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# Ways of Working Survey

THE RESULTS

January 2023

IN PARTNERSHIP WITH

**CMS**  
law · tax · future



Scottish  
Financial  
Enterprise

## A word from our CEO



**In March 2020, when employers were first asked by the Scottish Government to support their workers to stay at home, we couldn't have foreseen the profound changes to so many aspects of our lives in the longer term.**

Throughout the lockdown period and the staggered return to office, we saw SFE's role as helping to manage the discussion and engagement across the industry and with government. While many people referred to 'hybrid working' from the start, the reality is that when lockdown began it was enforced homeworking for all, which is not a genuinely flexible or hybrid approach. While some people welcomed this change, we know that others felt isolated, and the lack of flexibility had a range of consequences for both firms and individuals.

As time has progressed, it's become clear that the long period of prolonged homeworking has opened a deeper and wider conversation on aspects of working culture and patterns that we had not fully questioned before.

This change and disruption in working culture offers an opportunity to improve practices and introduce more flexible approaches to support the needs of individual employees. The results of the survey highlight that this is not simple though. Organisations need to develop policies that can be applied consistently and fairly across all employees, but this can come into conflict with the sheer diversity of individual home and family lives, and different people's working preferences. One size didn't fit all before, and it's unrealistic to assume it will in the future.

It will take time to learn and adapt, and we hope this report is a helpful continuation of the role we aimed to play as a membership body to support constructive discussion and sharing of best practice. We're grateful to CMS for partnering with us on this project and bringing their expertise and resource to this important subject. We hope you find it useful.

**Sandy Begbie CBE**  
Chief Executive, Scottish Financial Enterprise

## Executive summary

### Acceleration of a trend

Perhaps against expectations, the survey finds that hybrid working was widely offered before lockdown but only for certain job types. It may well be the case that it was offered "on paper" but operated more formally with less frequent requests made or granted. Lockdown has accelerated the trend, with all respondents now offering hybrid working as a matter of course – working from home is now "normal".

### No dominant model emerging and employers are treading carefully

A standard model for hybrid working has not yet emerged. 36% of respondents do not require staff to attend the office on a set number of days; and 36% required staff to be in at least three days per week.

Respondents reported that they are not enforcing any policy on minimum number of days and appear to be taking a light-touch approach and encouraging rather than mandating a return to the office. It will be interesting to see how this develops in the period ahead.

### Challenges in returning to the office

The lockdown period has resulted in fundamental changes to the way people balance home and work lives. People have made lifestyle changes to better manage the demands of family life and incorporate more leisure time into their working week. The survey suggests the respondents believe that employees require a practical business reason to attend the office and are rejecting presenteeism.

Organisations are trying various incentives to encourage people back into the office. These include free meals and social events.

Perhaps not surprisingly, visibility of senior management in the office and "leading by example" are considered important factors in encouraging people to return.

### Challenges with hybrid working

The survey suggests that effective collaboration suffers with hybrid working. Many respondents reported that face to face meetings and events are preferred for more meaningful conversations and problem solving. 70% of respondents have converted their office space to facilitate collaborative working. Knowledge sharing is also reported to be less effective when people are working from home. The survey suggests that hybrid working has been least beneficial for new recruits and junior staff who are missing out on the skills transfer and tacit knowledge of more experienced colleagues; they require managers and experienced staff to attend the office to provide that learning.

Interestingly, only 14% of respondents are considering changing their approach to salary uplifts. We anticipate that this area will become a focus for employers in the period ahead. At the moment respondents report that employees are more concerned about the cost of living crisis, with some respondents offering one-off cost of living payments to offset the increased energy costs that come with hybrid working.

### Benefits of hybrid working

Overall, hybrid working is reported to have a positive impact on employee engagement. Interestingly, since the start of the pandemic, 77% of respondents have seen an increase in applications from individuals outside of their usual "catchment" and 81% report that applicants ask about the availability of hybrid working at first interview stage. These figures suggest that an employer's approach to hybrid working might materially affect its ability to attract new talent into the organisation.

**Eileen MacMahon, Senior Associate, CMS**  
**Abbie Harley, Senior Associate, CMS**

# Ways of working: pre vs. post pandemic

Almost all members who responded offered hybrid working as an option before the pandemic, but this was predominantly on a case-by-case basis negotiated with line managers, made available to specific grades, or only for defined roles.

Post-pandemic, as we would expect, there has been a step change towards hybrid working with no respondents insisting on office based working only and all respondents offering hybrid working as a standard practice, but there is still not enough data being collected to really understand what is working best for both employer and employee in terms of time split between office and home working. Amongst respondents that had introduced guidelines for a set number of days in the office there was no sense of any enforcement, or requirement to be in on a set day each week. Rather than dictating required number of days or stipulating home working days for others to work around, the focus is now on attending the office as required by clients demands, training and collaboration.

There is however an expectation that specific roles such as client facing, or training, should be in the office for set or minimum days.

“Our client facing staff are expected to be in an office or at client site for up to two days per week.”

PROFESSIONAL SERVICES, OVER 1000 EMPLOYEES

“Graduate Trainees and those managing them in the office five days.”

PROFESSIONAL SERVICES, LESS THAN TWENTY EMPLOYEES

The requirement of certain roles simply means that some people need to be in the office on a more regular basis; for example, customer facing roles and roles more dependent on access to office-based equipment. But even so, some organisations are still finding solutions so that all staff can have some form of hybrid working.

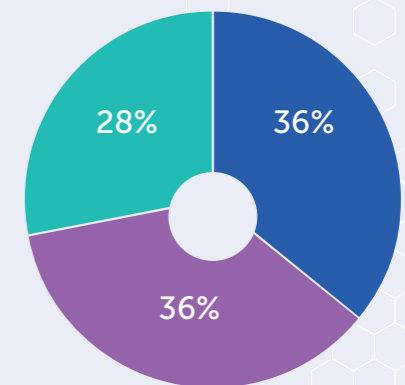
“Employees can work from home up to two days per week. There are no specific days although we do a weekly whereabouts calendar to ensure there is a sufficient number of people in the office to keep it open.”

PROFESSIONAL SERVICES, LESS THAN 50 EMPLOYEES

Firms offering hybrid working:

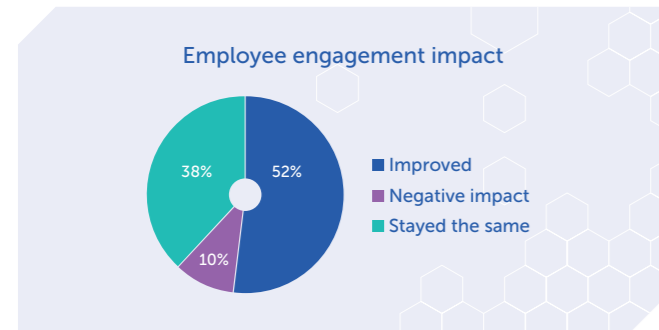
**87%** Up **46%** from pre covid arrangement.

What are your current hybrid working guidelines?



- No set number of office days
- Required to be in the office at least three days a week
- Required to be in the office at least one day a week

## Business impact



### Employee engagement

The data suggests that a mix of office and home has had some positive impact in employee engagement scores but there has also been some negative impact recorded. For example, some may not consider it fair that they are now required to be in the office when they worked from home full time during the pandemic with no impact to customer service, and this could account for some reduced employee engagement scores.

“Our small headcount means that we should know all staff by name, however this is becoming more of a challenge with new staff not meeting colleagues the way they would in the office. I believe this has impacted our culture a little bit. It’s probably been most detrimental to younger staff who use work for socialising too.”

PROFESSIONAL SERVICES, UNDER 200 EMPLOYEES

### Employee collaboration

Although hybrid working is judged to be having a positive impact on employee engagement, many respondents highlighted the difficulties in collaboration within teams and the wider organisation. Knowledge sharing, getting teams together and having the opportunity to have “those conversations” were cited as missed opportunities in hybrid working.

“Definite reduction in collaborative working and a reduction in colleague morale from limited F2F engagement”

WEALTH MANAGEMENT, OVER 100 EMPLOYEES

“Sharing of knowledge, that transfer of knowledge across the desks. It has been particularly tough for new starters during covid”

BANKING, UNDER 500 EMPLOYEES

**To try and meet this challenge 70% respondents have reconfigured office space to allow for more collaborative working areas and reduced desk space.**

Respondents described how getting employees back into the office after the pandemic had varied due to several factors. Staff perception of wasting time and money attending the office to do a job that can be carried out at home was a main point of resistance. The lack of personal desk space means many of those who have office or working space at home prefer to work from there and come in for collaborative activity.

“Most people have worked successfully remotely but learning and development and ‘on the job’ mentoring was less effective during the pandemic. We have focussed on these areas as well as culture and purpose to encourage people back to the office”

PROFESSIONAL SERVICES UNDER 500 EMPLOYEES

“ As a firm we want to protect and nurture our culture, encourage collaboration and ensure we have a continued focus on development – all of which are supported by face-to-face time with our colleagues in the office.”

ASSET MANAGEMENT, OVER 1000 EMPLOYEES

“Definitely, this hurt plans for us to recruit younger, less experienced staff who would be more likely to need in-person collaboration”

PROFESSIONAL SERVICES, UNDER 20 EMPLOYEES

Shifts in lifestyle factors also contributed to the slow return to offices. Answers highlighted the changes in childcare arrangements that had been made during the pandemic, such as reducing or cancelling after school care.

To combat the challenges, respondents have been organising “special events” to bring more of their employees back into the office, such as team days, pay day drinks. Visibility of senior management in the office, leading by example, was considered important.

# Recruitment and retention

## Recruitment

Employees are placing more importance on access to hybrid working in their decision-making process, with the majority discussing this at the first interview stage. This has seen an increase in flexible working arrangements within job adverts, with 74% of firms now stating hybrid working opportunities in recruitment adverts. Details are often kept vague in the adverts, but almost always discussed at first interview stage.

**"We are a recruitment firm and clients who want five days in the office experience a 80% drop off in applications."**

PROFESSIONAL SERVICES, LESS THAN 20 EMPLOYEES

Hiring and training new employees is being cited as challenging when hybrid working. Online training, lack of face to face colleague meetings, and inability to provide right support were all noted as difficulties for on-boarding and demonstrating culture to new employees.

**"We have made hires outside of Edinburgh that we would have been unable to cope with pre pandemic."**

INVESTMENT, LESS THAN 50 EMPLOYEES

**81%** of employers said job applicants ask about hybrid working approach at the first stage interview

**77%** of employers have seen an increase in the number of applicants from outside of their usual catchment

## Retention

When asked if hybrid working had improved employee retention rates there was an even split between yes and no, with 49% answering yes and 49% answering no. We know there are many more factors as to why a person stays with a company, for example culture and reward. It will be interesting to track this impact over time as hybrid working becomes the prominent 'new normal'.

The shift from individually agreed arrangements to broader guidelines may lead to a degree of frustration as some employees look for more flexibility or working patterns that suit their individual needs. Now seen as a given with more focus on fairness, one rule for all could lead to tensions where uniform approaches designed to be fair across the board are more liked by some individuals than others.

**"Cost of energy and heating may create a drive-in requests for increased reward."**

BANKING, OVER 1000 EMPLOYEES

To try and support employees during this time some organisations have provided a one-off payment to help with rising food and energy costs.

**"Given cost of living challenges, we would anticipate potential challenge from home workers due to energy costs. We are making a £1,200 one off payment for all staff in October to support."**

WEALTH MANAGEMENT, UNDER 50 EMPLOYEES

## Operations and productivity

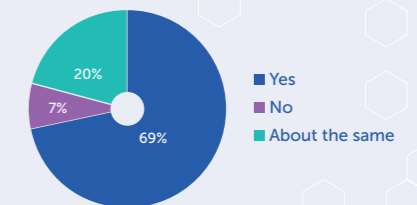
**69%** say hybrid working has positively impacted productivity levels and reduced operational costs.

Hybrid working has also impacted spend allocation with **50%** of all responders saying they had accelerated their digital spend to facilitate new ways of working.

**"Use of our 'hubs' is encouraged for collaborative work and team meetings, and for those who prefer to be in an office environment or have home circumstances which make home working challenging"**

PROFESSIONAL BODY, 51 - 100 EMPLOYEES

Have new ways of working improved productivity?



## Customer experience

Where an employee works seems to have little negative impact to customer service with 65% saying levels have stayed the same and 30% stating that their customer service measurement scores have improved from pre pandemic levels.

The common measure used to gauge overall customer satisfaction is net promoter score (nps).

**Again, we see much more positive impact than negative with 27% saying scores have improved versus only 7% who state scoring has decreased from pre pandemic levels.**



**Gillian MacLellan**  
Partner, CMS

The results of the survey support what we are seeing in practice; that working lives have changed post pandemic and, while we are no longer facing lockdown conditions, the workplace in our sector will never return to what it was. Employers are now trying to determine what that looks like longer term and trying to find the right balance.

The survey reflects that employers are trying to do this via "encouragement" rather than enforcement, although perhaps what it doesn't pick up are the tensions that can sit behind this approach in practice. As the survey highlights, there is no "one size fits all" approach and organisations are trying to reach tailored solutions.

To date, many organisations have focused on the practical, everyday challenges, such as reconfiguring office space and agreeing an approach on the number of days employees should attend the office. People often talk about the "new normal" but I don't think we are there yet; we are in a transition phase to a "new normal".

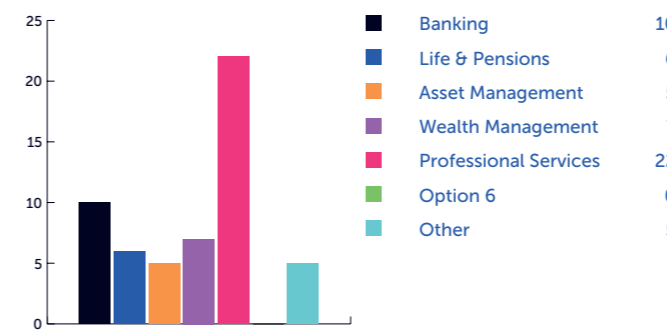
This survey is a good opportunity to take stock of where we are but perhaps the even more difficult questions arise in the next stage of transition; how do employers balance their needs against workstyle preferences of their employees where these are not a good fit? Do employers continue to pay for extensive office space that is only ever partially occupied? Do employers continue to reward based on geographical location when the majority of working time is being spent at home? There are no easy answers but it looks set to be a fascinating conversation.

## Responder overview: Appendix one

### Methodology

The Ways of Working survey was sent to all SFE members and completed at a firm level. The survey was in field from 22 September to the 7 October. We had 46 responses, achieving a response rate of 48%. All responses were anonymous unless information was provided by the respondent for further research purposes. This report provides an overview of results.

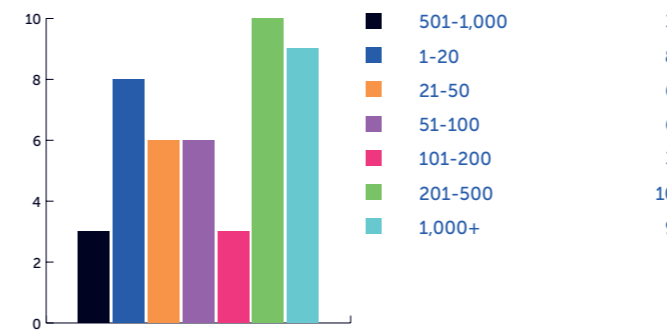
### Different sub-sectors surveyed:



### Respondent make up provided a good representation of our membership make up:



### How many employees in your organisation are based in Scotland?



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