



# HYBRID WORK SURVEY



# Hybrid work survey

Many companies are currently considering the setup of work after the pandemic ends; not only in terms of the strategy for return to offices, but also in terms of setting up the future of work. Which aspects of work from home should be kept in the future and which activities would be better performed in the office. What are the preferences of our employees, do they want to go back? If so, to what extent? How did employee productivity change during work from home? Did they have all the necessary tools and information? How do companies handle legal documentation and apply tax benefits for home office?

We asked our clients these and many other questions in our Hybrid Work survey, which we conducted online in early March. The respondents of the survey were 47 of our clients from various industries and different company sizes. We believe that the survey results will inspire you to actively consider the future of work and help your company decide which direction to go in. It is very important to understand that every company and every team, needs to tailor hybrid work to their specific needs and company culture, and to their current situation and rhythm of work.

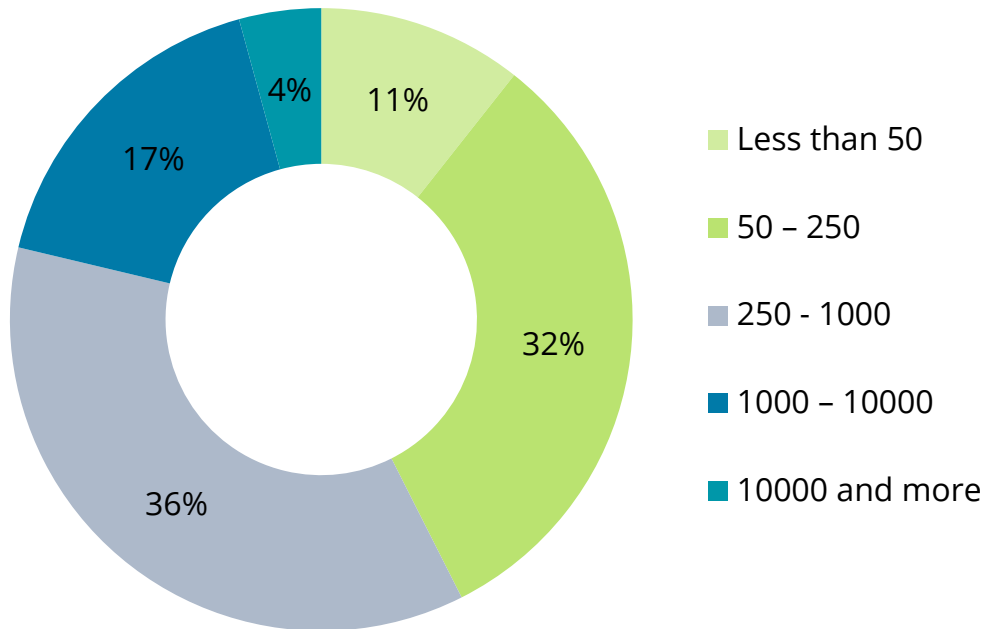
# Demography

We were interested to hear how companies see these current special circumstances regarding the future functioning of their company and what future changes they are planning. The **47** respondents represented companies of various sizes and industries, and worked in different roles in the organizations. **85%** of clients answered that the parent company would at least partially influence their work settings after the pandemic.

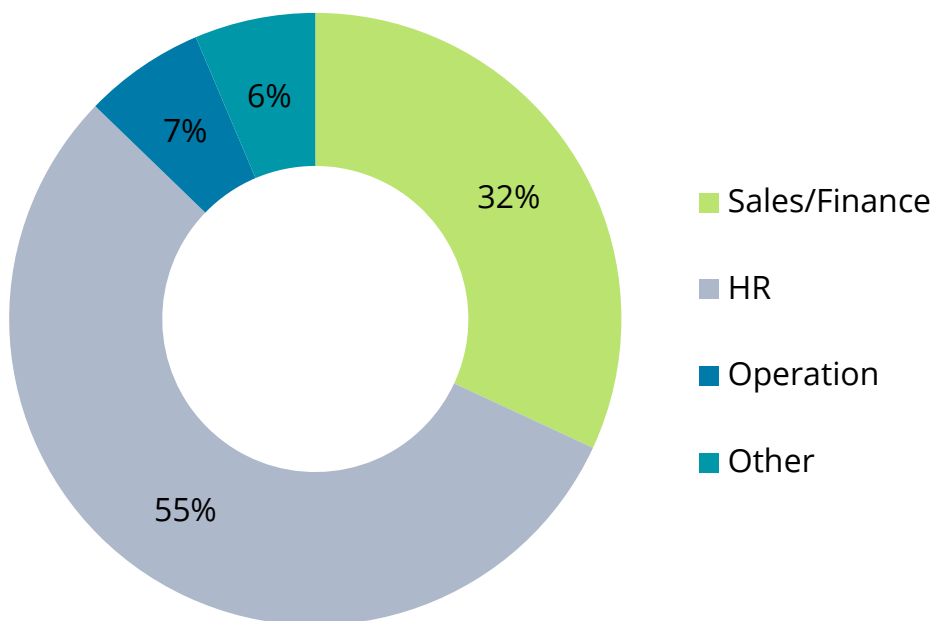
Company type	
Financial services	26%
Retail/services	21%
Industry (auto, logistics, metallurgy)	19%
Energy	9%
IT	9%
Construction	6%
Consulting	4%
Healthcare	4%



Number of employees.



Role within the organization.



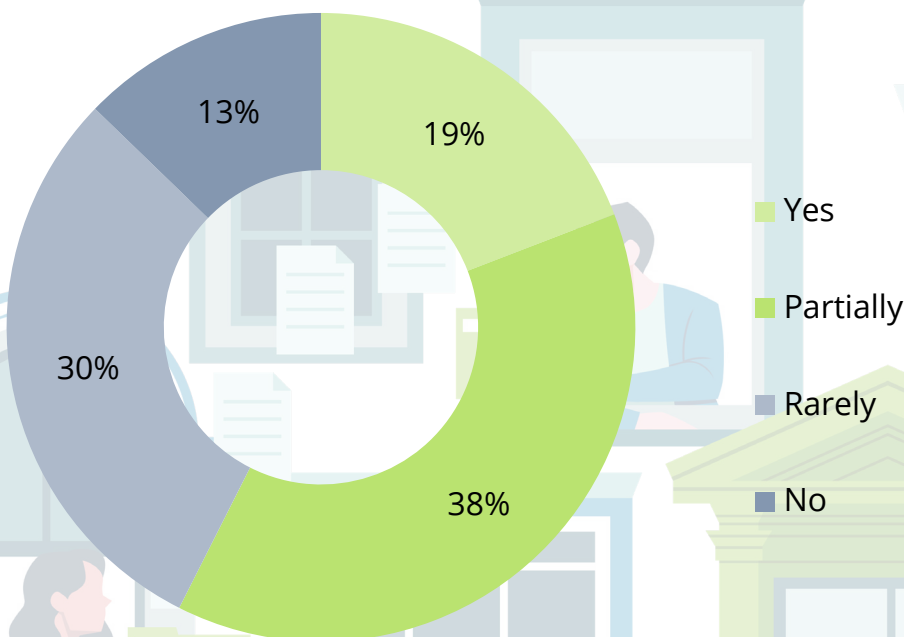


# Human Capital

The human capital part of the survey focused on the pre-pandemic and current states as well as the future plans of companies after the special circumstances end. The main topics were communication while working from home, engagement, employee productivity and an overall consideration of home office. Our aim was to investigate how organizations in Slovakia dealt with the changes of the past year due to the COVID-19 pandemic, how prepared they were for virtual teams and work from home, and how prepared they are for the future of post-pandemic work. Based on our experience, it is important to identify the gaps in preparedness for future of work in order to make sure the strategy is well thought out and tailored to the specific needs of each team organization.

The survey shows that before the pandemic, **43%** of companies did not allow work from home (home office), or did so only rarely. Now the situation is different due to the anti-pandemic measures. If the nature of the work allows it, a home office regime is recommended. That may be why only **21%** of the surveyed companies expect their employees to return to the office and return to operating under the “old normal”. The remaining **79%** of respondents realize they do not want to lose what was learnt during the pandemic. **34%** of them said that their employees will work part of the week from home, but they will leave the choice of the exact schedule to the employees. However, if we leave the choice to the employees, we will lose the benefit that working from home brings to the company. Employees tend to choose to work from home on Mondays or Fridays to extend their weekends and go to the office in the middle of the week, regardless of what they plan to do on these days. On the other hand, **45%** want to regulate when employees take home office and when they are in the office, so they can plan the optimal use of space and the necessary human and material resources.

Home office was allowed before pandemic.



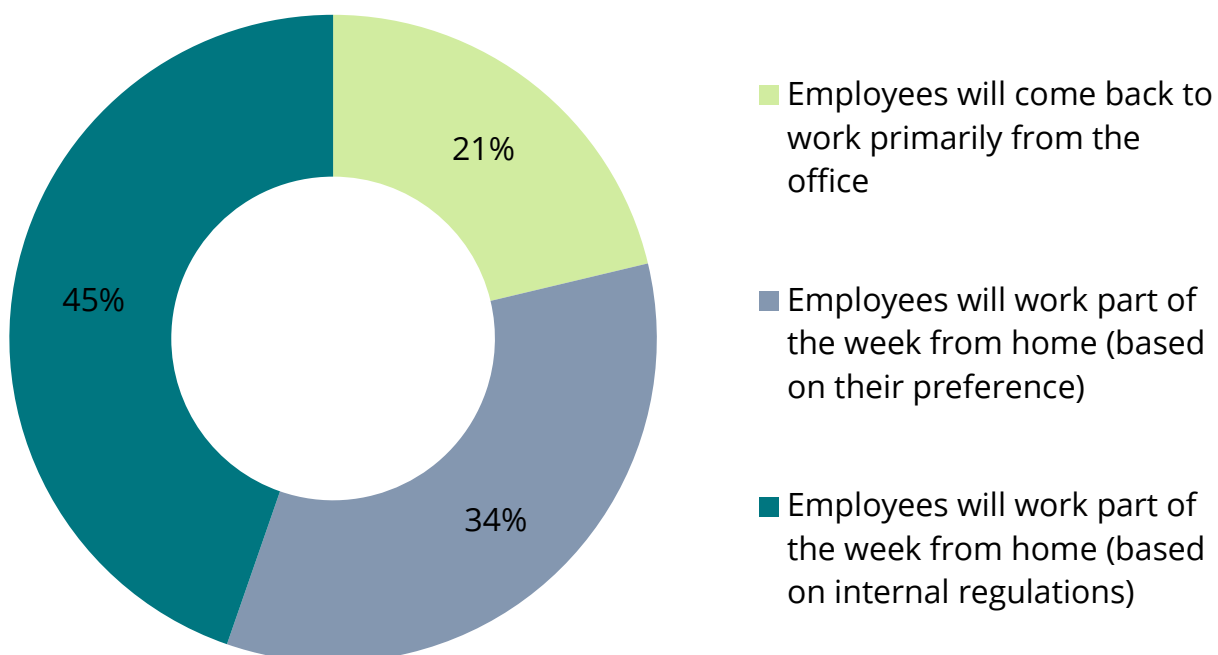


As regards communication during home office, **97%** of respondents said that they have all the right tools. On the other hand, **15%** of respondents said that communication in their company is insufficient. Therefore, there is still room for improvement as regards communication. This is also confirmed by the fact that **87%** of respondents said that employees know what their tasks are and what to do.

**At the same time, more than half of the respondents (54%) stated that it is more difficult to perform their work at the same level during home office.**

We were also interested in the productivity of companies during the pandemic, and whether this changed (for better or worse), and whether it was necessary to set up different productivity measures for the new work home office regime. However, the survey showed that while **39%** of clients saw an increase in productivity, **40%** did not know whether productivity changed. This may be due to the fact that **43%** of companies have not changed the way they assess productivity. This suggests that companies were not ready for home office and have not yet determined how to properly assess the impact of changes to where work is done on their productivity.

After pandemic it is expected that:



Only **47%** of respondents said that their company makes extra effort to maintain employee motivation and engagement. A quarter of the participating firms have not organized any specific virtual activities and workshops with this intention. This area represents an important opportunity for companies. Activities, team-building and specific training can build a community within a company, along with a sense of belonging and an increase of satisfaction, which further contribute to motivation and better productivity of employees.

**73%** of respondents agree with the statement that managers have sufficient tools to manage their teams. But do they also have the necessary **skills and abilities?** It is the capabilities of team leaders that will be crucial for the future operations of companies, as teams will become core units of productivity. Therefore, managers will have an important role and will be responsible for the planning of the hybrid work schedule. They will need to ensure high productivity by leading their team, and communication within the team, so that each team member knows what their role is, and that they feel a sense of belonging towards a partly virtual team as well as the company.

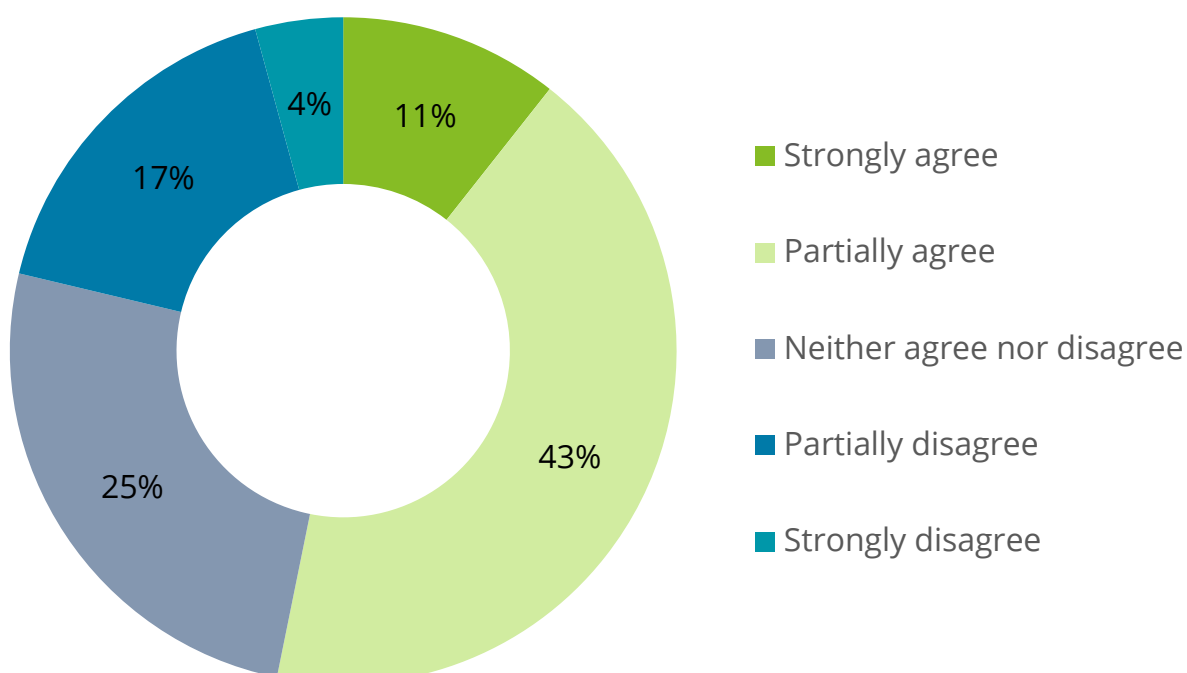
More than half of the respondents (**54%**) said that their employees prefer working from home. However, **26%** did not ask this question and therefore do not know whether their employees prefer to work from home, or from the office.



Almost half of the companies do not have a strategy in place for the return of employees to offices and to a changed work schedule. Only **6%** plan to redesign their offices, although according to our studies, a change of the working environment will be needed to a greater extent. Working in the office and at home can be equally effective if we can determine which tasks are most effectively done at home, and which in the office. Tasks that require the cooperation of several people, where they can communicate, brainstorm or hold workshops will be better suited to the office, whereas work where silence and deep concentration are required, will be better suited to the home office environment.

In summary, there is a lot of room for improving organizations' preparedness as we stand at the threshold of the future of work. There is a need for a well thought out strategy for when the pandemic ends and home office is no longer recommended as an anti-pandemic measure. Whatever next steps are decided on, they need to be tailored to the requirements of each team and organization, rather than a one-size-fits-all solution.

The majority of employees prefer to work from home.





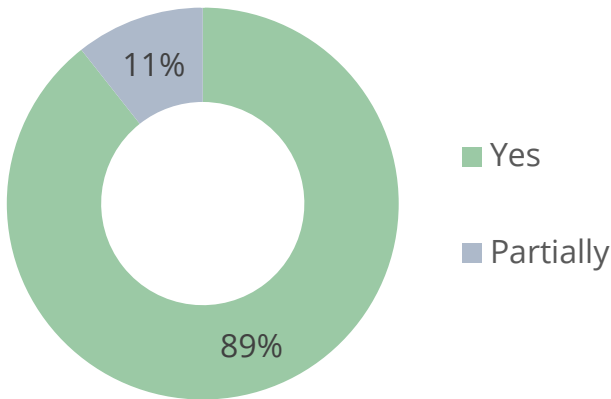
# Legal

Nearly all companies conducting business in Slovakia provide the option for their employees to work from home, in one way or the other. There are still some companies which, when it comes to remote work, function on the basis of ad hoc agreements between the leader or manager and the employee, regarding whether an employee will work from home on a given day. Some companies believe they will return to functioning under the “old normal”. While this may work for some, it is obviously not possible for others, due to their size, the number of employees or locations. On the other hand, there are many companies that understand that such an expectation is farfetched and a return to the “old normal” will probably never materialize, and therefore preparations for the future are essential.

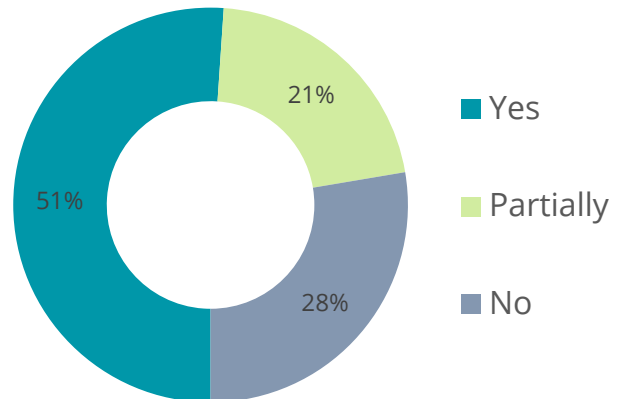
In order to provide insight into both these worlds / approaches, let’s take a step back and briefly explain an important aspect of remote work that is often overlooked when companies setup the structure of their operation. Many companies do not realize that the term “home office” does not exactly correspond to the terms “work from home” and “telework”, which are defined in Slovak law. According to legislation, home office is an occasional occurrence undertaken on the basis of a case-by-case agreement between the employer and the employee, whereas work from home and telework are defined as a regular state of conduct of work.

Our research shows that **all the companies** that participated provide some form of remote work options to their employees, but only **51%** have fully addressed the formal aspects of this via the preparation of the necessary policies, with an additional **21%** having partially resolved this issue.

Do you provide the option to work from home to your employees?



Does your company have a formalized policy related to a work from home setup?



This means that half of the companies have either not addressed this issue at all, or only partially resolved it, which may cause substantial problems for them in the future. These problems involve numerous questions, some of which can be challenging and complicated. Such questions will relate to the following:

- 1 reimbursements of employees working from home, both the actual amounts / costs to be reimbursed and the entitlement to such reimbursements
- 2 division of working hours of employees and benefits arising from them
- 3 potential safety at work obligations and entitlements

The possible implications are extensive from the tax and labour law perspective, as well as questions of non-discrimination towards certain employees. The bottom line is that without a formal and uniform approach, companies expose themselves to a high level of risk, which can be avoided via a structured approach.

Even more strikingly, our research shows that only **6%** of companies have amended employment contracts with regard to changes to a remote work setup. **74%** of companies have not addressed the issue of employment contracts at all, and only **20%** have taken partial steps. This shows a huge gap with regard to the formalization of the desired future setup of work, especially in contrast to the percentage of companies providing the option of remote work, which is **100%**.

More than **90%** of companies reported cost savings in some area in relation to the switch to remote work. These are costs that can be reallocated to the long-term strategy and goals of a company, if approached correctly. Companies often overlook this aspect at the beginning of projects related to remote work and only focus on the initial costs necessary to get the project done. However, issues such as digitalization, automation of processes, or even a basic formalization of processes, can generate huge cost savings in the long run.







# Tax

With employees working from home more often than in the past, an increase in related expenses is inevitable. Many companies intend to reimburse their employees due to work from home in different ways. Some of them provide their employees with workplace equipment, one-off contributions to purchase required furniture, or contribute on a monthly basis in the form of a lump sum for expenses incurred due to work from home.

An amendment to the Labour Code effective from March 2021 addresses this issue of the reimbursements of these increased costs for the employees incurred due to work from home / telework. The employers are therefore obliged to reimburse their employees working from home for their increased costs related to the use of the employee's own tools, devices or other equipment necessary for the conduct of their work.

It is essential to review whether such compensation provided to employees is taxable income for employees and whether it can be treated as a tax deductible expense for the company. Due to the tax implications, it is important to set up the provision of such compensation contractually.

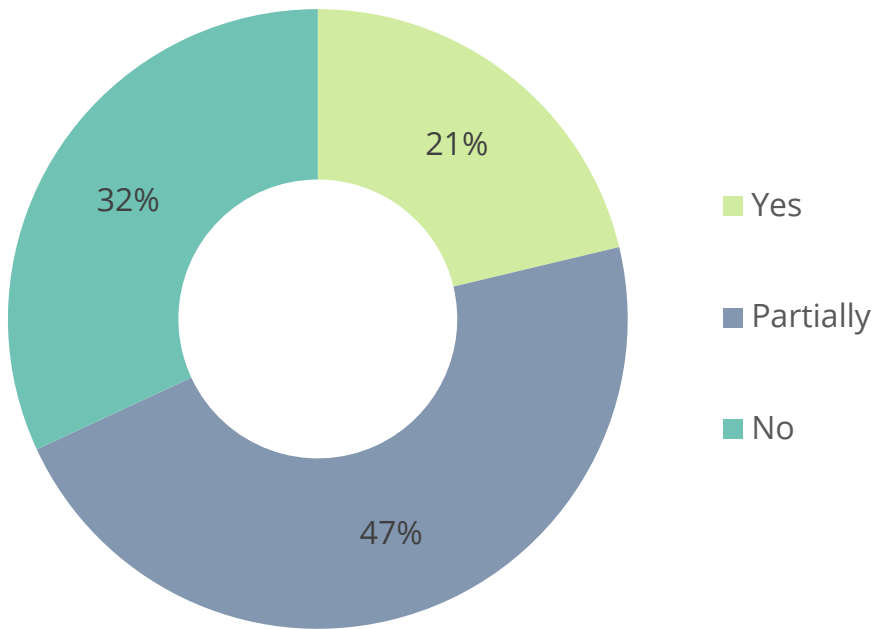
More than two thirds of companies from our survey provide work equipment to their employees (e.g. chairs, desks, screens, etc) for work from home. Given the number of companies that currently enable their employees to work remotely, the number of employees involved is significant. This makes the tax and legal setup of such schemes crucial for companies.

Furthermore, **17%** of companies reimburse costs related to work from home to their employees. In this respect, we would like to point out that it is necessary to examine whether the provided equipment and the respective reimbursements represent taxable income for the employee under the Income Tax Act, and if it is tax deductible income for the company. It is also very important to contractually address the provision of such equipment or reimbursements with all the tax impacts in mind.

The right tax treatment of a remote work setup can therefore be another major cost saver for a company, and its correct setup can bring huge benefits directly to its employees, which can subsequently improve their wellbeing and performance.



Does your company provide its employees with work equipment for work from home (e.g. desks, chairs, screens, etc.)?





# Moving to hybrid work

There is a shared understanding that these changes are inevitable, although different for each organization. There is no one-size-fits-all solution for all these challenges.

**There is no one playbook for all organizations due to the different contexts, business operations, the maturity of the ecosystems in these areas, corporate culture, international footprint, mix of generations, etc.**

Considering this diversity, different choices will need to be made. The COVID-19 crisis did not just accelerate the digital transformation, but also the evolution to becoming agile organizations, open-minded and ready to throw caution to the wind.

**It is pivotal to reflect on the desired end state, i.e. the sustainable post-COVID future, and ask ourselves: "Where do we want to end up? What is the goal we want to strive for?"**

Finally, it is clear that hybrid is here to stay. Getting the basics right is non-negotiable for creating high-performing teams in this new virtual and hybrid humanized workplace. A combination of organizational and human-centred principles can help to make the move to workplace models that are effective and satisfying for staff, as well as in line with the needs of the ecosystem.

**Make the invisible, visible:** We need to proactively and explicitly make our work and teams visible to each other. Break the "knowledge is power" idea and cultivate a culture where people recognize that sharing knowledge makes them more, not less, relevant. We need to make time for informal connections, and for listening to what is unsaid.

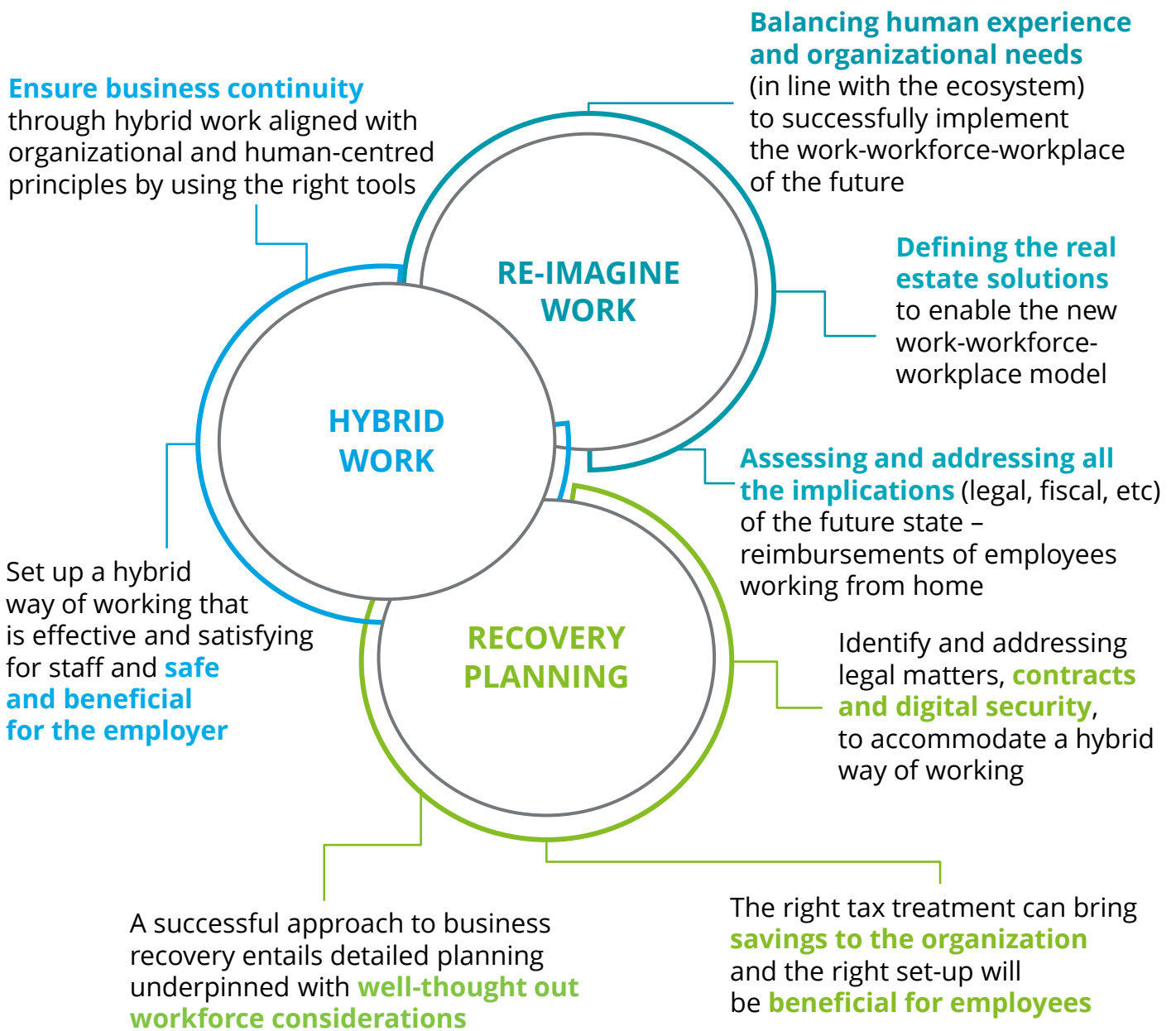
**Balance (a)synchronous communication:** Real-time collaboration is our most valuable resource in a virtual environment. Technology is the glue that will elevate the human experience in the sense that it helps us get our message across in the most convenient, tailored and individualized way, but we also need to take care that people do not get overwhelmed by the changes.

**Leading without seeing:** We need to develop a new set of management behaviours to guide teams that are working virtually. A focus on outcomes rather than effort and regular touch points (formal and informal) are key in this respect.

**Remote productivity:** We must alter the way we operate and behave to enhance the productivity and value of our remote workers by adopting practices and behaviours that are optimized for virtual experiences.

**Tech first:** We need to ensure that remote workers have the right mix of digital platforms and technologies that enable and accelerate individuals and teams to connect, collaborate, and deliver value.

**A room with a view:** In our personal space, we need to make sure that our physical space enhances our productivity, wellbeing, and is fit for purpose.



## Don't miss the boat!

Organizations face a choice between entering a post-COVID world that is simply an enhanced version of yesterday, or building a new one that is based on a transformation to an agile, adaptable and future-proof organization. In order to do this correctly, we need to take into account the different time perspectives and work our way back from defining the end- goal of the recovery to the basics, and all of this needs to be done with the employee at the centre. Only in this way will we be able to truly reimagine work and create a humanized workplace. The risk of missing the boat now, is to be left behind permanently.

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