A response to the House of Lords Inquiry on Home-Based Working in the UK

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Dr Jane Parry is an Associate Professor in Work and Employment at Southampton Business School, University of Southampton, whose research interests include changing ways of working and workforce inequalities. She has led 3 projects on remote and hybrid working during and since the pandemic, which provide a mix of qualitative and quantitative data on this period of change:

1) Work After Lockdown (funded by the ESRC): This project followed organisations as they adapted to sudden remote working practices and observed their adaptation and learning over 18 months as they experimented with hybrid working (longitudinal data collection). This research (referred to here as (1)) is published in various formats and has informed various parliamentary inquiries, as well as media and practitioner discussions on the future of work.

2) Post-pandemic case studies in five sectors (funded by Acas): This research explored organisational and sectoral factors that influenced how organisations used flexible working, including hybrid working, since the pandemic and under a changing legislative framework. This captured hybrid working as it was becoming more established, and good practice was developing. This research is published and has been used to inform Acas's updated Code of Practice on flexible working. It is referred to in this report as (2).

3) Young people and hybrid working: This research explores the unique challenges for young people around new working practices, both in terms of home workspace and in establishing meaningful learning and development in their careers. Young people in three organisations reflected on how and why they were using different workspaces and kept diaries over a month for the research. This captured a period when hybrid working had become the norm for organisations. This research is at the analysis stage and is referred to in this report as (3).

This research speaks to Sustainable Development Goals 3 (good health and well-being), 5 (gender equality), 8 (decent work and economic growth), 9 (industry, innovation, and infrastructure), 10 (reduced inequalities), and 11 (sustainable cities and communities).

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Executive Summary

Our submission focuses on the challenges and opportunities provided by remote and hybrid working for workers and employers. It also covers employer characteristics in adapting to new ways of working, the availability of data to address these questions, and reflects on where the Government can support the development of good practice. **This covers inquiry questions 1, 3, 4, 11, 14, and 15.**

Employee challenges and opportunities:

- Our Work After Lockdown Research provided strong evidence of the mindset shift that had occurred among workforces about their working preferences.

- In large part, well-being gains were observed, reflected in enhanced work-life balance; there were also cautions that remote working could make overwork less visible to employers.
- Throughout fully remote working, and as hybrid working became mainstreamed into organisations, the needs of diverse workforces have become more apparent. For instance, working parents and employees with disabilities or long-term health/cognitive differences benefited from the rollout of flexible working.
- One of the main challenges of returning to a hybrid environment has been movements towards hotdesking, which many employees felt was a deterioration in their working experience, having less personal space and privacy, and making it more difficult to perform tasks that require focus. Young people can be particularly vulnerable, looking to offices to provide their main workspace where they lack bespoke spaces to work at home, and feeling reluctant to draw managers' attention to problems.

<u>Employers' challenges and opportunities:</u>

- Lockdowns and the movement into new ways of working saw significant workforce learning around technology and its integration into everyday tasks, and around time management.
- Employers reflected that hybrid working enabled them to recruit from wider and more diverse talent pools, which offered staffing benefits.
- Managers enhanced their remote and hybrid management skills and deepened their understanding of their teams, with cumulative benefits for organisations. Gains were observed in workforce trust, motivation, and productivity.
- A positive outcome was observed where organisations were able to use the information accumulated over this period in business model innovation, and in initiatives like developing effective mechanisms to measure productivity.
- Over the lockdowns, managers became more attuned to the importance of well-being in productivity, and to the different ways in which this could be supported.
- Discussions were underway in organisations about how office reconfiguration might support hybrid productivity, as well as delivering real estate savings and environmental benefits.
- Organisations were moving into a phase of becoming more effective at hybrid working – refining induction programmes, coordinating team hybrid working patterns, and building hybrid management into training.

<u>Employer characteristics around remote and hybrid working</u>

- The labour market change of the past few years has prompted many organisations to revisit their flexible working policy, sometimes supplementing this with a hybrid working policy, which was often an ongoing project being pursued through working groups.
- Larger organisations were able to draw upon centralised systems and HR processes to support a range of working patterns, which offered benefits around agility.
- Smaller organisations could sustain greater workforce knowledge in coordinating working patterns.

- Organisations that had mixed workforces, with different degrees of connectedness to sites, were reflecting on how flexible working could be used more innovatively to enhance the working conditions of employees who were unable to work in a hybrid fashion.

Data availability and gaps

- Three of the UK's national surveys are valuable in monitoring trends around remote and hybrid working, each of which has benefits and gaps.
- The ONS's monthly Opinions and Lifestyle Survey enables short-medium term trends to be tracked; however, it offers a relatively small dataset, focuses on attitudinal information, and provides more limited exploration of work-related issues.
- The UK Household Longitudinal Study, otherwise known as Understanding Society, provides rich, disaggregated, and longitudinal data, although there is a time lag in the data's availability, which provides challenges around tracking trends and lacks detailed information on human resource management and work organisation.
- The Skills and Employment Survey focuses on workers and their job characteristics, which allows remote and hybrid working to be examined within workplace contexts; however, the data is collected infrequently, which is problematic in tracking workforce trends.

Policy Recommendations for Government Action to Support Remote and Hybrid Working Optimisation

- Given that most remote and hybrid working thus far has been organised informally in workplaces, guidance around everyday working practices will be of particular practical value.
- The government should support best practices and share accessible case studies, which can be valuable to smaller employers. For example, this might include trial results and learnings on hybrid productivity measurements.
- Relatedly, it can be valuable to explore the possibility of a national Code of Practice for remote and hybrid working, which might be led by an organisation that has respectability in the employer community, such as Acas.
- It will be important to ensure that vulnerable groups in the workplace can sustain the gains that they have made around remote and hybrid working, and collaboration with trade unions can be effective in exploring the unintended consequences of policy.
- There is a pressing need for the government to support more detailed, regular national data collection on workforce issues to support policy work. For example, the Opinion and Lifestyle Survey's sample size and work focus can be expanded, or a work-focused longitudinal survey commissioned to provide reliable data on this period of industrial change.

Evidence presented

Challenges and opportunities for workers (Question 1)

1. A strong finding in the Work After Lockdown research (project 1), reiterated in the national dataset Understanding Society, is that there had been a **permanent mindset shift about how work could be organised** in former offices and how people wanted to work. 97% of our survey respondents wanted to work in a hybrid way for the foreseeable future.

2. **Well-being emerged around new ways of working in different ways**. In the Work After Lockdown research (project 1), we observed significant gains, including children and parents being able to regularly eat together, enhancing family relationships, and a reduction in time spent commuting, commonly regarded as the least healthful and most time-inefficient part of people's days. Conversely, losses could be experienced where people felt unable to escape from their work, where work-life boundaries became blurred. Such instances provided a well-being flag for line managers in a remote environment.

3. A side benefit of hybrid working, which has been enhanced by the supportive context of legislative change over the same period, has been **organisations' increased use of a range of flexible working practices alongside hybrid working**, such as compressed working hours and informal flexible working (projects 1 and 2). These have enhanced the range of working patterns available to employees and helped employers adapt hybrid working to a range of employee circumstances, which has been vital in making it successful.

4. **Some of the groups to have benefited most from new ways of working were parents and those with disabilities and limiting long-term illness** (project 1). The expectation of a site-based 9-5 working pattern that was more typical pre-COVID, had restricted some groups' ability to work full-time and some managers in our Work After Lockdown research reported that female workers with young children had asked for their hours to be increased, since flexible ways of working enabled them to work for longer. Similarly, some employees with limiting health conditions or disabilities explained to us that hybrid working, combined with flexible working hours, enabled them to work in more sustainable ways. Both of these groups stand to gain from the permanence of this kind of work flexibility, given the known career penalties that part-time workers face. At a national level, well-managed hybrid working can be a gain in terms of increasing economic participation for groups who face barriers around fixed working hours and sites.

5. When we were looking at fully remote working in the lockdown (forced) environment (project 1), certain losses emerged around informal connections ('water-cooler' moments). As organisations moved towards hybrid working, and some organisations took the opportunity to reconfigure workspaces, we observed **a lack of enthusiasm for hybrid working that is organised on a hot-desking basis**, which can be accompanied by a reduced sense of belonging to an organisation and a drop in motivation (projects 2 and 3). The spaces of hybrid work are an important area for employers to focus on to make it successful.

6. An unexpected challenge that we found in our research on young people and hybrid working (project 3) was that **people early in their careers were wary about disclosing health and learning differences to their employers,** as they were concerned that this could damage their opportunities and progression at work. To cope in environments unsuitable for their health and learning differences, people were proactively working remotely in some circumstances to ensure that they could sustain their productivity. For example, the noise of an open-plan environment could make it difficult for people with autism to focus. Such differences in hybrid working may not be apparent in large-scale data collection but have a qualitative impact on people's experiences of hybrid working. Hybrid working environments have not yet been designed in a way that maximises productivity and participation for all employees.

<u>Challenges and opportunities for employers (Question 3)</u>

7. Both our research for Acas (project 2) and our Work After Lockdown research (project 1) indicated that the pandemic had provided a period of accelerated learning for organisations, when there was **upskilling around technology and new working practices** at a pace that it is unlikely would have occurred without the unusual stimulus of the lockdown. Other benefits for employers included the **widening of talent pools** as organisations were appeal to a wider group of applicants under hybrid working conditions and **improved meeting protocols**. On a practical level, managers observed **cost savings around going paperless during lockdowns**, savings that they hoped to sustain post-pandemic and which had environmental benefits.

8. Building on the benefits and challenges observed in the shift to remote and hybrid working, a transformation that has taken place in a much shorter time than industrial transformation typically occurs, many managers and leaders reflected on this usually concentrated **period of learning** (projects 1 and 2). As well as **getting better at managing hybrid working**, managers, who were the ones working closely with this organisational change, observed opportunities. Many felt that the **enhanced trust** established between employers and staff was an asset to be protected. Building upon high-involvement work systems theory, well-managed hybrid working was discussed in terms of its **potential to enhance staff motivation and, consequently, productivity**.

9. As the emphasis shifted away from office presence, many managers and leaders started to explore **more effective ways of measuring work outcomes to track productivity**. In a period of rapid change, many organisations' fundamental assumptions about how work was organised shifted, and with a new set of evidence collected during the pandemic, our research observed **greater business model innovation** coming out of this period (project 1).

10. A positive outcome of pandemic working highlighted by our Work After Lockdown research (project 1) was that **managers became more attuned to the importance of staff well-being in sustaining productivity**. For example, if someone was living alone and became anxious and withdrawn, managers played a key role in supporting them and ensuring that they felt connected to their colleagues. Empathetic listening and responsive support in this capacity were key gains of the pandemic. However, this is work that takes time to do well and which needs to be recognised in organisations' workload models, and embedded in managerial training. Managers also enabled teams to become self-supporting during lockdowns and to build time into working schedules to connect in a meaningful way. Thus, while informal connections were not possible in a physical sense during the lockdowns, managers often reported a deepening of team relationships where this kind of deliberate investment was provided. Team members became more aware of each other's daily restrictions during lockdowns, for example, when children were in the background in meetings, and managers observed that this nudged a new understanding of one another's circumstances, which they saw demonstrated in staff providing cover around their different working patterns.

11. Over time, as working patterns become more established and office space needs can be more effectively anticipated, there are likely to be **real estate savings** around hybrid working. At the same time, given the priority for office time to be used collaboratively in many organisations, **office design can be rethought**, with attention given to spaces for informal (and private) interactions, collaborative spaces, and bookable hybrid meeting rooms. It will be important to retain some more individualised space for employees who need to do uninterrupted, focused work and may wish to work in the office more often because, for example, they have less suitable home workspaces. The fundamental shifts in work

organisation since 2020 also provide an opportunity for organisations to **apply efficiency learnings** about how people work, which can be valuable at a time when productivity is at the heart of the national policy agenda.

12. The **induction programmes** that organisations ran before COVID-19 require adaptation to a hybrid working environment (project 1). The main learning has been that there is a need for managers to provide a coordinated and site-based introduction at the start of people's contracts, and that this is particularly valuable for young people. Another challenge is when hybrid working is not well-coordinated among teams, which can be addressed by **agreeing on suitable 'anchor days'**, which are rotated to allow for different working patterns. This ensures that team members can connect in person at key times. There is **no one-size-fits-all template for hybrid working**, and managers will need to engage with job design and industry factors and integrate these with team and individual needs. This is a significant upskilling for managers that requires time and training. Organisations can invest in robust **hybrid management components in their management training programmes**, for example, around job analysis, to enable managers to populate and coordinate hybrid working models effectively.

Employer characteristics and remote and hybrid working (Question 4)

13. Our research for Acas (project 2) looked at employer experience in 5 large organisations: retail, local government, financial services, healthcare, and banking. **All employers were incorporating hybrid working into their business models, seeing it as having notable benefits for workforce motivation, recruitment, and retention**. Some of the employers (local government, retail, and healthcare) had more mixed workforces in that some jobs were adaptable to hybrid working, while others were linked to sites. For instance, the healthcare trust managed a combination of clinical and non-clinical staff. **Organisations with mixed workforces were dealing with this new challenge by exploring how flexible working could be better used to enhance site-based employees' working conditions**, an approach that has proved timely with the Employment Relations (Flexible Working) Act coming into force in April 2024, increasing access to statutory flexible working.

14. **Organisational size** can affect adaptation to remote and hybrid working (project 2). Larger organisations have more complex HR processes and policy expertise to facilitate new ways of working and are likely to have greater access to technology, such as centralised systems to manage different working patterns. This can offer agility benefits in responding to legislative demands. However, smaller organisations can more easily centralise knowledge on working patterns, and their workforce knowledge could be useful in providing mutual support.

15. The shift to remote and hybrid working, combined with the changing legislative context, has **allowed employers to ensure that their flexible working policy adequately covers new ways of working**, establishes good practice around these, and ensures that they are inclusive (project 2). For example, this might lead to good practice protocols being established around meetings, such as running them on a hybrid basis to ensure that employees with different working patterns are able to access them.

Data availability and gaps (Question 11)

16. Different national-level, high-quality survey data exist that can be used for the examination of the prevalence and effects of remote and hybrid working. Each survey has its own

strengths and limitations. The ONS reports on data from the monthly **Opinions and Lifestyle Survey,** which is of great importance for the tracking of remote and hybrid work trends in almost 'real-time'. The survey can be used for explorations of links between individual attitudes, well-being, and remote/hybrid working, however, given its small sample size, its short questionnaire, and its focus on opinions and attitudes, a more detailed and disaggregated analysis and a focus on work-related issues are quite limited in scope.

17. The UK Household Longitudinal Study (UKHLS), also known as Understanding Society, provides a much richer source of information for a detailed and disaggregated analysis. Since 2022, questions related to both the incidence and frequency of remote/hybrid work have been introduced to the survey. The survey is longitudinal, following the same sample of people each round, enabling the examination of changes at the individual level. The study's questionnaire is very detailed, with an additional focus on health and well-being, something that can assist in the analysis of the effects of remote/hybrid work on individual workers. The limitations of the UKHLS include a time lag (the latest available data at the time of writing refer to 2023) and the absence of detailed questions on other aspects of human resource management, working conditions, and work organisation, that would enable a more holistic understanding of remote/hybrid work and its relationship with its workplace context.

18. The most recent round of the Skills and Employment Survey for 2024 also provides relevant data. This source's strength is that it focuses on workers and their individual and job characteristics. This means that the effects of remote/hybrid work can be examined within their workplace and management context, which is not possible with the other sources. Moreover, the relatively large sample size of around 5,000 workers enables a disaggregated analysis by individual and job characteristics. However, the survey is currently repeated every 5-7 years, meaning that these types of analyses cannot be conducted regularly.

What can the UK Government do? (Questions 14 and 15)

19. Given the relatively short time that remote and hybrid working has been operating at scale, and the unusual circumstances in which they were introduced, we would not expect to yet see the optimisation of these ways of working. It is invaluable that the Lords' inquiry has taken this time to review the emerging evidence from a wide range of sources from which learning can be further reinforced for the UK's employers.

20. While hybrid working practice will necessarily be varied and adapt a range of different models, reflecting industry and organisational needs, **the government can play a role in enabling best practices and case studies to be shared**. There can be value in **a Code of Practice, enabled by the government or by an organisation like Acas**, which employers can look to for guidance, and which has been a very successful long-standing model around flexible working, that is accessible to the whole employer community.

21. Given the different experiences faced by smaller businesses, it will be valuable for the government to explore how their hybrid working experiences can be better supported. For example, **sharing learnings on how productivity measurements can be applied to a wide range of jobs** can expedite organisations' successful adoption of hybrid working.

22. In terms of legislation, our research for Acas (project 2) has confirmed that the vast majority of flexible working practices are organised on an informal basis and not through the statutory route. This is felt to offer advantages for both employers and employees to utilise a

range of formal and informal practices. While there is potential for this change, particularly if return-to-office (RTO) mandates prompt individuals to protect their informal hybrid working arrangements through statutory requests, it seems likely that a large part of flexible working will continue to operate informally. This being the case, there remains **an important role for government in supporting guidance around everyday working practices.**

23. An important area of progression to protect is where hybrid working has enhanced access to paid work for groups such as parents, carers, and those with limiting health conditions. In a context where the government is prioritising economic participation, **flexible working (of which remote and hybrid working is a part) is a well-established tool to improve access to good-quality work.**

24. In terms of data, given the known ongoing issues with the Labour Force Survey, as well as the limitations with the rest of the data sources discussed above, **it is important that more detailed data sources are established to track trends and the impact of interventions around remote and hybrid working**. This can inform national policy, and reliable evidence will be essential to guide employers in decision-making around hybrid and remote working. A possible route would be to use the current Opinion and Lifestyle Survey with an increased sample size and a periodic 'work questionnaire' that can collect more detailed information about the work context of each individual. Another possibility is to fund a new longitudinal survey of workers that will track changes in remote/hybrid working, so that its effects and its inter-relationships with the overall work context are understood in more detail.

Related publications:

Linked to the Work After Lockdown project (1)

Parry, J. (2025) 'Introduction: Reimagining work and organisation post-pandemic', in B.McDonough and J.Parry, (eds.) (2025) *Sociology, Work and Organisations: A global context*, London, Routledge: 3-20.

Parry. J. and McDonough, B. (2025, forthcoming) 'Conclusion: New Ways of Working', in B.McDonough and J.Parry, (eds.) (2024, forthcoming) *Sociology, Work and Organisations: A global context*, London, Routledge: 323-336.

Parry, J., Young, Z., Bevan, S., Veliziotis, M., Baruch, Y., Beigi, M., Bajorek, Z., Richards, S. and Tochia, C. (2022) *Work After Lockdown: No going back: What we have learned working from home through the COVID-19 pandemic*

Parry, J. (2022) 'Time to tackle induction in hybrid workplaces', *HR Magazine*, https://www.hrmagazine.co.uk/content/comment/time-to-tackle-induction-in-hybrid-workplaces/

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Parry, J. (2020) 'Remote working is here to stay – but that doesn't mean the end of offices or city centres', *The Conversation* https://theconversation.com/remote-working-is-here-to-stay-but-that-doesnt-mean-the-end-of-offices-or-city-centres-145414 Republished in: *World Economic Forum.*

Linked to the Acas project (2)

Parry, J. and Veliziotis, M. (13 Feb 2025) *Employment Rights Bill: how will it affect flexible working?,* Acas blog

Parry, J., Bradbury, B. and Veliziotis, M. (2024) *Organisational case studies on flexible working*, Acas Organisational case studies on flexible working | Acas

Parry, J. and Veliziotis, M. (2024) 'How the new British rights around flexible working will affect employees and businesses, *The Conversation* https://theconversation.com/how-the-new-british-rights-around-flexible-working-will-affect-employees-and-businesses-227247

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