



# How Coronavirus is reshaping remote and office working

By Dr Nicola Millard,  
with Steve Whittaker, Dr Tanya Alcock,  
Stephen Cassidy and Hriday Ravindranath



## Crisis often brings out both the best and the worst in us.

But it does one thing very effectively... it forces us to revisit the ways we do things. It also gets us to pull together to achieve these things in timescales which would be inconceivable pre-crisis.

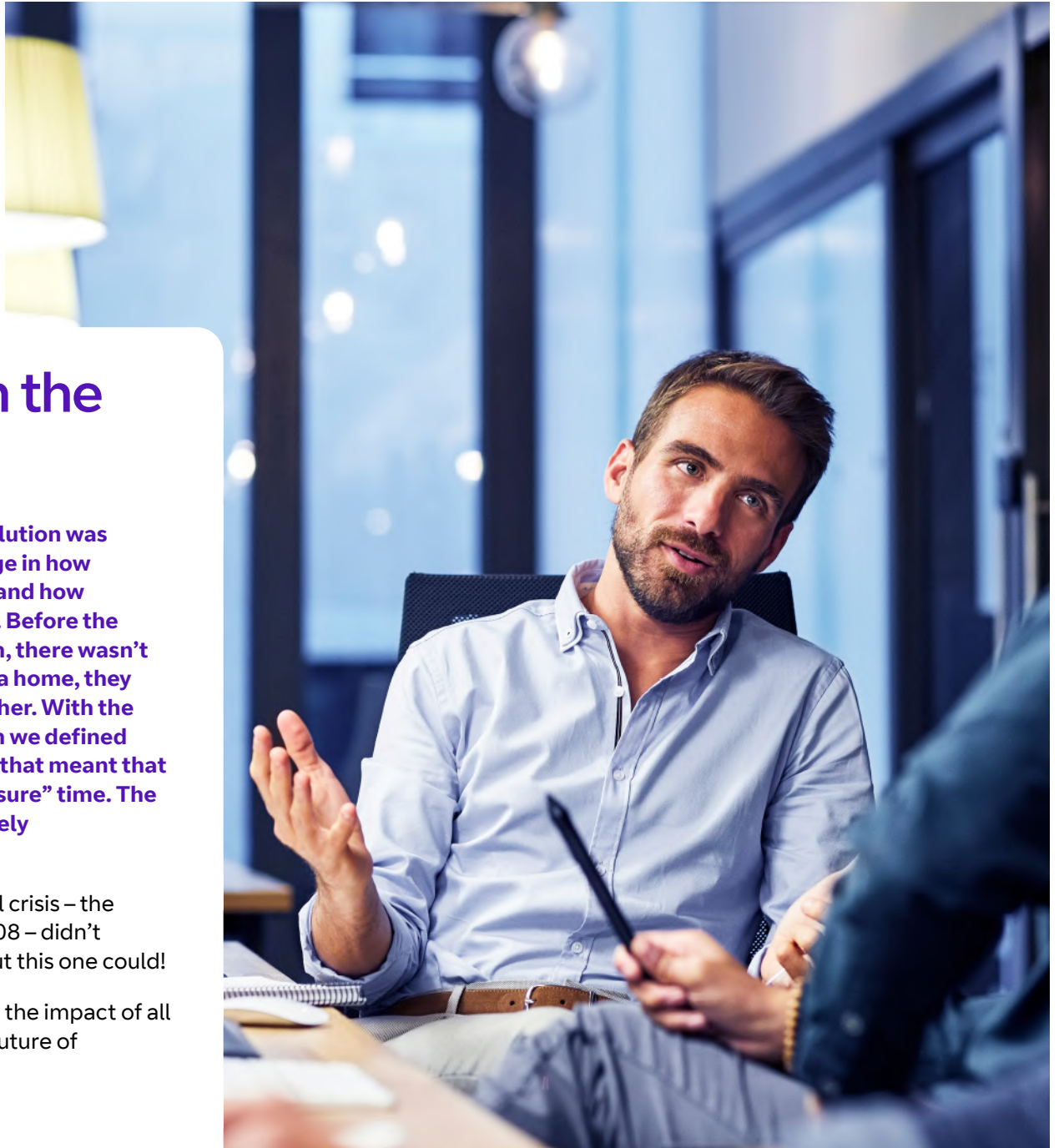
We have no idea how, or when, this will end, but it's created a future that is up for grabs. We've had to radically rethink the ways we live and work, and now it'll be about whether we continue to work this way or revert back.

The digital revolution, Coronavirus pandemic, climate emergency, and the economic crisis have all sown the seeds of change. As Professor Andrew Scott from London Business School says:

**“The industrial revolution was the last major change in how we structured time and how we structured work. Before the industrial revolution, there wasn't a place of work and a home, they were blended together. With the industrial revolution we defined “working time” and that meant that we also defined “leisure” time. The weekend is a relatively modern invention”.**

The last major global crisis – the financial crash of 2008 – didn't change the world, but this one could!

This paper considers the impact of all these things on the future of the workplace.



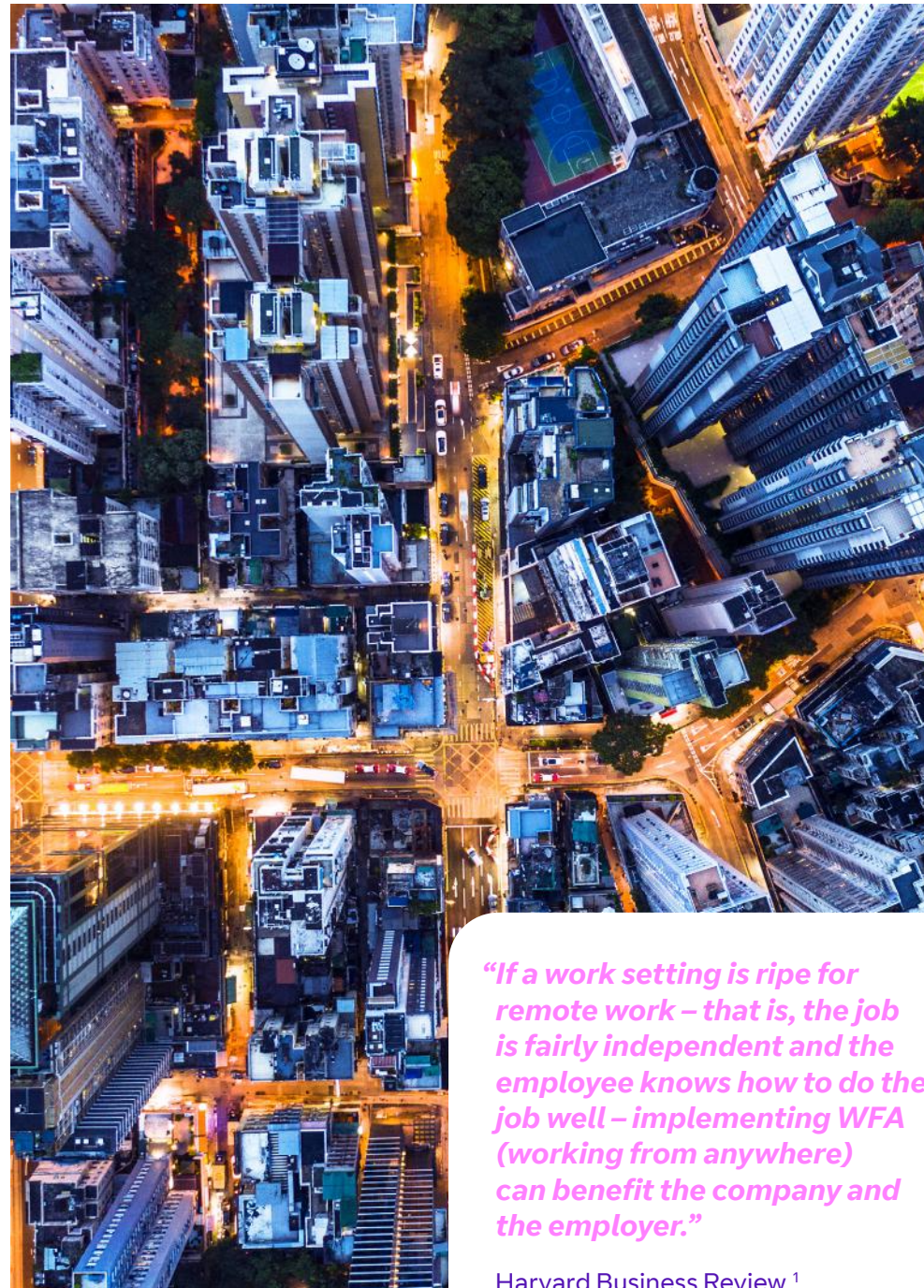
# The Death of Dilbert - is remote working here to stay?

## The state of remote working pre- and post-pandemic

Remote working had been growing rapidly in the past few years but hadn't achieved ubiquity. For many, it was on the "nice to have" list but, in a rapid gear shift, it suddenly became a strategic, top of the pile initiative.

A Forrester<sup>2</sup> study found that 48 percent of employees say their company / organisation has the technology resources to allow people to work from home but are unable to allow it because not all job functions and roles are suitable for remote work. This includes "key" front line roles such as healthcare, delivery services, food retail, fulfilment centres, facilities management, transportation, cleaning, and manufacturing.

Current figures for remote working are difficult to gauge – but pre-Coronavirus research from Merchants<sup>3</sup> suggest that 62 percent of OECD countries had flexible



*“If a work setting is ripe for remote work – that is, the job is fairly independent and the employee knows how to do the job well – implementing WFA (working from anywhere) can benefit the company and the employer.”*

Harvard Business Review <sup>1</sup>

work policies in place before the pandemic hit. Germany, Canada, the Netherlands and Australia have been leading the field, with countries such as Belgium, China and Japan being slower to officially embrace flexible working. Given all of these countries have access to similar technologies, we can see that the issue is more complex than just the IT. Some of the factors involved are cultural, such as the higher value placed on face-to-face interactions in some Asian countries. Some are regulatory, as in some European countries. Others are practical, such as reliability / availability of internet connectivity, transportation links and lack of suitable / affordable housing.

There may be some significant positives for certain employees, though. BT's initial experiments with homeworking found that 97 percent of women returned to BT after maternity leave – twice the UK average across all corporates. There are also huge benefits for carers, individuals with disabilities, people especially vulnerable to infection, those who are unwilling / unable to travel long distances to work, or those who can't afford to live in expensive urban locations. This can promote increased workforce diversity.

## Will remote working be a permanent shift post-Coronavirus?

In the longer term, it's highly likely that organisations will provide more choice and flexibility to employees so they can work wherever they can get their best work done, including away from the office. Even before the pandemic hit, 92 percent of companies surveyed by McKinsey thought their business models would need to change because of digitisation<sup>4</sup>.

Gartner<sup>5</sup> suggests that 74 percent of CFOs are intending to shift some employees (between 5 and 20 percent) to permanent remote working because they can see opportunities to reduce CapEx / OpEx by shedding unnecessary assets and consolidate their portfolio, whilst boosting productivity. In a survey by IWG<sup>6</sup> in 2019, 67 percent of global business leaders quantified the increase in productivity brought by remote working as 20 percent or above.

Employees are also positive about the shift to more remote working. An IBM study<sup>7</sup> found that 54 percent of Americans want to keep remote work as their primary mode of work, and 70 percent said they'd like it to at least be an option.

For the UK, the Office of National Statistics (ONS) suggested that less than a third of the workforce worked from home pre-Coronavirus. The same study suggested that 40 percent of UK workers thought that they could do their job from home, compared to 54 percent who thought they couldn't. The latest figures from the UK ONS suggest that homeworking during the current pandemic has caused a jump of around 20 percent to just over half of the UK workforce (52 percent).

Companies such as TCS, are using Coronavirus to accelerate plans to update what they consider an old operating model to a far less office-based one<sup>8</sup>. They plan to have employees only in the office for 25 percent of their time, with an equivalent increase in productivity and reduction in the need for office space. Twitter has become the first major tech company to allow employees who can work remotely to do so indefinitely<sup>9</sup>.

Companies such as Barclays and WPP are reconsidering their large city centre offices<sup>10</sup>.

Jes Staley, the CEO of Barclays, stated that: **"I think the notion of putting 7,000 people in a building may be a thing of the past, and we will find ways to operate with more distancing over a much longer period of time"**.



The bank is looking at a more de-centralised approach to working, including using space in local high street branches as satellite offices.

Many organisations have already made rapid investments in tools, equipment and technologies to help employees move to remote working. This means that the business case becomes easier. Many see it as part of the inevitable pressures on cost reduction associated with an economic recession / depression.

Gartner's research<sup>11</sup> suggests that

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**20%** of CFOs had deferred on premise technology spend (with an additional 12 percent planning to do so) and

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**13%** percent had already made cost reductions in real estate spend (with nine percent planning to do so).

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***"The idea of commuting for hours to work 9-5 in a dreary office is fast becoming as about as relevant as a fax machine in the working day."***

**Mark Dixon**  
Founder and CEO,  
International Workplace Group (IWG)

## The office isn't dead... yet!

Reports of the office's death seem to have been greatly exaggerated. For a start, companies with significant investment in real estate may be less willing to see their buildings unused and unloved – especially if it's difficult to exit from long leaseholds. Offices will still serve a strong social function and, if nothing else, we've learned the value of relationships in real-life during the pandemic. We'll go back to the office – just not so often. However, they may be used in a very different way.

As digital transformation specialist, Matt Ballantine, puts it: **“The assumption in most organisations previous to the pandemic that you had to seek permission to work remotely switches to you have to seek permission to work in an office”.**

In the short to medium term, there are likely to be significant health- and safety-related “working from the office policies”. So, why would we need to be in an office at all?

- Offices provide a space to work – vital for people who live in shared and / or cramped accommodation (typically younger employees) who struggle to work from home simply because they don't have any appropriate spaces and have the most to learn in the office.
- Offices provide a locked door – a secure space where sensitive data and discussions can be held.
- They may house large, expensive, specialist equipment or hardware (e.g. laboratories or data centres) which would be difficult to relocate to a de-centralised location.

- They're powerful platforms for collaboration – particularly for knowledge workers.
- They're places where we go to socialise about work – have meetings, serendipitous encounters at the coffee point and see and be seen.
- We like to feel that we “belong” somewhere – offices are an easy mechanism to do this.

The short to medium issue which works against the office as a key tool for collaboration and socialisation is social distancing. Forcing people to commute into an office, sit in a socially distanced desk (assuming there's room), and only engage with others via email, video or audio calls makes little to no sense. This all points towards organisations giving people more choices as to how, where and

when they work. For many, it may be a case of being remote by default – expecting people to engage virtually, unless there's a compelling business case and value for interaction in real-life.

***“I don't think for a moment that the COVID-19 pandemic is the end of co-located work — we humans thrive on face-to-face interaction, and our innovative spirit demands it. But what it will do is show more starkly than ever how we can embrace both the virtual and the physical and get the most from both. In the post-pandemic world, those leaders who are able to blend these ways of working will recover better and be more resilient for the future.”***

**Professor Lynda Gratton**  
London Business School <sup>12</sup>



## The cultural challenges of remote work

Although technology has long untethered us from our desks, traditional office working has typically prevailed in most companies. Professor Lynda Gratton at London Business School suggests that there are many reasons why this has happened:

- The continuing focus on being present, rather than on results
- Few senior role models prepared to work flexibly
- Under designed and over complicated jobs.



The pandemic has placed a renewed focus on all of these things – with many organisations having to rapidly redesign business outcomes and job functions to match a more remote way of working. Making things easier, stripping out bureaucracy and streamlining processes ensures that employees can be productive.

Although many senior people have now experienced homeworking for the first time, it's exposing some bad leadership practices. Seniors who lead their teams by presence, command and control are likely to come out of this with dysfunctional and disconnected teams who can only work in co-located environments. Trust is key. Lynda Gratton suggests that leaders should “trust someone until they have proven untrustworthy”, rather than defaulting to a culture of distrust.

MIT Sloan's Kristine Dery suggests: **“good leadership has become more “check-up” (focused on dialogue, empathy and engagement), rather than “check-in” (focused on one-way communication and targets)”**.

For companies which are already remote by default - typically smaller companies in the tech sector like Basecamp, Automattic, TopCoder, GitLab and InVision - the social contract for employment is not about

showing up physically but showing up mentally and engaging fully from wherever people happen to be. Employees commit to being part of the team and doing the work. The employer commits to making both possible.

## The connected world: why international travel will be difficult

In terms of collaboration across international boundaries, travel is going to be far less easy than it used to be. Immunity passports are being discussed as a means of admission through country borders, but the World Health Organisation (WHO) has been wary about these because there's no medical evidence yet that people who have had COVID-19 have long-term immunity. It's more likely that countries which have controlled their outbreaks will have screening in place on entry, and mandatory quarantine periods (typically 14 days), particularly if your origin country is still an active virus hotspot. A quick hop across a national border for an hour-long meeting may turn into a two-week stopover on both entry and exit! Needless to say, large global gatherings, tradeshows and conferences are likely to be off the agenda for a while.

## How offices need to change: short to medium term

Matt Ballantine suggests that the pandemic turns received wisdom about offices upside-down: “offices become places where people work alone and online spaces become the places where people work collaboratively. This is profound, and will feel utterly wrong to many of us. But with social distancing measures in place, 2m between each other will feel much further than being on the end of a Zoom call. Meeting rooms in most offices in most organisations are unusable in a social distancing world”<sup>13</sup>.

This also has an impact on the ways that companies typically optimise the efficiency of office space. Manufacturing-thinking has designed the traditional office. Cost per seat has driven organisations to load more and more people into tighter and tighter spaces – despite the oft documented negative effect on personal productivity<sup>14</sup>, as they become “tools of massive distraction”.

This is the one major thing which will change as we live with the pandemic.

The amount of space allocated per employee in the past 10 years has reduced by as much as

# 20%

(driven by the rising costs of real estate)

Social distancing will significantly reduce building capacity and this will inevitably increase the cost of space per employee. Add cleaning costs to that, and the bill goes up exponentially. Clear desk policies will help with cleaning regimes, even if desks are allocated to individuals. Meeting rooms / shared desks are likely to become personal quiet spaces, rather than multi-person “nooks”, or “huddles”. The cubicles which many offices were in the process of dismantling may be put up again, or replaced by enclosed individual pods.

Another casualty may be the “9 to 5”, as some governments ask organisations to stagger their start times to reduce loading on public transport systems. Office-based people are also likely to have a daily rota system to make sure office numbers are limited to safe levels.

## Using technologies to manage building biosecurity and capacity management

One of the more difficult issues to resolve is psychological. This is whether employees are both confident and comfortable about being back in the office in the first place. Studies from previous pandemics such as SARS, Ebola and swine flu has shown that there can be anxiety amongst employees when they’re around other people which can endure for years after the outbreak<sup>15</sup>. Employers are likely to try and counter this nervousness by introducing health-based biosecurity checks for both employees and visitors.

Building information systems – from people-tracking to energy conservation – are likely to become priorities, as organisations have to monitor both building capacity (particularly if they have a high daily throughput of intransigent workers who need to identify safe and appropriate spaces to work)

and minimise spend (on cleaning, screening and power) on underutilised space. This needs to be linked to work allocation systems for cleaning staff, and rota systems for permanent office-based employees in order to reduce daily occupancy numbers due to social distancing requirements.

People analytics using AI enhanced CCTV, wi-fi and mobile data – some of which were gaining momentum prior to this crisis – could be used to further track employees to enforce social distancing (e.g. sensors which can be triggered if people get within two metres of each other – technology which is already being discussed in the context of factories and building sites), or contact tracing.

This inevitably brings up discussions around privacy and ethics. It’s unlikely that many countries will follow some of the extreme measures already imposed in Chinese offices, e.g. employee location tracking through QR codes, or smart wrist bands, so they can audit where people have physically been for contact tracing purposes.



## Will the AI revolution still be significant?

Pre-crisis, the biggest disruptor in the future world of work looked to be the march of digitisation – with a particular focus on augmented intelligence (AI) and automation.

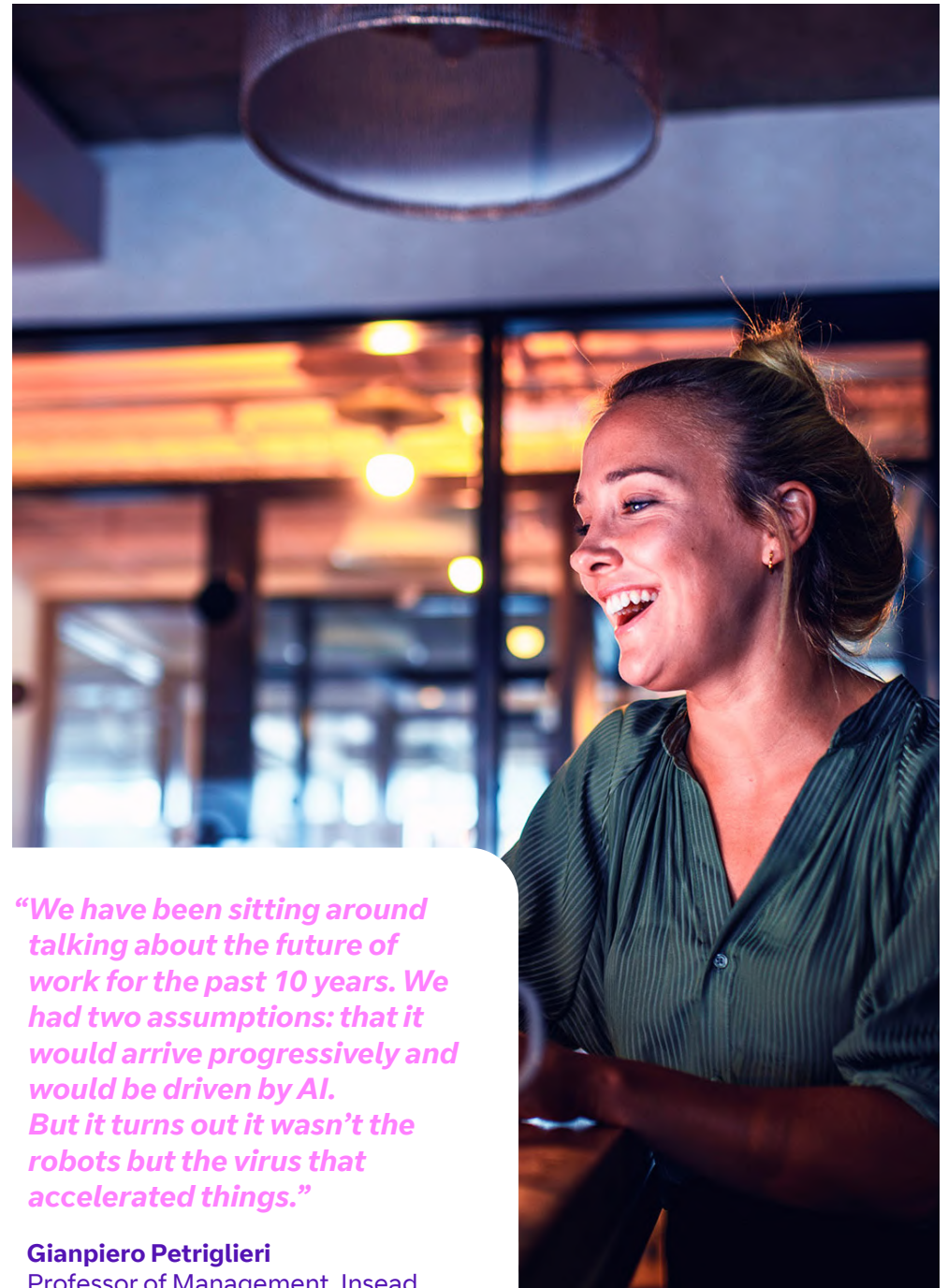
It's hard to predict if the Coronavirus pandemic will increase, or decrease this, although a survey by EY of CEOs in 45 countries reportedly found that 41 percent were intending to increase their spend on automation in a post-COVID-19 world<sup>16</sup>.

The argument for increased automation lies, firstly, in precedent – according to research by the Universities of Zurich and British Columbia<sup>17</sup> the pace of automation increased over the past three recessions.

Another big factor potentially speeding up digitisation and automation is that machines don't get sick, don't need PPE, and don't have to observe social distancing. This may accelerate automation in manual labour areas such as factories, retail, hospitality, hospital / office cleaning, and warehouse inventory management. For example, Asian

factories are implementing more sophisticated, collaborative and cloud connected robots to work alongside a sparser human workforce on the production line. It may also accelerate the digitisation of processes which have traditionally been paper-intensive (e.g. law) or involve high levels of physical proximity (e.g. healthcare and high street shopping).

Mitigating this may be the rise in unemployment and wage deflation making human labour cheaper. Sadly, though, professions which were ripe for automation before the pandemic, are just as vulnerable after it. As companies seek to cut costs, they're likely to shed workers who do repetitive or jobs, especially those most exposed to the virus, and replace them with technology and workers with uniquely human skills such as creative problem-solving, navigating chaotic situations, empathy and data literacy.



*“We have been sitting around talking about the future of work for the past 10 years. We had two assumptions: that it would arrive progressively and would be driven by AI. But it turns out it wasn't the robots but the virus that accelerated things.”*

**Gianpiero Petriglieri**  
Professor of Management, Insead



# Lessons for the future: what is this massive global experiment telling us?

## What can we learn from the early results of this mass global remote working experiment?

The worst thing that companies can do is ignore what they've learned about their workforce in this period and how they like to operate. So far, the results have been fascinating. These are the emerging key opportunities and challenges shaping the future of work:

### Digital matters: a digital by default workplace:

- The Coronavirus pandemic has accelerated some of the key digital trends which were already underway, e.g. the move towards cloud. One Chief Digital Officer of a global bank admitted that: **“long standing blocks are being rapidly resolved...this crisis is likely to expedite digital adoption by five years”**.

Organisations which were further along with their digital journeys seem to be weathering the storm more effectively. The underlying premise is the more digital your business, the more productive, flexible and resilient you can be.

- The future of work is likely to shift from location dependence to a distributed by default / work from anywhere (WFA) strategy. Disruption due to the climate emergency and the digital revolution means that WFA makes strategic sense longer term. Remote working will no longer be seen as a barrier to achieving strategic goals, but an enabler. The trade-off is around team trust and cohesion because no-one ever meets each other. There's undeniably no real substitute for face-to-face, but team purpose, identity and trust is usually set by good leadership – and that's true even if people are physically co-located.

- Permanent homeworking can be difficult (as many of us are discovering), so most people have typically mixed homeworking with office and / or “coffice” (i.e. co-working space) working. Providing those choices post-lockdown will be essential for businesses to attract and retain key skills regardless of location and external disruptions.

As Sarah Jackson, former CEO of Working Families says:

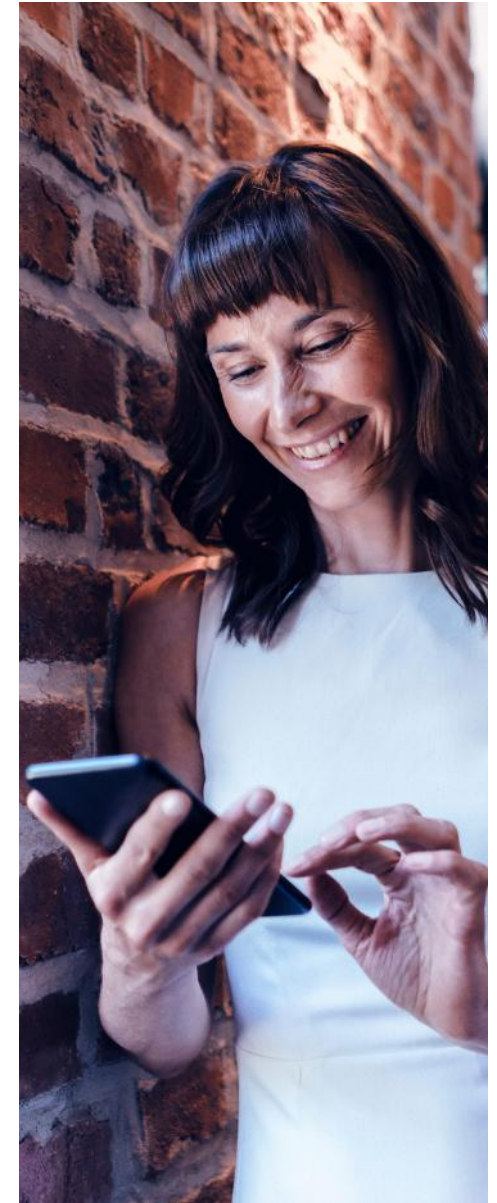
**“Mandating remote working means that you won't get the gains that come from giving people autonomy and control”**.

This is why 'work from anywhere' strategies are attractive, i.e. providing individuals with the tools and technologies which enable them to work anytime, anyplace and anywhere.

- The design of work into the future needs to be curated across both virtual and physical spaces – because collaboration will inevitably involve a mixture of both.

As MIT Sloan's Kristine Dery says: **“these new ways of working are more than about the spaces that we work in”. This is reinforced by workspace expert Kursty Groves: “there needs to be a synergy between work, the space, the culture and environment of a company”**.

This means that it's more important than ever that property, IT and HR work together in order to make sure technology, work design and leadership are aligned.



## Technologies underpin the post-Coronavirus workplace:

- The majority of companies have made a rapid and successful transition from an office based to remote workforce. Cloud has been key to this – even if the speed of this transition has left a patchwork of “good enough” hybrid solutions which will need to be smoothed out in the longer term. Access to collaboration tools hasn’t been the problem, but stable, secure and scalable digital solutions have.
- Lack of access to printing and scanning technologies in the home may accelerate a move towards a less paper-dependent office, e.g. enabling digital signatures.
- Remote diagnostic and support tools have proved to be invaluable – from remote desktop diagnostics, to tools which enable remote agents / engineers to use the camera on people’s smart phones to investigate problems without having to enter their houses (or even be in an office to do this). This can significantly reduce IT support costs for remote workers.

- Smart office technologies such as capacity planning and monitoring, workforce scheduling, and biosecurity (e.g. track and trace, proximity monitoring, and breathing / temperature checks) are likely to have a rapid growth spurt.

## It’s important to get the basics right:

- The move to remote working has underlined some of the stark differences between a largely urban-based, younger workforce who have small / shared housing, and older, wealthier employees who have larger houses and better workspaces.
- Connectivity is extremely important – employees may welcome zero commute time but, if they can’t access a secure and strong internet connection, they can’t be productive. Other basic things such as good power supply, air conditioning (in hot countries) and ergonomic furniture are also essential to support productive and healthy remote working.
- More localised co-working spaces may also be a viable alternative if employees don’t have

an appropriate space at home, or simply want some company. This solution is especially attractive as this takes into account the end-to-end employee journey from home to office. Employees may not feel confident taking public transport, and more localised office spaces may encourage adoption of safer, more carbon neutral transportation, such as walking and cycling. Without a need to commute long distances into a central city office space, there may also be options for employees to move to cheaper and bigger housing stock away from large and expensive urban areas. Unpinning work from location can also widen the talent pool of employees that organisations can recruit.

- A “one size fits all” approach to remote working strategies won’t work. Experience in transformation programmes both within BT and with other organisations shows that taking a people first, design-led approach – particularly involving workstyle personas – is key to getting the roles, work design and tools mapped together correctly.

**Research by the IWG<sup>18</sup> suggests that two out of five workers place having a choice of location and being closer to where they want to be higher than never having to work overtime. Location is important to employees.**



## Remote collaboration is a great leveller, but challenges leadership skills:

- Virtual meetings tend to be more effective when all participants are remote. Remote meetings are a great democratiser. No-one has had to travel a long way, everyone has access to the same tools (assuming they have connectivity) and there isn't the issue of having to cope with remote people being "out of sight and out of mind" by those in a meeting room.
- We're having more meetings (because they're frictionless to schedule), but they're typically shorter. However, this can also produce "death by meeting" days where we spend more time talking about the work than actually doing it. Consideration should be given as to whether some tasks are better done asynchronously (e.g. over chat), rather than synchronously.
- The crisis is highlighting those who have the capacity to engage, motivate, and lead when all employee engagement is done via video and voice. For example, chairing remote meetings is a skill which many leaders don't have. Large remote meetings (of more than 10 people) can become especially difficult to orchestrate.

- Remote work is a discipline for the individual worker, but distributed work is a discipline for the entire organisation. Maintaining the context around work without the physical cues and rhythms of the office needs leaders to be more thoughtful in the ways they plan and communicate.
- One of the most intriguing aspects of the pandemic has been the sense of shared community that has developed. Nothing's more significant in creating bonds between teammates than a common enemy, and the Coronavirus struggle is a perfect example of what will strengthen relationships. Since "we are all in this together", there's more willingness to focus in on both community and communication within that community.

Amy Edmondson at Harvard Business School suggests that: **"Distributed work is making us realize we have to be more deliberately - more proactively - open. We have to be explicit in sharing our ideas, questions, and concerns, because we can't just overhear what's happening in the next cubicle. We now have to work a little harder to share what we're thinking, to ask questions. And then I wonder whether we might be able to import this new sense of deliberateness back**

## into our workplaces when we do go back to them."

Ironically, distributed teams are likely to come out of this crisis stronger than they've ever been. As this isn't homeworking as usual, people may have also met other team members' children as they gate-crash video calls and also seen the state of their houses – which is unlikely to have happened before.



Working remotely has been a critical enabler of business continuity during the lockdowns imposed around the world. It should continue to be the so-called "new normal" as we move into a volatile and uncertain future (e.g. climate change), especially now we've proved that it's possible. However, the discussion shouldn't be about office versus remote, but choices based on employee preferences and roles. With the right infrastructure, culture, processes and procedures in place location becomes irrelevant. As remote work strategist, Laurel Farrar, says:

**"the conversation is less about where we are going to work after the post-COVID-19 dust settles, it should be how we are going to work"**<sup>19</sup>.

**"A crisis is a terrible thing to waste".**

**Paul Romer**  
Nobel Prize-winning economist

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