



# New ways of work:

## Spotlight on workplace transformation in Australia

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Economist Impact, supported by Google Workspace, conducted a survey of more than 600 knowledge workers across Asia Pacific about their experiences with hybrid or flexible work.

The research shows that the pandemic has changed the way organisations are looking at the nature of work. Some form of flexible work is here to stay, and organisations continue to find new ways of work that provide them with solutions that are flexible, collaborative, and productive and secure. This article—one of a four-part series examining the future of work in the region—focuses on Australia.

The series complements Economist Impact’s 2021 global study on the future of hybrid work, “Making hybrid work human”, which can be accessed [here](#).

### Key findings

- Australia is a regional outlier in terms of long-term implications of hybrid work policies. Almost half (48%) of Australians expect to spend between one and four days working remotely after 2022, compared with only a third of their South-East Asian counterparts.
- Australian companies were already relatively progressive about remote work. A majority of knowledge workers in Australia (77.7%) think flexible work hours will become standard practice in the near future.
- In the post-pandemic future, Australian SMEs are more likely to implement flexible and hybrid models than larger companies. Only 21.1% of SME respondents from the country expect a full-time return to the office compared with 40.3% of those working in larger firms.

### The future of work beckons for Australian companies

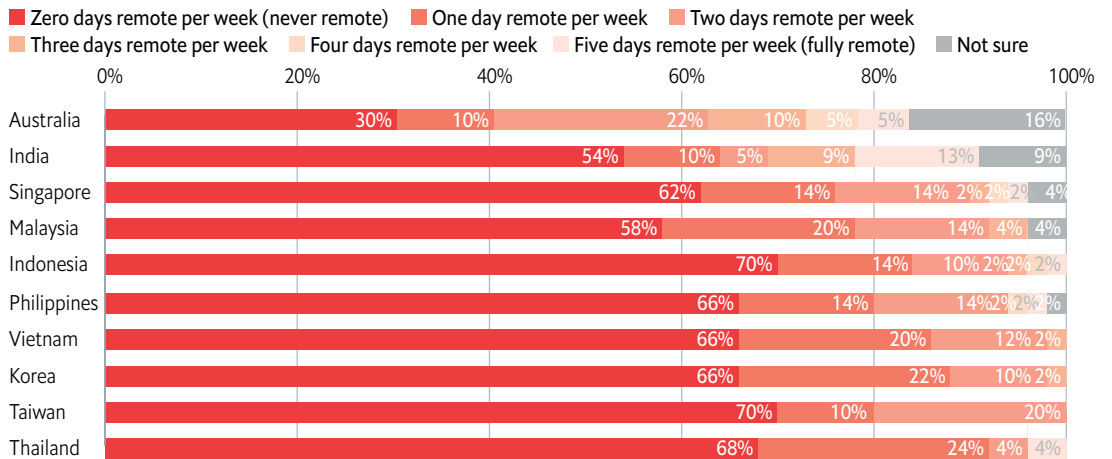
Australians have had a unique experience of the pandemic as a result of their government’s zero-tolerance approach to covid-19. The resultant policies led to both extended periods of intense isolation as well as bouts of minimal-to-no restrictions. With these “before” and “after” snapshots, Australian organisations gained an

opportunity to truly test the possibilities of hybrid work.

Even prior to the pandemic, the hybrid work experiment was already making inroads among some organisations in Australia. Just under a third (29.1%) of respondents surveyed by Economist Impact reported having access to some level of remote work prior to 2019.

**Figure 1: Flexible work arrangements: Australians more in than out**

Considering a typical five-day work week, please indicate how many days you expect to work remotely, post pandemic after 2022? (% respondents)



Source: Economist Impact.



### SMEs more open to hybrid work

Small-to-medium-sized enterprises (SMEs) in Australia are demonstrating much more openness to implementing flexible and hybrid work models than their larger counterparts. Only 21.1% of SME respondents in Australia expect to return to full-time office work compared with the 40.3% of those working with larger firms. SMEs (27.6%) are also less likely to have fixed hours, a significant shift from pre-pandemic, when most workers (51.3%) had no time flexibility.

**Figure 2: Size no barrier for the benefits of hybrid work**

Based on your experience, what kind of impact can flexible work models have on employees regarding the following? (% respondents)



Source: Economist Impact.

Most significantly, a large number of respondents working for SMEs claim that flexible work has helped improve employee productivity (61.8%). This is consistent with a 2021 survey by HR consulting firm Mercer that found that more than 9 of 10 employers claimed to have same or higher productivity since the start of the pandemic.<sup>1</sup>

<sup>1</sup> <https://narrasoft.com/remote-work-productivity/>

**A regional outlier**

When it comes to the long-term implications of hybrid work policies, Australian respondents are a regional outlier. While only a third of South-East Asian respondents expect more remote work post-2022, nearly half (48%) of Australians expect to spend between one to four days working remotely. And although only 5.4% of Australians will have access to fully remote work, this is still higher than the Asia Pacific average.

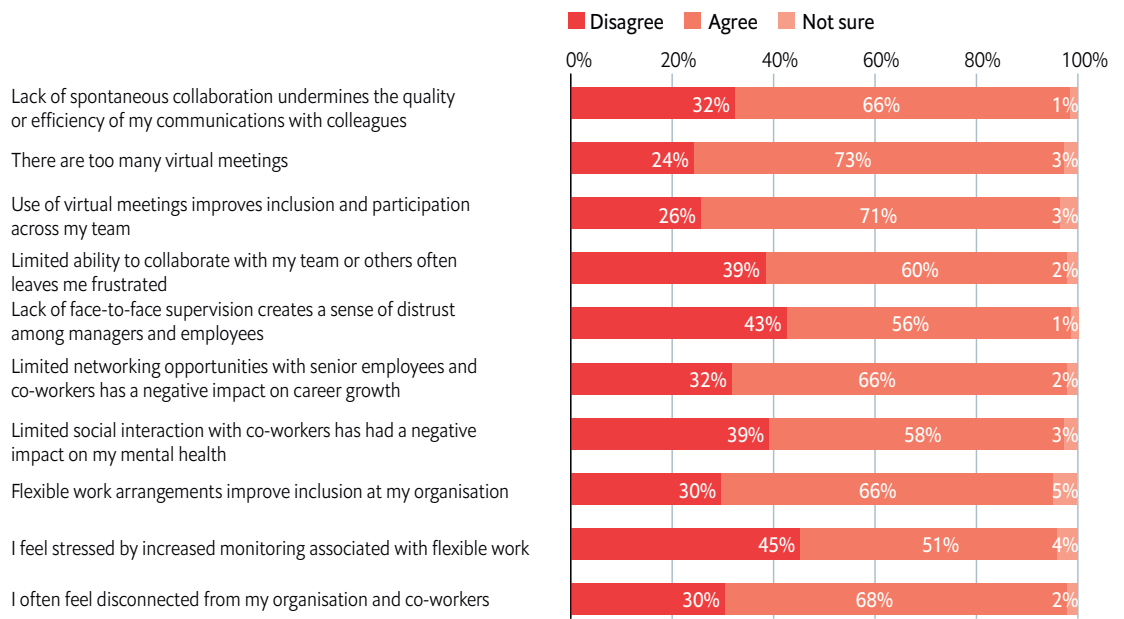
Flexibility is also becoming an entrenched aspect of Australian work life: 54.7% of workers expect semi- to full flexibility when it comes to setting their working hours. It is therefore not surprising that 77.7% of Australians think that flexible work hours will become standard practice in the near future.

According to Rosie Cairnes, vice president for APAC at edtech firm Skillsoft, Australia’s more Europe-like approach sets it apart from its Asia Pacific neighbours that tend to “have very deep-seated attitudes to work that applaud long hours behind a desk and burning the candle at both ends. Moving to remote work has been less of a jump for Australian companies that were already relatively progressive in this regard.”

These metrics might be consistent with respondents’ overall sentiments that the biggest hurdle to hybrid work is organisational spending on office space and operational resources (50.0%), a result similar to responses to the Asia Pacific survey. While this is less of an issue for smaller firms (46.1%, compared with 54.2% for larger firms), real estate cost concerns are

**Figure 3: Greater inclusion, but also greater disconnect due to hybrid work**

Based on your experience, to what extent do you agree or disagree with the following statements regarding the impact of flexible work models? (% respondents)



Source: Economist Impact.

<sup>2</sup> <https://www.theguardian.com/australia-news/2022/apr/13/rental-prices-in-australian-capital-cities-spike-by-up-to-21-as-available-housing-plummets>

not surprising considering the high costs of commercial real estate in Australia, with rentals soaring in major cities like Sydney and Melbourne as developers seek to recoup pandemic losses.<sup>2</sup>

*Results highlight both costs and benefits of hybrid work*

On the whole, Australian workers have taken to flexible work models because of the tangible benefits they have experienced. Thanks to flexible work, knowledge workers overwhelmingly report positive impacts on their physical (62.2%), mental (61.5%), social (44.6%) and financial (56.1%) wellbeing. Respondents also report having more autonomy (61.5%), better time management at work (58.1%) and better control over their hours spent working (47.3%).

However, some workers express negative sentiments as well. For instance, a large number of respondents think that hybrid work negatively impacts both their ability to spontaneously collaborate (43.2%) and their career growth due to limited opportunities to network (66.2%). A large number (67.6%) claim that hybrid work engenders feelings of “disconnection” between them and the organisation at large.

Virtually enabled work is also not all plain sailing according to respondents, who overwhelmingly agree that there are too many virtual meetings (73%), even if such meetings are able to positively improve team participation and inclusion (70.9%). However, these issues could be laid at the feet of organisational leaders, as a large share of (40.5%) Australian respondents see room for improvement in their leadership’s commitment to hybrid work experimentation, as well as managers’ training in handling remote teams (77%).

According to Ms Cairnes, “Strong and equitable leadership becomes even more paramount in a remote work environment.”

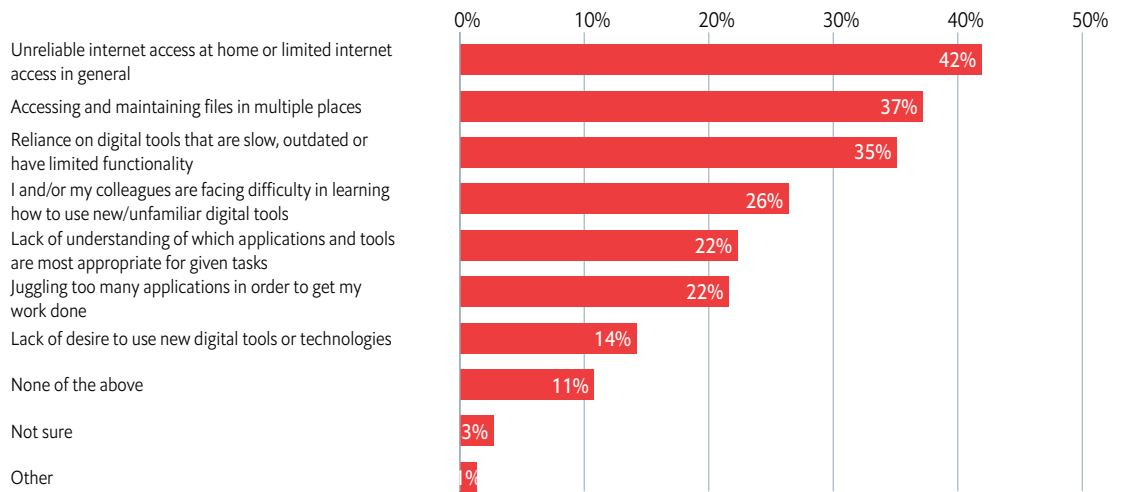
**“Strong and equitable leadership becomes even more paramount in a remote work environment”**

Rosie Cairnes, Vice President, Skillssoft APAC



**Figure 4: Reliable internet access remains a challenge**

Based on your experience, what are the top technology-related challenges of a flexible work model? (% respondents) Select up to three.



Source: Economist Impact.

Currently, flexible work models are available mainly to Australian employees at upper levels of management, despite most respondents (84.5%) agreeing that even essential office and support staff should be offered the same degree of flexibility and privilege as others.

“If offered, remote work must be universal,” added Ms Cairnes. “It requires a remote-first mindset that is exercised from the top down, backed by appropriate workplace policies and cultural attitudes. Put simply, remote work and micromanagement do not mix.”

**Australia’s internet woes hamper flexible work**

The biggest challenge for Australian companies in remote work lies in technological limitations. Around 39.9% of respondents say their organisations lack new technologies to allow for time and location flexibility, but overall, more than four in ten (41.9%) respondents pointed to unreliable internet access at home as one of the top technology-related challenges—more than for any other. Given that the availability of high-speed internet is most widely picked as a top-three technology critical for an organisation

to successfully implement hybrid work models, this is a dichotomy.

This is not surprising considering how issues of unequal internet access have long plagued Australians. Despite its status as an advanced economy, the country has consistently performed poorly in terms of internet speed rankings—in 2020, the country had the fourth-slowest speed of all OECD nations<sup>3</sup>—as well as affordability.<sup>4</sup>

The good news is that issues may not persist for long, particularly as government initiatives to upgrade local connections take effect—such as the US\$2.4 billion upgrade to the country’s national broadband network, announced in 2020, that will introduce fibre connections to more homes and businesses.<sup>5</sup>

Looking ahead, a small but significant percentage of respondents report uncertainty as to how much time flexibility (12.2%) or access to remote work (16.2%) they will have post-2022. However, these numbers suggest that the place of hybrid work in Australia is merely in flux, not in question.

<sup>3</sup> <https://thenewdaily.com.au/life/tech/2019/12/18/nbn-australia-internet-cost/>

<sup>4</sup> <https://www.theguardian.com/technology/2020/sep/23/coalition-to-announce-35bn-nbn-upgrade-to-roll-out-fibre-deeper-and-closer-to-homes>

**Conclusion:**

With the onset of the pandemic, all markets covered in this research quickly moved first to fully remote, and then to hybrid and flexible work models. A majority of knowledge workers feel positively about the benefits of hybrid work, be it in terms of their physical, mental, social or financial wellbeing. However, company policies on return to office depend on their size and

vary widely between countries. Some are using flexibility as a way to retain talent and manage real estate costs, but many others are calling their employees back to the office full time.

As organisations develop policies around new ways of work, experts highlight the need for strong leadership that is focused on creating a work model that is inclusive and agile, ably supported by capable infrastructure.



<sup>5</sup> <https://www.theguardian.com/technology/2020/sep/23/coalition-to-announce-35bn-nbn-upgrade-to-roll-out-fibre-deeper-and-closer-to-homes>

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