



## **Remote and Flexible Working: Quantitative and Qualitative Data from the Business Community**

**April 2021**

This paper provides a summary of the qualitative and quantitative data gathered by Dublin Chamber in relation to remote and flexible working over the past year, including up-to-date feedback on the most recent developments, and concludes with recommendations to Government. Dublin Chamber has long supported the adoption of remote and flexible working practices as a means to improve work life balance and social inclusivity in the labour pool, as well as a way in which businesses can improve their offering to staff. Dublin Chamber also recognises and supports the positive contribution that a shift toward flexible working practices can make to Dublin's functionality as an attractive city in which to live, work, and do business. In March of 2020, the Chamber launched its Smarter Working Guide, a document to help businesses to implement flexible working policies.<sup>1</sup>

Throughout the Covid-19 pandemic, Dublin Chamber has been conducting focus group sessions via video call with its members, collecting qualitative data on business concerns and attitudes to remote working. Remote working has been considered in the context of the impact of Covid-19 on business operations and female labour market participation, and the impact of long-term remote working on the future of the office. In late January 2021, Dublin Chamber held four focus groups totalling approximately 100 participants to assess business reactions to the launch of the *National Strategy on Remote Work*. Further focus groups were held in late March to consider the financial costs to businesses of long-term remote working policies. Through its Quarterly Business Outlook Surveys, Dublin Chamber has also gathered quantitative data on issues relating to remote and flexible working, including business intentions to continue with flexible working policies post Covid-19, the main concerns around remote working, and sentiment towards the Right to Disconnect.

Dublin Chamber has engaged with Government in support of flexible working whilst also advocating for greater clarity around employer liability in relation to health and safety when homeworking, and for a review of the Organisation of Working Time Act 1997.<sup>2</sup> We have also raised the issue of a possible gender impact of remote working on female labour advancement.<sup>3</sup>

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<sup>1</sup> Dublin Chamber Smarter Working Guide <https://www.dublinchamber.ie/getattachment/Business-Agenda/Smarter-Working-Guide/Dublin-Chamber-Smarter-Working-Guide.pdf?lang=en-IE>

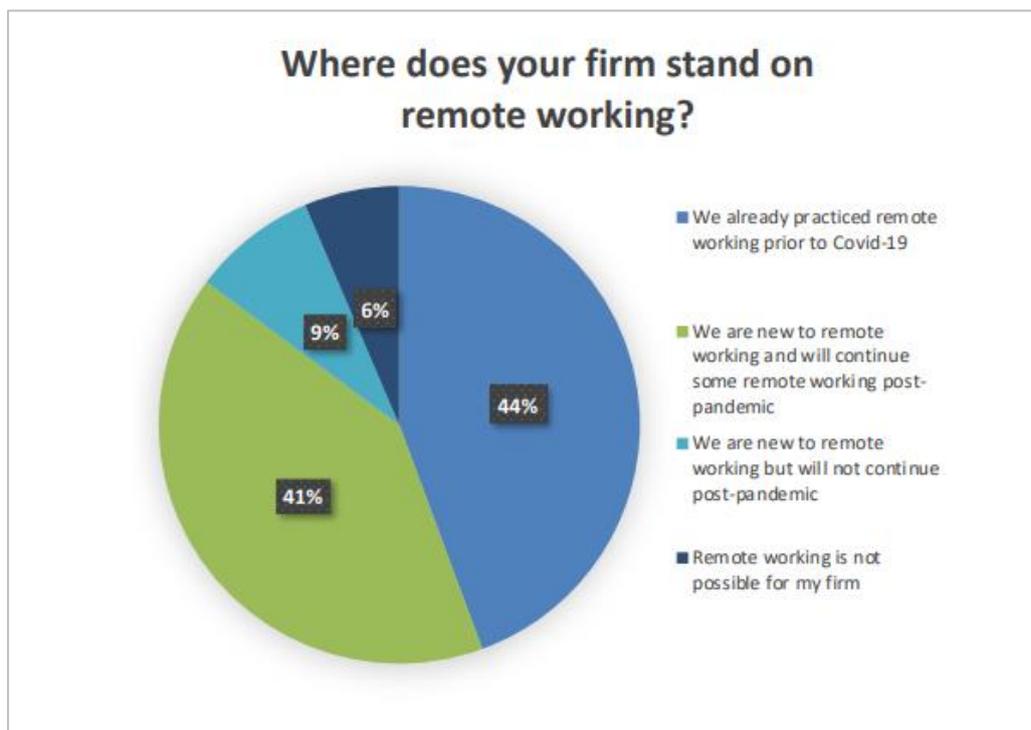
<sup>2</sup> Dublin Chamber Submission to DBEI on Remote Working, <https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber-Submission-on-Remote-Working-Consultation-to-the-Department-of-Business.pdf>

<sup>3</sup> Dublin Chamber Position Paper on the Impact of Covid-19 on Female Labour Participation, [https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber\\_Covid-Impact-on-Female-Labour-Participation\\_October-2020\\_FINAL.pdf](https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber_Covid-Impact-on-Female-Labour-Participation_October-2020_FINAL.pdf)

## Survey Data

In the early months of the pandemic, surveying showed that the immediate experience of remote working was broadly positive and indicated a strong inclination among businesses to continue with some level of remote working post pandemic. In March of 2020, Dublin Chamber surveyed members on the impact of Covid-19 on their businesses. Surveys carried out between 9th and 25th March showed the rapid progression of remote working among businesses. In our initial survey we asked businesses how prepared they were to implement remote/flexible working at short notice. Over 70% of businesses had a plan in place and just over 16% were in the process of putting a plan in place. Two weeks later, the vast majority of companies (93.5%) had implemented remote working to some degree, with two thirds of businesses working almost entirely remotely. Just one company reported that it was still working on implementing remote working, while about 5% reported that it was not possible for their business.<sup>4</sup>

By the time of our Q2 2020 Business Outlook Survey the unforeseen acceleration of flexible working practices had caused many businesses that would not otherwise have considered remote working to consider incorporating it as a long-term policy. Over 41% of businesses that had newly implemented remote working in response to the lockdown now intended to implement a remote working policy post crisis. Only 9% of respondents who were remote working indicated that they would not continue to do so post-crisis.<sup>5</sup>

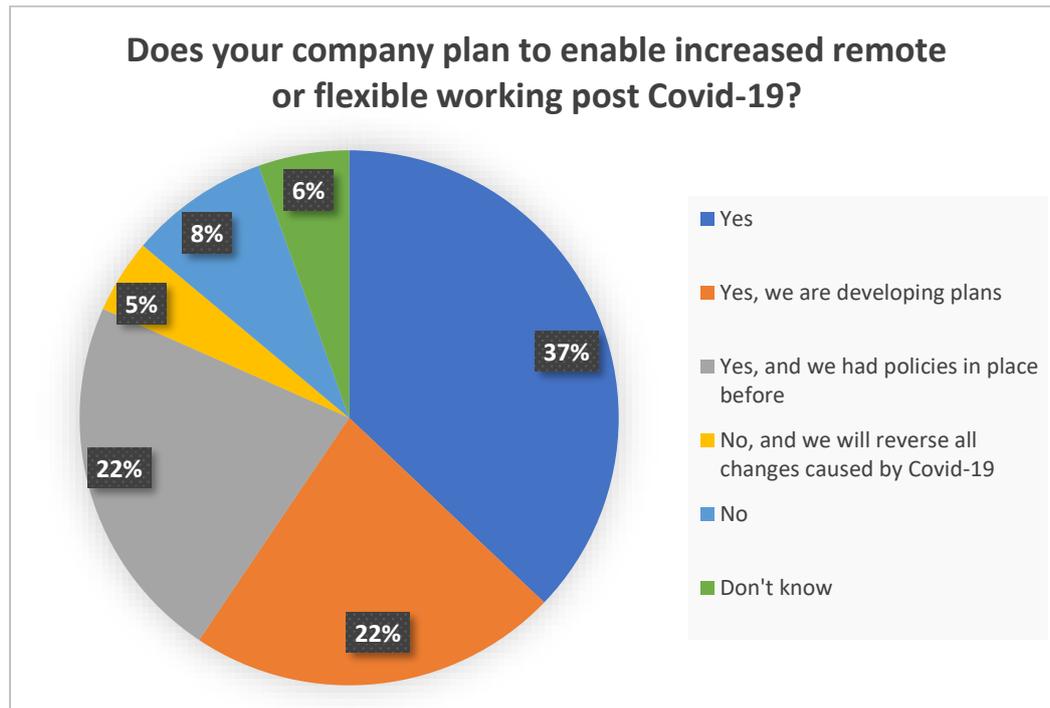


\*Q2 2020 Business Outlook

<sup>4</sup> Dublin Chamber Covid-19 Survey Report, [https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber\\_Covid-19-Survey-Report.pdf](https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Dublin-Chamber_Covid-19-Survey-Report.pdf)

<sup>5</sup> Dublin Chamber Q2 Business Outlook Survey, [https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Business-Outlook-Survey-Q2-2020\\_1.pdf](https://www.dublinchamber.ie/DublinChamberofCommerce/media/banners/Business-Outlook-Survey-Q2-2020_1.pdf)

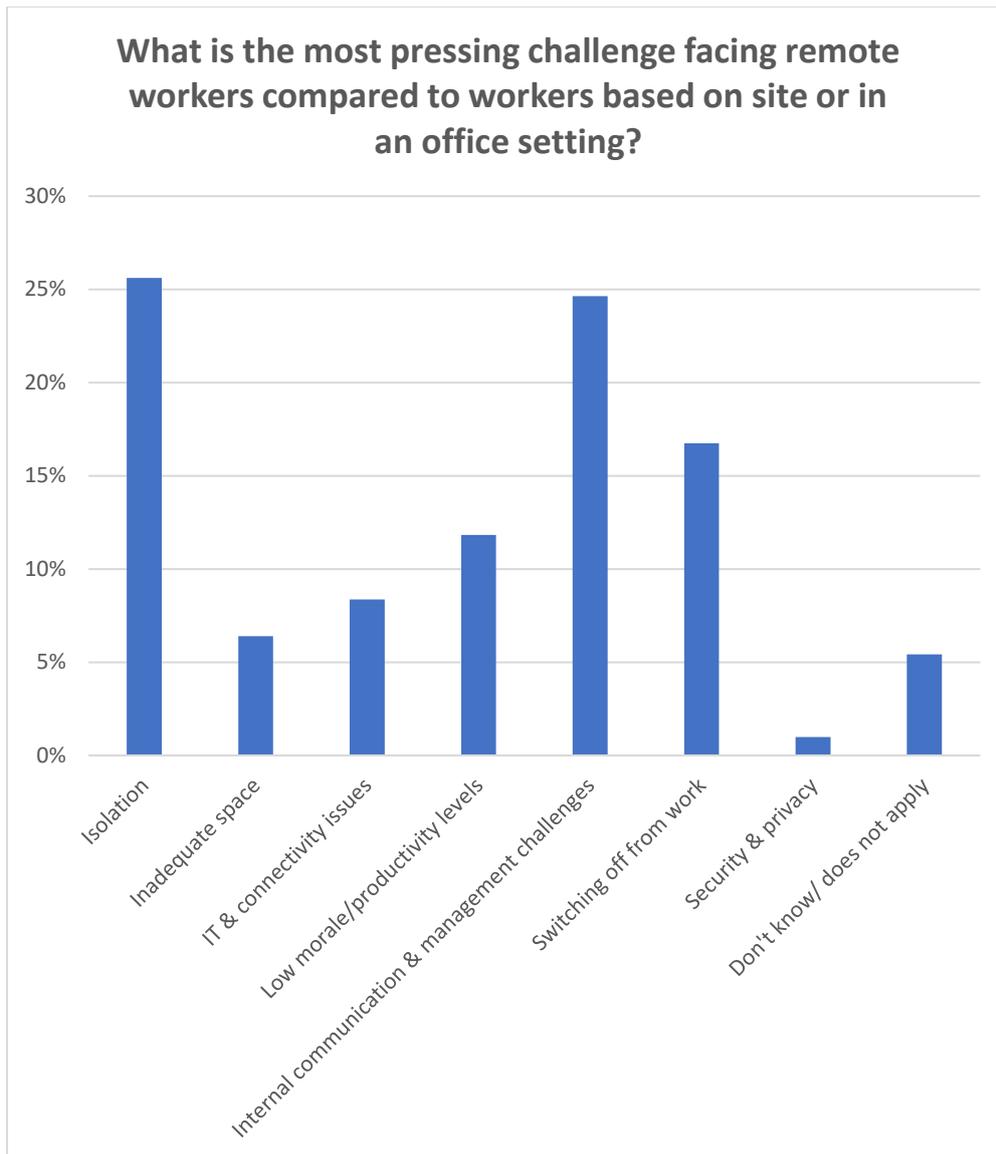
In the Q4 2020 Dublin Chamber Business Outlook Survey, we asked a further series of questions relating to remote working and its impacts, and it was apparent that the intention to continue new working practices in the long run had strengthened. As of Q4 2020, 81% of companies have plans to enable increased remote or flexible working post Covid-19. Of that cohort, two thirds were new to remote or flexible working and had only implemented these policies in response to the Covid-19 crisis. Only one in eight respondents who were implementing remote working indicated that they have no plans to enable increased remote or flexible working after the crisis, and just under half of these have indicated they will reverse all changes caused by Covid-19.



\* Q4 2020 Business Outlook Survey

Alongside remote and flexible working, the potential long-term impact on the shape and future of the Greater Dublin Area (GDA) is also of interest. We asked respondents how the impact of remote and flexible working has impacted upon their plans for their physical business footprint or office space. Over one third (36%) of respondents indicated that the emerging trend of remote working has had no significant impact on their current plan, although a further 24% of companies have paused all plans until the outlook is clearer. Only one respondent indicated that their company would consider relocating outside the GDA. However, 25% of respondents indicated they will consider reducing their business space.

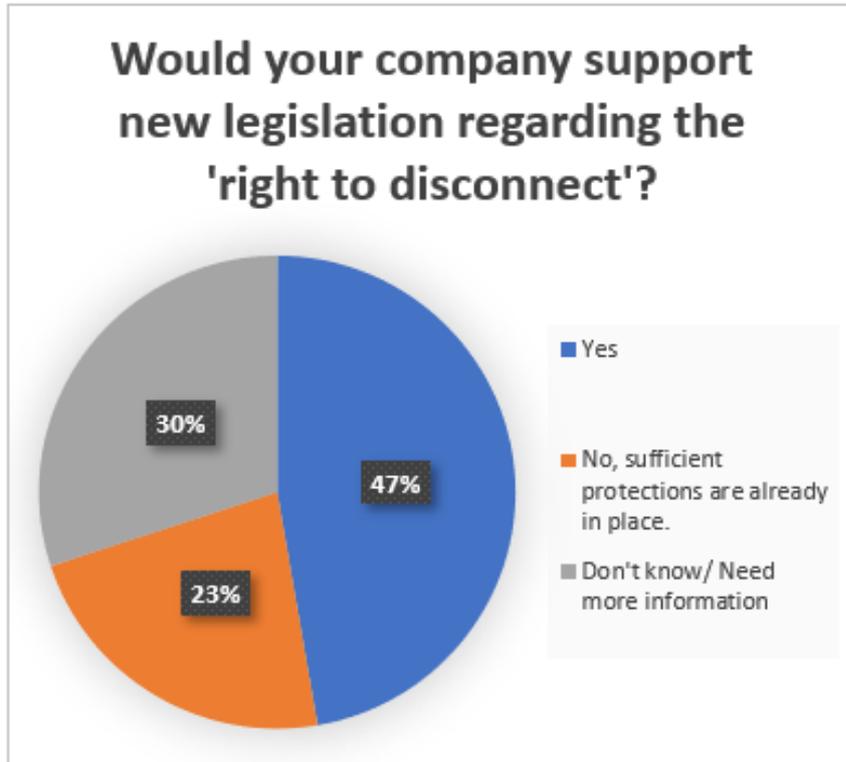
We also asked businesses to identify the most pressing challenges facing remote workers in direct comparison to those working on site or in an office setting. Over 25% of companies identified Isolation as the most pressing challenge, with another almost 25% indicating that Internal Communications and Management Challenges were an issue. IT Connectivity Issues (8%), Inadequate Space (6%), and Security & Privacy (1%), scored the lowest.



*\*Q4 2020 Business Outlook Survey*

The unprecedented levels of remote working have blurred the lines between home and work life, and this has led to renewed interest in the Right to Disconnect. In our Q4 2020 survey, almost half (48%) of companies confirmed that they have in place guidelines or procedures to ensure staff can fully disconnect when on holiday or outside working hours. In contrast, 41% of companies said they did not have those procedures in place.

When asked about their companies' support for new legislation regarding the 'Right to Disconnect', almost half (47%) of respondents were in favour with just over 30% unsure or needing more information. The 30% figure indicates that more must be done to engage with businesses on this topic and to encourage an informed discussion on the issue going forward. Almost one in four companies (23%) felt that there are currently sufficient protections in place and would not support proposed new legislation.



\* Q4 2020 Business Outlook Survey

### Focus Group Feedback

#### *Hybrid Remote and Office Working is the Future*

In a December 2020 focus group of CEOs, managing directors, and partners of major Dublin firms, including some of the largest tech and professional service providers in the city, feedback overwhelmingly indicated that a hybrid model combining remote and office working would be the reality for post-pandemic working. It is likely that there will be 60%-80% work in the office with the remainder carried out remotely. This is believed to be the optimum operational split for team work and innovation in the office, and for focused work and work life balance through remote and flexible working. It also reflects employee sentiment about the preferred split between onsite and remote work.

Views about how the split between working from home and in the office should be managed post Covid-19 changed and evolved during the course of the pandemic. In the earlier months of the lockdown in 2020, initial considerations around logistics and making an operational switch were prioritised. Similarly, the experience was coloured by many employees juggling home-schooling with the transition to home working. Following this initial phase, as employees felt some of the work-life balance effects of working from home during the summer months and bright evenings, there was more positive support for long-term home working as a significant part of the work week. However, enthusiasm about working from home waned as lockdowns levels tightened, the year progressed with less daylight, and as distance from the social aspects of the office deepened, with little sight of a return to normality.

In January 2021, Dublin Chamber held focus groups with approximately 100 employers, at which the feedback around a future hybrid of working part of the week in office with some level of remote working was repeated. The planned split in office/remote working ranged from 50%/50% to 90%/10% and a number of different hybrid models were under consideration. Many firms have been surveying staff around this.

Businesses indicated that the pandemic experience had been positive in accelerating the change toward the future of a more flexible work week and the use of technology to support it. It was reported that attitudes toward employee productivity while working from home had been changed positively, with many employers reporting that prior to the pandemic they would have been very much against remote working. However, there are continuing challenges in HR management, with difficulty, for example, in navigating smaller teams so that not everyone is working from home every Friday. Businesses need to be afforded the space and leeway to develop their own flexible working strategy and policies that fit their operations and work culture, and the Government's approach should not be overly prescriptive.

#### *Team Work, Innovation, and Creativity: the Future of the Office*

Dublin Chamber focus groups reflect that the business community has accepted that there will be a long-term shift post Covid-19 in relation to remote and flexible working. However, in the session with senior leaders in December 2020, a key concern was around collaboration, teamwork, and innovation. The broad consensus was that onsite working is more conducive to this aspect of work, hence the planned requirement for a level of onsite working for most staff. This sentiment was further reflected across focus groups in January 2021, in which participants were drawn from a range of sectors and varied significantly in size.

#### *Employee Wellbeing*

Employee wellbeing is a key concern reflected across focus groups. Concerns were expressed around isolation, mental health, and the long-term impact that full time remote working during the Covid-19 lockdown will have. Isolation is a particular concern. Some businesses put wellbeing supports in place and found that employees welcomed and engaged with these offerings. Many indicated that mental health is requiring increasing attention and resources from employers and that Government needs to recognise this. Suggestions included that Government should research this further and collecting data on employee wellbeing in this regard.

#### *Privacy and GDPR*

Firms in sectors such as professional services and banking, among others, have significant concern about privacy and data regulations in the context of remote working. There are a number of scenarios where home working can cause issues, for example, between housemates that work for different banks or law firms. Similarly, there are GDPR concerns for employees that handle customer information.

Particularly in relation to the Hub network as detailed in the National Remote Work Strategy, there are concerns about whether these will have guaranteed privacy infrastructure, what assurances can be made around secure Wi-Fi, and about security to ensure staff safety against tiger kidnapping. Feedback suggests that regional Hubs will add a new level of complexity to an already complex issue, and that Hubs should be a private sector response to market need.

### *Health & Safety and Insurance Liability*

Across various focus group sessions, concerns were raised by employers around their potential health and safety liabilities with respect to employees working from home. These are concerns in relation to any issues that arise due to home working infrastructure, including accidents causing injury. This was a concern repeated by employers in all 2020 focus groups and it was highlighted again across all focus groups held in January 2021. While some businesses are undertaking risk assessments through their HR capabilities, this is generally only possible for large firms. Similarly, employers need greater clarity around where the home ends and the workplace begins for insurance purposes.

### *Employee Privacy*

Employees have a right to the privacy of their own home, and there is concern among businesses that it is not acceptable for an employer to infringe upon this privacy through risk assessments and data security assessments.

### *The 'Right to Request' Needs Further Detail and Consultation*

While businesses are broadly supportive of remote working as a work-life balance option, there is real concern that the highlighting of a Right to Request in the new *National Remote Work Strategy* has caused a level of expectation among employees that will be difficult to manage when the business requires a certain level of onsite working. Firms are concerned that the need for a level of onsite work for reasons of necessary collaboration, teamwork, and maintenance of company culture will not be respected in Right to Request legislation, despite these being very real business requirements. There is also a concern that privacy and data concerns from the employer will not be adequately accounted for considering the allowances made during the Covid-19 pandemic. Fear was raised that if a case was brought before the Workplace Relation Commission or Labour Court that such real concerns from a business perspective would not be taken into account in a judgement.

Operational and productivity requirements must be respected by any new legislation and employers need to retain a right to have their employees work onsite in the office. Employers also need to retain the right to revoke an employee's working from home practice should productivity or operational capacity become an issue.

### *The Right to Disconnect Needs More Detail*

The Right to Disconnect needs more thought and more clarification. Introducing legislation could be bad for FDI as businesses need to be able to connect with customers or other offices of the business that are in different time zones.

There is a worry that Government will over-legislate in this area. Existing legislation needs to be updated in this space as it is outdated. The Organisation of Working Time Act 1997 is outdated in light of the monumental change that has occurred around the way people work. Concern was raised that introducing a Right to Disconnect would have an adverse impact on the progress that has been made in relation to flexible working practices. The way people work has changed, with many employees now afforded the flexibility to move their hours to suit their caring duties. This should be accounted for in any conversation around the Right to Disconnect and the Organisation of Working Time Act 1997, as remote working is just one aspect of flexible working. For many, the move to flexible beginning and ending times in the work day, or the option of compressed hours, are the appropriate flexible working option and strict legislation in relation to the Right to Disconnect could have a negative impact on these practices.

### *International Tax Implications*

Firms expect issues to arise from employees requesting to work remotely from other countries. This issue has been raised both in terms of employees seeking to relocate for lifestyle reasons and employees seeking to return to their home country. Employers report that requests to this effect are already being made and are concerned about the long-term implications for business operations and the Dublin economy. For example, one SME participant had already received a request from an employee who wishes to relocate to France, though this is not the employee's home country. These scenarios have difficult tax implications, and employers need to be able to deny requests such as this as necessary. A tech company with a significant workforce has reported that they have had to order employees to return to Dublin from abroad, with a small number still 'straggling' months later. This is an example familiar across a number of large firms. It would contribute to costs for a firm to pay taxes for their Dublin employed staff across a myriad of countries, this is an issue for Ireland's competitiveness.

Furthermore, there is concern around employees that live in Northern Ireland and will seek to remote work. It is unclear what the tax implications of this might be and if an employer will have the right to deny a request to remote work from Northern Ireland due to tax complications.

### *Cost Concerns*

If it is mandated that the employer is responsible for providing a home working set up, this will cause a significant increase in cost for the option of a hybrid remote working and office working set up. Moreover, SMEs are concerned that they will be put at a distinct disadvantage in relation to talent attraction/retention against large organisations that offer home office cost support as well as support through Remote Working/E-Working tax relief. If the tax relief is made mandatory, it will represent a cost that SMEs cannot afford. However,

inadequate employee support for the costs of home working set up may also represent a disadvantage in terms of the retention and attraction of skilled workers.

Focus group feedback indicated that employees are facing increased utility and broadband costs while working from home and that this will be an issue going forward. The €3.20 per day tax credit allowance that can be paid by the employer is not a possibility for all businesses and the amount that an employee can claim back on their own behalf through Revenue is negligible. These current tax incentives for remote working do not work well as there is an inequality between the two options to mitigate the cost of home working; feedback also suggests that neither option adequately covers the cost of working from home at all times of the year.

As businesses now look toward implementing flexible and remote working policies long-term and in a non-emergency context, there is concern about duplication of cost as there will need to be a home office set up and an onsite office set up. Businesses concede that the 'kitchen table' set up that many operated under during Covid-19 lockdown is not suitable long-term from an employee wellbeing and an employer liability perspective. This will be expensive to remedy. Many employers have already incurred significant cost to do some level of fit-out for employees. However, most are now waiting for further instruction from Government on how much of the home office fit-out they are responsible for and to see what level of financial support they will receive.

A common view expressed was that in consideration of the significant effort that has been made on the part of employers and employees in relation to working from home during the pandemic, and the fact that Government is seeking to further promote remote working as a strategy, support should be provided for employers and employees through improved subsidisation of home office set up and the day to day costs incurred by employees when working from home.

Additional costs are being incurred by businesses as they seek to appropriately support and manage staff in remote working circumstances, through new communications and HR challenges. There is a financial cost here due to time spent on these new challenges, and, on training for new management skills.

Another cost consideration concerns leases: some businesses are tied into leases for offices with larger footprints, and it is likely that some will want to break leases early or will want people in the office to make use of the spend.

Again, employers with international staff are concerned about tax cost implications should it be the case that they have to facilitate staff living in other countries that would pre-Covid and pre-remote work have been based in Dublin.

#### *Trainees and Junior Staff Need to be in the Office*

Businesses reported general concern around the integration and advancement of their junior members of staff in a remote working environment. Traditionally, across the private sector, junior staff learn in an office setting through working in close proximity to their manager and colleagues, by observing and attending meetings, and by asking ad-hoc questions informally over the course of the workday. Specifically, professional services firms have concerns around their trainees and their obligation to mentor and guide them through their traineeship

towards passing their exams and becoming fully qualified. Trainees need to be in the office and under the supervision of a manager for this to be accomplished. One firm indicated that it has 1,000 trainees on the books every year; this is common practice for many with an annual intake of university graduates.

### *Impact on Female Labour Participation and Advancement*

There are real concerns around the impact of an-unbalanced take up of long-term remote working contributing to the gender pay gap and adversely impacting upon female advancement in the workplace.

In August 2020 focus groups on the impact of Covid-19 on female labour market participation, a number of concerns were vocalised by Chamber members from across the spectrum of sectors and business size around the potential for a negative impact of remote working should it be considered as an answer to childcare issues. However, participants were also broadly very supportive of the positive effects that remote and flexible working practices can have on female labour participation and advancement should the appropriate steps be taken to ensure that these options are not left solely to women with caring duties. Remote working cannot be viewed as the answer to childcare.

Focus groups held in January 2021 also reflected the concern around female career progression and visibility. Concern around childcare post-pandemic was also raised in the context of employee privacy. Employers will want assurances that a home-working employee has adequate childcare; however, it may not seem reasonable to question this with an employee outside the exceptional circumstances of the Covid-19 lockdown.

### *Competitiveness*

Businesses are increasingly concerned with the impacts of remote working policies on the competitiveness of Dublin as an attractive location for FDI and for retaining significant workforce presence of existing firms.

A number of firms reported through focus groups that international staff moved to their home countries during initial lockdowns, and while many have now returned to Dublin at their employers' strong request, there are a number that are refusing or questioning the need to return. This is both an issue for key employee retention and attraction, and in relation to tax complications.

Feedback from a number of large global tech firms, as well as professional services and administrative support services firms, has questioned the impact that remote working policies which result in a significant cost to businesses to facilitate remote set up will have on the attractiveness of Dublin as an FDI location. Concern was expressed that if the full financial onus is placed on the employer to pay for home office set up, risk assessment, and tech, in addition to a city office foot print, then employers may simply locate elsewhere. Firms also questioned if global businesses would simply pull out of Dublin to go somewhere cheaper or disperse staff internationally rather than incur these costs.

## *Broadband Connectivity*

If remote working is to be a national strategy then broadband and connectivity must be a priority. This view was repeated consistently across all focus groups.

### **Dublin Chamber Recommendations**

- Ensure that future remote and flexible working policy is developed in light of the majority view in favour of a hybrid model of working from home and in the office.
- Review the Organisation of Working Time Act 1997 in recognition of the evolution of the modern work week away from the traditional '9 to 5' in favour of greater flexibility for work-life balance.
- Provide greater clarity around the liability of employers while an employee is working from home or remotely, and provide greater clarity as to what extent an employer must finance remote work/home office infrastructure. Government should consider how risk assessments will be carried out by SMEs and firms without a dedicated HR capacity.
- Ensure that any 'Right to Disconnect' Code of Practice is broad in nature so that it does not impede progress being made in relation to flexible working and work-life balance.
- Provide greater detail on the 'Right to Request' and ensure that the employer's right to deny or revoke remote working arrangements is retained. Furthermore, employers need to be provided with assurance that they do not have to allow staff to work remotely from locations outside of Ireland.
- Deliver on broadband connectivity and communicate clear deadlines on its delivery.
- Consider financial supports afforded to employers in relation to home offices for remote working, including grants and, accelerated capital allowances. Financial supports for remote work set up need to include support for:
  - i. initial outlay by employers to put in place the necessary infrastructure around tech for out of office working and a full fit out for a workforce to remote work post pandemic;
  - ii. an ongoing support scheme for costs of home office set up with regard to office furniture and technology, as an appropriate home office set up is important for employer liability reasons as well as for employee physical and mental wellbeing.
- Review current tax allowances for home working. Currently, the amount that an employee can claim from Revenue is negligible and requires a considerable level of documentation. Other tax relief measures need to be considered in tandem. For example, tax saver commuter allowances may need to be reviewed in consideration of a reduction from a five day to a three day weekly commute.
- Training for HR and management skills to manage a hybrid workforce must also be made accessible to businesses at no or low cost. The cost of risk assessments for remote workers will be ongoing, and training and resourcing for this also needs to be funded.
- Examine and account for the implications that remote working and a 'Right to Disconnect' may have on the attractiveness of Ireland as a location for FDI.
- Ensure that remote working does not become a gender practice whereby working mothers become relegated to working from home while male counterparts continue to attend the office, as this will have negative impacts on female advancement, the gender

paygap, and female labour market participation generally. Remote working must not be viewed as an answer to childcare challenges.

- Government should engage in data collection around the longer term impacts of remote working on employees and their wellbeing.