HOUSE OF LORDS

Home-based Working in the UK Committee

Corrected oral evidence: Home-based working

Monday 16 June 2025

2.20 pm

Watch the meeting

Members present: Baroness Scott of Needham Market (The Chair); Lord Farmer; Baroness Featherstone; 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. 20 Heard in Public Questions 202 - 209

Witnesses

I: Drew Smith, Head of Government Relations (UK & Ireland), Zoom.

Examination of witness

Drew Smith.

The Chair: Good afternoon, everybody. Welcome to the second panel of this afternoon’s House of Lords Select Committee on Home-Based Working. I am pleased to welcome Drew Smith, who is the head of government relations for UK and Ireland for Zoom. Thank you very much indeed for coming to talk to us this afternoon.

This session is being broadcast. You will receive a transcript of the session in a few days to check for accuracy. Please feel free to write to us afterwards if you would like to elaborate on anything.

To kick us off with the first question, Baroness Freeman.

Q202 **Baroness Freeman of Steventon:** Thinking of Zoom as an employer like any other employer, could you outline your current policy on home-based working and remote working and how you came to decide on that? I do not know if it varies between the different territories that you have offices in.

Drew Smith: Thank you very much for the question and for the opportunity to be here. It is a fabulous question to start with.

However, as a quick step backwards, a lot of people associate us still with our video conferencing solution, which, during the pandemic, in this place and across the country, kept people connected, and we are very proud of that. Sometimes they assume our company is a fully remote company or a company that enables fully remote work only. That is not the case any more.

We have a whole platform of communication and collaboration services that helps people to connect, collaborate and use AI as part of that process from wherever they are. We have no interest one way or the other whether there are more or fewer days in the office per week for a particular organisation. It is up to organisations to do what they feel is best, but we are intrigued about and try to understand from the perspective of our customers how they utilise the additional choices that these changes in society have enabled. I am sure we will come on to that.

That is true for us as an employer, as well as a technology provider. Even before the pandemic, when our company was much more principally a video conferencing solution, we still had offices and we still came together to collaborate. We have always understood the power of in-person collaboration. That is why many of the technologies we build today are to be used in offices as much as anything.

When the pandemic restrictions around the world came to an end in different ways and at different times, we decided to do two things. First, like many other organisations, we realised that these changes meant we could recruit from a wider pool of people, geographically. We still have fully remote workers across our business and across many territories, principally because of the race for global talent and to hire people from across these isles and from the regions of this country. We only have one office here, and if we could recruit only from people who could come into the London office, we would be holding one arm behind our back. We still have remote workers, and they are not obliged to come into the office at all, although they are very welcome any day, and of course they do come in when people are over from the US, when we have training and so on. That is part one.

Secondly, about two years ago we implemented a structured hybrid approach. It is not too dissimilar from that of other organisations, but we did it in a way that worked for us. We said that anybody within a reasonable commuting distance of London is obliged to be in on two days of the week and we will set those two days of the week. It depends on what team you are in. The point of doing that was so that, when an employee comes in, whether they are the manager, the graduate, or the senior director, they know that their teams—the people that they need to either line manage down or be line managed by—will also be in the office that day. That enables all the important face-to-face interactions, such as training, difficult conversations and water cooler moments, to use the buzzwords, and also then gives them the flexibility to determine where they work for the rest of the week. An individual can be in the office five days a week if they like, but the other three days are up to them.

We like to think about this in terms of earning the commute. If we are going to ask people to come in from, say, the edge of London, sometimes that is £30 or £40 a day. We want to make sure it is worth their time coming in because they get to have those interactions and the mentoring.

There is nothing worse—we have never been guilty of this, but it has existed, I am sure, in many offices, and they have probably worked through it by now—than not having that structure and you say to people, "Here is your Zoom licence and here is your hybrid work. You have to come in once a week or twice a week", without structure, and that individual comes in and nobody is there and they sit on Zoom calls all day. They will think at the end of the day, "What was the point?" That is the last thing we want. We want to make sure that when people come in, it is purposeful and it is meaningful. That is why we have had that approach.

Baroness Freeman of Steventon: What proportion of fully remote workers do you have?

Drew Smith: Around the world, it is about 50%. The UK is a bit harder to work out, because even some of our colleagues who are based up in Yorkshire and Scotland—a few individuals beyond a reasonable daily commuting distance to London—come in quite frequently. The lines are blurred.

Baroness Freeman of Steventon: How did you decide to devise your company policy? Did you use data or was it vibes-based? How do you determine it?

Drew Smith: We have been doing research to see how these changes are affecting society, affecting our customers and affecting organisations. We were informed by that research, in part. We also thought about space optimisation. As much as optimising the days when people are in, we also have to think about whether everybody can be in at the same time. We are not unique in the answer being probably no, and so we start to think that a team-based approach will help with the space issue.

We looked at some of these issues as part of an initiative called the Hybrid Work Commission, which was UK focused, in 2023. You have already heard from Amy Price from Public First, who was involved in that initiative, and many of the other organisations on the commission have also written in. It looked at some of the sentiments that employees in the UK were saying about their hybrid experience now that they had adopted hybrid. What were they saying about their experience? What did they like? What did they not like? It looked at employers as well. I suppose the policy was a product of all of those data points and the balance there within.

The Chair: You are a global organisation. How does the policy you have, which is pretty much all hybrid with a few fully remote, compare to other countries in which you operate?

Drew Smith: It is broadly similar. There are parts of the world where we have more remote workers and parts where, from years of hiring prior to the pandemic, we have big agglomerations of people. It depends. About half of our global workforce is in the United States, and we have quite a lot of offices across the United States, which means that the opportunities to come in and do the things I talked about exist quite frequently across the landmass, whereas in the UK we have just one office. It depends.

Q203 **Baroness Watkins of Tavistock:** Could you tell us how you see remote and hybrid working affecting the responsibilities you have towards your staff—for example, to provide them with equipment in their own homes, or not as the case may be—and what the effects on their well-being might be, both physical and mental health?

Drew Smith: That was one area that we looked at as part of the Hybrid Work Commission. Some 62% of employees that we spoke to said that just by their organisation adopting some flexibility improved their well-being. When I talk about flexibility today, I am talking only about where somebody is situated while they do their work. There are other forms of flexibility, of course. When we asked them about hybrid working, they said that it had improved their well-being.

Then there is a question about how you make sure that that is equitable and felt broadly. As an employer, we of course make sure that our people have the right equipment, and there are allowances and policies for that. We would encourage all employers to do that. Speaking from experience from a previous role in which I was working remotely during the pandemic, I know that there is nothing worse than not having the right chair. That was personally debilitating, and it made me realise how important this sort of thing is.

The flip side of well-being and ensuring that you have great resources and great physical spaces, whether at home or at the office, is building technologies so that when people come into the office they have a fantastic experience. We like to think of ourselves as having the gold standard hybrid office in London. We have invested a lot of money in a brand-new space, a large office in Holborn. When people come in, all the latest technologies are there.

We have an internal intranet and an internal communication system—a bit like a Facebook for internal teams, for them to talk about the latest innovation they have designed, give kudos to a team or to somebody who has been promoted. Big organisations set across different locations need a way to share these moments and share information.

We acquired the Workvivo product a couple of years ago from a company in Ireland. It has all-around screens so that when you are in the office you can see company updates and hear that someone has been made employee of the month or similar. You try to create that culture, information sharing and mentoring even when people are not always in the same space. You can do lots with technology as well.

Baroness Watkins of Tavistock: Can I understand a little bit? The chair is a great example. Do I define what chair I need if I am going to work from home or do you have an occupational health specialist who assesses that in the office and orders it for the home, for example?

Drew Smith: I am not entirely sure of the details of how it operates. We have systems where employees can apply for adjustments, whether that is to their hardware or their physical set-up and desk. I already happened to have all those things and so I did not go through it myself, but certainly employees can apply for those sorts of things.

You raise an important point in general. We know that there is huge scope to go further to harness these trends and support employment for people with disabilities, which is a diverse group of individuals. We did some round tables on this last year and spoke to disability charities, which are much more at the coalface of what individuals say and their experience than we are, and we wanted to learn from them. They often said that hybrid and remote working done wrong—giving somebody a Zoom licence to work from home and them never seeing anybody—can be quite isolating and can cause loneliness. It might mean that that person can work, but what is the quality of their work experience? An employer has responsibilities for the space that they are putting people in, whether they are working remotely or coming in. It needs to be flexible and it needs to be of the highest quality, so that all individuals of all capabilities and accessibility needs are supported, wherever they do their work.

Baroness Watkins of Tavistock: As my last supplementary, if I were a

19 year-old living in a two-bedroom flat with my parents and it was pretty well impossible for me to work from home, would I be able to work in the office five days a week?

Drew Smith: Absolutely.

Q204 **Lord Farmer:** How can the productivity impact of remote and hybrid working be measured, and would this be improved by the ability to link employer and employee data?

Drew Smith: One recommendation I would make to the committee is that there is not enough evidence on national level productivity impacts or changes as a consequence of a fundamental shift in working in this country. We have lots of survey, focus group and customer data about what people think about whether they are more or less productive, but the national picture is still quite underserved. We certainly recommend that, to the extent that it is possible, more is done to address that. I do not have a good answer to that, but I certainly recommend that.

We cannot harness these developments and extend the benefits that they offer to more people if we do not have robust data. On productivity, it is severely lacking. You heard from Professor Nicholas Bloom previously that, broadly, hybrid working has a net-zero impact on productivity. That is one of the only studies that has been done on that empirically—the more the better.

Lord Farmer: Are you addressing any observed trade-offs or downsides in productivity with remote and hybrid working?

Drew Smith: There are trade-offs with everything, even the issues that we are talking about today. It is undeniable that organisations have greater choice about how they set themselves up, how they communicate, how they collaborate and where they recruit from. But about 15% of organisations say that they want to be together even more, because the trade-offs for recruitment and retention are not worth it. Trade-offs are inherent in these debates.

However, with the level of hybrid working that we see now and in survey after survey about the popularity of hybrid working and having some flexibility about where you work, we see that it is pretty entrenched. Only a small section of people—never more than a third—in managerial or employee roles say that productivity is worse. I was looking last week at a big study by the International Workplace Group, which said that almost three-quarters of employees say that they are more productive or have the same level of productivity working from home. Again, that is not the national picture; that is just people’s sentiment.

Lord Farmer: Have you noticed any effects in the areas of work efficiency or profitability? I would have thought you would keep your eye on profitability.

Drew Smith: We read the studies that others put out and we read the news and find it generally interesting. As I say, we have a fairly agnostic view on how organisations make these changes—it is up to them. Some will find it profitable. Some will find it worth the squeeze. Some will find making X change not worth the squeeze.

We do not have a stake or a position on that, because, whether an organisation is based one day a month in the office or one day a month from home, modern workforces need tools to connect. Even to collaborate with someone you sit next to all day, you need tools, and we build amazing tools to do that. We are watching the wider market make the adjustments and the choices that work for them but agnostically, because they all need the ability to collaborate.

Lord Farmer: You need to keep the shareholders happy as well, do you not?

Drew Smith: Shareholders are interested in what comes next for Zoom. Video conferencing was phase one. We have built that out into a whole platform where everything you do at work—writing documents, email, calendar, booking a desk, VoIP telephony services—are all built into your Zoom app so you can give out a business telephone number and not have to have another phone. It goes with you so that you can be contacted wherever you are. Members here and in the other place were some of the earliest hybrid workers. It gives you the ability to have your phone in multiple offices, wherever you are working. That was phase two: how do you collaborate and communicate, wherever you are?

Phase three, which the market is interested in, is what we do with AI. In our Zoom meetings now, with a single click of a button, if enabled, you could have this discussion transcribed, turned into a meeting note with next steps assigned to each individual and distributed after the meeting, before I have even left the room. It makes that whole process much more streamlined, meaning that somebody does not need to spend half an hour or 45 minutes writing it up, which, when you have lots of meetings, adds up. We do not think that that means that people in administrative and project management roles will be out of a job. We think it will enable them to focus on other things. It is an indirect way of saying that the next frontier is how to do all these things better and more productively with AI. We are focused on that.

Q205 **Lord Parker of Minsmere:** As a follow-up, the in-person element of hybrid is desirable because it includes greater collaboration, co-creation, engagement, binding in employees to the organisation, a deeper sense of identity and purpose, and all those things that weigh on the side of coming in for two or three days. We have heard in evidence, including from the Centre for Cities, some concern, perhaps registered as a question, about the longer-term effect. The stage we are at now, in 2025, is that organisations do not know whether performance, productivity and, over time, competitiveness might be eroded over a longer period by a diminution in the amount of time that those in-person factors are at play. What do you think about that?

Drew Smith: We certainly share your view that in-person time and collaborating in person is important and desirable. That is why we have two days of meaningful focus time in our offices.

On the data, it is not ours but I saw recently something quantifying which group of people are the most engaged in their business or their organisation: hybrid, fully remote or fully in office. Actually, it was the hybrid group that was the most engaged. The inference there is probably that people are required to come in full time slightly against their will.

Ultimately, the answer, which leads to a recommendation, is about implementation. The employers who are doing this best have thought about the trade-offs—the aspects inherent in your question—and have tried to balance them as best as possible. The companies that maximise the benefits and achieve the best of both worlds have spent money on management training and been forward-thinking in trying to look round corners at what others are doing and at how they get hybrid working right.

Below-average management is not a new concept, but the challenge for lots of organisations in our country, as elsewhere, is bad managers or under-supported managers who will say, "It is three days a week in the office", and work it out from there. That will not be best practice. That will not be what we do. You want to have purposeful moments of in-person collaboration. You want to think deeply about what good management looks like, how you create accountability mechanisms, how you set clear expectations for more remote work and how you shift from measuring value based on time versus output.

That is especially powerful for people with disabilities. If you are worried only about whether they worked from 2.30 pm until 4.30 pm, you will probably not get the best out of someone with complex and sometimes invisible needs. But you will if you say to them clearly, "By the end of the week, it would be great you do this", and they can say, "As long as I can have to the end of the week, but I can do it on my own time". These subtle shifts can be powerful.

Q206 **The Chair:** I was going to ask you about how the technology is likely to evolve, but you have given a brilliant answer before I even asked it. I do not know if you can tell us any more. I got a sense that the committee was quite interested in what you had to say about some of these other productivity and time-management tools, developed not just by Zoom but by others.

Drew Smith: Enabling technologies.

The Chair: Can you say a bit more about that?

Drew Smith: Many of our competitors are doing interesting research on time saving. Ultimately, our guiding light or North Star is how we free up more time by people using our tools, so that they can do more deep work and more creative work during their week.

Think about public services. We are developing a new product—it is only available in the US at the moment but it should not be too long before it is here—for clinical notes. It is a specifically designed version of Zoom meetings for consultations by clinicians, doctors and others that is designed with all sorts of special ways to make sure it is appropriate for a clinical setting. It does a similar thing: it will create medical grade notes, with next steps, that automatically get added to the electronic patient records. That speeds up the whole process of note-taking, ultimately enabling the clinician or whoever to see more patients. The potential for the NHS is obvious. You can imagine what I have described as a virtual consultation that is then summarised and created automatically.

Only in the last few months, we have announced that, if you open the Zoom application on your mobile, you can use push-to-talk. It is the exact same thing. You would want to courteously let the other person know that you are recording the session, but you do not have to have a screen up and be in a Zoom meeting. The AI companion could do the same thing for in-person consultations. Think about carers in the community and other types of therapists who might spend a lot of time between meetings on the administration side of things, when they could be with patients.

I want to jump back to the Zoom meeting experience and people who spend a lot of their week on our video conferencing solution. For a worker who spends about 20 hours a week in meetings—quite a lot—we have estimated that if they fully utilise these AI companion summaries, they can save up to six hours a week, so almost a whole working day. If that person's working week is already quite heavily concentrated on video meetings, the benefit of having six hours back—not spent on admin or project management—turns that employee from someone who is mostly in meetings and talking about meetings into someone who can contribute in other ways, perhaps two days a week. Those are three examples of our technology.

Baroness Watkins of Tavistock: Who is accountable for that output? As a clinician—I declare an interest as a nurse—you would be anxious to check that it has reached where you think you had reached. Do you think there will come a time when clinicians do not worry about that—that they will gain enough trust? Who then will be accountable in terms of professional indemnity?

Drew Smith: Do you mean for the accuracy of the summary or where it ends up?

Baroness Watkins of Tavistock: You started by saying that it would have steps of what to do. If, for argument's sake, I saw an ulcerated leg, I would know what I thought we should do. I would write out a plan and I might delegate it to somebody else to deliver. If that was automated, would you expect somebody to be able to check it, or would you think that the development of the algorithm is good enough, and it might come out at the end that a care assistant needs to do it?

Drew Smith: That is such an important question. The answer is probably the same for all places where you use technology. You would not want to rely on it 100% of the time for something as important as that. We imagine clinicians having 97% of it done for them and that they would then check it. That would be best practice.

Q207 **Lord Fuller:** I find this really interesting. Sometimes, when I end up doing the notes for a meeting, I find it astonishingly helpful. It helps to clarify the thoughts and you can reflect on what you have heard and internally prioritise and synthesise points.

I get anxious. I have seen this stuff—though I know it is moving on all the time—and know that AI is summarising AI. It is rather like a key to a door. You get a copy of a copy and, after a while, the door does not open anymore. That is a side point.

I am interested in some of the technical risks rather than personal risks. I emphasise that this is not from using your platform, Zoom, in particular; it is a public forum and I do not want you to admit to anything that is not there. More generally, when using some of these technical tools in the remote working landscape, what are the risks either to the individual or possibly to the organisation—I am thinking of cybersecurity and those sorts of things—of opening up more widely an otherwise secure walled garden? What do individuals and businesses do about it? If you are working from home, do you have the technical competence and ability to secure your own home within the context of an end-to-end network that goes throughout the organisation?

This is the Home-Based Working Committee. If we cannot get those essential technical fundamentals right, we will end up with a Marks & Spencer moment—other CT disasters are available.

Drew Smith: That is such an important question. My understanding of the M&S issue was that bad actors gained access to its central systems, as opposed to it being the tools it was using. I am not technically proficient to answer about the cybersecurity of home connection versus on premises, but I acknowledge—

Lord Fuller: As a businessman, I am concerned about my remote workers and how many passes or steps there are.

Drew Smith: All I can say today is that we place an awful lot of emphasis on trust and security, because these things are hard-won and easily lost. We invest all the time in offensive security operations, looking for issues with our technology—that is especially so for innovative companies such as ours, where we are adding technologies all the time. We have teams looking at that. We have several hundred people working on security engineering roles, to try to make sure that we live up to our mantra that Zoom is a safe and secure platform.

Lord Fuller: I am not so much interested in what Zoom is doing. I am thinking more widely. We have heard evidence that up to 40% of the workforce works in some measure at home. The vast majority of those people will be working using online tools. I am concerned about the security of the entire economy. What is the technical underpinning there? How can we help businesses be more secure more generally, not necessarily using your tool? This seems to be a systemic risk to the economy.

Drew Smith: We receive training in our company about best practice for joining wifi connections in coffee shops and things like that. Companies can implement best practice and training. Perhaps it is another area where this committee might recommend a proper study, because it feels like there is not a sufficient evidence base to know definitively either way. I do not see huge amounts of media reporting about how such-and-such an incident happened only because such-and-such a person was a remote worker. I would be interested to understand that more fully.

The Chair: Cybersecurity will be high on your corporate risk register, as it is with every organisation. Do you identify any particular risks from having a workforce that is working from home two or three days a week, or in some cases completely? Are you aware of any? Is it on the risk register?

Drew Smith: Not to my knowledge, but it might be.

Lord Farmer: I will give you one. I do not know whether you have thought of asking them, but is there a restriction on anyone else being in the room at the same time as your employee?

Drew Smith: It is a good question. I know this came up in another session as well. We have not encountered our customers saying that two people in communication not knowing who else is in the room is a novel risk. That would be governed by other things as well, such as ethics and good corporate practice. Certainly, when I started my career, we had conference calls that you would punch into in the middle of a meeting room. That had the same set of issues. You cannot definitively know. We do not see it as a novel issue, and it has not come up during my time.

Q208 **Baroness Manzoor:** Thank you very much for attending today. It is much appreciated, particularly in the light of a new family member. All the best with that.

My question is about broadband. One concern that I have had for some time is that, if you happen to live in a rural community, you do not have the same broadband access or you can have lots of interruptions. Even with upgrades, it can be difficult.

Do you think the Government need to make more investment in the infrastructure for broadband or is it sufficient? Further to an answer you gave earlier about equipment, what do you guys do? Do you supply equipment to enable broadband support, so that it is boosted for those people who do not live in central London or in cities?

Drew Smith: I do not know that we do that around connectivity, but we might.

This touches on one of the most powerful aspects of the whole debate, and the rural piece is fundamental to that. As a result of greater levels of hybrid working across the economy, we have seen a real flexing of the tether that has always existed, but exists far less today, between where somebody lays their head at night and where they spend their money, principally, and where the person or the organisation that pays them their salary is. I am talking in generalities here. Previously, for somebody to access or feel that they had a range of professional choices—and professional does not just mean remuneration, but that is important when we think about the overall economy—and to keep moving forward in their career and access better paid jobs and have additional purchasing power, they had to be within a realistic distance of a place five days per week. Now, because of technologies such as ours, and the fact that 41% of all British employees work flexibly some of the time, the choices available to individuals, as well to the employers recruiting those individuals, are much greater.

I think that this is potentially transformative for left-behind areas, rural economies and seaside towns; places that the committee will be aware of. There have been big policy challenges in this country for a long time, with the overconcentration of wealth and opportunity in London and a couple of other cities.

The main recommendation I would make to this committee is this. We know that there have been changes. We know that people are better able to stay closer to home, move back to the area where their mum and their caring responsibilities are, or buy a house in an area that might be more affordable, and accept that for one or two days a week—they might get a hotel for one night—they will live an hour and a half or an hour and 45 minutes from the place. I have a friend who has moved jobs. He goes to the head office for two days a month, and he lives on the other side of the country. He just accepts that, two days a month, he will go there and he will stay in a hotel, and he will work remotely the rest of the time. He would not previously have been able to do that and he might not have been able to avail of the higher salary that is inherent in that.

In rural areas, we are already starting to see that people are needing less to leave their home or commute back to a place that they love and can access a more diverse range of professional opportunities. That is such a powerful thing for local spending and raising GDP per person in more postcodes. Defra statistics already show that the level of remote working correlates highest to rural postcodes in this country. We are already seeing that it trends towards people who live in rural areas being the most likely group to be availing themselves of this opportunity, which would not previously have been the case. There has been an untethering of where somebody is or has to be.

It might mean that those individuals will make a sacrifice. We have not talked about parents—

Baroness Manzoor: Forgive me, I just want to come back to the point about investment.

Drew Smith: I am sorry, of course.

Baroness Manzoor: All that is brilliant, but if you do not have the broadband and the connection, you have a real problem. Do you think that there is sufficient government investment in this? Do the Government need to invest more? I think that is critical. If you cannot access the network or you have continual interruptions, it naturally flows that you cannot do your job to the level that you need to do it.

Drew Smith: Sorry, I was on one of my passionate hobby-horses there.

Baroness Manzoor: That is fine.

Drew Smith: You are absolutely right. The company does not have expertise on broadband policy, but in any home without it, the opportunity and choice I am talking about simply is not possible.

You need connectivity. You need not just an internet connection but a good internet connection to do all the things that I am talking about, not least with the AI technologies that are now coming down the pipe at a rapid knot.

In part, Zoom is at the forefront of that. An individual worker will not be able to access all the productivity enhancements to do their job more seamlessly and get help with the creative side—you can ask Zoom AI Companion to kick-off a first draft of a document—if they do not have a good internet connection. It is fundamental.

Baroness Manzoor: I was wondering if you have any data on any changes that you have seen.

On the flip side, for somebody like me who is not great at technology—whereas I am sure my colleague Lord Parker is brilliant—how do you skill up people? Do you think there needs to be something from the Government? We have the employment Bill going through at the moment, but I am not sure that that is mentioned in it. Is there something about upskilling people and giving employers the rights to do that as well?

Drew Smith: Do you mean to get hybrid working right and to be able to do this well?

Baroness Manzoor: To upskill the workforce so that they can undertake hybrid working and use some of the technology that you have been talking about.

Drew Smith: I think the answer is to support as much management training as possible, and for that to become much more prevalent across the economy and across employers. That holds the key to distilling and implementing best practice in hybrid work. It does not come naturally to a lot of people, and so requires that little bit of extra purpose and training. The first place I would look at is what employers are doing to enable their managers to implement this effectively.

I do not know about the skills pipeline at the younger end of the pipe, but I do not think that hybrid working is going anywhere. We probably do need to be thinking about this at an education level, and teaching our young people to become the hybrid workers of the future. That seems like a sensible thing to do as well.

Baroness Manzoor: You mentioned different tools coming into being, particularly using AI. I am interested in activity-based management as a tool to help and support employees moving into AI. Do you think that there will be job losses at that level? Are we ready for those changes—not only hybrid working but the changes for people who work at home, given that their jobs are more liable to be the ones that can be done by AI?

Drew Smith: What do you mean about activity-based management? Could you give an example?

Baroness Manzoor: Activity-based management would be a tool that asks what an employee is doing, finding that they have spent five hours doing A and two hours doing B, and eventually working with the employer to be able to say that maybe AI can be used to do that. You can collate all that information so that you can support the employee to be more focused on the areas that they want to be more focused on and that the employer wants to be focused on. Of course, some of these elements are likely to be a lot of the admin work that you were talking about earlier, which lends itself to AI. Does that mean that, for some of these people, a sharp-eyed employer may well want to bring down the numbers because of cost?

Drew Smith: I do not really have a good answer for that. Rather than the tracking and accountability side of the coin, we are more focused as a company on technologies that give people back more time and what that can mean in a positive sense. I do not really have an answer on the example that you gave; I am sorry.

Baroness Manzoor: That is fine. Thank you.

Q209 **Lord Parker of Minsmere:** Drew, it has been a very helpful session so far. You have given us tons of very helpful evidence, so thank you.

One of the things that you have talked about as you have gone along has been the future aspect. I want to take a moment to see whether there is anything else we can sweep up out of your frontal lobes. If I asked you to think about the next three to five years, with this whole sphere of different patterns of working—hybrid, remote—from your point of view, can you anticipate other changes and other effects coming? You mentioned already the changing technology. Is there anything else you want to say on that? In thinking about that next three to five years, what else might happen in the landscape?

Drew Smith: The million-dollar question. I think it is a very exciting time. Technology is changing at a rapid clip. Our product is completely unrecognisable from five years ago, and arguably from even two years ago when we launched our AI Companion product that does all the things we have talked about. Every couple of months, there is a new capability enabled by AI. Two or three years ago, it was amazing that we all of a sudden could have a Zoom meeting be transcribed and then translated into another language, lowering the barrier to communicating across languages. That was powerful. Next up will be voice-to-voice translation. If I was talking to somebody here who could speak only Bulgarian, previously I would speak in English, he would speak in Bulgarian and we would follow along on the transcript but would not understand each other audibly. The next thing is that he will be speaking Bulgarian and I will be hearing English.

These things are happening all the time, and not exclusively with us. The pace is amazing for a company that cares about lowering barriers to communication and collaboration and such things.

Perhaps one of the pet peeves of the committee—I know this is the case for many people—is all the time spent organising and reorganising a meeting for lots of people, with eight different calendars open as you try to work it out. The latest AI capability we have announced—all our core AI capabilities are included if you are a customer; there are no additional paywalls—is that now you can simply type into the AI box, "Please rearrange the meeting that is on Tuesday with the committee. Please recommend two times that would work for everybody next Wednesday and Thursday". It would go off with agentic AI and come back with a recommendation. It might take a minute or two, but it will say, "Wednesday next week works for eight out of the 10 committee members". That takes five or 10 minutes. All of the time taken to go and ask people previously is no longer used.

Zoom is not solving cancer. We are not at the real forefront of some of the applied uses of technology. But in all these small but powerful ways, it is about freeing people up to do more of the work that does matter. That really does add up. From a national productivity perspective and a public service perspective, we are only scratching the surface on what this could mean.

Lord Parker of Minsmere: So long as we can have good enough management to get hold of that marginal gain and do something with it.

Drew Smith: Indeed.

Lord Parker of Minsmere: Thank you.

The Chair: Drew, thank you so much. You have given us a huge amount to think about and simultaneously inspired and terrified us. Thank you very much indeed for coming to give evidence today.

Drew Smith: Thanks for the opportunity.