

Freedom, flexibility and fulfilment: Re-imagining work in the age of the dynamic workforce

A future of work paper from O₂ Business



Introduction: A unique chance to re-imagine work

COVID-19 has accelerated many workplace trends, from process automation to remote working. As the pandemic has seen employees pull together like never before, we're also starting to see big shifts in employers' attitudes towards the employee experience (EX).

Pre-pandemic, forward-thinking companies had already identified EX as a huge source of competitive advantage. They found that trusting and empowering people to do fulfilling work not only attracts top talent, but also leads to a whole host of benefits:

- **Higher productivity** as engaged employees go the extra mile to get work done
- **Happier customers** as employees who love their work are more willing to help customers
- **Faster rates of innovation** as employees are empowered to experiment and allowed to fail
- **Greater profitability** as all of the above lead to improved business performance

As the pandemic shatters the old ways of working, employers have a unique opportunity to rethink the employee experience – from work-life balance to the way work is evaluated and rewarded.

In this paper:

What might the future workforce experience be like?

At O2, we're exploring how our experience and definition of work could evolve in the post-COVID era. In this paper, we'd like to share some of the emerging trends we're seeing, with likely near-term and longer-term developments in three key areas:

1

Working hours and work-life balance

2

The new dynamic workforce

3

New ways of defining and evaluating work

We've combined primary and secondary research, analyst commentary and insights from industry experts to shed light on what's changing across workplaces today – and to provide considerations for your organisation going forward.



1

Working hours and work-life balance

One thing we know about the employee experience is that employees are happier when they're not tied to the classic 9-5, Monday-Friday workweek.

Many surveys show that given the choice, people would prefer a flexible work week, and one where they're able to choose hours that suit their own lifestyle and out-of-work commitments.



Alternatives to the 9-5

Employers have long known this, but most have been reluctant to offer shorter work weeks, either through inertia or fear of taking a hit to profitability. In its 2020 flexible working survey, for example, Timewise found that only 8.4% of UK job vacancies offered part-time options.²

But now that the pandemic has shown that a more flexible approach to work can improve employee engagement, is it time to re-think the shape of the work week? And if so, what might a better version look like?



Employee engagement was at an all-time high between April and September 2020.³

People Insight survey, October 2020

Here are a few alternatives that have proven effective in trials:

1 Four-day week

The most popular model for a shorter workweek has been trialled many times with successful outcomes, including:

- **A Microsoft subsidiary** trialled a four-day workweek in 2019, and saw productivity improve by 40% over the previous year.⁴
- **Target Publishing** was forced to cut workers' pay and move to a four-day week during COVID. To the company's surprise, it saw an uptick in productivity and staff said they felt happier. When it was able to re-instate full pay, it decided to keep the four-day week.⁵
- **MRL Recruitment** trialled a four-day week in 2019, reporting higher staff retention, a 25% productivity increase and a 40% reduction in short-term absence. What's more, 87% of the company's 54 employees said they'd noticed a marked reduction in stress.⁶

2 Six-hour day

A shorter workday has been shown to improve productivity, employee happiness and quality of service, but isn't suited to all types of work:

- **Toyota Gothenburg** introduced six-hour shifts for workers as far back as 2002, reporting reduced employee turnover, increased employee happiness, and higher profitability.⁸
- **The City of Gothenburg**, inspired by Toyota's example, trialled a six-hour day for care home nurses. Data from one home showed that nurses were less stressed, took less sick leave and provided a higher standard of patient care.⁹
- **Agent Marketing** trialled a six-hour day, shortening its hours to 9am to 4pm and mandating a one-hour lunch break. It said people felt more energised and refreshed, but found that its web development work was hard to fit into a time-constrained day.¹⁰

Benefits of a four-day workweek*

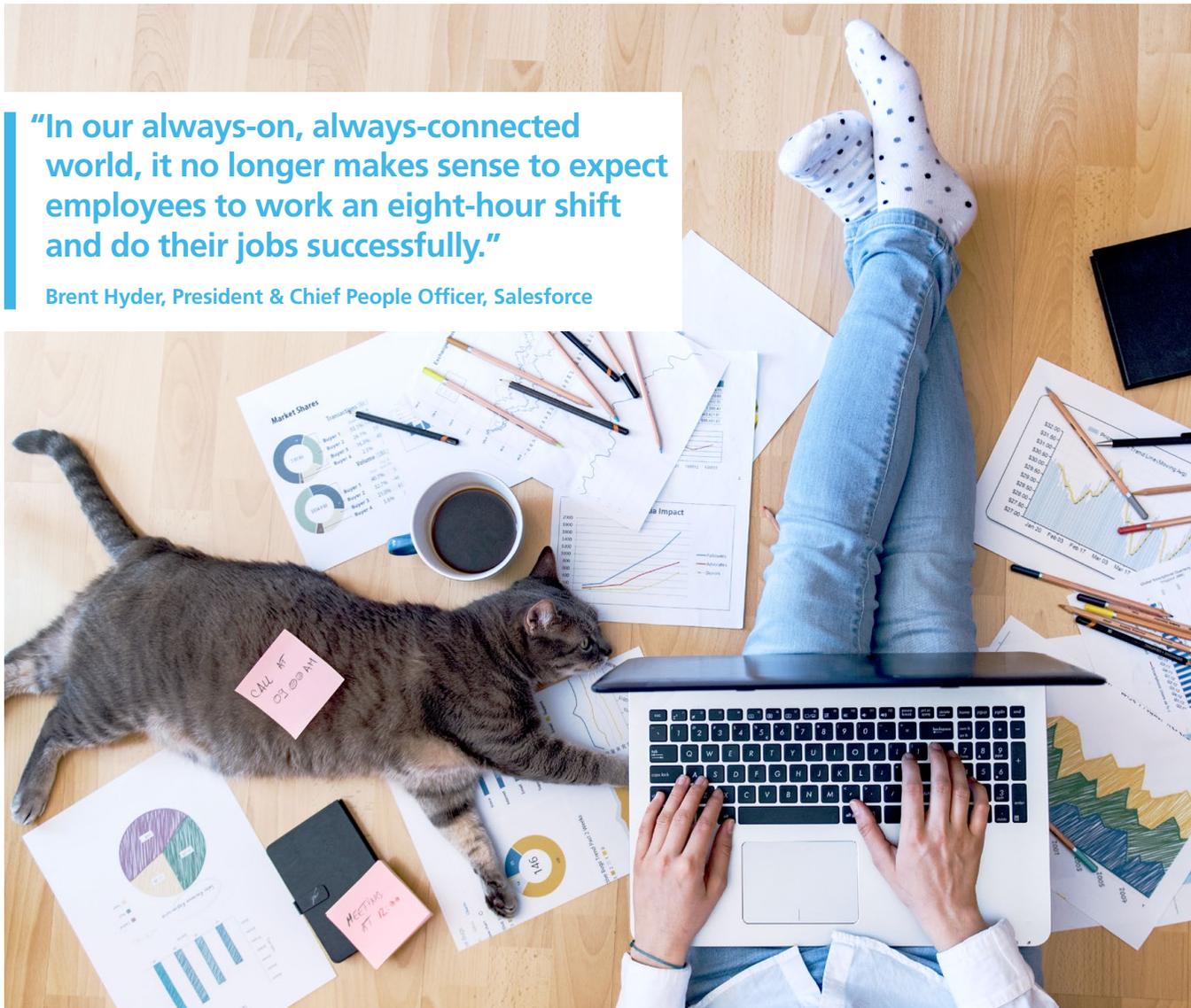


* reported by organisations that have introduced a four-day model (Henley Business School, Four Better or Worse?, July 2019)



1 <https://www.gov.uk/government/news/government-says-in-the-interest-of-employers-and-employees-to-make-offer-of-flexible-working-standard>
2 <https://timewise.co.uk/article/flexible-jobs-index/>
3 <https://peopleinsight.co.uk/employee-engagement-why-you-should-listen-to-your-employees-right-now/>
4 <https://www.businessinsider.com/microsoft-4-day-work-week-boosts-productivity-2019-11>
5 <https://www.theguardian.com/business/2021/jan/05/four-day-week-covid-crisis>

6 <https://employeebenefits.co.uk/mrl-95-staff-retention-four-day-week/>
7 <https://www.henley.ac.uk/news/2019/four-day-week-pays-off-for-uk-business>
8 <https://www.independent.co.uk/news/world/europe/sweden-introduces-six-hour-work-day-a6674646.html>
9 <https://www.bbc.co.uk/news/business-34677949>
10 https://www.huffingtonpost.co.uk/2016/01/07/six-hour-working-day-sweden-uk_n_8928280.html



“In our always-on, always-connected world, it no longer makes sense to expect employees to work an eight-hour shift and do their jobs successfully.”

Brent Hyder, President & Chief People Officer, Salesforce

3 Choice of working hours

The pandemic forced many people to flex their work hours around commitments like home schooling, with employers having little choice but to support it.

The surprising takeaway? Flexible working actually works – and employers have a lot to gain by making it permanent. Here are some that are leading the charge:

- **Salesforce** declared in February 2021 that ‘the 9-5 workday is dead’, introducing a number of flexible working options to create a better work-life balance for its c. 49,000 employees.¹¹
- **Calderdale and Huddersfield NHS Trust** introduced flexible working for around 6,000 healthcare workers. It reports benefits including reduced sickness absence and an almost 50% reduction in employee churn.¹²
- **PwC** established its Flexible Talent Network in 2018, making it possible for people to work for the firm on their own choice of hours, rather than contracted hours. It attracted 2,000 applicants in the first two weeks, showing the strength of appetite for flexible working.¹³

85% of desk-based workers want some form of flexibility over the hours they work¹⁴

O2 Research Report, Creating a Dynamic Workforce, March 2021

11 <https://www.salesforce.com/news/stories/creating-a-best-workplace-from-anywhere/>
 12 https://www.cipd.co.uk/Images/flexible-working-case-studies_tcm18-58762.pdf

13 <https://www.pwc.co.uk/press-room/press-releases/pwc-looks-to-hire-more-flexible-and-contingent-workers.html>
 14 <insert link to dynamic workforce research when available>

There are signs that the pandemic may have put critical momentum behind a move to a shorter working week. In May 2020, New Zealand's prime minister Jacinda Ardern suggested that a four-day workweek could give a much-needed boost to domestic tourism.¹⁵ In March 2021, the Spanish government announced its intention to trial a four day week for public sector workers.¹⁶

Here in the UK, the think tank Autonomy is calling on the government to consider legislating for a four-day week, to open up more job opportunities to people with caring commitments, and to rebalance the economy across the country.

It has conducted a "hypothetical stress test" to evaluate the economic impact of the country moving to a standard four-day week with no loss of pay. It found that the move would be affordable for the large majority of firms with over 50 employees, even if it happened overnight.¹⁷

"For the large majority of firms, reducing working hours is an entirely realistic goal for the near future."¹⁸

Will Stronge, Director of Research, Autonomy



¹⁵ <https://www.theguardian.com/world/2020/may/20/jacinda-ardern-flags-four-day-working-week-as-way-to-rebuild-new-zealand-after-covid-19>

¹⁶ <https://www.theguardian.com/world/2021/mar/15/spain-to-launch-trial-of-four-day-working-week>

¹⁷ <https://www.theguardian.com/business/2020/dec/29/four-day-week-would-be-affordable-for-most-uk-firms-says-thinktank>

¹⁸ <https://www.bbc.co.uk/news/business-55485010>

Our predicted timeline: Working hours and work-life balance

Our research suggests that these broad changes will happen over the next 1-3 and 5-10 years.

1-3 years

- Flexible hours become the norm wherever the nature of the work makes it possible.
- Companies experience more pressure from employees and unions for a shorter workweek.
- More companies trial shorter working weeks.

5-10 years

- Some countries mandate shorter weeks to expand the labour force and rebalance the economy.
- More companies decide to make their short workweek trial permanent.
- A shorter working week becomes standard practice across some industry sectors.

The role of technology in our flexible working future

While the benefits of flexible working look good on paper, employers will have to ensure that flex or reduced-hours policies have the intended effects, on both productivity and employee wellbeing.

That may require new policies on switching off from laptops and email, and – for employees working remotely – on limiting time spent on video calls. We'll likely also see greater use of digital tools to boost employees' physical and mental health and promote a healthy work-life balance.

Moves we've seen include:

Switching off work tech

- France's 'right to disconnect', giving workers the right to negotiate email-free weekends¹⁹
- 'No email days', where everyone sets their out of office and gets on with work undistracted²⁰
- The European Parliament's call for a law allowing people to disconnect outside work hours²¹

Combating 'Screen fatigue'

- Keeping calls short and focused, having call blackouts, or finding efficient alternatives²²
- Encouraging employees to schedule downtime between calls²³
- Allowing people to call in from their phone, so they can walk while talking²⁴

Promoting physical and mental wellbeing

- Providing fitness trackers to encourage exercise – and monitor for COVID symptoms²⁵
- Budget for monitors and lighting in the home workspace to combat digital eye strain²⁶
- Offering meditation and mindfulness apps to reduce stress and insomnia²⁷

19 <https://www.bbc.co.uk/news/world-europe-38479439>

20 <https://www.director.co.uk/no-email-friday-experiment-20977-2/>

21 <https://www.europarl.europa.eu/news/en/press-room/20210114IPR95618/right-to-disconnect-should-be-an-eu-wide-fundamental-right-meps-say>

22 <https://www.peoplemanagement.co.uk/voices/comment/how-to-combat-zoom-fatigue>

23 <https://www.digitalperks.co.uk/blog/zoom-fatigue-is-real-4-tips-on-how-to-prevent-videoconference-exhaustion>

Mindfulness at work: Aviva

A company with a deep commitment to employee wellbeing, Aviva was keen to trial the use of mindfulness to help employees de-stress.

In 2017 it ran a trial for 300 employees that combined face-to-face mindfulness sessions – both in person and via video call – e-learning and use of the Headspace app.

“The results of the pilot scheme blew us away,”

Gemma Sandwell, Aviva



It saw an **83%** increase in reported wellbeing, with overwhelmingly positive feedback.



A company wide rollout followed, with **99.5%** of participating employees saying it has helped their wellbeing.²⁸

24 <https://www.fastcompany.com/90562150/this-simple-hack-may-eliminate-your-zoom-video-fatigue-for-good>

25 <https://www.techradar.com/uk/news/hasa-is-giving-employees-fitbits-to-help-slow-the-spread-of-covid-19-but-will-it-work>

26 <https://www.specsavers.co.uk/covid19-care/at-home/supporting-eye-health-working-from-home>

27 <https://www.ft.com/content/d1d58aee-437c-11ea-abea-0c7a29cd66fe>

28 <https://medium.com/@avivapl/mindfulness-at-aviva-adb682d39613>

2

The new dynamic workforce

As well as more flexible working hours, we're also likely to see a move to greater flexibility and dynamism in the makeup of the workforce.

In our Future of work: **Technology paper**, we explore how the workforce is evolving to include 'digital talent' as well as human talent, with tasks being shared between people and AI in ways that play to the unique strengths of each.

But that's not the only thing that's set to change. There's evidence that future workforces will be more fluid, with a smaller core of permanent employees complemented by specialist external talent when a project calls for specific expertise.

Jeff Schwartz, US leader of Deloitte's Future of Work practice, describes this as an 'ecosystem' model. In it, the role of the business leader is not to recruit and retain inhouse talent, but to 'curate' the right human and digital talent from inside and outside the organisation for any given piece of work.

"We're no longer talking about attract, develop and retain. In an ecosystem world, it's about access, curate and engage – and accessing talent is very different than acquiring it and hiring it."³⁰

Jeff Schwartz, US Leader for The Future of Work, Deloitte

The benefits for employers are lower costs and greater agility, while for workers, it creates more opportunities for the kind of self-employed, project-style work that suits many people very well.

40%

of executives expect freelance workers to account for an increased share of their workforce by 2023.²⁹

Boston Consulting Group and Harvard Business School, 2019



²⁹ <https://www.bcg.com/publications/2019/new-freelancers-tapping-talent-gig-economy>

³⁰ <https://thefutureorganization.com/how-to-thrive-in-a-post-covid-19-world/>

New ways to access external talent

It's a trend that's likely to be accelerated by the move towards remote working. As people spend less time together in a physical office, collaborating instead over digital platforms like Zoom, Slack and Microsoft Teams, the lines between permanent employees and external talent will start to blur.

That will open up opportunities to look outside of the organisation (and its immediate geographic area) for the best talent.

One issue will be establishing systems and workflows that allow that the right talent to be found and hired at the right time. Sites like Upwork and Fiverr, which enable freelancers to find gigs and vice versa, will play a growing role. Half (50%) of the executives surveyed by BCG and Harvard Business School in 2018 said that corporate adoption of these platforms would be a significant or highly significant trend over the five-year period to 2023.³¹

However, the dynamics of these platforms mean the quality of the work isn't always predictable, and a 'race to the bottom' in terms of pricing means some gig workers can end up being paid less than minimum wage.



Companies who want a more direct relationship with their freelance talent may seek alternative solutions. In its 2019 report on The Future of Work, Ricoh Europe points to Philips, which has created its own platform – Philips Talent Pool – to attract and maintain a pool of freelancers.³² Other companies that have created their own freelancer platforms include PwC³³ and Unilever.³⁴

“Philips is building a flexible workforce who bring new and diverse skill sets, while growing a reputation and familiarity with the company and its projects.”

Ricoh, The Future of Work, 2019

Tapping the external talent pool: PwC Talent Exchange³⁵

PwC Talent Exchange is an online work intermediation platform (WIP) that directly connects independent professionals with internal PwC projects and project teams. It's designed to meet clients' needs for an expanding portfolio of ever-changing and more specialised expertise and skills.

Independent professionals register with the exchange, create online profiles and gain access to project opportunities. Conversely, PwC project teams can have access to a pool of online talent with a broad range of different skills, expertise and professional backgrounds.

Meanwhile, fair pay for freelance workers is a concern for companies like Google, with Ricoh noting that the tech giant has mandated a minimum wage of \$15/hour for its 120,000 contractors.³⁶

31 <https://www.bcg.com/publications/2019/new-freelancers-tapping-talent-gig-economy>

32 <https://www.ricoh-europe.com/insights/future-of-work/>

33 <https://spendmatters.com/2016/02/10/pwc-launches-its-online-talent-exchange-to-join-the-independent-workforce-platform-economy/>

34 <https://unileverfreelancers.talent-pool.com/>

35 <https://spendmatters.com/2016/02/10/pwc-launches-its-online-talent-exchange-to-join-the-independent-workforce-platform-economy/>

36 <https://www.ricoh-europe.com/insights/future-of-work/>

Upsides and downsides for independent workers

For employees, the trend towards downsizing inhouse workforces and ramping up external talent will create both upsides and downsides.

For those who crave the autonomy of independent work, it may be the push they need to set up on their own. It may be a welcome opportunity to rebalance life and work, focus on passion projects, spend more time with family and friends, or maximise income by working for multiple clients.

Others, however, may find 'gig worker' status thrust upon them, creating financial anxiety and stress. They may be reassured by a December 2020 survey by the Association of Independent Professionals and the Self-Employed (IPSE), which found that the adoption of flexible working practices had a positive impact on freelancers' business performance in 2020.³⁷

However, IPSE also highlighted some downsides for freelancers, including lack of access to COVID relief grants, the April 2021 changes to IR35 tax legislation that make taking on some kinds of freelance work more onerous, and the corporation tax hike scheduled for 2023.

That suggests that to create an environment in which a 'curated' workforce can thrive, the government will need to review its support for those doing less financially-secure work.



³⁷ <https://www.ipse.co.uk/policy/freelance-confidence-index-hub/freelancer-confidence-index-q4-2020.html>

Our predicted timeline: The new dynamic workforce

Our research suggests that these broad changes will happen over the next 1-3 and 5-10 years.

1-3 years

Organisations downsize their permanent workforce and begin to 'curate' teams of inhouse and external specialists for specific jobs

- HR's role evolves to provide agency-like support to a network of specialist independent workers
- Operational teams start to reconfigure workspaces to allow for better internal-external collaboration
- IT teams introduce new tools and devices that support external collaboration without compromising security

5-10 years

- Organisations establish digital talent marketplaces where independent workers can find 'gigs' that suit their skills.

3

New ways of defining and evaluating work

The trend towards remote working, flexible hours and curated project teams also means that the idea of what actually constitutes 'work' is changing.

When work is something you do rather than somewhere you go, and something that takes place at times that best suit the individuals involved, it's no longer productive to measure it in terms of time and attendance. Longer term, work will be measured in terms of its outcomes, quality and, ultimately, its value.

This will require a significant mindset shift on the part of managers who rely on metrics like punctuality, sickness absence and number of hours spent on a project. It will require them to place greater trust in employees, freeing them to choose when and how to conduct their work.

The rise of 'tattleware'

For many, this will be a wrench. We hear many stories of employers monitoring the at-desk time of remote employees. Zoom caused a stir early in the pandemic by introducing an 'attention tracking' feature, which alerted the host if an employee clicked away from the Zoom window.³⁸

In the wake of the working from home boom, an entire software industry is springing up to support employers who want to monitor remote employees using the same attendance metrics as they used in the office. It's even spawned a new word: 'tattleware'.⁴⁰

Gartner predicted that 80% of companies would be using such tools by the end of 2020, to track everything from employee emails to their social media activity and biometric data.⁴¹ The TUC (Trade Union Congress) has expressed concerns about the possible use of AI to make decisions based on the data collected.⁴²

20%

of employers have implemented or are planning to implement online software to monitor remote employees.³⁹

Skillcast and YouGov, November 2020



³⁸ <https://www.vice.com/en/article/7kzq5x/looping-videos-to-fake-paying-attention-in-zoom-meetings>

³⁹ <https://www.skillcast.com/blog/remote-working-compliance-survey-key-findings>

⁴⁰ <https://www.washingtonpost.com/technology/2020/04/30/work-from-home-surveillance/>

⁴¹ <https://www.wired.co.uk/article/tattleware-workplace-surveillance>

⁴² <https://workplaceinsight.net/rise-of-remote-work-monitoring-technology-to-be-investigated-by-taskforce/>

Trust and output: New ways to evaluate work

Is this really the way to get the best work out of employees – or is it simply driven by a fear of losing control? Would the effort be better spent on making sure employees and external collaborators have the right tools and information to be able to deliver the highest quality output?

“You don’t end up extracting better, deeper, more creative work by subjecting people to ever harsher measures of surveillance.”⁴³

There’s growing evidence that trusting people to get on with their work, rather than monitoring what they do, results in higher engagement, increased employee retention and better business outcomes.

Many firms suspended their usual performance tracking metrics when the pandemic hit, focusing instead on making sure employees had the help and support they needed.⁴⁴ They were rewarded with highly engaged employees who were willing to step up. A survey by People Insight found that employee engagement was at an all-time high between April and September 2020.⁴⁵



⁴³ <https://www.washingtonpost.com/technology/2020/04/30/work-from-home-surveillance/>

⁴⁴ <https://www.shrm.org/resourcesandtools/hr-topics/people-managers/pages/performance-reviews-during-coronavirus-.aspx>

⁴⁵ <https://peopleinsight.co.uk/employee-engagement-why-you-should-listen-to-your-employees-right-now/>

Treating staff “like grown-ups”: the7stars

London-based media agency the7stars has deliberately ditched the timesheet and created a work environment where staff are trusted to get their work done. It offers unlimited holiday allowance, a ‘choose your own hours’ culture, and frees its people to decide their own job titles.

According to co-founder Jenny Biggam, treating staff “like grown-ups” has benefited the agency and its clients, with employees “really buying into the business, and working together to deliver the best possible work for clients”.⁴⁶

A further bonus is the ability to attract top talent. The agency has been on the Sunday Times ‘Best Small Companies to Work For’ list since 2013, and in 2020 was named Campaign magazine’s ‘Best Place to Work’.⁴⁷

The next few years will see organisations move in one of two directions: towards greater surveillance of the remote workforce, or towards trusting a dynamic workforce to deliver good work – and measuring that work on its own merits, rather than on the time spent producing it.



⁴⁶ <https://www.stylist.co.uk/people/i-treat-my-staff-as-grown-ups-no-job-titles-flexible-working-hours-careers-jobs-company-holiday-benefits/24330>

⁴⁷ <https://www.the7stars.co.uk/careers/>

Our predicted timeline: New ways of defining and evaluating work

Our research suggests that these broad changes will happen over the next 1-3 and 5-10 years.

1-3 years

- Employers diverge on approaches to measuring work done by remote workers. Some will invest in draconian monitoring technologies, while others will trust and empower their workers to do a great job.
- We’ll see the start of a ‘great talent shift’ - with talented workers gravitating towards companies that empower a dynamic workforce to do their best work.
- For HR teams, attracting top talent will entail building an employer brand around the quality of the remote employee experience.

5-10 years

- Organisations that trust and empower their workers will attract the cream of the talent. The results will show in terms of customer satisfaction and employee retention.
- Employee experience will become a key predictor – perhaps the key predictor – of business performance.

Get ready for the new dynamic workforce

The pandemic has shown that a dynamic workforce model – with flexible hours, remote location support and a focus on output over presenteeism – can have a major impact on workforce engagement. Organisations that embrace a dynamic workforce model stand to reap the benefits in terms of higher productivity, a better customer experience and improved business performance.

For employees, there's likely to be uncertainty ahead in terms of job security, as more organisations start to use flexible talent pools rather than hiring all of their talent inhouse. The upside will be more scope to balance work and life, and more opportunities to find meaningful, engaging work.



Talk to us about your workforce experience journey

The developments outlined in this paper are all trends we're currently navigating at O2, and we'd love to discuss and share our experiences with other organisations.

If you'd like to discuss any of the trends or insights we've explored in this paper, please **get in touch** or call us on **0800 955 5590**

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