




# WORK



*Has COVID-19  
changed work forever?*

VIEWS FROM OUR INTERNATIONAL MEMBERS

# *Introduction*

The coronavirus pandemic continues to affect businesses and their professional advisers around the world. But as the potential arrival of effective vaccines encourages everyone to think about the return to some form of normality in 2021, one question increasingly appears relevant: has COVID-19 changed work forever? To find out, we asked ICAEW Chartered Accountants around the world to share their views on the future of work.

ICAEW Chartered Accountants generally operate from a critical vantage point within their organisations, whether they are corporate businesses, professional advisers, or public or not-for-profit organisations. Our members are well placed to understand and manage risks and drive forward new opportunities. Their direct knowledge of how their organisations have been functioning during the pandemic provides insights into what has changed in 2020, what has worked well, what has worked less well – and what changes are likely to last into the future.

The findings give ground for reflection. From across the globe, our members shared often very similar perspectives on how working practices may be changed forever, creating new opportunities but also new challenges. While some of the significant shifts in working life seen this past year – from remote working to rapid digitalisation – have been broadly welcome, there have been significant downsides. Most regret the loss of face-to-face contacts with colleagues and clients, while also noting the negative impact on fundamental operational functions on which all organisations rely.

The survey points to four aspects of working life which merit particular consideration by organisations as they chart their way out of the pandemic and into the future. We reflect further on these areas in the report, including employee mental health and well-being; addressing the needs of new talent; understanding what is going on in the business; and the importance of people interacting. Successful organisations will need to address all four areas if they are to tackle business-sensitive issues and risks, generate creativity and innovation, and build lasting new relationships and opportunities.

As a profession that has always been about people first and foremost, the findings in this survey certainly resonate for us and we hope that they will do so for all types of organisation around the world.



**Mark Protherough**  
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## *View from ICAEW*

The findings of this survey of international members complement the insights we have gained during the COVID-19 pandemic from a wide range of member activities as well as our ongoing engagements with partners, governments and wider stakeholders. They also echo ICAEW's own experience as an employer of over 750 staff, located in the UK, Europe, the Middle East, Mainland China, Hong Kong SAR and South East Asia.

We know that some organisations and some sectors will struggle to recover from the impact of COVID-19. Other organisations may be grappling with very specific post-pandemic challenges and opportunities. While recognising that each organisation is different, we point to four aspects of working life and practice which are in flux and which we believe merit reflection by all.

### **SUPPORTING MENTAL HEALTH AND WELL-BEING**

Support for employee mental health and well-being is more important than before in a world where there is far greater reliance on remote working and the risks of employees feeling isolated are greater. Flexibility around working hours and greater awareness of the obligations that individuals have outside the workplace are also key issues. Many organisations have reacted promptly, finding new ways to listen and communicate. Organisations need to continue to recognise proactively the evolving challenges to employees' mental health and well-being, taking steps to ensure appropriate support is there through both formal and informal means. This has to be led from the top: when employees hear directly from their organisation's leaders that their mental health and well-being matters, it encourages them to take care of themselves and others. Organisations that continue to show and build empathy today, may well be the ones that are able to get ahead tomorrow.

### **DEVELOPING NEW TALENT**

Successful organisations can only remain such if they identify, recruit and ultimately develop new talent in a sustainable way that delivers value over time. Enabling new employees to play a full role in delivering value to an organisation requires dedicated attention and investment of time and resources. The pandemic has shown that many aspects of 'onboarding' are more challenging when done remotely. Handling technology to work remotely is the easy part for new employees: it is now second nature for most. Building the skills, experience and overall capacity and confidence of new employees is where the challenges lie – and they can only be addressed through a range of different interactions. Organisations need to pursue mentoring and guidance actively, in addition to formal training, in order to build practical experience of the organisation and the wider working world, while promoting standards of professional behaviour and enhancing confidence in decision-making. The combination of practical experience, ethics and structured learning has always been a defining hallmark of ICAEW's ACA qualification. In a post-pandemic world of work, it looks likely to be of renewed relevance for all types of organisations – and key to attracting and retaining the best talent.

## **UNDERSTANDING THE BUSINESS**

Whatever the precise balance between remote and on-site working in the future, successful organisations cannot compromise on their ability to understand what is going on in their business. This year, many organisations have had additional strains on their ability to make meaningful forecasts, adapt their budgeting and maintain overall risk management and controls. Finance functions have also had to adapt to new working practices during the pandemic. For many this has meant remote access to systems and undertaking key finance tasks in different ways. Looking ahead, organisations need to consider what has worked well and what has not. This may mean retaining enhanced digital tools and successful working practices introduced this year. Organisations need to take the opportunity to assess where face-to-face interactions are critical to tackle the most significant challenges and opportunities ahead. Meanwhile, in the next weeks and months, the importance of having effective finance functions and being able to meet physically, seems likely to come to the fore as organisations around the world, and their auditors, address the very particular challenges of 2020 financial statements as the year end approaches.

## **ORGANISATIONS RELY ON PEOPLE INTERACTING**

If there was any doubt at all about whether technology could fully replace people across the business and professional world, the pandemic appears to have underlined that organisations are ultimately dependent on their people interacting with each other physically. Our survey shows the importance of face-to-face interactions in adding value to organisations. Looking to the future, remote working also has the potential to add further value, opening up new and positive dynamics in how employees interact. It may change the perceptions of hierarchy, encouraging a cultural shift where new ideas and challenges can flow upwards more easily. Remote working may also break down cross-country barriers within organisations, facilitating the recruitment and functioning of cross-border teams. Organisations will benefit from actively exploring how employees can continue to leverage the advantages of virtual interactions, while focusing on the in-person interactions where they really do add value, for example to promote collaboration, creativity and innovation while building new relationships and business opportunities. The experience of 2020 has shown that, at the end of the day, organisations are all about people – and the success and well-being of both, in 2021 and beyond, are closely intertwined.

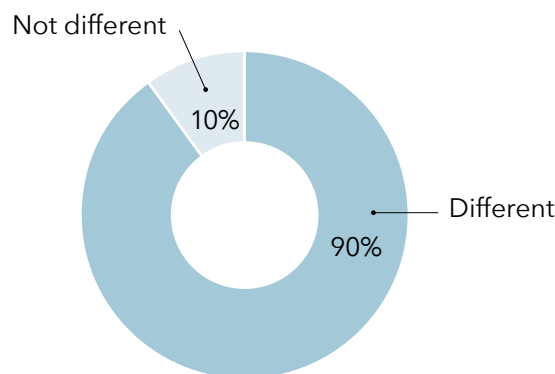
# Summary of findings

ICAEW recently undertook a short survey of international members to gain insights into how the coronavirus pandemic is changing how we work. We wanted to know how the working life of our members around the globe has been – and will continue to be – impacted by the pandemic.

Members from more than 50 countries shared their perspectives on the positives and negatives of working life during a pandemic. More than six in ten work in organisations with cross-border operations. Almost all have been impacted by publicly imposed COVID-19 restrictions in the last year. For two thirds, such restrictions have been severe.

Looking ahead, most (nine in ten) consider that working life will look different to pre-pandemic times – with over a third believing things will look very different.

## WORKING LIFE IN THE FUTURE



Change can be positive. For many, the pandemic has had a positive impact on some key aspects of working life. The shift to remote working – often accompanied by a move towards more flexible forms of work – is seen as a positive experience by most. This has been enabled by an acceleration of digital transformation and automation; a shift that is seen by the majority as a positive.

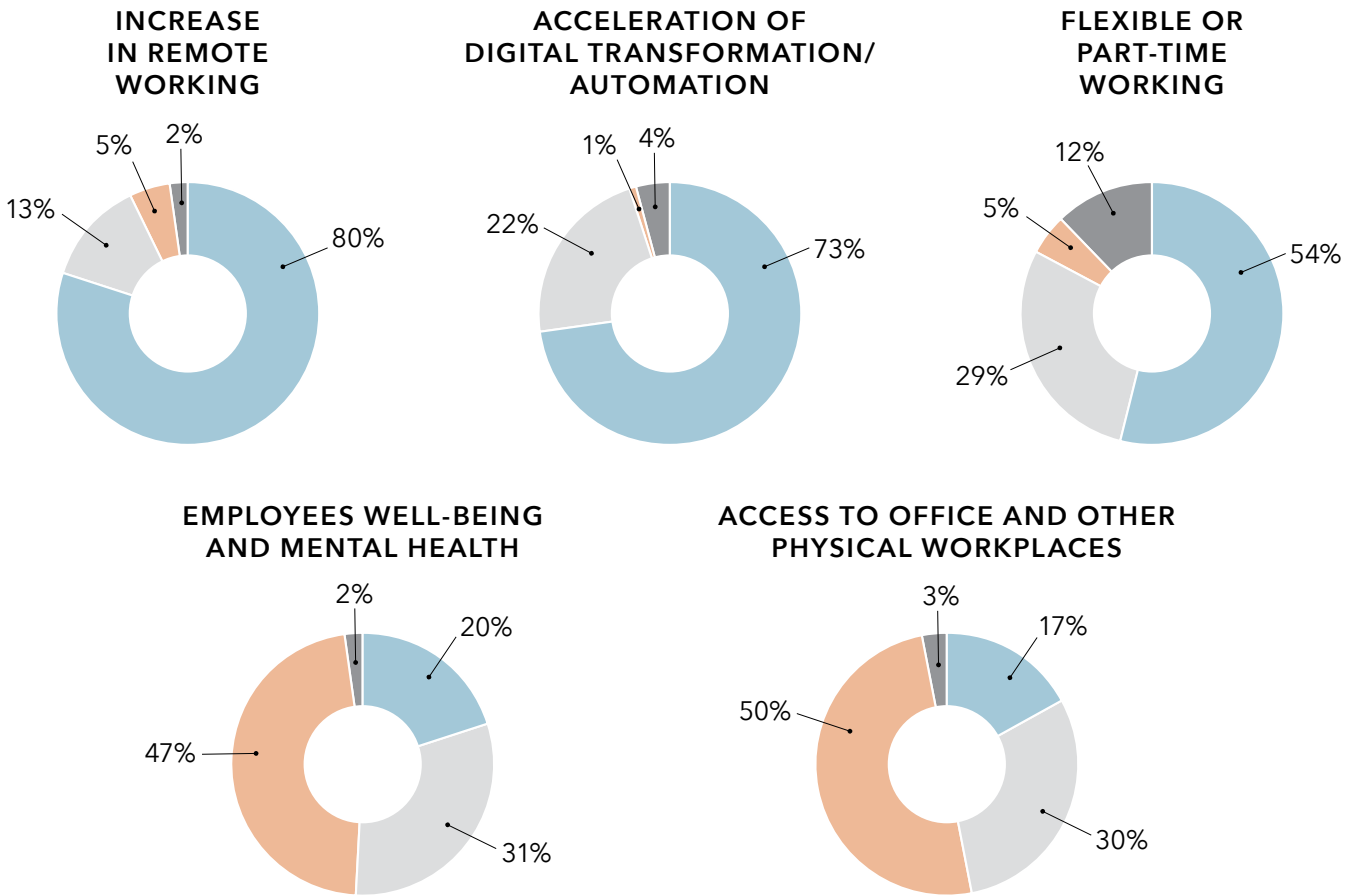
***‘Remote working is here to stay.’***

***‘Employees want flexibility.’***

***‘We have proved that virtual meetings can be very effective.’***

**IMPACT OF THE PANDEMIC**

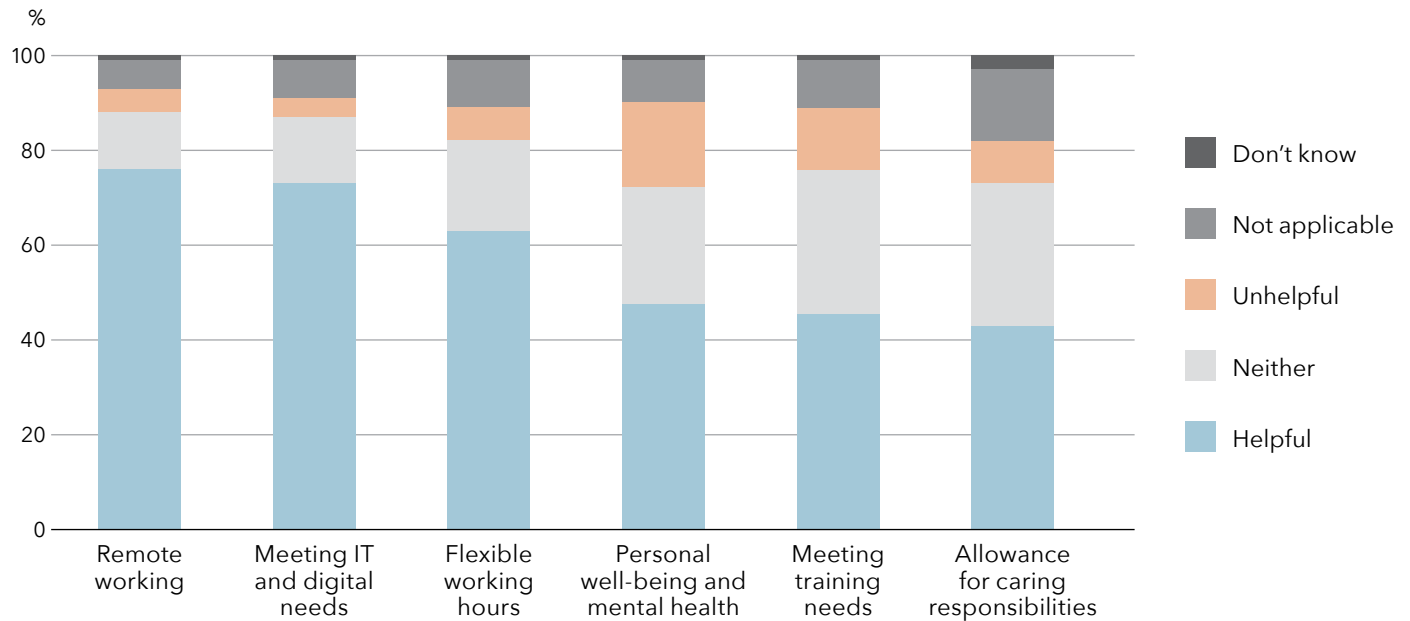
Positive      Neither      Negative      Not applicable



Many believe such practices will be retained in the future, if in a more hybrid format: remote working, at least part of the week, combined with more flexible hours, is repeatedly identified by members as a change that is now here to stay. The benefits of a better work-life balance are underlined. These include reduced daily commuting times, costs and carbon footprint. For some, it means a permanent and perhaps welcome shift in dress code. Many point to the positive impact on employee satisfaction. This may help with future recruitment and retention, particularly for employees with caring responsibilities or restricted mobility. The widespread adoption of digital communications for meetings, conferences and training is seen as a permanent shift, if one that most want balanced with more face-to-face interactions. The accelerated transition to paperless administration and a greater focus on automation is also unlikely to be reversed post-pandemic.

The switch to remote working has been underpinned by the support provided by organisations to their employees. The majority of members recognise the support provided to facilitate the move towards remote working while meeting new IT and digital needs, alongside broader training requirements. Similar numbers rate their organisation’s policies on flexible working hours as having been helpful.

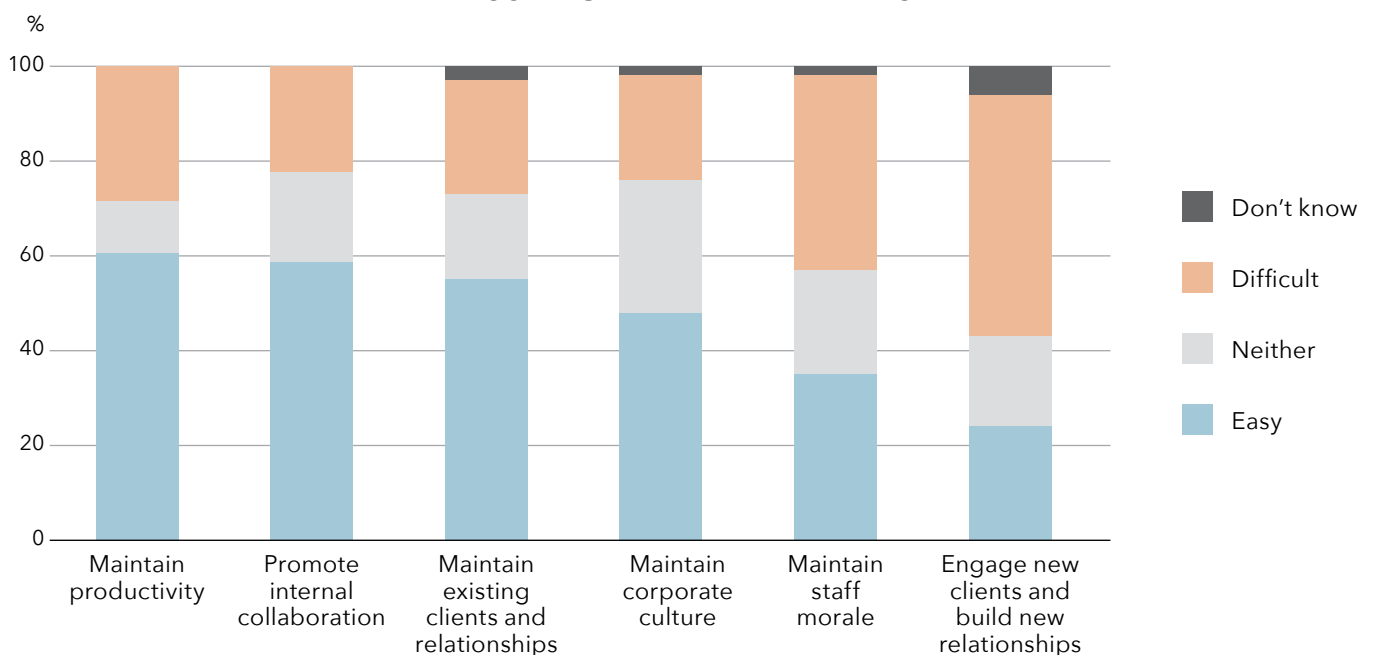
**HELPFULNESS OF HR POLICIES AND SUPPORT**



While there are more mixed views on how successful organisations have been in supporting their employees’ well-being, the steps that some have taken are seen as positive changes that should be retained in the future. Such measures include better monitoring of employees’ physical and mental health, as well as more flexible policies for vulnerable employees or those with caring responsibilities. Some note the changes made to ensure that working locations meet COVID-19 health and safety requirements may also be a permanent feature.

While not ignoring the negative impact of the pandemic, many are positive about how their organisation coped. More than half believe that it has been easy to maintain productivity, promote internal collaboration and maintain existing clients and relationships. Just under half consider that it has also been easy to maintain corporate culture.

**COPING WITH THE PANDEMIC**



***‘This period has proved that remote working does not have to negatively impact our productivity as a business. Our experience has been very positive, and we now plan to introduce a general part-time, remote working policy for all employees.’***

***‘The company has successfully adapted to ‘working from home’, promoting employee empowerment while maintaining productivity without compromising the quality and accuracy of work.’***

***‘There is a willingness to experiment rather than to revert to ‘this is how we have always done it’. The use of electronic tools to support more modern and agile ways of working will stay.’***

Investment in better technology is identified by many members as a key factor enabling productivity levels to be maintained during the pandemic. Virtual meetings can be effective – and this is causing organisations to review business travel policies as well as reducing their property footprint. Digitalisation of documentation has improved efficiency. Technology is increasing interactions with those in other sites or off-site. Others point to the fact that remote working can enable recruitment of skilled individuals irrespective of where they are located. This could lead to greater near-shoring and off-shoring of tasks.

While some organisations have been nimble and able to change during the pandemic, this is obviously not true of all and a small number of members note that their organisations want to go back to pre-pandemic working practices as soon as is feasible. Some sectors and some organisations have been hit particularly hard by the pandemic. As noted, by a few members, the future in these cases looks bleak with job losses and further cost-cutting on the horizon.

Even for organisations that have successfully shifted to new working practices, the pandemic has undoubtedly thrown up challenges. The impact on mental health is seen by just under half as having been negative. Two fifths think organisations have found it difficult to keep up staff morale. Notably, one in two point to the challenges faced by organisations in engaging new clients and building new relationships.

***‘Having more people physically in the head office allows us to have those ‘drop by your desk’ moments when we can informally ask for help.’***

***‘It is easier to build trust and rapport face-to-face.’***

***‘Work is not just about the ‘what we do’, it is also about the human factor. We need the social interaction between people.’***

***‘Regular company gatherings are an integral part of our culture and have been sorely missed. We want to return to them as soon as possible.’***



It is the face-to-face nature of work that is missed by most – and the aspect of pre-pandemic working life that most members believe organisations will want to reinstate as soon as possible. Organisations want to (re-) open the physical workplace, even if on a more hybrid basis. Remote working has been successful, but not without drawbacks. Many see face-to-face interactions as key enablers for creative thinking, brainstorming and innovation. Physical gatherings help workplace collaboration, build corporate culture and facilitate cross-departmental synergies. More than one member points to the negative impact of not being able to meet in person on individuals' mental health and well-being. Others note the limitations of remote working for career development and progression.

Members broadly concur that it is more difficult to build new relationships virtually. This is particularly marked when it comes to meeting and engaging with new contacts and clients. A resumption of face-to-face meetings, networking and business travel is seen as desirable by many.

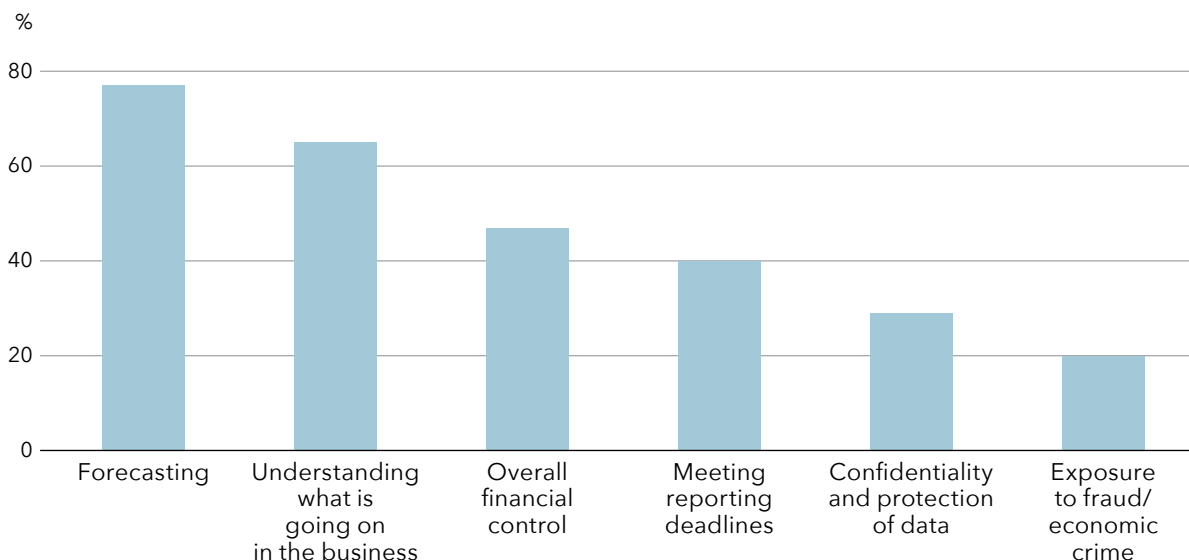
Organisations have struggled to bring on board new employees during the pandemic, with one in two agreeing that this has been challenging. Members point to the difficulties for new employees to build personal networks, to adapt to corporate and/or professional culture and to gain practical experience, as they all need some level of face-to-face contact.



Members want to go back to in-person interviews and induction processes. They raise concerns that the newest and youngest employees may find remote working isolating, missing out on on-the-job training and proper supervision as well as informal mentoring. Not all may have the same levels and quality of connectivity and are reliant on the Wi-Fi service available.

In such unprecedented times as these, it is no surprise that our members – as chartered accountants – have highlighted significant challenges in key operational areas, often in tasks that mostly rely on human interaction. The main challenges faced by organisations were forecasting and knowing what is going on in the business. The majority (over three quarters) saw forecasting as the top challenge, while two in three underline difficulties with understanding what is going on in the business. Nevertheless, responses suggest that financial controls may have been less badly affected as concerns about fraud risk or about the confidentiality of data were only reported as the top challenge by a minority.

## TOP OPERATIONAL CHALLENGES



***‘Most importantly, we need to go back to full quarterly business review meetings, to review progress and take actions.’***

***‘Face-to-face collaboration and improved communication with parts of the business outside the finance department enables challenges to be dealt with proactively rather than reactively.’***

Some members are undoubtedly keen to see previous working practices restored, while hoping for greater certainty regarding the general economic environment. They stress the importance of resuming standard reporting deadlines to ensure certainty around workflow, resourcing and financial management. Others want to see accounting teams back in the office, more regular briefing meetings, better credit control and receivables collection, enhanced budgeting as well as improved communication between finance teams and other parts of the business.

A few members reference the need to resume business travel, noting that the inability to reach clients and sites in other countries has limited the scope of audit and compliance work. Others, however, have found remote audit tools to be convenient, flexible and user-friendly without compromising quality.

Overall, the findings confirm the very extensive impact of the pandemic on working practices across the globe - and the strong likelihood that our world of work will be changed forever. To what specific degree and in which particular areas are matters for organisations, as well as governments, to shape. We hope that these findings and the ICAEW views on the four areas highlighted earlier in the report will help in this respect.

**ABOUT THE SURVEY**

ICAEW wanted to get rapid feedback from members on their views on the future of work. An online survey was sent to ICAEW Chartered Accountants outside of the UK, working in industry/business, practice, public sector, or not-for-profit/charities. The survey ran from 24 to 30 November 2020, 292 responses were received from members based in 54 countries.

There are more than 1.8m chartered accountants and students around the world and 186,500 of them are members and students of ICAEW. They are talented, ethical and committed professionals, which is why all of the top 100 Global Brands employ chartered accountants.\*

ICAEW promotes inclusivity, diversity and fairness. We attract talented individuals into the profession and give them the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

Founded in 1880, we have a long history of serving the public interest and we continue to work with governments, regulators and business leaders around the world. And, as an improvement regulator, we supervise and monitor over 12,000 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

ICAEW is proud to be part of Chartered Accountants Worldwide, a global network of 750,000 members across 190 countries, which promotes the expertise and skills of chartered accountants on a global basis.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create strong economies and a sustainable future for all.

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\* Source: CAW, 2020 - Interbrand, Best Global Brands 2019