

FORCES FORCHANGE

THE WORD





FOREWORD

Peering through the mists to glimpse a new way ahead



WRITTEN BY Deborah Ishihara, Chief Editor

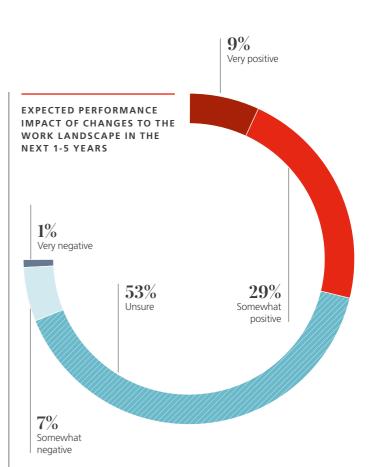
t's hard to see ahead when you are in the middle of a fog and, in the midst of the coronavirus pandemic, a fog is very definitely what it feels like. But that does not mean businesses can avoid having to think about what comes next, especially as the very issue that is causing the fog also happens to be catalysing massive changes to the workplace, from embedding remote working as standard to potentially changing our whole cityscapes for the long term.

One thing we know for sure is that COVID-19 has put employment issues centre stage in a way that has never been seen before. Our lawyers in 59 countries have been in almost constant contact with employers large and small since early in 2020, advising them on the day-to-day reality of running a business through a pandemic, with all the new questions that it has posed. How can we make the office COVID safe? Should we let employees work from abroad? Can we mandate vaccination? These are just a few. We have copious material on our website reflecting all the collective help and advice we have given.

But in this, the third of our series of major *The Word* publications, we have taken a moment to peer through the mists and identify the changes to working practices that we think will *outlive* this pandemic and how we can all prepare. We have grounded this future-gazing exercise in what our lawyers can tell us about recent government action and legislation around the world, and asked them to marry up this knowledge with their insights and guidance into the future, beyond the immediate necessity that so many businesses face just getting through the present moment. Encouragingly, the results of our research show that our client respondents are not daunted by COVID-19, despite the immense pressures it puts on them: 38% think the changes accelerated by COVID-19 will be positive in the long run, with only 8% thinking the reverse.

Interestingly, looking back over our last publication of *The Word*, the issues we focused on turn out to have been prescient: we looked at flexible working and wellbeing at work, but also data privacy issues and, crucially, the role of technology. No one could have predicted how COVID would transform our lives, but these core issues have turned out to be at the heart of the transformation we are experiencing now.

Our new edition of *The Word* covers a whole range of subjects we hope you will find useful and engaging, from remote working, to cybersecurity, through diversity and inclusion, mental health, corporate purpose and, finally, a gaze at the future of the city, in a publication that draws on our legal expertise and truly reflects the global reach of our alliance of 59 countries. ◆





COVID-19 has put employment issues centre stage in a way that has never been seen before 4

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STATE SUPPORT: THE NEW NORMAL?



With the shock waves of the coronavirus pandemic likely to fracture economies and livelihoods for some time to come, workers will expect continued help from governments



WRITTEN BY James Davies, Ius Laboris UK

G overnments of varying political hues responded with unprecedented force to COVID-19's emergence last spring to mitigate the potentially dire consequences for workers.

Few at that time would have foreseen the continued significance nearly a year later of government intervention into labour markets to safeguard jobs.

An economic shock on the scale caused by the pandemic has not been seen for centuries in many parts of the world. In the UK, for example, the last time the economy contracted by the level caused by the virus was following the Great Frost of 1709.

Early on, by May 2020, governments around the world had reacted to protect workers. In many cases they extended or set up job retention schemes of unprecedented scale. Though these varied in their detail and generosity, there was immediate



and widespread recognition of

the need to support employment

across governments of all political

persuasions, from Hungary to New

Zealand and Turkey to Finland. The

schemes generally either amounted to a temporary wage subsidy or a

short-term work scheme subsidising the cost of hours not worked.

Job retention schemes were backed

up with other support to businesses

to avoid mass redundancies on an

extraordinary scale. Some schemes

suffering a decline in business. For

needed to be able to show a 20 per

cent drop in revenue to be eligible for support. Others such as Cyprus, Hong Kong and Italy imposed restrictions on beneficiaries making

In addition, in many places

government support has involved

more generous state benefits for

COVID-19 saw emergency legislation introduced in most countries to restrict the spread of

those losing their jobs.

example, in Slovakia, businesses

were restricted to employers

job cuts.

the virus. Alongside curtailing many individual freedoms, this included new employment rules often aimed at addressing critical health and

'NEW NORMAL'

safety concerns.

The world we enter once the coronavirus is brought under control is often referred to as the "New Normal". In many ways it will resemble the "old normal". No doubt, for many, meals out with friends, evenings in a bar or café and foreign holidays will re-emerge and probably be cherished even more than before.

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Few at that time would have foreseen the continued significance nearly a year later of government intervention into labour markets to safeguard jobs

JAMES DAVIES, IUS LABORIS UK

57%

of respondents say government support has been sufficient or a life line for their business during the pandemic

LARGER ORGANISATIONS ARE MORE LIKELY TO EXPECT GOVERNMENT SCHEMES TO REDUCE THE COST OF EMPLOYMENT

Percentage of respondents that expect changes to tax structures and/or social security systems to reduce employer costs in employing people

35% 10,000+ employees 28% 5,000 - 9,999 employees 29% 250 - 499 employees 500 - 4,999 employees 500 - 4,999 employees

ROLE OF THE STATE

In the longer term, it is not difficult to foresee that government intervention to safeguard against the economic and health consequences of COVID-19 will result in an increased expectation for greater government action to protect jobs and the economy. Politics has also changed a lot in recent years. Traditional left-right politics saw pro-business, lowregulation and low-tax politicians confront pro-worker, pro-state intervention politicians. In many places the political divide has fragmented into more complex divisions between populists and liberals, nationalists and

Employers and employment law will need to adapt to the New Normal

JAMES DAVIES, IUS LABORIS UK

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However, some things will inevitably be different. The pandemic will have accelerated change that was already underway as businesses adapted to the new challenges. Technological change will gather pace. Home working and online shopping were becoming more common before 2020, but the genie cannot now be put back in the bottle after their widescale adoption on a much quicker scale.

The global adoption of home working will, arguably, have the biggest long-term impact of any development. It will potentially risk creating a two-tiered workforce of those able to work from home and those who cannot. Those able to work from home have already experienced the benefits of less commuting and more family time.

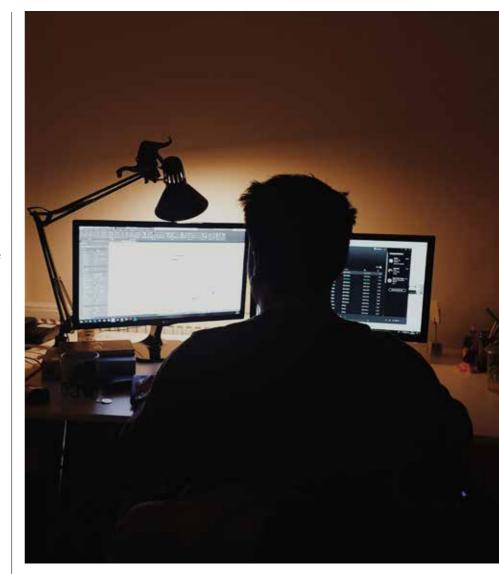
Home working and video meetings will hit hard those city-centre jobs that are dependent on masses of office-based workers in need of nourishment or other services on their doorstep. Those able to work from home, at least partially, will look locally for the coffee shops and retail outlets they previously visited close to offices. This will create new jobs in the suburbs and towns.

Employers and employment law will need to adapt to the New Normal. Managing mental health will become core to health and safety obligations with more home working. Data security will also pose new challenges. Collective representation will be less straightforward where colleagues only ever encounter one another on Zoom calls, as will simple interaction between colleagues who used to meet each other informally in the corridor at work. Integrating new joiners to a team is particularly difficult if all work is done remotely.

FORCES FOR CHANGE

internationalists. Nonetheless, governments have reacted in similar ways, at least as far as economic support for jobs is concerned, irrespective of their politics.

For governments of all types the challenges are multiple. How can it discourage employers from making job cuts? What support is appropriate for those who find themselves unemployed? How can it encourage the development of skills appropriate for the jobs of the next decades? In an increasingly competitive world coming out of the pandemic, what level of job regulation and security is appropriate? With the seismic shift to home working, what steps are needed to regulate employment? Are employment laws enacted for the old normal still relevant for the New Normal? With governments having borrowed at previously unthinkable levels, how should employers be taxed and how should income be taxed? Will governments look for international answers or retreat into domestic solutions?



UNIVERSAL BASIC INCOME

Job retention schemes will have accustomed many to the state taking over responsibility for their wages. It is only a small jump to some form of universal basic income. Countries have looked at such schemes for many years. Most recently a two-year Finnish study concluded last year that those in receipt of a universal basic income were more likely to work than those in receipt of unemployment benefit, although the difference between the two groups was not great. Of more significance, was the better financial wellbeing, mental health and confidence in the

future of those getting the universal basic income.

Perhaps with increased unemployment a consequence of the current crisis and the impact of technological change on jobs, the time has come for a greater acceptance of state intervention in labour markets. For example, in May 2020 in response to COVID-19, Spain introduced a basic minimum income of €462 a month for an adult living alone.

COVID-19 will lead to many changes in the world of work, but perhaps one of the most significant promises to be an increased expectation of an active state in addressing the consequences of economic shocks.



HR Directors expect state-funded job retention schemes to be extended over the next three years

NEGOTIATING A NEW FUTURE

The pandemic has turned many working lives upside down and resulted in rising unemployment, posing urgent questions of how to safeguard workers' rights and wellbeing



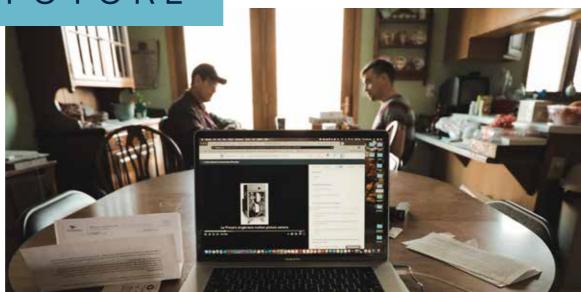
WRITTEN BY Chris Engels, Ius Laboris Belgium

2 o20 was a very different year in every imaginable way. It may well be a year that most of us individually would like to forget as soon as possible. However, the impact of the coronavirus on all our lives is here to stay, way beyond the time needed to get us all vaccinated.

While many companies had already thought about introducing some kind of telework, the profound health crisis we were confronted with forced them to go ahead and actually introduce it, wherever they could. In some places, governments intervened and imposed mandatory home working in an effort to reduce contamination rates. Live meetings with staff were to be avoided as much as possible and employees were asked to work at home, alone.

Of course, the impact of this goes far beyond the mere issue of where work is done, and all the trade unions and employee representative bodies have needed to deal with a whole raft of new issues surrounding home working.

While most teleworking employees have internet access and a laptop



to work on, what about their other working conditions? Ergonomic chairs, the availability of a separate monitor, larger than the one on the laptop? What if a couple are both required to work from home and participate in video or conference calls? Can this be done from the same kitchen or living room table? What about confidentiality and data privacy considerations? What about the additional costs of heating and electricity while working at home? And what about work accident insurance?

What about the effects of isolation and disengagement experienced by individual employees, separated from their colleagues? Not to mention the challenges of managing a remote team, as opposed to managing employees face to face. Different skills are required.

There are concerns about the mental health of workers working remotely, to the extent that more than 20 per cent of the employers we surveyed thought that a greater emphasis on the mental health of their workers will be needed in the years to come. COVID-19 has brought health and



of respondents say that consulting with works councils via conference call during the pandemic worked well



of respondents did not consult work councils via conference calls at all during the pandemic safety issues right to the forefront of discussions, becoming of boardroom importance. Employers, employee representatives on health and safety committees and trade unions will together need to look for answers to the new challenges.

BLURRING BOUNDARIES BETWEEN WORK AND HOME LIFE

Teleworking from home decreases the stress of commuting. Most of us hate to be stuck in traffic jams or packed public transport. Working from home allows you to step from your bed straight into your "virtual office" with, hopefully, a shower and some breakfast in between. But for this reason, it also blurs the boundaries between work and private life. However annoying the commute may have been, it also represented a physical barrier between people's working and private lives.

Most employers see no reduction in the productivity of their workforce at home, in fact, quite often they report increases in productivity.

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THE WORD

While the amount of work done from home may shrink to some extent over time, most employers whose business allows for at least some home working are likely to continue to facilitate this in the future.

More than 20 per cent of the employers we surveyed thought issues surrounding work-life balance will therefore be crucial in the next three years. The right for employees to disconnect from work will be a hot topic among the various "social partners" – employers, employees, employee representatives and, sometimes, government – in the near future. How can we collectively make sure this shapes up as it should?

WHAT DO HOME WORKERS REALLY WANT?

Trade unions and employee representatives are routinely consulted on these issues by employers on behalf of the workforce, but it is important they really understand what this new home-based workforce wants. Even connecting with them well enough to canvass their opinions properly is not straightforward.

And at the moment, even bargaining meetings may have to be virtual. Up until now, meetings between employers and trade unions have often been rather long, with the negotiators making the most of the breaks to have off-the-record chats with the other side. But virtual meetings work very differently.



Although it is easier to have tricky discussions face to face, it's unlikely that all meetings in a COVID-free world will become live again



Works councils, health and safety committees and European works councils all meet virtually at the moment. European trade unions have given their members instructions to insist on real live meetings once the crisis is over. Of course, virtual meetings in an international context are even more cumbersome than local meetings, with the need for simultaneous translation adding an extra layer of complexity. However, current circumstances have pushed technological development at an incredible rate and perhaps this will ease some of the challenges.

It seems likely that although it is easier to have tricky discussions on, say, restructuring and lay-offs face to face, it's unlikely that all meetings in a COVID-free world will become live again. The opposite may be the case with occasional live meetings, but most will be virtual, shorter in duration, more structured and to the point. And, of course, such virtual meetings are also less costly, which is not unimportant given the economic challenges most companies are now confronted with.

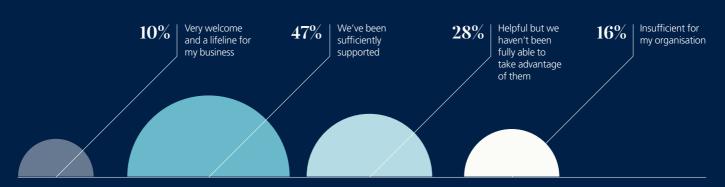
The direct negative impact of COVID-19 on the hotel and restaurant business is immense. With it there have inevitably been disastrous consequences for many platform workers. Lockdown means people don't move around as they did before. Hairdressers and those in what are referred to as "contact occupations" are prohibited from working. Most are considered selfemployed and hence not entitled to any unemployment benefits. Many governments have included this category of workers in their stimulus measures, regardless of their employment status.

But this begs the bigger question of whether the entire discussion on the status of workers, employed or selfemployed, that has been playing out across the world is still relevant and whether, in fact, trade unions should be allowed to represent these selfemployed, but out-of-work, people too. If not, who should? ◆ 12

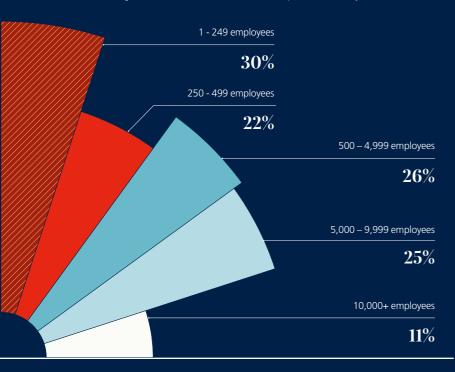
THE NEW SOCIAL CONTRACT

In a rapidly evolving world, how is COVID-19 reshaping the social contract between governments, employers and employees?

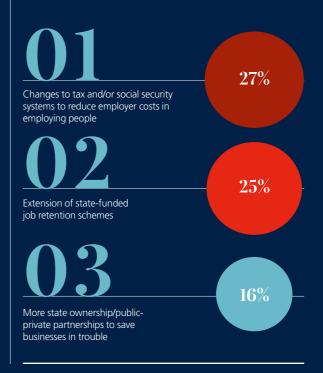
DESPITE THE SEVERE DISRUPTION OF THE COVID-19 PANDEMIC AND THE STAGGERED ROLLOUT OF GOVERNMENT SUPPORT, MOST ORGANISATIONS SAY THEY HAVE BEEN FAIRLY WELL SUPPORTED BY THE STATE Perceptions of government support schemes



HOWEVER, BIGGER COMPANIES APPEAR MORE SATISFIED THAN SMALLER BUSINESSES, WHO FELT UNABLE TO TAKE FULL ADVANTAGE OF STATE SUPPORT DUE TO POOR ACCESS AND COMMS Percentage of respondents that found support schemes helpful but couldn't take full advantage due to ineffective communications/poor accessibility



AS UNCERTAINTY PERSISTS, THE SOCIAL CONTRACT BETWEEN BUSINESSES AND STATE LOOKS TO BE ONE BUILT UPON CONTINUED GOVERNMENT SUPPORT Top 3 predicted state roles in the next 1-3 years



FORCES FOR CHANGE

WHAT THIS SUPPORT LOOKS LIKE VARIES BY COUNTRY. THOSE IN EUROPE EXPECT A REDUCTION IN EMPLOYMENT COSTS WHILE THOSE IN NORTH AMERICA FORESEE INCREASES TO THE MINIMUM LIVING WAGE

36%

28%

- CHANGES TO TAX STRUCTURES AND/OR SOCIAL SECURITY SYSTEMS TO REDUCE EMPLOYER COSTS IN EMPLOYING PEOPLE
- INCREASES TO MINIMUM LIVING WAGE
- EXTENSION OF STATE-FUNDED JOB RETENTION SCHEMES
- MORE STATE OWNERSHIP/PUBLIC-PRIVATE PARTNERSHIPS TO SAVE BUSINESSES IN TROUBLE



BELGIUM

20%

13%

41%



4%

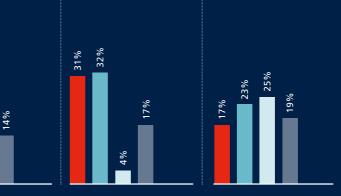
28%

18%





USA



THE ROLE THAT TRADE UNIONS AND EMPLOYEE REPRESENTATIVES PLAY IS ALSO EVOLVING AS THEY PROVIDE GREATER SUPPORT FOR THOSE IMPACTED BY THE PANDEMIC

Top 3 roles of employee representatives in the next 1-3 years

21%

Advocating against the loss of good quality of jobs

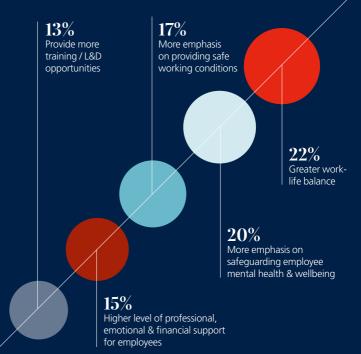
18%

Ensuring safe working conditions

18%

Supporting individuals who are in conflict with their employers as a result of the pandemic THIS WILL EXPEDITE THE CHANGES EXPECTED OF EMPLOYERS, WHO WILL NEED TO PLACE A MUCH GREATER EMPHASIS ON PROTECTING THE PHYSICAL AND MENTAL WELLBEING OF EMPLOYEES

Changes expected of employers in the next 1-3 years





WORK PERKS Of TOMORROW

As the global pandemic has begun changing the role of offices around the world, the area of rewards, benefits and perks has also found itself in a state of flux

> hile national lockdowns forced unprecedented numbers of employees to work remotely for the first time, with many employers committing to working-from-home policies until at least spring 2021, few expect the situation to become universally permanent. Instead, the general consensus centres on a move towards a more hybrid approach in a post-vaccine medium term.

This means the role of the office will shift from being the productive heart of an organisation, in which the majority of employees work from 9am to 5pm five days a week, to becoming a social, collaborative and innovation hub, which is visited possibly two or three times a week or even just when necessary.

Our research appears to back up such predictions. It reveals that a mere 4 per cent of those surveyed anticipate that remote working will be undertaken on a permanent basis, but with almost seven out of ten expecting there to be more flexibility around when employees come into the office.

Just over a quarter (26 per cent) anticipate staff will choose how and when they do so, while just under (24 per cent) forecast they will be

split into teams that will work in-house on alternate days. About 19 per cent expect the workforce to come in on a part-time basis.

CHANGING WORLD OF REWARDS, BENEFITS AND PERKS

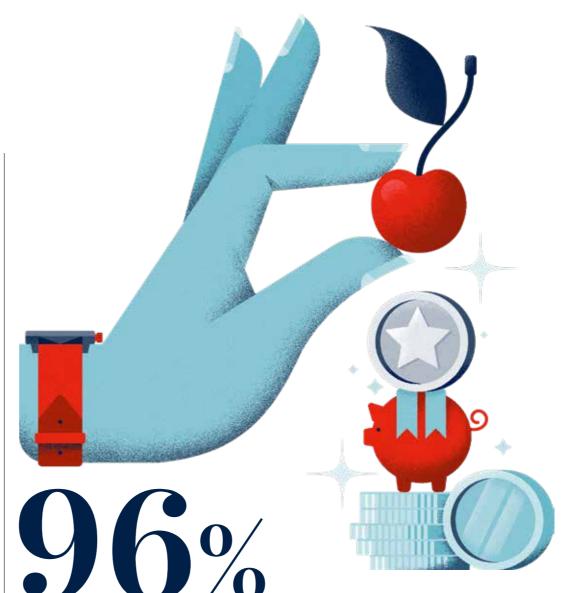
So what impact is this situation likely to have on employee rewards, benefits and perks, which are considered by many as important tools to attract, engage and retain employees? The effect, believes Iain Thomson, director of incentive and recognition at employee benefits specialist Sodexo Engage, will be different for each category.

Rewards, or remuneration, according to the UK's Chartered Institute of Personnel and Development, is used as an umbrella term to cover everything an employee receives with a financial component. This ranges from basic or variable pay and bonuses to a wider benefits package, which includes things like pensions and paid leave.

These are important in that they act as the key, foundational offerings by which employees and job candidates benchmark the offerings of a given organisation with the rest of the market, says Thomson.

Benefits, on the other hand, are non-cash provisions that are often provided to recognise high performance or an individual's value. They may either incur a financial cost for employers, such as company cars and cinema vouchers, or not, as in the case of flexible working.

"But most offer tax advantages for both employers and employees across many countries," says Emanuela Nespoli, partner at Italian law firm Toffoletto De Luca Tamajo and chair of the Ius Laboris Pay and Benefits Expert Group.



of respondents do not expect to move to full remote working on a permanent basis

They are usually made available as part of a menu of options from which staff can choose and the popularity of each is "very linked to an employee's age", she adds. For instance, while employees in their 30s and 40s are frequently more interested in free or subsidised childcare, older workers generally focus on things like pensions and health insurance.

Perks, meanwhile, are generally considered as nice-to-haves and include things like dress-down Fridays or free tea, coffee and fruit in the workplace. They are often linked to a company's brand with, for example, a fitness company offering staff free gym membership or a restaurant providing discounted food.

IMPORTANCE OF DRIVING ENGAGEMENT

But as Alexia Roberts, head of people at property group Bruntwood, points out: "It's difficult to say which of the three is more important as they have of respondents

don't plan on

giving up their office and going

fully remote

C-suite executives plan to let

employees choose

when and how often they come

into the office

different levels of significance at different points in the employee life cycle, so it's important to balance them up. But they're all a really good way of driving engagement and helping you stand out from other employers."

Since the start of the pandemic though, she has seen a shift in the kinds of benefits and perks that employees are after.

"COVID has been a watershed moment and a time for people to think more about what they want from work," she says. "This means they're leaning away from novelty perks, such as pool tables, towards more practical, meaningful lifestyle benefits that are focused heavily on wellbeing."

As a result, the company has developed a so-called PERMA wellbeing strategy focused on "positive feelings, engagement, relationships, meaning and accomplishment", which is built on the four key pillars of financial, physical, social and mental or emotional support.

On the financial side of the equation, for instance, Bruntwood has introduced a savings club and pensions training focused on saving for the future, the aim being to help staff improve their financial



most [benefits] offer tax advantages for both employers and employees across many countries

EMANUELA NESPOLI, PARTNER AT TOFFOLETTO DE LUCA TAMAJO +

CHAIR OF THE IUS LABORIS PAY AND BENEFITS EXPERT GROUP

management skills and boost their financial security.

On mental and emotional wellbeing, access has been provided to the Health Assured app to enable employees to create their own bespoke mental wellbeing checklists. The company is also offering mental health awareness refresher training.

"It's about driving engagement, but also shaping cultural habits," says Roberts. "Having a supportive culture has always been an important part of our company brand, but we're strengthening it by building these programmes and networks, which is an ideal opportunity to demonstrate we're living out our company values."

BACK TO THE FUTURE

Thomson is also seeing much more value now being placed on traditional benefits, such as pensions, employee assistance programmes and support for childcare, which have a "real impact on how employees manage their day-to-day lives".

Moreover, he says, before the pandemic, experiences or things you wouldn't necessarily buy yourself, such as a family day out, had become popular among staff due to the bragging rights they provided, especially among younger demographics.

During the pandemic though, they lost their appeal for obvious reasons, not least as people took a step back to value the more fundamental things in life, such as time with family and friends. "We've seen a shift back towards utilitarian benefits, such as supermarket vouchers, and luxury items you can enjoy at home, like new TVs and hot tubs," says Thomson.

TOP 3 USES OF BUDGET FREED UP BY REDUCING OFFICE SPEND

23%	
Invest in employees and ensure home working setups that enable productivity and wellbeing	
22%	
Invest in more remote working technology	
12% Offset predicted revenue decreases	

FLEXIBLE AND REMOTE WORKING TRENDS LOOK SET TO PERSIST IN THE SHORT-TO-MID TERM

Interestingly, he believes that rather than remote working being seen as a benefit, over time the office will be valued as a social and collaboration hub, something that would appear to militate against employers closing all their sites down to save money. The definition of flexible working, on the other hand, will become broader and more based on output.

Nespoli agrees. "The paradigm of work will start to change and employees won't be paid for their time; instead payment will be linked to results," she says. "So, when developing bonus schemes and incentive plans, it will mean setting appropriate key performance indicators that link to an employee's output and the performance of the company, which could improve productivity and be a win-win for everyone."

Ken Charman, chief executive of digital rewards provider uFlexReward, a Unilever spinout, has a slightly different take, believing a market shake-up is coming in the new digital economy as large enterprises attempt to compete with startups for young talent.



The paradigm of work will start to change, and employees won't be paid for their time – instead payment will be linked to results

EMANUELA NESPOLI, PARTNER, TOFFOLETTO DE LUCA TAMAJO + CHAIR, IUS LABORIS PAY & BENEFITS EXPERT GROUP

26%

will allow employees to choose when and how often to come into the office

24%

plan to split employees into teams that go to the office on alternate days

19%

say employees will need to come in on a part-time basis

BENEFITS ARE DEAD: LONG LIVE BENEFITS

"The startup community is turning its back on traditional benefits," he says. "It's much more about giving people a higher basic wage and then they decide for themselves what they want to spend it on, rather than having to choose from a catalogue of benefit options."

This means that for financial benefits, such as pensions and health insurance, employees invest in their own private schemes, which are portable from employer to employer.

Another driver behind this approach, Charman believes, is that from next year a number of large organisations will start offering staff enticements to adopt an internal contractor model. In this scenario, although still permanent employees, they will be assigned to projects and, rather than having regular hours and standard incomes, will be paid based on the number of hours worked each month. They will also receive a skills allowance to ensure they are kept up to date.

of organisations expect greater

employee flexibility when it

comes to remote working in

the next 12-18 months

But Thomson disagrees. While he acknowledges that financial benefits tend to be quite static, he also expects employers to become much more imaginative about how they provide non-financial benefits and perks to engage their staff.

For example, rather than providing fruit in the office, he suggests periodically surprising home workers with a fruit basket or healthy snack as "it reminds them that you're thinking about them and encouraging their wellness".

The point is, he concludes: "It's very difficult to drive behaviours or emotion with just a base salary. Offering benefits or perks drives engagement and incentivises people in a way that just providing them with money never could." ◆

STRUGGLING TO WORK OUT REMOTE WORK?

Remote working was forced on many businesses as the world went into lockdown, but what does it mean for the future of work?

t the start of 2020, a little under 5 per cent of Americans spent more than half their week working remotely. Within just six months, it was 42 per cent, working full-time from home. It's a statistic largely repeated globally and reveals just how deeply and quickly the way people work has changed.

Major tech firms such as Microsoft, Twitter and Facebook are already leading the way, having all announced that their global employees can continue to work remotely if they so choose. "Change predicted to take five years has happened in five months," says Nicole Alvino, co-founder and chief strategy officer at US technology firm SocialChorus. "What was thought to be a short-term aberration is clearly going to be much longer lasting."

Universally, this means human resources directors are now worrying about everything from how they maintain their carefully crafted cultures, how learning and career development happens, and what wellbeing issues ensue.

But added to these are what many may feel are lesser issues, yet they

are actually just as important, such as the compliance-based complications that having a more disparate workforce entails. This includes the rights businesses might have to monitor staff performance in people's homes, what rules apply around data handling and the way firms might consider how national employment law applies to their oncecongregated workforce.

If an employee lives in the European Economic Area, but decides to move out, even just temporarily, any movement of personal data will trigger individual nation-state rules about cross-border data transfer and whether the host country has adequate levels of protection.

in **5**

SMEs (~500

employees)

say they have employees that

cannot work

of organisations

employees say they

don't expect their

workforce to go

back to the office

with 5.000+

full-time

from home

In terms of movement, European Union workers still have the right to work anywhere in the EU, while there is emerging legislation enshrining workers' rights to be able to work from home. In October 2020, Germany proposed a Mobile Work Act, giving staff a legal right to work from home should they wish, though it is thought unlikely that it will become law.

REMOTE WORKERS' RIGHTS

Meanwhile in Russia, amendments to the Labour Code of the Russian Federation came into force in January 2021. Not only do these provide for employees to work remotely on a permanent basis, but they also remove the requirement for staff to confirm their place of work.

However, employees settling in a new country to work will still cause issues. Those working overseas are likely to trigger local employment protections, in essence the same safeguards as other workers in the employee's host country.

This adds potential complications about a worker's tax status – host countries typically have first tax rights over the employment income an employee earns while physically working in that country – but also complications should there be a need for dismissal.

Caroline Leroy, chief people and fulfilment officer at software company PayFit, which employs 400 workers in France, Germany, Spain and the UK and moved to a permanent

t the start of 2020, a little under 5 per cent of

Remote working w



work-from-anywhere policy this year, deals with such issues.

"We've asked any employee wanting to work remotely not to do so for more than six months, as it impacts their residency and tax status," she says. "We've also decided to limit any people moving permanently to a different country to just senior level directors only, as otherwise salary issues would start arising; typically, for instance, people in Germany are paid more than in Spain."

Nicola Downing, chief operating officer at Ricoh Europe, says the challenge of having 15,000 remote staff across 23 countries means her human resources teams are "flat out to respond to local legislation and guidelines, which vary significantly from country to country".

She adds: "On top of that, there are considerations around data: how people access this in their markets, the implications of legislation such as the General Data Protection Regulation in Europe and security around a largely remote workforce."

But even though Ricoh finds only 29 per cent of staff report being more stressed, and Leroy says 59 per cent say they would prefer to work in a remote-first company, Rocio Carracedo Lopez, international employment law editor at XpertHR, warns organisations managing basic employee status and data issues face other challenges.

"Monitoring will be the big story still to come," argues global human resources analyst Josh Bersin, echoing results from Ius Laboris research that 49 per cent of employers said managing and monitoring employee performance is the number-one challenge of increased remote working. "Most people underperform when overscrutinised, but remote working will increase scrutiny," says Bersin.

According to a recent study by 451 Research, a division of S&P Global Market Intelligence, 35 per cent of workers globally said they felt more productive, but not more engaged, THE TOP ORGANISATIONAL CHALLENGES OF CONTINUED REMOTE WORKING



Figures rounded so may not total 100%

with most (55 per cent) saying they were both less productive and less engaged working from home. Firms will need to tackle this.

Of course, with all challenges come opportunities. For many, remote working is a boon to instil and embed new, progressive ways of working. Eric Hosey, head of human resources at search engine optimisation specialist firm SEMrush, which operates in the United States and Russia, says: "Because we are remote, we're doing things more deliberately, like setting up more mentoring and doing what we're calling 'sprint agile' processes, and more discussions around objectives and goals."

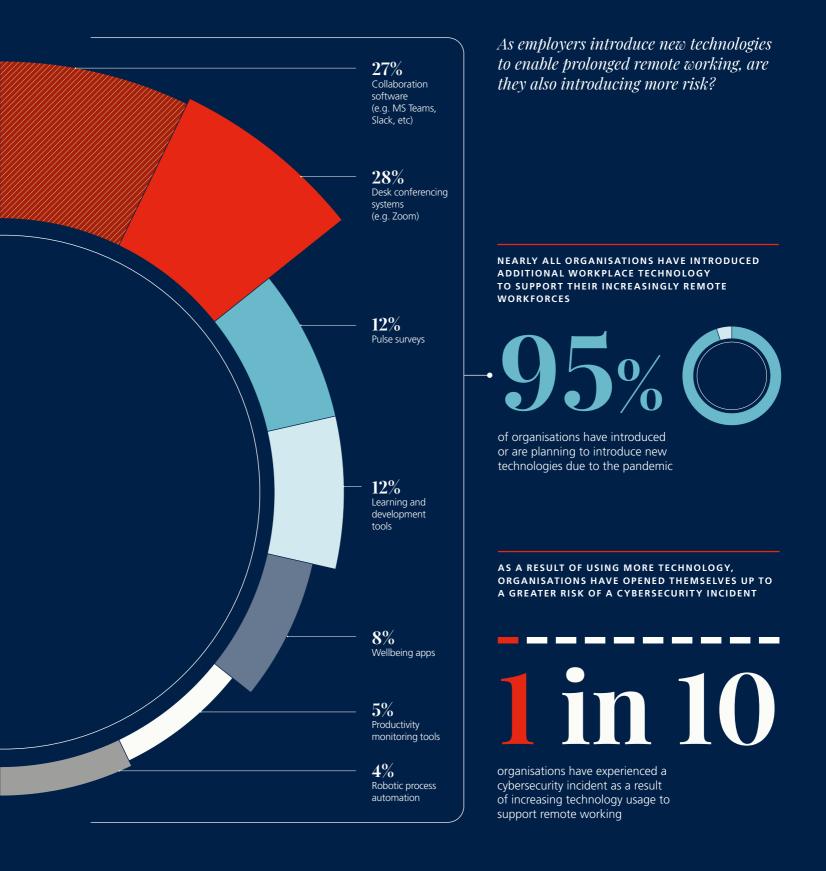
EASING PRESSURE ON PEOPLE WHO DON'T LIKE OFFICES

Data suggests remote working could rapidly boost organisational diversity, by opening up roles to people who are neurodiverse or disabled and those who might otherwise find working in an office difficult. Remote working means digital transformation is happening faster too, which is equipping individuals with the skills they will need more of in the future. Dr Gabriela Whitehead, head of digital transformation and process management at GISMA Business School, says: "Changing to remote working requires effort to understand and to adapt to new technological requirements."

With remote working or, at the very minimum, hybrid working looking evermore likely to become the norm, the need for companies to define their standards and work to international rules will clearly expand.

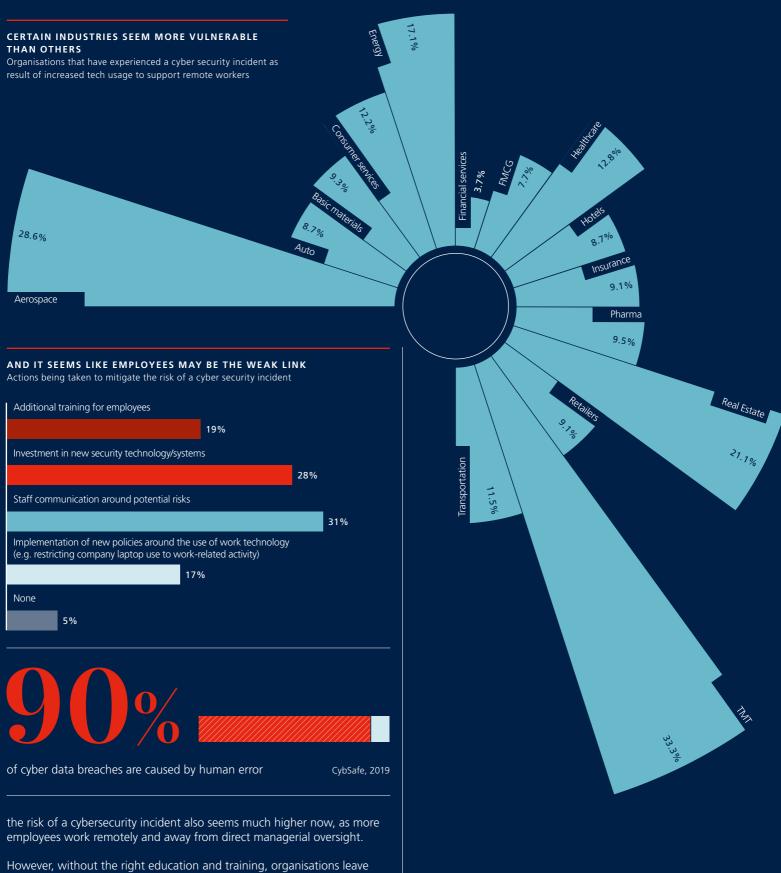
PayFit's Leroy concludes: "Remote working needn't ruin organisations. If you give staff freedom to frame their own new culture and their place in it, it works. Get the legal issues done and it's a new way of working together, which can be a whole new positive experience." ◆

YOUR REMOTE EMPLOYEES ARE THE REAL CYBERSECURITY THREAT



THE WORD

FORCES FOR CHANGE



However, without the right education and training, organisations leave themselves at risk not only of exposing confidential data but of falling foul of compliance legislation that could result in costly penalties and longterm financial impacts.

CYBERSECURITY: EDUCATE TO MITIGATE

The coronavirus crisis has expedited the digitalisation of many everyday working processes as organisations around the globe rapidly implement technological solutions to ensure business continuity, but is security being overlooked?

95%

say they have implemented measures to mitigate the risk of a cybersecurity incident



of C-suite executives say they will provide additional employee training and communications to mitigate cybersecurity risks he rush to leverage technology at the start of the pandemic has meant many businesses may not be as shielded from cyber-risks as they should be. One in ten organisations have experienced a cybersecurity incident as a result of increased technology usage to support remote employees.

Unfortunately, employees are a consistent weak link in any cybersecurity programme. The problem is exacerbated by employees working from home, without colleagues to turn to and feeling potentially stressed, working longer hours or suffering from a host of everyday distractions, it's easy to make a mistake.

It's therefore critical that employers do all they can to mitigate this risk.



as people realise working from home is going to be permanent and they do have to address the security issues

ANNE-LAURE PERIES, PARTNER, CAPSTAN AVOCATS, IUS LABORIS FRANCE Our research shows that while 28 per cent are investing in new security solutions, almost a third (31 per cent) are proactively communicating the risks to staff. Some 17 per cent are implementing new policies around the use of work technology and 19 per cent are providing additional employee training.

REMOTE WORKING IS HERE TO STAY

Anne-Laure Périès, partner at Capstan Avocats, Ius Laboris's French firm, agrees companies have, so far, been slow off the mark to implement training and education or put in place formal policies for employees working from home.

However, with the realisation that remote working is here to stay comes the need for formal cybersecurity education and training.

"We are now at the beginning of the process," says Périès. "Now this question is on the agenda, as people realise working from home is going to be permanent and they do have to address the security issues."

Caroline Smith, deputy general counsel, international, at background screening company HireRight, says: "There have, of course, been many other priorities which human resources has had to deal with, but nevertheless risk should be up there alongside culture, health and wellbeing. If you're not sure who out there might be gaining access to critical business data, that should set alarm bells ringing," she warns.

CULTURE OF ENGAGEMENT

So how best can organisations support employees to ensure good cybersecurity and mitigate the risks posed by increased remote working?

Dr Lee Hadlington, senior lecturer in cyberpsychology at Nottingham Trent University in the UK, says that too often the potential consequences of not following the rules surrounding information security are couched in ways that make employees defensive. These could be negative consequences and threats associated with non-compliance.

"An alternative approach is to explain why following the rules is important and making sure it's done in a way employees can understand and relate to, such as explaining you want to make sure the company is safe, not create unnecessary work for their colleagues and keep customer data safe," he says.

Kristofer Karsten, head of HR, UK, Ireland and Europe, at software vendor Ceridian, concludes: "HR is an organisation's behavioural science unit that knows how to encourage best practice. They're an important weapon in any arsenal and should be used as such."

steps to mitigate cybersecurity risks for home workers

O1 RISK ASSESS AND SET POLICIES

Always start by being clear where your risks are and then setting clear guidelines within policies that employees can easily follow. Make sure they are readily accessible by all employees.

02 bolster your tech

A good strategy needs strong technology and systems. Ensure employees are working on a good quality, secure connection over a strong VPN. It will mean they are less likely to try and join unsecured public networks. Make sure all devices have the most up-to-date anti-virus software deployed and track this.

03 INFORM AND EDUCATE

Don't just set and forget. Run training for teams addressing data security and privacy threats. However, don't overdo it. Teams need to be vigilant but not scared.

04 ESTABLISH PREVENTATIVE MEASURES

Look at all identified areas of risk and see what you can do to mitigate it. For instance, don't overlook a shredder or confidential waste disposal for employees in areas such as the legal, health and insurance sectors if they are printing documents. Also ensure passwords are strong, secure and updated regularly.

05 COMMUNICATE CONSEQUENCES

Make staff aware of the implications for the business of overheard conversations or accidentally leaving confidential documents open or available. Use anecdotes and real-life examples to illustrate what can happen if risks become reality. In addition, help them understand the regulatory consequences and the impact, often financial, on the business.

06 ENSURE INSURANCE

Check the company's insurance policies, especially clauses about loss, theft and data breach. Educate staff on physical security to protect against stolen or broken equipment.



CASE STUDY

Content Guru

At the start of the year, cloud contact centre firm Content Guru was a predominantly office-based business. With around 300 staff members across five countries – the UK, United States, Germany, Netherlands and Japan – all but one employee worked on the premises.

But by January, it had become clear the COVID-19 pandemic would soon mean organisations everywhere would be forced into remote working. By then, the company had already begun to implement a remote-working strategy.

Content Guru saw widespread remote work would pose several potential specific risks to the company, particularly regarding information security. In physical terms, people working from properties that Content Guru was not responsible for meant there was the risk of stolen or compromised equipment.

There was a digital security risk in the quality of connection to the corporate network that staff would be accessing. Remote working also posed a risk to confidentiality and compliance, as staff had to be both much more vigilant when sending and receiving emails, and aware of the possibility for phone conversations with colleagues to be overheard by people outside the organisation.

"I was conscious you have to instil the need to be vigilant because people can have an inflated sense of safety in their own home. But I was equally aware that information security awareness should not scare or be burdensome on the team," says Andi Janes, chief people officer at Content Guru.

"We issued clear guidance and policies for our colleagues on what was considered secure, making sure it didn't place unreasonable expectations on anyone that would stop them doing their job effectively and efficiently."

The human resources department pulled together a comprehensive document for staff that covered all policies and guidance for working from home, both in terms of security and wellbeing.

While the company needed its staff to remain vigilant, it acknowledged the need to strike a fine balance between drawing employees' attention to the risks of working from home and not overly frightening them about the possibility of making mistakes. Content Guru needed the team to still feel empowered to do their jobs.

INNOVATION LAUNCHPAD

Diversity and inclusion has been impacted in different ways by the coronavirus pandemic, as shown in case studies featuring companies of varying sizes esearch conducted for *The Word* reveals that 33 per cent of businesses claim the coronavirus pandemic has harmed their diversity and inclusion activity, with 30 per cent suggesting it will make it harder to enact and push through D&I initiatives.

But the experience of the pandemic differs hugely between businesses of varying sizes and in different countries around the world, outlined in our case studies featuring a startup, small to medium-sized enterprise (SME), and large organisation in Portugal, Singapore and the United States, respectively.

For example, the D&I efforts of US-based energy provider DTE Energy, employing 10,400 people, are flourishing as a result of the pandemic. This aligns with our research findings, which suggest the D&I efforts of larger firms are more likely to have benefited as a result of the COVID-19 crisis compared to smaller organisations, with 26 per cent of respondents from firms with 10,000-plus employees seeing this positive impact.

Meanwhile, the pandemic has made life especially difficult for Portugal-based social technology startup SPEAK, which aims to support social integration by connecting local residents with newcomers through language and cultural exchange programmes: a tall order in this new online world.

Such challenges are also echoed in our research, which found 29 per cent of respondents from firms with fewer than 500 employees believe COVID-19 has harmed their D&I initiatives.

For others, the pandemic has presented an opportunity to embrace innovation and rethink core practices. Such is the case at Singapore-based Vanda Electrics, whose chief executive Larissa Tan attributes the firm's ongoing survival and success to its innovative and diverse approach to talent management, proving D&I can be a valuable tool in helping businesses to survive and thrive in the current economic climate.

CASE STUDY

The Startup

SPEAK, PORTUGAL

Social technology startup SPEAK was founded to connect migrants, refugees and local residents through a community-led language and cultural exchange programme, and so diversity and inclusion are embedded in everything this Portuguese organisation does.

"It's basically our mission: connecting people and contributing to inclusive cities where everyone feels at home," explains Mariana Vieira da Rocha, cofounder of SPEAK London, one of a number of the organisation's franchises around the world.

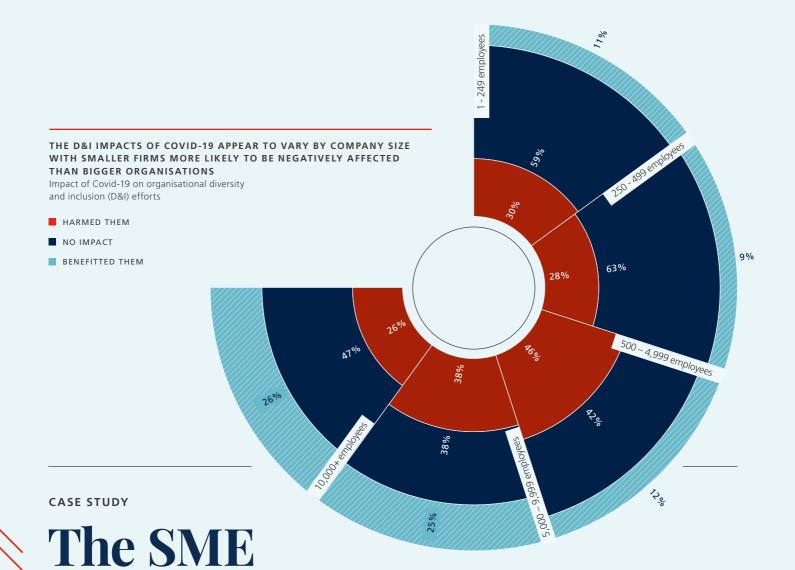
Clear communication is key to ensuring members of the community feel included and, ultimately, the success of the business, particularly during the coronavirus pandemic.

"When you work with people from all over the world, there will be communication barriers at certain points, and I think the way we try to overcome this is by being as accepting and as open-minded as possible," says Vieira da Rocha. "I think it's about people having a sense of belonging, which I think is so alien these days." It has inevitably been difficult for the business to create this sense of belonging during the pandemic. "It was a big challenge because realistically it's really difficult to create a sense of community and belonging when you're online; it's simply not the same. There's also the challenge of when you work with someone in helping them with a new language, you get the cues from body language. We had to adapt every single resource in every single language that we have," she says.

Community feedback has been key to helping the business evolve to this New Normal. Vieira da Rocha says: "We constantly asked for feedback from everyone, from the participants to the volunteers and the co-founders. I think if I ever create another business, and if there's any advice I would give, it's that learning from your community and making it as diverse as possible is key because they will give you solutions you've never thought about."



26



VANDA ELECTRICS, SINGAPORE Diversity and inclusion is a way of life, rather than a written policy, for Vanda Electrics and its approach to talent management, according to chief executive Larissa Tan.

She explains: "It's always something that's on our mind. It factors into the way we hire, but rather than looking at hiring specific types of people, we don't have a limit for whether they are male, female or different races; we hire the best people for the job. You can be diverse in terms of numbers and in terms of who you hire, but diversity doesn't necessarily mean inclusion."

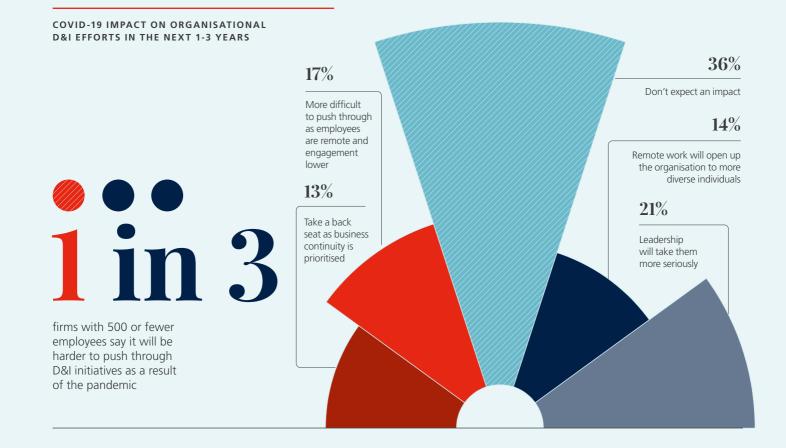
For Tan, D&I should be more about a mindset than a tick-box exercise. "We are in an era now where things are constantly changing; everything's being disrupted and therefore you can't hire in the same way," she says.

"Unfortunately, the human resources process hasn't changed very much and the mindset in terms of who businesses hire to do that job hasn't changed. If that doesn't start to change, then you're going to end up with the same types of people, regardless of where they come from, whether they're male or female or what their race or religion is. You need people who are really, really different and you need to go out and find them."

The company's approach to its electric moped Motochim is a case in point. The design of the bike is based on a sketch by a ten-year-old girl with special needs who Tan met when working in the community on another project.

"She's very talented artistically and in terms of certain aspects of looking at design," says Tan, who works with 20 employees in Singapore together with partners around the world.

"This approach gives you greater ideas and more leeway for innovative thoughts. It also fosters a lot of understanding because people are not from the same background."



CASE STUDY

The Larger Enterprise

DTE ENERGY, UNITED STATES Diversity and inclusion are at the heart of DTE Energy's business strategy. The Detroit, Michiganbased energy company's commitment to supporting its local community during the pandemic is perhaps the best example of inclusion excellence.

With the help of \$150,000 in grants from the DTE Energy Foundation, which funds Michiganfocused giving across arts and culture, community transformation, economic progress, education and employment, environment and human needs, the business donated more than two million face masks. It also funded technology for Detroit students and provided meals, energy assistance and resources to help support the local community.

In addition, 17,541 DTE volunteers called elderly local residents to wish them a happy holiday in the run-up to the festive period, while others handed out meals in 27 cities on Christmas Day.

The efforts are part and parcel of the organisation's commitment to closing social and economic inequity gaps. "The more we

work to build equity and stand up for human rights, the stronger we'll become," says Diane Antishin, DTE's vice president of human resources and chief diversity, equity and inclusion officer. "We're hopeful that together we can be a beacon of progress and build a more equitable future for all people."

With that in mind, the business runs a wide range of D&I initiatives, from a programme that provides internships for high school students and graduates from challenging backgrounds to eight employee-led Energy Groups, which create an opportunity for under-represented groups within the company to have a voice.

DTE is also committed to supplier diversity, with the business having invested \$600 million with certified minority and women suppliers in 2019. "When we build up minority businesses, we also build the capacity for economic growth and revitalisation," says Tony Tomczak, DTE Energy's chief procurement officer. ◆

IS MENTAL HEALTH **STRESSING OUT** SMEs?

Smaller businesses may soon be required to get more involved in safeguarding their workers' mental wellbeing as stricter regulations are on the horizon

> t's been the perk employees have consistently demanded, but not always achieved: more scope to work from home. But with many workers now approaching their first full year of home working, due to the coronavirus pandemic, cracks are starting to show. Isolation, reduced personal contact and increased blurring of home-work life is now creating a brand-new epidemic, one of ever-worsening mental health. Of course, not all of this should be attributed to work, as there are many factors leading to people's increased stress levels at the moment, but work factors are surely playing a significant part.

In the UK, the Office for National Statistics reports 19.2 per cent of adults are now suffering from some form of depression, up from 9.7 per cent pre-pandemic. While in Europe as a whole, 62 per cent of staff report greater levels of stress, with 81 per cent describing themselves as having a "low" or "poor" state of mind, according to *AXA: A Report on Mental Health and Wellbeing in Europe*, which polled 5,800 people in the UK, Belgium, France, Germany, Italy, Spain and Switzerland.

Globally, the Institute for Fiscal

Studies says 7.2 million more people are suffering from mental health problems "much more than usual".

But while big businesses have led the way in implementing videoconferencing platforms, wellness programmes and resilience training in an attempt to mitigate this, it seems the majority of the world's employees, who work for small and medium-sized enterprises (SMEs), are missing out.

Ius Laboris data finds that while 23 per cent of firms with 5,000-plus staff increased provision of mental health initiatives, barely one in ten (11 per cent) of SMEs have. And it's starting to show as 30 per cent of businesses with 250 to 499 employees say their employees' mental health has been negatively affected.

"Smaller businesses obviously lack the resources larger firms have," says Ali McDowall, leading mental health campaigner and co-founder of The Positive Planner, itself an SME. Adding to this, Erica Wolfe-

Murray, international SME adviser

and author of *Simple Tips, Smart Ideas: Build a Bigger Better Business,* notes: "Just as relevant is the fact that many SMEs either lack expertise in this area or feel because they are small and know everyone already, it's simply not needed."

SMES MAY STRUGGLE TO KNOW THEIR LEGAL RESPONSIBILITIES

According to Wolfe-Murray what's particularly difficult for SMEs is knowing what their legal responsibilities are around protecting their employees' mental health.

She says: "Mental health falls between legislative gaps and tends to feature indirectly in most countries' health and safety legislation. Often it is not labelled as mental health at all, but is couched in terms of anti-discrimination law, gender pay reporting or workingtime laws, the absence of which could lead to people reporting suffering undue additional stress, 23%

anxiety or mental health problems."

Requirements of workplaces to make adjustments to avert any mental health escalations include ensuring correct workstation setup, which addresses physical injury first, but nods to the fact it could cause mental ill-health problems if physical symptoms persist.

Broader rules, such as those contained in the UK Health and Safety at Work Regulations 1992, require employers to assess mental health work-related issues from the point of view of potential risk to staff. This may include things that could cause staff to experience work-related stress, such as overworking, inadequate training, harassment or job insecurity.

Most countries have their own equivalents, such as Hong Kong's Occupational Safety and Health Ordinance (see 'Word from the Industry' box on page 31), or the European Union's Health and Safety Framework Directive, which requires EU member states to implement domestic law requiring firms to "evaluate occupational risks specific to job type and provide adequate protective and preventative services".

In the United States the dominant legislation is the 1990 Americans with Disabilities Act, which protects citizens from discrimination at work, but also against mental health problems being left untreated, if it hampers their ability to do their job.

But Kathryn Weaver, Ius Laboris firm Lewis Silkin Hong Kong's head of employment, says globally mental health remains a vague definition. "The issue with mental health is that it's impacted by so many variables – some people thrive on stress, others don't – and so the causality of mental health issues is difficult to prove. The Percentage of respondents who have stepped up mental health initiatives to combat the challenges associated with increased working from home

> areas of law it is linked to are personal injury and disability discrimination and people complain that the law isn't drafted adequately to cover mental health, but legally it is tough to draft anything more specific, as it then becomes too prescriptive," she says.

SMEs ARE LESS LIKELY TO INCREASE MENTAL

HEALTH SUPPORT FOR REMOTE WORKERS

SIGNS OF SPECIFIC REGULATIONS

Attempts to enshrine something more concrete are emerging though. Irish MPs recently proposed private members' bills requiring employees to have a statutory "right to disconnect", which has echoes of similar law already enacted in France.

The EU Directive on Transparent and Predictable Working Conditions and the Work-Life Balance Directive have both been approved and must enter into member states' national law by 2022.

But while *ad hoc* laws have been passed, such as 2016 regulations by the Swedish Work Environment Authority looking at employees' social and organisational work environment, specific mental health

66

The issue with mental health is that it's impacted by so many variables

KATHRYN WEAVER, HEAD OF EMPLOYMENT, LEWIS SILKIN, HONG KONG

5,000 – 9,999 employees 50 - 499 employee 249 employee:

1 - 249 employees

law is lacking. Under Danish law, for example, there is an obligation for employers to ensure a healthy and safe work environment in general, but there is no specific regulation of mental health.

Since the pandemic started though, a more concerted effort by unions, European Trade Union Confederation and Eurocadres to lobby the EU has been made to redress this, with the launch of the EndStress.EU campaign in October to specifically legislate for preventing stress.

Eurocadres president Martin Jefflén says: "Only a handful of EU member states have legislation on work-related stress and just a third of workplaces have an action plan to prevent work-related stress. We need a separate directive to address the stress at work epidemic, just like there are for many physical risks. Health and safety laws can be incredibly efficient, but the EU legal framework from 1989 is not good enough."

Michał Piórkowski, founder of Polish-based SME Visuality, which employs 30 people, says mental health still doesn't have visibility beyond standard health and safety laws. "For us, we've always been very clear about organising work so people's mental health is protected," he says. "Because we've built ourselves around our culture, I was immediately worried about how it would be impacted by home working, because when you lose the office, and the vibe, the culture can go very quickly.

"We immediately began more monitoring; we put in pulse surveys asking people how they were feeling and we structured in non-work time, where people could just talk to each other. We brought in a videoconferencing platform called ZING, which also has games people can remotely join in with."

THE IMPACT OF INCREASED REMOTE WORKING ON EMPLOYEE MENTAL HEALTH

- SUFFERED DUE TO LACK OF SOCIAL CONTACT WITH COLLEAGUES
- SUFFERED DUE TO THE BLURRING OF WORK-LIFE BOUNDARIES

POLISH ENTREPRENEURS STAY OUT OF EMPLOYEES' PRIVATE LIVES

Piórkowski continues: "We're very sensitive to hearing people's personal problems, but beyond complying with minimum health and safety, this is not normal in Poland. Entrepreneurs don't tend to want to involve themselves in people's personal lives."

Jimmy Williams, co-founder and chief executive of insurance company Urban Jungle, says: "Remote-working SME employees feel mental health effects more because of all the very best things about SMEs, that they have a tight-knit sense of belonging and camaraderie. But that's not a reason to just stick to the bare minimum. When working apart removes this, SMEs have to work doubly hard." Melissa Robertson, chief executive of 45-strong sports marketing agency Dark Horses, adds: "We made a very conscious effort to speak to staff about their life and what was impacting it. But as we spotted the signs of loneliness and possible mental health strain in meetings, we immediately looked into specific interventions, including signing people up to online counselling, employee assistance programmes and to Vitality Health, where staff can monitor their own mental health.

30%

- 4,999 employees

500-

"Change does only tend to happen when there is legislation. SMEs will be less inclined to make changes unless they are made to."

In response to rising incidents of poor at-work mental health

pre-pandemic, a new global ISO standard around preventing stress was already being worked on – ISO 45003 – which is scheduled to be announced this summer. It builds on existing ISO 45001 accreditation for managing health and safety in the workplace that requires firms to design management systems to report at-work risk.

INTRODUCING PSYCHOLOGICAL RISK

The new ISO 45003 standard establishes the term "psychosocial risk" and will require firms to look at how risk relates to the way work is organised. The assumption is that psychosocial hazards are present in all organisations and sectors, and from all kinds of employment arrangements.

Stavroula Leka, professor of work organisation and wellbeing at Cork University Business School, and co-convener of the working group developing ISO 45003, says: "ISO 45001 is a generic management system standard for health and safety, and doesn't go into any specific areas of risk. But with mounting data that poor work organisation, design and management is associated with poor mental health, absenteeism, presenteeism and human error, it was felt a specific guidance standard on psychosocial risks was needed."

Antony Eckersley, managing director at TSE Solutions, which advises on health and safety law, says: "The point we all have to remember is the fact that many companies still brush psychological health under the carpet. ISO 45003 is a proactive attempt to make good mental wellbeing part and parcel of a company's culture."

The new standard will be voluntary, but while some SMEs might have reservations about getting too involved in their employees' mental wellbeing, not doing so could be taken out of their hands.

"While we've long talked about health and safety at work, regulators and organisations have been mostly concerned with the safety side of things, while the health part has often been left behind," says Rhian Greaves, regulatory lawyer specialising in health and safety, with Pannone Corporate.

More and more, procurement departments are now insisting firms they deal with have demonstrable measures in place for the protection of the health and wellbeing of staff, and this means SMEs will need to take seriously the stress they may be placing on their staff.

If pre-pandemic was all about SMEs working out the best way to grow, post-pandemic it will also be about protecting employees' mental wellbeing. ◆

1 in 3

firms with 500 or fewer employees are planning to instill a culture that promotes a better work-life balance

WORD FROM THE INDUSTRY



Kathryn Weaver, Lewis Silkin, Hong Kong

Establish a culture of wellbeing

"Not all areas of the world are equal when it comes to the recognition and prevention of stress at work and mental wellbeing. Asia-Pacific, in particular, is a long way behind the rest of the world.

"There is a long working hours culture here – the average working week in Hong Kong is 51.1 hours – plus there is stigma attached to talking about stress and wellbeing, all of which means that even though one in seven reportedly suffer from what's known as a "common mood disorder", three-quarters don't receive any professional help for it.

"The issue with SMEs in this part of the world is that unlike international corporates, which largely follow international standards, SMEs in Asia-Pacific tend to stick to the bare statutory minimum.

"Unfortunately, there's much more emphasis on presenteeism and less understanding about the way poor mental health impacts an SME's bottom line.

"Recently there has been more talk about how companies should make allowances for performance if an employee's mental health is suffering, but there is no imminent new law around it in Asia Pacific.

"It must also be remembered that while there are legal obligations on making working environments safe, the onus too is always on employees to declare when something needs fixing and this comes about through setting the right culture, where discussion about mental wellbeing is encouraged."

RESHAPING THE LANDSCAPE

It has been a year of unprecedented and rapid upheaval for organisations across the globe. So it's little wonder that most feel uncertain about what to expect next

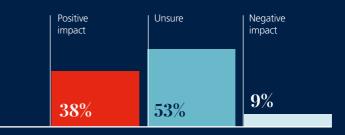
organisations expect

to change recruitment

strategies to cut costs

THE WORD

Expected impact of work landscape changes on business performance in the next 1-5 years



21%

9%

4%

å

No

600

11%

1al Nanage

220/0

11%

Other

HR manager

긎

Director

%6

1300

0%

13%

14%



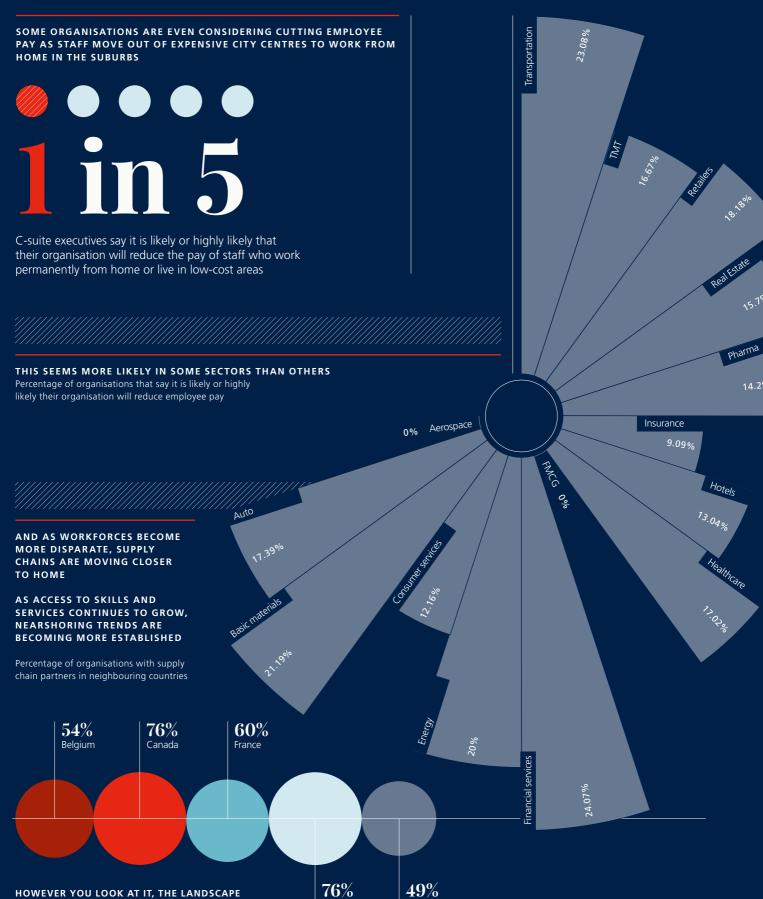
AUTOMATE ROLES AND CUT STAFF

230

17%

General Counsel

17%



Italy

United States

IS BEING RESHAPED ALL AROUND US

FORCES FOR CHANGE

REIMAGINING PURPOSE

A strong sense of organisational purpose will help businesses bounce back from the coronavirus crisis

B usinesses around the world are emerging from the deepest recession since the Second World War, so their leaders need to be prepared for recovery.

Savvy executives will have a comprehensive understanding of their organisational purpose and its role in helping the business back to recovery.

"A clear purpose helped many businesses to make it through the impact of COVID-19 last year. It gave them a North Star and a framework for making decisions; decisions they weren't expecting to face," says Dr Scarlett E. Brown, policy consultant with the UK's Chartered Institute of Personnel and Development (CIPD).

In short, organisational purpose is a company's *raison d'être*. Tiffany Downs, partner at US Ius Laboris firm, FordHarrison explains: "When organisational purpose was initially discussed, it was more about the mission and the values of the company and an economic framework. "Over time this has evolved to companies asking themselves what they are doing to make a difference and how they are contributing to their community and society, and so it's evolved to more of a social purpose."

Young people entering the workforce are helping to drive this new definition by demanding that work has a purpose and enables them to feel like they're making a difference to society, she adds.

MISSION TO ENABLE A SUSTAINABLE LIFE

Kaisa Aalto-Luoto, vice president of human resources services at Finlandbased minerals processing technology service provider Metso Outotec, agrees. "I think organisational purpose is the reason why a company exists beyond making money for their stakeholders and owners," she says.

"Our mission is to enable a modern, sustainable life, so that goes hand in hand with our purpose; being there for the sustainable business. It really is something that unites employees and it also engages people."

It is this engagement that is key to enabling business leaders to secure employee and customer buy-in for the business transformation programmes they require to survive and thrive in the face of the coronavirus pandemic.

Aalto-Luoto believes that a less traditional office set-up, including working from home arrangements and fewer faceto-face meetings, constitutes the "New Normal", at least for now, hence the importance of



[purpose] has evolved to companies asking themselves what they are doing to make a difference...to their community and society

TIFFANY DOWNS, PARTNER, FORDHARRISON IUS LABORIS USA

organisational purpose. "Having a strong purpose when you come to work, whether in an office or wherever that is, every day and doing something great will become more important," she says.

EQUALITY, DIVERSITY, INCLUSION AND MENTAL WELLBEING

Organisations should start by acknowledging this New Normal, rather than waiting for the threat of COVID-19 to pass, simply because no one can possibly predict when that is likely to be. Only then can leaders consider how best to reshape their businesses accordingly, in line with their organisational purpose and policies around equality, diversity, inclusion and, ultimately, the mental wellbeing of their workforce.

"Traumatised workforces, either on the frontline, working from home in sub-optimal ways or suffering from loss of work-life balance, may require enhanced mental health first aid and counselling services. Workforces are exhausted. There's only so long you can ride on goodwill. It will be a big challenge to give staff some work-life balance back," according to a human resources director cited in the CIPD's November 2020 report Responsible business through crisis: Senior leaders on trust and resilience during COVID-19.

Thankfully, lus Laboris' research shows 31 per cent of C-suite respondents plan to implement more top-down openness around mental health.

Of course, is not a cure-all for the current economic climate, but it does provide a point of focus, providing business leaders are



of respondents say they plan to reduce their office space







say the pandemic has encouraged more openness and

conversations around mental health

committed to it, which means living and breathing it and ensuring it is reflected in every business decision made.

Leaders must also ensure organisational purpose flows down the organisation to middle management. Downs says: "It's about everybody living the purpose and showing their commitment to the purpose through their actions and not just through their words."

Brown agrees, adding that the ramifications for businesses failing to take seriously organisational purpose and their contribution to society may be severe. "The public is going to be very harsh on those that are not doing it well," she says.

Now is the time for businesses to consider their organisational purpose, to support and help employees understand what it means and how to engage with it, and also how to align their own sense of purpose in the process. Otherwise, they risk leaving the public and shareholders to draw their own conclusions about businesses' conduct and redirect their allegiances accordingly.

A **CENTRIFUGAL** TOMORROW

Coronavirus is concentrating minds and catapulting cities and workplaces towards a new tomorrow, but the direction of change was not only decided by the pandemic ++++ he prestige of a prime city the glamour has gone and big is no \mathbf{T} postcode or downtown longer beautiful. business address has long In fact, research findings for The been held up as a measure of the Word support the view that the success and stability of a company or business world is literally getting organisation. The received wisdom smaller, with the bulk of supply chain was that people with important jobs partners (62 per cent) now based went out to work and where they went in neighbouring countries. And the mattered. The ideal office building proportion of companies planning was big, central and expensive. Then

> along came coronavirus. The global pandemic has had a major negative effect on economies everywhere, but it is little exaggeration to say the heart of the city has been ripped almost clean out. For the moment at least,

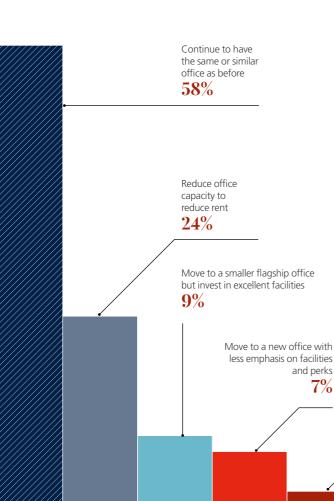
reductions in their office space number roughly one in four (24 per cent), rising to almost one in three among larger

organisations (32 per cent). Even more respondents (35 per cent) expect to adjust their recruitment strategy to cut costs either through automating jobs, hiring from overseas or outsourcing. In terms of the talent that they do retain and hire, nearly seven out of ten companies (69 per cent) expect to offer employees greater flexibility about how often they need to be in the office, ranging from the option either to come in when they want (26 per cent), work alternate days (24 per cent) or go part-time (19 per cent).

REAL ESTATE AND THE RIPPLE EFFECT

The ripple effect of this shift away from the city-centre focus of old is already in evidence, with a somewhat unexpected boom in out-of-town property prices lifting markets

ORGANISATIONAL RELATIONSHIPS WITH THE OFFICE IN THE NEXT 24 MONTHS



worldwide, from Australia to the UK. Mortgage lenders are, though, warning of a slump in the pipeline, as economic pressures and job losses mount.

There is still good news to be found short term around environmental impact reduction as an unintended consequence of cuts in travel and congestion, with green initiatives increasingly popular as the public rediscover the joys of nature, plus the wellbeing and amenity benefits on offer to them free of charge in the great outdoors.

The bad news unfortunately continues for the hardest-hit business sectors, such as bricksand-mortar retail and hospitality of almost every kind, as city-centre footfall stumbles and falls with each new restriction announced.

Such centrifugal forces have effectively sparked an ongoing exodus from the heart of town, whirling both work and workers out into the suburbs, regions and rural hinterland.

Throughout this drama, COVID-19 is commonly cast as the disruptor in chief. However, its role is perhaps better described as that of a plot accelerant, fanning the flames of fires already lit under the straw houses of business as usual. Change was arguably in the air.

FROM PHYSICAL TO VIRTUAL

Pre-pandemic, conflict emerging between the push of the digital economy and pull of the built environment seemed like a classic case of irresistible force meets immovable object.

Give up our office(s) and move to full remote working 2%

7%

On the one hand, there was the World Economic Forum suggesting 70 per cent of new economic value created in the next decade could be digital, despite 47 per cent of people still lacking internet access. On the other, the urbanisation megatrend encircling the globe looked equally set to maintain its physical magnetism, with the United Nations forecasting 68 per cent of the world population will live in cities by 2050.

So given the lockdown-induced upsurge in digital networking and virtual meet-ups, what impact might the boom in working from home have on the city itself and the investment value of commercial real estate in the likes of the central business district?

As COVID reshapes the metropolis of the future, is the towering citycentre HQ set to become a stranded asset in much the same way as an ageing coal-fired power station?

EMPLOYEES AND EMPLOYERS IN WIN-WIN SCENARIO

For the fortunate workers still in secure employment, a lot of staff are liking the shift towards dispersed arrangements, says Freya Reynolds, people manager at Uncommon, London-based pioneers in co-working, private offices and flexible workspaces. "With greater appreciation for work-life balance, employees are driving this New Normal of remote working," she says.

COVID-19 has also had a marked effect on the intake of employees, she adds: "The scope of new hiring has changed and employee demands for

FORCES FOR CHANGE

THE WORD

flexible working have shifted the oncegrounded nine-to-five working day."

As a result, employers are having to concede to demands from their staff, however by no means all organisations are unhappy with the idea. Reynolds notes: "There are companies keen to benefit financially from not having office overheads, with the option to lease smaller spaces to accommodate 'work on rotation'."

Indeed, there remains an affection among employees and, more importantly, an ongoing role for the office, as shown by a survey of 2,000 office workers conducted recently by global real-estate company JLL.

Collating findings across ten countries, the study reveals that while three quarters of employees do want to continue working from home on a regular basis, the same proportion also still want the ability to come into an office.

In fact, according to the JLL research, 70 per cent of staff consider the office the best place for team building and connecting with management, and almost half expressed the expectation that modern offices post-pandemic will offer space for socialising.

Of course, the precise degree of win-win for both employers and their employees in this evolving scenario will always depend on the company concerned and the industry in which it operates. In addition, much as the pandemic has been a global phenomenon, it still plays out differently in a range of established regional and local contexts.

FROM GLOBAL PANDEMIC TO LOCAL LAW

For example, according to Marcela Salazar, partner at Ius Laboris firm in Chile, Munita & Olavarría, the trend in city-centre office-based employment in Santiago, Chile, has been following the flow of wealth out towards the east of the country's capital over the past few years, with COVID-19 only likely to accelerate this pre-existing pattern. "The riots that happened in Santiago in October and November 2019 affected lots of businesses. Employers feel the traditional city centre is no longer as safe as it used to be," she says.

The particulars of national labour laws should, however, mitigate against any sudden urge to make impromptu COVID-driven changes to employment contracts, job specifications and formal HR policy. This is especially true in Chile, with the law on remote working and flexible conditions only having come into effect finally on April 1, 2020, following years of debate in the country's congress.

The new labour code provides legal protection to employees who work from home or in places other than the employer's premises. Compliance does, however, raise some questions.

For instance, pursuant to article 184 of the code, the employer is obligated to take all necessary measures to effectively protect the

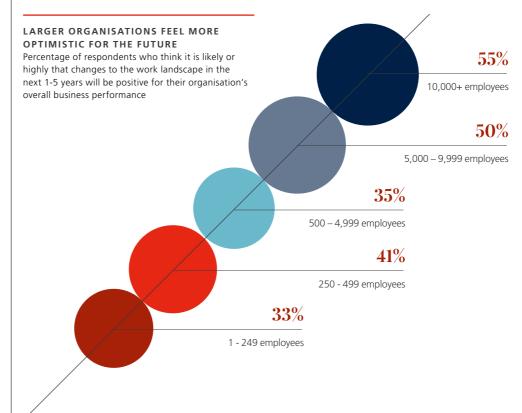


or respondents expect to change their recruitment strategy to cut costs in the next two years lives and health of employees, to report any possible risks and to maintain adequate hygiene and safety conditions in the place of business, and also provide the tools needed to prevent accidents and occupational diseases.

With remote working, therefore, the employer must find a way to ensure the work environment complies with all health and safety requirements, despite the added complication that they cannot legally enter an employee's property without authorisation.

EVOLUTION OF A SUBURBAN STEREOTYPE

As well as employment scenarios varying by country, sector and company, there are also almost as many different and diverse flexi-work permutations as there are individual employees, each bringing their own personal particulars and preferences to the table.



Traditionally, staff already established in their careers and with young families, for example, have tended to welcome the opportunity to cut their daily commute and perhaps relocate to further out in the suburbs for lifestyle and real-estate benefits.

By contrast, those newly recruited into the career of their choice, often more prepared to work long hours and keen to socialise with colleagues and network with contacts or peers, typically still relish the big-city experience, both the living and working environment. This workforce stereotype might be changing too, though, in post-COVID times.

Based in Colorado, Paul Quaiser, founder of the US Human Sustainability Institute, is already witnessing new recruits moving out of high-rent urban environments, seeking larger spaces, easier access to outdoor activities and public amenities.

The shift is about more than simply helping employees liberate free time by eliminating their commute, while also reducing associated stress and exposure to pollution. True city transformation opens up longer-term urban planning to a real rethink.

Quaiser argues: "De-urbanisation is providing an opportunity for business and cities to redesign and retrofit infrastructure to become more resilient, autonomous and ecologically benevolent.

"Vacant buildings will be repurposed to grow food, generate and store energy, become multipurpose, rewild public spaces, and utilise frontier methods for waste and water management. The major trend sees the establishment of vital, pedestrian-oriented cities."

Future gazing towards this radical, regenerative human habitat, soon transports us forward into a concept of community where built and natural environments integrate in a more holistic manner, interwoven throughout with distributed and democratised forms of value exchange, ranging from cryptocurrencies to bioregional assets and resources.

EVOLUTION OF THE FUTURE CITY

This is the evolution of the future city happening both on the ground and in our heads, from built asset to human resource.

As well as potential impacts on the physical dynamics of structure and space, any impending rethink around the future of work affects organisational culture, adds Quaiser.

"COVID-19 is simply a precursor for the greater need to be adaptable and resilient, such as supply chain variations, accelerating technology capacities and vulnerabilities. Plus industry performance metrics and policies are occurring simultaneously. As a result, we are already seeing changes in priorities of value systems," he says.

"Organisational structures and their operating systems are migrating away from hierarchical models toward something more akin to molecular and cellular structures. The concept of leadership is even being evaluated. The organisation will be required to reorient from financial growth priorities towards developing and cultivating human factors organically."

This picture of a more peoplecentred, less office-based working culture is not ultimately being driven by vaccine rollout rates or herd immunity, however. The prospects for a truly centrifugal tomorrow extend far beyond post-pandemic scenario planning. This is a vision of the 21st-century digital cityscape.

WORD FROM THE INDUSTRY



Marcela Salazar, Partner, Munita & Olavarría Abogados, Ius Laboris Chile

Think about tomorrow when acting for today

"COVID-19 has imposed a totally different paradigm on the workplace and forced HR to rethink internal plans, polices and norms. But those measures now need to be looked at again in respect of their long-term viability.

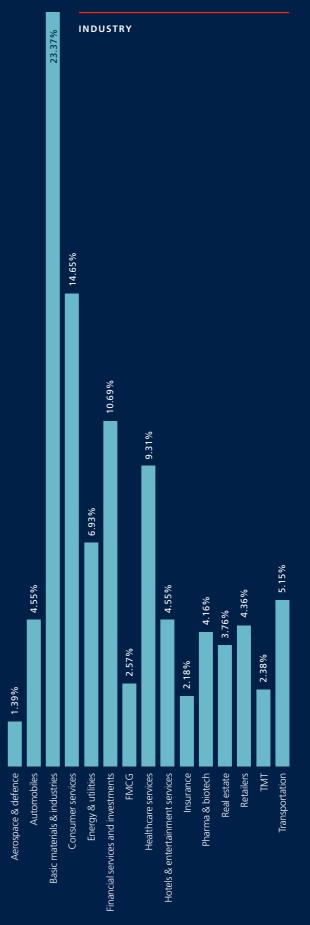
In doing so, it's worth noting what Chilean labour law says about 'implied clauses' and 'acquired benefits' in a labour relationship. If a company has made a payment, granted a benefit or applied a practice over a long period, the labour courts could rule that the employer cannot stop providing it without the employee's consent. The 'acquired benefits' doctrine could potentially be applied to any of the modifications made by companies in response to the pandemic and employers could thereby be prevented from implementing changes to their internal rules based on what happened during the crisis.

Whilst HR plans and policies are still in flux, it may be advisable for employers to be cautious about what they do now; treat any changes they've made during COVID as transitional; think very carefully about how to deal with longer-term strategic commitments to employees; and avoid taking the kind of big steps (e.g. restructurings) that they could regret later on."

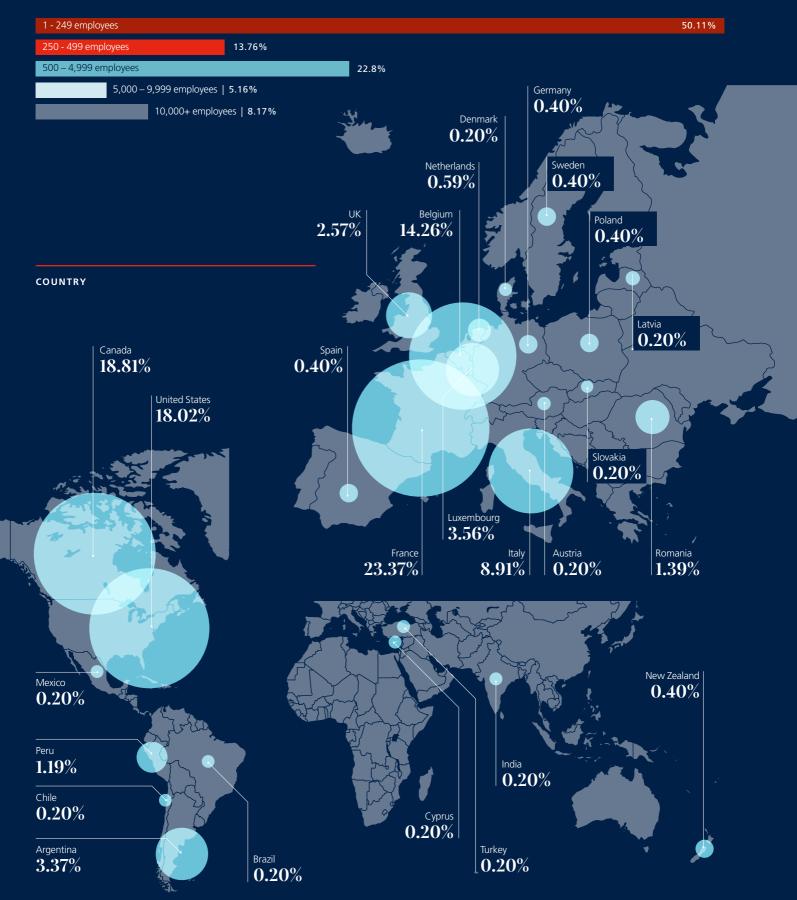
DEMOGRAPHICS

Ius Laboris conducted The Word's proprietary research in quarter 3 2020, surveying 505 professionals from around the globe





COMPANY SIZE



FORCES FOR CHANGE

CONTACTS

Ius Laboris is a leading international employment law practice combining the world's leading employment, labour and pensions firms. With an unsurpassed geographic coverage of 59 countries, over 1500 Ius Laboris lawyers help clients navigate the world of HR law every day

ARGENTINA

Rodrigo Funes de Rioja rfr@funes.com.ar Florencia Funes de Rioja ffr@funes.com.ar

AUSTRALIA John Tuck john.tuck@corrs.com.au AUSTRIA

Birgit Vogt-Majarek birgit.vogt-majarek@sms.law

BAHRAIN Zahir Qayum z.qayum@tamimi.com

BELARUS

Darya Zhuk darya.zhuk@cobalt.legal BELGIUM

Chris Engels chris.engels@claeysengels.be Sophie Maes sophie.maes@claeysengels.be

BRAZIL José Carlos Wahle jose.wahle@veirano.com.br

BULGARIA Borislav Boyanov

b.boyanov@boyanov.com Violeta Kirova v.kirova@boyanov.com CANADA

Greg McGinnis GMcGinnis@mathewsdinsdale.com Keith Murray kmurray@mathewsdinsdale.com CHILE

Enrique Munita emunita@munitaabogados.cl

CHINA

Zheng Xie zxie@fangdalaw.com

COLOMBIA

Catalina Santos csantos@bu.com.co

CROATIA Andrej Zmikic andrej.zmikic@dtb.hr

CYPRUS George Georgiou george@gzg.com.cy

CZECH REPUBLIC Nataša Randlová randlova@randls.com

DENMARK

Yvonne Frederiksen YvonneFrederiksen@NorrbomVinding.com

ESTONIA Karina Paatsi karina.paatsi@cobalt.legal

FINLAND Seppo Havia seppo.havia@dittmar.fi

FRANCE Pascal Lagoutte lagoutte@capstan.fr

GERMANY Markus Bohnau markus.bohnau@kliemt.de

GREECE

Konstantinos Kremalis kkremalis@kremalis.gr Dimitrios Kremalis dkremalis@kremalis.gr

HONG KONG Kathryn Weaver

kathryn.weaver@lewissilkin.com HUNGARY

Marianna Csabai marianna.csabai@clvpartners.com Henrietta Hanyu henrietta.hanyu@clvpartners.com

INDIA Vijay B. Ravi vijay.ravi@kochhar.com

IRELAND Siobhra Rush siobhra.rush@lewissilkin.com

ISRAEL Orly Gerbi gerbi@hfn.co.il

ITALY

Valeria Morosini svm@toffolettodeluca.it

JAPAN Kazutoshi Kakuyama kazutoshi.kakuyama@amt-law.com

KAZAKHSTAN Yulia Chumachenko y.chumachenko@aequitas.kz

LATVIA Toms Šulmanis

toms.sulmanis@cobalt.legal

Žilvinas Kvietkus zilvinas.kvietkus@cobalt.legal

LUXEMBOURG

Guy Castegnaro guy.castegnaro@castegnaro.lu

MALTA Matthew Brincat mbrincat@ganadoadvocates.com MEXICO

Jorge De Presno Arizpe jorgedepresno@basham.com.mx

NETHERLANDS Philip Nabben p.nabben@bd-advocaten.nl

NETHERLANDS - PENSIONS LAW

Roel Veugelers roel.veugelers@bvza.nl NEW ZEALAND

Peter Kiely kiely@ktc.co.nz

NORWAY Claude Lenth cal@hjort.no

PERU José Antonio Valdez

joseantoniovaldez@esola.com.pe POLAND

Katarzyna Dobkowska katarzyna.dobkowska@raczkowski.eu

PORTUGAL Inês Reis ines.reis@pbbr.pt

ROMANIA Ion Nestor ion.nestor@nndkp.ro

RUSSIA

Irina Anyukhina ianyukhina@alrud.com SAUDI ARABIA

Zahir Qayum z.qayum@tamimi.com SERBIA

Milena Jakšic Papac milena.papac@karanovicpartners.com SINGAPORE

Desmond Wee desmond.wee@rajahtann.com

SLOVAKIA Dušan Nitschneider nitschneider@nitschneider.com

SLOVENIA Gregor Simoniti gregor.simoniti@selih.si SOUTH KOREA Sang Wook Cho

swcho@yulchon.com

Iñigo Sagardoy is@sagardoy.com

Jenny Hellberg jenny.hellberg@elmzell.se

Alfred Blesi alfred.blesi@blesi-papa.ch Roberta Papa roberta.papa@blesi-papa.ch

SWITZERLAND (FR) Anne Troillet anne.troillet@schneider-troillet.ch THAILAND

Sui Lin Teoh sui.lin.teoh@rajahtann.com

TURKEY Maria Çelebi maria.celebi@bener.av.tr

UKRAINE

Oksana Voynarovska voynarovska@vkp.kiev.ua UNITED ARAB EMIRATES

Samir Kantaria s.kantaria@tamimi.com

Michael Burd michael.burd@lewissilkin.com James Davies james.davies@lewissilkin.com

UNITED KINGDOM – PENSIONS LAW Michaela Berry michaela.berry@sackers.com

UNITED STATES OF AMERICA

jmokotoff@fordharrison.com Tiffany Downs TDowns@fordharrison.com

VENEZUELA

Victorino Márquez vmarquez@dra.com.ve

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TRIB

Z



DEBORAH ISHIHARA, Chief Editor, Central Team, Ius Laboris



JAMES DAVIES, Partner, Lewis Silkin, Ius Laboris UK



CHRIS ENGELS, Senior partner, Claeys & Engels, Ius Laboris Belgium



EMANUELA NESPOLI, Partner, Toffoletto De Luca Tamajo e Soci, lus Laboris Italy



ANNE-LAURE PERIES, Partner, CAPSTAN Avocats, Ius Laboris France



KATHRYN WEAVER, Head of employment, Lewis Silkin Hong Kong, lus Laboris Hong Kong



TIFFANY DOWNS, Partner, FordHarrison, lus Laboris US



MARCELA SALAZAR, Partner, Munita & Olavarría Abogados, Ius Laboris Chile

Global HR Lawyers Lus Laboris

*@*IusLaborisIusLaboris

iuslaboris.com theword.iuslaboris.legal

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