## LSE Festival 2021 | Many of us will return to offices – but not for the whole week

As the pandemic drags on, employers have got better at organising their staff to work from home, says **Daniela Scur (Cornell University and LSE)**. Not all will return to the office, and many will never go back to the five-day commute.

Daniela Scur is responding to Alan Manning's LSE Festival talk, <u>How Will New Technology Affect the Future of Work?</u>



Alan Manning gives an excellent historical overview that shows we are not the first generation to consider ourselves at the cusp of 'life-changing' technological change. Fears of 'robots taking over' are not new. But how have work and the organisation of work changed since the start of the pandemic – and how much has the pandemic fast-forwarded the pace of this change?

At the start of the pandemic, my colleagues and I <u>surveyed over 10,000 Danish firms and asked how they were adjusting to the COVID shock and organising their workers</u> – who were either working from home, on furlough, or laid off. The Danish government had a strong furlough support policy, and we found that firms that took it up were much more likely to furlough workers than those that did not. In the first three-month round, we estimated that approximately 81,000 jobs were "saved" because of the Danish policy.

As time went on, however, fewer employers continued to furlough their workers, despite the continued availability of support. In the first round, at the height of the pandemic, over 285,000 workers were furloughed. By the second round, only 40% of firms that had furloughed workers in the first round were still doing so, and by the third round at the end of 2020, only 20% were. Our second wave of this survey will help us understand some of these choices better, but in the meantime other work has offered insights into what might be happening.



Ice skaters during a cold snap in Copenhagen, February 2021. Photo: <u>Alex Berger</u> via a <u>CC-BY-NC 2.0 licence</u>

One possibility is that employers and workers adjusted to working from home, and asked some of the furloughed workforce to return on that basis. It takes time to build this capability, and we know organisational change is <u>hard to effect</u>. Shocks can be a "trigger opportunity", but is what we are seeing a broader move to remote work, or merely temporary? Has the government support funded or enabled the development of this new capability in many firms? Studying this will take at least a few more months (or years) of data after things get back to "normal", but it should be safe to say that we are not about to see a complete move to remote office work.

Assuming that a particular job is one that can be performed remotely, one key problem managers face in remote work is that of monitoring and alignment. Monitoring task-based workers (like call centres) is harder than monitoring knowledge workers. DeFilipis et al. (2021) used data on office communications throughout the weeks of the first set of lockdowns across major cities, and found that people increased the frequency and size of meetings, though they became shorter. They also found an increased volume of internal emails and more people copied into them, but they did not find increased external email volume.

Interestingly, workers who "save" their commute time end up spending it on leisure, whereas managers tend to spend it on other work activities. The monitoring and alignment concern is one of the reasons <u>Teodorovicz et al 2021</u> believe they saw an uptick in meeting attendance and email flows. Early on, firms that had some of these systems in place could experiment with different types of working from home. A year in, we expect many firms have developed such systems and may have found that at least some of their employees can be just as effective without going to the office.

Beyond having the systems to enable remote work, managers' (and workers') preferences need to be taken into account. I interviewed an HR executive from a large communications firm in the US who said they have closed many local offices and will keep at least half of their workforce remote after the pandemic ends. But she also mentioned that while many employees might prefer continuing to work fully remotely, some senior managers are not comfortable leading teams (especially new ones) without at least some face-to-face time. Altig et al found similar responses from a sample of about 1,000 firms in the US. This time next year, many of us will be returning to offices – though not all of us, and not necessarily for the entire week.

## **Further reading**

Bloom, Nicholas, June 2020, How working from home works out, SIEPR Policy Brief.

This post represents the views of the author and not those of the COVID-19 blog, nor LSE. It is a response to Alan Manning's LSE Festival talk, <u>How Will New Technology Affect the Future of Work?</u>. Join the discussion and post a comment below.

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