

Home-based Working

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Summary

Background

The rise in homeworking prompted by the COVID-19 pandemic led to major change in attitudes, practices and policy in work and employment. Remote working is not a new phenomenon and, although the term 'hybrid working' is new, virtual teams have always existed as a continuum, often merging face-to-face with remote or 'virtual' working, and with some teams being more virtual and others being more face-to-face.

It is the scale of change that has been unprecedented. Research clearly evidences that the COVID-19 lockdown restrictions disrupted norms around in-office working and led to a permanent shift in employee preferences towards hybrid working.¹

Current debates on working from home (WFH) and the return to the office (RTO) have become somewhat polarised and frequently dominated by polemic. An evidence-based approach will help enable the government, employers and other actors to cut through the noise and understand how best to maximise the benefits and mitigate or manage the risks or challenges. In general, however, an increased level of remote and hybrid working seems here to stay, as the opportunities for it have become apparent since the COVID-19 lockdowns and it has become a central part of many workers' expectations.

¹ Parry, J., Young, Z., Bevan, S., Veliziotis, M., Baruch, Y., Beigi, M., Bajorek, Z., Richards, S. and Tochia, C. (2022) [*Work After Lockdown: No Going Back what we have learned from working from home through the COVID-19 pandemic*](#). Brighton: IES

Key points

The benefits and challenges of remote and hybrid working vary with context and the best approach will be different for different individual and organisation. However, extensive research into autonomy and job design suggests that giving workers greater choice and control over where, when and how they work generally has positive impacts on employees' wellbeing, attitudes and performance. Remote and hybrid working are an important strand of this.

Remote and hybrid working are important forms of flexible working that enable people to take jobs that they may otherwise not be able to take, and/or achieve a healthier work-life balance within their jobs, specifically by reducing commuting time. The benefits are especially pronounced for disabled workers.

In so doing, remote and hybrid working stand to help reduce labour market inactivity – a particularly pressing issue given low levels of workforce participation – and support the national economy.

However, there are disparities in the availability of remote and hybrid working, with fewer opportunities in lower paid jobs. Employers providing such jobs should be encouraged to consider offering remote and hybrid options if they don't already do so. Employment services can play a role in this in by providing employer advice.

Remote and hybrid working also create opportunities for organisational effectiveness (performance and productivity). They enable employers to recruit from wider talent pools beyond their local area and attract workers who now have greater expectations of flexible working. In some contexts, direct productivity gains have been made through remote working.

Notwithstanding the potential benefits, certain important aspects of organisational life become harder in remote and hybrid working – for example, information sharing and building trust and social cohesion. This does not need to preclude remote working. However, more deliberative effort is needed to manage these aspects of work in remote and hybrid teams than is the case with face-to-face in certain areas.

Remote working may also present challenges for workers – particularly those early in their careers – to develop their skills and careers. Further, in itself, remote working may not benefit all aspects of employee wellbeing – particularly reducing stress – as unlike other forms of flexible working it does not reduce workload.

Hybrid working gives the opportunity to make the best of both worlds – to centre in-person work on those tasks that especially benefit from face-to-face interaction and remote work on tasks that require focused individual attention. However, this too needs to be actively managed or planned.

Recommendations

We recommend a greater focus on promoting remote and hybrid working as part of what makes work good. It is important to acknowledge that hybrid and remote working are part

of wider considerations around flexibility and autonomy to support this (e.g. part-time working, start times and influence over when working hours are delivered). There is a need for evidence-based guidance that helps to equip employers with knowledge to make the most of both remote and face-to-face working; that is, to understand how to implement hybrid working in an optimal way.

Providers of employment services and flexible working specialists can help promote hybrid and remote working to employers who do not yet use them. We recommend that government (the DWP) supports such a role, targeted especially for those with caring responsibilities and/or long-term health conditions.

Providing flexible working opportunities for job seekers is key to unlocking this potential workforce and allowing them to work in roles that can better fit with their individual needs. However, we are not aware of robust evidence into the potential benefits of working with employers to support more flexible working practices, nor the potential impacts on worklessness, benefit receipt and employment. We thus recommend additional research funding to inform policy on employment services that encourage employers to provide more remote and hybrid jobs.

Hybrid teams would do well to dedicate at least some of their face-to-face time to team building activity, as this is when it will be most effective, and purely remote teams are likely to require more time and effort to build effective teams. Employers may also do well to measure or otherwise assess factors like trust and social cohesion, to inform working practices including the amount of time spent on team building activity and the balance between time spent remotely and face-to-face.

Note on evidence base

We note and agree with the Select Committee's prioritisation of evidence produced since the COVID-19 pandemic, as the uptake of remote working has dramatically increased at that point and attitudes to it have greatly shifted. However, we recommend caution to not overlook all research that precedes this. In many respects, the dynamics of effective management and ways of working are stable, and much pre-COVID research into virtual teams holds insights that remain current.

Nonetheless, there is a need for further research. Currently much of the best research into remote and hybrid dates to pre-COVID; it will be useful to replicate this to update our knowledge to one that is more relevant to the current climate.

Labour market participation

The UK is experiencing historically low levels of workforce participation, with nearly one in five working-age adults out of the labour force, predominantly due to long term ill health.² Moreover, recent analysis of international datasets for the Commission for Healthier Working Lives shows that the UK fares poorly compared to comparable European countries in enabling people with long-term ill-health or disabilities to stay in or move into work.³ While 28% of working adults in Great Britain are already hybrid working,⁴ survey research shows a notable shift among workers preferences towards greater hybrid working.⁵ Greater options for remote and hybrid working roles would enable more people to enter/re-enter and stay in the workforce, in part because of the benefits to work-life balance (see section 3). As well as benefitting individuals, this will enable organisations to recruit from wider pools of talent and reduce the costs of economic inactivity.

It is notable that fewer lower paid roles are home based than those further up the earnings scale. This suggests a lack of entry level roles for people who want to work from home. In 2022 research, it was found that only 4% of roles with a salary of £18,500 to £19,000 were home-based and 9% of those with a salary of £20,000 to £30,000 were home-based; however, 21% of roles paid £60,000 to £79,000 were home-based.⁶

This lack of remote and hybrid working in lower paid jobs is something that can be changed. Over the past three years, IES has been conducting action research with providers of *Restart*, a UK government scheme for enhanced support to Universal Credit claimants to find local jobs. In line with the broad UK picture, Restart providers found that job seekers preferred home-based working opportunities to working onsite, to minimise travel time and associated costs. As part of the action research, providers encouraged employers to offer more flexible roles at the point of hire, including remote and hybrid working: the result was that more participants were placed into home-working roles.⁷ One provider reported particularly successful outcomes, with 37 out of 38 applicants securing a job by being offered homeworking. There were also examples of hybrid job offers leading to recruitment successes.

² Ghosh, S. (2025). [Labour Market Statistics, April 2025](#). Online article. Brighton: IES

³ Litsardopoulos N, Gifford J, Sharma M, Allen A, Bajorek Z, Wilson T (2025). Work and health: international comparisons with the UK. Brighton: IES

⁴ ONS. (2024). [Who are the hybrid workers?](#) Online Article. London: ONS

⁵ Parry, J., Young, Z., Bevan, S., Veliziotis, M., Baruch, Y., Beigi, M., Bajorek, Z., Richards, S. and Tochia, C. (2022) [Work After Lockdown: No Going Back what we have learned from working from home through the COVID-19 pandemic](#). Brighton: IES

⁶ Timewise. (2022). [The Timewise Flexible Jobs Index 2022](#). London: Timewise

⁷ Allen, A. and Mansour, J. (2023). [ReAct and Timewise Change Agent programme: evaluation report](#). Brighton: IES

Skills and career development

As discussed above, remote and hybrid working can be a key enabler for supporting people to enter, re-enter and stay in the workplace. However, it can also have negative implications on skills and career progression for some.

The Hybrid Work Commission identified several studies which suggest that early career professionals benefit from an office environment to learn from others and develop their skills and networks.⁸ Their survey found that 82% of young people believe that being office-based enabled them to develop new skills and progress their careers. Young people were more likely than older colleagues to feel that being in the office helped them to develop. Qualitative research suggests that part of the career benefit is due to networking, gaining visibility in the organisation and having more senior colleagues witness one's knowledge and skills.⁹

There is some concern that women, who are slightly more likely to work remotely, may also be missing out on networking, skills and career development opportunities.¹⁰ However, remote or hybrid working may not necessarily be a barrier to developing skills. A UK survey found that 62% of women working remotely felt that they have enough opportunities to grow the skills they need for the future, while only 50% of those working from their employers' location said the same.¹¹

Workplace wellbeing and work-life balance

As discussed in section 1, remote and hybrid working make it easier for many people to engage in employment and thus reduces the significant personal costs of economic inactivity. Remote and hybrid working can also contribute to improved work-life balance and thus workplace wellbeing. However, there are limits to the wellbeing benefits that we should expect and in some respects there are potential drawbacks from greater levels of remote working – specifically, social isolation, with impacts for individuals' wellbeing; and weakened social cohesion, with impacts on organisational effectiveness.

⁸ Cheese, P., Hegarty, L., Dale, G., Mulholland, S., Pakes, A., Lyons, N. and Holloway, C. (2023). [Hybrid Work Commission 2023](#). London: Public First

⁹ Parry, J., Young, Z., Bevan, S., Veliziotis, M., Baruch, Y., Beigi, M., Bajorek, Z., Richards, S. and Tochia, C. (2022) [Work After Lockdown: No Going Back what we have learned from working from home through the COVID-19 pandemic](#). Brighton: IES

¹⁰ Vizard S. (2023) [Remote working can damage women's career prospects – but it shouldn't](#). Raconteur: online article

¹¹ Karian, G. and Crosby, R. (2023) [Making the Case for the Office](#). York: Ipsos Karian and Box

Disabilities

A survey found that 70% of disabled workers said that if their employer did not allow them to work remotely, it would negatively impact their physical or mental health.¹² Part of the importance of the option to work hybrid is that it gives people with ill-health or disabilities the flexibility to manage their health conditions, which often fluctuate in their impact on work. Given the current need to enable more people with long-term ill health or disabilities to stay in and move into work (see section 1) this is a particularly relevant benefit of remote and hybrid working.

Work-life balance

An obvious sizable benefit of remote working is in cutting out the commute. A pre-pandemic UK survey found that the median weekly commuting time was 3 hours 45 minutes (with the mean just over 5 hours).¹³ Workers based in London, working in higher social grade occupations and men had longer commuting times than others. Commuting – particularly by car, which is more stressful than healthier means such as bicycle – tends to have a negative impact on subjective well-being and life satisfaction.¹⁴ Remote and hybrid working therefore presents an opportunity to improve work-life balance and wellbeing.

Work-related stress

High-quality evidence using physiological biomarkers suggests that flexible working arrangements (FWAs) which reduce working time (for example, part-time, job-sharing and term-time working) lead to a measurable reduction in general work stress.¹⁵ However, the research found that FWAs such as remote working, which don't in themselves reduce working hours, do not affect biomarkers of stress. Overall, this supports the theories of job strain and work–family conflict: the critical factor in work stress is people's workloads and their ability to manage them. Thus, by not reducing the amount of work people have, some FWAs may result in workers juggling more but not benefitting in some aspects of wellbeing. In short, there are limits of the wellbeing benefits of remote and hybrid working and we should be careful not to conflate FWAs that do not reduce working hours with those that do.

¹² Taylor, H. Florisson, R. Wilkes, M. and Holland, P (2022). [The changing workplace: enabling disability-inclusive hybrid working](#). Lancaster: Work Foundation

¹³ Wheatley D. and Gifford J. (2019) [UK Working Lives: The CIPD Job Quality Index](#). London: CIPD

¹⁴ Wheatley, D. and Bickerton, C. (2016), *Time-use and well-being impacts of travel-to-work and travel-for-work*. *New Technology, Work and Employment*, 31: 238-254. <https://doi.org/10.1111/ntwe.12074>

¹⁵ Chandola, T., Booker, C. L., Kumari, M., & Benzeval, M. (2019). *Are Flexible Work Arrangements Associated with Lower Levels of Chronic Stress-Related Biomarkers? A Study of 6025 Employees in the UK Household Longitudinal Study*. *Sociology*, 53(4), 779-799. <https://doi.org/10.1177/0038038519826014>

Social isolation

As we discuss below, there is evidence that remote working can impede the development of workplace relationships. There is some concern that this may also be detrimental to the social wellbeing of individuals. A 2023 survey identified that in general, office workers spending fewer than 4 days a week at their employers' location were more likely to feel lonely, although it should be noted that the difference was small.¹⁶

Productivity and organisational effectiveness

The UK's productivity issues are widely recognised and multifaceted, as has been documented by The Productivity Institute and many others. One way in which remote and hybrid working can contribute to the economy is by widening participation in the labour market (see section 1). It can also benefit organisational effectiveness and productivity.

However, when we look at points of detail, the evidence gives a mixed picture, with remote working also having potential downsides or creating complications in organisational effectiveness. These need to be managed effectively if the productivity benefits of remote and hybrid working are to be realised. In short, more effort and attention needs to be put into people management in remote working environments and there is a good business case for limiting remote work through hybrid working.

Government can play an important role in helping employers maximise the benefits and mitigate or manage the potential downsides of remote working through evidence-based advice and guidance, and services that build management capability.

Population-wide and occupation specific evidence

A survey by the Hybrid Work Commission found a range of benefits to recruitment, reporting that 51% of businesses said offering hybrid roles increased their ability to hire people from different regions and 53% said the same about hiring parents or caregivers, and 42% for hiring those with a disability.¹⁷

Population-wide evidence on the effect of remote working on organisational performance and economic productivity is mixed but broadly suggests neither major gains nor major drawbacks. For example, UK survey during the COVID pandemic found the great majority of employers observed either no change (37%) or only small changes in organisational performance (40%), with figures for increases and decreases evenly split.¹⁸ A US survey

¹⁶ Karian, G. and Crosby, R. (2023) [Making the Case for the Office](#). York: Ipsos Karian and Box

¹⁷ Cheese, P., Hegarty, L., Dale, G., Mulholland, S., Pakes, A., Lyons, N. and Holloway, C. (2023). [Hybrid Work Commission 2023](#). London: Public First

¹⁸ Brinkley, I., B. Willmott, M. Beatson, and G. Davies 2020. [Embedding New Ways of Working: Implications for the Post-pandemic Workplace](#). London: CIPD

found a more positive outlook, with employers on average anticipating that hybrid work would improve productivity by 5%.¹⁹

A randomized trial among call centre workers in China found that the introduction of remote working led to a huge 13% increase in productivity.²⁰ That this finding is in the context of call centres is perhaps unsurprising – this is an environment requiring focused work that benefits from a quiet environment and fewer distractions, which many workers (although not all) may find at home.

Information sharing and communication

Remote working can in some respects be detrimental to performance in knowledge-based organisations that rely heavily on information sharing and close team relationships.

Knowledge sharing is an important factor in organisational effectiveness in general and especially influential for innovation, joint problem solving and collaboration.²¹ Knowledge sharing is an aspect of teamwork that becomes harder and generally suffers from remote working. A meta-analysis found that virtual teams share less information overall than face-to-face teams and tend to limit certain types of communication.²² They also tend to communicate in more transactional ways about tasks at hand, which in itself can be efficient, but neglects communication that enables teams to find effective ways of working and build relationships.

Social cohesion, trust and psychological safety

Social cohesion, interpersonal trust and psychological safety are important drivers of team effectiveness, especially in knowledge-based organisations.²³ Social cohesion is a question of how well team members get along;²⁴ trust concerns how competent, reliable

¹⁹ Barrero, J. M., N. Bloom, and S. J. Davis 2021. [Why Working from Home Will Stick](#). National Bureau of Economic Research Working Paper Series, No. 28731

²⁰ Bloom, N., J. Liang, J. Roberts, and Z. J. Ying 2013. [Does Working from Home Work? Evidence from a Chinese Experiment](#). National Bureau of Economic Research Working Paper Series, No. 18871

²¹ Hulsheger, U.R., Anderson, N. and Salgado, J.F. (2009) Team-level predictors of innovation at work: a comprehensive meta-analysis spanning three decades of research. *Journal of Applied Psychology*. Vol 94, No 5. p1128. <https://doi.org/10.1037/a0015978>

²² Ortiz de Guinea, A., Webster, J. and Staples, D.S. (2012) A meta-analysis of the consequences of virtualness on team functioning. *Information and Management*. Vol 49, No 6. p301

²³ De Jong, B.A., Dirks, K.T. and Gillespie, N. (2016) Trust and team performance: a meta-analysis of main effects, moderators, and covariates. *Journal of Applied Psychology*. Vol 101, No 8. p1134. DOI: [10.1037/apl0000110](https://doi.org/10.1037/apl0000110)

Chicocchio, F. and Essiembre, H. (2009) Cohesion and performance: a meta-analytic review of disparities between project teams, production teams, and service teams. *Small Group Research*. Vol 40, No 4. pp382–420. doi.org/10.1177/1046496409335103

²⁴ Evans, C.R. and Dion, K.L. (2012) Group cohesion and performance: a meta-analysis. *Small Group Research*. Vol 43, No 6. pp690–701. <https://doi.org/10.1177/1046496491222002>

and benevolent workers feel their colleagues are; and psychological safety is the related aspect of workers' confidence to take interpersonal risks in their teams – for example, by sharing ideas, trying new approaches and admitting mistakes.²⁵

Interpersonal trust is generally important because it facilitates coordination and cooperation in teams. However, meta-analytic research has found that it is especially important in remote work contexts, where it has a greater impact on performance than in face-to-face teams.²⁶

In addition, social cohesion and relationship-building are generally harder to develop in virtual teams, as evidenced by a systematic review and meta-analysis.²⁷ The challenge is especially common for colleagues who have never met face-to-face and are working together for the first time remotely. As such, onboarding new joiners to virtual or hybrid teams requires particular attention.

Employee attitudes

The clear desire among the working population for remote and hybrid working appears to have a positive relationship with employee attitudes. A recent survey using an index of 'employee engagement' found that those in organisations that supported hybrid working scored 13% higher than workers who were mandated to fully return to the office.²⁸ In this case, the index was based on measures of job satisfaction, intentions to stay and advocacy of the organisation as an employer – all of which are attitudes that are likely to support organisational effectiveness.

Mathieu, J.E., Kukenberger, M.R., D'innocenzo, L. and Reilly, G. (2015) Modeling reciprocal team cohesion–performance relationships, as impacted by shared leadership and members' competence. *Journal of Applied Psychology*. Vol 100, No 3. p713. <https://doi.org/10.1037/a0038898>

²⁵ Wietrak, E. and Gifford, J. (2024) *Trust and psychological safety: An evidence review*. London: CIPD

²⁶ Breuer, C., Hüffmeier, J. and Hertel, G. (2016) Does trust matter more in virtual teams? A meta-analysis of trust and team effectiveness considering virtuality and documentation as moderators. *Journal of Applied Psychology*. Vol 101, No 8. p1151. DOI: [10.1037/apl0000113](https://doi.org/10.1037/apl0000113)

²⁷ Lin, Chad and Standing, Craig and Liu, Ying-chieh. 2008. A model to develop effective virtual teams. *Decision Support Systems*. 45 (4): pp. 1031-1045. <https://doi.org/10.1016/j.dss.2008.04.002>

²⁸ Engage for Success (2023) *EFS UK Employee Engagement Survey 2023*. London: Engage for Success

About IES

IES is an independent, apolitical, international centre of research in employment policy and human resource management issues. IES is a not-for-profit organisation.

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