



O₂
business

The flexible future of work

Employee connectivity
research report

Contents

03	Executive summary
04	Section one – How flexible working came of age
10	Section two – Swapping the commute for the countryside
17	Section three – What matters to workers
26	A roadmap for the future of flexible working
27	Research methodology

Executive summary

More people are working from home than ever before. And after seeing the benefits first-hand, many workers and their employers would like to see more flexibility in their future.

Our survey found that this transition to a more flexible way of working will have an impact that reaches way beyond the office. Changing where we live, how we communicate and the opportunities available to us.

Key findings:

- **Demand for flexible working is growing.** People want more control over when and how they work. In recent times, many have changed their attitudes in favour of flexible working as they've seen how successful it can be.
- **Businesses can use flexible working to achieve efficiencies.** Flexible working has benefits for businesses big and small. They can save on the expense of office space, increase employee productivity and build their talent base.
- **Digital infrastructure and connectivity are essential for flexible working.** People must have the right tools to stay connected, wherever they're working. So, businesses must invest in digital infrastructure and connectivity, if they are to realise the benefits of a flexible workplace.
- **Younger generations are concerned about the environmental impact of office-based working.** More so than older generations, Gen Y and Gen Z want to commute less, travel for work less and work for an employer who is environmentally conscious.
- **Social connection helps us work together.** Remote working can be lonely without the social interactions that are part of day-to-day work in the office. It's important that everyone can join in the social side of work, whether they're in the office or working from home.



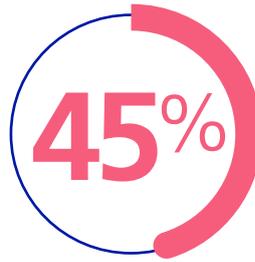
Section one:

How flexible working came of age

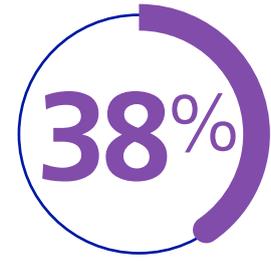
Going to the office every day could soon be a thing of the past. Now technology can support us working from anywhere. Enabling us to become more independent, more productive and more efficient in the way we work. Employers and workers alike, are realising these benefits for themselves and taking down the barriers to change, ready for the flexible workplace to truly come of age.

People want flexibility

People want more flexibility and often for the same reasons. **45% of people agree they want flexible working for a better work-life balance.** And 38% want more flexibility so they have the freedom to work at a time that suits them. Amongst those who already have some level of flexibility, home is the preferred place to be, with half typically working from home at least one day a week.



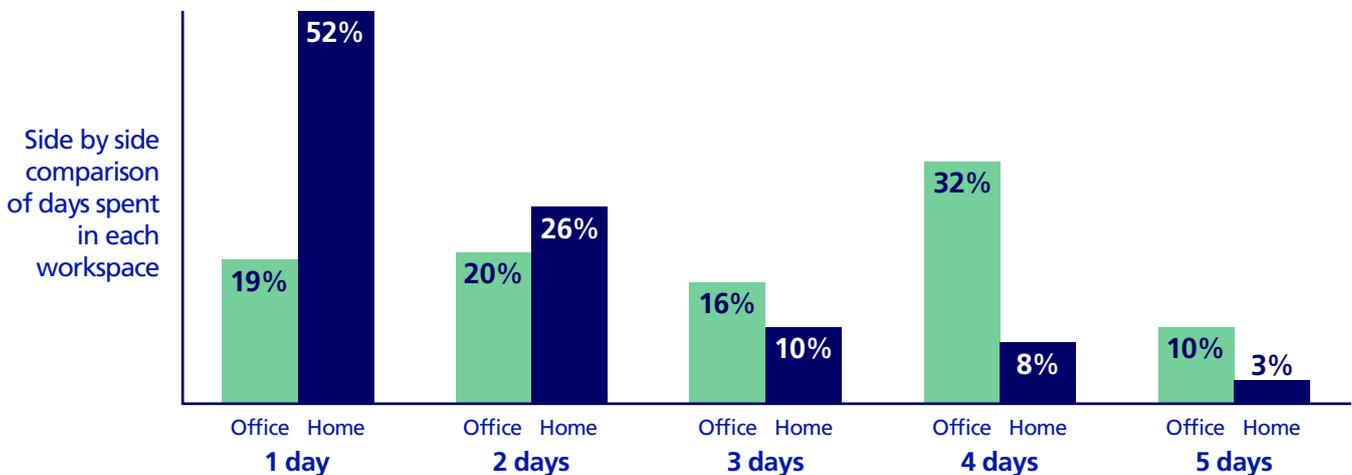
want flexibility for work-life balance



want flexibility to work at a time that suits them

Amongst full-time workers who use more than one workspace, half typically work at least one day a week at home*

Q: In a typical week, how much time do you spend working at each space?



* Source: ICM Unlimited survey of 2019 working adults, aged 16+, covering all UK nations and regions, March 2020

Technology connects the remote workplace

Technology makes it possible to achieve the flexibility workers desire. Smartphones and tablets mean we're always connected, wherever we're working. Organisations are migrating to cloud applications, so we can carry on working from where we left off, on any device, anywhere. By 2022, 55–60% of organisations will use an external service provider's cloud managed service, up from 30% in 2018.¹ And our connections keep getting faster with better wifi in our homes and mobile connectivity across more of the UK.

“Technology has enabled me to do things for this business I just couldn't have done before”

General manager and owner of a retail business

Businesses realise efficiencies

These advances in connectivity unlock business efficiencies. Employees are more productive outside the office and away from distractions – especially for focused, solitary tasks such as writing, programming and auditing. So, more work gets done to a higher standard.

There are also cost savings to be made. **Companies can rent less office space when more of their employees work remotely.** These savings can be redistributed throughout the business. For example, they could be invested in

people, helping them get more out of remote working with tools that keep them connected. In a 2020 Gartner survey of CFOs in the US, 13% of respondents noted they had already made cost reductions in real estate expenses.²

Plus, without the limitation of location, companies can hire from a larger talent pool. This makes it easier to bring rare skillsets into the organisation and get access to a diverse range of ideas and approaches.



13%
of respondents had already made cost reductions in real estate expenses

“Organisations are trying to rid themselves of assets – and offices are among the biggest of them. So there’s clear financial drive behind home/remote working. There are clear operational and cost benefits.”

IT director for a local authority



Only 30% of UK employees had worked from home in 2019

Challenging the status quo

Despite the benefits of flexible working for both employees and businesses, most of us with desk jobs still work from the office. According to the Office for National Statistics, only 30% of UK employees had worked from home in 2019.³ And in our research, we found that only 24% of people typically work from home in a week.

It seems the final barrier to overcome is attitudes towards this way of working. In recent years, high profile tech companies such as Yahoo and IBM have prioritised employee face-to-face time over flexibility, on the grounds that remote working isn’t supportive of collaboration. This could be because they don’t have the right technology to collaborate remotely, 59% of workers say they face challenges with their organisation’s collaboration tools.⁴

These negative attitudes towards remote working are being challenged during the coronavirus pandemic, when social distancing measures doubled the number of all people working from home.

Amongst workers who have the option of remote working, 45% predicted the pandemic would have a long-term impact on their organisation’s view of flexible working, while 55% thought things would stay the same after the pandemic.

Interestingly, amongst those who predicted change, 55% travelled for work at least once a week, possibly because their work was most disrupted by the pandemic. Many businesses were surprised by how effectively their people could work remotely, with 74% of companies planning to permanently shift to more remote working after the pandemic.²



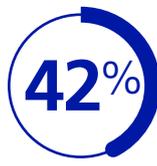
of companies are planning to permanently shift to more remote working

Opinion is divided on the long-term impact of coronavirus on flexible working*

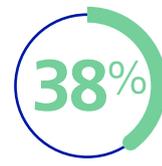
Q: Will the coronavirus pandemic have a long-term impact on your company's approach to flexible working?



Take a UK business trip at least once a week



Take a UK business trip every 2–6 months

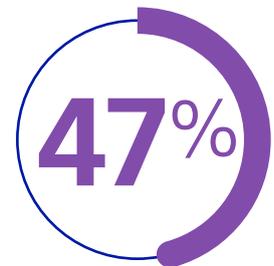


Never take UK business trips

Flexibility keeps talent happy

While the level of flexibility will vary between sectors, even industries such as retail and manufacturing could allow flexible hours or time in lieu policies. Employers must find some way to adapt because workers who can't get the flexibility they need will look elsewhere. Especially when it comes to younger generations, 47% of Millennials say they would leave their current organisation for the chance to work a full-time remote job.⁵

Retaining talent always matters, but particularly when times are tough, as companies rely on their best people to keep them going. This makes embracing the new era of flexible working a business priority.



of Millennials would leave their current organisation to work a full-time remote job

* Source: ICM Unlimited survey of 2019 working adults, aged 16+, covering all UK nations and regions, March 2020

Section one summary

The stage is set for a more flexible future. We have the technology to enable it. Personal and business benefits to gain. And a more positive attitude towards remote working. Now is the time for organisations to take advantage of this new landscape and deliver the flexibility their people desire.



Section two:

Swapping the commute for the countryside

Commuting takes time, costs money and can be frustrating. So, it's no surprise that many of us would like to do it less often. Remote working means we can say goodbye to the daily commute and work from wherever we want to be. Liberating us from the ties to our location and growing our business opportunities beyond the limits of a single town, city, or country.

The route to happiness: A short commute

In the UK, the average commute is 31 minutes one way. When you consider that 61% of us commute daily, that's a lot of time spent getting to work each week. **If full time workers worked one day less at the office, each person would travel 1526 miles less and save £449.70 a year.***

Not only does ditching the daily commute save time and money, it's also a popular move with the environmentally conscious younger generations. 51% of Gen Z and 53% of Gen Y say they are concerned about the impact commuting has on the environment.



Full time workers who commute one day less a week will:



Employers can reduce the time their people spend commuting by introducing remote working.

So, instead of being sat in traffic or crammed onto trains, workers have more time for personal activities like exercise and cooking.

Sarah, a social worker in North West London, says she enjoys flexible working because she can exercise in the morning.

"I can get my exercise, I don't have to be on a train at 8:17... I just feel better in myself."

A happy workforce is more productive – not just in the hours they're employed to work, but in their own time too. Remote workers often run-up longer days, donating the time they would have spent commuting to getting ahead with their workload.

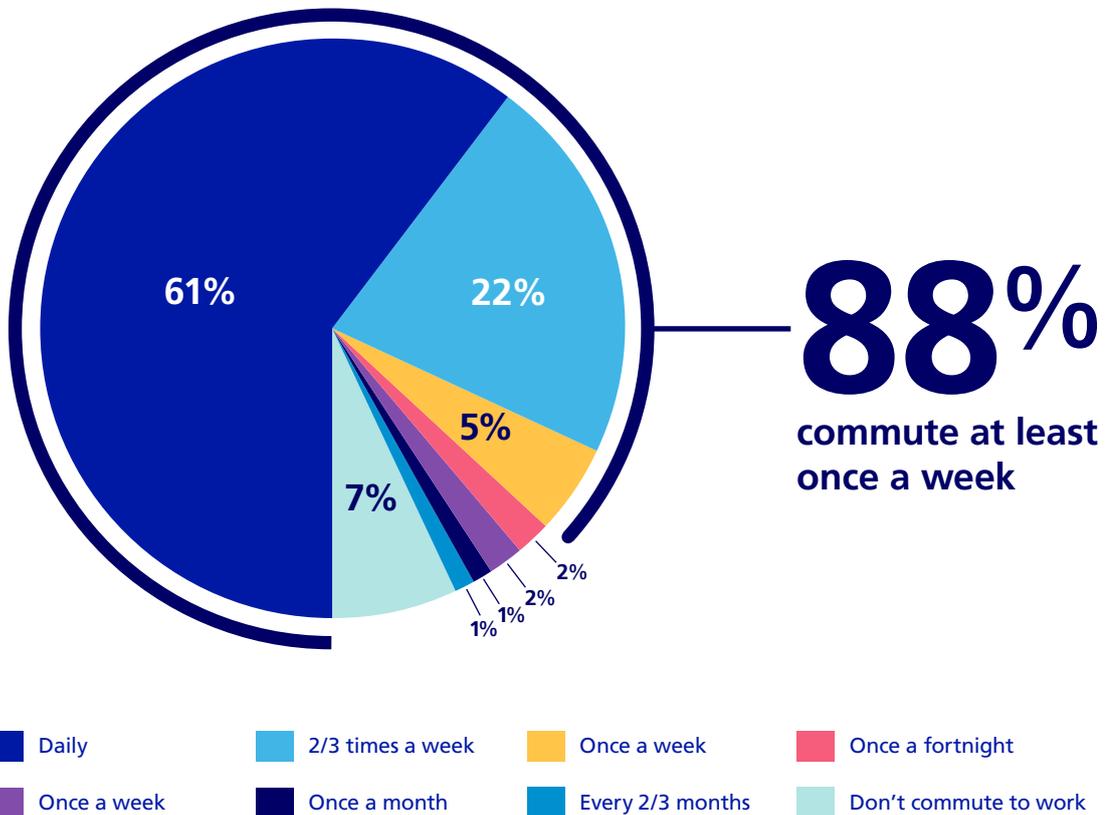
Sarah's commute vs working from home



* Calculated based on average daily mileage of 29.3 miles and average daily costs of £8.65

Workers spend a huge amount of time commuting each week*

Q: On average, how often do you commute to work?



Graph total is over 100% as survey responses have been rounded up to the nearest whole number.

The great escape to open spaces

Without the option for flexible working, many of us avoid a long daily commute by working and living in close proximity, 62% of people live within 30 minutes of their main workplace. This means where we live affects the opportunities available to us and nearly half of workers feel they need to live near a city to get a good job.

While the bright lights of the city may call for some, **47% of workers wish jobs were more geographically spread out so they could live where they want to.** Younger generations feel this most keenly, Gen Z and Gen Y are more likely to agree that where they live is decided by proximity to work. And 49% of Gen Y say they'd prefer to live somewhere more rural but can't because they need to be close to the office.

* Source: ICM Unlimited survey of 2019 working adults, aged 16+, covering all UK nations and regions, March 2020

Who are Gen Y and Gen Z?

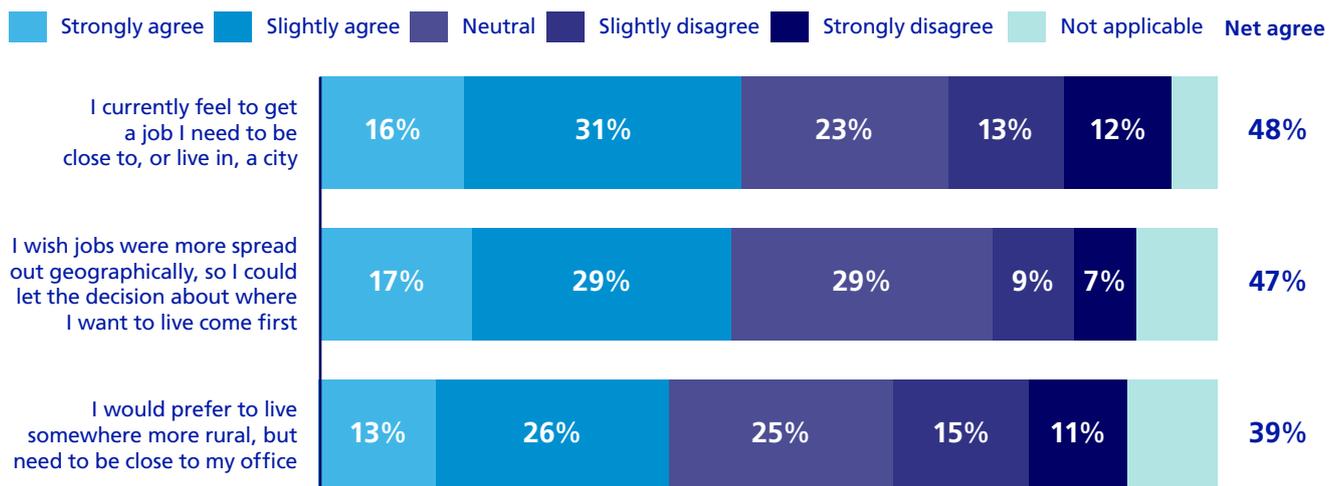
Generation Y, also known as millennials, are aged from 26–40 years. Generation Z, or digital natives, are aged 16–25 years. Both generations have a strong social conscience: *



These ambitions could explain their shared desire for more choice in where they live and their concerns around the environmental impact of commuting.

Nearly half of UK workers feel they need to be close to a city to get a good job**

Q: To what extent do you agree or disagree?



* Deloitte Global Millennial Survey 2019 ** Source: ICM Unlimited survey of 2019 working adults, aged 16+, covering all UK nations and regions, March 2020

**Q: Which of the following best describes the area you mainly live in?
Which of the following places would you choose to live?***

Area type	Where respondents mainly live	Where respondents would choose to live
Capital city – central business district	1%	1%
Capital city – inner city	6%	5%
City – suburb (not in a capital city)	17%	9%
Satellite towns (i.e. a town that is near a major city, which is the core of a metropolitan area)	14%	7%
Seaside town	7%	16%
Countryside	3%	12%



If innovations in technology meant working from home was easier and more common 63% of people would be willing to live up to an hour away from the workplace. This would free us from our ties to the office and give us more choice in where we live.

According to our YouGov poll, if people could choose where they live, seaside towns would double their appeal, and the number of people moving to the countryside would quadruple from 3% to 12%.

* Source: YouGov Plc online survey of 4509 adults, of which 2394 were workers, April 2020

Expand your city

The dispersal of the workplace through flexible working, means organisations can save on their rent costs. In cities, businesses pay very high rents for the privilege of being close to other people – people who could become new hires, new clients and new partners.

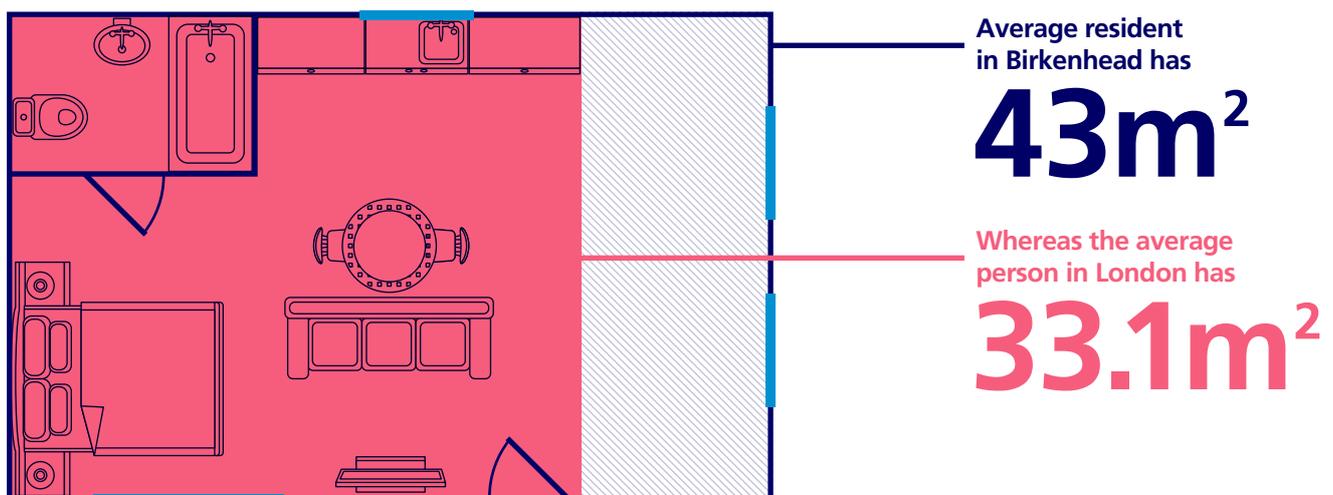
But companies are finding they don't need to rely on face-to-face interactions to make these personal connections, they can use technology for the same results. Growing their potential client and talent base way beyond that of a single city, to all over the UK and internationally. This means companies can move their offices away from expensive cities and into cheaper suburban areas, without missing out on the business opportunities that a city provides.

Making space for work

Perhaps unexpectedly, it's residents in prosperous cities who face the most challenges when adapting to flexible working. While their jobs may be the first to move to more remote working, residents in cities such as London and Reading have less space at home. **The average person in London has 33.1 square metres of space, compared to 43 square metres for the average resident of Birkenhead.**⁶

When space is a premium, people are more likely to house-share which means there are more people and more distractions at home. This makes true flexibility essential. Employees need to be able to work securely from any location – be it at home, a coffee shop, or the office. And they need choice in the time of day they work, enabling them to work around the schedules of other people at home.

Comparison of average space



Section two summary

Flexible working allows us to make more intelligent decisions about where we live and work. What we do will depend on our skillset, not our location. And businesses will have opportunities worldwide. But this is not 'one size fits all'. While many will find working from home freeing, those with less space could find it limiting. That's why we must push for true flexibility, so we can all have the time and space to focus on work.

Key takeaways:

Connect your people – anywhere



Create a digital workplace manifesto

Define your priorities for adoption of the right technology, tools and practices. The need to accelerate digital transformation plans has never been so important, and a manifesto will ensure everyone knows what the plans are, when they need to happen and how to balance different objectives.

Build infrastructure that can scale

You've got the right IT infrastructure in place to enable remote working, but how do you support an increase in demand? Connectivity will be critical for driving productivity and flexibility across a larger number of remote workers. And make sure business resilience and continuity planning are front-of-mind when developing and solidifying your IT infrastructure.

Take a zero-trust approach to security

Endpoint security is critical in a world of remote working. But it's more than that, you need a zero-trust approach to secure your workforce, data and devices – wherever and on whatever device they may be accessing your data and apps.



Make time for in-person meetings

Remote working suits some roles and some tasks better than others. If you have equipped your people for mobile working, think about how you will make time for some face-to-face contact.

Reimagine the office space

Make your office space a flexible place for team huddles and customer meetings. This will help people use the office more productively for team catch-ups and meeting clients.

Grow your talent search

Look at your recruitment strategy. Now that location is less of a barrier, you can access a huge range of skillsets.

Take an adaptive approach

The flexible future of work requires an adaptive approach to workforce planning – remote, on-site and flexible working hours – to ensure you can compete in attracting and retaining talent and support your employees with their remote working needs.

Enabling adoption

Getting everyone to engage with the flexible working programme is essential for its success. So, make sure everyone has access to the education they need, to make the most of what's on offer.



Section three:

What matters to workers

It's people and their desire to work smarter that drives change in the way we work. Listening to what people want and making it the focus of the workplace, means everyone has what they need to work at their best.

Flexibility

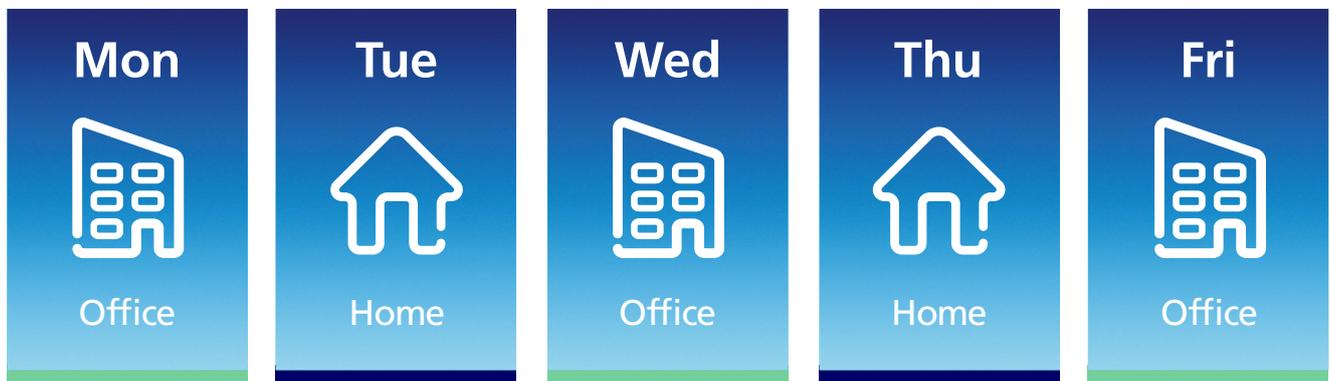
People value flexibility. Aside from salary, it's ranked as the most important benefit by workers. And 67% of employees place flexible working within their top five benefits. Flexibility is more than just working from home, it's about being able to choose the right place for the right task. Home may be the best place for getting things done, while the office is reinvented to focus on huddle spaces and dedicated areas for customer and team meetings.

This kind of flexibility gives employees control over how and when they work, but managers will need to adapt. As a senior sales engineer at a technology firm put it, "managers are going to have to trust people to do the job, however they choose to do it." This means switching management style from regular status meetings and constant monitoring to a focus on employee output.

Social connection

The office is a place to be social. It's where we catch-up with colleagues and build relationships that help us work together. For remote workers, this social element of work is lacking, 30% of people admit it's lonely working from home and 26% miss socialising informally with colleagues. It's for this reason that employees get most satisfaction from working remotely about two days per week; beyond this, the costs of isolation from others start to outweigh the benefits of freedom and flexibility.⁷

People are happiest working two days a week from home





When there isn't an option to work between home and the office, we rely on technology for this human connection. In place of face-to-face social interactions, we can stay in touch through collaboration apps like Microsoft Teams. And digital team events like video chat catch-ups and virtual team lunches, means everyone can be involved in the social side of work.

**“We use Microsoft Teams...
it works beautifully...
I like to contact people but not
with all the gubbins around it”**

PA at a large insurance company

Expert perspective: Flexible working supports gender equality

Dr Heejung Chung – Reader in Social Policy and Sociology
at University of Kent

When we have to work full-time in a certain space and set time, caring for children or other family members without help becomes almost impossible. So, in countries with traditional gender norms like the UK – where things such as childcare and school contact are still mostly down to mum – women miss out on full-time work opportunities.

Dr Chung highlights the issue of commuting. An IFS report* shows both men and women typically commute an hour or more before children. But when two people commute five days a week, childcare becomes difficult. Post childbirth, men's commuting times increase as women's decrease. Women, however, pay the career penalty. This results in mothers quitting jobs and careers and swapping for self-employment or part-time, way below their previous pay scales.

"My study has shown that if you allow women to work from home – then you could help them not to trade off their careers after childbirth."**

Dr Chung is very keen on less business travel as a way of opening opportunities for mothers and others who can't so easily undertake trips.

"A lot of projects which involve business travel – women aren't considered because of family commitments. If we were able to reel in some of this unnecessary business travel, that would allow mothers to take on these more lucrative projects."

Dr Chung says working from home needs to be widespread to change organisational culture.

"Recent data* has shown that more than 1/3 of UK workers hold some negative perception towards workers working flexibly, which can make workers hesitate taking up arrangements embedded in policies. However, when more people are working flexibly this helps reduce that stigma to allow more people to work from home without the fear of negative career consequences."**

She says **"The good news is the large-scale home working we've seen during the COVID-19 lockdown would have helped change culture already."**

About Dr Heejung Chung

Heejung studies different labour market patterns and outcomes across European welfare states, focusing mostly on flexibility at work, work-life balance, and job insecurity. She's particularly interested in how flexible working and scheduling is being experienced in our professional and personal lives, and how this impacts gender inequality.

* Institute of Fiscal Studies, 2018. <https://www.ifs.org.uk/publications/13673>

** Chung & van der Horst, 2018. <https://journals.sagepub.com/doi/10.1177/0018726717713828>

*** Chung, 2018. <https://link.springer.com/article/10.1007/s11205-018-2036-7>

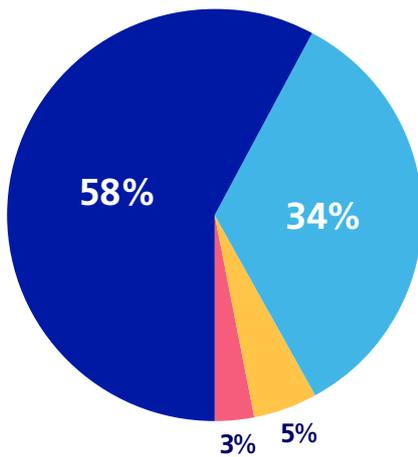
Connectivity

When organisations fail to invest in connectivity it places a burden on the flexible workplace, it disrupts productivity and limits efficiency gains. Employees feel their companies can and should do more when it comes to connectivity. **Only three in ten workers believe their organisation currently performs very well** in terms of connectivity; **six in ten think it's very important for their employer to focus on connectivity in the future**. By focusing on connectivity, employers can deliver the flexible working employees want and realise their full business potential.

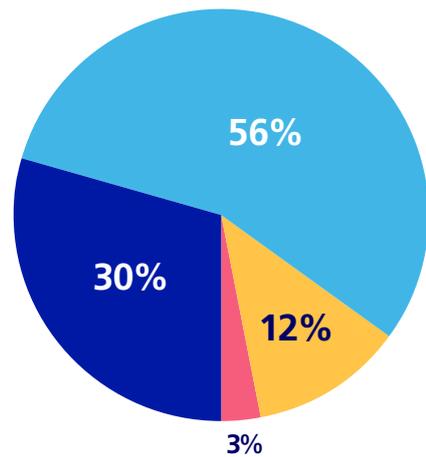
Workers want their employees to focus on connectivity*

Source: ICM Unlimited survey of 2019 working adults, aged 16+, covering all UK nations and regions, March 2020

Q: How important do you think it is that your employer focuses on connectivity in your organisation in the future?



Q: How well do you think your organisation performs in terms of connectivity?



Graph total is over 100% as survey responses have been rounded up to the nearest whole number.

* Connectivity defined as fast and easy communication between people, their devices and the networks they use

Purpose

In a flexible workplace actions are made with purpose. We're encouraged to think more about the purpose of a meeting when we work remotely as we can't go to a co-worker's desk and ask for a 'quick check-in'. Time spent in the office is used specifically for sharing ideas and socialising, instead of 'show-time' and game playing. And home is where we go to get things done, giving us the chance to focus on a specific task and feel accomplished.

“If you want a really good way not to do anything on your to-do list, go to the office”

IT director for a local authority

In future, business trips will only happen if they have a clearly defined purpose and are considered a valuable use of resources – time, people, money and fossil fuels – instead of taking place because ‘it’s the done thing’.

Today, **nearly a fifth** of workers take a UK business trip at least once a week; and **one in ten** take a business trip abroad at least once a month. But a **quarter** say these trips are unnecessary and could be done remotely. **41%** of people want to take fewer business trips for a better work-life balance and **39%** want to take fewer business trips to protect the environment.

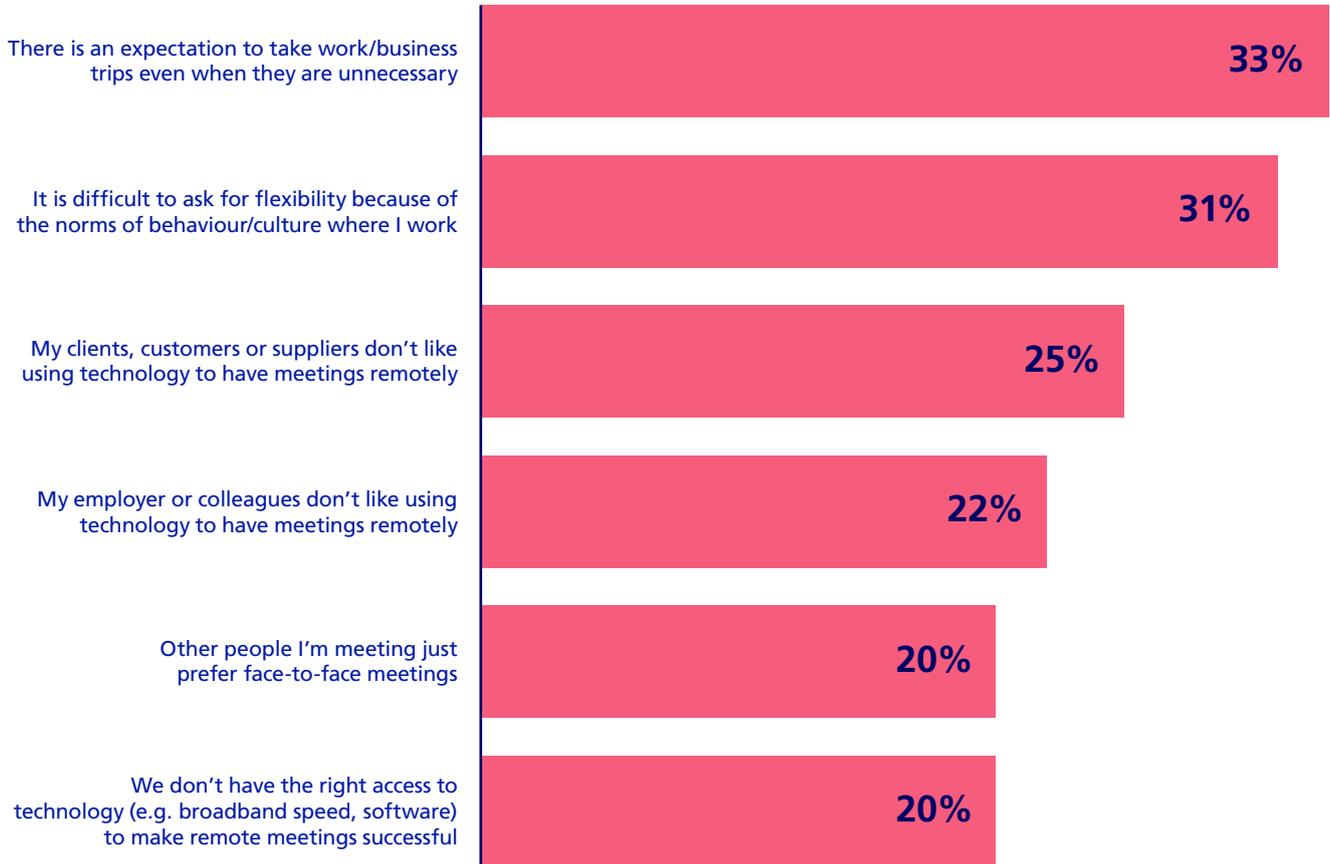
Gen Z and Gen Y are most concerned about the negative environmental impact of frequent business trips. This is in line with the finding that **27%** of Gen Z believe businesses should try to protect the environment and **32%** think businesses should try to improve society.⁸

In our research **three in ten** said it would be very important for a new employer to be environmentally conscious. This means businesses looking to attract younger members of the workforce must consider their higher social purpose, as well as the purpose of the individual.

Office culture is the most common barrier to travelling less for business

Source: ICM Unlimited survey of 2019 working adults, aged 16+, covering all UK nations and regions, March 2020

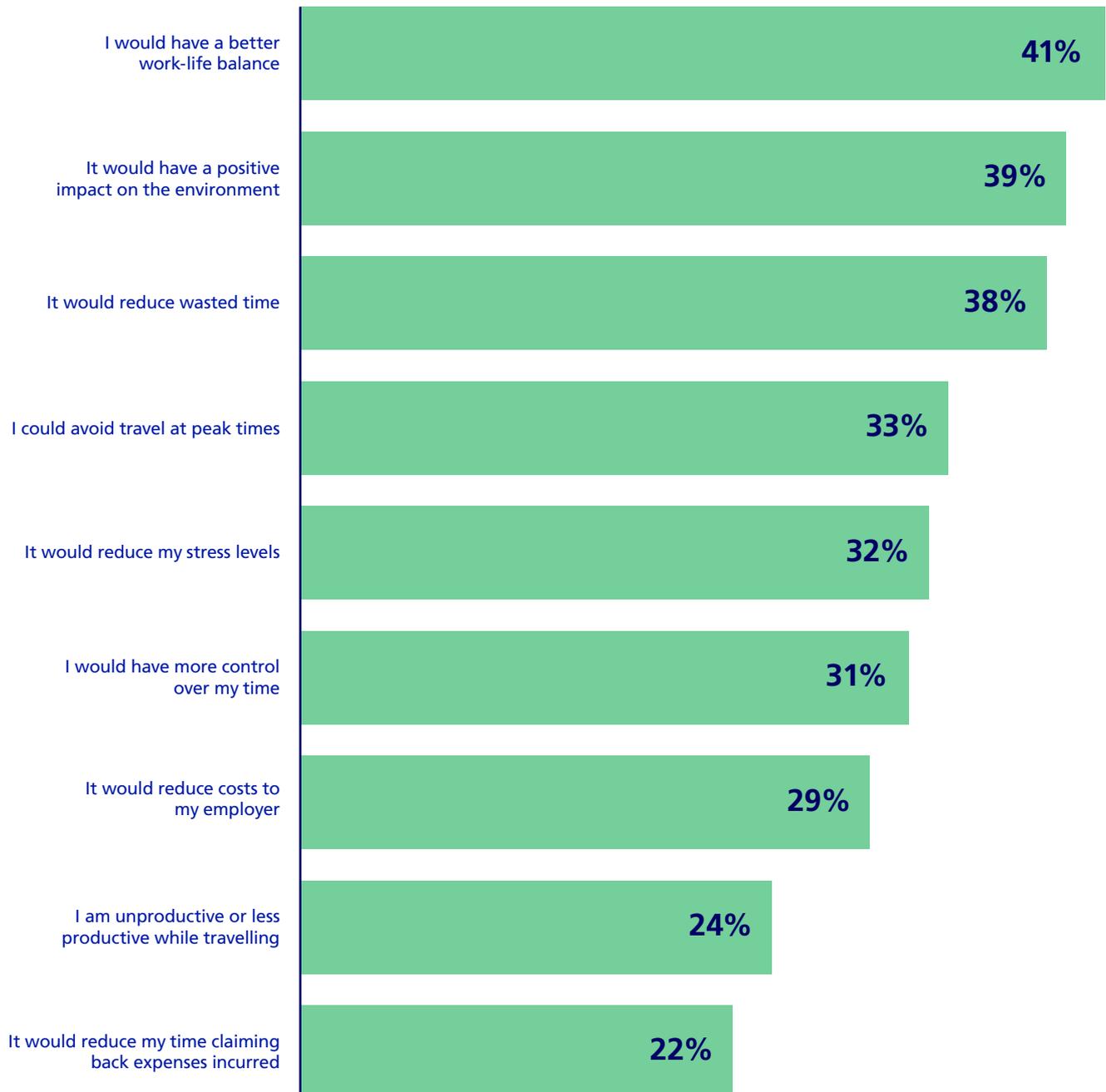
Q: What are the barriers to taking fewer business trips?



People want to take fewer business trips for a better work-life balance

Source: ICM Unlimited survey of 2019 working adults, aged 16+, covering all UK nations and regions, March 2020

Q: Why would you like to take fewer business trips?



Section three summary

A flexible workplace is made of many parts. The ability to choose where and when we work is at the centre of things. Connectivity between people and their devices is what makes it possible. And trust and purpose are what keep teams on track and working together.

Key takeaways: How to deliver on employee requests

For the CIO

Plan virtual meetings

There are two ways to improve virtual meetings – better tech and better planning. Think about how virtual meetings can be planned to increase engagement and productivity.

Deliver a positive digital experience

Your people at all levels want and need specific devices and apps to do their work. Above all, they want positive digital workplace experiences. How can you enable these experiences for everyone?

Prepare for a mobile workforce

Prepare for a more mobile workforce returning to the office. This means switching from a ‘wifi-first’ approach to mobile connectivity. And re-embracing Bring Your Own Device (BYOD) schemes, which make it easy to access data securely from any device at home, in a coffee shop or in the office – with tools like advanced VPN to ensure device compliance.

Look for new ways to collaborate

Finding new ways to help your teams collaborate should always be at the top of your agenda. Whether that means looking for new technology or introducing new processes that make it easier to share ideas.

For others in the C-Suite

Lead with purpose

Lead from the top, senior leadership should embrace flexible working to engage and inspire talent, to drive performance, and to maintain financial stability. Define processes that will enable virtual teams to be productive and successful. Everyone should be reinforcing the company’s mission and societal role.

Get the right balance

Flexible working can be great for employee mental and physical wellbeing. But it’s important to recognise that different employees, especially different generations, will have different needs. For some, working from home could be distracting or stressful, so people should have a choice in where they work.

Adapt rapidly

Your organisation needs to be able to shift priorities and practices quickly, so you can roll-out new tools and approaches that support flexible working – as and when they are needed.

Importance of communication

In a flexible workplace, senior leadership briefings carry a particular importance as they ensure everyone is on the same page. Making sure everyone uses the same tools and channels to communicate also makes it easier to work together.

A roadmap for the future of flexible working

People are ready for a more flexible approach to work, knowing it will save them time, money and increase productivity.

Businesses must evolve to meet these changing needs of the workforce, so they can continue to attract and retain talent. This means investing in digital infrastructure and enhancing connectivity which will play an ever-critical role in our working lives going forward. This future of flexible working will have a significant impact for society and for us as individuals.

At a societal level, it will help to protect the environment, increase opportunities for work all over the UK, and bring gender equality to the workplace. And as individuals, we'll have a greater sense of purpose at work, a better work-life balance and more choice in where we live and how we spend our time.

Key takeaways:



Focus on true flexibility

Flexibility doesn't mean the same thing for everyone, some will love working from home, others will still spend most of their week in the office. Remember it's all about finding the right place for the right job. Home becomes a place to be productive and the office is where we build the social connections that help us work together.



Invest in digital infrastructure

Savings made on physical infrastructure, such as reduced rent costs, should be invested in helping employees work from home. Making sure they have familiar technology and the connectivity they need to collaborate with their teams, wherever they are located.



Outcomes focused management

Flexible working requires a re-think in how we manage our teams. It's time to focus on employees' ability to meet targets and produce high quality work, instead of praising presenteeism and managing through regular status updates.



Research methodology

ICM Unlimited completed a survey of 2019 working adults, aged 16+, covering all UK nations and regions, between 20th–27th March 2020 (just as the UK moved into lockdown).

This was complemented by:

- Six in-depth employee case studies with people who have begun to work more from their home or non-office base, aged 30–50. 10th–17th March 2020.
- Six diaries from Gen Z (18–23 years of age) 9th–14th April 2020.
- Expert interview commentary from specialists in environmental transport, regional economics and the modern workplace.

A separate survey was commissioned with YouGov Plc.

Total sample size was 4509 adults, of which 2394 were workers. Fieldwork was undertaken between 22nd–26th April 2020.

The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

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- 3 Office for National Statistics, 2019. Coronavirus and homeworking in the UK labour market: 2019. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/coronavirusandhomeworkingintheuklabourmarket/2019>
- 4 Alfresco. Collaboration trends and technology: A survey of knowledge workers. <https://www.alfresco.com/whitepaper/collaboration-trends-and-technology-survey-knowledge-workers>
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