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FLEXIBLE WORKING ARRANGEMENTS AND NEW OFFICE CONCEPTS FOR THE POST-COVID FUTURE

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As Britain starts to emerge from the COVID crisis, HR leaders are facing some tough questions. It's clear that most people want some element of home working going forward, but how much? How should hybrid working be implemented? And what are our offices going to look like in an office-optional future?

We asked HR leaders across a range of industries how they're managing this unprecedented discussion and decision process, what they've learned from the crisis, and what insights they can offer for the future of work.

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"How do you create an environment that people want to come back to work in?" asks our first contact. For her, it's more about how you attract people back into the organisation, as opposed to assuming that working from home five days a week is a good thing.

She's found many employees who have worked from home five days a week are struggling with the lack of connectivity. Her research shows that people want a balance, with two or three days at the office and the rest at home.

Because people working from home haven't had the travel and expense, location becomes more important, as do fresh air, space, leisure, and the ability to use technology seamlessly from any location.

"Equally, we're a hugely relationship-driven business. So it's important that the whole space enables connecting with people, collaborating both internally and with partners and clients," she says.

"We have a very open space, but it's not that flexible. We still have massive areas filled with banks of desks. Some organisations are reimagining spaces with flexible furniture."

However, flexible work isn't an option for employees who work on project sites, and that's currently 80% of her people. For these workers, she's implemented rotas and shifts to reduce the numbers on site at one time.

"So you're trying to be as creative as you can while still ensuring that you meet the requirements of the client and get the job done in a safe environment."



Managing office spaces is actually part of the remit of our next contact's company ("from dodgy industrial estates right up to big, shiny buildings in the city.") He highlights the Leesman index, a global research project on how people work. "The data has been very clear that this whole idea of hotdesking versus fixed-desk versus home working is actually a bit binary. We need to work in a more hybrid, flexible space.

"But that's a very romantic idea if you've just fitted out your office and spent half a million pounds. How do you create flexibility in that space?"

However, he adds that workers' needs around hybrid working are role-dependent. "The productivity of our purchase ledger and credit control teams went through the roof, because funnily enough, most of them are introverts and they don't like being in a giant office."

His company has grown massively during COVID and now has more people than desk spaces – but with hybrid working, that doesn't look like being a problem. The real challenge is working out "how many permanent desks we need, versus how many collaboration spaces, how many pop up meeting rooms and zoom rooms, as we call them?" He expects to end up with less than one permanent desk per two workers.

"It's a cultural change. The office is a place for collaboration, not a place for someone to process a piece of paper or do emails."

While junior managers have been heard saying, "Why come to the office, then?" one of the board members has made a telling comment: "I don't care what the office looks like. It's not where I'm currently sitting. I just have to get out of my house."



Our aerospace contact also has a large workforce that needs to be onsite, manufacturing parts every day. However, many other employees can work from home, and she's seen mindsets at her company change from an extremely traditional outlook ("if you were home, you were skiving") to openness to home working, with one board member saying, "I don't think this is about money anymore. I think this is about maximum flexibility."

From an HR perspective, this is something she's wanted to hear for a long time.

Because her company is so strong on manufacturing, she says, "you're always leading the way in terms of reconfiguring your offices because of COVID. We needed people on site, so the sites did an amazing job at removing desks or putting big yellow tape over desks and putting screens around them. Now, I feel that's very clinical, but in terms of employee confidence to come into the workplace, absolutely necessary."

She hopes to see a shift in this as the vaccine rollout is completed but isn't sure she'll put the desks back in place. "We were always running out of meeting room space and always having to hire hotels down the road. So I think fewer desks, far more collaboration spaces." She's also considering a clean desk policy, as her organisation already tries to be paper-free and has seen this year how little storage space is needed.

Her company's newest building only has a couple of permanent offices for execs, and the rest is made up of collaboration spaces and bookable private offices for quiet working.



"We're probably all in the same situation here," says this HR leader from a large conglomerate. "Interestingly, we were going to move to a big shiny office a year or two ago, but we couldn't sell. I'm so glad we didn't because if we had, we would now be renting a dark shiny brand new office.

"We ran a survey of our staff, and the overwhelming response globally was that people want to work two or three days a week at home and two or three days a week in the office. The challenge we'll have is that people don't like transitions.

"Those in London in particular are making a huge saving on the travel cost, and of course they're getting used to that now. We might actually need to pay them again to travel back into London because we're increasing their costs. So that's going to be a tension as well."

Another question is who has to be in the office when. "If you get finance in one day and HR in another, how do you ensure teams interact with each other?"

He suggests a more purpose-driven use of office space rather than a compulsory number of days per week – for example, using it for meetings – although he's also found great benefits from the convenience of online meetings, and for large international meetings in particular, he never wants to go back to having them in person.

There's also a concern that some people may refuse to go back into the office if colleagues haven't been vaccinated. Employers have no legal right to enforce vaccination. This means some form of social distancing may be needed for a long time.

An issue arising from that is how you run internal meetings when half the participants are in the office, as the half who aren't may be sidelined and have difficulty participating fully.

5. Food Manufacturing

Our next contact has actually had to do this all through the pandemic. "We never shut any of our offices. Having been in meetings where you don't know whether you're looking up at the big zoom screen or whether you should look at the little one, and you want to make sure that when you're presenting, you're reading what you're presenting, I can confirm that it's a challenge. We've got used to it, but it's not perfect. When you can't hear someone, or a video's playing and you can't see, that drives people crazy. So getting all that working is critical."

However, she's found the main challenge on that front is not internal meetings, but meetings with clients who may be using different technology.

There's also an issue with collaboration across time zones, with one employee in the antipodes currently having to work on UK time. This requires a rethink of where the company recruits and where they base people. They want people to be able to work seamlessly at any of their offices.

"I've got a number of people that are just desperate to be back in the office. But how does their desire not then necessarily impact on the people that work for them? Because we've all seen that people are dying. I can work very efficiently from home. Why do you now need to make me come back into the office? So we need to culturally equip managers to give compelling reasons for people to come back."

One exciting tech development she's been trying is putting sensors under the desks to try and understand office movement and flow of people.



"We anticipate that in the future we'll have a hybrid working policy, and the employees will have a choice, except that all employees from a contractual point of view will continue to be assigned to the office," says our pharma contact. "If your manager needs you there, you will be there, because that's your contractual obligation. That's the fine line at the moment. And that's where we're getting a little bit of tension."

For example, he's also run into the issue of travel allowances, with people who are working onsite complaining that those working from home aren't incurring the same costs. Meanwhile, those working from home need allowances for equipment. So the company is beginning to discuss delivering its compensation offering in a much more flexible way.

With some people desperate to get back to the office and others wanting to stay at home, he sees making decisions on a "horses for courses" basis as vital, but also complicated. "Our overriding message to everybody is, look, this is not going to be perfect for everybody, but we will try and accommodate everybody's requests."

"The office has shifted from being a place where we go to sit at desks and to do work for the vast majority of the day to somewhere where we go to work with colleagues to problem solve, to innovate, to be creative, and to enjoy the informal benefits of working side by side with colleagues and friends. But that raises a question: how big does that space need to be?"

While he doesn't foresee giving up all office space, he says trusting employees to get the job done is fundamental "And given that we've got that trust, we might not want to sink a lot of money into a long-term lease. What we can afford to do is have a smaller fixed abode but let people organise their own meetings at locations around the place on an ad hoc basis."

When it comes to field-based staff, he says there's been great progress in shifting from face-to-face to phone meetings, with doctors in particular having been one of the last bastions of face-to-face meeting culture before COVID.



In the world of wealth management, almost everything can be done from home. "We've had five or six people in the office, purely to do post and scanning, and that's all."

They're currently running costs for hybrid working, factoring in the fact that when the pandemic started, they literally shipped their office furniture to employees' homes. Hybrid working would require duplicates.

The company has stopped buying PCs. Now every new starter gets a laptop. They're also heavily investing in a system that allows people to answer the company phones from anywhere using their computers. "If we're offering the flexibility, we have to offer the infrastructure. Otherwise people's frustrations will just boil over."

She's had mixed luck with office investments. "Just before COVID, we bought a very spangly office building that is just sat there draining us month on month. We were actually going to configure it to get more desks in. So I'm glad that we didn't, but we're now talking about actually converting that space into more meeting rooms and taking desks out. Because of the big recruitment drive we're on, there's no way I can have everybody back in the office, because I've got more people than I've got desk space now."

What she doesn't want is for the booking of spaces to become a logistical nightmare. This too needs reliable software systems behind it.



Our consultancy contact had the excellent luck of introducing Teams to the business just before COVID, resulting in a very successful home working period. She uses Teams to organise shifts and desk booking, taking each new booker through an online induction on office safety.

She likens the experience of COVID to 9/11; both were "seismic episodes that changed ways of working. We all stopped jumping on planes."

She agrees that having some people in a meeting at home and some in the office is an issue, citing her daughter's difficult experience as the only one in her class working online.

Her company is working on setting boundaries, such as managers having to give a reasonable amount of warning if they want someone in the office. She's also running surveys on how best to enable collaboration. "We wanted that to be top of mind for people."

She's also invited employees to create mood boards on what they want the offices to look like and what feeling they want to have in the office. This has been very well received, and it's shown that people want a lot of the comforts of home in the office, with images of blankets and pets taking centre stage and desks nowhere to be seen.



For our software contact, a successful return to the office comes down to trust, and he's found that people are quite willing to shop colleagues who breach that trust, such as by coming to work after a beer with someone who has COVID.

He's planning for a full return to the office for his staff. "We have communicated this week that our intention is to go back fully into the office and told the guys very clearly that as an organisation, we believe that we are more likely to maintain and to build the catch-up culture that we want in the organisation by people being back in the office.

"However, we do recognise that people have become more confident in working flexibly, so we will be offering the option of two or three days at home. To do that, we will be introducing a new booking system for the office. The facility guys are having a fun time trying to segment the employees into categories like hotel users, permanent users, et cetera."

The categories will determine whether each employee gets an office, a hotdesk, or a permanent desk.



Our HR contact at a large chemical manufacturer was actually ahead of the curve, having done some work on flexibility in 2019 and encouraged employees and managers to talk about some basic principles. "And they were effectively that the company supported flexible working. We set some real high-level principles about expectations on managers to trust their people, to encourage and to accommodate people that wanted that flexibility."

This was launched in 2019 with surprising success considering that there was quite strong resistance beforehand. Surveys during COVID showed that both managers and employed favoured hybrid working with one or two days at home. "We expected supervisors to want them in the office every day!

"We've got a big project underway looking at how that fits with office concepts for the future and what we might do. We're using three categories of concentration, communication and collaboration, and looking at what that office setup would look like for those three categories. We're also trying to size the space we need for those different areas."

Having everyone at home one or two days a week looks set to save the company millions. "It's actually quite mind-blowing when you do the numbers on the back of an envelope."



Our gas contact's offices are "like Fort Knox, screens everywhere and handwash galore." The vast majority of offices only have a handful of people going in, a notable exception being the call centre for gas escapes.

"Everyone else is at home and it's been a revelation because this was an incredibly traditional business. I was starting to fight the battle of flexibility before COVID, and quite a few managers thought people needed to sit in front of them before they believed they were doing any work. There's been almost a 180 degree change of opinion."

However, just recently she's detected a note of weariness with home working and a desire to see more people back in the office. Managers have gone from wanting to work at home all the time to preferring hybrid working.

"Whilst once it was all rather regarded as a little fanciful to be looking at 60% desking, a three-two day split, that's actually the basis on which our new buildings are being designed. And they're very much more collaborative space. They're very much more hubs than they would have been traditionally."

The switch to online meetings has actually drastically improved cross-directorate collaboration, since previously people had to jet between England and Scotland in order to meet. She's very concerned not to lose that.

It's made her realise that centralising admin doesn't have to mean moving everyone to the same physical office, just to the same department, which has enabled more solutions.

"I think about the things that COVID has advanced, one for me was e-learning, because we were in the ark in that respect. And the other one is flexibility. I don't think we will ever go back to being as rigid as we were."

Another contact works for a small company in the same industry but further upstream, focusing on offshore gas platforms and processing the gas before it goes into the grid. Offshore workers have kept working throughout, with stringent mandatory testing. "It's probably easier to get through passport control to Heathrow than it is to get into some of our terminals now."

Neighbouring countries closing their borders has proved a major challenge during COVID, complicated by Brexit. Workers have been left stranded at work or unable to get to work.

When it comes to hybrid working, he says, "we're fortunate to have a progressive boss, but it's one of these Goldilocks events. People when they were in the office wanted more flexibility; now that they're at home, they want to go back to the office again. So how do we navigate what works for the business and what works for people? We will likely go into a hybrid model, allow leaders very much to determine what that means, and it may change at different points."

For example, a drilling engineer could go into the office while planning a well with the subsurface teams, and work from home when the drill is on site and drilling.

He's concerned to avoid office-shaming or home-shaming, as well as leaving people sidelined during video calls when others are in the office. "So how do we respect the choice if nine people say I want to come to the office, but one person stays at home?"

In terms of office space, he's found that it's impossible to sell off offices at the moment because everyone is in the same boat. "So we'll just play with the office space we've got, which allows everyone to have their desks. And if you don't use it for five weeks, it's still your desk."

12. Security Systems

"We're looking to reduce our fixed asset by about a third by capitalising on the advances we've made in working more remotely," says our security contact. "But the difficulty is that there's still very little data upon which to make good informed decisions about hybrid working. We know a majority of people want it, but there's not much data around productivity.

"I think we're right to be concerned about the unintended consequences of how it really affects the team dynamics when some people are in and some out. That feels less healthy from a cultural cohesion point of view than the current situation, when we're all sitting in our bedrooms with our dogs barking and our kids running around."

He finds it unfortunate that companies like Netflix are looking to get everyone back to the office and business as usual. He sees this as a missed opportunity. "We're going to have to make an intentional effort not to default back to traditional expectations."



Like others, this HR leader is also ruing a recent office expansion. "We made a massive investment to double the size of our office before COVID. We've tried to rent it out, but there's not much interest, so we've decided just to carry on, and it's lovely."

The luxury travel business having been rather quiet recently, she's seen her business downsized, but says it's resulted in increased team bonding and productivity. What's more, the company has shifted dramatically from the old-fashioned idea that if you're not in the office, you're not really working.

The most spectacular U-turn has come from the CEO himself, who used to commute across the country to work and only spent weekends at home. "He absolutely loves it. And he has absolutely no intention whatsoever of going to London five days a week again.

"I think it's given us a modern and refreshing approach, quite frankly. It makes us more competitive in the markets. So for me, I think this pandemic has actually given us a lot of positive improvements to our businesses.

14. Estate Agents

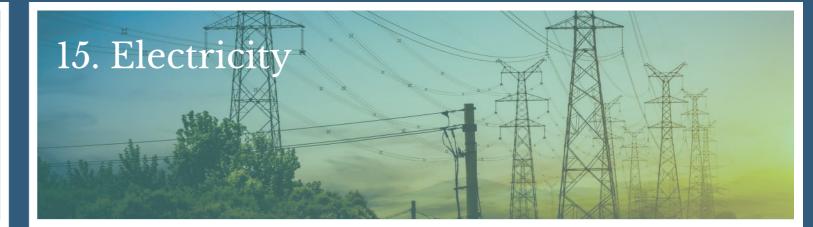
The world of estate agents poses some particular challenges for the new normal. Because estate agents need to be based close to the properties they sell, our contact's company has hundreds of tiny branch offices, some with only three or four staff.

"We're allowed to trade during lockdown, and we can't do a market appraisal unless a surveyor comes to your house – which has been scary for our surveyors. We've got really tight COVID secure standards."

However, he says, there is still a demand for people to work from home. Like many others, he's seen a sea change in terms of willingness to consider flexible working. "We wouldn't have even talked about it before."

But he also echoes the general feeling that a balance is needed. "We're seeing people who have gone from working from home to actually, I'm living at work. It doesn't suit everyone to be at home all the time. There's definitely a pattern of overmeeting, overcompensating for the lack of human contact."

He says his company will probably move to hybrid working in the corporate offices but will still need people in the branch network to be out in people's houses. "I think we can give it a little bit of a push because even before COVID, almost every candidate who walked in the door for a job was asking, 'Is there any flexibility about work?' So the door is open, but it will only be for certain types of jobs. And that's already difficult, because people in the field are wondering why they have to go to the office when people like me can sit at home and be safe as houses."

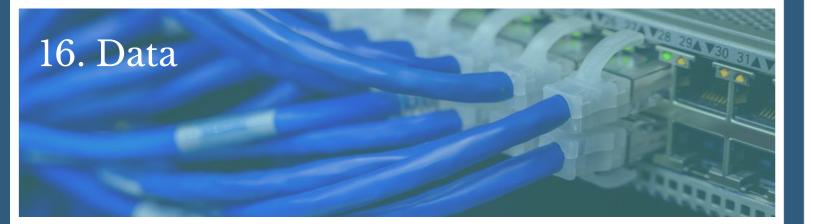


This HR leader works for a small company that plays a vital role in the electricity industry: "Without us, the lights would go off."

They've become a 100% virtual organisation, recruiting from all over the country, with flexible contracts for all new hires. The only thing holding her back from giving everyone totally flexible contracts is a sense that there may be a future government push to regenerate city centres by recalling people to work in central office locations.

"And I have to say to get that flexible contract, it took a day with a lawyer and a tax expert to nail that because of all the ramifications around base locations and travel costs and so on. So I feel a bit disappointed that we couldn't just implement that."

The company has no intentions to return to an office-based organisation but does want to have some base for those employees who want to get out of the house, even if it's only open for a day a week. Because staff logged their hours, she noticed that productivity skyrocketed during the first lockdown but fell during the second and third. People are burning out, especially parents who are homeschooling.



Our final contact works for a global business, in a sector that's done rather well in the pandemic, data and insights. Because it's such a large company, a "one size fits all" policy is impossible.

"I'm really grateful that I'm in a knowledge-based business where everybody's got laptops and we moved to agile working in 2013, where desks weren't allocated. We've had hot desks for a number of years. We've got lockers and you can work from wherever you want, as long as you get the job done. Not being in the office was quite usual – actually, being in the office was quite unusual.

"But it is going to be fascinating when we are over this COVID pandemic to see what the future holds, because our people are based in cities. So people have to use public transport. And the average age of our workforce is 27. So people want to get back to the office. They actually liked the camaraderie."

The company has opened up offices on a booking system. He's also noted the struggles of homeschoolers: "We have to be really careful around how we treat them.

"So our starting point is actually the employee experience, and are we hitting our business metrics? Staff utilisation, productivity, order book, head count, salary run rate, et cetera. And if the businesses are performing and you're hitting your quarterly targets, I don't care whether you're working from a beach in Bournemouth or whether you're in the London office, as long as the work's getting done and the client's happy."

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