



**grow remote**

**Going Remote: A market research report on the experiences of Irish SMEs in adopting remote and hybrid work practices.**

Kenneth Germaine PhD

The FORWARD project' is co-funded by the Government of Ireland and the European Union through the Northern and Western Regional Programme 2021- 2027

**March 2025**

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an Aontas Eorpach  
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Regional Assembly



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## Executive Summary

According to general sources remote/hybrid working practices are significant in the Irish context. With regard to hybrid workers, 35% work remotely 3 days and onsite 2 days a week, 24% work remotely 2 days and onsite 3 days a week and 20% work remotely 4 days and onsite 1 day a week. Ireland ranks second highest in Europe for hybrid (37.7%) and remote (8.4%) work opportunities. Rural SMEs are struggling to compete with multinational corporations that offer city-based salaries for remote work, making it difficult for them to attract and retain local talent. However, rural regions see remote work as an opportunity to attract new workers and potentially reverse population decline trends.

With regards to the 10 SMEs involved in our survey:

- 40% have utilised remote/hybrid work practices for more than 6 years; thus, pre Covid pandemic, 40% have implemented it for 4-5 years (likely as a result of the pandemic) and 20% have utilised it for less than 3 years and are likely early-stage businesses.
- 50% were fully remote, 30% had a hybrid/remote model and 30% had a hybrid/on-site model.

In our research we found that:

- The key benefits of remote/hybrid were improved employee well-being and productivity, access to a wider talent pool and increased employee retention.
- 100% of SMEs noted a positive effect on employee productivity as a result of remote/hybrid. 78% of all respondents (SMEs and support agency interviewees) noted a positive effect with only 5% noting a negative effect.
- 100% of SMEs themselves thought that the effect on staff retention and satisfaction was positive. 78% of all respondents believed the effects to be positive with 17% believing them to be varied and 5% noting negative effects.
- 100% of SMEs and 94% of all respondents noted that remote/hybrid work arrangements are a positive factor in attracting new talent to SMEs.
- Actual cost savings was limited to companies that went from an on-site model to a fully remote model, other hybrid models did not produce actual savings but did produce opportunity-cost savings.
- The SMEs in the sample were not utilising specific metrics to measure the effects of remote/hybrid outside the usual metrics that they had used previously.
- Maintaining team cohesion and communication is a major challenge for SMEs but a lot of the key challenges are mindset based. Employers trusting employees and trusting themselves to adapt and change, with employees understanding the difference between being based at home rather than actively working from home. Issues around cybersecurity, technology infrastructure and data security and privacy/GDPR were definitely mentioned.
- 72.2% of all respondents and 60% of SMEs agreed that there were challenges in maintaining company culture. The issues raised in the reference sources of the effects of lack of face-to-face interactions, difficulty in building trust, reduced spontaneous collaboration and onboarding challenges were raised here and in other parts of the report. SMEs are engaging in activities such as virtual team-building, regular check-ins, creating virtual workspaces, virtual social interactions and culture-focused virtual meetups. Thus, our survey is in line with the research sources on this issue.
- SMEs review and adjust Key Performance Indicators (KPIs) and try to set clear expectations but that in the main most respondents were still using the old sales and output KPIs to

measure performance. Our SMEs were conducting periodic performance reviews and check-ins to maintain alignment with organisational goals

- SMEs were addressing cybersecurity and technology challenges well. No specific case of an SME being badly affected by a hacking were known. It is fair to say that owner/managers are aware of the challenges of increased cybersecurity risks, phishing attacks, unsecured home networks, device vulnerabilities and weak authentication.
- No SME had faced challenges with complaints or observations about a lack of fairness between on-site and remote/hybrid employees. Support organisations did raise concerns but with no specific cases cited.
- Communications is clearly an important aspect when looking at remote/hybrid. The lack of in-person interaction, the loss of sight of body language etc. requires a formalised virtual communication strategy to be adopted. Communications to work, especially in remote work, must be 'intentional' and 'deliberate'.
- It appears that technological enablement has had a positive effect on communications within SMEs based upon our responses. It is also noteworthy that the two larger platforms (Microsoft and Google) are the most popular with Zoom still in a strong third position.
- Many of these over- and undercommunication issues which were prevalent in the early stages of Covid, appear to have worked themselves out. 50% of SMEs noted no issue with over- and undercommunications with only 10% agreeing that there were.
- 80% of SMEs had taken steps to support employee well-being. In line with the resources, respondents had taken action to establish clear work-life boundaries, implement regular check-ins, foster employee interconnectedness and conduct employee surveys.
- 80% of SMEs are not formally measuring for employee burnout or isolation, managers are very aware of the issue and keep a close eye out for signs of employee's being affected.
- There is no evidence that employee engagement has declined in the main. That does not mean that individuals had disengaged. There was some evidence here and in other parts of the report that younger workers faced challenges with remote/hybrid working.
- Most businesses are using the same management structures and roles as prior to Covid. There has been a significant change in management style but roles have not changed that much.
- The level of training provided to owner/managers is quite poor. Of the 3 managers who noted receiving training, only 1 was because of a formal programme. Thus, there was little evidence of SMEs implementing training programs specifically designed for managing hybrid teams.
- 70% of SMEs had noted a change in their management style as a result of managing a dispersed workforce. Managers face difficulties in providing face-to-face supervision, leadership has shifted towards emphasising results and productivity rather than time spent working,
- SME owner/managers have not experienced major regulatory, policy or compliance issues and any that have arisen, have been addressed. The top issues raised by SMEs were data protection/GDPR, employment law, having employees based internationally and insurance.
- The main policies to support the employee in remote/hybrid working was providing equipment and helping set up home offices and the provision of travel expenses.
- 60% of SMEs had identified a potential compliance risk: employment law, health & safety issues, GDPR, home-based security, cybersecurity and lack of risk assessments.
- 100% of respondents saw remote and hybrid working as a permanent feature of specific businesses and employment overall.
- The majority of SMEs are not currently considering changes to their remote/hybrid model. Of the 40% that are, the main issues relate to human resources issues and growth-related changes in the business model.
- The main lessons learned relate to better structure, policies and resources. Other comments related to greater structure from the beginning, more accountability and having better resources.

## Introduction

This market research report was written as part of a bigger pilot project to develop a programme to assist SMEs better adopt remote/hybrid working in a manner that improves their business effectiveness and embeds into their business model allowing faster growth or scaling. The report is produced by Grow Remote CLG which has specialised in supporting the growth and development of the remote working ecosystem in Ireland. They have developed expertise in assisting remote working methodologies in Ireland. They have developed increased acumen in supporting SMEs to adopt remote and hybrid working models. The project is funded by a grant from Enterprise Ireland under a Smart Regions Stream 4 application. The project is delivered by a consortium of consultants led by Funding Master Projects Limited and its CEO, Dr. Kenneth Germaine who is the primary author of this market research report. The other consortium members are Renate Kohlmann (RK Consulting) and Jennifer Dowling (Train Remote) who will focus on developing and delivering the pilot programme.

## Methodology

The key methodology utilised a mix of research methods to achieve a nuanced report that would inform the development of the pilot programme. Desk research was used to both inform the work, develop the questionnaire and inform the writing of the report. A series of 18 long-form interviews were conducted; 10 with SMEs and 8 with support organisations and agencies. A detailed questionnaire was developed and agreed by the project group, made up of the key consultants and key Grow Remote staff. The 18 interviews were conducted by Dr. Germaine using Zoom. Most calls lasted just under an hour in duration. We utilised Zoom as it allowed us to create an audio file of the interview and a written transcript. These transcripts and audio files will be held by Grow Remote after the project ends as a matter of record. All interviewees were asked for and gave permission for these recordings to be taken and held. The questionnaire was circulated to interviewees in advance of the call. The interviewees were identified by the project team through their own network of contacts. Once the interviews were completed, they were analysed to create both quantitative data and qualitative data (comments). The report was designed around the different sections within the questionnaire. In drafting, the latest research sources for each area were summarised, the quantitative data (usually pie charts and tables) were presented followed by the qualitative data (usually comments to provide nuance) and then the section was summarised. At the end of this process a summary and conclusions section was developed which was further edited into an executive summary. Finally, the report was brought together and edited. The aim of the report was to generate a nuanced report which could then inform the development of a pilot programme with SMEs. The research was conducted between January and February 2025 and the draft report presented at the end of February that year.

## Limitations

Clearly, there are limitations to the research and the report. The key limitation was the size of the sample; 10 SMEs augmented by 8 support organisations. This gives a small sample but allowed for greater in-depth analysis. As the report's aim was to generate nuance rather than scope, this sample size was suitable for the report but we cannot escape the limitations on scale. Another

limitation is the nature of semi-structured interviews. When you ask an interviewee a question, you get the answer that is currently in their consciousness. Interviewees were given the questions in advance and, while some had prepared detailed responses, semi-structured interviews naturally allow conversation to take different directions, so we can only analyse the answers given. We accept that interviewees may not have given all the information that they had but gave the information that was in the current thinking. Whereas, this is acceptable in semi-structured interviews, it does create a limitation. Finally, conducting interviews over video is time and cost effective for both interviewee and interviewer. However, the lack of in-person contact, lack of ability to review body language always generates a limitation when conducting research. However, this is now the reality of conducting research but needs to be mentioned. Finally, we utilised AI tools to assist with gathering research sources. We have used these AI tools in previous projects and they have proven very reliable to date. Having reviewed the output from the analysis and having knowledge of some of the sources being used, we did take data output at face value. However, as the output from these sources were only being used to give context to the discussion on our primary research and we are not relying on the published sources for the results of our study, any limitations in the AI-generated output would not affect the outcomes of the report. That being said, the limitations did not, in the researcher opinion, create a serious impediment to the outcomes of the research.

## Acknowledgements

The key author was Dr. Kenneth Germaine. He would like to acknowledge the following individuals. In the first instance the Grow Remote team; John Evoy, Dr. Eoin Byrne and Cait McConn for their help in developing the project and assistance with finding interviewees. A special thanks to Eoin who was the project lead from Grow Remote. Next the consulting team partners, Renate Kohlmann and Jennifer Dowling for their help, guidance and assistance in finding interviewees. A special thanks goes to the interviewees who gave of their time to inform this study. The SME interviewees were, Kathryn Kenneally, Tom Galway, Brian Muldoon, Paul Conneally, Keith McGuigan, Fergal O'Connor, Dee Coakley, Brita O'Connor, Helen Hagan and Damien McCarthy. The 8 agency interviewees were Colm O'Maolmhuire (retired New Frontiers Programme manager), Bernie Neville (Enterprise Ireland), Sean O'Sullivan (South Cork LEO), John Evoy (Grow Remote), Siobhan Finn (CEAI), Stephen Carolan (WDC), Neil McDonnell (ISME) and David Broderick (SFA). For all those who gave of their time to assist in developing this report, a very great thank you.

## General Findings

Recent publications suggest that approaches to implementing remote work have differed across the world. Some governments actively supported the transition. For example, Ireland rolled out a National Hub Network of over 350 co-working hubs to enable remote workers to operate from their local communities. This initiative, backed by state agencies, is reshaping Ireland's regional economy by letting people "live and work closer to home" and revitalizing rural towns ([connectedhubs.ie](https://connectedhubs.ie)). Many Irish SMEs leverage these hubs as an alternative to centralized offices. Elsewhere, local business groups provided guidance for SMEs: in Ireland, a non-profit produced a Remote Playbook for SMEs in 2022 with case studies and best practices from leading remote-first companies<sup>1</sup>.

Recent articles further suggest that, with regard to remote and hybrid working in Ireland, where the employer offers flexible working, 59% of employees surveyed are working hybrid and 38% are working fully remotely. Only 3% are working fully onsite<sup>2</sup>. With regard to hybrid workers:

- 35% work remotely 3 days and onsite 2 days a week;
- 24% work remotely 2 days and onsite 3 days a week and
- 20% work remotely 4 days and onsite 1 day a week<sup>3</sup>.

92% of respondents indicated that remote/hybrid working would be a key factor in their decision to change employer<sup>4</sup> <sup>5</sup>. Ireland ranks second highest in Europe for hybrid (37.7%) and remote (8.4%) work opportunities<sup>6</sup>. The availability of hybrid and remote roles in Ireland is declining, with hybrid positions down 10.5% year-on-year and remote positions down 7.7%<sup>7</sup>. However, remote positions are very popular with remote positions in Ireland attracting 2.5 times the share of applications compared to the number of positions available<sup>8</sup>. 72% of respondents indicated that their remote/hybrid working preferences are being facilitated, while 23% want to work remotely more often than currently allowed<sup>9</sup>.

In the wake of COVID-19, many SMEs embraced "remote-first" models out of necessity and quickly discovered benefits that motivated long-term adoption. Research highlights that well-managed remote teams can yield productivity gains, higher employee satisfaction, better retention, and financial advantages for both staff and company

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<sup>1</sup> <https://www.google.com/url?q=https://growremote.ie/wp-content/uploads/2024/04/Remote-Playbook-for-SMEs-3.pdf&sa=D&source=docs&ust=1741016067771481&usg=AOvVaw2t245GAdNB3NIqmR-SGXav>

<sup>2</sup> <https://westerndevelopment.ie/wp-content/uploads/2023/11/2023-Remote-Working-Survey-1-Key-Findings-Report-v2-1.pdf>

<sup>3</sup> *ibid*

<sup>4</sup> *ibid*

<sup>5</sup> <https://www.universityofgalway.ie/about-us/news-and-events/news-archive/2023/november/2023-annual-remote-working-survey-finds-remote-working-opportunities-strongly-impact-employment-decision-making-.html>

<sup>6</sup> <https://www.rte.ie/news/business/2024/0806/1463637-linked-in-research-on-remote-work/>

<sup>7</sup> *ibid*

<sup>8</sup> *ibid*

<sup>9</sup> *Op cite westerndevelopment.ie/*

Over half of workers (57%) in Ireland say that remote and hybrid working facilitates better job opportunities, and 31% feel it has already had a positive impact<sup>10</sup>. Thus, it is fair to note that remote/hybrid working patterns are an important aspect of the Irish labour-market.

As this project is funded under the Smart Regions policy, we reviewed the research on any differences between remote/hybrid work between SMEs in rural regions compared to those in urban areas. Recent research indicated that rural SMEs are struggling to compete with multinational corporations that offer city-based salaries for remote work, making it difficult for them to attract and retain local talent<sup>11</sup>. Rural SMEs face unique housing-related issues, with some larger employers buying entire housing estates for their workforce, further complicating recruitment for smaller businesses<sup>12</sup>.

However, there have been Government funded initiatives to address these imbalances. There is a growing trend of connected hubs in rural areas that serve as focal points for remote workers, entrepreneurs, and local communities. These hubs often have a strong community focus and support digital inclusion in rural areas<sup>13</sup>. Rural regions see remote work as an opportunity to attract new workers and potentially reverse population decline trends. They aim to leverage affordable housing, lower living costs, and better access to environmental amenities<sup>14</sup>. However, to maximise these opportunities, more investment in digital infrastructure is needed to support remote work effectively, as access to public digital infrastructure is crucial for rural digital transformation<sup>15</sup>.

According to international published sources, remote employees in rural areas tend to perceive themselves as equally productive at home or in the office, whereas those closer to urban areas are more likely to feel more productive in the office<sup>16</sup>. These differences highlight the unique challenges and opportunities that rural SMEs face in implementing remote and hybrid work models compared to their urban counterparts.

With regard to the 10 SME who participated in our survey, we find that there was a wide geographic spread of interviewees both SMEs and support organisations (Table 1).

<b>Region</b>	<b>SME</b>	<b>Support</b>
Dublin	2	3
East	1	1
South	2	2
West	3	1
North	0	1
Fully Remote (No Office)	2	0
<b>Total</b>	<b>10</b>	<b>8</b>

<sup>10</sup> [https://nbi.ie/wp-content/uploads/2023/05/NBI\\_Remote\\_Work\\_Report\\_Final-1.pdf](https://nbi.ie/wp-content/uploads/2023/05/NBI_Remote_Work_Report_Final-1.pdf)

<sup>11</sup> <https://www.irishexaminer.com/business/economy/arid-41083159.html>

<sup>12</sup> *ibid*

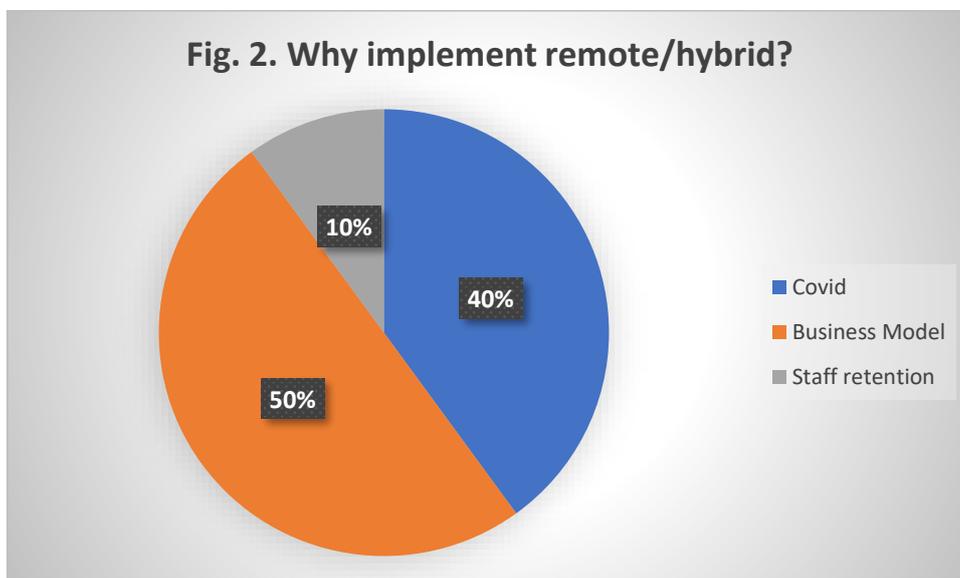
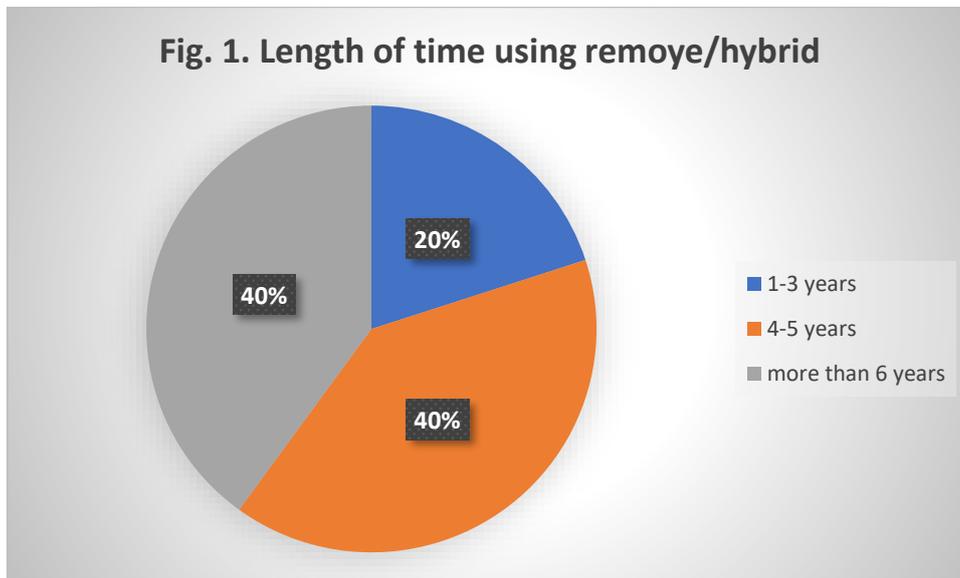
<sup>13</sup> [https://universityofgalway.ie/ruralworkinghubs/Remote-report\\_screen.pdf](https://universityofgalway.ie/ruralworkinghubs/Remote-report_screen.pdf)

<sup>14</sup> [https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/06/implications-of-remote-working-adoption-on-place-based-policies\\_e4d35f97/b12f6b85-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/06/implications-of-remote-working-adoption-on-place-based-policies_e4d35f97/b12f6b85-en.pdf)

<sup>15</sup> Op cite universityofgalway.ie

<sup>16</sup> <https://www.getapp.com.au/blog/4151/remote-work-Australia-regional-study>

We also find that 40% have utilised remote/hybrid work practices for more than 6 years; thus, pre Covid pandemic. 40% have implemented it for 4-5 years (likely as a result of the pandemic) and 20% have utilised it for less than 3 years and are likely early-stage businesses which have implemented it from the beginning (Fig 1.). This is supported by Fig 2. Which shows that 40% noted they did implement remote/hybrid work methods as a result of Covid. Of the others, 50% noted that it was due to remote/hybrid fitting their business model with 10% noting it was to accommodate staff requests.

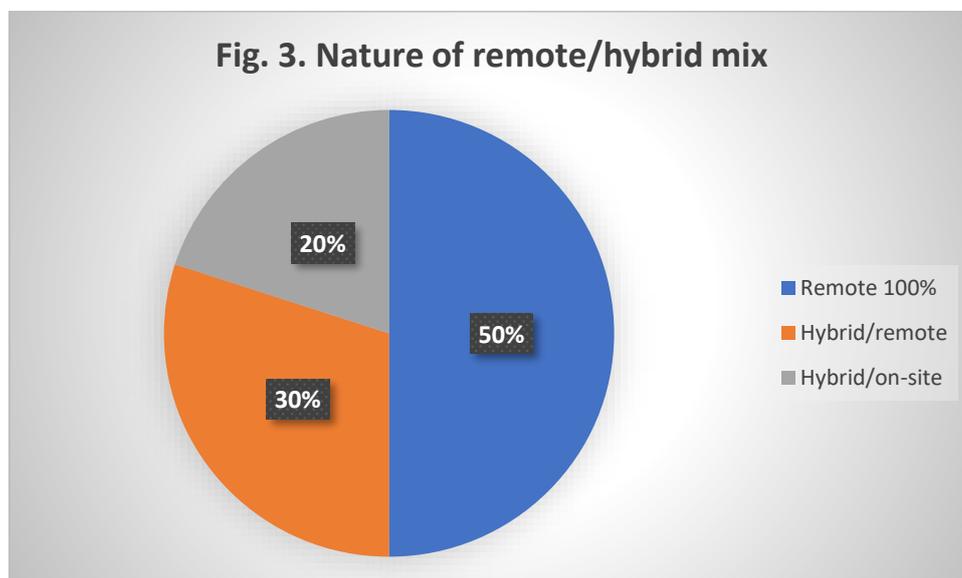


In Fig. 3 we examined the nature of the remote/hybrid/on-site mix used by the SMEs. As can be seen, 50% were fully remote, 30% had a hybrid/remote model and 30% had a hybrid/on-site model. It might be useful here to give some guidance on the different models:

- Fully remote means that the employees conduct 100% of their work at their actual location rather than working in a permanent location mandated by their employer, such as an office. They may work from home or a hub of some description but there is normally no 'office headquarters' which they can work from.

- Hybrid means working from home or a hub part of the time but attending a formal 'office' at other times. Many people work from home/local hub 2-3 days per week and attend their employer's office for the remaining days.
- On-site workers are required to normally work at a specific address be it an office, factory or other facility.

So as an example, a manufacturing company would require manufacturing operators to attend their factory (on-site) as they are needed to physically manufacture things. However, some support staff such as administration or accounts may be able to work from home some of the time once they have access to safe on-line communications (hybrid). However, some sales staff may be dispersed across a wide area and, thus, it may be impracticable for them to attend the office on a regular basis and these would work fully remote. Thus, there are 2 issues to consider when looking at the remote/hybrid/onsite mix; one staff attitudes and requests (keeping staff happy) and also the needs of the business itself and how remote/hybrid can be utilised within the business model to maximise efficiency. In this case, half of respondents were adopting remote/hybrid working to facilitate their business model, 10% noted to accommodate staff and 30% were forced into it through legal requirement.



When we asked the SMEs questions regarding this a number noted that it met their business model's need. *'Just the nature of the business, I didn't feel we needed an office space and so it was just natural to work from home for me, and then, as we built up the team at the time...So we ended up kind of with the hybrid kind of model all the time, and that was back in, as I say, 1997 so well before this kind of word remote working had even been heard of'. Another situation was a rural-based SME, 'basically, we're in quite a rural part...and we didn't have particularly fancy offices at the time. And it was kind of it made sense. And, also we work in a telesales function'.*

For those that were forced to adopt the methods, one noted that they were surprised by the benefits. *'It was indeed that we didn't do. We didn't allow anybody work from home before that. So, we've gone from one extreme to the other'. 'We closed our office and we have no intention of ever opening another one'.* We encountered no SME who intended going back to a fully on-site model.

The support organisations saw this from a wider perspective. For example, an IBEC survey on conditions of employment was undertaken between July and November 2022. Participants included 113 companies with less than 50 employees. A total of 351 companies responded to the survey. The total employed by these companies is 128,920 employees. The most common flexible working arrangement was hybrid working (1 or 2 days from home), in place in 243 (69%) of the organisations in the survey.

Others noted that, *'It's entirely sectoral... a lot of the people we represent their business model is services provided at the point of delivery. And I mean that in a physical sense, so childcare nursing homes, cafes, restaurants. So, working from home, hybrid is a solution for their back office but not for their primary service'*.

What can be taken from this analysis is that hybrid is very popular in Ireland but that it really comes down to the type of business and what remote/hybrid/on-site model best suits the company and its employees. Thus, adoption is very much down to the specific case. Our sample of 10 SMEs give a broad geographic, as well as, remote/hybrid mix.

## Most Significant Benefits of Remote/hybrid

From our review of recent reports, the most significant benefits of remote or hybrid work for SMEs include:

- Cost savings: SMEs can reduce office space and operational costs by adopting remote or hybrid work models<sup>17</sup>.
- Improved employee well-being and productivity: Remote and hybrid work arrangements have been shown to improve work-life balance and reduce stress for many employees. This can lead to increased productivity, with highly satisfied employees experiencing a 23% higher productivity rate<sup>18</sup>.
- Access to a wider talent pool: SMEs can recruit talent from anywhere, reducing salary pressures in expensive markets and bringing in top talent at competitive rates<sup>19</sup>.
- Increased employee retention: Offering remote or hybrid work options can improve employee loyalty and retention rates, which is particularly beneficial for SMEs given the high costs associated with replacing team members<sup>20</sup>.
- Reduced absenteeism: Healthier work-life balance and increased engagement resulting from remote work can lead to a 41% reduction in absenteeism<sup>21</sup>.
- Flexibility for small businesses: Remote work can provide smaller organisations with an edge, particularly for start-ups and small companies in rural areas or with limited local talent pools<sup>22</sup>.
- Competitive advantage: Offering remote or hybrid work options can give SMEs a competitive edge in attracting and retaining talent, especially when competing with larger corporations<sup>23</sup>.

We asked interviewees about the most significant benefits of remote or hybrid work for their SMEs and from their experiences. Fig. 4 outlines the number of times specific benefits of remote/hybrid were mentioned. Attracting talent was by far the most noted benefit of

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<sup>17</sup> <https://elitebusinessmagazine.co.uk/people/hr/item/remote-and-hybrid-working-for-smes>

<sup>18</sup> <https://elitebusinessmagazine.co.uk/people/hr/item/remote-and-hybrid-working-for-smes>

<sup>19</sup> Ibid

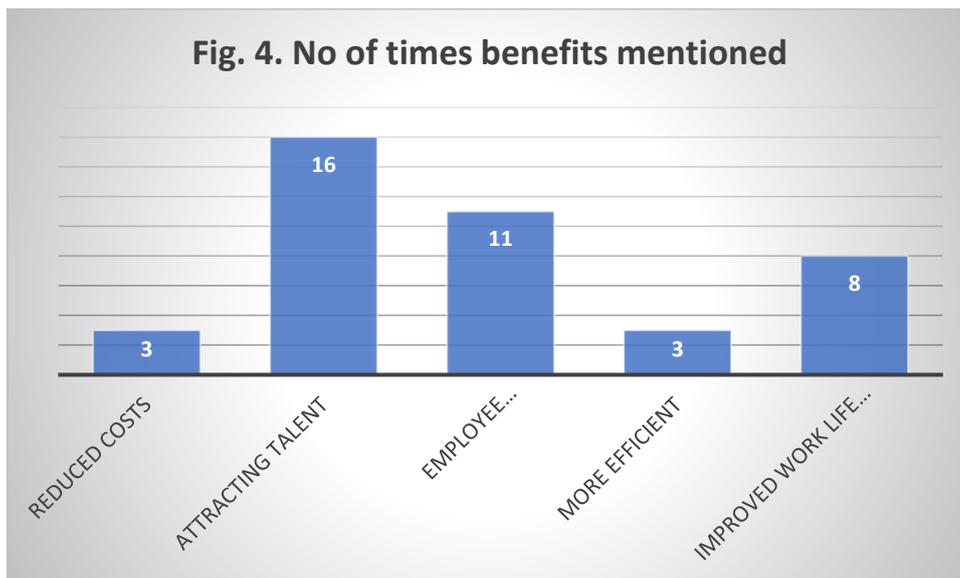
<sup>20</sup> <https://www.goco.io/blog/work-from-home-benefits>

<sup>21</sup> Op cite elitebusinessmagazine.co.uk

<sup>22</sup> Op cite goco.io

<sup>23</sup> Ibid

remote/hybrid and clearly in line with the literature review. Employee retention was the second most noted benefit. The benefits of an improved work-life balance were noted next. All these 3 were significant benefits noted by the SMEs and in line with research. However, only 3 times was cost savings mentioned and, also, improved efficiency. It may be useful here to make a definition between actual cost savings and opportunity-cost savings. If you rented an office and now you do not, then you have registered an actual cost saving. However, if you set-up from scratch as a remote-first (100% remote) company and you do not have an office you have not accrued an actual saving but accrued an opportunity-cost saving by not having to pay an additional sum to rent such an office. Thus, respondents noted actual cost savings when answering the question but later some noted the opportunity-cost benefit.



When we asked in more depth, we gained the following comments. With regards to staff retention and attracting new talent: *'Number one benefit is that you can employ the best person in the world. To me, the notion that you will build a team and say, I am only sourcing from people that can commute to this building every day of the week, but I believe that by some form of magic I'll find the perfect person, where they're a culture fit, they have the right skills, they're looking to move on from their current job, this feels like a fit for them, it feels like a fit for me, the salary is a fit. To me, that's a form of insanity. When you could say, well, why don't I broaden my pool to all of the workers anywhere in the world, and then see if I can find that magic fit?'*

Another example; *'we've just recently hired a head of a digital advertising operations and she's based in Dublin, and we're based in Galway...I never even asked her the question, but if the question was asked, would you move to Galway, she probably would have said No, because she settled, bought a house in Dublin all that kind of stuff, so it allowed her to have the option of working with us'.*

Other examples include, *'from the very beginning, because we, you know, sales of product to farm was a very traditional business and would have meant putting sales reps on the road, in cars, driving up and down farm lanes...seen the cost of that, and the waste of time that's in that... that would be the main benefits of this.'* *'I think, mainly retention of people and attracting and getting the talent we need. I'd say they're the top 2 benefits'.*

With regards to employee productivity; *'Like I can get. I can get more done. There's less distractions, because when I'm in the office there are constant distractions, and now I'm working in an office on my own at the moment but I still have people coming running to me all the time, which is fine, like in a small company. Everyone has to help each other, you know, and so. But, when I'm at home... they're less inclined to contact me unless they need to. So, I can get more done'. Further, 'I would say, an improvement in efficiency in terms of less wasted time. You know, we did have an office in Sandyford. So Sandyford is an hour and 25 min from me right. But one of the lads was living in Portmarnock, and it wasn't much less for him...the reality of that is a 3 hour waste of time sitting in traffic on a daily basis. So I suppose I would say we became about 20 to 25% more efficient. And then, obviously, the work life balance was critical'.*

With regards to cost savings, *'The people that we can attract are very much in line with the sort of values that we want in the company and the mission that we have as a company. So, they're already invested in that type of mission to, you know, free people up to for the work-life balance they want. It makes us more innovative around how we use tech to support that and, obviously, there's an obvious cost benefit as well and we don't need to spend money on renting offices or forcing people to travel in, you know, 3, 4 times a week to stare at their computers'. In this case no actual cost benefits were accrued but an opportunity cost was saved. From another perspective, 'I suppose the biggest benefits are for the employees in terms of the cost perspective from them to...in terms of time and money they don't have to commute into the office. They don't just spend money on the diesel...and in terms of for us for the company, we haven't seen any drop off in the levels of work. So that's why we continue to do it.'*

The support organisations noted the bigger picture. For example, *'the younger generations are much more pragmatic...they're looking for more than just a salary or a paycheck at the end of the month. So, I think you know, the option of remote and hybrid certainly meets their needs'. Another noted that, 'from discussions with SME members, offering remote or hybrid options for workers means increased attraction to roles and can also help SMEs retain talent. In an increasingly competitive market, members who have not been able to offer remote or hybrid options due to the responsibilities of the workers they employ have voiced concerns over their employer competitiveness and ability to retain staff'. Another perspective, 'I would say. The principal advantage, especially for SMEs is it allows them the capacity to compete with either the public service or large companies in offering an attractive employment package on a non-remuneration basis'.*

On the other side of the coin, *'flexible working and hybrid working is great. But people have to understand that there are significant limitations to it... the other difficulty, funnily enough, is with working time act, compliance, right?' also, 'With the start-ups, it depends on the nature of their business and the nature of the work...I think also a requirement is the owner, manager and or the team have to be comfortable with it for the benefits of the flexibility'.*

As we can see from our survey, it appears that our respondents agreed with the research sources that improved employee well-being and productivity, access to a wider talent pool and increased employee retention were key benefits of remote/hybrid working methods. Actual cost savings was limited to companies that went from an on-site model to a fully remote model, other hybrid models did not produce actual savings but did produce opportunity-cost savings. The issues of flexibility and absenteeism did not appear in our results.

## Employee Productivity and Performance:

Recent research and surveys have generally noted that remote and hybrid work arrangements have generally had a positive impact on employee productivity and performance in SMEs. Specifically,

- Productivity gains: Surveys consistently show that hybrid workers feel they can be more productive when working remotely, with 31% of leaders and 52% of hybrid workers reporting increased productivity as a benefit to their organisation<sup>24</sup>.
- Potential economic boost: Analysis suggests that even a modest 4% increase in productivity created by hybrid working could generate up to £33.4bn in additional economic output in the UK<sup>25</sup>.
- Sustained performance: While some companies have adopted an ad-hoc approach to hybrid working, overall performance hasn't suffered, according to a study by Maynooth University's School of Business<sup>26</sup>.
- Extended working hours: Research by Microsoft found evidence of a "triple peak day," with activity spikes in the early morning, after lunch, and during late evening. This could indicate increased flexibility in work schedules, potentially leading to higher productivity<sup>27</sup>.
- SMEs are working to strike a balance between employee satisfaction and operational efficiency. While hybrid work offers benefits, it also presents challenges in maintaining team cohesion and spontaneous interactions that can lead to innovative ideas<sup>28</sup>.
- Adaptation of management practices: To ensure productivity in hybrid settings, SMEs are developing new methods and metrics for monitoring performance when employees are not physically present in the office<sup>29</sup>.
- The effective use of platforms like Slack, Microsoft Teams, Zoom, and cloud-based tools has helped maintain or improve productivity by facilitating real-time collaboration and communication among remote team members<sup>30</sup>.

We asked respondents, how has remote or hybrid work impacted employee productivity and performance in your SMEs. In Fig. 5. The responses from all respondents are shown. 78% of all respondents noted the positive impact on employee performance in a remote or hybrid environment. 17% noted a varied impact and 5% noted a negative impact on employee performance. However, important to note, 100% of SME noted that in their view the effect of employee productivity was positive. From the support organisations, half thought it was positive, 37.5% thought it varied and 12.5% thought it negative.

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<sup>24</sup> <https://www.techuk.org/resource/accelerating-the-benefits-of-hybrid-work-why-we-must-continue-to-lean-into-workplace-flexibility.html>

<sup>25</sup> Ibid

<sup>26</sup> <https://www.thinkbusiness.ie/articles/balancing-hybrid-working-remote-presenteeism/>

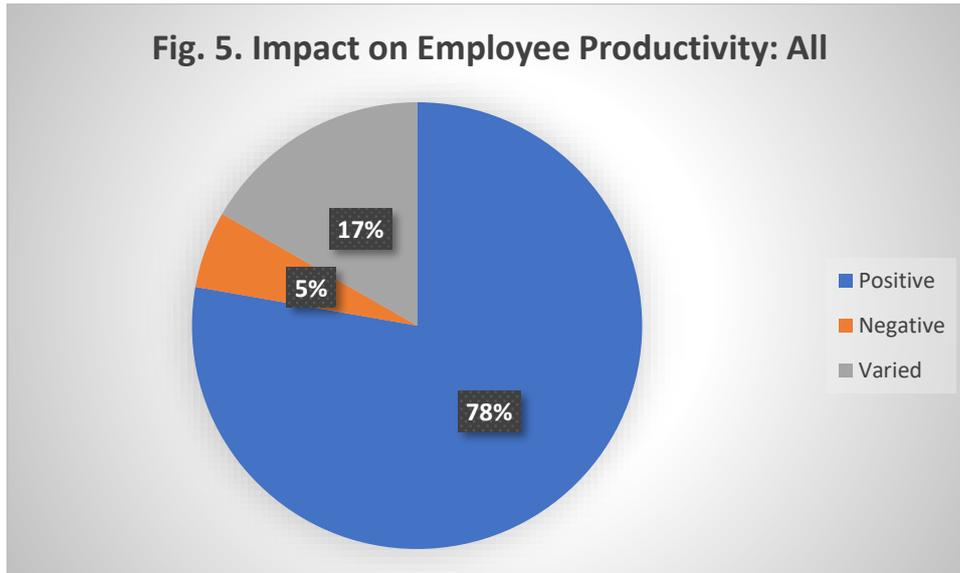
<sup>27</sup> Ibid

<sup>28</sup> <https://v-hub.vodafone.ie/knowledge-centre/hybrid-working-irish-smes-attracting-staff>

<sup>29</sup> Ibid

<sup>30</sup> Ibid

**Fig. 5. Impact on Employee Productivity: All**



When we delved deeper into the survey responses, we see the positive impacts noted by the SMEs: *'providing the trust and support that those employees need, and whether they're in the office or at home shouldn't really matter'*. Also, *'it really comes down to the individual doing the job, how good they are at self-discipline at self-motivation'*. More specifically, *'I'd say about a 25% increase which is astonishingly high, considering I was quite worried about the whole principle of remote when we were doing it. We were doing it out of necessity rather than me, having the foresight that it was a good thing to do. You know what I mean. I can't claim the credit for that one'*. From another respondent, *'no drop off and that's what was key. I mean, before Covid happened our CTO was adamant. no working from home, it wouldn't work...and now our CTO is our biggest advocate'*.

It was noted that *'there's a style of management and leadership you have to use if you have a remote business that's very different to how you can run a co-located business...having to focus on outputs rather than standing over someone's shoulder and watching how they're doing their work'*. Another response, *'I suppose that's probably one of the trickiest bits...but I suppose we've had to totally change how we look at kind of performance and measuring, and all of that'*.

From the support organisations perspective, some positivity. *'I can only speak from what I'm hearing and seeing, which is that productivity is up. Timelines are tighter. There's more work being done, and it's more challenging to disconnect'*. Another response, *'I suppose the information that we have on the ground is that where they're deploying it and stuff like that, they're not seeing any adverse effects on productivity...probably seeing levels of increases in productivity in certain types of ways'*.

With regards to better measurement and KPIs; *'I know of one manager, owner, manager who has said, well, actually, it has forced him to have better targets and better kpis and better measures for his team'*. Another response, *'the productivity has improved in some ways, because it's better measured or more appropriate. In others, no, it hasn't...the productivity has disimproved'*. Another response, *'the new approaches...forced managers and staff to think again about what they mean by productivity, what they mean by good work, and to maybe analyse it a bit more. They haven't all done it in my experience, and I believe, the ones who are struggling with the productivity and benefits of remote and hybrid working...part of that is because they're not managing any better or any differently than they used to'*.

However, there were some negative perspectives. *'I would have to be blunt about this and say that the biggest outcome I've noticed about this in the workplace setting is negative...the interpersonal interface and communication skills have gone down a lot. Management of the personal interface has become much more difficult on a work from home basis'*. Another response, *'On the other hand, some employers have also reported performance issues amongst individual employees when working remotely'*. Further, *'it was mentioned to me that while there are challenges with managing this, it's not unlike an old, for example, logistics business that would have had teams out on the road all the time that they may not have seen from one week to the other. Hybrid and remote working is merely a digital version of the same'*.

So, 78% of respondents noted a positive effect on employee productivity as a result of remote/hybrid with only 5% noting a negative effect. 100% of SMEs noted a positive effect. Thus, our survey is in-line with the sources with regards to productivity gains and sustained performance. The issues of extended working hours, striking a work-life balance, adaptation of management practices and the effective use of platforms are dealt with separately in later sections.

## Employee Satisfaction and Retention

Recent studies and surveys indicate that the adoption of remote and hybrid work models has generally led to positive changes in employee satisfaction and retention rates in SMEs:

- A study by Owl Labs found that 83% of employees reported higher job satisfaction when given more flexibility in their work schedules<sup>31</sup>. This improved satisfaction is largely attributed to enhanced work-life balance and increased autonomy in managing tasks.
- The flexibility offered by hybrid work arrangements has become a key factor in employee retention. Many employees now value the option to work remotely, and companies that offer this flexibility are better positioned to retain talent<sup>32</sup>.
- Remote and hybrid work models have significantly reduced commute times, allowing employees more time for personal activities and family. This has contributed to higher overall job satisfaction and employee well-being<sup>33</sup>.
- SMEs have been able to access a wider talent pool by offering remote work options. This has allowed them to hire skilled professionals who may not have been available locally, potentially improving overall team satisfaction and performance<sup>34</sup>.
- Employees working remotely can personalise their workspaces, leading to increased comfort and potentially reduced stress levels. This customisation has positively impacted job satisfaction for many workers<sup>35</sup>.

However, it's important to note that maintaining employee satisfaction in a hybrid model requires ongoing effort:

- Communications: SMEs need to ensure effective communication and collaboration among team members to prevent feelings of disconnection<sup>36</sup>.

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<sup>31</sup> <https://flydesk.com/insights/hybrid-work-impact-on-job-satisfaction-and-productivity/>

<sup>32</sup> <https://www.forbes.com/sites/glebtsipursky/2023/01/09/new-study-shows-smes-are-leading-the-hybrid-work-revolution-to-win-the-talent-wars/>

<sup>33</sup> Op cite flydesk.com

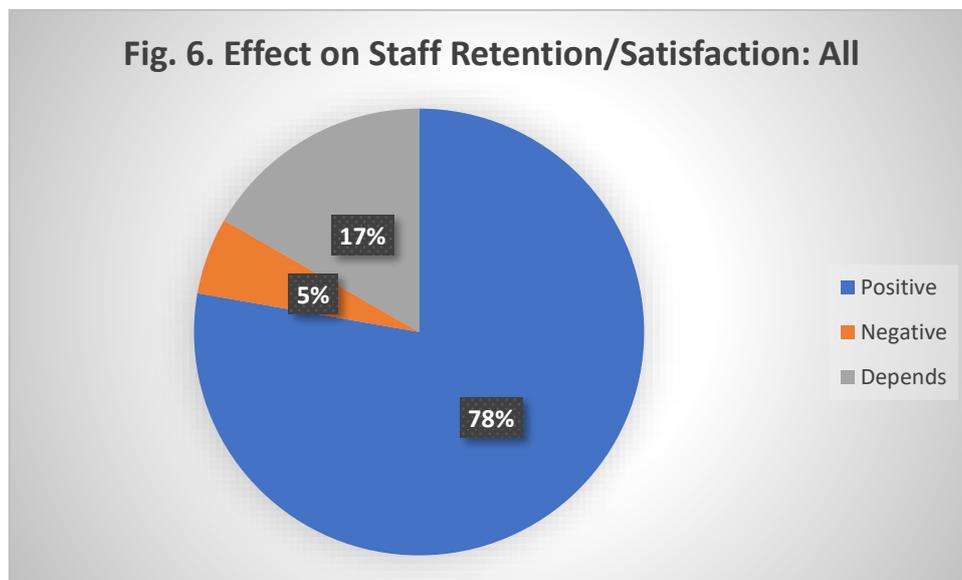
<sup>34</sup> <https://www.forbes.com/sites/glebtsipursky/2023/01/09/new-study-shows-smes-are-leading-the-hybrid-work-revolution-to-win-the-talent-wars/>

<sup>35</sup> Op cite Flydesk.com

<sup>36</sup> <https://startups magazine.co.uk/article-are-flexible-and-remote-working-staff-good-option-smes>

- Maintaining company culture: There's a need to actively work on keeping remote employees connected to the company's mission and values to maintain high satisfaction levels<sup>37</sup>.
- Work-life boundaries: While flexibility is appreciated, some employees may struggle with separating work and personal life when working remotely, which could impact long-term satisfaction if not addressed<sup>38</sup>.

We asked respondents as to the effect remote/hybrid work arrangements had with regard to staff satisfaction and retention in their experiences. As can be seen from Fig. 6, 78% of all respondents believed the effects to be positive with 17% believing them to be varied and 5% noting negative effects. However, and important to note, 100% of SMEs themselves thought that the effect on staff retention and satisfaction was positive. Again, the support ecosystem noted 50% positive, 37.5% depends and 12.5% though the effect negative.



When we explored this in detail with interviewees, we found a positivity from SMEs. *'Yeah, well, we have so far, a hundred percent retention'. 'I personally like I like the having the mix. I wouldn't like to work from home all the time, but I do like just the one day'. 'Well, I suppose we've always had this...when they bed into the jobs they tend to stay...I have people 10 years, 7 years, 6 years...if they bed in properly'*.

There was nuance in the responses, for example, *'It's still obviously a major bugbear of every business attracting talent. The fact that we do offer complete, remote is attractive to what I find is people who are at a stage of their life, that not alone, if they got educated, they actually have a little bit of experience as well. What I found is the younger generation...they do maybe like to have an office space because it's more social and they don't have a network of working friends'. Also, 'People are really happy with the flexibility when we do surveys. So that's really positive. I mean, we still had a level of turnover probably just more to do with the market than anything else'*.

There were lessons for rural SMEs, *'...all 4 of them were still living in Tralee but they were getting paid higher. So, they left for the money, and that's where alarm bells went off for us, you know.*

<sup>37</sup> Ibid

<sup>38</sup> <https://www.hays.ie/market-insights/article/sme-leaders-retain-staff>

*Whereas previously, you know, we would have benchmarked against companies in Kerry, and we may have even gone as far as Limerick. But now, at the time it looked like we were susceptible to companies in Dublin and the UK poaching our staff, and then we couldn't really compete with them in terms of salary'. Thus, staff retention appears to be positively affected by remote/hybrid work practices but there is still competition for workers which SMEs have to be aware of.*

*The support organisations saw mixed effects on staff retention. 'I think is, it's probably very much driven by both the individual and the culture of the organisation'. On the more positive side, 'I would say that for experienced people it's a real positive and increases retention, I'd say for the younger people it might have be slightly a negative and may...result in lower satisfaction' and 'Our members report that their employees are more satisfied with remote and hybrid working practices. Employees feel the reduced commute means they can spend more time with family and friends. Employees working with our members often want to hold onto remote working as it allows for increased flexibility in their schedules allowing them to partake in hobbies and commit to self-care impacting their overall wellness'. 'We're hearing stories all the time about retention rates and being higher and employee satisfaction...there's a degree of additional trust. I think there as well, that the employees are feeling'. It was also noted that '...and that additional benefit that goes beyond the workplace. It goes into the wider societal impact of having an employee working closer to the locality, and that's been borne out in terms of volunteerism, for example, and or maybe participation in their hobbies'.*

However, there were less positive experiences noted. *'Interpersonal problems only developed when for the first time they came into an office. So, it may be unfair to blame work from home for a lot of this. It may simply be that hiring practices are only now catching up with some people who are very happy working from home in the first place, and never worked in a in an office setting until the pandemic ended'. It was also noted that 'I think it's managing expectations has led to dissatisfaction'...It also depends on how familiar comfortable people are with the tools that are used to work remotely and to work to be managed remotely'.*

With regards to staff retention, we found that 78% of all respondents believed the effects to be positive with 17% believing them to be varied and 5% noting negative effects. However, and importantly, 100% of SMEs themselves thought that the effect on staff retention and satisfaction was positive. This is in line with sources noting employees reported higher job satisfaction when given more flexibility in their work schedules and that hybrid work arrangements have become a key factor in employee retention. There is clear support for the benefits of reduced commute times, allowing employees more time for personal activities and family. SMEs have been able to access a wider talent pool by offering remote work options. The issue of employees working remotely personalising their workspaces did not arise.

## Ability to Attract Talent

Research suggests that remote and hybrid work arrangements have significantly enhanced SMEs' ability to attract talent in several ways:

- Expanded talent pool: SMEs can now recruit talent from anywhere, reducing geographical constraints and allowing access to a wider range of skilled professionals<sup>39 40</sup>.

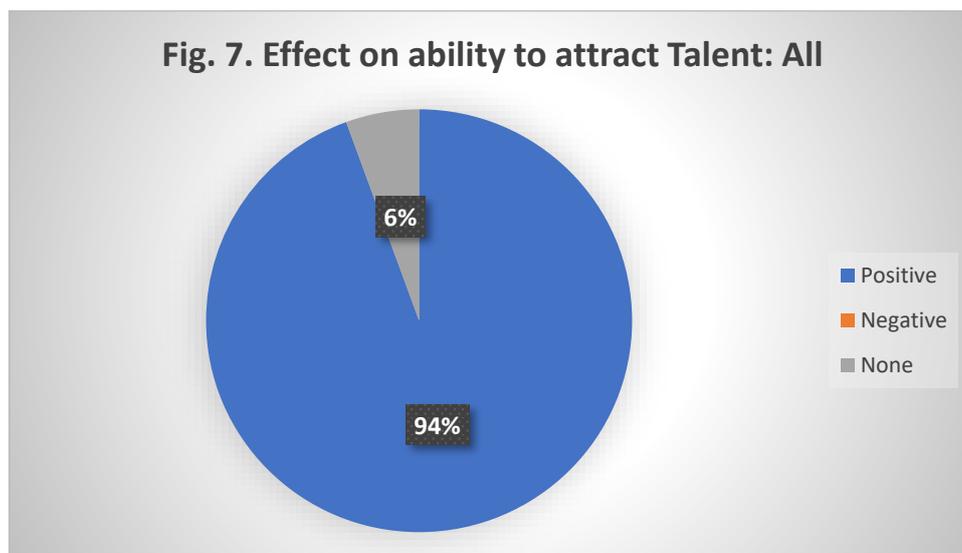
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<sup>39</sup> <https://gxait.com/business-technology/leveraging-technology-for-remote-work-a-guide-for-smes/>

<sup>40</sup> <https://www.occupop.com/blog/overcoming-recruitment-challenges-in-smes>

- Offering remote or hybrid work options gives SMEs an edge in attracting talent, especially when competing with larger corporations that may offer higher salaries<sup>41</sup>.
- 83% of employees report higher job satisfaction when given more flexibility in their work schedules, making SMEs that offer remote work more attractive to potential hires<sup>42</sup>.
- Improved work-life balance: Remote and hybrid work models have significantly reduced commute times, allowing employees more time for personal activities and family, which is highly valued by job seekers<sup>43</sup>.
- Attraction of diverse talent: The flexibility of remote work has enabled SMEs to hire skilled professionals who may not have been available locally, potentially improving overall team diversity<sup>44</sup>.
- Millennials, who now represent one in three American labour force participants, prioritise work-life balance and employer benefits on par with or higher than compensation<sup>45</sup>.
- SMEs can offer attractive compensation packages that include remote working options and flexible hours, which can be more cost-effective than competing solely on salary<sup>46</sup>.
- The percentage of 'remote work' job postings rose from 3% of all jobs in January 2019 to approximately 4% in January 2020, indicating a growing trend in remote work opportunities<sup>47</sup>.

By embracing remote and hybrid work models, SMEs have positioned themselves as forward-thinking, adaptable entities ready to capitalise on the opportunities presented by a globally connected, digital era<sup>48</sup>. We asked interviewees, how has remote or hybrid work influenced your ability to attract talent? In Fig. 7 we see that 94% of all respondents noted the positive effect of remote/hybrid on attracting new talent.



Interestingly, nearly all interviewees expressed the belief that remote/hybrid had a positive effect on the ability to attract staff. One SME noted that there was no change in their ability to attract staff.

<sup>41</sup> ibid

<sup>42</sup> Op cite gxait.com

<sup>43</sup> <https://connectedhubs.ie/blog/posts/why-coworking-spaces-for-hybrid-workers-is-an-sme-win>

<sup>44</sup> Op cite gxait.com

<sup>45</sup> <https://growremote.ie/wp-content/uploads/2024/04/Remote-Playbook-for-SMEs-3.pdf>

<sup>46</sup> Op cite occupop.com

<sup>47</sup> <https://assets.gov.ie/224572/d637c09f-d97e-4a75-8852-a3b7f215b57b.pdf>

<sup>48</sup> Op cite gxait.com

As could be expected the comments supported this positive outlook such as '*...well, I mean, we've always had a very high retention rate which is good. And I think that really helped in terms of the remote working, because everybody had been in the company for a long time*' and '*I would say I still struggle to get the right candidate for the job...if I couldn't find them all over the country, I'd never find them*'. One interviewee could measure the effect, '*the last year or so we've worked with a 3rd party consultancy for talent acquisition and they give us stats and data on our hiring...but we receive something like 8x the number of applications that a company would usually receive for the types of roles that we're advertising*'. Also, '*...but more recently, when we've advertised roles, we will get a couple of 1,000 applicants. Now, most businesses of our size, you might be looking at 70 or 80 applicants for a job like that*'.

Every business is different and as one interviewees pointed out, '*the problem in our business, we're in digital payments. And it's a very, very niche. So that the actual experience or skill set what we end up doing now, I've given up on recruitment agencies and LinkedIn adverts. And we literally now, headhunt*'. Thus, SMEs are using remote/hybrid to support their talent search.

The support organisations also noted that '*the fully remote business across Europe that I mentioned would not have been able to attract staff if it wasn't fully remote. He is now, I think, based in Norway, and he has staff in 4 different European countries...but it also means they can attract maybe more relevant talent because the pool they're pulling from is broader across Europe*' and '*Our members have suggested that offering remote and hybrid working increases interest in job vacancies*'.

We found that 100% of SMEs and 94% of all respondents noted that remote/hybrid work arrangements are a positive in attracting new talent to SMEs. There is clear evidence to support the research sources that remote/hybrid results in an expanded talent pool with more diversity, gives SMEs an edge in attracting talent, results in improved work-life balance. There is support here and later in the report that Millennials prioritise work-life balance and employer benefits on par with or higher than compensation and that attractive compensation packages that include remote working options and flexible hours, which can be more cost-effective than competing solely on salary.

## Cost Savings

Published research has indicated that SMEs have experienced significant cost savings through remote and hybrid work arrangements. These savings can be quantified as follows:

- Businesses can save up to \$11,000 annually per remote worker by reducing office-related expenses and increasing productivity<sup>49 50</sup>.
- SMEs can save nearly €1,500 per employee per year by downsizing expensive city centre offices<sup>51</sup>.
- Companies could preserve up to £8,000 annually for each employee working from home<sup>52</sup>.
- Remote workers can save an average of 93 hours per year through reduced commuting, with an equivalent monetary benefit of €1,103<sup>53</sup>.

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<sup>49</sup> <https://sballiance.net.au/how-the-rise-of-remote-work-can-redefine-smes-strategy/>

<sup>50</sup> <https://www.gloroots.com/blog/prove-remote-work-culture>

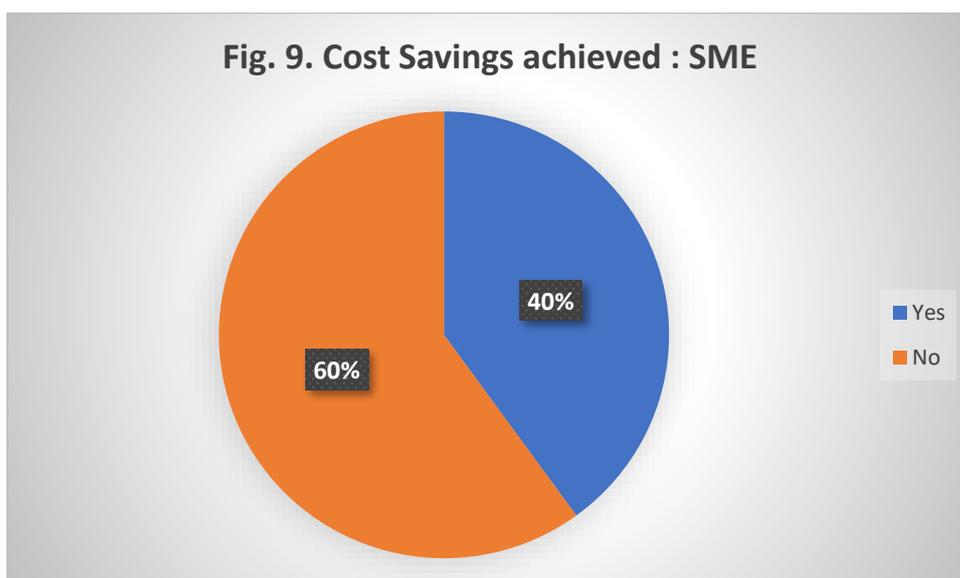
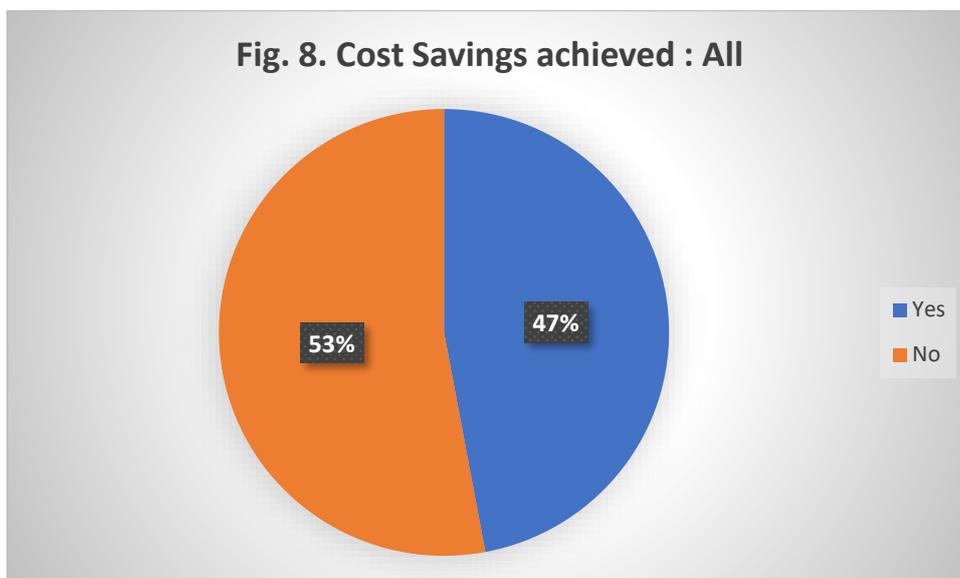
<sup>51</sup> <https://www.thinkbusiness.ie/articles/legal-and-financial-rules-remote-working-ireland/>

<sup>52</sup> <https://telconews.co.uk/story/smes-leaning-on-remote-work-as-a-primary-cost-saving-measure>

<sup>53</sup> <https://assets.gov.ie/224572/d637c09f-d97e-4a75-8852-a3b7f215b57b.pdf>

- While remote workers may see increases in heating (€79) and electricity (€30) costs annually, these are outweighed by potential savings from reduced commuting, estimated at €413 per remote worker <sup>54</sup>.
- Highly engaged remote teams can result in a 41% reduction in absenteeism, leading to indirect cost savings<sup>55</sup>.
- Organisations with highly satisfied employees, often associated with remote work options, experience a 23% higher productivity rate, which can translate to financial benefits <sup>56</sup>.

We asked interviewees as to whether their SME had experienced any cost savings. In Fig. 8, we present the responses from all respondents and in Fig. 9 we give the responses from the SMEs only. 53% of all respondents believed that cost savings had been achieved. However, only 40% of SMEs actually saw cost savings.



<sup>54</sup> ibid

<sup>55</sup> <https://elitebusinessmagazine.co.uk/people/hr/item/remote-and-hybrid-working-for-smes>

<sup>56</sup> ibid

When we explored this in the comments, we saw that *'cost savings. Well, I suppose you know we would have had to build on more offices, and that you know we did build on offices, but would have to do more and more. You know we would have multiplied out those offices, or, you know, if we didn't, so there would certainly be a saving in that regard'*. Also, *'from a compliance point of view, legal point of view, there is a cost to... running a hybrid [business]'* and *'we still have an office. But I suppose we don't have people in there every day. So obviously, there's a certain amount of savings from that and we are at the moment probably looking at reducing the office space...Undoubtedly there has been some level of cost saving'*.

Interestingly, *'if Covid hadn't broken out, we had an office suite in Carmen Hall in Sandyford, right. We had actually agreed to take the office suite beside us. So not alone did it save me 1 rent. It saved me 2'*.

The support organisations saw more savings than the SMEs. *'...obviously no rent, no rates, no electricity bills like I mean, quite significant'* and *'I think it's true of all organisations consumption of office like your office, space requirements have diminished, and I would say that several of my clients have downsized or exited lease agreements that are using more like temporary office accommodation'*. Further, *'I think the one thing I would say would be SMEs that have any that needed to take on more staff. They need to expand the office or take a new premises that's removed through their remote and hybrid work, and they haven't had to endure that expense'*.

However, not all SMEs could reduce their costs, *'though I'm surprised at the number I have met who haven't downsized their offices or their space...suddenly, two-thirds of the team, 15 out of 20 were actually in the office one day, and he says if I downsized I wouldn't have anywhere to put them'* and *'employers have experienced cost pressures with remote and hybrid working. Employers have absorbed the costs of managing two work places for employees (work from home equipment and maintenance of office space where a lease is in place). For some employees that can work remotely but who are not able to work from home, many employers have had an increased cost of renting hubs'*.

Clearly, the results of our survey are showing less emphasis on the benefits of cost compared to the sources mentioned. This could be because the sources are focusing on larger companies but some of our findings differ. We discussed earlier the difference between actual cost savings and opportunity-cost savings. In reality, only businesses that went from an office-based model to fully remote; and eliminated the costs associated with the office, actually saw any real cost savings. Hybrid models actually increased costs in some cases with a set up in the office and at the employee's home. There were opportunity-cost savings in relation to downsizing office space but the real saving was in not needing more space.

## Measuring the impact of remote/hybrid working

According to research, SMEs are using specific metrics to measure the impact of remote and hybrid working arrangements. These metrics focus on several key areas:

- **Productivity:** SMEs are tracking employee output and efficiency to assess the impact of remote work on productivity. Some businesses have reported up to a 23% higher productivity rate for highly satisfied employees working remotely<sup>57</sup>.

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<sup>57</sup> <https://gusto.com/company-news/data-what-makes-remote-hybrid-SMBs-successful>

- Cost savings: Companies are measuring cost reductions related to office space, utilities, and other overhead expenses. Studies show that businesses can save up to \$11,000 annually per remote worker<sup>58</sup>.
- Employee satisfaction and retention: SMEs are using surveys and feedback mechanisms to gauge employee satisfaction with remote work options. Research indicates that 83% of employees report higher job satisfaction when given more flexibility in their work schedules<sup>59</sup>.
- Talent acquisition: Companies are tracking their ability to attract and retain talent from a wider geographical area. The flexibility offered by remote work has become a key factor in recruitment, with 92% of respondents indicating that remote/hybrid working would be a key factor in their decision to change employer<sup>60</sup>.
- Work-life balance: SMEs are assessing improvements in work-life balance through employee feedback and reduced absenteeism rates. Remote work has been associated with a 41% reduction in absenteeism<sup>61</sup>.
- Performance metrics: Some SMEs are developing new methods and metrics for monitoring performance when employees are not physically present in the office<sup>62</sup>.
- Technology adoption and efficiency: Companies are measuring the effectiveness of collaboration tools and platforms used for remote work, such as Slack, Microsoft Teams, and Zoom<sup>63</sup>.

We asked interviewees, whether their SME was using specific metrics to measure the impact of remote/hybrid working? Outside of the metrics they were using prior to remote/hybrid there was unanimity amongst interviewees that nobody could identify any SME using specific metrics to measure the impact of remote/hybrid working.

When we explored this in more detail, we found that *'we're very sort of focused on our timelines, our milestones, our deliverables, our outcomes, and why we're doing things like the big answers and why? So that's all mapped out, and everybody is aligned'*. It was also noted that *'...you're observing rather than measuring'*.

The support organisations concurred; *'I have no information from anybody that they are specifically comparing and contrasting hybrid and remote with on site, and measuring the difference...I don't know of any tools that have been used. It's mostly the CEOs or the founders gut feeling as to is it better, or is it not'*. Further, *'people try and measure their productivity through whatever their own targets are, whether that's like sales or hitting them in in the nonprofit world, hitting other impact targets...if they don't hit targets there is a chance that people blame the operating model. Oh, it's because we're hybrid, or it's because we're remote where that mightn't be the reason at all'*. Also, *'many small businesses we speak with have not caught up with recording metrics on hybrid and remote working'*.

The responses do not concur with the research here. SMEs are using very similar metrics to previously; sales figures, delivery timelines, output data. There is no specific metric to measure the effectiveness of remote/hybrid compared to non-remote/hybrid models. Larger companies may be doing so but our cohort were not. Thus, SME owner /managers are basing their decisions

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<sup>58</sup> <https://www.scrip.org/journal/paperinformation?paperid=134162>

<sup>59</sup> Op cite Gusto.com

<sup>60</sup> <https://westerndevelopment.ie/2023/11/13/2023-annual-remote-working-survey-finds-remote-working-opportunities-strongly-impact-employment-decision-making/>

<sup>61</sup> Op cite Gusto.com

<sup>62</sup> Op cite scrip.org

<sup>63</sup> ibid

on 'gut feeling' and sales targets being met rather than an understanding of how remote/hybrid is actually affecting their businesses, are the key measures.

We found that the SMEs in the sample were not utilising specific metrics to measure the effects of remote/hybrid outside the usual metrics that they had used previously. Thus, our survey does not support sources on the use of specific performance metrics. The issues of productivity, cost savings, employee satisfaction and retention, talent acquisition, work-life balance, technology adoption and efficiency are dealt with in other sections.

## Primary Challenges and Concerns

Research suggests that SMEs have faced several primary challenges in implementing remote or hybrid work which are as follows:

- Maintaining team cohesion and communication: One of the biggest challenges is maintaining effective communication and collaboration among team members. Remote teams may struggle to build trust and establish strong working relationships without face-to-face interactions<sup>64</sup>.
- Data security and privacy: Safeguarding data security in a distributed work environment is a significant challenge. With employees accessing company systems from various locations, often through personal devices, the risk of data breaches and cyberattacks increases significantly<sup>65</sup>.
- Employee engagement and company culture: Ensuring remote employees stay connected and engaged with the company culture can be difficult. Without daily interactions in an office environment, remote workers may feel disconnected from the company's mission and values<sup>66</sup>.
- Productivity monitoring: The absence of physical oversight can lead to concerns about productivity and accountability. SMEs need to establish new methods and metrics for monitoring performance when employees are not physically present in the office<sup>67 68</sup>.
- Technology infrastructure: SMEs must evaluate and upgrade their technology infrastructure to support remote work effectively. This includes providing employees with the necessary tools and technologies for seamless remote work<sup>69</sup>.
- Cybersecurity risks: The most pressing challenge is an increased risk of cyber threats. About 20% of organisations have experienced data breaches related to remote workers, with phishing attacks being the top threat<sup>70</sup>. SMEs are particularly vulnerable, as cybersecurity incidents can lead to catastrophic financial losses and reputational damage<sup>71</sup>.

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<sup>64</sup> <https://startups magazine.co.uk/article-are-flexible-and-remote-working-staff-good-option-smes>

<sup>65</sup> <https://gxait.com/business-technology/leveraging-technology-for-remote-work-a-guide-for-smes/>

<sup>66</sup> Op cite Startupmagazine.co.uk

<sup>67</sup> Op cite gxait.com

<sup>68</sup> Op cite scrip.org

<sup>69</sup> <https://startup-house.com/blog/adapting-remote-work-strategies-sme-post-pandemic>

<sup>70</sup> <https://www.mustardit.co.uk/it-blog/remote-work-it-challenges-and-solutions-for-smes/>

<sup>71</sup> ibid

- Work-life balance and burnout: Addressing concerns related to work-life balance, burnout, and mental health support has emerged as a priority for SMEs seeking to foster a supportive remote work culture<sup>72 73</sup>.
- Legal and regulatory issues: SMEs must navigate potential legal and regulatory challenges related to remote work, including compliance with labour laws in different locations, ensuring data privacy and security, and providing adequate insurance coverage for remote employees<sup>74</sup>.
- Training and support: Providing comprehensive training programs tailored to different skill levels is crucial for SMEs to ensure that all employees feel confident and competent in utilising remote work technologies<sup>75</sup>.
- Financial constraints: SMEs may face financial challenges in implementing and maintaining the necessary infrastructure and tools for effective remote work<sup>76</sup>.

We asked interviewees as to the primary challenges they faced in implementing remote or hybrid work? In Fig. 11 we show the frequency of the different challenges mentioned by all respondents and in Fig. 12 the challenges identified by the SMEs only. When we look at all respondents, communications issues were listed as the most important challenge, followed by measuring productivity and followed equally by embedding company culture and the changing the managements own mindset. The other identified challenges are listed in the Fig. 11 and have relatively low frequencies.



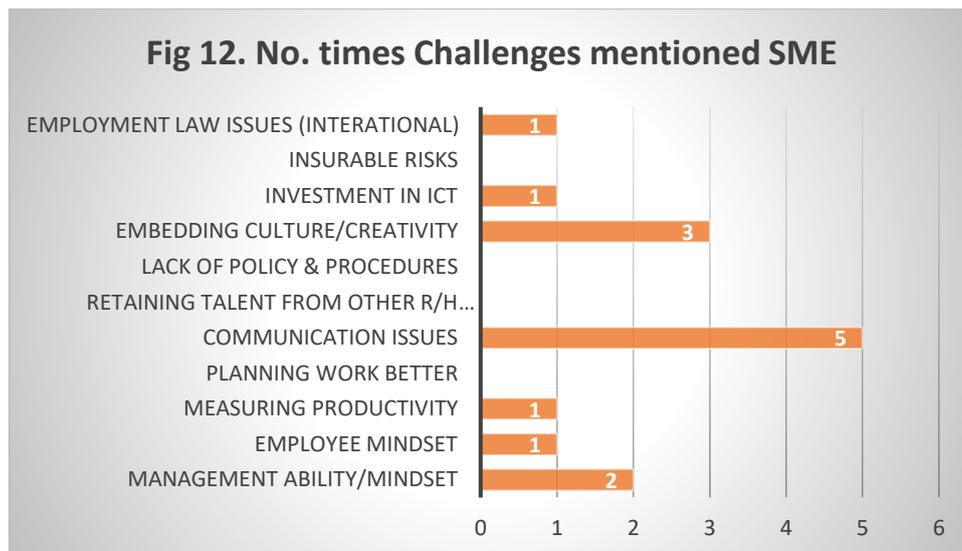
<sup>72</sup> Op cite scrip.org

<sup>73</sup> <https://www.forbes.com/sites/glebtsipursky/2023/01/09/new-study-shows-smes-are-leading-the-hybrid-work-revolution-to-win-the-talent-wars/>

<sup>74</sup> Op cite Startupmagazine.co.uk

<sup>75</sup> Op cite gxait.com

<sup>76</sup> [https://www.researchgate.net/publication/374723786\\_Remote\\_Work\\_for\\_SMEs\\_Perspectives\\_from\\_SMEs\\_in\\_the\\_United\\_Kingdom\\_UK\\_after\\_the\\_COVID-19\\_pandemic](https://www.researchgate.net/publication/374723786_Remote_Work_for_SMEs_Perspectives_from_SMEs_in_the_United_Kingdom_UK_after_the_COVID-19_pandemic)



In Fig. 12, the main challenges faced by the SMEs are again communications, followed by embedding culture and changing management mindsets. Notably, measuring productivity is less important for the SME compared to the support organisations.

When we delved deeper, we found that *'it was our own mindset, really, at the start with the challenge, you know, like, management. I'm talking about here like, because we were nearly expecting the worst, you know'*. Also, *'...it's more on the social and the human side, you know, on the connection, collegiality...we want to avoid a sort of a transactional type relationship with employees'*. Further, *'Well, one, I would say, it's the culture and the training, you know, embedding culture and training appropriately'*.

The SME responses here should be seen in concert with responses in other sections. The issue of interpersonal contact and communications comes up regularly which is directly related to embedding the company culture which is directly related to the management's mindset and approach, as they to a great extent set the culture. So, these are all related issues.

The support organisations saw this from a wider perspective, *'...as we all know owner managers and SME founders don't necessarily plan and organise themselves as well as or in a structured way, as larger organisations, and that can be to their benefit in nimbleness'* and *'this is where start-ups have an advantage, because they're bringing in that culture of communication from where they're at, so they can design it as they go'*.

Interestingly, *'many HR Professionals that I've talked to are really just slightly repurposing larger corporate policies and procedures and I've often said that a small business is not necessarily a small version of a large business'*. Another challenge: *'ensuring company data is protected can be a challenge for small businesses with employees working away from the company's premises. Some small businesses have also been challenged to build trust when allowing employees to work remotely. Companies have had to rely on employee outputs as a performance measurement'*.

A key takeaway appears to be *'for me. I suppose one of the one of the big ones is people understanding what it means to be remote working. You know when you're in the office, you know you're in the office. You know the office is your base. You know that this is your office, and that you're working from here, and whatever you do, you go from here to meet the clients, or you*

*do whatever you do, depending on the role. I think there's a challenge where people think of remote working now a lot of the time they tend to think of those days as that they're working from home as opposed to basing themselves from home'.*

*One respondent summarised it as follows, 'I can't think of any significant issues for Irish based remote workers. I do think that there are a tax and other considerations for people working overseas, and I don't think our companies fully understand the implications of remote staff. There are concerns around IP. There are permanent establishment issues. There are tax issues. I think there's a lot of risk and exposure for having an employee. You know, employees scattered around the world, which is kind of has happened post Covid. and that, I think, is a risk and an issue for a lot of the companies'.*

We found that maintaining team cohesion and communication is a major challenge for SMEs but a lot of the key challenges are mindset based. Employers trusting employees and trusting themselves to adapt and change, with employees understanding the difference between being based at home rather than working from home. Many of the technical issues such as employment law, tax, insurance etc. have been overcome by employers by taking professional advice and implementing the right policies. Issues around cybersecurity, technology infrastructure and data security and privacy/GDPR were definitely mentioned. Issues around employee engagement and company culture, productivity monitoring, work-life balance and burnout, legal and regulatory issues, training and support, as well as, financial constraints are dealt with in other sections.

## Maintaining Company Culture

According to published research and studies, maintaining company culture and team cohesion has been a significant challenge for SMEs in remote and hybrid work environments. Several issues have been observed:

- Lack of face-to-face interactions: Without daily in-person contact, employees may feel disconnected from their colleagues and the company's mission.
- Difficulty in building trust: Remote teams often struggle to establish strong working relationships without physical presence.
- Reduced spontaneous collaboration: The absence of casual office interactions can limit creative exchanges and problem-solving opportunities.
- Onboarding challenges: New hires may find it harder to absorb company culture and norms in a virtual setting.

To address these issues, SMEs have implemented various strategies:

- Virtual team-building activities: Companies organise online games, quizzes, and themed events to foster camaraderie<sup>77 78</sup>.
- Regular check-ins: Scheduled 1:1s and team meetings help maintain open communication and alignment<sup>79</sup>.
- Creating a virtual workspace: Utilising platforms like Slack and Microsoft Teams to replicate office interactions and encourage collaboration<sup>80</sup>.

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<sup>77</sup> <https://www.rippling.com/blog/managing-remote-teams>

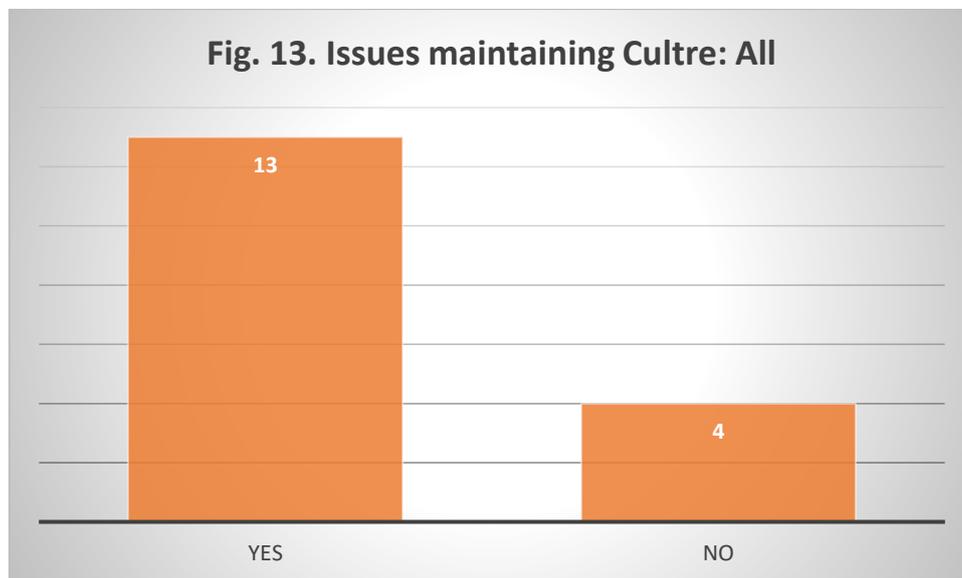
<sup>78</sup> <https://zight.com/blog/manage-impact-of-remote-work/>

<sup>79</sup> Op cite rippling.com

<sup>80</sup> <https://gxait.com/business-technology/leveraging-technology-for-remote-work-a-guide-for-smes/>

- Crafting team alliances: Co-creating agreements on work processes, communication, and conflict resolution to build conscious relationships<sup>81</sup>.
- Informal communication channels: Establishing non-work-related chat rooms or Slack channels for casual conversations<sup>82</sup>.
- Virtual social interactions: Organising virtual coffee breaks or informal meetups to strengthen team bonds<sup>83</sup>.
- Culture-focused virtual meetups: Regular sessions dedicated to sharing and reinforcing company values and practices, especially for new hires<sup>84</sup>.
- Cross-departmental collaboration: Facilitating virtual meetups between different teams to encourage knowledge sharing and strengthen company culture<sup>85</sup>.

We asked interviewees as to whether they had observed any issues with maintaining company culture or team cohesion? In Fig. 13 we give the responses for all interviewees and in Fig. 14 we give the responses for only the SMEs. 72.2% of all respondents expressed an opinion that maintaining company culture was an issue with the remaining 27.8% (4 respondents) expressing no issue with maintaining company culture. All these 4 respondents were SMEs thus, 60% of SMEs had issues with maintaining culture and 40% had not.



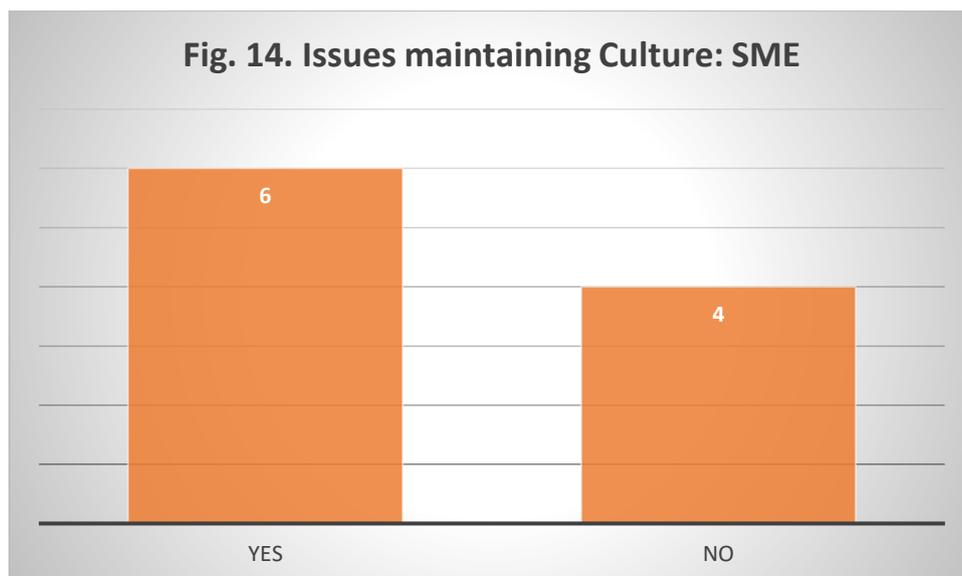
<sup>81</sup> <https://www.icagile.com/resources/7-tips-for-effective-remote-team-management>

<sup>82</sup> Op cite rippling.com

<sup>83</sup> <https://startup-house.com/blog/adapting-remote-work-strategies-sme-post-pandemic>

<sup>84</sup> <https://www.forbes.com/councils/forbesbusinesscouncil/2024/01/25/20-strategies-to-combat-the-unique-challenges-of-remote-work/>

<sup>85</sup> Op cite rippling.com



Of the SMEs who had noted an issue with culture, *'there is no doubt you lose something by people not being face to face and not being in person, there isn't. I always say there's a magic that happens when you bring people together and that magic is so tangible'*.

*'So we'll say if it's you know we do maybe 3 kind of big events during the year as kind of just fun and entertainment. And you know, team building and all of that'*.

*'We have a philosophy here which is work out loud...everybody has access to everything basically...it's a combination of tools, a culture of accountability and transparency and support supporting each other'. Or comments such as, 'it has impacted a little bit, I would say on cohesive working' and 'people were a bit disjointed without having something formal'*.

On the other hand, *'what is company culture? I suppose you know...so what's company culture like? Are you talking about standing around a coffee machine...or is it not more about the Open Door policy, or whatever you know, or you know that people are...and if you're forcing everybody back into the office, is that not the opposite of that trust has to work both ways. So no, our company culture hasn't been eroded' and 'I suppose you do, you monitor it during meetings and stuff like that, or how they're doing presentations or how they're dealing with clients. You may actually go just one second. Now, that's not how we do things around here. Right? I probably did find it easier to instill the culture when you're kind of there every day'*.

All the support organisations noted issues with maintaining SME company culture. For example, *'I would say yes, there is issues, or potentially, as in like and maintaining a team culture and good communication, and everything that goes with. It has to be done very intentionally' and '...if the adequate training is not provided for the managers and the employees on how this whole thing works. It's a very different way of working'*. Interestingly, *'some of our members report employees working in silos with remote working. This has had an impact on sharing ideas and team collaboration'*

However, *'I think it requires an effort by leadership to convene the teams at the appropriate time, so that you still maintain I mean the it definitely has an impact on culture. Now the culture has to change when there is such a dramatic change in the working model...if the leadership*

*know when to bring the people together, and how to bring them together doesn't always have to be physical, can just be, you know, webinars, town halls'.*

One interviewee observed that *'the only situations I have seen is where SME leadership is trying to get staff back into the office and staff don't want to be there...there are 2 things then going on there. First of all, he's a staff member who doesn't want to go back because the hybrid model works for them. But in parallel with that, you've the mindset of the employee who feels mistrusted, distrusted, disappointed, let down because their employer is moving the goalposts'.*

Thus, 72.2% of all respondents and 60% of SMEs agreed that there were challenges in maintaining company culture. The issues raised in the sources on the effects of lack of face-to-face interactions, difficulty in building trust, reduced spontaneous collaboration and onboarding challenges were raised here and in other parts of the report. SMEs are engaging in activities such as virtual team-building, regular check-ins, creating virtual workspaces, virtual social interactions and culture-focused virtual meetups. Thus, our survey is in line with the research sources on this issue.

## Performance and Accountability

Research indicated that SMEs manage performance and accountability in remote or hybrid work settings through:

- Setting clear expectations: SMEs establish clear work-from-home policies that outline responsibilities, working hours, and performance metrics. This includes creating SMART goals (Specific, Measurable, Achievable, Relevant, and Time-bound) for remote employees<sup>86 87</sup>.
- Companies implement periodic performance reviews and check-ins to maintain alignment with organisational goals. This includes using video calls and performance management software for shorter, more regular assessment cycles<sup>88 89</sup>.
- SMEs utilise project management tools, collaboration platforms, and HR tech solutions to track progress, facilitate communication, and measure performance. Tools like Keka provide managers with visibility into remote employees' work and output<sup>90 91</sup>.
- Managers are encouraged to trust remote employees and focus on deliverables rather than micromanaging. This shift in mindset is crucial for effective remote performance management<sup>92 93</sup>.
- Companies use various accountability strategies, such as setting clear deadlines, providing regular feedback, and encouraging employees to take ownership of their work<sup>94</sup>.

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<sup>86</sup> <https://www.peoplesmatters.in/article/performance-management/sneakpeak-into-future-of-performance-management-for-remote-employees-38281>

<sup>87</sup> <https://www.entrepreneur.com/en-gb/growth-strategies/7-strategies-to-maintain-accountability-and-productivity-in/486412>

<sup>88</sup> Op cite peoplesmatters.in

<sup>89</sup> Op cite entrepreneur.com

<sup>90</sup> Op cite peoplesmatters.in

<sup>91</sup> <https://www.selectsoftwarereviews.com/blog/remote-performance-management>

<sup>92</sup> Op cite peoplesmatters.in

<sup>93</sup> <https://www.stellenboschbusiness.ac.za/news/2022-03-08-managing-performance-new-normal-remote-work>

<sup>94</sup> <https://www.activtrak.com/blog/work-from-home-accountability/>

- SMEs review and adjust Key Performance Indicators (KPIs) to ensure they align with remote work realities and business objectives<sup>95 96</sup>.
- Comprehensive training programs are offered to ensure employees are proficient in using remote work technologies and tools<sup>97</sup>.
- Virtual team-building activities, informal communication channels, and cross-departmental collaboration are implemented to foster a sense of belonging and maintain company culture<sup>98</sup>.

We asked interviewees as to how their SME manages performance and accountability in remote or hybrid work settings? Fig. 16 gives the responses from all interviewees with Fig. 17 giving those for the SMEs only. There is a marked difference between the SMEs and the support organisations. In Fig. 16 which includes the support organisations, setting better KPIs was mentioned most followed by having deliberate communications structures and then equally, trust staff, use old sales figures/metrics, agreed in-person meetings and quality vs quantity measures.

However, the SMEs themselves had a shorter list, with sales figures remaining the main metric, having deliberate communications structures and setting better KPIs being the most mentioned. Notably, 7 of the 9 respondents who mentioned setting better KPIs were all from support organisations with 5 out of 7 respondents noting deliberate communications strategies being support organisations.



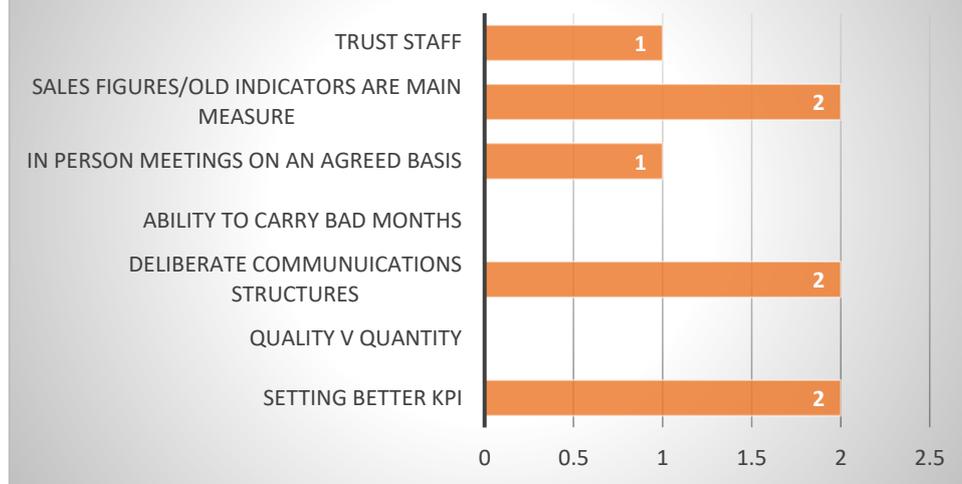
<sup>95</sup> Op cite peplematters.in

<sup>96</sup> Op cite entrepreneur.com

<sup>97</sup> <https://gxait.com/business-technology/leveraging-technology-for-remote-work-a-guide-for-smes/>

<sup>98</sup> Op cite selectsoftwarereviews.com

**Fig. 17. Accountability and Performance SME**



When we examined respondent's comments, we saw the hard business managers, *'...under the sales, you know it's sales. If you're not getting sales then I'm looking at how long are you actually sitting at the desk'*. Also, *'I think these kinds of frameworks we also use entrepreneurial operation system, EOS, to run the business. It's a framework around how you run meetings, and you know how you document processes and things like that. In my mind, any well-run business has frameworks like these but they become so much more important when people are distributed'*.

However, *'this is a very vague area. We don't really'*.

To address these issues, *'everyone at the company will have at least one meeting a week with their team and mostly at least 1:1 to one with their line manager. And then we do company all hands once a month, which are very social' and '...and everything now is obviously stored in the cloud. So once it's uploaded, they can access it and manage it from there. But, like we can see how many files that they accessed, or how many applications they submitted in a 5-day period, or in any period. So, there are metrics'*.

The support organisations noted, *'they're [SMEs] learning, and they're learning still...they'll know whether they mightn't have it measured, but they'll know whether the team are producing as well as they were or not'*.

But on the other hand, *'I don't think that remote working has anything to do with that. No, I mean, performance is always...based on your work output and your other interactions, etc. So no, I don't. I don't think remote working has any bearing on that to be honest with you' and 'SMEs track performance and accountability by staying connected through Teams, Zoom, Outlook, and other communication tools. Many companies have adopted on-site days where presence employee presence is encouraged. Companies who have successfully managed performance and accountability ensure that expectations regarding the role is set at the beginning of the onboarding process and the probation period is effectively managed. These companies tend to have regular one-to-one meetings with employees and are skilled in providing feedback and addressing any concerns'*.

We found that SMEs review and adjust Key Performance Indicators (KPIs) and try to set clear expectations but that in the main most respondents were still using the old sales and output KPIs

to measure performance. Our SMEs were conducting periodic performance reviews and check-ins to maintain alignment with organisational goals and did utilise project-management tools and collaboration platforms. Managers were encouraged to trust remote employees and focus on deliverables but that comprehensive training programs were absent.

## Technological or Cybersecurity Challenges

Based on published research and surveys, SMEs have faced significant technological and cybersecurity challenges with the adoption of remote and hybrid work models. The primary challenges include:

- Increased cybersecurity risks: Nearly one in four SMEs (23%) view securing remote work environments as a pressing cybersecurity challenge<sup>99 100</sup>. The growing sophistication of cyber-attacks is considered the greatest threat by 62% of SMEs<sup>101</sup>.
- Phishing attacks: Remote workers are prime targets for phishing attacks, which have become more sophisticated and frequent<sup>102</sup>.
- Unsecured home networks: Home and public Wi-Fi networks pose significant vulnerabilities to remote workers, as they often lack the security measures found in corporate networks<sup>103</sup>.
- Device vulnerabilities: Personal devices used for work often lack robust security features, making them more susceptible to malware and ransomware<sup>104</sup>.
- Weak authentication: Insufficient password management and lack of multi-factor authentication increase the risk of unauthorised access<sup>105</sup>.

To tackle these challenges, SMEs have implemented several strategies:

- VPN usage: 52% of SMEs use virtual private network (VPN) access for remote workers<sup>106 107</sup>.
- Employee training: 48% of SMEs provide training on secure remote work practices<sup>108 109</sup>.
- Remote access policies: 46% have implemented specific remote access policies and controls<sup>110</sup>.
- Basic protection measures: 72% of SMEs use antivirus software, and 69% maintain regular system updates<sup>111</sup>.
- Mobile Device Management (MDM): Some companies have implemented MDM solutions to ensure personal devices accessing company systems are protected<sup>112</sup>.
- Multi-factor authentication (MFA): Businesses are enforcing the use of strong, unique passwords combined with MFA<sup>113</sup>.

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<sup>99</sup> <https://news.outsourceaccelerator.com/smes-remote-work-security/>

<sup>100</sup> <https://securitybrief.co.uk/story/uk-smes-fear-cybersecurity-risks-in-remote-working-era>

<sup>101</sup> Op cite news.outsourceaccelerator.com

<sup>102</sup> <https://www.netconsulting.co.uk/cyber-security-risks-of-remote-working/>

<sup>103</sup> ibid

<sup>104</sup> ibid

<sup>105</sup> ibid

<sup>106</sup> Op cite <https://www.digit.fyi/1-in-4-smes-find-remote-working-a-key-cybersecurity-concern/>

<sup>107</sup> <https://www.digit.fyi/1-in-4-smes-find-remote-working-a-key-cybersecurity-concern/>

<sup>108</sup> Op cite <https://www.digit.fyi/1-in-4-smes-find-remote-working-a-key-cybersecurity-concern/>

<sup>109</sup> Op cite www.digit.fyi

<sup>110</sup> <https://securitybrief.co.uk/story/uk-smes-fear-cybersecurity-risks-in-remote-working-era>

<sup>111</sup> Op cite news.outsourceaccelerator.com

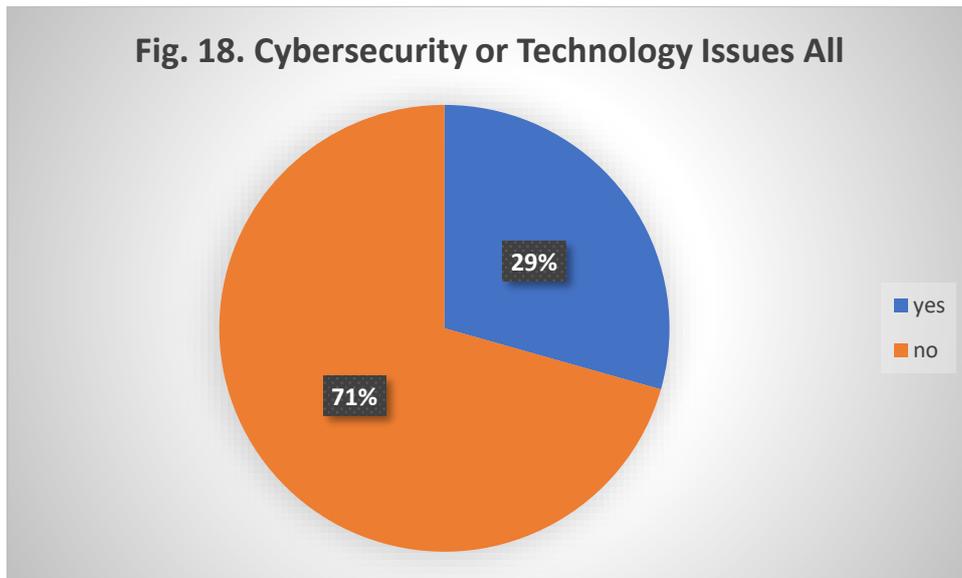
<sup>112</sup> <https://www.netconsulting.co.uk/cyber-security-risks-of-remote-working/>

<sup>113</sup> ibid

Despite these efforts, gaps in preparedness remain:

- 43% of companies fail to train their employees on cybersecurity best practices<sup>114</sup>.
- 49% of SMEs wouldn't know how to respond to a cyber attack<sup>115</sup>.
- 69% operate without a formal cybersecurity policy<sup>116 117</sup>.
- 53% of businesses lack cyber insurance coverage<sup>118</sup>.

We asked interviewees whether they faced any technological or cybersecurity challenges? Fig. 18 outlines the responses from all participants. Interestingly, only 29% of respondents were aware of a cybersecurity or technology challenge they had. Interestingly, no SME identified a cybersecurity or technological challenges they faced which could be summarised by the quote 'So no, nothing and has really, we haven't had any failure within that'.



When we asked the question of the support organisations, we had the following comments, 'I haven't heard of serious cyber security or data breaches in SMEs very much'. Also, 'I haven't heard anything out of the ordinary' and 'No more than if they were in the office. To be honest with you'. This is a fair point, as many of the cyber- and tech-challenges mentioned earlier could affect a non-remote or hybrid business.

However, there were some cautionary tales, '...it is riskier. And given where people are physically at. Again, people calling into remote hubs is fine. But if they call into the local coffee shop and do the same amount of work. They shouldn't. But you can't tell where they are as long as they're doing something, and the vulnerability and the risk from in the cyber security sense does not arise until it goes wrong'. Also, 'Co-working and remote working hybrid working works much better from a home environment than a hub environment. For that reason, employers are much more concerned about technological and cyber security within a hub environment than they are in a home-based office. That's my sense'. Further, 'although our members have not reported cybersecurity challenged, it is an area that needs attention in the small business community.

<sup>114</sup> Op cite news.outsourceaccelerator.com

<sup>115</sup> Op cite www.digit.fyi

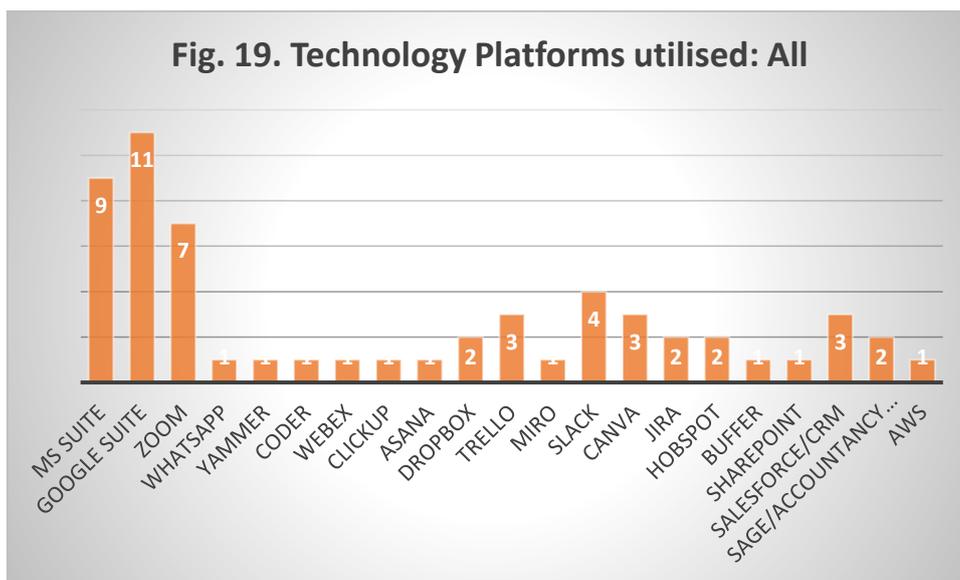
<sup>116</sup> Op cite news.outsourceaccelerator.com

<sup>117</sup> Op cite www.digit.fyi

<sup>118</sup> Op cite news.outsourceaccelerator.com

*Increased training for employees and company certifications can build cyber resilience in the SME community’.*

We also asked interviewees about the technology platforms that SMEs were using to support remote/hybrid work. Fig. 19 gives a list of the platforms mentioned and the frequency they were mentioned. As can be seen, the Google suite of products (Google Meet etc) was the most commonly used followed by the Microsoft suite (Microsoft 365/Teams). Zoom came in next with Slack in fourth place. Trello, Canva and Salesforce came in behind these. A lot of other software packages were mentioned but Google, Microsoft, Zoom and Slack were the most commonly mentioned.



We found that SMEs were addressing cybersecurity and technology challenges well. No specific case of an SME being badly affected by a hacking were known. It is fair to say that owner/managers are aware of the challenges increased cybersecurity risks, phishing attacks, unsecured home networks, device vulnerabilities and weak authentication. Thus, SMEs have already addressed many of these issues up front and, many are technology-based companies, so other sectors may be more vulnerable. However, overall, there was no identified cyber breach in any SME.

## Fairness and Equity between remote and on-site employees

According to the research, SMEs have encountered several barriers in ensuring fairness and equity between remote and on-site employees:

- Unequal access to opportunities: Remote workers may have fewer chances for networking, mentorship, and career development compared to on-site staff<sup>119</sup>. This can lead to disparities in career growth and wealth accumulation over time.
- Digital divide: Not all employees have equal access to reliable internet connectivity, suitable workspaces, or necessary digital skills<sup>120</sup>. This can create inherent disadvantages for certain groups, particularly those from low-income families or rural areas.

<sup>119</sup> <https://www.scirp.org/journal/paperinformation?paperid=134162>

<sup>120</sup> *ibid*

- Compensation adjustments: SMEs face challenges in adjusting salaries and equity grants fairly based on employees' locations and local cost of living<sup>121</sup>. This can lead to pay disparities between remote and on-site workers performing similar roles.
- Work environment inequalities: On-site employees may have access to better resources, equipment, and collaborative spaces compared to remote workers, potentially affecting productivity and job satisfaction<sup>122</sup>.
- Performance evaluation: SMEs struggle to establish equitable metrics and systems for evaluating remote employee performance compared to on-site staff<sup>123</sup>. This can lead to biases in performance assessments and career advancement opportunities.
- Inclusion in company culture: Ensuring remote employees feel connected to the company's mission, values, and culture is more challenging compared to on-site staff<sup>124</sup>. This can result in remote workers feeling isolated or disconnected from the organisation.
- Workload distribution: SMEs face difficulties in ensuring equitable workload distribution among remote and on-site teams, potentially leading to overburden for certain team members<sup>125</sup>.
- Training and development: Providing equal access to training and development opportunities for both remote and on-site employees can be challenging for SMEs with limited resources<sup>126</sup>.
- Legal and regulatory compliance: SMEs must navigate complex legal issues to ensure remote employees receive the same protections and benefits as in-office employees, which can be particularly challenging across different locations<sup>127</sup>.

We asked interviewees what, if any, barriers they encountered in ensuring fairness and equity between remote and on-site employees? Fig. 20 outlines the responses to the question. 67% said they encountered no barriers in ensuring fairness between workers. It should be noted that 100% of SMEs interviewed noted no barriers to ensuring fairness between remote/hybrid workers and those working on-site.

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<sup>121</sup> <https://www.globalshares.com/ie/insights/the-challenges-of-remote-working-key-takeaways-from-own-up-with-marlene-zobayan/>

<sup>122</sup> <https://www.uclan.ac.uk/assets/guides/working-principles-smes.pdf>

<sup>123</sup> Op cite scrip.org

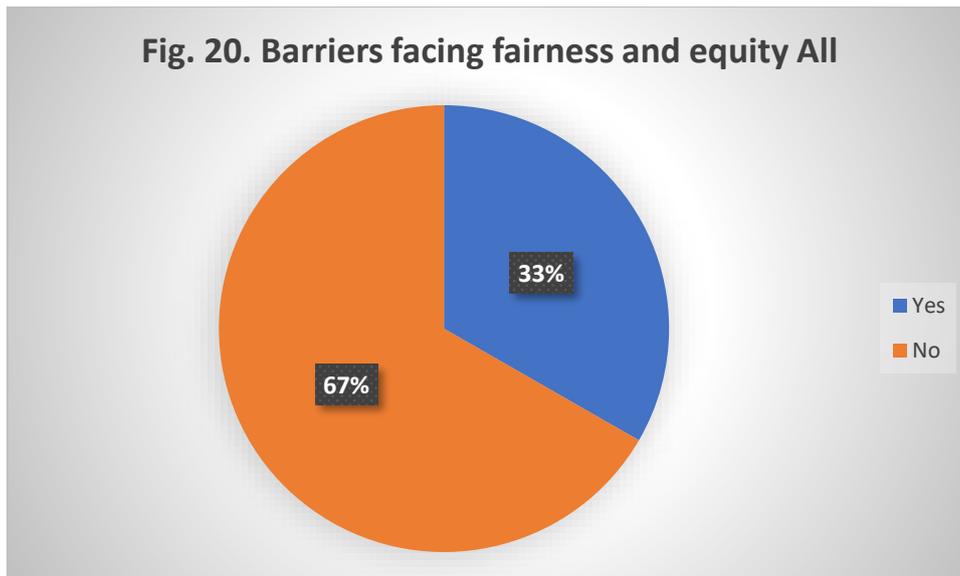
<sup>124</sup> <https://startupsmagazine.co.uk/article-are-flexible-and-remote-working-staff-good-option-smes>

<sup>125</sup> <https://startup-house.com/blog/adapting-remote-work-strategies-sme-post-pandemic>

<sup>126</sup> Op cite www.uclan.ac.uk

<sup>127</sup> Op cite startupsmagazine.co.uk

**Fig. 20. Barriers facing fairness and equity All**



When we delved deeper within the comments we saw, 'no, no, cause they want to be at home'. Also, 'funnily enough, the staff that are based in the office prefer being in the office. So, if once they have the flexibility of you know I need to work from home, or I work from home every Friday, or I work from home on a Thursday, or whatever it is that they're actually very happy with that'.

An interesting anecdote; 'we have one particular employee that joined us very early on. Had no leadership experience previously and they're probably our most successful employee in terms of the person that has grown the most and is such a key person. They're not C level. But we've just created another layer of seniority because they're just progressed way beyond our other heads of...But when they're in Dublin they come into the office and I spend a lot of time with them...I often say, if we could give that time like that in person time to everyone on the team, would we have other people that would have progressed at that rate?'

The support organisations saw it from a wider perspective. 'Extremely challenging area for our members. Many employee employees who can work remotely and some who cannot due to the nature of their role. Our members have explained that those who cannot work remotely often face issues with absenteeism and feel the demand to be on-site is unfair. Our members have looked at other flexible working options for on-site workers including 4-day week, compressed hours, and flexible start times'. Also, 'So I think that there's probably more of an onus on the remote workers to be very proactive on their career management, and I think they have to take responsibility'.

One ominous observation was 'that is very far from being resolved, but I can tell you that the direction of travel in this in the long run...this will resolve itself in contract. A contract B contract. A is going to be the executive managerial type who's going to be come into work? Who's going to work in a premises and manage and contract B is going to be the worker and the explicit part of that is going to recognise remuneration as part of that equation. So yeah, you can work at home. We're going to pay you work from home allowance going to work flexibly, we're going to monitor you electronically. And you're going to get paid 10% less than someone who's doing the same job in HQ. Because you know that, broadly speaking, that is going to be the direction travel'.

We found that SMEs had faced no challenges with complaints or observations about a lack of fairness between on-site and remote/hybrid employees. Support organisations did raise concerns but with no specific cases cited. Thus, our survey is at variance with the sources noting no real unequal access to opportunities, digital divide, compensation adjustments, or work environment inequalities.

## Communications and Collaboration within Teams

Research suggests that remote and hybrid work has significantly impacted communication within teams and across departments, introducing both challenges and opportunities:

- Communication barriers: The lack of non-verbal cues in remote settings has led to potential misunderstandings and misinterpretations. Up to 93% of communication effectiveness is determined by non-verbal elements, which are often absent in virtual interactions<sup>128</sup>.
- Organisations have embraced digital communication tools to facilitate remote collaboration. 87% of remote workers feel more connected through the use of digital communication tools<sup>129</sup>.
- Despite initial concerns, remote work has led to increased productivity. Stanford University research revealed that remote workers experience a 13% increase in productivity compared to their in-office counterparts<sup>130</sup>.
- 70% of remote workers feel left out and disconnected from their teams, highlighting the need for innovative approaches to internal communication<sup>131</sup>.
- Companies are implementing regular virtual team meetings, using collaboration tools like Slack or Microsoft Teams, and encouraging informal communication channels to foster connection<sup>132</sup>.
- Organisations embracing remote work have seen a 28% increase in employee engagement<sup>133</sup>.
- Remote work demands a more intentional approach to communication, emphasising clear objectives and regular check-ins<sup>134</sup>.
- Leveraging asynchronous communication methods has enhanced productivity among remote teams, allowing for effective communication across time zones<sup>135</sup>.
- Teams that establish norms around communication frequency, response times, and preferred channels experience higher levels of trust and accountability<sup>136</sup>.

We asked interviewees, how has remote or hybrid work affected communication within teams in your company? Fig. 21 outlines the responses from all interviewees and Fig. 22 outlines the responses from the SMEs only. When we look at all respondents, we see that 53% saw a positive effect on communications with 47% noting a varied effect (depends on the person and the management style etc.) with no outright negative effect noted. For the SMEs it was 50/50 between positive and varied responses.

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<sup>128</sup> <https://www.teamdynamics.io/blog/the-impact-of-remote-work-on-team-dynamics-and-how-to-adapt-your-team>

<sup>129</sup> <https://psico-smart.com/en/blogs/blog-the-impact-of-remote-work-on-internal-communication-12262>

<sup>130</sup> *ibid*

<sup>131</sup> *ibid*

<sup>132</sup> *ibid*

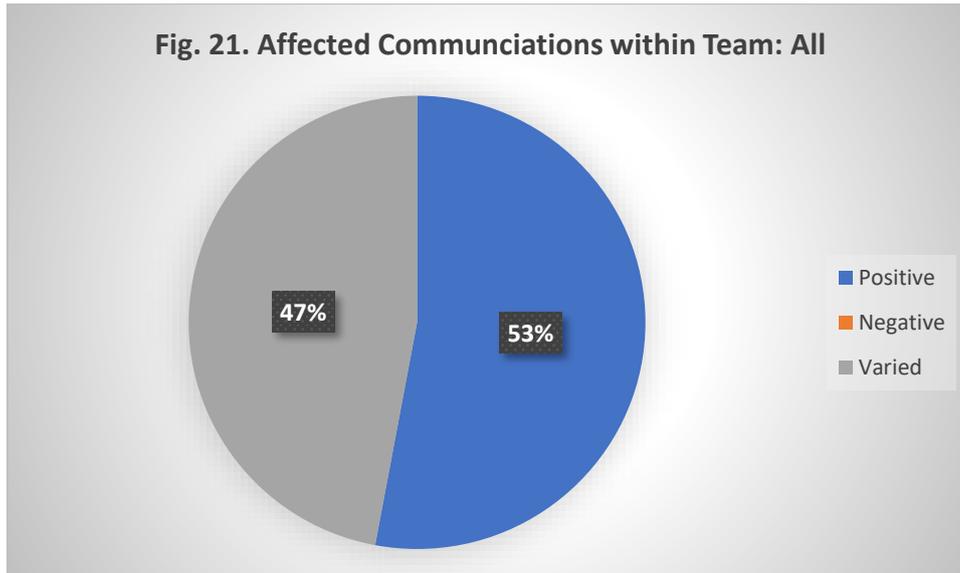
<sup>133</sup> *ibid*

<sup>134</sup> *ibid*

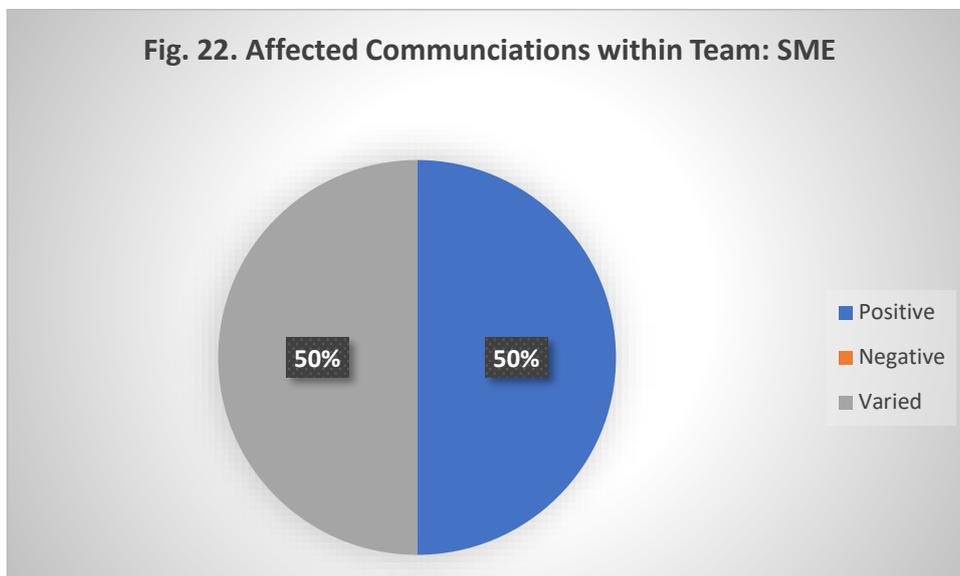
<sup>135</sup> <https://vocol.com/blogs/blog-the-impact-of-remote-work-on-internal-communication-strategies-8469>

<sup>136</sup> *ibid*

**Fig. 21. Affected Communciations within Team: All**



**Fig. 22. Affected Communciations within Team: SME**



As communications was listed earlier as the main challenge faced by SMEs when implementing remote/hybrid, we were interested to see what comments were made by the SMEs. *'Everything we do, how we work, how we make decisions, the frameworks that we use, how we document things, how we run meetings, how we disseminate information, all of that is driven by the fact that we've very intentionally been remote first from day one. So, how has this affected communications, I think very positively but it's because it's all by design. I am under no illusions to try and retrospectively fit this stuff to an organisation that's been co-located it that is so hard. And if I walked into an organisation and I was trying to do that, I would struggle big time'*. Another similar response, *'We've really had to get much more intentional about it [communication]'*.

Other positive comments included, *'I mean, I think I think that the technology today, whether it's slack or teams or whatever they use. I mean, a lot of the tech teams will use slack and stuff like that. I mean, they facilitate very easy communication between teams...in the old days. You just turn around to the person beside you. But I do think that technology enablement mitigates and provides good alternative for most people, you know, and I think people can, you know, very easily resolve their issues over teams instead of turning around and speaking to their colleague'*.

Another observation was *'I'm kind of constantly making sure, ensuring I'm checking in with certain team members at certain times. I know that some team members need regular check-ins, and they need more in person meetings and I know others are fully hybrid. The hybrid work or the remote working is designed for them. So, the personalities of the individuals come into it, and you have to have the skills as a manager to operate in that environment'*.

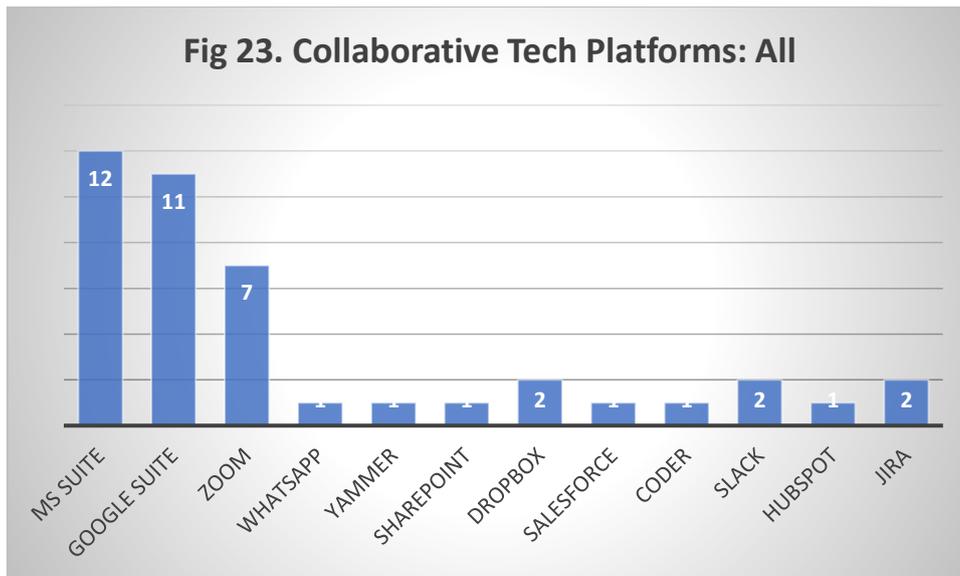
On a more negative viewpoint, *'I would say it might be negatively because you've got to, you know, if some of them have a question, they can't just turn to the left or turn to the right and say, have you come across this before? What am I dealing with here? They've got to pick up the phone, or they've got to send an email or whatever. So, while I would say, is the speed of communication more than the lack of communication where you can get an instant response here where to phone somebody or to request assistance or to communicate. Probably just is a bit slower'*. A similar viewpoint, *'It's motivational. And you're missing that motivational edge'*.

The support organisations also noted the importance of communication. *'Communication is not just the written word, and people can misinterpret, usually somebody trying to be funny or smart, and it not coming across as well in the written communication which is a vital part now of hybrid and remote working. It needs to be written down because if it's not, you can't follow up on it as quickly as you can if you're just walking across to somebody's desk or workstation'*. Also, *'That aspect is one of the soft reasons, a non-monetary reason, that businesses are asking people to return to the office cause they're losing that bit and it might not necessarily be seen in the bottom line. But it has been seen in HR interventions, absence, churn, interpersonal issues, all that sort of stuff. Also interestingly, '...and that's why it doesn't suit everyone like I mean, I have met people now that I'm retired chatting to the big coffee shops and things like that, who are working remotely and it's not an unadulterated joy'*.

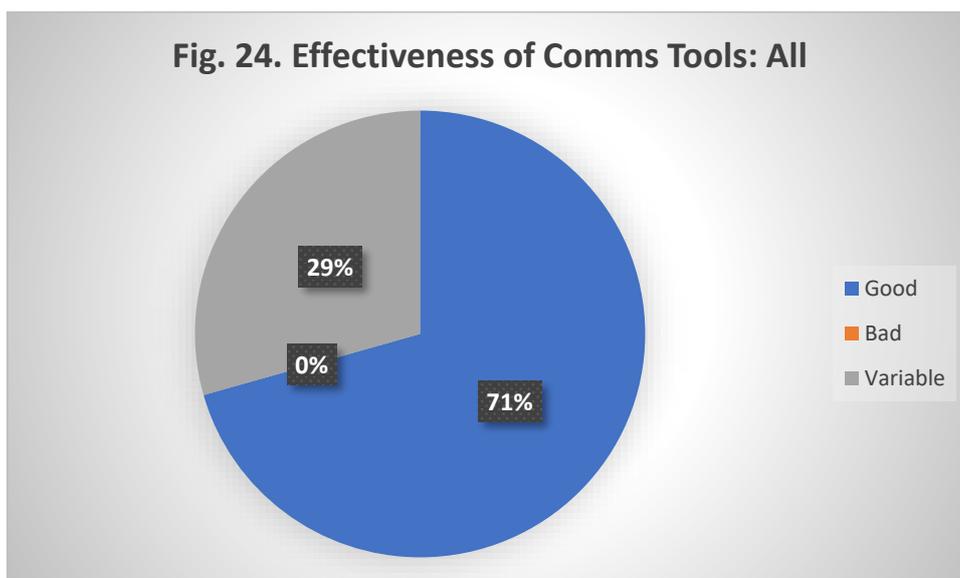
Communications came up in different questions and is clearly an important aspect when looking at remote/hybrid. The lack of in-person interaction, the loss of sight of body language etc. requires a formalised virtual communication strategy to be adopted. Communications to work, especially in remote work, must be *'intentional'* and *'deliberate'*. As noted above and in other sections, remote and hybrid does not work for every individual in every circumstance. However, our respondents agreed with the sources in that organisations have embraced digital communication tools, remote work has led to increased productivity. companies are implementing regular virtual team meetings; remote work demands a more intentional approach to communication and that teams that establish norms around communication.

## Communication Platforms

We asked interviewees, what tools or platforms they adopted to support collaboration? We also asked how effective they are? Figure 23 outlines the main communication platforms utilised and Fig. 24 outlines satisfaction with these tools. The three main platforms from the previous question (which was more general to just communications) are the same but MS Teams comes out ahead of Google Meet in this question. Zoom comes in at third place (similar to last question). All the other platforms have low frequencies.



It would also appear that respondents were happy with the effectiveness of these tools with 71% being positive about them, 29% noting that their effectiveness was variable and no respondent being a negative comment. Of the SMEs interviewed, 9 indicated that the tools mentioned were 'Good' and once noted them as 'Varied'.



The only real comment of note here is the following; *'I've heard this on several different occasions, younger employees particularly their twenties, fresh graduates out of college, and that they find remote and hybrid much more challenging because they need that kind of social interaction. There is us older folk, we don't seem to need it as much. I suppose we've got the skills, and we've got the experience. And you know we're acclimatised to the world of work, whereas that young graduate, that individual, and chances are they don't have a dedicated office. They're working to their bedroom, or you know, they're in rented accommodation. And I think it's the office environment is much more important to them, but not because it's a place of work, because it's a place of socialisation in the right context'*.

In summary, it appears that technological enablement has had a positive effect on communications within SMEs based upon our responses. It is also noteworthy that the two larger platforms (Microsoft and Google) are the most popular with Zoom still in a strong third position. The adoption of these tools widely at the start of the Covid pandemic has remained strong in the post-Covid world.

## Challenges with overcommunication or undercommunication

Research indicated that SMEs have faced significant challenges with both overcommunication and undercommunication in remote and hybrid work settings:

- Meeting fatigue: The shift to remote work has led to an increase in virtual meetings, causing "Zoom fatigue" which has evolved into acute "Meeting Fatigue." A survey found that 75% of workers reported that the number of meetings they attend has either stayed the same or increased since the early days of the pandemic.
- Excessive check-ins: Some managers, anxious about productivity, have increased the frequency of check-ins, leading to employee burnout.
- Information overload: The reliance on digital communication tools has resulted in a constant stream of messages and notifications, overwhelming employees.
- Lack of informal interactions: Remote work has reduced spontaneous conversations and casual office interactions, which often lead to creative problem-solving and relationship building.
- Exclusion of remote workers: There's a risk of "fault lines" emerging between in-office and remote workers, with remote employees potentially being left out of important conversations and decisions.
- Delayed responses: Asynchronous communication can lead to delays in feedback or responses, potentially causing misunderstandings or slowing down project progress.

SMEs are using various methods to measure and improve communication effectiveness:

- Setting Communication KPIs: Companies are tracking metrics such as response times, project completion rates, and team satisfaction surveys to assess communication effectiveness.
- Analysing engagement levels: Measuring participation rates and attentiveness during virtual meetings can provide insights into overall morale and communication strategy effectiveness.
- Tracking collaboration patterns: A study of Microsoft employees found that remote work caused workers to spend about 25% less time collaborating with colleagues across groups compared to pre-pandemic levels.
- Monitoring productivity metrics: Some organisations are using software analytics tools to measure productivity and identify potential communication bottlenecks.
- Conducting regular surveys: Employee feedback on communication satisfaction and challenges is being collected to identify areas for improvement.

We asked interviewees if there has been challenges with overcommunication (e.g., meeting fatigue) or undercommunication (e.g., lack of transparency)? Fig.25 outlines the responses from all respondents with Fig. 26 listing responses from SMEs only. When all respondents are considered, 39% thought there were challenges with either under- or overcommunications, 33% thought that there were none and 28% believed that there were some challenges. However, 50% of SMEs themselves believed that there were no challenges, with only 10% believing that there were challenges and 40% noting that there were challenges occasionally or somewhat.

Fig. 25. Challenges of under- or overcommunications: All

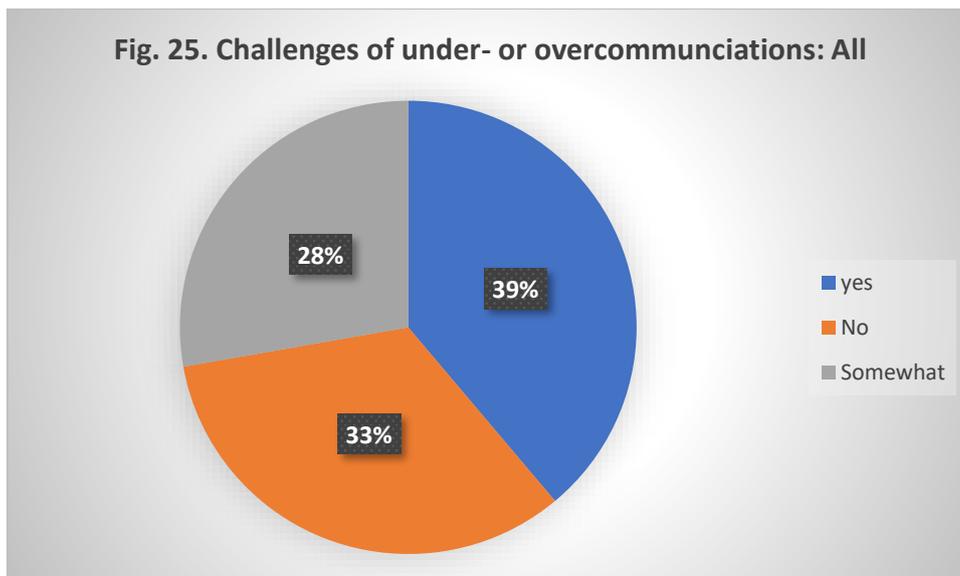
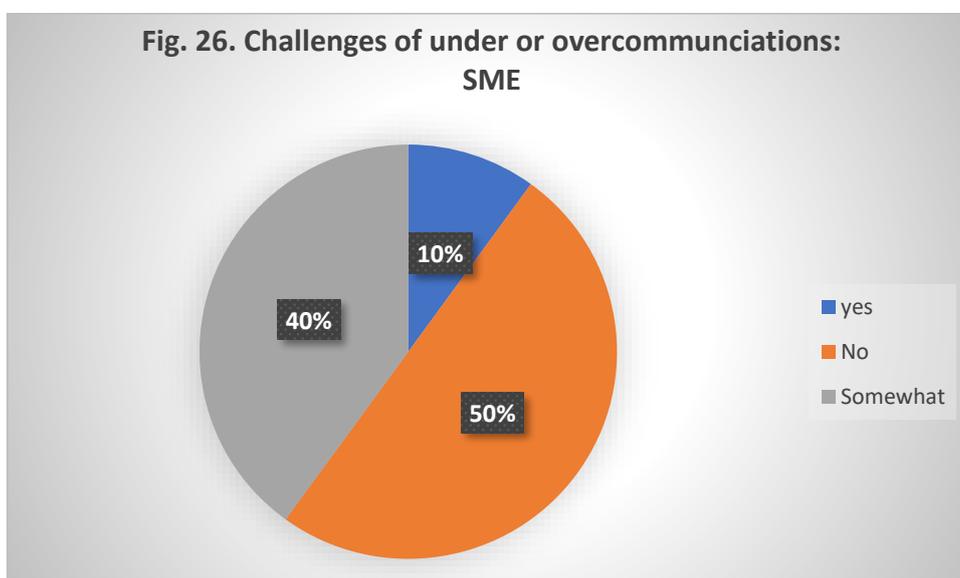


Fig. 26. Challenges of under or overcommunications: SME



When we delved deeper with the SMEs; *'Don't measure it, but we do check in regularly with colleagues, either as a as a full team or in different sort of groups. As to you know, if everybody's okay with the cadence of meetings, with the rhythm, we try not to have too many meetings'* with one respondent noting that *'we're certainly not challenged with over communication'*.

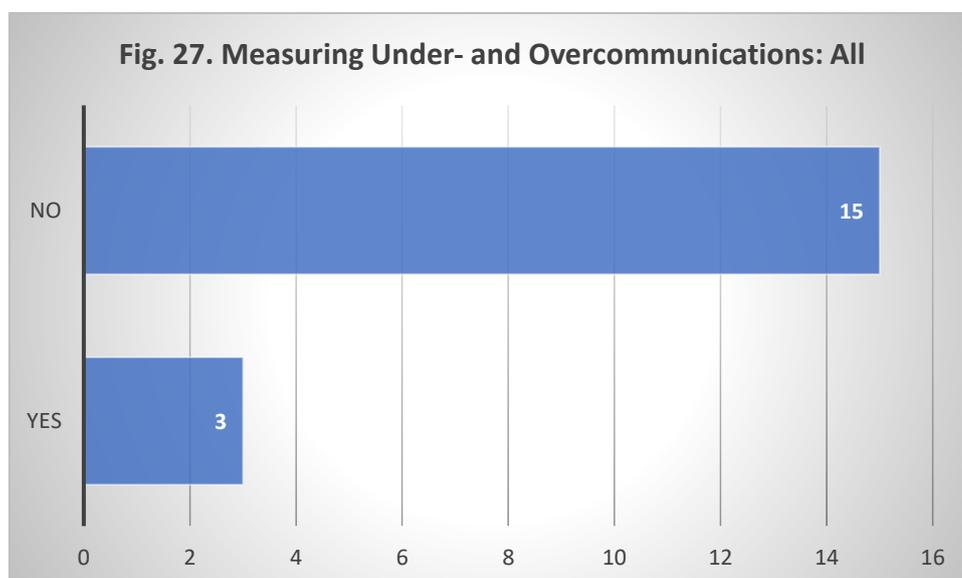
One respondent noted the difference between virtual and n-person communications; *'there is a tendency now, and I try to do the opposite. But a person asks a question, and I see other people, you know, if there's a few people CC'd in it, they'll answer that specific question but that person hasn't thought about the fact that the person asking the question can't see the whole picture, and doesn't understand the answer'*.

The support organisations noted that *'there have been, in my experience in chatting to founders and owner managers both over and under communication...there are a lot more emails because they're easier to send. There's a lot more messages and notifications and all that kind of stuff. And actually, the larger the team, if you're in a Whatsapp group, or whatever you just get pinged on so many things. And people are realising that maybe they don't need to know*

that'. Further, 'I don't know. I mean, that might vary by company. To be honest with you, it's hard to know. I mean, I think, that everybody kind of during covid time. There definitely was a kind of a thing of fatigue, of being online all the time, I think since then things have moderated'. One comment noted that '...people's expectations of instant reply and, you know, putting pressure on people like putting pressure on like I, you know because I see it in my team, people putting pressure on them because they think if they sent them to, they need to apply to them right away, and stuff like that, you know. God forbid the days of when you have to write a letter to somebody and wait to get delivered, and then they'd read it, and then they'd take time to reply to you'. One effect of slow response times was noted as 'some of our members have reported lack of communication from their employees when working remotely. This has often lead to distrust and lack of transparency where employees are struggling to meet objectives. Employers have been using performance metrics to measure lack of transparency and performance issues'.

The final comments relate to meeting fatigue; 'I think the biggest challenge...is meeting fatigue going from one zoom to the next zoom to the next' and another respondent; 'Yes, I think we would have probably a meeting a bit of meeting fatigue up until 6 months ago, or something. We changed. We had a good look at the number of meetings, and I think we added up how many hours of the team was going into meetings per quarter, and we cut them back...I think overall we cut back roughly half the number of hours that we're going into meetings'.

When respondents were asked as to whether they were measuring the levels of under and over-communication (Fig. 27), only 3 respondents noted that these were being measured. Only one of these was an SME and the other 2 support organisations.



It would appear that many of these over- and undercommunication issues which were prevalent in the early stages of Covid, appear to have worked themselves out. 50% of SMEs noted no issue with over- and undercommunications with only 10% agreeing that there were. It is fair to say that in the early stages of remote working during Covid, meeting fatigue was observed but in the last few years processes have been put in place to address this. There can be examples of excessive check-ins by managers, information overload and a lack of informal interactions in some cases but there was little evidence of the exclusion of remote workers. Delayed responses were an issue raised here and in other parts of the report but these tend to relate to uncodified and agreed rules around communications and an expressed understanding of expectations on the reply to

communications. Contrary to sources, SMEs do not appear to be using methods to measure and improve communication effectiveness in the main.

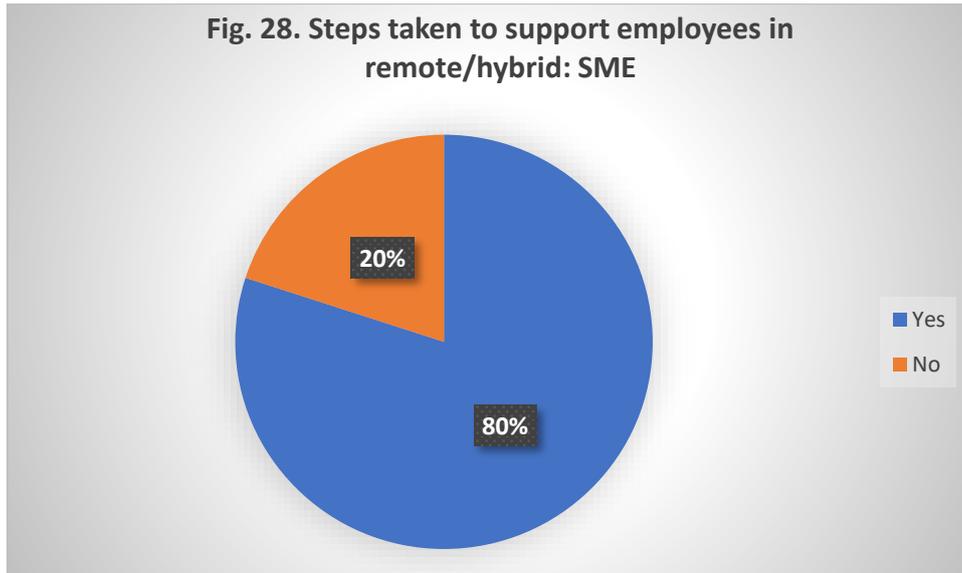
## Employee Well-being and Engagement

Research indicated that SMEs have taken several steps to support employee well-being in remote and hybrid work setups:

- Establishing clear work-life boundaries: Companies encourage employees to define specific work hours and communicate these boundaries clearly with colleagues. Some organisations even restrict access to work tools during off-hours to promote a healthy work-life balance.
- Providing mental-health resources: SMEs offer subscriptions to mental health apps like Headspace or BetterHelp, as well as meditation apps like Calm. They also organise workshops on mindfulness, stress management, and resilience to equip employees with valuable coping strategies.
- Implementing regular check-ins: Managers schedule frequent one-on-one meetings to give employees opportunities to express concerns and receive feedback. This helps build rapport and allows for timely adjustments to support employee well-being.
- Fostering employee interconnectedness: Virtual team-building activities such as online game nights, virtual happy hours, and collaborative projects are organised to create a sense of community and reduce feelings of isolation.
- Offering physical health initiatives: Companies provide memberships to virtual fitness classes, encourage movement throughout the day, and share educational resources on healthy eating habits.
- Utilising wellness platforms: Web-based wellness platforms are used to manage and administer online wellness programs, allowing remote workers to participate in incentive programs, virtual wellness meetings, and health coaching.
- Conducting employee surveys: Anonymous engagement surveys are used to benchmark employee happiness and identify areas for improvement in supporting remote worker well-being.
- Providing the right tools: SMEs equip employees with necessary technology and software for productive remote work, including project management tools, communication platforms, and security measures like VPNs.
- Focusing on mental and emotional health: Wellness programs are tailored to address the specific needs of remote workers, with a greater emphasis on stress management, sleep quality, work-life balance, and resilience.
- Recognising and rewarding efforts: SMEs implement recognition programs to acknowledge employee contributions and milestones, helping remote workers feel appreciated and engaged.

We asked interviewees, what steps they had taken to support employee well-being in remote or hybrid setups? Fig 28 outlines the responses of SMEs. 80% had taken actions to support employees in remote/hybrid work situations. Only 20% admitted to taking no specific actions.

**Fig. 28. Steps taken to support employees in remote/hybrid: SME**



In the comments, we delved deeper. *'I suppose we've got some employee benefits like in a practical manner, we do have an income protection policy. We make a contribution to people's pensions. I know it's kind of normal standard these days. I think it has to be bought and part of the income protection, I think, is like people are entitled to you know, free GP online, chats are free...the equivalent of an EPA up to 6 sessions, or whatever per year. I don't know if anybody's used it yet, but they're in place'.*

However, we noted the following comments; *'we're conscious, people can be, I suppose, can be isolated if they're not meeting anybody like they would have used to meet in in the office. But then, you know, they can still come into the office if they want. I suppose the issue is, they go into the office with nobody in there, either. So, what's the point'. Also, 'trying to include them within the business and those events, and all of that, and but in terms of well-being other than you know. Kind of. Hey? How are you doing? You know, every so often I've not done anything specific. Yeah, that I could say, I. I practice this, or I practice that'. Also, 'like we haven't, haven't we? Haven't really done that yet'*

When we explored the support organisation's responses, we noted *'I'm not sure if there's a focus on that so much anymore. I think in the early days, and obviously driven by Covid. There, you know there was. There were very proactive steps taken because of the world where we're living in at that time, and because the concept of you know, remote working and being on a screen all day'.*

On the other hand, *'more of our members are understanding the importance of Health and Safety including their legal obligations under the Safety Health and Welfare Act to provide a safe place to work for employees extending to their remote working environment. Increased focus on conducting VDU assessments is required from Small Businesses. However, strength is illustrated in employer commitment to employee well-being through adoption of Employee Assistance Programs and increased awareness on the Right to Disconnect'.*

We found that 80% of SMEs had taken steps to support employee well-being. In line with the resources, respondents had taken action to establish clear work-life boundaries, implement regular check-ins, foster employee interconnectedness and conduct employee surveys. Whilst a small number had employee-wellness programmes, in the main there was little evidence of providing mental-health resources, utilising wellness platforms or focusing on mental and emotional health outside of communications.

## Employee Isolation or Burnout

The research suggests that SMEs are increasingly aware of the need to monitor and address potential issues of employee isolation and burnout in remote and hybrid work environments. Here are some key strategies they employ:

- Regular check-ins: Managers schedule frequent one-on-one meetings with employees to provide opportunities for expressing concerns and receiving feedback. This helps build rapport and allows for timely adjustments to support employee well-being.
- Employee surveys: Anonymous engagement surveys are used to benchmark employee happiness and identify areas for improvement in supporting remote worker well-being<sup>137</sup>.
- Encouraging social connections: SMEs create opportunities for employees to bond, such as implementing peer mentoring programs and hosting virtual team-building activities like online game nights or coffee breaks<sup>138 139</sup>.
- Promoting work-life balance: Companies encourage employees to define specific work hours and communicate these boundaries clearly. Some even restrict access to work tools during off-hours to promote a healthy work-life balance<sup>140</sup>.
- Implementing buddy systems: Pairing up remote workers with another team member provides someone to turn to for help, advice, or just a friendly chat, helping to prevent feelings of isolation<sup>141</sup>.
- Organising regular team meetings: Daily or weekly team huddles help employees feel more connected and remind everyone that they are not alone<sup>142 143</sup>.
- Providing mental health resources: SMEs offer subscriptions to mental health apps and organise workshops on mindfulness, stress management, and resilience<sup>144</sup>.
- Encouraging participation in business networking groups: This provides opportunities for remote employees to connect with other professionals and combat feelings of isolation<sup>145</sup>.
- Creating opportunities for non-work interactions: SMEs allocate time in meetings for off-topic discussions and virtual icebreakers to foster team bonding<sup>146</sup>.
- Utilising wellness platforms: Web-based wellness platforms are used to manage online wellness programs, allowing remote workers to participate in incentive programs and health coaching<sup>147</sup>.

We asked interviewees, how do you monitor and address potential issues of employee isolation or burnout? Fig. 29 outlines the responses from the SMEs. As can be seen, 80% do not formally monitor for isolation or burnout in remote/hybrid employees.

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<sup>137</sup> <https://eddy.com/hr-encyclopedia/social-isolation-in-remote-work/>

<sup>138</sup> <https://www.justworks.com/blog/socially-isolated-at-work-try-these-strategies>

<sup>139</sup> <https://www.forbes.com/councils/theyec/2023/04/27/10-ways-leaders-can-help-remote-employees-feel-less-isolated-during-the-workday/>

<sup>140</sup> Op cite eddy.com

<sup>141</sup> Op cite forbes.com

<sup>142</sup> ibid

<sup>143</sup> <https://cobaltcommunications.com/cobalt-60/reduce-isolation-in-the-virtual-workplace-7-ways-to-help-your-employees/>

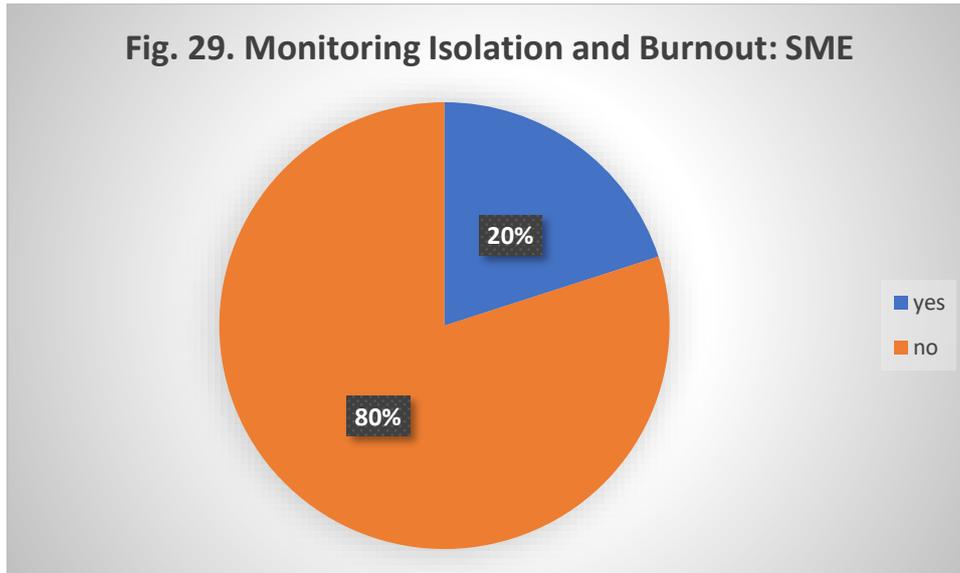
<sup>144</sup> Op cite eddy.com

<sup>145</sup> Op cite forbes.com

<sup>146</sup> <https://www.techtarget.com/searchhrsoftware/feature/Top-strategies-and-tools-to-prevent-employee-isolation>

<sup>147</sup> Op cite eddy.com

**Fig. 29. Monitoring Isolation and Burnout: SME**



When we delved deeper into the comments, we found the following; *'at least at least one person per year turns out burnt out and I'd say that's obviously got to do with loads of stuff like their personalities and their passion for the mission and all of that but there's definitely a trend of like on some sort of recurring basis every year or so, maybe every 9 months. I'm having a similar conversation to somebody. Which is interesting, even saying that out loud I hadn't spotted that trend'*.

Further, *'I probably will detect the isolation from the sales and the you know, if the sales aren't there, it makes me dig back and go how many calls you make? Why, they doing okay, is their head in the game? Is the head not in the game? Is everything okay, you know, and like you don't know if there's something going on unless you're told, you know, cause you're not looking at their face every day. So, you don't know, like, you know. So, they have to tell you if there's somebody ill, or that there's something going on'*. One respondent noted, honestly, *'no, I haven't. We haven't seen it but that doesn't mean it's not happening'*.

The support organisations noted *'...and actually, I had one conversation with a CEO of a medium business, who said he's actually more worried about his employee well-being when he doesn't meet them because he can't get the hints, and nobody's going to send you an email saying I'm not well but he would have picked up on it if they were in the office'*. One respondent measured things *'by regularly checking in with employees, recognising when an employee may be struggling, reviewing workload, and having on-site days'*.

The risk of course is, *'if somebody could be a bit burnt out, it mightn't be spotted by colleagues for a long time, where they could put on the brave face on the zoom call and actually they've been struggling for 3 months'*. Another respondent noted *'It's a very broad spectrum of and so really it's only at the upper ends of that 250 that you'd any company would have kind of the scale to have well-being programs...I mean, again, I think in the smaller companies, everybody knows everybody so well. It's kind of just going to be very obvious'*.

We found that although 80% of SMEs are not formally measuring for employee burnout or isolation, managers are very aware of the issue and keep a close eye out for signs of employee's being affected. There is evidence, in line with the source, of conducting regular check-ins with employees, encouraging social connections, promoting work-life balance and organising regular team meetings. Although a small number mentioned conducting employee surveys, there was

little evidence of providing mental health resources, encouraging participation in business networking group, utilising wellness platforms or implementing buddy systems.

## Employee Engagement Levels

Based on recent studies, there have been observed differences in employee engagement levels compared to pre-Covid, with some notable trends standing out:

- Employee engagement has declined from 36% in 2020 to 32% in 2023, indicating a downward trend since the onset of the pandemic<sup>148</sup>.
- 18% of full- and part-time employees reported being actively disengaged within the workplace<sup>149</sup>.
- The percentage of employees who said they were "extremely satisfied" with their company as a place to work dropped from 26% in 2020 to 20% in 2022<sup>150</sup>.
- Employees aged 35 and under showed higher levels of disengagement compared to pre-pandemic measures<sup>151</sup>.
- Despite the overall decline, some studies suggest that remote workers might find more job satisfaction than their in-person counterparts, with 86% of workers reporting better job satisfaction levels from working at home<sup>152</sup>.
- Engagement and enablement scores showed nominal gains during the early phases of the pandemic, particularly during the reactive phase when employees were grateful for job security<sup>153</sup>.
- Younger workers reported feeling less cared for and experienced a decline in opportunities for learning and growth post-COVID<sup>154</sup>.

We asked interviewees, have you observed any differences in employee engagement levels? Fig. 30 outlines the responses from SMEs. 40% noted positive engagement from employees, 60% noted a somewhat or varied engagement level (usually depending on the person) but no SME noted a negative trend in employee engagement levels.

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<sup>148</sup> <https://instituteforpr.org/how-covid-19-influenced-internal-communication-2/>

<sup>149</sup> *ibid*

<sup>150</sup> *ibid*

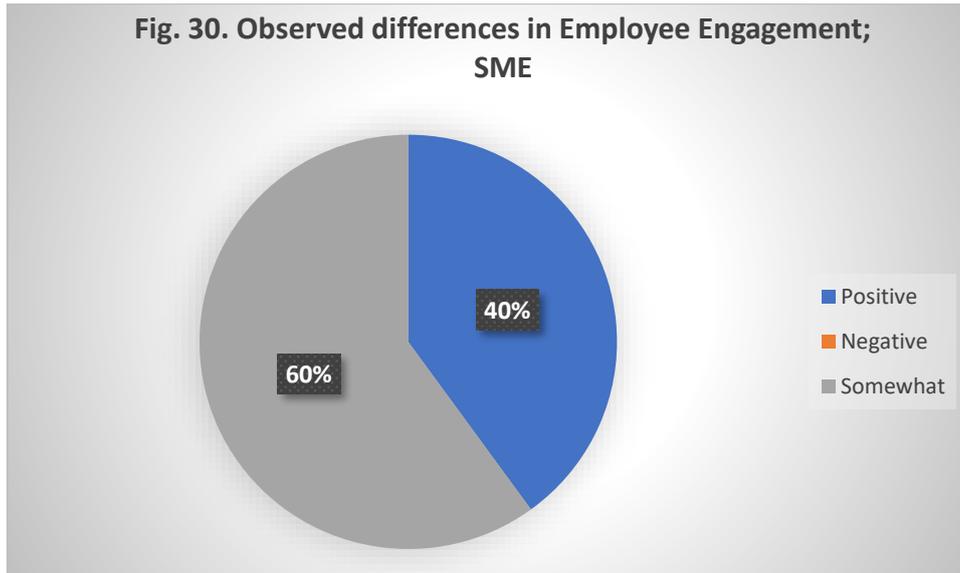
<sup>151</sup> *ibid*

<sup>152</sup> <https://www.coursera.org/enterprise/articles/what-is-remote-employee-management>

<sup>153</sup> <https://hrexecutive.com/the-pandemics-surprising-impact-on-employee-engagement-and-enablement/>

<sup>154</sup> Op cite instituteforpr.org

**Fig. 30. Observed differences in Employee Engagement;  
SME**



On the positive side, 'No, I haven't. We haven't seen it but that doesn't mean it's not happening' and 'I don't think so. No'. Interestingly, 'because even the other thing is, say, in the Friday meeting they would engage with me far more now, right? Because maybe they feel braver. On the other side of a screen 70 or 80 miles away. You know I did find that they would say things which I love because it means I'm getting honesty and the truth here. That they may not have felt otherwise comfortable to say in an in-office meeting. I would have noticed that. And I actually loved it. Because again, if there's something that you think that improves our business or improves our service, or it's an improvement, just come up with it'.

On the less positive side, 'well, I suppose I have learned that left to people's own devices, they kinda feel like they want to cocoon, you know, unless they're particularly motivated, you know, individuals that they will want to cocoon a little bit. So, you know I have addressed that by new staff members, you know, must come to the office a day a week, you know, so, from what was fully remote, has now become a hybrid role. Even if you live in Dublin. I don't care. You're gonna have to be here a day a week, you know. Unfortunately, that's just the way it is'. Also, 'I mean, you have less, you know, casual spontaneous engagement or connection with people which can be negative and can be positive right? Because it can be positive. Obviously, in those sort of water, cooler moments and sharing of tacit knowledge and all that which is exactly what we're trying to sort of fit in with in the new way of working. But it can also be negative in terms of just distractions'.

The support organisations noted that 'newer staff can lose out on that even down to new people into the workforce. Not being willing to take an unscheduled phone call, not answering the phone because they're remote...So I don't think it's a function solely of remote or hybrid working but it's easier to hide'. This was supported by another respondent, 'I think the challenge probably lies with the younger employee. And I would have seen that first hand...basically they just need that nurturing. They need that support. They need that engagement'.

When the issue of measurement of engagement was addressed; 'data measuring employee engagement is limited amongst the small business community. Many insights regarding employee engagement are based on employer observations. For instance, some employers have reported that staff members have been disconnected and disengaged during online meetings. Employers have also reported some remote employees show signs of low morale and low productivity which may indicate low levels of engagement'. A more minimalist response

*was 'I think the bigger measure is probably attrition and retention, you know, and they're probably they're the ultimate measures of employee engagement'.*

Thus, no SME observed an outright negative trend but 60% noted a variable effect. Thus, there is no evidence that employee engagement has declined in the main. That does not mean that individuals had disengaged. There was some evidence here and in other parts of the report that younger workers faced challenges with remote/hybrid working.

## Leadership and Management Roles

Research indicates that SMEs have made some changes to their management structures to accommodate remote and hybrid work, but significant structural overhauls appear to be limited. Here are the key points:

- Managers have had to adapt their leadership styles, moving from direct supervision to emphasising results and productivity rather than time spent working. This has necessitated clearer goal-setting and performance metrics.
- Leaders have developed new strategies for effective communication, utilising digital tools to maintain team cohesion and clarity of expectations<sup>155</sup>.
- Managers are now more proactive in monitoring and supporting employee mental health and work-life balance in remote settings<sup>156</sup>.
- SME leaders have had to become proficient in and champion the use of collaborative technologies and digital workspaces<sup>157</sup>.
- Despite these changes, there are still significant skill gaps in managing hybrid teams. Only 43% of all managers have been trained to manage hybrid teams, indicating a substantial gap in preparedness<sup>158</sup>.
- SMEs are implementing hybrid working policies that consider the unique needs of both individual roles and teams within an organisation, rather than adopting a one-size-fits-all approach<sup>159</sup>.
- There's an increased focus on maintaining company culture and employee engagement in a distributed work environment<sup>160</sup>.

We asked interviewees, how has remote or hybrid work impacted leadership and managerial roles in your company? Fig. 31 gives answer from all respondents and Fig 32 gives answers from SMEs only. As can be seen, a third of companies agreed that they had made changes to management roles (as compared to management style, see later) and two-thirds were using the same management roles and structures as previously.

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<sup>155</sup> <https://www.uclan.ac.uk/assets/guides/working-principles-smes.pdf>

<sup>156</sup> *ibid*

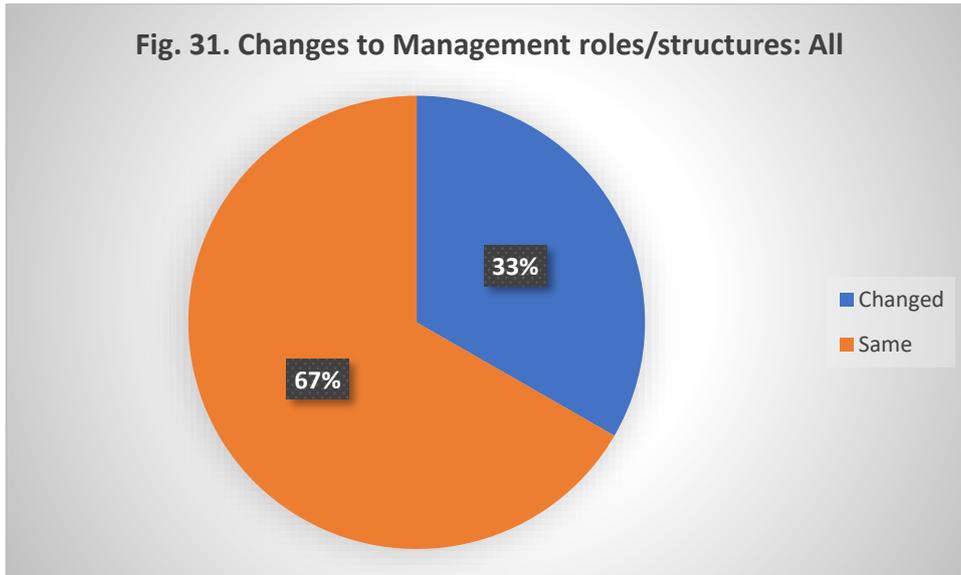
<sup>157</sup> <https://www.zoom.com/en/blog/hybrid-work-trends/>

<sup>158</sup> <https://v-hub.vodafone.ie/knowledge-centre/hybrid-working-irish-smes-attracting-staff>

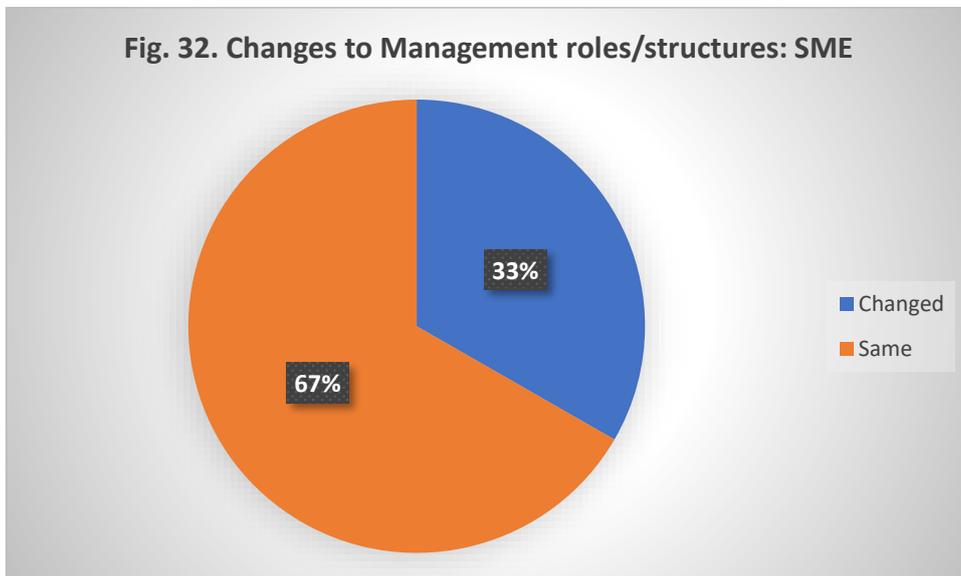
<sup>159</sup> <https://www.thinkbusiness.ie/articles/balancing-hybrid-working-remote-presenteeism/>

<sup>160</sup> Op cite v-hub.vodafone.ie

**Fig. 31. Changes to Management roles/structures: All**



**Fig. 32. Changes to Management roles/structures: SME**



Some comments were as follows. *'I suppose, just the need to change, you know, and to change, or to be open to it. And we have adapted and I think we're doing a pretty good job'*. Another perspective, *'it obviously it has a huge impact in the geographics. So now you can spread your business where you can hire people from. So, where I'm from. Kerry. This was the headquarters offices in Kerry but we have people working from Dublin and from Clare and from Kerry you know. And beyond this a bit from Cork and Limerick...So, the availability of remote and hybrid working had a huge impact on what you can do with your business where you can hire talent from where you can base people'*. However, most respondents noted that they were using the same management structures or they had been set up as a remote-first company from the beginning and the question was not relevant to them.

The support organisations noted that *'if they want to do it by seat of pants and by control...they are going to be challenged. They're going to have problems for their business...embedded into the business model, that needs to be looked at deliberately and the skill set for the managers in managing in that format'*. Another observed that *'some small business leaders have struggled managing remote and hybrid teams. This is particularly the case where a remote employee may*

*be struggling with performance issues' and that 'if anything, you're probably under more pressure than ever before because your day has become a busier day'.*

When looking at how management roles have changed, one observation was *'the biggest thing is that I suppose is really good planning with specific targets that have to be done like in collaboration with the person who's responsible for meeting those targets'.*

What we found is that, in the main, most businesses are using the same management structures and roles as prior to Covid. There has been a significant change in management style (see later section) but roles have not changed that much. Leaders have developed new strategies for effective communication and managers are now more proactive in monitoring and supporting employee mental health and work-life balance in remote settings. There is clear evidence that SME leaders have had to become proficient in and champion the use of collaborative technologies and digital workspaces. However, as we will see next, there are significant skill gaps in managing hybrid teams but most SMEs are implementing hybrid working policies that consider the unique needs of both individual roles and teams within an organisation, rather than adopting a one-size-fits-all approach.

## Training and Supports for Managers

Research suggests that SMEs have recognised the need to provide training and support to managers for leading remote or hybrid teams, though there are still significant skill gaps that need to be addressed:

- Some SMEs have implemented training programs specifically designed for managing hybrid teams. For example, the Chartered Management Institute (CMI) partnered with Timewise to develop a pilot program called "Making hybrid work for you and your team" to teach managers how to navigate the evolving world of hybrid and flexible work<sup>161</sup>.
- Training programs often cover key areas such as communication, leadership styles, team motivation, performance management, and addressing challenges specific to remote work environments<sup>162 163</sup>.
- Managers are being trained in areas such as designing effective hybrid meetings, understanding biases in hybrid teams, and fostering team cohesion<sup>164</sup>.
- SMEs are equipping managers with the necessary technology and software for productive remote work, including project management tools and communication platforms<sup>165</sup>.

However, significant skill gaps remain:

- Only 43% of all managers have been trained to manage hybrid teams, indicating a substantial gap in preparedness<sup>166</sup>.
- Managers need more training in effective communication strategies for remote and hybrid environments<sup>167 168</sup>.
- There's a need for better skills in managing performance and providing feedback in virtual settings<sup>169</sup>.

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<sup>161</sup> <https://www.managers.org.uk/wp-content/uploads/2024/04/cmi-timewise-hybrid-working-report.pdf>

<sup>162</sup> <https://www.ibecacademy.ie/course-detail/leading-remote-and-hybrid-teams-for-managers/?id=293>

<sup>163</sup> Op cite [www.managers.org.uk](http://www.managers.org.uk)

<sup>164</sup> *ibid*

<sup>165</sup> <https://elitebusinessmagazine.co.uk/people/hr/item/remote-and-hybrid-working-for-smes>

<sup>166</sup> [www.managers.org.uk](http://www.managers.org.uk)

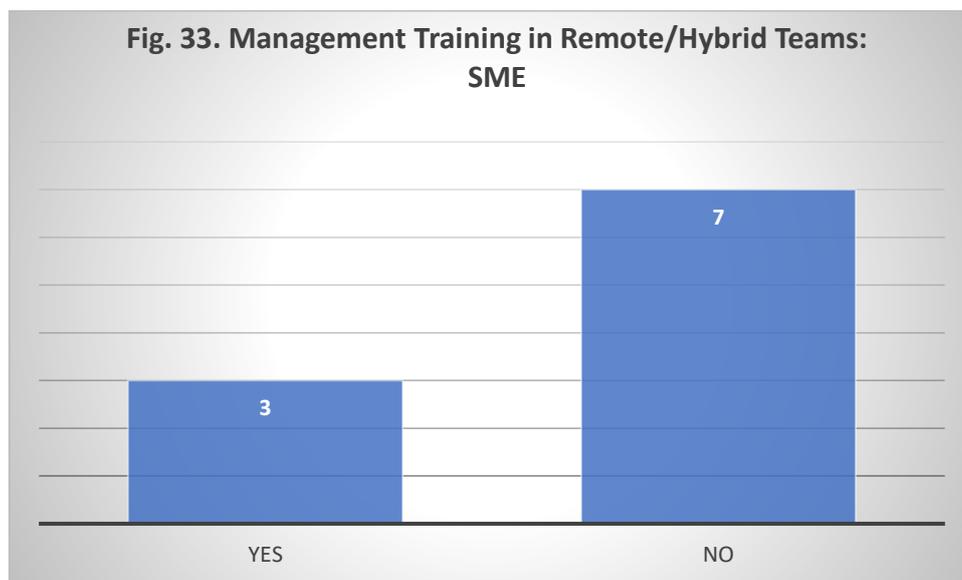
<sup>167</sup> Op cite [www.ibecacademy.ie](http://www.ibecacademy.ie)

<sup>168</sup> Op cite [elitebusinessmagazine.co.uk](http://elitebusinessmagazine.co.uk)

<sup>169</sup> <https://www.linkedin.com/learning/paths/build-essential-skills-to-manage-remote-and-hybrid-teams>

- As teams become more distributed, managers require training in communicating across cultures virtually<sup>170</sup>.
- Managers need more skills in fostering connection and engagement in virtual teams<sup>171</sup>.
- There's a need for training in managing the transition to hybrid work models and addressing associated challenges<sup>172</sup>.

When we asked interviewees, what training or support, if any, have you provided to managers for leading remote or hybrid teams? Fig. 33 gives the responses from the SMEs. As you can see, 70% of SMEs interviewed had provided no training to assist their owner/managers to manage a remote/hybrid team. Of the 30% who did; when we followed up and asked what this training consisted of, we got the following responses; 'ad-hoc way', 'all informal' and only one could identify a structured programme when they participated in the 'Better place 2 work' initiative. However, the main response we received can be summarised as 'absolutely none, because I'm the owner, and I never got any or never did any, but would love to do it'



The comments from the support organisations supported the findings with the SMEs. *'Many small businesses were thrown into managing remote and hybrid teams as result of the pandemic. Up until now, many employers are reacting to the pressures rather than providing training to the leaders within their organisations'*. Also, *'I think that EI probably provided training on remote working during Covid...but I think it's become so normal now that it's kind of an established practice and I would doubt that there is any formal training being provided to help managers leave remote or hybrid teams'* and *'no more than you was there previously, just in a different sense, or in a different format, and with different tools'*. One observation was that *'I think when we look at the competence...if you're hired in as a manager you probably have to go as a manager stepping into a role. You'll probably get a competency-based interview [and have the skills before you arrive]'*.

We further asked respondents to identify gaps in management skills with regard to remote/hybrid working environments. This is presented in Fig. 34. When all respondents are included the top 6 areas where training supports are needed were:

- Communications

<sup>170</sup> ibid

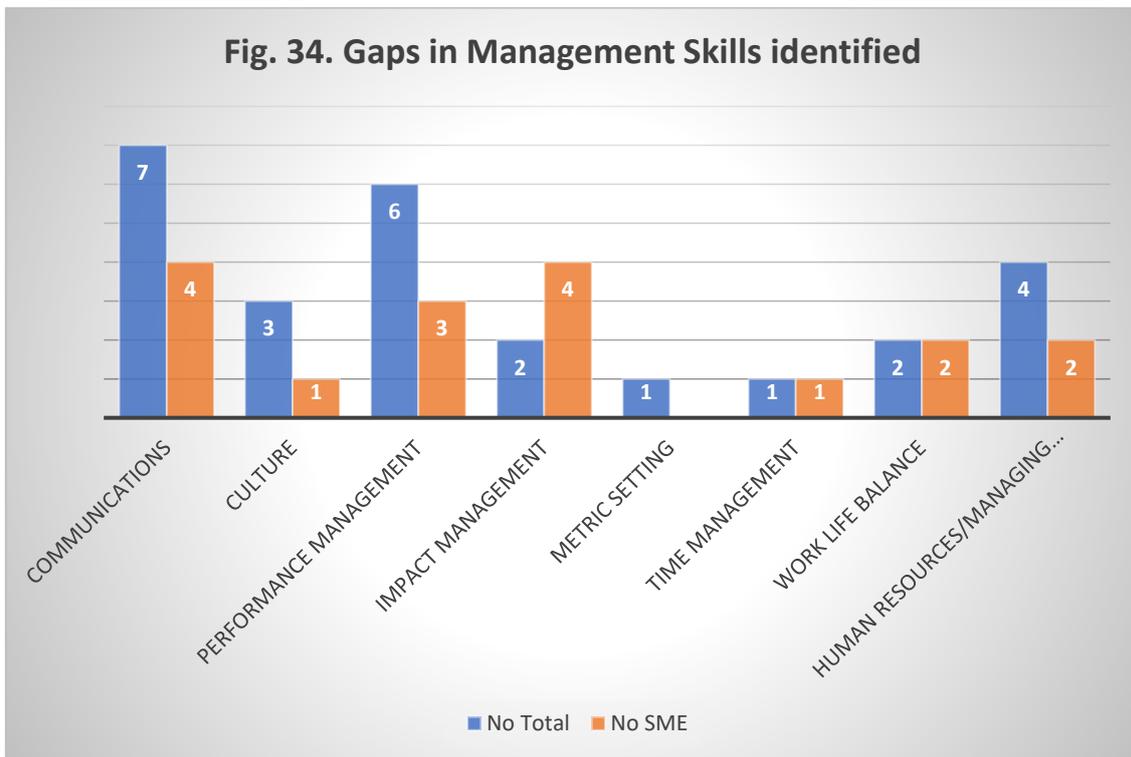
<sup>171</sup> ibid

<sup>172</sup> <https://www.wheel.ie/training/2025/02/leading-remote-hybrid-teams-spring-2025>

- Performance Management
- Human Resources Management
- Embedding Culture
- Impact Management
- Work-Life Balance

However, when the SMEs alone were asked, the following were the training gaps identified in cardinal order:

- Communications
- Impact Management
- Performance Management
- Work-Life Balance
- Human Resources



It is fair to say that the level of training provided to owner/managers is quite poor. Of the 3 managers who noted receiving training, only 1 was because of a formal programme. Thus, there was little evidence of SMEs implementing training programs specifically designed for managing hybrid teams. SMEs are equipping managers with the necessary technology and software for productive remote work, including project management tools and communication platforms (see earlier questions on communications). However, significant skill gaps remain. The key areas identified by the SMEs themselves are communications, impact management, performance management, work-life balance and human resources.

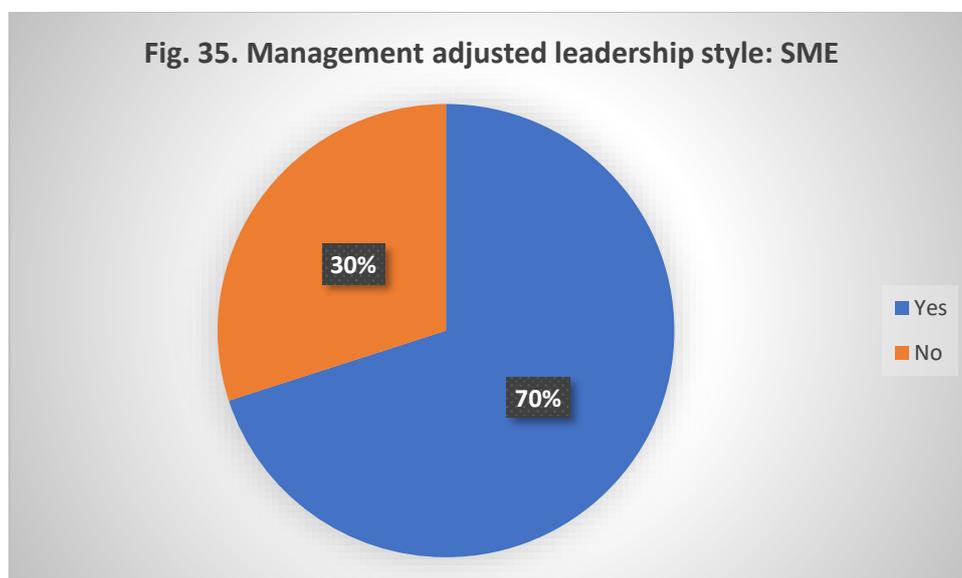
## Leadership Style

Based on recent research, remote and hybrid work has significantly impacted leadership and managerial style in SMEs, presenting both challenges and opportunities:

- Supervision challenges: Managers face difficulties in providing face-to-face supervision, requiring new approaches to monitor and support team performance.

- Leadership has shifted towards emphasising results and productivity rather than time spent working, necessitating clearer goal-setting and performance metrics.
- Leaders must develop new strategies for effective communication, utilising digital tools to maintain team cohesion and clarity of expectations.
- Managers need to be more proactive in monitoring and supporting employee mental health and work-life balance in remote settings.
- Leaders must foster trust within remote teams, balancing autonomy with accountability.
- Managers are required to become proficient in and champion the use of collaborative technologies and digital workspaces.
- There's an increased focus on maintaining company culture and employee engagement in a distributed work environment.
- SME leaders are leveraging remote work options to attract and retain top talent, with 60% of SME CEOs offering such options.
- Remote work enables SMEs to access global talent pools and expand into new markets more easily.
- SMEs are rethinking their approach to leadership development, focusing on skills necessary for managing remote teams effectively.

These changes require SME leaders to adapt their management styles, develop new competencies, and create innovative strategies to ensure productivity and employee satisfaction in remote and hybrid work environments<sup>173 174 175 176</sup>. We asked interviewees, have you adjusted your leadership style or strategies to better suit remote or hybrid work environments? The responses of SMEs are shown in Fig. 35. As can be seen 70% of respondents noted changing their management style towards managing remote/hybrid teams. Of the other 30%, some were set up as remote-first companies and thus have not had to change their management style as it was built in from the beginning



<sup>173</sup> <https://gxait.com/business-technology/leveraging-technology-for-remote-work-a-guide-for-smes/>

<sup>174</sup> <https://hortoninternational.com/leadership-and-the-impact-of-long-term-remote-working/>

<sup>175</sup> <https://www.forbes.com/sites/glebtsipursky/2023/01/09/new-study-shows-smes-are-leading-the-hybrid-work-revolution-to-win-the-talent-wars/>

<sup>176</sup> [https://anale.steconomieuoradea.ro/en/wp-content/uploads/2024/11/AUOES.July\\_.2024.68.pdf](https://anale.steconomieuoradea.ro/en/wp-content/uploads/2024/11/AUOES.July_.2024.68.pdf)

When we delved deeper into the comments, it was observed that *'I think, that I'm actually easier to deal with, because I'm kind of...a workaholic, but I love what we do, and I'm very interested in, and I'm kind of very focused on it. Therefore, I would have been very, very demanding of staff and if somebody was annoying me even seeing them for the day would annoy me if you know what I mean. But I would have changed. I would have become even far more organised myself, because I've got to be organised to be able to get round to them all, I probably became more accessible'*. In a similar vein, *'we have definitely because, as I said, we didn't do remote. We didn't allow it. So, we have had to adapt and we did it very quickly when we were forced to'*. Further, *'you feel more that you're a leader in the business now. Well, I certainly would, anyway, that rather than just someone who's like, you know, a manager....so, I think hybrid has really enhance that those skills and people. But actually, what it does also is, I think it highlights some people who aren't leaders and who were managers, and because they just can't cope with the additional emotional support that they have to give to people. Sometimes when you're working remote or hybrid. So yeah, it is an interesting shift'*. Another interesting observation was, *'if I can be totally honest, my own background, I'm an accountant. I am a business manager and business development, sales development role as well as that within our own business. My natural instinct. If I was left my natural state, I would over manage people right. So, the hybrid, remote working has been a wonderful way for me not to over manage people'*.

With regards to the 30%, *'I've kind of done it from the beginning but I suppose it's constantly something that you're trying to make improvements on, because you're hyper aware'*.

The support organisations noted that *'some have. Some haven't, and that is, I think, partly the personality of the owner, manager'*. An important observation was *'small businesses have adopted leadership strategies focused on outputs rather than time spent at desks in response to the hybrid working environment'*. A more detailed response was, *'they [SME owner/managers] have to consciously think about how they're going to manage this distributed workforce. You know, before it was easier. Everybody was kind of nearby and most of the time, you know the bosses or the leaders could kind of easily chat with someone. But now, with everybody scattered, they have to consciously think about how they're going to bring people together and communicate. So, I would. I would think that it puts more pressure on their communication styles and abilities they have to communicate more effectively actually, than they might have in the past'*.

We found that 70% of SMEs had noted a change in their management style as a result of managing a dispersed workforce. In line with the resources, managers face difficulties in providing face-to-face supervision, leadership has shifted towards emphasising results and productivity rather than time spent working, leaders must develop new strategies for effective communication, utilising digital tools to maintain team cohesion and clarity of expectations. Managers need to be more proactive in monitoring and supporting employee mental health and work-life balance, leaders must foster trust within remote teams, managers are required to become proficient in and champion the use of collaborative technologies and digital workspaces.

## Legal, Regulatory and Policy Considerations

Research indicates that SMEs have encountered several legal and regulatory challenges with remote and hybrid work:

- Ensuring remote workers receive the same rights as on-site employees, including fair wages, reasonable working hours, and protection from discrimination<sup>177</sup>.
- Conducting risk assessments for remote workers' home environments to ensure they are safe and ergonomically suitable<sup>178</sup>.
- Implementing robust security measures to protect personal data in remote settings, as mandated by GDPR<sup>179</sup>.
- Modifying employment contracts to clearly define remote work arrangements, including working hours, responsibilities, and communication expectations<sup>180</sup>.
- Creating clear policies for hybrid working, including eligibility criteria, office attendance expectations, and performance measurement methods<sup>181</sup>.
- Reviewing and assessing each remote work request, which can strain resources, especially for smaller enterprises<sup>182</sup>.
- Adhering to fair procedures when handling remote work requests to avoid potential disputes through the Workplace Relations Commission<sup>183</sup>.
- Addressing increased cyber threats related to remote workers, with about 20% of organisations experiencing data breaches in this context<sup>184</sup>.
- Balancing the potential costs of facilitating remote work against the grounds for refusing requests based on excessive costs<sup>185</sup>.
- Ensuring the protection of sensitive information when work is conducted in shared accommodations or remote working hubs<sup>186</sup>.

These challenges highlight the complex legal landscape SMEs must navigate when implementing remote and hybrid work models, often requiring them to seek expert legal advice to ensure compliance and mitigate risks<sup>187</sup>. We asked interviewees, what legal or regulatory challenges (e.g., tax laws, data protection) they had encountered with remote or hybrid work? The responses from interviewees are shown in Fig. 36. The top 6 legal and compliance issues according to all respondents were:

- Data protection/GDPR
- Tax implications of having workers in different jurisdictions
- Employment Law compliance
- Insurable risks
- Cybersecurity
- Having employees based internationally (non-tax issues)

However, when the SMEs themselves responded, the top issues were:

- Data protection/GDPR
- Employment law
- Having employees based internationally (non-tax issues)

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<sup>177</sup> <https://legalfoundations.org.uk/guide/a-guide-to-employment-law-for-smes-the-legalities-of-remote-and-hybrid-working-models/>

<sup>178</sup> *ibid*

<sup>179</sup> *ibid*

<sup>180</sup> *ibid*

<sup>181</sup> *ibid*

<sup>182</sup> <https://fitzsimonsredmond.ie/the-right-to-request-remote-work-a-balancing-act-for-irish-employers-and-employees/>

<sup>183</sup> *ibid*

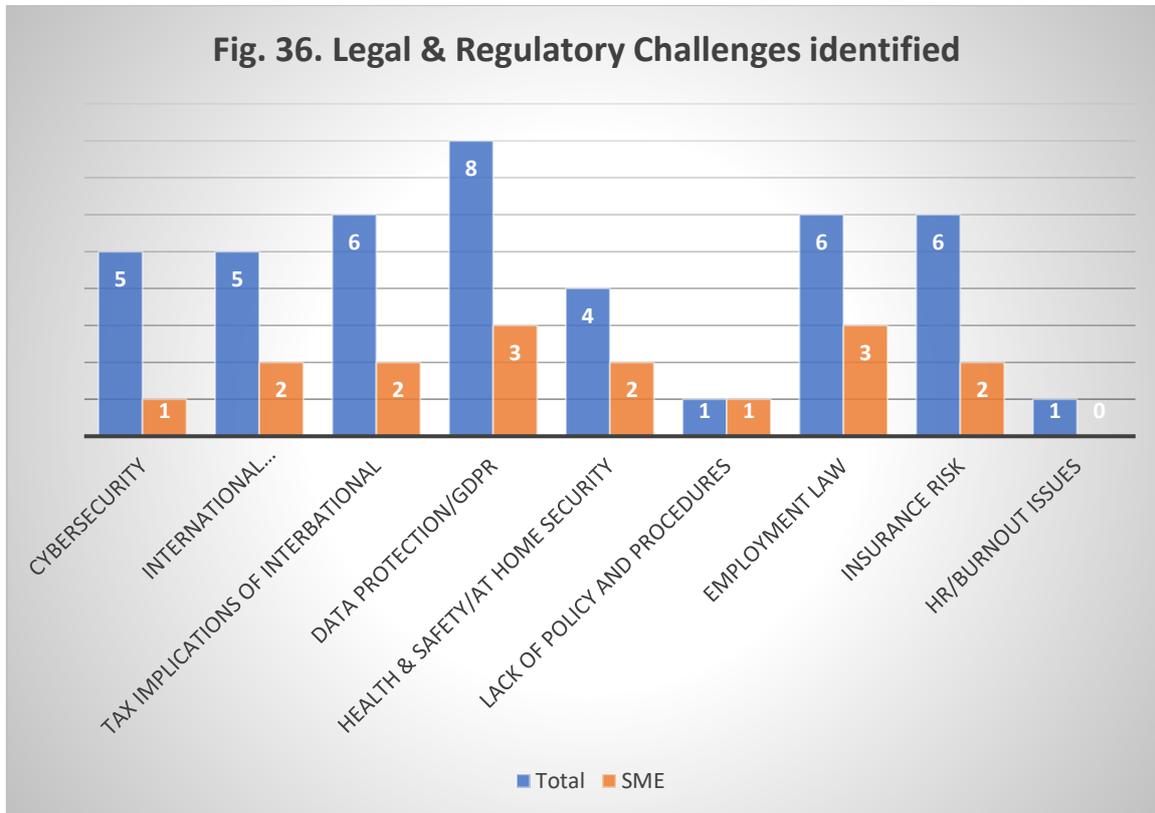
<sup>184</sup> *Op cite* [legalfoundations.org.uk](https://legalfoundations.org.uk)

<sup>185</sup> <https://enterprise.gov.ie/en/publications/publication-files/sme-test-work-life-balance-bill-previously-remote-working-bill-.pdf>

<sup>186</sup> <https://www.lawsociety.ie/link/5518a605d4f941758d5bc29ec560cc4b.aspx>

<sup>187</sup> *Op cite* [legalfoundations.org.uk](https://legalfoundations.org.uk)

- Tax implications of having workers in different jurisdictions
- Insurable risks



However, the low frequency of the compliance issues noted by the SMEs indicates that many SME owner/managers have not faced, or identified, many legal and compliance barriers, as summarised by *'I haven't encountered really any. I suppose you just have to be obviously sensible. We, you know, bringing documents on, you know, you know. Leave them lying around and in the house for your family, if your kids or visitors to see but no, we we've we haven't had any real policy on us to be brutally honest with you'*.

However, issues with employees working in other jurisdictions seems to be prevalent; *'yes, that is a big challenge, and we struggled with it a little bit. We had someone in Portugal for a while who had an employer of record, and that worked well, but it was quite costly, but in particular, the employee didn't get as much take home pay'*.

The support organisations saw a wider picture, for example, *'cyber risk if remote, if international...they're paying into a revenues account and to a certain extent don't even know or care where that is so because the company is based here. They're following Irish revenue and whatever. But I don't think they're aware of it. And the employment contract, because we also know that. Let's be honest. Many SMEs aren't at the proper level of written employment contracts'*. In another response, *'implementing Remote and Hybrid Work Policies that are equitable for all staff members, responding to the WRC Code of Practice on The Right to Request Remote and Flexible Working has been a challenging. Businesses have had to ensure the right system and practices are in place to respond to these requests in a timely manner. Many smaller companies need to be able to show compliance with the Organisation of Working Time Act, which can be challenging without the right processes and systems in place. The Right to*

*Disconnect has also had an impact on smaller businesses ensuring that employees are not working outside their contractual working hours’.*

We found, in the main that SME owner/managers have not experienced major regulatory, policy or compliance issues and any that have arisen, have been addressed. The top issues raised by SMEs were data protection/GDPR, employment law, having employees based internationally (non-tax issues), tax implications of having workers in different jurisdictions and insurance/insurable risks. These are in line with some of the research sources. However, there was little evidence of ensuring remote workers not receiving the same rights as on-site employees, modifying employment contracts to clearly define remote work arrangements, failing to adhere to fair procedures when handling remote work requests to avoid potential disputes through the Workplace Relations Commission.

## Adapted Policies related to Remote/Hybrid work

Many SMEs, according to the sources, have adopted policies related to remote work, though there's still room for improvement. Recent research indicates that three-quarters of organizations have not yet finalised their remote working policies<sup>188</sup>. However, the trend is shifting, with SMEs recognising the need for formal policies to manage remote employees effectively. The main policies adopted by SMEs include:

- Defining which roles are eligible for remote work and any service requirements before employees can request it<sup>189</sup>.
- Outlining the procedure for employees to submit remote work requests, including the steps involved and grounds for refusal<sup>190</sup>.
- Specifying core working hours, expectations for availability, and guidelines for responsiveness to emails and customer queries<sup>191</sup>.
- Establishing guidelines for using communication tools, frequency of team catch-ups, and expectations for video calls<sup>192</sup>.
- Providing information on the organisation's health and safety policies for remote work, including risk assessments for home workspaces<sup>193</sup>.
- Implementing provisions for handling business data securely in remote settings<sup>194</sup>.
- Specifying the necessary equipment and workspace conditions for effective remote work<sup>195</sup>.
- Adapting performance evaluation methods for remote workers<sup>196</sup>.
- Detailing when and how employees can access physical office spaces, if available<sup>197</sup>.
- Addressing requests from staff to relocate, particularly for international employees<sup>198</sup>.

We asked interviewees, how have your adapted policies related to remote work (e.g., reimbursement for home office expenses, work hours)? The responses are summarised in Fig.

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<sup>188</sup> <https://growremote.ie/wp-content/uploads/2024/04/Remote-Playbook-for-SMEs-3.pdf>

<sup>189</sup> <https://www.sage.com/en-ie/blog/remote-working-policy-business/>

<sup>190</sup> *ibid*

<sup>191</sup> *ibid*

<sup>192</sup> *ibid*

<sup>193</sup> *Op cite growremote.ie*

<sup>194</sup> <https://www.ebas.ch/en/5-recommendations-for-smes-for-remote-office-working/>

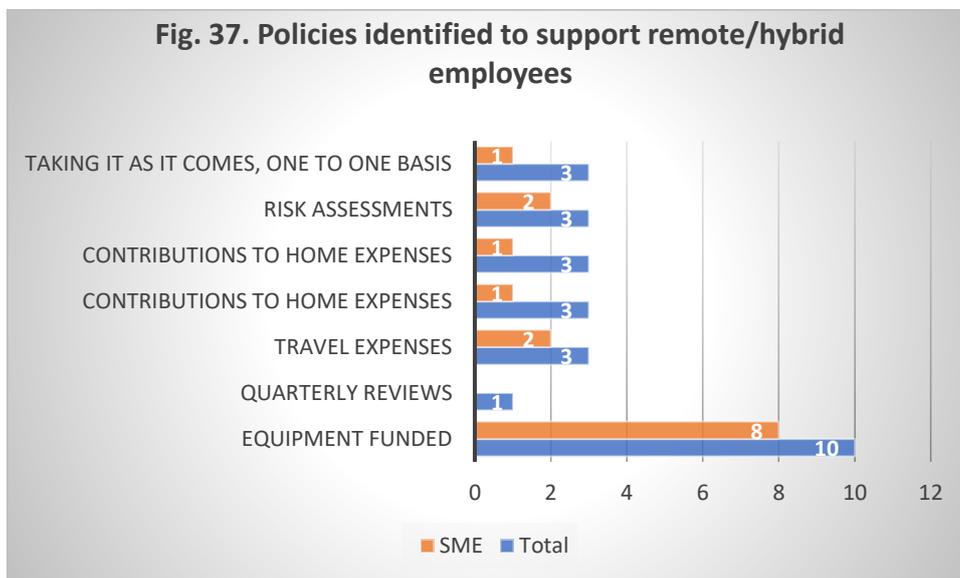
<sup>195</sup> *Op cite growremote.ie*

<sup>196</sup> <https://www.waybook.com/blog/how-to-create-a-remote-work-policy-for-smes>

<sup>197</sup> *Op cite growremote.ie*

<sup>198</sup> *ibid*

37. If you examine the SME responses, apart from funding equipment for home offices and providing travel costs and home risk assessment in a small number of cases, there are very few policies in place to support remote/hybrid workers.



One the more positive end of the spectrum, 'We'd have a little at a budget for everybody new and like 1,500 quid. Did they need their laptop, monitor or chair, or whatever? And then, like each Quarterly Review, we'd like, typically be asking, Do you need anything to help you do your job? We do an ergonomic assessment, you know. We reimburse people just for that. Most people that had a choice apart from the community team did choose to get work phones, rest of us use our own phone, and we get a contribution to that every month like a fixed amount, 20 quid or something...we have travel expense policy when people do have to go to meetings or team retreats'.

However, most responses, if there were any, followed 'they're probably there in the book [employee manual], because we've addressed them at one stage, and then nobody ever read them again...some new employees will have never seen those, probably. But anyway, on the upside, we've just employed a new admin person, and that's on her remit at the moment to read all of that, look at all of that, and make sure that we are where we need to be. And so, yeah, we haven't really changed a whole lot. But there is certainly work from home policy. And there is, like, you know, computer and security policies. And you know that that side. But probably all need to be recommunicated'.

The support organisations noted that 'Health and Safety Risks with employees working from home. There is a risk that employers cannot always ensure employee safety. GDPR Risk and ensuring protection of company/client data' and, from another respondent, 'you definitely need to make sure, like, you know, their workstations, their different things and stuff like that, you know, as an employer, it's your responsibility to make sure that they have appropriate kit to do what they do if they need something for whatever, and they have appropriate environment in which to do it as well'.

However, 'they're [SMEs] adapting as they go. I'm not certain it's a proactive policy. My sense is that they're adapting the practices as they move along the journey of having remote staff' and with regards to policies, 'not that I'm aware of to be honest because it's too much hassle and that being said, it's not been raised by employees until it goes wrong'.

We found that the main policies to support employee in remote/hybrid working was providing equipment and helping set up home offices and the provision of travel expenses. Much of the information in the sources relating to policies and procedures did not apply. In many cases, it would appear as if case-by-case solutions are being found for employees.

## Compliance Issues and Risks

SMEs have faced several specific compliance issues and risks in implementing remote or hybrid work according to sources:

- SMEs must ensure remote workers receive the same rights as on-site employees, including fair wages, reasonable working hours, and protection from discrimination<sup>199</sup>.
- Companies need to navigate complex tax regulations, including withholding and paying correct payroll taxes based on where remote employees physically work, not where the business is headquartered<sup>200</sup>.
- SMEs must manage workers' compensation claims for remote employees, which can be challenging. They need to understand scenarios where remote workers might be eligible for compensation and ensure proper documentation<sup>201</sup>.
- With employees accessing company data from various locations, the risk of data breaches and cybersecurity threats increases. SMEs must implement best practices such as using secure VPNs, encrypting sensitive data, and providing regular employee training on cybersecurity<sup>202</sup>.
- Companies are required to conduct risk assessments for remote workers' home environments to ensure they are safe and ergonomically suitable<sup>203</sup>.
- For SMEs with remote workers in different states, complying with varying labour laws regarding minimum wage, overtime, and paid leave can be complex<sup>204</sup>.
- Many SMEs have had to develop comprehensive remote work policies that outline expectations regarding work hours, productivity, and communication to ensure legal compliance<sup>205</sup>.
- SMEs face increased cyber threats related to remote workers, with about 20% of organisations experiencing data breaches in this context<sup>206</sup>.
- Companies have had to modify employment contracts to clearly define remote work arrangements, including working hours, responsibilities, and communication expectations<sup>207</sup>.
- Ensuring the protection of sensitive information when work is conducted in shared accommodations or remote-working hubs has become a significant issue for SMEs<sup>208</sup>.

When we asked interviewees, are there any specific compliance issues or risks you have had to address in implementing remote or hybrid work, we got the responses outlined in Fig. 39 for the SMEs only. As can be seen, 60% had identified compliance or risk issues with 40% not seeing any at the moment.

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<sup>199</sup> <https://employersolutionspeo.com/guide-to-remote-work-compliance/>

<sup>200</sup> *ibid*

<sup>201</sup> <https://www.myqualitypayroll.com/the-legalities-of-remote-work-hr-compliance-in-the-digital-age>

<sup>202</sup> *ibid*

<sup>203</sup> Op cite employersolutionspeo.com

<sup>204</sup> Op cite www.myqualitypayroll.com

<sup>205</sup> Op cite employersolutionspeo.com

<sup>206</sup> <https://startups magazine.co.uk/article-are-flexible-and-remote-working-staff-good-option-smes>

<sup>207</sup> Op cite employersolutionspeo.com

<sup>208</sup> Op cite startups magazine.co.uk

Fig. 38. Specific risk/compliance issues identified: SME



When asked SMEs to identify the specific risk or compliance issues, the following list was noted:

- Employment law
- Health & safety issues
- GDPR
- Home-based security
- Cybersecurity
- Lack of risk assessments

When we asked the support organisations about potential risks, they noted *'one of the issues that I think has not been addressed is the taxation issue particularly for tech that are international'*.

We found that 60% of SMEs had identified a potential compliance risk. When asked further, they identified the following: employment law, health & safety issues, GDPR, home-based security, cybersecurity and lack of risk assessments. This is in line with some of the sources but there was little evidence of many SMEs which had developed comprehensive remote work policies or companies have had to modify employment contracts to clearly define remote work arrangements. The challenges of employees operating out of foreign countries was identified previously in the report.

## Future of Remote/hybrid Work

Recent research indicates that remote and hybrid work have become a permanent part of the business landscape:

- As of fall 2022, workers were going to the office an average of 3.5 days per week, about 30% below pre-pandemic levels. This trend has remained relatively stable since mid-2022, suggesting a new norm<sup>209</sup>.
- There's a significant group of office workers (about 10% globally) who strongly prefer remote work and are willing to make substantial trade-offs to maintain it. This group tends to be senior and well-paid, indicating their influence on company policies<sup>210</sup>.

<sup>209</sup> <https://www.mckinsey.com/mgi/our-research/empty-spaces-and-hybrid-places-chapter-1>

<sup>210</sup> *ibid*

- Early studies point towards remote working becoming part of permanent organisational design, according to research by International SOS<sup>211</sup>.
- The adoption of hybrid work varies by industry, with knowledge-economy workers going to the office 0.2 fewer days per week than those in other industries<sup>212</sup>.
- Research examining an SME that applied a hybrid work policy following the post-pandemic crisis indicates that even smaller businesses are incorporating these models<sup>213</sup>.
- The persistence of hybrid work is supported by the alignment between current office attendance, expected post-pandemic attendance, and employee preferences<sup>214</sup>.

When we asked interviewees, do you see remote or hybrid work as a permanent part of your strategy or future, 100% of respondents agreed that remote/hybrid working is a permanent part of their business/landscape. This included all the support organisations.

*From the SME perspective, 'I think it needs to be offered and whether people avail of it or not. But I just think with, you know, people's lifestyles, and you know that, as I said to that, like that employee satisfaction element, I think it's something that needs to be offered' and 'we couldn't put that toothpaste back in the tube because we just lose all our staff',*

*The support organisations noted, 'it depends on the nature of the business. I do see it as a permanent part of the landscape' and '...for sure. I think it suits, I think, depending on the type of business. I think every employer is entitled to make their own decision about what works best for them. But I have no doubt 100% that for some businesses been fully remote makes complete business sense access to talent'.*

*Interestingly, 'We have seen an increase in companies seeking advice on how to mandate return to office. Although many companies recognise the benefits of remote working, some companies feel that their teams work better in person. Some of our members never planned for remote working as it was just a temporary solution to the Pandemic. Members have been requesting support on reverting back to on-site working and do not wish to continue with the hybrid working model due to challenges with collaboration'.*

100% of respondents saw remote and hybrid working as a permanent feature of specific businesses and employment overall. Although there is some evidence of employers wanting to see employees working more in-office, indicating the growth in hybrid working especially. Remote work appears very linked to specific business models.

## Improvements under Consideration

According to sources, SMEs are considering several changes to improve the effectiveness of remote and hybrid work in their organisations:

- Companies are enhancing their remote-work infrastructure with advanced technology and systems, including reliable time-tracking software, to ensure accurate monitoring and maintain productivity<sup>215</sup>.

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<sup>211</sup> <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2023/07/current-trends-in-remote-working.pdf>

<sup>212</sup> Op cite [www.mckinsey.com](http://www.mckinsey.com)

<sup>213</sup> <https://www.mdpi.com/2076-3387/14/10/263>

<sup>214</sup> Op cite [www.mckinsey.com](http://www.mckinsey.com)

<sup>215</sup> <https://buddypunch.com/blog/state-of-remote-work/>

- SMEs are developing robust internal communication strategies and leveraging digital tools to maintain team cohesion. This includes regular virtual meetings and social activities to keep teams connected and collaborative<sup>216 217</sup>.
- Prioritising employee wellness through programs, mental-health resources, and encouraging work-life balance to boost morale and productivity<sup>218</sup>.
- Establishing comprehensive guidelines for remote work, supported by scheduling and tracking features, to ensure consistency and accountability<sup>219</sup>.
- Embracing flexible schedules that offer a mix of remote and on-site work options to enhance satisfaction and productivity<sup>220 221</sup>.
- Utilising performance metrics and feedback systems to identify areas for improvement and maintain efficiency in remote settings<sup>222</sup>.
- Implementing collaborative virtual workspace tools like Slack, Microsoft Teams, and video conferencing platforms to facilitate teamwork and communication<sup>223</sup>.
- Investing in secure remote-access technologies, advanced encryption methods, and comprehensive employee-training programs to protect sensitive data<sup>224</sup>.

These changes are driven by several factors:

- SMEs recognise the importance of adapting to changing market conditions with agility<sup>225</sup>.
- A significant group of workers strongly prefer remote work options, influencing company policies<sup>226</sup>.
- Tracking productivity remains a major challenge for 36% of companies, necessitating effective performance measurement tools<sup>227</sup>.
- Maintaining employee engagement (27%) and overcoming communication barriers (25%) are critical challenges that SMEs aim to address<sup>228</sup>.
- Remote work allows SMEs to reduce overhead costs associated with maintaining physical office spaces<sup>229</sup>.
- Remote work enables SMEs to tap into a broader range of human resources beyond geographical constraints<sup>230</sup>.
- The development of AI and automation tools is driving changes in how SMEs manage and support remote workers<sup>231</sup>.

We asked interviewees, what changes, if any, they were considering to improve the effectiveness of remote or hybrid work in your organisation? We also asked, what is driving these changes? The responses are shown in the following; Fig. 39 outlines those SMEs considering changes at the moment, Fig. 40 shows the areas under consideration for improvement and Fig. 41 outlines the

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<sup>216</sup> *ibid*

<sup>217</sup> <https://gxait.com/business-technology/leveraging-technology-for-remote-work-a-guide-for-smes/>

<sup>218</sup> Op cite buddypunch.com

<sup>219</sup> *ibid*

<sup>220</sup> *ibid*

<sup>221</sup> <https://techround.co.uk/business/expert-predictions-for-remote-work-in-2025/>

<sup>222</sup> Op cite buddypunch.com

<sup>223</sup> Op cite gxait.com

<sup>224</sup> <https://www.mbopartners.com/blog/independent-workforce-trends/the-future-of-remote-work-10-trends-and-predictions-for-2025/>

<sup>225</sup> Op cite gxait.com

<sup>226</sup> Op cite techround.co.uk

<sup>227</sup> Op cite buddypunch.com

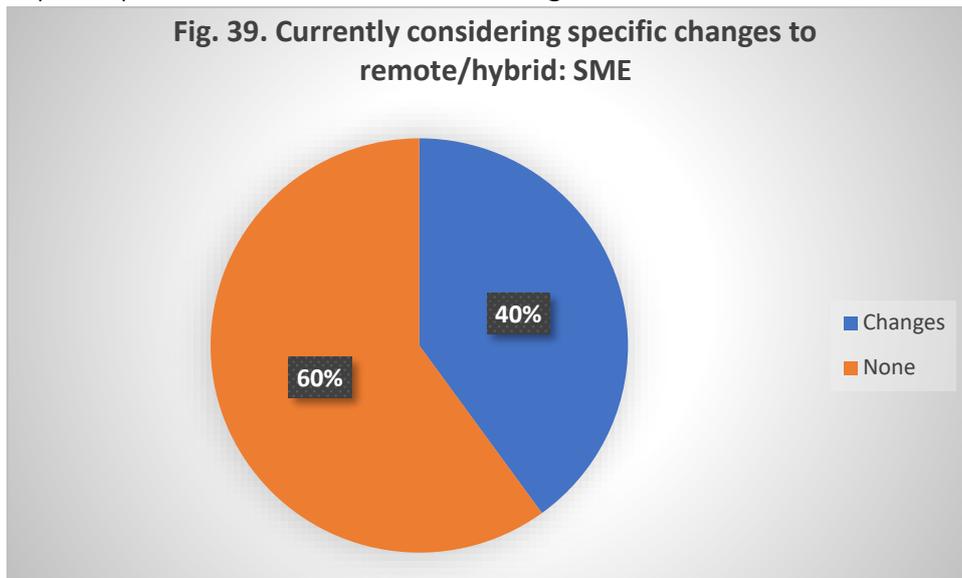
<sup>228</sup> *ibid*

<sup>229</sup> Op cite gxait.com

<sup>230</sup> *ibid*

<sup>231</sup> Op cite www.mbopartners.com

drivers behind these changes. As can be seen only 40% of SMEs are currently considering specific changes to improve performance with 60% not doing so.



Of the 4 SME which identified ongoing areas of improvement, the following specific improvements were identified, areas relating to Human Resources (2 SME) with trusting employees more, changes to support growth or scaling of the business and adopting better measurement and metrics being the other areas. However, the frequency of these changes were very low.

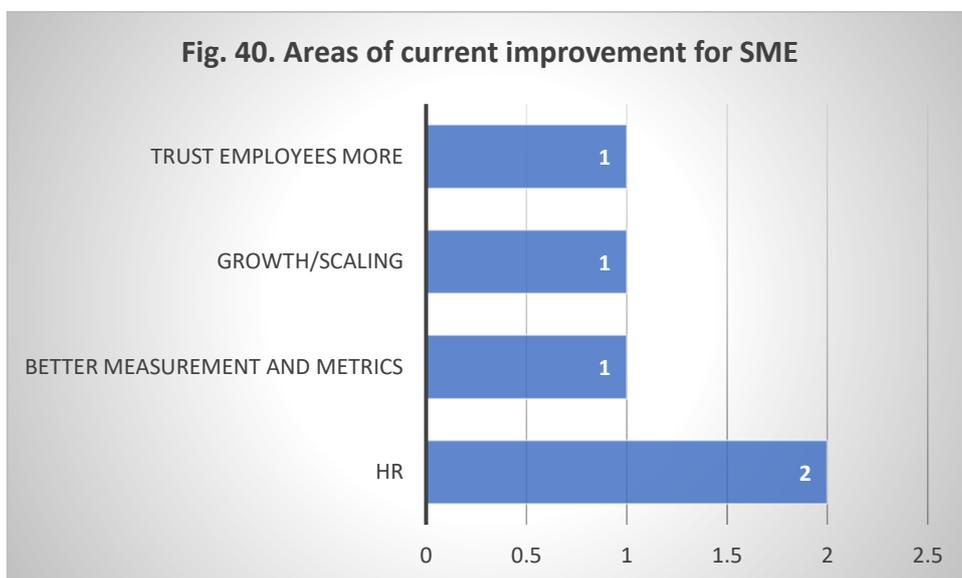
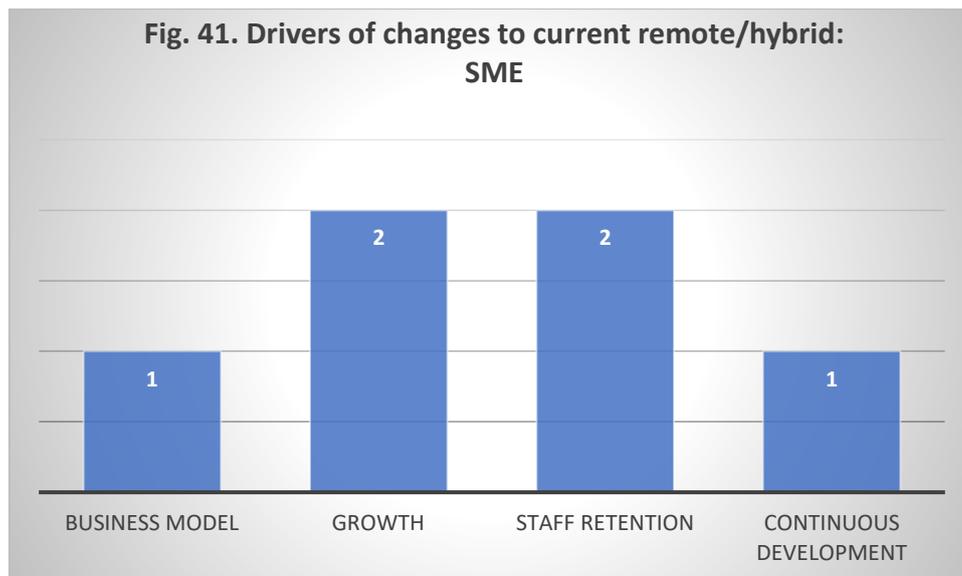


Fig. 41 outlines the drivers behind these changes. As can be seen the growth of the business and concerns around staff retention are the main drivers with continuous development of the business and adapting the business model also noted.



As can be seen above, the majority of SMEs are not currently considering changes to their remote/hybrid model. Of the 40% that are, the main issues relate to human-resources issues and growth-related changes in the business model.

## Lessons Learned

We asked interviewees, what lessons they had learned from implementing remote or hybrid work that you would share with other organisations? Here are some of the responses:

*'So if you hire good people, you generally can trust them to do a good job in your business and that would be one thing that I'd say. Probably don't overthink that bit'.*

*'...this will be surrounding communication again. I think what you want to achieve to be successful is that people can communicate in the same way as if they were all sitting in a building together and that's where you need to get for it to be successful'.*

*'I think that when you're recruiting somebody for that position that you know you're immediately honing in on their demeanour. I know you are, anyway, when you're recruiting, and I get that. But there's an extra bit of gee up that's required an extra bit of I'm used to balancing loads of things multi skilled, you know, busy you know, able to get things done. Really good work ethic...there's another 30% extra required so that they will be able to fill that role effectively'.*

*'Suppose it's been open to change and to listen to your employees'.*

*'Go and get independent advice on what you actually need, and then build out from there that the it element becomes kind of your foundation that you're building stuff on'.*

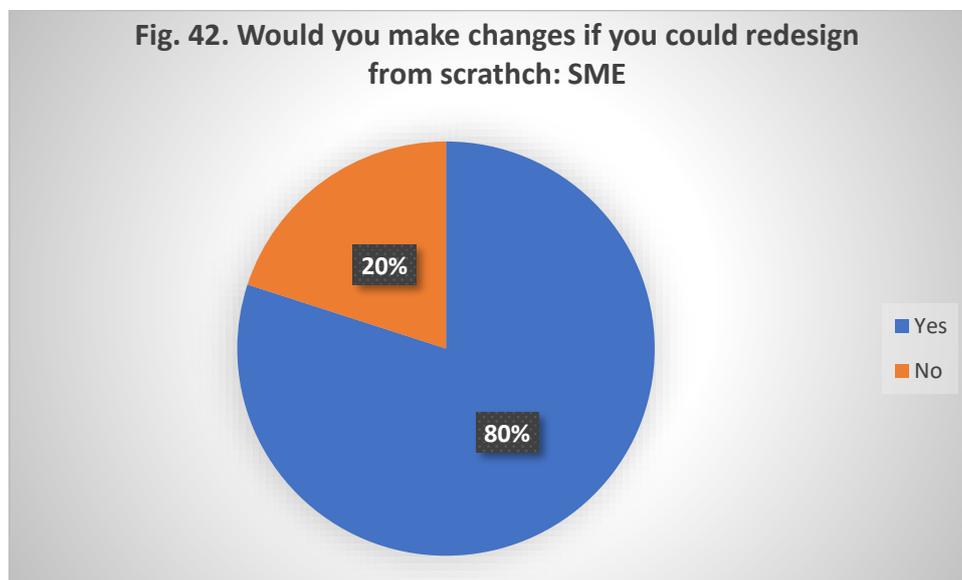
*'I think there should be proper...structure...we should know who, what days, who's working from home, and if someone's working from home, a mail is sent to all the team to know such and such is working from home'.*

When we asked support organisations the same question, we got the following comments:

*'Employees can be flexible to work from various locations if they have the right systems in place. Company culture can be maintained through various benefits to employees and intentional meetings and collaboration'.*

## If you could redesign from scratch...

We asked respondents, if you could redesign your/SMEs approach to remote or hybrid work from the ground up, what would you do differently? Fig. 42 outlines the responses from the SMEs. 80% of SMEs could identify changes they would have made if they could have started remote/hybrid from scratch.



The following are a sample of the SME's comments:

*'I would have driven greater accountability earlier with individuals'.*

*'I know that more and more companies are offering it...if it suits the person and suits the organisation, I think that we should it should be offered'.*

*'The whole remote, hybrid, in office argument can't be blanket and that it should be individual to individual job role to job role...someone can work remote, someone can have a hybrid arrangement, but then if their workplace needs that flexibility where they need to go on site somewhere tomorrow, employees feel that they can reject that, because, you know, they should be allowed to work remotely'.*

*'I've seen many examples of individuals who shouldn't be working remotely... from mental health and wellbeing point of view. They're much better off being in a workplace with other people and so on. Some environments aren't set up for remote working. So, as the example, someone working in a box room in a dingy apartment or something like that. A lot of these things haven't been, I think,*

*discussed or debated properly as of yet, because, unfortunately, the remote, hybrid, on site argument...unfortunately, we haven't quite matured yet in the whole debate'.*

*'I will be rotating them to the office more than they ever did...that's exactly what I'd be doing...minimum of one day a week, you need to be here and actually within a quarter you need to spend one week in the office. You need to understand everyone's job...so you understand and appreciate what everyone is doing'.*

*'I think we probably would be exceptionally clear like, because it's just stuff we learned along the way. But like, say, maybe not quite in a job ad but somewhere in the recruitment process we'd be as clear as we humanly possibly assess the expectations of the person before they join the team, and what our expectations of them are like, such as the quarterly retreats that, like you manage your own time, you know you're held accountable, but the payoff is the flexibility'.*

*'A lot of them would come down to resources. So as a start-up more than an SME, it was limiting. But I would like to be able to, you know, equip people particularly full-time employees equip them with all of the tools and resources they need to be really effective and comfortable'.*

*'One thing that that I would like is in terms of, from the kind of holistic side to bring the group together. But then part of me wonders if that's just me. You know what I mean? And am I trying to shove that down the throat of people who don't want to do that?'*

*'More structured, I think'.*

When we asked the support organisations for their observations, we got the following observation. *'Have policies in place from the beginning. Strengthen onboarding process for remote and hybrid workers. Have an on-site or off-site day where employees meet for collaboration'.*

## Final Thoughts

We asked interviewees if they had any additional thoughts or experiences regarding remote or hybrid work they would like to share? Here are the comments from the SMEs:

*'We do need to be cognisant of the fact that there are some important downsides, probably chief amongst them the sort of feeling of isolation that some people can have, and that you do need a different management style. It's a culture that enables that you know success for remote first company. So, I think working on the culture part of it is really important'.*

*'I was happy with the way it worked out...it wouldn't have been common at all'.*

*'You need to establish trust and establish ground rules very quickly'.*

*'None of us ever got formal training, like we all just ended up work from home to Covid...but no one has ever been trained. And do you know what I mean? And the communication structure piece for companies needs to probably be a bit better'.*

*My preference you know. [if we] fell apart in the morning and I had to go looking for a job. I wouldn't look for a job where I was working remotely, I'd probably look for a job where I was going to an office and working with people, because that suits me. If I was building a company in the morning I would do it fully remotely again'.*

When we asked the support organisations the same question, here is a sample of their responses:

*'I would like to think that start-ups are building it into the business model because they can...I would suspect existing businesses are just muddling through in many ways'.*

*'In other words, don't just do it. Figure out why you're doing it that way and I think there needs to be the supports and training and skills and experience of it'.*

*'I think it's a big, positive overall. Remote working, I believe, is a big improvement'.*

*'I would like to see the message of remote workers being home-based, becoming a stronger message. So, this spin around the use of hubs and centres by remote workers is one that has caused immense challenges, I believe'.*

*'No, just the extra layer of complexity for small businesses is disproportionate to medium and large businesses it. It is an absolutely disproportionate burden on small businesses, as is the majority of things'.*

*'So, it's not I don't think, a one-size-fits-all'.*

## Summary and Conclusions

We summarised the finding of published sources to create a reference point to compare our findings against and found that:

- In one recent survey, 59% of Irish employees surveyed who worked in companies offering flexible work arrangements are working hybrid (sometimes remotely, sometimes onsite) and 38% are working fully remotely. Only 3% are working fully onsite.
- With regard to hybrid workers:
  - 35% work remotely 3 days and onsite 2 days a week;
  - 24% work remotely 2 days and onsite 3 days a week and
  - 20% work remotely 4 days and onsite 1 day a week.
- 92% of respondents indicated that remote/hybrid working would be a key factor in their decision to change employer.
- Ireland ranks second highest in Europe for hybrid (37.7%) and remote (8.4%) work opportunities.
- The availability of hybrid and remote roles in Ireland is declining, with hybrid positions down 10.5% year-on-year and remote positions down 7.7%.

- Remote positions are very popular with remote positions in Ireland attracting 2.5 times the share of applications compared to the number of positions available.
- 72% of respondents indicated that their remote/hybrid working preferences are being facilitated, while 23% want to work remotely more often than currently allowed.
- 57% of workers in Ireland say that remote and hybrid working facilitates better job opportunities, and 31% feel it has already had a positive impact.
- Rural SMEs are struggling to compete with multinational corporations that offer city-based salaries for remote work, making it difficult for them to attract and retain local talent.
- Rural SMEs face unique housing-related issues, with some larger employers buying entire housing estates for their workforce, further complicating recruitment for smaller businesses.
- There is a growing trend of connected hubs in rural areas that serve as focal points for remote workers, entrepreneurs, and local communities.
- Rural regions see remote work as an opportunity to attract new workers and potentially reverse population decline trends. They aim to leverage affordable housing, lower living costs, and better access to environmental amenities.
- However, to maximise these opportunities, more investment in digital infrastructure is needed to support remote work effectively, as access to public digital infrastructure is crucial for rural digital transformation.

With regards to the 10 SMEs involved in our survey:

- 40% have utilised remote/hybrid work practices for more than 6 years; thus, pre Covid pandemic.
- 40% have implemented it for 4-5 years (likely as a result of the pandemic) and
- 20% have utilised it for less than 3 years and are likely early-stage businesses.
- 50% were fully remote,
- 30% had a hybrid/remote model and
- 30% had a hybrid/on-site model.

Key benefits of Remote/hybrid: Improved employee well-being and productivity, access to a wider talent pool and increased employee retention were key benefits of remote/hybrid working methods. Actual cost savings was limited to companies that went from an on-site model to a fully remote model, other hybrid models did not produce actual savings but did produce opportunity-cost savings. The issues of flexibility and absenteeism did not appear in our results.

Employee Productivity: 78% of respondents noted a positive effect on employee productivity as a result of remote/hybrid with only 5% noting a negative effect. 100% of SMEs noted a positive effect. Thus, our survey is in-line with the sources with regards to productivity gains and sustained performance.

Employee Satisfaction and Retention: We found that 78% of all respondents believed the effects to be positive with 17% believing them to be varied and 5% noting negative effects. However, and importantly, 100% of SMEs themselves thought that the effect on staff retention and satisfaction was positive. This is in line with sources noting employees reported higher job satisfaction when given more flexibility in their work schedules and that hybrid work arrangements have become a key factor in employee retention. There is clear support for the benefits of reduced commute times, allowing employees more time for personal activities and family. SMEs have been able to access a wider talent pool by offering remote work options. The issue of employees working remotely personalising their workspaces did not arise.

**Ability to Attract Talent:** We found that 100% of SMEs and 94% of all respondents noted that remote/hybrid work arrangements are a positive in attracting new talent to SMEs. There is clear evidence to support the research sources that remote/hybrid results in an expanded talent pool which is more diverse, giving SMEs an edge in attracting talent, resulting in improved work-life balance. It appears that Millennials prioritise work-life balance and employer benefits on par with or higher than compensation and that attractive compensation packages that include remote working options and flexible hours, can be more cost-effective than competing solely on salary.

**Cost Savings:** The results of our survey are showing less emphasis on the benefits of cost compared to the sources mentioned. This could be because the sources are focusing on larger companies but some of our findings differ. There is a difference between actual-cost savings and opportunity-cost savings. In reality, only businesses that went from an office-based model to fully remote; and eliminated the costs associated with the office, actually saw any real cost savings. Hybrid models actually increased costs in some cases with a set up in the office and at the employee's home. There were opportunity-cost savings in relation to downsizing office space but the real saving was in not needing more space.

**Measuring the impact of remote/hybrid working:** We found that the SMEs in the sample were not utilising specific metrics to measure the effects of remote/hybrid outside the usual metrics that they had used previously. Thus, our survey does not support sources on the use of specific performance metrics.

**Primary Challenges and Concerns:** Maintaining team cohesion and communication are a major challenge for SMEs but a lot of the key challenges are mindset based. Employers trusting employee and trusting themselves to adapt and change with employees understanding the difference between being based at home rather than working from home. Many of the technical issues such as employment law, tax, insurance etc. have been overcome by employers by taking professional advice and implementing the right policies. Issues around cybersecurity, technology infrastructure and data security and privacy/GDPR were definitely mentioned.

**Maintaining company culture:** 72.2% of all respondents and 60% of SMEs agreed that there were challenges in maintaining company culture. The issues raised in the sources of the effects of lack of face-to-face interactions, difficulty in building trust, reduced spontaneous collaboration and onboarding challenges were raised here and in other parts of the report. SMEs are engaging in activities such as virtual team-building, regular check-ins, creating virtual workspaces, virtual social interactions and culture-focused virtual meetups. Thus, our survey is in line with the research sources on this issue.

**Performance and accountability:** SMEs review and adjust Key Performance Indicators (KPIs) and try to set clear expectations but that in the main most respondents were still using the old sales and output KPIs to measure performance. Our SMEs were conducting periodic performance reviews and check-ins to maintain alignment with organisational goals and did utilise project management tools and collaboration platforms. Managers were encouraged to trust remote employees and focus on deliverables but that comprehensive training programs were absent.

**Technological or cybersecurity challenges:** SMEs were addressing cybersecurity and technology challenges well. No specific case of an SME being badly affected by a hacking were known. It is fair to say that owner/managers are aware of the challenges increased cybersecurity risks, phishing attacks, unsecured home networks, device vulnerabilities and weak authentication.

Thus, SMEs have already addressed many of these issues up front and, many are technology-based companies, so other sectors may be more vulnerable. However, overall, there was no identified cyber breach in any SME.

**Fairness and Equity between remote and on-site employees:** No SME had faced challenges with complaints or observations about a lack of fairness between on-site and remote/hybrid employees. Support organisations did raise concerns but with no specific cases cited. Thus, our survey is at variance with the sources noting no real unequal access to opportunities, digital divide, compensation adjustments, or work environment inequalities.

**Communications and Collaboration within Teams:** Communications came up in different questions and is clearly an important aspect when looking at remote/hybrid. The lack of in-person interaction, the loss of sight of body language etc. requires a formalised virtual communication strategy to be adopted. Communications to work, especially in remote work, must be 'intentional' and 'deliberate'. As noted above and in other sections, remote and hybrid does not work for every individual in every circumstance. However, our respondents agreed with the sources in that organisations have embraced digital communication tools, remote work has led to increased productivity. Companies are implementing regular virtual team meetings; remote work demands a more intentional approach to communication and that teams have established norms around communication.

**Communication Platforms:** It appears that technological enablement has had a positive effect on communications within SMEs based upon our responses. It is also noteworthy that the two larger platforms (Microsoft and Google) are the most popular with Zoom still in a strong third position. The adoption of these tools widely at the start of the Covid pandemic has remained strong in the post-Covid world.

**Challenges with overcommunication or undercommunication:** Many of these over- and undercommunication issues which were prevalent in the early stages of Covid, appear to have worked themselves out. 50% of SMEs noted no issue with over- and undercommunications with only 10% agreeing that there were. It is fair to say that in the early stages of remote working during Covid, meeting fatigue was observed but in the last few years processes have been put in place to address this. There can be examples of excessive check-ins by managers, information overload and a lack of informal interactions in some cases but there was little evidence of the exclusion of remote workers. Delayed responses were an issue raised here and in other parts of the report but these tend to relate to uncodified and agreed rules around communications and an expressed understanding of expectations on the reply to communications. Contrary to sources, SMEs do not appear to be using methods to measure and improve communication effectiveness in the main.

**Employee Well-being and Engagement:** 80% of SMEs had taken steps to support employee well-being. In line with the resources, respondents had taken action to establishing clear work-life boundaries, implement regular check-ins, foster employee interconnectedness and conduct employee surveys. Whilst a small number had employee wellness programmes, in the main there was little evidence of providing mental-health resources, utilising wellness platforms or focusing on mental and emotional health outside of communications.

**Employee Isolation or Burnout:** We found that although 80% of SMEs are not formally measuring for employee burnout or isolation, managers are very aware of the issue and keep a close eye out for signs of employee's being affected. There is evidence, in line with the source, of conducting

regular check-ins with employees, encouraging social connections, promoting work-life balance and organizing regular team meetings. Although a small number mentioned conducting employee surveys, there was little evidence of providing mental-health resources, encouraging participation in business networking group, utilising wellness platforms or implementing buddy systems.

**Employee Engagement Levels:** We found a mixed bag here. No SME observed an outright negative trend but 60% noted a variable effect. Thus, there is no evidence that employee engagement has declined in the main. That does not mean that individuals had disengaged. There was some evidence here and in other parts of the report that younger workers faced challenges with remote/hybrid working.

**Leadership and Management Roles:** Most businesses are using the same management structures and roles as prior to Covid. There has been a significant change in management style (see later section) but roles have not changed that much. Leaders have developed new strategies for effective communication and managers are now more proactive in monitoring and supporting employee mental health and work-life balance in remote settings. There is clear evidence that SME leaders have had to become proficient in and champion the use of collaborative technologies and digital workspaces. However, as we will see next, there are significant skill gaps in managing hybrid teams but most SMEs are implementing hybrid working policies that consider the unique needs of both individual roles and teams within an organisation, rather than adopting a one-size-fits-all approach.

**Training and Supports for Managers:** The level of training provided to owner/managers is quite poor. Of the 3 managers who noted receiving training, only 1 was the result of a formal programme. Thus, there was little evidence of SMEs implementing training programs specifically designed for managing hybrid teams. SMEs are equipping managers with the necessary technology and software for productive remote work, including project management tools and communication platforms (see earlier questions on communications). However, significant skill gaps remain. The key areas identified by the SMEs themselves are communications, impact management, performance management, work-life balance and human resources.

**Leadership Style:** 70% of SMEs had noted a change in their management style as a result of leading a dispersed workforce. In line with the resources, managers face difficulties in providing face-to-face supervision, leadership has shifted towards emphasising results and productivity rather than time spent working, leaders must develop new strategies for effective communication, utilising digital tools to maintain team cohesion and clarity of expectations. Managers need to be more proactive in monitoring and supporting employee mental health and work-life balance, leaders must foster trust within remote teams, managers are required to become proficient in and champion the use of collaborative technologies and digital workspaces.

**Legal, Regulatory and Policy Considerations:** SME owner/managers have not experienced major regulatory, policy or compliance issues and any that have arisen, have been addressed. The top issues raised by SMEs were data protection/GDPR, employment law, having employees based internationally (non-tax issues), tax implications of having workers in different jurisdictions and insurance/insurable risks. These are in line with some of the research sources. However, there was little evidence of ensuring remote workers receive the same rights as on-site employees, modifying employment contracts to clearly define remote work arrangements, adhering to fair procedures when handling remote work requests to avoid potential disputes through the Workplace Relations Commission.

Adapted policies related to Remote/Hybrid work: We found that the main policies to support employee in remote/hybrid working was providing equipment and helping set up home offices and the provision of travel expenses. Much of the information in the sources relating to policies and procedures did not apply. In many cases, it would appear as if case-by-case solutions are being found for employees.

Compliance issues and risks: 60% of SMEs had identified a potential compliance risk. When asked further, they identified the following: employment law, health & safety issues, GDPR, home-based security, cybersecurity and lack of risk assessments. This is in line with some of the sources but there was little evidence of many SMEs which had developed comprehensive remote work policies or companies have had to modify employment contracts to clearly define remote work arrangements. The challenges of employees operating out of foreign countries was identified as an issue for employers.

Future of Remote/hybrid Work: 100% of respondents saw remote and hybrid working as a permanent feature of specific businesses and employment overall. Although there is some evidence of employers wanting to see employees working more in-office, indicating the growth in hybrid working especially. Remote work appears very linked to specific business models. Improvements under Consideration: The majority of SMEs are not currently considering changes to their remote/hybrid model. Of the 40% that are, the main issues relate to human-resource issues and growth-related changes in the business model.

Lessons learned: the main issues raised here relate to better structure, policies and resources. Thus, when asked if they would redesign their remote/hybrid model from scratch, there were comments about greater structure from the beginning, more accountability and having better resources.

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# Appendix 1

## Survey relating to the effectiveness of remote/hybrid work systems within SMEs

Grow Remote CLG is conducting this research to establish baseline data for a market research report on the experiences of SME owners, managers, and agency staff working with SMEs, on the implementation, effectiveness, and potential of remote/hybrid working within SMEs. This market research will inform a pilot project, funded under the Smart Regions Fund by Enterprise Ireland, which will support identified SMEs to better utilise, implement, and benefit from remote/hybrid working methodologies.

The interviews will be semi-structured and the questions below form the basis of the interviews. The audio of the interviews will be recorded so as to ensure that the market-research report genuinely reflects the responses made. The audio records and any transcripts will be maintained by Grow Remote for a fixed period of time in line with the Smart Regions contract but will be maintained as confidential information. The consultants will pass on all documentation relating to the transcripts to Grow Remote at the end of the project and will delete all the records they hold so as to fully comply with GDPR rules.

Information provided will be secure and confidential. Any quotes which the consultants wish to place in the market-research report will be approved by the relevant interviewee in advance of the final report and only those approved by interviewees will be included.

The interview should take no more than 60 minutes. Certain questions will not apply to persons working for agencies/support organisations. We appreciate your time in being interviewed and contributing to this innovative project.

### General Overview (SME only)

1. How long has your organisation been implementing remote or hybrid work practices?
2. What prompted your organisation to adopt remote or hybrid work?
3. What percentage of your workforce currently works remotely, on-site, or in a hybrid model?

### Effectiveness and Benefits (All)

4. What have been the most significant benefits of remote or hybrid work for your organisation/SMEs?
5. How has remote or hybrid work impacted employee productivity and performance in your organisation/SMEs?
6. Have you noticed any changes in employee satisfaction or retention since adopting remote/hybrid work models in your organisations/SMEs?
7. How has remote or hybrid work influenced your organisation's/SMEs ability to attract talent?
8. Has your organisation/SMEs experienced any cost savings (e.g., reduced office space, utilities)? If so, could you quantify these savings?
9. Is your organisation/SMEs using specific metrics to measure the impact of remote/hybrid working?

### Challenges and Concerns (All)

10. What are the primary challenges your organisation/SMEs has faced in implementing remote or hybrid work?

11. Have you observed any issues with maintaining company culture or team cohesion? How have you/SMEs addressed these?
12. How do you/SMEs manage performance and accountability in remote or hybrid work settings?
13. Have you/SMEs faced any technological or cybersecurity challenges? If yes, how have you tackled them? What key platforms are you using?
14. What, if any, barriers have you/SMEs encountered in ensuring fairness and equity between remote and on-site employees?

#### Communication and Collaboration (All)

15. How has remote or hybrid work affected communication within teams and across departments?
16. What tools or platforms have you/SMEs adopted to support collaboration? How effective have they been?
17. Have there been challenges with overcommunication (e.g., meeting fatigue) or undercommunication (e.g., lack of transparency)? How are you measuring this?

#### Employee Well-Being and Engagement (All)

18. What steps has your organisation/SMEs taken to support employee well-being in remote or hybrid setups?
19. How do you/SMEs monitor and address potential issues of employee isolation or burnout?
20. Have you observed any differences in employee engagement levels? If so, what trends stand out?

#### Leadership and Management (All)

21. How has remote or hybrid work impacted leadership and managerial roles in your organisation/SMEs?
22. What training or support, if any, have you/SMEs provided to managers for leading remote or hybrid teams? Are there any identified skill gaps that need to be addressed?
23. Have you/SMEs adjusted your leadership style or strategies to better suit remote or hybrid work environments?

#### Legal, Regulatory, and Policy Considerations (All)

24. What legal or regulatory challenges (e.g., tax laws, data protection) have you/SMEs encountered with remote or hybrid work?
25. How has your organisation/SMEs adapted policies related to remote work (e.g., reimbursement for home office expenses, work hours)?
26. Are there any specific compliance issues or risks you/SMEs have had to address in implementing remote or hybrid work?

#### Future Outlook (All)

27. Do you see remote or hybrid work as a permanent part of your organisation's/SMEs strategy? Why or why not?
28. What changes, if any, are you/SMEs considering to improve the effectiveness of remote or hybrid work in your organisation? What is driving these changes?
29. What lessons have you/SMEs learned from implementing remote or hybrid work that you would share with other organisations?

Open-Ended Reflections (All)

30. If you could redesign your/SMEs approach to remote or hybrid work from the ground up, what would you do differently?

31. Are there any additional thoughts or experiences regarding remote or hybrid work you'd like to share?

Thank you for your cooperation, insights and agreement to participate in this survey. If you have any further questions or queries please contact [insert agreed contact].



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**The FORWARD project' is co-funded by the Government of Ireland and the European Union through the Northern and Western Regional Programme 2021-2027**



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an Aontas Eorpach  
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