



*Championing better
work and working lives*

Senedd Cymru

Pwyllgor yr Economi, Seilwaith a Sgiliau

Gweithio o bell: Y goblygiadau i Gymru

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Economy, Infrastructure and Skills Committee

Remote Working: Implications for Wales

Evidence from: CIPD

Remote Working: Implications for Wales

Submission to the Economy, Infrastructure and Skills Committee



Chartered Institute of Personnel and Development (CIPD)

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Background

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 155,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers, to improve best practice in the workplace, to promote high standards of work and to represent the interests of our members at the highest level.

CIPD Wales

At [CIPD Wales](#) we work to achieve our goal of establishing the voice of CIPD in Wales and for Wales. Working collaboratively with our 5000 members, our volunteers, and stakeholders - including government, employers and other professional bodies - we have crafted a unique position for ourselves as experts in policy and practice issues.

Maintaining a sustainable pan-Wales structure is important to us. That is why we keep our members, their experiences, and their challenges at the heart of what we do. Our many and varied events provide opportunities for us to collect and share valuable insight, enabling us to play our part in championing better work and working lives across Wales.

Our response

The CIPD has been conducting regular research since the start of the pandemic to help understand its impact on people's working lives, drawing on employee and employer survey data, as well as in-depth interviews with employers from different sectors.

This gives us a strong base of evidence to feed into this inquiry, particularly in relation to the impact of remote working on the economy and business and on working people's health and wellbeing.

Our response focuses on the implications for the economy and business. Much of our response draws on CIPD's research report [Embedding new ways of working](#), which was based on a survey of 1,000 employers weighted to be representative of the economy in terms of sector and size of organisation and interviews with business leaders, provides a useful picture of how employers responded to the first six months of the crisis. Below, we have set out a number of areas in which that research provided insight.

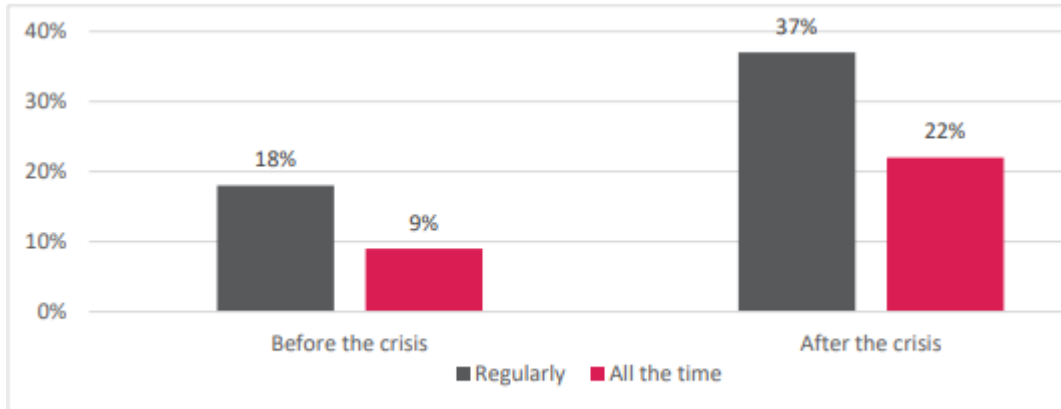
It should be noted that the survey data relates to the UK as a whole and is not Wales-specific as the sample size is too small.

The Economy and Business

Homeworking before and after the crisis

1. The survey evidence suggests that the crisis will lead a significant shift towards much more working from home. The survey asked employers what share of the workforce worked regularly at home (at least one day a week) and what share worked continuously at home before the crisis and what proportion of the workforce they expected to work from home regularly or continuously after the pandemic has passed. These are measures of intentions and should be seen as an upper limit. Not all employers will follow through and some will find it harder than they anticipated to move to more extensive homeworking. Even so, the direction of travel is very clear.
2. According to the survey data, working from home on a regular basis is expected to rise to 37% of the workforce on average, roughly double the pre-crisis incidence average of 18%. Employers on average expect 22% of their workforce will be working all the time at home after the crisis compared with just 9% before. See Figure 1 below.

Figure 1: Proportion of people working from home before the crisis and what employers expect to happen post-crisis



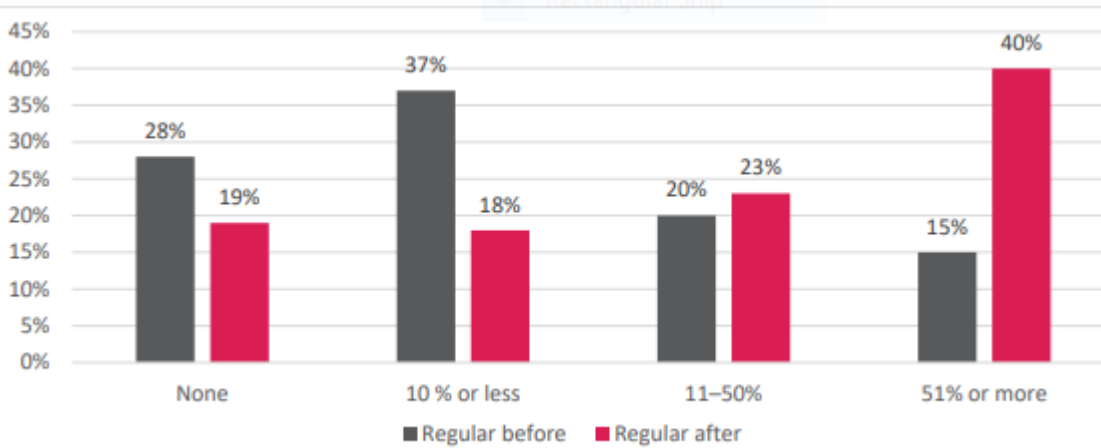
Notes: regular is at least one day a week. All figures average employer responses.

- The survey suggests that employers anticipate that the proportion of the workforce working from home either all the time or regularly in the UK is going to broadly double after the crisis is over compared to pre-pandemic levels.

Employers' expectations of a hybrid model

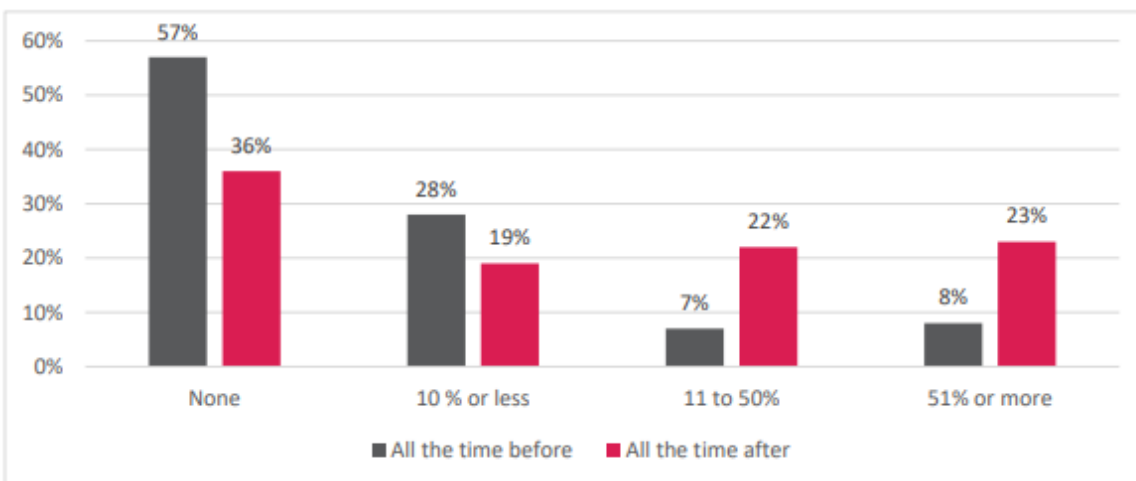
- By looking at the distribution figures in more detail, the survey data tells us that many employers look set to jump from a modest share (or no working from home at all) to much more extensive working from home on a regular basis. Pre-crisis, 65% of employers either did not offer regular working from home at all or offered it to 10% or less of their workforce. After the crisis, that share is expected to fall dramatically to 37%. However, the big increase is at the other end of the scale. Before the crisis, just 15% of employers said that more than half their workforce worked regularly at home, but after the crisis some 40% of employers said they expect more than half their workforce to work regularly from home. See Figure 2.

Figure 2: Distribution of regular homeworking (at least one day a week) before and after the crisis (%)



5. These findings are broadly consistent with the case studies, which suggest that the new pattern of working will persist to a significant extent, which will reduce the need for office space in some cases.
6. By comparison, the expected change in the share of people working at home all the time looks more incremental. This is again fairly consistent with case study interviews, which found no examples of organisations which reported that working from home continuously would be part of their new way of working. See Figure 3.

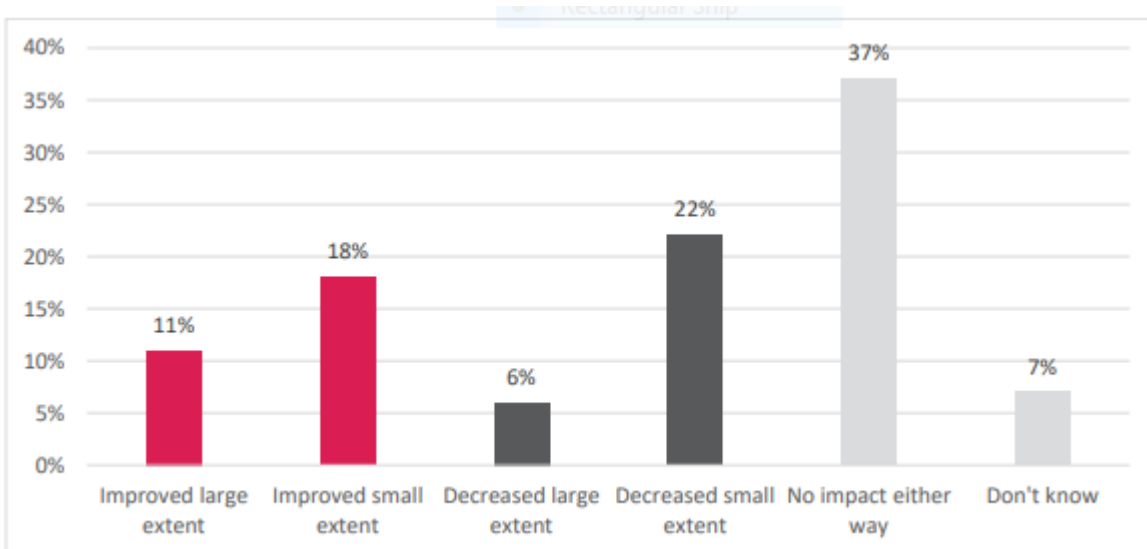
Figure 3: Distribution of workforce working from home all of the time before vs after the crisis (%)



Remote working and productivity

7. Perhaps one of the biggest questions when it comes to the impact of more remote working on businesses and the economy concerns the impact on workers' productivity.
8. Overall, our research suggests that the shift to more homeworking has not negatively affected workers' productivity.
9. In all, 29% of employers said that increased homeworking had boosted employees' productivity, with a similar proportion (28%) saying that productivity had decreased as a result while 37% reported it had no effect either way. See Figure 4.

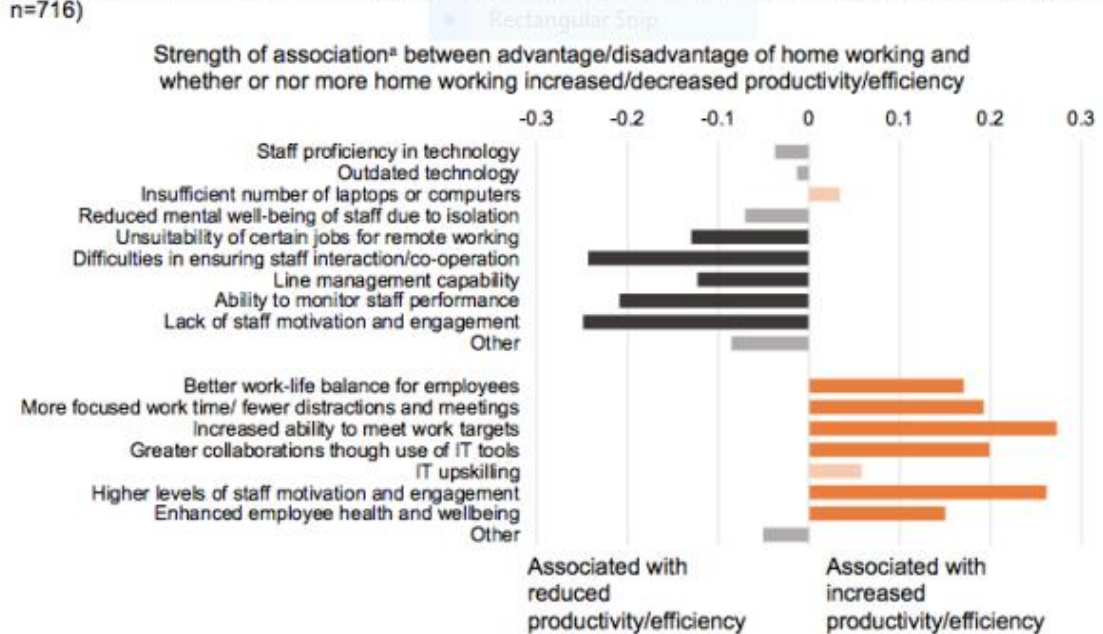
Figure 4: Employer perception of home working and productivity



10. Further analysis (see box below) suggests that it is the people-related factors that matter most rather than technological issues when it comes to productivity and homeworking. Employers who identified challenges with job suitability, difficulties in staff coordination, line management, monitoring, and staff motivation were also likely to report reduced productivity, while those who reported benefits such as improved work–life balance, greater focus, ability to meet targets, and enhanced coordination and staff motivation were more likely to report higher productivity. In contrast, factors such as staff proficiency, lack of laptops, quality of IT, and IT upskilling either had no or weak associations.
11. This highlights the importance of employers training line managers to support and manage home workers, as well as those who continue to attend the physical workplace. Increasingly managers will have to become more comfortable and proficient at managing a hybrid workforce with many more people working remotely while also attending their employer’s workplace regularly. How managers well they guide, communicate and support people working remotely will decide to a large extent their engagement and wellbeing.

Advantages/disadvantages of homeworking and productivity/efficiency

(UK, employers with 2 or more employees where the percentage of employees working at home increased, n=716)



^a Measured using the Spearman's rank correlation coefficient.
Darker bars mean the correlation is significantly different from zero ($p < 0.05$).
Source: CIPD survey of employers.

Health (physical and mental) and wellbeing

12. CIPD research suggests the shift to increased home working has broadly supported working people's health and wellbeing. A CIPD commissioned survey of 1,000 working people weighted to be representative of the UK workforce (not published) shows that people working from home in September 2020 reported higher life satisfaction and job satisfaction than those attending the physical workplace.
13. On average, people working from home were also more likely to report that their work positively affects their mental health (34%) than those going to work (27%) and less likely to say their work negatively affects their mental health (27% vs 33%).
14. However, working from home does not seem to provide any advantage in terms of workers' physical health. In all a fifth (20%) of home workers said their work has a positive impact on their physical health compared to 22% of people attending the workplace. Just over a third 33% of home workers said their work had a negative impact on their physical health as did a similar proportion of people going to work (34%).
15. These survey findings suggest that, overall, home working can support people's mental health and has little overall effect on their physical health compared to workers that continue to attend the physical workplace.
16. However, the survey was obviously completed during the unique context of a pandemic which is likely to have affected people's view on working remotely.
17. What is also clear from our interviews with employers is that employee views on home working are heavily influenced by their personal circumstances, for example, the suitability of their home environment for home working and whether they have caring responsibilities.
18. Employers' report one of the biggest challenges arising from home working is reduced mental wellbeing while the biggest benefit is improved work-life balance.
19. This highlights that the home working experience is not a uniform one and depends very much on the individual, their circumstances and how they are managed and supported. CIPD's view is that wherever possible employers should be seeking to provide choice to their staff over when and where they work where this can be balanced with the operational needs of the business.

Inequalities between different groups and different parts of Wales

20. As stated above, employers expect the shift to more home working as a result of the pandemic to be sustained after the crisis is over to a significant degree, however our research suggests organisations are not planning to boost the uptake

of other forms of flexible working in the same way. This raises the risk of a two-tier workforce with a large cohort of workers who can work from home and the rest who have to continue to attend the physical workforce and who have little flexibility.

21. Our *Embedding new ways of working* research (of the UK as a whole) found 33% of employers said they would seek to increase existing flexible working or introduce new flexible working arrangements to at least some of their employees, while 32% said they would not and 35% said they did not know. It is important to note that this is a measure of availability, not take-up.
22. For example, job-sharing is widely available in some sectors but typically has very low take-up rates. It also does not tell us whether the measure is available to all or just some of the workforce.
23. Before the crisis, the most widely offered flexible working arrangements were part-time work (56% of employers), regular working from home (45%) and flexi-time (43%). The survey asked which of these flexible options employers would expand or introduce after the crisis.
24. There is little indication that for most forms of flexible working we will see a radical departure from the current distribution. The big exception is homeworking, where 70% of employers say they will expand or introduce working from home on a regular basis compared with 45% before the crisis, with a similar big increase in working from home all the time, from 24% to 54%. We see no evidence that any other form of flexible working is likely to be taken up with similar enthusiasm as a result of the crisis. It is clear nonetheless that the future of flexible working is going to be far more dominated by homeworking than was the case before the pandemic.
25. Consequently, it is important that governments – both UK and Welsh – and employers work together in efforts to increase the availability and uptake of other forms of flexible working also suitable for non-home workers such as flexi-time, annualised hours, compressed hours, term-time working and job share.
26. The CIPD believes that making the right to request flexible working a day one right would support this push, with our survey evidence also showing employers say they are more likely to respond positively to requests for flexible working post-pandemic.
27. However, changes to legislation can only play a limited role in creating more inclusive and flexible workplaces. Less progressive employers need to understand the business case for flexible working and have access to best practice and sector specific support guidance and tools to help them boost and diversify the flexible working arrangements they offer staff.