:

- **Creating a reason to be "in work":** managers are increasingly having to justify bringing staff into their place of work and to maximise the benefits of office time, something which very few would previously have had to consider.

- **Improving the onboarding experience:** new recruits could feel isolated and meeting new colleagues and expanding networks are more difficult if onboarding practices are not adapted.

- **Greater use of data analytics and performance monitoring:** Some organisations have adopted technology to measure the activity and productivity of their staff. However, this requires employers to have a detailed understanding of measuring productivity in their organisations and many employers have concerns that this demonstrates a lack of trust and can create unease amongst staff.

- **Enabling 'people-centredness' when staff are outside the office:** More of an effort may have to be made to enable employees to feel connected and integrated with colleagues when working remotely. This is especially true for building loyalty within a team enhancing staff retention.

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Maintaining equality

An issue at both the micro and macro levels

- **Remote and hybrid working still has a higher prevalence in better-paid occupations:** Employers typically have their individual policies on the roles (*who)* and the number of days (*how much)* remote working is acceptable. It may also be offered as a perk based on performance, however this requires careful management to avoid creating division within the workforce.

- **Research highlights a divide between 'hybrid haves' and 'hybrid have-nots':** Organisations employ staff across a range of occupations, some more suitable to remote/ hybrid working than others and therefore some staff may feel disadvantaged. This could be a particular issue in larger organisations, if different practices are applied in the same organisation across different teams, a sense of inequity could arise.

- **Hybrid working applicable to approximately one quarter of all jobs in the NI economy:** Although hybrid working is not feasible for all job roles, in the *longer-term* remote and hybrid working may make some occupations more attractive and therefore causing potential shortages in other areas of the labour market.

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Will there be a changing geography of work?

Productive cities, Zoomshock and the remote working hubs

- Initial suggestions in 2020 of a widespread exodus from larger cities either to their suburban hinterlands or to more rural areas, has not materialised. This is supported by evidence from housing markets in most, if not all, OECD countries.

- But the following economic geography questions remain open:
    1. Could increased levels of remote working benefit larger, more productive cities as they can recruit staff from larger hinterlands given the reduced number of 'days in the office'?
    2. How does the fall in consumer spending in town and city centres, impact on job opportunities in local hospitality, retail, leisure and personal services (hairdressing etc.) sectors?
    3. To what extent does the future success of urban centres depend on their attractiveness as a place to live (affordable housing supply and amenities) as much as a place for businesses to locate?

- **Remote working hubs:** Hubs offer a solution for employees without a suitable working environment in their home or those who want more separation between their work and personal space. However, with many employees having a relatively short commute, our previous employee survey found that if respondents were going to leave home, they would rather go to their place of work to meet/engage with colleagues. The Civil Service Connect2 hubs will test the extent to which employees in the same sector will use facilities designed to offer an alternative to working from home.

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Retaining and attracting talent

Enabling businesses and managers to recruit and manage flexibility

- **Reduced recruitment from outside NI:** As businesses have moved to a hybrid model (and away from fully remote), the suitability of wider/global recruitment has reduced. However, hybrid roles will be more attractive to a wider national/ geographical pool.

- **Greater flexibility may help disabled and carers back into the workforce:** Remote working was suggested as a tool to potentially encourage those with disabilities or with caring responsibilities back into the labour market. However, there is little evidence to support any significant shift in employment patterns. This may be as a result of the difference between the skills profile of those currently inactive and the skills needed in the types of jobs suitable for hybrid working. Research would point to a more holistic approach to re-engage the inactive. In the longer term, where informal caring responsibilities will increase as the population ages, remote and hybrid working may be a route to support those with increased responsibilities, remain in employment.

- **Managing transition to prevent invisibility and promotion/retention losses:** Extra effort must be made to ensure remote employees feel integrated with their team, particularly where some may be on-site more often than others. Employees have cited that there is an increased risk of being overlooked for promotion relative to more visible colleagues. Managers must ensure they treat employees equally regardless of work location if staff are operating within the terms of their employment contract.

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Final Conclusions

Informing next steps

Final conclusions

Summary of views expressed

Employers:

- Current hybrid patterns are here to stay with very few employees working on a fully remote basis.

- There is no 'secret longing' to have staff back in the office more, but are wary of increasing levels of remote working further because it may risk impacting collaboration, teamworking and productivity.

- Sense that staff are generally happy with the existing practices, which is important when recruitment and retention of skilled labour generally is a challenge.

- Recognition that face-to-face time is needed for: customer relations; innovation/ improving processes and products; building culture; and collaboration.

- Management practices need to catch-up with new remote/ hybrid working arrangements.

Employees:

- Broad satisfaction with the current hybrid patterns (2 to 3 days per week WFH) but a preference expressed for an increase 3 to 4 days per week.

- The current split between 'days at home' and 'days in work' are not settled for everyone. Some have yet to embrace the hybrid concept or management enforcement may be required to ensure consistency for all employees.

- Team collaboration and building relationships are recognised to be more effective in work.

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Final conclusions

What can we learn to take forward

- **Hybrid working approaches will continue to evolve:** although remote/ hybrid working practices have changed significantly over the past three years, it will continue to evolve.

- **Making hybrid working, work:** the adoption of hybrid working practices has largely been influenced by the management styles of senior leaders. It tends to work well when employees have a clear understanding of their organisational needs and employers have a clear understanding of the benefits and flexibility a hybrid approach gives to their staff.

- **Earning the commute:** Employees and businesses alike are aware of the tasks best suited to the workplace and therefore it is important to create an environment where the 'days in' target those engagement, mentoring, collaborative and innovative tasks.

- **Ensuring equal opportunity:** management must recognise that remote/ hybrid workers need to maintain a level of visibility and integration with their colleagues to ensure they are not disadvantaged, for example in progression.

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Further research

So much still unknown

There is a broad understanding of the policy context and initiatives, such as: remote working hubs; tax implications/incentives; wider societal benefits including well-being, reduction of commuting times and potential to support rural development. However, there are a number areas where greater understanding is required:

- The tasks and occupations by sector that could be completed remotely, the profile of employees in those roles and their popularity from vacancy data.

- Economic indicators (and relationships between these) to monitor the longer-term impacts of remote/ hybrid working e.g. on macro-economic productivity and High Street performance.

- Understanding the scale of productivity impact and the extent to which improvements (if they exist) are driven by sectoral factors or management approaches.

- Management practices and skills, to maximise the benefits of remote/ hybrid working and minimise the risks and challenges.

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Thank you

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Appendix 1
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Appendix 2
Consultees and survey respondents

Description of organisations consulted with

Org Code /Gender	Size	Sector	Org Code /Gender	Size	Sector
A / M	51-100	Financial services	L / F	100-250	Public / Agency
B / F	250-500	Utilities	M / F	250-500	ICT
C / F	500+	Public / NICS	N / M	100-250	Transport
D / F	250-500	Prof. Services	O / M	500+	Manufacturing
E / F	500+	Transport	P / F	51-100	Public / Agency
F / M	51-100	Manufacturing	R / M	51-100	Agri-Food
G / M	100-250	ICT	S / M	500+	Retail
H / M	500+	Public/ Education	T / F	100-250	Manufacturing
I / F	100-250	Manufacturing	FG1	Various	Belfast-based (11)
J / F	250-500	Financial services	FG2	20-50	Various (9)
K / M	500+	Public/Education	FG3	Various	FDI firms (6)

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Employee survey – overview of respondents

- Online survey ran in early 2023 which was promoted over social media and through Chambers of Commerce, other business organisations and trades unions – open without any sampling frame

- Total of 865 responses, 87% of whom are employees who worked at least one day a week away from their workplace.

- The largest cohorts by age were over 35 years and 65% of respondents were female.

- Respondents were most likely to have a managerial or professional occupation, work full-time and have a degree or higher qualification.

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