

Forecast Analysis: Remote and Hybrid Workers, Worldwide

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Initiatives: [Technology Market Essentials](#); [Future of Work Reinvented Resource Center](#)

Employers are creating a hybrid model by matching employees' needs with business requirements. Future workforce environments will be on-site, hybrid or fully remote. By the end of 2022, the share of knowledge workers working remotely will increase to 47%, up from 27% in 2019.

Additional Perspectives

- [Invest Implications: Forecast Analysis: Remote and Hybrid Workers, Worldwide](#) (04 June 2021)

More on This Topic

This is part of an in-depth collection of research. See the collection:

- [Where Next? Technology Leadership in a World Disrupted: Key Insights From the 2021 Gartner IT Symposium/Xpo Keynote](#)

Overview

Forecast Assumptions

- Social distancing will be a reality throughout 2022, although with significant variation by country.
- In many countries, offices will start to open in significant numbers in the fourth quarter of 2021, albeit at lower target density than 2019.
- By the end of 2021, around 25% of small and medium organizations will reduce or dispense with their office footprint, in line with hybrid workplace strategies.
- Through 2024, organizations will be forced to bring forward digital business transformation plans by at least five years as a survival plan to adapt to a post-COVID-19 world that involves permanently higher adoption of remote work and digital touchpoints.

Market Impacts

- Hybrid work, where workers are in the office one or more days a week, has now become a strategic workforce policy, increasing across all verticals and countries to different extents, with significant impacts on countries' social, cultural and IT infrastructures.
- Office space will be redesigned to enhance the employee experience, focusing on investments to enhance collaboration activities, supplementing that which can't be done as effectively remotely.
- Employers will deploy a hybrid location strategy for employees, as 70% of employees indicate they will not take a job that doesn't allow hybrid working.
- Workforce transformation strategies will be created to integrate employees into companies' overall digital implementations.

Notable Changes

Hybrid Work — The Future of Working

This document was revised on 22 June 2021. The document you are viewing is the corrected version. For more information, see the [Corrections](#) page on gartner.com.

The dramatic change to remote working due to COVID-19 restrictions, started out as an “experiment,” has, to a large extent, been a success. However, even though employees found new work flexibility, it was within a restricted and increasingly intense environment, often becoming mentally challenging, with fatigue and burnout issues prominent. In essence, employees are experiencing both the best and worst of a remote work environment.^{1,2} The path forward is still fraught with problems; many geographies are suffering from new waves of infections, lockdowns and economic strife. Some countries are further along the vaccination path, seeking herd immunity, but as the World Health Organization has stated, “no one is safe, until everyone is safe.”

If and when infection rates are at acceptable levels, return-to-work and hybrid strategies will be created and then implemented. In the geographies where this is being achieved, the employees' desire to continue working remotely remains high. However, employer plans to create a new workplace strategy have many challenges, especially since the pandemic has fundamentally changed the employer-employee relationship,³ requiring reevaluation of employee value propositions (EVP); see [Radical Flexibility for the New Employment Deal](#).

The forecast detail is shown in Figure 2. The magnitude of change is highlighted by the remote worker size expected in 2022:

- Thirty-one percent of all workers worldwide will be remote in 2022, a 14 percentage point increase over 2019 and growth of 80% in total remote workers to 608 million.
- Forty-seven percent of all knowledge workers are expected to be working remotely in 2022, a 20 percentage point increase from 27% in 2019.
- The hybrid work share of remote workers is expected to reach 70% of the total remote by 2022.

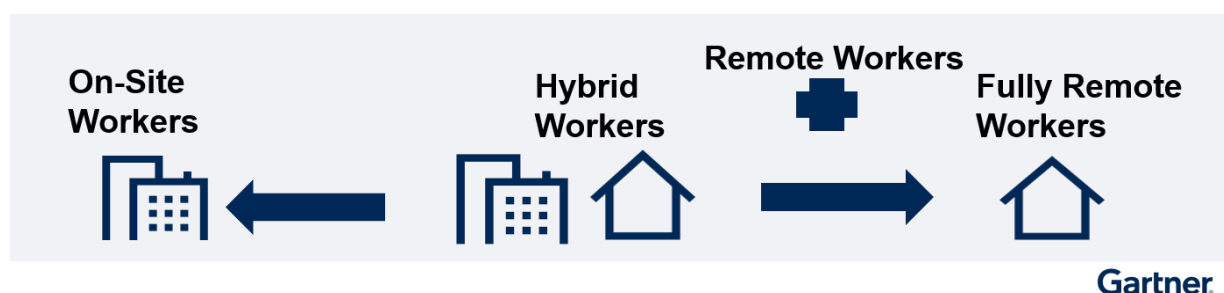
Strategic Planning Assumption

By 2022, 47% of knowledge workers will work remotely, up from 27% in 2019.

Forecast Data Summary

As employers adapt their employees' locations of work, confusion of different terms abounds. To clarify terminology at the outset, this forecast will use the term "remote work" to describe the overall choices offered to workers. Remote workers are separated into hybrid workers (capturing those sometimes in the office and sometimes at home) and fully remote workers (who include those working from home all the time). The rest of the workers are on-site full-time. A remote worker is someone working away from their company, government or customer site at least one full day a week. Remote workers exclude employees working in transient locations such as airports or commuting. See Figure 1 for remote work terminology. See Note 1 at the end of the report for definitions.

Figure 1: Remote Work Terminology



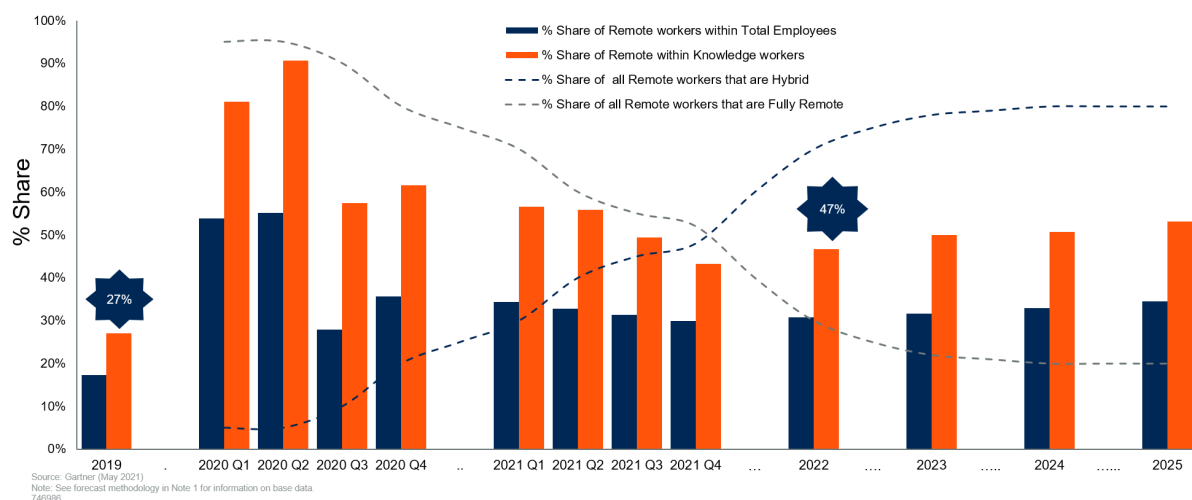
Source: Gartner (June 2021)

The transition out of fully remote work to a hybrid existence will be the most challenging for employers. Ultimately, the decision about where employees work will be a balance between employees' desire for health, convenience and autonomy against employers' needs for productivity, legal adherence (tax, worker liability), information security/compliance and real estate adjustments.

This transition starts with the initial return to the office, which is expected in significant numbers in the fourth quarter of 2021, albeit at much lower target density than 2019. Gartner benchmarking data indicated 69% of organizations are planning on reopening the workplace in the third or fourth quarter of 2021. Within any country, the start and speed of change is dependent on the combination of new waves of COVID-19 infections slowing progress and rates of vaccination uptake making it more likely.

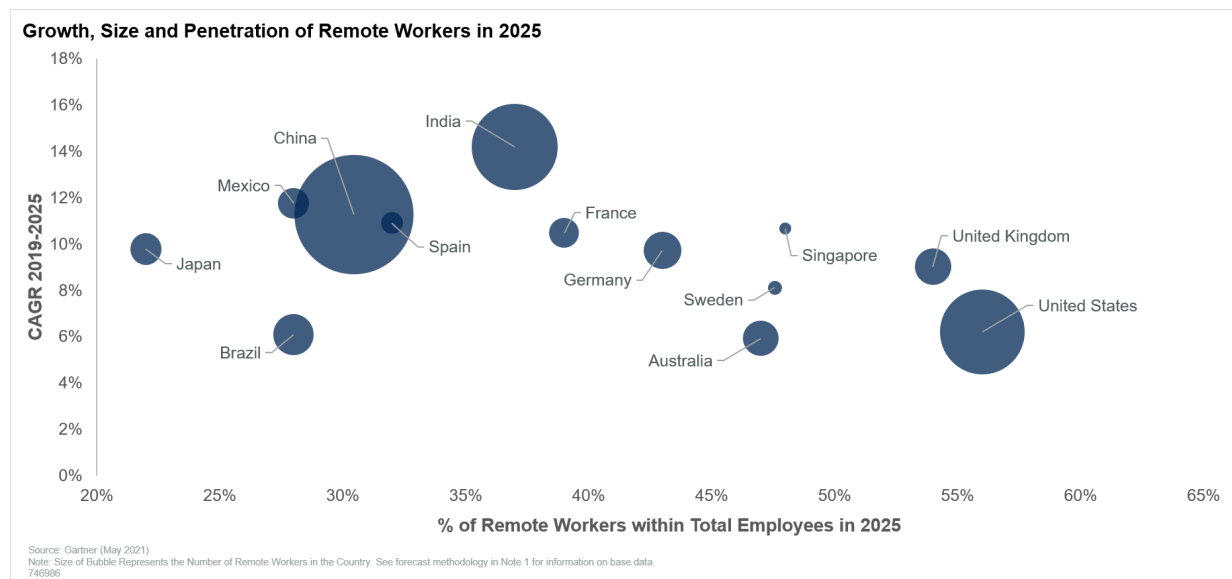
As employers transition into thinking more strategically about how to lay the foundations that will support the workforce, one thing is clear: Digital products and services will play a big role. The investment in the longer strategic plan requires future IT investments in new technologies such as hyperautomation, AI and collaboration technologies to open up more flexibility of location choice in job roles, turning nondigital roles into digital roles. See [Forecast Analysis: Hyperautomation Enablement Software, Worldwide](#). This entails rethinking how work is done, reconstructing the office space both in its reduction and use of the remaining for collaboration, while HR departments create an all-encompassing employee agreement that takes account of the total employee experience. See [CIOs Must Plan for Hybrid Ways of Working Into 2021](#).

Figure 2: Share of Hybrid Workers in Total Employee Base, Worldwide, 2019-2025



Below the top level, the variability of remote worker penetration by country and vertical industries is crucial. U.S. remote workers are likely to dominate, making up more than 50% of the U.S. workforce by 2024. Across Europe, the United Kingdom will not be too far behind the U.S., with both significantly ahead of Germany and France, given work cultures and a different mix of vertical industries. India and China are likely to provide some of the largest absolute numbers of remote workers, even though their overall penetration remains relatively low (see Figure 3). Higher proportions of remote workers are likely to exist in services and media industries, compared to utilities and retail.

Figure 3: Growth, Size and Penetration of Remote Workers in 2025

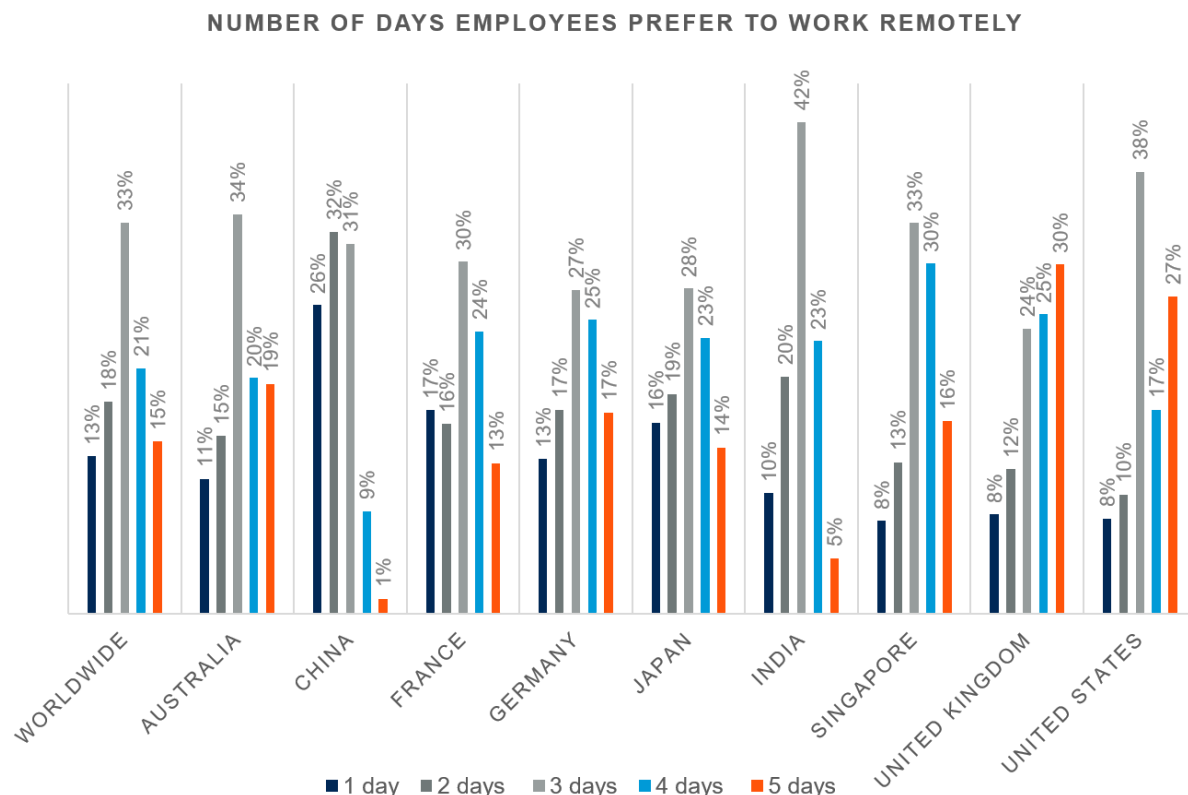


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Hybrid Working – How Distributed Is the Workforce?

One of the key challenges is to determine how often workers should work on-site versus at home. Our 2021 Digital Worker Experience Survey of 10,080 employees across nine countries highlights the preference of employees for a hybrid workplace. Around 70% of employees that work at least some time remotely preferring two to four days in different locations – see Figure 4. ⁴ Country preferences were apparent at either end of the frequency spectrum. Less than 1% of Chinese and 5% of Indian employees preferred fully remote, while close to 30% of remote employees in the U.K. and U.S. preferred fully remote. Preferences are no doubt linked to available home office space, social cultural differences and management styles. In addition, the fully remote provides a sense of the work-from-anywhere market potential. As generally is the case, employees' preferences and employers' ability to hire and support work-from-anywhere employees are still divergent, given indications from major organizations around the world about future work plans.

Figure 4: Hybrid Work Preferences of Digital Workers



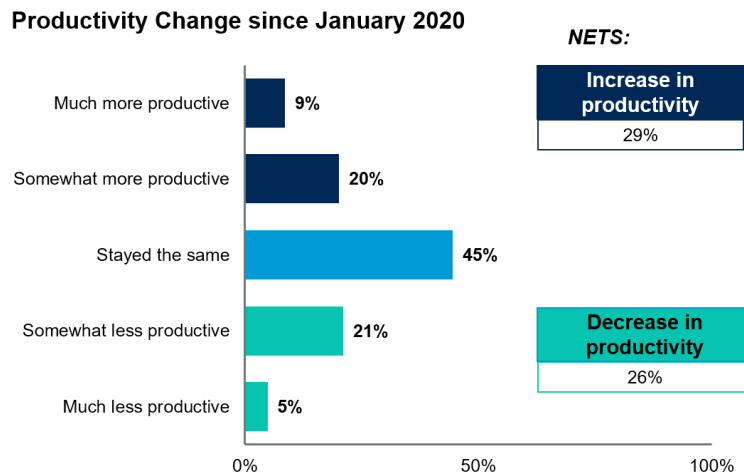
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Source: Gartner 2021 Digital Worker Experience Survey (n = 7,942 workers working remotely part of the time)

Directly linked to the prevalence of location choice will be the productivity of workers (see [IT Workforce Report 2Q20: Impact of Remote Work on IT Employee Engagement and Productivity](#)). Our recent survey ⁴ indicated similar proportions of workers said they were more or less productive since January 2020 (see Figure 5). Less than half of the workers indicated their productivity did not change, indicating productivity is normalizing after the increase in productivity in early 2020. This is not unexpected; diminishing returns of being fully remote are setting in. Findings from the survey show that connectivity and change in physical location were the main pain points for reduction in productivity, while work hour flexibility and less time commuting were key in enabling higher productivity.

Generational differences came through from the survey, as 34% of millennials were more productive, but 38% of generation Z were less productive and 58% of baby boomers saw no change. Overall France, Germany and the U.K. were closest to normalized productivity between remote and on-site, with Japan least productive and India most productive, probably given the large IT segment working remotely. See [Market Trends: Acceleration of Remote Work Leads to a Shift in Enterprise Communications Services Consumption](#).

Figure 5: Employee Productivity of Digital Workers



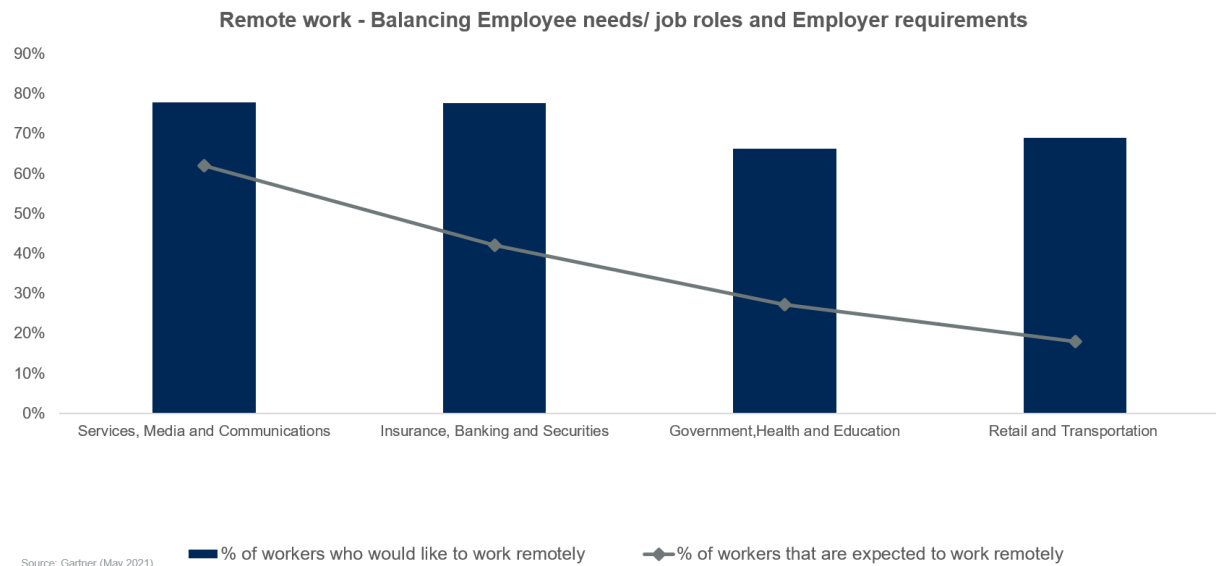
n = 10,080

Q33. Since January 2020, how has your productivity changed?
Source: Gartner 2021 Digital Worker Experience

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Many jobs are not eligible for remote working.⁵ With other jobs, employees deemed remote working as less than optimal, given security, compliance access restricting job scope, or the lack of face-to-face collaboration hindering the speed of execution of projects. On the other side, employers are breaking industry and cultural traditions and moving to hybrid work. The speed at which employers will seize this opportunity will vary considerably across the world. The question is: Where does the power of influence lie, with 70% of employees indicating they will not take a job that doesn't allow hybrid working?^{6,7} This variability and difference in employee preferences and employer ability to enable remote working is most visible at a vertical level, with roles most likely to be remote-ready in services and media verticals (see Figure 6).

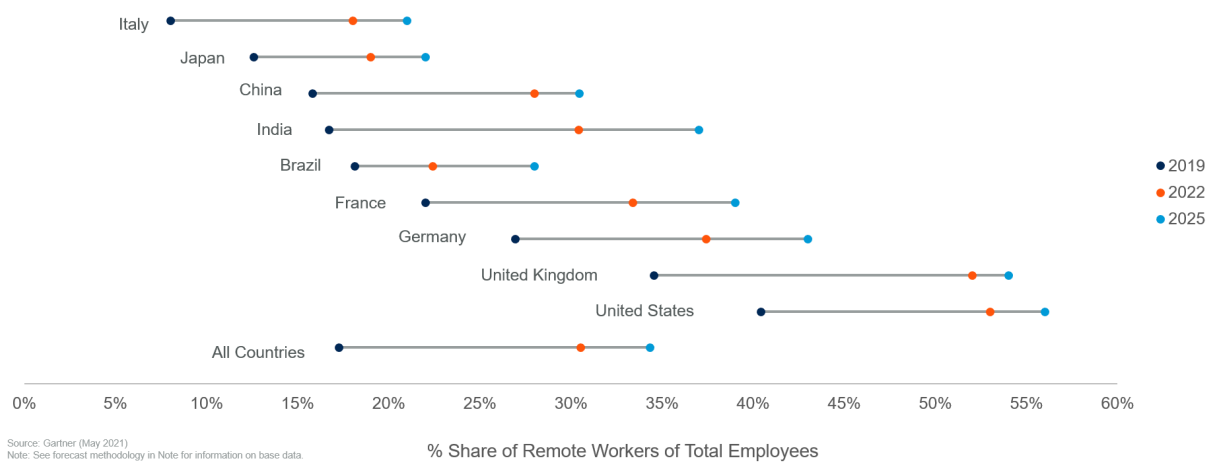
Figure 6: Post-COVID-19 Employee Preferences vs. Forecast in 2022 by Vertical Industries



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To highlight variations by vertical, there have been considerable differences in the remote stance of employers in the banking industry. HSBC is planning to move more than 70% of its staff to permanent work from home, as it cuts 40% of office space, providing workers with a £300 per year to cover additional expenses such as higher heating and electricity bills.⁸ Many other European banks have followed suit with real estate reductions, whereas U.S. banks Goldman Sachs and JPMorgan Chase are preferring (or preparing to) return to on-site, saying collaboration and mentorship of apprentices were suffering in a fully remote environment.⁹

The final level of remote granularity to highlight is at a country level. Given the impact of different assumptions highlighted, the attractiveness of remote work varies significantly by country. Japan changed least from its structured work processes; higher levels exist in Europe, where face-to-face interaction remains a preference. Much higher levels exist in the United Kingdom and United States, given culture and vertical industry mix. See Figure 7.

Figure 7: Remote Workers Penetration of Total Employees by Country**Remote Workers Penetration of Total Employees by Country**

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Forecast Model Summary

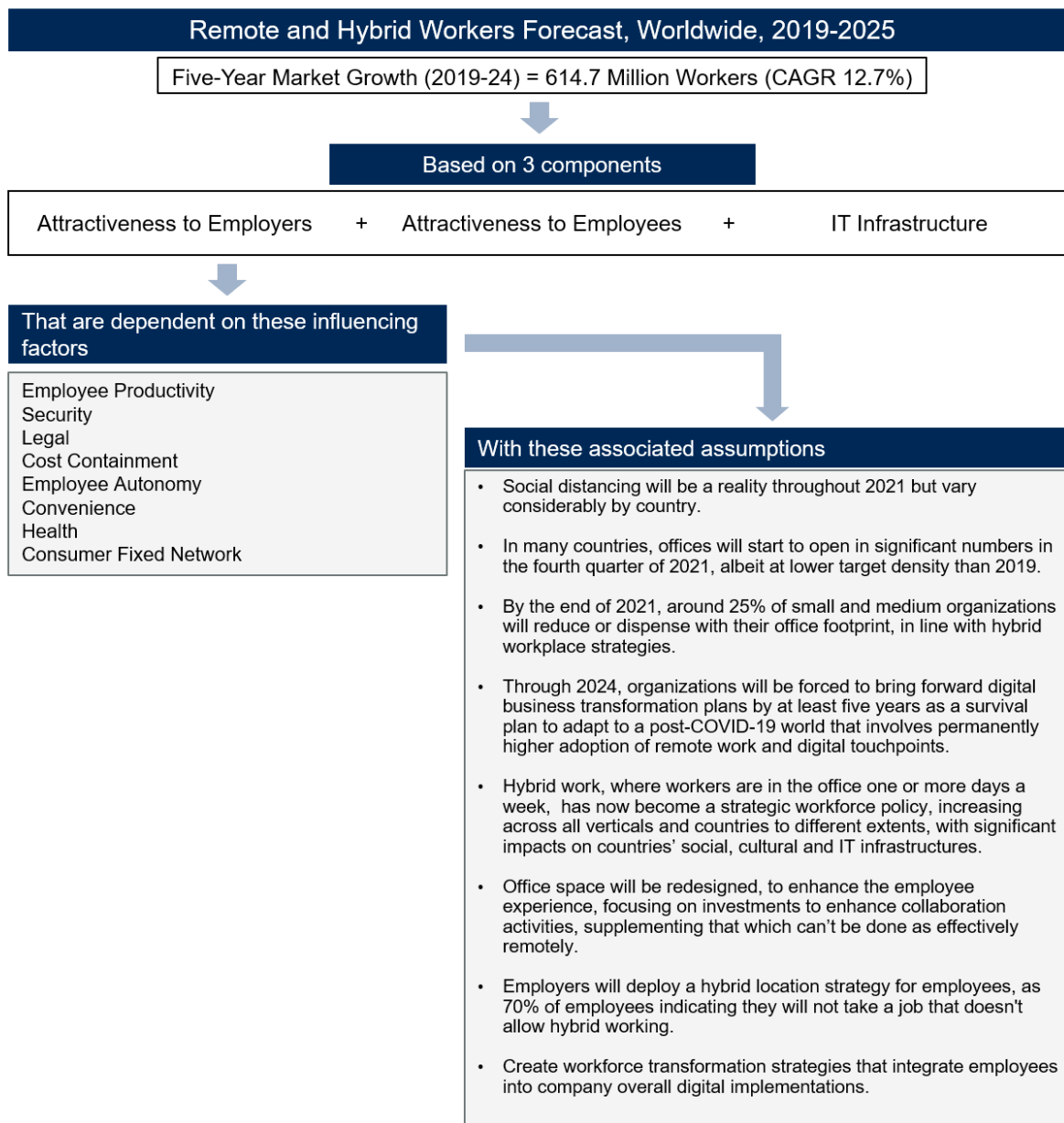
The model used in this research is an updated and expanded (by adding frequency of hybrid work) version of the model developed in [Forecast Analysis: Remote Workers Forecast, Worldwide](#).

Figure 8 is the summarization of the forecast model describing the influencing factors used to arrive at the utility of working remotely. Utility of working remotely consists of three attractiveness factors, each of which is based on a few elements we identified as most representative.

This research provides a worldwide forecast of the change in the mix of employees working remotely and those working on-site from 2019 through 2024. The forecast is driven by assessing the change in the relationship between employers and employees across 43 countries and 11 verticals within those countries. The employment data excludes agriculture and part-time workers, equaling nearly 2 billion workers.

Figure 8: Market Model for Remote and Hybrid Workers Forecast

Market Model for Remote and Hybrid Workers Forecast



Source: Gartner (May 2021)
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Influencing Factors and Assumptions

Influencing Factor: Health of Employees

The health of the employees is a crucial factor in deciding where employees reside to undertake their work. If the health of the employee becomes less of an issue due to the pandemic, then choices for the location and proximity to other employees increase. As the pandemic turns into an endemic or even disappears, this is a positive for both on-site and hybrid working options.

Forecast Assumption: Social distancing will be a reality throughout 2021 but vary considerably by country.

Current public health interventions will continue to ease as countries' infection levels are reduced. However, social distancing and the constraints it imposes will likely remain in place until a vaccine has been administered to a significant portion of a country's population. Vaccines are being administered in 2021; once the delays in preparing, distributing, safety resolutions and administering are factored in, all of 2021 and even 2022 will require some form of social distancing. Social distancing requirements will result in office capacity being reduced by around 40% on average.

Forecast Assumption: In many countries, offices will start to open in significant numbers in the fourth quarter of 2021, albeit at lower target density than 2019 ^{10,11}

The forecast assumes the return to the office is triggered as country vaccination rates head toward 50% of the adult population and COVID-19 infection rates are both stable and low. New waves of COVID-19 infections will delay the return to the office to early 2022 and maybe indefinitely if new variant(s) are discovered that are resistant to the vaccines. At minimum, further delays and disruptions will occur. If the post-COVID-19 environment is earlier or later in different countries, then the curve shifts left or right, but the underlying assumptions remain applicable. Many offices will limit office space to around 60% of prepandemic capacity, changing employee status from fully remote to hybrid.

The return to work involves three phases. Reopening occurs at the end of 2021, with a COVID-19-ready environment and social distancing still enforced as vaccine enforcement for employees will be rare. This will limit office space in the near term, but hybrid working negates any issues of the office being over capacity. Then employers will relaunch a hybrid workplace and ultimately reconnect employees to new ways of working. ¹²

Influencing Factor: Cost Containment Strategy

Organizations are considering different cost containment strategies to compensate for short-term lost revenue and profit and also longer-term strategic changes in cost structures. Where organizations are reducing or removing office space, this will act as a positive for remote work.

Forecast Assumption: By the end of 2021, around 25% of small and medium organizations will change their real estate footprint by downsizing or dispensing with office space in line with hybrid workplace strategies. ^{13,14,15}

Some organizations will redesign office space to ensure employees' safety. Other organizations will be more transformative and conclude that the pandemic sees an end to open office. Health risks aside, for those employees that feel more productive when working from home, a move away from open office plans could be beneficial. However, it must be remembered that a remote-working model and a more closed office style does not suit all personality types or business models. See [Redesigning Work for the Hybrid World](#). The unraveling of such personality traits requires new ways of addressing the employees through technologies, work styles and management approaches.

Downsizing office space could be another workplace trend in the aftermath of COVID-19 (see [Gartner Says Workplaces With Shared Seating Will Be the New Normal After COVID-19](#)). Different surveys are indicating between 21% and 39% of businesses are intending to adjust their real estate footprint. The U.S. seems less likely to reduce footprint compared to the U.K. The optimism around the economy may have countered potential real estate reduction due to remote work. ^{16,17,18,19} Some countries are encouraging remote work by creating specialized environments. Ireland has 400 remote-working hubs, as well as plans to introduce tax breaks for individuals and for companies that support home working. Germany is exploring the right to work from home, and France is changing laws to allow work from home. ²⁰ Greece, Hawaii and Ireland are actively providing work-from-home facilities. ^{21,22}

Influencing Factor: Employee Productivity

Productivity metrics are used to track and measure how efficient employees are in getting their tasks done. These metrics are used to manage and improve performance, as well as highlight where you need to improve. Remote employee productivity that is equal to or better than office productivity is a positive for remote work.

Forecast Assumption: By the end of 2024, the change in the nature of work will increase the total available remote workers' market to 60% of all employees, up from 52% in 2020.

Forecast Assumption: Through 2024, organizations will be forced to bring forward digital business transformation plans by at least five years as a survival plan to adapt to a post-COVID-19 world that involves permanently higher adoption of remote work and digital touchpoints.

As leaders transition out of a pure crisis response mode, they are thinking more strategically about how to lay the foundations that will support a return to growth. One thing is clear: Digital products and services will play a big role in the new normal. The acceleration of these digital initiatives can create opportunities, as organizations seek help to drive their businesses in new directions.

Investment in digital transformation will transform jobs and tasks within jobs. Some tasks will become more automated, enabling changes of both complex and less complex jobs. The technology-driven business environment in which organizations operate is filled with good intent for the future and opportunities to continue to make business processes more efficient and effective. However, it also presents challenges. As technological advancements increase human productivity and improve lives, they also increase job automation, eliminating tasks currently completed by humans. See [Forecast Analysis: Hyperautomation Enablement Software, Worldwide](#).

Evidence

¹ [RBC and TD CEOs Give Staff an Extra Day Off to Avoid Burnout](#), Bloomberg.

² [No Zoom on Friday! Citigroup's Bankers Have Their WFH Prayers Answered](#), Bloomberg.

³ 2021 Gartner EVP HR Leader Survey. The survey question (n = 78) analyzed was: "Please tell us the extent to which you agree or disagree with the following statement: The current pandemic has fundamentally changed the employer-employee relationship."

- 17% said they strongly agree
- 38% said they agree
- 24% said they somewhat agree
- 21% said they neither agree or disagree, somewhat disagree or disagreed

⁴ Gartner's 2021 Digital Worker Experience Survey was conducted online during November and December 2020 among 10,080 respondents from the U.S., Europe and APAC.

Participants were screened for full time employment, in organizations with 100 or more employees and required to use digital technology for work purposes.

Ages range from 18 through 74 years old, with quotas and weighting applied for age, gender, region and income, so that results are representative of working country populations.

Definition: Digital technology includes any combination of technological devices (i.e., laptops, smartphones, tablets, etc.), applications and web services that people use for communication, information and/or productivity.

2021 Digital Worker Experience Survey. The survey question (n = 10,080) analyzed was: "What is your preferred workplace?"

Among the respondents who did not prefer to only work in the corporate office:

- 65% said they preferred to work mostly from home or from a combination of locations
- 14% said they preferred to work only from home
- 21% said they preferred to work mostly from the corporate office

2021 Digital Worker Experience Survey. The survey question (n = 10,080) analyzed was: "Since January 2020, how has your productivity changed?"

- 45% said their productivity remained the same
- 26% said they were less productive
- 29% said they were more productive

⁵ 2020 Gartner Feedback Mini-Run Survey. The survey question (n = 6,500) analyzed was: "What aspects related to remote/flexible working are most challenging for you?"

- 31% responded saying some aspects/complete job cannot be done remotely.
- 13% responded saying communication with peers is an issue.

⁶ [Microsoft Releases Findings and Considerations From One Year of Remote Work in Work Trend Index](#), Microsoft

⁷ [Envoy Return to the Workplace Report](#), Envoy.

⁸ [COVID-19: HSBC Could Move More Than 1,200 Staff to Permanent Work-From-Home Contracts](#), Sky News.

⁹ [Letter to Shareholders](#), JPMorgan Chase.

¹⁰ [Gartner HR Survey Finds 48% of Organizations Won't Track Employee COVID-19 Vaccination Status](#), Gartner.

¹¹ [KPMG 2021 CEO Outlook Pulse Survey](#), KPMG.

¹² [Envoy Survey Finds Employees Want Companies to Embrace Hybrid Work and Mandate COVID Vaccines](#), Envoy.

¹³ [PwC's US Remote Work Survey, January 2021](#), PwC.

¹⁴ [35% of Companies Plan to Downsize Office Space in 2021](#), Work in Mind.

¹⁵ [No Full-Time Return to the Office for Over a Million](#), BBC.

¹⁶ [More than 1-in-5 Companies Plan Some Reduction in Office Space, AICPA Survey Finds](#), American Institute of CPAs.

¹⁷ [Pandemic Pushes Mid-Sized Businesses to Reduce Office Space](#), Grant Thornton.

¹⁸ [In the Office Today, at Home Tomorrow: The Impact of a Hybrid Workplace on Canadian Real Estate](#), PwC Canada.

¹⁹ [1Q 2021 AICPA Business and Industry Economic Outlook Survey](#), American Institute of CPAs. The survey was conducted between 2 February and 24 February 2021 and has n = 693 representing qualified responses from CPA decision makers in companies within the U.S. (primarily CFOs, CEOs and controllers). For the survey question "If you indicated you were reducing your office footprint, what is the reason (Check all that apply)":

- 12% said reduction in staffing

- 57% said shift to remote operations
- 11% said decline in business operations
- 20% said others

²⁰ [Germany Drafting Law to Give People the Legal Right to Work From Home](#), World Economic Forum.

²¹ [Ireland Looks to Pubs and Derelict Buildings to Boost Remote Working Outside Cities](#), World Economic Forum.

²² [Hawaii Group Lures Remote Workers Amid Pandemic Downturn](#), Marketplace.

Note 1: Definitions

Digital Workers

We define digital workers as those whose jobs rely on or have a significant dependency on digital technologies. Digital technology includes any combination of technological devices (laptops, smartphones, tablets, etc.), applications and web services that people use for communication, information and/or productivity. We assume the number of digital workers will increase through the forecast period as roles automate and digitize.

Knowledge Workers

Knowledge workers would be a subsection of digital workers. These workers are those who are involved in knowledge-intensive occupations. In order to quantify this, we have considered the sum of people in categories 1 to 3 as a percentage of total people employed, defined within International Standard Classification of Occupations (ISCO-08) by International Labour Organization (ILO).

The Hofstede Model

The Hofstede model includes scores for six dimensions of various cultures. We have used the scores for “Power Distance” and “Individualism” to create our relative scores.

- **Power Distance:** The extent to which subordinates expect and accept power to be distributed unequally. A higher power distance relates to a more formal centralized structure.

- Individualism: The degree of interdependence a society maintains among its members. A higher individualism score indicates a lower affinity toward social engagement and collectivism

These scores indicate how autonomous an employee is toward their work — the more autonomous, the less attractive they find an office environment.

Digital Dexterity Scores

The digital dexterity scores were used as a reference for index scores for verticals. The three most relevant factors were used:

- Team collaboration
- On-site nature of work
- Tech positivity

These scores are not the absolute references for how we have indexed our verticals since there are other factors involved like cultural factors and the conduciveness of the nature of the job to a remote/flexible working environment.

Although these scores were used as a reference to index our verticals, we also factored the fact that some verticals like retail and transportation are not conducive to a remote/flexible working scenario even if the digital dexterity for employees in those verticals is high.

Other factors also come into play, like the regulatory nature and trust factors in some verticals like government and other public service verticals like utilities. See [Survey Analysis: Use the 2019 Digital Dexterity Index to Find Buyers Ready for Digital Workplace Products as a Tech CEO](#).

Forecast Methodology

The base employment data used in the model comes from Organization for Economic Co-operation and Development (OECD), Eurostat, International Labor Organization (ILO) and Global Workplace Analytics (GWA). Importantly, we keep the employment numbers constant at 1.96 billion employees worldwide throughout the forecast period in order to capture the impact of changing aforementioned factors on the choice of workplace rather than broader economy-driven changes in future employment. The employment data covers Gartner's 11 verticals, excluding agriculture and part-time workers.

Having forecast the change in the number of employees working remotely in the 24 countries and 11 verticals using our model, we then extrapolate the forecast to a global range for 43 countries.

All vertical data for the named verticals mentioned above are for the initial 24 countries.

Employment numbers are kept constant through the forecast, and pre- and post-COVID-19 assumptions are implied in the shape of the forecast curve.

Document Revision History

[Forecast Analysis: Remote Workers Forecast, Worldwide - 21 August 2020](#)

Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[Maverick* Research: The End of Office Space](#)

[Talent Risks of a Post-COVID-19 Full Return On-Site](#)

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