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1 Introduction

Over the past year or two many people have experienced working from home for the first time. Working wholly or partly from home is almost certainly here to stay.

The home has traditionally been a place of work as well as a place to live.

How it began

Working from home is nothing new; far from it. Centuries ago, combining living and working space was the norm. Hunter-gathers used their living space – whether permanent or nomadic – to prepare and share food and clothing and to make primitive artifacts.

With the advent of settlement and agriculture came the domestication of animals and the cultivation of crops. Again, living and working space was shared, with animals often kept in the same living space as humans.

In medieval times, the home was typically a place of work and business as well as a place to live. Most of the population were farm laborers, and a third of the area inside a peasant's windowless hut was penned off for the animals – and many huts included a simple loom. In a typical family, the daughter would spin wool and the wife would weave this into a rough cloth. Domestic tasks such as washing clothes, sewing and baking were often undertaken not only for those living in the hut but for others who paid either by barter or cash.

Medieval towns had workshops open to the street for customers, with two rooms above – one for living and one for sleeping. The goods and services offered to the public revolved around their everyday needs for food, clothing, shoes, candles, pottery, stonemasonry, carpentry, and so on.

In the 18th and 19th centuries, crafts such as spinning, weaving and knitting were commonly found in many working-class homes. This tradition of hand-made, home-based manufacture continued even after the industrial revolution and the introduction of mechanized factory production.

By the late 19th century, centrally located factories and offices, with their economies of scale and the ability to ensure close supervision of large numbers of staff, were the norm. Public transport enabled employees to travel to and from work relatively cheaply. Electricity and innovations such as the typewriter and the telephone revolutionized office work. This was the predominant working model until the end of the 20th century.

Flexible working

The first moves towards flexible working came in the 1980s, and were soon given a boost by computerization and the rollout of increasingly sophisticated communications technology. Common forms of flexible working include:

- **Job sharing**: two people doing one job, splitting the hours between them.
- **Compressed hours**: working full-time hours but over fewer days
- **Flexitime**: the employee works "core hours" but chooses, within agreed limits, when to begin and end work.
- **Part-time**: working fewer hours (usually by working fewer days).
- **Shift-swapping or self-rostering**: allowing employees within a team to swap shifts or to decide who will work which shift.
- **Annualized hours**: the employee's hours are set for the year, but with flexibility as to when those hours are worked (for example, working over a weekend with time off midweek).
- **Zero hours**: a common but controversial contract that doesn't guarantee any hours of work to an employee.
- **Mobile working or teleworking**: working away from the customary place of work (e.g. at clients' premises, on other sites belonging to the employer, whilst travelling by train or plane, or in cafés or hotels).
- **Working from home**: doing some or all of the work from home.

Over the past 40 years, working from home has become increasingly common. For some, their first experience may have been for a short period of time when circumstances made it impossible to go into the office – for example, when recovering from serious illness or surgery or when faced with extreme weather or transport problems. At the same time, the types of work done at home have gradually increased.

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In 2020 these trends were accelerated by the Covid-19 pandemic. Many people in many countries were compelled or encouraged to work from home. In addition to this, the pandemic resulted in significant job losses, particularly in the retail, hospitality and entertainment sectors. Some of those made redundant began to work from home, doing freelance work or setting up their own businesses.

Flexible working can have both direct and indirect business benefits. It can ensure a better match between resources and needs – for example, serving customers 24/7. Research suggests that flexible workers have a higher level of commitment and more job satisfaction – and are more likely to make an effort to go the extra mile, beyond the call of duty, when this is needed. And they are usually better able to handle stress and any mental health issues. So flexible working can have significant benefits both for the organization and for the individual. Win/win.

Flexible working can reduce stress.

Work/life balance

The importance of a good work/life balance is increasingly recognized. But what, precisely, does that mean?

There is no one-size-fits-all definition. Yours will be different from mine. And what is best for you today may not be best for you tomorrow. Your ideal work-life balance will vary over time.

One approach is to look at your working life as having three components:

- The organization you work for.
- You, the individual.
- Home and family.

You need to have a good balance between those three elements. If you're focusing entirely and only on the needs of the organization you work for, both your home life and your feeling of self-worth as an individual are likely to suffer. In order to have a good work/life balance you have to keep the needs of your organization, your family and yourself in sync.

If you feel that despite working from home you're not totally meeting the needs of your organization or yourself or your family, it may be time to take stock. Get some feedback from your work colleagues and from your friends and family, and then step back and think about how you feel.

If things are out of sync in any of these three areas – the organization you work for, your family or your own feelings as an individual – you may want to re-evaluate the way you are working. Both career and family priorities are likely to change over time. Make sure that you are still on the right track to achieve what you want to achieve in life.

The future

So what will the future look like? Will we see a permanent shift towards home working? Or will working in centrally located offices make a come-back? After all, offices are generally a pretty effective way of getting things done and building esprit de corps. Open-plan offices can foster teamwork, the productive sharing of information and ideas, and good person-to-person relations. We may need them more than people think.

Not all companies are persuaded that home working is the future. The CEO of investment bank Goldman Sachs, David Solomon, probably spoke for many traditionally-minded bosses when he described remote working as an "aberration". He believes his 41,000 employees do their best work when they forge close bonds with their colleagues. Google's latest annual report shows that the company are worried that remote working will harm its "corporate culture" and are continuing to invest in offices around the world, including a new central London headquarters.

On the other hand, offices can also produce a lot of noise and distraction, and inhibit privacy. With the relentless need to reduce office costs, it has been estimated that over the last 20 years, the space of the average worker has been reduced from about 25 square meters to less than 10. That's not a lot of personal space. In the 19th century, factories were crammed full of row upon row of women working at sewing machines; in the 20th century we had typing pools with rows of women hammering away at typewriters. Now, we have huge open-plan offices with people confined to tiny cubicles where they spend all day glaring at a computer screen.

Perhaps our working patterns will return to something closer to the pre-industrial age, when people did not have to travel far from home to find work. With tradesmen delivering to the door, services are essentially local. People have more time to get involved with community activities – and perhaps to give local shops, pubs, cafes, libraries and other leisure facilities a new lease of life.

Working from home can be win/win, with benefits both for employers and for employees. Companies can reduce costs by cutting down on expensive city-centre office accommodation. From 2021, Lloyds Banking Group in the UK have redeployed 700 staff into full-time home working roles (they may have to travel into the office for special events or occasional team meetings). As many as 75% of the banking and other financial institutions in the City of London are currently reviewing their property footprint in the light of their experience of home working during the pandemic. HSBC plans to cut its office space by 40%. The Confederation of British Industry's chief economist has told MPs that in the aftermath of the pandemic, businesses were looking at requiring just 70% of their normal office capacity. Some plan even greater reductions: British Telecom's 300 offices are likely to be reduced to just 30.

And for the employee, working from home can give more flexibility and a better work/life balance – for many people, the feeling of autonomy and of being trusted that goes with home working is a major factor in job satisfaction and feelings of self-worth.

Interestingly, the evidence so far suggests that people working from home are at least as productive as their office-based colleagues.

Looking to the future, organizations that don't allow home working may increasingly find themselves losing out on talented people who value home working more than they value a bigger pay check. They may not only risk losing talented workers to more progressive employers, but may also find that they are cutting themselves off from a more diverse pool of staff – people who may live outside cities but would consider commuting for, say, two days a week.

In a recent survey carried out in 10 countries, 72% of office workers said that they wanted to carry on working from home, mostly for about two days a week. In a recent UK survey of more than 1,000 office workers, only 19% said they would return to the office every day. My hunch is that this hybrid way of working will become the norm.

Working partly from home and partly in the office may become the norm.

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The use people make of offices is likely to gradually decrease over time. And if most employees spend some or all of their time working from home, the role of the office will inevitably change. It will no longer be the place where everyone spends most of their time and the focal point for everything the organization does. Instead, it may become a central hub where employees meet and interact socially from time to time: a place, perhaps, where ideas can be exchanged, problems discussed, and strategies and actions agreed.

Nicholas Bloom, a British economist at Stanford University, was researching the effects of home working long before the pandemic. He strongly advises firms to offer remote working for at least one or two days a week. His surveys suggest that staff refused this option would probably ask for 8% more pay. But he does not advocate ditching the office entirely. "Working from home is like beer or wine," he says. "It is great in moderation but is not so great in excess."

Summary

- Working from home is a centuries-old tradition.
- A wide range of flexible working arrangements has been introduced over the past 40 years.
- The Covid-19 pandemic resulted in many people working from home for the first time.
- Working from home can have benefits both for employers and for employees.
- Home working can increase job satisfaction and feelings of self-worth.
- Evidence suggests that people working from home are as productive as their office-based colleagues.
- Most office workers prefer working from home for part of the week.
- A good work/life balance depends upon keeping the needs of the employer, the individual and his or her family in equilibrium.