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North American employers expect the uptick in flexible work arrangements to continue at least through the first quarter of next year, according to a [survey](#) by leading global advisory, broking and solutions company Willis Towers Watson. Many survey respondents reported that these new arrangements will require hybrid compensation models that for some employers include paying employees based on their geographic home base when they relocate.

Survey respondents reported that about six in 10 employees (59%) are currently

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adopting a formal policy by next year. Nearly two-thirds (64%) of those with policies are planning or considering revising them this year or next to adapt to the changing nature of where work gets done.

“The rapid shift of employees working at home or remotely is likely to become a permanent fixture for many employers,” said Ravin Jesuthasan, managing director, Willis Towers Watson. “While most employers are providing flexible work arrangements for safety reasons today, employers also recognize that offering remote or flextime arrangements can play a significant role in retaining talent and keeping workers engaged and productive even after we move beyond this pandemic.”

Indeed, over nine in 10 respondents (91%) cited employee safety concerns as a primary reason for providing alternative work arrangements, followed by employee retention (47%) and increasing and maintaining employee engagement (39%). For the first quarter of 2021, the percentage of employers that cited safety concerns held steady at 89% while employee retention and employee engagement jumped to 61% and 53%, respectively.

Alternative work arrangements are also prompting employers to rethink their approach to pay and rewards. Half of employers (49%) say the new work requirements will require a hybrid reward model. As such, two in 10 (18%) are setting pay levels by first determining the market value of an employee's skills and then applying a geographic differential based on where the employee is located; however, six in 10 employers will continue to pay remote employees the same as in-office employees no matter where they work. Additionally, 29% are providing additional benefits to promote workplace flexibility, including backup daycare, subsidies for daycare or virtual learning, and subsidies or reimbursement of costs for working from home.

The survey also found that most respondents say their flexible work policies won't

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through automation and adaptable policies while reinforcing an enhanced employee experience will not only meet their employees' needs but also be better positioned to compete in the new world of work," said Catherine Hartmann, North America Rewards practice leader, Willis Towers Watson.

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