

2020

Global Workforce Revolution Report

How remote work is transforming the
tech workforce.



A US-UK study of small- and medium-sized tech enterprises, by Remote.

1. Introduction

The lockdown restrictions imposed in many parts of the world as a result of the COVID-19 outbreak have been called the [greatest labor experiment](#)¹ the world has ever seen. Estimates suggest some [88%](#)² of companies globally switched to remote working within the space of a few weeks. For many companies, including Remote, this kind of flexible, remote working had already been the norm, but during lockdown we saw many thousands of companies, including those that have long protested the opportunities of remote work, suddenly forced into a practical, high-stakes trial.

Companies who had claimed that their employees could not work or not be productive remotely found suddenly that they could. Employees who thought they'd be less effective or connected at home started to see the advantages of not having to commute.

Remote work offers both advantages and challenges. But working from home is only half the story. True remote working could mean working from another city or another country. Workers could live where they've always dreamed, and employers could hire the best talent, regardless of where they might be located. The experiment of the pandemic is waking up both employers and employees to the true multitude of opportunities presented by remote working, challenging organizations to step up and adapt to stay competitive and current. This is particularly true for the tech industry.

Very few people believe that workplaces will go back to normal. Now, the question has shifted to, "How will companies adapt?" Working remotely is not just a case of replicating office processes using digital platforms. Adaptations need to be made to technology, culture, compliance and communication.

Remote was founded to facilitate these adaptations well before COVID-19 made remote working a necessity for many. By helping companies employ the talent they need, anywhere in the world, Remote empowers businesses to hire globally with confidence and in compliance with local labor laws.

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*Economic shifts
always drive new
working models.*

Many people attribute the boom in the [gig economy](#)³ to the recession of 2007. The current downturn, triggered by the impact of the COVID-19 outbreak will see the rise of what we term the "Remote Economy."

¹ <https://www.weforum.org/agenda/2020/04/here-s-how-coronavirus-has-changed-the-world-of-work-covid19-adam-grant/>

² <https://www.gartner.com/en/newsroom/press-releases/2020-03-19-gartner-hr-survey-reveals-88--of-organizations-have-e>

³ <https://www.entrepreneur.com/article/310368>



Job van der Voort
Co-Founder and CEO
Remote

We have created the **Global Workforce Revolution Report** to understand how tech companies and their employees view these changes and how they are adapting their expectations to this new reality. The survey was conducted in July 2020 among 1,528 respondents in the US and UK (764 respondents in each market) who work in tech roles at small-to-medium sized enterprises (SMEs) with 250 employees or less.

Remote has combined these new insights with our own experience and expertise to help companies transition to true remote working in the way that is right for them. Whether you've just embarked on adopting a more flexible workplace or are cultivating a culture that allows you to hire the best talent from anywhere in the world, companies can think bigger than just working from home. The whole world is now open to you.

Executive summary

This report was created to understand the broader impact of remote work on global workforce trends. Our aim was to understand whether business decision-makers in small- to medium- sized enterprises in the tech sector and their employees were considering the wider global workforce opportunities that come with the recent shift to greater remote working. We believe truly global remote working, unrestrained by country and state borders, presents a huge opportunity for global skills development and strategic talent planning, as well as financial and opportunity levelling. We hope this report is of use to companies considering how to pursue a global remote working model.

We conducted the study in July 2020 in partnership with Sapio Research using online surveys among 1528 respondents in the US (764) and the UK (764) who work in tech roles at SME's (companies with 250 or fewer employees). Full details about the methodology are available at the bottom of this report.

Our research found that there was a strong interest in the possibility of working remotely beyond working from home, with 1 in 10 UK tech workers and 1 in 5 US tech workers saying they have requested to relocate to another city, state, or country following the impact of COVID-19 lockdown restrictions. In fact, **81% of tech workers say they would move to a different state or country** if they could do so without affecting their employment or remuneration (79% in the UK and 83% in the US).

There seems to be a general acceptance that increased remote and flexible working is here to stay, with 66% of companies in our study planning to increase these options for their employees. This is seen as holding strong potential business benefits, with 41% of business decision-makers believing remote working will unlock additional revenue and profit growth for their businesses and 42% saying that international remote working will unlock a greater supply of talent than is available in domestic markets.

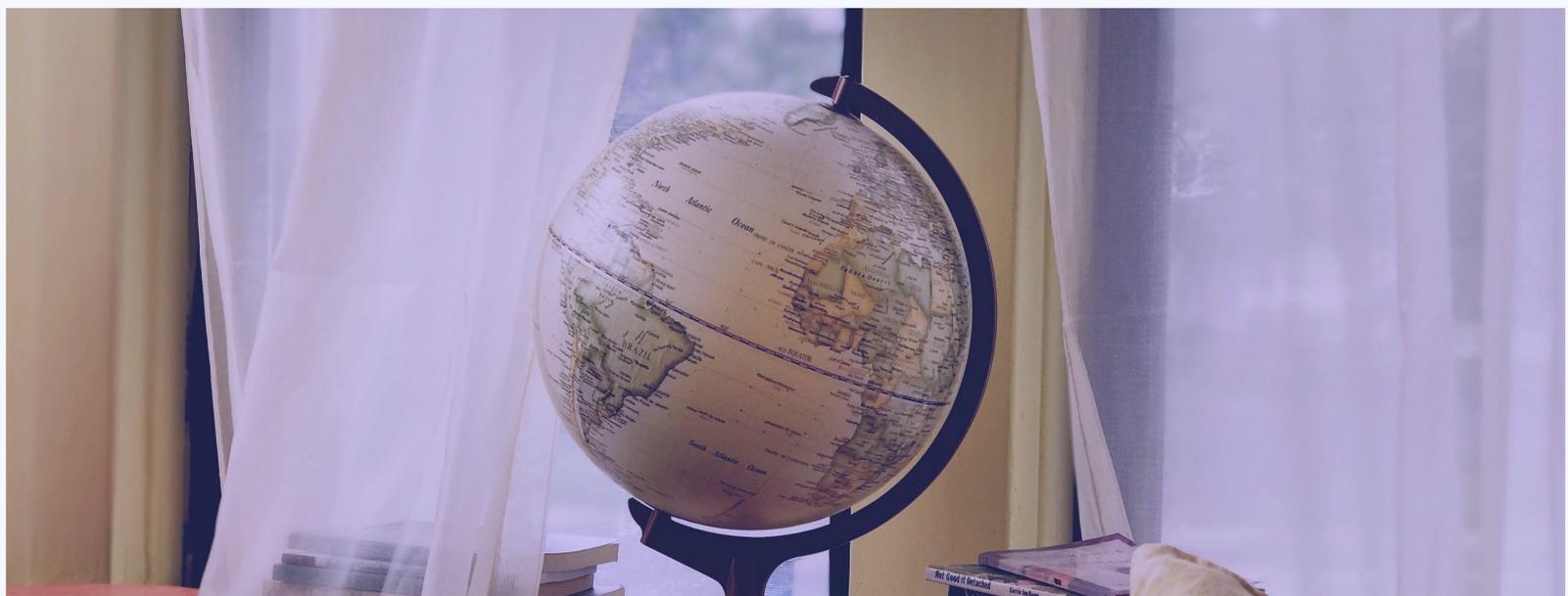
The potential benefits extend beyond those created for just the business in question, with 45% of respondents agreeing that a greater level of international remote working could make the tech industry a more global and inclusive community. Thirty percent believe that remote work could help them to build the ethnic diversity of their team, and 25% believe it will improve gender diversity.

This is seen as creating opportunity for a wider range of talent, with 61% of US and 63% of UK respondents in our survey saying that entrepreneurs need to look beyond Silicon Valley and London if they want to find the best talent in the world. Fifty-seven percent of respondents in both markets agree that the best talent doesn't necessarily exist in these areas anymore.

The report also highlights the key considerations for companies considering a remote model, identifying the key benefits desired by remote workers: healthcare in the US, pensions in the UK. This report identifies time differences, IT setup, language barriers, and local compliance as the biggest perceived obstacles to remote working.

The results of this study show that the potential benefits of increased international remote work are already well understood at the individual, corporate, and societal levels. The research also uncovers potential barriers to embracing these benefits with guidance to address challenges.

We believe that remote work is **the** biggest opportunity for the growth of the tech industry and will drive a Global Workforce Revolution. We hope you will be a part of it.



Chapter 1: The case for remote work

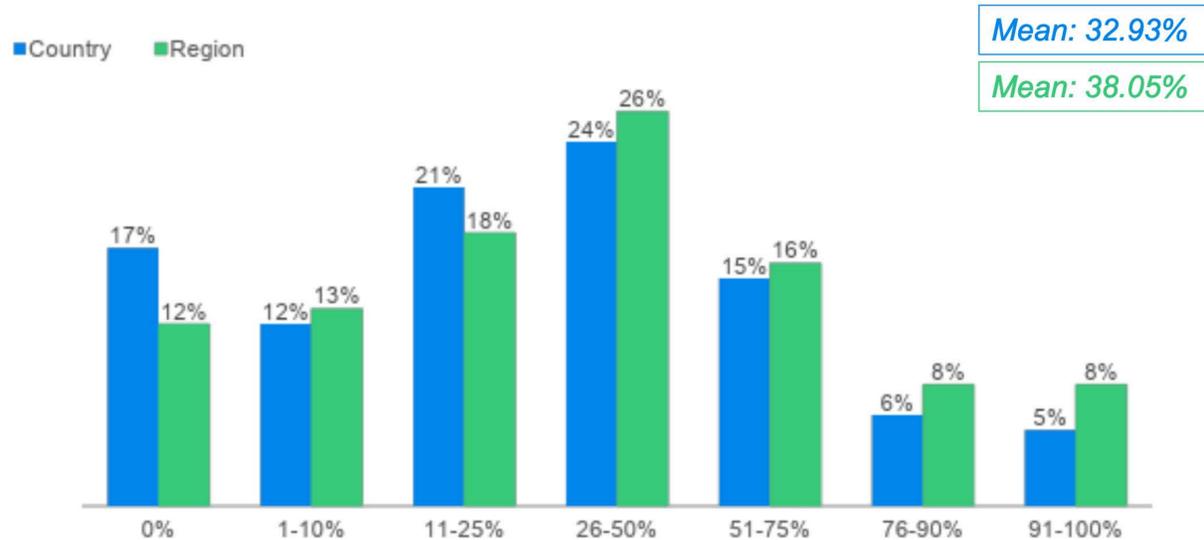
The experience of working remotely during the COVID-19 outbreak seems to have been a positive one for employees, according to our research.

On average, over a third of tech workers say they have asked to work remotely either full time or part time in the future as a result of the pandemic, with a further third asking to work with more flexible hours.

Employers are also seeing the benefits of a remote model, with **66% of companies** in our study planning to increase options for flexible and remote working, either by shifting to a fully remote model (19%) or by offering more flexibility in working remotely to their employees (47%).

Remote working is recognized as a business benefit with reduction in office costs, higher quality talent, and improving staff retention identified as the top three benefits across both regions. Just 6% of US companies and 12% of UK companies thought there would be no benefit to remote working. The data suggests, and we at Remote agree, that the future of remote working holds much more potential than just working from home or a coworking space, with 1 in 10 UK tech workers and 1 in 5 US tech workers saying they have asked their employers if they can relocate to another state, region, or country.

Respondents in the UK were asked, "If there were no legal or financial barriers, what percentage of roles in your organization could be remotely located outside of your country or region in five years' time?"



It's hard to imagine this number of employees confidently asking this question to their employer six months ago, but the results also suggest that business decision-makers are open to making these adjustments.

In both regions, tech companies are actively thinking about which roles could be filled by international workers. In the UK, tech companies expect that around 33% of roles will be located overseas within 5 years, with the US even more optimistic that 40% of roles will be abroad.

Forty-one percent of business decision-makers believe remote working will unlock additional revenue and profit growth for their businesses, and 28% believe remote work will reduce absenteeism. Only 1 in 9 respondents believe the team leader doesn't trust people to work (8% of business decision-makers said this vs. 12% of employees).

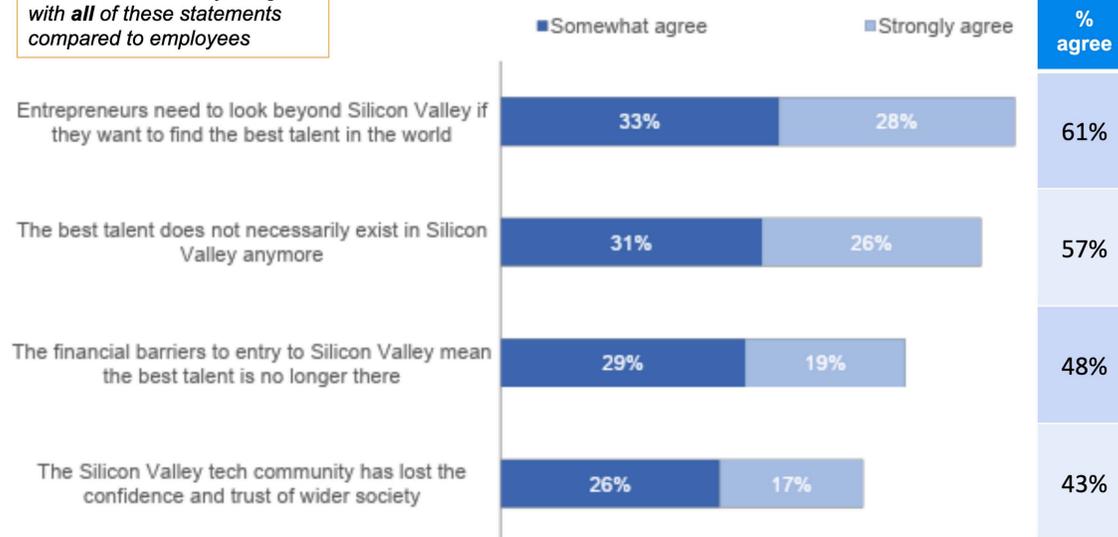
While remote working won't be right for every business or every individual, these results show the impact that the great remote work experiment has had on the mindsets of both employees and businesses. Whether it's a complete switch to remote working or simply more flexibility for specific roles or individuals, it's clear that this new reality is here to stay.

The future is flexible. The future is remote.

Chapter 2: Democratizing the talent pool

The San Francisco Bay Area — and, of course, Silicon Valley — have been perceived as the heart of US technology and innovation for decades. But, one of the consequences of this success has been the continual rise of living expenses in the area, making San Francisco now the [second most expensive](#)⁴ city in the country. As a result, even tech workers [can no longer afford](#)⁵ to buy homes in the area. A similar situation exists in London, with house price increases driving people out of the city or to smaller hubs in Bristol and Manchester. This not only limits the options for talented tech workers but also deprives tech companies from access to up-and-coming minds who do not live in the "right" area.

BDMs are more likely to agree with all of these statements compared to employees



We see this reflected in our study, with 48% of US respondents agreeing that the financial barriers to entry to Silicon Valley mean the best talent is no longer there and 43% of UK respondents feeling the same about London.

Remote work holds the key to addressing this issue, enabling tech companies to employ the best person for the job, wherever that person is located, and providing talented people access to the careers they want, regardless of where they grew up or where they can afford to live.

And, according to our research, both employees and employers acknowledge this fact.

Sixty-one percent of US and 63% of UK respondents in our survey felt that entrepreneurs need to look beyond Silicon Valley and London if they want to find the best talent in the world. Further, 57% in both markets agree that the best talent doesn't necessarily exist in these areas anymore.

Sixty-six percent of respondents believe people should be entitled to a great career regardless of where they live, and 63% agree that the best person for the job is the right person regardless of where they are located. Business decision-makers are slightly more likely to agree with these statements than employees, suggesting that these well-intentioned beliefs are perhaps not yet filtering down to workplace cultures.

Regarding talent access, 42% of respondents felt that international remote working would unlock a greater supply of talent than is available in domestic markets. In perhaps the clearest signal about the future of remote working, **57% of believed that the next generation of entrepreneurs will not care where their employees are located.**

Offering remote working is not just an opportunity to broaden the talent pool; it is also a chance to retain great talent already within the business.

To measure how valuable the benefits of remote working could be to employees, we asked whether remote work options would increase their loyalty to a company. A fifth of those we surveyed said that if they were able to work anywhere in the world without it affecting their salary and benefits, they'd be likely to stay 10 years longer with their current company than they would otherwise. Another 45% said they would stay between 1-10 years longer.

⁴ <https://www.investopedia.com/articles/personal-finance/080916/top-10-most-expensive-cities-us.asp>

⁵ <https://www.vox.com/2019/3/19/18256378/tech-worker-afford-buy-homes-san-francisco-facebook-google-uber-lyft-housing-crisis>



So, if true remote working is a possibility, where would employees choose to be? According to the data, the US is the most popular destination for UK respondents, with 16% saying they would like to relocate there. In the US, 14% would stay in their home country but move to another state. Northern Europe was also popular, with 11% of respondents saying they would pick this region. Overall, **81% of respondents would move** if they could do so without affecting their work prospects. This could have huge implications for global economies, and governments are starting to show that they understand the benefits of enticing tech workers to their shores. Recently, announcements from the governments of [Barbados](#)⁶ and [Estonia](#)⁷ offering “digital nomad” have encouraged tech workers to live and work in their countries. And we believe this is just the start.

Employees would even be willing to make sacrifices to achieve this, with 76% of those polled saying they would accept a salary reduction if they were able to work remotely anywhere in the world. On average, those polled said they would accept a 14% salary reduction. US respondents were on average willing to accept a slightly higher reduction at 17% vs. 10% for UK respondents. Twenty-three percent of respondents believed that embracing remote working would help to reduce salary costs for businesses.

At Remote, we do not advocate for reducing the salaries of remote workers compared to office-based staff, but managing the remuneration of a remote workforce brings with it unique challenges. Should workers be paid more if they are based somewhere with a higher cost of living? Or, if workers can live from anywhere, is it no longer their employer’s duty to supplement the expenses of their location?

Expensive cities often bring with them weighted salaries, with London earners typically commanding up to [12% more](#)⁸ than their peers in other parts of the country, and San Francisco tech workers bringing in [average salaries of \\$145,000](#)⁹.

⁶ <https://www.getadventurely.com/blog/barbados-explores-launching-a-digital-nomad-visa-to-allow-you-to-work-remotely-there-1>

⁷ <https://e-resident.gov.ee/>

⁸ <https://www.trustforlondon.org.uk/issues/work/london-living-wage/>

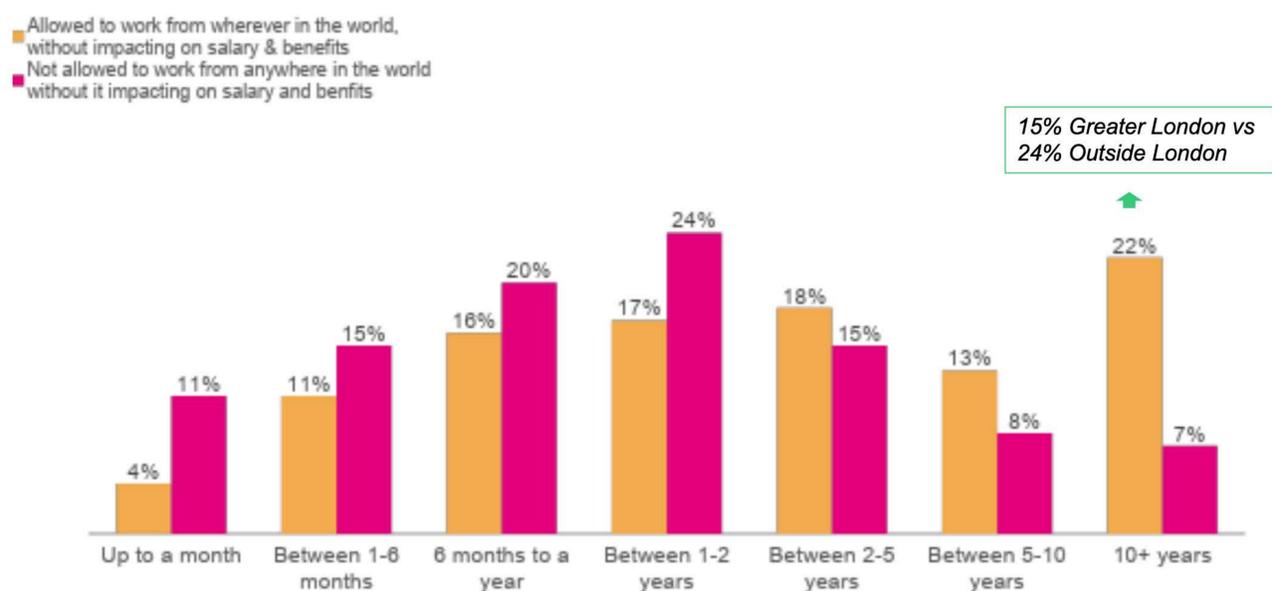
⁹ <https://www.bizjournals.com/sanfrancisco/news/2019/06/20/san-francisco-high-tech-salary-seattle-cities.html>

With 42% of US respondents believing that pay and benefits should be based on ability, regardless of where they are located, could this be about to change? Perhaps unsurprisingly, those already based in Silicon Valley are more likely to agree that pay and benefits should be adjusted to local costs of living (48% vs 34% not based in Silicon Valley), but the message is still clear that talent is more important than location. Moreover, 63% of respondents believe that, should companies recruit regardless of location, the tech industry can drive greater creativity and innovation — a critical point given the challenges businesses face as the world reels from the effects of the COVID-19 pandemic. With uncertainties about how and when the global economy will bounce back following the coronavirus, 63% of respondents believe that remote working could help protect people from recession by giving them more job options outside of their local area.

Respondents were asked, "How much longer would you be likely to stay with your current company if:

a) They allowed you to work from wherever you wanted to in the world, without this impacting your salary and benefits?

b) They did not allow you to work from wherever you wanted to in the world without it impacting your salary and benefits?



If companies focus on creating attractive packages for talented people, wherever they are in the world, the impact on the global economy could be significant. Cities could become less expensive, wealth could become more evenly distributed, and opportunities could be opened up for people to compete on an international stage, wherever they came from.

Chapter 3: Driving trust, diversity and inclusion

We've so far explored findings that indicate a belief that remote working holds huge potential for both businesses and employees, but in our research we also explored how our survey respondents thought this growing trend could impact the wider tech industry and society as a whole.

Most would agree that the tech sector proved its worth during lockdown. Various IT solutions have served as the backbone that saved many businesses from failing, facilitated government decision making, and provided a much needed human connection for many people in isolation. However, the tech industry is still struggling with its reputation after years of personal data misuse, questionable decisions by global tech leaders, and unchecked growth. While trust issues are not unique to the tech industry, the 2020 [Edelman Trust Barometer](#)¹⁰ found that the tech sector was the only sector not to have experienced an uptick in trust levels in the last year. Around a third (36%) of our respondents felt that the Silicon Valley and London tech communities have lost the confidence and trust of wider society, with only 9% saying they did not believe trust needed rebuilding. US-based respondents were more likely (43%) to agree with the statement, "The Silicon Valley tech community has lost the confidence and trust of wider society," than UK respondents (30%) who were given the same statement about London.

Remote working has the potential to enable and accelerate working practices that build inclusive opportunity and diversity, both of which the industry sorely needs. In the UK, women hold just [16%](#)¹¹ of tech industry roles, with just 14% held by those from a Black, Asian, or minority background. Only [12%](#)¹² of engineers at Silicon Valley startups are women. This isn't just a problem of equality on paper, but a problem of talent, with 60% of respondents in our study agreeing that diversity of perspective in teams is essential to creativity and innovation. A considerable 45% of respondents agree that a greater level of international remote working could **make the tech industry a more global and inclusive community**. Thirty percent believe that remote work could help build the ethnic diversity of their team and 25% believe it will improve gender diversity.

When asked what people thought would help to rebuild trust in the tech industry:

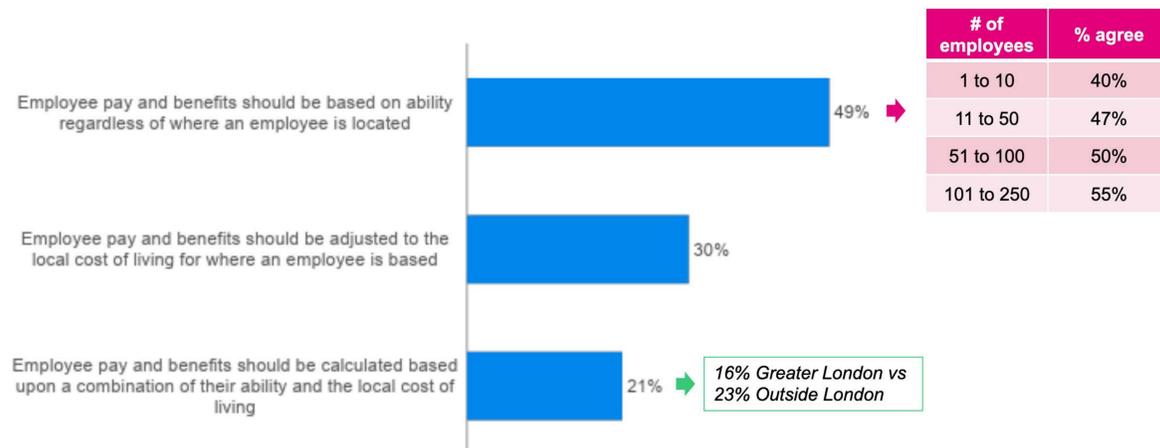
- 51% said providing career opportunities to the best and brightest, not just those who can afford to base themselves in tech hubs such as London/Silicon Valley (the most popular answer)
- 50% said investing in talent around the world, not just the usual hubs
- 49% said working harder to remove the barriers to gender and racial equality

¹⁰ <https://www.edelman.com/>

¹¹ <https://www.techtalentcharter.co.uk/about-the-tech-talent-charter>

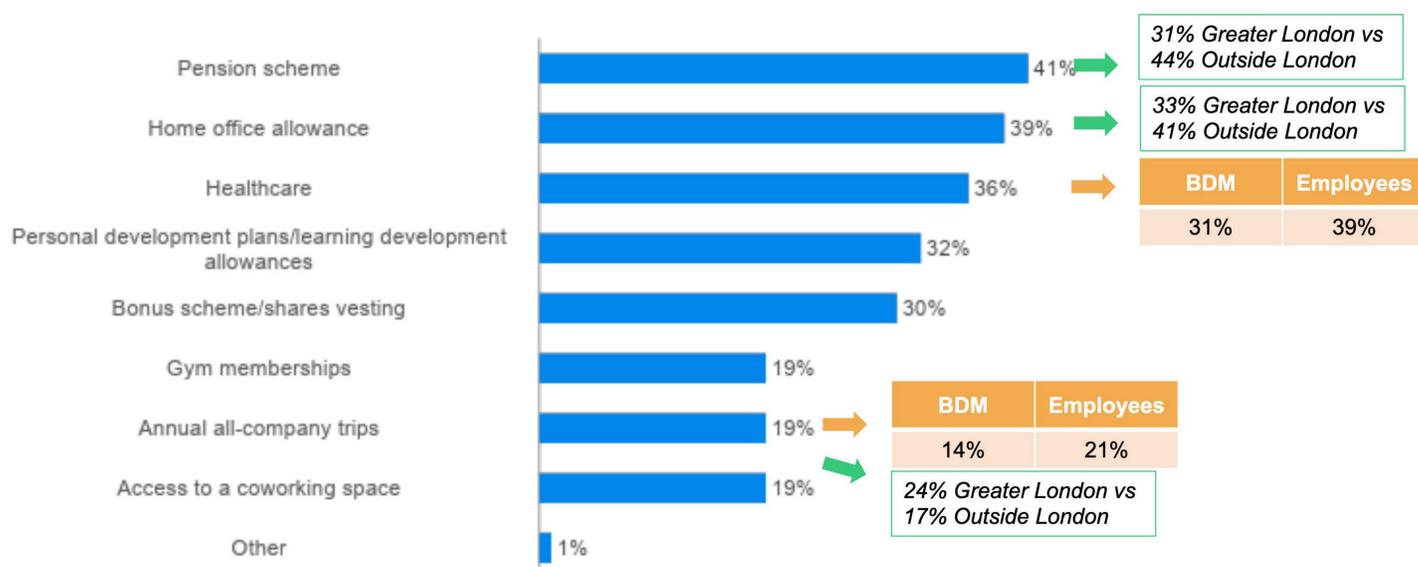
¹² <https://www.dreamhost.com/>

Respondents were asked, "If your business enabled remote working, do you believe your attitude towards traditional working hours would change?"



Again, this doesn't just benefit the companies themselves in terms of providing access to more diverse talent but could positively impact the communities which are home to that talent. Fifty-eight percent believe that international remote working fosters development of knowledge and skills in poorer economies, while 57% said it allows other economies to benefit from jobs and wealth created by the tech industry when contrasted with the possibility of great immigration.

Respondents in the UK were asked, "What kind of perks would you most value from a remote business/if you were working remotely?"



Chapter 4: Making remote work, work

For us at Remote, the findings from this research are very exciting. Our research indicates that there is a clear appetite from both employers and employees to explore the opportunities for a remote and flexible workforce, and that our vision for a remote working future may soon be realized. However, remote working is not without its challenges. Companies cannot simply replicate an office model at a distance and expect everything to work in the same ways.

To make remote work a success, companies need to step back and consider the human needs for connection, clarity, and creativity, and how to address these at a distance. Businesses must consider what's important to people and how to support workers as individuals.

We asked respondents in our survey which elements of their organization's approach to talent were essential to its success. The most popular choice was having a positive workplace culture, which was chosen by 48% of respondents. The next two top choices were training and development at 46% and trusting your employees at 43%.

Traditionally, these concerns have been isolated and addressed in a physical office location. However, the research indicates a positive trend toward companies prioritizing positive and vibrant cultures and personal development initiatives with a remote setup.

So, how can companies ensure that their workforce remains effective, connected, and productive at a distance — and, in some cases, in different time zones?

Companies have very real concerns that need addressing before they can fully make the leap to support remote working. The good news is that there are organizations out there (like Remote) that have tried and tested approaches to circumvent these issues and found practices that create a productive, effective, and connected workforce.

- Time differences are the biggest barrier. Thirty-six percent of respondents in our study named time differences as the top obstacle to remote working. While having colleagues in different time zones can be a challenge, this can also be an opportunity, allowing one team to continue a project while the other is sleeping. Yes, it can mean the occasional early morning or late afternoon call, but **62%** of respondents to our study **said they would be open to working with teams in different time zones**, with almost the same number, 61% saying they'd be happy to work flexible hours to collaborate better with people in different time zones.

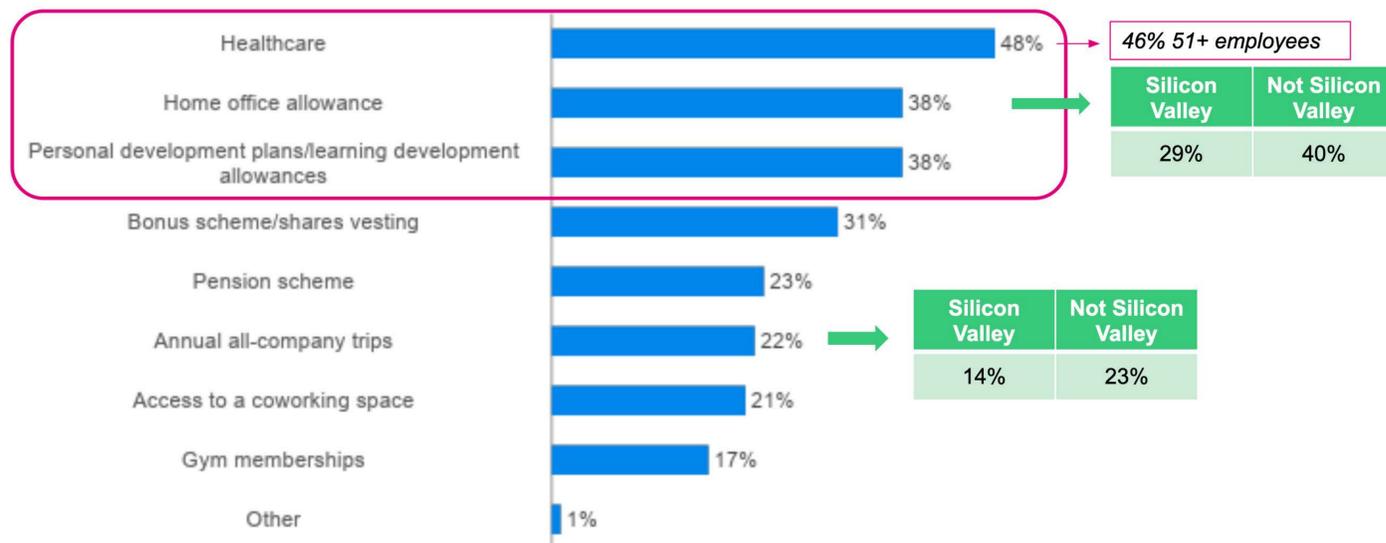
Flexible working doesn't necessarily mean sacrificing core working hours. According to our survey, employees aren't ready to do away with agreed working hours overall. Only a quarter do not believe that 9-to-5 hours have importance in the modern workforce. The majority, 62%, felt that 9-to-5 hours were still important but flexibility was also of some or the same importance. Just 6% wanted complete flexibility to work whenever suited them, although 60% said their attitudes may change if their business allowed remote working.

- IT setup was chosen by 34% as a key challenge. Many IT challenges can be resolved by offering employees a home office allowance that enables them to set up their workspace with the equipment they need to be productive. **Thirty-nine percent of those polled chose a home office allowance as a top benefit they would look for in a remote role.** HR departments can support home office setups through simple health and safety guidance to ensure people have the knowledge and tools to keep their working areas are comfortable and safe.
- Thirty percent said lack of face-to-face contact would be a barrier to remote working. However, remote working doesn't mean that employees never see each other. Since the COVID-19 pandemic, many businesses have quickly adapted and [embraced virtual meetings](#)¹³, and our research suggests that business decision-makers and employees would be happy to travel to meet colleagues in person from time to time if it allowed them to otherwise work remotely. **We found that 59% would be open to periodic domestic travel to meet their colleagues** in person, and over half (54%) would be open to periodic international travel. These regular meetings create a more purposeful opportunity for connection, allowing remote companies to build strong, collaborative cultures.
- Challenges with compliance to local labor and taxation was identified as a challenge by a quarter of those in our study (rising to 28% among business decision-makers). In the past, this has been a very real stumbling block for smaller businesses that don't have the resources to set up business entities in every region they want to operate or employ staff. However, this issue is also disappearing, with companies like Remote offering organizations the opportunity to employ and manage the best talent from anywhere in the world in full compliance with local regulations. Remote owns business entities worldwide, allowing companies to employ top talent through our system with full confidence that we will take care of local employment law, benefits, taxes, and payroll.
- With increasing appetite from employees to transition to remote work, the [office perks](#)¹⁴ the industry has become known for such as on-site acupuncture, free juice bars, and nap rooms are less important to tech workers. Our research identified the perks that would be of most value to employees working remotely. The top benefit in the US was healthcare provision, with 48% selecting this option, while respondents in the UK were more likely to pick a pension scheme, with 41% choosing this. A home office allowance was the second most popular perk with 39%. The third most popular in the US at 38% was a personal development plan or learning development allowance, with healthcare coming in at number three for UK respondents, 36% of whom chose this option.

¹³ <https://hbr.org/2020/07/the-upside-of-virtual-board-meetings>

¹⁴ <https://fortune.com/2020/07/03/coronavirus-office-perks-facebook-google-slack-work-from-home-wfh/>

Respondents in the US were asked, "What kind of perks would you most value from a remote business/if you were working remotely?"



Conclusion

The global COVID-19 pandemic thrust remote work onto businesses around the world. Yet while circumstances caught employers and employees off guard in establishing clear policies, procedures, and systems, over the last few months we have seen many people not only adapt to an all-remote setup but embrace its benefits.

Our report supports this shift with compelling findings regarding:

- Employers recognizing the benefits of a remote workforce and shifting to more flexible work options, with employees considering relocation to new states, regions, or countries
- Remote work unlocking talent outside of the traditional technology hubs (such as Silicon Valley and London) as an avenue to drive higher employee retention, business revenue, and growth
- The potential for fostering and accelerating access to more diverse and inclusive talent who can reside anywhere in the world
- Companies finding ways to reduce or eliminate traditional barriers to remote work, including solidifying the new wave of employee benefits that differ from office-bound perks

For years, tech companies have been perceived as pioneers in what the workplace could look like for businesses the world over, whether offering free food and onsite gyms or establishing generous company leave policies and stipends. The tech industry has also prided itself in making great strides in efficiency by constantly unveiling new systems, from the latest communication tools to innovations in artificial intelligence.

The global pandemic is now ushering in the next chapter of work, and this is another opportunity for tech companies to take the lead in redefining and reconceptualizing the new work model. With the first half of 2020 unfolding unlike anything employers and workers could have expected, the coming months and years will undoubtedly see remote work shift from a tech-exclusive perk to the norm for all manner of industries.

8. Methodology

Conducted in partnership with Sapio Research: www.sapioresearch.com.

The survey was conducted among 1528 respondents in the US (764) and the UK (764) who work in the IT department of SME's (companies with 250 or fewer employees).

Results are accurate to $\pm 2.5\%$ at 95% confidence limits assuming a result of 50%.

Interviews were conducted online by Sapio Research in July 2020 using an email invitation and an online survey.