

13 Oct 2020 - Jonny Gifford and Mel Green

How could COVID-19 change the world of work?

Jonny Gifford and Mel Green explore how our organisations could change long term in the wake of the coronavirus

It's been over six months since the UK went into lockdown in response to COVID-19. Organisations and labour markets have been hit hard, and many share a sense that it will lead to profound changes in work and people management. The term 'VUCA' has been part of business vernacular for a number of years now, but the pandemic has taken volatility, uncertainty, complexity and ambiguity to a whole new level. We can see this need for agility with workplace closures and furloughing of workers. In August, many businesses started to plan for a return to work, then swiftly stopped these plans as government advice changed. Currently, remote working looks set to be the norm for a while yet, and at the same time, we face the planned end of the furlough scheme. This combination is creating huge uncertainty for job security and people's livelihood on the one hand, and organisational productivity and the economy on the other.

But among the immediate-term uncertainty, conversation is also now turning to longer-term aspects of work and employment that the pandemic will impact: the rise in remote working and the knock on impacts this will have on our workplaces, the impact of furlough and the jobs we value and find meaningful. Such a huge shock is likely to bring lasting change, yet the instinct to return to 'business as usual' is strong.

The post-COVID world of work is unclear but we have some pointers. Here we consider recent research that gives us some idea of how work practices and attitudes may change in these areas.

Hybrid flexible working

Perhaps the most likely longer-term change we can expect is in working from home (WFH). The huge and rapid increase in homeworking has shown how it can be carried out on a greater scale. Before coronavirus hit, advances in the quality of videoconferencing and other remote information and communications technology had primed us to make this

shift, but there was still a large unmet demand for flexible working. The lockdown has shown that many workers who were not given this option previously can successfully work at home.

The CIPD's employer survey indicates that, at an organisational level, fears about falling productivity have not been realised: overall, there has been very little impact. So perhaps it's not surprising that most employers expect hybrid ways of working to become commonplace post-pandemic. Forty per cent of employers said they expect more than half their workforce to work regularly from home (compared to just 15% pre-pandemic) and 23% said that employees working from home all the time would be the norm (compared to 8% before).

There is also likely to be more demand to work remotely. According to our COVID-19 Working Lives survey, employees are more likely to ask to work from home more regularly post-pandemic. In July, 6 in 10 of those working remotely said they were more likely to request to work from home more often post-pandemic, 5% said it was less likely and others envisaged no change. In other words, it's by no means unanimous, but many will want to work from home more frequently.

In contrast, those who aren't working from home are very unlikely to request to work from home post-pandemic – in fact 17% of this group said they'd be less likely to, and just 5% said they'd be more likely to. Presumably, the pandemic has highlighted how certain roles cannot be done from home.

WFH is not the only form of flexible working, and our survey finds that other forms are also likely to become more popular post-pandemic. In particular, we see changing expectations for flexitime and working compressed hours, which is to say employees want more autonomy over not just where, but also when they work.

Knock-on impacts of WFH

What's harder to predict is how an increase in flexible working might change other aspects of employment and working life. A huge benefit will be in reduced commuting times, which are typically nearly four hours per week, or 6.5 hours for Londoners. But in theory, more remote working may also reduce the pressure to move to the Big Smoke and make it easier for young people to get on the housing ladder. This could be part of a solution to the deeply problematic rise in intergenerational inequality.

Clearly, we won't see the death of the office. Many employers are desperate for a return, especially for the face-to-face interactions that contribute to more effective working relationships. We can also see that many workers are missing social contact. Recent CIPD research found that 50% of those working at home through the pandemic say their work relationships have suffered, and most workers with existing mental health conditions

report that they have worsened. How this bodes for the future is unclear. It could be that our social lives centre less on our work relationships than they do now. But it is clear that maintaining relationships in virtual teams takes more effort than in face-to-face teams.

A rise in WFH may also affect employment contracts. Anecdotally, we have seen some HR professionals raise questions about changing pay structures on the grounds that employees do not have to pay for their commute, costs which are likely to exceed what homeworkers have to cover for additional heating and so on. A counter argument would be that longer-term, organisations may see savings in office space costs, which are built into human resource costs. In addition, some employers may see a rise in homeworking as an opportunity to employ more 'gig work', in effect a 'digital piecework' that leads to more precarious forms of work. Such changes may not be immediate. Renegotiating pay or contracts risks trashing the psychological contract if not breaching legal contracts. But market forces may well reflect an increase in WFH and lead to adjustments in fundamental employment relationships over time. Protecting good work should be paramount.

There are also workforce diversity implications in a rise in WFH, as they look likely to affect different groups in different ways. It seems a fair guess that fewer women will return to the workplace than men, due to increased likelihood of having caring responsibilities. And as the risks of COVID-19 continue, we expect it won't only be those employees with underlying health conditions who will be reluctant to return to their normal workplaces. The same may be true for ethnic minority – and in particular black – workers, for whom the increased risks of COVID-19 are still not fully explained. In short, hybrid organisations will have their work cut out to ensure that these factors do not perpetuate inequalities.

Wider impacts of furloughing

The furlough scheme has clearly staved off huge job losses in the short term at least but medium-term fears about job security are palpable. Our employee survey shows that in July, 4 in 10 furloughed workers thought it was likely they'd lose their job in the next twelve months (compared to 16% of those still working). As the furlough scheme comes to a close, many who have been living with this uncertainty for months will have their fears renewed. Predictions on national levels of unemployment give a grim weight to this.

The furlough scheme is also an enormous societal innovation that will give us research material for years to come. It's too early to see how far-reaching its consequences will be. Some workers may place more importance on job security as a result of the recession, opting for permanent positions over temporary, or being less likely to move jobs. At a deeper level, the experience of being on furlough may have led others to re-evaluate their careers and working lives. This could spark career changes, efforts to obtain better work-life balance, or decisions to retire earlier.

A rise in status for key workers?

Finally, through the pandemic there have been many conversations around what work we value as a society. Much essential work in healthcare and retail is low paid, yet workers in these occupations have often been hailed as heroes through the pandemic. Will they find more meaning in their work as a result? Will a rise in social status translate to an increase in pay and working conditions? Or will business as usual (once we have it) mean a return to the same levels of status and pay as before?

Uncertainty on top of uncertainty

The pandemic has obviously presented very immediate challenges to organisations and required a level of agility many have not engaged with before. Currently there may be more questions than answers for longer-term shifts in the nature and dynamics of working life, but it is important that we start considering them. This is not the first crisis we have faced, and there will always be a draw to return to default and get back to business as usual. An increase in homeworking seems highly likely, but the knock-on effects of this in organisations and society are too early to tell.

The wider work outcomes of COVID-19 will in part be market-led, but will also depend on the principles employers hold to and what they value. We've seen wellbeing rise up the agenda throughout the pandemic, and many organisations going the extra mile to protect their employees. Whether these priorities stay at the top of the list remains to be seen, but it is clear that this is an opportunity for organisations and people professionals to proactively shape the future rather react to it.

They can do this by taking an evidence-based approach to their decision-making, actively consulting with employees to understand their expectations and concerns on future workplace changes, and reflecting on lessons learnt through the COVID pandemic. How they choose to respond and adapt in the coming months and years will have undoubtedly have major implications for the future of work.

Further reading

[Embedding new ways of working post-pandemic](#)

[COVID-19 and race: supporting employees](#)

[Developing effective virtual teams](#)
