

LABOUR AND SOCIAL JUSTICE

# TOWARDS A NEW NORMAL

What legacy might COVID-19  
leave for UK working patterns?

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The COVID-19 crisis has led to major, unprecedented changes in UK working practice. While many of them might be temporary, some effects are likely to prove long lasting.



New working patterns – such as a huge increase in remote working – require new approaches towards management. Employers need to pay more attention to their workers' physical and mental health than ever before.



While the crisis poses the risk that the Good Work agenda falls by the wayside under the pressure of mounting unemployment, it is also an opportunity to reflect on what kind of work we should be valuing in the modern economy.

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raising performance  
through workforce  
engagement

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# EXECUTIVE SUMMARY

It would be an understatement to say that the COVID-19 crisis has led to huge changes to UK working practice. While many of the most extreme changes, such as the furloughing of 10 million workers, are surely temporary effects of the pandemic, other changes are likely to prove much more long lasting. This report examines what the longer-term impacts of this unprecedented year are likely to be for the UK workplace, after the immediate crisis has passed.

Chapter One examines perhaps the biggest potential impact of the current crisis for working relations; a permanent increase in the frequency of remote working. Many office firms have had over 90 per cent of employees working from home for much of the past six months. While most still claim to be planning to return workers to the office, the date for that to happen has been pushed back and back, with many big employers now talking about continuing remote work until early 2021. It is starting to look like the eventual outcome might be a world where the number of full-time remote workers settles down around double what it was going into the crisis, with even more workers working at home part-time and treating office spaces more like a hub for periodic collaboration.

Such a change in working patterns requires managers to radically rethink their approaches to management, focusing much more on seeing workers as individuals and changing their communication styles. Myriad other impacts include major savings for workers in commuting time, reductions in carbon emissions, but also threats to urban centres and the businesses that depend on them. The impacts on employee wellbeing overall will likely be mixed; work-life balance will only be improved for those workers psychologically suited to remote working, while the equality impacts may actually be negative if it results in worsened class divides, more uneven burdens of domestic labour and reduced promotion opportunities for women and other disadvantaged groups.

Chapter Two turns to look at the growing value being placed on the concept of resilience as a result of the pandemic. Organisations are coming to realise that a combination of interconnected global supply chains and an excessive focus on lean management have left them vulnerable to external shocks. To better protect against future crises, they will

need to develop an organisational culture of resilience. They will also need to pay much more attention to the physical and mental health of their workers, if they want to have a workforce that is individually and collectively resilient as well.

Chapter Three looks at the quality of work we may be left with after the pandemic, with a risk that the Good Work agenda of recent years falls by the wayside under the pressure of mounting unemployment. The crisis does, however, offer us opportunities to reflect on what kinds of work we should really be valuing in the modern economy – both in terms of freeing some office workers from meaningless and unfulfilling tasks, but also properly recognising and rewarding the real key workers in the economy and ending the stigma, low pay and poor conditions they often experience. There are also possibilities, through a current focus to »cut hours not jobs« that we might eventually end up in a roundabout way at the kind of working time reductions that the 4 Day Week campaign have long advocated for.

Chapter Four examines how employment relations themselves have evolved throughout the crisis. For the most part the picture is actually a remarkably positive one, of employers and employees coming together through shared adversity. The exceptions, of firms that have acted without proper workforce engagement, only go to show the limitations and risks of this approach. The pandemic has proved beyond a doubt the value of close partnership working, of the importance of trust in navigating periods of uncertainty and the value of having a highly engaged workforce with a strong collective voice.

The paper ends with a set of short case studies of how firms have experienced some of these changes over the past six months.

# INTRODUCTION – A CRISIS LIKE NO OTHER

Throughout 2019 in the UK there was constant discussion about a possible economic crisis in 2020 as a result of Brexit-related events. Yet even the wildest of speculations did not come close to the impact of the crisis the country actually ended up facing; that of the COVID-19 pandemic. The economic figures are stark and would be utterly shocking if we had not become so used to them over the past few months. GDP contracted by 22.1 per cent over the first six months of the year. 730,000 jobs lost by July<sup>1</sup>, with a further staggering 9.4 million workers placed on furlough, many of them away from their jobs for three months or more<sup>2</sup>. Of those still working, 61 per cent were found in June to have adopted completely remote working, with only 39 per cent still going into their usual workplace at least some of the time<sup>3</sup>.

Overall, this has been, without doubt, the single biggest shock to the labour market since at least 1945. And of course, this is not only an economic or employment crisis. The labour market impacts are only a side-effect of the broader public health crisis, along with the most sweeping ever restrictions on people's personal freedoms, disruption of our social lives and paralyzing of large parts of civil society.

Given the traumatic nature of the changes this crisis has brought, some people are understandably desperate to return to the world of 2019. This, however, is neither entirely possible nor entirely desirable. Inevitably, a shock this large is going to have lasting impacts. And just as we should expect lasting impacts on our collective psyche, on our public health planning, so too will there be lasting impacts on the way the economy and workplaces function. The experience of 2020 has already led to profound shifts in the attitude of employers and the experiences of employees, something which will not simply be erased by the lifting of the pandemic restrictions.

A major crisis can also act as a catalyst to bring about changes long in the making, pushing forward what had previously been gradual trends in a sudden acceleration of change. Chartered Institute of Personnel and Development (CIPD) head Peter Cheese describes this as »a moment of real change in the world of work«. Previously slow moving trends such as remote working, reducing working hours or closer partnership working might be thrust forward, achieving in a year what might otherwise have taken a decade. Other trends, such as lean management and just-in-time supply models might be instead thrown into reverse in favour of a new focus on resilience. In some cases, the impacts might actually be good for workers in the long-run. Other trends, such as a shift away from the focus on quality of work, are much more negative. One thing on which we can be sure is that the world of work will never quite be the same again.

<sup>1</sup> Labour market overview, UK: September 2020. Office for National Statistics.

<sup>2</sup> Coronavirus Job Retention Scheme statistics: July 2020. HM Revenue & Customs.

<sup>3</sup> Impact of COVID-19 on working lives: New findings and analysis on the ongoing impact of the coronavirus pandemic on working lives. CIPD, 3/09/2020 available at <https://www.cipd.co.uk/knowledge/work/trends/goodwork/covid-impact> (last accessed 07 October 2020).

## 1

## REMOTE WORKING – THE NEW NORMAL?

One of the largest and most talked about impacts of COVID has been the incredible rise in remote working between March and June 2020. Facebook, for example, found itself with 95 per cent of staff working from home, a figure similar to that of many large previously office-based corporates. On 21<sup>st</sup> May Mark Zuckerberg announced during a live-streamed staff meeting that Facebook would allow many of these employees to continue working from home indefinitely, saying »We're going to be the most forward-leaning company on remote work at our scale«. He added: »When you limit hiring to people who either live in a small number of big cities or are willing to move there, that cuts out a lot of people who live in different communities, different backgrounds or may have different perspectives«.

Remote working, in his view, was the way of the future, forecasting that up to half of the company's 45,000 employees would be working from home by the end of the decade. For some firms, this reality is coming a lot sooner, as cash-strapped firms choose to let go their leases on expensive commercial properties that were sitting vacant during the pandemic. After all, so the logic goes, if entirely remote working is successful during the pandemic, couldn't we make it work long-term? Commentators have been starting to ask whether the office, as we know it, is dead. And with many employers getting their first experience of a remote workforce this year, is this »new normal« here to stay?

### HOW PERSISTENT WILL IT BE?

Barclays boss Jes Staley in April was joining this trend, floating the idea that big city offices might be a »thing of the past«. By late July, however, Staley was encouraging a gradual return to office working for Barclays' 60,000 UK staff. In an interview with Bloomberg TV he argued that »It is important to get people back together in physical concentrations«, even suggesting that they »have a responsibility to places like Canary Wharf, like Manchester, like Glasgow«. This echoes Prime Minister Boris Johnson's exhortation to workers to return to offices in August in order to save city centres, before having to reverse his government's guidance as infection rates rose once more in September.

There is little sign, however, that these desperate pleas for office workers to save city centres ever met with much success; instead return dates for many UK office workers have been repeatedly pushed back throughout the summer and early autumn of 2020. NatWest wrote in July to 50,000 of its staff saying it would allow them to keep working from home until early 2021, after having originally planned a return to offices in September. Lloyds, meanwhile, conducted internal polling of its 65,000 UK staff and found that, of the 50,000 working from home in July, 89 per cent were adapting well and two-thirds wanted to continue more remote working in the longer term<sup>4</sup>.

Partly, of course, these repeated delays to the return to offices are explained by continued outbreaks of COVID-19 and concerns for public health. They are also, however, a response to the better-than-expected experience that many firms have had with their shift to remote working, coupled with a desire from much of the workforce to continue with this approach. And while firms may still use the continuation of pandemic-related concerns to justify keeping people away from offices for months to come, the longer it goes on for the more normalised it becomes in the minds of both workers and managers, and the harder it will be to convince everyone to return to the status quo ante.

In fact, the only thing holding more companies back from remote working in the past may have been a sense of inertia and entrenched norms, according to Julia Pollark, labour economist at ZipRecruiter: »Many companies would have switched to telework with just a small push, and now they're getting a great big shove«. Academic research into loss aversion also suggests that, once workers have enjoyed a certain benefit such as remote working, they are much more likely to value it and resist having it taken away again, even if they would not have been bothered about demanding it originally.

Given this, it is no surprise that many firms are starting to shift their thinking away from how to simply »return« workers to the office and towards what kind of new flexible working arrangements they could transition towards for the future instead.

<sup>4</sup> Makortoff, K. (July 2020) Lloyds reviews use of office space amid homeworking trend. The Guardian.

According to CIPD surveys, employers are expecting the proportion of completely remote workers on their staff to increase from nine per cent to 22 per cent after the pandemic has passed, with a higher proportion perhaps operating partly at home and partly in the office. According to a different poll by YouGov, 68 per cent of those currently working at home in May 2020 wanted to continue remote working longer term, with only 44 per cent who wanted to return to office working, with some clearly wanting a mixture of the two<sup>5</sup>. A further survey of office workers by the British Council for Offices in September found that only 30 per cent of office workers were planning to return to work five days a week in the office, compared with 46 per cent who wanted to divide their time between the office and home and 15 per cent who wanted to work exclusively from home.

Certainly, there are major attractions to remote working from an employee perspective – more flexibility, more freedom and a closer involvement with their family life, not to mention less commuting time. But an entirely remote workforce poses major problems too. As Stefan Stern, co-author of *Myths of Management*, has put it »the laptop screen is a poor substitute for real-life interactions with other human beings who are physically present«. It's long been accepted that the quality of communications is inferior without the full scope of body language that physical meetings allow. Even the now-ubiquitous video conferencing software such as Zoom or Teams hardly allows the same ability to read a room, with its often fuzzy images of perhaps a dozen people crammed into tiny boxes on the screen, compared with being seated physically with them around a conference table.

Yet what is lost through remote working is not so much the quality of these formal meetings, but the more informal everyday chats, casual questions to the person at the next desk and watercooler conversations that make up regular office life. The ability to walk up to someone, ask them a quick question and get an immediate reply is something that greases the wheel of everyday working life far more than having to either email them the question and wait an unknown time for a response, or phoning them up at home, which can feel much more intrusive and demanding for many people. Offices that have adopted more informal use of instant messaging apps for their remote teams such as Slack or Teams have tended to cope better with replicating this regularity and fluidity of conversation, but there are still challenges.

Perhaps one of the biggest problems relates to professional development and learning. As Stern again argues, »No worker, especially younger ones, will learn very much while cut off from everyone else, tapping away at their computer in their bedroom for months on end. Teams need to meet up and work together at least some of the time and, occa-

sionally, for much of the time.« While it may be not be entirely true that remote professional development is impossible – especially given the growth of e-learning in the education sector during this same period – it is nonetheless true that a great deal of the mentoring and peer support that underpins on-the-job learning for most workers is much harder to replicate remotely.

So, what do we predict for the future of remote working? Professor André Spicer, from City University's Cass Business School, predicts that we will see a »radical decrease« in office-based working hours, but not a clear cut end to the office altogether. Instead he says offices are likely to become »hubs« which workers might travel in one or two days a week to meet with colleagues, collaborate on joint projects and check in with their managers, while working from home the rest of the week.

This matches the direction of travel more and more firms are starting to announce. A Unilever internal survey of staff found that only eight per cent wanted to return to full-time office working; the remainder said they would prefer to work from home most of the time with maybe coming in only one or two days a week. Twitter has also already announced it is adopting this new model, allowing its 4,000 global staff to work from home indefinitely if they want to, but also keeping some office space open for those who want to come in.

## IMPLICATIONS FOR MANAGEMENT

This new model of working poses big questions for companies' approach to management of their workforce. To begin with, it has the potential to seriously challenge the long-standing culture of presenteeism that has been prevalent for too many years – an attitude that suggests workers be judged by the number of hours they spend in the office and that, conversely, staff working from home are in some way not pulling their weight. This attitude has been summed up by derogatory phrases such as »shirking from home« or »working remotely; remotely working«.

Kate Cooper, head of research, policy and standards at the Institute of Leadership and Management has commented, »What sort of psychological contract is it when we can only trust people if we can see them? If they're doing terrific work when we can see them, why may they not be doing it just as well when they're somewhere else? It says a lot about organisational cultures when firms are so sceptical of remote and flexible working that they seem to think presenteeism is indicative of contribution – rather than judging staff purely on their output«.

The realities of the pandemic, however, have forced even its harshest sceptics to get first-hand experience of remote working. The result is that the »whole management style has to change« according to Duncan Brown, Visiting Professor at the University of Greenwich and Principal Associate of the IES. »Managers who don't treat people as

<sup>5</sup> Dodd, V. (June 2020) Employees Want to Keep Working from Home. Skillcast.

individuals, ask about and show concern for their personal lives and wellbeing, are now lost«. The risks of not engaging properly with employees have been amplified, as the costs of a disengaged remote worker could be much higher than a disengaged office worker.

More broadly managers have needed to move away from one-size-fits-all approaches and tailor their management style to individual workers, who might be coping quite differently and having very different experiences of the pandemic and need different kinds of support. Managers also need to be more proactive in checking in with their workers, looking for early signs of problems or wellbeing issues that are harder to pick up on when you don't see people in person. Some workers might need extra time flexibility to cope with difficult family situations at home, others might need extra training to deal with the increased use of digital tools, while others might be suffering from depression and loneliness and need managers to focus more on their pastoral care role.

This requires a strong set of people skills, but they are somewhat different people skills to those which many managers have previously used to succeed in the workplace. Rather than focus on how to make speeches before a group, they need to focus much more on individuals. »Some leaders are effective because they're charismatic«, says Professor Randall Dunham of the University of Wisconsin. »But can a charismatic leader be charismatic in a virtual setting? We don't know the answer to that. They tend to feed off looking at people and seeing and hearing their reaction«<sup>6</sup>.

Another challenge for management is their continued responsibility for ensuring workers have a safe and healthy working environment, even when not in the office. Managers can easily reimburse employees' purchases of suitable office furniture or digital devices, but they have much less control over other aspects of the home work environment. If an office is too hot, too cold, insufficiently ventilated or too noisy, it is a relatively straightforward matter for a manager to speak to the relevant maintenance team and have things adjusted. But when all of their direct reports are working in separate home locations, many of them less than ideal working environments, it is much more difficult for managers to provide solutions to these problems.

Even for those workplaces where people do eventually return to offices, some key management lessons of this remote-working period are likely to stay. As Olga Kazan writes in *The Atlantic* »Companies are already coming to see the excesses of their former face-time-obsessed ways. All of those meetings really could have been emails. That conference your boss wanted you to attend probably could have been just a slide deck you clicked through on your computer«. Such a radical break with previous working practices offers an opportunity to reflect on which aspects of the previous working practices were perhaps not all that nec-

essary after all. Regardless of whether the workers of the future are office or home-based, employers may well find themselves reducing their emphasis on facetime and giving workers much more latitude to work individually.

## WIDER IMPLICATIONS

If remote working really does become the new normal, it will have huge ramifications for wider society. To begin with, millions of workers might be freed from the need to commute long distances to work every day. Until 2020 British workers spent more hours commuting each week than their equivalents in any other European country, with those living in London having the worst statistics of all at an average of one hour and 20 minutes lost to commuting each day. The Trades Union Congress estimates that these workers on average could save around 300 commuting hours a year by working from home.

As well as being an enormous benefit to the individuals, such a reduction in commuting travel could have huge environmental impacts, reducing the carbon emissions from perhaps a billion UK car journeys each year. Businesses no longer needing to maintain, heat and light such large commercial properties all day every day would further bring down emissions; together these changes could greatly help the UK in reaching its net zero emissions target.

This change in commuting patterns however in turn poses huge funding problems for the public transport networks that serve major commuter routes, especially in London. Other businesses too that rely on commuters will be impacted; newsagents such as WH Smith, free newspapers such as the Metro or Evening Standard, taxi drivers, or sandwich shops like Pret a Manger that have sprung up everywhere in recent years to serve hungry office workers. WH Smith has already announced 1,500 job losses and Pret is closing 30 stores across the UK. Even if these businesses survive the immediate pressure of the crisis, their funding models will take a longer term hit if remote working persists above pre-crisis levels.

The property market too could face a major shock if employers decide they no longer need to maintain office space for all their workers. Businessman Sir Martin Sorrell has been quoted as saying he'd rather invest the £35 million he currently spends on expensive offices into people instead. Lloyds Banking Group has also announced it is reviewing its office space holdings in the UK. Even the residential property market may be affected if people no longer feel the need to live within commuting distance of their offices. Urban centres are potentially at risk of decay but could be revitalised by the conversion of excess commercial property into more residential homes to tackle the country's housing shortages.

Most important, however, are the implications for workers themselves and their families. The impact of remote working on employees' wellbeing can be both good and bad.

<sup>6</sup> Kazan, O. (May 2020). *Work From Home Is Here to Stay*. *The Atlantic*.

Numerous studies have in the past suggested that people who work from home are, on average, happier and more productive. Partly this is of course thanks to the reduction in commuting – something psychologists have long to be a major contributor to unhappiness and one of the few negative life effects that people never adjust to over time. More flexibility and a better family life are also often touted as major benefits of home working. The UK has long scored worse on the work-life balance measures than most other European countries, with each UK worker spending on average an hour less per day in rest and recreation than France, Spain or Germany<sup>7</sup>.

However, there is a self-selective element to all this – previously those who worked more from home tended to be those who chose this way of life or had particular reasons for requesting it – little wonder then that they reported being happier this way. Now, however, in some firms everyone has been home working whether they want to or not. What we are quickly learning is that not everyone is well suited to this way of working. Psychologists have previously found that workers can be divided roughly evenly between two types; »integrators« who prefer weak boundaries between their home and work lives, perhaps choosing to go home early but then keep responding to email throughout the evening, and »segmenters« who prefer to maintain strict boundaries to separate their home from work lives, staying at the office as long as necessary but then wanting to switch off from work completely when they go home.

It is this latter group who are particularly troubled by the prospect of universal home working. Forcing natural »segmenters« to work remotely can actually worsen rather than improve their work-life balance, as they struggle to find the familiar boundaries between work and home life. This issue is further worsened by the additional caring responsibilities that many working parents have taken on due to school closures in the pandemic. Evidence bears this out; CIPD's surveys of the impact of COVID-19 has found that 32 per cent of workers were reporting finding it »difficult to fulfil commitments outside of work due to time spent on their job« compared with just 24 per cent in January 2020.

It is clear, then, that remote working can have both positive and negative impacts for workers and for society as a whole. The solution is not as simple, however, as allowing those who want to work from home to do so while allowing anyone else to return to the office. Crucially, the costs and benefits of remote working are not distributed evenly.

## EQUALITY ISSUES

A permanent increase in remote working could have major impacts on social and economic inequality, and not necessarily for the better. Many blue-collar workers in the retail,

manufacturing, hospitality or transport sectors don't have the option of remote working – their work requires them to be on site. Such workers are also much more likely to be female or Black, Asian, or minority ethnic (BAME). The entire debate around remote working is one confined to predominantly white collar (and predominantly white) office workers, adding yet another advantage to a group that is already better paid, better educated and with higher well-being than the average worker.

Worse, even among those who are on paper able to work from home, the quality of experience they have is very much dependent on the kind of home they are able to afford to work from. To put it bluntly, having a comfortable home working environment, free from distractions, is a privilege not available to many people, particularly younger renters in shared accommodation or parents of young children. Some managers, sitting in their spacious home offices surrounded by aesthetically pleasing bookshelves to serve as a backdrop to their Zoom calls, have been taken aback to learn that some of their employees have in fact been working in their beds in recent months, in a tiny bedroom of a cramped, noisy flat, on a laptop with poor Wi-Fi connection.

Dame Helena Morrissey, leading British financier and campaigner, writes in the Daily Mail: »In an economy where consumer services make up four-fifths of activity, offices are vital not just for the livelihoods of millions – often the poorest in society – but for growth... Huge numbers of essential workers – from supermarket delivery crews to health-care professionals – are unable to work from home but have carried on heroically. And for many young people in shared, cramped city accommodation, home working is miserable. Why should the right of these two groups to a decent living be denied by those who have the privilege of choice?«<sup>8</sup>

Another aspect to the home working equality debate revolves around the impacts on the gendered division of domestic labour. Having more fathers around the home during the working day offers the opportunity for them to spend more time with their children and shoulder a greater share of parenting responsibility. But is this borne out in practice? Certainly, some fathers, particularly those of newly born children, have gotten used to being more involved as parents than they would otherwise and may end up continuing to play a larger role in their child's life after the crisis has passed. But in many households, evidence suggests that it is women who are instead bearing a disproportionate share of the additional burden of having two working parents and children around at home.

In academia, for example, evidence suggests that journal submissions from women have decreased significantly over the course of the pandemic, suggesting that women are taking on far more additional household tasks than men.

<sup>7</sup> OECD (2020) Work-Life Balance from Better Life Index.

<sup>8</sup> Morrissey, H. (August 2020) Held hostage by fear... Daily Mail.

Of course, partly these problems have been compounded by the additional fact that most schools have been closed due to the pandemic, forcing additional childcare responsibilities on working parents that would not normally be present. Once schools fully reopen, working from home may be less burdensome for many parents – though also less necessary.

However, there is a second problem for gender and other forms of equality which is emerging around the return to offices for some workers but not others. As Professor André Spicer points out, office-based workers tend to be favoured for promotion, while home-workers »tend to get overlooked... Particularly in times of economic crisis, people will start thinking: I want to be in the workplace, the boss needs to see me«.

A paper by Ella Hafermalz meanwhile makes the case that remote workers are at risk of feeling »exiled« from their workplace culture, and feel pressure to try and make themselves more visible or risk being cut off from the rest of the organisation<sup>9</sup>. It is most likely women, parents, older workers and those with health conditions who will feel most pressure to remain working from home longer term. Meanwhile, young childless men are likely to make up more of those choosing to return to physical offices; they will therefore be the more visible group, more likely to be interacting with their bosses and more likely to see promotions, something that could exacerbate existing workplace inequalities.

Loneliness is also a problem that many workers are now realising can come with prolonged absence of contact with co-workers. While those with children or other caring responsibilities might find their home working environment far too crowded, for those who live alone the opposite can often be the case. Rates of depression have increased markedly throughout the pandemic and, while this is undoubtedly largely a result of the restrictions on social lives and the personal tragedies suffered by so many, the physical isolation from work colleagues too may well be a contributing factor for many.

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<sup>9</sup> Hafermalz, E. (2020) Out of the Panopticon and into Exile: Visibility and control in distributed new culture organizations. *Organization Studies*.

## 2

## THE VALUE OF RESILIENCE

One major change that the pandemic is bringing to management thinking is a much greater realisation of the value of resilience. A 2017 report by the BSI Group, the national UK standards body, defines Organisational Resilience as »the ability of an organization to anticipate, prepare for, respond and adapt to incremental change and sudden disruptions in order to survive and prosper«. <sup>10</sup> Prophetically, in the foreword to the report the Chief Executive of BSI, Howard Kerr, writes that »Striving for excellence requires business leaders to challenge complacency, promote vigilance and embrace the need for continual improvement. This report reveals that many organizations are instead sleepwalking to disaster through complacency of processes and practice«. If nothing else, the 2020 COVID-19 crisis has laid bare just how unprepared many organisations were for major disruption and how vulnerable so much of what we take for granted actually was to total systems collapse. If we are to better prepare ourselves for future crises, be they political, epidemiological, or technological, we need to cultivate a culture of resilience, not only in our organisations but also in ourselves as individual workers.

### ORGANISATIONAL RESILIENCE

Globalisation over recent decades has deepened the web of interconnected supply chains across the world – something which has undoubtedly enhanced trade and brought great wealth, but something which also puts the whole system at greater risk of collapse. Natalie Blythe, Global Head of Trade and Receivables Finance at HSBC, describes how »interdependency makes the overall system more efficient, but can introduce unseen risks and vulnerabilities«. <sup>11</sup> We have learned at a great cost how a microscopic animal virus infecting a single person in Wuhan could lead six months later to the complete shutdown of much of the global economy.

However, it is not just in the growth of global supply chains that firms have become more vulnerable to major shocks. A second problem relates to the growth of just-in-time

manufacturing and lean management techniques over the past 20–30 years. With their emphasis on eliminating waste and inefficiencies, this has led firms to move towards holding minimum inventories and having no slack in their timetables. Likewise, the emphasis on reducing slack has led firms to adopt minimum necessary staffing. It has become seen as productive to work existing employees to their maximum and to hire no more staff than absolutely needed. However, this lack of a buffer can be a serious issue when things go wrong.

As one academic paper concluded in 2013, »organisations are moving toward leaner and greater integration of their supply chains. This brings many benefits, but it also increases risks because an emphasis on cost reduction can remove all slack from the supply chain, increasing vulnerability to unexpected events«. <sup>12</sup>

As it happens, the crisis has not been as bad as it could have been for these firms – as the economic disruption came from a primarily demand side rather than supply side shock, the collapse of supply chains was not most organisations' primary concern. Most firms found they had temporarily too many rather than too few staff – with the key exceptions of logistics firms, the National Health Service (NHS) and others involved in healthcare who struggled to ramp up their capacity quickly enough to respond.

For many firms in the short-term the pandemic has therefore led to layoffs as demand in the economy has fallen away. In the longer-term, however, as the economy recovers and firms begin to re-hire, they may realise that moving to a more resilient business model in general means having a more resilient workforce. In other words, the pandemic may spell and end to the focus on productivity at all costs, something which has not proven effective even by its own metrics over the past decade in the UK. Firms must learn to balance efficiency against resilience and not assume that all slack is necessarily bad. Part of this might mean having more staff who are individually less overworked – a theme we will return to in the next chapter when we look at working time reductions.

<sup>10</sup> Denyer, D. (2017). Organizational Resilience: A summary of academic evidence, business insights and new thinking. BSI and Cranfield School of Management.

<sup>11</sup> Blyth, N. (2020). How companies can build resilience against pandemics. World Economic Forum.

<sup>12</sup> Maslaric et al. (2013) Assessing the trade-off between lean and resilience through supply chain risk management. International Journal of Industrial Engineering and Management, Vol. 4 No 4, pp. 229-236.

This focus on longer-term resilience might also require firms to be environmentally sustainable. A global climate catastrophe is obviously the kind of external shock that would cripple economies far beyond even what we have experienced in 2020 – yet it is also sufficiently distant that many firms with their focus on quarterly earnings have paid little more than lip service to environmental concerns over recent years. The COVID-19 crisis, however, might act as a wakeup call in several different ways. It has demonstrated that major global catastrophes can have a real and concrete effect on companies' bottom line, in a more powerful way than abstract risk assessments ever could. Furthermore, if companies are in a period of reflecting and reconsidering their entire approach to work anyway, as many are at the moment, why not seize the opportunity to adopt more environmentally sustainable ways of working at the same time?

## INDIVIDUAL RESILIENCE

Resilience, however, is not merely a concept that applies to organisations and their structure. It can also be a very individual concept. A major crisis such as COVID-19 puts incredible pressure not only on organisational systems but also on individual workers and their physical and mental health. Unless the individual workers are able to cope with the pressures that the crisis brings, there is little hope for the wider organisation to weather the storm. A CIPD April survey found that 43 per cent of workers said their general mental health had worsened since the outbreak, while 31 per cent reported work having a negative impact on their physical health, up from 26 per cent in January 2020.

Punit Renjen, Global CEO of Deloitte, has described the challenge that workers face and how organisational leaders need to rise to the occasion to help sustain them: »Our people are undergoing unprecedented levels of stress and uncertainty: workers who have suffered deep personal losses from COVID-19 and/or racial injustices; parents stretching to navigate childcare and major uncertainties over schooling responsibilities while still meeting work commitments; even the loss of basic grandchild-grandparent physical connections. It requires both empathy and courage on our part to lead them forward«. <sup>13</sup>

As COVID-19 is primarily a health crisis, the crisis has out of necessity forced major employers to pay far more attention to the health of their workers. As the Leicester garment industry found to their cost, longstanding neglect of workers health and working conditions can now lead to mass infections in the workplace and even forced closure of not only individual workplaces, but the entire local area.

While the physical health outcomes of the crisis might be the most individually severe and headline-grabbing, it is actually the mental health aspects of the crisis which may have affected more people, certainly among those of working age. Office for National Statistics (ONS) figures from June suggest that the number of adults in the UK suffering from depression has doubled during the course of the pandemic, with 19 per cent experiencing some symptoms and 13 per cent developing moderate to severe depressive symptoms. Meanwhile research from Samaritans has revealed that 42 per cent of UK men reported their mental health being negatively affected by life in lockdown, while 56 per cent were worried or anxious about the easing of restrictions. For remote workers in particular, there is a danger that stress and emerging mental health problems might go unspotted by managers until it is too late to intervene effectively.

Under the Health and Safety at Work Regulations 1992 and the Equality Act 2010 employers have a duty of care for the mental as well as physical health of their workers. Some good work has been carried out in recent years by employers in appointing health and wellbeing champions or providing more mental health support for their workers, as well as helping challenge the stigma attached to mental health problems. Much work still needs to be done, however, and the pandemic crisis adds great urgency to these demands. Individual managers and senior leaders both need to show much greater concern for the physical and mental wellbeing of their workers if they want to have resilient organisations able to survive the months and years ahead. Line managers need to acknowledge their pastoral responsibilities as well as their management ones. The burden of workloads needs to be more fairly shared. And senior executives need to show they truly care about the people that work for them.

<sup>13</sup> Renjen, P. (August 2020). The perseverance of resilient leadership: Sustaining impact on the road to Thrive. Deloitte.

## 3

## GOOD JOBS OR JOBS AT ANY COST?

Under Theresa May's government of 2016–2019, a major national agenda was launched focussing on the quality of work in the UK. As a key pillar of this, Matthew Taylor's seminal Good Work publication of 2017 outlined a series of reforms needed to protect job quality and secure employment rights fit for the 21<sup>st</sup> century and deliver on the promise that »All work in the UK economy should be fair and decent with realistic scope for development and fulfilment«. <sup>14</sup>

However, there is a serious danger that as 2020 progresses that this focus on the quality of jobs is about to fall away, to be replaced entirely by the old concern about the simple quantity of jobs available. Already there were suggestions in early 2020 that the government was losing interest in the Good Work agenda. Neither Boris Johnson nor the new Business Secretary Alok Sharma expressed much interest in the topic and the long-awaited Employment Bill promised in the Queen's Speech in December 2019 has not yet materialised. Now the push for good work is even more threatened by fears of rising unemployment.

### THE SPECTRE OF UNEMPLOYMENT

By July 2020 over 730,000 UK jobs had already been lost<sup>15</sup>, and the figures continue to climb weekly. Vacancies are down by 59 per cent compared with last summer, rising to 80 per cent in some local areas such as Leeds or Swindon<sup>16</sup>. There have even been media reports of over 1,000 applicants per role for several low-level vacancies as packers or receptionists.

Not only does this refocus the government's attention away from job quality and towards the cold, hard metric of job numbers, but this loosening of a previously tight labour market offers unscrupulous employers more opportunities to undercut their workforce without having to worry as much about recruitment and retention as they did in recent years. The financial pressures of the recession are also

pushing firms to lower their costs and drive a relentless focus on the bottom line, for fear of going under. There is a real concern that many good quality jobs are lost in the current rounds of redundancies, perhaps to be replaced by more insecure gig work.

Duncan Brown, Visiting Professor at the University of Greenwich and Principal Associate of the IES, expressed concerns over whether »in the rush to get people into work after huge unemployment growth, quality and good work again gets sacrificed for any jobs available on whatever terms an employer chooses«. In particular he pointed out that »The right to request a stable contract looks pretty feeble after a month of crisis and surely needs to be a right to a stable contract full stop. Meanwhile the suspension of gender pay reporting a week before this year's deadline was an awful decision and does not bode well«.

On the other hand, there are opportunities through the crisis to push a more progressive employment agenda, as some governments around the world have done. With the government picking up the payroll of so many employees, there is clear leverage to demand something from employers in return, in the form of better employment practices. The EU and USA for example have imposed restrictions on executive pay and redundancies in exchange for their financial support.

The UK government too has made moves in this direction, offering cash incentives for firms to bring back furloughed workers, but the government could go much further over the next year to ensure the economic recovery, when it comes, does not do so at the expense of workers. The delayed pay ratio reporting requirements could be expanded upon when they come into force to take a much broader look at the failing executive pay model. We are also still waiting for the outcome of the government's 2019 consultation on »one-sided flexibility«, potentially requiring employers to compensate workers for cancelled shifts – something that could be particularly important at the moment as firms struggle to make ends meet in a time of reduced demand.

Peter Cheese, CIPD Chief Executive, commented following the launch of CIPD's Good Work Index 2020 that »Job creation and protecting jobs from redundancy are crucial, but

<sup>14</sup> Taylor, M. (2017) Good work: the Taylor review of modern working practices. Department for Business, Energy & Industrial Strategy.

<sup>15</sup> Labour market overview, UK: September 2020. Office for National Statistics.

<sup>16</sup> Using Adzuna data to derive an indicator of weekly vacancies: Experimental Statistics. Office for National Statistics.

it's not enough to look at the bare numbers of people in work. Now as much as at any time, government, employers, the people profession, trade unions and other actors also need to understand the quality of the jobs people do and find ways to improve them«.

To simply accept that tackling unemployment means abandoning high standards of jobs would be a great mistake. In reality, the good work agenda is now more vital than ever. As the previous chapter shows, when the next crisis comes, firms will need an engaged and resilient workforce on their side.

## THE VALUE OF WORK?

One side-effect this crisis has had is to throw into sharp relief the essential nature of many overlooked jobs in the modern economy. Not only nurses, but retail workers, logistics and delivery drivers, among others, have been officially classified as »key workers« and received public thanks and praise for their work keeping the UK going in a way that most of them will have never experienced before. Many of these are lower paid jobs that have been previously considered »low status«, compared with the »higher status« office workers, many of whom have spent the past few months secluded at home or furloughed.

This role-reversal offers us a chance to reflect on what we really value about work in the modern economy. In recent years there has been growing concern among some thinkers that large parts of work in the modern economy was fundamentally pointless, simply designed to take up time for its own sake. This thesis culminated in anthropologist David Graeber's 2018 book *Bullshit Jobs* in which he argues that over 50 per cent of current societal work serves no actual productive purpose. While Graeber intended this description to apply to entire jobs, in practice many jobs could be broken down into both productive and unproductive tasks that workers have to do each day.

The unprecedented furloughing of around 10 million UK workers, effectively removing them from the workplace for a limited period, offers a remarkable natural experiment in discovering which jobs and tasks really are essential to keep firms and the wider economy moving, and which ones it turns out were just there to fill workers' time. It turns out that many of the most essential jobs are actually frontline workers in retail, education, healthcare, manufacturing, transport and logistics; many of them at the lower end of the pay spectrum and often with some of the most insecure jobs. Just think how many people have relied on food deliveries from the gig economy drivers of Deliveroo for example, or contrast the vital pillar that Amazon has become to this at-home economy, boosting their quarterly revenue in Q2 2020 by 40 per cent to 89 billion US-dollars, with their reputation for poor employment practices.

For some white-collar professionals, in contrast, the furlough period has posed an existential crisis as people ques-

tion the meaningfulness of their work. The very absence of work from so many people's lives throughout this period, particularly of collegiate work alongside other people, has shown just how important work is to our own personal sense of wellbeing.

As Lucy Kellaway, author of books on office working, has put it: »I think the most important thing about the office is it gives some sort of meaning to what we do. Most of what we do at our laptops – let's face it – is pretty much meaningless. The best way of thinking there's some point to it is having other people who are sitting all round you doing the same thing«. By taking away that normalising presence of colleagues, it can lead to a sense of purposelessness and disillusionment that further contributes to the growing mental health crisis.

There is hope, however, that we can use this time wisely to re-evaluate what really matters to us. For those who worry they may find themselves in a so-called »bullshit job«, this time may prompt an epiphany that leads them to seek to change careers. For those key workers on our frontlines, on the other hand, this may prompt a long overdue recognition of their value, both to their employer and to society.

Even before the current crisis struck, in February 2020 a report by the Health Foundation found that 36 per cent of UK employees felt their work was underpaid, unfulfilling or lacked the resources required to properly carry out their jobs. Now there is no longer any hiding from this fact, if ever there was. There is an urgent need to upskill and raise the pay of many of these lower paid workers to better recognise the essential role that they play in our economy and ensure they are not only rewarded for the sacrifices they have made during this difficult time, but that they are properly supported and developed, to make sure they are still there for us in the future.

## HOPES FOR WORKING TIME REDUCTIONS

The effects of losing your job mean it is often considered one of the most harmful and disruptive events that can happen in one's lifetime, ranking in the top 10 major life stressors on the Holmes and Rahe Stress Scale. Not only does it increase stress and consequent risk of illness, but it also can worsen family relations and permanently set back a person's career. A Cambridge University study for CIPD, published this summer, examined the impact of sudden loss of work and concluded with an exhortation for employers to »Cut hours, not people«.

This call has been echoed by many other leading voices on employment matters. Tony Wilson, director of the Institute for Employment Studies, expresses a hope that »While there will be a rise in redundancy and unemployment, where employers can, they will try to reduce hours instead of losing people altogether. People will still be in work, but they will be earning less and working fewer hours«.

While this is not generally the same kind of working hours reduction that advocates such as the 4 Day Week campaign have dreamed of, coming as it does with proportional loss of pay, it may nonetheless set norms and precedents for reduced working hours that could be retained once pay eventually (we may hope) rises. The world's largest law firm, Dentons, has for example asked its 1,100 UK employees to work a four-day week for 80 per cent of salary for the second half of 2020. Morrisons meanwhile have moved to permanently reduce weekly working hours, without loss of pay, in parallel with their return to the office from COVID, cutting weekly hours from 40 to 37.5, and adopting a four-day working week, plus one six-hour Saturday shift per month.<sup>17</sup>

Looking at how this movement could be supported and developed towards a long-term reduction of working hours, Gabby Hinsliff in the Guardian has suggested that »An enlightened government could effectively turn furloughing into a mechanism for spreading work around in lean times, while buying time to re-imagine working hours for the longer term«. This is reminiscent of the Kurzarbeit scheme in Germany, which the German government announced in August plans to extend till early 2022. The UK government has already taken some steps to make the furlough scheme more closely approximate the Kurzarbeit by allowing workers to be furloughed part-time from August, but there is still a lot of potential to extend the scheme further to subsidize part-time working over the medium term.

Incentives to adopt some variant of this model could grow if unemployment rises, allowing firms to reduce hours for remaining workers as a way of both avoiding layoffs while also tackling the historic UK culture of excessive working hours.

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<sup>17</sup> Jahshan, E. (July 2020). Morrisons to introduce 4 day working weeks at HQ – with a small catch. Retail Gazette.

## 4

## EMPLOYMENT RELATIONS IN TIMES OF CRISIS

One final effect of the COVID-19 experience is that it has proven once and for all the essential value of employee voice and engagement in helping organisations to survive periods of turbulence. Employers have come to recognise the value of having a meaningful and informed employee voice, either through trade unions, staff councils, worker directors or other mechanisms. In particular this is needed for:

- Securing staff buy-in for all the difficult decisions that must be taken, around site closures or re-openings, changed processes, pay restraint, changed working patterns or even redundancies.
- Providing a channel for honest communications and consultations with the workforce over sensitive subjects.
- Ensuring that feedback on urgent problems affecting those at the frontline can reach management quickly to be resolved.

There are also numerous stories of organisations pulling together through this period of shared adversity, leading to reduction in hostility and improved trust between management and the workforce.

At Highways England for example, one of the case studies outlined in more detail below, relations with their unions Public and Commercial Services Union (PCS) and Prospect have improved noticeably throughout the crisis according to. Meetings between management and union representatives had significantly increased in frequency, including daily calls in the early stages of the crisis and continuing at a weekly level into the summer. Their interim staff survey results showed that employee engagement was actually up on last year despite the disruption of the crisis that had forced most staff into remote working.

On the other hand, there is a real risk of increased organisational surveillance, an existing trend already of considerable concern before the pandemic. Now, however, under pressure to combat the spread of the virus employers are starting to keep a closer eye on employee movements and interactions in the workplace. PricewaterhouseCoopers for instance is launching a contact-tracing tool for employers that runs on employees' phones and notifies colleagues who they came into contact with if a worker tests positive for COVID-19. Other large employers are considering similar measures. While the concern for employee health is ad-

mirable, it is essential that employers take care to consult properly and transparently with the workforce over these policies and not squander employees' trust.

In times of crisis, when uncertainty is rife, trust is by far the most essential commodity that an organisation can possess. It is also one of the easiest things to lose and, once lost, one of the hardest to recover. JD Wetherspoon, for example, was accused in late March of »abandoning« staff for refusing to cover their wages while waiting for the government furlough scheme and advising them to seek employment at Tesco instead. Sports Direct, meanwhile, suffered not one but two major PR disasters relating to their treatment of the workforce. First, in March, forcing staff to continue working in order to get paid, despite instructed store closures, and being slow to adopt protective equipment and social distancing; something for which owner Mike Ashley was forced to make a public apology. Then again in May they came in for criticism when it was exposed that store managers were being pressured to continue working voluntarily despite being officially furloughed. These kinds of corporate mistakes, particularly at a time of crisis when so many are suffering, will not be quickly or easily forgiven. An SMP survey of 2,000 consumers found that 45 per cent were intending to buy less from certain retailers post-COVID, specifically because of the way their response to the pandemic. Top of the list were Sports Direct and Wetherspoon.<sup>18</sup>

On the other hand, are companies such as Brewdog who have seen their reputation enhanced during the crisis; with YouGov's BrandIndex showing their reputation scores increasing by a sizable 5.8 points in the last two weeks of March alone. While Sports Direct and Wetherspoon were refusing to pay staff, Brewdog's founders agreed at the start of the crisis to forgo their own salaries for the year in order to protect staff and lead by example. They also decided to keep staff working by converting production lines over to hand sanitizer as alcohol demand from pubs plummeted.

<sup>18</sup> Brand reputation post-COVID-19: Brits plan future shopping based on retailers' response. 01/06/2020 available at <http://www.netimperative.com/2020/06/01/brand-reputation-post-covid-19-brits-plan-future-shopping-based-on-retailers-response/> (last accessed 07 October 2020).

Many of the organisations we spoke to for this research say they feel that the experiences of the COVID-19 pandemic has transformed workforce relations for the better. The levels of regular close contact between management and workforce representatives required to get through this year have proven that a partnership rather than adversarial approach to employment relations is both possible and effective in the UK. We can only hope that these lessons persist after the crisis has passed.

## APPENDIX: CASE STUDY SUMMARIES

### EDF IN THE UK

EDF operate a wide variety of workplaces in the UK, including power stations, office premises where support and administrative functions are based, as well as contact centres and a number of field-based workers. The company also has responsibility for over 5,000 construction workers at the Hinkley Point C site. With the onset of the pandemic, many office-based workers were swiftly transitioned to home working, including urgent efforts to get contact centre staff set up to handle calls from their homes using digital telecoms tools.

These efforts were remarkably successful and within two weeks they had only 100 staff remaining in offices, while the Hinkley Point C construction site was able to reduce the 5,000 construction staff on-site down to 2,000. Fieldworkers were not able to work at all initially as, apart from emergency work, traveling to customer homes was off the table in the early weeks – approximately 100 of these staff were therefore redeployed onto 'force for good' activities, using their work vehicles to run deliveries for pharmacies and other essential services.

The company quickly found that this new form of remote working functioned well for most staff, with sufficient digital technology to support meetings through Skype alongside some use of MS Teams and Zoom. Management styles, however, needed more adapting. While in the professional/managerial teams most of the office staff had some experience of occasional remote working, in the contact centre environment this was entirely new. Staff were used to seeing their team manager every day, having people around to refer questions to, having performance coaches on-hand to give advice. Some new recruits also had to receive all their training online which was a major challenge. The organisation was able to adapt, but the experience demonstrated how major change in culture and line management approaches were needed to successfully operate in this new environment.

There is a sense that employment relations have been considerably strengthened by the crisis, with a major increase in the frequency of consultation between management and trade unions. The Employee Relations function was having daily hour-long calls with a group of senior reps in

the early stages of the crisis, to pick up on the mood on the ground and consult on key issues. This reduced by the early summer to one hour a week, but still represented an increased frequency and depth of communication that has continued to prove extremely valuable to the business. The trade unions also worked closely with management to develop health and safety plans, including around mental health, further strengthening union relations.

However, the company has had to consider some of the challenges of conducting discussions when not face-to-face, for example finding ways to replace the non-verbal aspects of any face to face meetings to ensure an appropriate level of engagement and empathy. Challenges remained in managing trade union interactions where face to face discussions would be the norm such as pay negotiations and change consultations.

Looking ahead, fieldworkers are returning to physical workplaces as the company resumes installation work. For the office workers, a managed return to the offices is underway with appropriate social distancing measures in place along with temperature cameras, one-way systems, hand-sanitisers everywhere and plenty of posters/appropriate material. The organisation is currently evaluating the possible longer-term mix of home and office working. The organisation has also been surveying staff in recent months about their future preferences and which of the new measures they would like to see maintained, while also recognising the real challenges that some people have faced in working remotely in terms of their mental health, or problems with balancing work and home life burdens. The organisation has started an internal project to reimagine what the workplace could look like in the future.

### CAPITA

Capita employs 45,000 UK workers, with the vast majority – over 90 per cent – traditionally working on-site in Capita's offices. Prior to 2020, it was a firm with a limited history of flexible working partly due to the expectations of its customers, as well as concerns around security and the limitations of technology. However, within two weeks of the UK lockdown that started in March, the company had transitioned most people to home working. Many of them

worked long hours in the initial weeks trying to solve difficult challenges stemming from the disruption of the pandemic – in particular Capita’s key workers that were supporting the NHS, telecoms and other essential services. Strong employee engagement was key to holding the workforce together throughout this period.

Fairly quickly, however, discussions moved to what the future of work for Capita might look like. Initially this was premised on the assumption that the government would be asking people to return to offices fairly soon and we were therefore looking at what arrangements would need to be in place. But within a few weeks, it became apparent this situation was here to stay for several months at least and the conversation changed as people started asking »shouldn’t we be looking at different ways of working on a longer-term basis?«

Several surveys were carried out in the early weeks to check on the wellbeing of the workforce, prompted partly be the realisation there had been a 12-fold increase in people accessing the firm’s online wellbeing pages. It was discovered, however, that many workers were actually enjoying some aspects of the lockdown; finding they were more productive, had more time to reflect and felt they and were wasting much less time sat in meetings than before. Other workers, though, were having a more challenging and difficult experience; stuck in tiny flats shared with other people, or homes with young children, with no private space or suitable home working environment. Overall experiences were more neutral to positive rather than negative, but clearly there was a broad spectrum.

In May, a working group was put together to look specifically at how Capita might be able to work differently in the future; pulling together people from HR, technology, property and safety to take a full and considered view of what a longer-term return to work could look like. The early results show a recognition of a »New Hybrid Norm« – that most workers will be partly remote and partly office-based.

Over the summer a questionnaire was sent out to the workforce, asking for more detail of employees’ experiences and to understand how many days a week people in each geographic area would like to work in an office and how many from home. The aim of the exercise was to inform decisions in the autumn on how to adapt Capita’s office space across the country. By the end of August, it had been reported that the firm had already decided not to renew the lease on 25 offices and were looking at potentially closing over a third of its 250 UK premises.

The early response from the workforce, as gauged from the company’s internal Yammer page, has been largely positive with many workers commenting on how forward thinking this approach is, though there have also been complaints from some workers desperate to return to their office. There are also concerns about whether a partial return to offices might create a two-tier workforce. Accord-

ing to Will Serle, Capita’s Chief People Officer, the past few months with everyone being remote has meant in a sense, that all staff have had an »equal voice«. But he also pointed out that the organisation’s culture will need to change more fundamentally if this hybrid model is to work without making those still working at home feel exiled and ignored when others are back in the office.

In terms of active two-way engagement with the workforce, there was a sense that things at Capita had been greatly enhanced over the past six months. The pandemic response had led to higher levels of communication, including more direct communication from the CEO to the workforce. The organisation was forced to adopt a policy of openness and honesty with its employees in order to combat the uncertainty of the crisis. The workforce was consulted carefully before any decisions that would affect their income were made, for example the use of the furlough scheme. This was done through surveys, focus groups and a special sounding board that was set up to discuss these issues with the workforce. Capita has also appointed two employee directors to the board in the past year, helping to bring their voice on these issues to the highest level.

The organisation has also led by example in terms of its finances. A deliberate policy was adopted of »impacting our senior people disproportionately, in order to protect our lowest paid people«, with the 2019 bonus cancelled shortly before it was paid to senior managers, with stock options and the 2020 bonus also been suspended. At the same time, the company was able to make a commitment to pay all its workers the real living wage.

Thinking has also developed around wellbeing. The company was already rethinking its approach to mental and physical health over the past two years, as part of a strategy to become a more mature organisation that better protects its workforce. The past six months have really turbocharged this initiative, pushing mental and physical health to the top of the company’s agenda for the first time. It is thought unlikely that this experience will be soon forgotten – these lessons are likely to stick around for years to come.

## HIGHWAYS ENGLAND

Highways England employee around 5,500 total employees in the UK. The core part – the operations directorate comprising around 2,000 staff, have continued working on-site on roads across the country, though in reduced numbers during the early months of the pandemic and a lot of single-crewing. Over 1,000 support employees, meanwhile, have been working from home throughout the spring and summer. For the first three months of the pandemic all offices were completely closed, with the exception of a handful of IT staff needed to keep systems running. Technology has had to adapt significantly to enable this shift in patterns to succeed, but despite some ear-

ly challenges they have risen to the occasion and are able to use remote conferencing and collaboration software to continue to function remotely.

Throughout this period, the leadership of the organisation has focused heavily on keeping the workforce informed and engaged. There have been weekly updates for the workforce from both the HR Director, both reconfirming government messaging about the pandemic and also discussing the organisation's arrangements for holidays, working from home, and so forth. The HR Director has been heavily focussed on employment relations and the two major unions – PCS and Prospect – have been kept closely informed and consulted over major decisions affecting workers, including pushing back on management proposals at times. Issues that have come up have included paying for workers' equipment needed to set up a suitable home office working environment, as it was realised that not all workers have the necessary equipment to work comfortably at home.

Meetings between HR, senior leadership and trade unions were daily at first, reducing to weekly by the early summer, including sharing regular figures on the number of employees shielding or taking time off. Through these meetings the trade unions have been kept more up to date than ever before – something which was felt to have probably improved employment relations. An interim employee engagement survey in the late spring, including questions around employees' response to COVID-19.

Challenges, however, were still felt to remain due to remote working arrangements. Line managers were adapting to managing teams remotely and at the same time focusing on wellbeing, engagement, and productivity. To compensate for this, the company invested in training for its managers via its dedicated e-learning platform to ensure they had the support available.

Another unexpected outcome was an increase in the formality of conversation, as now every discussion felt like a scheduled meeting rather than just dropping by to chat with a co-worker. A lot of Employee Relations cases were placed on hold, which still needed to be dealt with at some point. Some employees did not want their outstanding grievances to be dealt with remotely, but a long delay while waiting to arrange face-to-face meetings was also not felt to be ideal.

On other hand, the content of conversations that employees were having with one another included a much greater focus on asking after one-another's welfare and wellbeing than previously, checking up to make sure people were ok. Managers and HR in particular were thought to be taking on a much more pastoral role than before, which was a welcome development.

Overall, it was clear that remote working was proving great for some people, particularly helping those with caring responsibilities, but that other employees it was more of a

challenge. In particular people without enough space, without dedicated offices in busy households were finding it hard to work at 100 per cent capacity. Management were very understanding that nobody can work at 100 per cent capacity in these circumstances and were working to allow those finding it hardest to apply to return to the office at least a few days a week.

Other workers, on the other hand, were working many more hours than would be normal; partly because of the crisis-induced workload but partly because they were finding it hard to switch off when their home and work lives were so blurred, continuing to work into the evenings. The company are monitoring this closely.

The HR team and many other functions are not seeing any significant return to office spaces until the autumn at the earliest. It has become increasingly obvious that home working is fast becoming "the new normal" for many previous office workers.





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Patrick joined the IPA in 2016, having previously worked as Director of Research at Survation, a market research and polling organisation, where he was responsible for the overseeing of major projects of quantitative and qualitative research for major businesses, charities and political campaigns. He has also worked at the think tank CentreForum, where he co-authored two research papers on employee empowerment and employee ownership.

At the IPA, Patrick's work includes planning, managing and delivering the IPA's research projects, focused on the future of the workplace, employee engagement and social partnership. These are carried out with a variety of clients from trade unions, and public sector organisations to private companies and other charities.

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## TOWARDS A NEW NORMAL

What legacy might COVID-19 leave for UK working patterns?



Major changes in working patterns – such as a huge increase in remote working – require managers to radically rethink their approaches to management. New working patterns bring new opportunities, e.g. reductions in carbon emissions, but also pose threats to urban centres and the businesses that depend on office routines and commutes, as well as troubling threats to equality.



As a result of the pandemic, a growing value needs placing on the concept of resilience. Organisations are coming to realise that a combination of interconnected global supply chains and an excessive focus on lean management have left them vulnerable to external shocks. They will also need to pay much more attention to the physical and mental health of their workers, if they want to have a workforce that is individually and collectively resilient as well.



The crisis poses a risk that the that the Good Work agenda of recent years falls by the wayside under the pressure of mounting unemployment, but also offers opportunities to reflect on what kinds of work we should really be valuing in the modern economy – both in terms of freeing some office workers from meaningless and unfulfilling tasks, but also properly recognising and rewarding the real key workers in the economy.

Further information on the topic can be found here:  
<https://www.fes.de/digitalcapitalism>