

Contents

# THE WORKFORCE OF THE FUTURE

Considering the impact of COVID-19

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- **Foreword** 01
- **Chapter 1:**  
Leadership in the new working world 02
- **Chapter 2:**  
The future of flexible working 06
- **Chapter 3:**  
Performance management  
and dealing with redundancies 11
- **Chapter 4:**  
Mental health and the workforce 15
- **Chapter 5:**  
The new national talent pool, the  
digitised workforce and skill gaps 20
- **Chapter 6:**  
The office environment post-COVID-19 25
- **Conclusions** 32
- **Contributors** 33



Paris Smith solicitors - White Paper  
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# Foreword: Peter Taylor

As we look forward to what the future holds, we can see that change will continue in both the way and where we work. The office is not dead but remote working is here to stay.

## How will we rise to the challenge?

The pandemic forced organisations across all sectors of the economy to act at speed. Leadership was tested. Home working was mass tasted. At the start, business leaders' first priority was one of crisis management, preservation of cash and to implement quickly different ways of working so organisations could continue to operate and weather the storm.

Innovation came to the fore and those businesses who were able to deliver their goods or services to end users digitally reaped the rewards for being able to do so. Localism surged but so too did a sense of a national talent pool, aided by technology and new ways of working.

In this white paper we explore where the law needs to catch up to be in sync with our 'new normal'. We consider what leadership lessons have been learned and those areas on which leaders must focus in the future.

What we have seen during these COVID times is that the great leaders have shown a willingness to display personal vulnerability. The exceptional leaders have seen their role as one of service to their team and the brand of which they are the custodian. They have focused on making sure their staff have felt safe and secure and thus willing to trust the senior management team.

Regular and honest communication has been required. It has been imperative to be honest and open about the present whilst showing optimism and hope for the future. COVID-19 has forced us to question what skills we have to inspire our staff and to consider the physical and mental wellbeing of all in the business affected by remote working, or those on furlough for whom each day may have felt like Groundhog Day.

Employees in many sectors have embraced remote working positively. They have enjoyed the freedom of flexibility around other aspects of their lives such as childcare. The commute has not been missed. Output in many businesses has not suffered.

So, what of the office? From our experience and what our clients tell us, they still value the shared experience of the workplace, its role in maintaining the culture of the business; as a place to collaborate, for learning and development especially for those in the early stages of their career.

In this paper, we share some of those debates around the limitations of the law, the opportunities and the changes that are being discussed by boards across the land.

I am sure that you will find the insights interesting and valuable as you make key decisions about your workforce.



**Peter Taylor**, Managing Partner  
Paris Smith

“The primary function of leadership is communication. The very definition of it is about influencing others, encouraging the right behaviours that will deliver shared goals or objectives for the business and for individuals personally.”



**Hannah Leach**, Vice President  
Employee Experience and Culture,  
Carnival UK (P&O Cruises & Cunard)

## Chapter 1: Leadership in the new working world

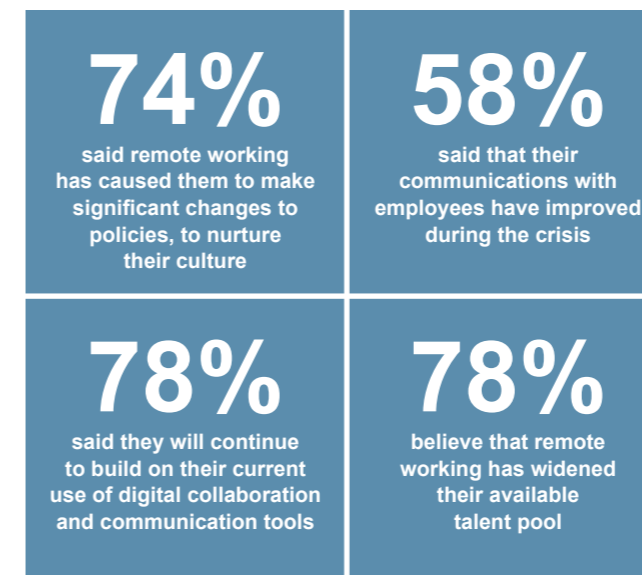
- Change is here, what are you doing to keep up with it?
- Communication, collaboration, cooperation
- Leadership models, organisational values and employee skills

### The importance of good leadership

Good leadership is necessary in the best of times but vital in the worst of times. During the COVID-19 crisis leaders have been dealing with fear, uncertainty and massive change. They have juggled the health and financial aspects of working through a pandemic, pivoting their operations to mass remote working overnight.

Assumptions have been challenged, IT systems tested, and new ways of working undertaken to get through the crisis together. New leadership models are being looked at and management approaches being tried out. Change is happening. Many argue that this is our big chance to reboot the workplace. Now is the time to reconsider our models of leadership, the values and skills we cultivate to thrive and prosper in the future.

According to a recent study by KPMG of UK CEOs:



The study found that for UK CEOs, having a purpose is more important than ever in how they steer their businesses. They're using that purpose to frame a re-evaluation of their strategies and how they operate and they're making changes at a speed often unthinkable before the COVID-19 crisis.

### Communication, collaboration, cooperation

Even before the pandemic the trend towards a shared purpose with greater collaboration from employees was evident. At the Bank of England, productivity improvements came from suggestions solicited from every level. Professional services company, Capita, put a young employee on its board to give cross-generational perspective. This attempt to pool knowledge and experience for a shared purpose has gathered pace. The speed with which several vaccines for COVID-19 have been developed is testament to this.

### So how do we build on this momentum?

Research from Professor Veronica Hope-Hailey at the University of Bath shows that, while trust in leaders remained high during the crisis, both public and private sector workers want to be trusted with better information and knowledge. Active involvement in decision-making enables them to make better, more relevant contributions.

Organisations will thrive when all staff feel valued and their ideas are implemented, say Cath Bishop conflict diplomat and Margaret Heffernan, author of the FT/McKinsey Business Book of the Year *“Uncharted: How to Map the Future Together”*, in a recent paper.

Organisations will thrive when all staff feel valued and their ideas are implemented.

They argue that the potential rewards for everyone are huge, because the greater the participation in decision-making, the faster implementing change becomes. You don't have to sell change to people who designed it. So, it's fast, it's credible and it's co-created by people who care. That makes companies fit for the future, whatever it may bring.

**Building trust**

“Communicate, communicate, communicate. Don’t allow vacuums of communication to arise and listen more than you talk,” says Paris Smith’s Managing Partner, Peter Taylor.

“Be honest and realistic about the position and challenges that you are facing as a leader. Be willing to show vulnerability, to a degree, and optimism showing a pathway as well as clarity and consistency of communication and decision making.”

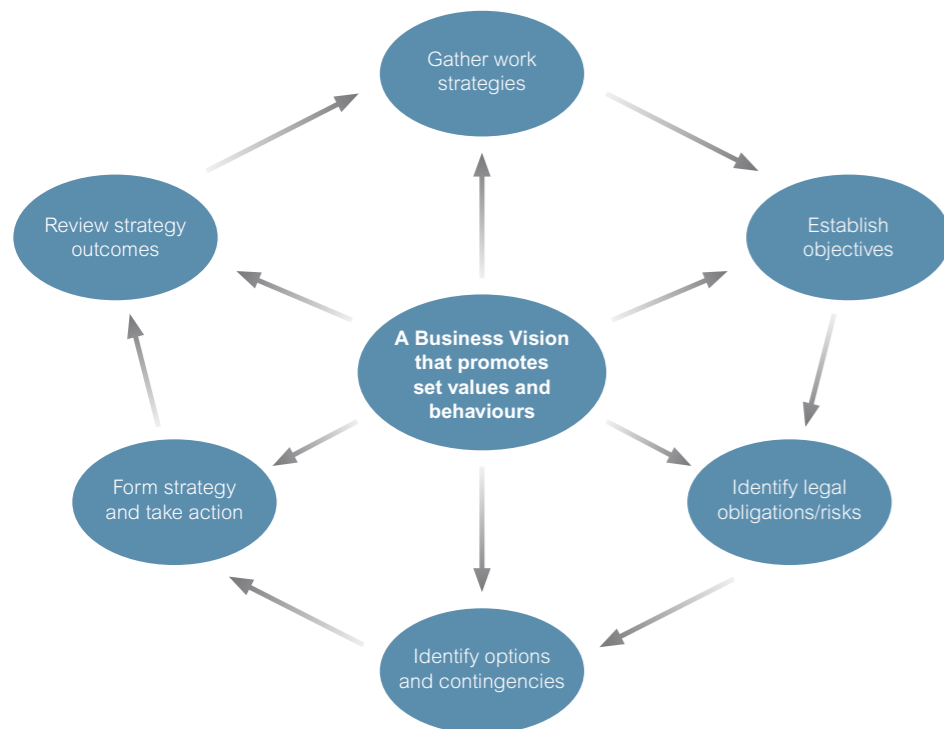
Keeping good employees begins and ends with trust. Leaders who struggle with trusting their employees end up creating restrictive work environments that leave employees feeling stressed, anxious and unable to do their best work. Good employees don’t want to work in a job where they’re not trusted by leadership. If you want to attract and keep great employees, it all begins with you.

For Peter Taylor the role of the leader is fourfold:

- To create the vision for the business
- Execute the strategy, delivering outcomes with all the resources available to the business
- Inspire all in the organisation to be the best versions of themselves in the roles which they have
- Build relationships, both within the company and externally, based on trust



**Dr Simon Fox** PhD, FRSA  
Associate Professor of Criminal Justice and Legal Education. Head of Law.  
Course Leader: MSc Criminology and Criminal Justice, MSc Criminology and Crime Scene Management  
Faculty of Business, Law and Digital Technology



**The Changing Workforce**

The National Decision Model  
What is your issue/concern?  
For example:

- Flexible working
- Remote performance management
- Health and Safety and the remote workforce
- Redundancies

Based on the National Decision Model introduced by the Association of Chief Police Officers (ACPO) 2011. Also see following link for further information on NDM: [www.app.college.police.uk/app-content/national-decision-model/the-national-decision-model/](http://www.app.college.police.uk/app-content/national-decision-model/the-national-decision-model/)

**Dr Simon Fox** *Continued*

Our decision-making model follows the current, tried and tested National Decision Model that is found at the heart of policing in England and Wales. It may seem odd to promote a decision-making process that emanates from policing, but the COVID-19 situation has catalysed the requirement for businesses to make decisions in difficult circumstances. Decisions that can be legally and ethically examined and challenged, both at the time and afterwards.

Policing must make difficult, ethical, legal, proportionate decisions and, importantly, learn from those decisions. So too must we if we wish to promote best practice and develop our businesses.

Our National Decision Model causes past, best practice to be considered and collated, and it ensures the identification of legal obligations and risks before establishing options to inform strategic actions that are then subsequently reviewed and collated. This process not only provides legal and best practice reassurance, but also has at its heart the *vision* of a business together with its *values* and *behaviours*. By following the model, a person will firstly reflect upon

Policing must make difficult, ethical, legal, proportionate decisions and, importantly, learn from those decisions. So too must we if we wish to promote best practice and develop our businesses.

similar situations and thereby understand past legal obligations and risks pertinent to their current objectives. Having considered their objectives, and past understanding, a person will then identify if their current objectives differ and require further consideration of legal obligations and risk. From this platform an individual and their organisation can then be confident that the options and contingencies they develop to inform their final strategy for action are based upon sound legal judgement.

The final stage of reflecting upon the outcome of the strategy closes the loop and causes best practice to build and enable an organisation to positively develop through time and experience. It must be emphasised that at each stage of the decision-making process the core vision, values and behaviours chosen by an organisation will assist in the direction of their choices.

Common ethical values may include aspects such as:

**Accountability**

You are answerable for your decisions, actions and omissions

**Fairness**

You treat people fairly

**Honesty**

You are truthful and trustworthy

**Integrity**

You always do the right thing

**Leadership**

You lead by good example

**Openness**

You are open and transparent in your actions and decisions

**Respect**

You treat everyone with respect

**Selflessness**

You act in the public interest

**Objectivity**

You make choices on evidence and your best professional judgement

“With the impact of COVID-19 expected to continue for some time, employers will now have to carefully consider whether they still wish to return to “business as normal” once all restrictions are eased, or whether they should instead start to plan for a new normal which embraces flexible working. This will include implementing new systems to ensure that they can still manage employees’ performance and effectively induct and train new employees.”



**Clive Dobbin**, Head of Employment  
Paris Smith

## Chapter 2: The future of flexible working

- Legally, where employees have demonstrated that they can work effectively from home or flexibly, it will be more difficult for employers to validly refuse flexible working requests on business grounds
- Employment law is not fit for purpose and will need changing
- Lasting changes create a ‘new normal’ in the way we work

### The ‘new normal’

The pandemic has upended many existing views about how and where we work. Under the national lockdown, UK businesses became part of a country-wide experiment testing mass remote working. And for very many while there were challenges and change, it worked. Post-COVID-19 it is likely that the efficiency and economic savings of working remotely from home will be balanced against the social and business value of working in offices.

Change is in the air. Global farming and food group, Barfoots, is one of many businesses which has found that it can adapt to remote working. Nick Lake, Barfoots’ Group Finance Director, says: *“The concept of mass remote working was largely limited in my thought processes as a mitigation strategy in the event of a disaster recovery scenario... The results have initially been very positive, and the business continues to function efficiently.”*

Nick Lake is proactively exploring the integration of remote working into Barfoots’ normal working patterns to cut down on commuting time and costs for his staff, and to help improve the welfare of employees.

It is a similar picture for Andrew Edmonds, Managing Partner, at accountants, Smith & Williamson LLP. *“Once this is all over, we will inevitably work more flexibly and I would expect more working from home - personally I am thinking 2 days per week; before lockdown it was about once a fortnight; more client interaction on Zoom, Teams, etc - not every meeting but it works well. We will still require more junior staff to attend the office most of the time - some have struggled working remotely where they don’t have the support of more experienced team mates to train them.”*

Not only have ideas been road tested, so too has technology infrastructure. The majority of employers have found that their systems can cope with home working. This has required a lot of investment in equipment and IT systems and has also led to the majority of companies working on a paperless or paper light basis. Employers want to retain the benefits of remote and paperless working and are unlikely to return to paper based working.

If organisations do look to work more flexibly, businesses may wish to alter hours to meet customer demand, for example, extending contact centre hours into the evening. Customers and clients will now have changed expectations as to whether face-to-face meetings are required and this may require changed business models, particularly in areas like sales and marketing. We are less likely to see sales reps on the road, for example.

The new situation may well assist an equality agenda seeking greater capacity for workplace flexibility. Equally, the traditional times of working may become flexible, although certain industries will probably need to keep to common working times to ensure trade.

Everyone has varying needs and expectations so flexible working operates differently depending on the size and nature of the business involved. On balance it seems set to become a more permanent feature of the way we live and work.

### The law as it stands

Employees have a legal right to ask to work flexibly. This right applies to all employees regardless of their caring responsibilities or the reason why the employee wants to work flexibly. The scheme has statutory force and there is an ACAS Code of Practice on how best to deal with flexible working requests.

Once you understand the flexible working request, it is important to then balance it against business need. As an employer you don’t have to agree to a flexible working request, but you need a good reason not to. You also need to consider whether refusing a request could indirectly discriminate against an employee, for example where the request is to accommodate childcare needs.

Flexible working policies, when implemented correctly, can offer huge benefits to your business - from increasing productivity to helping you attract the best talent and

**The law as it stands** *Continued*

keeping staff who might consider moving elsewhere if they are unable to balance caring commitments.

We suspect employees will be asking for more flexibility so they can work from home more often, or to change their hours to avoid rush hour commutes. Given how well home working has worked for many employers and employees, turning down a flexible working request may have just become a lot harder to justify.

**Law not fit for purpose**

While societal attitudes and practices around working from home (WFH) are changing, the law is stuck in pre-COVID-19 times. Often the last thing to keep pace with social, political and cultural change, it's hard to see how things can remain as they are.

Currently when businesses handle a request to WFH, the penalties for not complying are very weak and it's very difficult for employees to challenge. The legislation has to be strengthened to give employees a greater ability to challenge an employer's decision.

*"The legislation needs to be completely updated to give greater rights to challenge an employer's refusal to allow homeworking. Unless you bring a discrimination claim within a certain time period your rights are puny,"* says Clive Dobbin.

This is a view shared by Dr Simon Fox, Head of Law, Solent University. *"The law will need to catch up. COVID-19 may mark a revolution in how we work. Just as the Industrial Revolution caused mass migration to cities and then legislation and common law to be developed to match the new social and industrial working practices, perhaps COVID-19 has caused a migration to work from home with associated requirement for legal development."*

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**One obvious issue that will surface is whether employees have the right equipment to work from home - and who is obligated to ensure that they do? Employers will need to make sure they are doing the health and safety checks for their employees' home environment.**

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With any move into this new Covid Revolution era, there will be a greater requirement for at least tacit legal knowledge to help identify and develop legally informed options and contingencies, adds Dr Simon Fox.

Aspects such as employment contract and terms and conditions of employment, Human Resources, and Health and Safety obligations must also be considered and it's likely that these will need some revision too.

One obvious issue that will surface is whether employees have the right equipment to work from home - and who is obligated to ensure that they do? Employers will need to make sure they are doing the health and safety checks for their employees' home environment. While March's instant lockdown made it impossible to put all the necessary measures in place, this situation cannot continue to be left indefinitely.

Working from home has also thrown up other issues. School and childcare closures have meant that many employees have needed to work flexibly or reduce or change their hours. Where employees have demonstrated that this can work, this may have changed their employers' attitudes to flexible working and demonstrated that this can benefit both employer and employee.

James Cretney, Chief Executive, Marwell Wildlife, in Winchester with 300 employees says: *"Childcare arrangements have been a real issue for many and, going forwards, we'll do all we can to help. We've always been very open to flexible working requests and judge on output not time in the office."*

But it's also thrown up questions over how costs around childcare provision should be apportioned.

Gail Thomas, VP & Managing Director - Europe, of leading global distributor of specialty metals, TW Metals says: *"We also see staff citing childcare as a reason to reduce the hours they are available, yet they do not consider the partner's time in this equation. One company cannot be the sole bearer of the time given to childcare provision - this must be shared between two companies if both parents are working."*

**Follow Finland?**

While the UK may have taken leaps forward in flexible working during 2020, it is still some way behind Finland. By 2011 it was offering the most flexible working schedules in the world, according to a study for global accounting firm Grant Thornton, with 92 percent of companies allowing workers to adapt their hours.

Finland looks set to remain ahead of the curve thanks to its new 2020 Working Hours Act, which will give the majority of full-time employees the right to decide when and where they work for at least half of their working hours.

The argument for the change in the law, according to Tarja Kröger, a senior civil servant and advisor at Finland's Ministry of Employment and the Economy, who helped to draft the law, is that the wide availability of Wi-Fi and cloud-based technologies make it possible for many professions to work remotely, meaning employees can take more control of their schedules.

The Act also enables the use of a working hours' bank at every work place, which allows employees to work extra in exchange for additional vacation days. The maximum amount of hours saved in the bank may not exceed 180 hours per calendar year. The system is supposed to both consider employees' individual needs and to improve productivity and competitiveness.

**Hannah Leach**

Vice President, Employee Experience and Culture,  
Carnival UK (P&O Cruises & Cunard)



The cruise firm employs about 1,200 people at its UK headquarters in Southampton.

*"Carnival UK has actively promoted flexible working for some time, and we encourage informal flexible working. We've tried not to be too prescriptive, guiding people with three broad principles when making their decisions about how they want to work: Is it healthy? Is it realistic? Is it fair?"*

*The period of enforced remote working, has given people the opportunity to experiment with flexibility of location in a way that managers and their team members might not have been comfortable or confident in doing before. With COVID-19 constraints likely to be in place for some time, we do expect far more remote working both as a necessity but also as a choice. We don't see ourselves going back to a 9-5, Monday to Friday office-based environment.*

*That said, we don't anticipate Carnival UK becoming a predominantly remote, permanently Zoom-based business. Our ability to connect and collaborate personally is essential to our success. The energy we create when we come together, whether to generate ideas or to figure out solutions to challenges we face, is a remarkable strength of our culture.*

*We'll use the first half of 2021 to test new approaches, learning from our experiences of what works well and what doesn't. The learnings from the last few months are much broader than home vs office. We're interested to explore new ways of working that support wellbeing and productivity and our people have put lots of their own ideas forward such as meeting/email-free periods and core hours - we'll want their help to develop and embed these ideas and practices. We are also actively talking to other large businesses to exchange ideas."*

**Graham Wade**

Managing Director, Draper Tools



The Hampshire-based family business was started in 1919. Its Chandler's Ford site is now one of the largest stock of tools in one place in the UK.

*"We are changing our flexible working practices. When restrictions are eventually lifted, the need for our colleagues to come into the office every day in the future is just not necessary. But every department is different and whilst we are working as we are at present, we have already spoken to all our teams to understand their needs. It should be noted that we have brought some individuals back to the office - working safely of course - as they were struggling with mental health or just weren't able to work from home."*

*The biggest changes to how we work are smaller, more regular meetings within teams to ensure everyone is focused and working in the same direction. Communication and simple, clear goals are more important now than ever. Since we've adopted this method our teams are more efficient and flexible so these changes will be long term.*

*It has been a challenge keeping up with the changes both legal and social, especially in the early days of the pandemic, but we have received good advice from Paris Smith on many aspects."*



**William Smith** BSc (Hons), ACA  
Senior Partner, Reading & Southampton, KPMG



*“Many businesses and their workforces have been heavily impacted by COVID-19, but others have shown huge agility and their people huge flexibility in adapting to this new way of working. There is the obvious need to adapt business models to the current reality. Re-skilling and re-training mean different things to each business but this is a priority as businesses move their people to meet customer needs.*

*When developing our approach to flexible working during lockdown, we surveyed our employees and 79 percent of colleagues indicated they were happy to continue working from home for the foreseeable future. And over 70 percent said that they would appreciate having increased flexibility in their working arrangements post-COVID.*

*Our key priority is our colleagues’ health and wellbeing. Over the coming months we will ensure that no one has to travel or return to an office before they feel ready to do so and we know that our teams are productive and working well remotely. Every business I talk with expects to continue with a higher percentage of flexible/home working into the long term.*

*I suspect that future delivery models, for our services to businesses, will become largely virtual with face-to-face time at a company premises reserved for the key meetings. We expect our teams to be continuing to work from home or our office. This will have a number of potential benefits to the environment and the work/life balances of our employees with less travel. Technology has also allowed us to address issues or exploit opportunities more swiftly.”*

## Highlights

*“Carnival UK has actively promoted flexible working for some time, and we encourage informal flexible working. We’ve tried not to be too prescriptive, guiding people with three broad principles when making their decisions about how they want to work: Is it healthy? Is it realistic? Is it fair?”*

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**Hannah Leach**  
Vice President, Employee Experience and Culture, Carnival UK (P&O Cruises & Cunard)



**Graham Wade**  
Managing Director, Draper Tools



**William Smith** BSc (Hons) ACA  
Senior Partner, Reading & Southampton, KPMG

“Early on in the pandemic it was the furlough scheme employers struggled with. That has largely died down, with those that have now again furloughed employees after the scheme was extended finding this process much easier to manage. The main issue they are struggling with now is around managing the workforce. How do you get the workforce through the pandemic and how do you structure your workforce and manage redundancies?”



**Clive Dobbin**, Head of Employment  
Paris Smith

## Chapter 3: Performance management and dealing with redundancies

- Effective, informal, remote performance management is entirely possible; employers need to work harder to communicate and understand the challenges their staff face
- Surveillance technologies should be the last resort to avoid an erosion of trust and damaging your employee relations long term
- Get creative when considering options to avoid redundancies and remember employers cannot normally change employment terms unilaterally

### Managing remote workforces

Many businesses are used to having remote workers, such as sales staff, or drivers across the country. But lockdown has meant that millions of people have been forced into this new flexible working environment, as staff were hastily sent home in March with a laptop. As time has gone on it has become apparent that while some performance management practices can remain the same others must be done differently.

There are some key questions employers need to answer to enable effective processes to manage remote workers:

- How can teams stay in touch?
- How is team morale monitored and support offered to those who need help?
- How can success be shared to keep staff motivated?
- How can arrangements for supervision and training be put in place?
- How will staff access vital equipment and services from the business if required?
- How will productivity be measured?
- How can any compliance and regulatory requirements be met?

### Effective performance management

Effective, informal, remote performance management is entirely possible; employers need to work harder to

communicate and understand the challenges their staff face and what support they need. More formal performance improvement plans may require a more detailed look at processes in place.

The core principles of a Performance Improvement Plan remain the same. Employers must investigate why someone's performance is failing, communicate this and explain properly, then allow him or her a reasonable opportunity to improve against targets set. This 'reasonable opportunity' becomes the most important element when going through this process with a remote worker.

The member of staff may be in a working environment that's very much in flux, meaning they will need more support, more training, and given longer to improve.

- Employers will have to consider how they manage employees' performance if employees work from home longer term. This would include looking at employee monitoring
- Conducting regular appraisals and diarising regular catch ups will be more important as employees have less face to face time with managers. Managers will need to adjust more than ever away from judging on "presenteeism", and instead ensure they are assessing employees based on their performance, productivity and output



**Effective performance management** *Continued*

- Managing poor performance will be more difficult if remote working continues, with employers needing to consider how they will conduct any difficult conversations with employees and ensure that these are not avoided by managers
- Encouraging team bonding and co-operation between departments and within companies will be more challenging and employers will need to look at new options for this

**Disciplinary issues**

*"This is something we continue to see frequently throughout this period. Disciplinary and grievance issues must still be dealt with, despite the workforce not being in the office. Employers are obligated to act without reasonable delay, and employees must be given reasonable opportunity to engage in the disciplinary process,"* says Claire Merritt, Partner, Paris Smith.

So, how do you execute this process remotely?

- 1 Video calls will be a key communication tool**
- 2 Staff should be given longer to submit written complaints**
- 3 Always consider reasonable adjustments you could make**

If meetings do need to be face to face, appropriate distancing measures should be enforced, or protective measures used, like glass screens.

Some companies have turned to surveillance technologies as a way to measure performance, but this comes with its own risks.

*"I would say be very careful about considering that because the element of trust and the relationship between the employer and employee is key. If you put that technology in place and the employee thinks you are looking over them all of the time, then that can really undermine the relationship between you and your employee. It should be the last resort, not the first resort, because the idea of Big Brother watching over you is likely to be damaging to your employee relations in the long term,"* says Clive Dobbin.

**Employment tribunal disputes balloon**

HM Courts & Tribunals Service data shows that there is a record backlog of outstanding cases (over 45,000). It is almost inevitable that the coming months will see employers receive more employment tribunal claims brought about by the rise in redundancies, end of furlough and disputes relating to employers' handling of the pandemic. Employers should therefore prepare for a spate of claims, and for it to

take some time for those claims to be resolved, with final hearings being listed well into 2021 and beyond already.

**Multiple Claimants**

Changes to the tribunal system to ease the backlog are being introduced but will take some time to take effect. One issue that may particularly affect employers is a change to when multiple claimants can use the same claim form. This was previously restricted to where the claims were based on the "same facts". This has now been extended to where claims give rise to common or related issues of fact and law, or it is otherwise reasonable for them to be considered together. This change may encourage groups of employees to consider combining their claims in a single claim form, for example where they relate to the same redundancy situation. Another change is to allow simple claims like those for unpaid wages to be short tracked, meaning employers will have much less notice and time to prepare for the final hearing, which could be listed at just a few weeks' notice.

**Redundancies surge**

In October, Bank of England Governor Andrew Bailey told the House of Lords Economic Affairs Committee that the second wave of coronavirus cases hitting the UK economy is likely to increase the long-term damage to the economy as businesses go bust and consumer behaviour changes.

The UK unemployment rate has surged to its highest level in over three years as the pandemic continues to hit jobs. The unemployment rate grew to 4.5 percent in the three months to August, compared with 4.1 percent in the previous quarter. Analysis from Citibank suggests the unemployment rate could hit 8.5 percent in the first half of 2021 - a level not seen since the early 1990s.

*"People are reviewing their workforce and have realised they don't need everyone they had and therefore that is a long-term issue. Then there are other employers who are working out how to survive the pandemic through until spring or the summer of next year and to do that they need to make redundancies and cut costs,"* says Clive Dobbin.

Be open and honest and communicate with staff. If they understand why you are doing it, they are much more likely to accept it.

*"If you went back six months, you'd find that the problem was recruiting staff. So, when you've got the skills you don't want to lose them. You only want to make redundancies as a last resort because you may want to rehire those employees again next year,"* advises Clive Dobbin.

Gail Thomas, VP & Managing Director - Europe, of leading global distributor of specialty metals, TW Metals says: *"Right now, we are concerned and very focused on protecting jobs and reducing costs not adding to them; with a 50 percent drop in revenue and the forecast of three years before we return to pre-pandemic levels, retaining the current staffing numbers is a massive challenge."*

**Options to avoid redundancies**

**1 Temporary cut in pay while keeping hours the same**

**2 Temporary cut in hours with associated reduction in pay. Here, the rate of pay remains but the employee works, say, 3 days per week**

**3 Job share. You might have 2 full time employees who will agree to job share for a period of time to keep both in a job**

**4 Sabbaticals/career breaks. These are rare in the private sector and often have a qualifying requirement. An employer could relax the rules and offer this option broadly**

**5 Re-training. Good employees can be retrained or redeployed**

**6 Offering employees retainers until the situation improves**

**7 Voluntary redundancies: whilst not a job-retention tool, voluntary redundancies can be offered to avoid compulsory job cuts. In this period of lockdown, employees will have reflected, and some might not actually want to come back. If you offer employees voluntary redundancy, it gives these people the chance to move on quietly, professionally and amicably**

**Changing employment terms**

From a legal point of view, employers must remember that employers cannot normally change employment terms unilaterally.

To do this would be a breach of contract and could lead to a variety of reactions including constructive dismissals, breach of contract claims and claims for unlawful deductions from wages.

Employers should be sensitive to the hopes and fears of employees. Employees understand that we are in an unprecedented crisis, that costs need to be cut and that this includes employment costs. But employees will be frightened about compulsory redundancies or permanent or unlimited changes to their employment terms.

*"I find employees to be a lot more receptive to the idea of a temporary variation in employment terms with a defined end or review date and clear understanding of what will happen at that point,"* says David Roath, Partner, Paris Smith.

*"I would urge employers and employees to be creative and flexible. Why incur a lot of redundancy costs in dismissing your talent pool only to have to re-hire in 2021? If costs can be cut then maybe you can retain a good number of employees and wait for the economy to bounce back,"* suggests David Roath.

*"One thing I haven't seen but I would like to explore with employers is linking any pay reductions with the downturn and the effect on the employer,"* says Roath.

An employer could link any recovery in pay with the performance of the business, much in the way that bonus schemes will often have an element linked with business performance.

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Employers should be sensitive to the hopes and fears of employees. Employees understand that we are in an unprecedented crisis, that costs need to be cut and that this includes employment costs.

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“The impact of COVID-19 has meant that we are all working and living in a new environment. Now more than ever businesses and individuals must work together to support each other. Employers need to consider how they can make sure that employees do not feel alone when they are working remotely, and they find ways to increase employees’ resilience to the benefit of all.”



**Claire Merritt**, Partner  
Paris Smith

## Chapter 4: Mental health and the workforce

- Set up ways to spot the signs that an employee may need more support when you are not seeing them face to face. A failure to do so could result in lower productivity or in extreme cases disability discrimination claims
- We are likely to see more trained mental health representatives being introduced and changes to internal policies and practices
- Possible changes to the law as the current minimum standards set are unlikely to be sufficient to support employees through the many different potential mental health and wellbeing impacts of COVID-19

### Time for a rethink?

With vast swathes of the population working at home, businesses can't afford to put mental health low down the agenda. Overall levels of anxiety in the UK are increasing, as measured by the Office of National Statistics, and are at their highest level since April. Pre-COVID-19, in 2019/20 the UK lost 17.4 million working days to work-related stress, depression or anxiety according to the HSE, 2019.

In the post-COVID-19 world, this number is likely to be much higher. Early indications suggest that the pandemic and measures taken by government to control it, such as lockdown and social distancing, will have a significant impact upon the mental health of employees possibly for many months and even years ahead.

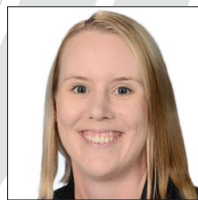
Mental health at work is a key concern for the business community. Prior to the pandemic more businesses were beginning to take notice of their mental health support systems and recognising how supporting staff through policies, activities and procedures is beneficial all round.

Among those who have reviewed their policy is the world's largest cruise company, Carnival UK, based in Southampton.

*“We've provided mental health awareness training to over 200 colleagues and we have a regular drumbeat of communications and training to ensure people are paying attention to their mental health. We're trying to ramp this up as we head into the tough winter months by giving people access to webinars, online events and resources to keep wellbeing front of mind. We have an in-house Occupational Health Team, and we have an Employee Assistance Programme which offers a helpline and online tools and resources which people are using,”* says Hannah Leach, Vice President, Employee Experience and Culture, Carnival UK (P&O Cruises & Cunard)



“During the lockdown and when planning for the return to school we have highlighted to staff the support available to them and have encouraged line managers to check in regularly with their staff. All staff have access to a confidential 24-hour counselling line, school counsellor and Occupational Health Doctor. We have worked through individual concerns with staff in higher risk groups or those staff feeling anxious about returning and provided additional support when needed.”



**Jo Sinclair**, Head of HR  
King Edward VI School and Stroud School

**Time for a rethink?** *Continued*

Poor mental health is the biggest cause of long-term absence at work. The CIPD, the professional body for HR and people development, says its annual CIPD and Simply Health and Wellbeing survey showed a growing concern by employers of the state of people's mental health. This year's survey findings again confirmed that the main risks to people's health at work are psychological with an increase in unhealthy practices like 'presenteeism' and 'leaveism'. These can breed illness, fatigue and lower productivity.

**What can go wrong?**

Not adequately dealing with mental health issues can leave businesses with a poorly performing, disengaged workforce, and in more extreme cases, employers could face claims of disability discrimination. Employers have a duty to assess the risk of stress related ill-health arising from work activities, and they must make reasonable adjustments for employees who may be suffering.

The remote workforce that we are faced with is looking more and more likely to be a permanent fixture, which means that word 'reasonable' now needs some serious attention.

What is 'reasonable' will depend on the circumstances, the nature of the disability and the resources of the employer. It could however include amendments to hours or location of work, provision of specialist equipment or the duties of the job itself.

**Preventing a problem in the first place**

In their booklet, *Managing and Supporting Mental Health at Work*, the charity Mind notes several conditions which could lead to poor employee mental health, including lack of control, lone working and job insecurity; all things which COVID-19 has made more and more commonplace.

Employers therefore need robust policies in place and to review even the most sophisticated policies to make sure they are fit for purpose in light of a rapidly changing workforce.

A good mental health policy should:

- **Recognise mental illness as a real illness**
- **Not be limited to stress and anxiety**
- **Have clarity about the role of managers and the role of affected employees**
- **Demonstrate a commitment to promoting awareness and understanding about mental health**
- **Provide language for those affected to use**

**Creating a supportive work environment**

So, if employees' working environment has changed and is now remote, what can employers actually control, and how can they create a supportive work environment, when that 'environment' is virtual? A good policy should have the nuts and bolts in place to apply to remote workers.

The key elements are:

- **Training and development plans for staff and managers**
- **Communication procedures specifically relating to health**
- **Sophisticated confidentiality policies**

Businesses can also consider implementing 'buddy' systems or training mental health first aiders.

Jo Sinclair, Head of HR, King Edward VI School, Southampton says: *"During the lockdown and when planning for the return to school we have highlighted to staff the support available to them and have encouraged line managers to check in regularly with their staff. All staff have access to a confidential 24-hour counselling line, school counsellor and Occupational Health Doctor. We have worked through individual concerns with staff in higher risk groups or those staff feeling anxious about returning and provided additional support when needed."*

King Edward's is a leading private school in Southampton, with its own prep school and extensive facilities. It has been part of the educational fabric of Hampshire for over 460 years. Stroud school is a flourishing IAPS preparatory day school set in a rural 22 acre site on the outskirts of Romsey.

*"We recognised early on that staff would be feeling a range of emotions about returning to school, so we invited staff to discuss their feelings and worries and staff were consulted and invited to provide feedback on the school's risk assessment. The wellbeing of staff and pupils is a focus for the school, and we will this year be implementing a staff Wellbeing Policy to help further enhance a positive culture of wellbeing at the schools,"* says Jo Sinclair.

**Zoom fatigue**

Working remotely during the UK's first COVID-19 lockdown led to an increase in employees suffering from 'Zoom fatigue' while generating a need for longer recovery time, says new research by London South Bank University (LSBU).

In the UK, apart from the Working Time Regulations and general health and safety obligations, we have no specific laws addressing the issue of electronic access out of hours or hours linked to digital tasks and tools like Zoom.

It is more a question of individual employers adopting internal measures to promote wellbeing among staff, recognising that, apart from their general health and safety/working time obligations, this is likely to be better for recruitment, retention and productivity.

The research, carried out by Karin Moser, Professor of Organisational Behaviour at LSBU's Business School, is

**Zoom fatigue** *Continued*

the first study of its kind in the UK to show how remote communications can harm employee wellbeing at work, if left unregulated.

The research shows how remote working generally leads to increased tiredness or 'Zoom fatigue' for employees and a greater need for longer recovery time compared to on-site office work.

Communication via video calls is more tiring to deal with than other forms of digital communication, such as emails, texts, or chats, as video calls require higher levels of self-control and regulation of emotion. Daily fluctuations in different forms of remote communication between employees is detrimental to the overall wellbeing of the workforce, according to Professor Karin Moser.

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## The research shows how remote working generally leads to increased tiredness or 'Zoom fatigue' for employees and a greater need for longer recovery time compared to on-site office work.

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Requirements to respond to email and other forms of communication almost immediately have grown with the rise of working from home (WFH).

*"If you look at other countries like France and Germany, they have some form of regulation over working practices and the need to respond to emails within certain hours. This will need to be looked at because now we are constantly on call,"* says Dr Simon Fox, Head of Law at Solent University.

*"The tendency I am noticing is that people are putting more and more upon themselves and I am concerned that there needs to be a proper consideration of people's wellbeing and their mental health, as well as their physical health, in regard to working remotely and WFH. That leads back to the law needing to adjust and keep pace. At the very least, training needs to be given where people do understand how and when they should respond,"* he adds.

The issue of maintaining a healthy work-life balance is on the agenda, but it remains to be seen if the UK will legislate like the French to introduce a new law seeking to address the "always on" culture.

Some employers do have policies limiting the number of internal emails they can send on a given day. This encourages people not to overload each other with unnecessary emails and to talk to each other instead to get things done. It also frees them up to focus on more productive activities rather than operate as inbox managers.

Professor Moser's study recommends that employers should be aware of employees' need for adequate time

to recover from the demands of remote working and give their staff additional breaks and stipulate no working beyond core hours.

It also encourages employees to shut down digital devices such as laptops and work phones, outside core working hours, in order to maintain a healthy work-life balance.

The study says employers should support and encourage healthy recovery time following remote working, for example, through extra-curricular activities such as sports, family time, off-screen activities and by creating workspaces at home, where possible.

Whereas previous research looking at remote working practices in the UK focused on employee productivity, this study is the first of its kind to demonstrate that these practices pose a threat to employee wellbeing.

The pandemic has thrown much of the workforce into one huge online experiment, forcing the majority of employees to work from home suddenly. This has left staff with no previous experience of remote working, with little time to prepare and adjust.

*"The danger is that many work routines are now dictated by what technology packages are available, giving the user little time for reflection on whether what's been provided is adequate. Meanwhile employees are also lacking the necessary skills training to help them collaborate and lead virtually. This business practice is not sustainable, and in the long-term, will have detrimental impacts on employee health and productivity,"* says Professor Karin Moser.

**The right to disconnect**

Elsewhere there is discussion around the right to disconnect, a proposed human right regarding the ability of people to disconnect from work and primarily not to engage in work-related electronic communications such as emails or messages during non-work hours.

The boundary between work life and home life has shrunk with the introduction of digital tools and more so during the pandemic. While these tools bring flexibility and freedom to employees, they also can create an absence of limits, leading to excessive interference in their private lives.

A recent study endorsed by the International Labour Organisation has affirmed the need for workers to be able to disconnect from technology in order to avoid the blurring of the lines between work life and personal life.

For now, companies are making these decisions for themselves. U.S. technology firm Cisco has given its 76,000 employees two "unplug day offs" to promote mental health during the pandemic.

Certainly, employees are looking to their leaders to set the tone and lead by example.

*"In my weekly videos I am constantly reminding people to take a rest, their holidays or downtime as well as regular breaks and to switch off their phones,"* says Paris Smith's Managing Partner, Peter Taylor.

“With many businesses capitalising on the new ability to work remotely, a clear advantage is that this will open a wider talent pool, with vacancies potentially attracting interest from much further afield. Whilst some roles may be inundated with candidates in markets hit by COVID-19, these changes in the way we work, coupled with Brexit will mean other businesses will face a skills gap which they will struggle to fill.”



**David Roath**, Partner  
Paris Smith

## Chapter 5: The new national talent pool, the digitised workforce and skills gap

- Recruitment is likely to be less tied to geography, creating a new national talent pool
- There is a job to be done in terms of improving the IT and tech skills of certain employees. Employers will need to embrace this in the new norm
- Employers should consider how to meet training and development needs remotely and how they will manage internal promotions and appointments

### Skills vs location

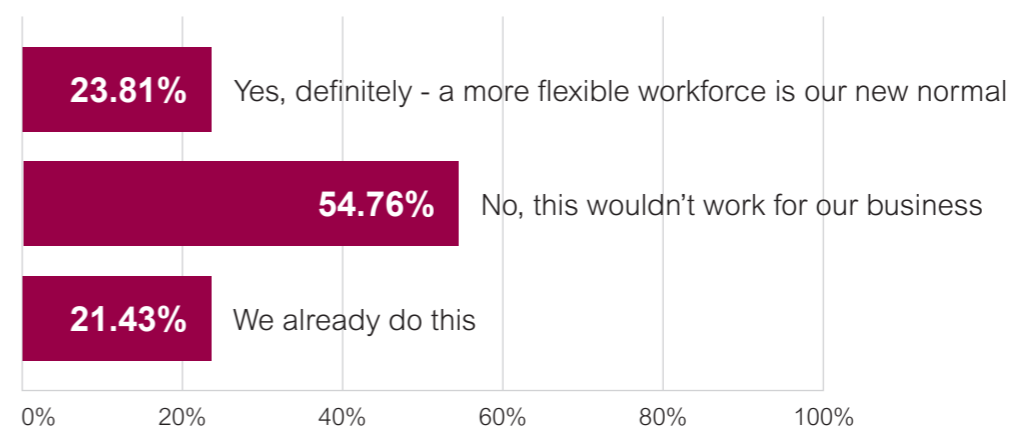
One of the unintended consequences of COVID-19 has been the creation of a new national talent pool as employers increasingly look further afield for employees, with skills topping location. Some, as shown by our survey of senior HR professionals, are willing to dip their toe into this

much wider recruitment pool and are considering hiring a completely remote employee. Others are widening the geographic area they select from, as long as employees are within reasonable distance of the workplace to come in for team meetings say a day or fortnight a month.

### Question

With a more flexible workforce now becoming more normal, would you consider recruiting outside of your normal geography, and take on a completely remote employee?

### Answer



Employers need to consider how they can sell themselves to new recruits without meeting face to face and whether factors such as flexibility, security and work life balance will now be more important than bonuses and progression opportunities. For those not affected by COVID-19 this is a great opportunity to recruit good talent.

*“Given the nature of our business, we already have a real culture of agile working and believe offering flexible working arrangements helps us to attract and retain the best talent,”* says William Smith, Reading & Southampton Senior Partner at accountancy firm, KPMG.

“There has been a need for restructuring in some areas, particularly field sales, where there is much less of a need or desire for face to face meetings. Most companies are finding that the future needs a different approach, which, in turn requires new training.”



**Graham Wade**, Managing Director  
Draper Tools

**Skills vs location** *Continued*

COVID-19 has necessitated a change in development and speed. According to the Office for National Statistics - Opinions and Lifestyle Survey - when asked how their work had changed since the coronavirus pandemic, working adults reported that they had to:



Hannah Leach, Vice President, Employee Experience and Culture, Carnival UK (P&O Cruises & Cunard) says: *“Unfortunately, to protect the future of the business it was necessary to make a number of redundancies earlier in the year. As a consequence, many of those employees who stayed needed to diversify or expand their responsibilities. I don’t think any business can as yet know the full extent to which their business model might be permanently adjusted and so require completely new or different skillsets from a technical perspective.”*

Meanwhile businesses are recruiting more using digital tools like LinkedIn, a trend which is set to accelerate.

**The digitised workforce**

As businesses have dealt with the impact of the pandemic, the importance of enterprise-wide digital transformation has become more evident, according to the findings of a survey by KPMG. In its recent survey of CEOs, four-fifths (80 percent) of UK CEOs say the pandemic has accelerated the creation of a seamless digital customer experience.

There’s also been a strong focus on how digital transformation can deliver more resilient operating models, provide new revenue streams and enable the workforce of the future, it says.

UK businesses have risen to the challenge, according to KPMG, implementing new technologies at breakneck speed and 48 percent of UK CEOs say this sharp acceleration has put them years in advance of where they expected to be. While 78 percent say that the pandemic has accelerated digitisation of operations and the creation of a next-generation operating model.

**80 percent of UK CEOs say the pandemic has accelerated the creation of a seamless digital customer experience.**

**There needs to be technological advances to make sure that employees can WFH. The technology is there but not everyone has invested in it yet.**

Asked what investments they would prioritise to meet their strategic objectives, UK CEOs were split almost 50:50 between buying new technology and developing workforce skills. That’s in stark contrast to the United States, where almost three-quarters of CEOs are prioritising digital investments.

There needs to be technological advances to make sure that employees can WFH. The technology is there but not everyone has invested in it yet.

**Dealing with the skills gap**

The CBI’s report *“Learning for life: funding world class adult education”*, based on McKinsey & Company analysis, shows that nine out of ten employees will need to reskill by 2030 at an additional cost of £13 billion a year. With COVID-19 now accelerating changes to the world of work, there is a job to be done in terms of improving the IT and tech skills of certain employees. Employers will need to embrace this in the new norm.

*“I think generally employees have coped well but of course there are people who are uncomfortable with IT and that has become a problem. If you are unable to get to grips with the technology, you will find there is no role for you in the workplace,”* says Clive Dobbin, Partner, Paris Smith.

According to the Industrial Strategy Council’s report, the UK’s demand for skills - particularly technology and interpersonal/people skills - will increase considerably over the next decade, while the supply of those skills will be constrained.

The paper shows that reskilling the existing workforce will be the major challenge between now and 2030. The most widespread under-skilling is likely to be in basic digital skills, which are likely to look increasingly advanced, compared to what we might consider ‘basic’ to look like at present. In total, five million workers could become acutely under-skilled in basic digital skills by 2030, with up to two-thirds of the workforce facing some level of under-skilling.

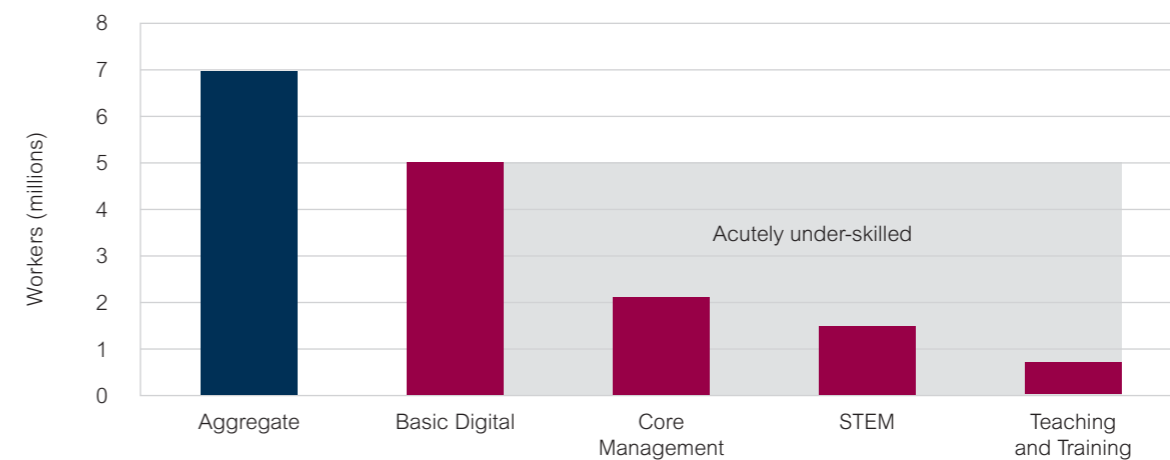
Although the UK is the fifth most digitally advanced nation in Europe according to data from the European Union, it is still facing a significant digital skills shortage. The report, *Bridging the Digital Divide*, concludes that 37 percent of jobs are expected to alter significantly in the next five years - which could see 12 million employees in the UK affected by changing roles or potential redundancies.

Businesses spend millions of pounds a year on training, but despite its growing importance, investment in adult learning has stagnated over the last decade. Small employers also face unique barriers in delivering training, including a lack of capacity and scale.

Graham Wade, Managing Director, Draper Tools says: *“There has been a need for restructuring in some areas, particularly field sales, where there is much less of a need or desire for face to face meetings. Most companies are finding that the future needs a different approach, which, in turn requires new training.”*

The changing shape of the labour market means that the workforce in 2030 will need to spend far more time on ‘technological skills’ and ‘social and emotional skills’, where human agency and decision making will be crucial to success.

**Number of under-skilled workers in 2030\***



**\*Industrial Strategy Council Report**

The aggregate projection includes workers that are under-skilled across the weighted skill bundle required for their job. An individual could be under-skilled in a certain skill but might not be across their weighted skill bundle. The red bars show a subset of specific workplace skills.

“Employers will now need to assess whether they need to retain an office presence and if so, in what form. Decisions made by employers in this area will have a clear impact on our city centres and business areas. Companies will need to consider their needs and the expectations of their current and prospective employees, clients and customers.”



**Peter Taylor**, Managing Partner  
Paris Smith

## Chapter 6: The office environment post-COVID-19

- COVID-19 provides an opportunity for employers to rethink the office space
- Health and Safety must be the priority to encourage employees back to work and ensure that employers can comply with their legal and moral obligations. This, not space or cost saving, must be at the heart of the design
- The rise of localism and increasing sense of community is set to shape the high street and ways in which city centres are used

### The office is not dead

While huge numbers of the UK population have got used to working from home (WFH) and may look to do more of this once the COVID-19 pandemic ends, neither employees nor employers seem keen to consign the office to the dustbin. The office has a role to play and COVID-19 has given businesses an opportunity to reimagine what is needed from that space.

The findings of our Paris Smith survey of 51 senior HR professionals show that 63 percent of responders believe the office space is really important to their business and

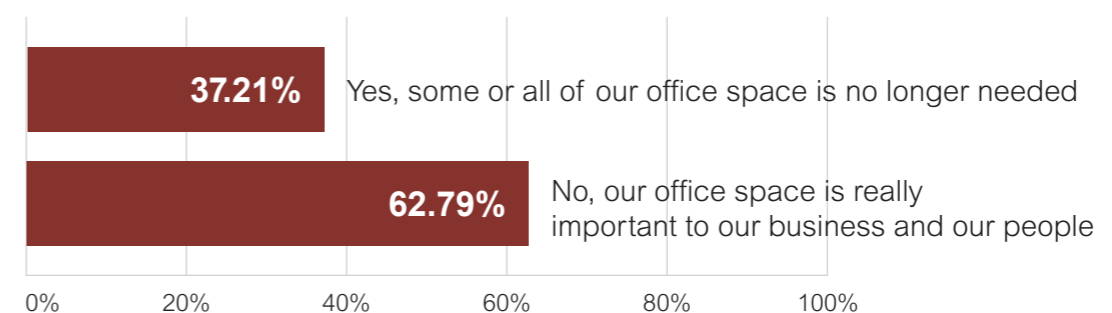
their people but not as we know it now. Some 37 percent of survey participants said some or all of their office space is no longer needed.

Across the country large businesses like BP, Lloyds Bank, Google, Linklaters, Facebook and HSBC have said that employees need not come back to the office full time. Others like Twitter have said employees need never return there at all. Many are rethinking how and why they use office space.

### Question

Are you reviewing your need for office space following the COVID-19 pandemic?

### Answer



Employers have said they need a space to bring people together and are considering differing options, from slashing the amount of space they use through to using small hubs away from a central hub.

Andrew Edmonds, Managing Partner at Smith & Williamson LLP, a firm of accountants in Southampton says: “Prior to

lockdown we had signed a lease on a new London office - 100,000 sq ft. We have ripped up the original space plan for this and are now working on something which would support more agile working. The buzz phrase around the firm seems to be - “Come to the office to collaborate, go home to work.”



“Prior to lockdown we had signed a lease on a new London office - 100,000 sq ft. We have ripped up the original space plan for this and are now working on something which would support more agile working. The buzz phrase around the firm seems to be - “Come to the office to collaborate, go home to work.”



**Andrew Edmonds**, Managing Partner  
Smith & Williamson

### The office is not dead *Continued*

During the COVID-19 period landlords and tenants have been reviewing contractual arrangements and this trend is likely to continue. Landlords and tenants will need to work together, for example, to allow flexibility on space and make sure buildings are COVID-19 safe.

Those employers that have started to welcome employees back to the office have already made significant changes to the office environment to comply with the COVID-19 secure guidelines, from installing screens and hand sanitising stations to one-way systems.

While it was gradually becoming the norm, those employers that had embraced agile and open plan working have found it hardest to adapt to the new social distancing requirements. There is a balance in the short term between increased floor space needed for social distancing and decreased office space needed if home working for many becomes permanent.

### What is the purpose of the office?

To bring people together. Most companies wish to retain an office presence as the physical heart and soul of their business. It may also be to meet clients and for core services that can't be done remotely. The office has a huge role to play in bringing teams together for reinforcing the cultural values of a business and is seen as critical for training and educational needs.

Every business should be posing this question and reviewing - what is it that the central office can offer you that the home office cannot?

Paris Smith's Managing Partner, Peter Taylor, says the more secure firms and well-established businesses in the financial and professional services sectors, fintech and IT businesses are starting to think about it. *“But those in sectors feeling vulnerable, like the hospitality sector, are still firefighting and wondering what their future is going to look like.”*

People are considering their physical footprint. Peter Taylor adds: *“Will we need the same amount of space if people are spending 2-3 days a week working from home? The surveys we have undertaken of our staff are indicating that the majority are wanting to work from home 2-3 days a week. The capacity and occupational rates of offices will be 50-60 percent.”*

The starting point is to understand what the requirements are and what works for your key resources - your people. *“Our staff have been productive while they have been working from home but we have some staff whose domestic working arrangements at home are difficult,”* says Peter Taylor.

### How will it be used?

The professional body for HR and people development, the CIPD, doesn't believe that masses of white-collar workers will end up working from home permanently as a cost-cutting measure. Instead, it thinks office spaces will become places where just some staff are based, or that employees work in the office at different times and on different days on a rotation, and that the office space will be used more for face to face meetings.

Meanwhile, William Smith, Partner, KPMG, says the area that every business is considering is around training, coaching their staff and onboarding new employees. *“I think all recognise the challenge of trying to do this entirely virtually which is why we expect to see the need for team collaboration space in our offices into the long term.”* How the office will be used is a key issue for employers. While a mix of more home working may suit employees, it has to suit employers too, especially if they want to reduce office space. Employees can't expect to have an office just waiting there for them for whenever they want to go into the office. Some sort of structure needs to be put in place so that employers avoid the expense of paying for two offices for every employee.

### Risk and Review

As well as reviewing what and how to use the workplace, employers are undertaking risk assessments to make their places of work safe and secure. Risk assessments can take on board many aspects of staff health and safety and should be the priority to encourage employees back to work and ensure that employers can comply with their legal and moral obligations. This, not space or cost saving, must be at the heart of the design.

Jo Sinclair Head of HR King Edward VI School in Southampton says that after an initial period of school closure one of her biggest challenges was returning colleagues to work safely and with acceptable levels of workload when the schools fully reopened to pupils.

The school has developed a detailed risk assessment in line with government guidelines. In advance of the schools re-opening all staff were given the opportunity to tour the school sites to see first-hand the safety measures that had been put in place by the facilities team and provide feedback.

As Head of HR, Jo Sinclair spoke individually with both vulnerable and anxious colleagues to discuss any individual concerns and arrange Occupational Health assessments where necessary. The senior leadership team still meets staff weekly on Zoom so that staff have an opportunity to put forward suggestions or thoughts for how the school is tackling COVID-19. The risk review is under continual review to keep up with changes in government guidelines and staff feedback.

### Technology tools

Technology has revolutionised the way we work and will continue to do so. Businesses are considering how it can be used to help keep them COVID-19 safe and compliant. In future could temperature checks, electronic monitoring of which staff are in the office and paperless working become the norm?

Jo Sinclair says: *“As an HR team we had to adapt quickly to home working during lockdown while continuing to provide the continued HR support that was required more than ever. Interview processes were moved online, team meetings took place on Zoom, we quickly established the use of Adobe Sign for the sending and signing of*

“None of us knows what the High Street will look like in ten years’ time. It’s even hard to predict the situation in one year’s time, given the impact of COVID-19. But successful high streets are an outcome, not the cause, of successful city centre economies. Cities that attract more high-skilled jobs will have fewer vacancies on the High Street and a wider range of amenities and leisure options,”



**Giles Semper**, Executive Director  
GO! Southampton Business Improvement District Ltd

**Technology tools** *Continued*

*employment paperwork and we significantly increased our communication with staff to help with any feelings of isolation, particularly with our furloughed staff.”*

*“Long-term the IT department is looking to replicate the success we have had with digital signing of paperwork in other departments across the school as we move towards being an increasingly sustainable environmentally friendly school.”*

**The changing face of the High Street**

A potential shift in working practices, particularly for office-based roles, in the aftermath of the pandemic could further exacerbate office decline in city centres. Investors and business owners seeking prime, well located office space also need to consider the resilience of the existing stock design in light of the need to suppress transmission.

This by no means implies the end of cities, since cities are capable of being places of economic consumption as well as places of production.

Giles Semper, Executive Director, GO! Southampton Business Improvement District Ltd, says that although the population in Southampton has grown hugely over the last 20 years, the number of jobs has fallen, and the city has a lower-than-average rate of professional businesses.

So, the current decline of professional jobs in the city is a real concern.

*“None of us knows what the High Street will look like in ten years’ time. It’s even hard to predict the situation in one year’s time, given the impact of COVID-19. But successful high streets are an outcome, not the cause, of successful city centre economies. Cities that attract more high-skilled jobs will have fewer vacancies on the High Street and a wider range of amenities and leisure options,”* says Giles Semper.

*“Like many other UK cities Southampton needs a complete rethink. Retail areas that are stagnant or dying will need to be repurposed to allow for residential. The remaining shopping and leisure will need to be rezoned into areas with distinct and attractive offers. The cars that blight the city should come out and each quarter have its own management and activation plan,”* he suggests.

Elsewhere, William Smith, Partner, KPMG says: *“We do see a continuing need, post COVID-19, for companies to be able to access quality meeting space that allows them to meet as a team, collaborate with their advisors or perform confidential discussions. We offered this space before COVID-19 and expect, as companies potentially reduce their office space, that this will become even more important in our role of supporting the local business community.”*

**The rise of localism and community**

As people go to the office less in city centres, they are rediscovering where they live. This has led to a rise in localism on many levels. Businesses are sharing and collaborating and looking to supply products and source products much more locally than they would have done in the past. The idea of global markets does not seem as reliable and people want to be much more confident that they are in control of where produce and products come from. Technology has proven that more can be done working from home and the majority of employees are glad to cut down on lengthy commutes.

*“You are seeing the growth of local businesses and local food being eaten. Localism and that sense of community is coming back, and I think that the high street is starting to change,”* says Peter Taylor, Managing Partner, Paris Smith.

*“We employ people who live in our community and it creates a sense of pride for them and their family that the company that they work for is playing its part in ensuring that the community that those families are living in can also thrive economically, environmentally and in a healthy way in the future,”* says Peter Taylor.

*“It goes beyond saying we want our people to be the best we can, we want our clients to be the best they can but also let’s make sure that our communities are as healthy and as prosperous as they can be. It’s that sense of common purpose and shared experience.”*

Often the key measure of success for business up to now has been profit.

There are now three pillars of success suggests Peter Taylor:

How you treat people and the impact you have on others

The impact you have on your community and your environment

Profit so that you can invest in the future

These three key pillars of success will enforce localism given you can do so much digitally and comfortably from home.

“It’s important to look for the opportunities in whatever situation you are facing. There is a solution for virtually everything. It may not be easy to find but it will be there!”



**Peter Taylor**, Managing Partner  
Paris Smith

## Conclusions:

*“It’s important to look for the opportunities in whatever situation you are facing. There is a solution for virtually everything. It may not be easy to find but it will be there!”* says Peter Taylor, Managing Partner, Paris Smith .

The discovery of several potential vaccines for COVID-19 in 2020 has shown us just how true this is and provides us with the optimism and opportunity to deal with the many changes to the workforce and the workplace that the future holds.

Here are some of the main findings of our report:

- Employment law is not fit for purpose and will need changing
- Legally, where employees have demonstrated that they can work effectively flexibly or from home, it will be more difficult for employers to validly refuse flexible working requests on business grounds
- Tribunal claims and disputes continue to escalate. Employers are facing a growing number of claims arising from redundancies and the furlough schemes
- Get creative when considering options to avoid redundancies - and remember, employers cannot normally change employment terms unilaterally
- Recruitment is likely to be less tied to geography, creating a new national talent pool
- There is a job to be done in terms of improving the IT and tech skills of certain employees. Employers will need to embrace this in the new norm
- Employers should consider how to meet training and development needs remotely and how they will manage internal promotions and appointments
- The office is not dead. COVID-19 provides an opportunity for employers to rethink the office space
- The rise of localism and increasing sense of community set to shape the high street and ways in which city centres are used
- Health and safety must be the priority to encourage employees back to work and ensure that employers can comply with their legal and moral obligations. This, not space or cost saving, must be the heart of the design
- Possible changes to the law as the current minimum standards set are unlikely to be sufficient to support employees through the many different potential mental health and wellbeing impacts of COVID-19
- Communicate, communicate, communicate. Don’t allow vacuums of communication to arise

The pandemic has revealed a capacity for change that managements worldwide had routinely underestimated. Most people had never been asked for ideas and didn’t expect them to be heard. Companies had become fixated on incentives but to many people, satisfaction at work never meant hitting targets or achieving profit milestones. Success came from working alongside trusted colleagues to contribute to goods or services that mattered. That’s the experience many more had when COVID-19 struck. And it’s the way people want to keep working say Cath Bishop conflict diplomat and Margaret Heffernan, author of the FT/McKinsey Business Book of the Year *“Uncharted: How to Map the Future Together”*.

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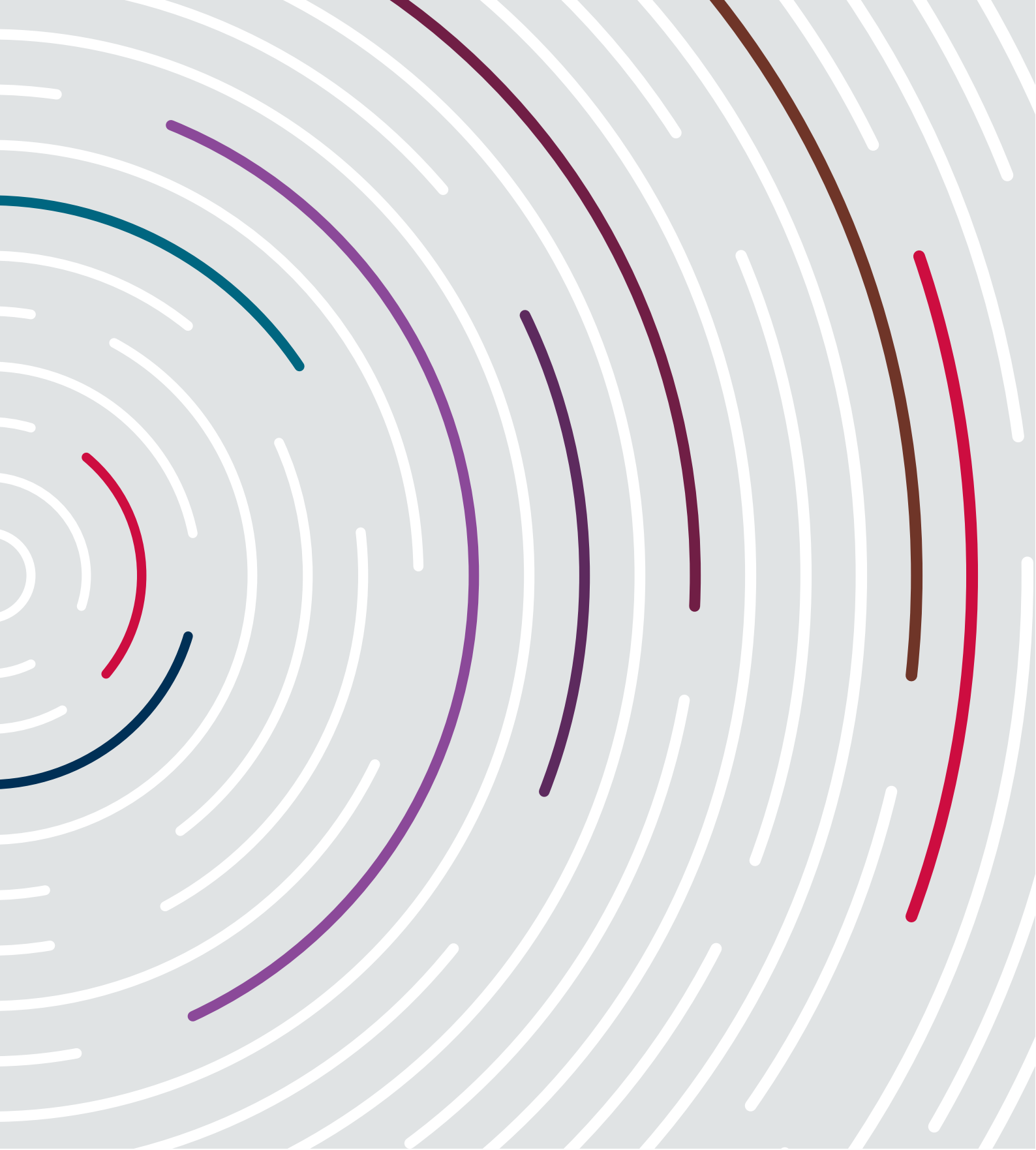
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