



ADAPTING TO THE

NEW NORMAL

SPECIAL REPORT: HYBRID WORKING 2021

In collaboration with:



PITCHER
PARTNERS



Adapting to the New Normal

HYBRID WORKING 2021



A HYBRID WORKING MODEL IS SEEN TO DELIVER BENEFITS TO EMPLOYEES THAT FLOW THROUGH TO BUSINESS AND SOCIETY

While hybrid working has become part of COVID-safe work, most employers and employees see it as long term change that has the potential to deliver a range of benefits to individuals, businesses and society.

Individual benefits include: work-life balance, more time with family, flexible work hours to juggle work and life commitments, childcare / school pickup, health benefits, more time for self care, less stress/ more relaxed, less time wasted commuting, costs savings (travel/commute, clothing), feel trusted / empowered/ responsible / less micro-managed, avoid some work colleagues, greater choice of where to live.

“ **Reduction in commute means I am happier and more willing to give more to my employer as I have more time to get things done at home**

“ **People have the freedom to choose where and how they want to work**

While flexibility existed in workplaces pre-COVID, the acceptance and use of it was much more limited pre-COVID. It took lockdowns requiring everyone who could work from home (WFH) to do so, to prove that working from home is not only possible but actually can be better. And only now is it an acceptable norm for employees to work from home regularly, not just on occasions.

“ **Increased trust and productivity**

Businesses recognise that by giving employees choice and empowering them to decide how and when they work can result in a more engaged and productive workforce, delivering better outcomes for the business and the individual. And as businesses and individuals benefit, so does our broader society.

Business benefits include : Happier workforce = greater productivity, empowered employees focussed on outputs not time in office; lower workplace / office costs; attracting and retaining talent, widening of talent pool; improved collaboration between sites.

Society benefits include : less congestion, reduce carbon footprint, more balanced lifestyle, greater spread of population.

“ **Greater life satisfaction as a result of employees feeling they can balance their life goals with work goals.**

“ **Staff wellbeing and loyalty to the organisation. The pandemic has seen our team working smarter and harder than ever, if they can do that remotely during a pandemic, then a hybrid model and smarter communication and systems will see a positive future for the business performance.**

“ **Reduced cost. Reduced travel. Reduced congestion on roads. Reduced carbon footprint. Better for everyone.**

BUT HYBRID WORKING IS NOT WITHOUT POTENTIAL PROBLEMS

Not everyone believes the change to more flexible working and a hybrid model will come without problems and a need for adjustment in ways of working, communications and performance management. Those who manage staff are concerned about their level of oversight and ability to ensure productivity remains. There is also potential negative impacts from isolation of staff and the loss of connection with colleagues. We are social creatures and work is one of the many ways we stay connected.



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THE STUDY BEHIND THIS REPORT

Pitcher Partners together with Bastion Reputation Management and Bastion Insights developed the Adapting to the New Normal: Hybrid Working 2021 study to uncover employer and employee expectations of hybrid working arrangements, as more workplaces transition to a COVID-normal environment. The report is based on two online surveys conducted in November 2020:

The first survey was focussed on employees' views: drawn from a nationally representative sample of 1000 Australians. This survey was conducted as part of Bastion Insights ongoing Adapting to the New Normal COVID-19 tracking study.

The second survey focussed on employers' views: drawn from a sample of 300 employers. This study was designed to mirror many of the questions from the employee study, and enable us to compare and contrast views of employers and employees.

For further details on the sample and surveys please contact Bastion Insights.

HOW TO READ THIS REPORT

Employee results are shown in shades of **GREEN**

Employer results are shown in shades of **BLUE**

Sample bases sizes are indicated on the bottom of each page.



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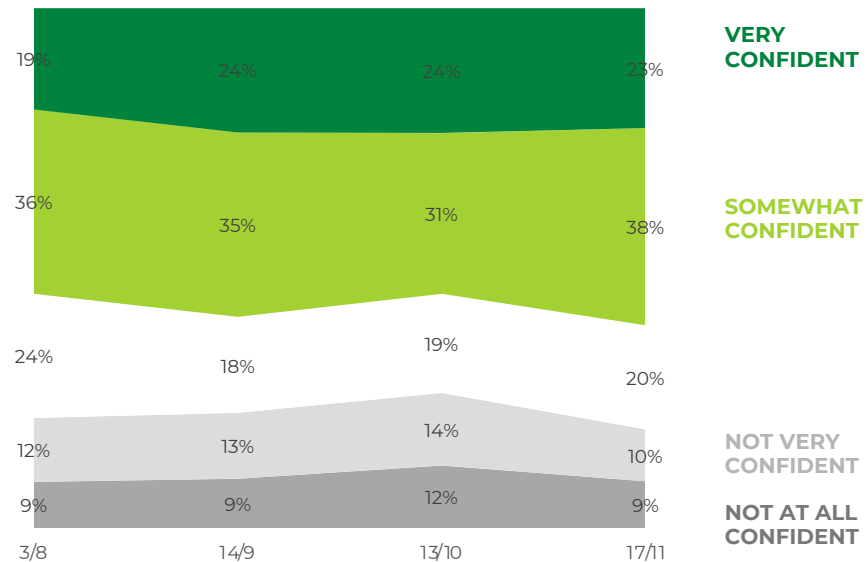
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EMPLOYMENT CONFIDENCE EMPLOYEES

Across Australia, confidence in security of employment over the next 12 months has improved, mostly because we see Victoria's confidence in future employment rebound to be consistent with that of the rest of the country.

CONFIDENCE IN SECURITY OF EMPLOYMENT FOR NEXT 12 MONTHS



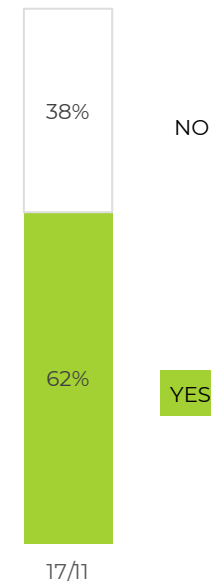
Data based on employee survey: n=978 (W17, 3/8), n=970 (W18, 14/9), n=1006 (W19, 13/10), n=988 (W20, 17/11)

WORKING REMOTELY AND THE DESIRE FOR HYBRID WORKING MODELS EMPLOYEES

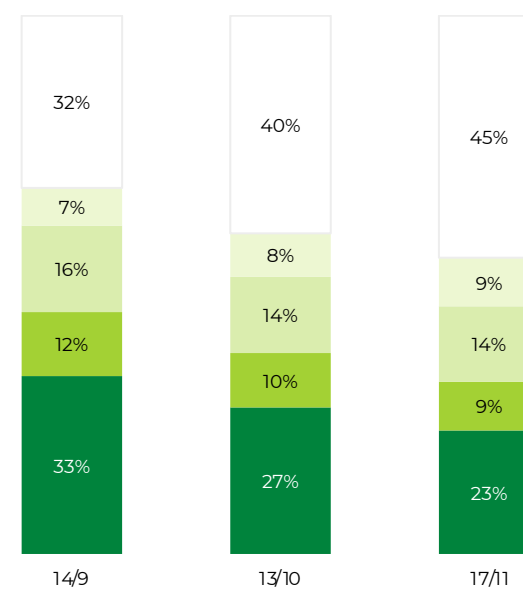
Across Australia, workers are returning back to their offices and workplaces, with close to half of all workers not working remotely, while almost a quarter remain totally working remotely (mostly in Vic 44% and NSW 22%, with much lower rates in other states). The desire to work remotely in the future is mixed with a third of workers not wanting or able to work remotely at all, a third wanting to work 1-3 days (hybrid model) and just under a third wanting to work mostly/all remotely (4-5 days).

WORKING REMOTELY

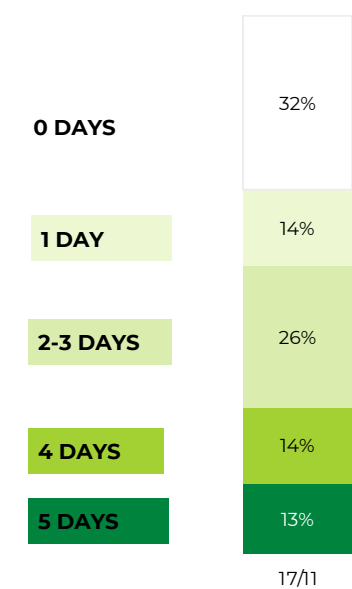
ABLE TO



CURRENTLY WORKING REMOTELY



DESIRED IN FUTURE



Data based on employee survey: n=978 (W17, 3/8), n=970 (W18, 14/9), n=1006 (W19, 13/10), n=988 (W20, 17/11)



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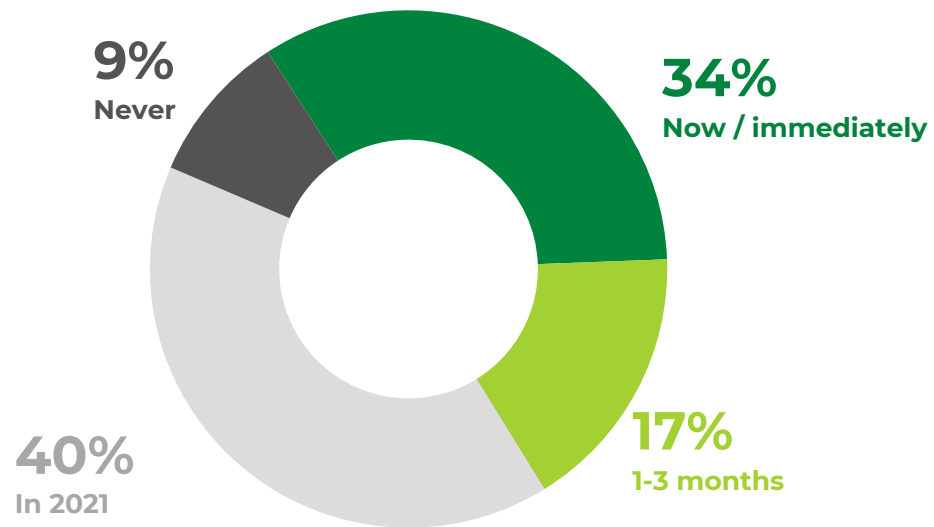


RETURN TO OFFICE/ WORKPLACE TIMEFRAME

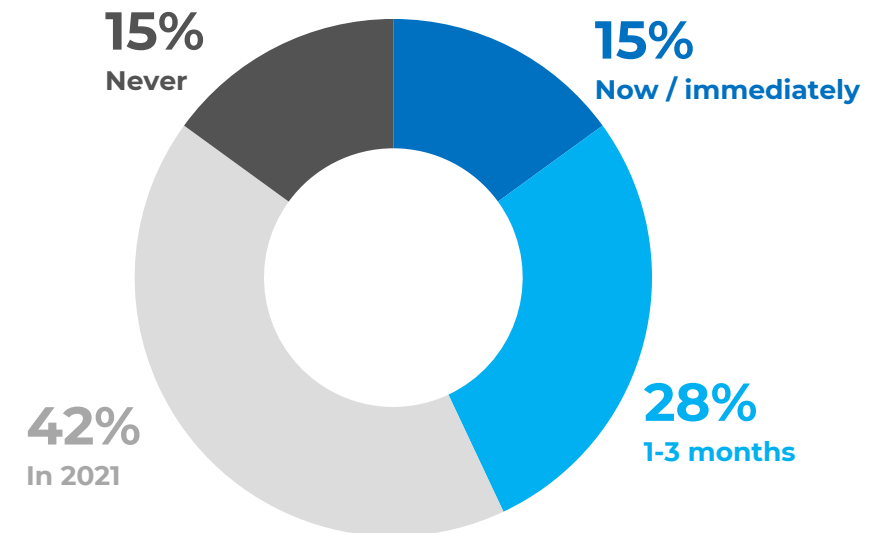
One third of employees currently WFH expect to return to the office immediately, while 40% were not expecting to do so until 2021. This proportion mirrors employers' views, although employees are more likely to say they will return immediately.

Those in finance, administration and professional services industries are more likely to have their full workforce still working remotely.

WHEN EXPECT TO RETURN TO OFFICE/ WORKPLACE: EMPLOYEES



WHEN EXPECT TO RETURN TO OFFICE/ WORKPLACE: EMPLOYERS



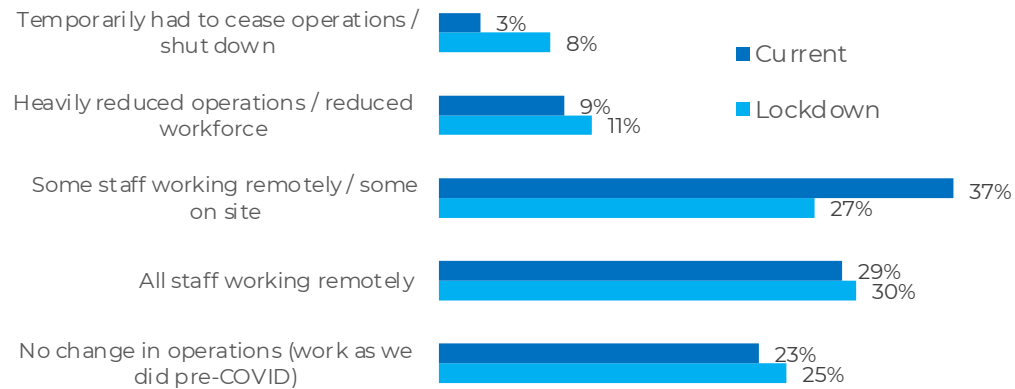


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EFFECT OF COVID ON YOUR ORGANISATION AND CURRENT STATE....



COVID DISRUPTIONS AND RETURN TO WORKPLACE PLANS

At the time of the survey (mid-late November), 66% of employers had at least some employees working remotely, with 29% having all staff working remotely. Of those employers with employees working remotely, 35% have implemented a return to office/workplace plan, 23% have a plan that is not yet implemented and 25% do not yet have a plan. The larger the company the more likely they are to already have plans in place. Smaller businesses are most likely not to yet have RTO plans in place.

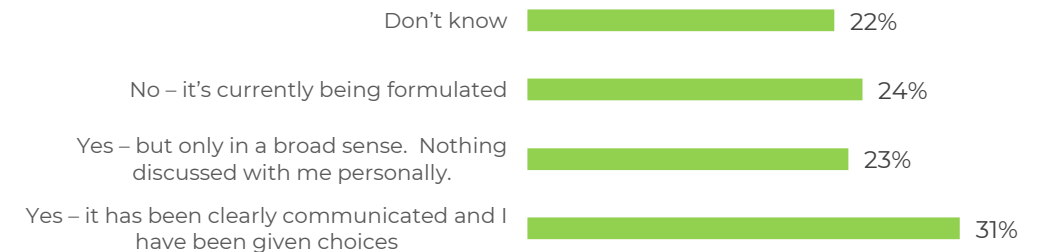
From an employee perspective, almost half (47%) have not had RTO office plans communicated to them. In fact, less than a third of employees working from home have had their employers clearly communicate RTO plans. It appears much remains in the air at this point.

Base: All employers n=304

RETURN TO OFFICE/WORKPLACE PLAN IN PLACE.... EMPLOYERS



RETURN TO OFFICE/WORKPLACE PLAN IN PLACE.... EMPLOYEES



Base: Employers impacted by COVID n=234

Employees currently WFH n=272



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RETURN TO OFFICE PLANS

Just over one in two employees claim to have discussed their own desires / plans / requests with their manager around RTO arrangements. But of those employees who said their workplace has clearly communicated a RTO plan, 74% claim to have discussed with their manager. In contrast, of those employees who said their employer plan was still being formulated only 29% said they had discussed plans with their managers. Employees are clearly waiting for the employers to engage with them before broaching the issue.

As employees return to work this January, it will be important for employers to manage communications around RTO planning and expectations.

79% Employers claim their RTO plans are informed by discussions with staff

53% Employees claim they have discussed their own requests/RTO arrangements with their manager





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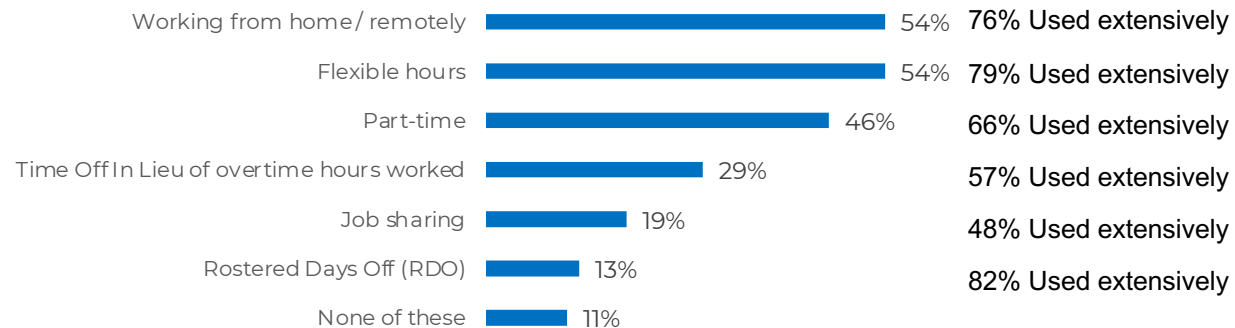
THE RISE OF FLEXIBLE WORKING ARRANGEMENTS

Flexible working arrangements are nothing new, with almost 1 in 2 employers claiming to have had flexible working arrangements in place before COVID.

Financial, insurance and professional services were more likely to have had remote working (74%) and flexible hours (60%) than other employers pre-COVID.

Of course, there are some sectors and roles that are more suited to remote working and flexible hours, but COVID showed us that in fact there are many more roles that could be more flexible when COVID forced change upon us.

FLEXIBLE WORKING ARRANGEMENTS PRE-COVID



Base: All employers n=304

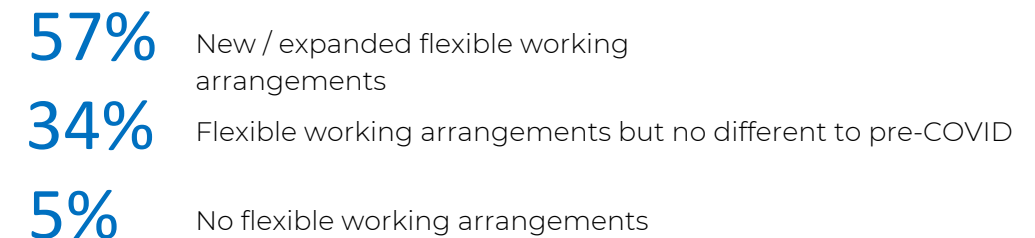
COVID HAS CHANGED FLEXIBLE WORKING ARRANGEMENTS FOREVER

As a result of COVID, 57% of employers will have implemented new or expanded flexible working arrangements as part of their return to office plans.

While some of these are short term arrangements to create COVID-safe workplaces, others see this as a permanent change, that there will be no going back from.

“**The pandemic has seen our team working smarter and harder than ever, if they can do that remotely during a pandemic, then a hybrid model and smarter communication and systems will see a positive future for the business performance.**”

RETURN TO OFFICE / WORKPLACE PLAN INCLUDES....





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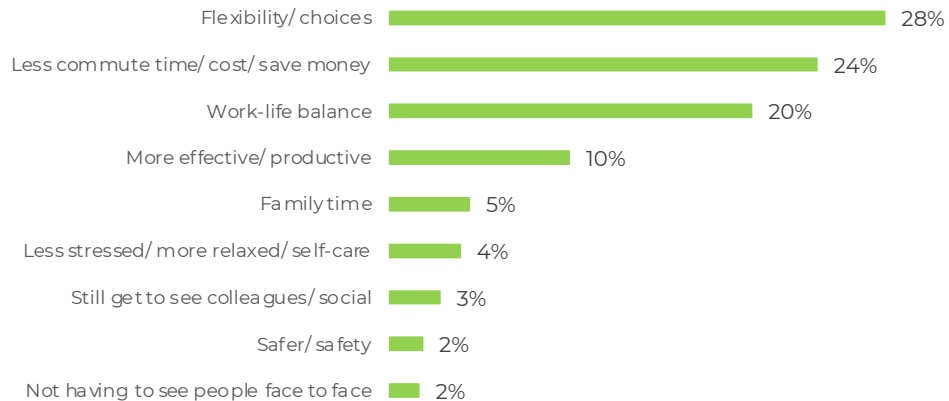
EMPLOYEES AND EMPLOYERS AGREE ON THE BENEFITS OF HYBRID WORK

Flexibility and choice is the key benefit cited spontaneously by employees and employers relating to hybrid working models, with improved work-life balance an outcome of flexibility and choice.

Beyond this employees are more likely to cite savings (for themselves) as another benefit of hybrid working models, mostly revolving around commuting cost and time savings, but also in relation to savings on clothes, food and other incidentals.

“ A better home/work life balance, less travel and the ability to be flexible in the times I work.

BENEFITS IN HYBRID WORKING MODEL: EMPLOYEES UNPROMPTED



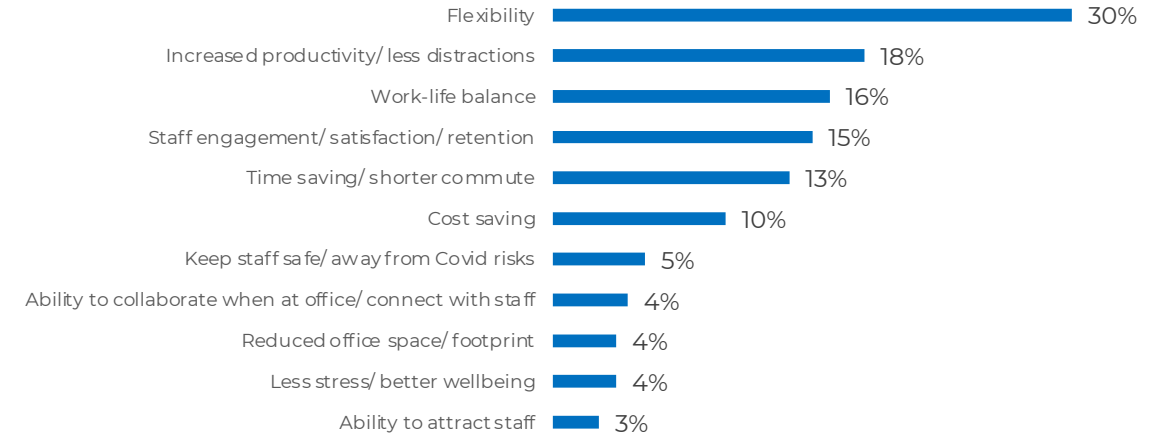
Base: Employees who can WFH n=330

A HYBRID WORK MODEL IS ONE THAT EMBRACES PART WORK FROM HOME, PART WORK FROM OFFICE.

Beyond flexibility, productivity and staff retention are the key benefits of a hybrid model cited spontaneously by employers. It appears the benefits that are top of mind for employers revolve around those that benefit the employee and the flow on into the business. Cost savings were cited by only 1 in 10 and reduced office space/ footprint by only 4%.

“ Greater flexibility, less travel, more engaged employees

BENEFITS IN HYBRID WORKING MODEL: EMPLOYERS UNPROMPTED



Base: All employers n=304



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EMPLOYEES AND EMPLOYERS ALSO SEE CHALLENGES FOR HYBRID WORKING

Around 1 in 5 employees and a similar proportion of employers spontaneously cite concerns around social isolation, that can mean employees became disconnected from their workplace and colleagues. Businesses need to put extra effort into cultivating workplace culture and connection as hybrid work models become more common place.

“ Feeling disconnected from what’s currently happening at office

“ Not as connected to colleagues and team work

CHALLENGES FORESEE IN HYBRID WORKING MODEL FOR YOU: EMPLOYEES



24% Employees see no challenges

Base: Employees who can WFH n=330

Employers spontaneously cite more challenges with hybrid work models, the most significant being performance management and productivity concerns. This is a common theme throughout the survey: employees expect productivity improvements but at the same time are concerned about productivity and staff oversight. While employees have embraced the empowerment and flexibility WFH provides, employers are not quite ready to accept staff are productive at home and that the home is not full of distractions. This tension between empowerment, productivity and oversight will need to be addressed if hybrid models are truly going to be embraced.

“ Maintaining sense of team and unity, management oversight

CHALLENGES FORESEE IN HYBRID WORKING MODEL FOR YOU: EMPLOYERS



15% Employers see no challenges

Base: All employers n=304



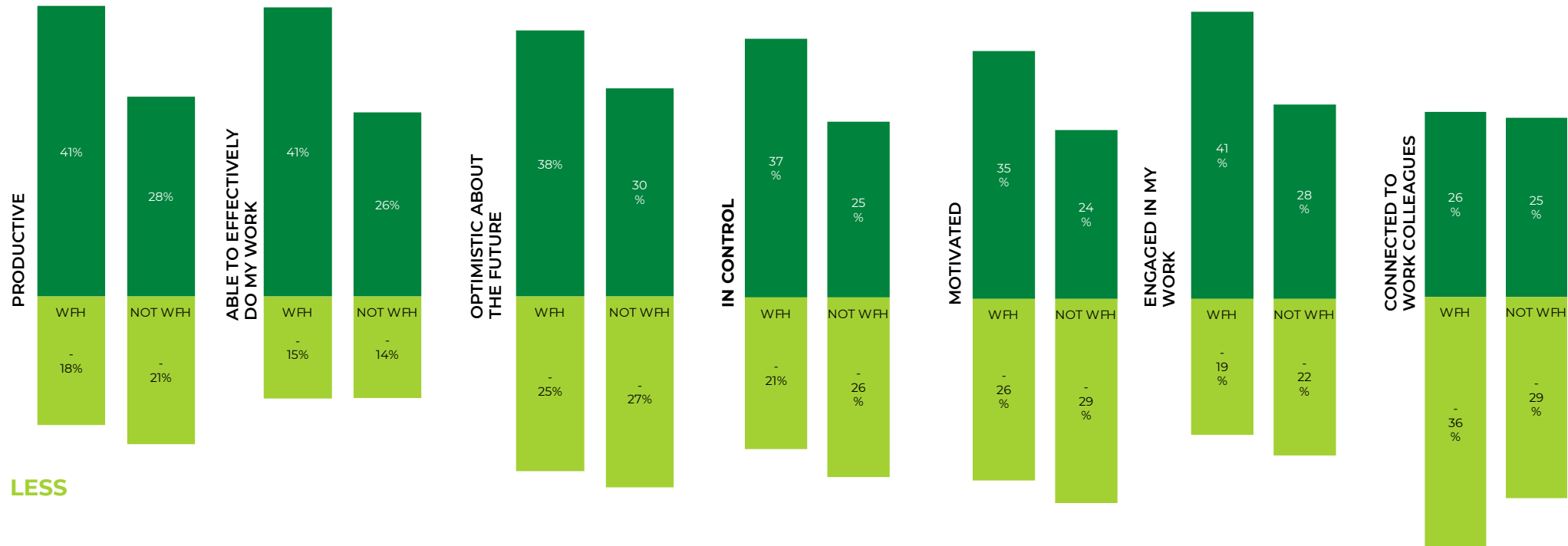
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CURRENT FEELING ABOUT YOUR WORK: EMPLOYEE PERCEPTIONS WFH AND THOSE NOT WFH

MORE



LESS

Employees working from home (WFH), report feeling more productive, effective, optimistic, in control, and engaged in their work than those not working from home. But they also feel less connected to work colleagues than those not working from home.

This data mirrors the perceptions of employers in relation to potential hybrid working models. But employees perceive a hybrid model will deliver more benefits with the only exception being connection with colleagues.



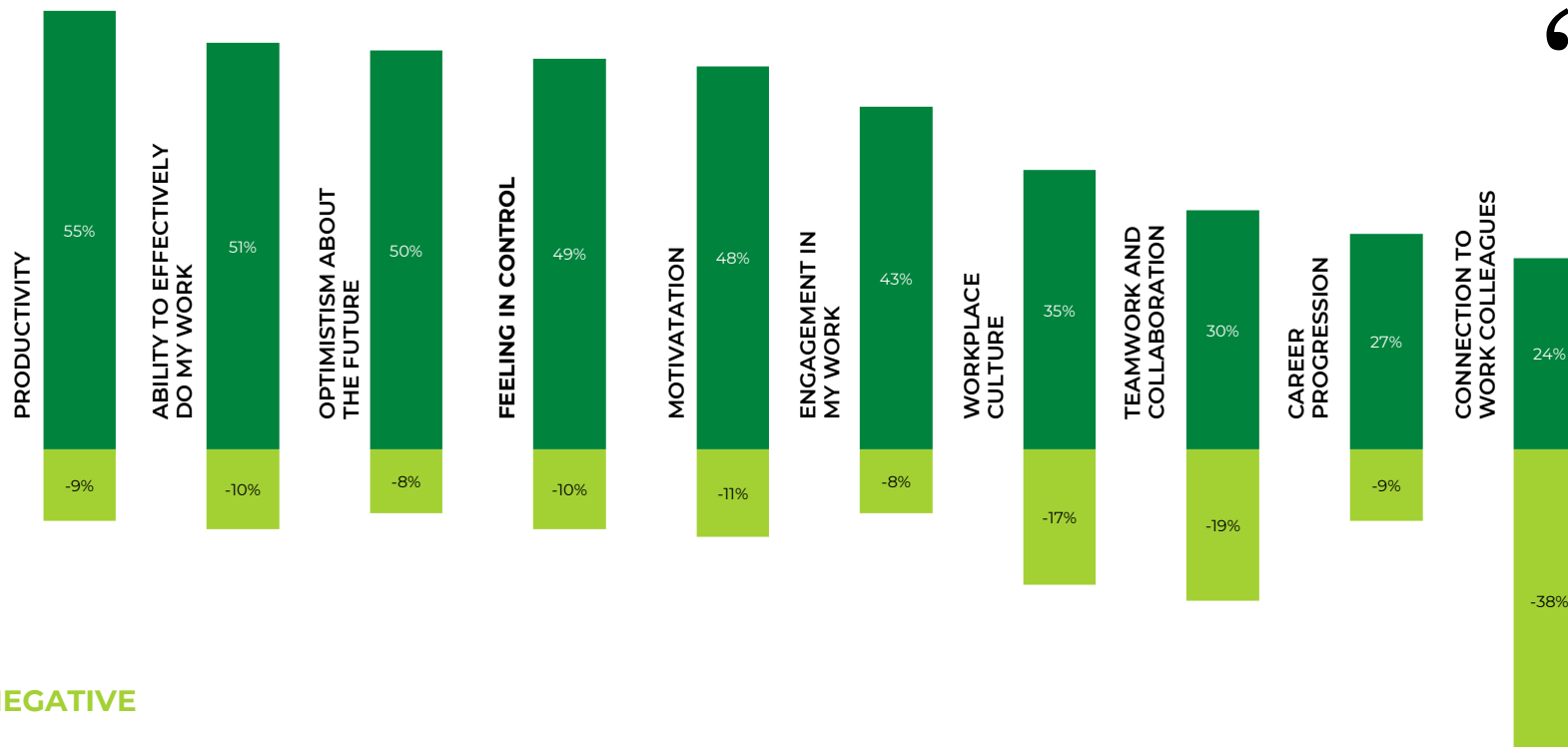
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PERCEIVED IMPACT OF HYBRID WORKING MODEL FOR YOU: EMPLOYEE PERCEPTIONS

POSITIVE



NEGATIVE

More workers perceive a hybrid working model will positively impact their productivity (55%), ability to work effectively (51%), optimism (50%), feelings of being in control (49%), motivation (48%) and engagement in their work (43%). Very few employees perceive a hybrid model will have negative impact on their own work, motivation or productivity.

Employees for the most part only see positives in adapting a hybrid work model, with only one key concern (connection) being perceived.

“ Increased productivity from being in the office but better work life balance due to not having to commute to work and being able to structure my work-day according to my needs

“ Keeping engaged with colleagues, hearing the news

“ Missing out on those incidental chats that happen during a work day

Workers do however perceive the hybrid model is more likely to negatively impact their connection to colleagues (38%). Some also perceive a negative impact on teamwork and collaboration and workplace culture, although more workers perceive the impact will be more positive (33% and 35%) rather than negative (17% and 19%) .



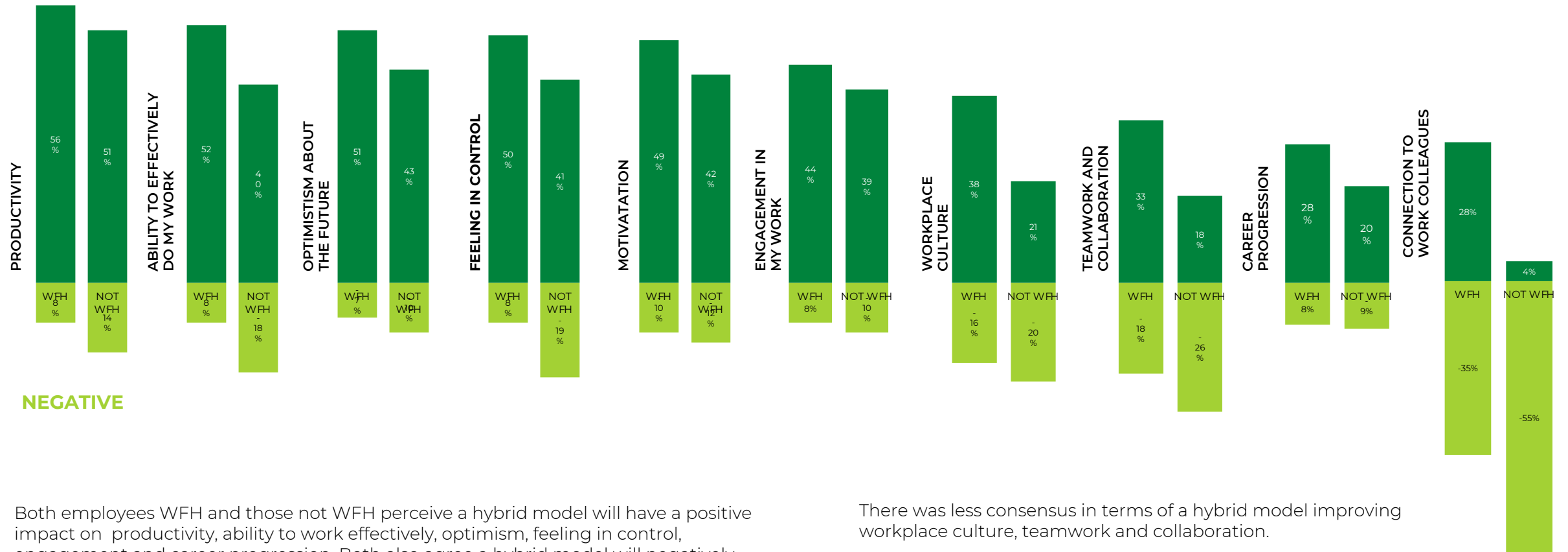
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PERCEIVED IMPACT OF HYBRID WORKING MODEL FOR YOU EMPLOYEE PERCEPTIONS - WFH AND THOSE NOT WFH

POSITIVE



NEGATIVE

Both employees WFH and those not WFH perceive a hybrid model will have a positive impact on productivity, ability to work effectively, optimism, feeling in control, engagement and career progression. Both also agree a hybrid model will negatively impact connection to work colleagues.

There was less consensus in terms of a hybrid model improving workplace culture, teamwork and collaboration.



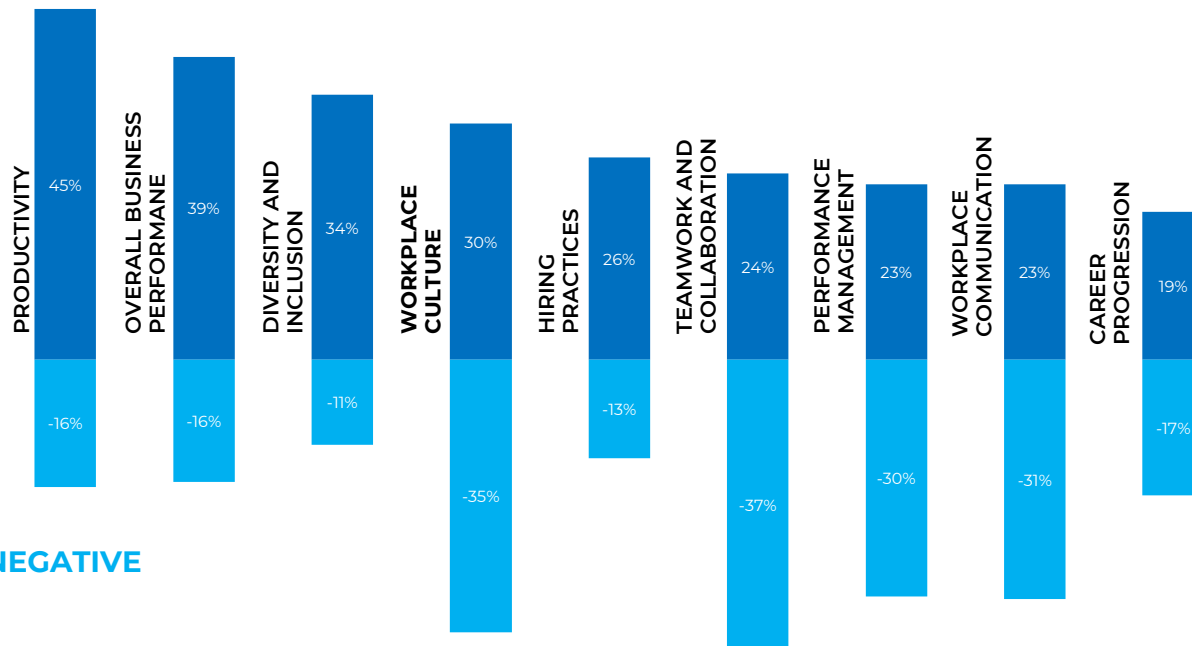
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PERCEIVED IMPACT OF HYBRID WORKING MODEL FOR YOUR BUSINESS: EMPLOYER PERCEPTIONS

POSITIVE



NEGATIVE

EMPLOYERS PERCEIVE MORE ISSUES WITH HYBRID WORKING THAN EMPLOYEES

More employers perceive that a hybrid working model will positively impact their productivity (45%), overall business performance (39%), and diversity and inclusion (34%). The core benefit for employers is a result of happier, more relaxed staff, who in turn should be more productive, and easier to retain, resulting in overall positive uplift in business performance.

“ Increased morale, improved work life balance

“ More autonomy in delivering outcomes and time management

“ Attracting and retaining talent

Perceptions are more divided in terms of the impact on workplace culture with 35% perceiving a hybrid model will negatively impact, while 30% perceive it will have positive impact. Perceptions are also more negative in terms of teamwork and collaboration with 37% of employers perceiving a hybrid model will negatively impact their business. Similarly, for workplace communication and performance management, a hybrid model is perceived to have more of a negative impact (31% and 30%) than positive (23% and 23%).

“ Staff not working to capacity remotely

“ Uncertainty regarding whether everyone is working to equal capacity

The contradiction here is that employers perceive a productivity improvement but at the same time are concerned about performance management and ensuring employees are working when they say they are. Results suggest it is middle managers who will need most support in coming to grips with a hybrid model and how to manage their teams.



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LIKELIHOOD TO IMPLEMENT HYBRID WORK PLAN



Consideration of a hybrid working model increases with organisation size. Those under 20 employees are least likely (43%) and those with 100+ are most likely to consider a hybrid model (81%). Finance and professional services are most likely to consider (51% very likely), while retail & wholesale trade, arts and recreation, mining and manufacturing are least likely to consider, due to the predominant need for on-site work.

Despite the COVID lockdown differences experienced across states, there is no evidence of a difference across states in consideration of a hybrid working model.

SECURITY TRAINING FOR REMOTE WORKING

39% Have provided additional cyber security information/training to support remote working

Around 4 in 10 employers have provided additional cyber security information or training to support remote working, and a similar proportion have started to think about how to performance manage in a hybrid environment.

“ **Training staff to increase digital competency, especially in cloud services/systems and implement traceable and tiered security access for files and documents**

“ **Maintaining proper office information and privacy security standards**

Base: All employers n=304

CONSIDERATION ON HOW TO APPROACH PERFORMANCE MANAGEMENT

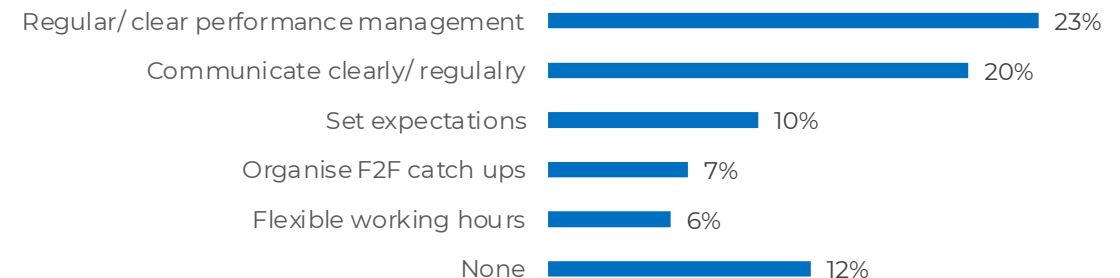
“ **As a manager, it is hard to account for work staff have stated is complete. Staff seeing you and knowing you can see them**

Both employers and employee managers cite performance management and oversight as a key challenge of a hybrid or remote working model. So it is concerning that only 40% of employers have considered how to adapt performance management going forward. Being clear about expectations and communications in this regard is seen as the priority. It seems there is much work to be done to adapt our frameworks to allow autonomy and trusted working relationships to thrive, while also ensuring those who need support are supported.

40% Have considered how to approach performance management in a hybrid model. Organisations with more than one workplace are more likely to have considered this than those with one site only (49% versus 33%).

“ **If a person is not performing, there is potential that Hybrid work will allow poor performance to go undetected for longer**

CHANGES WILL MAKE TO PERFORMANCE MANAGEMENT



Base: Employers who have considered how to approach performance management in hybrid model n=122

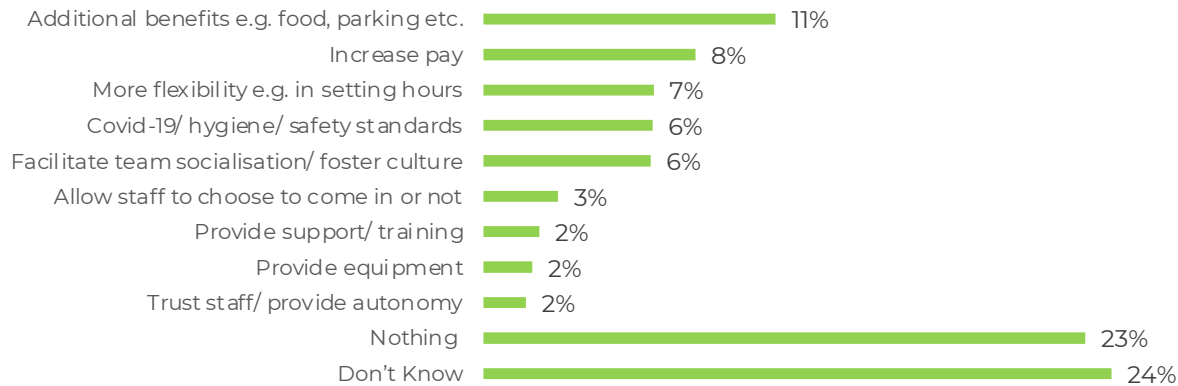


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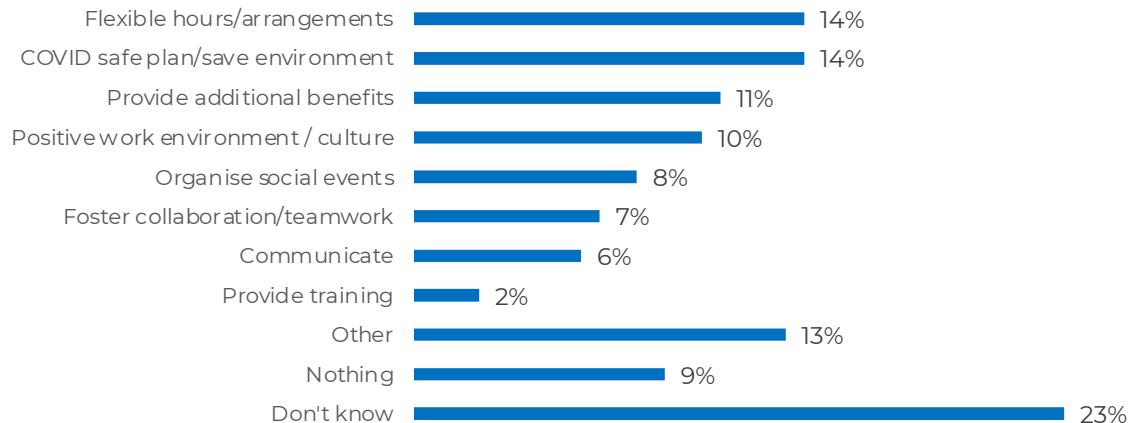
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WHAT CAN EMPLOYERS DO TO INCREASE YOUR DESIRE TO WORK IN THE OFFICE: EMPLOYEES



WHAT CAN YOU DO TO INCREASE YOUR EMPLOYEES DESIRE TO WORK ONSITE: EMPLOYERS



With around 2 in 3 employees wanting to embrace some working from home days in the future, it is important employers put more thought into ensuring employees want to come back to the workplace.

Ensuring a COVID safe environment is necessary for the immediate future but balancing flexibility and giving employees more choice in when and where they work will be key to staff retention.

In addition to work-life balance benefits, many employees have realised they are in fact saving money working from home: with no commuting costs, able to wear whatever they choose, and saving on lunch/coffee and other incidentals, they are financially better off WFH. It is therefore not a surprise that offering additional benefits or increasing pay to entice employees back to the office topped employees list of suggestions to entice them back into the office.

Avoiding risks of isolation and loss of social connection is a key area employers also need to be focussing on, by building workplace culture, and using social events to encourage people into the office. Reconfiguring offices and workspaces so they facilitate socialisation, connection and collaboration, is something employers will need to think about beyond COVID, as the workplace becomes the social hub and centre of collaborative meetings.

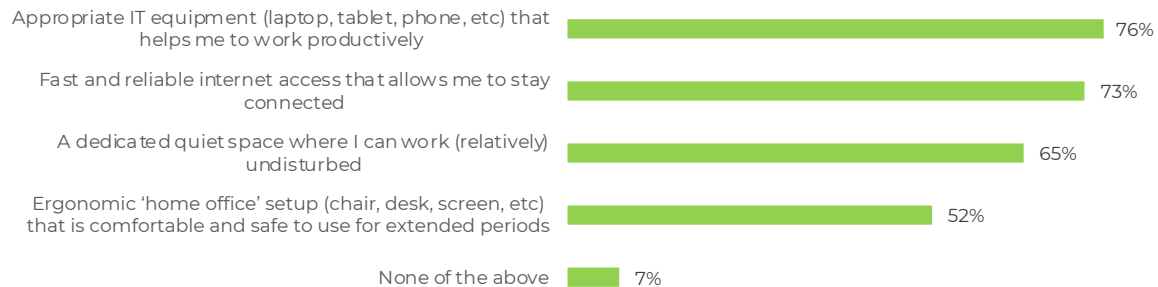


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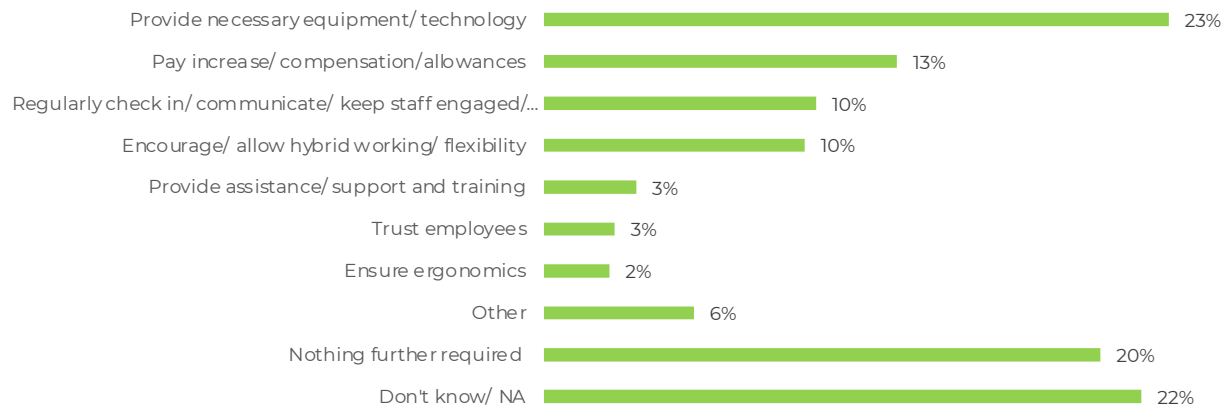
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WHAT FACILITIES DO YOU HAVE AVAILABLE AT HOME TO SUPPORT HYBRID WORKING: EMPLOYEES



WHAT CAN EMPLOYERS DO TO SUPPORT YOU WORKING FROM HOME: EMPLOYEES



Base: Employees who can WFH n=330

While organisations were forced to rapidly set up employees for remote working, it is true that not everyone has the appropriate setup to WFH on an ongoing basis.

Only 2/3 of employees who are able to WFH report having a dedicated space they can work relatively undisturbed. And only one in two report having ergonomic set up - with desk, chair, screens ensuring comfortable working environment for extended periods. While some employees took screens and chairs home from the office when forced WFH was in place, this is not a solution for a hybrid model. Who pays the cost of duplication of equipment setup at home and office?

Connectivity, reliable internet and access to company infrastructure remains an issue for some. While employers rapidly deployed what they could to ensure access to information, further upgrading or rethinking of technology solutions is required for hybrid or remote working models to continue into the long term.

“

Access to the comprehensive equipment offered in our studio

“

Increased demand/requirements for IT and technical knowhow (i.e. remote desktops, cloud services/storage)



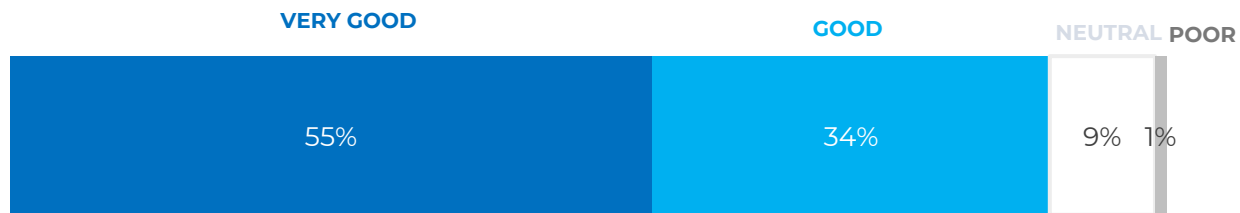
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COMMUNICATIONS DURING COVID

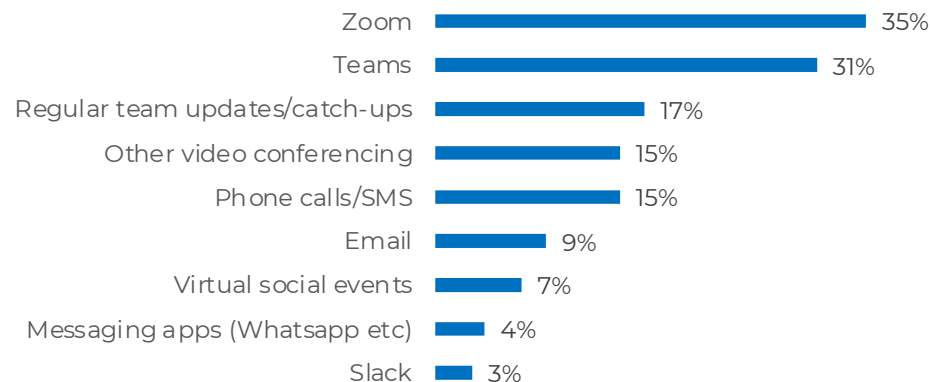
Most employers (89%) considered their organisation's communications and engagement with employees throughout the lockdown as good (34%) or very good (55%).



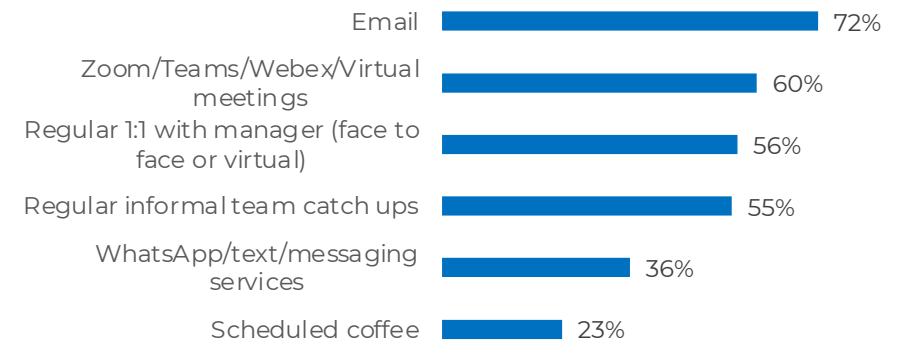
65% Of employers created new ways of communicating during lockdown

Virtual meetings using Zoom, Teams or other video conferencing tools and or messaging tools such as WhatsApp, Slack and others became the new communication methods embraced by employers during lockdown and 60% of employers continue to use these. While new digital methods will continue to evolve, email remains the predominant communication method for now.

NEW COMMUNICATION METHODS USED DURING LOCKDOWN



HOW CURRENTLY COMMUNICATE WITH YOUR EMPLOYEES





Discover why
Uncover how.

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