

In this edition, Tom Hayes and Rick Warters make the counter arguments for (i) why working from home/ remote work is here to stay or (ii) why working from home comes with risks, including lower productivity from the loss of regular in-person workplace interactions

Remote Work is Here to Stay ...

By <u>Tom Hayes</u>

•ime never goes backwards. It only goes forward. You can't go back to yesterday. And you can't unmake technology. You can't unpick changes to the way work is organised as technology changes. As the old song goes: *How Ya Gonna Keep 'em Down on the Farm (After They've Seen Paree)?*

It's a World War 1 song that became popular after the war had ended. The words imply that soldiers would not want to return to their family farms after experiencing European city life, especially in Paris. Who could blame them?

Wars and pandemics change everything. Covid changed the way office work is organised as the viability of remote work became apparent. And there is no going back. Maybe someone should pen a song: *How Ya Gonna Get 'em Back Downtown, (After They've Been Free)?*

In recent weeks, a few newspapers articles have drawn further attention to the continuing debate about the way office work is organised post-Covid.

A <u>report from McKinsey</u> "suggests that remote work risks wiping \$US800 billion from the value of office buildings in major cities, highlighting the potential losses that landlords are facing from post-pandemic changes in employment trends." Which may explain why the bosses of many financial institutions with loans to property developers and landlords are demanding a return to the office. They have a lot of skin in the office game.

A report from Australia says that more than one-third of desks in offices around the globe are unoccupied all week. It found that 36% of workpoints, including cubicles and desks, are never occupied. Of those that are used, only 14% are occupied for five or more hours. A lot of expensive, unused space.

Meanwhile, the <u>Wall Street Journal</u> says that a Gallup poll shows that 38% of people who work remotely full- or part-time are engaged with, or enthused about their work, compared with 34% of in-office workers.

I have been working from home/remotely since the early 1980s. At the time I was living on the northwest coast of Ireland. About as far from anywhere as you could get. And there were only two ways of communicating. Using a landline to make phone calls and sending a letter in the post. And getting paid usually meant waiting for a cheque to arrive. When money was tight, and you asked where the cheque was, it was always "in the post".

I started working from home before the fax was invented. We recently ran a training program where one of the participants, in their late twenties/early thirties, asked us what a fax was? A technology that has come and gone. Except in Germany where they seem to be fax addicts: <u>HERE</u>.



When you have grown up with a cellular phone, a laptop, the internet, and services like Google, Facebook, Twitter (I refuse to call it X), and LinkedIn, then it is impossible to imagine a world where these things did not exist. Together, this hardware and software has created what I call "laptop land". Laptop land is a place where you can work from anywhere provided you are connected to the internet.

Why commute five days a week on overcrowded trains or on choked-up highways just to do in a downtown office what could as easily be done from home? And working from home gives you the flexibility to balance work and family life in a way that suits you.

Now, let me put my hand up and say that I have worked independently since the 1980s, largely because I am psychologically incapable of taking instructions from anyone, as those who know me will readily testify to. But in a way, working as I do is even harder than when you work within a company with deadlines, meeting schedules, bosses to report to, and everything else that goes with organisational life.

You have to be ruthlessly disciplined in managing your time. I run my day as I see fit. It is not the amount of time you work that counts. It is what you do, what you deliver, within the hours you work. And at what time you work. WFH does not need to be 9 to 5.

It seems to me that many of those demanding a return to the office do so for reasons of nostalgia. It is the way they began their working lives. When they started work you commuted to the office five days a week. You often also did weekend shifts. You put in the hours. Long hours.

"Balance" in work/life balance in those days meant your bank balance, and your bank balance paid for your family life. If this is the gig you have done and it has made you successful, then it is difficult for you to see any other way of working. And, then, you are surprised and upset when younger employees push back and walk away when you insist on them returning to old ways. Your ways. Don't they know what's good for them? Another song jumps to mind. Cat Steven's *Father and Son,* about the divide across the generations.

Water finds its own level. So will remote work. It will be a mix of out of office/in office work. Hybrid in nature. The rhythm and the rhyme of the week will be dictated by the nature of the work and what needs to be done, rather than by some artificial timetable.

We need to be careful. Not everyone lives in laptop land. While there are no reliable statistics, I would estimate that it probably runs to about 40% of the workforce. 60% need to be "hands on". That 60% is not just those who sweep streets, make beds in hotels, serve drinks in bars, work machines in factories. It is also the doctors and nurses who are operating on you, detectives investigating crime, passport control at borders, and many others. They still need to do 9 to 5 (and overnight shifts and weekends).

We do not need a new industrial divide between "laptop-land" and "hands-on-land". For those in laptop land, remote work offers new ways of balancing the demands of work life and personal life. That is to be welcomed. But we also need to find ways of being able to offer similar benefits to those in hands-on-land. That will be some challenge.



Remote Work – the risks and realities... a counterpoint

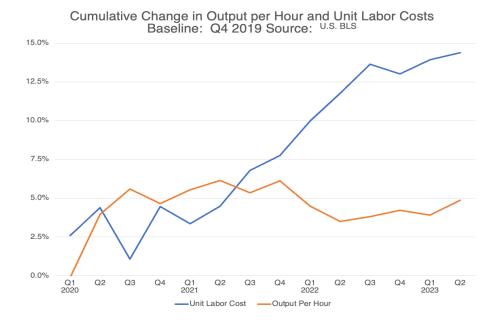
By Richard A. Warters

he debate between those urging a return to office (RTO) and those who want to continue their work from home (WFH) arrangements is almost as polarizing as American politics. As in politics, the best answer is probably somewhere in the middle.

Throughout the lockdown, I struggled with conflicting statements from WFH advocates. I often heard, "I am more productive in the office", followed by, "I spend much more time working." They were saying that fewer meetings and office drop-ins made them feel like they could knock out discrete tasks in a shorter amount of time. At the same time, the other obligations and distractions of home life caused the work on those tasks to be spread out over more hours of the day. "I'm more productive when I'm on task, but my time on task is spread out over a much longer 'workday'."

There have been many articles on the benefits of WFH to workers. The gift of time may be the biggest. In 2019, the average U.S. worker commuted 27.6 minutes each way for work. Given the alternative of sitting in traffic for an hour each day or not, the choice is clear. I get it.

What remote-capable employees and remote-capable applicants want is just one piece of the puzzle. As Human Resources professionals, it is our job to create the terms and conditions of employment that attract, retain, and engage people *around the work* in an increasingly productive way. The organization of work, including where work is done, is a critical element of that task. We need to first understand the most efficient way to engage workers to deliver the work our businesses need. Then, and only then, should we consider modifications necessary to attract and retain people with the critical skills our companies need. Creating the structure for organizational productivity is job one.



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As the song says, in the U.S., "There's something happening here. What it is ain't exactly clear." Two things that are clear; productivity growth has been anaemic, and costs have spiked. In three and a half years since the onset of the pandemic, output per hour has grown at less than 5% while unit labor costs have risen more than 14%. These macro-level numbers are bad for the economy and bad for business.

Is it all the result of WFH? Of course not. But it is interesting that output per hour recovered some over the last year and a half as people have increasingly returned to the workplace.

Further, contrary to anecdotal comments by WFH-ers, a study by MIT and UCLA released last month (<u>here</u>) reported, *"productivity of workers randomly assigned to working from home is 18% lower than those in the office."* We could debate how broadly the study of new-hire data entry workers in India can be applied, but the study delivers some of the first empirical evidence about WFH productivity. Before this study, most of the purported data came from surveys of workers who WFH and who would like the arrangement to continue.

Raw productivity is one element of the equation. Incidental productivity, informal knowledge sharing, and sense of connection that comes through strong professional relationships all suffer with virtual work. The Wall Street Journal recently reported, *"The disconnect between remote workers and their companies is getting bigger."* (HERE). The erosion of any of these pose very real risks to the sustainability of any organization.

I recently bumped into a former colleague at a shopping plaza. He introduced me to his son and said, *"Tomorrow's the first day of school. Back to structure."* That comment struck a chord. Like office buildings or factory floors, classrooms are a place of order, discipline, and a sense of esprit de corps focused on a specific outcome. We bring people together to learn and work because the opportunities for informal knowledge transfer, deeper engagement, richer inclusion, better solutions, and, yes, greater productivity are real.

Beside the more tangible implications, we are on the cusp of exacerbating a new industrial divide. It's tough to be one for all and all for one when the rules, degrees of flexibility, and levels of freedom vary so radically between remote-capable WFH-ers and remote-challenged, office-, shop-, or factory-bound workers. WFH-ers who support (or worse manage) workers who are tied to a physical location face a special challenge. Even a well-meaning manager-in-absentia is away. As the old adage goes, *"When the cat's away, the mice will play."*

Workers know when the bosses are around and when they're not. As they say, *"What's good for the goose is good for the gander."* Why should remote-challenged workers exhaust themselves when the fat cats are dialling it in. When the "haves" are away doing whatever they do, the "have-nots", even the best of them, will also get theirs. And it will come at a cost. Order and discipline will suffer. Quality and productivity will fall.

WFH can be part of an effective strategy. A thoughtful, hybrid structure that ensures regular in-person interaction may overcome many of the obstacles outlined above. For example, J. M. Smucker's has scheduled 22 core weeks when corporate employees are all expected to be onsite in Orrville, Ohio (<u>HERE</u>).

As in politics, the best answer will probably end up somewhere in the middle. Maybe it's core weeks. Maybe it's core hours. But, whatever the answer, it should always start with a deep understanding of how to best deliver the work of an organization in an increasingly productive way. Only then can you start to create terms and conditions – the structure, order, and discipline - that will deliver a sustainable balance of interests.

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There is <u>Podcast discussion</u> between Tom and Richard to accompany this piece

DISCLAIMER: The views and opinions expressed in this paper and accompanying podcast are solely representative of the two authors

