

FLEXIBLE WORKING ↓ INSIGHTS 2023

BRIDGING THE GAP BETWEEN EMPLOYEE
EXPECTATIONS AND BUSINESS PRACTICES

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Introduction

'What's your hybrid working policy?' A phrase that, I'd hazard a guess, most recruiters had hardly uttered prior to 2020, but is now an everyday staple of the lexicon.

As talent specialists, spending hundreds of hours a week talking to businesses and jobseekers alike, the subject of remote / flexible / hybrid working has taken centre stage over recent years. And, anecdotally, we've started to notice a shift towards more time back in the office and more structure around when this time is mandated. As a business whose aim is to help people find & develop a fulfilling career, and to help companies hire the best talent on the market, the subject of flexible working is a key topic, and so we wanted to gather some more data to get a better view on what's happening right now.

We ran two separate surveys to collect this data. The first was focused on employers - looking at their experiences of implementing flexible working, with respondents being either leaders in HR and/or Talent Acquisition or hiring managers.

100 different businesses took part in this survey, with respondents from a range of brands including Unilever, Adidas, Fever-Tree & Vita Coco. Of these, 34 said they had some form of flexible working policy pre-COVID, but only 10 of this group had the same policy as they do know (the other 24 have all introduced more flexibility).

The second was focused on employees - looking at the expectations & experiences of the current workforce. This was completed by over 600 respondents, with people from a range of different backgrounds and seniority levels. (Around 80% based in the UK, 15% Europe and the rest split between Asia & US). We've tried to pull out as much interesting insight as we can from what we learned, with the goal simply of helping to facilitate conversation and bridge any gaps that may exist between what companies are doing, and what people are looking for.

Every business is different, as is every individual employee, and what's clear is that there is no right or wrong answer to the question of what your flexible working policy should be. The crucial thing is transparency, both in terms of understanding what the market sentiment is and being clear in how you define, communicate and implement whatever you've decided works best for you.



Andy Davies
Commercial Director



Employee Insights

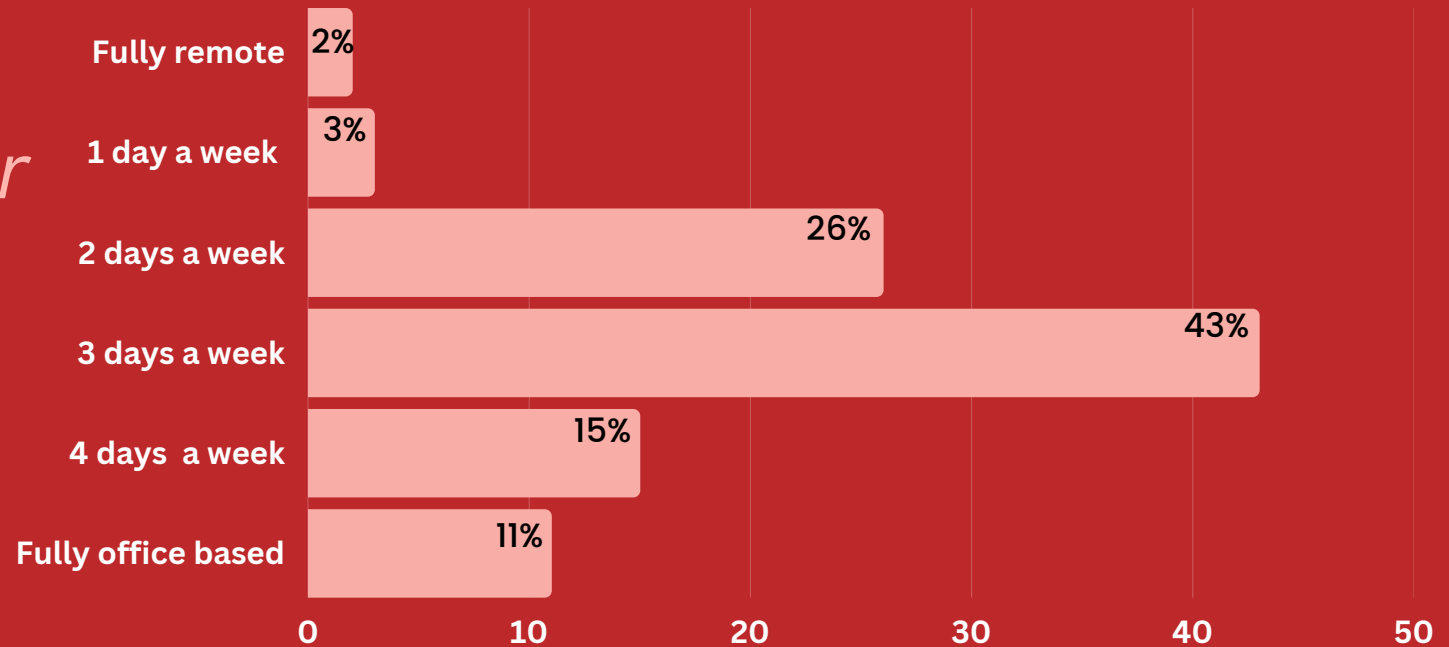
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Flexible working preference

An insight into what working arrangement employees are willing to commit to

What is the maximum number of days you are willing to be in an office?



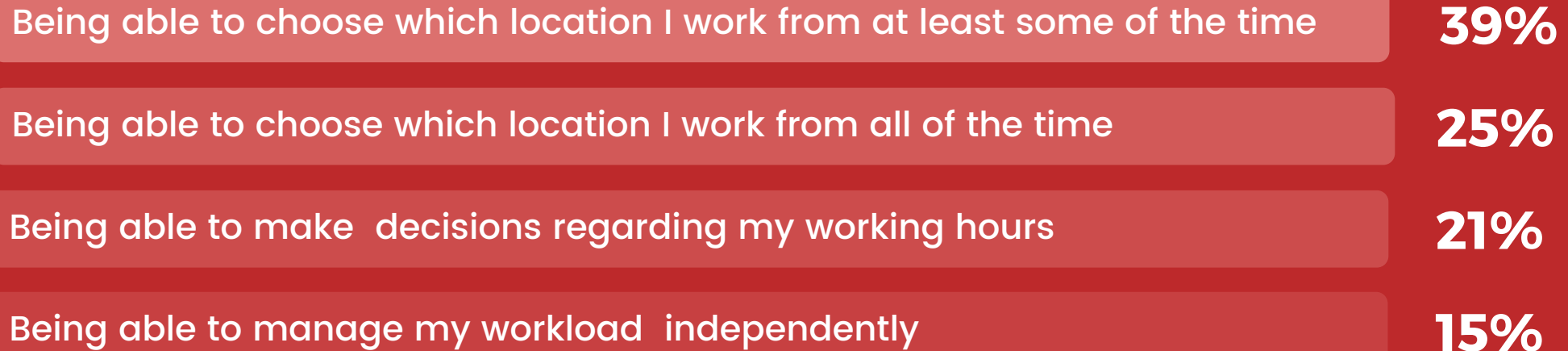
69% of employees say the maximum number of days they are willing to be in the office is 2-3 days a week

Our data shows that the majority of people are happy to be in the office regularly - 95% between 2-5 days a week. It's worth noting that we asked this question as the maximum people are prepared to be in the office, as opposed to their ideal preference. We would perhaps expect this to skew slightly more towards the fully remote and 1 day a week options if the question was asked in this way, however from our experience speaking with hundreds of jobseekers every week, most people want a fairly even split. LinkedIn published a report earlier this year stating that 21% of jobseekers in the UK are applying for remote roles whereas only 9% of roles are advertised as remote.

Our experience is that the number of jobseekers looking for fully remote work is significantly less. We suspect this may be slightly to do with the areas we specialise in, and also because a large number of those remote applications are likely to be speculative (i.e. people aren't really looking to leave, but firing off an application on the off chance they can land a dream, fully remote role) and this group tend to be less likely to engage with recruiters.

What flexible working means to employees

We asked employees to select the option that best defines what flexible working means to them



63% of employees believe flexible working should involve being able to choose which location they work from

The conversation that we often have with businesses around flexible working centres on the split between home & office working, and the 'requirements' for when people need to be in the office. On the other side of the fence, the conversation we often have with jobseekers is that they want to spend some time face-to-face, but the way in which it is mandated & implemented is as important as the actual number of days they end up in the office / working remotely (within reason).

The results here show that there is a part of the workforce (39%) who don't necessarily want complete freedom to choose how, where & when they work, but do want to maintain some ownership of their working location, whereas 25% want complete control over choosing the location they work from.

The spread of results here points to a need for truly understanding the desires of employees, and ensuring they are aligned with what the company feels is best for them. Simply mandating certain days in the office / at home is not going to provide the feeling of ownership that employees want, whether that's where they work, when they work or how they work.

It's clear that choice & trust are key here, and a large part of that comes down to the why – why is it that we feel working this way is best for all parties? Understanding and communicating that clearly will ensure there is alignment between employee and employer expectations.

Assessing the value of home working

We asked employees how they value flexible working over other career considerations

Flexible working is a key factor for me when considering new career opportunities



Flexible working is more important to me than job title



Flexible working is more important to me than working for a prestigious company



Flexible working is more important to me than a competitive remuneration package



The results here seem somewhat juxtaposed at first glance. Whilst flexible working is an important factor for the majority of the workforce when applying for a job, it still doesn't trump other areas when it comes to career choices. That being said, this is not an 'either' / 'or' scenario and it's worth considering these answers alongside those in the next slide – 65% of jobseekers would not apply for a role if the flexible working policy was not clear from the advert, and 83% would be put off applying if a company didn't have a clearly defined flexible working policy (i.e. on their website).

At the point where jobseekers are making decisions on where and who to apply for, flexible working is a key consideration. This may be because they feel there are still plenty of options that offer the things mentioned above (prestigious brand, job title and remuneration) in addition to clarity on their flexible working policy, although without further investigation it's difficult to say specifically.

86% of employees say flexible working is a key factor for them when considering new career opportunities

Jobseekers' Changing Demands

Employees were asked for their thoughts on the impact flexible working has on job searching & career goals

If a company I was applying to DID NOT have a clearly defined flexible working policy, it would deter me from applying



If a company did not clearly state their flexible working policy in an advert/on their website that would put me off applying



I think companies are clear enough about their flexible working policies



I'm confident that remote/flexible working will be advantageous for my career goals



I don't think remote/flexible working will have a positive or negative impact on my career goals.



I fear remote/flexible working could be damaging for my career goals



83% of jobseekers will be deterred from applying to a job without a clearly defined flex working policy


What is abundantly clear from our survey is that jobseekers prize clarity over everything else. Everyone's circumstances and preferences are going to be different, and this statement applies equally to employers as it does to employees. What's important is how clearly you define and communicate those preferences, ensuring that 'signalling' in the market between employers & employees enables informed decision making.

If a business feels that its flexible policy can be used as a candidate attraction tool, it needs to ensure 3 things. **Firstly**, that it truly understands why people would be attracted to it. **Secondly**, to ensure that the people who are attracted are aligned with the type of people it wants to hire. **And finally**, that it is clearly defined and articulated in any form of employer branding / talent attraction collateral. If you aren't nailing the final point, then the data shows that you are impacting your talent attraction funnel, potentially dramatically.

Employer Insights

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It all starts with mindset. At first we noticed that there are many people who fear remote working, and this came from a place of trust – can I trust people to get stuff done if I can't see when & how they're working? Making it work relies on people reflecting on their mindset, what they expect from others and themselves. It isn't just about how you work, but how others around you work and having understanding, respect and trust for this.

The strength we've had is the commitment to building a community feel – having open & honest conversations, lots of checking in, 121s across the business, pulse surveys and encouraging honest conversations at all times. Things are still evolving, so enabling people to have a voice and using those learnings to adapt what we're doing is key. Ultimately, it's what you do in the hours you work that matters – we always encourage people to finish on time and focus solely on output to measure whether we're being effective.

Charlotte Connell, Head of HR – Organix



Employee satisfaction

Employers were asked if they believe their workforce are happy with their current flexible working policies



30% of employers think their staff are unhappy with their current flexible working policies.



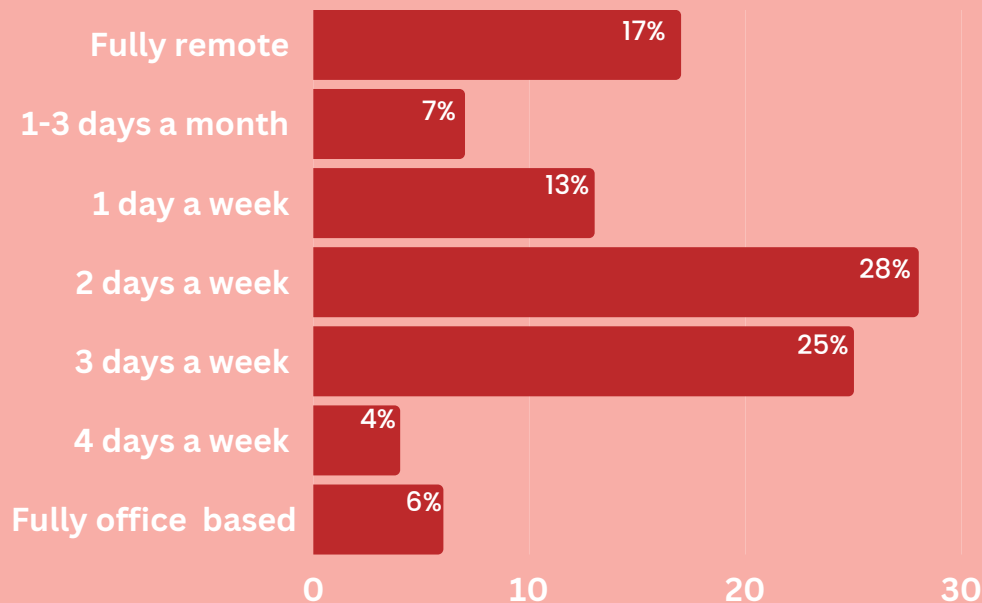
29% of employers have NOT yet asked if their employees are happy with their current flexible working policy.



35% of employers require their workforce to be in the office for a min of 3-5 days. Of this group, 60% believe their employees are unhappy with their current flex policies.

Minimum requirement for days in the office

Employers shared their current working policy which ranged from fully remote to five days in the office



We've seen a shift towards more time spent in the office over the past 12 months, and whilst the data is still fairly broad, around 63% of companies surveyed are in the office at least 2 days a week.

The data above around employee satisfaction is very interesting – 30% of companies think their employees are unhappy with their flexible working policy, and the number of employees who said they were unhappy is similar (29%). The % of businesses who think their staff are unhappy is higher for those who spend more time in the office (60% in the 3-5 days cohort). Of those businesses who answered yes when asked if they felt their employees were unhappy, only 52% have actually asked their staff. Furthermore, 90% of these businesses have a requirement to be in the office at least 2 days per week (interestingly the other 10% are fully remote)

15% of employers do not have the same flexible working policy for junior and senior employees.

Expectation vs Reality

The initiatives employers think should be prioritised to successfully implement flexible working models

Training for managers on effective remote leadership

YES 87% NO

Providing financial support for equipment

YES 48% NO

Physical health initiatives e.g remote exercise classes

YES 19% NO

Mental health initiatives e.g subscription to Sanctus

YES 43% NO

Revising existing written working policies

YES 44% NO

The initiatives employers are actually prioritising

Training for managers on effective remote leadership

YES 33% NO

Providing financial support for equipment

YES 61% NO

Physical health initiatives e.g remote exercise classes

YES 25% NO

Mental health initiatives e.g subscription to Sanctus

YES 63% NO

Revising existing written working policies

YES 63% NO

The headline story here are the statistics around training for remote leadership – the discrepancy between how important companies feel training for managers is, and the number who are actually implementing it. Given that employees cited 'lack of inclusivity' as the 2nd biggest potential risk factor to remote working, the ability to foster the right culture and ensure continuity of development between working F2F and remote is hugely important.

Given that this gap was bigger than we expected, we sought out some experts in remote leadership training & development and are planning to produce some follow up content to address this topic specifically. If this is an area that you feel would benefit your business, get in touch and we'll be happy to make introduction.

The benefits of flexible working

Employers and employees were asked to rate the advantages and drawbacks of flexible working. The following are the top three benefits of flexible working as identified by each group.

EMPLOYEES

1 Improved work - life balance

2 Saving time on commute

3 Improved productivity

Unsurprisingly, work/life balance was the number one choice by some distance here. People are unwilling to give up the increased personal & leisure time they've become accustomed to over recent years. Saving time on commute is, similarly, a reflection of this mindset.

The improved productivity is interesting as, historically, that's been the biggest reason held up by employers for why remote working wouldn't work. We've also seen a bit more of a shift to that mindset over the past 6 months, as growth has become harder to come by and some companies see more time spent in the office / as a team as a solution here. From the perspective of jobseekers, the idea that days spent working from home allow for a 'deep work' focus that is hard to achieve in the office is a topic that regularly comes up, so it's not surprise for people to say they feel more productive working in this way.

The questions we asked employers were slightly different to employees, however the top answers are clearly aligned – increased employee wellbeing is no doubt a by-product of more free time and a better work/life balance. The 2nd and 3rd top choices here are interesting – the focus on widening the talent pool, attracting and retaining talent was common across most businesses we surveyed. However, with 71% of employees claiming employers are not clear enough about their flexible working policies, it implies there's more work to be done by employers to really reap this benefit, and potentially still a clear opportunity to stand out from the crowd here. With 48% of businesses surveyed having a policy of 2 days or less in the office, anything more than this is likely to start reducing your available pool of talent. This would tally with our experience as recruiters that anything more than 3 days required in the office starts to severely impact the number of people interested.

Furthermore, what we've seen from our research is that the communication & implementation of the policy is as important as the policy itself. Expecting it to act as a talent retention / attraction tool on it's own is already outdated, given where the market has shifted to.

EMPLOYERS

1 Employee wellbeing

2 Retaining and attracting top talent

3 Expanding talent pool

The downsides to flexible working

Employers and employees were asked to rate the advantages and drawbacks of flexible working. The following are the top three risks to flexible working as identified through the survey

EMPLOYEES

1 Physical discomfort

2 Isolation/Lack of inclusivity

3 Impact on mental health

It was somewhat surprising to see physical discomfort come out as the highest ranked of the potential downsides of remote working, given other topics typically receive more coverage and 61% of businesses said they provided financial support for equipment (perhaps this doesn't extend to desks / chairs etc). Providing the right equipment and ensuring employees have an environment conducive to healthy working should not be overlooked - employers ranked this 5th out of the 6 options which suggests there is a discrepancy here, and perhaps something businesses should be talking to their staff about more regularly.

Lack of inclusivity is another area where there appears to be a gap between the relative importance both groups place on it, with employees citing it as the 2nd biggest potential downside and employers putting it at the bottom of the pile. It's worth noting that we had separate questions on inclusivity and culture overall, so this answer was specific to inclusivity as opposed to using inclusivity as a barometer for culture - whilst the two are linked, the responses from employees suggest that more work needs to be done on creating truly inclusive policies and ways of working remotely. An interesting perspective here might be to consider the Gallup 12 methodology for assessing employee engagement, specifically the statement 'At work, my opinions seem to count'. Feeling like you have a voice when working remotely can be challenging, and this would play a part in people feeling that the environment is not truly inclusive.

Whilst the impact on company culture was seen as a key consideration for employers, staff didn't feel quite so concerned, ranking it only 5th. The mental health impact of remote work is the area where there is the most common ground, which is also borne out by the data showing that 63% of companies are implementing mental health initiatives to support staff with this.

EMPLOYERS

1 Impact on company culture

2 Impact on mental health

3 Impact on learning and development

Summary

We conducted this survey in response to the conversations that we have day in, day out as recruiters. With rapid changes in the labour market over the past few years, both businesses and jobseekers often find it difficult to gauge what the wider sentiment is, and we hope that this can play a small part in shedding some light.

Throughout 2022 and the early part of 2023, we sensed a bit of a shift to businesses asking their staff to spend more time in the office. From a jobseeker perspective, we saw a slight increase in people looking for remote roles, albeit still a relatively small percentage of the people we spoke with. What seemed to be more common was a reticence to be in an office too much, with many people looking for either 2 or 3 days.

We wanted to get a deeper understanding of what this actually looked like in reality, and are incredibly grateful to the hundreds of people who take time to respond.

Here are what we feel some of the key takeaways are:

Clarity is key – 83% of jobseekers would be put off applying for an advert that didn't have a clearly defined flexible working policy, with only 29% of respondents feeling companies are clear enough about their policy. We see that a large number of people are happy / keen to spend some time in the office (69% chose between 3-5 days) but it's the lack of clarity that is off-putting.

Communication needs to improve – whilst 72% of companies said they had asked their employees whether they are happy with the current flexible working policy, there are still gaps between what employers and employees value. More conversations (and action) needs to happen around what employees need in order to thrive in a remote environment. Training on remote leadership, addressing the physical challenges of remote work and creating truly inclusive remote environment are the 3 biggest areas to address here.

Flexibility on it's own is not a viable talent attraction / retention tool – for the majority of employees (89%) it is an expectation rather than a nice to have. Businesses ranked 'retaining and attracting talent' 2nd out of the 6 benefits of flexible working, however this assumes there is something unique about the offering, which is increasingly unlikely. Employees still value remuneration, progression and company name/prestige as more/equally important to flexibility, so whilst you need to be crystal clear on your policy in order not to rule people out, you can't rely on it to do the work on it's own.

We welcome any feedback or further conversations people may want to have off the back of this, and hope to have provided a useful resource in helping facilitate the right conversations.



David Jenkins
Managing Director



About us

A little about who we are and what we do



David Jenkins
Managing Director



Andy Davies
Commercial Director



Jayna Kaylan
Director



Vertical Advantage are a specialist recruitment agency in the consumer space, with expert consultants in Sales, Marketing, Digital, eCommerce, Tech, Finance, Supply Chain, Procurement & Logistics. We work with brands, marketplaces, agencies and SaaS businesses, with the common thread being that they all have a connection to the consumer world. Each member of our team has a deep specialism within one particular area, with a focus on being a trusted advisor in that space and building a strong network of the best talent.

Our mission is to help change lives for the better, and we do this focusing on supporting people with their long-term career goals, providing expert advice and guidance and acting as an extension of the businesses we partner with. We're also committed to making a difference to the wider communities we operate in, and do this through partnerships with Mind and The Trussell Trust - for every placement we make, donation is made to these 2 charities. So when you choose to work with us, you're also supporting these great causes. Connect with our leadership team by clicking on the icons above, we will be happy to discuss any of the topics featured in the report and to act as a sounding board for anything you'd like to discuss.

vertical advantage

2023 FLEXIBLE WORKING REPORT

In 2023 Vertical Advantage surveyed 100 businesses and over 600 candidates across the following sectors: Digital, Supply Chain, Operations, Procurement, Sales, Marketing, Data & Analytics, eCommerce and Finance.

We've have shared as much insight as we can from what we learned, with the goal simply of helping to facilitate conversation and bridge any gaps that may exist between what companies are doing, and what people are looking for.

For bespoke insight and advice, drop us an email on info@vertical-advantage.com