Hybrid Work Opportunities in Regional Victoria

Final Report

Swinburne University of Technology
31st July 2024

SWINBURNE EDGE

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1.0 Executive Summary

Swinburne University have conducted a research study for Regional Development Victoria that aims to identify and evaluate working opportunities in regional Victoria made possible by the availability of hybrid and remote working. Research commenced in June 2023 and was undertaken in two phases.

Phase 1 determined the demand, opportunities and challenges of hybrid/remote working for workers in regional Victoria. Phase 2 determined the approaches, early successes and learnings of regional employers who adopted remote and hybrid working.

Phase 1 Data Collection Methods

1,672 white-collar workers, who currently do remote or hybrid work, responded to an online survey conducted during Oct – Nov 23

12 employers, who had adopted hybrid/remote working and had employees who lived in regional Victoria, were interviewed in Nov 23

Phase 2 Data Collection Method

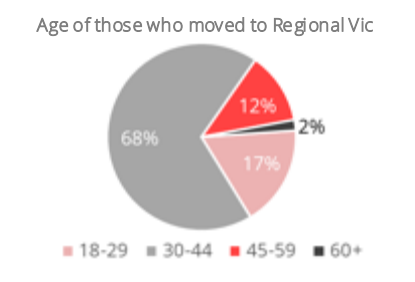
3 regional Vic organisations, who have adopted remote/hybrid working and had white collar workers, participated in case study research

+ desktop research of relevant academic/industry reports

Net Migration inflow of white collar workers from Melbourne to Regional Victoria is 7% higher than before the pandemic

- 13% of survey respondents had relocated from metro Melbourne to regional Vic since 2020
- 13% outflow migration from Melb to regional Vic
- 4% inflow migration from regional Vic to Melb.

68%, of those who moved to regional Victoria are aged 30-44



A higher percentage of those who moved work for these sectors

- Professional, Scientific and Technical Services (14%)
- Financial and Insurance Services (11%)
- Health Care and Social Assistance (11%).

The main factors influencing the decision to relocate to regional Victoria are:

1 quality of life

2 housing affordability

work life balance

Hybrid work is normalised and is no longer a differentiator for employers

- 70% of survey respondents who live and work in regional Victoria do hybrid or remote work
- 1/3rd of survey respondents who live in regional Victoria work for Melbourne based organisations:
  - 26% work fully remote
  - 63% do hybrid work
- The prevalence and demand for fully remote roles is increasing:
  - Hybrid work can be a blocker to recruitment
  - Some candidates will self select out of the process if the role is not fully remote
- More workers (85%), who live in regional Victoria, are satisfied with WFH than those who live in Melbourne, however they have lower satisfaction rates for;
  - internet connectivity
  - networking
  - access to coworking spaces
- Workers living in regional Victoria spend less time commuting than those who live in Melbourne

1.0 Executive Summary

Regional Victorian employers have seen an increase in the quantity and quality of job candidates since the pandemic

This is due to both outflow migration from Melbourne to regional Victoria and an emerging trend for cross-regional work/living arrangements. Employers are:

- taking the opportunity to hire 'best talent' as job candidates from other regions are applying for roles
- actively seeking talent from other regions to address workforce shortages (i.e. tech sector)
- retaining employees who relocate to another region

However, hybrid work has also increased the competition for talent with Melbourne employers who may offer higher salaries as well as remote or hybrid work practices.

Reasons employers adopt remote/hybrid work:

- talent attraction and retention
- employee engagement
- to provide greater flexibility for workers to achieve quality of life and work-life balance

Employers see hybrid work as an opportunity to balance the benefits of remote work with onsite engagement for culture and connection. However, decision making may be influenced by leadership bias and skills shortfalls in managing hybrid teams.

There is no one size fits all approach to hybrid work. Employer's hybrid work approaches vary (figure 1).

The majority of employers interviewed have a formal policy with a leader led approach to agree local arrangements:

- Almost 50% of employers encourage employees to spend 3 days in the office per week but have a variety of localised flexible work practices across the business
- The remainder, predominantly, had remote first, fully flexible or leader led work arrangements.

NET Remote	Remote Only	Work remotely unless a special request is made to work in the office
	Remote First	Primarily work remotely but occasionally work in the office for 'moments that matter'. *(i.e. visit the office monthly, quarterly or annually)*
NET Flexible	Fully Flexible	Freedom for workers to choose their work location every day and to come to the office for 'moments that matter'
	Fixed Split	Work in the office for a specific number of days per week as determined by the organisation or leader. *(Mostly 2-3x days per week)*
	Flexible Split	Work in the office or onsite for a specific number of days as decided by the worker. *(Mostly 2-3x days per week)*
NET Office	Office First	Mainly work in the office but occasionally work remotely *(i.e., workplace management roles)*
	Office Only	Always work in the office or onsite unless given special permission *(i.e. customer facing roles)*

Table 1: Hybrid work models
(Source: Hopkins, J., & Bardoel, A., 2023)

The degree of flexibility offered impacts attraction and retention.
Organisations with greater flexibility can tap into wider talent pools while those with higher attendance expectations (or who enforce attendance) for a specific number of days for employees to work in the office, are limited to a talent pool who live within a commutable distance

1.0 Executive Summary

Wellbeing and work-life balance has improved.

Flexibility buffers stress from life events and has been positive for diversity and inclusion including:

- return to work and career progression for women with young families
- WFH practices enable fathers to be present as children grow up

There has been a reduction in sick leave as people can work from home but there may be an increased propensity to stay connected to work, even if unwell.

Flexibility is important to employee engagement

Lack of flexibility is one of two main reasons for turnover and low employee engagement survey results.

Employees are grateful to have flexibility and be able to adapt it to life stages	Leaders want higher office attendance than what they currently experience
BUT Leaders say employees have a sense of entitlement with individual preference prioritised over their team and the organisation	BUT Employees want to see evidence to validate why more time is needed in the office

Managers need to view flexibility as a positive resource to motivate employees and improve work engagement and time spent in the office needs to be purposeful.

Cultivating culture needs to be more intentional

Remote/hybrid work practices are optimised when they are embedded in the culture by nurturing, evolving and improving them over time. However:

- Inequitable work practices across the business and enforcing onsite working can foster negativity
- Office-based and in-field roles can be impacted where there is interdependency with people doing hybrid work
- Working remotely enables people to avoid difficult conversations which are better done in person

Remote work increases efficiency for task-based work and collocation aids team effectiveness

Remote work

Is more effective for autonomous, individual work as it enables workers to control their environment and do focused work

Collocated working

is more effective for complex collaboration as it's easier to brainstorm, do generative work, form deep connections and learn by overhearing conversations

However, employees see working in the office as less efficient due to social chats, noise and distractions.

Fostering social connections needs to be deliberate

Virtual engagement broadens social networks	Face to face engagement builds meaningful social connections
• Chat channels increase access to people outside of the team • Introductions need to be brokered and informal chats/online social activities need to be encouraged	• It accelerates connection/relationships • Builds trust and understanding • Can see how people are really doing

All participants, including remote first employers, see value in face-to-face engagement to build social connections with colleagues and clients.

Digital work practices can facilitate informal learning

Traditional informal learning has decreased due to remote work and needs to be intentional in a hybrid environment.

Digital work practices can facilitate informal learning through virtual chat, on demand learning and virtual knowledge sharing which may be a preferred learning pathway for Gen Z workers

However, learning is accelerated when done in person as it is easier to convey information and read body language cues to ensure understanding.

1.0 Executive Summary

Clear, intentional communication is critical to remote and hybrid working

Volume of asynchronous virtual communication has increased

- Some people can t keep up
- Increases workload
- Distraction from multiple channels
- More formal and transactional

Management communication needs to be deliberate and inclusive

- Can t rely on the grapevine
- More 1:1 s and team meetings
- Team events for communication

Virtual meetings are more difficult for communication

- People are easily distracted
- Interpersonal dynamics are harder to read
- Meetings are generally transactional

Workers (and leaders) need to be digitally competent and willing to communicate on digital channels.

There's a preference to onboard new starters in person, including for remote first organisations

- for quicker assimilation into workplace culture
- to understand job role processes
- to accelerate working relationships and social connections

Buddy programs, social catchups, 1:1 meetings with leaders and streamlining remote tech setups are valuable to aid integration quickly.

Setting clear hybrid work expectations is critical

Clear unambiguous flexible work policies aids employees to understand working boundaries and provides clarity to leaders about decision latitude for localised work arrangements:

- Different roles may have different requirements for flexibility, equity doesn t always mean equality
- Location and time flexibility is an expected norm and has increased in HR policies and practices since the pandemic

The debate about hybrid working, especially in relation to productivity, is too often divorced from the quality of line management and the adoption of good people management practices.
Sarah McCann Bartlett, CEO, Australian HR Institute

People leaders need to understand how to manage a workforce with hybrid work practices

Leaders are looking for clarity, structure and support to increase employee engagement and have discussions about hybrid work arrangements:

- Deliberate hands on communication is required to stay connected and clearly communicating hybrid work expectations is critical
- Leaders need to trust employees and enable job autonomy
- Organisations can gather data to provide evidence based insights about flexibility, autonomy and engagement for managers to reflect on and adapt their practices
- Executives say that people leaders will find a way if they start from a flexibility as a default mindset

There is a need to build better digital literacy and technology capabilities

Heavy reliance on performant tech toolsets for efficiency

- Video conference & chat that operate in office/ remote settings
- Slow internet speeds, device limitations and clunky VPN, audio visual or booking processes inhibit efficiency.

Different levels of digital maturity across organisations

- Work patterns & processes can be improved
- Dormant tech capability is underutilised
- Shift from tech for tech s sake to a business need mindset

Enterprise transformation implementation

- Increased data security needs for remote work, digital storage, file sharing and document collaboration
- Evolution of digital customer experience

There is a greater tech appetite across organisations to adopt new digital tools/practices than before COVID.

The workplace is a place to accelerate relationships, build connections, foster culture & informal learning Enabling teams to collocate in the office or a coworking space can also mitigate social isolation. Adopting unassigned seating, increasing flexibility in work areas to suit evolving onsite teaming practices and consolidating net lettable area are some ways that organisations are addressing changes to workplace utilisation.

1.0 Executive Summary

When organisations have multiple workplaces and encourage employees to work onsite for 2-3 days, CBD locations may be under or over-subscribed depending on which workplaces hybrid workers can choose to work from.

These research findings are generally relevant to both regional and metropolitan employers

Hybrid work has become a pillar of organisation's employee value proposition, reduced absenteeism by improving work-life balance and is important to attraction and retention of talent.

Productivity needs to be monitored differently. Managers need to trust employees to deliver business outcomes and avoid micro-management, presenteeism or time management approaches. Performance issues need to be managed individually, hybrid work privileges can be revoked if required.

Balancing the hybrid work needs of individuals, teams and the organisation is a conundrum. Unilateral hybrid policies across a business won't suit every role or function. Clear expectations, parameters and communication is needed to manage worker's perceptions of inequity due to different hybrid work practices across the organisation.

Early Successes

The key ingredients for remote and hybrid working have been distilled into the following six key points:

1. **Trusting employees to work autonomously** and respect the privilege of flexible working arrangements
2. **Setting clear expectations** regarding the parameters of flexible working arrangements to avoid ambiguity
3. **Leadership capability to lead hybrid teams** and be prepared to embrace hybrid working within the evolving work landscape
4. **Ensuring clear communication** across both in-person and virtual settings in an inclusive way
5. **Collect and analyse data** on flexibility, autonomy, engagement and wellbeing to monitor and evolve work practices
6. **Ensure technology is reliable, secure and performant** in office and remote settings and build digital literacy across the organisation

Early learnings

Getting the key ingredients right will help negate some of the challenges that can arise from remote or hybrid working

1. **Managing a remote team** requires a skilled, nuanced approach with more regular check-ins and communication
2. **Asynchronous digital communication** can be misinterpreted leading to ambiguity
3. **Remote work may lead to disconnection** and isolation from colleagues and organisational culture
4. **Ensuring consistent productivity levels** is a challenge for some leaders that can lead to micromanagement behaviours
5. **Monitoring and addressing employees** exploiting hybrid work privileges
6. **Balancing the hybrid work needs** of individuals, teams and the organisation

1.0 Executive Summary

Opportunities for Regional Employers

Hybrid and remote work provides access to a broader and more diverse talent pool beyond local geographies for regional employers, but they are also competing with Melbourne organisations for local talent.

Regional employers who offer greater flexibility are more likely to attract and retain cross-regional talent (including from metro Melbourne) to bring in a wealth of skills and fresh perspectives

Remote or hybrid work practices will also enable regional employers to scale up and grow quickly, improve diversity and inclusion and enable career progression opportunities for women and cross-regional leadership roles.

Four recommendations have been identified to leverage the opportunity that remote/hybrid work provides for the regions. Support for small and medium size business could be provided through government or local councils to enable scalability. Alternatively, a collective innovation initiative could be created to engage like-minded organisations to collaborate on hybrid work initiatives to collectively fund, build capability and create a flexible work ecosystem in a region to encourage talent attraction, innovation opportunities and reduce individual investment.

4 recommendations have been identified for consideration in a remote/hybrid work strategy for regional Vic.

Promote a flexible work culture and grow digital capability of regional organisations

Raise employers awareness of the advantages of flexible work, provide implementation guidance, dispel can t do attitudes and build capability for leading hybrid teams and effective digital engagement.

- Media & thought leadership
- Regional business learning network
- Online resources
- Learning & Development

Policies & programs to encourage flexible working to address regional labour shortages

Leverage the opportunity presented by the internal migration to the regions and access cross regional talent through remote/hybrid working to address talent shortages and workforce growth in the regions

- Expand the talent pool
- Attract inactive locals
- Align skills with regional jobs
- Create entrepreneurial networks

Provide support for regional employers to implement flexible work practices

Provide access to advisory support for regional employers to obtain evidence based insights regarding the impact of hybrid work on their business and identify opportunities to optimise hybrid/remote work practices and trial new initiatives.

- Access to research & advisory support
- Piloting

Understand strengths, opportunities, weaknesses and threats in different regions

Undertake additional research to understand the challenges, opportunities and actionable takeaways that are unique to each region

- Victorian regions
- Interstate /national regions

2.0 Introduction

An overview of research aims, timelines and team

Introduction

Research Aim and Objectives

This Hybrid Work in Regional Victoria research aims to identify, evaluate, and promote working opportunities in regional Victoria made possible by the availability of hybrid/remote working.

The objectives are to:

a) Explore the opportunities and threats of remote and hybrid working in regional Victoria.

b) Identify approaches, early successes and learnings of regional employers in remote and hybrid working.

The outcomes of this research will inform a remote and hybrid working strategy for regional Victoria and inform policy decision making.

Research Timeline

The research has been undertaken in two phases:

Phase 1 (Completed)

From July 2023 to January 2024

The objective of Phase 1 is to determine the demand, opportunities and challenges for remote working in regional Victoria including;

- Measuring the prevalence
- Measuring demand
- Determining the motivations, barriers and incentives experienced by workers
- Identifying demographic cohorts likely to be attracted
- Identifying the types of working arrangements most preferred
- Understanding leading employers' approaches to incentivise workers
- Assessing the work environment and context of workers

Phase 2 (Completed)

From January 2024 to July 2024

Research undertaken in Phase 2 aims to:

- Determine regional Victorian organisations' approaches, early successes, lessons and workplace implications of adapting to remote and hybrid working arrangements
- Understand attitudes, feelings, beliefs and experiences of regional employers who are interested in pursuing remote/hybrid working opportunities
- Identify the workspace implications for organisations offering hybrid working in regional Victoria

Final Report (this report)

A final report has been issued to consolidate Phase 1 and 2 findings into one document and to make recommendations to inform a remote and hybrid working strategy.

Introduction (cont'd)

Research Team

This research is being undertaken by Swinburne University of Technology for the Department of Jobs, Skills, Industry and Regions (DJSIR).

The research team includes:

- Sue Solly, Swinburne Edge
- Paul Lund, Swinburne School of Health Sciences
- A/Prof. John Hopkins, Swinburne Business School
- Prof Eva Kyndt, Swinburne Business School
- Dr Agustin Chevez, Swinburne Edge

Special acknowledgement to Dr Sean Gallagher for initiating this research study.

The research team works in collaboration with a Project Control Group comprised of DJSIR representatives from Regional Development Victoria.

12 Apostles, Great Ocean Road

Overview of Methods

Phase 1 Data Collection

Survey (Workers)
Conducted - 9th Oct to 3rd Nov 2023.

1,672 Victorian white-collar workers aged 18 years or over, who do remote/hybrid work or have the potential to do so, responded to an online YouGov questionnaire. This captured respondents' context and attitudes on hybrid and remote working, work/home location, relocation patterns across Victoria and work habits.

Interviews (Employers)
Conducted - 30th Oct to 15th Nov 2023.

Online interviews were conducted with leaders from 12 organisations who have adopted hybrid or remote work practices and have employees who live in regional Victoria. The purpose of these interviews was to understand employers' current approaches and drivers for remote work adoption, how organisations have implemented remote/ hybrid work, employee satisfaction and organisational challenges. Participant organisations were regional Victoria, national and global organisations.

Phase 2 Data Collection

Case Study Research (Employers).
Conducted - 20th May to 28th June 2024

Case study research was undertaken with 3 organisations, based in different locations of regional Victoria, who have white collar workers that have adopted hybrid or remote work practices.

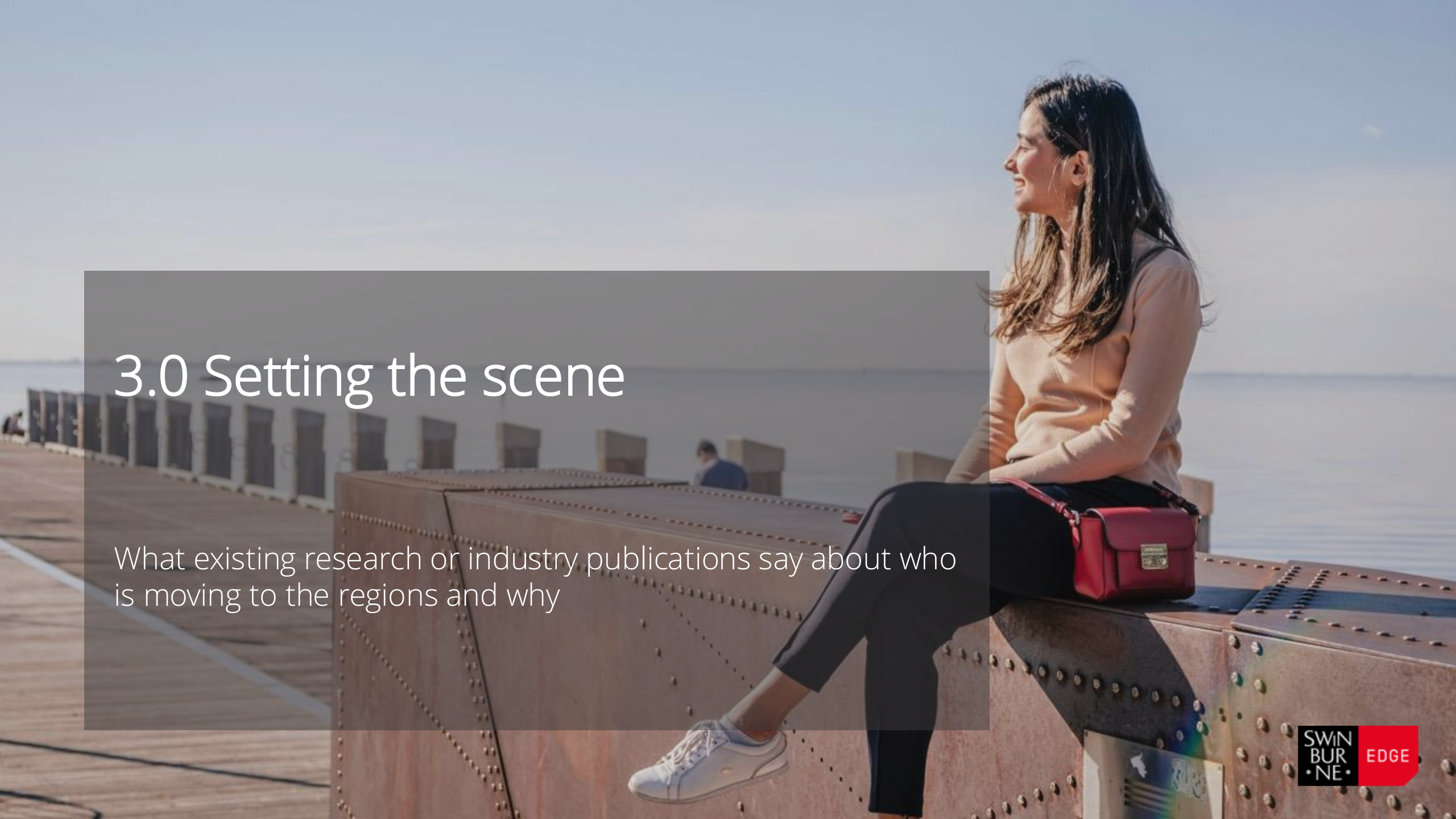
Online Interviews were conducted with 4-6 people, including employees, people leaders and P&C executives, from each organisation. The purpose of these interviews was to understand the organisation's current remote/hybrid work approaches and practices, early successes and learnings from remote or hybrid working.

Workplace Site Visit A guided site tour was undertaken to the primary regional workplace of two organisations to observe the onsite workplace experience and understand the current workspace and tech offering.

Phase 1 and Phase 2 Desktop Research
Conducted - 06th Jan to 30th July 2024

Review of academic literature and relevant industry reports from reputable organisations such as Australian Bureau of Statistics, Regional Australia Institute, The Centre for International Economics and Australian HR Institute.

Refer to the following pages for further information on;
- Phase 1 Methods and participants - pg 17 - 23
- Phase 2 Methods and participants - pg 38 - 40
- Academic & Industry Literature – pg 75 - 77



3.0 Setting the scene

What existing research or industry publications say about who is moving to the regions and why

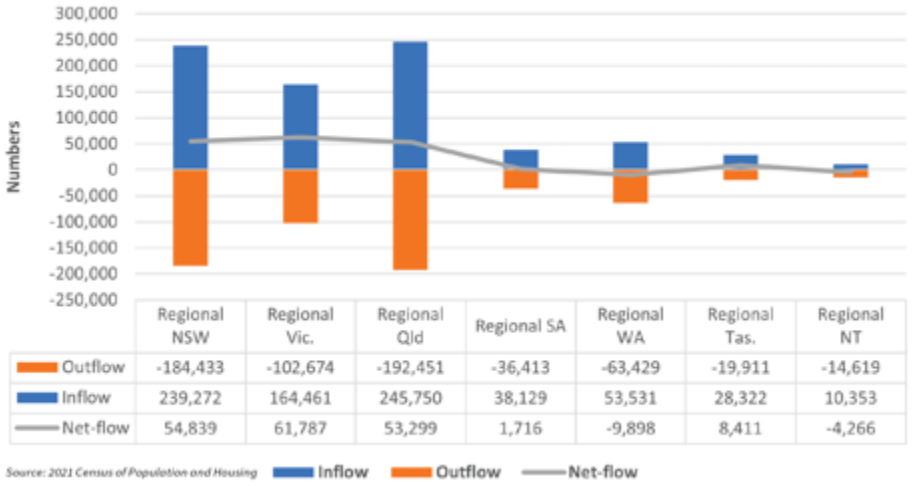
What others have said: Who is moving to the regions and why

ABS census data (2016-2021) shows that net migration outflow from Australia's capital cities has almost tripled since the previous census (2011-2016). Regional Australia Institute (RAI), in Big Movers 2023, reported that Regional Victoria had the largest net inflow of people of all Australian states and territories during this period. 86.1% of these were internal migrants who moved to Regional Victoria from Metro Melbourne. This was a significant reversal from the small net inward migration rate that Melbourne had in 2011-2016. (The Centre of International Economics (CIE), 2023).

An analysis of 2011-2016 census data undertaken by RAI found that the largest cohorts moving to regional Victoria are aged 25-39 (31%) and people born overseas (23%). In 2011-2016, regional Victoria experienced a net loss of (-37,179) of this age group but in 2016-2021 there was a (+57,252) net gain. Almost 20% of those aged 25-39 , who have moved to regional cities, relocated less than 5 years ago.

Who is moving to the regions

A survey of internal migrants who moved to regional Victoria (Ghin, P., & Ainsworth, S., 2022) found that those who relocated after COVID-19 restrictions started were predominantly 25-44 year olds (57%), had a degree or higher qualification (69%) and were white collar workers (87%) in professional, admin or manager roles. They were generally younger and had a higher income than people who moved prior to the pandemic. Many work in the education & training (20%), healthcare and social assistance (15%) and professional, scientific and technical services (13%) sectors.



	Regional NSW	Regional Vic.	Regional Qld	Regional SA	Regional WA	Regional Tas.	Regional NT
Outflow	-184,433	-102,674	-192,451	-36,413	-63,429	-19,911	-14,619
Inflow	239,272	164,461	245,750	38,129	53,531	28,322	10,353
Net-flow	54,839	61,787	53,299	1,716	-9,898	8,411	-4,266

Figure 1: Regional Migration Flows: In, Out, and Net by State/Territory (Total Population), 2016-2021
Source: Houghton, K., Shi, C., and Zou, Z, 2023, *Regional Australia Institute*

Where they are moving to

All regional types, including regional cities, connected lifestyle areas, industry and service hubs and heartland regions, have had positive migration from those aged 25-39 and people born overseas (RAI, 2023). Outflow migration from Melbourne to regional Victoria is split between rural areas (49%), peri-regional (17%) and regional cities (34%). The most popular locations to move to are Geelong (12%), Hepburn Shire (10%), Ballarat (8%) and Surf Coast (8%) (Ghin, P., & Ainsworth, S., 2022). Coastal cities are the preferred location for Australian internal migrants. However, people moving from Melbourne to regional Victoria are more likely to select a city fringe location, as well as coastal areas or inland regional cities (CIE, 2023).

This is consistent with other research findings (Vij et al., 2022) which found that coastal access and proximity to capital cities were more attractive to internal migrants. They also found that mid-size towns are attractive to young people and migrants from overseas due to more competitive salaries, access to education facilities and cultural or recreational activities.

What others have said: Working in regional Victoria

Why they are moving

Age and life transitions is a key driver for internal migrants who may relocate for education, work, partnership or to raise a family. Couples are less likely to choose to move if both partners have established careers and professional networks. (CIE, 2023). Primary reasons for internal migration are for job proximity and to be closer to family and friends (CIE, 2023, Wilkins et al., 2023) while secondary reasons are housing, education and health (CIE, 2023).

33% of people who recently moved to regional Victoria had family or friendship ties in the region and 63% were interested in moving prior to the pandemic. The top 3 factors that influenced the decision of internal migrants to relocate to regional Victoria were for better lifestyle/amenity (73%), living near the natural environment (61%) and housing affordability (52%) (Ghin, P., & Ainsworth, S., 2022).

Internal migrants are more likely to relocate to regional Australia for housing affordability than overseas migrants who relocate to find high quality school or tertiary education or for cultural reasons (CIE, 2023). 25-64 year olds are the most motivated to purchase houses as size and style needs change at different life stages (Wilkins et al., 2023). However, as 56% of Australians under 30 live at home due to housing costs and delayed partnership formation, the average age of first home buyers is increasing (CIE, 2023).

The convenience of commuting is another factor in decision making about relocation to regional areas (Denham, 2021) but never in isolation of the aforementioned factors. Additional considerations in deciding where to relocate include the local community feel and attractiveness (Denham, 2021, Gower, 2021), available amenities (Denham, 2021, Buckle & Osbaldiston, 2022) and other household commuter's needs (Denham, 2021).

Remote and hybrid working in 2023.

The proportion of people who WFH due to flexible work arrangements rose from 13% in 2015 to 39% in 2023. In 2023, the main reason people WFH was due to flexible working arrangements (ABS, 2023).

However, in the HILDA report (Wilkins et al., 2023), found that a quarter of the workforce worked from home prior to the pandemic but only 6% of these did so most of the time. Primarily, managers and professionals (60%) WFH compared to 22% for all other occupations. The percentage of people who regularly work from home has decreased from 40% (2021) to 37% (2023). The percentage of people who had an agreement to work flexible hours has also decreased from 36% in 2021 to 33% in 2023.

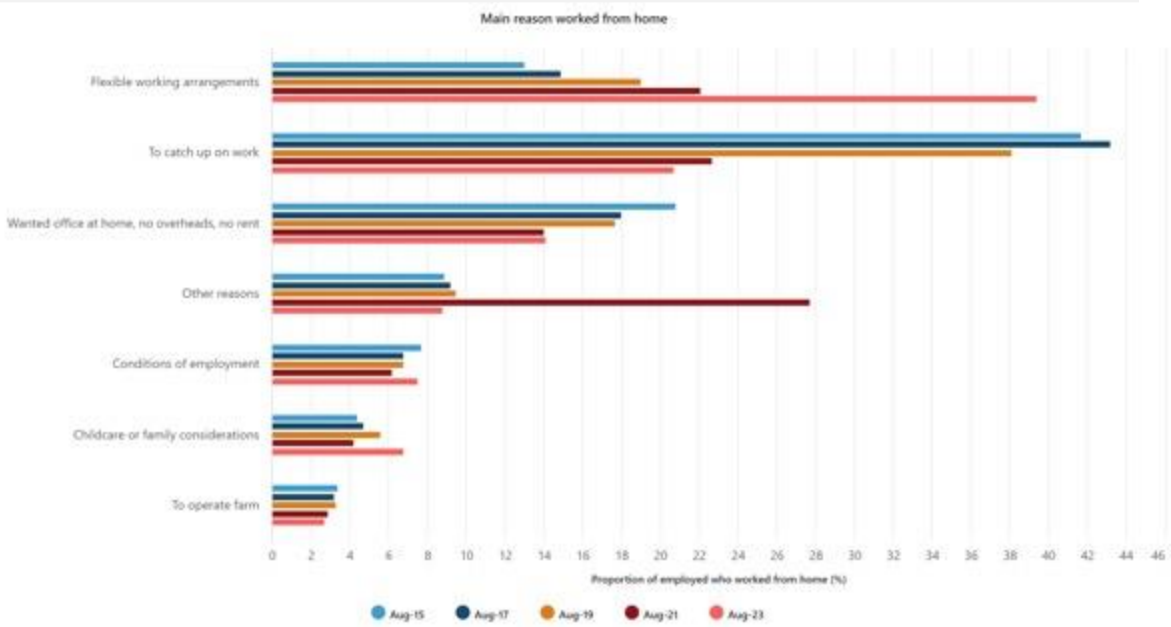


Figure 2: Main reason worked from home
(Source: Australian Bureau of Statistics, Working Arrangements, August 2023)

What others have said: Working in regional Victoria

The percentage of people working extra hours or overtime has decreased from 34% (2021) to 31% (2023) (ABS, 2023).

Working in regional Victoria
However, these trends differ for internal migrants who have moved to regional Victoria after the pandemic restrictions started. 53% work for a metro employer and 90% of these people work remotely at least some of the time. 34% live in households where both partners work for a metro employer. 27% commute to metro Melbourne for work (Ghin, P., & Ainsworth, S., 2022).

Prior to the pandemic, 60% of internal migrants who moved to regional Victoria were employed regionally but post covid, this has reduced to 35%. Only 23% of recent migrants to regional Victoria were actively looking for work regionally. 45% of these people strongly or somewhat agreed that there was a lack of suitable jobs in regional Victoria for people with their skills or experience (Ghin, P., & Ainsworth, S., 2022).

65% of internal migrants who moved to regional Victoria after the pandemic started want to work from home 2-3 days per week. 71% rate themselves as above average in their ability to use and adapt to technology and 80% say they are early technology adopters which is higher than normal population distribution. Those who do work remotely are more likely to have a degree or higher qualification and a higher income. On average the move to regional Victoria has saved workers 4.5 hours of commute time per week (Ghin, P., & Ainsworth, S., 2022).

Entrepreneurship in regional Victoria.
Internal migration from metro locations can lead to innovation and entrepreneurship in regional areas skills and knowledge are brought to the local community, regional organisations or new business.12% of people who recently moved to regional Victoria started a new business. 63% of the are sole traders and 65% already had their own business. (Ghin, P., & Ainsworth, S., 2022).

A further 58%, who are generally degree qualified 40-50 year olds who work for a metro employer, are interested in starting a new business. Lack of capital, fear of risk and uncertainty of market demand in the local region are the biggest barriers to business creation for recent regional Victorian migrants. 56%.of those, who are interested in starting a business, are also interested in engaging in entrepreneurial network initiatives, incubator or accelerator programs. (Ghin, P., & Ainsworth, S., 2022).

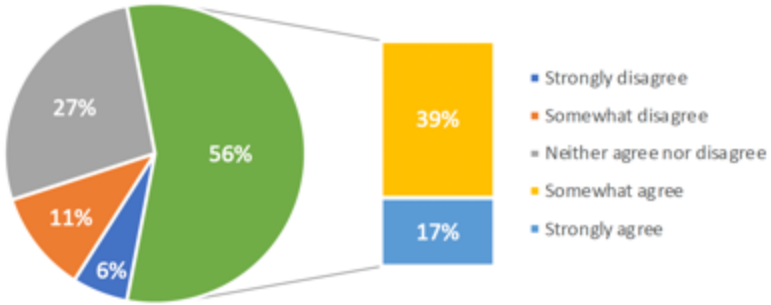
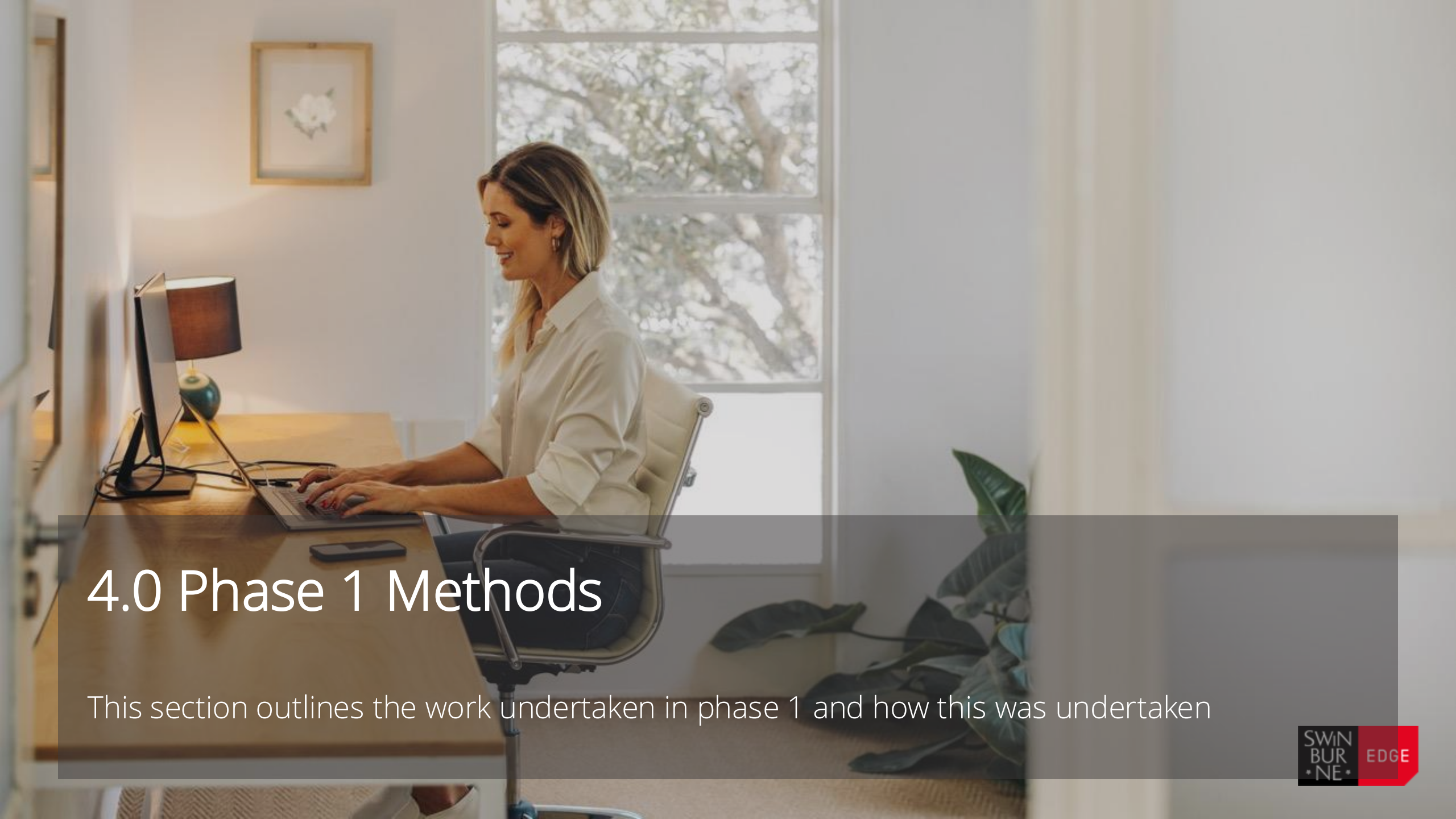


Figure 3: Respondent's willingness to engage with entrepreneurial networks (n=416) (Source: Ghin, P., & Ainsworth, S., The Future of Work Lab, University of Melbourne, 2022)



4.0 Phase 1 Methods

This section outlines the work undertaken in phase 1 and how this was undertaken

Phase 1 Methods: Survey

Phase 1 is based on two methods:

1. Survey (Employees)

A questionnaire was sent to Victorian white-collar workers aged 18 years and over who have the potential to work hybrid/remotely. The survey was developed by CNeW and administered online by YouGov between 9th Oct and 3rd Nov 2023.

The 34-question survey captured respondents' context and attitudes on a variety of themes relevant to the study, including hybrid and remote working, work location, relocations patterns across Victoria, and working habits. A list of the survey questions is included in Appendix A.

A total of 2,037 responses were received, however for data quality purposes, this analysis was based on a sample of 1,672.

Respondents' location was categorised as Melbourne Metropolitan or Regional Victoria based on the Australian Bureau of Statistics (ABS) classification of postcodes provided by YouGov.

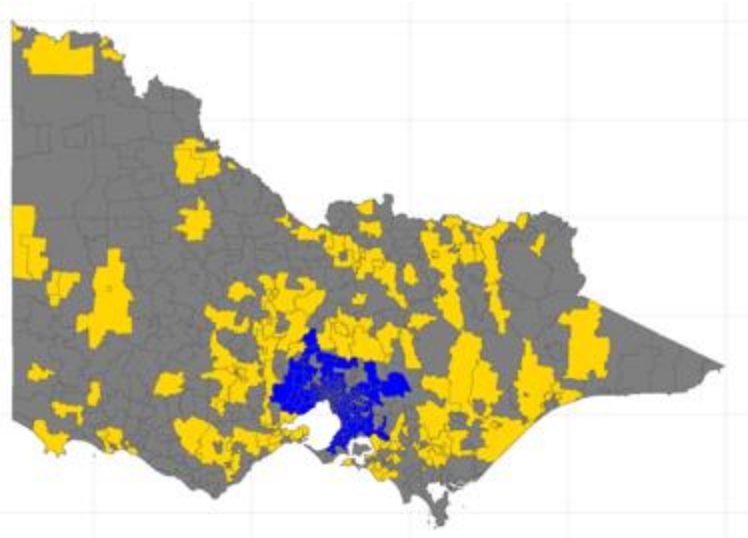


Figure 4: Geographic location of survey respondents by Melbourne Metro (blue) and Regional Vic (yellow)

Most respondents (66%) were from Melbourne Metropolitan. To enhance the generalisation of results, weighting was applied to align the sample with known characteristics of the population, in this case the ABS split between the two zones.

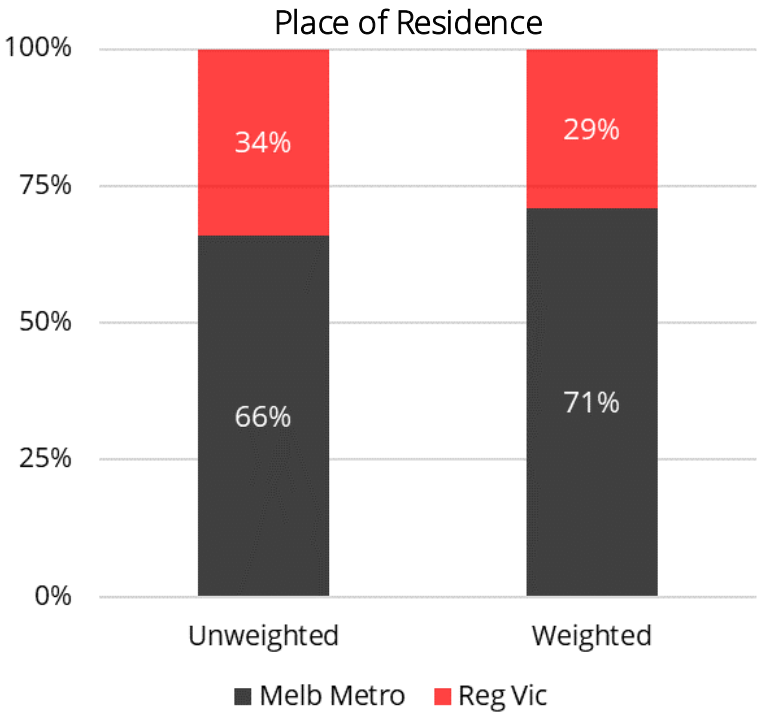


Figure 5: Percentage of respondents by location of residence. *N* =1,672.

Phase 1 Methods: Survey Respondents

Figure 6 shows that most respondents are clustered around Melbourne, Ballarat, Geelong and Bendigo.

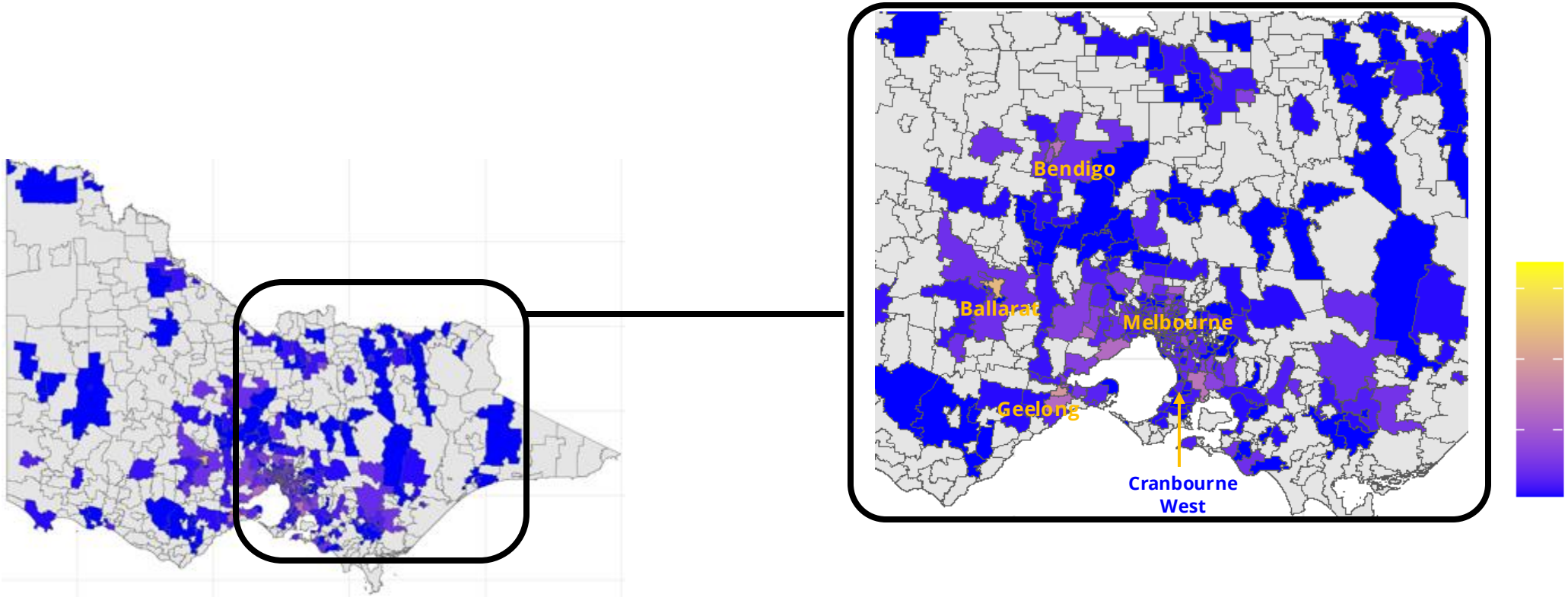


Figure 6: Geographic distribution of survey respondents.

Phase 1 Methods: Survey Respondents

For gender, there was an overrepresentation of females (67%) in the sample. Weighting has also been applied to have a representative distribution of females (51%) and males (49%). Only 2 respondents (0.1%) selected 'other' as their gender.

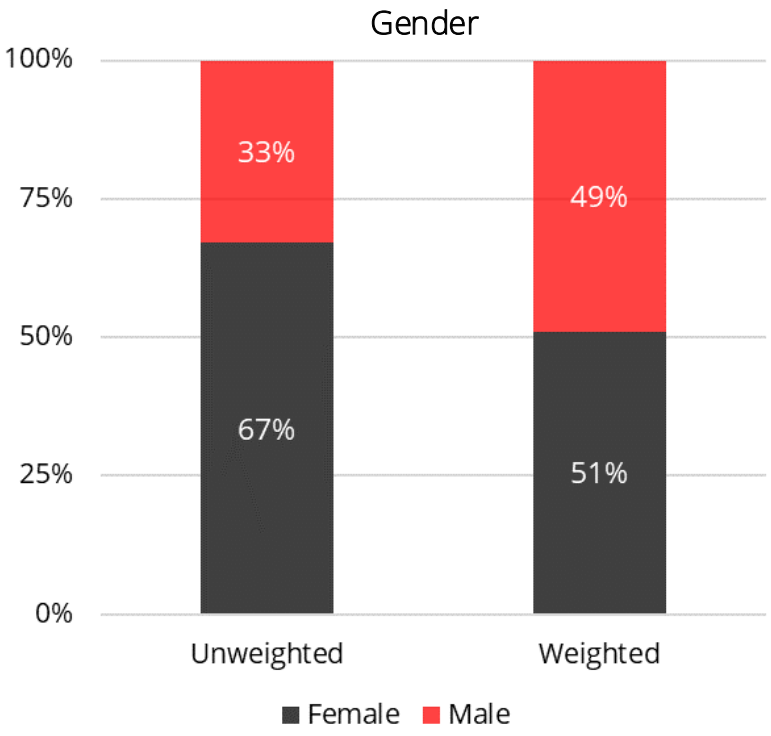


Figure 7: Percentage of respondents by gender. *N* =1,672.

Weighting was also applied to age groups as shown in figure 8 (Melbourne Metro) and figure 9 (Reg Victoria).

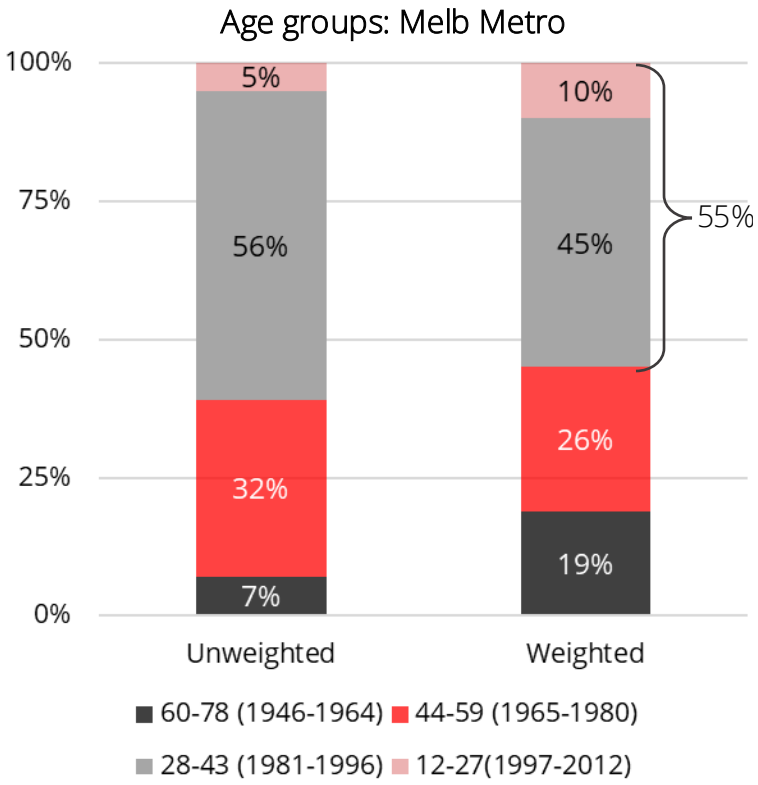


Figure 8: Percentage of respondents by age groups in Mel Metro. *n* =1,110.

Most respondents in Regional Victoria (55%) were 44 years or older, compared to an equal proportion (55%) of respondents in Melbourne metro who were 43 years or younger.

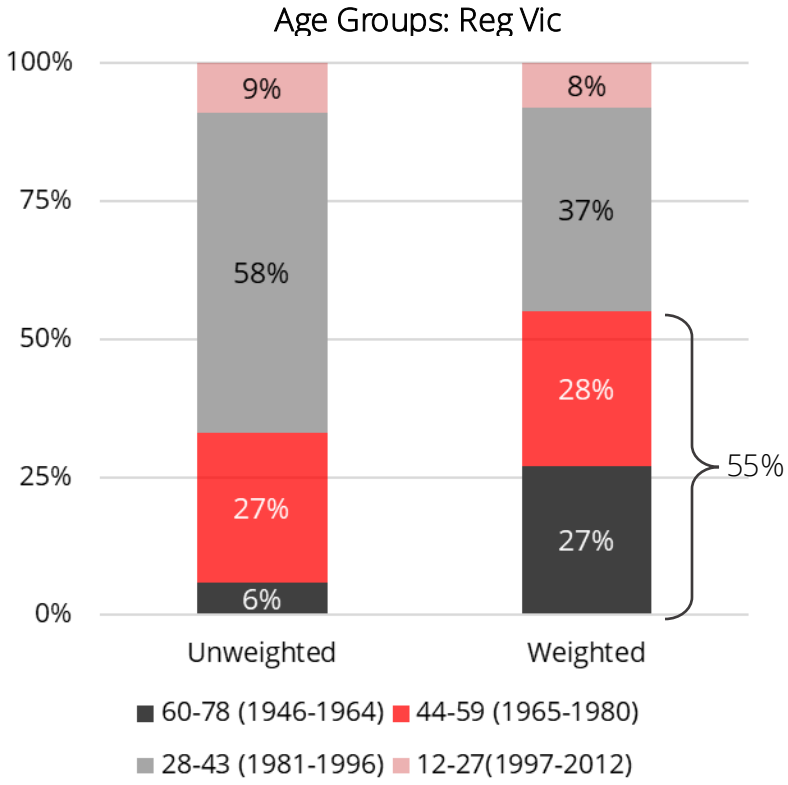


Figure 9: Percentage of respondents by age groups in Reg Vic. *n* =561.

Phase 1 Methods: Survey Respondents

More survey respondents worked for 'Privately owned' organisations in both Melbourne Metro and Regional Victoria than any other organisation type. The percentage of respondents who work for Government organisations in Regional Victoria (31%) is almost double those who work in Melbourne Metro (17%).

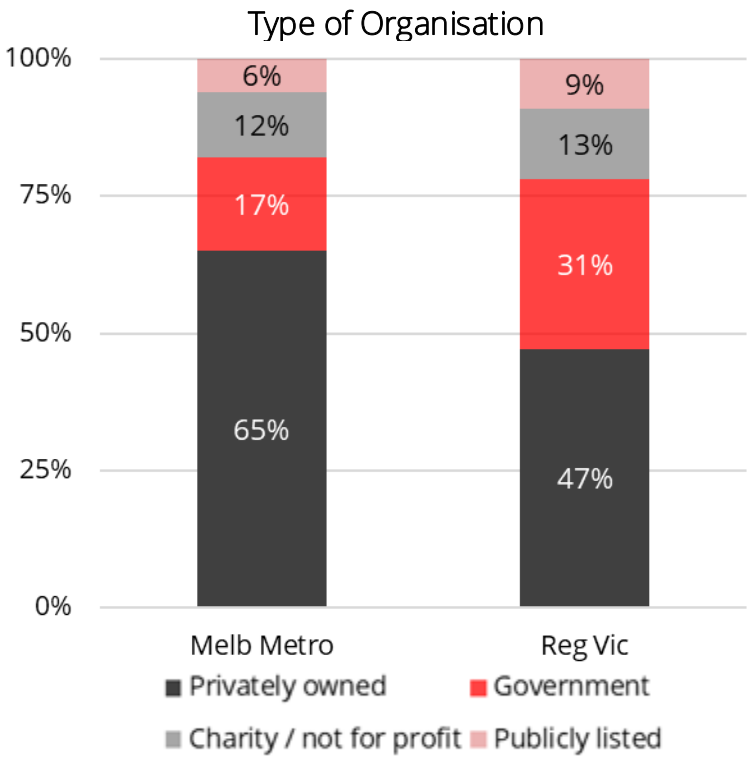


Figure 10: Percentage of respondents by type of organisation and region where they live. *N* =1,672

Tables 2 and 3 list the top 5 industry sectors that survey respondents work for by region. There are notable differences between them, including the top industry sector in Melbourne Metro, Professional Scientific and Technical Services, not being represented in Regional Victoria's top 5.

Industry sector	%
1. Professional, Scientific and Technical Services	13%
2. Financial and Insurance Services	11%
3. information Media and Telecommunications	11%
4. Health Care and Social Assistance	9%
5. Other Services	9%
Total of top 5	54%

Table 2: Percentage of respondents by industry sector in Melbourne Metro . n=1,110

Industry sector	%
1. Health Care and Social Assistance	18%
2. Other Services	11%
3. Public Administration and Safety	10%
4. Financial and Insurance Services	10%
5. Education and Training	9%
Total of top 5	58%

Table 3: Percentage of respondents by industry sector in Regional Victoria. *n* =561

The Centre for International Economics' (CIE) analysis of ABS census data from 2021 identifies that professionals have the highest propensity of all occupation types to move to regional Australia except for remote rural areas which are less likely to have job types suitable for professional workers.

Phase 1 Methods: Interviews

2. Interviews (Employers)

Interviews were conducted with 12 employers who have adopted hybrid or remote work practices and have employees who live in regional Victoria. These 45-60 minutes, semi-structured interviews were conducted online with 1-2 representatives of the organisation, by 2 members of the research team, between 30th Oct and 15th Nov 2023.

The purpose of these interviews was to understand employers' current approaches to incentivise and support hybrid and remote workers. Questions were based on a variety of themes including remote work policies and practices, drivers for remote work adoption, how organisations have implemented remote/hybrid work, communication practices, employee satisfaction levels and challenges that have arisen as a result of remote working. The questions used during the interviews are included in Appendix A.

All interview participants had leadership roles within their respective organisations (see Table 4) and had expertise in human resources, talent, people & culture, organisational development, ways of working, employee experience or workplace experience, (see Table 5).

Interview Participant's Role	Number
1. General Manager	3
2. Chief / Department Head	5
3. Executive Director / Director	2
4. Manager	5
5. Leader	1
Total Interview Participants	16

Table 4: Participant's Role in the organisation

Areas of Expertise	Number
1. Human Resources/Talent	5
2. People & Culture	5
3. Organisational Development	2
4. Experience	2
5. Other	2
Total Interview Participants	16

Table 5: Participant's Areas of Expertise

Phase 1 Methods: Interview Participants

The Victorian Government established 9 regional partnerships across Victoria in 2016. Some employers that were interviewed had office locations across multiple regions (see Table 5). There were more employers' offices located in Barwon, Loddon Campaspe, Melbourne CBD and Melbourne's outer suburbs than other locations.

Interview participants included representatives from global, national, peri-regional and regional Victoria organisations. Some regional Victorian organisations had an office in Melbourne Metro or interstate for a portion of their workforce. Some regional Victorian and peri-regional organisation's headquarters were located in the outer suburbs of Melbourne.

Employers included government, publicly listed and not for profit organisation types. No privately listed employers were included in these interviews.

Figure 11: Regional Partnerships across Victoria

Source: https://www.rdv.vic.gov.au/regional-partnerships/partnerships

Office Locations

Organisation Type	Employer No	Global Offices	Interstate Offices	City of Melbourne				Regional Victoria								
				CBD	Suburbs	Yarra Valley	Mornington Peninsula	Barwon	Loddon Campaspe	Gippsland	Central Highlands	Goulburn	Ovens Murray	Great South Coast	Wimmera Southern Mallee	Mallee
Government	7															
	5															
	4															
	2															
	12															
	9															
	11															
Publicly Listed	8															
	6															
	10															
	1															
Not for Profit	3															

Note: Colours represent office locations

Table 6: Office locations and organisation types

Phase 1 Key Findings

This section reports the high-level findings of the Phase 1 Survey and Interviews.

Net Migration Inflow to Regional Victoria is Higher than Prior to the Pandemic

The percentage of survey respondents who relocated after 2020 (34%) was higher than those who did so between 2015-2020 (22%). Of those who relocated since 2020, most did so from Melbourne Metro to Regional Victoria (13%) (See figure 14). This is twice the rate of outflow migration from Melbourne Metro to Regional Victoria between 2015 - 2020 (6%) (See Figure 13), and aligns with the findings to the Regional Australia Institute's, Regional Movers Index September 2023 Quarter Report, which identified capital city outflows to regional Australia in Sept 2023 as 11%. Results are also aligned with ABS census data (2016-2021), which saw net migration outflow from capital cities almost triple, compared with the net gain in the previous census period (2011-2016).

The net migration inflow rate to Regional Victoria has increased, from the period 2015-2020 (3%) to the period after 2020 (9%), by a total of 6% because of the increase in migration outflow from Melbourne Metro. Relocations from one region to another in regional Victoria have increased by 2% from 2015-2020 (5%) to after 2020 (7%).

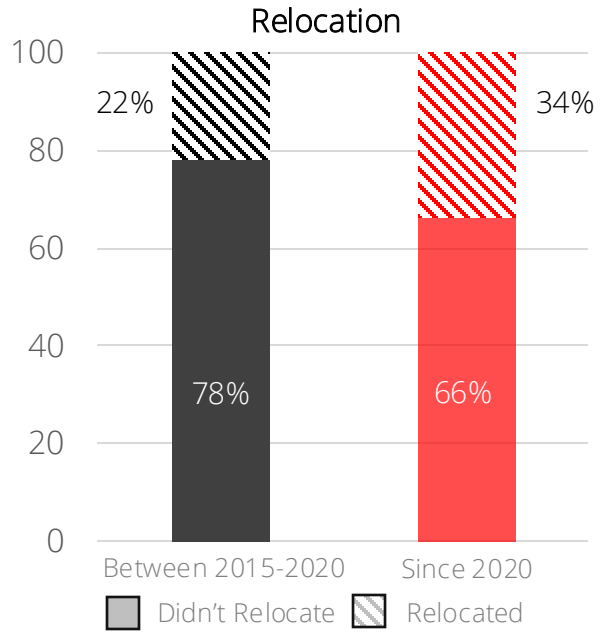


Figure 12: Relocation of participants at two periods: 2015-2020 *n* =1,113 and 2020 *N* =1,672

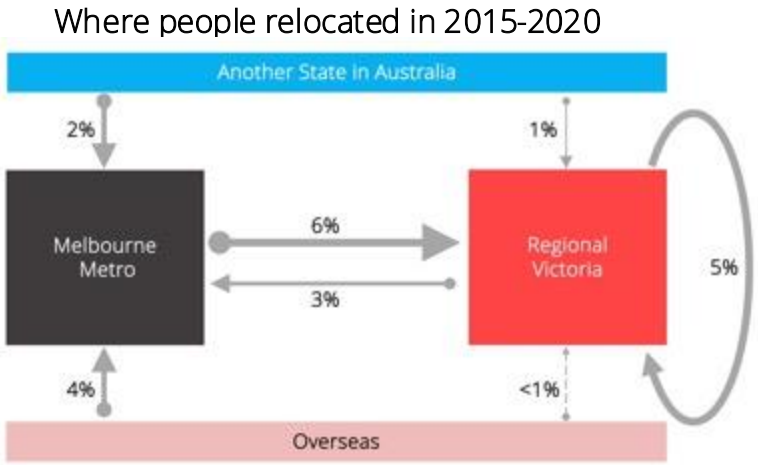


Figure 13: Relocation patterns of survey respondents between 2015-2020

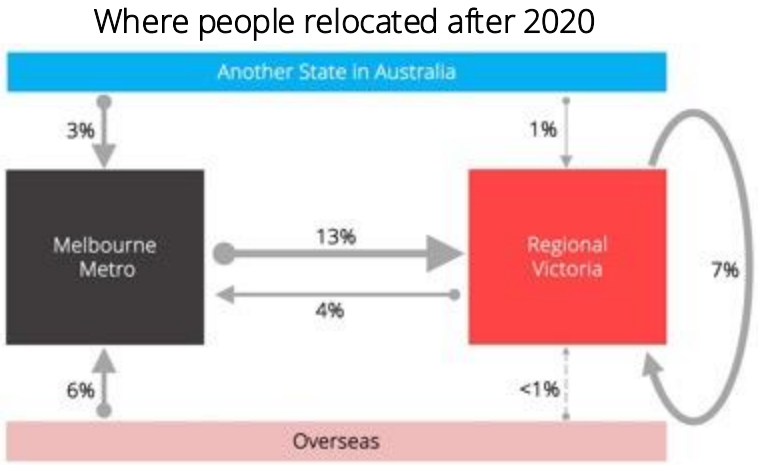


Figure 14: Relocation patterns of survey respondents after 2020

Who moved from Melbourne to Regional Victoria since 2020?

Figure 15.1 illustrates that 13% of survey respondents who have relocated since 2020 moved from Melbourne Metro to Regional Victoria. Of those who moved from Melbourne Metro to Regional Victoria since 2020, the majority (68%) were 30-44 years old (Figure 15.2).

This is consistent with findings by the Regional Australia Institute (RAI), which found that the net loss (-37,179) to regional Australia of this age group identified in the 2011-2016 census significantly shifted to a net gain for this age group (+57,252) in regional Australia in the 2016-2021 census.

The Centre for International Economics (CIE) also found higher internal migration intensity to regional Australia between 2016-2021 for this age group and attributed this to 'life course' transitions such as recent labour force entry, partnership formation, childbearing and job changes.

A higher percentage of survey respondents, who relocated to regional Victoria, were from the Professional, Scientific and Technical Services sector (14%), Table 6, even though this sector was not one of the top 5 industry sectors that survey respondents who live in regional Victoria worked in.

How many people moved since 2020

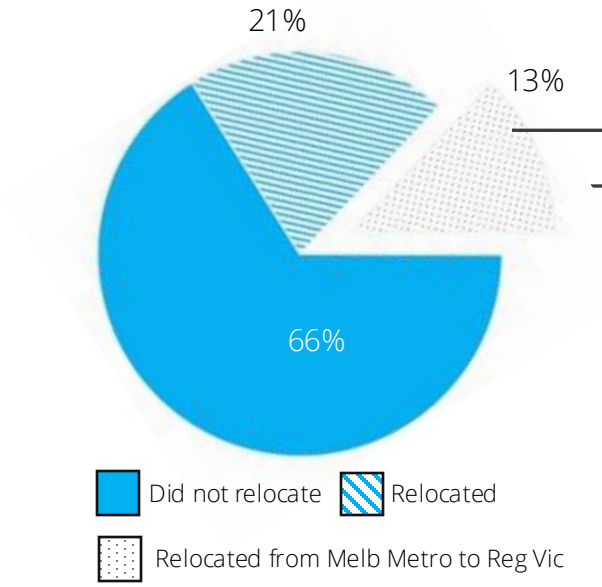


Figure 15.1: Survey participants who relocated since 2020, *N* =1,672

Age of those who moved to Regional Vic

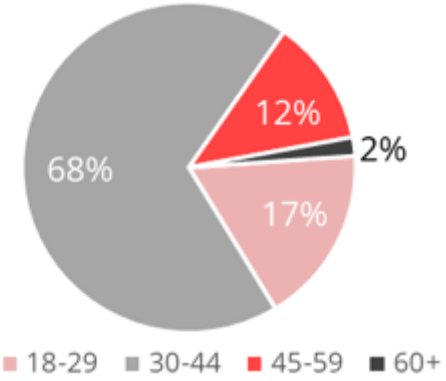


Figure 15.2: Age split of survey respondents who moved from Melb Metro to Reg Vic since 2020, *n* = 218

Sectors of those who moved to Regional Vic

1. Professional, Scientific and Technical Services	14%
2. Financial and Insurance Services	11%
2. Health Care and Social Assistance	11%
3. Other Services	10%
3. Transport, Postal and Warehousing	10%
4. Education and Training	8%
4. Information Media and Telecommunications	8%
5. Construction	6%
5. Public Administration and Safety	6%

Table 7: Top five industry sectors that survey respondents who moved from Melb Metro to Reg Vic since 2020 work in, *n* = 218

Employee's residences are more geographically spread than prior to the pandemic

Employers advised that the location where their employees live is now more geographically spread than before the pandemic.

This was partly attributed to existing employees choosing to move residence during or after the covid lockdowns as they are now able to work remotely and no longer need to commute daily to the office.

However, this has also occurred because employers have been able to retain staff who have moved outside of their region but can continue to undertake their role remotely and because job candidates are applying for roles outside of the region where they live, which was uncommon before the pandemic.

Several employers noted that the quantity of people relocating to regional Victoria appears to have plateaued due to the end of mandatory lockdowns in Melbourne Metro and because remote work practices enable employees to work for a regional employer without needing to move to the region and commute to the office daily.

Prior to COVID... a lot of our staff would have been, I would say, within probably 15 to 20 kilometres of the [specific work location] site. But post COVID...we've engaged a number of staff that live interstate, who don't actually come onsite they will work remotely full time...we've seen the spread [of where staff live] extend greatly...we've got staff who live out in Geelong and we've got staff who live out in the Western Suburbs, Point Cook area but we didn't have that before...when it was, you know, five days a week onsite.
(Employer 11)

"So when we were doing this initially [offering hybrid work arrangements]...we thought...it will open up all of these doors, people in Metro will want to come regional....It will open up our [talent] pool and I think probably initially it did...particularly professional candidates from metro looking to relocate out. So that was helpful, but now I guess, hybrid is such a standard across the place that it's not so much of an appeal..."
(Employer 12)

We have quite a few people that live in regional Victoria. We have a lot that reside in Woodend because it's in between both Melbourne and [specific regional office location].
(Employer 8)

Most of them [the organization's employees] would be clustered in the Eastern...and Northern suburbs of Melbourne but we do have people...working in the Western...and...Southern suburbs. But then we also do have people spread out...I've got team members on the Mornington Peninsula...Bellarine Peninsula. We have some people...that are domiciled in Gippsland. So it's...definitely bled out of Melbourne
(Employer 2)

Source: Phase 1 Interviews with Employers

Factors influencing relocation to regional Victoria since 2020

The top 3 'very influential' factors that impacted survey respondents' decision to move to regional Victoria were quality of life, house affordability and availability and work-life balance. This was followed by a lower overall cost of living (See Table 8).

Housing affordability and cost of living were also included in the top three most important factors attracting people to relocate to regional Victoria in the Centre for International Economic's (CIE) report 'Internal Migration in Australia and the Impact on Government Levers' and in Future of Work Lab's report 'The Great Migration'. The Centre for International Economics also identified the ability to find a good job as an important trigger for deciding to move to the regions, especially for people born overseas, who may have initially moved to a capital city but chose to undertake a secondary move to the regions.

Interestingly, Future of Work Lab found that 68% of people who relocated wanted to move before the pandemic, and only 24% said Covid restrictions impacted their migration choices.

Factors influencing decision to relocate to Regional Victoria

1	Quality of life	53%
2	House affordability and availability	47%
3	Work life balance	43%
4	Being close to family and friends	43%
5	Raising a family	43%
6	Lower overall cost of living	33%
7	Access to outdoor activities	20%
8	Community and social factors	20%
9	Overall infrastructure (healthcare, childcare, etc.)	19%
10	Local amenities (cafes, restaurants, gyms, etc.)	16%

Table 8: Top factors influencing survey participant's decision to relocate to Regional Victoria. *n* = 218

Employers say hybrid work has increased both access to and competition for talent

Employers advised that the main reason their workers have chosen to relocate to regional Victoria is for lifestyle reasons with many people choosing to take a tree or sea change earlier than initially planned because of the ability to work remotely.

However, some workers, who relocated to regional Victoria because they were able to primarily work remotely, have moved back to Melbourne Metro because of changes their Melbourne-based employer had made to hybrid work policies, requiring them to spend more days in the office.

Although the talent pool for regional employers has increased because remote work practices enable employers to access talent from other regions. This has also led to competition for talent with Melbourne-based employers. As a result, some regional employers are losing local talent to Melbourne-based firms who can pay higher salaries and no longer expect employees to commute to their office in Melbourne Metro daily.

We're now getting a bigger [Talent] pool so people can work from Melbourne or anywhere else easily. But we are now having to compete with Melbourne salaries as well. So it goes both ways. Our [specific work location] people can now go to Melbourne much more easily and get more salary and only have to travel up...a couple of times a week, which is a lot different to five times a week pre COVID...We're certainly losing a lot more people to Melbourne roles than we would have before COVID.

(Employer 3)

Most of the ones I know of...were probably in that older stage of their life and looking for that...lifestyle move.

(Employer 2)

There was that sea change, tree change that people went through during COVID, right. They were trying to escape. We're now seeing people sort of moving back to Melbourne...but nothing too significant...of the people that have done it...their employers have been asking them to come in more so that more travel is required. And closer to family as well in another situation .

(Employer 3)

Source: Phase 1 Interviews with Employers

Remote work has evolved from being a perk to a necessity to an expectation

Before the pandemic, the ability to work from home (WFH) regularly was generally a perk rather than the norm. Only 50% of employers interviewed had a flexible work policy before the pandemic, primarily to formalise part-time or job-sharing arrangements. Permission to WFH was generally only provided on an ad hoc basis for workers to provide access to tradespeople or for large deliveries.

This is consistent with the University of Melbourne's 'HILDA' report (2022) that found that only a quarter of the workforce worked from home before the pandemic and, of these people, only 6% worked from home most of the time.

Employers, who didn't already have the infrastructure, had to quickly roll out technology and policies to enable remote working during the pandemic. While mandatory lockdowns in regional Victoria were less than in Melbourne Metro, organisations with multiple locations across Victoria adopted a 'one in all in' approach to remote work practices.

Employers said that since the pandemic hybrid work practices have become normalised, and workers expect to be able to work remotely. While employers' approaches to hybrid work practices vary, the ability to work remotely was seen as a requirement, rather than a differentiator, to attract and retain workers.

I know, just in terms of the people, workplace, safety and wellbeing team, we wouldn't get people unless we had hybrid working. It s an expectation

(Employer 4)

if I was being offered the same remuneration, similar job, yet I had more flexibility at our organisation, then perhaps I might choose that. And we have seen many people making that choice. I don t know how long that will last though..., it s not so much a differentiator anymore. I think it's now table stakes for most.

(Employer 8)

For most of our roles...even if they are 100% remote...they can work in a truly hybrid way...I think most people particularly in professional roles, which is...a large component of what we employ, it's an expectation.

(Employer 6)

Source: Phase 1 Interviews with Employers

Working arrangements

Survey participants who lived and worked in regional Victoria had the highest percentage of full time working at the office (30%).

The highest percentage of remote workers were those who lived in Regional Victoria and worked in Melbourne Metro (26%). Those that lived in Melbourne Metro and worked in Regional Victoria had the lowest percentage of remote work (10%) but the highest percentage of flexible (75%) hybrid work practices.

The HILDA Report (2022) identified that the Financial and Insurance Services industry, which has limited in person interaction, increased WFH practices by 58%. This industry sector, along with Professional, Scientific and Technical Services were the top two sectors that survey respondents who moved from Melbourne Metro to regional Victoria worked in.

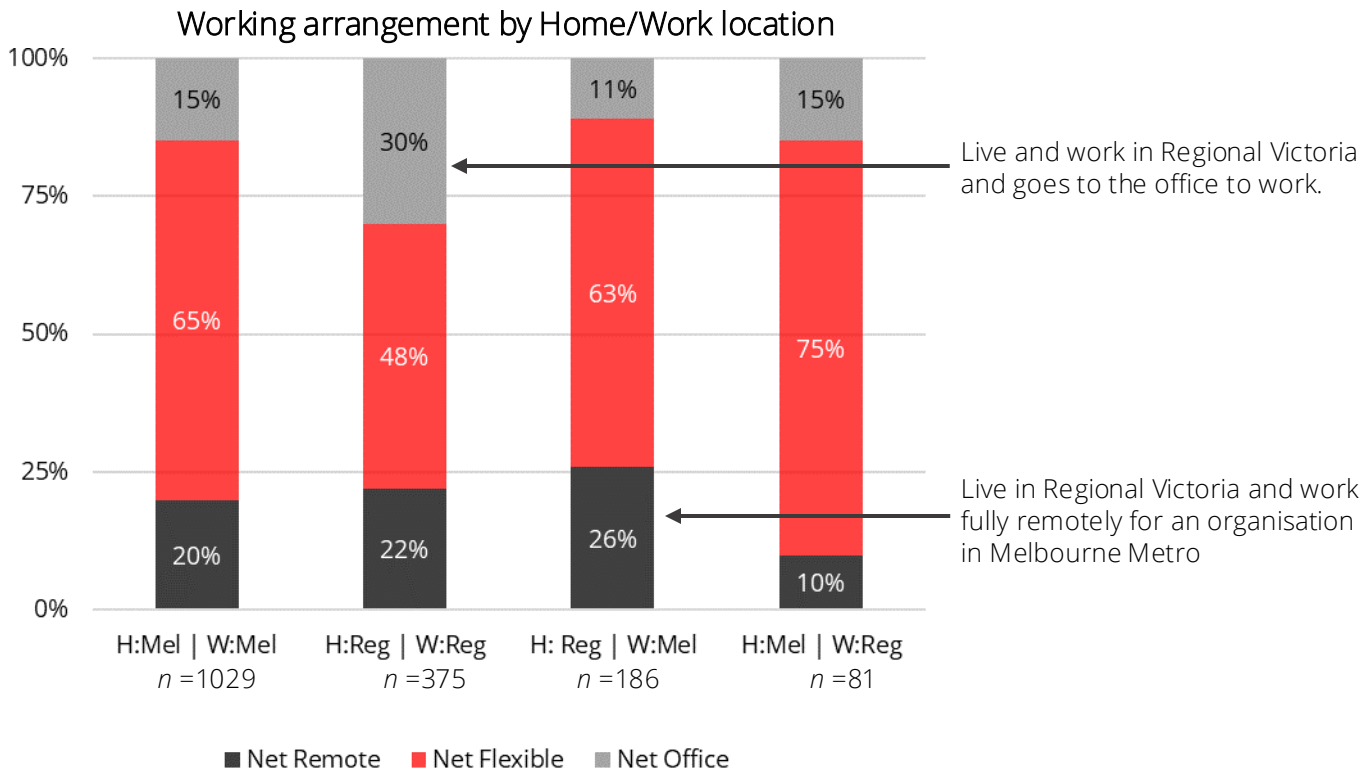


Figure 16: Percentage of respondents by working arrangement and home/work location.

The prevalence and demand for fully remote roles is increasing

Employers have seen an increase in demand for 'remote first' roles since the pandemic. Some job candidates are applying for roles with an expectation that they can work remotely all or most of the time but self-select out of the application process when the employer explains that all workers are expected to work in the office for a set number of days per week. As a result, hybrid work practices can be a blocker to attracting and retaining talent for employers who adopt this approach.

Conversely, some employers are taking advantage of the opportunity to hire the 'best talent,' by offering 'remote first' roles to job candidates from other geographies on a by-exception basis if this person is the best candidate for the role.

However other employers, predominantly global and national organisations, are actively seeking fully remote workers across geographies to access a wider talent pool due to worker shortages in their sector, because they need to work across office locations in different geographies or because they are comfortable with dispersed teaming as virtual working proved successful during pandemic lockdowns.

"The reach that you can have is a little bit bigger if you can say to people well, you don't have to relocate you can work remotely but we do also say you need to have some of your presence here on site. So it has meant that some people have selected out of the process [saying] I want to work remotely most of the time and then just maybe come on site, you know, once or twice a month…that s actually not going to work."
(Employer 5)

So those roles we were looking to hire in Melbourne, and we thought, oh, maybe there's someone outside of our city that is perfectly capable of doing this and is qualified for this job. So it was really a talent play."
(Employer 1)

"Prior to COVID, it was very unlikely that you would hire outside of the two head office locations…and what we have enjoyed since having a more flexible arrangement … is that we have been able to get talent from locations that previously have not been tapped into
(Employer 8)

Hybrid is such a standard across the place that it s not so much as an appeal, if you like. And because we do have the requirement to come in those couple of days, I think that could be seen as a bit of a blocker for some people.
(Employer 12)

Source: Phase 1 Interviews with Employers

Hybrid work practices have different degrees of flexibility

Employer's approaches to hybrid work vary and there is no one-size-fits all solution for individuals or organisations. Common working arrangements are:

NET Remote	Remote Only	Work remotely unless a special request is made to work in the office
	Remote First	Primarily work remotely but occasionally work in the office for 'moments that matter' *(i.e. visit the office monthly, quarterly or annually)*
NET Flexible	Fully Flexible	Freedom for workers to choose their work location every day and to come to the office for 'moments that matter'
	Fixed Split	Work in the office for a specific number of days per week as determined by the organisation or leader. *(Mostly for 2-3x days per week)*
	Flexible Split	Work in the office or onsite for a specific number of days as decided by the worker. *(Mostly for 2-3x days per week)*
NET Office	Office First	Mainly work in the office but occasionally work remotely *(i.e. workplace management roles)*
	Office Only	Always work in the office or onsite unless given special permission *(i.e. customer facing roles)*

Table 1: Hybrid work models ((Source: Hopkins, J., & Bardoel, A., 2023)

In 2023, employers have been evolving flexible work policies and enterprise agreements to incorporate remote work practices and provide clear frameworks for leaders to have discussions with workers about remote and onsite work arrangements. Workers are fearful of losing the flexible work conditions that they currently have.

People had become very used to working remotely and obviously started to change their lives as a result of that including purchasing property well away from a central hub, so then coming into the office becomes very difficult. And so we had to then get quite prescriptive around expectations ....in May of this year the Executive made it very clear that all senior leaders...the expectation would be that they spend the majority of their time in the office which equates to a minimum of three days

(Employer 8)

We're flexible, but we say full timers...should be at work physically ...three days a week. So three days in, two days out and and absolutely we're flexible on that. But that's our default position.

(Employer 4)

'So what we've said is for each leader you manage your team, how you see fit. However, we suggest you do things, like, we want people in the office the majority of their working week, whatever that happens to look like. So if that s three days, great. If it's two days, great. If you can't get there and you're OK with that also great but pick a day where everyone's in so that you've got a connection with your team

(Employer 6)

When we came out of COVID...we didn t take a hard line [about working in the office]...because you could have moved to Geelong or... to a different state...we haven t forced them back to an office location...because...we've worked out how we can work...in a distributed way...but also we understand that it s a really positive...condition for our staff to be able to choose and have the flexibility around where they work.

(Employer 1)

"When first our CEO mentioned...something about hybrid and going to do a survey, I had hundreds of people reach out and go 'you cannot change my conditions'... but they were really scared we were going to pull that [remote work] away from them"

(Employer 1)

Source: Phase 1 Interviews with Employers

There is an emerging trend for cross regional work / living arrangements

Employers say that workers are willing to commute longer distances than before the pandemic with job candidates increasingly applying for roles outside of the region where they live with the expectation that they no longer need to commute to the office daily.

This has enabled employers to retain employees who relocate or to hire 'best talent' from other regions that would not have been an option prior to the pandemic. A variety of hybrid work arrangements have emerged as a result including weekly, monthly, quarterly or ad hoc commutes to the office for in person interaction.

Cross regional working has also created career advancement opportunities for regional Victorian workers who can apply for roles at their company headquarters or for another employer without needing to relocate.

Examples cited, of cross regional work arrangements with 'short commutes,' included Melbourne Metro to Greater Geelong, Gippsland or Woodend. Examples of longer cross regional working arrangements included Mornington Peninsula to Torquay, Mildura to Gippsland and from Bendigo to Melbourne, New Zealand and Canberra.

"Access to where people may be domiciled has opened up further. They're willing to make that trade off to commute further...knowing that it doesn't have to be all the time. So we're definitely finding that we're attracting people probably further than what we had done in the past..And some people have obviously moved out as well [and continued to work for us].... So we've sort of been attracting people more broadly in and then some people have been moving out."

(Employer 2)

We have a project manager on one of our...projects at the moment who doesn t live anywhere near us and, you know, took the job on the basis that they...only need to come in only very occasionally for meetings and that s working very well

(Employer 4)

"I think we've seen an increase in the number of...existing employees, so internal candidates, applying for roles and having an expectation that they could perform that [as a hybrid or remote role]. Whereas previously they might have to travel into headquarters or move to Melbourne to be able to undertake those roles"

(Employer 9)

Well, it s certainly around staff retention ...that s... the big one...we ve had people come to us to say I can no longer work here because of XYZ...I'm moving to Queensland or whatever. And we ve said, well hang on, let s let s have a conversation and see if we can make it work

(Employer 3)

"One of the people that we have in marketing has requested to move to Melbourne. Previously if someone is moving locations, they'd quit their job and they get a new one. We've had none of that unless somebody's actually changing career, we can accommodate them pretty much wherever they're going'."

(Employer 6)

Source: Phase 1 Interviews with Employers

The quantity and quality of job candidates in regional Victoria is higher

Employers advised that the quantity and quality of job candidates applying for roles with regional and peri-regional Victorian employers is higher than before the pandemic.

This can be attributed to the increase in outflow migration of white-collar workers from Melbourne Metro to regional Victoria and because job candidates will apply for hybrid work roles outside of their region, particularly for 'remote first' and 'fully flexible' roles because they do not need to commute daily to the office.

Another factor, identified in the Future of Work Lab 'The Great Migration' report, is that the percentage of young, higher-income people moving to regional Victoria has increased since the pandemic and this cohort is more likely to have a higher education qualification.

Employers with an office in the outer suburbs of Melbourne Metro have also seen an increase in the quantity and quality of job candidates since the pandemic as commuting to the CBD is now seen as a less attractive option to workers than it was before the pandemic.

I had just last month advertised for a project officer to work with First Nations people and usually those roles working with indigenous communities, you don't get a lot of applicants because not a lot of people have got that experience and we had 12 applications which in and of itself doesn t necessarily seem like a huge number but was way more than expected
(Employer 5)

"We are getting better quality candidates because of what we can offer [hybrid/remote work]. I don t think it s about quantity, it s about quality
(Employer 4)

"From an EVP perspective, for our phone based staff, the ability for them to be able to work from home has definitely allowed us to attract a...broader cohort and probably higher quality level of candidate...we were definitely finding for some roles...the number of applicants we were getting was higher."
(Employer 2)

Before COVID, we were on a train line, but...based in the [outer] suburbs of Melbourne and working in the CBD was cool, right? There were certain people that were sort of like, I don t want to work in the suburbs...that s not really cool . Whereas now things have changed. I ve got free car parking. I don t have to commute on public transport if I don t want to ...not working in the city...even though we re in...the [outer] ring of Melbourne has switched from being something that wasn't considered attractive to...something that was... attractive...it...sort of happened as a result of COVID
(Employer 2)

Source: Phase 1 Interviews with Employers

Commuting Time is the Most Influential Factor Affecting Office Attendance

Respondents living in Regional Victoria spend less time commuting than those in Melbourne Metro. An analysis included in Appendix B, identifies commuting time as the most influential factor affecting the respondents' decision to go to the office.

While both commuting experience and travel time are individually important, they appear to be highly correlated. This means it is difficult to distinguish if both, or just one, aspect affects the decision to go to the office or not. Experience and time also influence each other: if your commute is longer, your experience tends to be less pleasant, potentially rendering the commuting experience insignificant in the overall model.

Office location (Melbourne Metro or Regional Victoria) does not significantly influence office attendance. However, shorter travel time for most respondents in Regional Victoria may account for their higher office attendance.

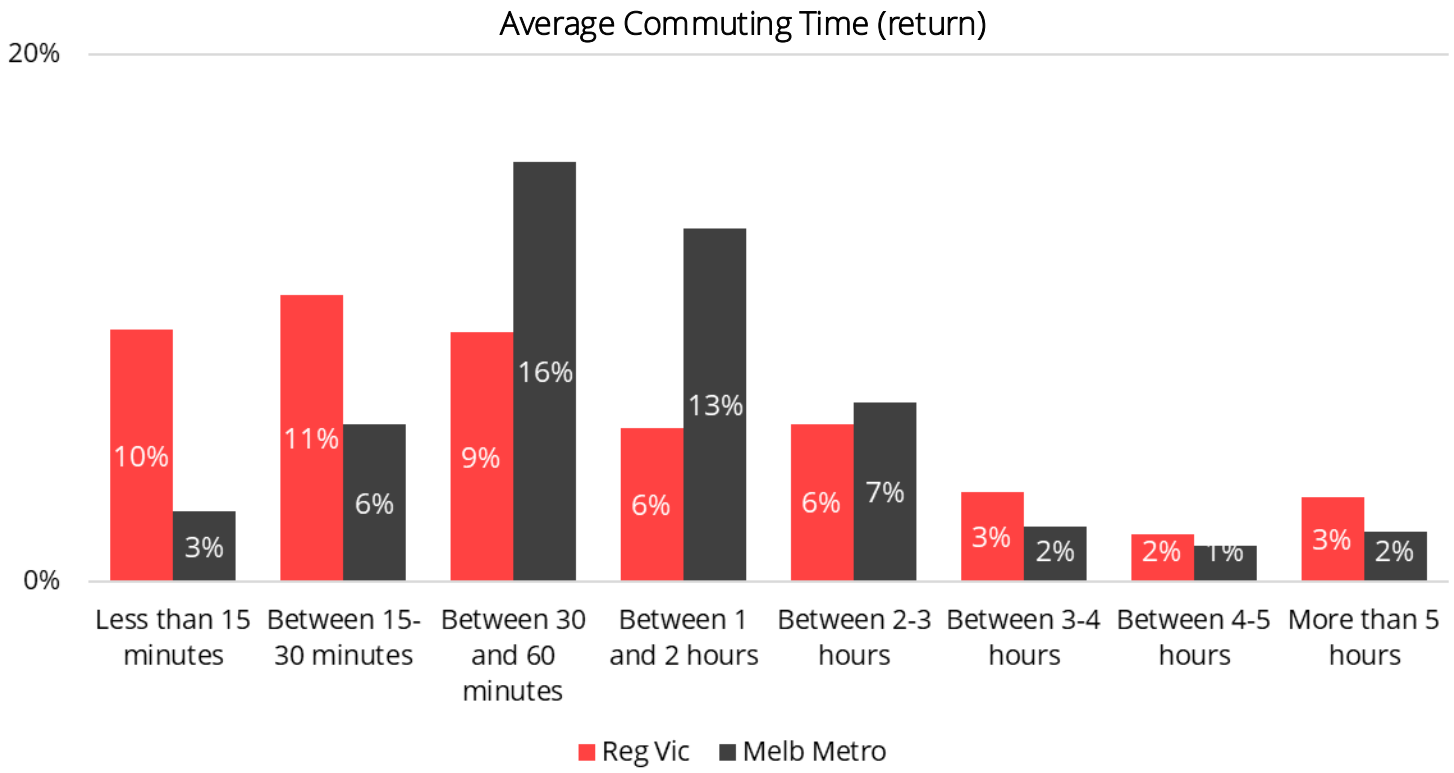


Figure 17: Survey Comparison of commuting time (return) by region, weighted, *N* =1,672

Comparative Satisfaction Levels with Work Context

Survey respondents' satisfaction rates for working from home (WFH) in regional Victoria (86%) are marginally higher than in Melbourne Metro (83%), figure 15.

However, satisfaction rates are lower in Regional Victoria for:

- Internet connectivity
- Transport to Melbourne and in the regions
- Professional networking opportunities
- Access to co-working spaces

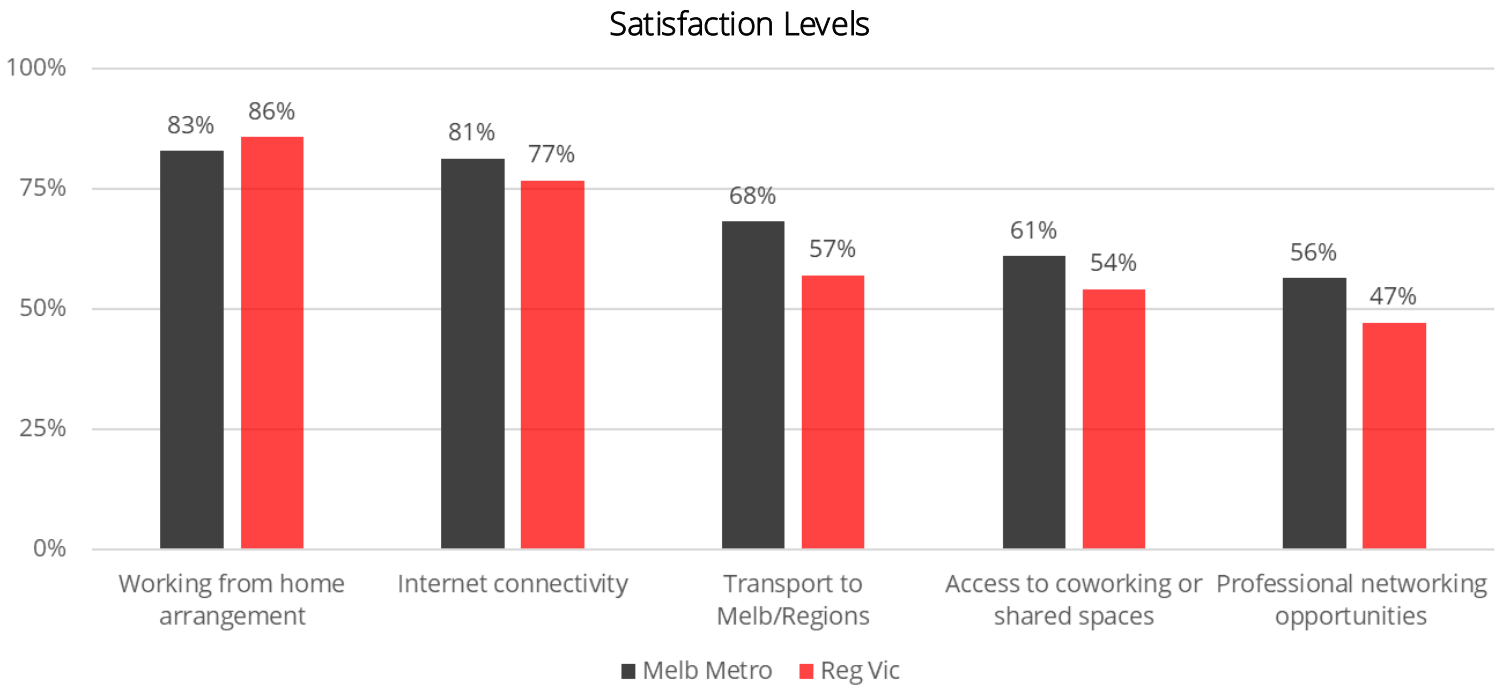


Figure 18: Percentage of respondents that ranked the parameter satisfactory, by location, *N* =1,672.

5.0 Phase 2 Methods

This section outlines the work undertaken in Phase 2 of this research study

Phase 2 Methods: Case study research

Case Study Research (Employers)

The case study research was undertaken with 3 organisations, based in different locations of regional Victoria, who have white collar workers that have adopted hybrid or remote work practices.

60-minute, semi-structured interviews were conducted online, by 2 members of the research team, with 4-6 representatives from each organisation between 20th May and 28th June 2024.

The purpose of these interviews was to understand employer's current approaches, early successes and learnings from adopting remote or hybrid work practices. Questions were based on a variety of themes including hybrid/remote work policies and practices, drivers for remote work adoption, the implementation of remote/hybrid work, the impact remote/hybrid work has had on the organisation, communication practices, employee satisfaction levels and challenges that have arisen as a result of remote working. The questions used during the interviews are included in Appendix 3.

Interview participants were identified by the organisation's nominated primary contact to ensure a cross section of the organisation was represented. Interview participants included executives, people leaders/managers and employees, including the head of the People & Culture, function from each organisation (see Table 9).

A site visit was undertaken to the primary regional workplace of Participant Organisations A and C to observe the onsite workplace experience and to understand the current workspace and technology offering. A site visit was not undertaken of Participant B's workplace due to time constraints.

Interview Participant's Role	Participant Organisation A	Participant Organisation B	Participant Organisation C
1. Chief People Officer / Senior Business Partner PC&E	1	1	1
2. Executive – Head of Platform & Architecture	1		
3. People Business Partner	1		
4. General Manager – Residential Sales		1	
5. Call Centre Manager – Residential Sales		1	
5. Team Manager / Team Leader	1	1	3
4. Employee	1		2
Total Interview Participants	5	4	6

Table 9: Interview Participant's Role in the organisation

Phase 2 Methods: Case study participants

The 3 organisations, who participated in this case study research, are based in regional Victoria. While all organisation's had a workplace presence in Melbourne CBD their primary workplace was located between a 1-2x hour commute outside of Metro Melbourne (see Table 10). The primary workplace of each organisation was located in a different region including Barwon, Gippsland and Loddon Campaspe (see Figure 19). One organisation also had interstate and overseas offices.

Participant organisations differ in type and size to ensure insights from a variety of perspectives and experiences. Participant Organisation A is a small, business with 60 employees who live geographically dispersed, including some who reside interstate. Participant Organisation B has 1800 employees with approximately 150 people based overseas. Participant Organisation C has 1200 employees who reside in Victoria within a commutable distance to their regional office.

Case study participant organisations are from different sectors. One is privately owned, another is publicly listed and the third is a government organisation. Employees from all organisations are white-collar workers who can do hybrid or remote work. Two organisations also have customer service or call centre staff.

Figure 19: Regional Partnerships across Victoria

Source: https://www.rdv.vic.gov.au/regional-partnerships/partnerships

Office Locations

Organisation	Employer No	Global Offices	Interstate Offices	City of Melbourne		Regional Victoria		
				CBD	Suburbs	Barwon	Loddon Campaspe	Gippsland
Participant Organisation A	60							
Participant Organisation B	1800							
Participant Organisation C	1200							

Note: Colours represent office locations

Table 10: Participant Organisation's office locations

Phase 2 Key Findings

This section reports the high-level findings of the case study research undertaken with 3 regional Victorian employers

SWINBURNE EDGE

There is no ‘one size fits all’ approach to hybrid work

As noted in our phase 1 report of this research study, hybrid work practices have different degrees of flexibility from remote first and fully flexible models through to fixed split, flexible split and office first models. Hybrid work adoption approaches also vary.

Like many organisations, one of the case study organisations adopted hybrid work organically after the COVID-19 pandemic. Individual departments created their own hybrid work practices and principles to suit their function, role and leadership preferences. This has led to a wide variety of hybrid work models across their organisation which can lead to a perception of inequity if not carefully managed.

For this organisation, although they don’t have a formal hybrid work model, they are currently looking at how they can create more structure around hybrid work practices across the business to increase flexibility, particularly in call centres which are perceived as largely inflexible. They are also considering how to accelerate relationships and connection through onsite working. However, equity doesn’t always mean equal arrangements as different roles have varying needs. For example, call centres require schedules and rosters to ensure customer response times are managed during operating hours which impacts time flexibility.

Another case study organisation adopted a remote first work practice several years before the pandemic and have taken a structured, long-term approach to embedding dispersed teaming into their culture. Location and time flexibility are inherent in the way they work.

Prior to the pandemic, the third case study organisation had a ‘prove to us it will work’ type of flexible work policy which proved no longer fit for purpose post-pandemic. They trialled new guidelines for 18 months before launching their hybrid work policy. This is a flexible split approach with employees expected to be in the office three days per week that is loosely followed. Teams self-organise through localised discussions based on three guardrails including balancing client needs, team effectiveness and individual preferences.

This approach is underpinned by a fair value exchange of ‘if you get flexibility, you give flexibility’ so employees will flex their work arrangement to suit differing needs. Managers see hybrid work as a privilege that can be wound back if performance becomes an issue. In addition, managers also need to manage perceived inequity issues due to team’s different hybrid work practices.

Hybrid Work Approaches: Key Takeaways

- These three organisations employed different hybrid work approaches:
  1. Employed different models across the organisation where individual departments set their own hybrid work parameters based on role/function
  2. Adopted a remote first approach across the organisation that was embedded before the pandemic
  3. Have a flexible split model, where employees are expected to spend three days a week in the office that is loosely followed
- Hybrid work is a privilege not a right flexibility can be rolled back if the privilege is exploited
- Fair value exchange if you get flexibility, you give flexibility
- Potential issue of perceived inequity when there are different approaches across an organisation (equity doesn t always mean equality)

> *I think the biggest thing with work from home is that it s definitely a privilege*
>
> P&C Leader

Reasons for hybrid work include attraction & retention and balancing flexibility with onsite engagement

Since the COVID-19 pandemic, flexibility in both location and time has become an expectation of employees who value the ability to balance work-life activities. Employers say that flexibility is critical for attraction and retention. It can enable them to cast a wider net for talent, especially when competing for IT professionals.

A leader from the remote first organisation said that flexibility was inherent in the way they work as they understand that different people have different needs for working remotely and in the office. Being able to work remotely enabled their people to accept a role in another location while maintaining their quality of life, such as living near family and friends, to have more leisure time, to reduce time spent commuting and minimise travel expenses.

But they also recognise that their people sometimes needed access to office space for social or cultural needs, informal social learning, collaboration, engagement or because they had an inadequate or unsafe home environment. They have therefore retained an office space and provide access to other coworking spaces so that people who live further away can choose to collocate when needed.

Spending some time working in the office was also seen as important to leaders in the other two participant organisations. One organisation has taken a performance culture lens and believes teams are more effective and impactful through connecting personally onsite to brains trust, knowledge share, innovate and undertake continuous improvement activities.

The other organisation recognises that face-to-face working accelerates relationships by building relatedness, connection and culture through banter and knowledge sharing in the office. However, they also realise that many leaders are biased towards in-office working as they haven't developed the skills to lead hybrid teams and plan to develop these leadership skills.

Several employees spoke about the value of being able to change their degree of flexibility to suit different life stages including caring for children, older parents or family members with health conditions. This benefit can extend beyond the employee. For example, one participant spoke about the benefit that working from home had on his work-life balance as he was present to 'watch his children grow up' but also to enable his partner to return to work earlier.

Reasons for Hybrid Work: Key Takeaways

- Location and time flexibility is an expected norm post COVID
- Hybrid work is critical for attraction and retention and enables organisations to tap into a wider talent pool
- Different people have different needs for working remotely or at the office
- Employees can maintain preferred quality of life and better balance work life needs
- Leaders say spending sometime in the office is valuable for culture and connection
- Leaders/managers accept increased flexibility but some are not skilled in managing a hybrid workforce

It s really important to us that we can provide lots of flexibility to our employees so they can work and live the way they want to work and live

People Leader

The degree of flexibility offered impacts attraction and retention

The degree of flexibility an organisation offers impacts its ability to attract and retain employees. The flexibility that a remote first policy offers has enabled one participant organisation to access a greater talent pool across Australia. Ensuring they hire the right people who have the capability to succeed in a dispersed teaming environment is important for retention. For example, remote first employees need to be able to work autonomously, to learn and master skills in a remote environment and to socially interact through virtual channels rather than face-to-face.

Expectations and enforcement of time required onsite limit the talent pool to people who live within a commutable distance to the office. The government participant organisation, who expects three days in the office, noted that they may be an attractive option for candidates with government experience, but their policy is a deterrent for candidates in the full market. This has been challenging for parts of the organisation, particularly IT, where there is higher competition for talent. This organisation, who is based in a location that is commutable to Metro Melbourne, is also finding themselves competing for local talent with Melbourne organisations who may be offering higher salaries and more flexibility than their three days a week in the office policy.

According to employee engagement surveys, undertaken by one participant organisation, low flexibility is impacting engagement and retention. Since introducing these regular surveys, which provides data about different factors that influence engagement, individual managers have evidence-based feedback to reflect and act upon.

This has led to an evolution of management practices which has reduced turnover by ~10%. However, lack of flexibility is still one of the two main factors contributing to turnover, particularly in call centres where there are currently higher expectations for time spent in the office. They are currently looking at how to increase call centre flexibility to enable them to widen their talent pool and potentially increase scheduling efficiencies.

Hybrid work, including time flexibility, has increased return to work and career progression opportunities for women who are juggling work and family responsibilities. One participant noted that hybrid work was the catalyst for her being able to take on a leadership role as without location and time flexibility, she could not take on higher duties and manage the needs of a young family as her partner works night shift.

Attraction & Retention: Key Takeaways

- The degree of flexibility offered is a differentiation point to attract and retain talent.
- Expectations/enforcement of time required onsite limits talent pool to commutable distances
  - Talent pool is expanded, in terms of commutability, if hybrid work is offered in lieu of fulltime onsite working
- There is competition with Melbourne employers for talent, especially in technology roles
- Flexibility aids retention according to employee engagement surveys
- Greater access to/opportunities for career progression for women to balance family needs

There is a contingent of young people that started work through COVID and they haven t known anything other than hybrid

Employee

Flexibility is important to employee engagement: time spent in the office needs to be purposeful

Several employees interviewed were grateful to work for an organisation that enables flexibility and for the degree of flexibility they currently have. However, they said there would be an uproar if a hybrid work policy of three days a week in the office was enforced, and that evidence would need to be provided by their organisation to validate why this was required.

Some leaders have noticed an increased sense of entitlement amongst staff regarding hybrid work privileges and that their organisation has 'pushed the dial' too far on individual and personal preference versus team and community. For one organisation, a policy shift from a one day to a three days in the office per week led to lower employee satisfaction scores. Subsequently, leaders were unable to get some employees to come into the office for three days a week.

While employee satisfaction in that organisation is slowly improving, a tension remains between employee and leadership expectations about how much time employees should spend working in the office and why. Several employees interviewed see value in working onsite to connect, for onboarding and to undertake collaborative activities, such as workshopping or project planning, but don't buy into organisational rhetoric that enforcing three days per week will improve culture or performance.

Employees need to feel that time spent onsite is purposeful. Some leaders arrange anchor days to ensure that team members are onsite at the same time and plan social or networking activities for onsite days. Other organisations structure work flows so that focus activities are done at home and complex problem solving, team interaction or generative work are done in the office. One organisation has created a narrative about why they work the way they do to help people understand how this enables team synergy, learning and connection.

One executive said that engagement is low in one area of the organisation, with employees providing feedback that they have limited flexibility. To address, they are encouraging the manager of this area to view flexibility as a positive resource to motivate employees and improve work engagement.

Participants also identified a variety of virtual engagement techniques including informal virtual chats during meetings, inclusive facilitation and 'no stingy listening' which is a rule one organisation has for being present, prepared and not multitasking during virtual meetings.

Employee Engagement: Key Takeaways

- Employees are grateful for flexibility they have (when not enforced) and the ability to adapt to suit different life stages
- Increased sense of entitlement amongst some employees individual and personal preference vs team and community needs
- Tension between leaders who want a higher office presence and employees who want evidence to validate why this is required
- Time spent on site needs to be purposeful enable collocation, differentiate onsite & remote activities and create a clear narrative
- Flexibility is a positive resource to motivate employees and improve engagement
- Be present and engaged in virtual meetings no stingy listening

The benefit of hybrid / flexibility....that colleague who s on his own...he likes coming in 5 days a week...but...he ll have the option to change that....as you go through your different life stages...you can make it work for you

Employee

Cultivating culture needs to be intentional in a hybrid environment

Prior to the pandemic culture was organically built when working in the office. Cultivating culture needs to be deliberate in a hybrid environment and leaders need to learn how to build this intentionally and to be inclusive of in-person and remote workers.

Dispersed teaming is embedded in one organisation's culture which they have been nurturing, evolving and constantly improving on since before the pandemic. Managers have had to learn how to meaningfully connect with their team through regular team meetings, weekly 1:1 catchups, and virtual social activities with a focus on seeing each other for their strengths and building trust quickly.

In addition, letting go, trusting people to do the work and bring their own essence to the organisation is encouraged. Fun is a key element to engage people in the work culture and they recruit people that are the right cultural fit and can be adaptable to suit client needs.

All 3 organisations recognise the value of face-to-face interaction to accelerate connection and relationships particularly when onboarding new starters. One participant noted that this was taken for granted prior to the pandemic and there is an increased appreciation of being in each other's presence in the office. They are working on building understanding across the organisation about how they want people to connect and how meaningful those connections are as, despite best intentions, this doesn't necessarily happen when people primarily engage online.

Organisations need to be mindful of managing negativity that can arise from hybrid working, such as a perception of inequity due to different hybrid work practices or manager expectations across an organisation. If time spent on site is not used purposefully, employees feel like they are simply fulfilling a quota, which can feed negativity.

Leaders identified several other cultural challenges that have arisen as a result of hybrid work. It has allowed people to step back and avoid difficult conversations, for example by sending an email, when it would be better to have a conversation in person. Some people have become anchored to their homes and are reluctant to come into the office to build social connections. And office-based roles can be impacted where there is a high degree of interdependency with hybrid workers due to miscommunication or differing expectations about how information is conveyed or speed of response times.

Culture: Key Takeaways

- Cultivating culture needs to be more deliberate and intentional in a hybrid environment.
- Hybrid/remote work/dispersed teaming is optimised when it is embedded in the culture (how we work, how we think, who we are). It needs to be nurtured, evolved and improved over time
- Face to face interaction accelerates connection and relationships especially for new starters this is not taken for granted as it was before COVID
- Both Inequity in hybrid work practices as well as enforcing onsite work practices can foster negativity
- Hybrid work has enabled people to avoid difficult conversations which are better done in person
- Office based roles can be impacted by others working in a hybrid mode depending on the degree of interdependency

"There is something to be said for relationship and culture building through being in the office
P&C Leader

People get excited to see each other when they come into the office, that opportunity to connect… it fills their cup being around people
People Leader

Virtual engagement broadens social networks : face-to-face builds meaningful social connections

All participants, including those with a remote first model, appreciated the value of face-to-face engagement to build social connection. The bond that people forge spending time personally connecting with colleagues, over lunch or coffee, accelerates trust, understanding and knowing how someone is really doing. For some people, who live alone or have young children, coming into the office for an adult conversation is an opportunity for social connection.

However, social connection needs to be deliberate in a hybrid work environment to bring people together. Leaders need to create opportunities for people to come together, virtually and in person, and reinforce the value of socialising and serendipitous discussions in the office.

To foster connection across the business, the remote first organisation flies all employees to one location biannually. They meet new clients in person at the start of every project to connect and build understanding. Teams and individuals can access co-working space as needed to facilitate social connection. Another company arranges team building offsites with activities concentrating on behavioural preferences and team dynamics. This enables employees to connect, get to know each other as people and form closer work bonds.

In a remote environment, social connection can be deliberately fostered by brokering introductions to people outside of the immediate team. Leaders at one organisation will introduce team members to other 'experts' in the organisation to answer queries or train staff to broaden social networks in lieu of responding themselves. Regular virtual social activities (i.e., weekly) are encouraged.

In addition, different team members facilitate the monthly company-wide meeting and employees are asked to present, often with humour, to have a 'moment to shine' and be seen so that everyone gets to know each other. Commenting in the virtual chat during these forums is encouraged to increase employee engagement. If the chat is inactive, leaders will drop in a funny comment to stimulate banter so that staff know that it's safe to participate.

Two participants said that hybrid work has increased social connection as individuals can easily engage in virtual channels and chat forums outside of their immediate team to get to know people. Therefore, they are more likely to reach out to seek advice, share knowledge or bring someone outside of their team into a discussion. Channels were used for social, learning, work activities and informal comms.

Social Connection: Key Takeaways

- Participants, including remote first workers, see enormous value in face to face engagement to build social connection with colleagues and/or clients
- Increased access to people outside your area on virtual chat channels
- Social connection needs to be intentionally fostered to bring people together, especially in a fully virtual environment
  - Broker introductions for people to meet others outside of their immediate team
  - Encourage informal chats
  - Schedule different presenters/facilitators in meetings
  - Organise regular social online activities

At the start of the project, we definitely try...meeting clients to have that one on one...with them to get to know them better, not just work related...when you meet someone in person, you can have a different set of conversations as well

Employee (Remote First)

There is a preference to onboard new starters in person for quicker assimilation

All organisations prefer to onboard new starters in the office to accelerate trust, social connections, learning of on-the-job processes and assimilation into organisational culture.

For the remote first organisation, this is a combination of social interaction, such as a team welcome lunch, and 1:1 introductory meetings with specific leaders and their buddy during their first week. The buddy program was established to assist with the integration of new starters by frequently catching up with them, virtually or in person, and being available to address questions as they arise. New starter's technology setup is established in advance and delivered to the worker's home by 9.30am on their first day whereby the tech team will call the new starter's mobile phone to help them get connected and working.

Job candidate's cultural fit is assessed in the final interview where expectations and tangible examples of how they work are communicated to ensure candidates understand cultural expectations, are suited to a remote first work environment and know what to expect on day one. The organisation curated their values, cultural attributes, and behaviours when they were a small 4-person team and has rolled this out carefully as they scaled up their organisation.

One of the other organisations also has a buddy program and sets expectations upfront with job candidates about hybrid work to ensure that new starters are prepared to come into the office as per their policy. They expect new starters to spend more time in the office during the onboarding process as it is slower to get them up to speed when they are fully remote and for them to get to know team members and build a social network.

The third organisation expects new starters to spend more time in the office for up to six months, especially in the call centres where they like to observe, monitor calls and coach workers 'on the fly'. Call centre workers won't start working from home until they have established that they are competent in the role and then they could work one to two days from home which is evaluated based on their performance. During the onboarding period call centre managers prefer to keep the whole team around the new starter in the office as much as possible.

All organisations undertake working from home checks as part of the onboarding process to ensure new starters have secure work conditions and ergonomic desk setups to work from home comfortably.

New Starters: Key Takeaways

- There is a preference to onboard new starters in person for reasons of:
  - Assimilating into the organisational culture more rapidly
  - Accelerating working and social connections by meeting colleagues face to face
  - Understanding job role scope and processes
- Organisations employ several techniques for new starters:
  - Buddy programs to introduce colleagues and address organisational process questions
  - Home office ergonomic setup checks and suitability of home office for sensitive data
- Tech setup ready for new starter commencement is critical for immediate effectiveness
- One organisation did not allow new starters to work from home until they had mastered the organisational processes, typically 6 months

Digital work practices can facilitate informal learning

Remote working has decreased informal learning as workers are not able to observe, role model, or overhear conversations as they did when work was traditionally undertaken in the office. However, employees who spend three days a week working collocated in the office believe that informal learning is no different to working five days a week in the office.

Informal learning needs to be more intentionally fostered in a hybrid environment. Several participants noted that the ability to share knowledge or ask questions has increased due to the prevalence of virtual chat channels and that they can reach a larger audience than they can in a traditional workplace environment. This is working for teams, such as customer service personnel, who need a quick real time response from another business function.

One organisation schedules a fortnightly learning hour, which is considered sacred, where the team train each other in facilitated sessions or have dedicated time for individual online learning, as well as champions who setup virtual 'water cooler' chats. This balance of work-related and relational communication allows people across the organisation to get to know each other in a way that breaks down barriers so that people are more likely to pick up the phone or reach out on chat channels to ask questions.

All organisations encourage online learning and some provide access to external tools such as LinkedIn Learning. This, combined with virtual chat channels, may be a preferred way of learning for some Gen-Z workers rather than interpersonal interaction.

However, it was generally accepted that learning is accelerated when done in-person. All participants scheduled time in the office for managers and team members to work with new starters in person to get them up to speed quicker. Working closely together in person, with a whiteboard to be able to convey information, align expectations and read body language cues was seen as an accelerator to both learning and innovation.

In call centres, training is currently organic and immersive by sitting beside someone to listen to calls and to receive real time coaching. One leader noted that they have not yet evolved their learning methods to be as flexible as they should be to adopt a more variable hybrid model.

Learning: Key Takeaways

- Reduction in traditional informal learning due to increased remote work
- No tangible difference, in informal learning, between three and five days in the office
- Digital channels such as virtual chat, on demand learning and online meetings, are increasingly being used as a learning/knowledge sharing pathway
  - There may be a generational difference with Gen Z having grown up in the post internet world
- Generally, learning is accelerated when done in person
- Intentionally foster learning culture in remote first environments (i.e., institute learning hour, chat channels, champions, buddies)
- Encourage work related communication along with relational communication

Hybrid working makes it more difficult to use traditional learning methods and we have not yet evolved our learning methods to be as flexible as they should be to meet an adapted hybrid model.

P&C Leader

Remote work increases efficiency for task-based work : office more effective for complex collaboration

Remote work has enabled greater efficiency for asynchronous individual working as workers can generally control their environment and focus with less distractions. It has also improved 'life efficiency' as employees can more easily balance work and life duties and, by avoiding a commute, get straight into work or life activities seamlessly at the beginning or end of the day.

A remote first leader stated that having the ability to live and work flexibly is reflected in the attitude, commitment and way that teams work more effectively to deliver outcomes faster. This leads to a fair value exchange where employees occasionally work out of hours to achieve a deadline as they have the flexibility to balance work life as needed.

Generally, employees say they feel less efficient working in the office as they are distracted by noise and the social aspect of face–to-face working. However, leaders recognise the value of overhearing conversations and informal engagement through collocated working to improve team effectiveness. One leader believes that leveraging the team brains trust, i.e., by being able to casually seek an opinion, could also improve individual effectiveness from 80% to 95%. Another noted that working face-to-face provides more space to understand a problem before bolting off to a solution. A third leader noted that client satisfaction has dropped potentially because employees are effectively doing tasks but not connecting with clients. There appears to be a tension between employees (individual task based) and leaders (team effectiveness) view of efficiency.

Leaders and employees both said that complex collaboration and problem-solving activities, such as workshopping, brainstorming and planning, are more efficient when undertaken in-person. These are also seen as opportunities for managers to be more present for staff. Some participants also said they prefer in-person engagement when they have a full day of meetings or are meeting a client.

The combination of virtual chat channels, to ask a quick question or delegate a task, and virtual collaboration, for transactional meetings and discussions, was seen as effective. However, the quantity of virtual communication and expectations of a quick answer have increased, people are easily distracted, or multitask, in virtual meetings and IT issues, such as slow internet/intranet or clunky AV, inhibit efficiency. It takes discipline to shut off virtual distraction.

Efficiency & Effectiveness: Key Takeaways

- Remote work enables greater efficiency for autonomous, task based work (i.e., ability to focus with less distractions)
- Lack of commute on remote workdays means that employees can get straight to work
- Complex tasks where collaboration and timely communication is required is more efficient and effective in the office
- Task based work may be effective, but client satisfaction levels may be dropping as people aren t connecting with clients
- Collocation in the office aids team effectiveness (i.e., brainstorming, deep connections, overhearing conversations for learning purposes)
    - However, employees see working in the office as less efficient slow intranet & intranet, disruptions, social chats, etc.

I did a face to face last week…to work together in smaller groups…because somebody can represent a view that might be otherwise uncomfortable to present individually…generative work is more difficult to do online where there isn't relationships"

P&C Leader

'Most regional people work to live rather than live to work'

People Leader

SWIN BUR NE EDGE

Wellbeing and work-life balance has improved

Participants said that wellbeing and work-life balance has improved because of the ability to work remotely and that both location and time flexibility has become the default instead of 'ask for permission' flexibility policies that were common prior to the pandemic.

Providing a lot of flexibility to employees so they can control their quality of life by working and living the way they want to is important to one organisation. They understand the demarcation between work and life, stress this in the onboarding process and discuss this during team meetings. They have established processes and rituals to enable work-life boundaries, such as not scheduling meetings that conflict with school drop off and pick up times and a mandatory half an hour block-out for lunch is 'sacred'. Work is carefully scheduled over the week with no IT deployments on 'Free Flow Fridays'. No meetings are scheduled after Friday lunch so that employees can focus on completing their work and 'switch off' over the weekend.

This organisation keeps an eye out for signs of burn-out by monitoring data to track overtime or constant connectivity. This enables them to correct behaviour, discuss workload in team meetings, and intentionally 'look out for each other'. They recognise it takes discipline to set boundaries at home to switch off and not respond to chat or email messages, so they clearly communicate expected response times and shut down technology systems after 8pm except by special request.

Coming into the office or a co-working space is seen as important to avoid social isolation and loneliness. Another organisation sees working in the office as important to really check on how people are going and for mental wellbeing support for those who have tough phone conversations, particularly those in customer service roles.

One leader said that flexibility and work-life balance has increased engagement which improves outcomes. Others spoke about the positive impact on diversity and inclusion by enabling working mothers, people with mental health issues or those recovering from illness to reintegrate into the workforce at their own pace and choice of location.

Several leaders said there has been a reduction in personal leave for carer duties or minor illness as people can work from home. However, there may be an increased propensity to work when ill resulting in a lower rate of productivity or extending an illness that could be abated by rest.

Wellbeing: Key Takeaways

- Perception that employee wellbeing has improved due to greater work life balance opportunities
- Work flexibility (location and time) has become an expected norm to buffer stress from life events
- Organisations monitor wellbeing by gathering data about overtime, constant connectivity and signs of job burnout
- The office can provide an opportunity to mitigate social isolation
- Positive impact on equality especially for women, (i.e., career progression, return to work opportunities)
- Increases propensity for workers to stay connected to work even if unwell

I feel like I hadn't grown and developed as a leader for so long.....I m now working full time. I feel like I m doing a good job at work and I m doing a good job in my personal life with my kids and running a house and I thank hybrid working for that.

People Leader

People leaders need to trust employees to work autonomously

Many organisations have taken a leader-led, self-organising, approach to hybrid work even if they have a policy stating how many days employees are expected to work in the office. This has resulted in different hybrid approaches across organisations which, in addition to role and market needs, is often determined based on leadership preferences.

Most leaders have organically adapted to hybrid work out of necessity with limited experience in managing a virtual or hybrid workforce. Some managers are looking for greater clarity, structure, and support around how to have hybrid work arrangement discussions, how to increase employee engagement and how to encourage employees to come into the office when other parts of the organisation predominantly work from home.

One organisation said that they are challenging leaders to rethink pre-pandemic ways of doing things to provide greater flexibility for people to improve attraction and retention, employee satisfaction and diversity and inclusion. For example, there is potential to improve client service to manage unexpected volume by introducing location and time flexibility to call centre rostering processes. Using employee survey data to nudge manager's thinking about flexibility, autonomy and engagement has been a useful tool to enable reflection and adaption. Another organisation regularly uses data to monitor satisfaction, dynamically evolves work practices as needed and encourages leaders to model hybrid work behaviours by 'walking the talk'.

All organisations noted that more intentional communication is required with a hybrid workforce. Virtual workers may not hear things 'through the grapevine' and it is harder to observe how people are going. Managers need to be more 'hands-on' by scheduling regular team check-ins and one-on-one catch-ups virtually or in person.

Trusting employees to work autonomously is key to successful hybrid work. One leader noted that their workers are adults who they talk to about what works and what is meaningful. Another leader said that this has made 'give and take' easier with workers willing to show up if overtime is needed. Individual performance issues can be managed on a case-by-case basis instead of micro-managing all staff or enforcing a return to office. Another organisation has asked all Executive Team members to model a visible presence in the office 4-5 days per week as they are aiming to increase office presence.

People Leaders: Key Takeaways

- Understand how to manage a hybrid work workforce
- Leaders are looking for clarity, structure and support
  - For having hybrid work arrangement discussions
  - Increasing employee engagement
- More deliberate hands on communication is required
  - Regular team check ins
  - Regular one on one catch ups
- Leaders model good hybrid work behaviours
- Embrace employee trust and job autonomy
- Collect and analyse data for feedback on
  - Efficiency and effectiveness
  - Employee satisfaction
  - Wellbeing

Trust...just being treated like an adult and then me stepping up to the plate and being an adult with it...we should be able to be trusted to do those things anyhow

Employee

Location and time-based flexibility has increased in HR policies and practices

Prior to the COVID-19 pandemic, two of the participant organisations had flexible work policies where employees needed to formally request permission to work from home and had to prove that it would work. However, all three organisations said now that the ability to work remotely has led to an increase in both location and time flexibility for the majority of their workforce as a default.

While time-based flexibility, such as part-time or job share work has always been formalised, there is a higher degree of flexibility available now including condensed work weeks and flexible start and finish times (both formally and informally).

One organisation created a new flexible work guideline, which is 85% about location flexibility, and trialled this for 18 months before converting this into a policy. Initially, they did not ask managers to formalise location-based flexible work arrangements; however, they are now putting more structure around this due to changes in Fair Work Australia's rules and the board's interest in office utilisation. However, this will be based on connecting employees to the meaning behind working in the office, as opposed to enforcing compliance, and leaders will continue to have decision-making latitude to set localised hybrid work arrangements.

One leader noted that while their organisation has a hybrid work policy, with an expectation that employees spend three days in the office, there is no accountability to encourage this edict resulting in inequity of hybrid work practices across the company. This situation creates challenges for negotiating individual arrangements that align with the policy.

Another leader noted that employees want to see fairness across the organisation, not differing approaches to hybrid work. But they recognise that specific roles and functions have different needs and therefore hybrid work policies shouldn't be too descriptive. Individual departments need to have autonomy to decide what works for them. For example, technology roles are well suited to remote working whereas office manager or warehouse roles need to be primarily onsite. They would like to drive conversations about how flexible roles can be further established as they develop their hybrid work policy to ensure an equitable experience, not necessarily an equal one, across the organisation.

Having clear, unambiguous flexible work policies is important to aid employees understanding of working boundaries, and to provide clarity for leaders on decision-making latitude for work arrangements.

HR Policies & Practices: Key Takeaways

- Consideration is needed for both time and location flexibility in Flexible Work Policies
- Clear unambiguous flexible work policies aids in employees understanding working boundaries
- Different roles may have different requirements for flexibility. For example:
  - Call Centre: office attendance especially for effective coaching purposes
  - Technology: minimal office attendance
  - Office Manager/Warehouse roles: primarily onsite

Candidates are asking What s your working from home policy? What's your office policy?
People Leader

Clear, intentional communication is critical to hybrid working

Clear, intentional communication is critical to hybrid working. This starts at the organisational level with a clear policy with unambiguous language that stipulates clear guardrails regarding decision-making latitude for localised hybrid work arrangements.

Leaders need to be far more intentional and inclusive in how they communicate to provide clarity, share information equitably and foster connection. One leader said they make an effort to touch base more often with individuals due to remote working. Another said they have tools, called My Personal Manual and My Team Manual, that the team use to share their preferred methods of communication.

One organisation focuses on clearly communicating the hybrid work parameters to employees so that there is alignment on rituals, expectations and work practices for the team. In addition, creating a digital strategy on a page that communicates the vision and purpose of why they work this way and monitoring how they are tracking against the strategy is a valuable tool to communicate in a hybrid work environment.

The volume of virtual communication, via chat channels, email and internal communications, has increased and many people struggle to keep up.

This has been a big shift for two participant organisations who said they need to work on building digital capability across their business as many teams are not using the full capability of technology tools to improve team effectiveness and they need to foster more social connection.

Communication from home is seen as more formal and asynchronous which takes more time than having an informal virtual or in-person chat. In addition, expectations around quick response times are heightened in a remote setting, when people can't physically see whether a person is busy or at their desk. However, one participant said virtual chat has allowed them to get the feedback that they needed to get better which may not have happened in an office space where people may nod in agreement without having read all the information.

One organisation brings people together more often for communication purposes. They noted that virtual meetings are useful for transactional communication However, they are not ideal for large meetings or conveying nuanced information because people get easily distracted and it is difficult to read body language and interpersonal dynamics, especially if cameras are turned off.

Communication: Key Takeaways

- Setting clear hybrid work expectations is critical. (i.e., clear boundaries/guardrails using unambiguous language)
- Leaders need clear guardrails for decision making latitude when negotiating localised hybrid work arrangements
- Management attention to intentional, deliberate and inclusive communication
- Communication volume has increased which has potential to increase workload
- Workers, including leaders, need to be digitally competent and willing to communicate on digital channels
- Team events have increased in importance to bring the workforce together for communication purposes
- Videoconferencing can prove more difficult for communication, (i.e., reading body language, other work distractions and observing interpersonal dynamics)
- Virtual channels create some intolerance to lack of response to enquiries, (i.e., can t physically see if a person is at their desk)

“It's really easy to get distracted…when you're online and you can tell it. We ask people to turn things off but we know that they don’t. We have a practice called ‘no stingy listening’…when you've got people in a room they can't stingy listen, you can see when a person isn't participating or as active when they're in in person with you”

P&C Leader

SWINBURNE EDGE

There is a need to build better digital literacy and tech capabilities

One leader noted that they have a heavy reliance on performant videoconference and chat technology that operates in both an office and remote setting to enable efficient and effective hybrid working.

Unreliable or slow internet was a frustration for some participants who experienced connection dropouts due to network structure bottlenecks or experienced slower intranet/internet when working in the office or at home. Clunky VPN sign-in protocols, room booking processes and connecting to meeting room AV in the workplace were challenges for some employees. One company had recently implemented AV upgrades with Teams connectivity to circumvent this.

One organisation is implementing an enterprise transformation rollout to improve the customer experience, external channels, HR platforms and information sharing. Formalising security of digital storage and information sharing was an area of focus to minimise risk and improve document collaboration and co-authoring for hybrid working.

For two organisations, there was no capability for remote working prior to the COVID 19 pandemic and they had to rapidly rollout laptops, VPN and virtual collaboration tools across the organisation.

One leader said that working virtually since then has accelerated tech uptake and changed attitudes and mindsets. There is now more of a tech appetite across the organisation.

Another leader said that while the utilisation of Teams and chat channels has grown a lot since COVID, there are different levels of maturity across the business and still a lot of improvement required. For example, while they use Teams and SharePoint internally to collaborate, external communication is predominantly email and paper-based. There are also limitations on what their devices are capable of.

Others noted that they need to build better digital literacy to improve work patterns and utilise dormant capabilities in existing technology so that individuals and teams know how, when and why to use it to be more effective.

One organisation would like to build a bridge between IT personnel's 'technology for technology's sake' mindset to a 'business need mindset'. Instead of asking for a specific type of technology, workers would ask for the functionality that they need but this is currently inhibited as workers 'don't know what they don't know' to be able to ask for it.

Technology: Key Takeaways

- Heavy reliance on performant videoconference and chat technology for efficiency and effectiveness
- Availability of performant toolsets that operate in both onsite and remote setting
- Remote work data security considerations
  - VPN essential for secure connections
  - Digital storage and information sharing
- Slow intranet/internet connections in office and from home can hinder productivity
- Virtual working during the pandemic, accelerated tech uptake, changed attitudes and mindsets
  - there is now more of a tech appetite
- Requirements for digital literacy has increased with hybrid work

We have really grown and flexed our muscle with regards to…Teams, chat channels, those sorts of things. We've really evolved….I don't think we're fully out there pioneering but we've definitely hugely improved

People Leader

The workplace is a place to accelerate relationships, build connections, foster culture and informal learning

The workplace is seen as a place to accelerate relationships, build connections, foster culture, and enable social learning. Leaders see benefits from collocated work for generative learning and conveying communication. But all participant organisations say that workplace attendance and space requirements have changed.

The remote first organisation has retained their regional workplace as 'it's the cultural heart of the organisation' but provide access to coworking space in CBD locations instead of dedicated workspaces as they no longer see the workplace as important to the way they work. The organisation uses the regional workplace for team building 'offsites', industry events and because a group of local employees regularly choose to work there. This is financially viable because lease costs in regional Victoria are lower than in CBD locations.

Another organisation has consolidated their workplace footprint across most of its CBD locations because workplace attendance declined, and a recent acquisition came with existing CBD workspaces. However, their Melbourne CBD location is oversubscribed because many employees who live in Metro Melbourne prefer to work in the CBD location over commuting to the regional Victorian workplaces. This issue has also arisen for the third participant organisation who said their property portfolio was not designed to cater for this. As the hybrid work policy is to spend three days a week in the workplace, to collocate with their team, any days an employee spends in a location that is not their designated workplace is not counted as part of the three-day onsite quota.

This organisation established a task force to drive the transition to hybrid work including people, property and technology specialists. Property changes include introducing unassigned seating, a desk booking system, lockers and consolidating the footprint in their regional workplace in conjunction with hybrid work guidelines and technology updates. Ensuring teams can sit together is a priority.

They have also reconfigured the workplace design to suit bespoke business unit needs and introduced sit-to-stand desking and additional collaboration settings. Increasing adaptability to reconfigure areas to cater for evolving business unit needs is desirable in future. Flexibility is also an important feature of the remote first organisation's workplace to suit different teaming, collaboration and event needs.

Workplace: Key Takeaways

- Workplace seen as a place to accelerate relationships, generative work, learning, culture and/or connection
- Workplace space requirements have changed, and organisations have;
  - Consolidated workplace or are planning to
  - Are still working out what changing work practices means for workplace requirements
- Property strategies need to consider oversubscription in CBD locations if employees can work in any workplace to achieve mandated workplace attendance
- Increased uptake of coworking space to enable collocation, especially for remote first companies
- Shift to unassigned seating as desk utilisation has reduced
  - opportunity to remove underutilised spaces to add collaboration or social work areas
- Greater adaptability and flexibility of workplace design is required to cater for different evolving business unit needs
- Tolerance for noise, glare and visual distraction may have changed as employees are better able to control their work environment at home

Phase 2 Early Successes & Learnings

The key ingredients for hybrid working and opportunities for regional employers

SWIN BUR NE EDGE

Key ingredients of hybrid working are trust, clear communication and leadership capability

Providing flexibility based on employee trust was a common theme among interview participants. Employers that demonstrate confidence in their employees' ability to manage tasks, regardless of their physical location, and employees that respect the privilege of working remotely are generally more successful at executing hybrid work arrangements.

Setting clear expectations and parameters are essential to provide clarity regarding the boundaries of hybrid work. From the recruitment stage, organisations should transparently communicate hybrid work arrangements to job candidates. Once onboard, employees need well-defined guidelines on performance expectations, communication norms, and collaboration practices. People leaders, too, must understand their roles, critically evaluate employee job task needs and be prepared to embrace hybrid working within this evolving landscape.

Clear communication is paramount, especially with the increased use of digital forums. Learning whether to communicate content in person or on a digital forum is an acquired skill. Therefore, leaders play a pivotal role in modelling effective communication, ensuring that information flows smoothly across both physical and virtual spaces.

Leading hybrid or remote-first teams requires adaptability. Leaders must navigate in-person and virtual interactions, fostering team cohesion and trust. They need to develop skills specific to this context by building relationships, managing performance, and ensuring everyone feels included, regardless of their location.

Two of the organisations interviewed collected and analysed data on hybrid work effectiveness including productivity metrics, employee satisfaction surveys, wellbeing and collaboration patterns. Evidence-based decision-making allows organisations to refine policies and practices. Senior management should encourage leaders to evolve their thinking based on data-driven results while remaining flexible in their approach.

Reliable, secure and performant technology underpins successful hybrid work. Ensure that tools, whether for video conferencing, project management, virtual chats or document sharing, work seamlessly in office and remote settings. Beyond toolset functionality, foster a culture around technology usage. Educate employees on how, when, and why to use specific tools, ensuring inclusivity and efficient collaboration.

Early Successes: Key Takeaways

- Trusting employees to work autonomously and respect the privilege of flexible working arrangements
- Setting clear expectations on the parameters of flexible working arrangements to avoid ambiguity
- Ensuring clear communication across both in person and virtual settings
- Leadership capability to lead hybrid/remote first teams
- Collect and analyse data on hybrid work effectiveness to learn and evolve hybrid working practices
- Ensure technology is reliable, secure and performant

technology underpins good hybrid working...
...leaders who have the ability and understanding of how to lead hybrid well...good set of values and trust in your employment relationship

P&C Leader

Key Learnings: Managing a hybrid workforce requires a skilled nuanced approach

Leading a hybrid team spread across various locations requires a skilled, nuanced approach. Ensuring every team member is aligned with organisational goals requires clear and intentional communication. Regular check-ins and consistent support to ensure that remote employees feel connected to broader team objectives.

Sometimes, asynchronous communication, such as email, chat messages, or shared documents, can be misinterpreted. Without real-time cues like tone of voice or body language, messages may lack context or unintentionally convey a different meaning. To remedy, encourage clarity in written communication and consider supplementing it with occasional synchronous interactions (e.g., video calls) to bridge gaps.

Remote or flexible workers may experience disconnection and isolation from colleagues, impacting their engagement and morale. To counter this, encourage regular virtual social interactions. Strive to establish a strong company culture that transcends physical boundaries. Peer-to-peer support networks can provide the camaraderie and collaboration often missed in traditional office settings.

Maintaining productivity levels when employees aren't physically present in a traditional office setting is a challenge for some leaders. To address this, regular structured team and individual check-ins and productivity-tracking tools for monitoring and addressing performance have been successful for the organisations interviewed. In addition, allowing autonomy by trusting employees to deliver business outcomes (as opposed to a time management philosophy) and avoiding micromanagement has been pivotal to hybrid work success. However, employers can rescind or limit hybrid work privileges if employee performance is substandard, or these privileges have been exploited by workers.

Balancing the hybrid work needs of individuals, teams and the organisation has been a conundrum for some organisations. When hybrid work policy is delegated to line managers to set, perceptions of inequality between departments can arise. Similarly, unilateral hybrid policies across the organisation may not suit the needs of teams and individuals and may create discontentment and disengagement. Whatever hybrid work policy an organisation selects, successful implementation depends on clear and unambiguous hybrid work parameters.

Learnings: Key Takeaways

- Managing a remote team requires a skilled nuanced approach
- Asynchronous digital communication can be misinterpreted leading to ambiguity
- Remote work may lead to disconnection and isolation from colleagues and organisational culture
- Ensuring consistent productivity levels
- Monitoring and addressing employees exploiting hybrid work privileges
- Balancing the hybrid work needs of individuals, teams and the organisation

Managers have had to learn a new capability about managing hybrid work

Employee

Opportunities for Regional Victorian Employers

The early successes and key learnings from remote or hybrid work adoption, by the three organisations who participated in this study, are generally relevant to both regional and metropolitan employers.

The advent of secure and performant technology to enable remote work combined with industry attitudinal changes towards remote work, has presented regional employers with greater access to a broader and more diverse talent pool beyond their local business geographies.

This expanded reach can bring a wealth of skills and fresh perspectives to regional organisations to enhance business performance. Flexible work arrangements can also assist regional employers in the retention of employees which preserves intellectual property and the avoidance of recruitment and upskilling costs.

However, regional employers are also competing for talent with Melbourne organisations who may be offering higher salaries in addition to flexibility. Regional employers who offer greater location and time flexibility are more likely to attract and retain local talent as well as increase their access to cross-regional talent.

Organisations with high expectations for attendance in the regional office are more likely to be limited to local talent pools. However, this may be offset by providing access to coworking spaces or secondary workplaces located in the CBD to cater for workers who live in metro Melbourne

One organisation, who participated in this study, was able to scale up and grow their workforce quickly by adopting a remote first work model. Another organisation has grown rapidly since the pandemic by allowing leaders to determine hybrid work models based on their team's function, role or market needs. In both cases, their workforce is dispersed across Victoria with a quorum in Metro Melbourne and some employees living interstate and/or overseas. Their ability to expand would not have been achieved without the adoption of remote work practices.

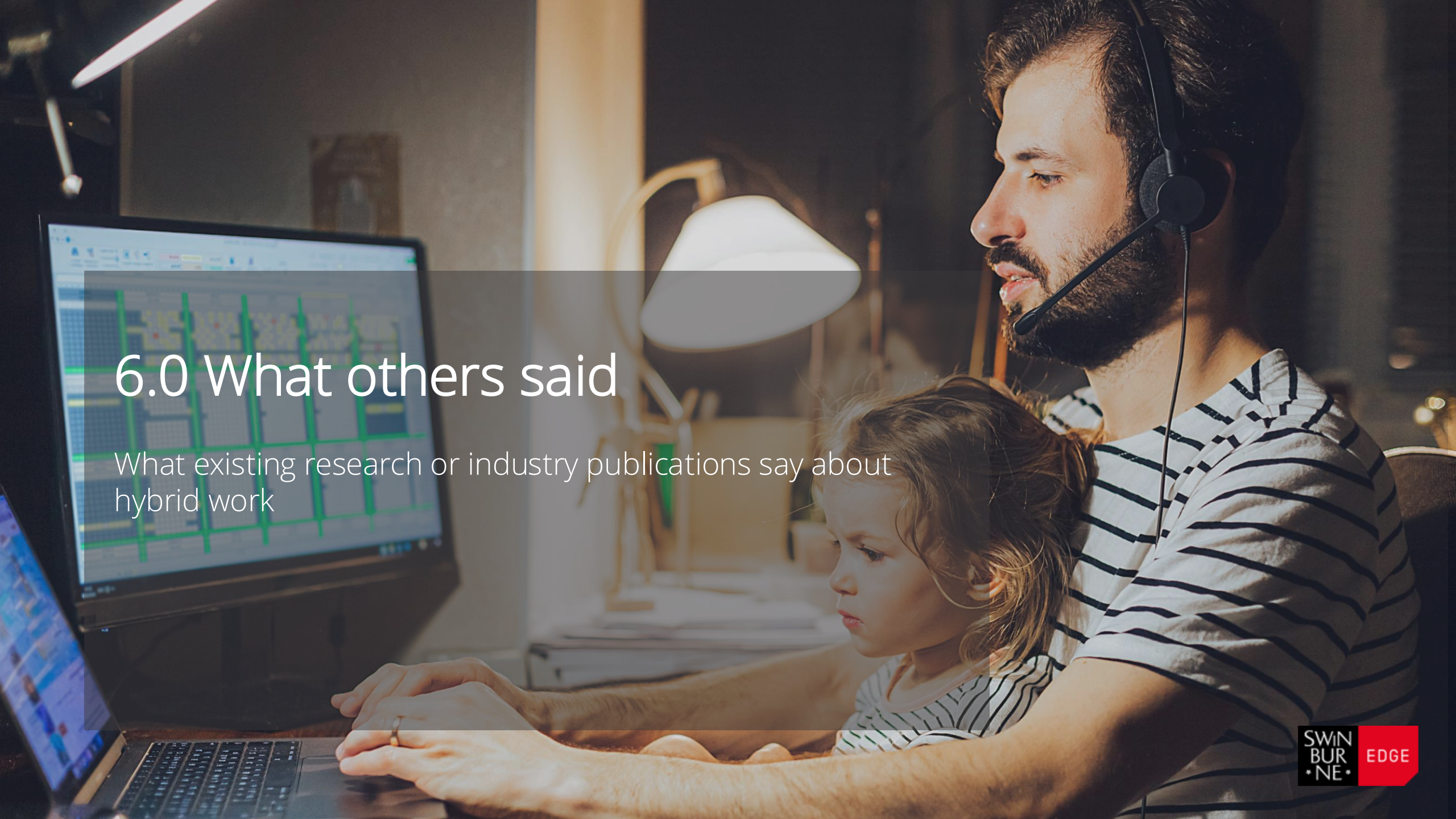
In summary, both regional and metro employers can expect improved productivity by enabling employees to choose their most productive times and locations for work relative to their job tasks. Employers who support flexible working arrangements signal confidence and trust in their team's ability to deliver without constant supervision. Job autonomy also fosters a sense of ownership of the business outcome.

Embracing flexible work arrangements signals that a company is modern, adaptive, and understands the evolving needs of its workforce to current and prospective candidates thereby increasing the attractiveness of the organisation. Furthermore, it signals that the organisation values employee wellbeing by promoting the benefits of work-life balance and quality of life.

Generally, absenteeism has been reduced in all three organisations interviewed. Flexibility allows employees to address life and ad-hoc events while also addressing work matters. For example, a worker may be able to look after a sick child while completing their job tasks at home rather than taking carer leave.

t's really important to us that we can provide lots of flexibility to our employees so they can work and live the way they want to work and live

People Leader



6.0 What others said

What existing research or industry publications say about hybrid work

What others said – about hybrid work in 2023

Advantages / Disadvantages of hybrid work for Regional Workers

A research study undertaken in Switzerland found that there are distinct benefits and disadvantages of hybrid working for workers who live in a regional location that differ from urban dwellers. Burgin et al., (2021) found that there is greater autonomy to decide when to work and improved work-life balance as there is more detachment from supervisor control. Work and leisure are not strictly separated, when compared to urban lifestyles, and the change of scenery in regional locations inspires and leads to greater motivation.

However, the larger distance between home and office, can lead to a feeling of isolation as there are less possibilities for spontaneous interaction with colleagues, supervisors and clients. In addition, family members, leisure activities and constant digital connectivity can be a distraction (Burgin et al., 2021).

Workers with greater flexibility and schedule control have less burnout, fatigue and emotional exhaustion. (Costa et al., 2006; Grzywacz et al., 2008; Moen et al., 2016). Burnout is linked to turnover, absenteeism and low performance (Maslach et al., 2001). Organisations who offer flexible working may improve employee engagement through reductions in employee burnout and fatigue. Research findings show that flexible working is beneficial for parents, especially fathers who typically work long hours and have high occupational fatigue (Hokke et al., 2021).

What employers say about hybrid work in 2023

An Australian HR Institute (AHRI) 2023 survey of 1000+ employers and 452 employers revealed that organisations are continuing to evolve hybrid work policies and practices. More organisations are implementing a 3-5 days per week working in the office policy in 2023 (48%) than in 2022 (37%).

The quantity of organisations with fully flexible policies, where employees have no minimum requirement to spend time in the office but are encouraged to attend, have fallen from 34% in 2022 to 25% in 2023 . In 2023, 14% of employers have adopted a 2 days per week working in the office policy (AHRI, 2023).

A quarter of employers expect remote work practices to increase in the next two years which suggests hybrid work practices will continue to be reviewed and evolved. Employers say they will offer more diverse flexible work options in future with

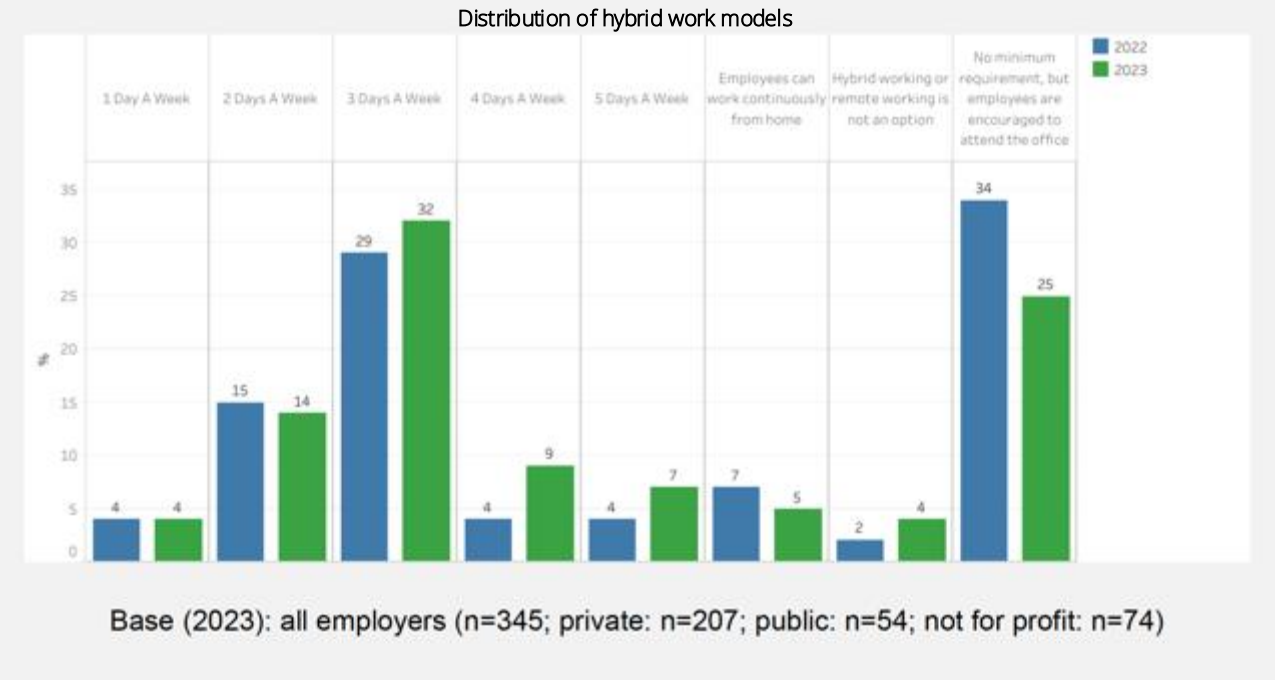


Figure 20: Distribution of hybrid work models
(Source: Australian HR Institute, 2023, *Hybrid & flexible working practices in Australian workplaces in 2023)*

What others said – about hybrid work in 2023

21% saying they will offer compressed hours. The most popular flexible working options currently provided are part time (85%), flexitime (53%), compressed hours (45%) and career breaks (44%) (AHRI, 2023).

Employers say the top 3 advantages of hybrid working is better work-life balance, higher retention rates and talent attraction. It has become an important part of the employee value proposition for many organisations. The top 3 disadvantages is disconnection, reduction in employee collaboration and co-operation and challenges in monitoring performance (AHRI, 2023).

Most employers say that working from home has had a positive impact on productivity (43%) or no impact (28%). Only 10% of employers say that working from home has had a negative impact. The reason for returning to the office has largely been driven by senior management (85%) or the board (30%) (AHRI, 2023).

Many people leaders need to build better hybrid leadership skills with a focus on outputs instead of presenteeism and to coach, mentor and trust employees to work autonomously. Communication, conducting regular 1:1's and structuring/co-ordinating in office team-based activity is essential in the hybrid work environment (AHRI, 2023).

The most popular initiatives that employers plan to implement to support hybrid working in future is to provide more line manager training (42%), more online guidance (35%), set a minimum number of work from home days (34%), create new organisational policies to assist managers to support staff (31%) and to invest in technology (AHRI, 2023).

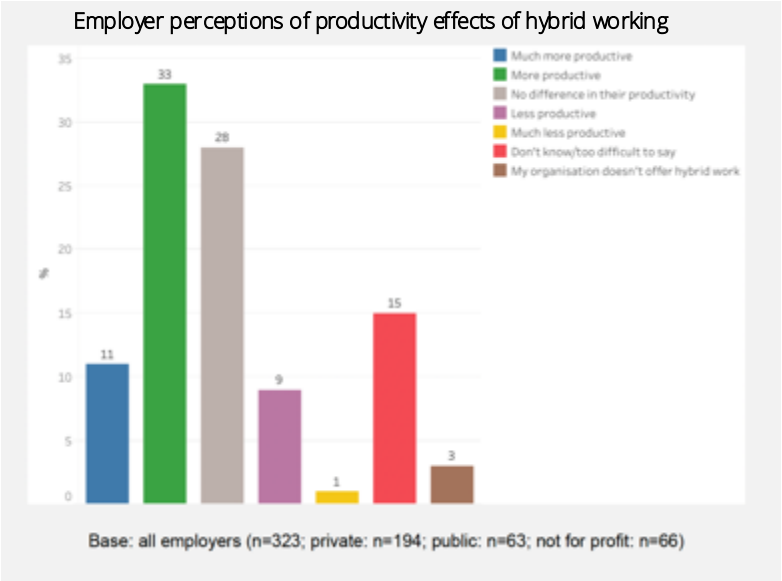


Figure 21: Employer perceptions of productivity effects of hybrid working (Source: Australian HR Institute, 2023, *Hybrid & flexible working practices in Australian workplaces in 2023)*

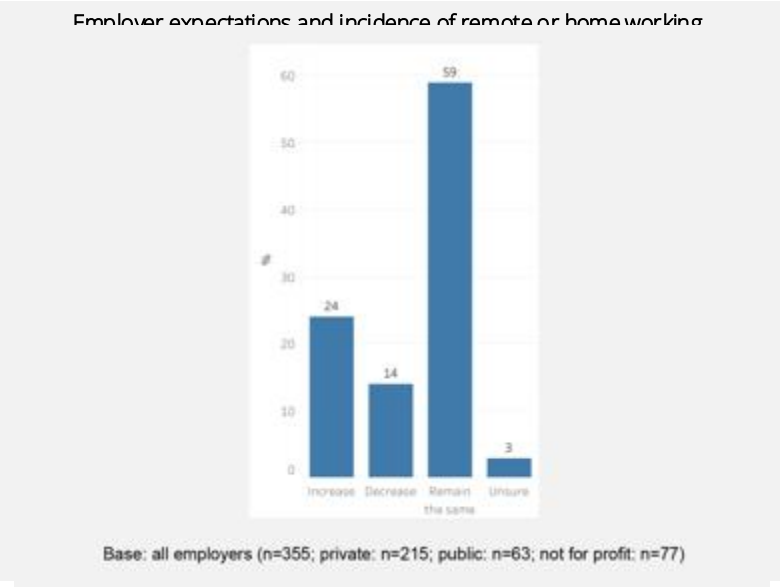


Figure 22: Employer expectations and incidence of remote or home working (Source: Australian HR Institute, 2023, *Hybrid & flexible working practices in Australian workplaces in 2023),*

What regional employers can do

Attracting specialist talent, especially senior staff with families, to relocate to regional Australia can be a challenge as they may need to find a place to live, schools and jobs for other family members. Rental prices are similar to metro locations and apartments, medium density housing options are limited for singles to find affordable housing in regional locations (Crowe, B., McLean, J., 2022).

"The debate about hybrid working, especially in relation to productivity, is too often divorced from the quality of line management and the adoption of good people management practices."

Sarah McCann-Bartlett, CEO, AHRI

SWINBURNE EDGE

What others said – about what regional employers and decision makers could do

Regional employers need to sell the role, organisational culture and the lifestyle in the region. Personal interactions, such as assisting the candidate to find a place to live, may be the tipping point to a relocation decision. (Crowe, B., & McLean, J. 2022)

However, flexible work negates the barriers to working in regional Victoria as cross regional working means people don't need to move away from established lifestyles. To illustrate, Bass Coast Shire has adopted flexible working which has resulted in greater access to talent, better business performance and organisational culture than they experienced three years ago. This is attributed to the quality of talent they have been able to recruit due to flexible working. (Crowe, B., & McLean, J. 2022)

What the regions can do

A German research study examining how teleworking can address labour shortages in a regional location, identified that to facilitate successful teleworking the region could bolster it's high-speed internet infrastructure, promote a culture of flexibility in management and nurture digital skills. Key to this was expanding the talent pool geographically and fostering a thriving teleworking community by promoting the region as an attractive destination to attract young talent. Fostering digitalisation and automation, promoting regional or sectoral teleworking agreements (labour laws) and increasing public transport accessibility were recommended initiatives. (OECD, 2023)

In the Big Movers Report, Houghton et al., 2023, recommended that a national population plan be actioned to understand the strain that accelerated net internal migration has caused for infrastructure (digital and physical) and services in the regions and to identify future investment needs. In addition, policy and program attention is recommended to understand the career and lifestyle needs of those aged 25-39 and overseas born people to inform place-based liveability strategies and regional migration programs. Creating policies to align skills and qualifications of internal migrants to regional jobs and growth areas will encourage further migration to rural locations (Ghin, P., & Ainsworth, S., 2022).

However, while government can play a role in addressing secondary triggers to relocation decision making, such as housing affordability, health and education services, they can't directly influence primary triggers such as job availability and being close to family and friends. (CIE, 2023)

Could remote work in the regions reduce C02 emissions?

A recent German research study, of 2 regional municipalities, suggested that if 25% of regional workers, who work in metro locations, shifted to 1 day WFH per week that C02 could be reduced by 5% per year. This was dependent on planning strategies, manager's ability to lead remote teams and provision of local co-working spaces to provide alternative transport and workplace options (Krasilnikova, 2023).

However, commuting distances from regional to metro locations are longer (Krasilnikova, 2023). Teleworkers are more likely to move further away from their workplace and accept longer commute times as they travel less often. Teleworkers do more non-work travel and households, with a teleworker, have higher total weekly travel (Caldora, B., & Sorrell, S., 2022). And regional Victorian internal migrants show little interest in co-working (Ghin, P., & Ainsworth, S., 2022).

There is, however, a tipping point as workers who WFH more than 3 days per week do less commuting and personal travel than other workers which could result in a reduction in C02 emissions (Caldora, B., & Sorrell, S., 2022).

7.0 Conclusion

Summary of key findings and recommendations

Summary

The Regional Movers Index March 2024 Quarterly report shows that metro Melbourne migration outflow to regional Victoria continues to exceed net migration inflow from the regions to Melbourne. Those aged 25-39 are the largest proportion of movers and the most popular locations are the regional cities of Geelong and Ballarat. (RAI, 2024)

The majority of internal migrants who have moved to regional Victoria work remotely at least some of the time, they are professionals and over half work for metro employers. The top 3 sectors that internal migrants work in are 1. professional, scientific and technical services; 2. financial and insurance services; and 3. health care and social assistance sectors.

Almost a quarter of recent internal regional migrants were actively looking for regional work but almost half believe there is a lack of suitable jobs in regional Victoria for their skills or experience. (Ghin, P. & Ainsworth. S., 2022)

Regional employers who offer greater location and time flexibility will retain talent, broaden their access to cross geographical talent and increase diversity and inclusion. They are also more likely to be able to compete with Melbourne organisations to attract talent who are accustomed to remote working and have recently moved to the regions.

More organisations implemented a three day in the office hybrid work policy in 2023 than in 2022. However, a quarter of employers expect remote work practices to increase in the next two years and are looking to expand flexible working arrangements (AHRI, 2023)

Remote first organisations have proven that culture, connection, informal learning and team effectiveness can be achieved in a remote environment. In addition, the majority of employers state that productivity is better or the same as before the pandemic.

Yet, leaders want higher office attendance than what they are currently experiencing while employees want to see evidence to validate why more time in the office is needed.

Progressive leaders see flexibility as a positive resource to motivate and improve engagement and structure workflow so that time spent in the office is meaningful/purposeful. Building leadership capability to improve the quality of line management in organisations to lead effectively in a flexible working environment is essential to address the challenges organisations are currently experiencing with culture, learning, connection and team effectiveness. Clear policies, communication and building digital capability are also critical.

Finally, a large percentage of regional Victorian migrants are interested in starting a business or have done so. This is untapped potential to create community ties and bring vibrancy to regional locations. (Ghin, P. & Ainsworth. S., 2022)

Recommendations

Four recommendations have been identified to leverage the opportunity that remote and hybrid work provides for the regions. Further expansion of these recommendations have been provided on the following pages.

Support for small and medium size business could be provided through local government or councils to enable scalability.

Alternatively, a collective innovation initiative could be an option to engage like-minded organisations to collaborate on learning, piloting or hybrid research initiatives to collectively fund and build remote/hybrid work capability. This will enable the creation of a flexible work ecosystem in the region to encourage talent attraction and innovation opportunities while reducing individual investment.

Promote a flexible work culture and grow digital capability of regional organisations
Raise employer's awareness of the advantages of flexible work, provide implementation guidance, dispel "can't do" attitudes and build capability for leading hybrid teams and effective digital engagement

Policies & programs to encourage flexible working to address regional labour shortages
Leverage the opportunity presented by internal migration to the regions and access cross regional talent through remote/hybrid working to address talent shortages and workforce growth in the regions

Provide support for regional employers to implement flexible work practices
Provide access to research/advisory support for regional employers to obtain evidence based insights regarding the impact of hybrid work on their business and identify opportunities to optimise hybrid/remote work practices and trial new initiatives

Understand strengths, opportunities, weaknesses and threats in different regions
Undertake additional research to understand the challenges, opportunities and actionable takeaways that are unique to each region

Recommendation 1

Promote a flexible work culture and grow digital capability of regional organisations

Raise employer's awareness of the advantages of flexible work, provide implementation guidance, dispel can't do attitudes and build capability for leading hybrid teams and effective digital engagement

- *Media & thought leadership*
  Share research outcomes and the opportunities that flexible working provides to regional employers through regional and national media
- *Regional Business Learning Network*
  Develop a learning network to bring organisations together for knowledge sharing (i.e., road show, round tables), peer to peer learning and network building in each region
- *Online Resources*
  Create resources (i.e., guidelines, case studies, videos) to provide guidance to small and large regional businesses on how to implement remote and hybrid working in the regions for inclusion on government or local council websites
- Learning & Development
  Provide access to learning programs for leading hybrid teams, digital literacy, fostering culture & connection and communication in a hybrid environment including online training, masterclasses and micro-learning options

Recommendation 2

Create policies & programs to encourage flexible working to address regional labour shortages

Leverage the opportunity presented by internal migration to the regions and access cross regional talent through remote/hybrid working to address talent shortages and workforce growth in the regions

- *Expand the talent pool*
  Promote flexible working and lifestyle in the regions to encourage further internal migration to regional Victoria and cross regional working options.
- *Attract inactive locals*
  Advocate flexible working to expand diversity and inclusion in the regional workforce, and to enable women to return to work or progress their careers while balancing family needs
- *Align skills with regional jobs*
  Create policies to align skills, qualifications and experience of cross regional workers and internal migrants who move to regional Victoria with regional jobs and growth areas
- *Create entrepreneurial networks*
  Encourage new business initiatives for entrepreneurial regional migrants, who are currently working remotely for metro employers, through incubator and accelerator programs, start-up support and local network building

Recommendation 3

Provide support for regional employers to implement flexible work practices

Provide access to research/advisory support for regional employers to obtain evidence based insights regarding the impact of hybrid work on their business and identify opportunities to optimise hybrid/remote work practices and trial new initiatives

- *Research & Advisory*
  Introduce scalable and shared activities to suit small, medium or large business including hybrid work reviews, SWOT analysis, discovery workshop and/or action planning
- *Pilots*
  Measurable pilot designs to trial, test and evolve new flexible and digital working initiatives through activity-based learning

Recommendation 4

Understand strengths, opportunities, weaknesses and threats in different regions

Undertake additional research to understand the challenges, opportunities and actionable takeaways that are unique to each region

- *Victorian Regions*
  To leverage remote/hybrid working to address specific talent shortages and growth needs in different Victorian regions. Determine what is needed for 'my' region

- *Interstate*
  Undertake a similar research study to this research for interstate regions (or across all states and territories) to identify remote and hybrid work opportunities for other regions

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Appendices

Appendix A: Phase 1 Interview Questions

The purpose of the phase 1 interviews was to understand employer's current approaches to incentivise and support hybrid and remote workers. Interview participants were asked a series of questions to provide;

- an understanding of the organisational context including the size of the organisation, number/location of sites, hybrid work policy and geographical distribution of their employees
- to explore five key themes about hybrid work practices, drivers, implementation, communication, employee satisfaction and challenges.

Interview questions are summarized as follows;

1.0 Organisational Context

1.1 How many employees work in your organization?

1.2 How many offices do you have in Victoria, Australia or globally? Where are your Victorian offices located?

1.3 Does your organization have a hybrid/remote work policy?

1.4 What percentage of your employees work remotely?

1.5 Do your Victorian employees live dispersed across Victoria or are they clustered in a specific area?

2.0 Remote Work Policies and Practices

2.1 What is your company's approach to hybrid work practices?

2.2 Is remote work actively promoted, supported or 'tolerated' within the organization?

2.3 Does your organization have incentives or allowances for remote workers?

3.0 Drivers for Remote Working

3.1 Did your organization have a remote and/or WFH policy prior to the pandemic? If so, why?

3.2 Why does your organization embrace remote or hybrid work arrangements?

3.3 Has hybrid work policies/practices had any impact on recruitment, attraction or retention?

4.0 Implementing Remote and Hybrid Work

4.1 Have you identified specific role types within your organization that are better suited for remote work than others?

4.2 What specific changes has your organization implemented to facilitate remote or hybrid work
- To property
- To HR Policies
- To IT systems or technology provisions

4.3 Has hybrid work policies/practices had any impact on recruitment, attraction or retention?

5.0 Effective Communication and Team Building

5.1 How does your organization ensure effective communication across distributed teams? (i.e. policies, cultural rituals, use of technology)
- Across the organization
- To work within a team
- For team building

6.0 Employee Satisfaction and Challenges

6.1 Do you measure employee satisfaction? If so, have you noticed and changes (positive/negative) following the implementation of hybrid or remote work?

6.2 Where remote/hybrid work wasn't successful for a team member, team or organization what was the issue and what measures did your organization take to address and resolve these issues?

7.0 Other

7.1 Are there any other issues that you'd like to raise that you think might be relevant to this research?

Appendix A: Phase 1 Survey Questions

The purpose of the phase 1 survey was to capture respondents' context and attitudes on a variety of themes relevant to the study including hybrid and remote working, work location, relocations patterns across Victoria, and working habits.

This survey was facilitated online by YouGov and data analysis was undertaken by Swinburne University. Participants responded to a 34-question survey which are summarised as follows;

Q1 Age

How old are you?

- Under 18 – Terminate
- 18-24
- 25-29
- 30-34
- 45-54
- 55-59
- 60-65
- 66+

Q2 Gender

- Male
- Female
- Other

Q3 Place of residence

- Melbourne Metropolitan
- Regional Victoria

Q4 Working Status

Which of these applied to you?

- Working full time (30 or more hours per week)
- Working part time (8-29 hours a week)
- Working part time (Less than 8 hours a week)

Q5 Remote working Status

Thinking about your daily activities, and their impact on where you can work, which of the following statements best describes your place of work?

- Some of my work requires me to be onsite and some of my work I can/could do remotely
- My work does not require me to be onsite and I can/could work remotely (e.g. home, cafe, library, etc.)

Q6 Current work arrangement

What best describes your current work arrangement?

- Remote Only- I always work remotely, unless a special request is made
- Fully Flexible - I am free to choose my work location every working day
- Fixed Split - I work in the office (or onsite) for a specified number of days per week (e.g., Tuesday, Wednesday), which are decided by my employer
- Flexible Split - I work in the office (or onsite) for a specified number of days (e.g., 3 days), but I decide which days
- Remote First - I predominantly work remotely but I work in the office (or onsite) occasionally
- Office First - I predominantly work in the office (or onsite) but occasionally work remotely
- Other

Q7 Place of work

What is the location of your place of work? If you are working remotely, this should be the location of the office you're assigned to

- LONG LIST CODED INTO TWO LOCATIONS: GREATER MELB, REST OF VIC (NOT GREATER MELB)

Q8_1 Movements since 2020

Which of the following have you done, if any, since 2020 (the start of the COVID pandemic)?

- Moved from Melbourne metro to another location in Victoria
- Moved from another location in Victoria to Melbourne metro
- Moved across locations in Victoria, (not Melbourne)
- Moved from another state to Melbourne metro
- Moved from another state to other cities in Victoria (not Melbourne)
- Moved from overseas to Melbourne metro
- Moved from overseas to Regional Victoria
- Haven't moved – not applicable

Appendix A: Phase 1 Survey Questions

Q8_2 Movements from 2015 to 2020 (answers as per Q8_1)

Q8_3 Movements before 2015 (answers as per Q8_1)

Q9 Organisation position
Employee / self-employed status

- Employee
- Business owner (with one or more employees)
- Gig or freelance worker

Q10 Seniority level
Which of the following best describe your seniority level at your organisation?

- Employee
- Staff
- Administrative
- Junior Management
- Middle Management
- Senior Management
- Executive

Q11 Type of Company
Type of Company

- Government
- Privately owned
- Publicly listed (shareholders)
- Charity/Not for profit

Q12 Organisation size
Including yourself, approximately how many people work in your organisation?

- 2-4
- 5-19
- 20-49
- 50-99
- 100-199
- 200+
- I don't know

Q13 Industry
In which industry do you work?

- Mining
- Manufacturing
- Electricity, gas, Water and Waste Services
- Construction
- Wholesale Trade
- Retail Trade
- Accommodation and Food Services
- Transport, Postal and Warehousing
- Information Media and Telecommunications
- Financial and Insurance Services
- Rental, Hiring and Real Estate Services
- Professional, Scientific and Technical Services
- Administrative and Support Services
- Public Administration and Safety
- Education and Training
- Health are and Social Assistance
- Arts and Recreation Services
- Other Services

Q14 Type of work
Please tell us which one of the following options best describes the sort of work you do.

- Professional or higher technical work – work that requires at least degree level qualifications (e.g. doctor, accountant, school teacher, university lecturer, social workers, systems analyst)
- Manager or Senior Administrator (e.g. company director, finance manager, personnel manager, senior sales manager, senior local government officer)
- Clerical (e.g. clerk, secretary)

Q15 Tenure with current employer
How long have you worked for your current employer?

- < 1 year
- 1 to less than 3 years
- 3 to less than 5 years
- 5 to less than 10 years
- 10 years or more

Appendix A: Phase 1 Survey Questions

Q16 Working with others
Does your job require you to work with others as part of a team?

- Yes
- No

Q17 Expectations of periodic office attendance
Are there expectations of periodic office attendance set by your employer?

- Yes, my employer/manager determines when and how often
- Yes, but it is left to me to decide
- No, but I do it anyway
- No, and I don't do it, or rarely do it

Q18 Average number of days working from office
On average, how many days do you attend your office?

- 4 to 5 days a week
- 2 to 3 days a week
- Once a week
- A few days a month
- Once a month
- Once every three months
- 2 to 3 days a year
- Once a year

Q19 Time taken for a return trip when attended office
On the occasion that you need to attend your office, how long does a return trip usually take? (total time it takes to your office / place or work and to go back home)

- Less than 15 minutes
- 15 to 30 minutes
- Between 30 and 60 minutes
- Between an hour and two hours
- Between two hours and three hours
- Between three hours and four hours
- Between four hours and five hours
- More than five hours

Q20 Activities as part of work commute
Select which, if any, of the below activities you combine as part of your work commute? Please select all that apply.

- Going to the gym
- Catching up on work (i.e. emails)
- Visit friends and family
- Shopping (e.g. groceries)
- Reading a book
- Read / listen to the news
- Listen to podcasts
- Online short courses / general work related upskilling
- Caring responsibilities (dropping off children, visiting the elderly)
- Other
- None of these – I just go to the office and come back

Q21 Commute condition
On average, my work commute is mostly;

- Very pleasant
- Pleasant
- Neutral
- Unpleasant
- Very unpleasant

Q22 Work commute expenses
How are the expenses of your work commute covered, for when you need to go to the office:

- I cover all costs related to my commute
- I share the cost of the commute with others (e.g. ride share, carpooling, etc)
- My expenses are partially sponsored by my employer
- My expenses are fully sponsored by my employer
- Other

Q23 Number of offices
How many offices does your organisation have?

- No offices
- One
- More than one

Appendix A: Phase 1 Survey Questions

Q24 Frequency of contacting colleagues

How often do you contact work colleagues?

- For work purposes
- For personal/social reasons
- For mentoring/guidance purposes

Scale:

- Never
- Rarely (one or twice past six months)
- Occasionally (monthly)
- Regularly (couple of times a month
- Often (weekly)
- Very often (couple of time a week)
- Always (daily)
- Not applicable

Q25 Experience contacting team members

Thinking about working remotely, in general, how do you rate your experience with:

1. Contacting other team members
2. Contacting your manager – immediate supervisor
3. Coordinating work among your team

Scale

- Poor
- Fair
- Good
- Very good
- Excellent

Q26 Attitudes towards work

Thinking about your attitudes towards the company and your work, how much do you agree with the following statements:

1. Engagement: Being part of this organisation is meaningful and valuable to me
2. Loyalty and relationships: I feel loyal to the people in this organisation
3. Autonomy: I have control and autonomy over my work

Scale

- Strongly disagree
- Disagree
- Neither disagree nor agree
- Agree
- Strongly agree

Q27 Agreement statement

To what extent do you agree or disagree with the following statements regarding your ability to control and regulate your work habits at the office and at home.

1. At the office I have access to a place where I can work without interruptions and distractions
2. At home I have access to a place where I can work without interruptions and distractions
3. At the office I have regular contact with friends and colleagues who motivate me to work productively
4. At home I have regular contact with friends and colleagues who motivate me to work productively
5. At the office I set clearly defined goals for my daily work
6. At home I set clearly defined goals for my daily work
7. At the office my workdays have a clear structure
8. At home my workdays have a clear structure
9. At the office I work on tasks I consider interesting
10. At home I work on tasks I consider interesting
11. At the office I can easily self-motivate to get started on my work
12. At home I can easily self-motivate to get started on my work

Scale

- Strongly disagree
- Disagree
- Neither disagree nor agree
- Agree
- Strongly agree

Q28 Satisfaction with remote work arrangement

How satisfied or dissatisfied are you with your remote work arrangement?

- Very dissatisfied
- Dissatisfied
- Neither satisfied or dissatisfied
- Satisfied
- Very satisfied

Appendix A: Phase 1 Survey Questions

Q29 Factors influencing where they live now

To what extent did the following factors influence your decision to select where you now live? To what extent would the following factors influence your decision to move?

1. Housing affordability and availability
2. Lower overall cost of living
3. Company incentives
4. Work-life balance
5. Access to outdoor activities
6. Quality of life
7. Being close to family and friends
8. Local amenities (cafes, restaurants, gyms, etc)
9. Overall infrastructure (healthcare, childcare, etc)
10. Events/Entertainment (Sports, cultural, festivals)
11. Community and social factors
12. Raising a family
13. Professional development
14. Transport links to the city for work purposes (meeting with clients/co-workers)
15. Transport links to the city for personal reasons For example to stay connected to family and friends)

Scale

- Not at all influential
- Slightly influential
- Moderately influential
- Influential

Q30 Sentiment on remote working

I feel that working remotely may negatively affect my professional career

1. Engagement: Being part of this organisation is meaningful and valuable to me
2. Loyalty and relationships: I feel loyal to the people in this organisation
3. Autonomy: I have control and autonomy over my work

Scale

- Strongly disagree
- Disagree
- Neither disagree nor agree
- Agree
- Strongly agree

Q31 Work satisfaction, productivity, work life balance, community

To what extent do you agree or disagree with the following statements:

1. My job satisfaction has improved since working from (Melb/Region)
2. I feel more productive at work since working from (Melb/Region)
3. My overall work life balance has improved since working from (Melb/Region)
4. I have developed meaningful connections within the community in (Melb/Region)

Scale

- Strongly disagree
- Disagree
- Neither disagree nor agree
- Agree
- Strongly agree

Q32 Work environment context satisfaction

How satisfied or dissatisfied are you with the following?

1. Your working from home arrangement. For example, suitable desk, privacy, etc
2. Internet connectivity
3. Transport to Melbourne/other regions
4. Access to coworking or shared spaces
5. Professional networking opportunities where you live

Scale

- Very dissatisfied
- Dissatisfied
- Neither satisfied nor dissatisfied
- Satisfied
- Very satisfied

Q33 Requirement of role in organisation

Requirement of role in organisation:

- Standard security and confidentiality measures observed by most roles in most organisations
- Above standard security and confidentiality measures, such as sensitive work in government or financial institutions

Appendix A: Phase 1 Survey Questions

Q34 Factors influencing where they live now

In the next 12 months do you see yourself working;

1. For the same organisation and living in the same location
2. For a different organisation and living in the same location
3. For the same organisation and living in a different location
4. For a different organisation and living in a different location

Appendix B: Phase 1 Survey Analysis of Commuting

Regression and logit models were used to explore the factors influencing the likelihood of respondents going to the office (See table 6.1 and 6.2). To address the probabilistic nature of this analysis, a logistic regression model was adopted.

Dependent Variable:
The dependent variable is binary, indicating whether a person's office attendance frequency falls within the category of 2 to 5 days, category = 1 and 0, otherwise.

Independent Variables:

- Location of the office: Categorised as 1 for greater Melbourne and 0 for regional Victoria.
- Commute time (return) : Categorised as 1 if the travel time ranges between 15 minutes to 60 minutes, and 0 otherwise.
- Commute experience: Categorised as 1 if the commute experience is pleasant, and 0 otherwise.

Tables 6.1 Logit and regression model results.

Variables	Logit 1	Logit 2	Logit 3	Logit 4	OLS 1	OLS 2	OLS 3	OLS 4
Location	-0.088 (0.144)	-	-	0.112 (0.152)	-0.019 0.031)	-	-	0.022 (0.031)
Commuting Time	-	1.065*** (0.137)	-	1.046*** (0.145)	-	0.232*** (0.029)	-	0.227*** (0.031)
Commuting Time Experience	-	-	0.545** (0.177)	0.163 (0.192)	-	-	0.126** (0.042)	0.037 (0.044)
Constant	0.798*** (0.120)	0.176 (0.095)	0.280 (0.161)	-0.028 (0.216)	0.689*** (0.026)	0.544*** (0.024)	0.570*** (0.039)	0.500*** (0.048)
Count	1038	1038	1038	1038	1038	1038	1038	1038
Log pseudolikelihood	-653.367	-622.378	-648.887	-621.81855	-	-	--	-

Tables 6.2 Correlation matrix.

Variables	Q7	Q18	Q19	Q21
Q7	1			
Q18	-0.0188	1		
Q19	-0.1517	0.2453	1	
Q21	-0.1624	0.0966	0.2995	1

Appendix C: Phase 2 Case Study Research: Interview Questions

The purpose of the phase 2 interviews was to understand employer's approaches, early successes and learnings from adopting remote or hybrid work practices. Interview participants were asked a series of questions to provide;

- an understanding of the organisational context including the size of the organisation, number/location of sites, hybrid work policy and geographical distribution of their employees
- to explore key themes about hybrid work policies and practices, drivers, implementation, communication and team building and employee satisfaction and challenges.

Interview questions are summarized as follows;

1.0 Organisational Context*

1.1 How many employees work in your organization?*

1.2 How many offices do you have in Victoria, Australia or globally? Where are your Victorian offices located?*

1.3 Which option best represents your organization's approach to hybrid working?*

1. **Office first** where the employee occasionally works remotely but predominantly works from the office
2. **Fixed split** where the employee works fixed days in the office per week at the direction of the employer
3. **Flexible split** where the employer sets a fixed number of days but the worker decides which days
4. **Fully flexible** where the employee has full discretion over the location where they work on which days
5. **Remote first** where the employee works predominantly remotely and is occasionally in the office
6. **Remote only** where the employee only works remotely

How many days per week do you expect or encourage employees to spend in the office?*

1.4 What percentage of your employees work remotely?*

1.5 Do your Victorian employees live dispersed across Victoria or are they clustered in a specific area?*

2.0 Remote Work Policies and Practices

2.1 What is your company's approach to hybrid work practices? (i.e. policies, guidelines, work practices, leader led discussions)

2.2 Is remote work actively promoted, supported or 'tolerated' within the organization? (i.e. by leaders, senior managers, employees)

3.0 Drivers for Remote Working

3.1 Did your organization have a remote and/or WFH policy prior to the pandemic? If so, why?

3.2 Why does your organization embrace remote or hybrid work arrangements now?

3.3 Has hybrid work policies/practices had any impact on
a. recruitment, attraction or retention?
b. Turnover or reductions in personal leave?

3.4 Does your organization actively seek talent in other regions? If so, how have you gone about this?

4.0 Implementing Remote and Hybrid Work

4.1 Have you identified specific role types within your organization that are better suited for remote work than others?

4.2 What specific changes has your organization implemented to facilitate remote or hybrid work
- To property (i.e. consolidation, relocation, redesign)
- To HR Policies (i.e. WFH guidelines, office attendance expectations, team dynamics)
- To IT systems or technology provisions (i.e. enhancements to infrastructure, IT support for remote work)

4.3 What additional changes are you planning to implement in future?

4.4 What do you believe are the key ingredients for successful hybrid work?

4.5 Does your organization tailor to job role (tasks) in your hybrid work policies? (i.e. To optimize time spent working co-located/remotely)

4.6 What impact has remote or hybrid work had on culture, learning, efficiency, social capital, health/wellbeing?

* Questions only raised in leadership interviews

Appendix C: Phase 2 Case Study Research: Interview Questions

4.0 Implementing Remote and Hybrid Work (cont)

4.7 What is your organization/team's expectations about the right to disconnect, how does this impact your team members and what measures have been adopted to support it?

5.0 Effective Communication and Team Building

5.1 How does your organization ensure effective communication across distributed teams?
This could encompass;
a. policies, processes, cultural rituals, use of technology
b. Team building events, visits to the main office for remote team members

6.0 Employee Satisfaction and Challenges

6.1 Have you noticed and changes to employee satisfaction (positive/negative) following the implementation of hybrid or remote work?

6.2 What problems have arisen as a result of hybrid/remote work and what has been done to address them?
a. For individuals/teams (i.e. proximity bias, difficulty setting boundaries, delayed response times)
b. For the organization (i.e. social ties, capability building, productivity, connection)

6.3 What challenges remain to date? Which do you plan to address in the future?

6.4 With the benefits of hindsight what would you do differently?

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