

READY-SET-UPSKILL



Upskilling Survey May 2022



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Summary

- Introduction - Time to Talk
- Current work model
- Flexibility
- Work model and productivity
- Tension between management and employees
- Future of work models
- Final notes
- Methodology



Time to talk

After almost two years of pandemic-induced disruption, companies and workers have finally started to experience a sense of normality across Australia in 2022. In the second quarter, most businesses began going back to the office without government restrictions and are now defining their new working models.

At RMIT Online, we study and help shape the future of work. This report contributes to understanding how businesses rethink these new models post-COVID.

The most critical finding of the report is that leaders and their employees have significantly different views about how to move forward, the impacts of the changes, and what the future holds. This dissent led our research team to coin the expression "The Office Clash" to name the growing rift between business leaders and workers regarding the office's role.

One example of this contrast is that an overwhelming majority of respondents (89%) say organisations want employees back in the office most of the time, while 91% of no-managers believe employees wish for much more flexibility. The friction is already happening. Almost half (44%) of those interviewed say their bosses have mandated they go back to the office full time, but 71% of those back would prefer to spend at least one day at home -- 56% would want two days or more.

There are multiple explanations for this rising tension between companies and employees — factors like age,

commuting length, and the current working model all impact the opinions. But the most significant differences are influenced by the position in the company.

Only 21% believe managers and non-managers agree on the best way to work. These two groups have different views about productivity, why people want flexibility or the reasons companies like them in the office.

Most managers (58%) agree workers can be equally productive at home or in the company, but one in four (24%) say workers are more effective in the office. Only 12% of employees believe this to be true.

The two groups also have different perceptions of why employees want to spend part of their time at home. Although managers and no-managers agree that spending time with families is the leading reason for hybrid work, there is an almost 20 percentage points difference between the two groups. While 53% of managers think family time is the primary reason for working at home, 70% of non-managers say this is the biggest motivation. When allowed to enumerate all the reasons for hybrid work, managers gave 3.4 options on average -- employees, 4.5.

The impact of this clash is severe for companies. A large majority of those interviewed (93%) state that flexibility is essential when accepting a new job or staying in their current role. It ranks in the top three considerations only behind remuneration and work-life balance for all respondents. However, non-managers say flexibility is the second most crucial factor for going to a new job, placing only money as more important.

Companies that are not understanding how vital flexibility has become are losing staff. Approximately one in three

managers have lost or risk losing a team member over their flexibility policies.

Businesses with rigid working models (e.g. employees spending more or full time at the office) concentrated 75% of these losses.

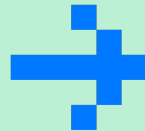
Although managers and non-managers agree companies are trying to listen to employees, the report reveals significant room for improvement. Close to half of the respondents (47%) said companies need to identify the reasons for going back to the office and be transparent about it. The same number of respondents agree that businesses have to listen more and allow individual flexible solutions.

Almost a third of employees (27%) think companies don't know why the office is essential. For them, the insistence on going back is motivated by tradition or leaders feeling the office is a physical representation of their professional success.

With most employees wanting flexibility and almost half (46%) believing the hybrid model will continue, companies' leadership will have to be more open to what employees are saying and understand they need to build new work models together. This study is our contribution to this dialogue.

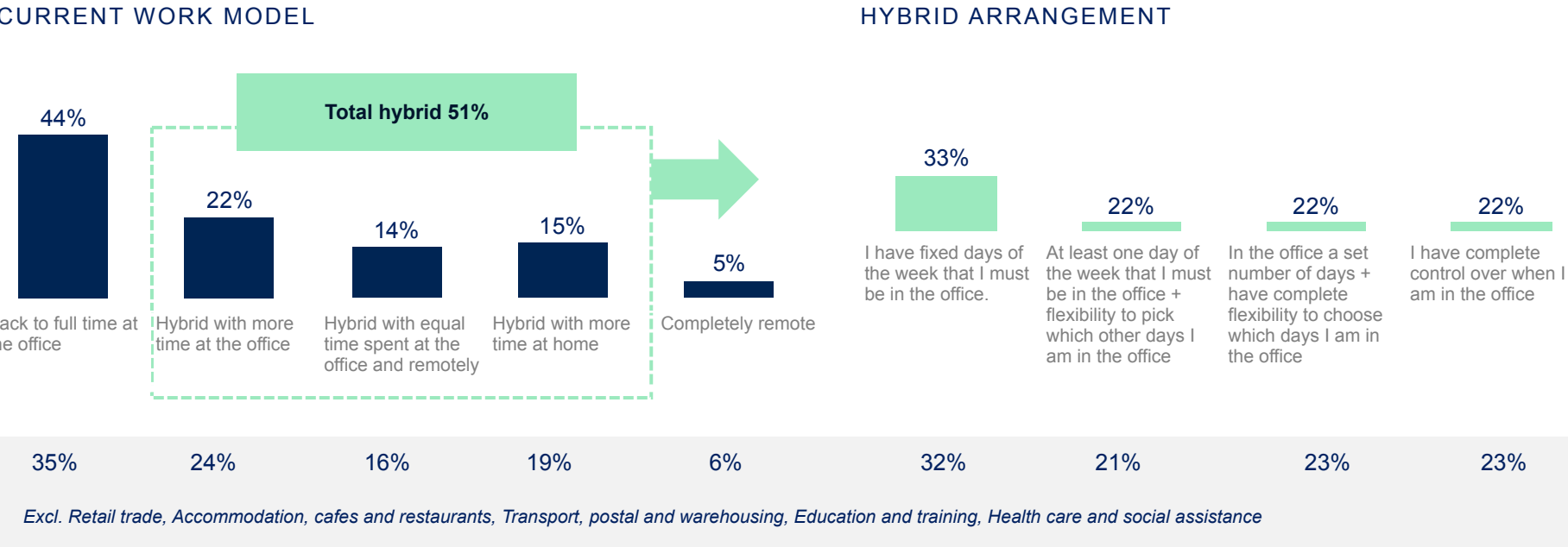
Clair Hopkins
Interim CEO

Current Work Models



Current work model

Around half of organisation have hybrid work models. Among these organisations, two thirds offer employees some level of flexibility to choose the day/s they are in the office.

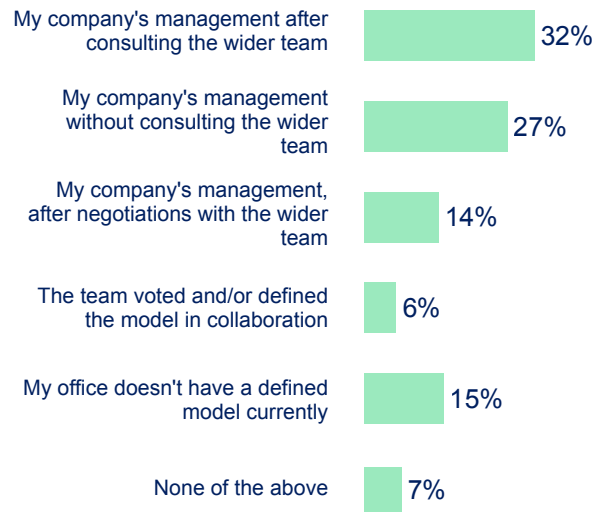


Q1. What is the current work model at your workplace? Please select the option that best describes your work situation (Base=all respondents n=800)
Q2. You said you have a hybrid workplace model where you spend some time in the office and some at home - which of the following applies to you? (Base=those with a hybrid arrangement n=410)

Current work model decision makers

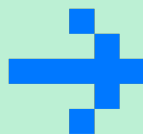
The majority of organisations decided on their work model after some level of consultation with the wider team. Those companies who are back at the office full-time are more likely to have decided on a work model without consultation.

How work model was defined



	Back to full time at the office	Hybrid with more time at the office	Hybrid with equal time at the office and remotely	Hybrid with more time at home	Completely remote
My company's management after consulting the wider team	25%	41%	40%	38%	13%
My company's management without consulting the wider team	38%	22%	14%	16%	28%
My company's management, after negotiations with the wider team	11%	19%	23%	8%	10%
The team voted and/or defined the model in collaboration	2%	5%	8%	12%	13%
My office doesn't have a defined model currently	15%	9%	11%	23%	18%
None of the above	9%	3%	5%	4%	18%
Column n	351	179	111	120	39

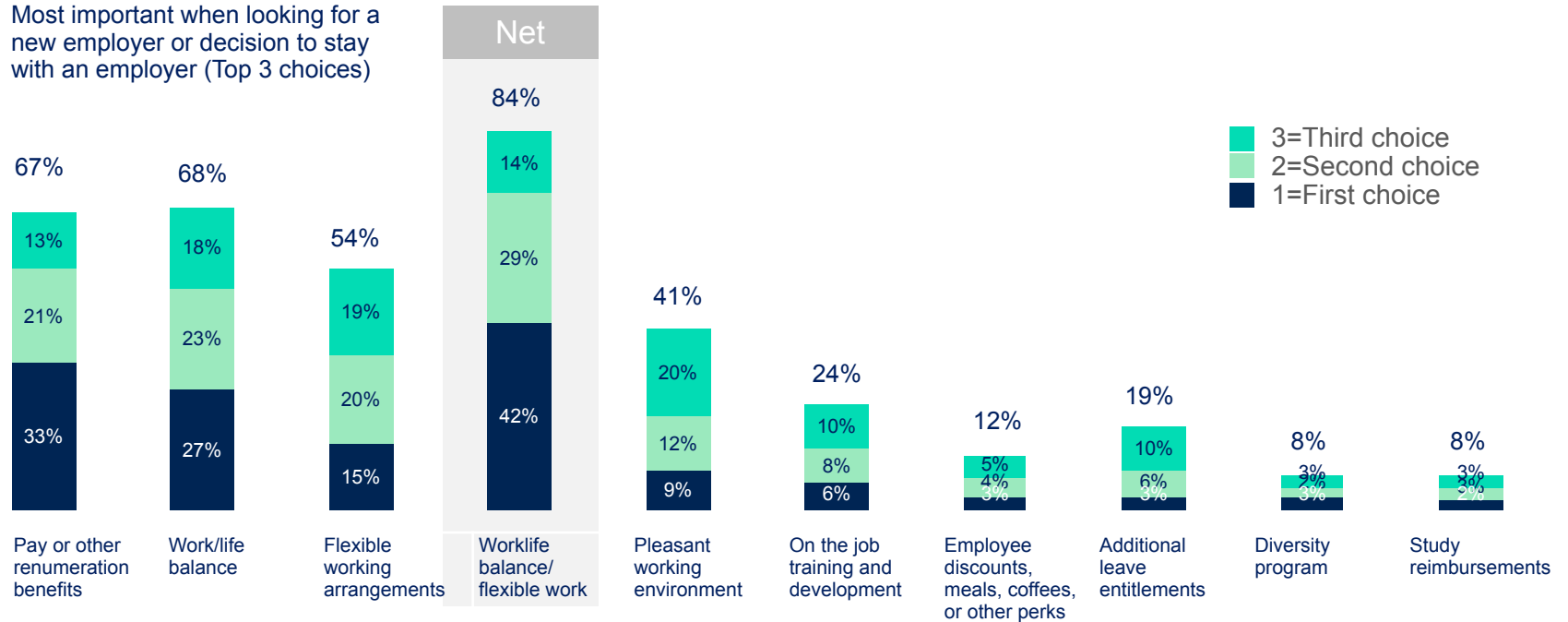
Flexibility



Where does flexibility rank?

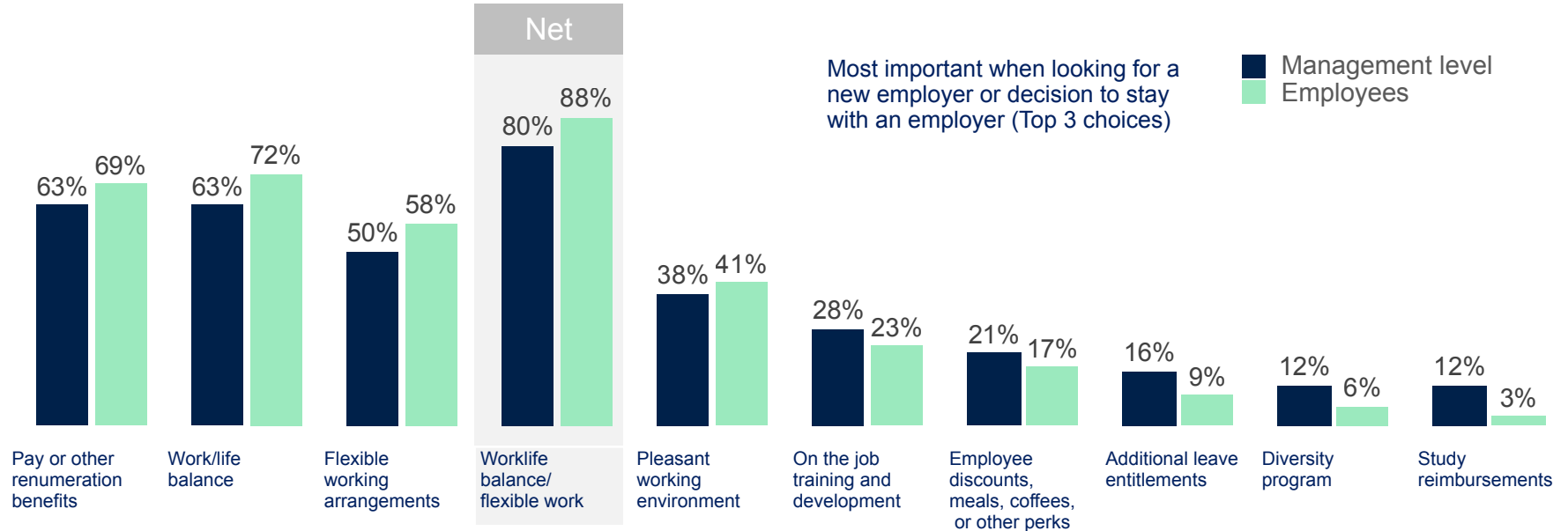
Flexibility is in the top three considerations when looking for a new employer or deciding to stay with a current employer. It is third only to pay/remuneration and work/life balance.

Most important when looking for a new employer or decision to stay with an employer (Top 3 choices)



Where does flexibility rank? – Top 3 choices for management vs. employees

While the order of importance is similar, Management level place less importance on worklife balance/flexible work than non-managerial employees. They also place higher importance on diversity programs and study reimbursements.



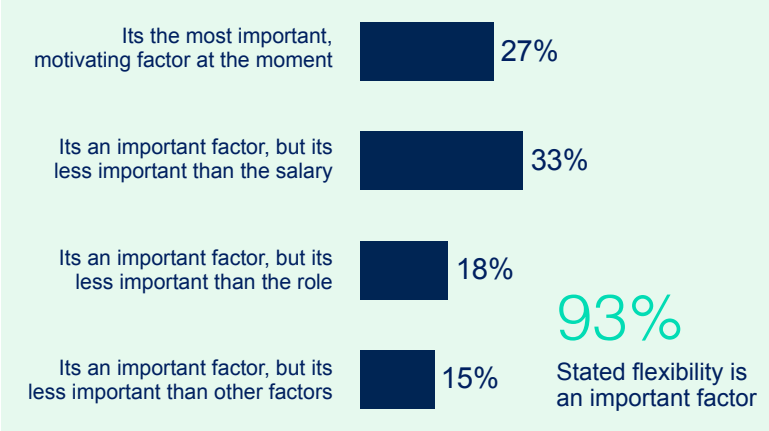
Q21. What is most important to you when looking for a new employer, or what would encourage you to stay with an employer? Please rank at least 3 with 1 being the most important. (Base=management level n=336; employees n=450)

↑↓ Significantly lower/higher than overall at 95% CL.

Importance of flexibility in your job role

Overall, flexibility is second only to salary. Those working back at the office full-time, deem flexibility as important as salary, while people working 100% remotely are more likely to consider flexibility the most important factor.

Importance of flexibility in accepting/staying in job



	Back to full time at the office	Hybrid with more time at the office	Hybrid with equal time spent at the office and remotely	Hybrid with more time at home	Completely remote
Most important, motivating factor at the moment	27%	25%	23%	26%	51%
Important factor, but less important than the salary	27%	40%	35%	47%	13%
Important factor, but less important than the role	20%	18%	19%	13%	18%
Important factor, but less important than other factors	15%	16%	20%	10%	10%
Flexibility is not a relevant factor	11%	2%	3%	4%	8%
Column n	351	179	111	120	39

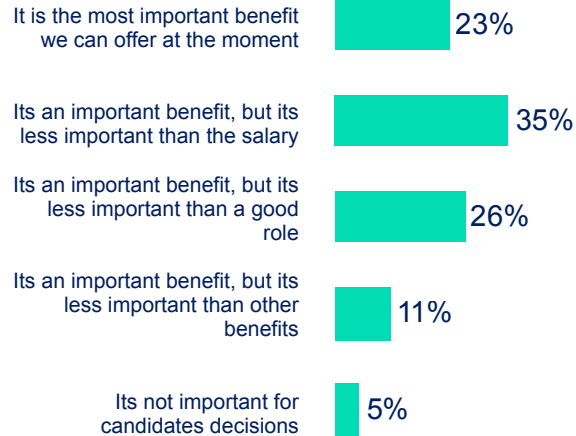
Q6. How important is flexibility for you to accept a job offer or stay in your current job? (Base=all respondents n=800)

↑↓ Significantly lower/higher than overall at 95% CL.

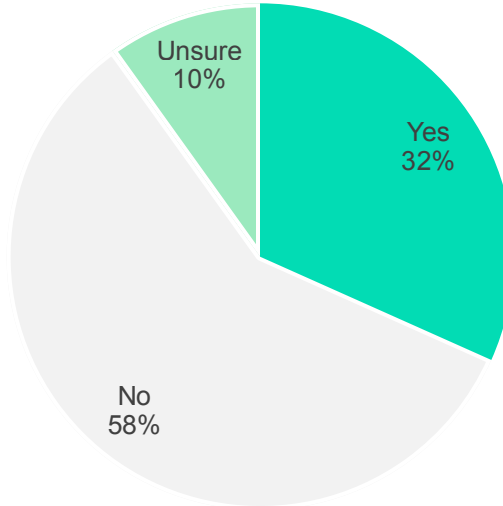
Importance of offering flexibility – view of management

While flexibility ranked second overall (to salary) as an important benefit to accepting/staying in a job, managers view flexibility 3rd, after salary and role. Approximately 1-in-3 of managers have lost/at risk of losing staff over their flexibility policies. Of these, 75% have a full-time at the office or hybrid with more time at the office arrangement.

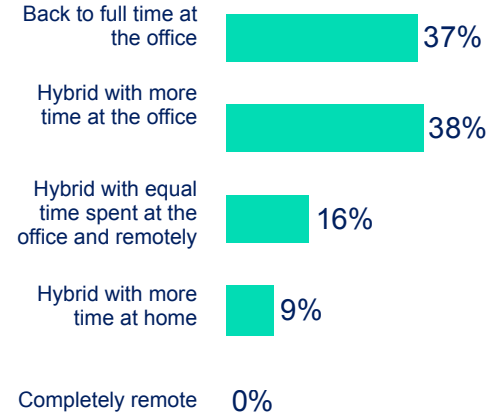
Importance of offering flexibility to candidates



Lost staff over company's work model?



Current work model



Q7. How important is offering flexibility for a candidate to accept a job in your company? (Base = Management level, n=336)

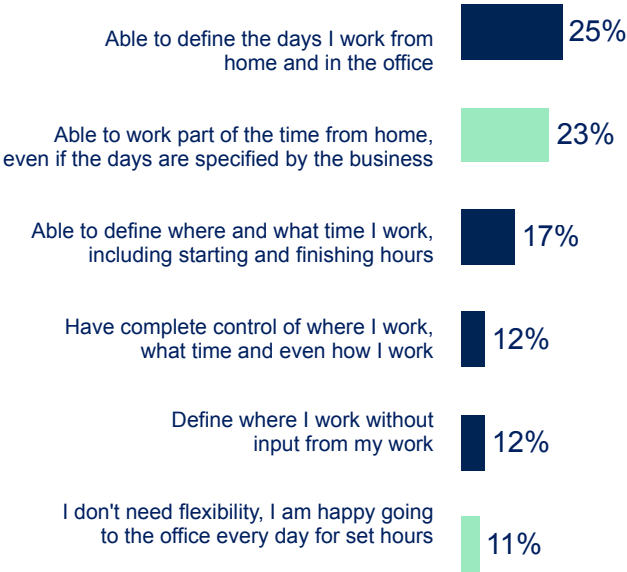
Q8. Have you lost staff, or are you at risk of losing staff over your company's work model and flexibility policies? (Base=Management level; n=336)

Q1. What is the current work model at your workplace? Please select the option that best describes your work situation (Base = Management level that have lost/risk losing staff over work model. N=106)

Ideal flexibility

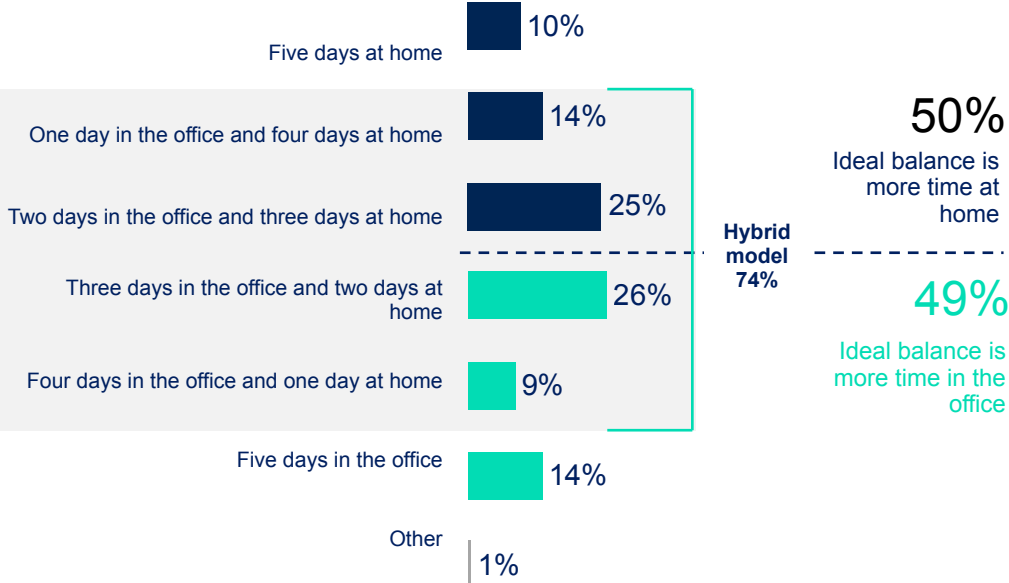
Ideal flexibility is a hybrid model (74%) with the ability to control the definition of what is meant by flexibility.
No clear winning solution - clearly no 'one size fits all' solution.

What is flexibility?



Q11. What does flexibility represent to you? Please select the option that most applies to you. (Base=all respondents n=800)

Ideal balance between working from home vs. office



Q14. Across a five day week, what is your ideal balance between working from home and in the office? If you don't do a 5 day work week, please select the office:home ratio that would closest apply to you. (Base=all respondents n=800)

Ideal balance between home vs. office

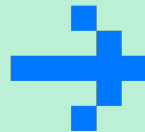
Workers with more/equal time at the office appear to want more time working from home than their current arrangement offers. Those working more time at home/completely remotely appear to be working most closely to their ideal arrangement. Over half of workers back at the office full time would prefer at least two days from home.

	Overall	Position		Current Work Model				
		C-Level, Director, Manager, Owner	Employee	Back to full time at the office	Hybrid with more time at the office	Hybrid with equal time spent at the office and remotely	Hybrid with more time at home	Completely remote
n	800	336	450	351	179	111	120	39
Five days at home	10%	10%	10%	7%	2%	5%	18%	69%
One day in the office and four days at home	14%	15%	13%	6%	15%	14%	39%	10%
Two days in the office and three days at home	25%	25%	25%	15%	34%	38%	33%	10%
Three days in the office and two days at home	26%	24%	28%	28%	35%	35%	8%	5%
Four days in the office and one day at home	9%	8%	9%	15%	9%	2%	1%	0%
Five days in the office	14%	17%	12%	27%	4%	5%	1%	5%

Q14. Across a five day week, what is your ideal balance between working from home and in the office? If you don't do a 5 day work week, please select the office:home ratio that would closest apply to you

↓↑ Significantly lower/higher than overall at 95% CL.

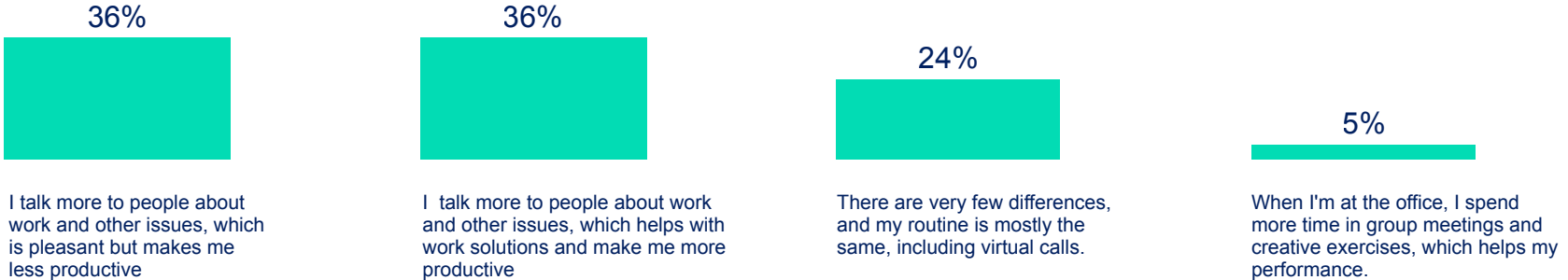
Work model and productivity



Differences between working in the office and home

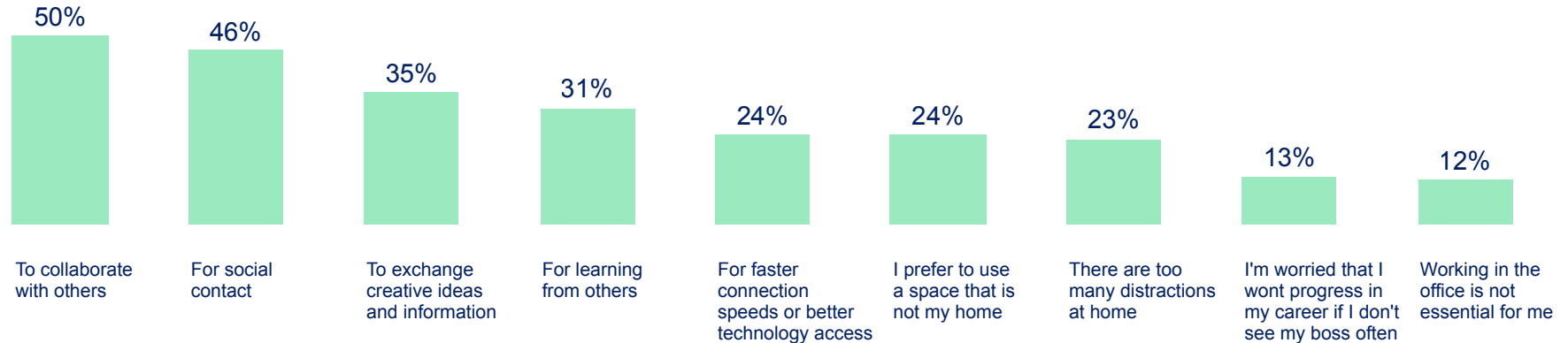
An equal proportion of people claim they are more/less productive in the office due to talking more to others about work and other issues. One-in-four stated working at home or in the office made little difference to their productivity and a small proportion (5%) believe the opportunity to meet with others in groups and creative exercises helps their performance.

“When I’m in the office...”



Reasons for choosing to go into the office

The most common reasons for choosing to go into the office are for collaboration, social contact, exchanging ideas and learning from others. Older workers are more likely to visit the office to collaborate. Career progression and 'essential' requirement is higher among workers who manage more than 20 employees.



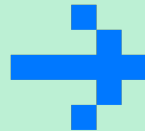
Productivity in different environments

The majority of respondents (58%) believe workers are either **equally as productive at home or at the office**, or **more productive at home**. Employees with working from home arrangements, in large organisations (500+) are more likely to agree productivity is higher at home.

Management level skew to believing productivity is greater in the office, compared to employees.



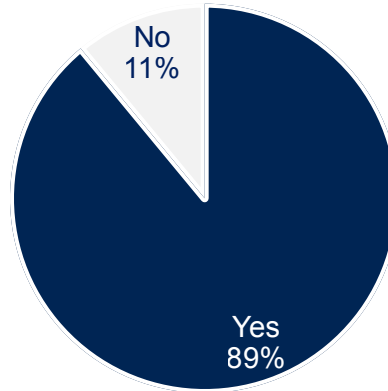
Tension between management and employees



Perceptions of employer and employee views

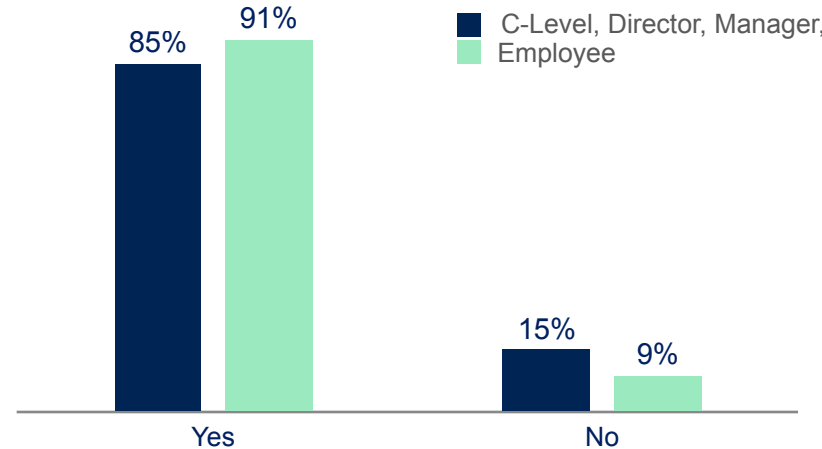
The overwhelming perception is that organisations want employees in the office. The vast majority also agree employees want hybrid/flexible arrangements. This view is stronger among employees than management.

Do you think companies want employees in the office?



Q10_1. Do you think companies want employees to work in the office? (Base=all respondents, n=800)

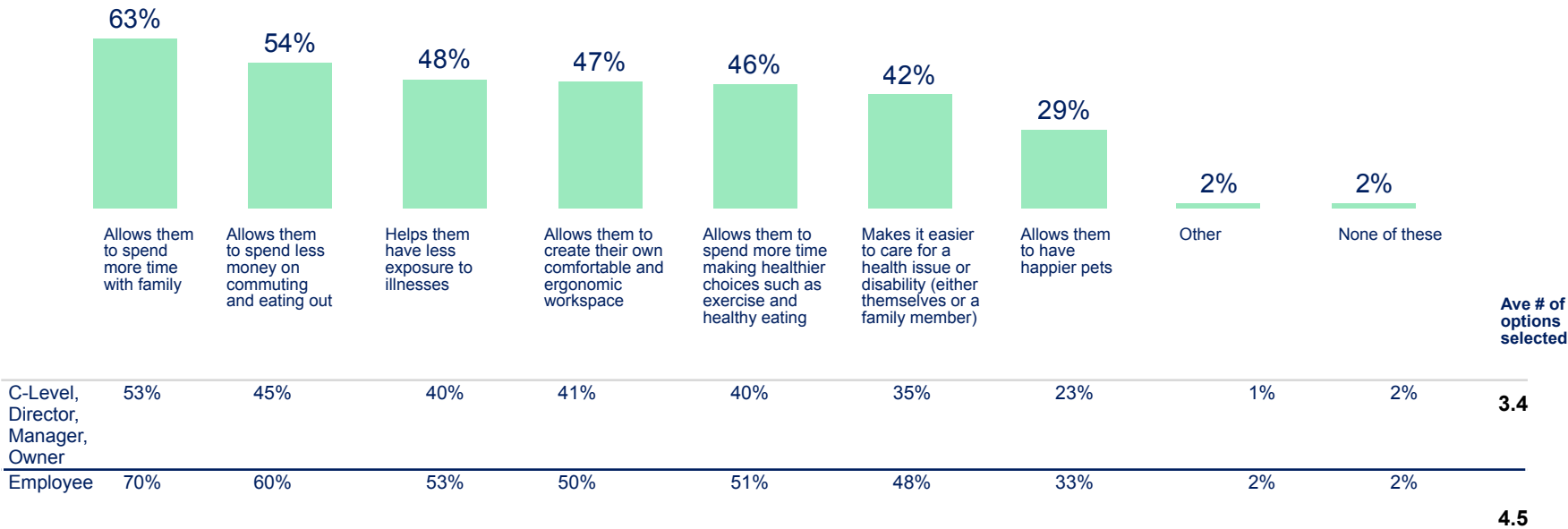
Do you think employees want hybrid/flexible arrangements?



Q9_1. Do you think employees want a hybrid or flexible work environment? (Base=all respondents, n=800)

Managers don't understand employees' desire for flexibility as much as they could

While managers and employees largely agree on the reasons employees want a hybrid/flexible work environment, management agreement with each reason is softer compared to employees.

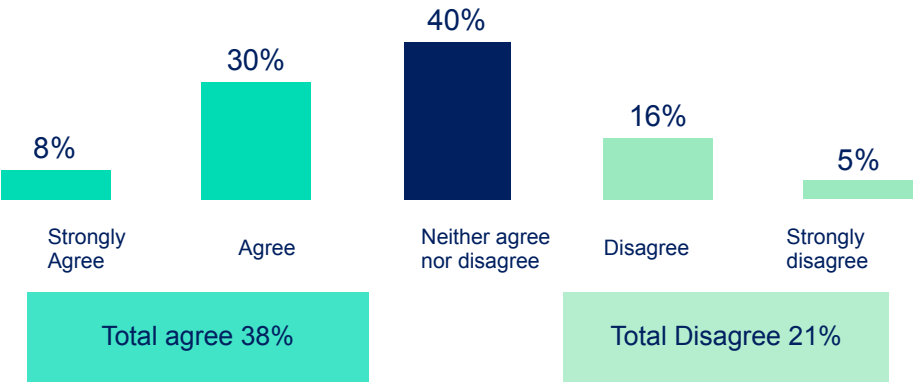


Q9. Why do you think employees want a hybrid or flexible work environment (Base=respondents who think employees want flexibility n=707); C-Level, Director, Manager, Owner n=285; Employee n=409
 ↑↓ Significantly lower/higher than overall at 95% CL.

Management and employee views on the best work model

Although there is ambivalence, a higher proportion agree managers and employees generally disagree on the importance of working at the office and the best work model. A higher-than-average proportion of management strongly disagree with this view.

“Managers and employees generally disagree on the importance of working at the office and the best work model”



	C-Level, Director, Manager, Owner	Employee
Strongly Agree	9%	7%
Agree	32%	29%
Neither agree nor disagree	33%	45%
Disagree	17%	15%
Strongly disagree	8%	4%
Column n	336	450

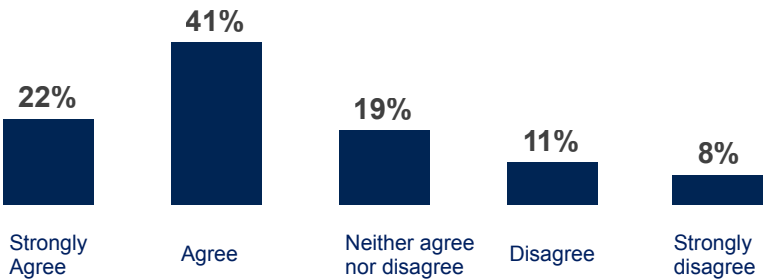
Q16. To what extent would you agree or disagree with the following statement: "Managers and employees generally disagree on the importance of working at the office and the best work model." (Base=all respondents n=800)

↕↑ Significantly lower/higher than overall at 95% CL.

Management and work model

The strength of agreement to the statement ‘management is listening to employees regarding flexible work’ is lower among workers back at the office full-time compared to those with hybrid arrangements with more time at home or are working completely remotely.

“Management is listening to employees regarding flexible work”



NB: There are no significant differences in results between Management level vs. employees

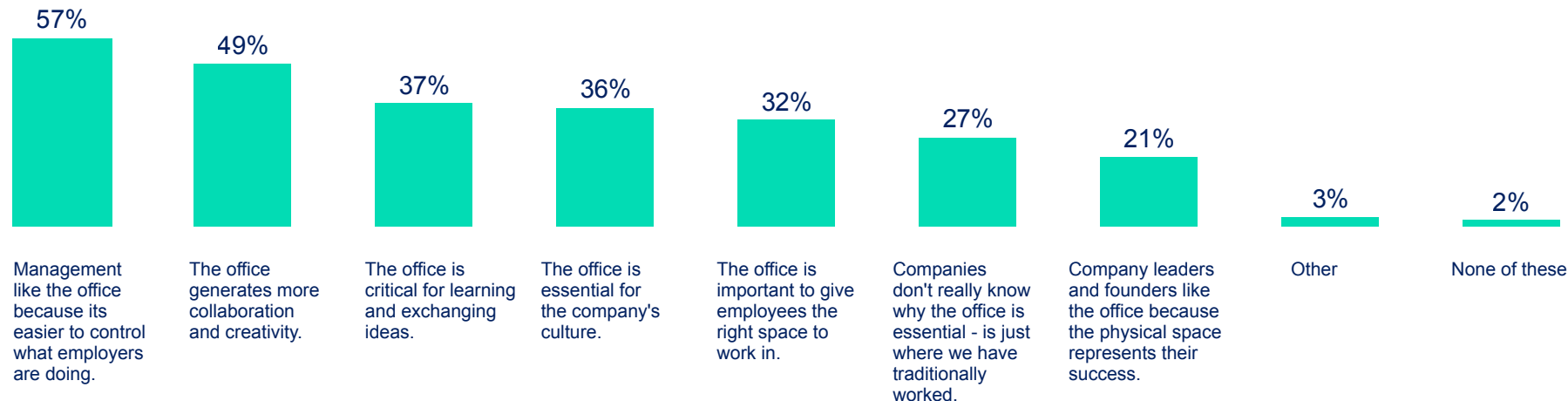
	Back to full time at the office	Hybrid with more time at the office	Hybrid with equal time spent at the office and remotely	Hybrid with more time at home	Completely remote
Strongly Agree	19%	18%	21%	28%	49%
Agree	34%	42%	46%	53%	33%
Neither agree nor disagree	24%	20%	20%	8%	10%
Disagree	13%	13%	10%	6%	3%
Strongly disagree	10%	7%	4%	6%	5%
Column n	351	179	111	120	39

Q5. To what extent would you agree or disagree with the following statement: "Management at my company is listening to employees' needs regarding flexible work." (Base=All respondents, n=800)

↓↑ Significantly lower/higher than overall at 95% CL.

Reasons companies want employees in the office

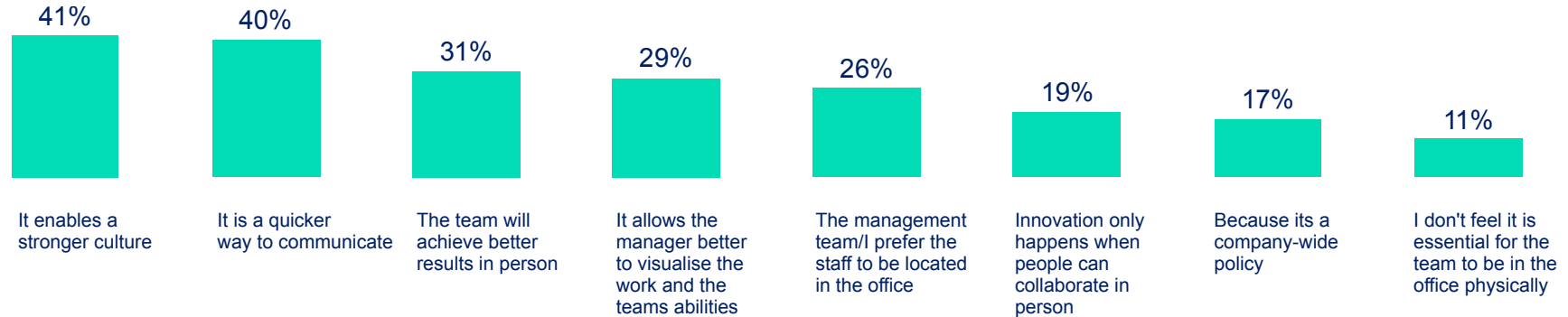
The general view is companies want employees to work in the office as management like the office because it is easier to control what employers are doing and the office generates collaboration and creativity. View is higher among employees.



Why Managers view it is essential for teams to be in the office

The main reasons managers view it essential for teams to be in the office is to enable a stronger culture and for quicker communication. Around 3-in-10 managers believe team performance is better in person, and/or physical presence allows them to better visualise the work and the teams abilities.

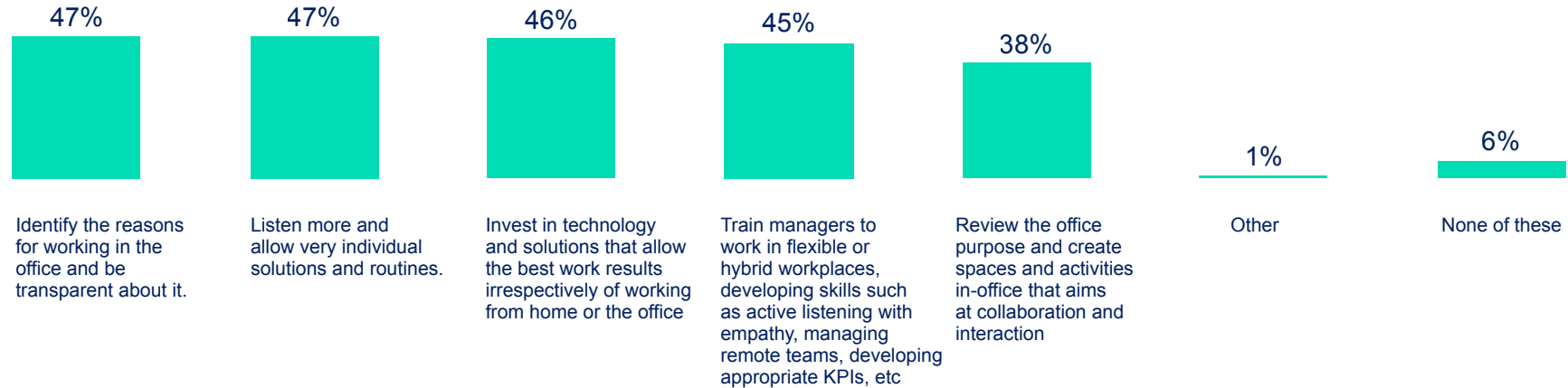
Around one-quarter of managers generally prefer staff to be located in the office.



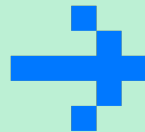
Q13. Why is it essential for your team to be physically in the office? Please select all that apply (Base = Management level, n=336)

Improving the alignment between managers and employees' expectations

Transparency about the reasons for working at the office, tailoring solutions to individuals needs' for flexibility, investment in technology and training of managers are key to aligning managers' and employees' expectations and get the best results from a flexible or hybrid model.



Future of work models



Short-term expectations of the working model

Almost half of those surveyed believe the hybrid model will continue to be a central part of work for the foreseeable future.



Future of the office

		Industry			Company Size				
		Overall	0-99 employees	100-499 employees	500 employees or more	Back to full time at the office.	Hybrid with more time at the office.	Hybrid with equal time spent at the office and remotely.	Hybrid with more time at home.
n	800	352	196	252	351	179	111	120	39
The office will always be part of our working culture, as its today.	50%	53%	46%	47%	56%	52%	49%	37%	18%
The office will be fragmented, and we will have decentralised spaces closer to where people live.	31%	29%	32%	34%	27%	31%	35%	37%	41%
The office will not exist in the future as a physical space.	7%	9%	10%	4%	7%	7%	10%	6%	13%
Virtual spaces, like the metaverse, will replace the office.	5%	5%	6%	6%	3%	6%	0%	13%	15%
I dont know.	7%	5%	7%	10%	7%	4%	6%	8%	13%

Q20. How do you see the future of the office? Please select the statement that best applies (Base=all respondents, n=800)

↑↓ Significantly lower/higher than overall at 95% CL.

Final notes

The conflict detected by this research shouldn't be a surprise to anyone. After a period of profound disruption, it is only natural companies are still trying to figure out what to do. The challenge for leaders is that the new situation has created more questions and placed more work in their laps. Before the pandemic, it was assumed offices increased collaboration, helped sustain the company's culture and were a place where junior staff learned from experienced colleagues just by observing them.

The mass experience we all went through since 2020 has confronted these assumptions and questioned the office's role. Technology proved to be a great ally, and many people -- including experts -- are discussing if we overestimated the need to meet coworkers in a physical space every day.

Managers will have to work harder to find the answers and ensure productivity and workers' satisfaction are aligned. They will have to be able to track productivity more precisely and use data to understand

what is happening. They will need to listen more and more often. They will have to upskill and train themselves and their staff to perform well in virtual and physical spaces with different purposes.

Employees who don't manage teams also will need to engage in this process. They will have to do their best to be productive and use the available tools; to understand how different models and routines can impact their learning process and work progression -- and adjust accordingly.

We are building the future of work collectively, and at a pace nobody expected. Today there are more questions than answers, but finding solutions for companies and workers will be critical for businesses success.

Clair Hopkins
Interim CEO



Methodology

- Online interviews via Ipsos Partner Panels
- Fieldwork dates 21st April – 2nd May 2022
- Questionnaire length – 10 minutes
- N=800 respondents
 - Screeners set to ensure respondents were:
 - Employed (employ staff if self employed)
 - Work in an office or have worked in an office before covid





Methodology



Online interviews
via Ipsos
Partner Panels



Fieldwork dates
21st April –
2nd May 2022



Questionnaire length
– 10 minutes

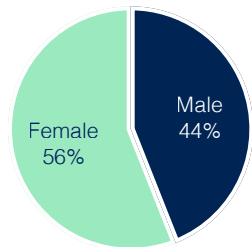


N=800 respondents

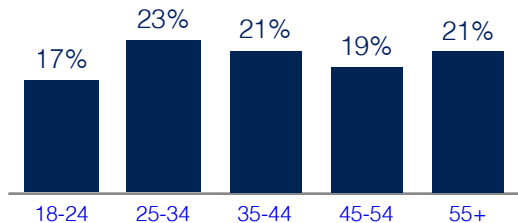
- Screeners set to ensure respondents were:
- Employed (employ staff if self employed)
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Who did we talk to?

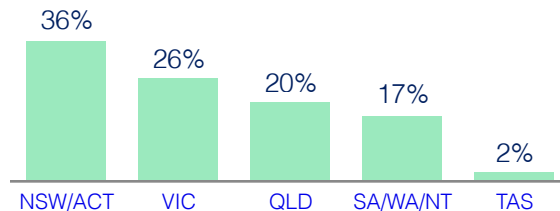
GENDER



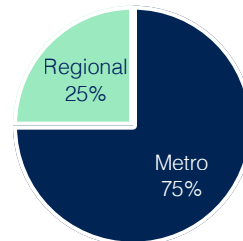
AGE



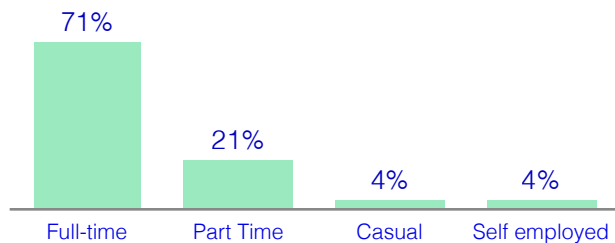
LOCATION



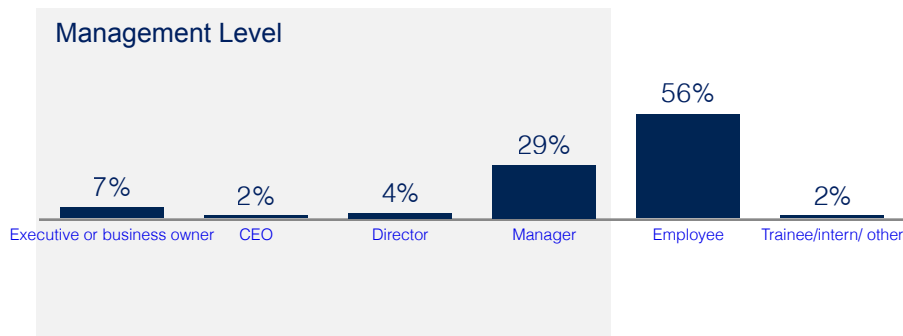
REGION



EMPLOYMENT STATUS

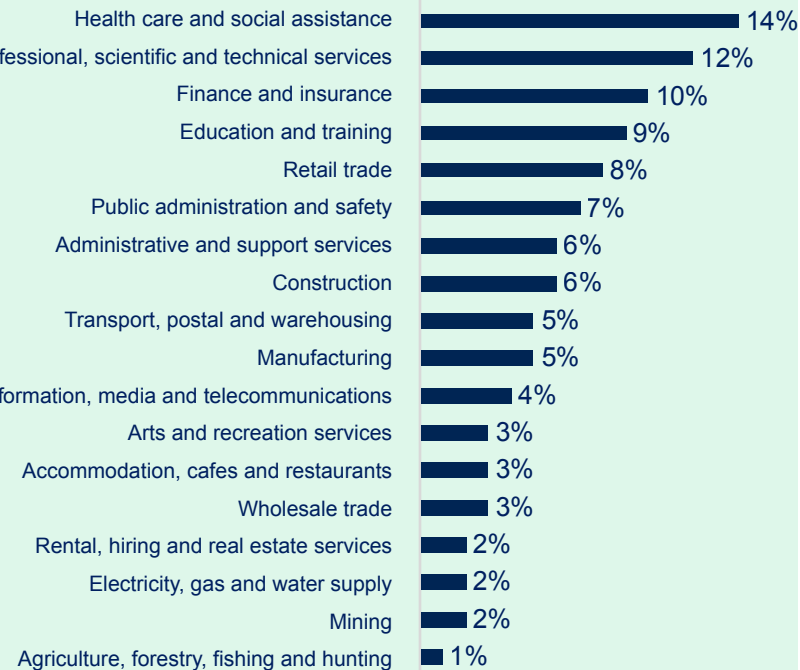


POSITION

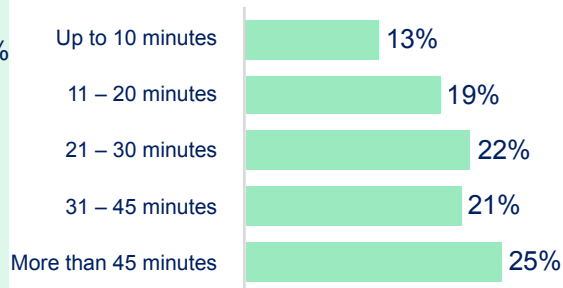


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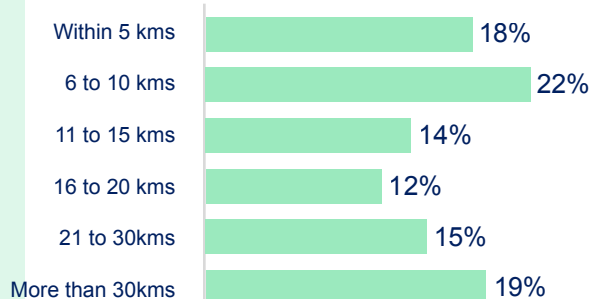
INDUSTRY



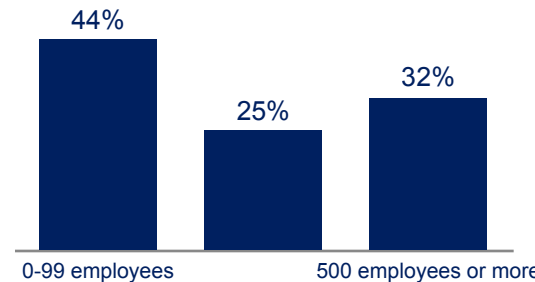
COMMUTE TIME



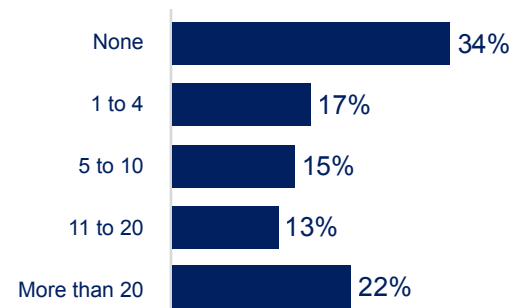
DISTANCE TO OFFICE



COMPANY SIZE



NO. STAFF MANAGED (DIRECTLY + INDIRECTLY)



Contact?

