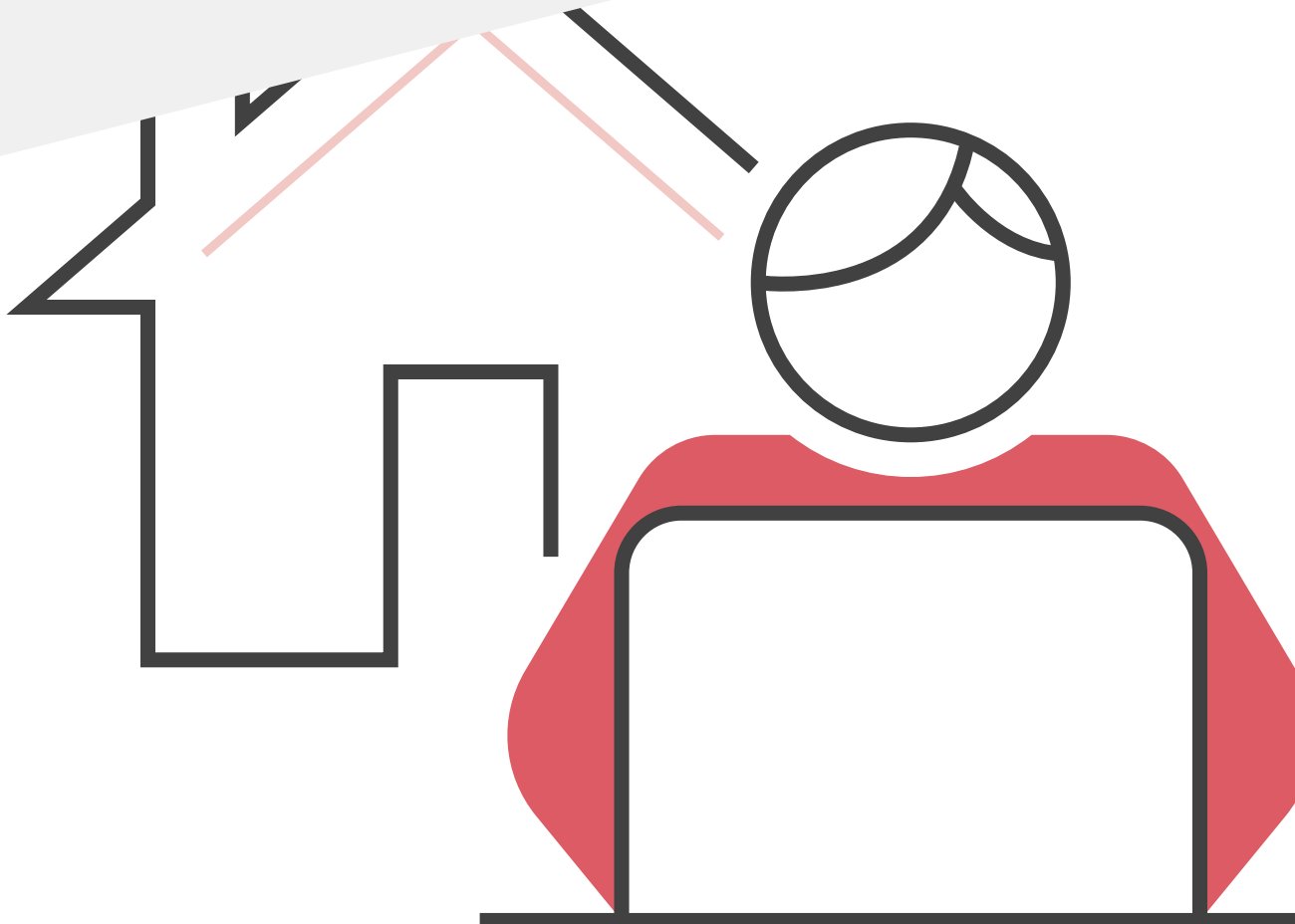


# WORKING TOGETHER, APART:

WHY REMOTE WORK COULD ENERGIZE YOUR BUSINESS



## Remote work has the potential to change not only millions of US businesses, but the shape of the employment landscape.

In the first two decades of the 21st century, new technologies, industries, and ways of doing business helped us find new ways to get work done. *Disruptive innovations* like AI automation, virtual reality, and cloud computing have helped employees work smarter, challenge conventions and create opportunities in almost every professional context.

In 2020, that trend is more important than ever: the global coronavirus crisis has altered the *appearance and function* of traditional workplaces in the United States and around the world, and nearly every business has had to adjust in order to

continue to deliver goods and services and ensure that employees are able to perform their duties safely.

One of the most significant ways in which businesses have adjusted both as a reaction to the crisis and to longer term influences on the status quo, is in the introduction of *systems of remote work*. Often considered a professional aspiration or a coveted perk restricted to white collar roles, the notion of working from home is now a necessary reality for millions across every strata of labor in the US, but how did that change happen so quickly, and what does it mean for the future?

### Necessity, innovation, opportunity

When the coronavirus first hit headlines in early 2020, the vast majority of businesses in the United States were unprepared for the changes on the horizon. In a matter of weeks, those businesses were not simply considering but implementing a range of dramatic measures to protect themselves. Most prominent amongst those measures: having employees, where possible, work from home.

What is perhaps most interesting about the widespread implementation of remote work as a reaction to the global pandemic is not just that it was adopted widely, but the speed with which it was adopted. Research by MIT into a group of *25,000 American workers* revealed that while 15% had been working from home pre-coronavirus crisis, that figure had risen to 34% four weeks later. Even businesses that did not previously have a facility for remote work found ways to adapt by *exploring and applying methodologies* to keep employees remotely connected to clients and to each other.

The trend towards remote work has obviously been energized by an urgent need to protect employees and comply with swiftly-introduced regulations, but the necessary drama of the coronavirus crisis has characterized remote work as a sort of 'damage limitation' measure. While undeniably justified, the moral obligations of the crisis have obscured the numerous existing (and worthwhile) reasons why businesses might implement some sort of remote work model under normal circumstances.

Clearly, businesses should always seek to protect their bottom line, especially during trying times, but rather than making marginal savings through piecemeal efficiency gains, switching suppliers, or, in worst case scenarios, cutting staff, perhaps it's time to start embracing new methods of doing business, and in particular, the possibility for employees to perform their duties remotely.

## Why hasn't remote work already taken off?

The technological advances of the past 20 years, including internet bandwidth boosts, cloud computing, an array of messaging and video-conferencing apps, along with countless progressive business trends, would seem to have primed the professional world for the possibility of remote work. So why hasn't it already taken off widely?

To help answer that question, we decided to conduct our own exploration of attitudes to remote work with a survey of employees from businesses across the United States. After first screening respondents to ensure that the work in which they were engaged could be performed remotely, we received a total of 272 responses drawn from across the 50 states. Our survey focused on whether respondents felt that remote work was feasible, and what their attitudes were towards it: given that nearly 48% believed that it would be possible for their jobs to be performed remotely, it's surprising that the current *number of remote workers* in the US employee population (3.4%) lags by a significant margin.

So, how do we interpret that gap? To an extent, the convention of office-centric work has been entrenched by the if it ain't broke mentality: a bulwark of seemingly intuitive preconceptions about the necessity of situating workers (and work) in an office, surrounded not only by colleagues, but the infrastructure of industry. Codified by time and history, those factors might be characterized in the following way:

## REMOTE WORK CHALLENGES:

### Supervision:

Without the presence of a supervisory structure, many employers presume that their remote employees won't work to the same standard that they would in their traditional workplace or, worse, slack off and neglect their duties. The presumption is that a hierarchy of authority helps employees maintain direction, focus, and discipline when completing tasks, serving customers, or meeting deadlines.

***“Working remotely means more distractions and there is less of a connection with my coworkers.”***

### Resources:

The workplace is the location of every resource and tool that employees need to get their jobs done. Practically, that means office stationary, hardware, software, documents, and more, which may not be available in home or remote environments, or cannot be available because of logistical challenges or security risks.

### Technology:

Employees need access to specialized hardware and software centralized in a physical workplace. Personal computing and mobile technology, for example, while essential to modern businesses, may be too expensive to distribute to employees for use remotely, or not capable of connecting to work networks with sufficient speed and efficiency.

### Communication:

The physical workplace facilitates face-to-face communication, meaning better problem-solving, the exchange of ideas, collaboration, and other important professional interactions. By working remotely, employees will miss out on the essential benefits of in-person communication and face other problems such as not being able to contact colleagues not in physical proximity.

***“Social interaction and face to face meetings are irreplaceable. While remote work can work, it must be balanced.”***

**Industry:**

Some businesses physically cannot implement remote work thanks to the requirements of their industry. Examples might include the food service, transport, and retail industries, where employee expertise is necessary on-site or in-person in order for the business to continue to function.

**Work-life balance:**

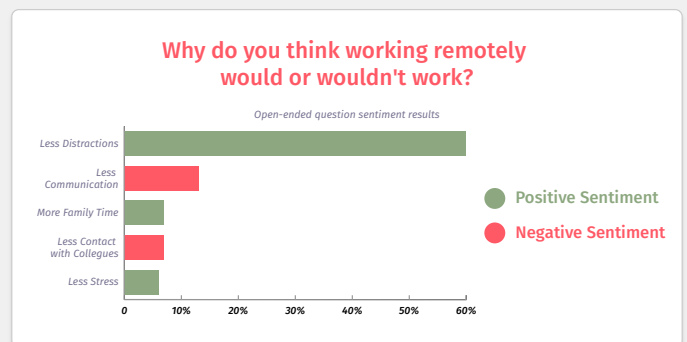
By spending their professional time at home, employees may fear not being able to 'turn off' after the work-day has ended. Collapsing the distinction between 'home' and 'work' may affect employee's work-life balance, leading to greater stress in the long-term.

**Isolation:**

Many employees enjoy being in the workplace for the social and emotional connection that it provides. By working from home, those employees may feel that they would lose an important part of their personal lives and become more isolated from the friends that they enjoy interacting with.

***“There are more distractions at home. It’s a huge culture shift. Also dependable, affordable high speed internet isn’t available.”***

Our own research suggested that while they were positive towards the prospect of remote work, employees shared certain concerns about how it might negatively affect them and their professional performance:



## New attitudes, new possibilities

Reservations about the feasibility of remote work, predicated on the factors listed above, may well reflect reality and prevent employees from performing their roles anywhere other than a centralized work premises. However, looking more closely at contextual details, and taking into account the significant advances in technology over recent decades, many of those reservations start to appear, at best, outdated.

In fact, a significant amount of research suggests that remote work is not only a logistically plausible option for many businesses, but a way to actually boost productivity and performance. Consider the following research studies:

### TINYpulse:

2016 research from employee engagement firm TINYpulse compared *responses from 509 full-time* US employees working remotely, to 200,000 benchmark employees working “across all work arrangements”. The research revealed that 91% of remote workers felt they got more work done from home, rated themselves an 8.10 out of 10 for happiness (compared to 7.42 from all workers), and rated themselves 7.75 for how ‘valued’ they felt at work (compared to 6.69 from all workers).

### Ctrip:

In 2018, a 2 year Stanford University study into employees of *China's largest travel agency*, Ctrip, revealed that a remote work trial had delivered a dramatic productivity gain. The study involved 500 employees split into 2 groups: employees in a control group continued to work at Ctrip HQ while the others worked in a private room at their homes. The employees working from home showed a surprising ‘one day’ productivity gain over the control group. The remote work study also resulted in a 50% decrease in employee attrition and saved Ctrip around \$2000 rent per employee thanks to the reduced office space requirements.

### Airtasker:

In 2019, online outsourcing platform, Airtasker, *conducted a study* of 1,004 full time US employees, including 505 that already worked remotely. The study revealed that the home-work respondents worked around 1.4 days extra per week (16.8 days per year) more than those that worked in an office. The study also revealed a range of peripheral benefits to remote work, including annual savings of \$4,523 in fuel and 408 hours of free time as a result of not having to travel to the office.

### PWC:

A *US Remote Work Survey* by PWC, conducted in June 2020 at the height of the coronavirus crisis, revealed that 73% of companies felt their transition to remote work (as a result of the pandemic) had been a success. When asked about their attitudes to remote work post-crisis, 55% of executive respondents suggested they would extend the option for remote work, while 72% of employees said that they would like to work remotely for at least 2 days a week.

The research and practical trials contradict many of the negative assertions levelled at the notion of remote work and its feasibility in modern workplaces. While there are certain important caveats, not only does remote work offer a range of potential benefits, but has already been implemented effectively in the United States and businesses across the world.

## Making remote work, work

***“I commute over an hour each way to work. I’d be a lot more awake and ready to work if I didn’t have such a long commute.”***

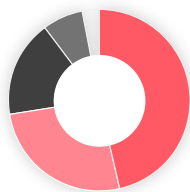
***“I have a great home office set up and I’m more productive since there are less interruptions.”***

***“I work remotely 95% of the time. It’s working great. Some folks need higher internet bandwidth though.”***

Beyond a potential entire work day of added weekly productivity, the benefit of remote work to a business’ bottom line includes savings on office space thanks to a reduced on-site employee population, and reductions in the overheads associated with on-site costs such as food and catering, cleaning, maintenance, and entertainment. The benefit also covers scaling utility costs that are linked to those factors such as electricity, heating, and internet bandwidth. In this context, the more workers that can work effectively from home, the greater the potential financial benefits for their employers.

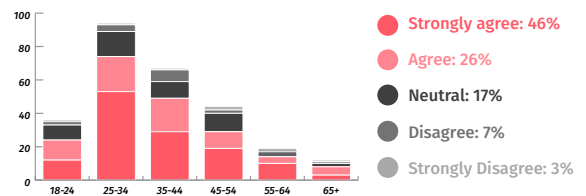
Nonetheless, the potential disadvantages of remote work, including supervision issues, poor communication, and lack of access to resources represent legitimate concerns. As prior research and practical trials show, however, where remote work can work, it tends to work well, with employers finding ways to address or overcome challenges that might otherwise have made its implementation problematic.

**I think my productivity would be improved by working remotely.**



- Strongly agree: 46%
- Agree: 26%
- Neutral: 17%
- Disagree: 7%
- Strongly Disagree: 3%

**I think my productivity would be improved by working remotely.**



When broken down by age, the expectation of the benefits of remote work becomes even more interesting with both the youngest and eldest employees seeing less of a productivity benefit, while the majority of middle-aged employees expecting to benefit.

With those concerns in mind along with the obstacles we outlined earlier, let’s take a closer look at the practical ways in which employers can implement a remote work system and, crucially, make it work:

## Remote work solutions:

### Technology:

A long-term remote work deployment must be built on a technology infrastructure that facilitates the same quantity and quality of work that employees would be expected to deliver in the workplace. In practice, that means drawing on a range of *tech innovations*, including software and hardware, to ensure that employees have everything they need to do their jobs. Employers may need to distribute personal devices and audio and visual equipment, ensure that their employees have the internet connectivity and bandwidth to use them effectively, and be able to protect their network in compliance with *relevant US regulations*.

Cloud computing is a *huge advantage* for the roll-out of a remote work model and should underpin any remote tech deployment. Working in the cloud represents an efficient and relatively low-cost way for a network of isolated employees to unlock collaborative possibilities, access vast virtual storage space, and protect data with robust security measures, such as VPNs, that have been specifically designed for remote work.

***“I think doing some meetings in person makes sense, but the actual work I do is easy to complete remotely”***

### Security:

Protecting remote workers from cybercriminals is a *different proposition* from protecting them in the workplace. In addition to common cybersecurity factors that employees face, like phishing and malware, employers should consider factors specific to remote workers including the threat of burglary, employees’ domestic routines and local movements, and their home internet service provider’s own data privacy protocols. Without on-site IT support, cybercriminals may also consider remote workers easier targets than those working from an office.

As we previously pointed out, technology tools offer a range of robust solutions for the security challenges posed by remote work - as long as they are deployed effectively. Cloud security, for example, in theory enables employees to log-in to their work networks securely, from anywhere in the US, and protect data from online threats. The challenge for employers lies in tailoring the right remote security deployment to their business.

***“I work remotely. Not having the random office interactions hurts innovation.”***

### Communication:

It goes without saying that remote workers need to communicate efficiently with their colleagues, however, in most modern workplaces, non-face-to-face communication isn't just a matter of reaching other people over a phone. The quality, flexibility, and scope of that communication, across audio and visual channels, is a crucial factor in ensuring workers are able to collaborate and contribute effectively.

An array of *versatile chat and collaboration apps* exist to help businesses facilitate remote work in this manner, including video conferencing software, cloud document storage, and even (in the case of particularly progressive employers) VR technology.

### Costs:

The transition to a system of remote work will generate costs both upfront and ongoing, including the new technology or hardware that remote employees need and any associated software or literature subscriptions. Responsibility for those costs will need to be clarified: for employees, new costs may be offset by savings on fuel or public transport during the commute or on meal choices during the work day. Similarly, employers may expect to save money on office rental fees and associated utility bills.

The costs and cost-benefits of remote work should be reflected in the compensation employers offer to their employees. It may be necessary to negotiate a new level of compensation for each remote employee, taking into individual account the added cost considerations and potential savings.

### Payroll:

One of the most technical considerations of any transition to a remote work system will be its effect on payroll, especially in systems where employees might work remotely for only some of the time. While the amount of remote work may be prescribed, the value of that work may not be consistent across businesses or even internal roles, especially if employees can no longer perform certain tasks out of the office.

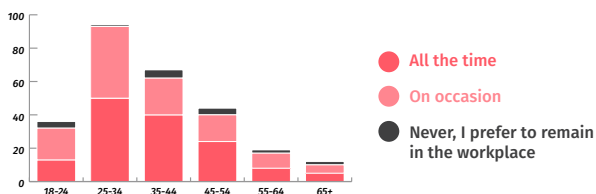
Employers will need to think about how their payroll process reflects changes in remote workers' pay: there may need to be new ways to track variables in worker contributions such as overtime or sick leave, and new ways to implement certain social and fringe benefits.

Payroll should be a priority consideration during the transition to remote work: if you're seeking further insight and advice on handling remote pay challenges, make sure you *contact your payroll team or provider* to explore your options.

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#### If you could work remotely, how often would you prefer to work remotely?



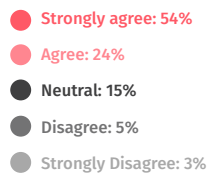
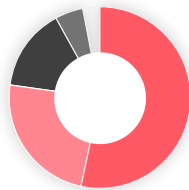


### Business needs:

It may be the case that remote work and office work have to be balanced to reflect the needs of a business or certain service requirements. In practice, that might involve staggering remote work patterns for certain employees or arranging to allow remote work on certain days of the week.

The detail and structure of the remote work arrangement will have consequences for payroll, and employers should ensure their systems are set up to capture the nuances of the arrangements they make with their employees.

**I think my work-life balance would be improved by working remotely.**



### Work-life balance:

By necessity, remote work means that employees essentially bring their work home with them, performing professional duties side-by-side with their social and family lives. That work-life balance should be a consideration for both employers and employees: while there may be *certain advantages* in regards to stress and mental health, moving the workplace into the home will also entail *added pressure* for some employees.

***“I think it would make it easier to live closer to people you care for, removing stress and increasing your productivity”***

Employers can help their employees balance their professional and social lives by ensuring the remote work set-up reflects their employees' personal needs, encouraging them to keep strict work-hours, or even making remote work optional (where possible) so that employees can return to the office when they feel that would be more beneficial.

## Conclusion: What is the future of remote work?

The desire from employees, and incentives for employers, mean that remote work is not only an eminently plausible employment model but, depending on context, an advantageous one. Remote work can help move a company towards its *production and growth goals* and towards certain *cultural and social objectives*, not least improving the mental health and wellbeing of its employees and, by reducing the commute burden, contributing to the fight against climate change.

Of course, the transition may not be simple, and may even be difficult for many businesses, but the data and lived-experiences of employees in the United States and beyond suggest that the principal obstacle to implementing a system of remote work is merely the will of employers. With the consequences of the coronavirus pandemic set to play out for years, it seems likely that the prospect of widespread remote work across huge swathes of the United States' employment landscape is inevitable.

## Opportunities and consequences

If remote work is to become the norm, it stands to reason that employers should shift their thinking to consider more carefully how it will affect their workforce, their business culture, and the wider world. The concept of 'telepresence', for example, a term to describe the *virtual presence of a remote employee* via a screen, augmented reality, or similar robotic proxy, may normalize the idea of workers performing their roles 'in' a workplace despite not being physically present. Telepresence could have an economic ripple effect: as more and more workers stay at home, ancillary jobs in public transport, food retail, cleaning, and security may be negatively affected as employers adjust to a new and unfamiliar landscape of business needs.

Similarly, from an entrepreneurial perspective, remote work may have a significant energizing effect on *free agents*, who suddenly find themselves in an environment full of businesses that are outsourcing vital work tasks and looking for workers ready to deliver services remotely. Employees may be

more inclined to seek freelance contracts, or even start their own businesses from their homes, encouraged by a desire to further monetize their remote work status.

Finally, cities and even states may be physically reshaped by remote work, with *implications for the political demographics* of communities across the United States. As more and more work tasks migrate to the cloud, and the physical presence of workers becomes non-essential, employees living in rural North Dakota, for example, could find themselves earning their living for an employer based in a Californian tech hub. The practical implications of that distance mean that cities like Los Angeles will shrink as their professional populations use their remote freedom to move to cheaper locations to live. Traditionally conservative areas of the US might see an increase in a younger, tech-focused liberal demographic, while traditionally left-leaning urban centers would see that demographic wane.

Of course, all those consequences are hypotheticals, at least for the time being. Facilitating remote work is not as simple as making a few professional or lifestyle changes and requires a level of investment, financial and technological resources, and will on the part of both employers and employees - along with a suitable business climate. However, given the continued desirability of remote work for a majority of the United States' working population and a growing number of societal incentives, we may have just passed a tipping point, with the global coronavirus crisis revealed as a mere catalyst for a process that started a long time ago.

Is your business moving to a remote work model? Prepare your payroll for the changes and challenges that remote work will bring by talking to *activpayroll* today.

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