

Research Bulletin 22/2 | The Future of Remote and Hybrid Working in Northern Ireland

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Summary

In March 2020, the UK Government and NI Executive's advice was that, where at all possible, people should work from home if they can. This led to a remote working shift, within a couple of weeks, that most thought would have been impossible even over a matter of years.

This article examines how working from home has impacted on our towns and cities, and what the future holds for remote and hybrid working. The working from home guidance has recently been relaxed in Northern Ireland, and it now appears that some form of hybrid working between the home and a designated workplace is going to become a permanent feature in many jobs.

There are many benefits and challenges with remote and hybrid working. According to ONS, more than three-quarters (78%) of those who worked from home in some capacity said that being able to work from home gave them an improved work-life balance. However, evidence is emerging that it can also lead to work intensification for some workers, as well as social and professional isolation. In particular, younger people may be adversely affected by the lack of face-to-face contact at the start of their careers and the traditional induction into the workplace.

Introduction

In March 2020, due to Covid-19, the UK Government asked everyone to stop non-essential contact with others and to stop all unnecessary travel. In addition, they asked people to start working from home where they possibly can.ⁱ On 28 March 2020, the NI Executive agreed that:

- Anyone who can work from home must work from home.
- Employers must facilitate working from home where it is feasible.
- No employer should compel an employee to come to work if it is feasible to work from home.
- Every employer must take all reasonable steps to safeguard the health, safety, and well-being of employees during the Covid-19 emergency, whether working from home or in the workplace.ⁱⁱ

For many businesses, a monumental shift to remote working occurred almost overnight. A recent report by the Ulster University Economic Policy Centre (UUEPC) stated that pre-Covid-19, homeworking (complete or regular) applied to less than 10% of the Northern Ireland labour force. This increased to 41% in April 2020 and

then fell slowly to 30% in May 2021, but even with the lifting of restrictions during Autumn 2021, homeworking remained at 17%.ⁱⁱⁱ

A hybrid model of working allows employees to blend working from different locations such as home, office or normal place of work. For businesses, this may result in some days where staff are at their usual place of work, with some days working remotely.^{iv}

Remote and hybrid working in Northern Ireland was greatly accelerated in Spring 2020 by Covid-19 and the associated restrictions, with guidance put in place that encouraged working from home. In June 2022, this guidance was substantially relaxed to one where *“employers and employees should discuss the balance of office and flexible/ hybrid working to put in place working arrangements that best meet organisational needs.”*^v

There will be a period of re-adjustment now that government guidance has officially changed, but the effects of home working will still be felt across the economy in different ways for many years.

Variation by Sector

Data from the Office for National Statistics (ONS) provides estimates for the prevalence of remote and hybrid working in the UK. In June 2022 (Wave 60), for the ‘all businesses’ currently trading category, around 8% of the workforce were working from home, with around 22% hybrid working, and 64% working from a designated workspace.^{vi}

The type of work undertaken in certain professions lends various sectors more towards remote and hybrid working, than others. Some work activities need to be undertaken at a particular geographic location (i.e., a farm^{vii}, construction site, city centre restaurant, manufacturing plant, etc).

Naturally, the other services sector (which includes hairdressing and other close contact services) has low levels of home and hybrid working. The construction, manufacturing, transportation & storage, and food & accommodation sectors also have relatively low proportions of workers working from home or partaking in hybrid working.

Alternatively, the sectors of information & communication, professional, scientific & technical, education and real estate have relatively high proportions of workers working from home or partaking in hybrid working. Further data broken down by sector and business size are shown in Annex 1.

According to the ONS, hybrid and homeworking tends to increase by income bracket. More than a third (38%) of workers earning £40,000 or more hybrid worked between 27 April and 8 May 2022, meaning they both worked from home and travelled to work in the latest week. Workers in this income group were the only ones for whom hybrid working was the most common working pattern. They were also more likely than other income groups to work from home exclusively.^{viii}

Impact on our Towns and Cities

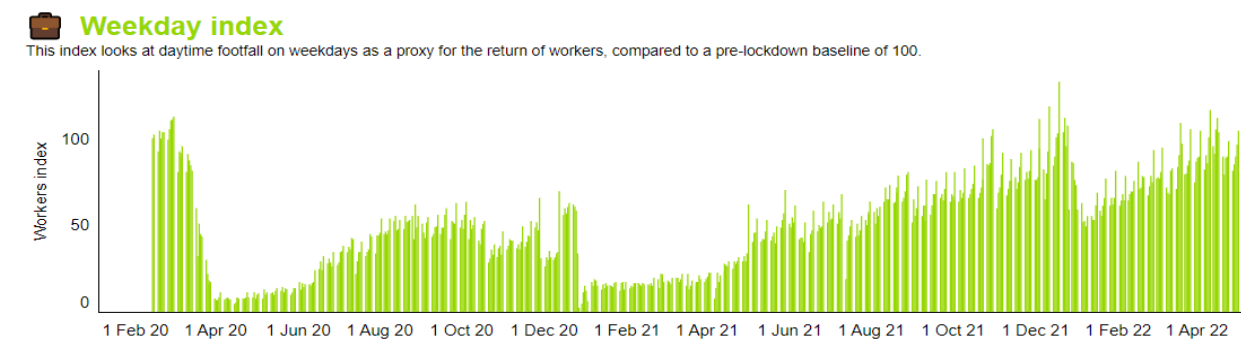
Cities have been described as ‘engines of growth’ and prosperity that benefits those that live and work in them and for the regions that surround them.^{ix} However, they require a combination of factors to drive demand to fire on all cylinders. Belfast and other cities and larger towns here have thrived because workers, shoppers and tourists have combined to create a critical mass of demand and footfall which sustains hotels, restaurants, retail outlets and other businesses. In essence, urban areas can have agglomeration benefits.^x However, factors which negatively impact on that, may also have an adverse impact on driving wider growth and prosperity.^{xi}

Research by PwC in 2020 assessed the impact to the UK economy of office workers continuing to work from home, versus if they were to return to their pre-Covid-19 office working hours. While the base case in the research was a full working from home model rather than a hybrid model, the report highlighted the impact working from home could have on the economy in terms of lower spending by office workers (direct impacts), the knock-on impact this has on supply chains (indirect impact) and the lower incomes or redundancies in affected businesses (induced impact). In this scenario the analysis highlighted that if employees were to continue to work from home the UK’s GDP could be billions of pounds lower per year.^{xii}

The impact of Covid-19 on visitor journeys to retail and recreation places in cities and towns across the UK was dramatic. In late 2020, Professor Philip Hubbard and Associate Professor Paul J. Maginn were concerned that Covid-19 could turn cities into doughnuts: empty city and town centres, but more vibrant suburbs.^{xiii} The CBI Northern Ireland, Belfast Chamber and Retail NI have recently noted the adverse impact of working from home on footfall, and thus the knock-on economic impact on city centre trade, especially in retail and in hospitality.^{xiv} Furthermore, the increase in virtual meetings may continue to have an impact on business travel going forward.^{xv}

Using anonymous data from Locomizer, the Centre for Cities have developed a High Street Tracker, a tool that shows if high streets in the UK’s largest cities and towns are returning to pre-Covid-19 levels of activity. The last six to twelve months has seen a marked improvement in weekday footfall in Belfast, especially when compared to 2020.¹

Figure 1: Footfall in Belfast on Weekdays ^{xvi}



¹ Note that the chart does not show from June 2022, i.e., when work from home guidance was relaxed in Northern Ireland.

There may be ‘winners and losers’ from this, with economic activity likely being displaced from residential areas, back towards high streets again.

The increased remote and hybrid working has affected traffic congestion in Northern Ireland, especially during peak hours and may have a positive environmental impact.^{xvii} Related to this, other impacts of increased remote and hybrid working can include less demand for day-time parking, as well as the usage of public transport. In 2020-21 for example, Translink in Northern Ireland faced a substantial funding shortfall due to reduced passenger numbers.^{xviii}

Remote and hybrid working is also thought to have impacted on property demand. Houses in coastal areas of Northern Ireland have seen increased interest in the past few years and working from home may be a factor.^{xix}

Impact on the Labour Market

Research undertaken by PwC^{xx} in 2020 and undertaken by UUEPC in 2022^{xxi} refers to how more flexible working patterns have the potential to encourage economically inactive or unemployed individuals to return to employment. UUEPC considers that *“Remote working can therefore be viewed as a labour market activation tool”*. Remote and hybrid working may be particularly beneficial for reducing female economic inactivity and women indicated a stronger preference for hybrid working.

It is worth noting that while the economic inactivity rate for males in Northern Ireland has increased by 1.7 percentage points since Feb-Apr 2020, for females it has decreased by 0.7 percentage points (Feb-Apr 2020 to Feb-Apr 2022)^{xxii}.

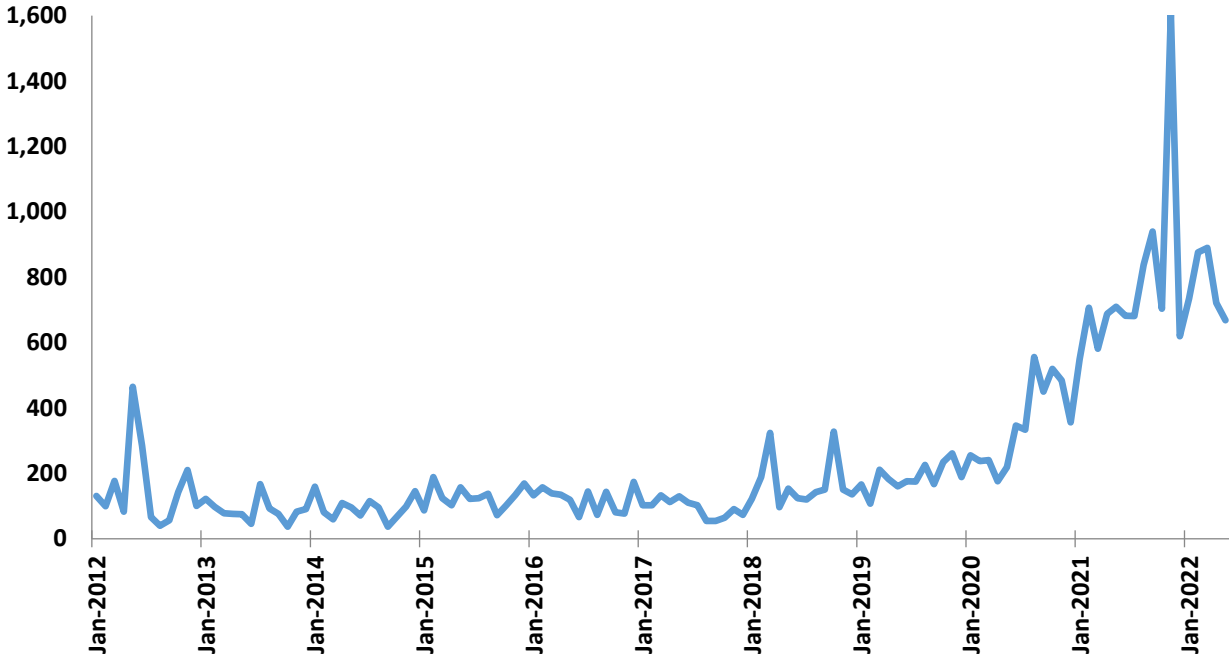
The Labour Relations Agency in Northern Ireland has noted that hybrid working may assist with skills retention in firms. Employees who might otherwise leave because of family location, new family or caring responsibilities, or disability may stay if offered appropriate arrangements, including hybrid working.^{xxiii}

The Work Foundation think-tank at Lancaster University, surveyed over 400 disabled workers across the UK, with over 80% agreeing that remote working would either be essential or very important when looking for a new job, and 66% ideally would want to work remotely 80% to 100% of the time.^{xxiv}

The prevalence of remote working being referred to in job postings in Northern Ireland^{xxv} has increased notably since May 2020. On average, over the six months (Dec 2021 to May 2022), around 750 job postings each month included a reference to *“remote working”*.^{xxvi xxvii}

It is possible that we may continue to see a trend in home working being offered going forward, where appropriate, as employees, and employers continue to value the flexibility home/hybrid working offers.

Figure 2: Job Postings in Northern Ireland Including “Remote Working”, Per Month



From an employee perspective, according to the 2021 EY Work Reimagined Employee Survey^{xxviii}, nine in ten employees want flexibility in where and when they work and over half (54%) of employees surveyed from around the world indicating they would consider leaving their job post-Covid-19 if they are not afforded some form of flexibility.

In terms of labour supply for businesses, working from home may allow a larger talent pool than would be if recruiting from local areas.

Opinions on Home Working

Working from home has its advantages and disadvantages, to both the employer and employee. The analysis below provides a summary of findings from the ONS Opinions and Lifestyle Survey (OPN)^{xxix} on home working, published in May 2022.

- More than three-quarters (78%) of those who worked from home in some capacity said that being able to work from home gave them an improved work-life balance in February 2022. Over half reported it was quicker to complete work (52%) and that they had fewer distractions (53%). Almost half (47%) reported improved well-being.
- The most common disadvantage experienced by homeworkers was difficulty in working with others, with 48% of homeworkers reporting this in February 2022. A little over a quarter also reported more distractions when working from home (26%).

- The most common reasons that businesses cited they are either, using or planning to use homeworking as part of a permanent business model, was due to improved staff well-being (60%), followed by reduced overheads (43%) and increased productivity (41%). Ability to recruit from a wider geographic pool was also cited.

In addition to the above analysis, research by Steelcase^{xxx}, a manufacturer and researcher in office design and space identified that the main challenges with home working were sense of isolation, engagement, and speed of decisions, with benefits including lack of commute, lack of office distractions and better work-life balance.

While home working may be more suited to completing 'tasks', it may impact on creativity. When researchers at Columbia University, U.S.A., assessed almost 1,500 people put into pairs, over either a video call, or in-person, and asked them to come up with new product ideas, they found that face-to-face pairs produced more creative ideas compared to the virtual pairs. The authors suggest that video calls focus communication on a screen, narrowing people's focus and hindering the 'broad, expansive process of idea generation'.^{xxxi}

A lack of separation between work and home may have become an issue for those remote working, and many people endured longer hours during 2020 and 2021 than pre-Covid-19, with a tendency for some to work during their Annual Leave.^{xxxii} This makes achieving an optimal work-life balance difficult. Staff development and career progression may also be a potential problem, with a greater propensity for staff to 'fall under the radar' of managers if working at home all week.^{xxxiii} Furthermore, there is a perception that new employees in firms, in particular younger workers, may be disadvantaged by remote working, with induction, mentoring, shadowing, and training opportunities potentially taking a hit.^{xxxiv}

According to Deloitte's Women at Work Report for 2022, 58% of female hybrid workers surveyed had experienced being excluded from meetings, discussions, or informal interactions, with 36% of fully remote workers saying the same, and 45% of female hybrid workers reporting a lack of exposure to leaders (27% for fully remote workers).^{xxxv} As the trend of remote working looks set to continue, employers and policy makers must take care that issues around equality in the workplace do not become amplified in the hybrid or remote workspaces.

The workplace can offer a range of different workspaces to suit different activities. For office workers, the ability to print out documents may be an advantage. In addition, there is an element of 'prestige' about large firms that have their headquarters in major cities, and can facilitate senior staff meeting clients, etc.^{xxxvi}

Good internet connectivity is important for successful remote working. The Department for the Economy's Project Stratum will utilise £165 million of public funding, together with Fibrus Networks Ltd's investment, to deliver gigabit-capable broadband infrastructure to more than 76,000 primarily rural premises across Northern Ireland.^{xxxvii}

Impact on Personal Finances

The analysis below provides a summary of results from the ONS on homeworking and spending during the coronavirus (Covid-19) pandemic in Great Britain.^{xxxviii} The estimates included here are based on data collected between the 19th and 30th of January 2022. The sample consists of individuals aged 16 years and living in Great Britain. Questions were asked to all responding adults unless specified otherwise.^{xxxix}

- Around 36% of working adults reported having worked from home at least once in the last seven days because of the coronavirus (Covid-19) pandemic.
- Almost half (46%) of these homeworkers said they spent less as a result of homeworking due to Covid-19.
- The area where homeworkers most commonly saw spending increase was utility bills, where 86% reported their spending had risen.
- Half of homeworkers (50%) reported spending less on fuel and parking for commuting, and two fifths (40%) reported spending less on commuting using public transport.
- Homeworkers with dependent children are slightly more likely to report increased spending on food (39%), utilities (89%), and internet access (27%) than those without dependent children (29%, 85% and 23%) respectively.

Although the above figures are from a survey relating to Great Britain, we can surmise that (broadly speaking) homeworkers in Northern Ireland are experiencing similar outcomes. As covered above, increased working from home will have a wider economic impact, with some activity potentially being displaced. The figures on changing spending habits clearly show some businesses are winning additional trade from increased remote and hybrid working arrangements and others losing some trade that they may have relied upon for years. It is being reported however that recent increases in energy bills may see more of a return to the workplace.^{xi}

The Future of Work

At the present time, hybrid working is quite popular amongst employees. For their research into the Future of Remote Working in Northern Ireland, the UUEPC conducted an on-line survey of approximately 1,600 people in 2021 to ascertain views on their commuting and remote working experiences. The UUEPC reported the following:

“Overall, respondents overwhelmingly backed a return to the office BUT only if it was combined with home working. Women, in particular, indicated a stronger preference for hybrid working, a trend found in a recent CSO survey for Ireland.

Similar trends across the public and private sector with strong support for a return to the office 1-3 days per week and reasonable support for a return 4 to 5 days per week. It seems staff want to retain the physical connection with their colleagues in the office but also want to retain the benefits of home working.”^{xli}

The ONS have surveyed businesses on their future intentions. Overall, the proportion of businesses reporting using or intending to include homeworking as a permanent business model increased slightly from 16% in autumn 2020 to 23% in early April 2022. However, this varied significantly by industry. More than half (54%) of businesses in the information and communication industry said they were using, or intended to use, increased homeworking as part of a permanent business model in early April 2022. This was only the case for 3% of businesses in the accommodation and food services industry, and 5% of businesses in the construction industry, which are less adaptable to homeworking.^{xiii}

Different organisations, firms, and company leaders, including CEOs, will have varying views on home and hybrid working. Angela McGowan, the director of CBI Northern Ireland acknowledged hybrid working is here to stay for many firms. She noted it is up to companies to work with employees to maximise the benefits of a balanced approach, but for some workplaces, a hybrid approach will not be possible or desirable.^{xiii}

Greater remote and hybrid working has the potential to change the dynamic of employer / employee relations, including management and interactions day-to-day. Furthermore, there will be a need for firms to factor in health and safety considerations (including risk assessments), issues relating to the cost of any new equipment and technology, data security considerations, insurance, and perhaps the need to update new contracts of employment. The Labour Relations Agency in Northern Ireland has provided guidance to assist in this regard.^{xiv}

Hybrid working can sometimes be viewed as 'the best of both worlds' as it encompasses the positive aspects of both remote working and working at a designated workspace. However, it may also have unique challenges as well, including being difficult to manage. Employment contracts may need to be amended. Employers may decide how many days staff can work from home and at a workplace (i.e., determine the optimal mix), or let staff decide for themselves. Will this be enforced and will staff of all grades / levels be treated the same? Firms need to determine what workplace layout is needed, and perhaps hardware and software that might be required and this may have cost implications.

Employers monitoring staff working remotely can lead to accusations of surveillance. Technology has advanced that it is now possible to track workers' key strokes on laptops for example and take screenshots periodically. It has been reported that the adoption of such technologies can fuel worker mistrust and chip away at employer–employee relationships.^{xiv}

Hybrid working can lead to a lot of logistical and scheduling complexity, including issues relating to booking desks and rooms. Also, while flexibility and trust can be beneficial, if some of a team are working from home on a certain day and others are at a workplace, this may not yield full benefits of working together. In addition, hybrid working means keeping a workplace open, but are spaces underutilised on certain days, still with overheads / fixed costs?

From the employee point of view, emerging evidence suggests that hybrid working can be “emotionally draining” especially with the hassle of a jarring “one-day-in, one-day-out routine”. According to a study by employee engagement platform Tinypulse, workers reported that a hybrid model was “more emotionally taxing than fully remote arrangements – and concerningly, even full-time office-based work”.^{xlvi} Findings are not conclusive on this subject however, with an alternative study published in November 2021 by Virgin Media O2 Business and the Centre for Economics and Business Research (CEBR) asserting the mental and physical health benefits of hybrid working.^{xlvii}

Going forward, there may be a continuing trend worldwide, for hiring across other regions and even across national borders. Dan Schawbel, managing partner of Workplace Intelligence, states that “Jobs are going to people more than people are going to jobs.....with so many unfilled positions and the demand for growth, employers have been forced to broaden their applicant pools.”^{xlviii} According to findings by hiring and compliance platform Deel, London is the top city in the world for global, remote workers, followed by Toronto and Buenos Aires.^{xlix} There may be more opportunities for individuals in Northern Ireland to work more directly for firms based in London, from their own home, rather than a via a hub or regional centre, say in Belfast for example.

Longer-term, it may be the market (and the forces of supply and demand) that determines optimal mix of remote or office working, and this will vary by industry. Those firms that do not offer remote or hybrid working (where it is practical) may see difficulties in recruitment from those individuals that would like flexibility. Conversely, those firms that rely too heavily on remote working may potentially see workplace creativity suffer and may have difficulties integrating new staff. Macroeconomic conditions may also have an effect – it has been reported that fears of company job losses may have the effect of encouraging staff back into the office.¹

Conclusion

Remote and hybrid working in Northern Ireland was greatly accelerated in Spring 2020 by Covid-19 and the guidance put in place that encouraged working from home. In June 2022, this guidance was substantially relaxed.

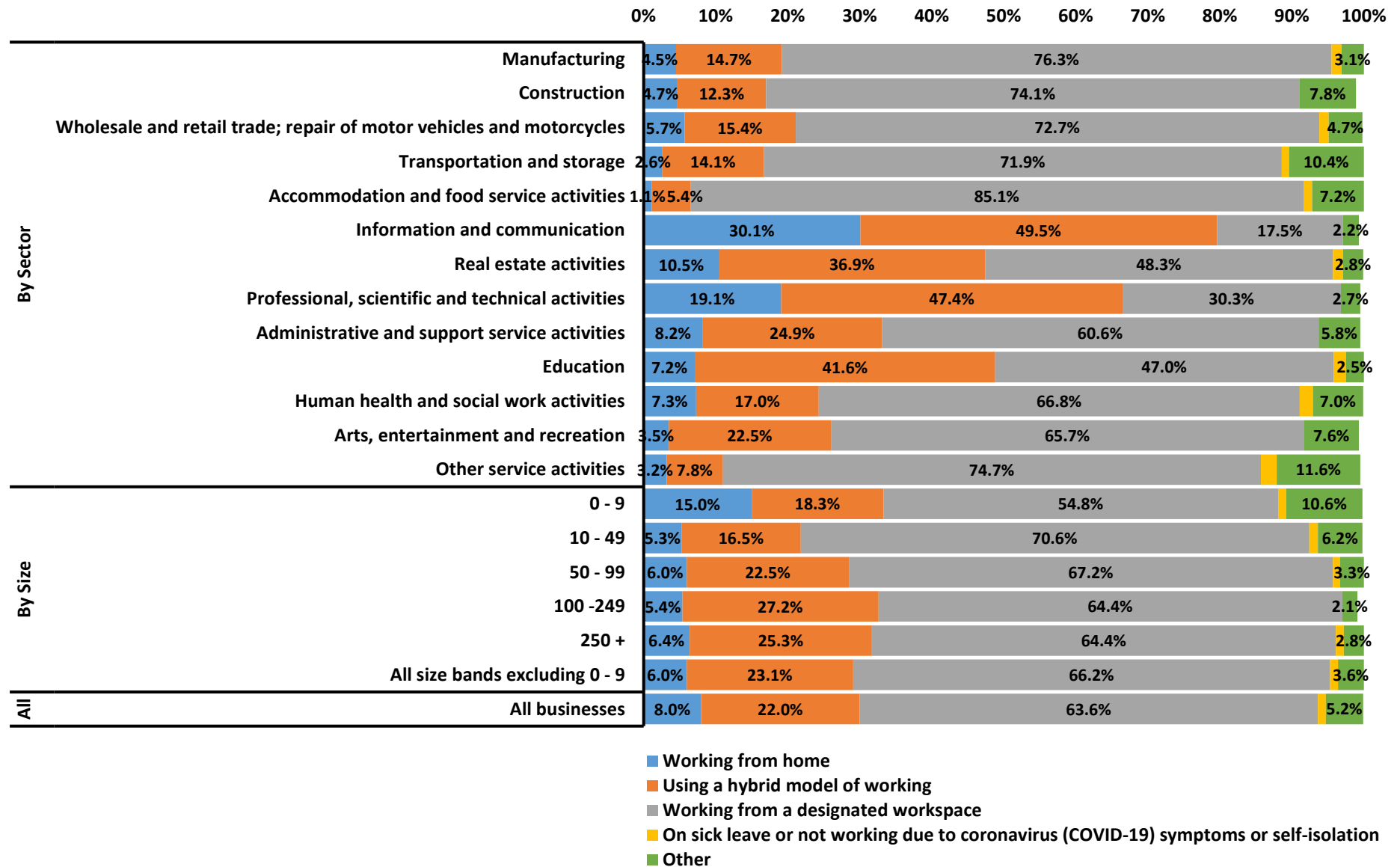
There are many benefits and drawbacks of remote working, and it may transpire that hybrid working could provide the ‘best of both worlds’ going forward. This is assuming however, that employers successfully navigate the technical and logistical challenges of implementing hybrid working arrangements.

Overall, it is clear there will be a period of re-adjustment now that NI Executive guidance has officially changed, but home working (at least in part) is likely here to stay for some time yet.

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For further information or queries please contact analyticalservices@economy-ni.gov.uk

Annex 1 – ONS Data – Percentage of a Business's Workforce Remote and Hybrid Working (June 2022), by Sector and Size



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- i [Prime Minister's statement on coronavirus \(COVID-19\): 16 March 2020 - GOV.UK \(www.gov.uk\)](#)
- ii [Executive approves new powers to protect the public | The Executive Office \(executiveoffice-ni.gov.uk\)](#)
- iii [UUEPC-Future-of-Remote-Working-in-NI-February-2022-Full-Report.pdf \(ulster.ac.uk\)](#)
- iv [Business and individual attitudes towards the future of homeworking, UK \(ons.gov.uk\)](#)
- v [Coronavirus \(COVID-19\): staying safe at work | nidirect](#)
- vi [Business insights and impact on the UK economy - Office for National Statistics \(ons.gov.uk\)](#)
- vii Note that data relating to the Agricultural sector not provided by ONS.
- viii [Is hybrid working here to stay? - Office for National Statistics \(ons.gov.uk\)](#)
- ix [city-systems June2016.pdf \(ippr.org\)](#)
- x [The economic importance of city centres | Centre for Cities](#)
- xi [pedestrian-pound-2018.pdf \(livingstreets.org.uk\)](#)
- xii [economic-impact-of-returning-to-the-office.pdf \(pwc.co.uk\)](#)
- xiii [Coronavirus could turn cities into doughnuts: empty centres but vibrant suburbs \(theconversation.com\)](#)
- xiv [Coronavirus Northern Ireland: Stormont lifts 'work from home' guidance - BelfastTelegraph.co.uk](#)
- xv [How Covid Changed Business Travel Forever \(forbes.com\)](#)
- xvi [High streets recovery tracker | Centre for Cities](#)
- xvii [Belfast traffic report | TomTom Traffic Index](#)
- xviii [NI public transport calls for £50m in Covid funding - BBC News](#)
- xix [North Coast property boom pricing families out of market | UTV | ITV News](#)
- xx [economic-impact-of-returning-to-the-office.pdf \(pwc.co.uk\)](#)
- xxi [Future of Remote Working in Northern Ireland: Full Report \(ulster.ac.uk\)](#)
- xxii [Labour Force Survey | Northern Ireland Statistics and Research Agency \(nisra.gov.uk\)](#)
- xxiii [Practical Guide to Hybrid Working - LRA - October 2021 | Labour Relations Agency - Official](#)
- xxiv [85% of UK disabled workers are more productive working from home \(openaccessgovernment.org\)](#)
- xxv Source: EMSI Burning Glass / Lightcast. [Emsi Burning Glass is now Lightcast - Emsi \(economicmodeling.com\)](#)
- xxvi Please note, efforts made to remove duplicate ads, but some may remain.
- xxvii Broader information on job adverts with terms: remote working; work from home; home working; WFH; hybrid working – available at: [Online job posting trends 2022 | Department for the Economy \(economy-ni.gov.uk\)](#)
- xxviii [Work Reimagined Survey 2021 \(icmif.org\)](#)
- xxix [Is hybrid working here to stay? - Office for National Statistics \(ons.gov.uk\)](#)
- xxx [Working From Home Around the World - Steelcase](#)
- xxxi [Working from home via Zoom leads to fewer creative ideas than in-person meetings, study finds](#)
- xxxii [99592 \(peoplemanagement.co.uk\)](#)
- xxxiii [Younger employees think working from home has affected development | Metro News](#)
- xxxiv [The development dip: Has remote working stopped us learning? \(newstatesman.com\)](#)
- xxxv [PowerPoint Presentation \(deloitte.com\)](#)
- xxxvi [What Are the Key Benefits of a City Centre Serviced Office? \(orega.com\)](#)
- xxxvii [AIMS Portal \(niassembly.gov.uk\)](#)
- xxxviii [Effects of working from home on finances - Office for National Statistics \(ons.gov.uk\)](#)
- xxxix [Homeworking and spending during the coronavirus \(COVID-19\) pandemic, Great Britain \(ons.gov.uk\)](#)
- xl [Why energy prices will kill working from home - New Statesman](#)
- xli [Future of Remote Working in Northern Ireland: Full Report \(ulster.ac.uk\)](#)
- xlii [Is hybrid working here to stay? - Office for National Statistics \(ons.gov.uk\)](#)
- xliiii [Coronavirus Northern Ireland: Stormont lifts 'work from home' guidance - BelfastTelegraph.co.uk](#)
- xliv [Practical Guide to Hybrid Working - LRA - October 2021 | Labour Relations Agency - Official](#)
- xlv [The employee surveillance that fuels worker distrust - BBC Worklife](#)
- xlvi [The future of work: pros and cons of hybrid working | The Week UK](#)
- xlvii [The future of work: pros and cons of hybrid working | The Week UK](#)
- xlviii [Worldwide remote jobs market may globalize hiring \(techtarjet.com\)](#)
- xlxxix [Hybrid capital: London takes world's number 1 spot as global hub for remote workers \(cityam.com\)](#)
- l [How a Recession Could Weaken the Work-From-Home Revolution - The Atlantic](#)