



# The great **opportunity?**

Pulse 2

June 2021



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# 1. Introduction

This is our second report in our 2021 quarterly series examining the impact of Covid-19 and the challenges and opportunities emerging for organisations.

You can [download our full Pulse 1 report](#) and read the findings from our first 'pulse survey' taken earlier this year. You can also explore our wider work on the great opportunity debate [here](#), which includes interactive data dashboards based on our survey results, podcasts with experts from industry and blogs written by Capita's experienced professionals.



## 1.1 A brief recap

In our first pulse findings published in March of this year, we found that the majority of our 354 respondents (63%) felt that 2020 had been a negative year for them personally, with an even higher number (71%) of respondents indicating that the events of 2020 had had a negative effect on their organisations.

For context, this first survey took place between January 14<sup>th</sup> and 31<sup>st</sup>. The UK was deep into its third national [lockdown](#). On 26<sup>th</sup> January, the Office for National Statistics ([ONS](#)) reported that the UK had passed 100,000 Covid deaths, becoming the first European nation to pass this unenviable milestone.

The economic outlook was depressed. Short-term forecasts were downgraded. Economists at [KPMG](#) suggested that GDP growth might contract by 2.6% in Q1 2021, after estimated growth of 1.5% in Q4 2020. Experts predicted that the economy might not return to pre-Covid levels until as late as Q1 2023. The late Christmas lockdown, and the prospect of a bleak Winter, had almost certainly downgraded the mood of the nation, with consumer confidence as measured by the [GfK Consumer Confidence Index](#)<sup>1</sup> falling from minus 26.0 in December 2020 to minus 28.0 in January.

Feedback collected during our first pulse of the year highlighted significant disruption to individuals, organisations and industries during 2020. One of the main drivers was the rapid shift to remote working. Whilst not all employees and organisations underwent this change, it was a major challenge for many across Government, Financial Services and Critical Infrastructure as organisations looked to maintain stability during a period of unprecedented upheaval.

Return to the workplace is now a key discussion area as organisations look to navigate the cautious easing of lockdown restrictions. We explore this theme in more detail in this second instalment of insights.

96% experienced some form of change in their organisation, and change appeared to happen faster than was anticipated for the majority. Whilst just over half of respondents reported that they felt the levels of change they had experienced in 2020 were sustainable over the next 12 months, 31% felt that their organisations needed to slow down, or indeed stop altogether to recharge. There were early signs of mental exhaustion expressed by some respondents due to the scale and pace of change experienced. This is a theme we explore further in this report.

Finally, many believed that the next 12 months will bring further disruption. The results from this second pulse suggest that there have been changes in employee expectations regarding work, and that organisations need to rethink how and where work is done as we emerge from the pandemic.

Despite the clear sense of disruption, there were also positive signals. Respondents reported that they were collaborating more with other organisations, that there was more willingness to embrace innovative ideas, and there were suggestions that the shift to remote working had led to greater levels of individual productivity, an area we explore further in this report. Despite the magnitude of disruption faced, resilience, adaptability, and a sense that the crisis may in fact be a catalyst for change were all evidenced in the results.

<sup>1</sup> The GfK Consumer Confidence Index provides a snapshot of how UK consumers feel on crucial economic topics, and their outlook for the next 12 months.



## 1.2 Context for Pulse 2

Our second phase of the great opportunity research took place between 22<sup>nd</sup> April and 5<sup>th</sup> May 2021. The context for the pandemic had shifted dramatically by this point. The vaccination programme was and continues to be recognised as a success. At the time of writing, over 41 million people in the UK had received their first [dose](#), and over 30 million their second. The release of lockdown restrictions has (so far) largely followed the plan set out by the government earlier this year. Restrictions regarding the size of groups able to meet, re-opening of non-essential retail and indoor socialising have all progressed, and despite some signs of recent increases in the infection rate, as one might have expected given increased social activity, the vaccination programme has prevented a similar surge in hospitalisations and deaths to that experienced late last year and in early 2021.

Predictions for a stronger economic recovery have gained momentum, and unemployment statistics have begun to look more positive compared to what was expected at the turn of the year. The Bank of England recently raised its [forecast](#) for annual economic growth in 2021 to 7.25% from February's 5.0% estimate. It also revised its forecast unemployment rate to predict a peak of 5.5% in Autumn 2021, down from previous predictions which were as high as 9.5% of all UK adults in May 2020. The furlough scheme has undoubtedly contributed to these lower-than-expected unemployment figures, and the hope is that with the economy picking up there will be less of an end of furlough impact later this year.

On a more cautionary note, at the time of writing there remains significant concern regarding the Delta variant of Covid-19, with data confirming it is now the dominant strain in circulation in the UK. This variant has been identified as being significantly more infectious than other variants. On June 14<sup>th</sup> the government also announced that current lockdown restrictions would need to continue beyond June 21<sup>st</sup>. Restrictions on foreign travel remain in place, with very few countries on the 'green' list.

In addition, there are still many vulnerable members of society who have been, and continue to be, disproportionately impacted by the pandemic. These include those affected by financial pressures because of unemployment and reduced incomes, those suffering from mental health challenges, children who have missed schooling and those affected by the loss of loved ones. The pandemic has exacerbated existing social inequalities and there remains significant work to do to remediate these differences.

Finally, whilst the UK appears to be edging towards a recovery, it is important to remember that the global picture remains extremely volatile. The crisis continues to intensify in India, and there are vast differences in the development and progress of vaccination programmes across the world. For many there is likely to be considerable disruption for the remainder of 2021, and well into 2022.



## 1.3 Pulse 2: Focus areas

In this second pulse, we revisited the topic of the challenges and disruptions our respondents were facing, this time focusing in on the first quarter of 2021. We wanted to dive deeper into some of the emerging themes from our first pulse survey, including the debate around the return to the workplace, the impact remote working has had on productivity and the mental and physical wellbeing of colleagues. Finally, we explored new topics relating to the use of data during the pandemic, and how inequality was being addressed by the organisations surveyed. Our findings were revealing, with important considerations for decision-makers as we emerge from a dark winter period and look to a more optimistic second half of the year in 2021. We turn to a summary of our findings in the next section.



# 2. Findings

Our findings are broken down into seven principal areas. We explore these and the implications in turn.

## 2.1 Change is a constant

If there was one message that came through loud and clear in our second set of results, it is that individuals, organisations, and their wider industries will continue to face widespread change because of the pandemic.

78% of all respondents reported that their industries continued to experience some level of change throughout the first three months of 2021, whilst 74% shared that their organisations had experienced either restructuring, a shift in strategy or functional / divisional specific change. 62% of respondents reported a change in their individual roles.

**“The key will be understanding how to adapt to a changed world.”**  
Senior Director, Financial Services

The Critical Infrastructure grouping of industries (Transport, Telecommunications, Oil and Energy and Utilities) experienced the most dramatic change in the first quarter of 2021 (see Figure 1 below), with 81% of respondents highlighting some level of change, closely followed by Financial Services (78%) and Government (76%). Critical Infrastructure also saw the most change at an organisational (see Figure 2) and individual level (see Figure 3).

To what extent, if at all, do you think your industry has changed over the last 3 months?

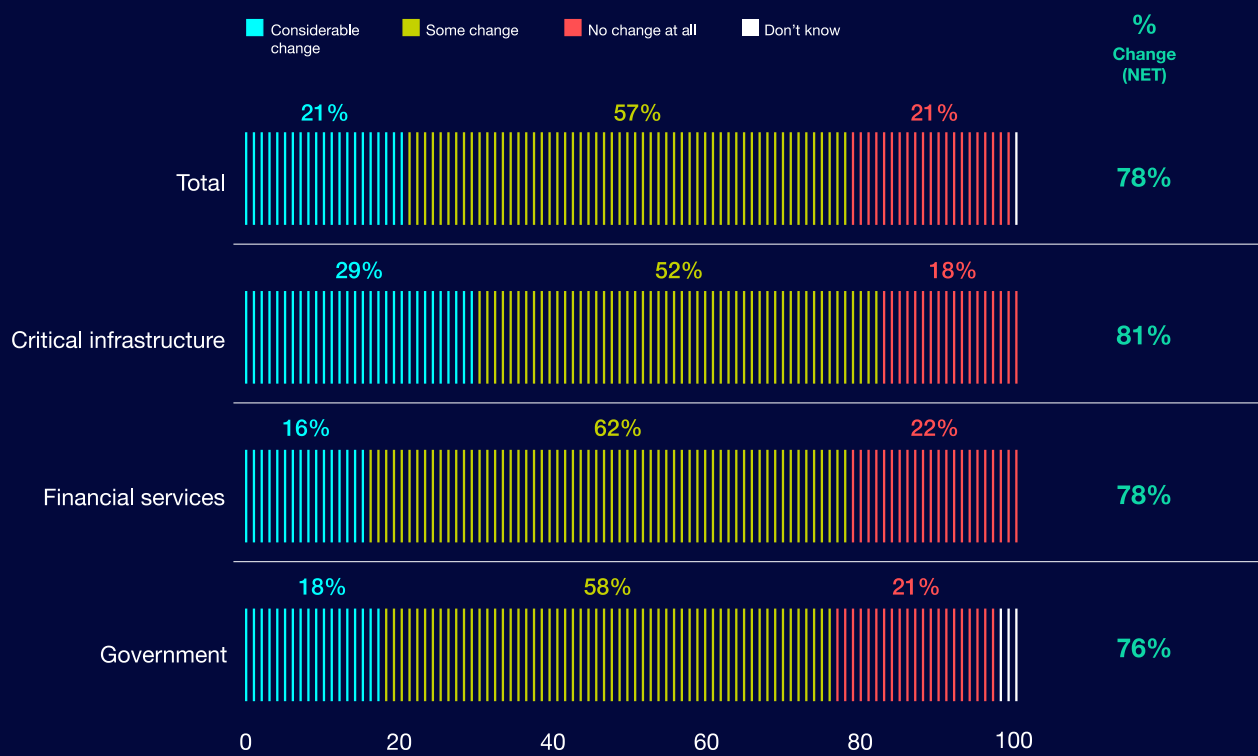


Figure 1



To what extent do you think your organisation has changed over the last 3 months?

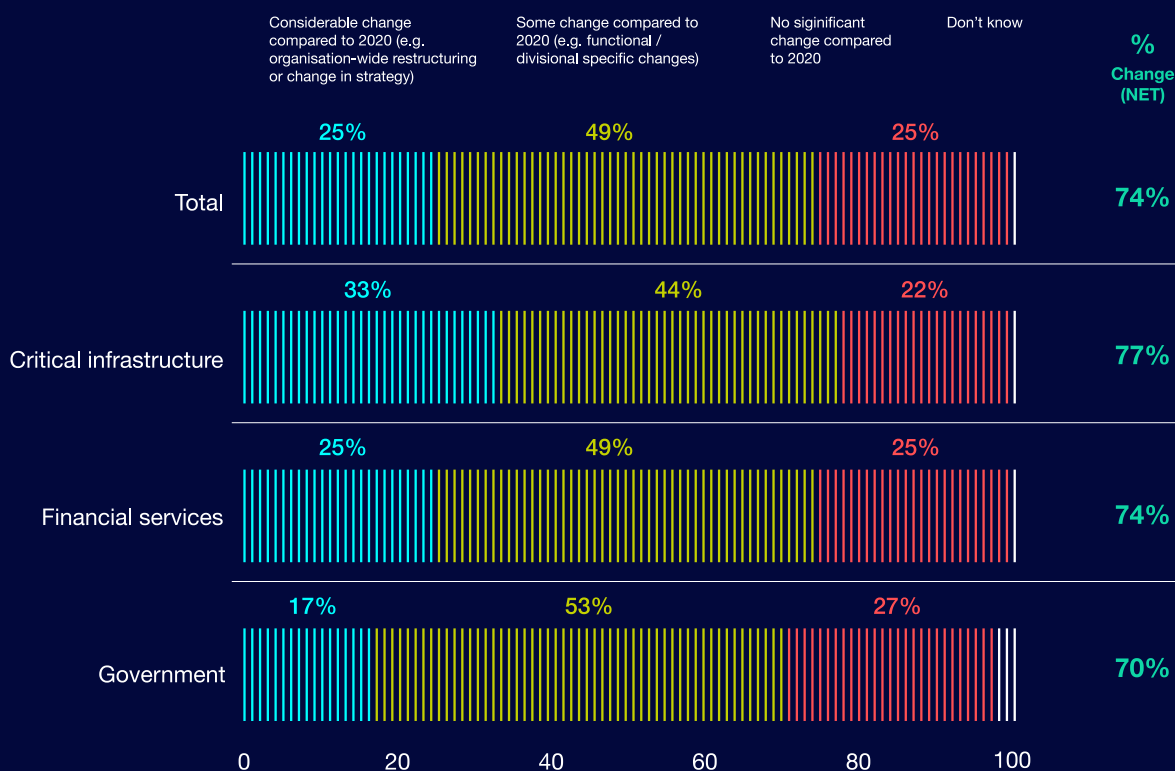


Figure 2



To what extent do you think you as an individual have changed over the last 3 months?

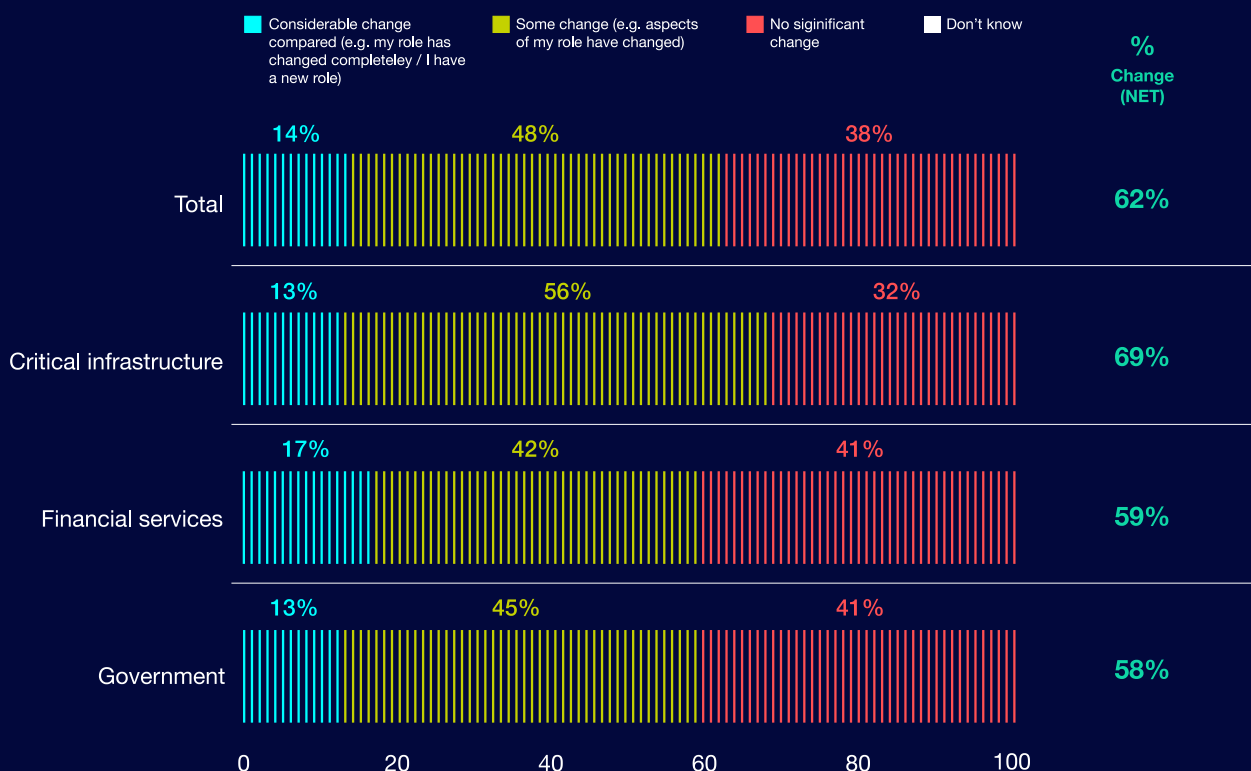


Figure 3

Respondents were asked to identify the drivers of change across their industries and organisations. Changes in customer or citizen behaviour, changes in the capabilities needed to operate in the new environment, economic pressures and the pace of technology change were all flagged as key factors across the industry groupings.

|  | % Top 3 |                         |                    |            |
|--|---------|-------------------------|--------------------|------------|
|  | Total   | Critical infrastructure | Financial services | Government |
| Changes in customer/citizen behaviour                            | 49%     | 51%                     | 52%                | 44%        |
| Change in capabilities we need to operate in the new environment | 49%     | 45%                     | 46%                | 56%        |
| Economic pressure  | 48%     | 60%                     | 44%                | 38%        |
| Pace of technology change  | 38%     | 31%                     | 50%                | 35%        |
| Competitive pressures  | 28%     | 34%                     | 45%                | 5%         |
| Changes in the supply chain                                      | 14%     | 22%                     | 11%                | 8%         |
| Other  | 7%      | 6%                      | 6%                 | 9%         |
| Don't know   | 3%      | 1%                      | 2%                 | 6%         |

Overall what is driving the levels of change you are experiencing across your industry/organisation?

- 1<sup>st</sup>
- 2<sup>nd</sup>
- 3<sup>rd</sup>

Figure 4

Economic pressures were especially prevalent for respondents in the Critical Infrastructure grouping. Many of the industries in this group have endured sustained pressure because of shifts in demand for the services provided. The downturn in public transport usage is one example. Only [582](#) new buses and coaches joined UK roads in the first quarter of 2021, compared to 1,403 in Q1 2020, a decrease of 58.5% year on year. Similar trends are evident in rail travel. According to the [Office of Rail and Road](#) there were 80 million journeys made during Q4 2020. This was down from the 139 million journeys made in the previous quarter (Q3 2020). On the other end of the spectrum the telecommunications sector has seen increased demand for broadband services, caused in part by more people working from home. Virgin Media extended its UK network into [80,000](#) new premises in Q1 2021, adding an additional 38,500 Internet customers. Use of remote collaboration tools also shows no sign of slowing down. Microsoft Teams now has an estimated [145 million](#) daily active users as of April 2021, up from 75 million last April. Zoom estimates it now has [300 million](#) daily users.

In the Financial Services sector changes in customer behaviour ranked first, closely followed by the pace of technology change. The acceleration of online banking, the related closure of branches and the shift away from cash are all trends that have accelerated during lockdown because of changes in how customers use banking services. [Over half](#) of all UK adults now use online banking apps regularly. We have also seen challenges relating to the management of the regulatory environment. For instance, many programmes of regulatory change were impacted because of the introduction of 'working from

home' models, from AML (Anti-money Laundering) and KYC (Know Your Client) to SMCR (Senior Manager & Certification Regime). Challenges such as the enhanced risk of financial crime, and the increased risks of fraud and cybercrime have meant compliance teams have had to be ever more vigilant.

In Government the need to step change capabilities to operate in the new environment ranked first in terms of drivers of change. Across both central and local government there is widespread recognition of the need to build new skillsets across areas such as data science, citizen experience, technology delivery and other digital capabilities.

We also examined what had changed most for individuals. Working patterns were cited as the most impactful change. Interestingly, the purpose of work as part of my life and career aspirations also featured as the second and third highest reported changes for individuals. There has been some suggestion that the extended disruption to pre-pandemic routines has caused many to reflect on the role work plays in their lives, leading individuals to consider [career changes](#).

**“The need to think beyond current delivery methods (e.g. consideration for colleagues who will now work permanently at home) will be key.”**

Senior Director, Government

|  | % Top 3    |                         |                    |            |
|--|------------|-------------------------|--------------------|------------|
|  | Total      | Critical infrastructure | Financial services | Government |
| Working patterns                       | <b>65%</b> | <b>69%</b>              | <b>66%</b>         | <b>59%</b> |
| The purpose of work as part of my life | <b>52%</b> | <b>51%</b>              | <b>54%</b>         | <b>50%</b> |
| Career aspirations                     | <b>34%</b> | <b>31%</b>              | <b>34%</b>         | <b>37%</b> |
| Skills acquired                        | <b>27%</b> | <b>28%</b>              | <b>34%</b>         | <b>20%</b> |
| Other                                  | <b>5%</b>  | <b>2%</b>               | <b>3%</b>          | <b>11%</b> |
| Don't know                             | <b>2%</b>  | <b>2%</b>               | <b>3%</b>          | <b>3%</b>  |

Which of the following things have changed the most for you? Please select all that apply.

■ 1<sup>st</sup>

Figure 5

The crisis has acted as a catalyst for change. It has exposed frailties in organisations and industries that have been unable to adapt, but also brought opportunities to those that have.

For organisations and individuals, the over-riding implication is that we must increasingly be prepared to be comfortable with unpredictability and uncertainty as we emerge from the pandemic. Echoing statements made by leading civil servant [Charles Roxburgh](#) in the wake of the financial crisis of 2008-09, exploring alternative scenarios will be more important than ever as the false certainty of long-term planning horizons is replaced with the need to navigate an often confusing and uncertain set of choices.

**“The fallout, both financially and societally, from Covid-19 will be a huge challenge. Some people expect once we are all fully vaccinated everything returns to the pre Covid-19 world. It won't.”**

C-Suite professional, Financial Services

Whilst many organisations have restructured internally, the competitive environment has also evolved, with accelerations in trends such as the shift to online meaning that both business and operating models must also continue to evolve. Ofcom's latest report, '[Online Nation](#)', highlighted that online shopping sales in the UK rose by 48% to £113bn last year, with UK adults spending an average of three hours and 47 minutes online every day during the pandemic, over an hour longer than adults in Germany, France and Spain. Exploring ways to reach B2C and B2B customers through digital channels is an opportunity. However, the report also highlighted the digital divide which continues to exist between those with online access and those without. One in five over-64s and around one in 10 in lower socio-economic households do not have access to home internet. Whilst organisations rightly respond to the shift to digital channels, they should be cautious of one size fits all solutions that could overlook the more vulnerable members of society.



## 2.2 Return to workplace is top of mind

When asked about the most significant challenges facing them in the first quarter of this year, changes to locations and patterns of work were repeatedly highlighted as being the most impactful, for both respondent's organisations, and for them individually.

This trend echoed sentiments expressed in our first pulse earlier this year, emphasising the scale of the challenge facing senior decision-makers as they wrestle with potential paradigm changes in the world of work.

networks, and to drive innovation and maintain culture, the environment itself will, initially, be different from what was vacated in March 2020. This is due to factors such as property downsizing, space reformatting, enhanced health and safety provisions, new workplace technologies and the need to cater for a mix of both physically present and remote colleagues as part of workforce planning. Hence, the coming months may still feel very much like an experiment with various initiatives 'in test.' The range of flavours of return to work that organisations are proposing shows that the jury is still out regarding the right model.

**“The single biggest challenge I foresee for my industry in the next six months is the return from remote to office working and “opposition” from some employees who prefer to work from home, irrespective of what the employer expects of them.”**

Senior Director, Financial Services

Whilst there have been vocal calls from leaders in some sectors, particularly in Financial Services, for the return to workplaces to accelerate, there are significant complexities involved with bringing those colleagues who have been working outside the office since the start of the pandemic back 'in-house.'

At this point, we are unlikely to know the real impact of these 'return-to-workplace' initiatives until they are well underway. We should also prepare for scenarios where there might be regression in terms of lockdown restrictions should, for example, further variants emerge, or tighter controls be re-introduced. This could cause delays to implementing return to workplace programmes and have potentially more dramatic implications for individuals and organisations operating in industries already under pressure and reliant on more relaxed approaches to socialising and travel, such as hospitality, leisure, and the travel industry.

Whilst many businesses have invested considerable time and resources planning for the return to the workplace, there are still many unknowns. Whilst some have argued that office-based environments are necessary to support collaboration, to build and maintain





## 2.3 The future of work is hybrid

Despite the lack of clarity regarding the right approach, our results suggest that there appears to be overwhelmingly support for a 'hybrid' approach, at least in the first instance. As illustrated in Figure 6 below, the hybrid model as defined in our survey involves a split of days in the workplace or office, and days working remotely. In a related piece of Capita research [examining the future of HR](#), we found that over 40% of the organisations surveyed are now planning to shift to a hybrid set-up in 2021, with a quarter offering a permanent work-from-home solution.

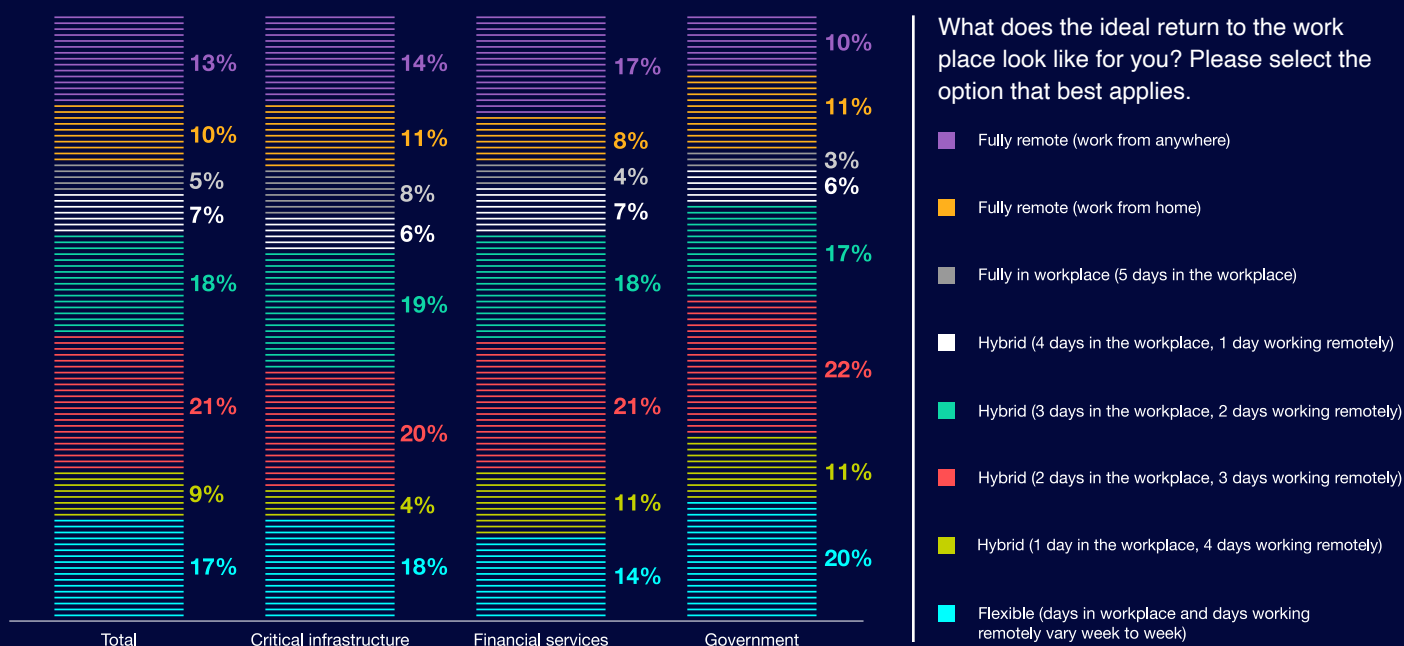


Figure 6

We found that over

# 40%

of the organisations surveyed are now planning to shift to a hybrid set-up in 2021

Under the banner of 'hybrid', our results (see Figure 7) found that senior decision-makers appear to be more in favour of adopting a flexible approach to remote working whereby employees can set their own work patterns (44%). There was less support for a fully remote approach where employees can determine the geographic location they work from, for the same level of pay (17%), or indeed a place-based remote approach (6%) where employees could work remotely but pay would be locally weighted. Only 10% said they would return to their pre-pandemic approach, whilst 12% said they didn't know at this stage.

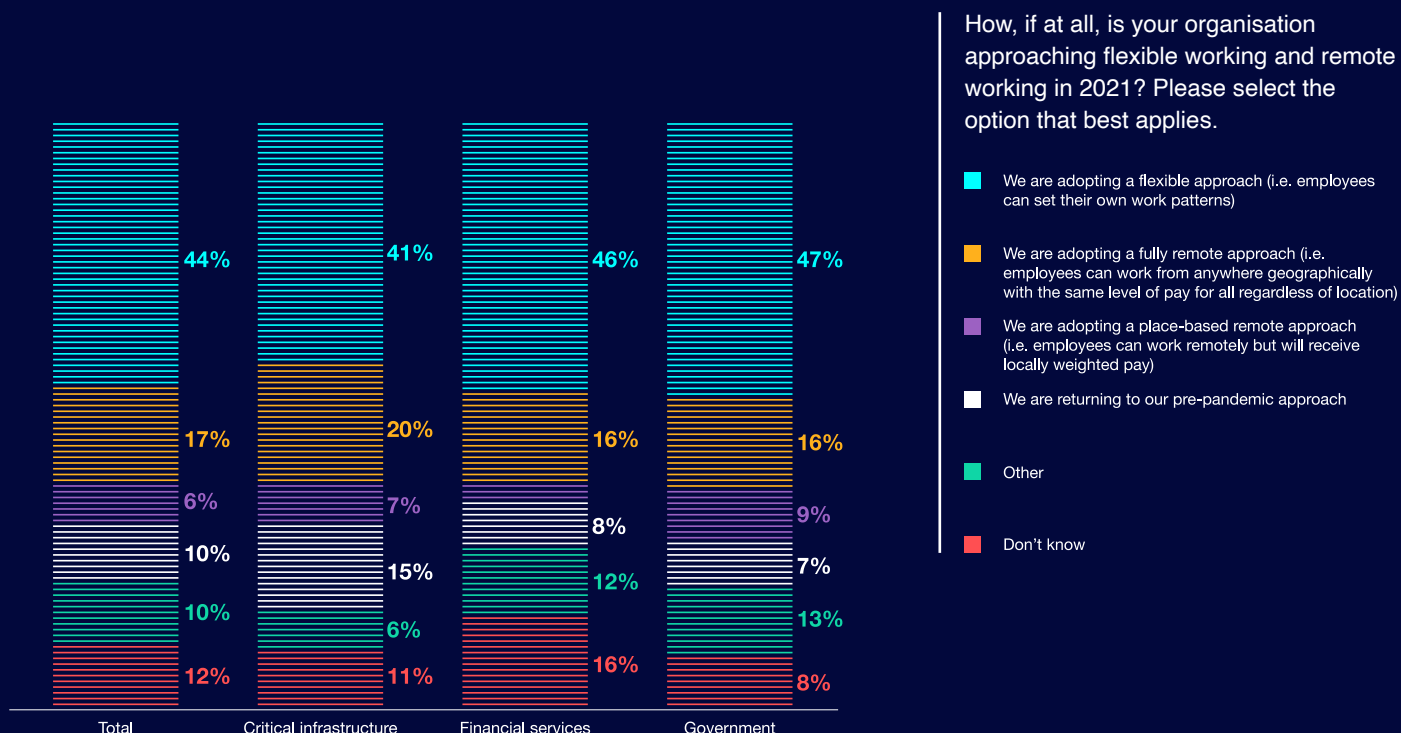


Figure 7

At a recent roundtable, a senior HR director at a global bank shared with us that she believes the discussion will no longer be whether the future of work will *be* hybrid, but *how* hybrid should be done. It would seem from our latest pulse that the workforce agrees, and this view is broadly consistent across the industry groupings we looked at.

The acceptance of greater flexibility in working models echoes themes from related research we conducted earlier this year. At a roundtable of people leaders, run in partnership with [Wired](#), Chantal Free, Executive Officer, People Solutions at Capita, shared that, “There’s a growing question in employees’ minds around how they want to spend their time going forward. They will want some changes, triggered by the pandemic, to be permanent.” Whilst individuals are overwhelmingly in favour of more flexibility, this presents a challenge to organisations who need to plan and manage work.

**“Some roles can be undertaken fully remotely, however, others require the individuals to come into work for part of the week. We intend to tailor the working patterns to the needs of the role and of the individual.”**

Senior Director, Government

**“[Remote work will be possible] on a case-by-case basis, with a strong need to justify, rather than a default acceptance (after more than a year of doing exactly that) that’s it’s possible and productive.”**

Senior Manager, Critical Infrastructure

|   | % Top 3    |                         |                    |            |
|---|------------|-------------------------|--------------------|------------|
|   | Total      | Critical infrastructure | Financial services | Government |
| Taking a phased approach with some employees returning to the work place in 2021  | <b>72%</b> | <b>69%</b>              | <b>70%</b>         | <b>76%</b> |
| The majority of staff (over 50%) employed by our organisation have been working from their usual work place since the start of the pandemic | <b>9%</b>  | <b>17%</b>              | <b>3%</b>          | <b>8%</b>  |
| Accelerating the return to the work place for all by end of Q2 2021   | <b>8%</b>  | <b>7%</b>               | <b>12%</b>         | <b>6%</b>  |
| Not returning to the work place until 2022  | <b>7%</b>  | <b>5%</b>               | <b>9%</b>          | <b>8%</b>  |
| Not returning to the work place at all  | <b>3%</b>  | <b>1%</b>               | <b>6%</b>          | <b>3%</b>  |

How is your organisation approaching the return to the work place?

1<sup>st</sup>

Figure 8

We also found, as illustrated in Figure 8 above, that 72% of organisations reported that they have adopted a phased approach to returning to the workplace, with some employees returning in 2021. Perhaps this reflects both the uncertainty regarding when the pandemic will be over, and what the right approach will be, at least until there are more insights based on observations of what really is working.

One anomaly was the relatively higher percentage of Critical Infrastructure respondents who shared that the majority of employees had been working from their usual workplace since the start of the pandemic (17% of respondents in this industry grouping). It's likely that there are a higher number of 'field-based' workers in this category, that includes transport, oil and energy, telecommunications and utilities, and this may account for the spike.

**72%**  
of organisations reported that they have adopted a phased approach to returning to the workplace

Finally, we asked respondents to share insights regarding the measures that organisations were taking to facilitate the return to workplaces. The results showed that these tended to be focused on practical solutions such as reconfiguring space or cleaning the workplace in line with health and safety standards. Increased communications also featured high up the ranking of measures being deployed.

|   | % Top 3    |                         |                    |            |
|---|------------|-------------------------|--------------------|------------|
|   | Total      | Critical infrastructure | Financial services | Government |
| Reconfigured workspaces   | <b>67%</b> | <b>71%</b>              | <b>60%</b>         | <b>71%</b> |
| Increased and enhanced workplace cleaning   | <b>64%</b> | <b>66%</b>              | <b>62%</b>         | <b>65%</b> |
| Implemented SHE (safety, health and environmental) measures in line with current legislation  | <b>56%</b> | <b>68%</b>              | <b>45%</b>         | <b>58%</b> |
| Increased communications to workforce about the return  | <b>54%</b> | <b>54%</b>              | <b>51%</b>         | <b>57%</b> |
| Surveyed employees to understand their need   | <b>49%</b> | <b>42%</b>              | <b>50%</b>         | <b>54%</b> |
| Appointed a Return to Work action group (or similar) to manage the process                    | <b>44%</b> | <b>43%</b>              | <b>47%</b>         | <b>42%</b> |
| Created a booking system whereby employees can 'book' a space at the work place (e.g. a desk) | <b>42%</b> | <b>43%</b>              | <b>38%</b>         | <b>46%</b> |
| Staggered working hours   | <b>27%</b> | <b>30%</b>              | <b>26%</b>         | <b>23%</b> |
| Staggered access to meal facilities   | <b>14%</b> | <b>22%</b>              | <b>13%</b>         | <b>9%</b>  |
| None of these   | <b>4%</b>  | <b>1%</b>               | <b>5%</b>          | <b>5%</b>  |
| Other   | <b>3%</b>  | <b>3%</b>               | <b>4%</b>          | <b>2%</b>  |

Which, if any, of the following measures has your organisation employed to facilitate the return to work? Please select all that apply.

1<sup>st</sup>

Figure 9

The implications of the return to workplace debate are vast. This is not just about where we work, from but how we do our work. Some of the long-held assumptions of the employer / employee contract may well be shifting. Employees have found that there are many positives relating to the flexibility remote work offers, from potentially being able to relocate where one lives, to being able to take children to school or exercise during a break between meetings.

As a result, employers need to re-think both the practical implications of hybrid working, and the longer strategic implications. On a practical basis, how will teams collaborate when some colleagues will be remote, and some will be office based? Does everyone join via collaboration tools? Is the workplace set up with the right layout and spaces to accommodate this?

On a more strategic level there are also important considerations related to the employee value proposition, including the broader benefits working remotely may offer to both individuals and their organisations, how to manage performance and progression in a hybrid model, how to help leaders and colleagues to best engage with a hybrid workforce, and how to attract new talent.

There is evidence to suggest employees are willing to lobby strongly for revisions to pre-pandemic work models, and to voice their opinions regarding planned models that they may disagree with. One factor is the compelling argument that productivity does not appear to have been negatively impacted by remote work.





## 2.4 The productivity debate

What do we mean by productivity? When we asked individuals what personal productivity meant to them the two most common responses were 'quality of outputs delivered, regardless of time spent' and 'efficiency - producing more in less time.'

When you think of personal/individual productivity what does it mean to you?

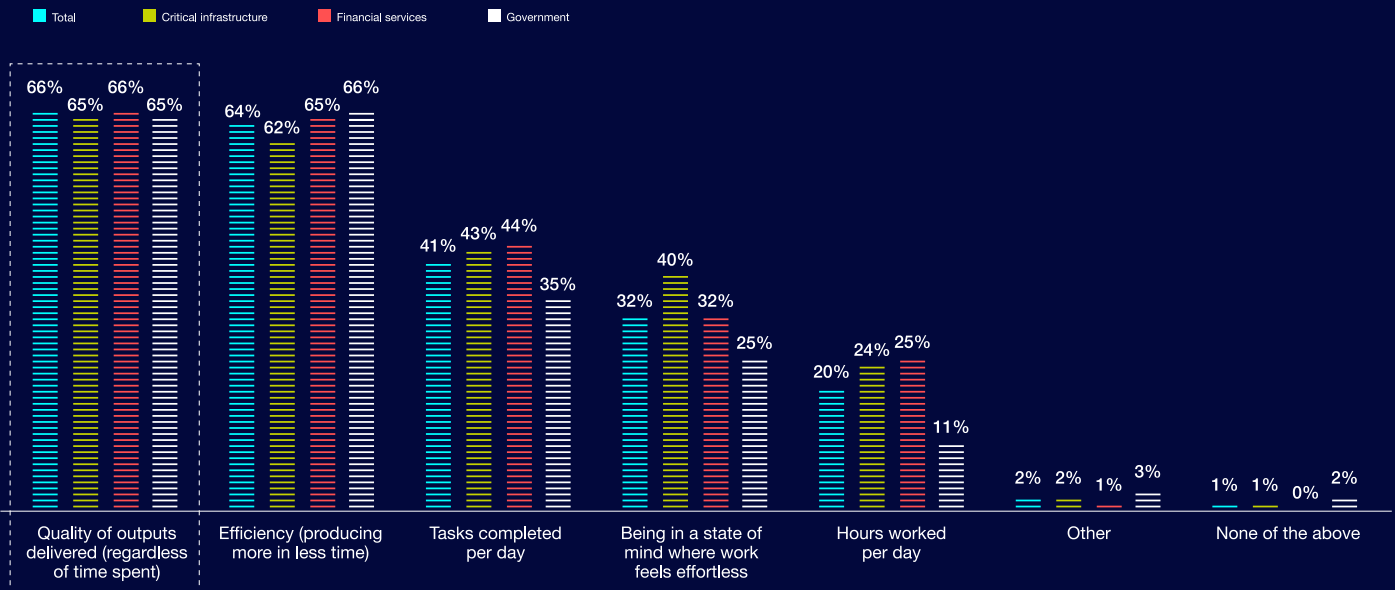


Figure 10

How do you think your organisation thinks about productivity?

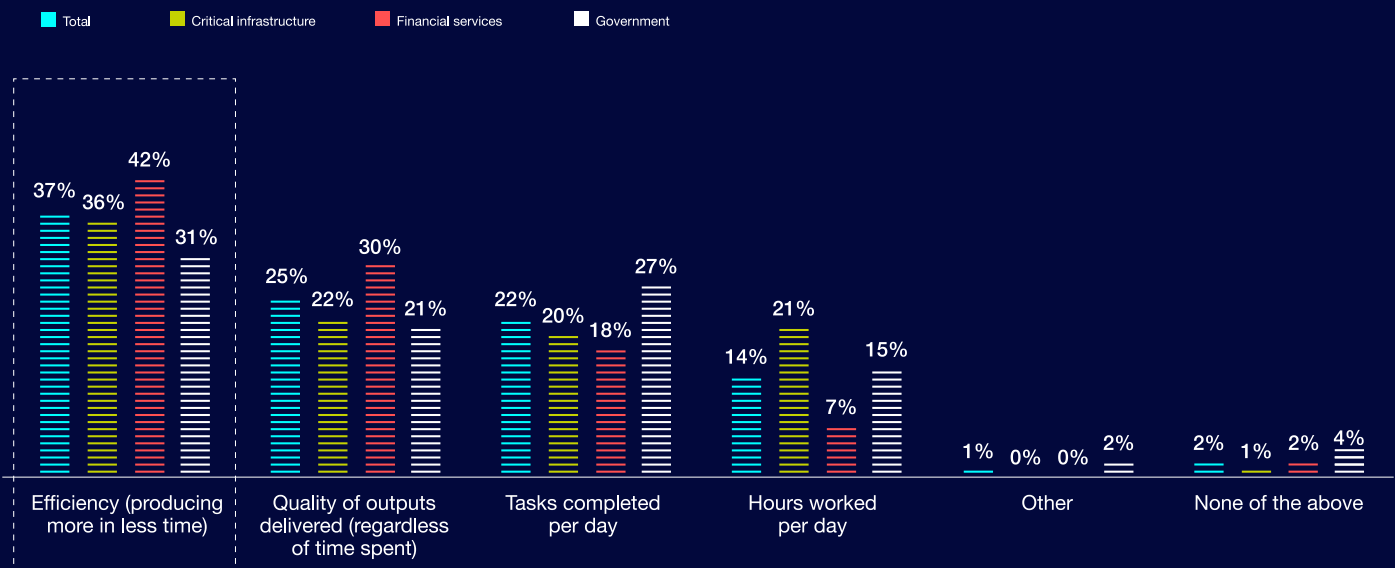


Figure 11

Both 'hours worked per day' and 'tasks completed per day' ranked lower. However, when it came to how respondents thought that their organisation viewed productivity, 'efficiency - producing more in less time,' ranked ahead of quality of outputs. Could it be that employees feel their organisations have asked more of them during the pandemic, and might this have been to the detriment of higher quality outputs?

In our first pulse of the year, we reported that 45% of respondents saw their organisations as having been more productive since the start of the pandemic. When we posed the same question in relation to the first three months of 2021, 53% of respondents reported that they felt that they were personally more productive than in 2020, versus 14% who thought they had been less productive.

Recent [ONS analysis](#) suggests that homeworkers seem to be working more hours than non-homeworkers. The analysis found that those who worked from home in 2020 consistently worked more hours than those who never worked from home. This group was also more likely to work unpaid overtime, in addition to having a lower sickness absence rate than office-based workers.

One should caveat that the lower sickness absence rate for home workers may have been as a result of less exposure to germs in the workplace, and also that some may have felt able to logon from home if they were not faced with the commute.

**“We noticed the productivity of our staff improved when they worked remotely.”**

C-Suite professional, Financial Services

**53%**

of respondents reported that they felt that they were personally more productive than in 2020

Over the last 3 months, do you think you have personally been more or less productive (i.e. delivering more or less output/creating more or less value in a set period of time) than in 2020?

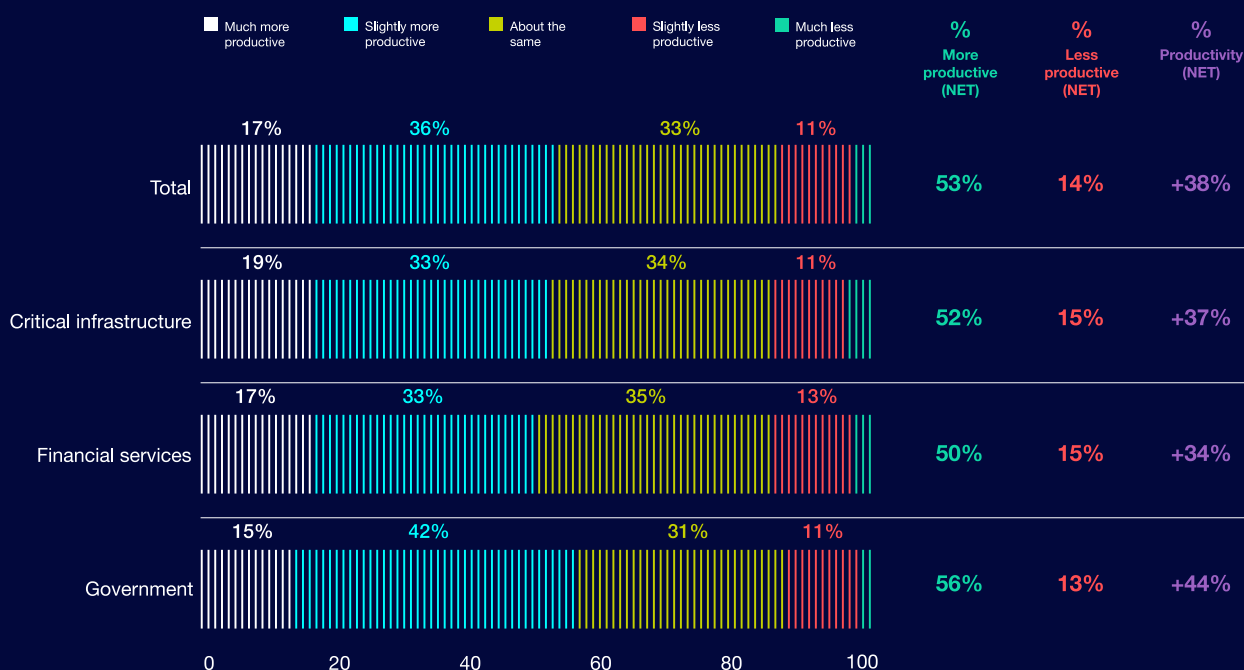


Figure 12

42% of respondents also believed that change to their personal productivity is a long-term trend, although a significant number also flagged that they felt it was a short-term trend (31%) and almost a third (28%) said it was too early to say.

Do you think your answer to this question is a short-term shift (i.e. a trend that will be sustained for the next 6 – 12 months) or a long-term change (i.e. beyond the next 12 months)?

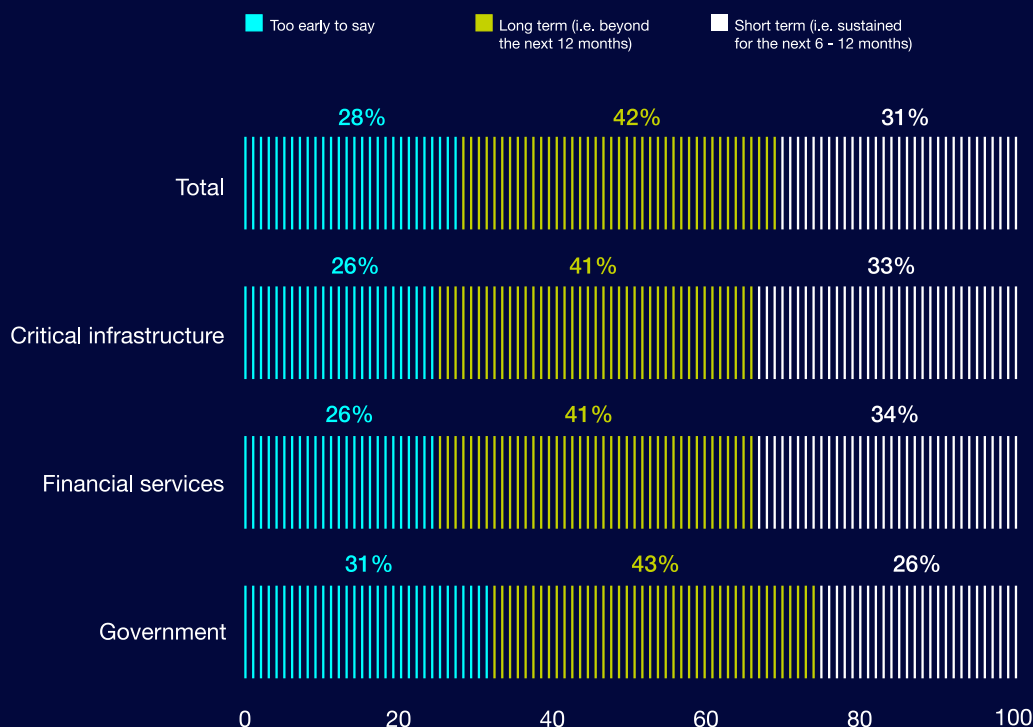


Figure 13

# 42%

of respondents also believed that change to their personal productivity is a long-term trend

What might be driving the perception that personal productivity has improved, and that this trend is here to stay, at least for the short term?

Technology looks to be one factor, as reported in Figure 14, given that we are spending more time in front of screens, using productivity related tools to facilitate remote collaboration, including instant messaging, shared documents and video conferencing.

Another factor could be the reduction in commuting time because of hybrid working approaches. Could the commute have been replaced with in many cases working time? A [study](#) published in Harvard Business Review based on 1,300 U.S. based knowledge workers using time-use diaries found that there had indeed been a reduction in commuting time during the pandemic (about 41 minutes per day on average). However, managers appeared to be working longer days and spending more time in meetings. In fact, the study found that a typical manager's workday had now stretched out by almost one extra hour per day. [Research](#) cited in the Economist found that the average UK workers day had increased by 30 minutes between January-February 2020 and April-May 2020.

We also explored industry perspectives and found that the factors with the greatest positive impact on personal productivity were also relatively consistent across sectors. New / updated workplace technology, the switch to remote / hybrid work environments and the increased pace of organisational change were all referenced as having positive impacts. The demand for new skills also featured as a factor with a positive impact on senior decision makers in the Critical Infrastructure industries. The results were similar for organisational productivity drivers.

**“Flexibility allows a much better work life balance for the majority, and we have seen a significant increase in worker satisfaction and productivity.”**

Senior Manager, Government

| NET: Positive impact                                       | % Top 3 |                         |                    |            |
|--|---------|-------------------------|--------------------|------------|
|  | Total   | Critical infrastructure | Financial services | Government |
| New/updated workplace technology                           | 66%     | 57%                     | 76%                | 65%        |
| Switch to 'hybrid' work environment (remote and workplace) | 64%     | 67%                     | 62%                | 62%        |
| Organisational pace of change                              | 41%     | 38%                     | 42%                | 42%        |
| Demand for new skills                                      | 39%     | 46%                     | 39%                | 33%        |
| Returning to a workplace environment                       | 31%     | 34%                     | 37%                | 24%        |
| Returning to a pre-pandemic work pattern/hours             | 29%     | 33%                     | 29%                | 24%        |
| Personal workload  | 28%     | 31%                     | 26%                | 27%        |
| Levels of resource in organisation                         | 27%     | 25%                     | 31%                | 26%        |
| Colleague workload   | 21%     | 23%                     | 22%                | 18%        |

Please assess each of the following factors on how likely they are to impact, either positively or negatively, on you being personally productive in 2021? Please select one option on each row.

1<sup>st</sup>  
2<sup>nd</sup>  
3<sup>rd</sup>

Figure 14





When asked about the drivers of adverse impacts on productivity, workload and resourcing were the factors most likely to have had a negative effect. There are many examples of occupations where workloads have increased during the pandemic. A recent statement from the [Royal College of General Practitioners](#) highlighted that “5m more consultations [were] delivered in March than February – and more than 2.25m more in March this year than in 2019 before the pandemic”, whilst in [technology](#), [banking](#) and other industries there have been many examples of longer hours and extra work required during the pandemic.

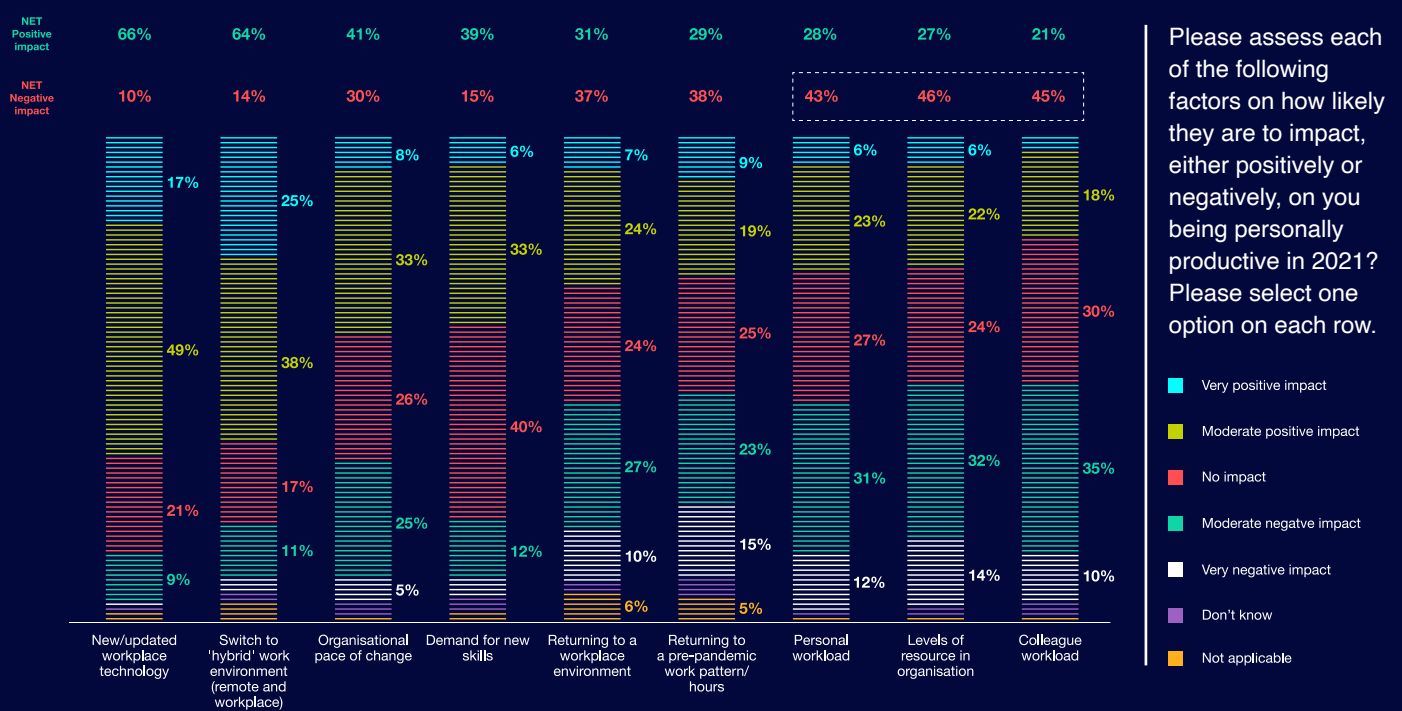


Figure 15



Finally, we looked at the effectiveness of organisational approaches to driving productivity by decision-makers, as illustrated in Figure 16. 62% of decision makers ranked outcome-focused management, 56% the ability to influence working patterns, and 53% collaboration tools within the top three methods for driving productivity deemed most effective for their organisations. 51% also saw the ability to influence location of work as a top 3 factor. There were some variances across the industry groupings. Those working in Government were more likely to believe that an outcomes-focused approach is most effective. Collaboration tools are most likely to be seen as effective by those working in Financial Services.

In a complementary piece of work, we explored how line managers drive productivity gains at a recent roundtable with senior stakeholders working. The consensus was that the time is right to take a closer look at how we drive productivity in the workplace and to consider adopting more of an output-driven focus that measures success according to what is being delivered, rather than one defined by inputs.

Please rank the effectiveness, in your opinion, of the following methods of supporting productivity in your organisation? If your organisation doesn't use many or any of these methods, please think of their general effectiveness.

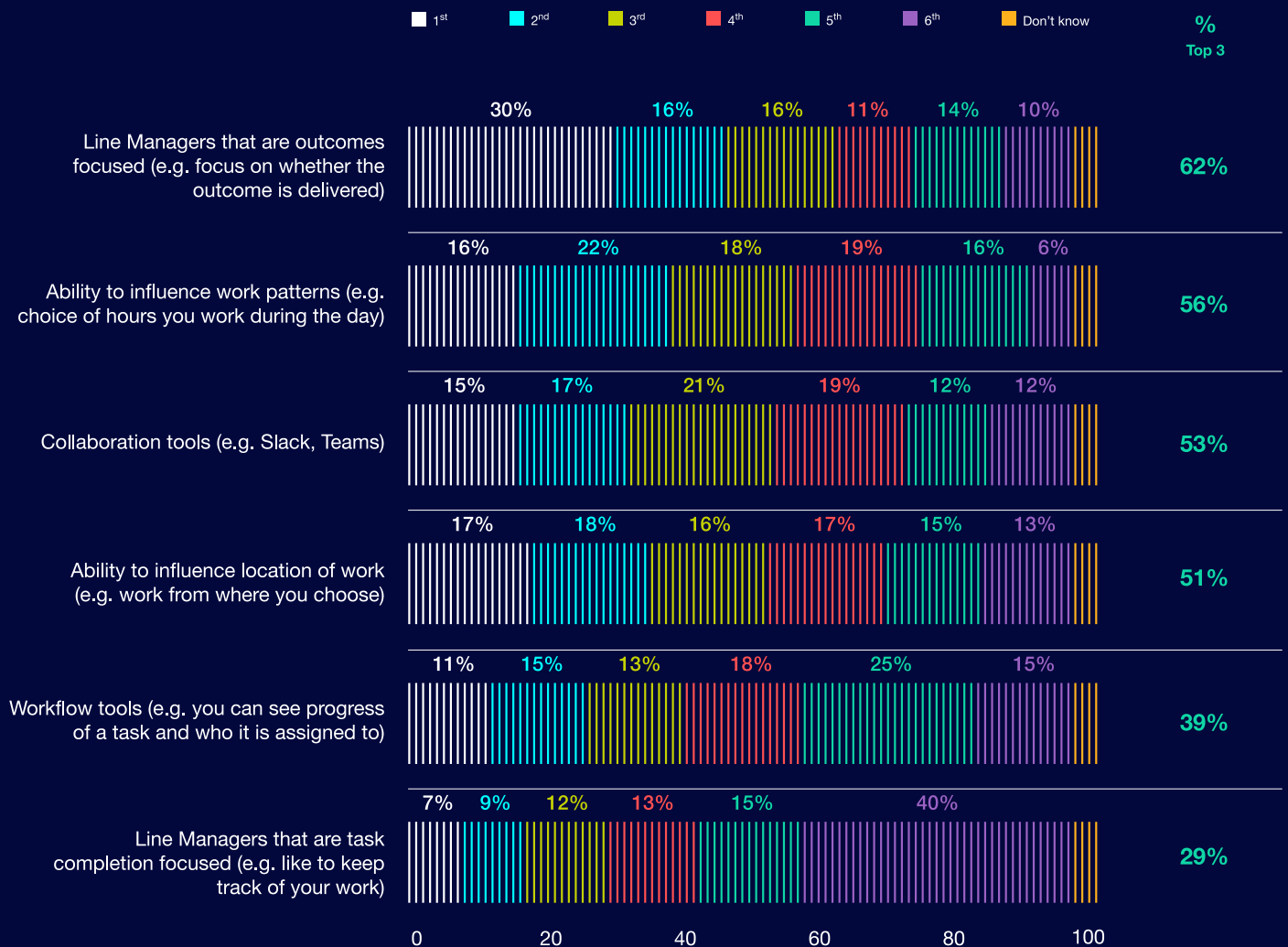


Figure 16

Productivity will continue to be a hot topic as we emerge from the pandemic. It is widely considered to be one of the most critical factors driving national living standards; however, UK productivity has stagnated since the 2008 financial crisis. Brexit uncertainties in late 2019 caused a further slump from already poor levels relative to other G7 countries. Bank of England Chief Economist Andy Haldane has called the productivity crisis the “[single most pressing issue](#)” for the UK economy.

Could recovery from the pandemic be a great opportunity to address this challenge? There is some precedent. The period following the Great Depression of the 1930s, which saw a quarter of the US population in unemployment, was characterised by a surge in productivity as new production techniques, including automation, and a period of rapid innovation, took hold.

Might the acceleration towards digital technologies, including greater use of robotics, artificial intelligence and automation, bring economic and productivity gains for organisations and their wider industries? Might we see growth in the creation of new jobs in the digital and technology sectors as industries reshape in response to changing demand and supply, and organisations evolve as they undergo their own versions of 'creative destruction' and reinvention?

For individuals, more flexible working patterns have, at least in the short term, seemingly provided a productivity boost. Organisations should consider how a focus on outcomes, versus input hours and presenteeism, could also contribute to improved employee productivity, and what role line managers might play in supporting this shift.

For organisations and industries, the accelerated digital shift will be a catalyst for broader change, driving new thinking in terms of business models and evolving existing operations to deliver market-ready outputs more efficiently.

Digital technologies could also help to spread prosperity more evenly across the country. Jobs traditionally done in cities and larger urban areas might now be open to wider distribution across regions and communities because of remote / hybrid work opportunities. If we can work anywhere, and commuting distance becomes less relevant, then might this open more parts of the country to wider job opportunities compared to pre-Covid?

However, if we focus on the same urban areas and regions, then we may continue to see parts of the regional economy excluded, with the resultant disparities in regional productivity continuing. An opportunity will have been missed to address a key driver of UK productivity underperformance relative to the rest of the G7.

Business and Government will need to work together to bridge the productivity gap and prevent the emergence of a Covid-19 divide between those groups, such as the young, and those regions, such as the North-West, that have been disproportionately penalised.

We should also be wary of a drive for productivity at any cost. Mental health concerns have surged during the pandemic. Indeed, it is now one of the leading sources of [sickness absence](#) in many companies. We explore this area in further detail next.





## 2.5 Wellbeing comes into focus

Personal wellbeing, both mental and physical, moved further into the spotlight as the pandemic unfolded. The realisation that lockdown would not be a short-term fix, and that disruption to our personal lives and work would be significant and drawn-out, has presented challenges for many.

Beyond the dangers of the virus itself, both mental stress and physical fatigue have noticeably increased. During successive lockdowns many have had to cope with long periods of isolation and reduced social interaction. The number of UK adults reporting symptoms of depression has surged. [ONS data](#) showed 10% of UK adults reported such symptoms between June 2019 and March 2020. By June 2020, this figure had almost doubled to 19%. Estimates suggest that mental health problems alone cost UK employers in the region of [£2.4 billion](#), with 70 million days lost, each year. The trend in the US is similarly alarming with the Centre for Disease Control and Prevention reporting a surge from 11% of US adults reporting symptoms of anxiety and depression between January and June 2019, to 42% by December 2020.

Technology has also led to different stresses on employees. Phrases such as ‘Zoom fatigue’ have become part of our everyday language. ‘Brain fog’ is another colloquial expression that has become more common. Both have roots in science. Catherine Loveday, professor of cognitive neuroscience at the University of Westminster, [has referred to the phenomenon](#) as “poor cognitive function,” partly caused by under-stimulation from the repetitive nature of each day blending into the next, with no commute or physical interactions with colleagues to break up the monotony.

For many, physical and mental routines were inherently tied to the work routine – be it the cycle to work, the walk to and from a train station, or the sense of community and camaraderie gained from interacting with colleagues in the corridors and kitchens each day.

In Pulse 2, we asked respondents how they would categorise their mental and physical wellbeing; how their organisations have been dealing with these challenges; whether they had raised any wellbeing issues with their organisation; what provisions their organisation has for wellbeing; and whether they would leave their employer if their mental or physical needs were not being met.

Responses to the question of physical wellbeing over the last 12 months were roughly in line with the responses to mental wellbeing – with 44% citing good mental health, and 42% good physical health.

Looking back over the last 12 months how would you categorise your mental wellbeing?

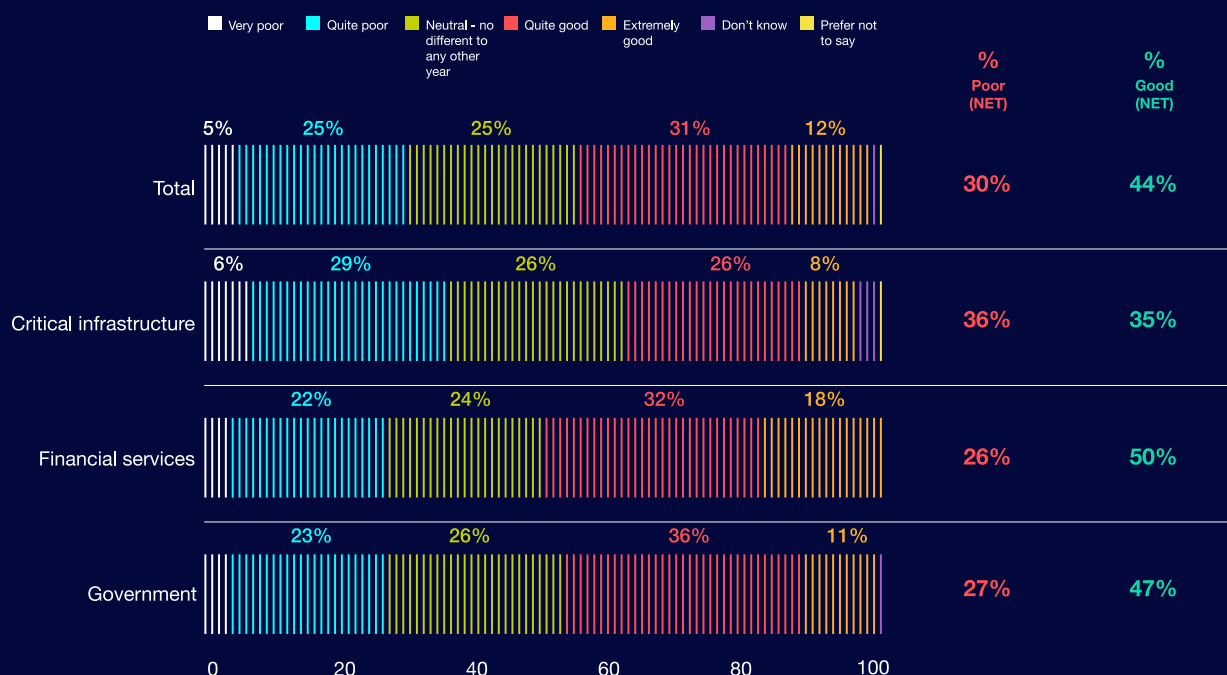


Figure 17



Looking back over the last 12 months how would you categorise your physical wellbeing?

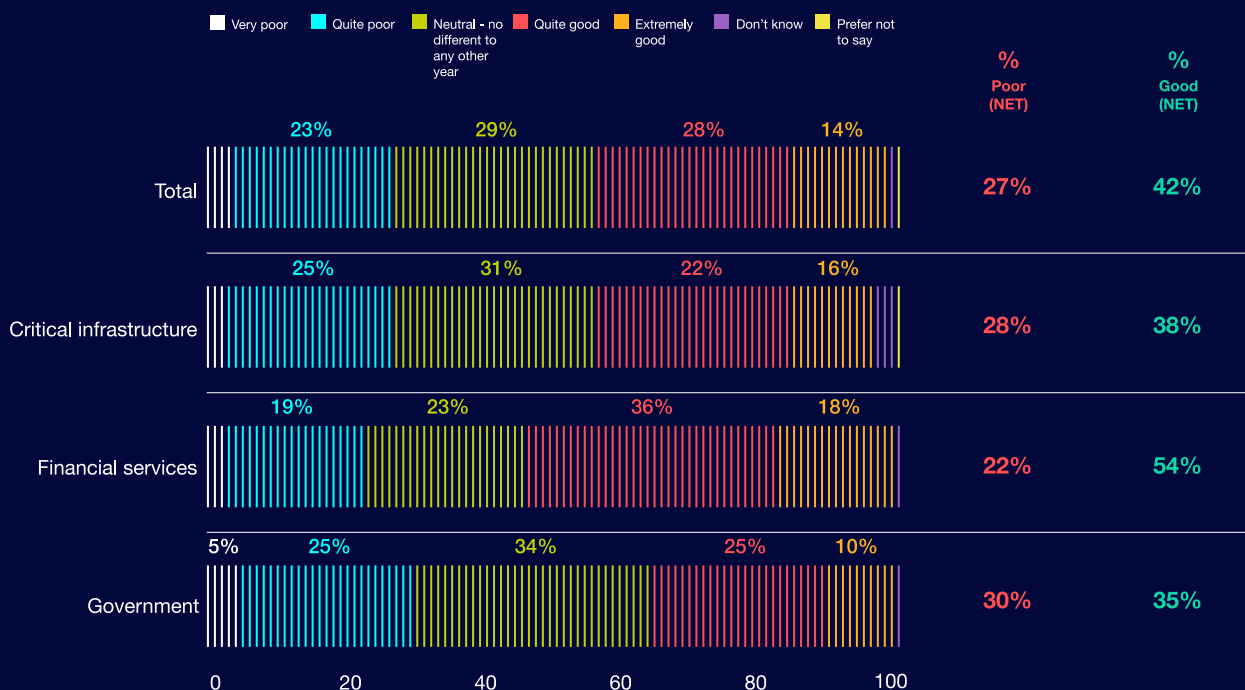


Figure 18

At first glance this seems positive. However, worryingly, 30% of respondents reported that their personal mental wellbeing had become poorer over the past 12 months, whilst 27% stated that their personal physical wellbeing had taken a downward turn. This is not surprising, given the turbulence individuals have endured to both their personal and work lives.

More business leaders surveyed described their organisations' dealings with wellbeing and mental health throughout the pandemic as good (61% net overall) versus poor. For those who responded positively to this question, there were mentions of a range of provisions including support systems and remote counselling, increased number of Mental Health First Aiders and Wellbeing Managers, increased communications and engagement sessions, mental health sick leave and annual paid wellness leave, access to tools such as Headspace and Unmind, and for one organisation, a wellbeing Wednesday where employees are given an extra hour for lunch and encouraged to actively switch-off. However, 14% of decision-makers believed that their organisation has responded poorly to mental health issues. This rose to 23% in Critical Infrastructure. Qualitative feedback suggested there is some scepticism regarding whether some organisations genuinely care.

**14%**

of decision-makers believed that their organisation has responded poorly to mental health issues.

How do you feel your organisation has dealt with wellbeing and mental health during the pandemic compared to before?

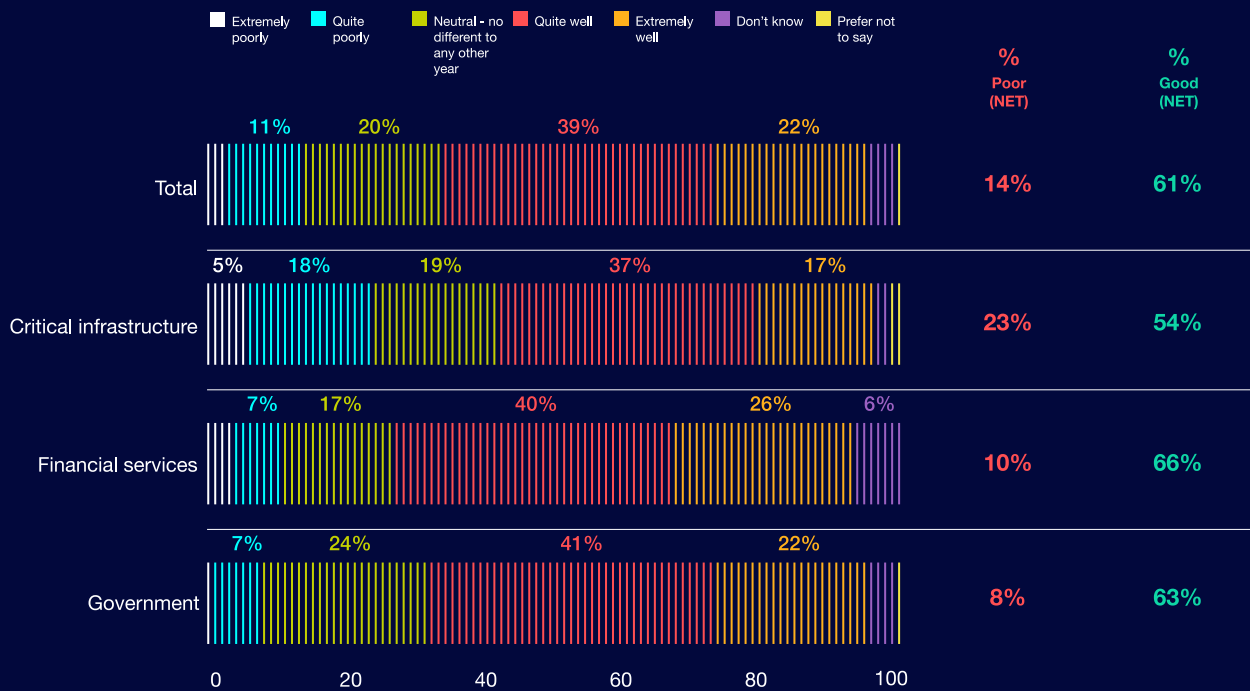
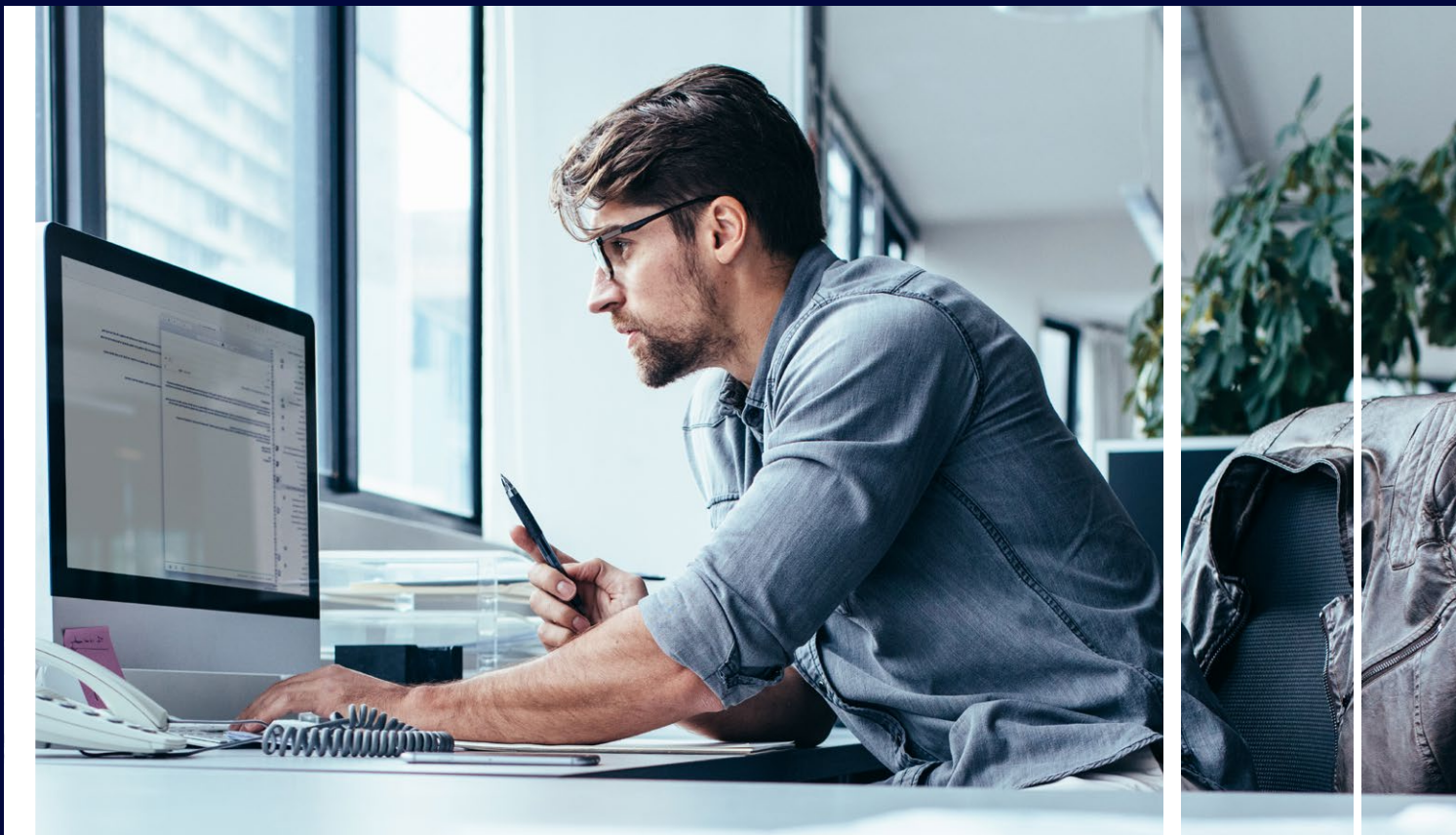


Figure 19



The picture for physical health was slightly different, with less overall net positive responses (39%), and a greater number reporting that their organisations response was no different to other years (41%).

How do you feel your organisation has dealt with physical health during the pandemic compared to before?

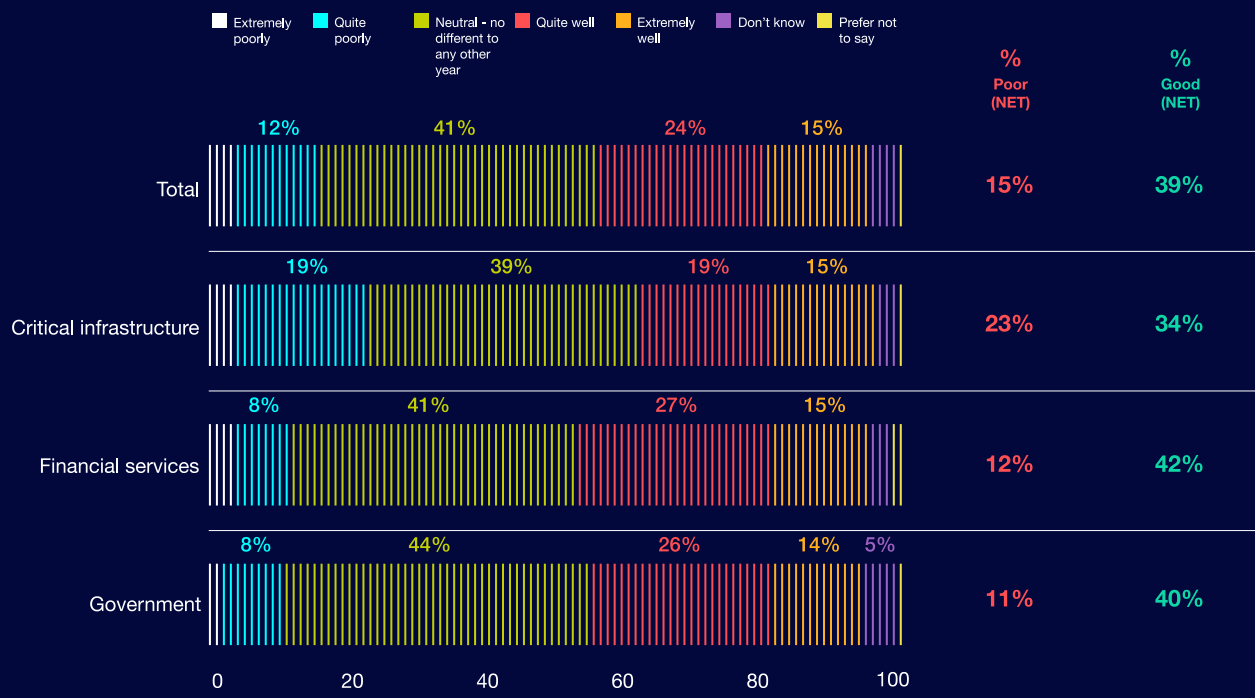


Figure 20

**“Whilst wellbeing has been on the company’s agenda, the company is undergoing fundamental changes and restructuring, and expects employees to develop new processes and systems whilst cutbacks are made, increasing stress levels.”**  
Senior Director, Financial Services

37% of respondents reported being open to leaving an organisation due to inadequate support for mental health. 28% would consider similar action if there was inadequate support for physical health.

**“I couldn’t survive in an organisation that didn’t appreciate the importance of looking after mental health.”**  
Senior Director, Government

A key indicator of how far wellbeing has risen in importance since the start of the pandemic was the response to the question of whether individuals would consider leaving an organisation that did not take this matter seriously.

The sector with the highest proportion who felt this way was Financial Services – over two fifths said ‘yes’ when asked with regards to mental health (42%) and nearly a third for physical health (30%).

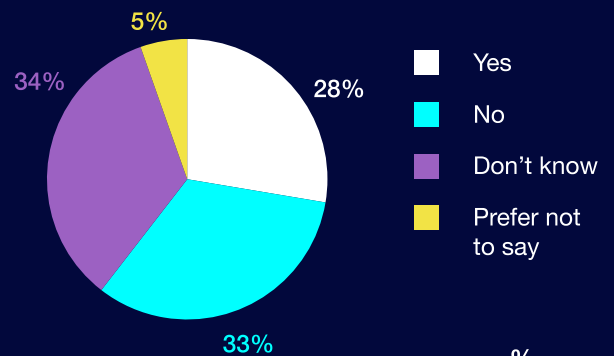
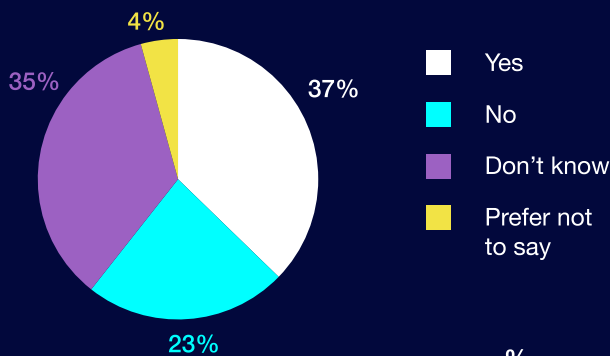


Would you leave an organisation if your mental health needs were not being met?

Would you leave an organisation if your physical health needs were not being met?

## Mental health needs

## Physical health needs



|                         | %<br>Yes |
|-------------------------|----------|
| Critical infrastructure | 36%      |
| Financial services      | 42%      |
| Government              | 34%      |

|                         | %<br>Yes |
|-------------------------|----------|
| Critical infrastructure | 27%      |
| Financial services      | 30%      |
| Government              | 25%      |

Figure 21

How are organisations supporting their employees? It appears that a broad range of provisions and interventions are available, as per Figure 22. The most common include employee assistance programmes (EAPs), regular communications focused on mental and physical wellbeing, and cycle to work schemes, though some also highlighted access to occupational health support, mental health first aiders, and private healthcare. It's likely that many of these initiatives were in place pre-pandemic although a shift in culture towards being more open to discuss mental health at work may well be putting further emphasis here.

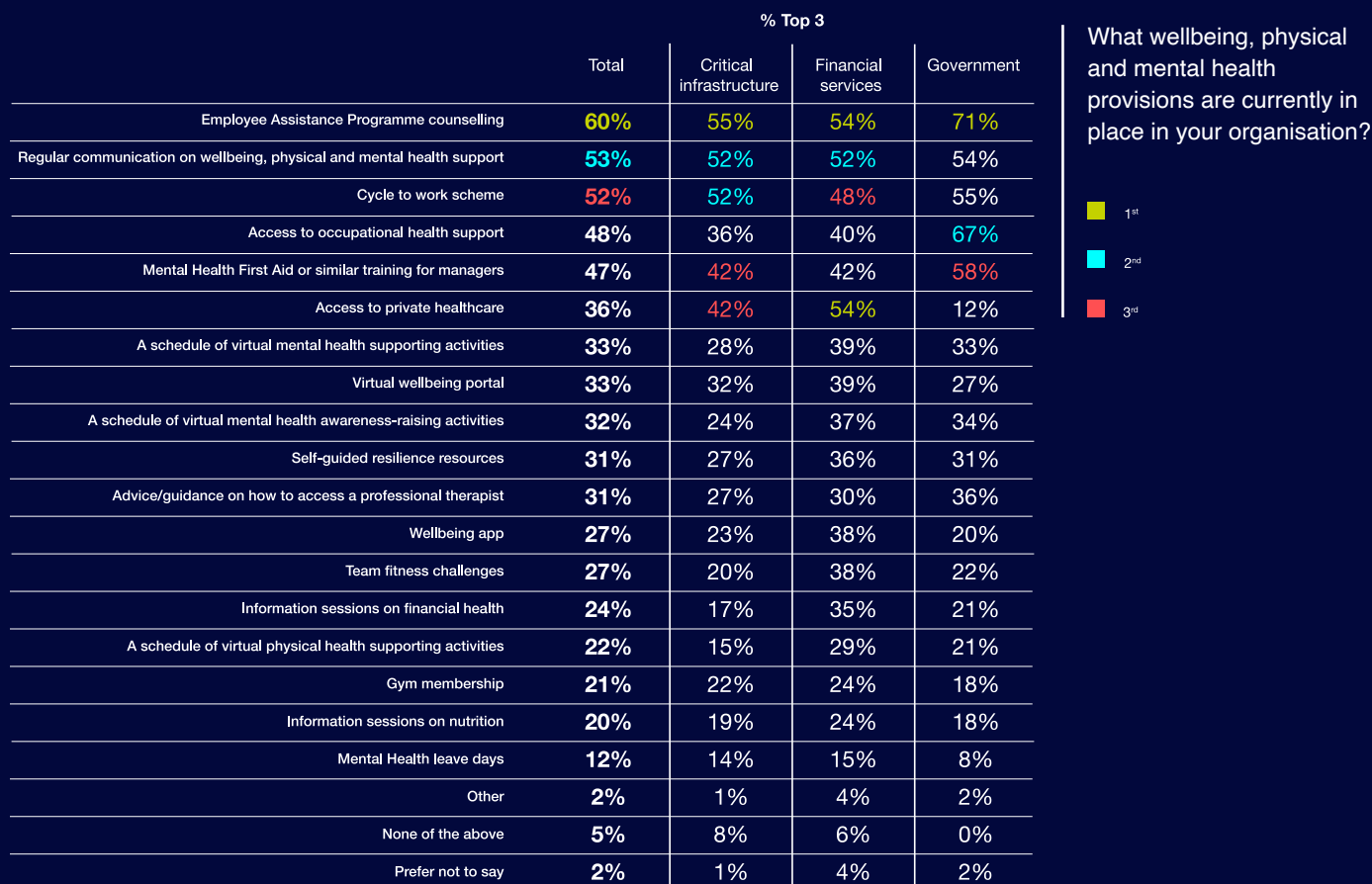


Figure 22

Some decision-makers reported that they have gone as far as to

**raise wellbeing issues**

with their organisation during the pandemic, and the proportion of those who did this regarding a mental issue is marginally higher.

**“ [We] established a good number of trained mental health first aid fillers throughout the organisation who volunteer to support colleagues and come up with initiatives to keep contact between colleagues.”**

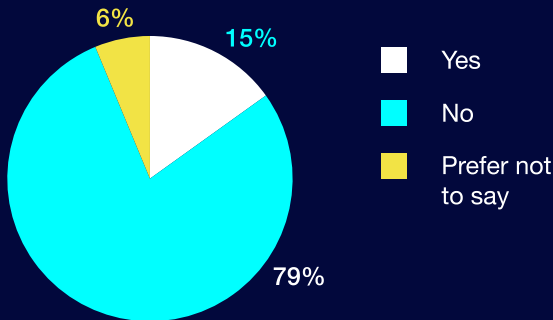
Senior Manager, Government

Some decision-makers reported that they have gone as far as to raise wellbeing issues with their organisation during the pandemic, and the proportion of those who did this regarding a mental issue is marginally higher than the those who have done the same with a physical matter (15% compared with 10% on a total level).



During the pandemic, have you raised any personal mental wellbeing issues with your organisation?

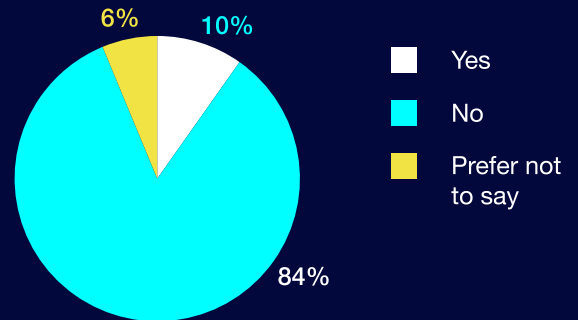
## Mental wellbeing



|                         | %<br>Yes |
|-------------------------|----------|
| Critical infrastructure | 21%      |
| Financial Services      | 13%      |
| Government              | 11%      |

During the pandemic, have you raised any physical wellbeing issues with your organisation?

## Physical wellbeing



|                         | %<br>Yes |
|-------------------------|----------|
| Critical infrastructure | 14%      |
| Financial Services      | 9%       |
| Government              | 7%       |

Figure 23

“Although the company preaches the importance of mental wellbeing, management don’t seem to implement nor support the initiatives.”

Senior Manager, Critical Infrastructure

“I need to be healthy to be a productive employee, and my physical wellbeing is a big part of my life.”

Senior Director, Critical Infrastructure

While there seem to be provisions and initiatives for both mental and physical health, some respondents shared that physical health is often deemed to be a personal issue, with many stipulating that it is their responsibility not their organisations. This is despite well [documented links](#) between mental and physical wellbeing.

It is clear from the responses that the pandemic and the changes experienced by individuals and their organisations has taken its toll on many people over the last year. Most organisations recognise this and have put in place interventions and initiatives to support employees. However, there is more work to do, particularly around recognising the link between physical and mental health. If the potential productivity gains from new ways of working are to be realised, then efforts must be ramped up to support those struggling to adjust to challenging circumstances.

## 2.6 Data and data literacy for decision-makers

In our Pulse 1 results, we reported how senior decision makers, their organisations and wider industries had experienced greater levels of collaboration, been more open to creating and testing innovative ideas, and were quick to adapt to and adopt new technologies.

Qualitative feedback in our first pulse suggested that better use of data was a common theme in these achievements. As a result, we explored the theme of use of data during the pandemic further in the second pulse. We found that 85% of respondents said data was important to their organisational decision-making during the last year.

How important was your organisation's use of data for making decisions in your organisation over the last year?  
Please select the option that best applies.

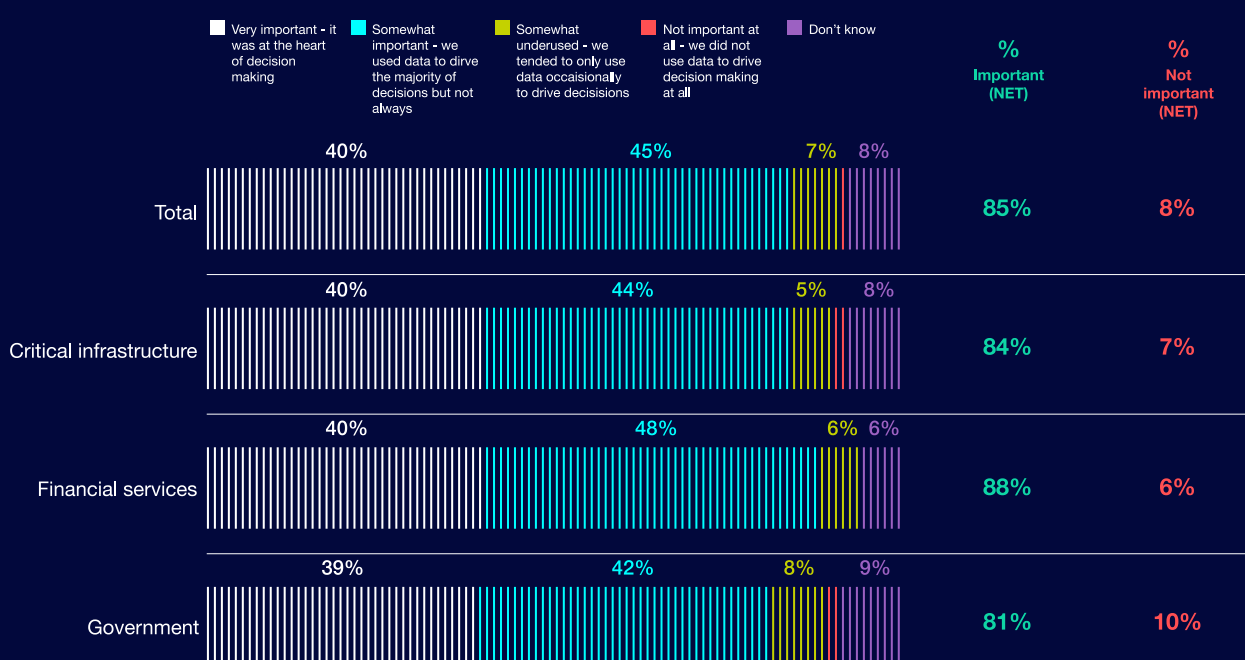


Figure 24

Across the industries we surveyed, 73% of respondents reported seeing improvements in the way they used data since April 2020. 75% of Critical Infrastructure and 78% of Financial Services respondents reported making improvements. The picture was slightly different in Government, where 66% of respondents shared that they had made some improvements in using data to drive decision making since the start of the pandemic, but only 15% made significant improvements. In fact, 25% of respondents from Government believed that there had been no change to their use of data. Could Government be behind the private sector in terms of being data-driven in their decision-making?

When our respondents were asked to what extent, if at all, their organisations had a data-driven view of their customers / citizens, the numbers were telling. 42% of senior decision makers from the Financial Services sector believed they have a very strong, rich data-based view. With stringent processes such as AML and KYC and copious amounts of data analytics and insights from in-person and online transactions, the sector is already a leader in the use of data to improve tools, services and offerings and customer experience. In comparison, only 25% of respondents from Government felt they had a very strong, rich data-based view of their citizens. Perhaps the lack of commercial pressure to better use data to improve services has also meant Government has been slower to see the value that unlocking data offers?

To what extent, if at all, does your organisation have a data-driven view of your customers/citizens? Please select the option that best applies.

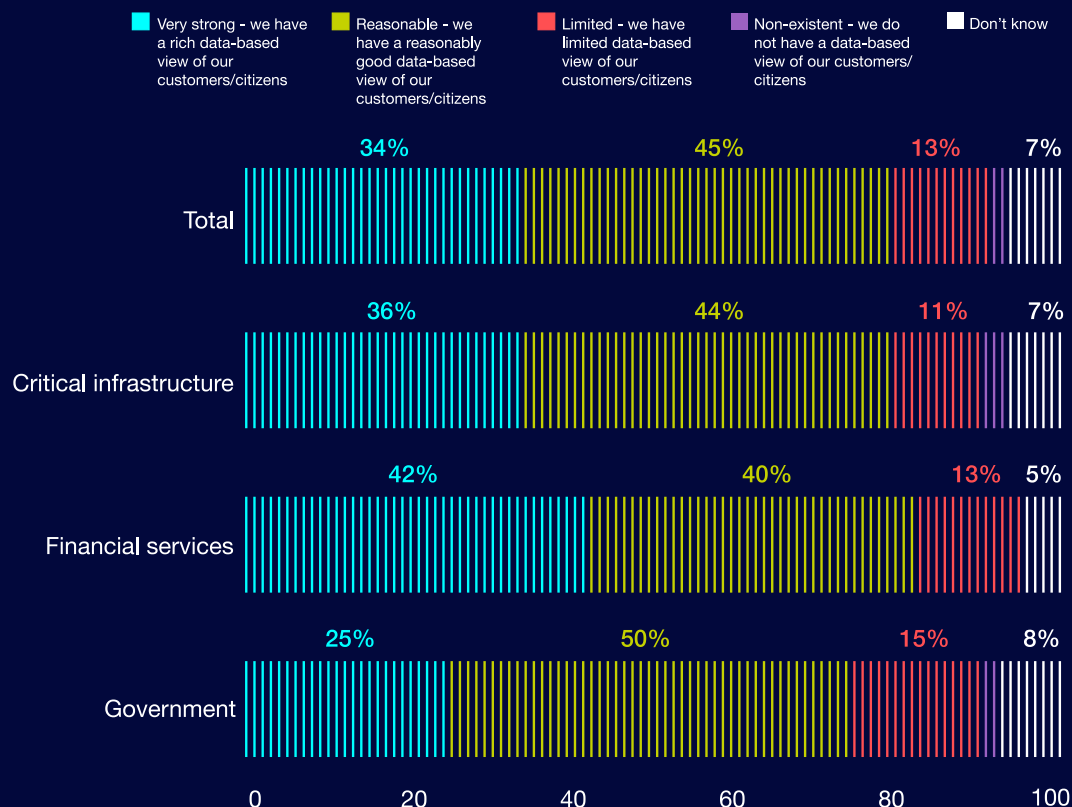


Figure 25

Although not a universal practice across sectors, the majority of senior decision-makers surveyed appeared to work collaboratively by sharing pre-approved data to improve products or services with other organisations to best serve their customers / citizens.

67% of respondents shared data to some extent as part of their efforts to collaborate with other organisations and improve the experience of customers and citizens. 31% of those from Government revealed that they always share data, 24% in Critical Infrastructure, and only 16% in Financial Services. However, there is clearly more that can be done. In March 2020, the Government provided supermarkets data on vulnerable citizens to ensure they were prioritised. Unfortunately, many vulnerable people were left unable to secure delivery slots because of gaps discovered in the data. At a local level, councils struggling to identify those in need in their own [systems](#). In January 2021, the [Science and Technology Committee](#) called the speed at which public health data was first made available at the start of the pandemic “unacceptable” and called on Government departments to address poor integration of data across national and local systems.



To what extent, if at all, does your organisation work collaboratively by sharing pre-approved data to improve products or services with other organisations to best serve their customers/citizens? Please select the option that best applies.

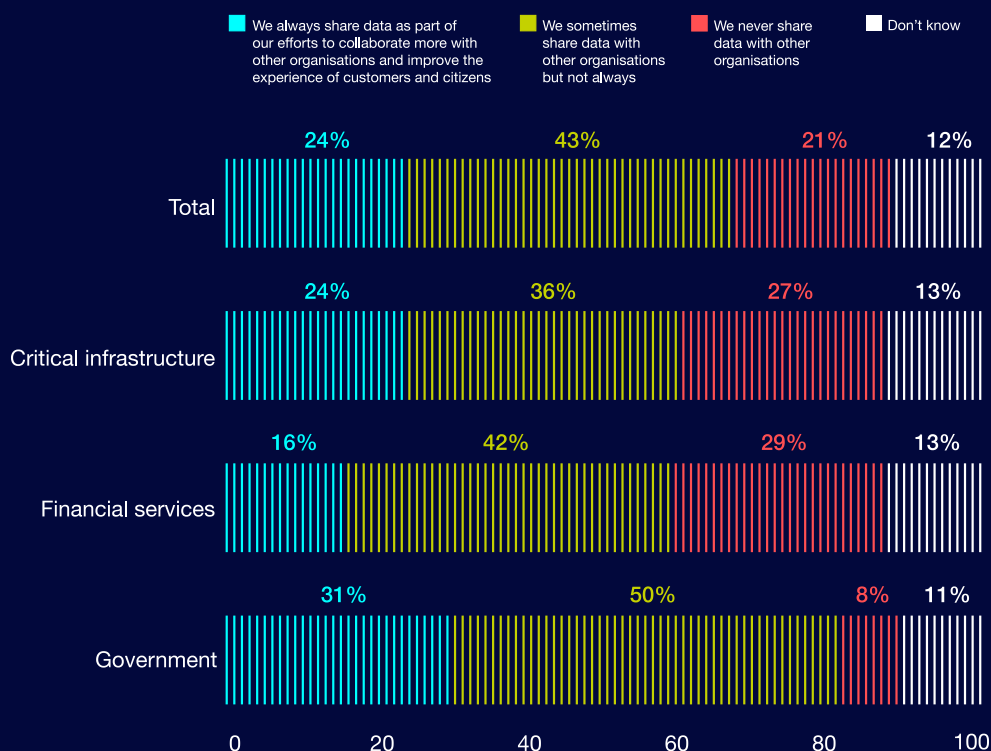


Figure 26

For Stuart Coleman, the [Open Data Institute's](#) Business Development Director, "The pandemic has demonstrated how businesses need to work together to share data to help them innovate quickly, achieve efficiencies, build resilience and ultimately recover."

In 2020, Microsoft launched an [Open Data Campaign](#) to help organisations of all sizes to realise the benefits of data and tackle the growing data divide. The same year, [The London Data Commission](#) was established to create a new data framework to bring together all parts of London's government with the private sector, and make better use of the anonymised data that currently exists. As we look to build back better, there is a great opportunity for organisations to address the growing data divide and carry on this momentum by creating meaningful agreements on how to share data for the good of society and the wider economy.

As we emerge from the pandemic, 86% of respondents believe that the informed use of data and building data literacy will be important to drive decisions in their organisations. Poor data literacy is one of the top three barriers in building strong data and analytics teams, according to a recent report from [Gartner](#). It is no longer a nice-to-have, but an essential ingredient for driving decision-making.

In The Rt Hon John Whittingdale OBE MP's [ministerial foreword](#) for the policy paper 'Quantifying the UK Data Skills Gap', he points out that data is now the driving force of the world's modern economies and when used effectively it can "Boost productivity, create new businesses and jobs, improve public services and position the UK as the forerunner of the next wave of innovation." We've long been heading into a digital skills shortage disaster – the time is now to invest in appropriate education provision and corporate learning to ensure data literacy.

**“The single biggest challenge for my organisation in the next six months is data.”**

Senior Director, Financial Services





As we emerge from the pandemic, how important or unimportant will the informed use of data and building data literacy be in your organisation? Please select the option that best applies.

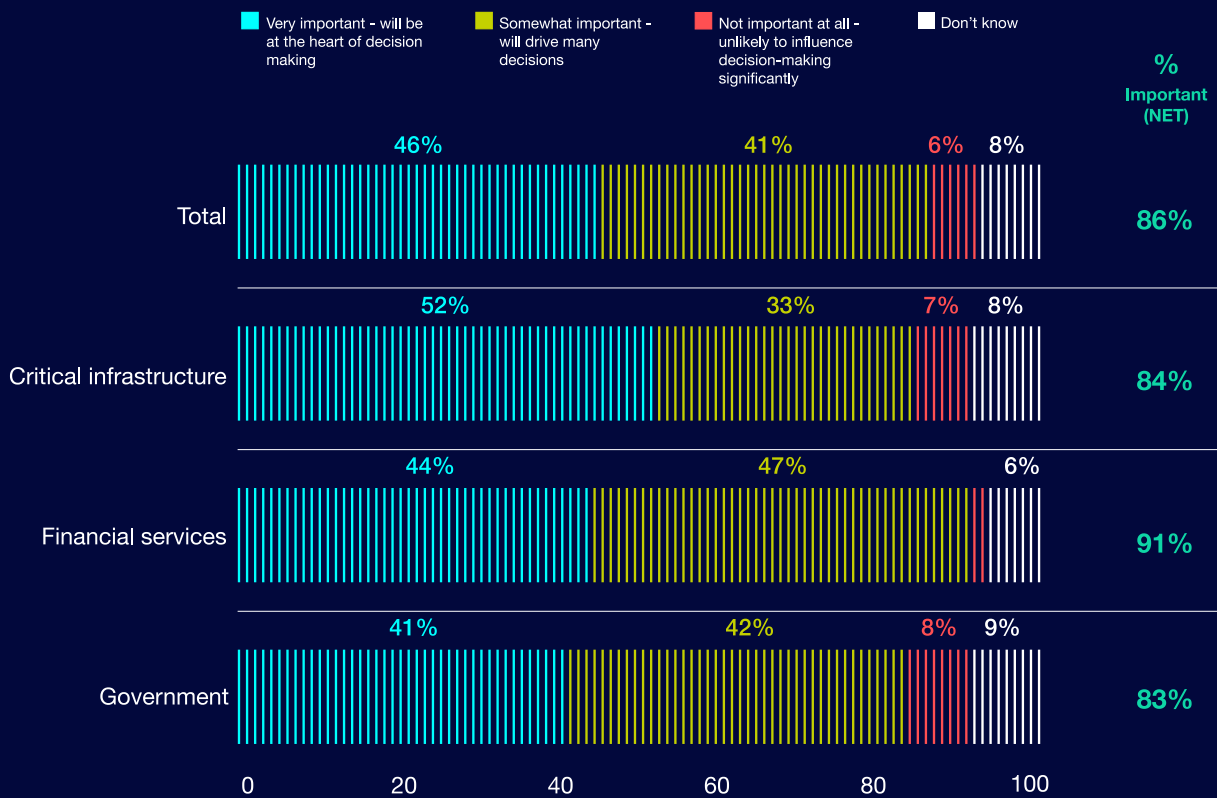


Figure 27

## 2.7 Inequalities have been magnified

The events of the past 15 months have shone a light on existing social divides. Indications are that this divide has grown wider. In his message for World Health Day, United Nations Secretary-General Antonio Guterres claimed that the Covid-19 crisis “[has revealed how unequal our societies are](#).” Guterres highlighted how the vaccine doses were administered first to the wealthiest countries or those producing the injections. This is a sentiment echoed by Melinda Gates, who argued that “[Covid has magnified every existing inequality](#).”

In our first pulse, we reported that certain groups are more likely to have suffered from pandemic-related pressures. These include women, lower income groups, racial and ethnic minorities, and younger generations. Researchers from the London School of Economics reported that [the UK has “consistently failed” to consider gender in its response to Covid-19](#), and the latest report by Germany’s Federal Anti-Discrimination Agency (ADS) describes the pandemic as being [a major driver of discrimination, social marginalization, and racism](#).

As part of our second pulse, we explored more about how organisations have been tackling inequality. Had they launched any initiatives in response? To what extent has social value become more or less of a focus? To what extent has this response been impacted by an organisation’s regional presence?

Our results highlighted that although organisations were most likely to have launched gender and racial equality initiatives pre-Covid, digital inclusion and financial support initiatives were most likely to have been launched as a response to the pandemic. This focus suggests that grappling with an increasingly digital world and being able to manage finances in an uncertain climate have been high on individuals’ agendas.

Has your organisation launched any of the following initiatives? Please select all that apply.

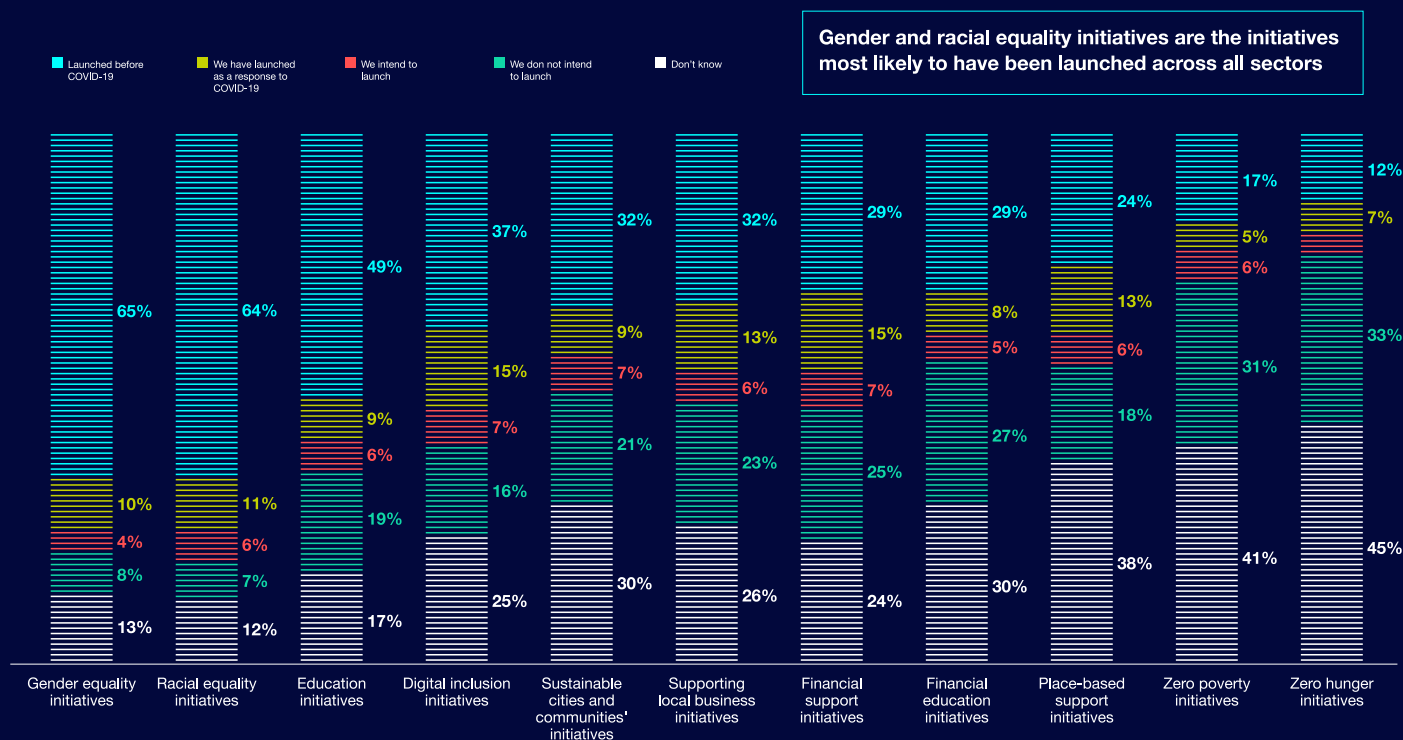


Figure 28

Since the onset of the pandemic, 57% of decision-makers in the Financial Services industry have seen their organisation place more of a focus on social value, compared with just under half of Government decision-makers (46%), and a third of those working in Critical Infrastructure (34%).

For the following question, by 'social value' we are referring to the difference an organisation or project can make to the community they are operating within. To what extent has social value become more or less of a focus in your organisation during the pandemic compared to before?

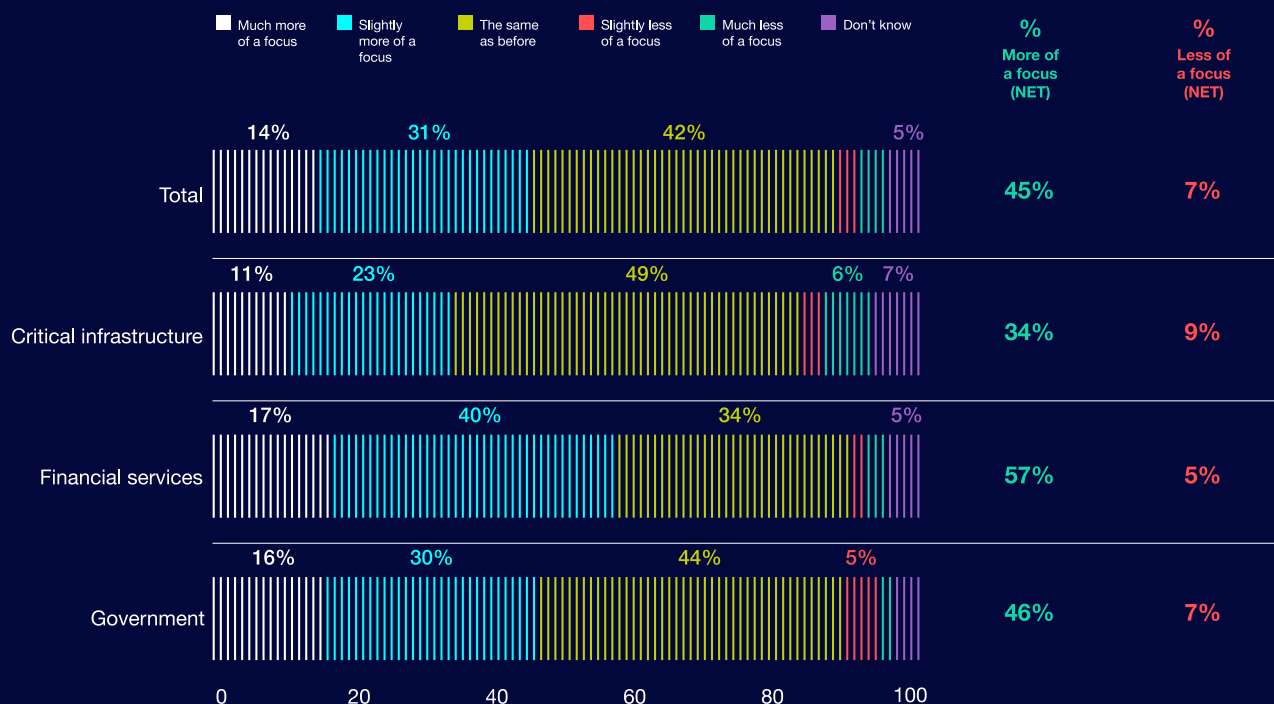


Figure 29

**“We have been unable to launch any social value initiatives during COVID as we have been in fire-fighting mode.”**

Senior Manager, Critical Infrastructure

Scotland, Wales, London and the South are the regions that are most likely to have launched an initiative, either before Covid-19 or as a response to the pandemic. London, Scotland and the East of England are home to organisations where social value is most likely to have grown in focus.

In terms of the impact on the local community, and how this is affected by regional presence, decision-makers in organisations in the Financial Services (62%) and Government (68%) industries are most likely to have had an impact on the local region, compared with less than half from the Critical Infrastructure sector (46%). Senior decision-makers based in Scotland, London and the South are most likely to work at an organisation whose response has been impacted by its regional presence.

For the following question, please think about the local region in which your organisation’s workplace is based and the impact it makes on the local community. To what extent has the response of your organisation been impacted by its regional presence?

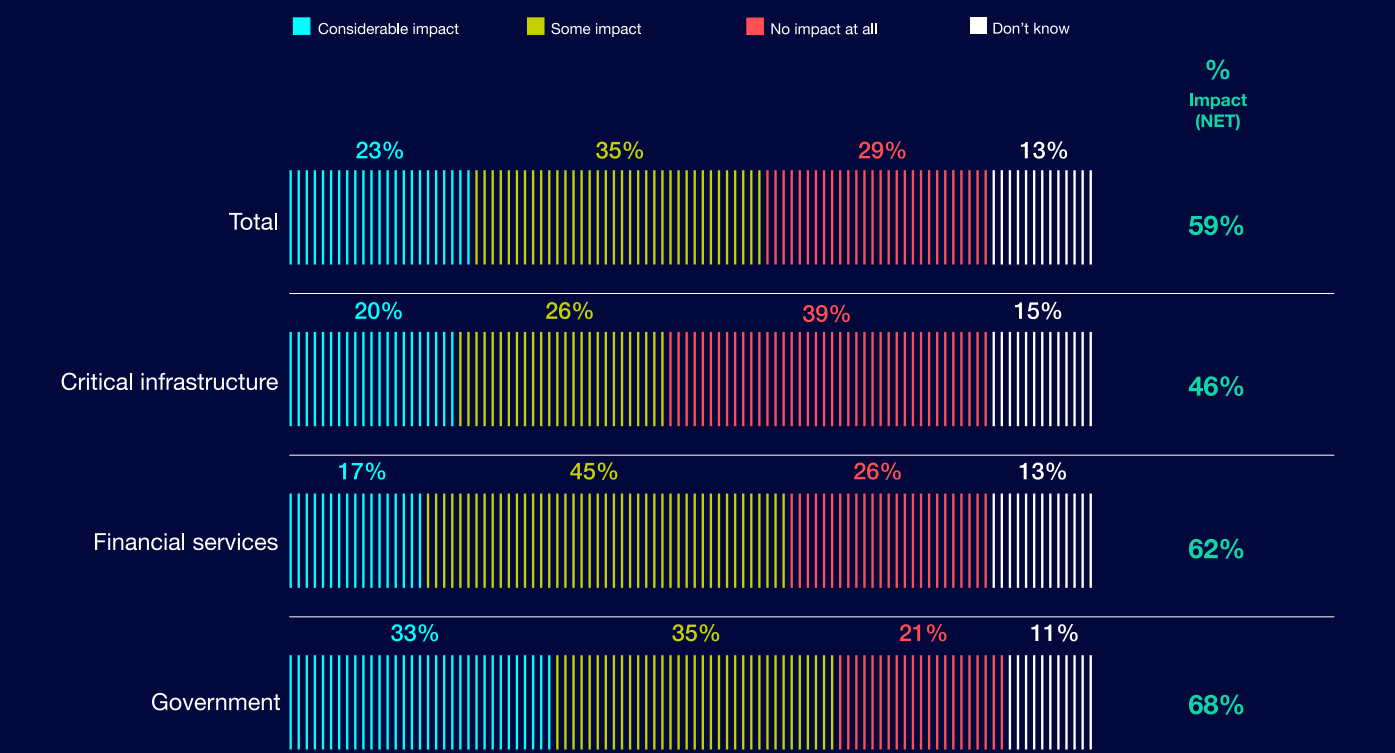


Figure 30





### 3. Conclusions and look ahead

The macro-economic context for Pulse 2 was more positive than for our first survey in January, and there is sense of cautious optimism returning as the recovery evolves. Cautious because we are still very much living with the pandemic, as the recent surge of the Delta variant and extension of lockdown restrictions shows.

Our Pulse 2 insights built on our findings from Pulse 1, with respondents once again highlighting the pace of change they are experiencing. This applies to them both as individuals, as their roles continue to transform in response to organisational changes such as restructuring and strategic shifts, and for their organisations as they adapt to accelerated shifts in customer and citizen behaviour, technological changes and economic changes that alter their competitive context. The use of data to drive decision-making was highlighted as being of increasing importance, which coupled with data literacy will be critical to support decision-makers as we emerge from the pandemic.

The return to the workplace and the shape and pace of this change was top of mind for many of our senior decision makers. There is over-riding support for testing a hybrid model involving integrating both remote and workplace-based work, and many will do this via a phased return throughout the remainder of 2021. We may well be seeing a shift in the implicit contract between employers and employees as a balance is sought between how to maintain the positives many have experienced, such as greater flexibility, but also re-introduce some of the missing elements, such as physical interactions with work colleagues.

We explored the idea that for many individual productivity appeared to have improved during the pandemic, and that a focus on outcomes versus inputs was one supporting factor. The question remains regarding the sustainability of long-term productivity improvements as we shift into hybrid working models, and what the longer-term strains on mental and physical health will mean. On the latter point whilst many organisations have responded with initiatives to address this growing concern, there was some suggestion that a minority were paying lip service to the idea of supporting both mental and physical wellbeing.

Finally, there can be no doubt that inequalities have been magnified because of the pandemic. Organisations have embraced a range of responses. However, without proactive interventions the gap between haves and have nots threatens to widen.

Our next pulse will take place during the Autumn, where we hope to share more insights from our panel of senior decision-makers.





## 4. Notes on the research methodology

Our second pulse survey of 2021 focused on senior decision makers' perceptions of the three months between January and March 2021. We also sought to gather insights into the biggest challenges our respondents face in the next six months, and conducted deep dives into areas including productivity, the return to work, social value and inequality, data, and, mental and physical wellbeing. The research targeted senior decision-makers working in Critical Infrastructure, Financial Services and Government in the UK, with decision-making responsibilities across the following categories: management, business development, IT, finance, business transformation, procurement, innovation, data analytics. They were asked to complete an online quantitative survey, which included providing qualitative opinions on the topics. Responses were collected between 22nd April - 5th May 2021.



