



Home-based Working Committee

Corrected oral evidence

Monday 17 March 2025

3.15 pm

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Members present: Baroness Scott of Needham Market (The Chair); Lord Farmer; Baroness Featherstone; Lord Fink; Baroness Freeman of Steventon; Lord Fuller; Baroness Manzoor; Lord Monks; Baroness Nye; Lord Parker of Minsmere; Lord Stevenson of Balmacara; Baroness Watkins of Tavistock.

Evidence Session No. 4

Heard in Public

Questions 36 - 45

Witnesses

I: Dr Cevat Aksoy, Lead Economist, European Bank for Reconstruction and Development, and Associate Professor of Economics, King's College London; Professor Gordon Harold, Professor of the Psychology of Education and Mental Health, University of Cambridge.



Examination of witnesses

Dr Cevat Aksoy and Professor Gordon Harold.

Q36 **The Chair:** Good afternoon. Welcome to the second session this afternoon of the House of Lords Select Committee into home working. Welcome to our two panellists. When you answer the first question, please introduce yourselves and talk about your work and so on.

I want to start, not by asking what the evidence says but what it is. Where are the main sources from which you are gathering your information and data at the moment about home and hybrid working?

Dr Cevat Aksoy: I am an associate professor of economics at King's College London and associate director of research at the European Bank for Reconstruction and Development.

We use several sources when we conduct our studies. One is official government statistics, such as the Labour Force Survey. A downside of the Labour Force Survey is that pre-pandemic we do not know much about remote work levels and preferences, and even today, we do not know anything about remote work preferences, but we know a lot about levels. Government statistics is one source.

Second, with my co-authors at Stanford, Munich and Princeton University, we started rolling out our own global survey, which we call the Global Survey of Working Arrangements, which covers about 40 countries around the world. There, we not only track working from home levels but also preferences, where people live, to what extent they have moved in the past, their ZIP codes, their employer ZIP codes, and we ask a lot of questions about their preferences, ranging from fertility preferences to self-assessed productivity. This is basically the second source that we use in our studies.

The third one, which has limited external validity but allows us to do very robust statistical analysis and get the causality in understanding to what extent remote work has effects on productivity, well-being and so on, is where we draw on companies' own data sources. We partner with companies. We get access to their data—we do confidentiality agreements, obviously—and we get access to pre-pandemic data and then we try to understand, after a shift to remote work, what happens to the productivity of these companies' workers, what happens to their well-being and what happens to attrition and job satisfaction.

The last tool we use—and I will stop here—is randomised controlled trials. We partner with companies or private sector entities and we work with them to randomly allocate workers to either work from the office five days a week or come to the office once a month or a few times a week, depending on the agreement, depending on the sector, depending on the worker's skill level. We tend to generate our own data sources, as you



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can see, and partially we rely on publicly available datasets, mostly drawing on the Labour Force Survey.

Professor Gordon Harold: Thank you and good afternoon. I am professor of the psychology of education and mental health, University of Cambridge. I should also declare that I am a member of the Department for Work and Pensions Science Advisory Committee, known as the Methods Advisory Group.

My core research interests focus on examining links between family relationship dynamics and child and adolescent mental health and development. On the data around changing working patterns, hybrid flexible working patterns, I am particularly interested in looking at the links between the workplace as it was, the family as it was, and links now between the workplace and family dynamics, particularly with the focus on adult and child and adolescent mental health.

To your question about data, candidly, we have very limited data. I picked up from the previous session reflections on correlation versus causation. That pretty much sums up where we are with data. We have the advantage in the United Kingdom of using some hugely fruitful longitudinal cohorts, Understanding Society for example, plus other existing datasets that we are now able to engage to look at changing patterns, international studies of different designs and rigour, but none the less at least informing questions we need to ask about links between changing work patterns, hybrid flexible family dynamics and worker experience, worker and employee mental health and, importantly, children's mental health. It is an area that is only really beginning to shape future studies to inform these important questions.

The Chair: That is interesting. Thank you.

Q37 **Lord Parker of Minsmere:** Thank you both for coming to help us. I think that you were probably in the room for part of the last session of the panel, and you might have heard me asking about the macroeconomic picture. Dr Aksoy, I might pick on you a little bit now on that question. Can you say a bit about how the UK's picture on remote and hybrid working compares internationally? Where would you characterise the UK as being, across the international landscape? Can you help us with how that relates to our potential for economic growth, what is happening with productivity and international competitiveness? Could you offer any correlations or observations about where we are in the landscape and where it puts the UK for competitiveness?

Dr Cevat Aksoy: Since the very beginning of the pandemic, the UK is the leader in remote work adoption. There are several reasons for that. First, because of the industrial structure, the country's economy mostly relies on services, which is more remote work friendly. It is also partly because currently we know that about 40% of work is done at home overall in the country. When we ask respondents from the UK in our



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global survey of working arrangements, what we find is that people work from home about 1.8 days per week.

This is on par with other English-speaking countries such as the United States, Canada and Australia. One of the reasons for that is, again, the culture. We find that culture, correlationally speaking, is one of the important determinants of remote work. In countries where individualism is more prevalent, working from home levels are higher, but another dimension is that in high-trust societies where people trust each other, employers trust employees, working from home levels are also higher.

These are correlational patterns, so I am not attributing any causal language there, but these are some interesting findings. However, I think the main driver of high remote work adoption in the UK is the sectoral composition and the fact that finance and business services are the main drivers of the economy.

How does it compare with other countries? This is one of the highest in the world compared to continental Europe. On average, people work from home in Germany and France about one day per week, so the UK is twice that amount. I would also like to highlight that our measure, our finding for remote work levels, is in line with ONS data and the Labour Force Survey. When data is available, we try to cross-check to what extent our measures or our findings can be validated through external data sources.

This is one aspect. I think that this will stay because in the same survey we also asked people about their working from home preferences; not about the levels but the preferences going forward. There we also find that people like working from home. In fact, they would like to work from home about 50% of their work week, so two and a half days per week. Then we find there is a gap between the employers' plans to work from home and the employees' desire. This gap has been one day per week since the very beginning of the pandemic and it has never changed. This is very interesting.

There are a few studies that can measure the impact of remote work or hybrid work on productivity, but here let me step back and differentiate two things. There is one scheme that is fully remote work. Another scheme is hybrid work. The reason that this is very important is because the results you find on productivity, mental health and learning are completely different for those two strains. For hybrid work, there are well-designed and published studies in journals like *Nature*, *Management Science* or the *Quarterly Journal of Economics*. These are very well-established journals.

I want to mention this as well because it is important. In these studies, the impact of hybrid work on productivity is either positive or null, whereas in job satisfaction and retention these studies find positive effects. The punchline from these studies is basically that hybrid work has no negative effect on productivity but increases job satisfaction and increases retention among workers.



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Let me step back again now and move to fully remote work. There what we find is completely different. There are different studies, mostly conducted during Covid, where we find either very negative effects or very positive effects. As you can imagine, fully remote jobs are basically the call centre employees, data entry jobs, software engineers, and so on. Most of these studies were conducted during Covid when there were so many changes happening during that time. Then we find effects between minus 20% in the literature to up to plus 15% increases in productivity. On their external validity, I think that we are a bit more limited, but again I would take these results with a pinch of salt, not because they are poorly executed—they are well executed—but they were conducted mostly during Covid.

The main question about what that means for the UK economy is a very hard one. If I could extrapolate based on what I observe from the literature and my company discussions and other work I do with my co-authors, I can say a couple of things. The first is that people like working from home. This is a very well-established finding and this is not going anywhere. The UK economy is very amenable to remote work. We know that in the UK economy the working from home adoption is the highest. If hybrid work is well managed, if there are good practices in how to manage hybrid work, how to establish team building and how to coordinate the teamwork, I think that this will have long-term positive implications on the economy. This is for several reasons.

First, looking at these studies, we know that when people work from home they are more productive and job satisfaction is higher. In our global surveys, we ask this question: how much time do you save from commuting? Then the follow-up question is: what do you do with that time? People often report that they are working longer hours or they put in more effort. Part of that time goes into exercising and other stuff, but they are basically saying that they are working longer hours.

Another important dimension that is often missed in this discussion is that remote work or hybrid work allows companies to get access to a wider talent pool. You can bring people with disabilities and mothers with children back into the labour force. Companies and the public sector can also expand the labour pool because now a company in London can hire someone from the north.

Conditional on this hybrid work scheme being well managed—and there are some practices that I can tell you about later on if you are interested in how to do that—I think that in the long term or in the medium term it can boost productivity. I am not saying that it will take it to a different level—that would be a big claim—but it will certainly help boost productivity.

Lord Parker of Minsmere: Do the measures of productivity you are talking about mostly rely on self-reporting?

Dr Cevat Aksoy: No. These are objective measures.



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Lord Parker of Minsmere: How is it done then?

Dr Cevat Aksoy: For example, in one study that I conduct, we work with the largest call centre in Turkey. The reason we do that with a call centre is that we can track second by second what these call centre agents do on the phone. For the second measure, there is another study that works with the software engineers. How many lines of code do they do? Are they right? Are those codes correct or are there typos in those codes? To what extent do they get their tasks done? The reason that I mention this is that these are well-established, well-published studies. These are very precise productivity measures.

One thing I would like to mention is that in one study we try to understand to what extent self-assessed productivity is correlated with objective measures of productivity. There we find that this is somewhat correlated, but with the caveat that that comes from a call centre. The nature of the job cannot be generalised, but at least I can say, based on that study, self-assessed productivity and objective measures of productivity are positively correlated.

Lord Parker of Minsmere: I have one more thing. I am only asking because I am not an economist and I am slightly mystified by the large increase in hybrid working particularly and a lot of self-declaration about, "I am much more productive now". I cannot easily relate that picture in the UK to what is actually happening with the UK economy, which is not flourishing.

Dr Cevat Aksoy: There are so many other reasons as to why the economy is not flourishing. This is why I said in the medium term I think it may help. This is not one solution for boosting productivity, but the facts and the evidence from the literature suggest that people working from home like it, they tend to be more productive and job satisfaction is very high.

Q38 **Baroness Freeman of Steventon:** I want to ask one clarification question. When you were looking at the average number of days worked at home and the UK was at the top worldwide, or at least near the top, you said that that could be partly down to the high number of service industries that we have. Can you compare within an industry? Do we have a lot more hybrid working within, say, financial services or legal services compared with financial services and legal services in other countries?

Dr Cevat Aksoy: In financial services it is 2.4 days per week in the UK, but this industry division or industry variation is valid across all countries in the sense that in finance it is very high, followed by information technologies. Then if you look at industries such as construction, it is very low, but it is also low in other countries. Given the level of differences, that variation is the same.



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The reason that working from home adoption and the working from home level is much higher in the UK is because of the economic structure. For example, in Germany, where manufacturing is much higher and people tend to work on site, their remote work levels are much lower.

Baroness Freeman of Steventon: Within financial services, you have your 2.4 days within the UK, and that is comparable to the number of days of work in, say, the US or Germany in that industry?

Dr Cevat Aksoy: That is correct.

Baroness Watkins of Tavistock: I just want to understand. Is the same true in China and Hong Kong?

Dr Cevat Aksoy: We do not have Hong Kong in our data. In China, working from home levels are typically very low, but this is also true for all Asian countries. Within the specific industries, working from home levels are much higher compared to the rest of the population.

Q39 **Baroness Featherstone:** This is primarily for Professor Harold, but feel free if you have something to add. It is about the impact of remote and hybrid working on individuals. What data exists on things like their mental health and how does this change according to the protected characteristics, gender, caring responsibilities, ethnicity and so on?

Professor Gordon Harold: The previous discussion picked up a lot of the explanation to that question. On the observation you made about changing working patterns and self-reported productivity, if we could establish that link as causal, it would play a significant role in promoting the more objective measures of productivity over time.

I have a few background points. When we speak about mental health in the workplace, we actually know very little about mental health in the workplace. We know quite a bit about well-being, but differentiating, first of all, mental health from mental ill-health and mental health as being synonymous with well-being is particularly important. There is very limited UK and international data that measure dimensions of mental ill-health, particularly with respect to workplace-related factors, although we know that the two biggest predictors of adult employment, entry and retention in employment, are education and mental health.

From the evidence that I work with around changing work patterns, it certainly appears to be the case that choice has enhanced self-reported well-being and, where mental health is measured, self-reported mental health. That association varies quite significantly by group. Working parents, those with family or caring responsibilities, report significant improvements in well-being and mental health based on flexibility; fundamentally, choice. Whether that is going into the workplace or working from home, choice appears to be the qualitative dimension that makes a difference.



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We know that in age groups, if you go from 21 or 22 up to the older age groups, there is significant variation in mental health profiles. Some studies suggest that young people in particular show enhanced self-reported mental health and well-being but heightened rates of loneliness, social isolation and burnout. Younger workers appear to—and I defer to my colleague in this area—prefer to go into work. Again choice, but the work from home model appears to work better for slightly older age groups. Then when you put in caring responsibilities, family type, single-parent households, you again begin to break down and/or differentiate those who report doing better versus those who report doing less well. The evidence is certainly emerging that choice enhances mental health and well-being, and that would be consistent with other studies outside of workplace or hybrid-focused research studies.

Baroness Featherstone: Is there any data on depression, that it increases or decreases, with home and hybrid working? Is there anything to indicate that it might aggravate a depressive tendency or alleviate it?

Professor Gordon Harold: It is timely, given the current discussion around mental health and mental illness. Currently, it is estimated that one in four children, young people and adults experiences serious mental health problems in any 12-month period in the UK. We know numbers are going up from young people referred to GPs for self-harm rates, and other domains of serious mental illness are going up. By 2030, it is expected that depression will be the leading cause of disability-adjusted life years, time lost to work and education, and mortality and morbidity. For serious psychiatric illness in adulthood, 75% is in place before the age of 18 years, which is a particularly important statistic when we think about workplace recruitment and retention. It is a lifespan experience.

Work stress can significantly exacerbate underlying risks for mental illness or it can actually assist. Where you engage in a productive, supportive environment, be that a domestic, educational or workplace environment, we know that that can protect against the expression of mental illness. Where there is risk and distinctly aversive experiences, we know that can also place individuals at risk for mental ill-health and mental illness.

The boundary between work, home and health and well-being has gone. We know that work stress, again if you focus on adults versus young people, is not good for adult mental health and general well-being. In the context where there are dependent children, work stress is experienced by children primarily through disrupted relationships. We know that with work on family stress; while young people based on age can pick up mum or dad or carer is a bit stressed with work, the mechanism that affects them most directly is how adults relate to each other, the inter-parental relationship, and how adults relate to their children, again across different family types and so on. Where we can support adults to manage economic work stress at the family relationship level, recent work by the Department for Work and Pensions in the reducing parental conflict



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programme in 2018 before the pandemic and in 2022 following the pandemic shows supporting adults who experience economic disadvantage at the level of parental relationships significantly enhances young people's mental health and outcomes.

These are factors that we know are intervention sites, but the simple cause and effect that we would like to establish—workplace, hybrid flexible working patterns, work-related stress, domestic outcomes, individual mental health, well-being across groups, gender, ethnicity, age, and so on—is a complex picture. However, there is a clear and emerging pattern that work stress affects mental health and affects it particularly where there are young people.

Baroness Featherstone: Is that exacerbated by having particular characteristics or do you not have that data yet?

Professor Gordon Harold: Sorry, could you say that again?

Baroness Featherstone: Is that level of stress, as you call it, aggravating the characteristics of someone who is from an ethnicity or with a disability, or is it some up, some down?

Professor Gordon Harold: Again, data would be very inconclusive. Most of the data that we have around changing work patterns and manifest impacts on mental health and other functioning comes from the Covid shift, so quite an acute shock. In trying to follow up and look at how changing work patterns are influencing these domains, we have very limited data. We know the bottom-line emerging picture is that with choice and flexibility, where there is domestic need, caring responsibility or underlying vulnerability, people do better.

Baroness Featherstone: Lastly, in the briefing it said that you are gathering new data on mental health on different working patterns in those characteristics. When might that come in? Will it be in time for us?

Professor Gordon Harold: No. The University of Cambridge and KPMG have entered into a five-year partnership on the broad topic of the future of work. The first target area of research is mental well-being in the workplace. I am leading that programme of research together with Professor Dame Diane Coyle, on productivity, and Professor Jingyuan Zhao, a mathematician. The fact that we are bringing together a mental health specialist and psychologist, a productivity specialist and a mathematician and statistician gives you some sense as to the need to get at some of these core questions. We started in October 2023. We are just outside of our first year. We are gathering data, collecting data, asking questions. I am certainly happy to come back and tell you where things are in a few months' time.

Baroness Featherstone: Thank you very much.

Q40 **Baroness Nye:** That nicely carries on into my question. You talked about the blurring of the boundaries that now exist between work and home



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and said there is not much data, but can I just push you on that a bit? Is there any data on the interaction between remote and hybrid working on the domestic relationships, especially for children? During Covid there were reports that domestic violence was increasing, but if you have parents who are physically in the home but mentally occupied, how does that impact on the children? You will have seen press reports that suggest that with parents working from home, absenteeism for children going to school is on the rise. Is there any data that shows that hybrid working is the cause of that, or is that something that is an after-effect of Covid?

Professor Gordon Harold: I am not aware of data that shows that hybrid working is the cause of that. I am aware of multiple studies that suggest that hybrid working is a feature in rising rates. You are correct that during Covid there was a reported increase of domestic abuse and domestic violence and young people's exposure. Some of my work—and Lord Farmer will be aware of this—has evidenced that how adults relate to each other, on a silence to violence continuum, has significant implications for children and young people.

Work stress is a factor that influences children indirectly. Work stress that affects adult mental health affects inter-parental relations, affects parenting, and affects outcomes. It places children at elevated risk of emotional, behavioural, social and academic problems, and the intergenerational transmission of those cycles. Where adults are working from home and where the work to home dynamic is interrupted, where home is now influenced by work stress, to a young person that is parent-related stress. As you said a moment ago, if the adult is physically present but psychologically absent, we know based on age/developmental stage that that can have adverse effects on young people's mental health development.

There is evidence that across caring responsibility groups parents have reported enhanced parent-child relationship experiences and enhanced couple relationship experiences on the back of Covid and again with the hybrid choice. One of the studies from the Covid era where in a two-parent context mothers and fathers were compared on reported relationship quality with their children based on age, fathers reported a greater sense of father-child interaction quality than mothers following Covid, being able to spend more time engaged with children's homework-related tasks.

As a father during that time who sat in a room with my then 12 year-old or 13 year-old son learning more about his chemistry syllabus than I would have ever felt confident enough to engage with—he is an emerging mathematician so far, a better chemist and mathematician than I am—sitting in the same room with him and listening to his lessons gave me more knowledge to sit down and ask him questions, not in an examination way but to learn about the subject. That little qualitative personal anecdote has been replicated in other studies.



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Being able to spend time with children and with a partner, spouse or others and organise a day whereby you can schedule that time and where children can rely on that time is potentially a significant advantage around the hybrid model and how we can enhance what really matters for individuals who represent those groups.

Q41 **Baroness Manzoor:** I understand your personal example and that is excellent. However, there are so many chaotic relationships and chaotic childhoods in the UK, I am concerned about the impact that perhaps hybrid working and home working can have on those. I wondered if there was any data being collected. I am particularly concerned about the increase in domestic violence and economic issues for women particularly, and the fact that they are left to do more child caring as a result of hybrid working—I suppose some of these hidden negatives that women always seem to come at the bottom of. It is great for men and their pay, their working and their career progression is not affected, but what are the real effects on women and what does it really mean for women? Do we have data on that? It is not just middle-class income backgrounds but other women who are affected potentially or being asked to work hybrid, not because they want to but because their husbands or partners are saying that they should do so.

Professor Gordon Harold: I can try to address that important set of questions with one of the opening statements you made. Chaotic families I think was the phrase you used. I am not for one second trying to minimise the impact that Covid and the changing world that we are now in has had on family life. Chaotic families have been around prior to Covid. The damage that children experience from dynamics between adults that meet the chaotic family definition—high levels of inter-parental discord, domestic abuse, domestic violence and neglect, coercive control, emotional disengagement, economic factors that place individuals at significant risk—have been around for a long time. What we know about the factors that help put adults and young people in a better place, in the context of risk for chaotic family dynamics, is the currency of family relationships. Across economic strata, socioeconomic groupings, work stress is a factor that adversely affects adult mental health, relationships between adults, and relationships between parents and children groupings. Where you target the dynamics at the relationship level to enhance and support those relationship dynamics, adults and children do better.

The shock that was Covid magnified significantly those dynamics within domestic contexts. Had we been in a place to direct interventions that exist and have been evaluated to support families known to be at risk by economic change indicators, we probably could have significantly enhanced the outcomes. We are at a point now that the evidence is very robust. Supporting relationships in the context of economic stress significantly improves outcomes for adults and for children.

We do not have reliable data for several of the examples you have provided, the subgroup questions you have asked around impacts on



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women in particular. There is indicative data around fertility, for example, what might be seen as changing patterns, and directorial dynamics within families, who goes to work, who stays at home, and so on. The coercive power and control dynamic is an area that we need to know more about, but we know a lot more around how to support vulnerable families today in the context of changing working patterns than is necessarily being communicated and fundamentally can benefit adults and children who are at risk.

Q42 Lord Fuller: I am very interested in this line of questioning. What Sue said was about being mentally disengaged, and I know from my own experience if I am on a conference call and people come I say, “No, I am on a call”, so you are very isolated. I am very interested about what the household size is: the physical domain extent of a house. If there is you, your partner and your child possibly wanting to engage with school and you are all in one room, say, or crowded in a bedroom but the rooms are physically small, are our houses too small for this home-based working, especially with school-age children? Is that contributing to the chaos that you are saying is materially aggravating the mental health situation? To what extent is it household size? We have to build 1.5 million homes. Do you have an observation about certain minimum space standards, for example, if we are going to have the highest penetration of home working in the western world? Could this be a recommendation we come up with?

Professor Gordon Harold: I am very happy to offer an observation. To the previous answer, the opportunity here needs to focus on education. If the target group is children and young people—there will be other target groups linked to your question—explanation and education is what allows a young person to contend with what their experience is. Young people, much younger than a lot of people would necessarily regard as being eligible for information, can understand in very sophisticated ways what is happening around them, to your question about being physically present but psychologically absent.

On mobile phone and laptop use, where a young person, again a child or adolescent, can see an adult engaged in work, physically there but not psychologically available, that is not good for children’s development across multiple domains. However, where that can be explained—dad or mum will work for this period of time; every now and then I will have to have a phone call; I am not ignoring you; I am not abandoning you; it is simply because my work now has changed, and you can be part of our team by understanding that; in fact, how can I engage you to help me contend with my changing working patterns?—again for a young person that can make a huge difference to that person’s efficacy, mastery, understanding. It can be possible to segment: the computer might be in the corner but I will do my best to work on it at certain times of the day, there will be certain rules. If I am asking my teenager to turn off their mobile phone or come out of the room with the computer, I will do the same.



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Where there can be some level of parallel to the adult working patterns and the young person's working patterns, and there is understanding and explanation provided, young people do very well. It is where there is a lack of explanation, a lack of organisation, unpredicted change and variation that adults and young people do less well.

The Chair: That is interesting. Thank you.

Q43 **Lord Farmer:** Might I have one last question with Professor Harold? Collecting data post Covid, and in a way take away chaotic families, if you have two parents working at home, do you have data that shows conflict increases there or, in fact, it is beneficial, like you saying, dad helping with the chemistry? Are you collecting data so that we can use this?

Professor Gordon Harold: The answer is yes to the latter. We are collecting data. I would say that where there is a risk of increased conflict between adults, that can be two people working at home managing work stress, the mechanisms that roll out from that to young people's outcomes we know very well. It is by identifying who is at risk and bringing information in early to help adults, two parents to use your example, understand better how that risk might manifest that we can interrupt that cascade. We are collecting data to inform that, directionally if not causally. I am not speaking on behalf of the DWP here, but you will know the reducing parental conflict programme that ran pre Covid and post Covid, where interventions were directed for adults in economic disadvantage, changing working patterns and no interventions with children, measured improvements for the children based on that targeted intervention were evidenced.

Lord Farmer: Dr Aksoy, I will shift over to you. Earlier you said it was difficult to determine productivity. What I would like to know is how we can get employers to maximise the good things about what the data says about productivity.

The Chair: I will pause us there. That, gentlemen, is a Division Bell, so I will adjourn the committee. Could members cast their votes and then come back promptly? Thank you.

Sitting suspended.

The Chair: Welcome back after the interruption for the Division. Lord Farmer, we were with your question.

Lord Farmer: Yes. Dr Aksoy, if there are so many benefits of hybrid working, why are employers so keen to get people back into the office?

Dr Cevat Aksoy: I think that the story there is a bit more nuanced because we see in the media, especially in popular media, that there is a lot of RTOs, return to office. Talking with the companies and having friends and colleagues in some of these companies, some use the return to office as a tool to lay off people. This is something that is known in the industry, because during Covid those large corporations in particular



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hired extensively and excessively, and now they are trying to scale down, especially these midsize teams and medium-level managers.

As a more direct response to your question about why companies are calling employees back, I would like to mention again that people like working from home and it will stay. As long as there is a massive shift in people's preferences, hybrid work will not go anywhere. Employees are supplying the labour, so that is a very important input for companies. Within the company or the organisation, when a company has a hybrid work scheme, co-ordination is very important for the following reason. There is quite a bit of variation across sectors, as we discussed before, within the same sector, across companies and entities, within the same entity, across departments. There is a lot of variation. There are IT teams, lawyers, quant people, administrative support staff. Some of these workers need to be more present in the office, and some others can work more freely from home because they will probably be more productive. If I need to draft a paper or if I am working on a report, I am working from home because it is quiet. If I need to work with my colleagues or our analysts to work with the data, I am in the office because then it is more productive.

My suggestion is the following. Companies may set up a policy, which can be, let us say, that 50% of the time people can work from home. That is the company-wide policy, but they should let individual departments or teams dictate which days they should come and work together in the office. A 50% scheme or you should come to the office twice a week is not a meaningful policy, because if I am going on Monday and then the rest of the team is going on Tuesday, it is pointless. If everyone comes in on the same day, on, let us say, Tuesdays and Thursdays, the senior/junior interaction and the learning will not be lost. Company culture or corporate culture will remain. Most importantly, workers will still feel like they have autonomy in their personal lives. Employers will also feel the same because they will have some control over what workers are doing at the workplace and then when they go back to work.

To me, this is more about the co-ordination problem within the organisation and within the economy. Hybrid work schemes two days a week is not a great policy. Co-ordinated in-person practices, in-person office days, are very important.

Lord Fuller: It was very interesting that you mentioned Tuesdays and Thursdays. What happens if the company mandates a Friday?

Dr Cevat Aksoy: Some companies do that, yes, to avoid long weekends, but as long as there is agreement within the team, within the organisation, that is perfectly fine. If some employees are not happy with that, they could leave the company. In fact, we know from using some administrative HR data from several countries and several companies that people actually swap jobs based on remote work availability. Those workers who value hybrid work or working from home will switch



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companies and work for other companies that allow them to work remotely. This is also happening in the labour force that we know.

Lord Farmer: Coming back to your earlier comments on productivity, you teased us that you had some tips as to how employers could maximise the increased productivity that hybrid and remote working was bringing. Could you just unpack the teasing and give us some detail of your ideas as to how an employer can maximise the increased productivity?

Dr Cevat Aksoy: We were discussing this during the break. I think that it should be task based rather than hours. If there is a close connection between the team leader or the manager and then the employee, and if allocated tasks can be tracked properly, there should not be any problem because we know that on average, based on randomised controlled trials, people are more productive when they work from home or in a hybrid setting. If the system allows workers not to work properly, to do their household chores and some other things, obviously this will be very hard to track. Luckily, we have enough technological improvements and developments nowadays to basically measure everything, but there should not be doubts and issues with the privacy. They should be able to measure everything, but then everything should be quantifiable and objectively measured, and it should be task based. In some jobs that can be done easily; in some others it cannot be done easily. Again, there is quite a bit of variation across industries and sectors and within the same industry. As I mentioned, there is no one-size-fits-all policy when it comes to remote work.

Q44 **Baroness Watkins of Tavistock:** I want to give an example of a call centre and see how you think we might tackle some of this measurement. If I am ringing up to find out what my bank balance is, really it does not matter if nobody answers for half an hour if they are putting the washing on. It might drive me as a client mad, but it is not a big problem if I get my answer eventually. However, I want to take it to a health scenario. We have a 111 system here where it is important that those calls get answered in a reasonable time, and at the moment they are not in some areas. The simplest way to get through your work on 111 is to look quickly at the algorithm and say, "Actually, it would be a good idea for you to either ring 999 or go to A&E", and you hang up in maybe three minutes. The person thinks they have the advice, but you have taken absolutely no responsibility. We all know the current situation with ambulances and A&E departments.

I have already declared my interest in this area, but how do you measure productivity in making sure the right decisions are made rather than that the task is achieved on that example of hybrid working? I know how I do it if everybody is in a room and I am walking around, and I help somebody out who is clearly nervous. In most 111 centres you have a senior clinician, so you can pick up the person who is always passing the buck, for want of a better phrase, and give them assistance. I would welcome your thoughts on that hybrid working.



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Dr Cevat Aksoy: This is a great question and a very hard one. Let me try to be very specific. Training is very important. People should feel responsible towards their jobs, and it is companies' and establishments' duty to give them proper training. This is the first thing to say.

Secondly, in the case of this call centre study, the reason that we work with a call centre is that we can measure productivity. Not only that, we also measure the service quality and the service quality scores are given by three stakeholders. One is the clients. I am calling the call centre, it processes my call and at the end of the call I rate its performance. That is one. The second one is every month managers randomly draw off 10 calls and evaluate their quality. The third one is there is a performance metric, which is a composite measure of how many seconds they keep clients or customers on hold, the number of calls they process, as well as other metrics suggesting random calls and so on. As long as these companies or entities have practices in place to measure service quality and give workers proper training, this should not be an issue.

Baroness Watkins of Tavistock: I am very interested in your random callout of 10 calls because I can see that that could help you learn where somebody might need more help, but it is quite sophisticated. It needs very different training for managers, does it not?

Dr Cevat Aksoy: We are working on management practices in the case of hybrid work and remote work and how we can improve them. This is a big question. Imagine a blank canvas and it is empty. As researchers, we are trying to work on it. There is a lot to do, but to be able to do more, we need better data sources and datasets. One of the fundamental reasons we still do not know much about remote work is that there is very limited data availability.

Q45 **Lord Monks:** Very much in the same area, this is a question to both of you. To Dr Aksoy first, on this question about management, it seems to me that hybrid working is very tough to manage unless you have very clear outcomes that you can identify and say that people have done it properly or not done it properly. If it is all much vaguer than that, you would feel like you want people down the corridor who you can call in because you have changed your mind and all the rest of it.

I am from a trade union background, and I am particularly interested in how you settle the fairness issue where that department can work remotely for some of the time but that one cannot, and so on. As we get used to it, I am sure my ex-colleagues will be thinking about how we can monetise some of this. Nothing like a bit of unfairness and an anomaly or three to a trade union negotiator, and there is some scope for that. Your optimism and very positive approach to it is very interesting. I am interested in whether it takes account of a factor like that.

To Professor Harold, listening to the positive story that you are hearing from Dr Aksoy, does that affect at all the research that you are doing? The project at Cambridge that you are running with KPMG and Diane



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Coyle is a big one. It seems to me that that is trying to get underneath the easy judgments about “If we are feeling well and feeling happy, are our products and services going to be better?”, that you are looking to probe some of the recesses of this. At the risk of proposing at this very late moment an argument between the two of you, are you on the positive end of this with Dr Aksoy’s can-do side of it or are you, “Hang on a minute”?

Dr Cevat Aksoy: Before you go on, let me clarify a point and then I will reply to your fairness question. Then I will move on and I will give Professor Harold the floor.

Professor Gordon Harold: I was just teed up to come in there at that precise moment, but please continue.

Dr Cevat Aksoy: I am not particularly optimistic. I am not optimistic from a personal point of view. What I am telling you today—and I would like to highlight this—is well-established research establishing causal links between remote work and productivity, remote work and job satisfaction, remote work and retention, instead of coming up with some very loosely done, poorly done correlational studies. Everything I draw on today is well-established studies and then conclusions from well-established studies. Looking at these studies, they tend to be optimistic, so I am basically just the messenger delivering the message.

Let me step back and move to the fairness point. I agree with you. It is very hard to convince different teams to come, let us say, twice a week and another team is coming once a week. That cannot be done. What I mentioned, and maybe I should have been more precise, is that if the company policy is 50% hybrid or 50% coming to the office and 50% working from home, companies should let individual teams and departments co-ordinate as to which days are the best to come to the office to not lose interaction between senior and junior people, to protect the company culture and, for the same reason you mentioned, to track productivity measures. As I mentioned, some productivity measures are very easy to track, some others are not. However, this is the manager’s job. That is why they are managers. They should be able to watch their employees closely and then try to understand whether they are performing well or not. Here I stop and I give the floor to Professor Harold.

Professor Gordon Harold: I will try to answer your question and reflections. I speak as a researcher in the first instance. Where we are changing working patterns, it impacts on families and individuals. A researcher in my area has been born at the right time because the opportunity to engage research-directed recommendations around potentially universal-level intervention in the United Kingdom and internationally has never been in place as it is currently. Rates of mental ill-health and mental illness are going up. The manifest impact of mental ill-health and physical ill-health and illness is unsustainable in cost for the United Kingdom and internationally by way of growth prediction.



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Something has to be done to interrupt those trajectory rates, full stop, where we can.

I applaud this committee's focus. Where you can ask questions about what recommendations you might offer around a changed world—the work world has changed, the family world has changed, the education world has changed, global productivity and dynamics have changed and are on a trajectory to further change—and seek guidance on recommendations you offer, this is a huge opportunity.

In the example provided around health, we have used the phrase that it is not one size fits all. It is a well-worn term. It is appropriate here, but you have the opportunity to inform what size fits for whom, when and how. That is where people like us come in, to try to frame questions and develop research approaches to answer that question in a medical context, a health context and a life or death context. There is evidence that where there is onsite engagement, particularly for early career clinicians, where there is the perception of support and access to support and shared decision-making, there is greater confidence around decision-making and fewer errors. The remote working option for the registrar in neurology and the remote working option for the teacher who has Wednesday afternoons off but rather than go into school stays at home and has childcare engagement that allows more time that evening to engage with teaching-related duties is a very different community. The ability to empower those respective communities through support and through guidance and recommendation around work practices is hugely significant.

Work stress and work demand is a potent influence on mental health, well-being and an array of other outcomes: substance misuse, criminality, absenteeism from work, intergenerational patterns, and so on—high-cost items. Having the opportunity to provide recommendations that allow, by receipt of those recommendations, a sense that that relates to me in my area, public/private sector, you have a huge opportunity by way of universal intervention. Given the focus on mental health, given the focus on mental ill-health and associated rates and the link to workplace and the link to family, this committee has the opportunity to take on that question I am very positive because we have the opportunity to shape how that might be done.

The Chair: Thank you very much. That is a very positive point on which to leave it. We collectively can see that there is a huge piece of work to be done here and that it is of great significance, given that we are in the foothills of this great change to work. We are all extremely committed to an evidence-based report with some solid recommendations at the end of it. Thank you both very much indeed for coming and giving us your thoughts and insights today. I will bring this session to a close.