

MERCER TALENT ALL ACCESS®

2021 | global findings

# flexible working policies & practices

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Severance Pay Policies



The Design of Work



Vacation and Other Leave Policies



Workforce Metrics Around the World



Workforce Turnover Around the World



Worldwide Benefit & Employment Guidelines

\*Not included in Talent All Access®

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# Introduction

**Following a completely unpredictable year, the new normal is all about implementing flexible working policies. What does that look like for your organization?**

It's been 100 years since the global pandemic of 1918, and a lot has changed in those 100 years. In addition to the advancements in health care, our 21st century world is full of technological advances that have allowed many businesses to continue to operate and employees to continue to work — away from their typical workplace locations.

There have been many lessons learned through this global workplace flexibility experiment, and some surprises along the way. Some employers who may have felt their employees could not be productive away from the office have seen a consistent or increased level of productivity. Less than 4% of companies reported a

decrease in productivity. Employees have also surprised themselves by not only adjusting to this new way of working, but feeling hesitant or even reluctant to head back into the office.

Long-term remote working is not for everyone, but for those who would like to continue working this way, how much flexibility should you offer? What other flexible work options are on the table? Approximately one-third of companies are actively developing a long-term strategy to address these issues. An additional 20% are in the process of implementing such a strategy, and 17% have already implemented one!

**Flex work is raising a lot of important questions and considerations like:**

- Who is eligible for flexible working?
- How is a hybrid role defined?
- Do we need to change the way we determine market rates or adjust pay?
- Should we consider special benefits for flexible workers?
- What role should employee choice play in developing policies?

# Report structure

**The 2021 Flexible Working Policies & Practices report** presents global findings to help you with policy management and trends within the flexible workspace. It includes data on policy structure to arm you with the information needed to develop a flexible working policy for your own organization. Based on a global survey of more than 1,000 submissions, this publication offers a global set of statistics to benchmark your company against.

The report includes the following sections:

## Global survey results

This section summarizes global statistics and is organized based on the following topics:

- Defining flexibility
- Flexible working philosophy
- Policy implementation and administration
- Impact of working remotely
- Flexible working policy measurement
- Flexible working impact on workspaces

## About this report

This section delineates the methodology used in the report, including details on calculations and assumptions.

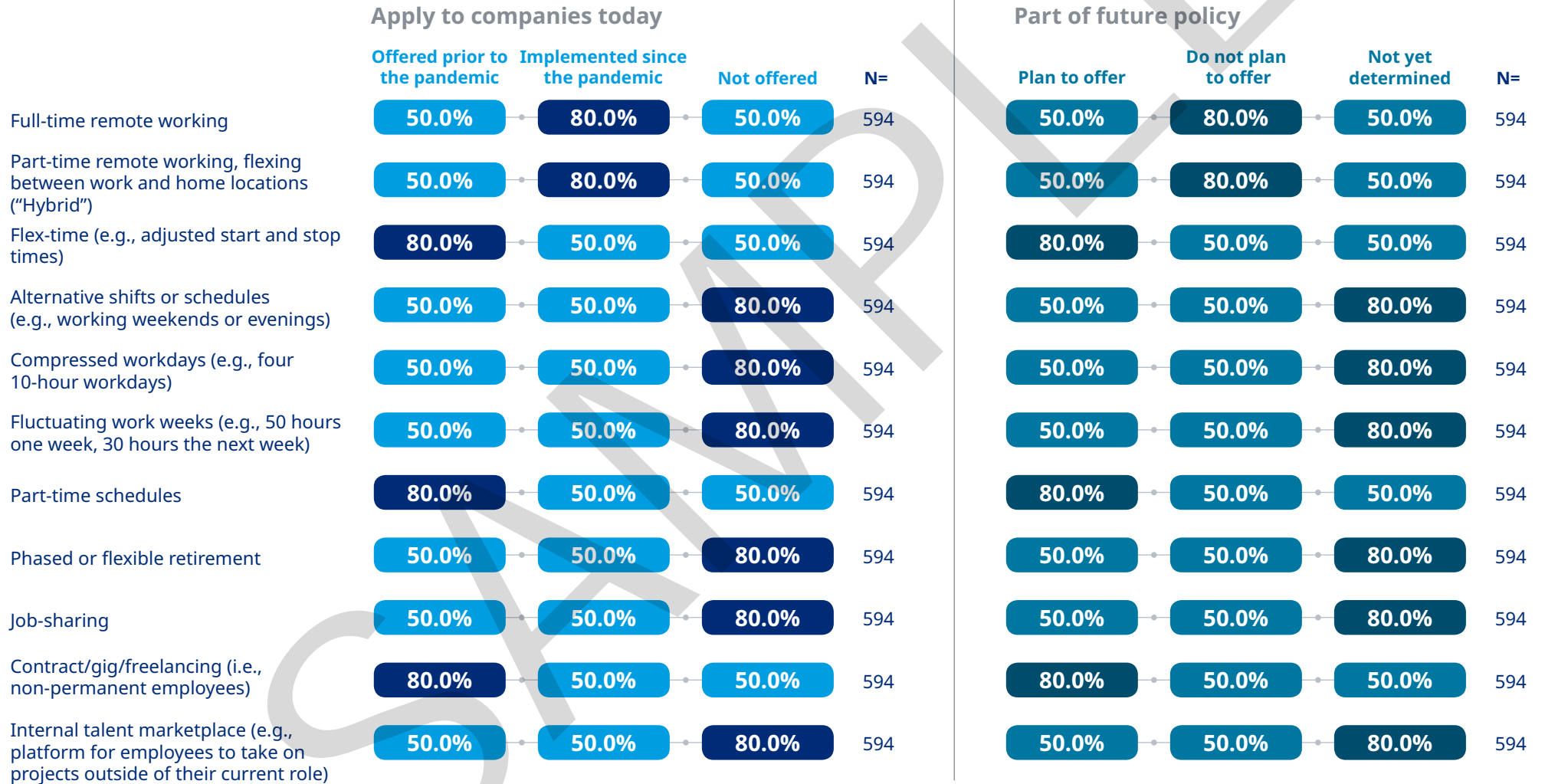




# Global survey results

# Defining flexibility

## What flexible work arrangements apply to companies?



## Which statement best describes company's plans with respect to flexible working?

Already implemented our long-term flexible working strategy and have announced plans to employees

50%

In the process of implementing our long-term strategy

50%

Actively developing a long-term strategy

50%

Plan to develop a long-term strategy, but have not yet started

50%

Evaluating the need for increased long-term flexibility

50%

Do not anticipate implementing a long-term strategy

50%

N=594

## Do flexible working policies apply to all locations or do companies maintain separate policies by location?

Policy applies to all locations, but with local variations

100.0%

Policy applies to all locations, with no variance

100.0%

Local policies

100.0%

Regional policies

100.0%

Not applicable, our company only operates in one country, we only have one policy

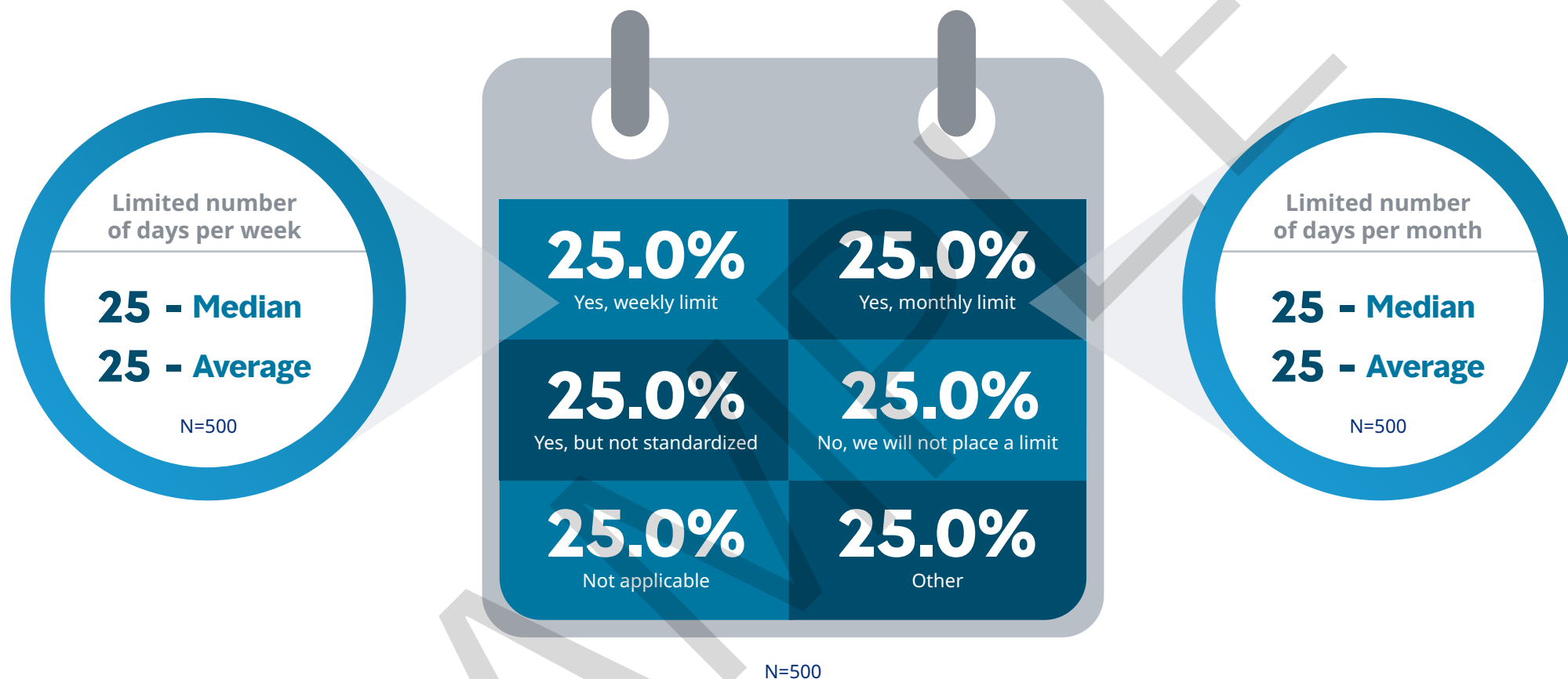
100.0%

N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

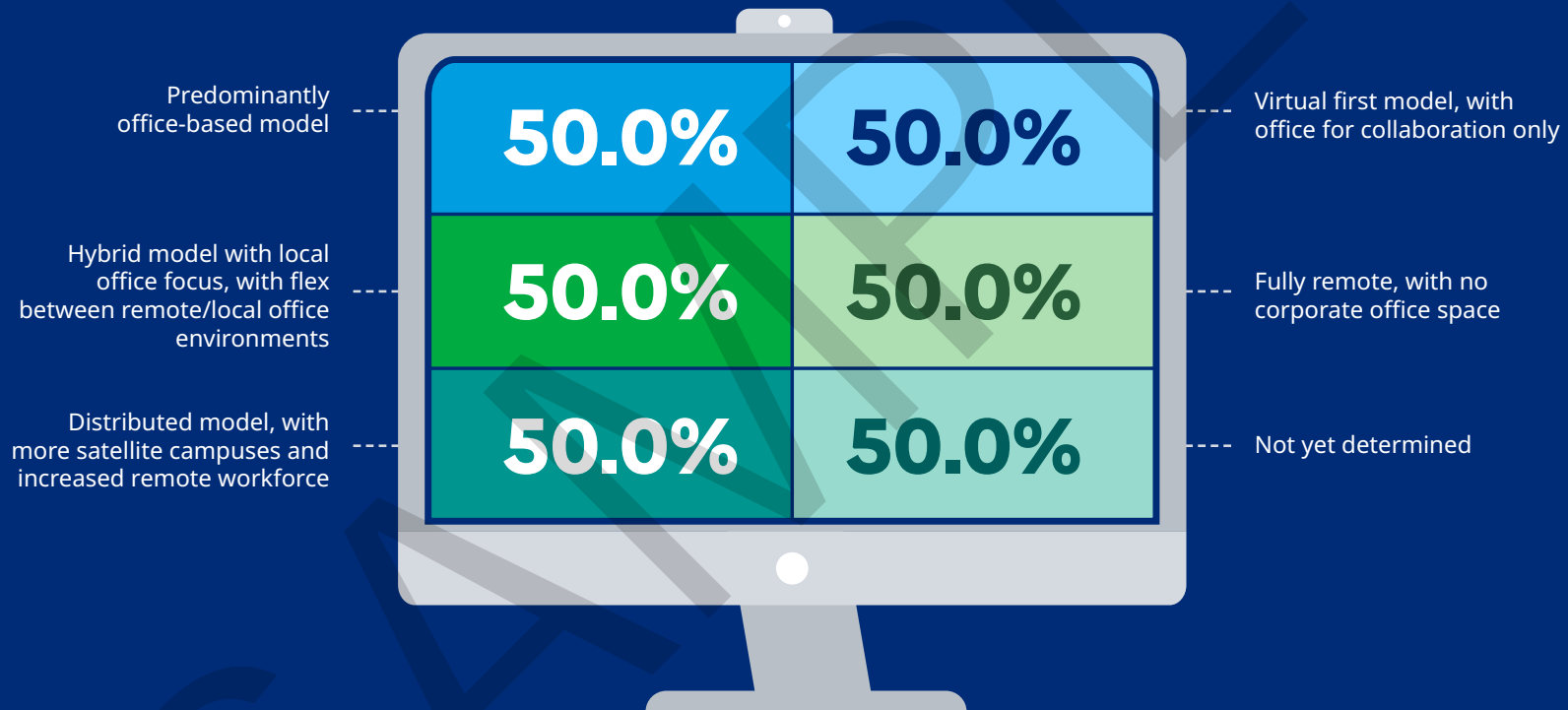


## Will companies limit the number of days that an employee can work remotely?



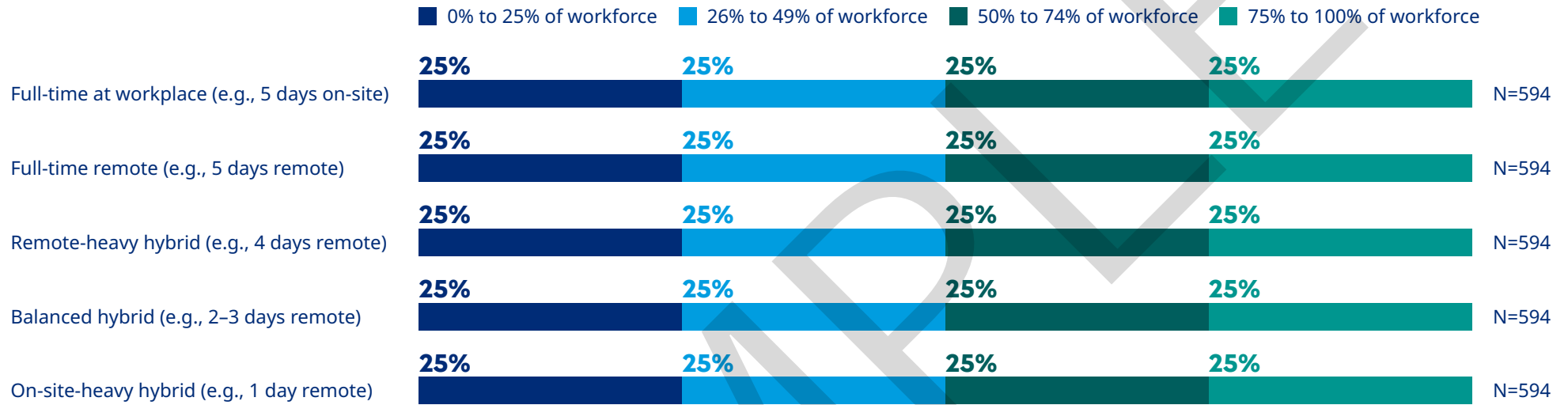
# Flexible working philosophy

Which statement best describes future-state philosophy for remote working?



N=594

## Approximately what percentage of the total workforce will fall into each of the following remote working arrangements, post-pandemic?



## What criteria are companies using to determine the flexibility for remote working for jobs?



Universal policy for most flexible-eligible employees (e.g., one size fits all)



Employees can choose the option most suitable for them



The nature of work will drive the type of remote working assignment (e.g., jobs that must be on-site)



Remote working assignments are based on manager discretion

N=594

## What role-based factors are being considered for jobs that can flex remotely?



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.



## For companies using a hybrid model, will employees have an option for full-time remote work?



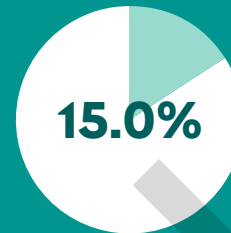
Yes, for select functions



Yes, subject to manager approval



Yes, if criteria are met (e.g., performance and tenure)



Yes, but on a limited exception basis



No, except for requirements mandated by government

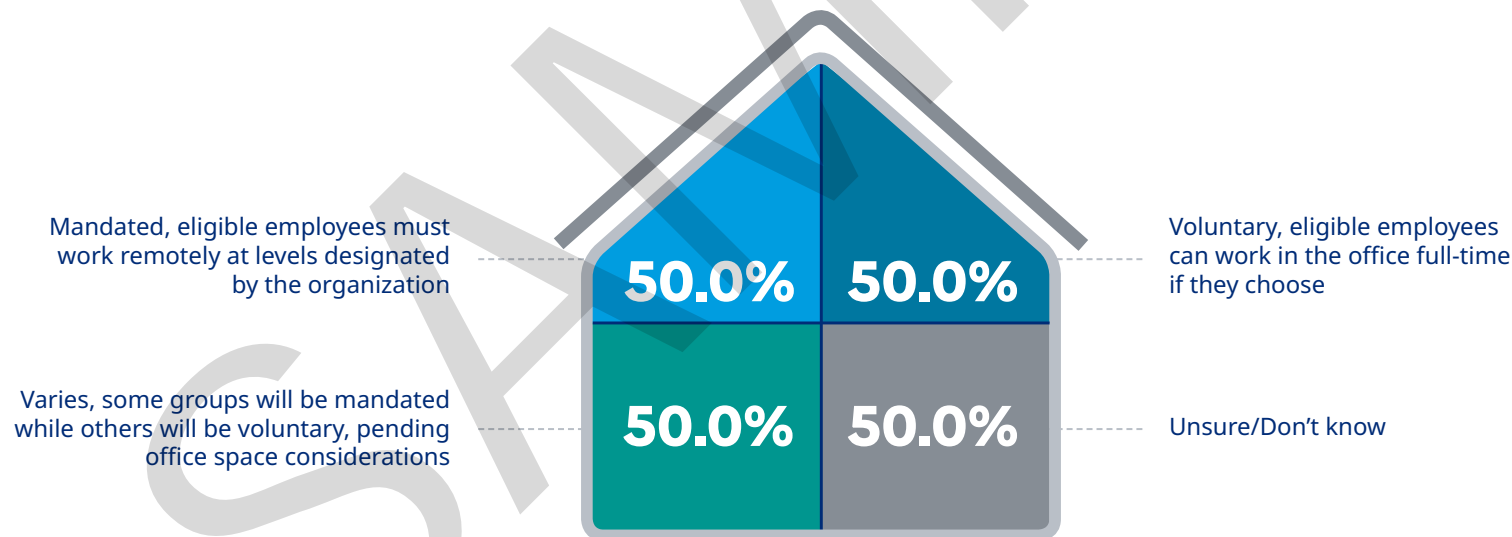


Unsure/Don't know

N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

## For those eligible for remote working, is remote working voluntary or mandated?



N=594

## What role does employee choice have in selecting flexible work arrangements?

Employees can establish their own schedules within company/manager boundaries that have been established

**50.0%**

Employees have broad latitude to establish their own working schedules and patterns

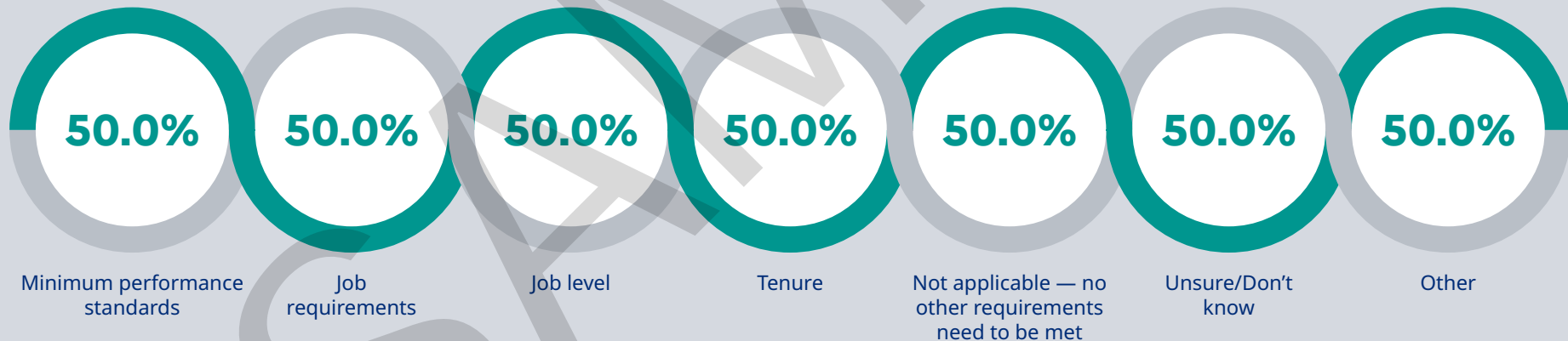
**50.0%**

Work schedules and patterns will be prescribed at the company/manager level

**50.0%**

N=594

## If an employee's job is eligible for remote working, what other criteria must be met to be considered for remote working?

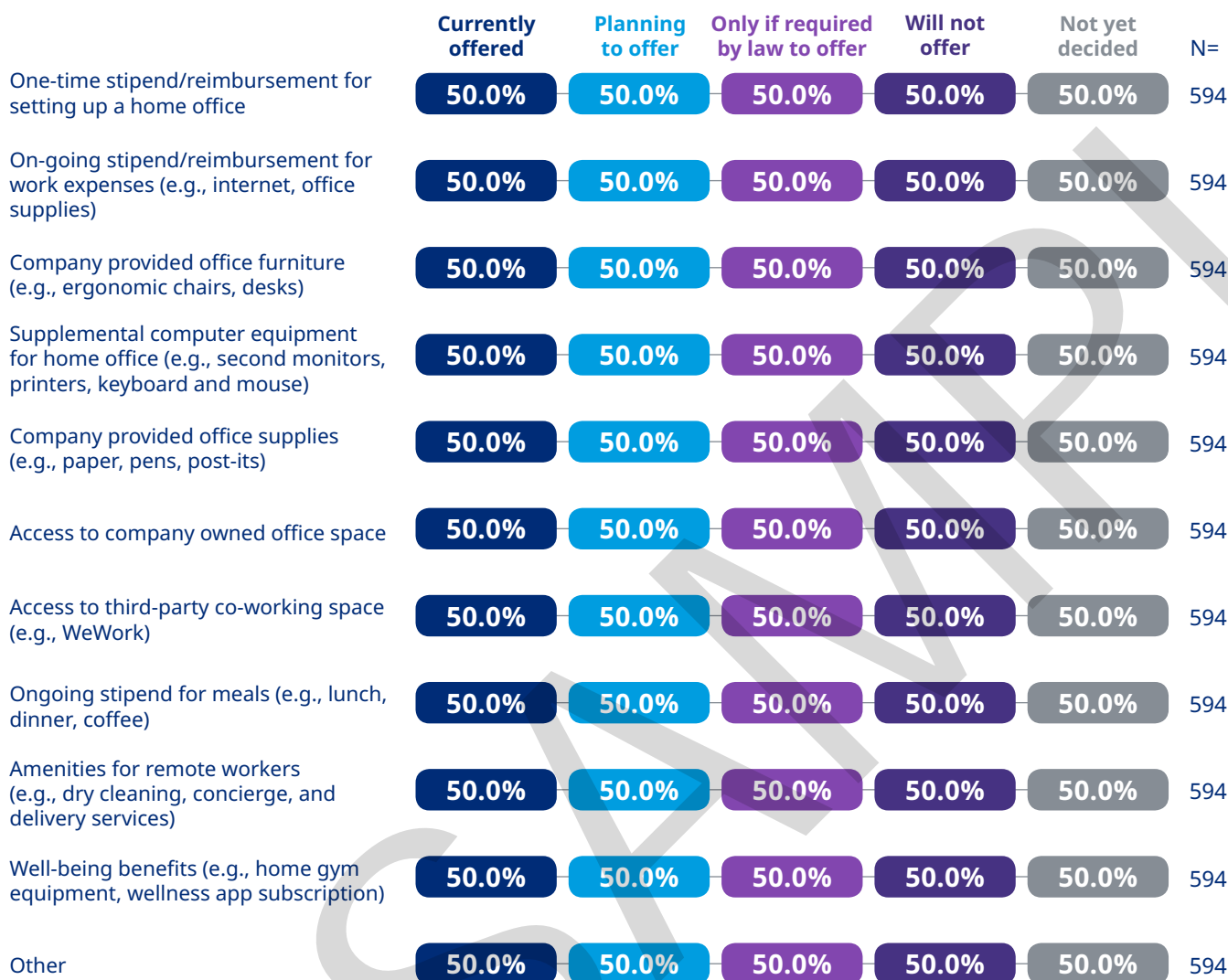


N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

## Full-time remote workers

### What support will companies provide to full-time remote workers?



### How much is the one-time stipend/reimbursement per full-time remote worker?

USD less than 250

50.0%

USD 250 to less than 500

50.0%

USD 500 to less than 750

50.0%

USD 750 to less than 1,000

50.0%

USD 1,000 to less than 1,250

50.0%

USD 1,250 to less than 1,500

50.0%

USD 1,500 or more

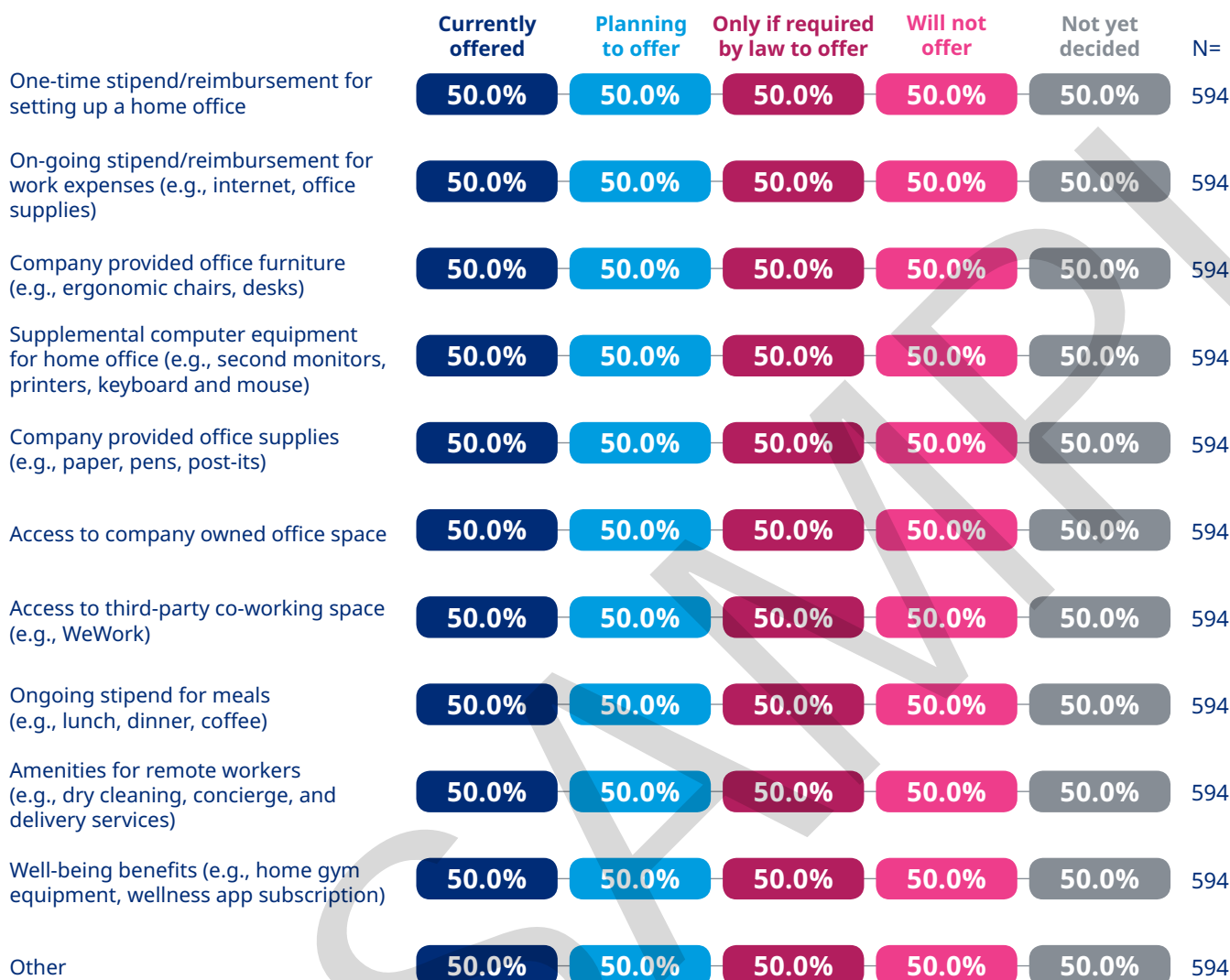
50.0%

N=594

Note: Only those participants offering the stipend answered this question.

## Hybrid remote workers

### What support will companies provide to hybrid remote workers?



### How much is the one-time stipend/reimbursement per hybrid remote worker?

USD less than 250

50.0%

USD 250 to less than 500

50.0%

USD 500 to less than 750

50.0%

USD 750 to less than 1,000

50.0%

USD 1,000 to less than 1,250

50.0%

USD 1,250 to less than 1,500

50.0%

USD 1,500 or more

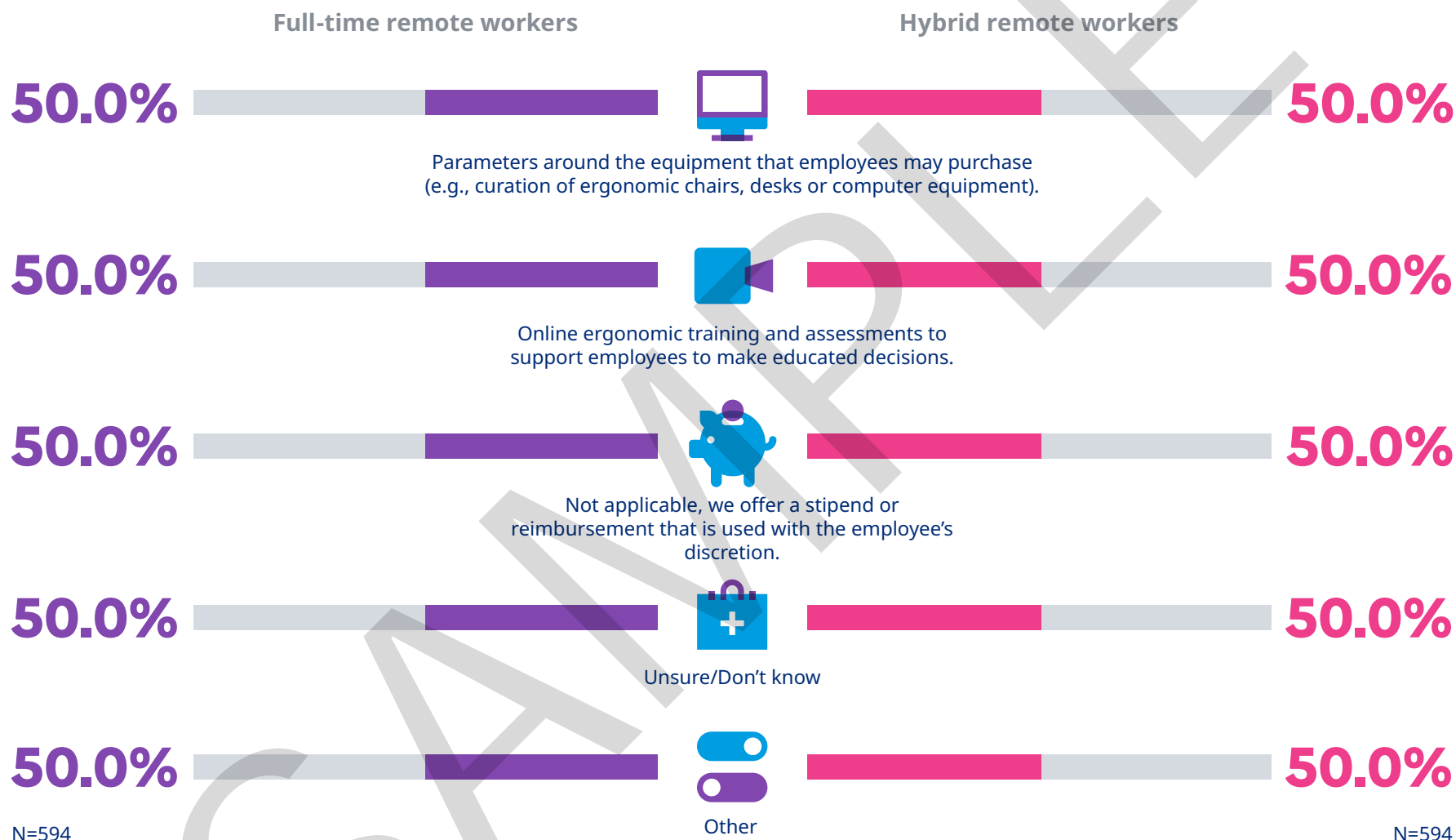
50.0%

N=594

Note: Only those participants offering the stipend answered this question.



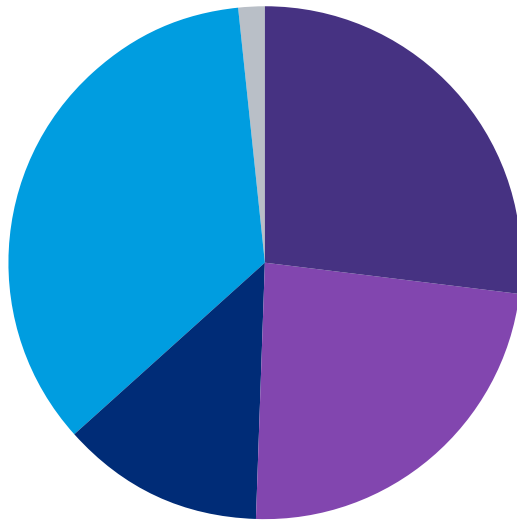
## How are companies addressing ergonomic risks for full-time and hybrid remote workers?



Note: More than one response was permitted; percentages may sum to more than 100%.

## Will there be any geographic restrictions on where employees can work?

Full-time remote workers



■ Yes, employees must work within a set radius of our office (e.g., in order to come into the office when needed)

■ Yes, only in jurisdictions (e.g., states and countries) where company is legally established and approved for remote work time

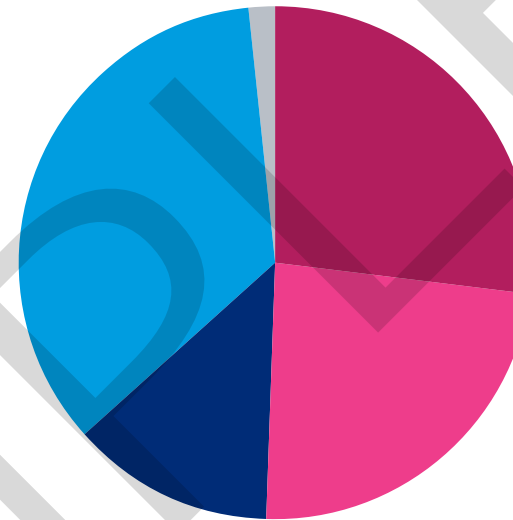
■ No, employees can work from anywhere

■ Unsure/Don't know

■ Other

N=594

Hybrid workers



■ Yes, employees must work within a set radius of our office (e.g., in order to come into the office when needed)

■ Yes, only in jurisdictions (e.g., states and countries) where company is legally established and approved for remote work time

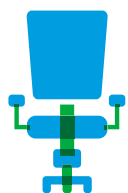
■ No, employees can work from anywhere

■ Unsure/Don't know

■ Other

N=594

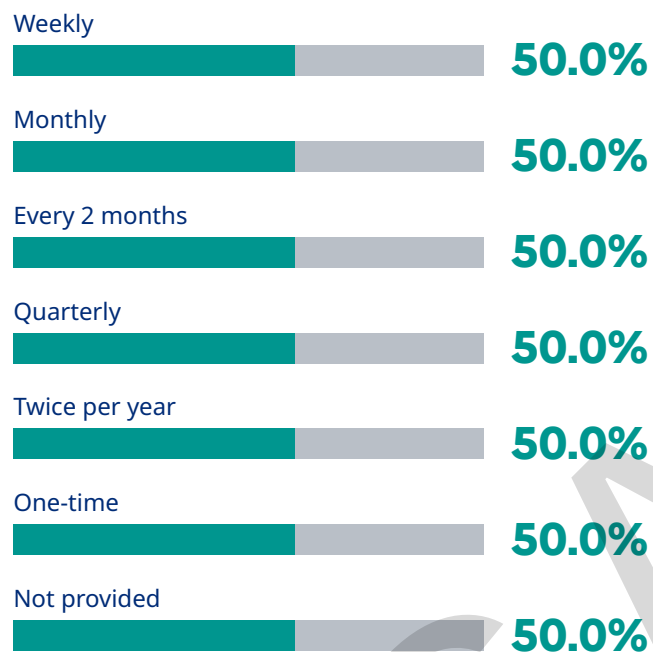
## Which of the following specific and ongoing allowances do companies currently provide?



### Furniture

Average annual amount **USD 100**

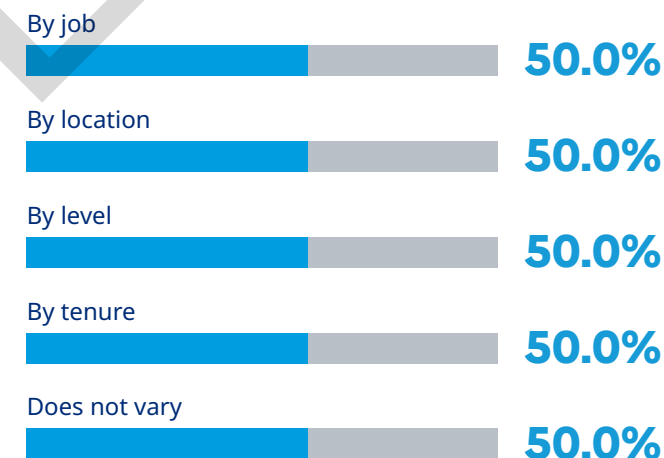
#### Frequency of payment



#### Eligibility



#### Does the amount provided vary?



N=594

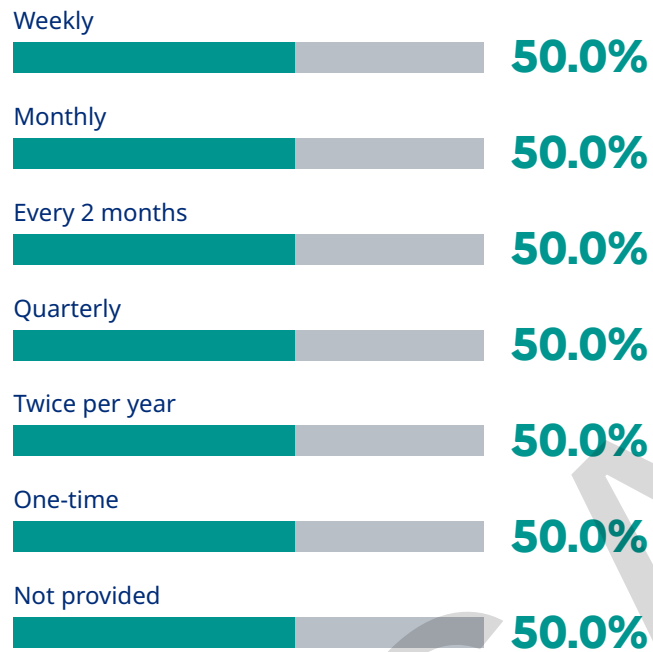
## Which of the following specific and ongoing allowances do companies currently provide?



### Office supplies

Average annual amount **USD 100**

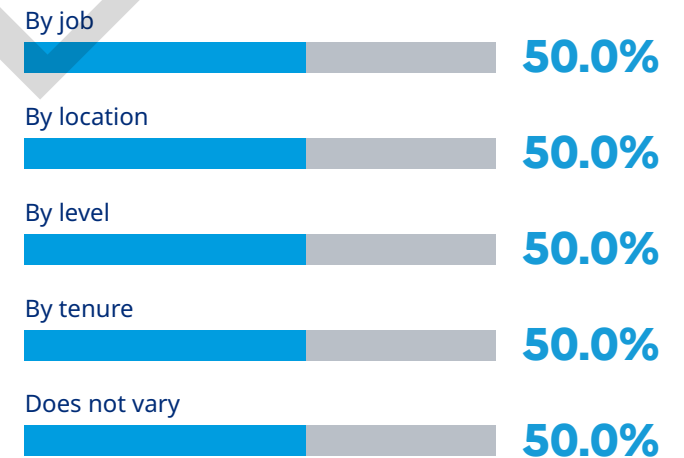
#### Frequency of payment



#### Eligibility



#### Does the amount provided vary?



N=594



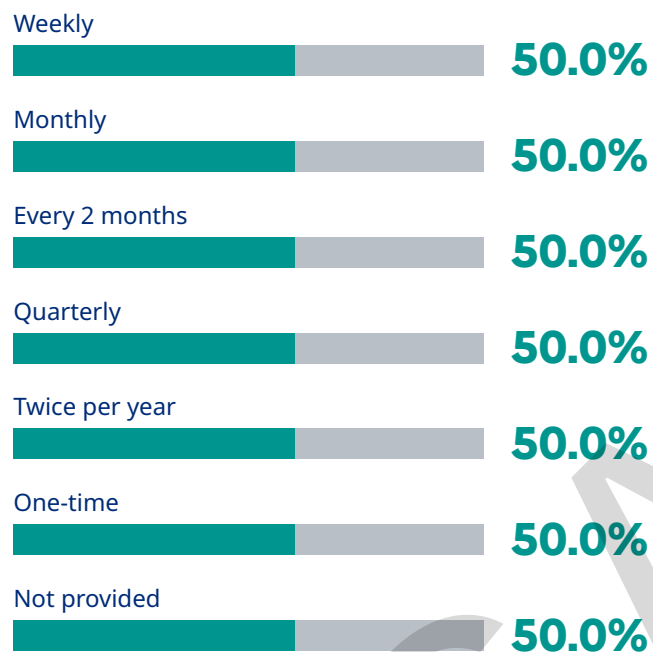
## Which of the following specific and ongoing allowances do companies currently provide?



Internet

USD  
Average annual amount **100**

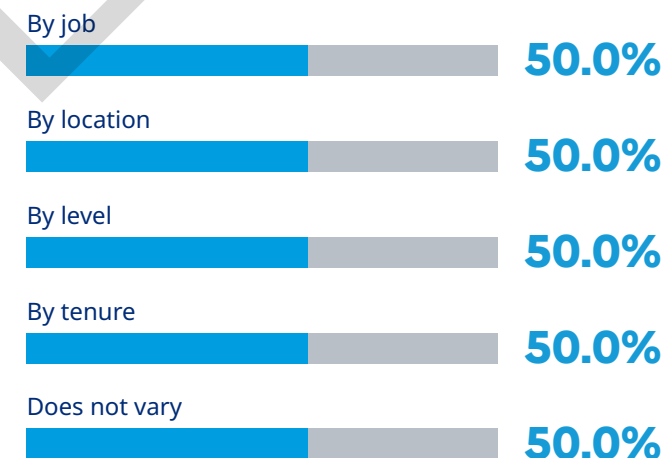
### Frequency of payment



### Eligibility



### Does the amount provided vary?



N=594

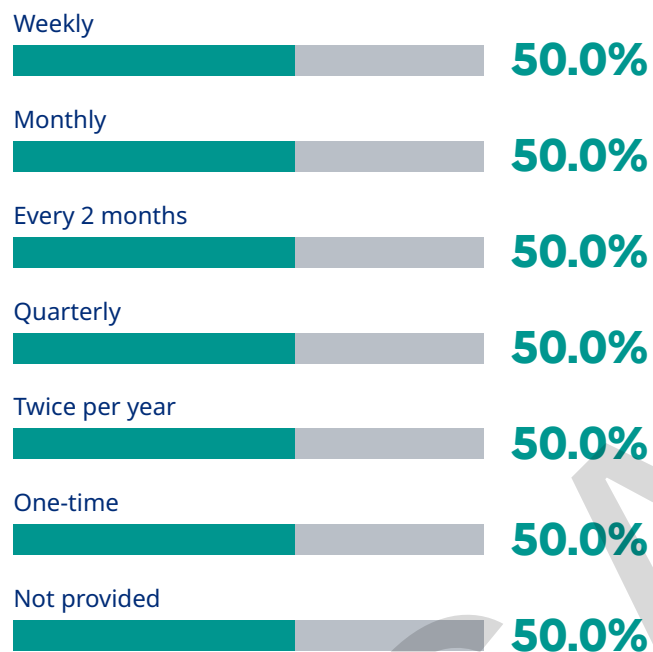
## Which of the following specific and ongoing allowances do companies currently provide?



### Electricity

Average annual amount **USD 100**

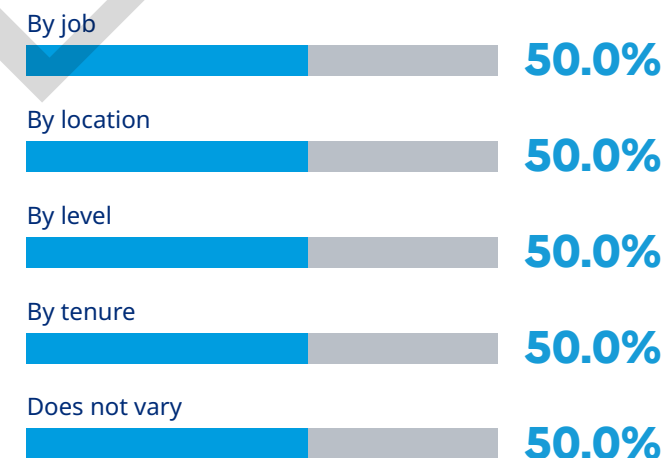
#### Frequency of payment



#### Eligibility



#### Does the amount provided vary?



N=594

## With the move toward increased remote working, what changes have companies made or considered making to policies, people programs and infrastructure?

Culture: creating a more supportive culture for flexible working



Performance management: enhancing existing processes



Communication: creating a comprehensive change strategy



Onboarding: revamping processes for a remote workforce



Employee/manager enablement: training and/or upskilling



Risk management: addressing legal, tax, security or health risks



Employee listening: understanding preferences, attitudes and engagement



Remote workplace setup: equipping employees to work effectively from home (equipment, reimbursements, etc.)



Compensation: evolving strategies around geographic pay



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

Talent acquisition: changing where/how to source talent



Diversity, equity and inclusion: driving alignment with DE&I goals



Health and wellbeing: rethinking strategies to support a changing workforce



Total rewards: rethinking benefits and other programs to support a changing workforce



Real estate and space: changes to real estate footprint or configuration of space



Technology: investments or other changes to support flexible working



Do not intend to make any changes to any policies, people programs and infrastructure



Unsure/Don't know



Other



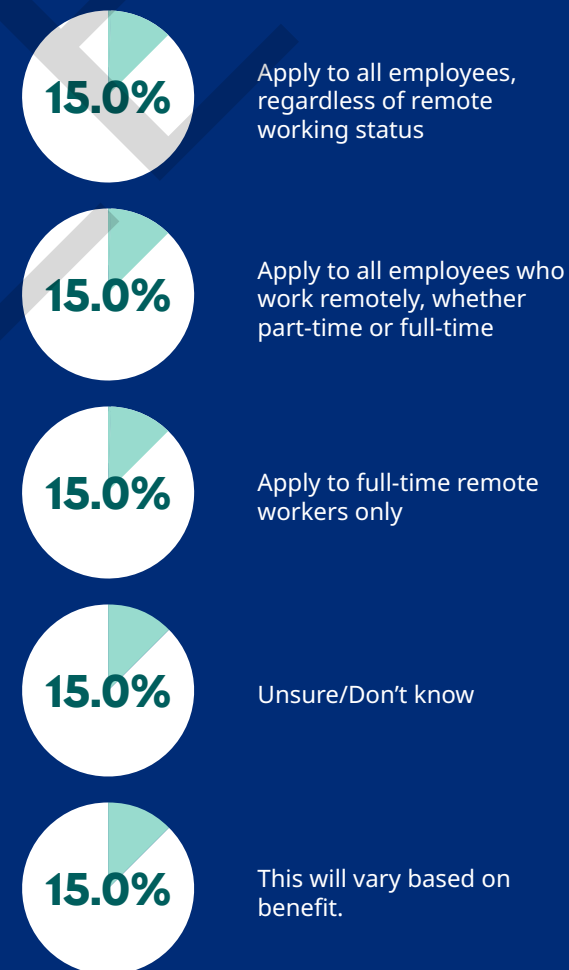
## How are companies adapting benefits to support a more remote workforce?



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

## How will these benefit changes be implemented?

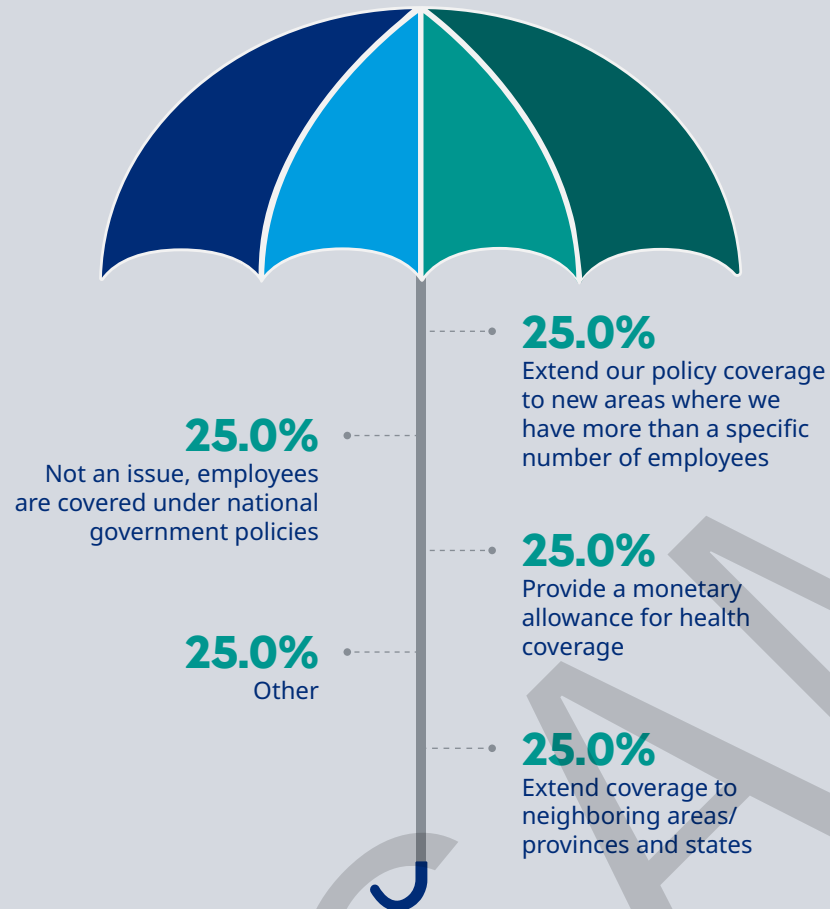


N=594

Note: Only companies making changes answered this question.



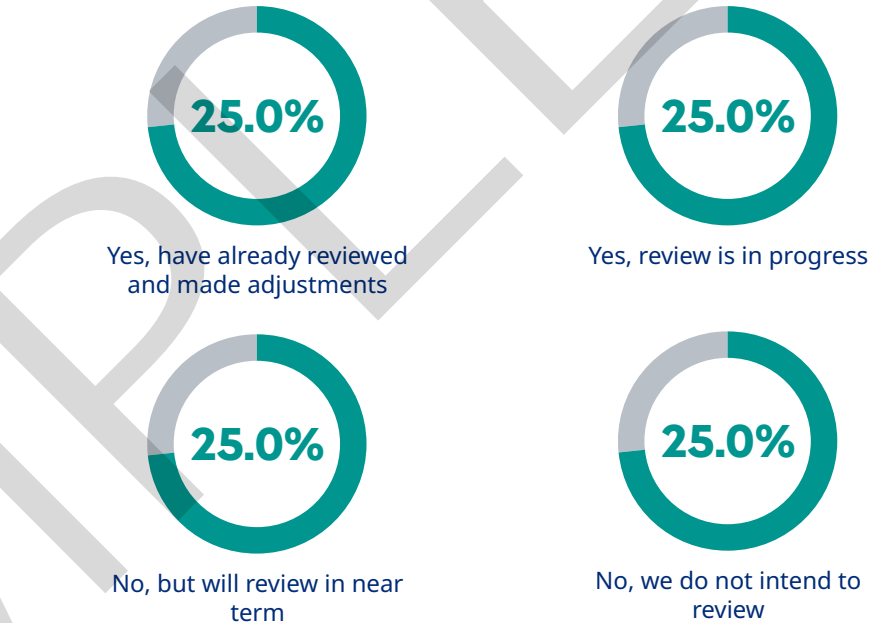
## How will companies handle the provision of health benefits for employees who live outside the reach of existing health plan provider networks?



N=594

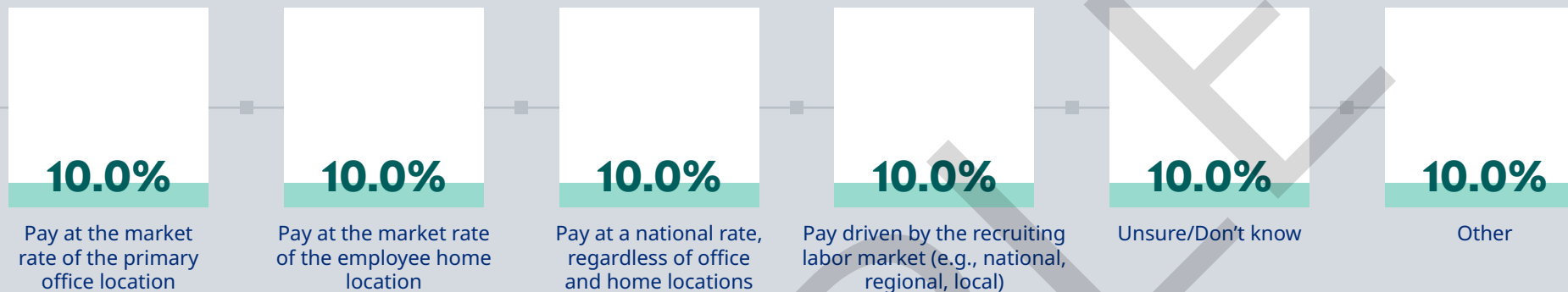
Note: More than one response was permitted; percentages may sum to more than 100%.

## Have companies reviewed benefit plans for risks or limitation in coverage and employer's obligations such as occupational health due to remote working?



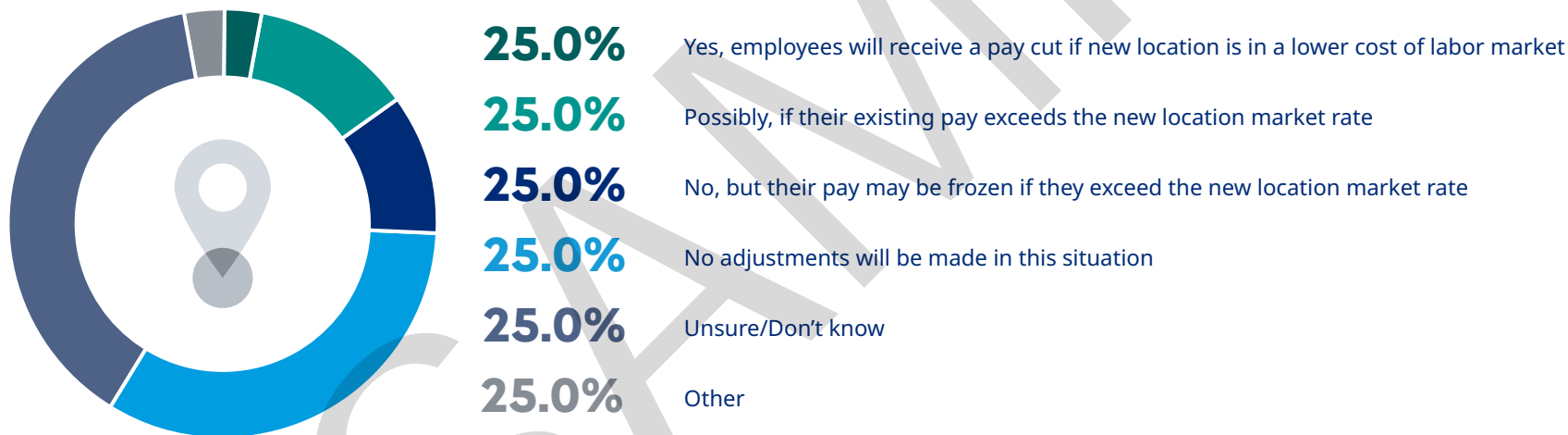
N=594

## How will companies establish the market rate for remote worker compensation?



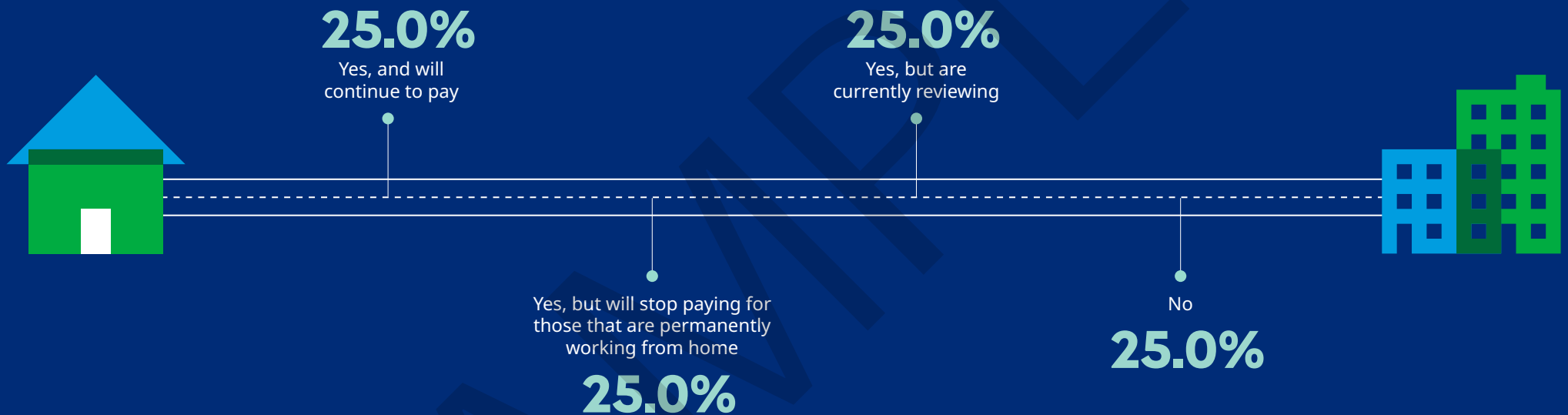
N=593

## Will pay be adjusted for existing employees who relocate?



N=594

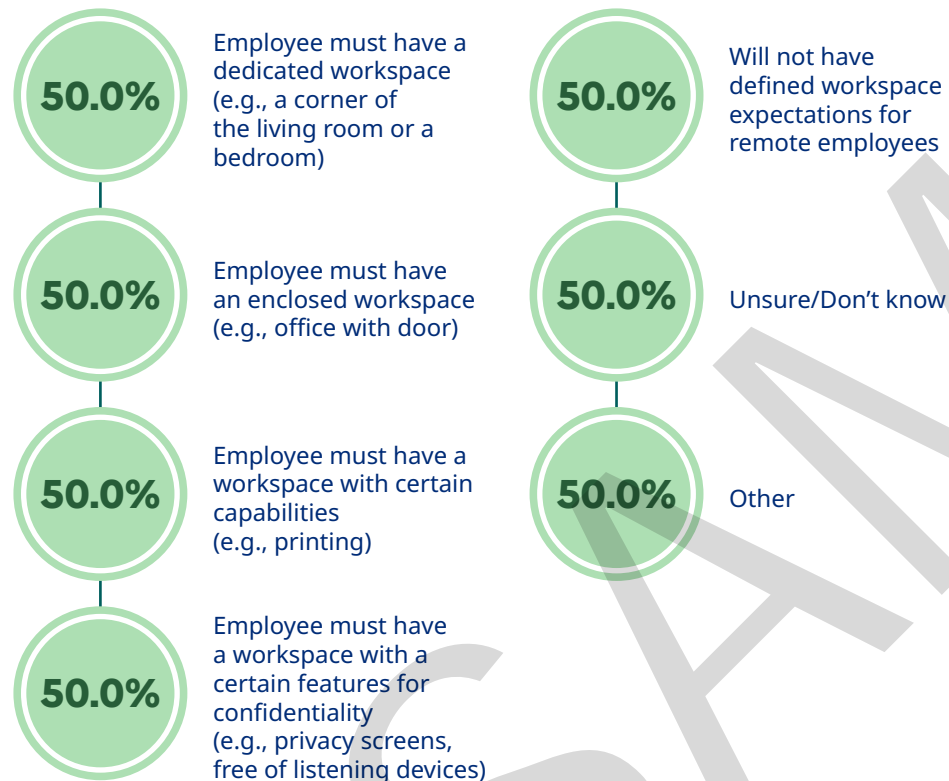
## Have companies continued to pay allowances for commuting between home and office locations to employees who are now working remotely?



N=594

# Flexible working impact on workspaces

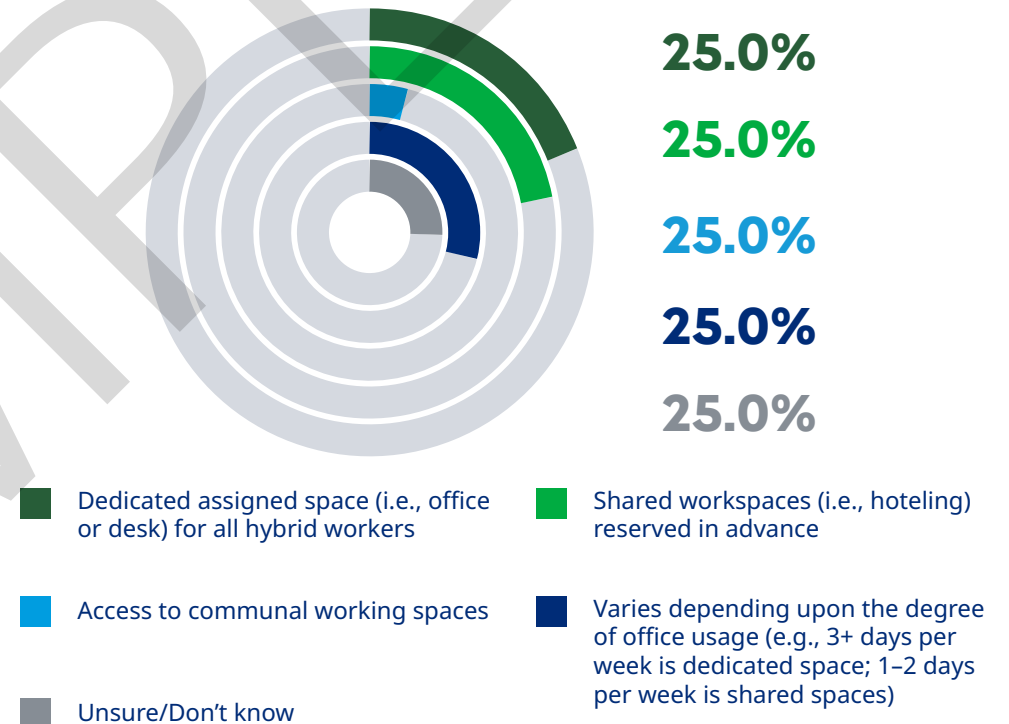
## What workspace requirements will remote (either full-time or hybrid) employees have?



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

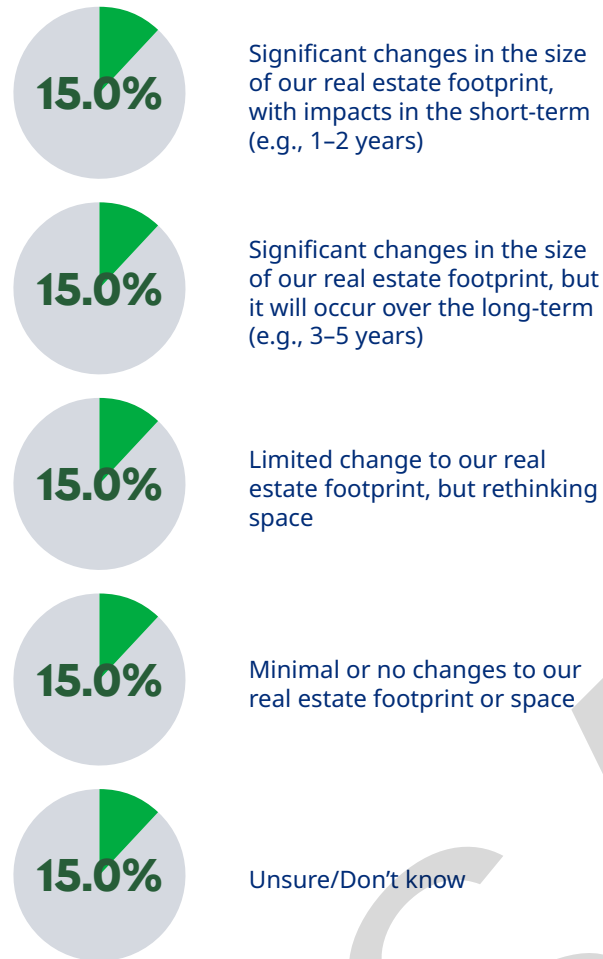
## What workspace options will be made available to hybrid workers in the office?



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

## What real estate changes have companies made or are considering?



N=594

## Which technology categories have or will companies invest in to support increased remote working?



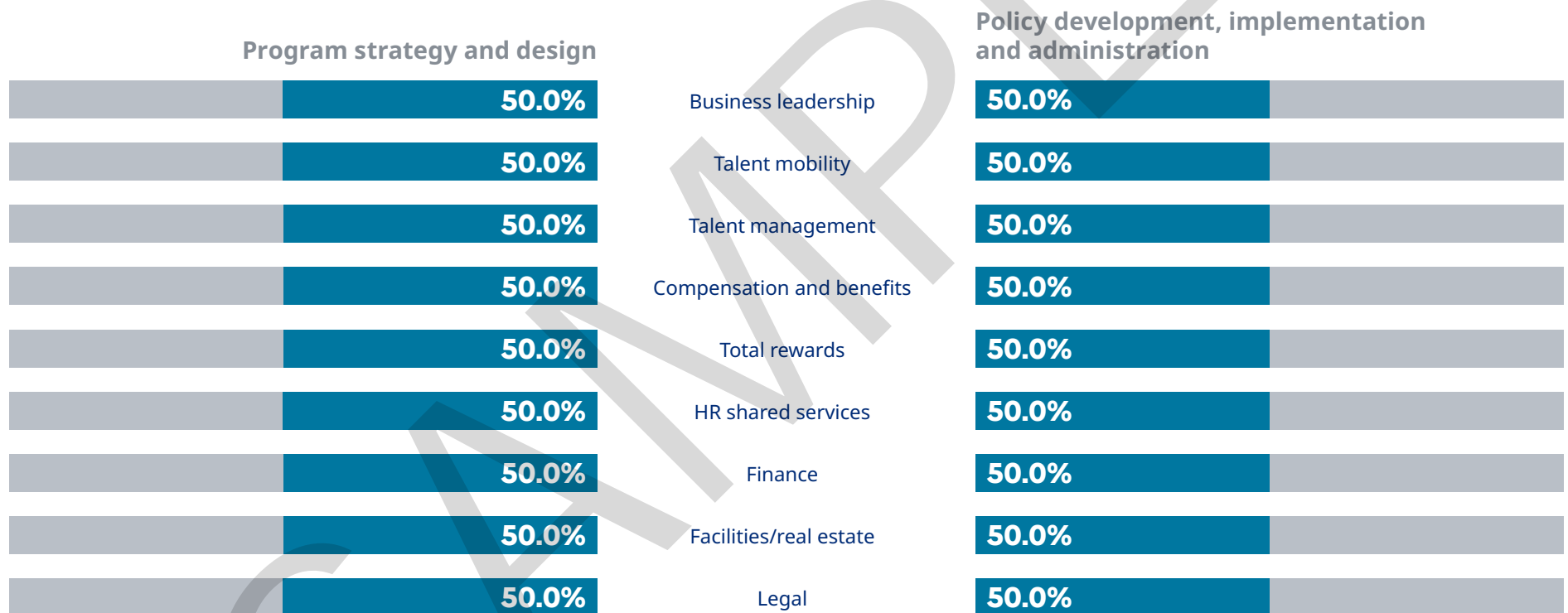
N=594

Note: More than one response was permitted; percentages may sum to more than 100%.



# Policy implementation and administration

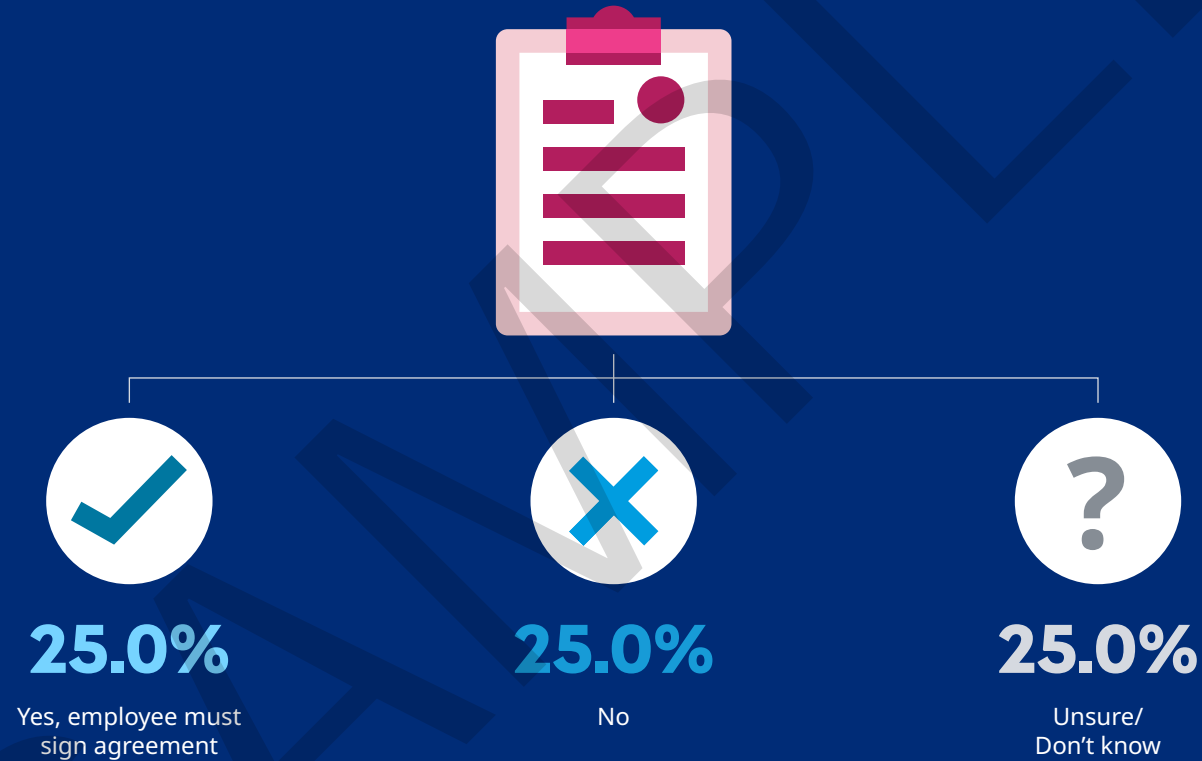
Which department(s) is primarily responsible for flexible working policies and practices?



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

Will companies require employees to sign a specific agreement accepting the terms and conditions of their flexible working policy?



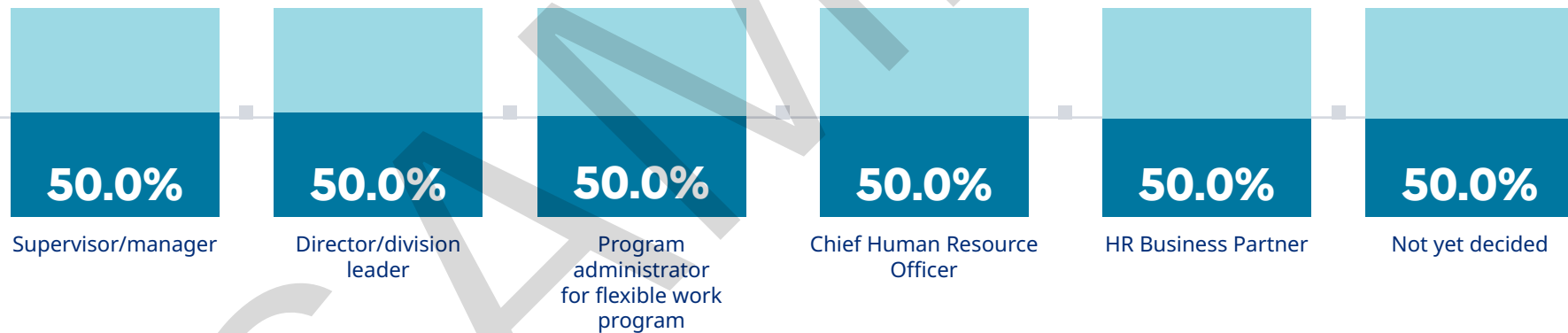
N=594

## Will programs require applications to be considered for a flexible work arrangement?



N=594

## Who is required to approve applications or requests for flexible arrangements?



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

## What are the key factors that companies will use to approve or deny a flexible arrangement request?

Verification of meeting minimum eligibility requirements

50.0%

Verification that job/role is eligible for that type of flexibility

50.0%

Reviewing performance reviews and coordinating with supervisor

50.0%

Unsure/Don't know

50.0%

Other

50.0%

N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

## Under what circumstances could an employee's flexible working arrangement be rescinded or reevaluated?

50.0%

Business need

50.0%

Individual job change

50.0%

Individual job performance

50.0%

Regular company review (e.g., all arrangements will be reviewed annually or on a set schedule)

50.0%

There are no reasons an existing flexible work arrangement would be rescinded

50.0%

Unsure/Don't know

50.0%

Other

N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

## Are companies conducting formal negotiations with trade unions to define suitable agreements on flexible working?



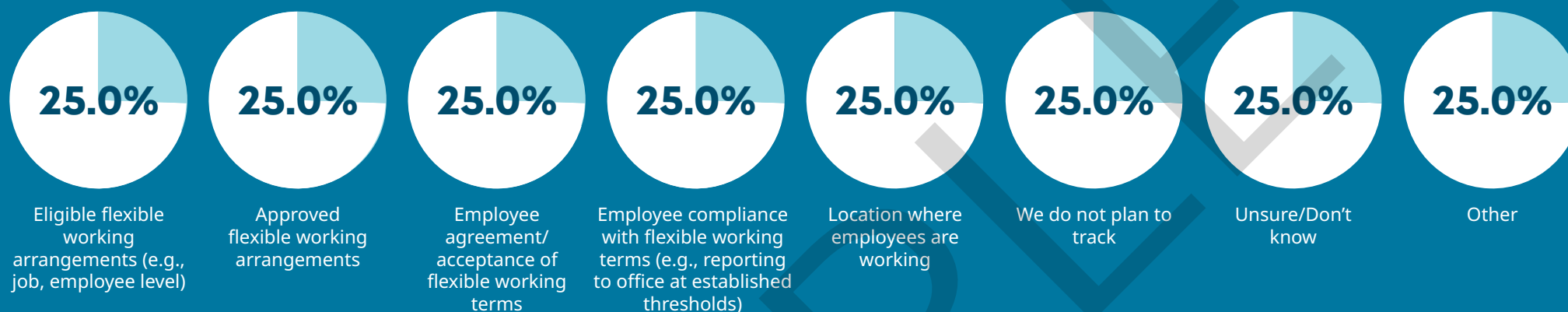
N=594

## Are companies planning to adjust existing contracts of the employees who are now eligible to work from home?



N=594

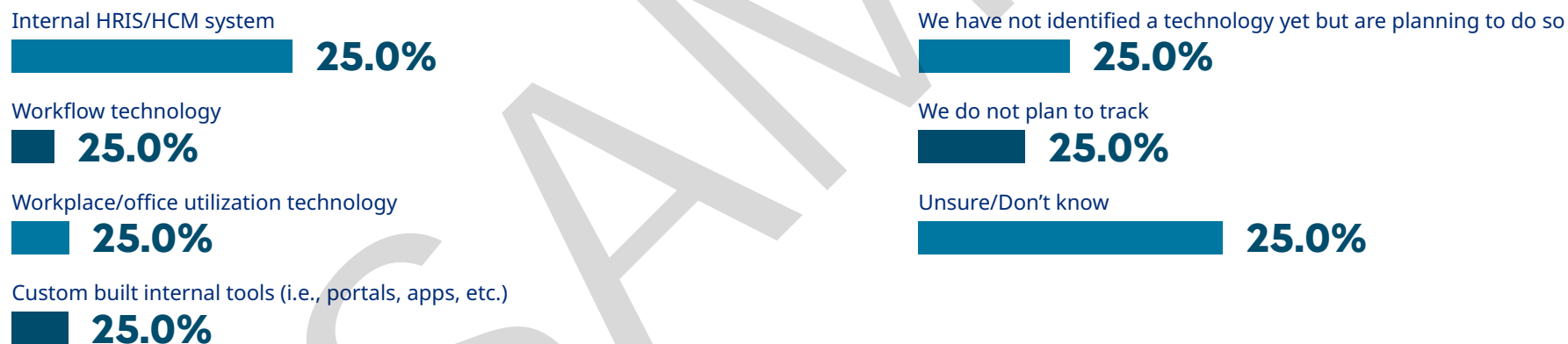
## Which of the following areas related to flexible working program do companies intend to track?



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

## How do companies plan to track the administration of their flexible working programs?



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.



## How are companies addressing potential tax and compliance considerations?

Have set or plan to set guidelines (e.g., number of days, specific locations) for employees to know when they need to communicate with the company about their work location



Employees to get permission from the company prior to making any changes to their "work location," whether permanent or short-term



Employees to inform their manager and HR of any changes to their "work location," whether permanent or short-term



Will track the location of employee work computer/phone in order to inform the company on potential tax and compliance issues



Have put into place new policies to address non-exempt pay issues (i.e., overtime approvals, pay for downtime, etc.)



Unsure/Don't know



Other



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

# Impact of working remotely

How has remote working affected the productivity of the workforce?

**25%**

Productivity has increased

**25%**

Productivity is consistent

**25%**

Productivity has decreased

N=594

Do companies have the ability to check or monitor the productivity of employees working remotely?



Yes

**50.0%**

No

**50.0%**

N=594

How has remote working affected the level of collaboration?

**25.0%**

Collaboration has increased

**25.0%**

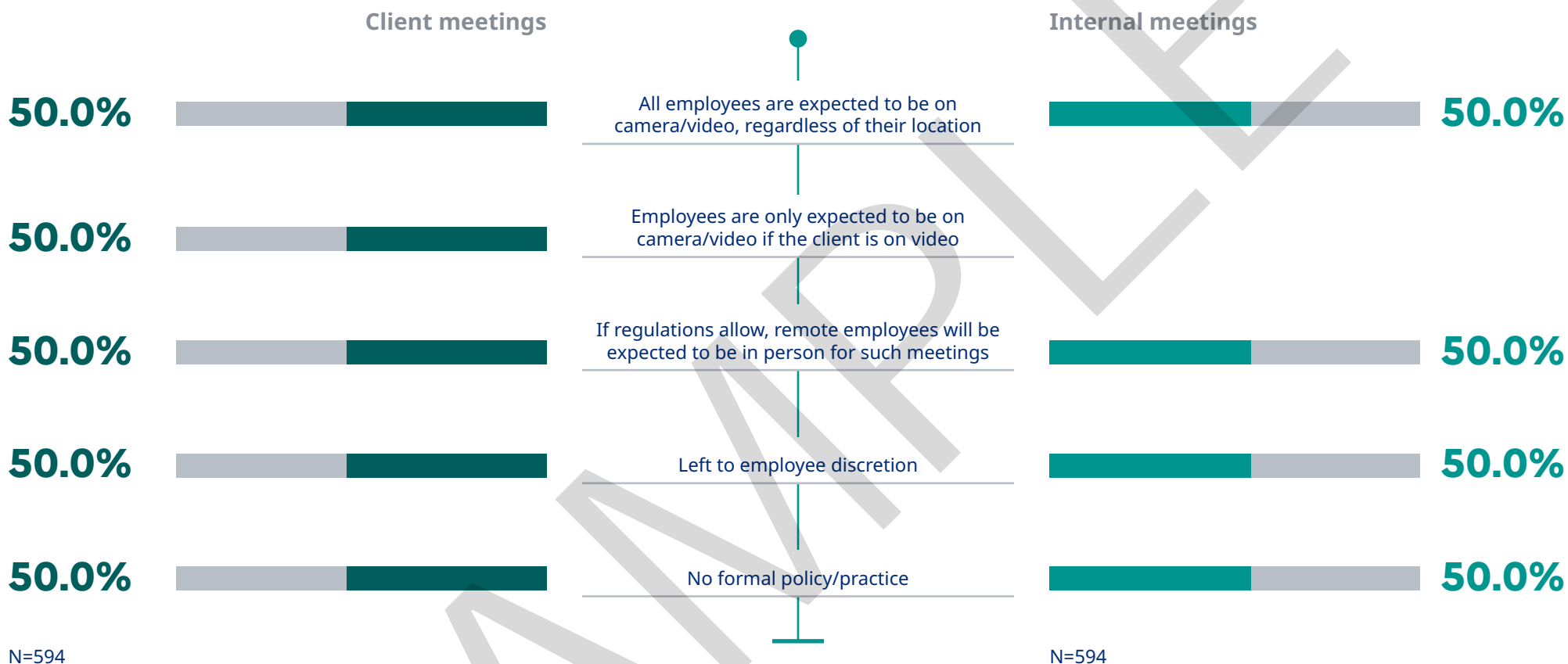
Collaboration is consistent

**25.0%**

Collaboration has decreased

N=594

## Do companies have any expectations for remote workers attending meetings?



## How has remote working affected the level of employee development?



**25.0%**

Employee development has increased



**25.0%**

Employee development is consistent



**25.0%**

Employee development has decreased

N=594

## Have companies implemented (or planning to implement) online training or coaching on flexible or remote working over the next nine months?

**25.0%**

Yes, mandatory for all managers

**25.0%**

Yes, for employees eligible for remote working

**25.0%**

Yes, only for managers with remote workers

**25.0%**

Yes, for employees who currently work remotely

**25.0%**

No

N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

## Among companies providing manager training, on what content will the training focus?

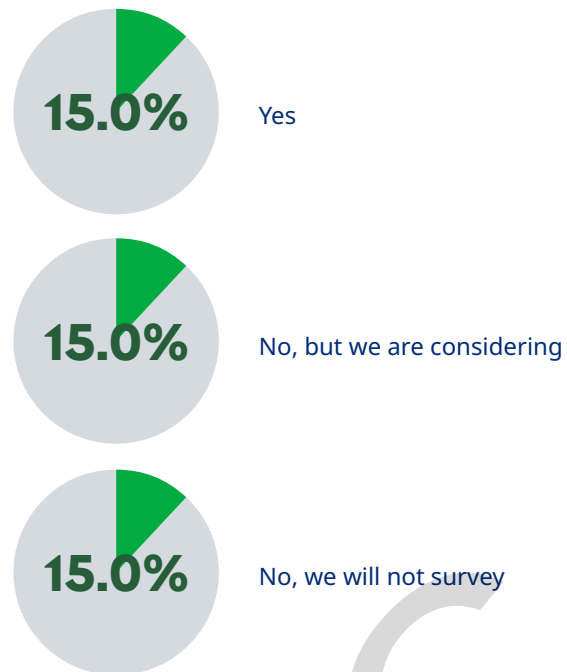


N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

# Flexible working policy measurement

Have companies surveyed employees regarding their preferences concerning flexible working policies?



N=594

For those companies that have surveyed employee preferences, which of the following were ranked as the most important?

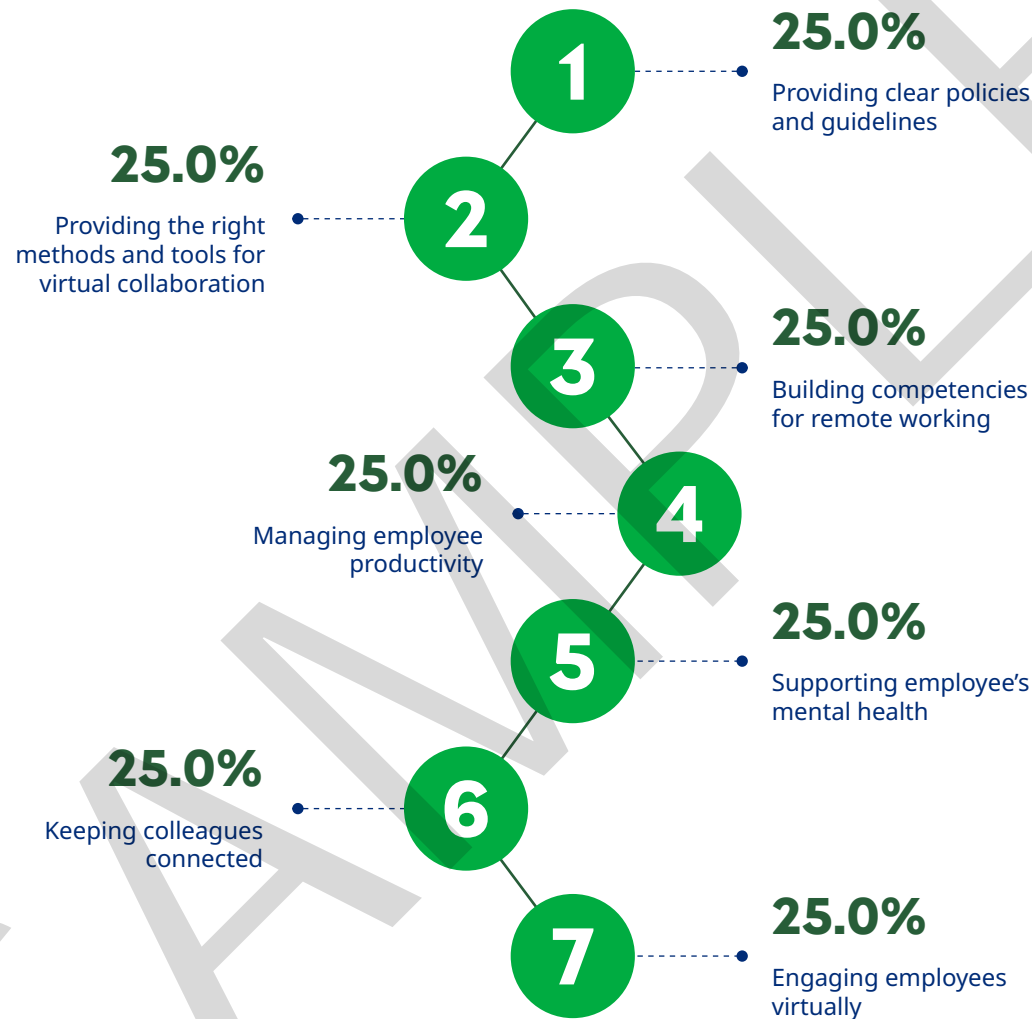


N=594

Note: Up to three responses were permitted; percentages may sum to more than 100%.



## Which of the following challenges have companies encountered regarding remote working?



N=594

Note: Up to three responses were permitted; percentages may sum to more than 100%.

## Which of the following would demonstrably improve flexible working?

Executive-led mandate (leadership driven/supported)



Job redesign to enable flexible working



Ability to measure and reward contribution of flexible workers



Visible examples of career progression for flexible workers



More trust between the company and employees



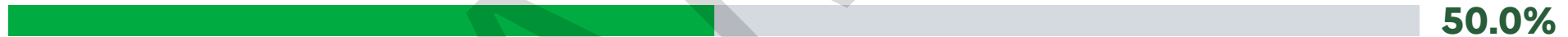
Training for managers in enabling flexible working



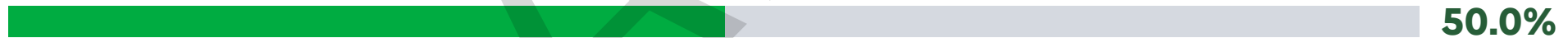
Training for individuals to make flex work



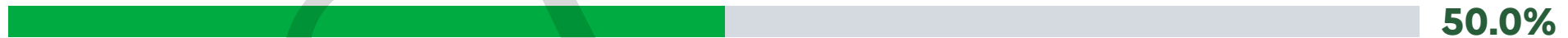
Improved technology to enable flexible working



None of the above; flexible working does not need improvement



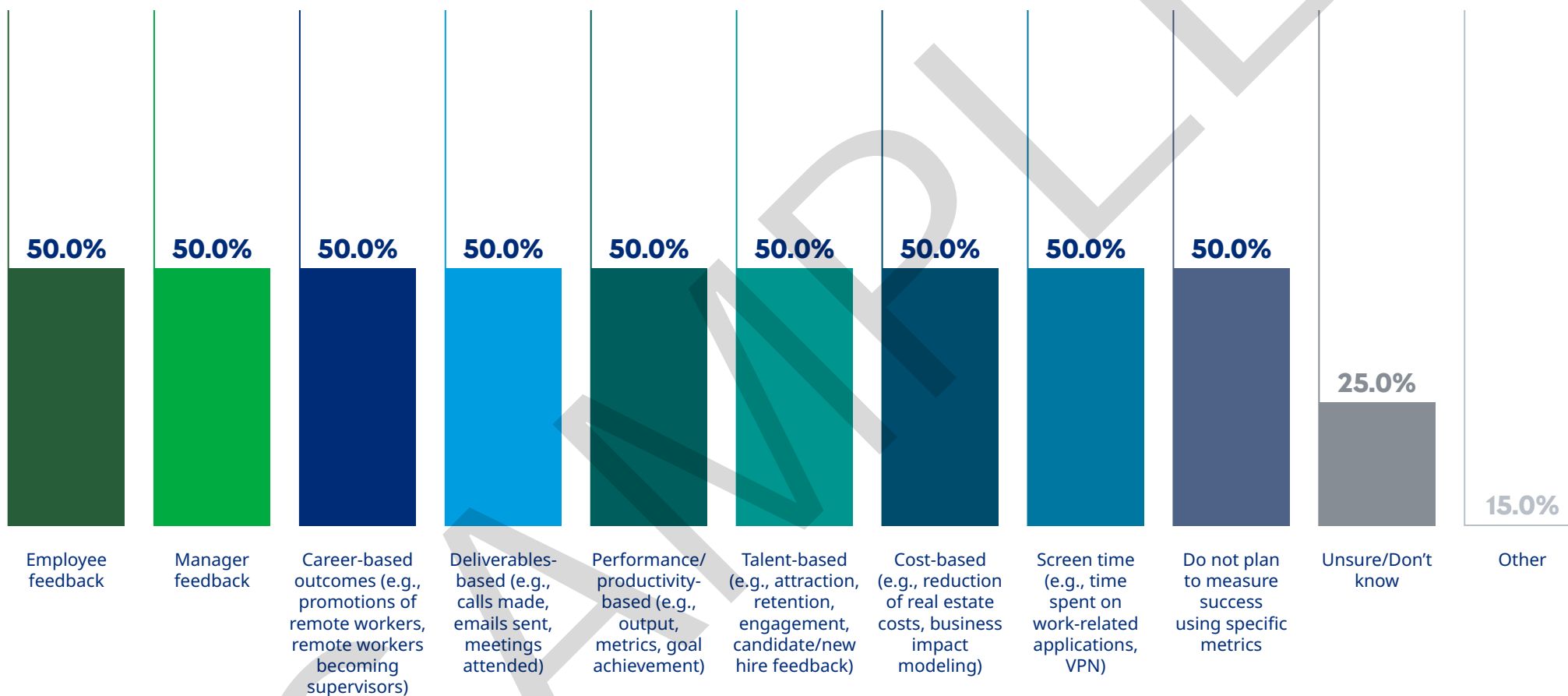
None of the above; we don't promote flexible working



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

## How will companies measure the success of their flexible working policy?



N=594

Note: More than one response was permitted; percentages may sum to more than 100%.

Overall, how do companies rate their success with working flexibly/remotely?



N=594

about this

# report

# Methodology

This section provides information on the methods of collecting, collating, and analyzing data for this publication. Below are notes on exceptions and exclusions in the data and a list of data sources.

## Data collection

Data for this publication were collected from the following primary data sources:

2021 Flexible Working Policies & Practices Survey  
— International edition

The survey was open from mid-May to mid-July 2021. More than 1,000 survey submissions were received.

Note: Participants completed questions that were applicable to their policies; therefore, sample sizes vary by question. Keep sample size in mind when making decisions; a small sample size may not be a true reflection of the market.

## Data analysis

### Statistics

The following statistics are presented in this report:

**Median:** The data point that is higher than 50% of all other data in the sample when ranked from low to high. Also known as the 50<sup>th</sup> percentile.

**Average:** The sum of all data reported divided by the number of data observations in the sample. Also known as the mean.

**Prevalence:** The percentage of companies that provided a response to a question with a defined number of options to choose from. For example, a single response question or a multiple response (select all that apply) style question.

In single response questions, the sum of all responses may not equal 100% due to rounding.

In multiple response questions, the sum of all responses will be greater than 100%.

**N or sample size:** The number of companies that reported data for the statistic.

**Endash or “–”:** The sample is too small to provide the statistic.

## Data masking

To ensure the confidentiality of all companies that provide data to Mercer’s surveys, statistics have been “masked” by displaying an endash or “–” when minimum sample sizes are not met.



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