

Submission to the House of Lords Home-based Working Committee



About the CIPD

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years.

It has 160,000 members across all sectors and sizes of organisation and provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers. It also seeks to promote and improve best practice in people management and development and to represent the interests of our members.

Our response

1. What are the opportunities and challenges of remote and hybrid working for workers? To what extent do these vary depending on the worker's characteristics?

The opportunities of remote and hybrid working for workers

Our CIPD survey evidence charts changing employee attitudes to work with a greater desire for flexible working. In our [2023 Update on Flexible and Hybrid working](#), six per cent of employees said they had left a job in the last year specifically due to a lack of flexible working, and 12% had changed their careers/profession due to a lack of flexible working options within the sector. We estimated that this represented almost 2 million and 4 million workers, respectively. This had increased from 4% and 9% in a similar survey in 2022. Employees with a disability or long-term health condition were significantly more likely to say they had left a job in the last year due to a lack of flexible working (21%) or had changed their careers/ profession due to a lack of flexible working options within the sector (32%).

Employees are also increasingly prioritising flexible and remote working when considering a new job. According to the CIPD and Omni RMS's [2024 Resourcing and Talent Planning Survey Report](#), when thinking about a new role, 71% say being able to have a flexible working pattern is important to them and 69% say the ability to work remotely is important. Employees also highlight flexible working (53%) and remote working (53%) as key when considering a new job, only overtaken in importance by pay and benefits (77%).

Hybrid and remote working supports work-life balance. According to the [Hybrid Working Commission](#), 75% of hybrid workers said that hybrid working has had a positive impact on their work-life balance. Only 4% said it had a negative impact.

Hybrid and remote work can help support those with caring responsibilities and health conditions to work. The ability to manage work around personal commitments and health needs can be an important factor in enabling broader participation in the labour market.

Extending flexible working to non-office and front-line workers to support greater fairness and inclusion. According to Labour Force Survey data, half of all workers are in roles where they are unable to work from home/ remotely. This rises to 85% among those in non-office based roles (SOC groups 5-9). As well as remote working, employers should therefore consider a range of flexible options that can benefit their business and all their staff, such as flexitime, compressed hours, job-sharing and term-time working.

A gap between desk-based and frontline workers is widening, when it comes to having control over working hours and patterns, according to evidence by [Timewise](#). Since 2019, 1.3 million MORE



people in higher paid desk-based jobs gained access to flexible hours working, while the numbers of shift-based workers with access to flexible hours working saw no growth at all.

Furthermore, workers from black and minoritised ethnic groups are overly represented in sectors where site-based, insecure and lower-paid work is prevalent. [Timewise and Runnymede Trust \(2024\)](#) uncovered factors that posed barriers to site-based employees accessing flexible options. These fell into three categories: operational, managerial and cultural. Employees' race and ethnicity shaped their workplace interactions and expectations around working patterns and level of empowerment to pursue change.

The challenges of remote and hybrid working for workers

Young workers and the impact on development. Several studies have found that hybrid and remote work can be challenging for early career professionals who benefit from being immersed in an office environment for networking, mentorship and learning-by-osmosis. [The Commission on Hybrid and Remote Work](#) found that young people were more likely to say that there were greater opportunities to learn new skills in the office, than their older counterparts (52% compared to 43%).

Equality, Diversity and Inclusion risks: A 2024 global [Deloitte survey](#) found that nearly 4 in 10 women with hybrid work arrangements reported experiencing exclusion from meetings, decisions, or informal interactions. CIPD data from the [2023 Update on Flexible and Hybrid working](#) suggests that 39 per cent of employers are concerned about inclusion risks if employees move to home or hybrid working.

A fifth (20%) of employees are also concerned about being treated less favourably if they work from home/in a hybrid way, compared with colleagues always in the workplace.

[Professor Rosie Campbell from Kings College](#) also suggests there is huge variability between employers in terms of how visibility, presenteeism and overwork affect promotion opportunities. Hybrid jobs need to be carefully designed rather than allowed to develop on their own - otherwise they could risk reinforcing existing inequalities.

Work extensification, isolation and disconnection. According to research by [Dale et al \(2024\)](#), employees who undertake hybrid work experience both positive and negative effects on their subjective wellbeing. On the negative side, hybrid work can result in work extensification, isolation and disconnection, issues with switching off and boundary management, and physical health challenges, often associated with the sedentary and online nature of the work and poor home workstations. See more detail in Q2 below.

2. What is the impact of remote and hybrid working on individual physical and mental health? How does this impact and the strategies used to mitigate the negative aspects of it compare to traditional site-based work?

In our CIPD [2022 An update on flexible and hybrid working practices](#) the top challenge cited by employers of the shift to increased home or hybrid working was - increased stress or mental health problems due to working remotely (44%). In our [2023 Update on Flexible and Hybrid working](#)- other challenges were prominent such as:

- Getting people back into the office when needed (42%)
- Managers managing remote teams from a wellbeing and performance perspective (41%)
- Impact on collaboration and creativity (35%)

However, a fifth (20%) still cited increased stress or mental health problems due to working remotely.

Data from our 2024 [Good Work Index](#) shows that employees who spent more than half of their time homeworking - but who didn't work at home entirely - were slightly more likely than other employees to state that their work had a negative effect on their mental health (see table below).



Negative impact on mental health by percentage of time working from home

UK, employees (excluding self-employed)

Proportion of time spent working at home in last 12 months:	Effect of work on mental health:		
	Positive	Neutral	Negative
zero	39	35	26
1 to 25	44	33	23
26 to 50	41	33	25
51 to 75	28	42	29
76 to 99	30	39	30
100	38	38	24
Total	38	36	26

Source: CIPD Good Work Index.

Employees who worked at home over 75% of the time were also more likely to say they often felt lonely at work.

However, any effects from greater isolation were small in relation to other factors that contribute to negative mental health pressures, such as excessive workload, poor line management and a poor (distrustful) organisational climate. How employees are managed has a much greater effect on their wellbeing than the time they spend working from home.

A longitudinal study across five European countries ([Kornadt et al. \(2025\)](#)) found that working from home was negatively related to well-being in the initial stages of the pandemic (April-August 2020), with those working from home less often experiencing a stronger increase in life satisfaction and a stronger decline in distress. However, after these first months, there was no evidence that working from home was related to either life satisfaction or psychological distress at the population level.

[Dale et al, 2024's](#) research indicates that employees who undertake hybrid work experience both positive and negative effects on their subjective well-being; hybrid work arrangements have the potential to act as a job resource or job demand. Remote forms of work can result in improved work-life balance and mental health, reduced stress, increased leisure time and improved physical health. Conversely however, hybrid work can result in work extensification, isolation and disconnection, issues with switching off and boundary management, and physical health challenges, often associated with the sedentary and online nature of the work and poor home workstations.

3. What are the opportunities and challenges of remote and hybrid working for employers, including concerning recruitment and retention, the potential for collaboration and creativity, management, worker attitudes and expectations, and use of office space?

The opportunities of remote and hybrid working for employers

When looking at the wider impact of hybrid working, our CIPD [2023 Update on Flexible and Hybrid working](#) shows that employers are most likely to say it has brought a positive impact for:

- Attraction and retention of talent (+61)
- Ability to recruit from a wider geography in the UK (+62)
- Ability to recruit a more diverse workforce (+53)
- Employee financial wellbeing (+53).

(Sample: 1,698. Net score taking negative impact away from positive impact)

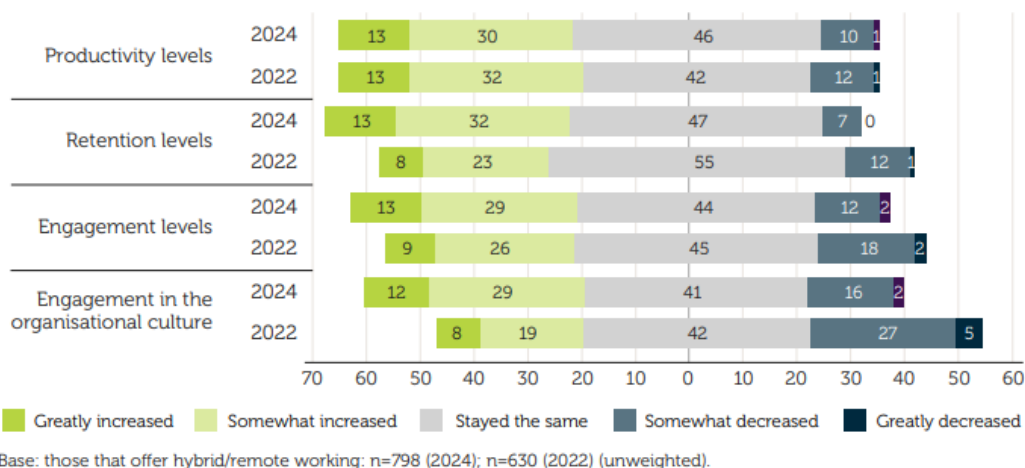


Attraction and retention of talent. In the CIPD and Omni RMS' [2024 Resourcing and Talent Planning Survey Report](#)-7 in 10 (71%) employers that offer home or hybrid work say this has allowed them to attract and retain more talent. Increasing flexible and hybrid working has also been among the most common steps taken over the last year by employers to improve their employer brand.

Labour market participation. Hybrid working patterns help support labour market participation. In 2023, the [Commission on Hybrid and Remote Work](#) found 51% of businesses said offering hybrid roles increased their ability to hire people from different regions, 53% said the same about hiring parents or caregivers, and 42% for hiring those with a disability. A key finding was hybrid working has encouraged large numbers of professionally educated women to move to full time work - particularly mothers.

Increased productivity, engagement and retention. According to the CIPD and Omni RMS' [2024 Resourcing and Talent Planning Survey Report](#), most organisations have benefited from offering hybrid/remote working options. Over two-fifths believe their productivity, engagement and retention have increased as a consequence (see figure 20, below).

Figure 20: Have any of the following increased or decreased as a result of your organisation offering hybrid/remote working? (% of those that have offered hybrid/remote working)



The challenges of remote and hybrid working for employers

CIPD [2023 Update on Flexible and Hybrid working](#) shows that employers are most likely to say hybrid working has brought a negative impact for:

- Employee connection to organisation purpose (-21)
- Ability of managers to lead teams effectively (-18)
- The culture of the organisation (-3).

(Sample: 1,698. Net score taking negative impact away from positive impact)

Engagement in the organisation culture. This is supported by the CIPD and Omni RMS' [2024 Resourcing and Talent Planning Survey Report](#), where some employers report a negative impact of hybrid and remote working, particularly on engagement in the organisation culture (see figure 20, above).

Equality Diversity and Inclusion risks: CIPD [2023 Update on Flexible and Hybrid working](#) shows that around two fifths (39%) of employers are concerned about inclusion risks if employees move to home or hybrid working. While a fifth (20%) of employees are concerned about being treated less favourably if they work from home/in a hybrid way.



Getting people back into the office when needed. The CIPD [2023 Update on Flexible and Hybrid working](#) shows that the top issue faced by employers as a result of the shift to increased home or hybrid working is getting people back into the office when needed (42%). Other reported challenges include:

- Managers managing remote teams from a wellbeing and performance perspective (41%)
- Impact on collaboration and creativity (35%)
- Technology and/or connectivity difficulties (33%)
- The impact on culture (26%).

(Sample: 1,209)

4. To what extent do the opportunities and challenges of remote and hybrid working vary depending on the nature of the employer, for example its size, sector?

According to our [2023 Update on Flexible and Hybrid working](#) of organisations that say homeworking / hybrid working has increased, SME's of less than 250 employees were more likely to say they haven't faced any challenges as a result compared to larger organisations of 250+ employees. 25% haven't faced any challenges compared to 12% from 250+ organisations.

Larger organisations of 250+ employees were significantly more likely than SME's to say they have benefited from an increase in remote and hybrid working in the following ways - attracting and retaining new employees, better collaboration and work relationships, improved work-life balance and satisfaction, and performance.

In terms of sector, the benefits and challenges of hybrid and remote working are broadly similar. Improved work-life balance for employees is seen as the top benefit across the public, private and voluntary sector and the top challenge for employers in the public and private sectors is getting people back into the office when needed, while employers in the voluntary sector are most concerned about managers managing remote teams from a wellbeing and performance perspective.

5. How can employer and worker needs be balanced within the context of remote and hybrid working, to ensure mutually beneficial employment arrangements?

Hybrid working can enable organisations to attract and retain from a broader pool of talent, putting them in a stronger position to address skill shortages and enable performance.

There is no one size fits all model and every organisation will have to decide what approach works for them, ensuring that any flexibility provided to staff does not undermine the needs of the business.

Our view at the CIPD is that employers should be seeking to find a balance where flexibility over where and when people work meets the needs of the business, including productivity, and supports employees in ways that show positive attraction, engagement and retention outcomes. It's important for organisations to have a clear and evidence-based rationale for the specific approach taken.

It's also important to recognise that many workers in frontline roles don't have this option. As well as remote working, employers should consider a range of flexible options that can benefit all their staff, such as flexitime, compressed hours, job-sharing and term-time working.

6. What is your view on why some employers have implemented back-to-office mandates, while others continue to support hybrid or remote working?

Our analysis of April to June 2024 Labour Force Survey data suggests 42% of workers are hybrid working. [CIPD data from Autumn 2024](#) (2,018 employers in the UK) shows that 75% of organisations have hybrid working in place. Of employers who offer hybrid working:



- 52% require hybrid workers to be in for a minimum number of days per week
- 13% for a minimum number of days per month
- 32% have no requirements in place

The CIPD data shows the most common requirement of days in the office per week is three days (42%).

Just 6% of employers that don't mandate office days are looking to start to mandate over the next 12 months.

Of those that already mandate workers to be in the office for a number of days, a quarter (24%) plan to increase the number of mandatory days over the next 12 months. And it is larger employers who are pushing for a return to the office with 30% of large private sector employers who already mandate days, planning to increase the number of mandated days. **So, while there is some appetite for a mandated return to the office, this is not true of all employers.**

As previously discussed, there is no one size fits all model and every organisation will have to decide what approach works for them, ensuring that any flexibility provided to staff does not undermine the needs of the business. Organisations in different sectors will face different challenges and will need to adapt their flexible working and hybrid working policies accordingly. However, it is important that any decisions made around back to office approaches are based on evidence and a clear rationale is communicated to employees for the approach taken. Organisations should look to put in place ways of tracking the impact of different ways of working on a range of areas including attraction, retention, performance, job satisfaction, health and wellbeing, collaboration.

It is also important for organisations to note, that much of the latest international evidence suggests that mandated returns to the office may not be effective in supporting better business or employee outcomes - they can lead to the exit of employees, particularly more experienced employees and a reduction in positive employee sentiment ([Flynn et al, 2024](#)) ([Dinga et al, 2024](#)) ([Van Dijke et al \(2024\)](#)).

7. What is the impact of remote and hybrid working on individual, organisational and national productivity and resilience?

The most recent [2023 CIPD evidence](#) suggests that organisations engaged in hybrid working typically rate the performance of employees working from home positively. Almost two-fifths (38%) of organisations say that more home/hybrid working has increased their organisation's productivity/efficiency. Just 13% say it has decreased their organisation's productivity/efficiency. This shows an increase in the net satisfaction score (2023: +25; 2021: +23; 2020: +10 - the Net score takes the negative impact away from positive impact).

This is supported by Stanford University research. In the largest [study](#) yet of hybrid working, Stanford economist, Nicholas Bloom and colleagues found that employees who work from home two days a week are just as productive, likely to get promoted, and far less prone to quit than colleagues working in the physical workspace. This was based on a six-month randomized control trial investigating the effects of hybrid working from home on 1,612 employees in a Chinese technology company in 2021-2022.

However, several studies find that **fully remote** work yields lower productivity than on-site work - summarised by [Bloom et al, 2023](#) -Emanuel and Harrington (2023), Gibbs, Mengel, and Siemroth (2023). These studies suggest, in various ways, that fully remote work: can slow communications, impede the diffusion of knowledge within an organisation, and narrow the scope of collaborative efforts.



There are other ways of measuring the business benefits and productivity of hybrid working, such as positive employee outcomes (like increased job satisfaction or reduced absenteeism) that influence organisational performance. It is important to also take these into account when looking to assess the impact of ways of working.

A review of these studies and others by academics from [King's College London](#) concluded that “...*policy makers should be sceptical of general claims being made about the impact of WFH on productivity, either in a negative or positive direction*”. *policy makers should be sceptical of general claims being made about the impact of WFH on productivity, either in a negative or positive direction*”.

More broadly, there is a lack of evidence on the impact of hybrid working on national productivity and resilience. It would therefore be helpful to track on a regular basis (rather than a one-off snapshot) through national ONS and LFS data points, the prevalence of hybrid working and impact on employee and business outcomes, to evaluate the wider impact and to inform any future recommendations.

8. How can the productivity impact of remote and hybrid working be more accurately measured and defined so that meaningful comparisons can be made between different organisations?

Productivity measurement is inherently complex and challenging. To improve measurement, organisations should consider an expanded set of productivity and performance measures linked to hybrid working, that go beyond traditional metrics. As [Gratton \(2024\)](#) suggests, for meaningful comparisons between organisations, a standardised framework for defining and measuring these broader productivity aspects would be beneficial.

It would be helpful to develop clear definitions of productivity in the context of different types of work and flexible arrangements - considering not just output but also the quality, efficiency, and impact of work [Gratton \(2024\)](#).

As mentioned previously, there are other ways of measuring the business benefits and productivity of hybrid working, such as positive employee outcomes that influence organisational performance. It is important to also take these into account when looking to assess the impact of ways of working. For instance - in our [CIPD 2023 survey](#) - employers suggest the key benefits of shifting to increased hybrid working, include:

- work-life balance for employees (71%)
- employee satisfaction (52%)
- employee wellbeing (42%)
- increased ability to attract new employees (42%)
- increased business flexibility (42%).

(Sample: 1,209)

As [Gratton \(2024\)](#) highlights, it might also be helpful to consider measuring:

- Collaboration: How effectively teams work together
- Employees' levels of enthusiasm and motivation
- Focus: The ability of employees to concentrate and perform deep work

Using a mixture of quantitative and qualitative data collection methods would also help to assess both tangible outcomes and the more subjective experiences of productivity at different levels within organisations.

It would also be helpful to develop more longitudinal studies to understand the evolving impact of hybrid work on productivity and other important areas like health and wellbeing, over time ([Kornadt et al. \(2025\)](#)).



By adopting a more holistic and nuanced approach to defining and measuring productivity in remote and hybrid settings, organisations can move towards more meaningful internal assessments and facilitate more insightful comparisons with other companies responding to the changing world of work.

9. What, if anything, is the impact of remote and hybrid working on the UK's economic growth and international competitiveness?

Remote and hybrid working have complex and multifaceted impacts. While they can potentially support productivity and are increasingly important for attracting and retaining talent - which are potential drivers of economic growth and international competitiveness - there are also risks of widening inequalities and significant shifts in economic activity across different sectors and locations. A well-managed approach to flexible working that addresses biases and inequalities is important for the UK to maximize the economic benefits of these evolving work patterns. ([Felstead et al. 2025](#)) (CIPD [2023 Update on Flexible and Hybrid working](#)), ([Flynn et al, 2024](#)) ([Dinga et al, 2024](#)) ([Van Dijcke et al \(2024\)](#)).

10. Are there any other wider consequences of remote and hybrid working that you would identify, at the local, regional and national level? In particular, is there an impact on regional disparities within the UK, unemployment, development of skills, habits of socialising, or the environment?

Remote and hybrid working can have wide-ranging consequences which impact upon different areas. They can influence regional economies, the ability of organisations to attract and retain a broad pool of talent, require adjustments in skills development and management practices, alter social dynamics both within and outside of work, and have an impact on the environment. The size and direction of these impacts depend on how effectively organisations and policymakers manage and evaluate the approach to these ways of working.

Regional Disparities: The shift towards remote and hybrid work has been associated with changing commuting patterns, variations in house prices, declining footfall in primary city centre locations, and the rising popularity of shops, cafes, and restaurants close to places of residence ([Felstead et al. 2025](#)). This suggests a potential redistribution of economic activity away from traditional city centres towards more residential areas, which could impact different regions in varying ways. However, the increase in remote and hybrid working has been most pronounced among those in higher occupational groups. This could lead to a concentration of higher-skilled workers working remotely in certain areas, potentially exacerbating existing regional disparities if lower-skilled jobs remain tied to fixed locations ([Felstead et al. 2025](#)).

Unemployment: In our CIPD [2023 Update on Flexible and Hybrid working](#) a growing number of organisations (66%) believe it is important to provide flexible working as an option when advertising jobs as a key way of attracting staff and addressing skill or labour shortages. At a time of rising economic inactivity and with the current Government reviews focusing on 'getting and keeping Britain working' hybrid and remote work also have the potential to support those with caring responsibilities and health conditions to work. Conversely, a study by [Dinga et al, 2024](#) suggests that return-to-office mandates can lead to higher employee turnover and make it harder to fill job vacancies, indicating that a lack of flexible working could hinder employment.

Development of Skills: In the CIPD [2023 Update on Flexible and Hybrid working](#) we recommend that organisations provide training to managers on how to manage flexible and hybrid teams effectively. In previous [CIPD research](#), we found that perceptions of productivity also differed between those organisations that had offered line manager training in remote working, and those that hadn't. Forty-three per cent of those that offered such training said that productivity had increased during homeworking, but only 29% of those that hadn't offered training said the same. While these findings show correlation rather than causation, employers might want to explore to what degree training for line managers can maximise the productivity of homeworkers.

However, there are also concerns that remote working could reinforce inequalities, where those with lower bargaining power might be passed over for career-advancing projects because they work remotely. This could negatively impact their opportunities for skill development and progression ([Chung, H and Yuan, S \(2025\)](#)).

The Environment: Finally, the overall effect of the shift to greater home / hybrid work on pollution levels is unclear. While fewer people may be commuting to the office, many might use cars for local journeys, and poorly insulated homes might be heated for longer ([Felstead et al. 2025](#)).

11. To what extent do the individual, organisational, and wider socioeconomic effects of remote and hybrid working vary depending on whether work is carried out in a fully remote or a hybrid manner?

While both fully remote and hybrid working offer benefits and challenges, the intensity and nature of these effects can differ. Fully remote work offers greater flexibility and potential cost savings but poses more significant risks to social connection, team cohesion, and potentially career progression due to reduced visibility. Hybrid work seeks to balance these aspects by combining remote work with in-office time, aiming to draw on the benefits of both while mitigating some of the drawbacks. The optimal approach will depend on the specific needs of the organisation, the individual and the nature of the work.

12. What data is available on the prevalence and effects of remote and hybrid working? Are there any gaps in the available data?

While data exists on the prevalence and some of the effects of remote and hybrid working, particularly since the pandemic, there are still significant gaps in understanding the context-specific, long-term impacts ([Felstead et al. 2025](#)), especially when differentiating between fully remote and various hybrid models and considering diverse populations ([Chung, H and Yuan, S \(2025\)](#)). More research is needed to address these gaps and inform effective policies and practices.

13. How do the prevalence and effects of remote and hybrid working in the UK compare internationally? Are there lessons that can be drawn from other countries and is there anything unique about the UK?

According to a [2023 survey](#), the UK was at the time second only to Canada in prevalence of home working.

Lessons from international studies emphasise the importance of effective management of hybrid work, addressing potential biases, and understanding the evolving relationship between remote work and employee well-being and retention ([Living and Working in the EU](#)).

14. What is the appropriate role for the UK Government in addressing and researching the challenges and opportunities of remote and hybrid working, bearing in mind that they are evolving and impacted by technological change?

It is important for the UK government to be well informed about remote and hybrid working and the challenges and opportunities it brings. It is likely to impact on individual organisational productivity and performance which will also have a wider impact on UK productivity and performance. The ONS should ensure that its Transformed LFS and other surveys reflect the fact that a substantial proportion of the workforce work remotely.

15. What, if any, are the key policy and/or legislative changes the UK Government should make in this area? Where remote and hybrid working is appropriate, what can the UK Government do to facilitate good practices in the workplace?



We do not believe that any further legislative changes are necessary in the area of flexible working and specifically in relation to remote and hybrid working. Since April 2024, the right to request flexible working has become a day one right and this legislation will be further strengthened through the provisions in the Employment Rights Bill.

Given the many provisions coming through in the Employment Rights Bill, amendments and the Equalities Bill, we do not think further legislative change is a good idea and it is important to note that findings from our recent [CIPD LMO Survey](#) suggest that 4 in 5 organisations expect the planned measures in the Employment Rights Bill to increase their employment costs and there are further concerns about potential job losses and reduced hiring.

We do however, have a number of practical recommendations for Government, outlined below, which we think will help support and facilitate good practice in relation to hybrid working in the workplace:

1. Reconvene the Flexible Working Taskforce to share good practice examples on hybrid and broader flexible working for different sized organisations and sectors.
2. Highlight, through guidance, the organisational factors that support better adoption and performance of home and hybrid working, such as training for line managers and effective inductions.
3. Provide support for SME's on hybrid working through the Government's Help to Grow website and through publicly funded HR consultancy support on good people management practices.
4. Ensuring that organisations have well communicated health and safety policies that cover remote working.
5. Develop locally delivered access to occupational health (OH) provision for employers, which is free for SMEs. This is needed to ensure there is universal availability of high quality OH advice and support for businesses to help prevent and manage the physical and mental health issues affecting their staff.
6. Establish a flexible working challenge fund for businesses with non-office and front-line workers to trial and promote different forms of flexible working and their benefits for business and employees.

16. To what extent can trends or policies on remote and hybrid working help the Government to address other policy objectives, such as carbon net zero, boosting economic growth, tackling regional disparities or encouraging the economically inactive into employment?

Remote and hybrid working trends and policies can contribute to several government policy objectives, though their impact is multifaceted and requires careful consideration.

Regarding **carbon net zero**, the shift towards remote and hybrid work has the potential to reduce carbon emissions associated with daily commutes. With fewer people traveling to fixed workplaces there could be a decrease in the use of private vehicles and public transport for commuting purposes. However, the overall effect on pollution levels is not entirely clear. While fewer commutes might be beneficial, increased local car journeys and the prolonged heating of poorly insulated homes used as workplaces could offset some of these gains ([Felstead et al. 2025](#)).

In terms of **boosting economic growth**, flexible working arrangements, including remote and hybrid options, can enhance a company's ability to attract and retain talent and a high proportion of employees value flexible working patterns and the ability to work remotely ([CIPD 2023 Update on Flexible and Hybrid working](#)). Offering these options can address skill and labour shortages by widening the potential recruitment pool geographically. Furthermore, reduced employee turnover



due to the value placed on flexibility can lower hiring costs and maintain a stable workforce, which can benefit productivity and service quality [Bloom, N et al. 2024](#).

Addressing **regional disparities** could also be supported by remote work. Companies can recruit talent from a wider geographical area, potentially creating job opportunities in regions that might otherwise have limited access to certain industries (CIPD [2023 Update on Flexible and Hybrid working](#)). This could lead to a more even distribution of economic activity across different regions. However, policies should be mindful of potential downsides, such as declining footfall in primary city centres if remote work becomes too prevalent ([Felstead et al. 2025](#)).

Encouraging the **economically inactive** into employment is another area where flexible working can play an important role. Individuals who were previously unable to work due to factors like caring responsibilities, disabilities, or long term health conditions might find remote or hybrid roles more accessible (CIPD [2023 Update on Flexible and Hybrid working](#)). The ability to manage work around personal commitments and health needs can be an important factor in enabling participation in the labour market. Therefore, promoting and facilitating various forms of flexible working beyond just homeworking, such as flexible hours, compressed hours, and job-sharing, is essential to cater to diverse needs and widen employment opportunities.