

Leveraging change to the advantage of your company's future

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This insights report is part of a series. It does not constitute legal advice.

Expecting everything to go back to the way it was before the pandemic is unrealistic, and in many ways counterproductive. For all the challenges people experienced, it has shone a light on what can be achieved remotely and how businesses can be improved as a result.

It's not just hybrid working – it's the rise of the four-day work week, the concept of quiet quitting, and many other new ways of thinking. But the unfamiliar is often uncomfortable, as it forces us to examine the way things have always been done and ask whether there's a better way.

It must, of course, also be a legal, fair, and just way. Your policies are there to protect you and your employees at work, and they're not for wholesale change every time there's pushback. As your business grows into a new normal, the precedents you set now can become policy in the long term. Seek advice and make sure they're watertight now, to avoid any future repercussions.

In this chapter, we'll show you how we, and our clients, are turning change into growth.

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GROWTH 1 - Quiet quitting

Is quiet quitting a bad thing?

Ian Benbow, Managing Director at Case-UK Ltd:

Quiet quitting is not a bad thing. We have created a working environment of autonomy and freedom to deliver the agreed performance required. The performance framework for each post is based on 1 FTE and the onus is put on the employee to ensure performance is delivered around their life priorities.

The issue of quiet quitting raises some interesting issues around the company's performance and financial modelling. From our company's perspective, the financial modelling is based on a scale between maximum profit target and the minimum level of profit required to support growth. This has seen the projected profit becoming reduced over the year based on recruiting additional staff to relieve stress and pressure on current staff, however it needs to be noted that the growth of the organisation has been 100% year on year with an amazing retention rate. In the last 3 years only 3 people have left (one who was dismissed and two who returned to us within 3 months of leaving.) The well-being of our staff is put before the overall financial profits, with the aim of building sustainable growth.

The onus is put on the employee to ensure performance is delivered around their life priorities

We say:

Joanna Safadi, Associate



Quiet quitting relates to the situation where employees are carrying out their job. but they are setting boundaries by not taking on additional work or going above and beyond (e.g. by not working overtime or volunteering for extra projects/responsibilities). It is seen as a personal rejection of 'hustle culture'.

Many employers understand the sentiments behind this movement and appreciate the need for a greater lifework balance, particularly in those sectors which have traditionally had a culture of working long hours.

However, quiet quitting may signal that something is wrong on a larger scale. In a healthy working relationship, an employee should not feel that this is the best option available to them. Do they want more job satisfaction, better pay, a better work-life balance, or simply to work fewer hours? Do they feel safe and empowered to discuss these issues with their manager – rather than reaching for the quiet quitting button?



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Nicola Dobson, Project Accountant at Mecatherm International Limited:

Sometimes changing an employee's job for greater job satisfaction is not feasible. It could be down to outdated technology, not having resources to implement change, or not being the right person for the role. I have had experience of it and found that it was usually more than one aspect of the job the employee was not happy about. However, if it is someone who likes the company and wants varied work, there can be a discussion around it.

Jamie Simmonds, CEO of TheTin:

Yes, it suggests that there is an underlying problem regarding communication and understanding with regards to roles and responsibilities. If a company doesn't have an accurate view of employee sentiment, it can end up in a position where people feel overworked and undervalued.

It's important to have a good grasp of how employees perceive and feel about the company, this can be done via eNPS (Employee Net Promotor Score) metrics as one example of the many options available.

Staying on top of that requires leadership commitment, but the end result could be priceless. If companies know there are issues, they can make changes so employees feel more valued and want to put the extra effort in.





trusting

Our clients say:

How can we build trust in a hybrid environment? We want to empower staff to focus on organisational goals wherever they are, but it's a challenge to monitor performance of a dispersed workforce.

Susan Venton, Head of People at TCC Europe:

Trust needs to be given on many levels. Employers must assume positive intent from employees and trust that they will deliver upon the goals. Employees must trust their manager to ensure they are getting the help, support, guidance, and training that they need to be able to grow and reach their goals.

Monitoring employees performance should be easy, if clear goals and objectives are set which have clear measures for delivery and timeframes. Communication is key and in a hybrid working pattern if communication is not essential to the relationship between the manager and employee, it is unlikely performance will be managed properly.

It is also essential to set out clearly in your hybrid working policy the possible outcomes if performance is not met, which would include the revoking of the hybrid working situation for the employee back to office working, in order to help support the employee with their performance.

We have found that employees are happier, healthier, and more engaged in a hybrid working pattern.

We say:

Nadine Maher, Senior Associate



In a hybrid working environment, organisations still need to monitor performance. There needs to be a careful balance between an employer rightly monitoring performance and staff feeling trusted to work from home without present supervision. If staff feel that they are not trusted while working from home, this can negatively impact on their productivity and morale.

Specificity and communication can be key. Clear performance objectives and metrics to determine whether the objectives have been met are important in any event – in case any supportive measures are required to address underperformance.

Another effective step is to have regular meetings (individually and as a team) with staff when they are working remotely. These meetings do not need to be formal but will provide employers with the opportunity to assess progress and capacity.

Hybrid working doesn't need to be offered to staff on a permanent basis from the outset. It is still a relatively new concept and often there will need to be trials of different approaches and arrangements to assess the best approach to build trust and effectively manage performance.



Nadine Maher **M:** 07814 209 736

Our clients say:

I have noticed that, even though most staff work effectively from home in that they are hitting their personal performance targets, having a remote workforce is really hard to manage. It's difficult for my business to react quickly to customer demand when we need to. Staff are less visible; I don't always know what they are working on day to day. They don't always respond promptly to my calls/are away from their desks. I have to spend significantly more time allocating work by sending emails because I can't simply walk over to their desk and ask a question. What can I do?



GROWTH 3 - Managing remotely

We say:

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Andrea Thomas, Partner

Many clients are speaking to us about this issue as they grapple with new patterns of work after the post pandemic working world. The issue is by no means confined to younger workers, but employers often tell us that many millennials are keen to work from home, perhaps because they are more likely to prioritise a life work balance. This can present a challenge for employers, who may find it difficult to manage employees remotely, or feel that those who work remotely are less responsive.

In many cases, employers will have a contractual right to require their employees to work from the office on a full or part-time basis. Prior to the pandemic, the vast majority of employers had contracts which required their employees to be on site-based. Post pandemic, some employers have adopted fully or partially remote working practices. However, these working arrangements will often not be contractual. Unless there are other considerations, arrangements which were introduced by necessity in the pandemic are unlikely to have become contractual by 'custom and practice'. Employers may therefore have retained the right to ask employees to come into the office.

Even so, the contractual position is only part of the story. Regardless of their contractual rights, employers may be reluctant to insist on their employees coming into the office in the face of clear employee reluctance. This is particularly so in hard to recruit industries and in the face of the current skills shortages, as employers may think that some employees are a flight risk.

In many cases an employer will be better off in adopting a 'carrot' rather than a 'stick' approach, or at least a combination of both, in persuading employees that this is not just presenteeism and that there are benefits to office-based working. Whilst they may be able to insist on employees coming into work, they may also wish to emphasise what employees have to gain. Mentoring programmes, support from more experienced colleagues, opportunities for learning and development, in-person team meetings, and social events are some examples – but as with many things, the answer often involves compromising and finding an approach that works for both parties.





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Gen Z grew up communicating through technology

We say:

Ben Stanton, Partner

This challenge is more pronounced at the younger end of the employee spectrum. Gen Z grew up communicating through technology and, for many of them, their first jobs have involved interactions taking place from home rather than in meeting rooms. This is a double whammy of preferences and habits that can make cohesive management tough. Some ideas on how to accommodate competing aspirations include:

- Extra training and supervision The Financial Times reported in May 2023 that firms like Deloitte and PwC have given Gen Z workers extra coaching after finding that they were less adept at networking and speaking.
- Give feedback Gen Z workers value constant feedback, good or bad, so do not be afraid to discuss your reasons for wanting job to be performed in a specific way. Something as simple as just discussing why there is a benefit in speaking with employees rather than solely sending emails can be very effective.
- Assigning mentors This will also assist each employee in understanding how the other works and whether there are any benefits to that. Encouraging interaction on a smaller scale will build confidence and improve interpersonal skills and means that your younger employees may see more value in having a telephone conversation with their colleagues.
- Balance face-to-face and virtual communication Arrange days where whole teams are in the office, to encourage discourse amongst members.
- Arranging work events Getting employees together should increase their confidence in speaking with each other, meaning any anxiety in picking up the telephone to speak to colleagues is removed.
- 6 Consider the ways in which you conduct virtual meetings Are all employees fully engaging in the conversation? Acknowledge that taking time to swap stories and build a rapport is an important part of every job, not something to be discouraged.

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Jamie Simmonds, CEO of TheTin:

We were already digital by nature, but what we did when we went to a purely remote-first basis was to adopt a daily morning standup, so we all get to see and hear everyone in the business explaining what they're up to. It allows the team to see all the different external and internal projects going on so nobody is left out of the loop. We've found that Miro is a great tool for running workshops remotely, and our use of project management software and ticketing makes it easy to keep track of specific task allocation and resourcing.

Ian Benbow, Managing Director at Case-UK Ltd:

We had a perspective that older workers who live alone are more likely to want to come into the office compared with young workers who live on their own. However, following discussions with the younger employees, it has become clear that they enjoy the option of working from home and office and would go into the office if they had to choose. 100% of the young people referenced the pandemic as a major contributor as they felt isolated in lockdown and enjoy the office environment. They also indicated that from previous working environments they have worked in, they would have chosen to stay at home.

However, older workers with family members and additional caring responsibilities would prefer to work from home. This is because they have the flexibility to juggle the pressures of maintaining a home and family priorities in these challenging times of austerity. I'm not sure if the issue is generational but personal circumstance.

Adopt a daily morning standup, so we all get to see and hear everyone in the business explaining what they're up to

Client

I am noticing a generational divide.
Generally, younger employees prefer to work from home and are reluctant to come into the office. Older staff prefer to be in the office. That is also highlighting generation differences in the way people work more generally.

For example, I have noticed that often younger staff who are not used to being in the office are reluctant to make or answer telephone calls and prefer everything via email, which some of my older staff are struggling with.

77% of Gen Zs & 75% of Millennials

who are currently in remote or hybrid roles would consider looking for a new job if their employer asked them to work on site full-time.

Deloitte



Our clients say:

I am inundated with flexible working requests since coming back to the office after Covid. I want to be helpful/as flexible as possible so that my employees get a good work/ life balance, but it's a nightmare to manage everyone on different work patterns – what can I do?

Susan Venton, Head of People at TCC Europe:

Since Covid we have seen a significant decrease in applications for flexible working as we implemented a connected working policy along with clear guidance on how to implement the policy to ensure individual, team and company success.

The policy allows for a hybrid way of working pattern with a mixture of office and home working. This has also allowed for us to condense our office workspace provision as we have implemented a hotdesk system to ensure that when people are in the office, they are all working together.

We say:

Paula Ursu, Solicitor

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While it can be tempting to apply the same rules across the workforce and to limit employees' ability to work flexibly, there are ways of managing people effectively while still allowing them to work on different working patterns. From a practical perspective, it is important for managers to set clear expectations for the team they are supervising, and to support employees in meeting those expectations. Technology is making it increasingly easier to reach people both individually and in groups and it is important to build good communication practices which allow teams to stay in touch and collaborate in delivering results. Managers can assess whether there are specific aspects of a flexible arrangement that don't quite work for the business and take steps to address those, rather than immediately assuming this is due someone's working pattern as a whole.

There will, of course, be circumstances where despite everyone's best efforts, having certain employees on flexible working arrangements will not suit the business and cannot be accommodated. Employees with 26 weeks' service have a statutory right to request flexible working, but this does not otherwise have to be offered to all employees from the outset.



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Jamie Simmonds, CEO of TheTin:

We haven't trialled a 4-day working week, because we offer flexible and remote-first working. Our staff can work whenever they need to as long as it doesn't get in the way of others doing their work. In practice, this means people work at different times of day and we work together to make it happen. The disruption of setting up a 4-day week could be a factor in more businesses not wanting to trial it, however given our place in a global industry I can't see it being a problem. We already work with companies across multiple time zones who also work different days of the week, so if there is a will to push through the initial set up, once it's bedded in I can see it working well.

The world's largest 4-day working week trial, conducted by the think tank Autonomy from June to December 2022 found that:

92% of companies decided to continue with the 4-day week

32% of companies have made it a permanent change

39% of employees were less stressed

71% of employees experienced less burnout

60% of employees found an increased ability to combine paid work and care responsibilities

Company revenues were unharmed by the trial, rising 1.4% on average

The number of staff leaving the companies decreased by 57%

Autonomy

We say:

Gemma Hill, Senior Associate

The results from the 2022 four-day week trial were overwhelmingly positive, showing improved work life balance for staff, fewer absences, and lower levels of stress, anxiety, and fatigue. Businesses also reported positive results reporting similar (if not improved) levels of productivity and revenue, despite employees only working 4 days a week. Following completion of the trial, more than 90% of participating businesses opted to extend their trial, with around 30% deciding to adopt the 4-day week permanently.

But despite the positive results of the trial, the 4-day week has not had the uptake from other organisations that we might have expected. There are a number of reasons for this:

- The 4-day week does not suit all businesses. Some sectors, by nature, require a 7-day week and sometimes 24 hour-a-day presence, such as emergency services and public transport workers. In order for these businesses to implement a 4-day week for staff, further recruitment would be needed to ensure that the hours of operation are covered sufficiently. In many cases, this simply isn't possible.
- Most businesses in the trial were smaller companies. The largest company had around 500 staff and 90% of the participating companies employed 100 employees or less. For larger organisations, the 4-day week can be much more challenging to put into place, given the complexity of managing the reduced working week across large numbers of staff and complex business models.
- Despite the many positive reports about employee wellbeing following the trial, some organisations reported that the 4-day week had the opposite effect. In some businesses, workers found that the expectation to undertake the same amount of work, but within reduced hours, made their working days more challenging. Some employees preferred a traditional 5-day working week, where the workload was more balanced.
- The implementation of a 4-day week may also increase costs, which may be particularly off-putting given the current economic climate. Many businesses will need to recruit additional staff or rely on support from agency workers in order to offer a 4-day week to staff. Again, for many businesses, this simply isn't possible. Uncertainties caused by issues including Brexit and the cost of living crisis means that now may just be the wrong time to implement such a dramatic change.



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Ian Benbow, Managing Director at Case-UK Ltd:

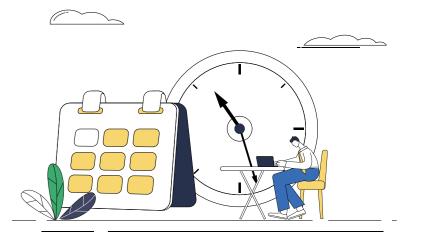
We've created working practices to give staff the ability to adopt a flexible working week, which includes a 4-day working week, but still based on delivering 37 hours. Only 2 members of staff have requested the 4-day arrangement. Both wanted to complete a university course and signed up based on the flexible working option. One managed the flexibility well but requested to revert back to 5 days on completion of their studies; the other one ended up taking on additional employment to cover the increased cost of living and are now struggling with their worklife balance as they are reluctant to lose the additional income.

One member of staff did request to reduce hours for a 4-day week based on 30 hours, which saw a reduction in hours and wages, as the performance required for 100% payment by result contracts was a key factor. Additional staff were employed to start picking up the movement of contract performance requirements.

I think that the reasons for a lack of wider uptake of the 4-day working week differs depending on public, third, and private sectors. But generally, it probably comes down to fear of the unknown and change, potential of losing financial income, and contract requirements which state 5-day working.

I think 4-day working is a realistic future for public and voluntary sector businesses. Large companies in the private sector have the potential, but SMEs are the least likely because of bigger challenges for capacity.

Our staff can work
whenever they need
to as long as it doesn't
get in the way of others
doing their work





Our clients say:

What do you expect the future to look like in terms of office/remote/hybrid?

We've tried to create an environment, an adaptable space and an adaptable culture to cement a path to success

Harriet Ward, Group HR Director for Ecclesiastical Insurance UK:

The future continues to look flexible in its broadest terms. It would be wrong to say that what we're doing now is exactly what we'll do in the future. If there's anything we've learnt from the last few years, it's that anything we think we know now is subject to change.

It's about trusting your colleague base to find new solutions to emerging problems - working together. For example, if the cost of living became too high to work from home, we might have to find a way to accommodate more people in the office. We've tried to create an environment, an adaptable space and an adaptable culture to cement a path to success. Making rules based on predictions is not a terribly good idea.

We won't sit here and just say that now is how we'll always stay. If you're not congruent from the start your colleagues will call you out on it. You can be criticised for ambiguity but there is a benefit to flexibility, and that's the advantage of creating a flexible environment and flexible culture.

We say:

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Lynne Adams, Legal Director, Head of Immigration

Covid saw an enforced shift in the employment landscape, with employers having to relocate their workforces from office to home. Following this change to traditional working methods, many employees are unwilling to revert to pre-pandemic work models, and that employers will have to continue with remote and hybrid work models in order to meet employee demands.

Most of our clients have had to implement a flexible working policy, incorporating remote and hybrid working, and I expect that in the future a significant amount of employees will have working patterns where they work from home for the majority of the week and come into the office for the remaining small proportion. It seems clear to me that no matter how much employers may want to return to traditional work models, remote and hybrid working is here to stay.



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What to do next

We can support you with every aspect of adapting your workspace and employing your people. Our workforce, immigration, employment, and sector specialists are on-hand to help you tackle any legal obstacles in your path:



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About HCR

We like to ask questions that go beyond our clients' legal challenges.

And we like to build lasting relationships, so that we can get under the skin of a project and advise on both business and personal matters, never sitting on the fence.

The working office affects us as individuals and employers, and as a firm with ten offices and 800 staff, we're keen to explore the challenges around workspaces and employees, to understand what the future looks like. For us and for our clients.

Our employment and immigration team provides expertise on all aspects of employing your people, from contracts and polices to settlement agreements, restructuring, TUPE, grievances, discipline and bullying. They have grown rapidly over the last five years, as they continue to provide great service to hundreds of clients.

Your business is complex and ever-changing. You don't want a bolt-on solution every time you discover a new challenge, you want a partner who understands where you've come from and where you're headed, and who has your best interests at heart.

So we truly partner our clients. We are pragmatic, and we fight your corner as if we were defending our own. Because if we don't, then what's the point?

This project has shown us that employers are still experiencing challenges associated with changes to work arising from the pandemic and lockdowns, in 2023.

And we want to help you tackle them.















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