Aura™

Future of the Workspace #2

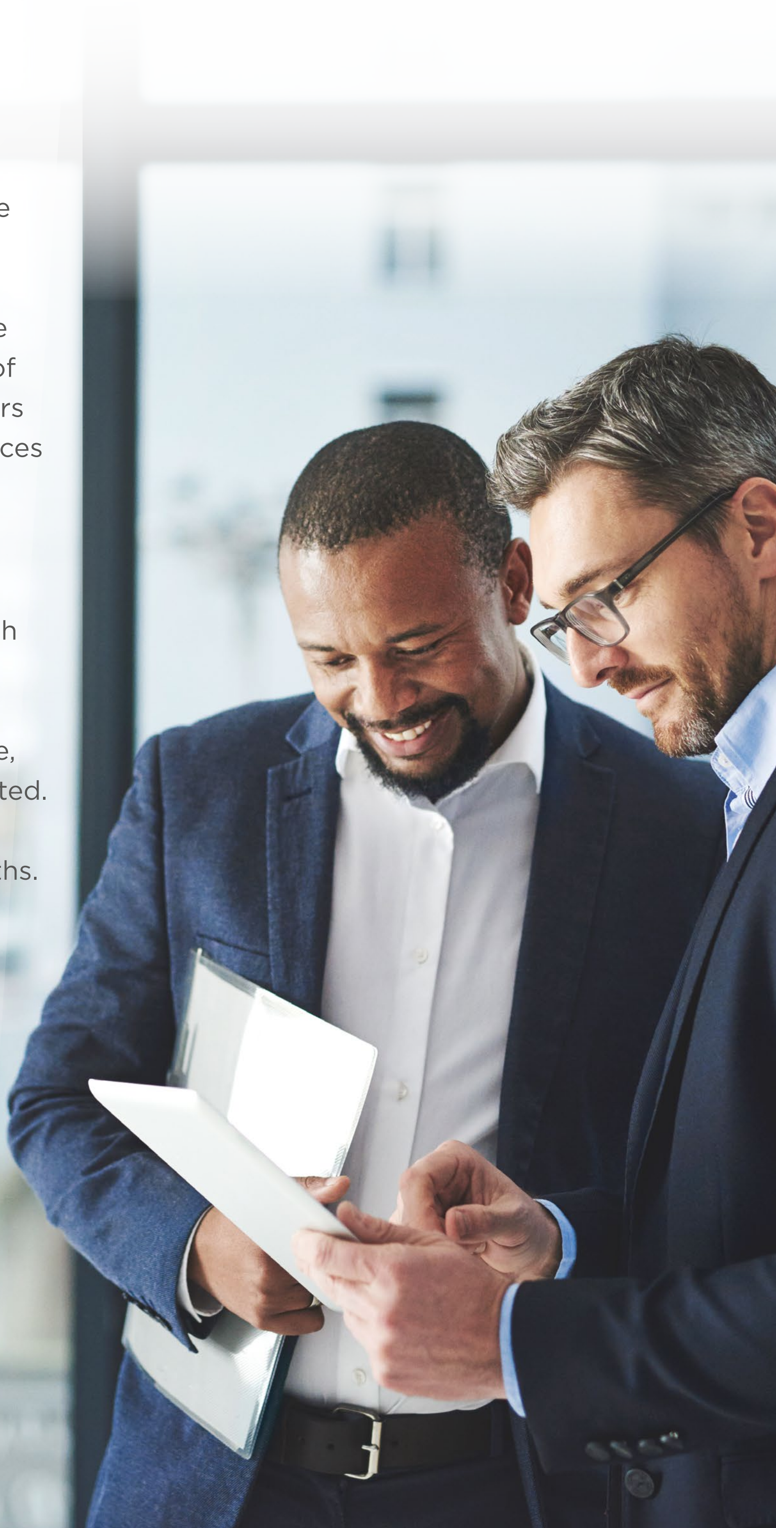
REMOTE WORKING: THE FUTURE OF BUSINESS

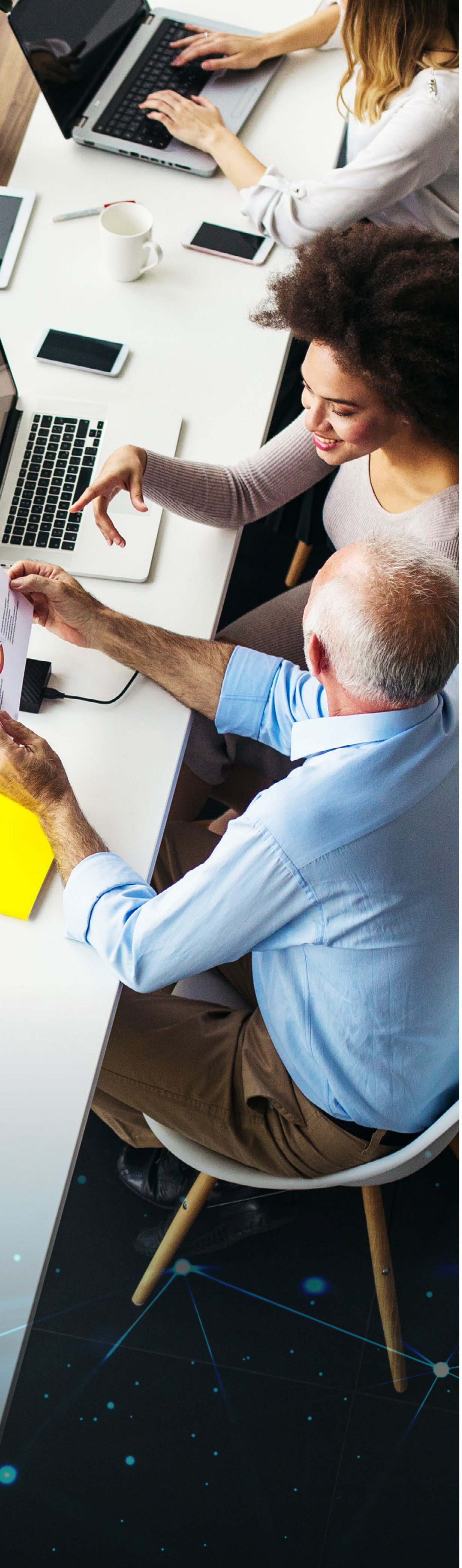
What does remote working mean for the future of business?

The future of work – which is pretty much synonymous with the idea of the future of business, since work is a prerequisite for successful trading – is a huge and complex topic.

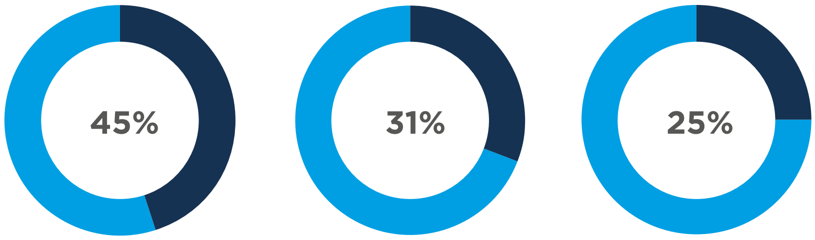
Over almost two years or so we've all (or, at least, those of us whose roles can be done remotely) been part of the biggest home-working experiment that has ever been undertaken – and nobody could have seen it coming. Overnight, the COVID-19 pandemic forced companies the world over to review their operations, finding new ways of continuing to do business even when 'stay at home' orders were issued, which deprived them of their usual workspaces and ways of working.

On the whole, we rose to the challenge. Once initial hardware requirements were sorted out, we Zoomed through video conference meetings and collaborated with Teams, with productivity reported to have remained high – indeed, a Deloitte study in May 2021 reported that 55% of workers believe their colleagues are just as, if not more, productive than before the first lockdown was implemented. Trends in technology use were accelerated, with about a decade's progress in uptake made within just a few months.





That said, it wasn't all plain sailing. Deloitte's report also highlighted that **workers missed the social interaction (45%), collaboration in person (31%) and networking opportunities (25%) provided by the office.** There were other concerns, too, such as home-workers falling prey to an 'always on' culture, and working unseen overtime.



Missed social interaction | Missed collaborating in person | Missed networking opportunities

So how can we move forward, harnessing all the good things that we've learned, while mitigating the not-so-good?

This paper sets out a top-level look at the issues surrounding remote and hybrid working, providing a snapshot of current thinking regarding attitudes to where work gets done, and how we might formalise and evolve remote and hybrid working to optimise the benefits and minimise the drawbacks.

Digital nomads: why talent acquisition benefits from a remote option

When the 'work from home if you can' edict was passed down at the start of the first lockdown, tens of millions of people realised that they could do their jobs from anywhere (anywhere they could get online, that is), and a seismic shift in attitudes to work occurred.

GitLab's Remote Work Report 2021 – one of the most comprehensive studies ever done on remote working – revealed that a whopping 82% of respondents agreed remote work is the future of work; McKinsey's recent survey about post-pandemic working found that almost three-quarters of the 5,000 employees it surveyed would prefer to work from home two or more days a week. This is not an insignificant change in thinking about employment choices – or in the balance of power between employer and employee (as the latter may start to vote with their feet if their requirements are not met).

As a result of this sea change, many companies have begun to respond with vacancies that meet this new labour market reality. In August 2021, Reed.co.uk reported that remote (including hybrid and flexible) work vacancies were up 452% since the start of the pandemic. And those firms making the choice to advertise fully remote or hybrid roles are not only accessing the cream of the crop in terms of candidates (and high-performers are certainly more able to dictate the terms of their next role), and are able to draw their talent from a wider geographical area, but are developing a culture which is more likely to assist with talent acquisition, too.

452%
increase in remote, hybrid and flexible work vacancies since the start of the pandemic

*Reed.co.uk

'The Big Quit' is the moniker that's been given to the phenomenon that's been seen over the past few months, where employees – having been given the opportunity to re-evaluate their lives during the pandemic, whether because they've been furloughed, because they've discovered what home-based working is like, or simply due to an increased awareness of their mortality due to COVID – are making different choices about their work and their lives.

A PwC survey conducted in August 2021 demonstrated that more than a quarter (28%) of employees and executives strongly agree they are making permanent changes to how and where work gets done, based on their pandemic experiences. In addition, the report shows that 65% of employees are looking for a new job, up from 36% in May, and executives are also reporting a higher turnover than usual. Meanwhile, a Microsoft study in June 2021 revealed that 41% of workers are thinking of quitting their jobs, and in Gen Z (18-25) that percentage increases to 54%. It certainly appears that employers will need to consider their post-COVID policies carefully, to protect against loss of knowledge, expertise and experience.

That said, a recent panel discussion organised by the University of Leeds Workplace Behavioural Research Centre – as part of their 'Adapting Offices for the Future of Work' research (funded by the UKRI Economic and Social Research Council) – noted the important point that employees' attitudes to remote work are founded on their experience of home-working during the pandemic, which may not accurately reflect the future situation. Companies' policies over home-working will shape attitudes to working fully remotely, just as attitudes to remote working should be employed to shape company policies (through an iterative process).

REMOTE, HYBRID, AND OFFICE SALARIES – HOW SHOULD THEY COMPARE?

Some of the world's biggest tech firms have been hitting the headlines recently for their intention to adjust pay based on location. Facebook, Twitter and Slack have all announced they are planning to take this approach.

It must be noted that in the tech world, where remote working has been relatively common for a while, these remuneration policies (where salary is based on the local market of the employee's location – usually at the top) are pre-existing. One tech firm, GitLab, publishes its compensation calculator online, so any of its 1,300 all-remote staff can see what the 'competitive rate' is for any given area.

But now, with more people working from home permanently, it highlights the fact that people may be paid differently for doing the same work.

Transparency may no longer be enough to keep a geographically-diverse workforce happy with their pay-adjusted lot, and unhappy staff are more easily poached by the competition – especially if those firms' remuneration structures appear more generous.

There's also a question mark around pay for those whose jobs have not changed; transitioning to a new system (and salary amount) can cause significant ructions – although one solution can be to use raises to bring pay into line with new geographical frameworks, so that nobody's morale is impacted through a pay cut. Aside from that, there are wider effects to be considered: might people sublet bedrooms to staff who wish to claim a higher rate from their employer, or could there be an increase in the use of PO boxes for similar reasons?

SCALING SECURITY TO INCLUDE THE REMOTE WORKFORCE

With the speedy switch to remote working that was implemented in spring 2020, it's hardly surprising that IT security wasn't able to be as rigorous as it otherwise might be. What's also unsurprising is that hackers saw this as an opportunity to exploit weaknesses and redoubled their efforts, particularly in ransomware attacks.

In November 2020, a Sydney-based hedge fund – Levitas Capital – reportedly lost $8.7m (£6.5m) and collapsed, after a senior executive clicked on a fraudulent Zoom invitation. Back in March this year, the UK education sector was put on alert, following a rise in operations-halting ransomware attacks on schools, colleges and universities. In May, a ransomware attack shut down a pipeline that supplies 50% of the oil to the east coast of America (a $5m (£3.7m) payout was made to the cyber-criminals to resolve the situation). Later that same month, Ireland's Health Service Executive (HSE) was hit by a ransomware attack and $20m (£15m) payout demand – refusing to pay, the HSE continued operations using paper-based processes, which caused delays and upheaval.

In one particularly audacious ransomware attack in July 2021, hackers used Kaseya software (used by IT managed service providers) to infect thousands of companies across 17 countries. It was so effective that the hacking group gave up trying to extort funds from individual businesses and instead demanded $70m (£50.5m) to issue a decoder key to all those affected. These are just a few examples from an unprecedented year – last June, FBI director Christopher Wray stated such attacks had tripled over the previous 12 months – which illustrates the size and seriousness of the problem.

With more remote working on the horizon, it's essential that cyber-security measures and policies are assessed and made more robust.

Research by security firm Tessian shows that both IT professionals and employees are aware of a downturn in adherence to cyber-security protocols while working from home during lockdown, with 56% of senior IT technicians believing employees have picked up bad habits, and one in three employees believing they can get away with riskier security behaviours while working remotely. Most worryingly, 27% of workers are afraid to tell IT if they make a security mistake.

"One of the main mistakes we've seen is moving company data to personal e-mail accounts," said Henry Trevelyan-Thomas, Tessian's vice-president of Customer Success, in an article on the BBC website. *"When you do that, it's likely you don't have any sort of two-factor authentication. This then makes it easier for attackers to exploit that data. If data is leaked, attackers compromise it and it can end up in the wrong hands."*

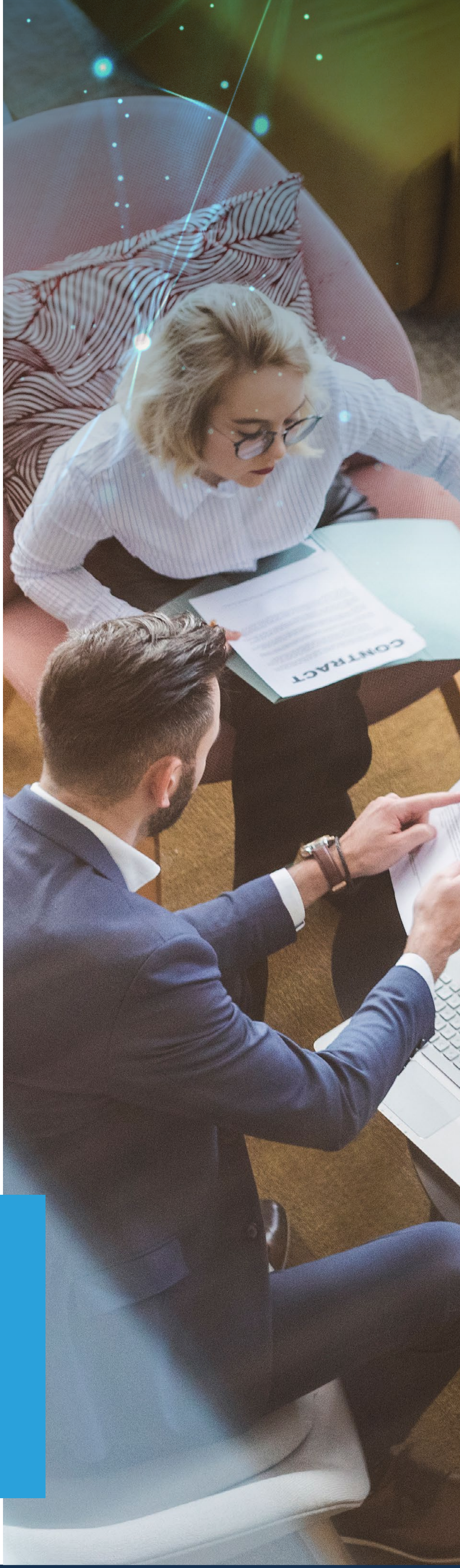
So it's time to evaluate compliance and security systems – especially as messaging, video conferencing, collaboration, remote support and data storage platforms may well have been set up in haste – in terms of compliance, data confidentiality and security principles (such as integrity and availability), to ensure that some of the cyber-security pitfalls of overnight home-working can be rectified.

An internal communications campaign, and further training, can also help employees remember the right protocols and appreciate their importance, as well as helping remote workers to gain a better understanding that their homes have become a part of the risk perimeter for the organisation.

When it comes to those protocols, it's best to maintain consistency across the workforce, wherever they may be based - so, for example, if VPN is deployed, then it should be used both in the office and at remote locations.

Of course, it goes without saying that backing up company data is critical – though it's not enough to invest in a backup solution, implement it and forget it, assuming it will run in the background… backup testing is an invaluable part of ensuring that your company's data remains safe and accessible no matter what happens. Cyber insurance, too, might be a wise investment in case of any data breaches which involve sensitive customer data – on a related note, it's worth ensuring that property insurance schedules include computer equipment supplied by the company for use in private homes (locations may need to be specified).

HR policies and practices must be updated



As hybrid or remote working becomes the norm for some, but not others, the issue of bias becomes even more pertinent – companies must develop policies which ensure that employees are treated equitably, wherever they are based.

Legal action can be triggered even by the perception of bias, and of course at a time when companies are having to experiment with processes and policies it's easy for there to be unintended consequences which allow this to happen.

It's not just pay that could be a contentious issue (as covered earlier in this paper), but it's certainly in the mix – the Chartered Institute of Personnel and Development (CIPD), which represents human resource professionals in the UK, says that imposing a pay cut for remote working is a high-risk approach, since workers can bring claims for breach of contract or even constructive unfair dismissal.

Refusal to allow remote or hybrid working could also in some circumstances be interpreted as discrimination relating to gender, since women with children are more likely to ask for remote working. It's important to set out the rationale behind the objective business decision in such instances, to avoid any litigation, but in fact a more evolved approach would be to listen to employees' wants and needs.

> ***"Rather than making sweeping decisions on issues like pay and how, where and when people work, businesses should aim to balance individual needs with the needs of the organisation. Given the tight labour market, businesses also need to stay attractive and cutting pay could prove to be a false economy if it turns talent away."***
>
> Rachel Suff, Senior Employment Relations Adviser, CIPD
> *BBC website, August 2021*

Legislation and contractual obligations in terms of data should be considered, also. Where employees are based abroad, there may be clauses in commercial contracts which prohibit access to confidential information from networks in other countries, while the General Data Protection Regulations (GDPR) set out what companies need to do to maintain the security of personal information, and this covers access by employees (wherever they may be located).

Risk assessments should be reviewed, both in terms of a return to the office for some staff, and continued remote working by others. A refresh is not only required in light of new government COVID guidelines, and developments in testing and vaccination, but also it's highly likely that an in-person risk assessment of people's home-working spaces was not possible during lockdown, and this is preferable wherever possible.

The way people are supervised and managed will also need reinventing for remote and hybrid workers, as will the setting and monitoring of output, performance, and working time (one of the complaints of home-working during the pandemic was an implicit pressure to be always available, resulting in stress and burnout). It will be a complex challenge to devise new procedures that create equity between remote, hybrid and in-office staff, but it's a challenge that should be met head on – since morale, performance, and therefore profitability hinge upon getting these aspects right.

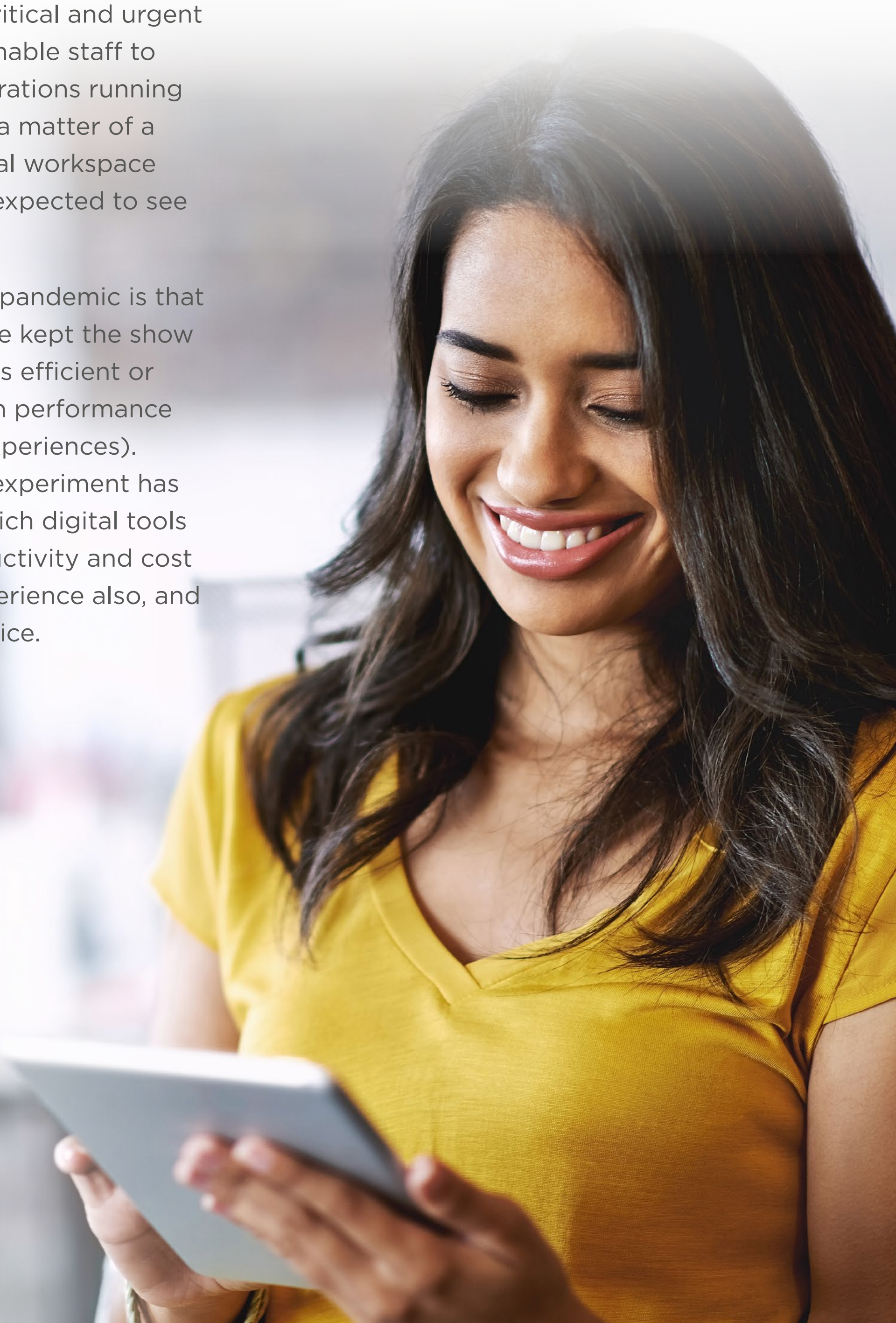
During a recent panel discussion organised by the University of Leeds Workplace Behavioural Research Centre as part of their 'Adapting Offices for the Future of Work' research (funded by the UKRI Economic and Social Research Council), all speakers agreed that this type of change would need to be carefully managed through an iterative process – involving employee consultation and the subsequent devising of new policies and processes, which are then piloted, and feedback sought in order to refine and develop them further, according to business and employee need.

Integrated workspaces: seamless digital and physical worlds

The value of virtual environments has skyrocketed since levels of remote working went stratospheric at the beginning of the pandemic.

Suddenly, almost every business saw the critical and urgent need to access digital workspaces which enable staff to communicate and collaborate, to keep operations running and maintain customer satisfaction. In just a matter of a few months, the increase in uptake of digital workspace solutions was akin to what we might have expected to see over the coming decade or so.

What became abundantly clear during the pandemic is that while discrete apps and systems might have kept the show on the road, juggling individual tools isn't as efficient or effective as businesses require for optimum performance (and, of course, employee and customer experiences). Now the hastily arranged remote working experiment has all but ended, we can review the way in which digital tools can be integrated for best efficiency, productivity and cost control, while improving the employee experience also, and promoting the best possible customer service.



With companies now often employing a mix of on-site, remote and hybrid model workers, it's never been more important to ensure that there's a seamless integration of physical and digital workspaces, creating a frictionless work environment which eases transitions between locations and ways of working. This enables people to focus on their objectives, rather than deal with niggles and frustrations, which allows them to optimise their performance and productivity, delivering the best possible business outcomes.

Integrating the digital with the physical also helps to give staff a feeling of equity. Remote staff have the same easy (yet secure) access to systems as those in the office, and any employee – worldwide – can dial in to events at a single location, giving senior executives the sort of engagement opportunities that internal communications teams could only dream of in the past. No longer are announcements, Q&As and internal awards ceremonies limited by how many people can fit in the room.

How many versions of hybrid are there?

There is actually no set answer to this question. There are infinite shades of grey when it comes to remote and hybrid working models, and each organisation should be looking to balance the needs of their business (to maintain resilience, agility, productivity, efficiency, and of course profitability). Although we will likely see trends in certain industries – for example, it's likely that the banking sector will gravitate back towards the office, as that might suit its culture better (for some firms at least), while big call centres may be a thing of the past, since online or telephone customer service lends itself well to remote working.

It's not so much a case of a business trying to align itself with a particular model, but instead reviewing its business needs, and its culture – while engaging in consultation with its people – to see what form (or forms) of working best promote its interests, and, importantly, those of its workforce. As this will need to take a continuous improvement approach, it won't be a case of the future of work being settled upon within a particular timescale, but instead this period represents the beginning of an evolution, which will continue for some time. We may be considering what Work 2.0 looks like right now, but we should be viewing it as a process, rather than a fixed goal.

We hope this paper has been useful and would appreciate the opportunity to continue the discussion. To speak to a workspace consultant, please email us at **info@aurafutures.com**