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CIPD Applied Research Conference 2021

Organisational learning from COVID-19 – a cross-divisional study on the impact of the rapid shift to homeworking

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Conference paper

Overview

COVID-19 and the move to homeworking has forced dramatic and rapid adaptations across the country and accelerated many changes within workplaces. The crisis, though unwelcome, has provided a chance to glimpse aspects of a different future in operation and presented a research opportunity. Capturing the impact of the enforced changes to working practices on two distinct groups of employees provided scope for learning so that we can better design for unpredictable events in a much more informed way. Ultimately a greater understanding about the employee organisational relationship has emerged.

Introduction

This paper looks at the impact across two distinct business divisions within a telecommunications company. Both divisions, through time and role development, have always been wedded to office working but for different reasons. For one division overseeing employees in the workplace was the norm (a traditional management practice within most organisations); for the other division, the need to access numerous large-scale graphics displaying real-time operational data drove office-based working. For both divisions, team and individual performance were heavily based on metrics, allowing independent assessment of COVID-19 homeworking success.

The research explores key topics and reveals insights resulting from the rapid shift to homeworking, some of which challenge long-standing traditional workplace assumptions. What does homeworking mean for individuals and the future of work? What has the impact been on motivation and morale? How have customer relations been affected? Going forward, how can we learn from the crisis and ensure any gains for employees and organisations are retained?

Research methods

Data collection from the two separate divisions was carried out via semi-structured interviews held between May and July 2020. This approach allowed in-depth exploration and the capture of opinions and richness of views without being too prescribed (Creswell and Clark 2017). All interviews were conducted via Microsoft Teams and were recorded with the permission of the interviewee, and anonymity was assured. Throughout the study all the interviewees (bar two) and interviewers were working from home due to the COVID-19 crisis.

In total 49 individuals from the two divisions were interviewed. The first group of employees, who worked on in-bound customer retention and acquisition, would have normally been sited within one of six UK-based contact centres. We interviewed advisers, team leaders and managers, all of whom required high levels of technical product knowledge and interpersonal skills to build relations necessary for their role supporting SME customers.

The second division were knowledge workers whose roles required deep and wide technical skills. Prior to COVID they were a mix of office-based and home-based employees. The office-based employees would normally have been sited at a 24/7 network operations centre carrying out challenging surveillance and support functions, with heavy reliance on real-time performance data.

Topics for exploration in the interviews included: pros and cons of working from home; exploring work set-ups at home; work–life balance; support structures and team dynamics (old and new); impact on morale and motivating factors; team and individual performance; and employee advocacy. They were also invited to ask questions or raise matters pertinent to their own situation. Interviewees within both divisions being studied covered a range of age, length of service, gender and ethnic background.

After the interviews, common groupings or emergent themes were established via an iterative process of agreement across the three authors. Roundtable sessions with academic partners served to further explore and underpin the findings. Many of the themes naturally overlap owing to the nature of qualitative data exploration and analysis. Some of the key findings are summarised in the next section.

Results

The interviews revealed many salient lessons to absorb and use in future when responding to a disruptive event such as COVID. Findings are clustered around the adaption to homeworking, morale and motivation, management of employees and the customer.

Rapid shift to homeworking and adjustments

Individuals' adjustment to homeworking varied according to: home circumstances (including children, partners, space, commute); health (especially those shielding); attitude to risk; length of time in the team; degree of sensitivity and reliance on social interactions; and the amount of attention on the job in hand versus the longer-term impact of COVID-19.

There were many positive findings associated with homeworking, the major benefit being the time, money and energy saved on the commute. Along with the flexibility that working from home affords, many felt that time is now 'better' spent. It also removed the risk and associated anxiety of COVID-19 exposure, especially those commuting via public transport.

Successful homeworking (short and long term) was aided by the right home set-up. Physical assets such as technical infrastructure (for example, computers, telephone routing and networking) and office furniture (tables and chairs) were prerequisites. Some interviewees were able to set up a workspace in a spare room or home office or garden cabin, with a door they could shut during the working day, as well as at the end of the day, allowing compartmentalisation between home and work. For others, the set-up was more complex and invasive for them and, at times, other members of their family.

Naturally, the lack of face-to-face interaction with colleagues was the biggest issue and it was clear the isolation of lockdown was very difficult for some interviewees. Also, as lockdown and homeworking went on, days felt as though they rolled into each other, with no clear work/home boundaries and routines, and the disruption to home and personal life taking its toll. In addition, the removal of the commute was not always positive as it removed an opportunity for important decompression time, allowing some to switch from work to home mode.

Overall, the interviewees believed that the decision to move to homeworking during the crisis had been the right one and was intensely appreciated. They felt that the

organisation had shown a strong duty of care. Flexibility had been shown to the vulnerable and those for whom homeworking was impractical or impossible. As a result, some were able to work in the office. Interviewees had strong advocacy recommending the organisation as a place to work, and this had been strengthened by the recent experience.

Morale, management and pastoral care

Levels of morale and motivation had clearly varied during the early days of working from home in lockdown. The changes to everyday life brought about by the pandemic had created uncertainty about the future, which is known to lower morale (Hardy et al 2015). Other factors which may have devastated motivation were successfully mitigated, including reassurance over maintaining financial rewards as well as highly effective company-wide communications by the chief medical officer, which helped remove some of the uncertainly and misinformation surrounding COVID-19. Team energy and motivation was sustained by the hard work of managers, reinforcing the key message to colleagues that their work was meaningful and worthwhile, having a positive impact on the organisation and helping customers and colleagues.

Managers felt their roles had become more difficult because they were removed from the usual office interactions at a time when providing pastoral care was imperative. Managers missed the ability to pick up on non-verbal signals present in the office and spoke of needing a greater sensitivity to tone of voice and background sounds to compensate.

Perhaps one of the most interesting and unintended side effects of working from home was how the many facets of people's lives were exposed in the raw. Managers became more aware of their employees' personal circumstances, an understanding which was shared as managers also revealed their full range of roles, for example parent, carer, manager, partner, dog lover. This served to reveal people as whole individuals with busy, complicated lives, rather than just sharing the aspects of themselves that they typically present to the workplace.

While many employees within both interview groups were empowered and technologically enabled to work from home, some were less so or not at all. That changed with the crisis, with the realisation that employee oversight was not as necessary as previously thought. This was reinforced by performance metrics, which were maintained at pre-pandemic levels or even improved. As a result, people felt more trusted and were keen to return that trust, with many managers expressing their pride and faith in their teams, speaking on how their people had stepped up to the challenges. The result of this shift in trust has been to strengthen relationships and evolve the psychological contract between employee and employer (Rousseau 1989), enhancing organisational commitment (Meyer and Allen 1991).

Customer relations

Teams that interact directly with customers saw the purpose of their role shift dramatically to helping customers who were also moving to homeworking. This created common ground and a shared experience between customer-facing employees and customers, resulting in mutual empathy. There was respect for the effort the organisation had put into maintaining vital services.

Interviewees spoke of attention to customers' own circumstances, including background noise and tone of voice, to judge interactions. Flexibility in employee measures and the right tone ('just help the customers') put in place by management further enabled more empathetic customer interactions. The marked increase in Net Promoter Score (Reicheld 2003) and positive customer verbatim feedback (Figure 1) are likely to be effects of this change.

Interviewees felt that this, along with shared experiences, increased customer loyalty and longer-term value potential. It was hoped that longer-term value growth could be given increased weight in future business measures and goals.
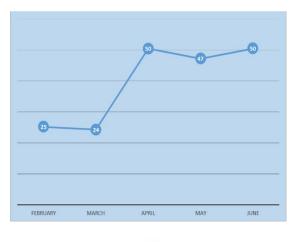

Figure 1: Plot of customer Net Promoter Scores for the period Feb–Jun 2020. The corresponding word cloud is derived from customer comments for the same period, showing positive customer response.

Who does homeworking suit the most?

The research found that there are many variables to consider when deciding which employees and roles are best suited to homeworking. Organisations need to consider job design of the role/task(s), but also the requirements of individuals. The needs of the individual become more pertinent when organisations must attract and retain employees with specialist skills that are in short supply.

The dynamic between the employee and the employer needs to co-evolve to mutually benefit both parties. Homeworking needs to be considered as a part of this dynamic. Requirements can also shift over time – for example, what works for an individual at the beginning of a project when creativity and energy is needed may differ from later stages, such as testing and validation.

As a result, organisations could benefit from taking into account space, structure and social requirements (Figure 2) when creating future roles and considering suitability for homeworking:

- **Space:** the physical requirements of the role (for example, laboratory-based vs office), along with technical support/access and home requirements (including work–life balance) of the individual.
- **Structure:** routine and structure of the working day can help some individuals, especially new recruits. The structure of the role can include managing one's own needs/vulnerabilities as well as line management responsibilities.
- **Social:** the degree of interaction with others which is needed, including volume and type. This could be driven by an individual's own personality and the work's project cycle. Tacit learning requires socialisation, and morale also struggles in a social vacuum. The cultural requirements and working norms of the organisation also need consideration.
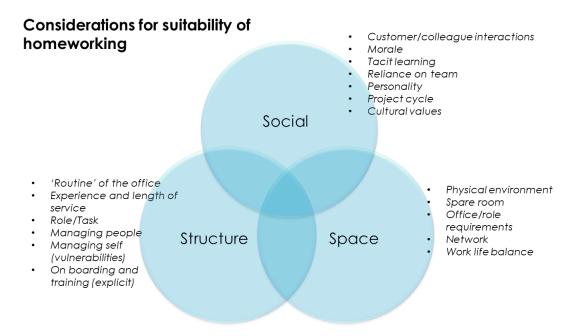
Considerations for suitability of homeworking

- Customer/colleague interactions
- Morale
- Tacit learning
- Reliance on team
- Personality
- Project cycle
- Cultural values

Social

- 'Routine' of the office
- Experience and length of service
- Role/Task
- Managing people
- Managing self (vulnerabilities)
- On boarding and training (explicit)

Structure

Space

- Physical environment
- Spare room
- Office/role requirements
- Network
- Work life balance

Figure 2: Different components of homeworking potentially impacting employees. These can change over time and with experience in role.

Need for the office

During the research, two clear circumstances reoccurred when interviewees expressed a strong desire for returning to the office. These were the onboarding and support of new recruits, and creative/problem-solving activities.

Learning, refresh, onboarding

For stable, well-established teams with experience, the transfer to homeworking worked smoothly. This was not the case for those managing new team members, or for the new recruits themselves.

For new recruits, learning from others happens by continuous observation of behaviours, use of systems, tone of voice to customers, etc. For small job changes or

explicit training this isn't an issue, but new joiners to a team are harder to integrate if the work is very new, especially when it entails a large element of tacit learning.

Of particular concern during COVID-19 was the removal of important support structures for younger, inexperienced recruits and apprentices. Onboarding and training becomes an order of magnitude harder for all when work shadowing and tacit learning disappears. Of equal concern was not just the learning of skills required for the job, but the removal of traditional emotional support. The pastoral care safety net provided by being co-located in the office was potentially the most important reason to return.

Problem-solving and innovation

Another factor that working from home struggled to replicate was certain types of creativity and problem-solving activities, and serendipitous interactions. For example, gathering together around a whiteboard seems unbeatable. Being in the same room allows the social cues, such as body language, to be observed and the creative process to be a shared experience. This shared experience, which is enjoyed and hence missed by many, serves to reinforce group bonds as well as develop morale.

Key organisational learning points

Many organisational changes brought about by moving to homeworking mutually benefited the organisation and employees. Yet the practical importance and implications of research go beyond the specific organisation studied. The wider learning points to ensure organisations are empowered to cope with future crises, as well as remaining relevant and attractive to future talent, include:

- The ability for employees and teams to work flexibly or embrace hybrid work patterns is a potential asset. As well as distributing skills, it creates robustness which could allow organisations to better manage future crises, including pandemics. This also means autonomy is distributed and pushed down the chain of command to those responsible for operational support, in turn facilitating agile practices and rapid decision-making.
- The shift to hybrid/flexible work styles will not only build operational robustness but could also enable organisations to align with evolving best practice and prospective employees' expectations. As organisations compete for the best talent in a tough market, they need to be able to meet the career expectations of younger workers. This will be vital in maintaining attractiveness to future talent as well as enabling DE&I (diversity, equality and inclusion) in the workplace.
- The response to the COVID-19 crisis has shown how roles previously considered 'fixed' to office life can be suitable for homeworking. To maximise effectiveness and ensure there is no loss of accrued goodwill post-pandemic, organisations will need to rethink workplaces and work practices. This may necessitate a review of role design as well as management practices.
- The whole person matters, not just the 'employee'. The crisis has revealed individuals' home as well as working lives to colleagues and the fragile balance between the two has been exposed. A new level of awareness among many managers has arisen, underpinning managers' emotional intelligence and increasing the need for servant leader practices. This in turn has helped engender trust and build organisational commitment.

- A deeper understanding of customer relationships has resulted from shared experiences during the pandemic. Relationships have evolved on a range of timescales, suggesting short-term gains and long-term loyalty. This also has the potential to make customer-facing roles more rewarding and valued.
- The role played by buildings and environment needs to be reviewed. This crisis has shown the workspaces of many organisations to be COVID-19 brittle, necessitating homeworking. Office space is an expensive asset that needs to 'work harder'. Collaboration will become buildings' key purpose, along with training and onboarding. There will need to be provision for employees who cannot work from home. A mix of appropriately scheduled fixed and shared workspaces will need to evolve.
- Trust is fundamental to progressive and positive change. Employees have proven themselves, and the organisation has shown a strong duty of care to its employees. The result has been increased levels of trust, commitment and employee advocacy. Trust is generated mutually but is also fragile, so care is needed.
- Change needs embedding to create robust organisations with engaged and fulfilled colleagues who have built-in resilience. 'Going back' to previous ways of working may be a retrograde step, as job design, mutual value and social contracts have evolved. Returning to pre-crisis working practices may be problematic and risks damaging mutual benefits. Churn, employee advocacy and knowledge retention could be negatively affected if this does happen.

Final word

This work reveals widely visible proof points which affect attitudes and discussion around the future of the workplace and leadership. Results show roles, working practices and technological requirements have largely been robust in the face of changes driven by the rapid shift to homeworking. They also show that customer relationships may have evolved, both in the short term due to shared experience but also in the longer term, potentially helping to grow loyalty and value-creation.

Other changes have mutually benefited the organisation and employees alike. Employees have reciprocated the flexibility shown by organisations, proving themselves adaptable and more than capable of rising to the many challenges. Managers' adaption to changes in everyday working practices, although difficult, has revealed a raised awareness of employees' personal circumstances and a shared understanding. The overall effect has been to strengthen the social contract between employees and employer (Mead 1934). This valuable asset and the factors revealed – mutual trust, flexibility, empathy – need to be nurtured in the future.

Awareness of the different facets that can make homeworking a success for individuals – the physical space, work structure and social requirements – needs consideration going forward. The dynamic between the employee and the employer will continue to co-evolve to mutually benefit both. This has the potential to serve organisations well by helping to engage and retain skilled staff, as well as increase attractiveness to future talent.

Finally, this research was carried out during the period of the first lockdown from May to July 2020. Revisiting the exercise after a year will prove valuable, not only to reconfirm the conclusions from this study, but to discover if additional long-term effects

have manifested more recently. There is plenty more that organisations can learn from the impact of COVID-19.

Thank you to all the interviewees who generously gave so much of their time, providing thoughtful and honest insights during a difficult time.

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