Abstract

Remote working as an element of more flexible working is increasingly promoted as the post-pandemic new normal for employment, claiming to offer benefits to both employees and employers. However, this new normal presents new challenges to existing practice regarding individual development and career progression. Drawing on experience from international organisations with a longer history of supporting remote working the research identifies aspects of sustainable policy and practice and reviews key challenges facing organisations transitioning to increased remote working.

What challenges will organisations face transitioning for the first time to the new normal of remote working?

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Introduction

The concept of remote working, with some working from home, as an element of more flexible working has been adopted by a significant number of organisations to a point where remote working is increasingly described as the post-pandemic new normal for employment, claiming to offer benefits to both employees and employers. However, remote working as a permanent feature of employment presents a new, and potentially challenging, model for many organisations and we must question whether the Covid-19 lockdown experience of performance management in remote working would be sustainable in the longer term, or if changes will be required, in particular regarding individual development and career progression. Our research draws on the experience of Human Resource (HR) and line managers, and of individual employees, across a range of organisations with a longer history of supporting remote working and with different remote working practices (Felstead and Henseke 2017; Sullivan 2003) to identify aspects of policy and practice that are likely to be successful and sustainable. The scope is to discuss and evaluate the key challenges organisations will face transitioning to the new normal of increased remote working. Our review covered the experience of international organisations including organisations headquartered in the UK, Switzerland, the USA, Singapore, and Australia.

Remote working as the 'new normal' for more organisations and employees

The number of employees working remotely has been increasing steadily over many years (Eurofound and ILO 2017; Felstead and Henseke 2017), but increased significantly, perhaps temporarily, during the Covid-19 pandemic lockdowns. This was a new, or at least different, experience for many employees as organisations adapted to the need to adopt remote working at scale, often for the first time. Organisations moved quickly to attend to issues of health, safety, and wellbeing at work (Grant, Wallace, and Spurgeon 2013; Stavrou and Ierodiakonou 2015; Deloitte 2020a). However, research evidence suggests that less attention was paid to traditional elements of performance management (Li, Ghosh and Nachmias 2020) with organisations suspending key activities including: performance rating; promotions; and learning and development. Prompted by their experience during the Covid-19 lockdowns, and broader changing attitudes to work (Miller and Yar 2019; McKinsey 2020; Yawson 2020; CIPD 2020a; Deloitte 2020b) many organisations have indicated that they envisage more employees working remotely on a permanent basis, with working from home for at least part of the working week, as the 'new normal' (Baska 2020; Gartner 2020; PwC 2021).

The research case for remote working – a summary perspective

There is a well-established view that remote working offers a 'win-win' for employers and employees. Reducing the number of employees working in a fixed location may enable employers to release office accommodation, reducing expenditure on real estate and in-house technology (Gartner 2020). As employees no longer need to live within commuting distance of a fixed work location, employers will be able to extend the potential recruitment catchment

area from local to national, and in some cases to global (Choudhury, Larson and Foroughi, 2019; Kröll, Nüesch, and Foege 2021), offering access to a larger talent pool, and/or the possibility of employing a lower cost workforce. Finally, a location-free workforce offers greater flexibility and agility to resource projects or service clients in new or changed locations (Ulrich and Yeung 2019; Kalleberg 2001).

Employees may enjoy greater flexibility over the balance between working and personal time, and reduced time and cost in commuting (Bloom, Liang, Roberts, and Ying 2015). Taken together the benefits should contribute to improved work/life balance (Lewis and Cooper 2005; Ortega 2009; Crawford, MacCalman, and Jackson 2011; Grant et al 2013). However, there are elements of remote working providing arguments challenging the win-win view, in particular regarding the impact on organisational and individual performance. Remote working creates distance from the workplace (Grant et al 2013) restricting or removing the opportunity for employees to engage in informal exchanges with managers and colleagues (Nardi and Whittaker 2002; Golden 2006; Gajendran and Harrison 2007). This reduces the opportunity to share tacit knowledge and information (Andrews and Smits 2019), the organisational 'rules of the game' that can help employees to settle and deliver to the best of their ability. Remote working also risks reducing opportunities to engage in collaborative idea-sharing, with informal group or team working aimed at promoting creativity and innovation (Wright 2017). A further challenge to the benefits supposedly experienced by employees is 'invisibility', the reality that senior managers may not be aware of the performance and potential of an individual. This can influence an employee's personal development and career progression (Yang 2009; Churchill 2021; ONS 2021) and, by missing the opportunity to observe and track potential high performers, may weaken talent management opportunities for the organisation.

Research approach

Our research has focused on the key challenges facing organisations transitioning to increased remote working. We have taken a broad view of performance management, seeing it as the process through which organisations create a work environment and culture which encourages and supports individuals in delivering personal and organisational objectives and in developing their competencies to meet changing or higher-level needs (Armstrong and Baron 2005; CIPD 2020b). Our research followed a five-step inductive and qualitative process beginning with a literature review covering a range of topics including: organisation and individual development; performance management; remote working; wellbeing at work; organisational agility; and virtual organisations. Focus groups were used to explore the practical and personal experience of management and development across a range of organisations, and crossing several countries.

Client workshops with a range of organisations (over 80 organisations contributed at different events) provided an opportunity to review key themes around performance management and the future arrangement of work, with an emphasis on remote working, organisation and individual development, and the virtual organisation. Semi-structured interviews provided further qualitative detail on the experience of performance management of remote workers. We interviewed 14 HR Directors or senior business leaders, 20 line managers of remote workers, and 24 remote workers from organisations across a range of industries and sectors. An international Sounding Board of experienced HR professionals and related specialists

provided inputs to the research approach and emerging findings. The Sounding Board included members based in the USA, Belgium, Switzerland, Singapore, and Australia.

We adopted thematic analysis (Braun and Clarke 2006; Williams and Moser 2019) to review the literature and quoted sentences or phrases as evidence from the focus groups, interviews, and client workshops. This analysis identified 32 codes which translated into four core themes: employee experience; the complexity challenge; key actor communities; and future organisational responses to the 'new normal' of flexible and remote working.

Employee experience

HR Directors and senior managers emphasised the importance of creating and sustaining a performance culture capable of accommodating remote working where that is seen to benefit the organisation and individuals. They saw risks in offering blanket acceptance that all roles would be suitable for remote working. There was also a risk that remote working arrangements would create communities of employees who are able to operate remotely and those who will struggle in the changed work environment. At a basic level there will be different opportunities for employees with appropriate facilities at home and those sharing accommodation or having young children or teenagers at home.

One universally-accepted observation was that remote workers "need to be comfortable with their own company" with the recognition that some individuals will enjoy working alone and others would prefer the company of colleagues in the workplace.   'Invisibility' is recognised as a potential problem. The reality of not being able to observe individuals at their work reduces the opportunity for managers and colleagues to offer timely and informal

guidance rather than committing to emails or more formal video contacts. Managing staff working remotely is very much an active process, with managers needing to ensure that they maintain close, and personal, contact with their staff.

In the absence of regular oversight from line managers, evidence on performance and potential is increasingly likely to take into account the views of colleagues, customers or clients in some form of 360 or 540 degree review. Linked to the potential for increased value being placed on the views of external parties, is the recognition that organisations may need to take a firm position in dealing with remote-working individuals who are perceived to be failing to perform. Poor or inappropriate performance must be dealt with speedily and decisively as there is less of an opportunity for second (or third) chances when an employee spends most of their working time out of sight of management.

The complexity challenge

Time spent away from the traditional workplace, and the distance from that workplace, will pose challenges for organisations and individuals. Employees valued the opportunity for informality in meetings with managers and observed that future meetings might be highly structured with less scope to discuss personal interests and concerns. Employees also commented on the danger of 'losing touch' if they are away from the office for long periods as they may not know new people appointed into key roles and may not be aware of subtle changes in preferred ways of working. A further complexity consideration relates to the nature of work undertaken. There will be significant differences in the management challenge of employees working to established standard operating procedures and explicit

scripts, and those where professional or technical activity offers scope for different approaches and discretionary action, possibly where the individual employee has greater knowledge and experience in their specialism than their line manager.

Key actor communities

The original plan had been to analyse and report separately on responses from organisations, managers, and remote workers, but we found considerable consistency in the responses from representatives of each group, for example the qualities that remote workers sought in their managers were essentially those that managers suggested would be necessary. We identified two broad reasons behind this finding. First, in organisations in our study there was shared clarity regarding required ways of working and the expectations of employees and their managers. Applicants were made aware of the nature of remote working in the organisation, often with an opportunity to discuss remote working experience with potential colleagues, and candidate selection was made by managers with relevant remote working experience who were well-positioned to identify and appreciate the challenges likely to be faced by employees. Second, the coaching style adopted by managers, and supported by organisations, encouraged the sharing of personal experience also contributing to the commonality of responses.

Key messages raised by, or relating to, each of the three actor communities are presented below.

Remote workers : Individuals and line managers took the view that anyone working remotely must be 'reliable' and should be capable of being trusted. They should be independent, self-managing, decisive, and action-oriented. Remote workers will be representatives of the organisation and it is most important that they share and model the organisational culture and values.

Line managers: Interviewees at all levels emphasised the importance of the role that managers should play, in particular the need for managers to be people managers. For many organisations this emphasis on people management is a new departure. Managers may have been appointed or promoted on the basis of professional or technical skills, and their performance objectives will have placed commercial or similar interests above concern for supporting and developing team members. Managers of remote workers will need to act as coaches and mentors, building and sustaining the required culture, and setting out exactly what is expected of their people. Individuals must be able to trust their managers. Remote workers will rely on managers for the fair and reasonable allocation of work, being consistent in the way they treat their people, and in representing individual interests in senior management meetings to discuss ratings, career development, and rewards. Several interviewees suggested that managers needed a 'sixth sense', identifying employees with career potential and knowing when their people were struggling even if they are not saying anything about difficulties they face.

Organisation: Organisations with a long, and positive, history of remote working will have embraced remote working as a key driver for sustained organisational performance rather than viewing remote working as a goal in itself. HR policies and practice will be designed to

recognise and support remote working, and there will be systems and processes to manage performance and identify and develop potential in the remote worker community. The emphasis on organisational values and clarity regarding preferred ways of working supports agility and flexibility in the workforce. Line managers are likely to have remote working experience, and there may be a requirement for senior managers to have had international or other remote-working experience before progressing to top management positions. In response to Covid-19 lockdowns and related restrictions many organisations moved quickly to offer employees the opportunity to work at home or otherwise remotely. These organisations provided home-working employees with the technology they needed, and ensured that there was support for health, safety, and wellbeing, but performance management and broader development may have taken a back seat. Clearly this 'treading water' situation cannot continue as the work environment transitions to the new normal and employees expect renewed opportunities for personal and career development. Line managers will not be able to maintain continual close management of individuals in the workplace and must develop new skills.

Organisational responses to the 'new normal'

Covid-security and remote working has seen an explosion in the adoption of video calls and conferencing. There was broad agreement from interviewees that video was a better medium for remote-working communication than email or telephone call, but there remains a strong preference for face-to-face meetings. The concerns regarding video calls included the risk that people may talk over each other, that some participants do not contribute, and that the nuances of body language are not picked up. There is no doubt that the transition to more

remote working will expose any competency deficiencies in the manager community, many of them may be working with remote staff for the first time. Manager training, or retraining, is likely to be an essential priority for organisations. Some organisations have already started to provide this training, for example with guidance on identifying and managing individuals who may be struggling but have not felt able to raise this in formal meetings. There is also an issue around the physical workplace. Organisations may find themselves unable to release existing accommodation at the scale they envisage unless they are prepared to provide local workspaces or use facilities at conference centres and hotels. Organisations planning for a hybrid future will need to be able to accommodate employees in environments which encourage sharing and a degree of innovation (Bernstein and Waber 2019). There are likely to be plans to change the atmosphere and environment in the main hubs, moving from cellular offices and rows of desks and chairs to more creative settings. This will be an essential step to protect creativity and teamworking but one that may lead to increased costs and reduced capacity.

Discussion

Organisations with well-established, and well-accepted, polices and practice regarding remote working are strongly-positioned to respond positively to the challenge of remote working as the new normal. Managers will be experienced people managers who act as role models regarding values and required ways of working, and are able to earn and maintain the trust of employees. They will be supported by their organisations regarding the scope for discretionary action. The manager role in remote working is key, providing an essential channel to secure and balance sustainable organisational and employee interests. When

candidates are being considered for appointment their ability to work remotely, and to be trusted to do so, will be considered alongside professional, technical, and other more social and personal competencies. Development opportunities that balance e- and face-to-face learning will be agreed between individuals and managers, and will be fully supported by the organisation.

Organisations committing to remote working at scale for the first time may have much to learn, for example that existing in-office policy and practice will require more than an increase in video calling and the occasional 'drive-by' from managers if individuals are to perform and develop to their full potential. They will need to re-think their approach to personal development. There have been significant advances in e-learning technology, but organisations will need to find ways of compensating for the absence of opportunities to share tacit learning from, and with, colleagues and managers. Possible initiatives might include: regular in-office get-togethers; in-house development programmes; and opportunities to work on internal project teams. Organisations failing to take a strategic, 'grown-up', approach to remote working risk failing to attract, develop, and retain the people they need.

There is evidence that many employees had a positive experience of remote working during the pandemic, with a perceived opportunity to improve their work-life balance. However, those positive expectations may be challenged if they find that remote working reduces opportunities for personal development and career progression.

HR functions have a key role to play in guiding and supporting any transition to remote working, ensuring that future organisational strategy protects, and possibly enhances,

opportunities to develop, motivate, and retain employees. Human resource development is an essential element in this transition, and in building the future workforce, not least regarding the transfer of tacit knowledge and the identification and progression of talented individuals.

It will be important to continue to track and monitor the experience of organisations and individuals as they transition to the new normal of remote working. It is likely that early expectations of a 'win-win' and predicted benefits may need a degree of revision in the harsher light of reality.

Implications

One of the major challenges facing organisations committing to remote working as the new normal for the first time will be that the managers and employees already in post may not have been recruited with remote working in mind. Learning and development interventions may assist in transitioning the workforce to operate remotely successfully and sustainably but there is an inevitable risk that some managers and employees may fail to operate successfully in the new ways of working and may need to be released. There are also implications linked to the agreements offered by organisations and the expectations of employees. For example, statements committing organisations to supporting hybrid working arrangements have often included guidance regarding the number of days when an employee might be expected to be in the office as opposed to working remotely. We have already seen a degree of modification of early statements as HR and leadership teams work through the detail. Recent interviews with HR Directors suggest a shift away from blanket agreements covering all employees to

local arrangements tailored to the needs of specific business units, with no early changes to employment contracts.

It seems clear that organisations should not rush to match possibly aspirational commitments made by other organisations, but rather determine what will work best for their organisation and their workforce. In this context it will be important to consider the needs and interests of particular groups. The optimal ways of working for back-office support staff may be substantially different to those of their colleagues in a client-facing consulting or contracting role. The challenge is to determine the best model, not necessarily the one that appears to be most socially acceptable.

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