

EMBARGOED UNTIL 0001 MONDAY 2 NOVEMBER 2020

C|B|I | 2020 ANNUAL  
CONFERENCE

# NO TURNING BACK



Strategic partners

accenture

**HAYS** Recruiting experts  
worldwide

Survey produced in  
collaboration with

Ipsos MORI 

# RESEARCH DESIGN



COVID-19 has led to significant and rapid change in working practices and behaviours. This research looks specifically at remote working, use of office space, business travel and consumer preferences and examines which changes are likely to be temporary, and which are seen to be permanent. It also explores how businesses can build back better beyond 2021.

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## Quantitative research

An online survey hosted by CBI using a questionnaire designed by Ipsos MORI. The survey link was emailed by CBI to CBI members and non-member companies.

Fieldwork took place between 7–16 October 2020. 573 businesses responded.

Responses were received from a range of sectors, regions and organisation sizes. Further details of the sample are in the appendix. Data are unweighted.

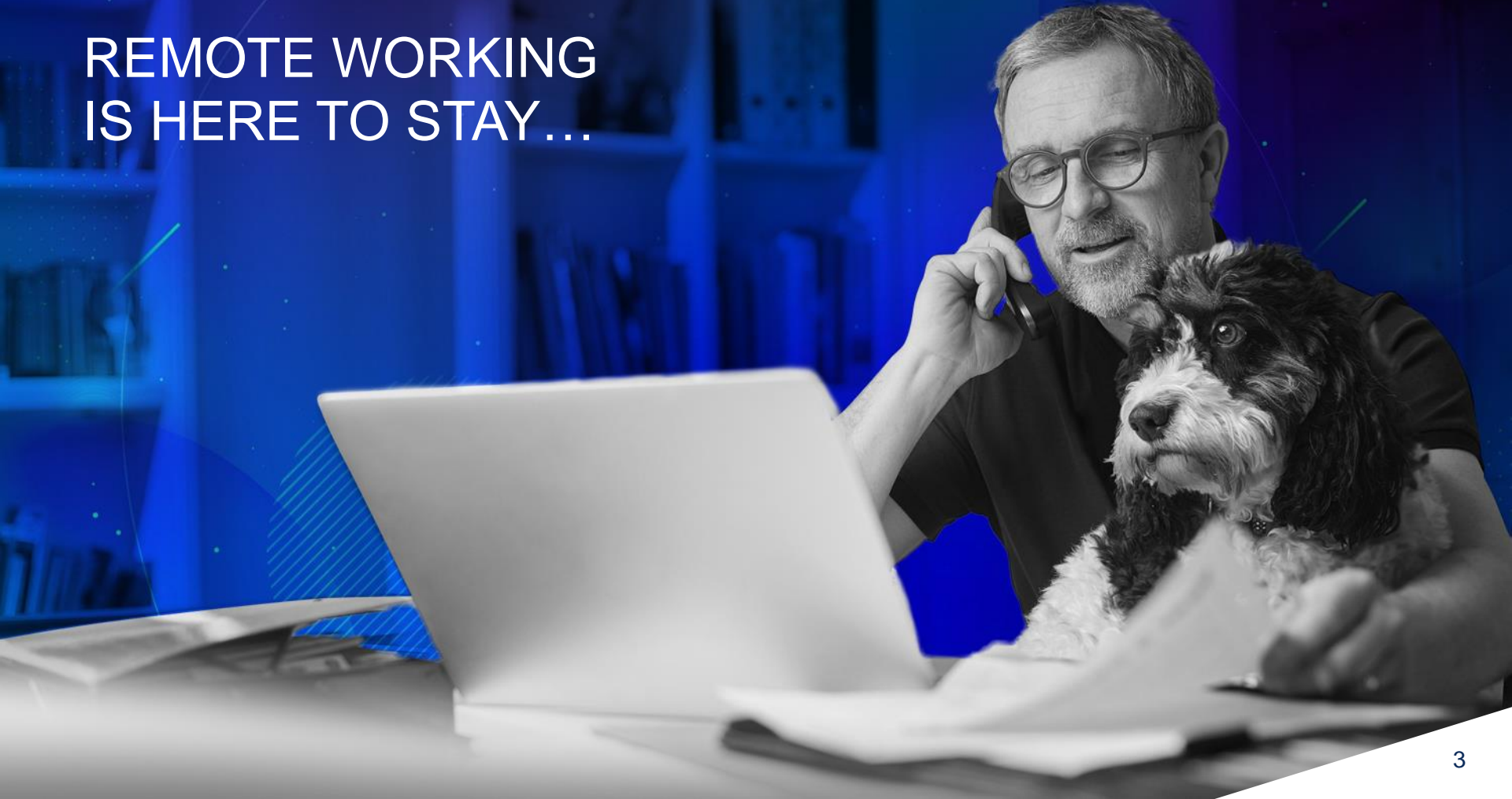
Where figures do not add to 100%, or to an associated net score, this is due to rounding of percentages, or because the question allowed more than one response.

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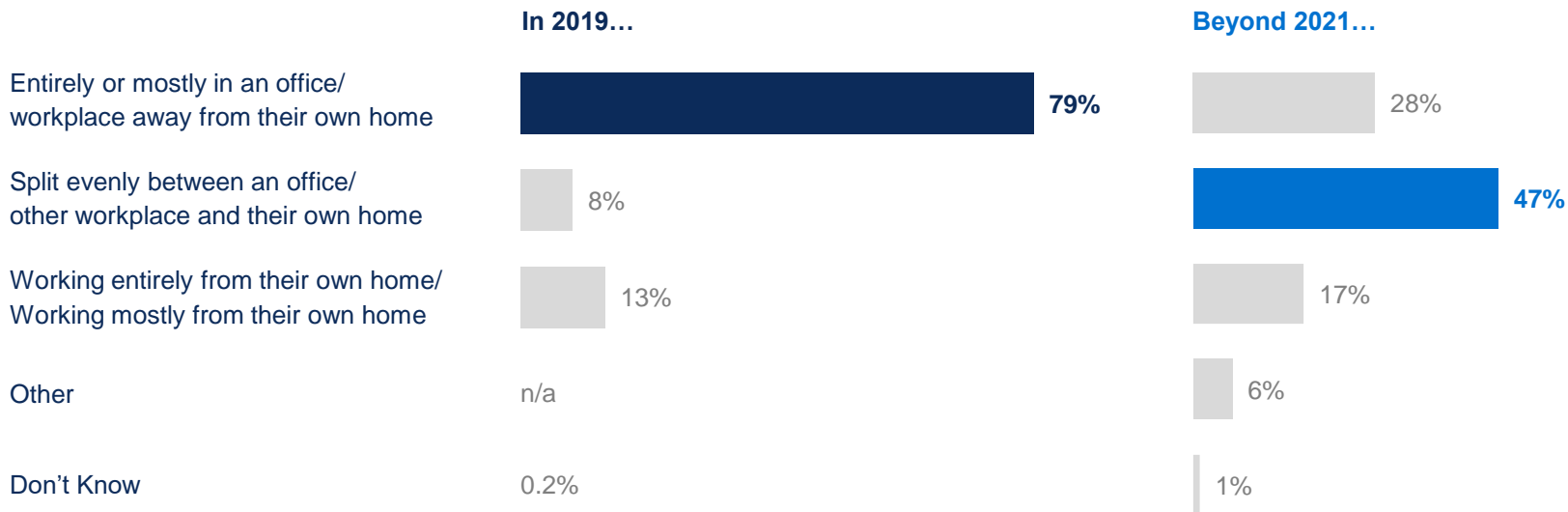
## Qualitative research

Five online focus groups with CBI regional members from the North East and North West of England, the East of England and Northern Ireland. Three in-depth interviews with CBI regional members. Fieldwork took place between 14–20 October 2020.

REMOTE WORKING  
IS HERE TO STAY...



# A HYBRID MODEL OF WORKING THE MOST POPULAR OPTION BEYOND 2021



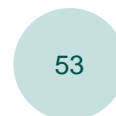
Q Which of these best describes how the majority of your UK staff carried out their work in a typical week in 2019? /  
Q Which of these best describes how you think the majority of your UK staff will carry out their work in a typical week  
in the two to three years beyond 2021? Base: All businesses responding (573)

# REMOTE WORKING VIEWED AS POSITIVE FOR ATTRACTING STAFF & PRODUCTIVITY

## You ability to attract and retain staff (%)



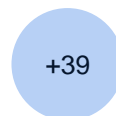
Positive %



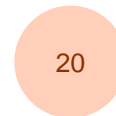
Negative %



Net %



## Your company's productivity (%)



A positive impact

A fairly positive impact

No significant impact

A fairly negative impact

A very negative impact

Not Applicable

Don't know

Q What do you think will be the impact of staff working from home more in the two to three years beyond 2021 on...?

Base: All businesses responding (573)

# BUT NET NEGATIVE IMPACT ON WORKFORCE CULTURE AND STAFF TRAINING

Your ability to develop and train your staff (%)



Positive %



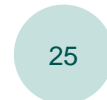
Negative %



Net %



Your workforce culture (%)



You ability to lead and manage your staff (%)



A positive impact

A fairly positive impact

No significant impact

A fairly negative impact

A very negative impact

Not Applicable

Don't know

Q What do you think will be the impact of staff working from home more in the two to three years beyond 2021 on...?

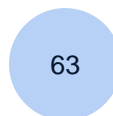
Base: All businesses responding (573)

# REMOTE WORKING SEEN TO ENABLE A GREATER GEOGRAPHICAL SPREAD FOR WORKFORCE

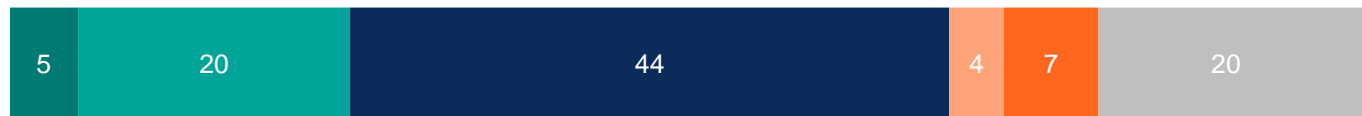
People in the UK who live more than 1-2 hours from your head office (%)



Higher applications %



People who live outside the UK (%)



A lot higher  
than 2019

Slightly  
higher  
than 2019

No  
change

Slightly  
lower  
than 2019

A lot lower  
than 2019

Don't  
know

Q In the two to three years beyond 2021, how do you think the proportion of job applications your head office gets from the following groups will change, if at all, compared to 2019?  
Base: All businesses responding (573)

# QUALITATIVE FINDINGS SHOW A SHIFT IN MINDSET ON REMOTE WORKING

There has been a complete shift in mindset in respect of remote working. As one person put it, pre-pandemic, you would tell people why you were working from home. Now, you give a reason why you are going into the office.

For businesses with flexible working practices already in place, the pandemic “turbocharged” the move to remote working.

Businesses with no or little remote working experience discovered how to do it and what the benefits can be.

## Benefits of remote working:

- Employees like being able to work flexibly.
- Less time wasted on commuting & travelling.
- Productivity maintained or even improved.
- Can recruit from a wider geographical area.
- Some found that remote working led to a more structured and disciplined approach to communications.

*Actually it has worked and certainly the team really enjoys and prefers working from home.*

## Financial services



*COVID has given a bit more control back to the employee. They have more freedom to flex how they work. That is a massively positive thing.*

## Professional services



*Productivity and working from home has been a wonderful surprise.*

## Healthcare



*The pandemic has broken down the barriers and the restrictions to flexible working.*

## Engineering



# BUT THERE ARE ALSO CONCERNS

## Potential negatives of remote working:

- Mental health/isolation (social aspect of work important, people can fall off the radar, blurred home/work boundaries).
- Worries about burnout/"virtual fatigue".
- Challenging to sustain informal networks within and between teams - lack of random interactions/water cooler chats.
- Training and development: harder for less experienced staff to learn by observing/working with senior staff.
- Building relationships – concerns for new joiners/trainees.
- The creation of a two-tier workforce.



*There are some serious wellbeing issues that are going to have to be managed. Our new working from home policy is going to have to take that on board. That is something we are still learning about.*

### Healthcare



*We are probably missing those water cooler discussions where a five minute chat is so beneficial.*

### Legal services



*How do you get coincidence happening deliberately?*

### Energy



*They won't be productive employees or leaders of the future if we don't invest in some new ways of training them.*

### Food and drink



*Our big concern is the creation of a two-tier work force. That flexibility, with all its benefits, is great. How do we do that without creating a workforce of the haves and the have nots?*

### Science and technical services

# THE OFFICE IS NOT DEAD BUT IS BEING REIMAGINED



## OFFICE SPACE LIKELY TO REDUCE

On average businesses  
expect their office  
space to reduce by

**18%**

compared to 2019

Q Compared to what you had in 2019, by what proportion do you think the size of your total office space in the UK will have changed in the two to three years beyond 2021, if at all?

Base: All businesses responding (573)

# OFFICES LESS LIKELY TO BE USED FOR DESK-BASED ACTIVITIES

## Desk-based activities (%)



## More %



## Less %



## Net %



## Meetings with clients (%)



## Meetings and collaborating with colleagues (%)



## Training / team building activities (%)



A lot  
more

A little  
more

About the  
same

A little  
less

A lot  
less

Not  
Applicable

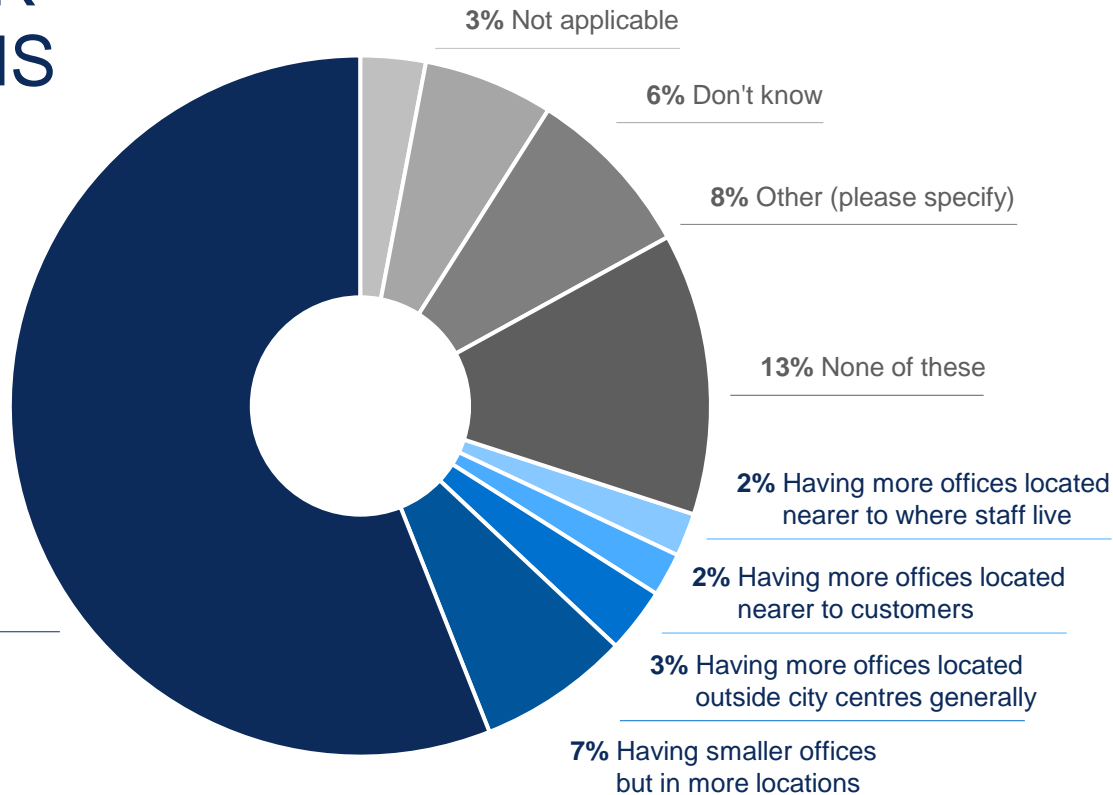
Don't  
know

Q In the two to three years beyond 2021, how often will your UK office space be used for the following purposes, compared to 2019?  
Base: All businesses responding (573)

# TOP PRIORITY FOR OFFICE LOCATIONS BEYOND 2021 IS STAYING AT OR NEAR CURRENT LOCATIONS

**56%** Staying at or near our current office locations

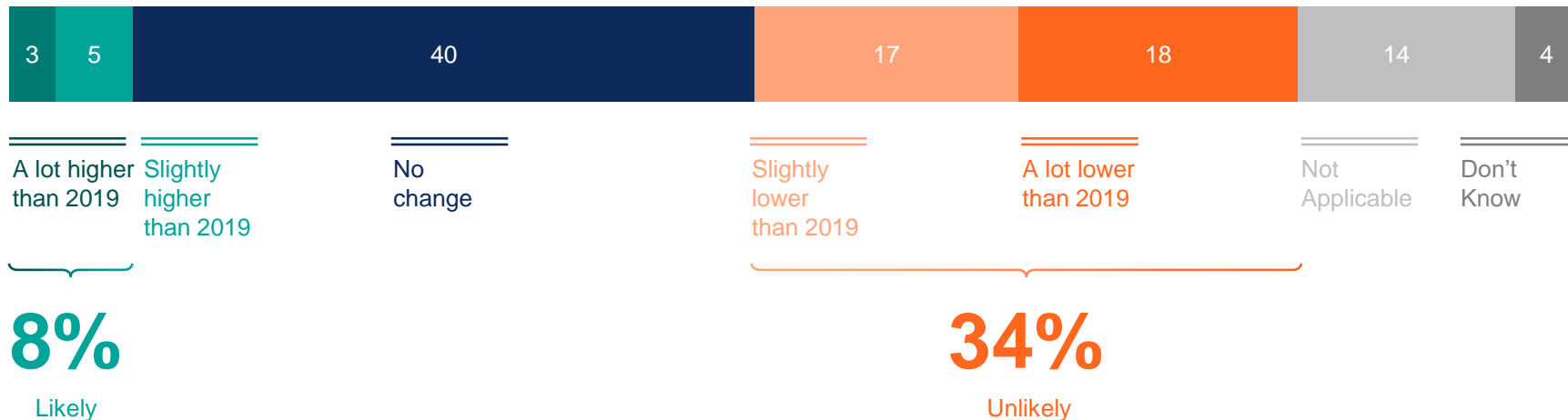
Q In the two to three years beyond 2021, which one of the following, if any, will be the top priority for where your offices in the UK are located?  
Base: All businesses responding (573)





# BUSINESSES NOT CURRENTLY EXPECTING TO MOVE CLOSER TO CUSTOMERS

Our customer-facing offices or sites will have moved closer to our customers as a result of COVID 19 (%)



Q In the two to three years beyond 2021, how likely or unlikely are each of the following to be true, compared to the situation in 2019?  
Base: All businesses responding (573)

# REIMAGINING THE OFFICE: QUALITATIVE FINDINGS

## The office is not dead, but is being reimagined:

- Hybrid ways of working (being in the office 2-3 days a week often mentioned) and different models for different jobs.
- The office will be a space for collaborating and connecting within and across teams. Some businesses are already redesigning offices to facilitate this (e.g. new breakout areas).
- It is also seen to be important to provide office space for people who prefer to work there or struggle to work remotely (e.g. poor WIFI, lack of workspace at home, wellbeing challenges).

Some businesses are still weighing up their options and deciding how much office space they will need in the future.

Others have faced decisions and have decided not to take a new lease or go for less space. A few have already mothballed offices.



*We are looking at our real estate landscape and looking at how we reconfigure our office buildings to have this sense of being a place with purpose. You have a purpose to be there and a purpose to meet. It is laid out in a way that allows people to come together and collaborate.*

**Technology business**



*We were in the process of moving to a new office. One impact will be that office will be a lot smaller than it would have been otherwise.*

**Energy**



*We are nervous of completely changing things now, we feel it is a little too early to commit to what we think the office space looks like. We are expecting it to involve fewer desks and more collaboration space.*

**Professional services**



BUSINESS TRAVEL WILL BE  
A CONSIDERED RATHER  
THAN A DEFAULT CHOICE





# BUSINESS TRAVEL COMMONPLACE PRE-PANDEMIC

Pre-pandemic

**88%**

of staff regularly  
travelled within  
the UK for  
work and...



**57%**

travelled  
internationally

In the qualitative research, people talked about hopping on the train or getting into a car for short meetings without thinking about it.



*I used to go to Cheltenham for a one hour meeting which seems crazy but that's what you did. And now you just go 'why did I do that?'*

**Professional services**



Q In 2019, did any of your UK staff ... ? Travel regularly within the UK for work, i.e. between your sites or to meet customers, but not just to commute to and from their usual workplace / Travel internationally for work on a regular basis

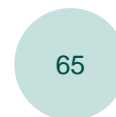
Base: All businesses responding (573)

# POST-PANDEMIC, LIKELY TO BE LESS BUSINESS TRAVEL IN THE UK OR INTERNATIONALLY

Because of video conferencing it will no longer be necessary for my staff to travel within the UK to meet colleagues or clients (%)



Likely %



Unlikely %



Because of video conferencing it will no longer be necessary for my staff to travel internationally for their work (%)



Very likely

Fairly likely

Neither  
likely nor  
unlikely

Fairly unlikely

Very unlikely

Not  
Applicable

Don't  
know

Q In the two to three years beyond 2021, how likely or unlikely are each of the following to be true, compared to the situation in 2019?  
Base: All businesses responding whose staff travelled in the UK in 2019 (505)

# QUALITATIVE FINDINGS SHOW A SHIFT IN MINDSET ON BUSINESS TRAVEL

Businesses have discovered remote ways of working (e.g. a pharma company ran the launch of a new product entirely virtually).

Customers and suppliers have got used to interacting remotely. The benefits:

- Saves time on travelling
- Can action things more quickly
- Easier to cold call on Teams than fly to China!
- Cost savings
- Reduced carbon emissions



*It is a much more productive way of doing things. If you've got an hour's inspection of something, you can do that remotely without three days of travel, that is a win for everyone.*

## Energy



*We learnt a lot about technology. We could have clients doing site surveys in real time which meant we didn't actually have to visit those sites. We will certainly be taking that forward.*

## Construction



## But business travel still has a role

It is seen to be harder to build and maintain trust remotely.

In particular, important for relationships and new customers/sales to have some time face-to-face.



*If it is a monthly meeting, maybe every six months it will be face-to-face.*

## Professional services



BUSINESSES THINK  
CONSUMERS ARE  
LIKELY TO STAY ONLINE  
AND SHOP LOCAL



# PANDEMIC CONSUMER BEHAVIOURS EXPECTED TO STICK

Consumers who switched to shopping online during the lockdown will keep doing so once the pandemic has passed (%)



Likely %



Unlikely %



People will shop close to where they live rather than shopping further afield (%)



Very likely      Fairly likely      Neither likely nor unlikely      Fairly unlikely      Very unlikely      Not Applicable      Don't know

In the qualitative research, the pandemic was described as an “accelerant” in moving shopping online. Some businesses experienced significant increases in online demand during lockdown while sales through other channels decreased or disappeared.

Q In the two to three years beyond 2021, how likely or unlikely are each of the following to be true, compared to the situation in 2019?  
 Base: All businesses responding (573)



# BUSINESSES WANT TO BUILD BACK BETTER



# PANDEMIC CHANGES WILL HELP BUSINESSES BUILD BACK BETTER

## Work-life balance within UK businesses (%)



## Likelihood of UK meeting carbon emission reduction targets (%)



## Innovation within UK businesses (%)



## Business-employee relations (%)



## Diversity and inclusion within UK businesses (%)



## Tackling the challenge of reskilling the UK workforce (%)



## Public trust in the UK business community (%)



A very  
positive impact

A fairly  
positive impact

No significant  
impact

A fairly  
negative impact

A very  
negative impact

Not  
Applicable

Don't  
know

Q In the two to three years beyond 2021, what kind of impact, if any, do you think the changes brought about by COVID-19 will have on each of the following, compared to the situation in 2019? *Base: All businesses responding (573)*

More %

82

Less %

11

Net %

71

74

13

61

64

19

45

52

29

23

45

12

33

44

33

11

33

17

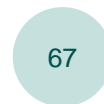
16

# BUSINESSES EXPECT TO INCREASE ACTIVITIES ON DIVERSITY AND NET ZERO

## Any activities to make our business more diverse and inclusive (%)



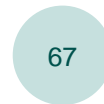
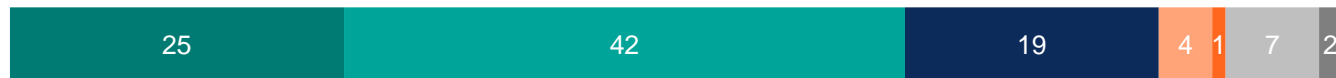
### Increase %



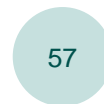
### Decrease %



## Any activities to support the net zero carbon emissions reduction target (%)



## Any activities to support our local communities (%)



Greatly increased these activities

Slightly increased these activities

No change in these activities

Slightly decreased these activities

Greatly decreased these activities

Do not have any activities in this area

Don't know

Q In the two to three years beyond 2021, how do you think your business will have changed its activities in the following areas, if at all, compared to 2019?  
Base: All businesses responding (573)



# BUILDING BACK BETTER: HOW AND WHY

**In the qual, we heard a lot of positivity about building back better. Businesses have been agile and creative in meeting the challenges of the pandemic. There is a need to reflect and reset, drawing on the lessons learned so that businesses can become more productive, sustainable and resilient.**

## **Work/life balance**

- Remote working is central to this.
- But worries about overworking/blurring of home/work boundaries.

## **Diversity and inclusion**

- Black Lives Matter has been pivotal.
- Flexible working can help drive diversity (for women in particular). But lack of access to broadband/tech (income/location) could exacerbate inequalities.
- Wider geographical recruitment/ decentralising away from London.
- Businesses must lead and all voices need to be heard.

## **Reducing carbon emissions**

- Less business travel/commuting.
- Innovation, funding and linking to the reskilling agenda.
- Clear and consistent government policy is key (e.g. infrastructure, procurement).

## **Reskilling**

- Changing work and consumption patterns will lead to jobs disappearing.
- Important to ensure reskilling happens (under 25s a particular concern).
- High unemployment and business lacking the capacity are barriers.
- Focused, targeted and localised government action is required e.g. skills shortages for trade labour, apprenticeships.

## **Innovation**

- Businesses innovated at speed during the pandemic – these lessons will be carried forward.
- But remote working may hamper collaboration and the serendipitous interactions which fuel innovation.

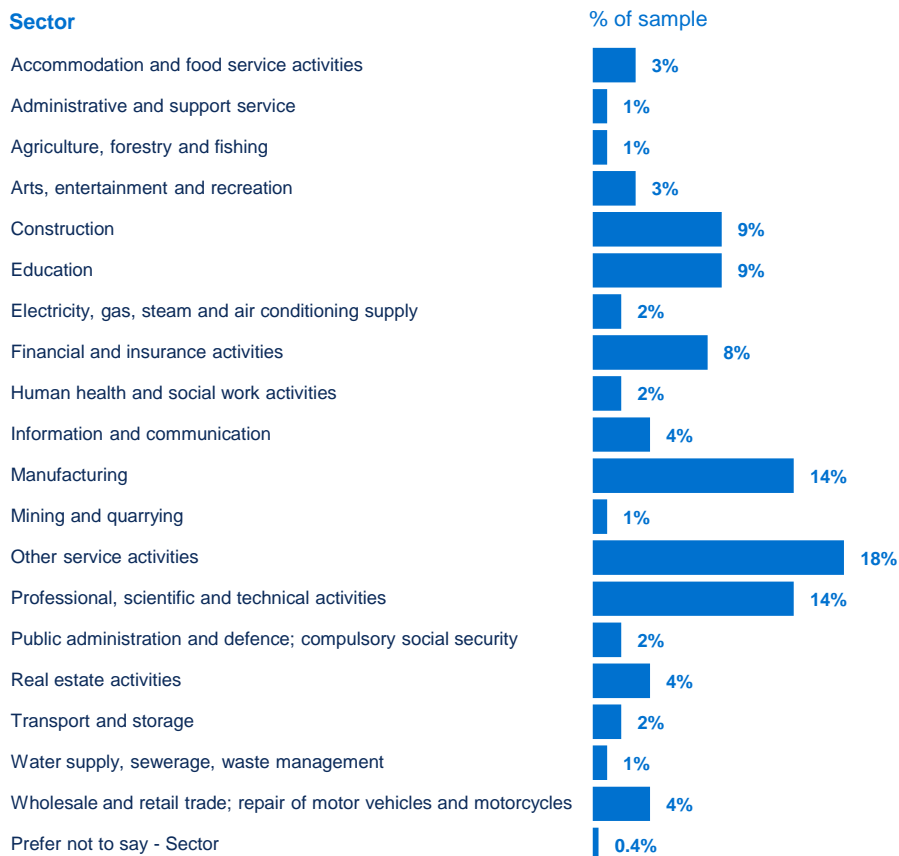
## **Business/employee relations**

- There are opportunities (work/life balance, diversity) and concerns (wellbeing, two tier workforce).
- Different skillsets needed to manage remote working.
- Businesses need to be innovative and creative in fostering connections and looking after staff.

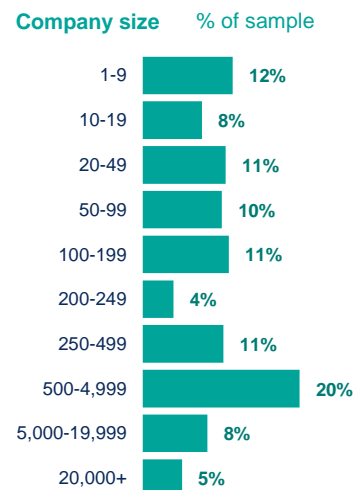
# WHO TOOK PART IN THE SURVEY

An aerial photograph of a public square, likely St. Peter's Square in Rome, featuring a large blue and purple digital overlay. The overlay consists of concentric circles, radial lines, and a grid pattern, suggesting a survey or data visualization. Numerous people are visible walking across the square, some within the digital overlay and others on the traditional cobblestone pavement.

## Sector

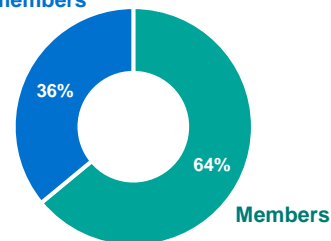


## Company size

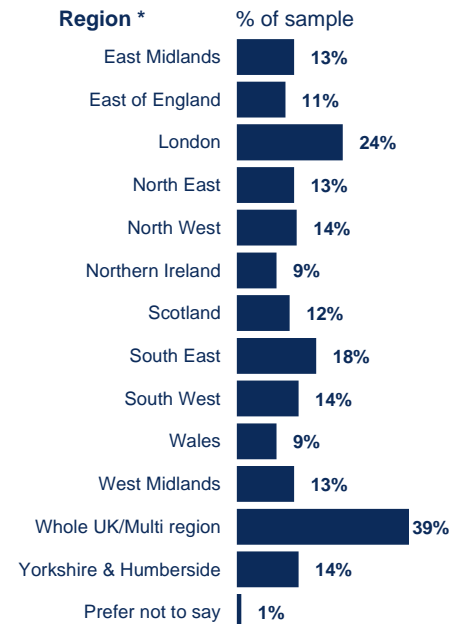


## CBI member / non-member (%)

### Non-members



## Region \*



\* NB multiple responses possible