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How Remote Work is Shaking Up the U.S. Workforce: Research on the Recent Shift to Remote Work

Jonathan Oliver

Citation

**How Remote Work is Shaking Up the U.S. Workforce:
Research on the Recent Shift to Remote Work**

by

Jonathan David Oliver

Advisor: Dr. Dan Worrell

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**Sam M. Walton College of Business
University of Arkansas
Fayetteville, Arkansas**

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Abstract

As the COVID-19 pandemic swept across the United States and lingered, it brought many new norms in the workplace. At the top of that list is the number of employees now working remotely. Though remote work is not a new concept, mandated lockdown restrictions beginning in March of 2020 prevented most citizens from working in their business offices. Companies were challenged to re-evaluate business practices and determine whether their employees could produce work from home.

There have been benefits recognized in the past for remote work, including employee life balance. The environmental benefits of people working remotely are possibly the most appealing, and those benefits were felt during the pandemic, as polluting transportation emissions decreased.

New ways of communication are the specific focus of employers, as they attempt to keep employee engagement high. Knowledge sharing and involvement present challenges for companies, but research on ways to achieve these things looks promising. While remote work remains a foreign and unwelcome way to work for many, the United States continues to plow through the barriers of traditional work methods.

Many people continue moving out of large metropolitan cities to lower their cost of living, but some employers are responding to this move by lowering salaries to meet cost of living standards in each employee's new area of residency. Time will tell if this response from employers will reduce the number of those aspiring to escape big city life.

The effects of remote work on employees' mental health and their performance are key indicators of whether remote work is considered successful. However, these two indicators contradict one another. This leaves companies confused as to how to establish the balance between remote work and in-person work moving forward. Yet employers continue finding ways to make the most out of the current remote work climate.

How Remote Work is Shaking Up the U.S. Workforce:
Research on the Recent Shift to Remote Work

"The pandemic is reconfiguring a large swath of the U.S. workforce, with about 35% of employees working from home because of COVID-19, according to the U.S. census data gathered from late October through November 9" (Green & Tanzi, 2020, para. 4). The COVID-19 pandemic caught the United States off-guard in March of 2020, as many rushed to the store to gather all the supplies they could imagine needing, and others watched in fear of their financial well-being as the stock market crashed. Questions raised immediately as to whether the once-booming economy under the Trump administration could ever return to pre-pandemic heights. In the month of April 2020 alone, the U.S. economy lost a record 20.5 million jobs (Cox, 2020). Yet, despite countless negatives, the United States has shown resilience throughout, adapting to the new ways of life inflicted upon the country by COVID-19.

A major impact of the pandemic is the shift to remote work. Mark Zuckerberg, CEO of Facebook, plans to have 50% of Facebook's workforce (approximately 24,000 employees) permanently working remotely within the next 10 years (Newton, 2020). In May, Zuckerberg also cited an internal survey, with results suggesting 40% of Facebook's employees are already interested in permanent remote work (Bindley, 2020). Most employees would have never considered remote work as an option twelve months ago, but now it is a preference for many. The shift to remote work, though posing both upsides and downsides, appears to be the future. Therefore, companies must find ways to successfully work with their employees who desire to work remotely.

History of Remote Work

Remote work is not a new concept, and it certainly didn't begin in light of the current pandemic. Remote work has been present since before the industrial revolution, but it took its modern form when the concept of telecommuting was first introduced. Using the term to describe working remotely on a project for NASA, Jack Nilles coined the term "telecommuting" in 1972 ("The history of telecommuting," 2016). Research for telecommunication began shortly after, in 1973, for Nilles' book, *The Telecommunication-Transportation Tradeoff*, which became the founding document of telecommuting. Telecommuting and remote work are not one and the same, but they do build on one another. The technical definition of telecommuting, according to the Cambridge Dictionary is, "the activity of working at home while communicating with your office" (Cambridge, 2021). Margrethe Olson, 1983, wrote, "Remote work generally refers to organizational work performed outside of the normal organization confines of space and time" (Olson, 1983, p. 182).

The formal dictionary definition of telecommuting doesn't fall in line with what Nilles originally intended for the phrase. Originally, the term was used to encompass those who both worked entirely from home offices and those who shortened their commutes by traveling to nearby regional offices ("Tired of Freeway Hassles? Try Telecommuting," 1980). These nearby regional offices can also be called "Satellite Work Centers." According to Margrethe Olson's article, "Remote Office Work: Changing Work Patterns in Space and Time," the "logic" behind the satellite work centers, "is that the critical mass of employees will also provide the necessary social interaction and a sufficiently deep hierarchal structure to provide adequate management on site" (Olson, 1983, p. 183). A secondary goal behind these satellite work centers was limiting the commute for employees and lessening traffic jams in highly-populated cities. At that time in history, a shorter commute would have been beneficial to all Americans who were spending a

substantial amount of time in their cars, when the Organization of Petroleum Exporting Countries (OPEC) oil embargo had begun (Gan, 2015).

The OPEC oil embargo began in 1973 in the midst of the Arab-Israeli War, consisting of 12 countries who were members of OPEC (Amadeo, 2020). The embargo severely affected oil prices, causing them to rise by nearly four times the pre-embargo price per barrel. The price per barrel prior to the embargo oil was $2.90 per barrel and jumped to $11.65 per barrel by January 1974 (Corbett, 2013). To the surprise of many Americans, after the embargo the price of oil stabilized around the new high, rather than falling back down once the embargo ended (Ross, 2013). The graph below illustrates the crude oil price per barrel at both the nominal and inflation-adjusted prices before and after the oil embargo.

The oil embargo is relevant to the rise of telecommuting because it made people question the large amounts of time they spent in their cars. It also helped usher in a new industrial century in the United States, one based around telecommunications and knowledge processing. According to Norman Macrae, 1978, there occurred two industrial centuries prior to this one. The first happened from 1776-1876, and it revolved around the invention of railways and steam power. The second occurred from 1876-1976 and was defined by the coming of automobiles and assembly lines. The third is the century described above, expected to date from 1976-2076. Macrae believes this third revolution will be the largest yet and will further define the country which capitalizes on the societal shift first (Macrae, 1978).

Crude Oil Price per Barrel Since 1946

The OPEC oil embargo began in October 1973 and ended March 1974. Chart compares the nominal price of crude oil/bbl and the inflation adjusted price. During the embargo, adjusted oil prices rose from $25.97 in 1973 to $46.63 in 1974.
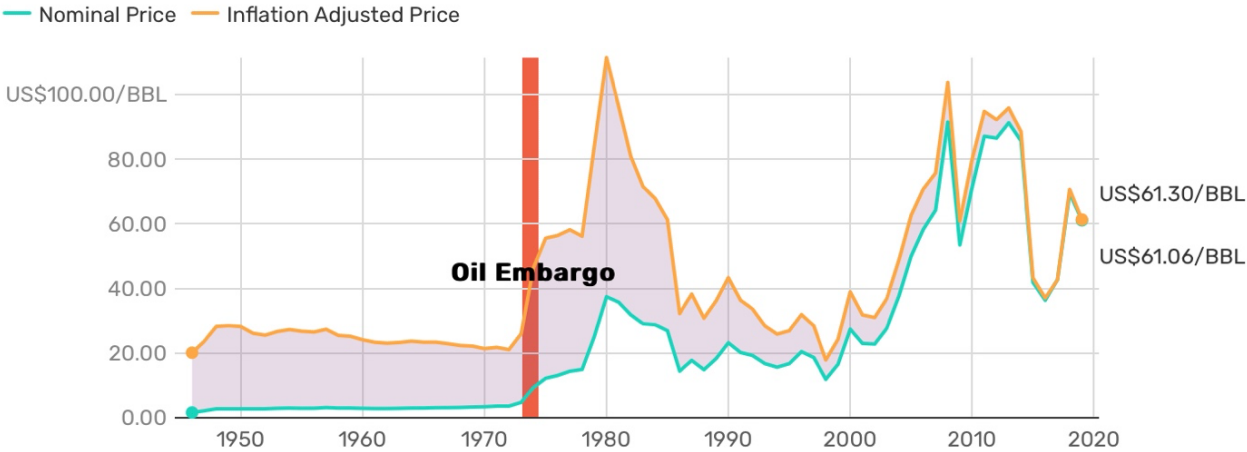
Chart: The Balance • Source: Macrotrends

In addition to the OPEC oil embargo the United States was facing an energy crisis when Nilles began his research. Nilles believed the energy savings from employees telecommuting would be phenomenal, saving enough energy to power an average American home for a year from just an additional seven employees telecommuting ("Tired of Freeway Hassles? Try Telecommuting," 1980). If Nilles prediction rang true, that would mean individuals, companies, and the country as a whole would all benefit from telecommuting employees. Individuals would save money on gas and earn more time back for themselves by not driving to a central office

every day. The companies who employ telecommuters would potentially see energy savings from fewer people in the office, as well as an increase in number of working hours from employees. Lastly, the country would benefit from a decrease in energy consumption.

Keep in mind, in 1976 when the so-called telecommunications century was beginning, the internet was still being constructed into something affordable and usable. As a result, there was a lack of accessibility to company servers, something we do not struggle with in the present times. This lack of accessibility left only select jobs which could be performed entirely from an off-site home. According to Nilles, those jobs included specialists such as researchers, word processors, accountants, writers, data base researchers, and lawyers not involved in court proceedings ("Tired of Freeway Hassles? Try Telecommuting," 1980). In short, an ideal candidate for a telecommuter was any employee who needed little contact with others in the office and could get by with just a telephone and a basic computer. Nilles and others were unaware of the technological advances to come, which would make their research all the more relevant and open doors for remote workers in every field.

Opinions differ on the actual birth of the internet, but the date most agreed upon is 1969, when ARPAnet was created to connect computers at UCLA and Stanford. This was a type of dial up internet which allowed computers to send messages from node-to-node (Andrews, 2013). After this initial discovery, things fell quiet for a while, though research continued. Robert Kahn and Vinton Cerf developed a technology called Transmission Control Protocol and Internet Protocol (TCP/IP) in the 1970s, which would later become a building block used in the creation of the modern internet (Andrews, 2013). In 1983 a fully functional version of the internet was developed, but many were still skeptical. Among the skeptics were managers. Nilles was recorded saying, "The typical manager doesn't like computers – wouldn't be caught dead touching the keyboard" ("Tired of Freeway Hassles? Try Telecommuting," 1980, p. 10). This mindset of managers would inevitably slow the expansion of telecommunications, because managers and executives generally have the last say in corporate decisions relating to the work processes of their employees. It wasn't until the invention of the World Wide Web that the internet finally gained some traction.

The World Wide Web was first introduced to the public on April 30, 1993 by a computer scientist named Tim Berners-Lee. The web browser which Berners-Lee released was the first free and easy-to-use database for information that could be accessed by anyone ("World wide web (WWW) launches in the public domain," 2020). This browser became known as Mosaic. Essentially the world's first browser was a program that could read and fetch documents from all over the world via the internet (Vetter, 1994). With this capability to share and fetch documents from anywhere, remote work and Macrae's prediction of the third industrial century revolving around telecommunications became all the more possible.

The last thing invented that would further the ability for employees to work remotely is the invention of wireless internet (Wi-Fi). Wi-Fi is the foundation for all remote work in the present day, and it first showed up on the internet scene in 1997. Shortly after, in 1999, routers were developed which allowed Wi-Fi to become available for home use (Thomas, 2014). Once Wi-Fi became available in homes, the sky was the limit for remote workers. Even prior to the pandemic, there were many new developments relating to the capacity of remote work.

When Nilles talked about decreasing energy consumption in 1980, he mentioned the impact remote workers could have on the environment. In recent years, with a heightened awareness of environmental issues, others began realizing the benefits to the climate associated with remote work as well. Stated in an article published by *Green Child Magazine* (2020),

"Global Workforce Analytics estimates that remote workers could reduce greenhouse gas emissions by 54 million tons every year, and that's if people worked out of the office for only half of the work week" ("The environmental benefits…," 2020, para. 5). If remote work were to continue, goals of slowing climate change and creating cleaner air should be more easily attainable. According to *Time Magazine* (2015), one of the leading causes of carbon emissions in America is from daily automobile driving. If the majority of employees discontinued their drives to and from work, an average of 10,959 pounds of CO_2 a year might be eliminated ("Am I hurting the planet?" 2015).

There have been recent cases of companies attempting to support a substantial remote workforce. According to a *New York Times* article written by Streitfeld (2020), 40% of IBM's 386,000-person workforce worked remotely in 2009. However, following this move, IBM's revenue began to decrease, causing its management to call thousands of their remote employees back into their offices. IBM is not the only company to try implementing a remote workforce and fail. Others include Aetna, Best Buy, Bank of America, Yahoo, AT&T, and Reddit (Streitfeld, 2020). On the other hand, not all companies who experimented with a remote workforce in recent years have failed. Many found ways to thrive while incorporating remote work, including Automatic (the creator of WordPress) and the U.S. government (Graber, 2015).

The talent pool for companies who offer a remote platform is vast and continuing to expand. By embracing remote workers, talent is no longer limited to business proximity. In the United States, the number of remote workers grew by almost 80% from 2005 – 2012 (Graber, 2015). Not only are companies embracing remote work, so are potential employees. The past shortcomings in incorporating remote work could be attributed to a skewed approach. As stated by Graber (2015), "Many companies focus too much on technology and not enough on the process." (para. 7). There is a bright future for remote work if companies can learn from the past and develop better systems going forward.
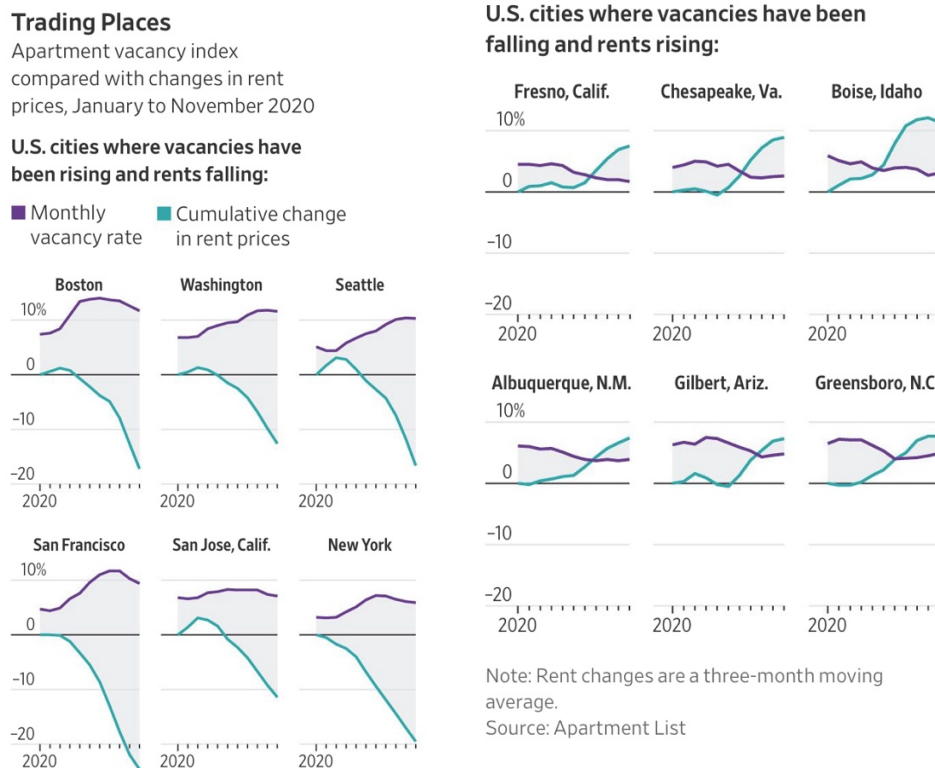
The Shift to Remote Work

According to an article in *The Wall Street Journal* entitled "How Remote Work Is Reshaping America's Urban Geography," prior to the COVID-19 pandemic in America, only 10% of the U.S. workforce worked full-time remote jobs (Florida & Ozimek, 2021). As soon as the pandemic hit, companies were forced to adapt to new restrictions. This raised the percentage of U.S. workforce who worked full-time remotely to half the total workforce. The number of those who are working fully remote remains around the same nearly a year later (Florida & Ozimek, 2021). This prompts the question, "Will people ever return to the office, and what are the ramifications of utilizing a larger amount of fully remote workers in the U.S.?"

While the debate can be made that post-pandemic the number of people working remotely will decline significantly, today a large portion of the U.S. labor force is still working remotely. A Stanford news article written by May Wong (2020) claims that 42% of the U.S. labor force is currently working from home full-time. According to Wong (2020), the remaining portion of the U.S. labor force is split, with 33% not working, and 26% working on site (Wong, 2020). Therefore, the number of individuals working from home makes up the largest percentage of the U.S. labor force. Nicholas Bloom stated in this same article, "Without this historic switch to working from home, the lockdown could have never lasted. The economy would have collapsed, forcing us to return to work, reigniting infection rates. Working from home is not only economically essential, it is a critical weapon in our fight against COVID-19 – and the future pandemics" (Wong, 2020, para. 7). Even if the number of people working remotely declines once the pandemic is under control, this large shift won't just disappear, because people are
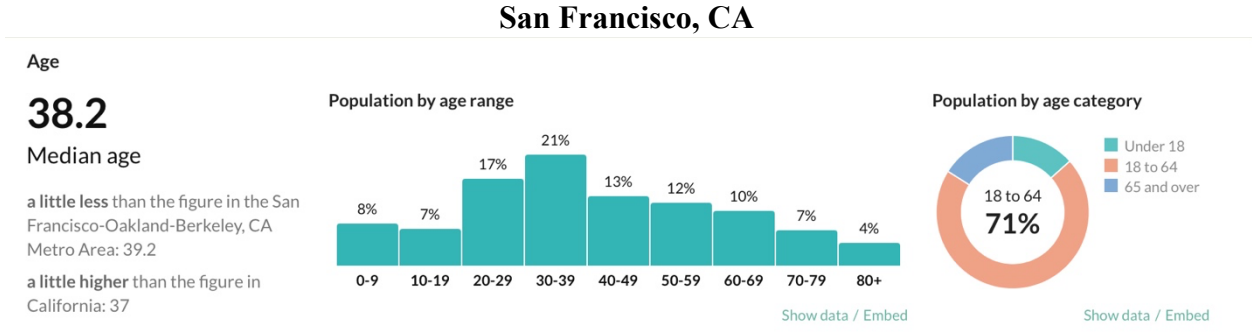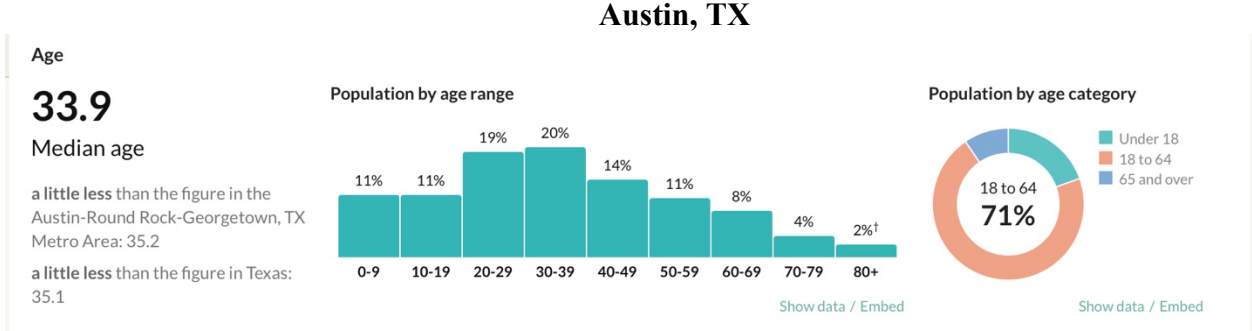
beginning to enjoy the freedom of working remotely. Count on remote work to be a large part of the U.S. economy going forward.

Those who have the opportunity to work remotely are making the most out of it. Many are leaving big cities to live in areas with a lower cost of living, leaving the economic prosperity of expensive metropolitan areas in question. Among the cities being fled is San Francisco. In her article, "Remote Work Is Reshaping San Francisco, as Tech Workers Flee and Rents Fall," Katherine Bindley (2020) says that talk of a potential exodus from San Francisco is nothing new, but the pandemic might be making that possibility a reality. Companies are providing employees with the chance to relocate and work from anywhere. With this freedom, it is no surprise many have either expressed interest or already moved away from San Francisco (Bindley, 2020). It can be reasonably inferred that the high cost of living has something to do with the growing popularity to move out of large cities. The graphs below illustrate monthly vacancy rates and the cumulative change in rent prices as a result of the shift to remote work on both large and small cities.

Trading Places
Apartment vacancy index compared with changes in rent prices, January to November 2020

U.S. cities where vacancies have been rising and rents falling:
■ Monthly vacancy rate   ■ Cumulative change in rent prices

Boston, Washington, Seattle, San Francisco, San Jose, Calif., New York

U.S. cities where vacancies have been falling and rents rising:

Fresno, Calif., Chesapeake, Va., Boise, Idaho, Albuquerque, N.M., Gilbert, Ariz., Greensboro, N.C.

Note: Rent changes are a three-month moving average.
Source: Apartment List

Though not experiencing the same impact as large metropolitan areas, small metropolitan areas are not seeing the same influx of people as smaller cities. There is one interesting exception to this statistic. Among the most popular places to move in escape of areas with a high cost of living is the state capital of Texas. Austin has a vibrant night life thanks to a young population. Compared to San Francisco's median age of 38.2, the city of Austin boasts a median age of 33.9 (U.S. Census Bureau, 2019). Austin's mild winters also appeal to those who enjoy staying warm. Austin also boasts large homes with backyards, yet these homes are cheaper than housing in other large cities. Two other reasons people who want to live in a larger city are choosing Austin include the area's low cost of living (compared to New York and San Francisco) and the fact that Texas has no state income tax (Putzier, 2020). However, individual employees aren't the only

ones eager to move to Texas. According to Claire Duffy (2020) of CNN, companies like Oracle are leaving Silicon Valley and relocating their headquarters to Austin. Even Elon Musk, CEO of Tesla, is moving to Austin after announcing plans in July to build a factory outside of Austin (Putzier, 2020).

Austin, TX

Age

33.9

Median age

a little less than the figure in the Austin-Round Rock-Georgetown, TX Metro Area: 35.2

a little less than the figure in Texas: 35.1

Population by age range

19% 20%
11% 11% 14%
11% 8%
4% 2%†

0-9 10-19 20-29 30-39 40-49 50-59 60-69 70-79 80+

Show data / Embed

Population by age category

18 to 64
71%

Under 18
18 to 64
65 and over

Show data / Embed

San Francisco, CA

Age

38.2

Median age

a little less than the figure in the San Francisco-Oakland-Berkeley, CA Metro Area: 39.2

a little higher than the figure in California: 37

Population by age range

21%
17%
13% 12%
8% 7% 10%
7% 4%

0-9 10-19 20-29 30-39 40-49 50-59 60-69 70-79 80+

Show data / Embed

Population by age category

18 to 64
71%

Under 18
18 to 64
65 and over

Show data / Embed

The Economist published an article entitled "Shrinking States Offer Perks For New Residents" (2020), showing that even before the pandemic, some states were offering incentives to new residents. The article references the Economic Innovation Group, who notes the number of working-age adults has dwindled in 80% of the counties in the United States from 2007–2017. These population declines negatively impact the local economy. Vermont's governor, noticing a decreasing population among the state, signed a bill offering to pay $7,500 to cover moving costs ("Shrinking states offer perks for new residents," 2020). This bill enticed the Dow family to make the move to Vermont, where Mrs. Dow was able to work remotely for the same Denver firm. Vermont is not the only state to offer incentives; many are trying to lure the younger generation and small businesses into their states ("Shrinking states offer perks for new residents," 2020).

Aside from Austin, cities growing in popularity among remote workers include: Gilbert, Arizona; Boulder, Colorado; Tulsa, Oklahoma; and Bentonville, Arkansas (Florida & Ozimek, 2021). These cities are also offering incentives much like those given to new residents in Vermont, and most have been doing so before COVID-19 even came into the picture. Tulsa launched a program three years ago called "Tulsa Remote," which provides new remote workers with access to affordable housing as well as a cash amount of $10,000 (Florida & Ozimek, 2021). Another exciting development listed in Florida and Ozimek's 2021 article describes grants that have been given to developers by Common, a co-living company, in "Bentonville and four other cities—New Orleans, Louisiana; Ogden, Utah; Rocky Mount, North Carolina; and Rochester, New York—to create 'remote work hubs' that combine offices and co-working spaces with affordable housing" (Florida & Ozimek, 2021, para. 19). Combine this with the efforts Bentonville was already making to attract relocating workers by offering them $10,000

(and the choice between a free bike or a membership to city museums), and many might find themselves foolish not to at least look into moving to some of these smaller cities.

Cities offering these incentives must prepare for the potential wave of people looking to capitalize on our country's new remote work reality. This could mean upgrading broadband connection to accommodate for the increase in use among individuals, or incentivizing larger companies to open locations in these cities. There will also need to be access to services and amenities such as "better schools and public services, parks and green spaces, safer streets, bike lanes, and walkable neighborhoods" (Florida & Ozimek, 2021, para. 14). These things might be made possible by new residents paying state taxes and increasing the city's tax base. If this occurs, the newcomers to the area would not be the only ones reaping the benefits; those already living in these areas would also enjoy new and improved services and amenities.

Other opportunities may arise for small businesses that serve as gathering places once the current pandemic is under control. Remote workers, especially those with no access to an office, will most likely be looking for amenities that allow them to leave the house for periods of time. Examples of these destinations include coffee shops, restaurants, parks, and breweries. Florida and Ozimek, 2021, noted, "Even before the pandemic, entrepreneurs in many second- and third-tier cities were building up the stocks of unique restaurants, shops, cafés, and co-working spaces." (para. 21). Rustic storefronts in quaint areas where people go to walk around when the weather is nice are prime locations. Often these areas are surrounded by neighborhoods named "15-minute neighborhoods" by urbanists (Florida & Ozimek, 2021). "15-minute neighborhoods" are essentially areas where all life's necessities are just a walk or a bike-ride away. With the implementation of these neighborhoods, remote workers would be able to find a community to embrace while still staying away from traditional in-office work.

The trouble for many in deciding whether to move involves weighing the pros and cons of leaving their current area of residence. Obviously, a lower cost of living and access to cleaner air are pros, but many companies are offsetting the savings employees are receiving. Around 25% of employers are planning to reduce pay to reflect lower costs of living (Green & Tanzi, 2020). Companies have a right to adjust salaries when employees decide to move away from the physical location at which the company hired that employee to work. This results in some, who were attempting to save money and deal with financial stress, having their big city financial problems follow them to their new residences. Asking an employer about their policies for those who work remotely and decide to move out of the area is good advice. If a company determines pay based on where the employee lives, expected savings could be lost.

Remote work does not necessarily entail working from home. Somewhat related to moving out of big cities is the decision to take a break from big city living and hit the road. Thanks to wide-spread internet connectivity, remote work provides a work from 'almost anywhere' atmosphere. Documented by Julie Jargon (2020) when discussing RVshare, "As of September 21, its RV bookings for September through November have more than doubled year over year, and more than half are families with children under 18, RVshare Chief Executive Jon Gray said." (para. 3). This means people are making the most out of the pandemic and hitting the open road. Quoting Chevy Chase as Clark Griswold, "getting there is half the fun."

That said, many travelers are discovering some of the not-so-fun aspects of life on the road. Some families with children under 18 are trying out "roadschooling," using remote learning opportunities provided by the school they attended in their home states. As many parents are learning, the concept of "roadschooling" may work better in theory. Jargon (2020) talked with Patricia Winters about her family's experience attempting to do life on the road. Ms.

Winters has found that Wi-Fi at their campgrounds can be spotty, causing difficulty for her three boys to hear and participate in their virtual classes. However, Ms. Winters stated that this problem is not always a result of connectivity issues on their end. Many times, teachers have their own technical issues that prevent successful learning (Jargon, 2020). Though Wi-Fi connectivity can be slow at times all around the U.S., not just in remote areas, the issues are pushing companies to advance their nationwide connectivity and improve broadband strength. This evolution of Wi-Fi connectivity will help push forward the new era of remote work (and remote learning).

Others have relocated to wait out the pandemic in various resort towns around the U.S., resulting in resort towns setting new records for visitors, even amidst the pandemic. In Sun Valley, Idaho the high-end property market has boomed. For example, they recently saw a 14,000-square-foot mansion sell for $18 million, which marked the region's most expensive residential-property transaction ("The virus and America's resort towns," 2020). The prime minister of Barbados, Mia Mottley, is also thinking of unique ways to encourage the upper-class to "work remotely in paradise" per their recent ad campaign ("Barbados invites you to work from the beach," 2020). Many can think of worse ways to wait out the pandemic.

While some people seek to wait out the pandemic in paradise, others are not so fortunate. In some areas it can be hard to see the immediate effects of the pandemic when comparing the lower and upper classes, but in big cities the difference is very apparent. According to the Centers for Disease Control and Prevention, certain minorities, including African Americans, Hispanics, and Native Americans were three times more likely to contract COVID-19, and five times more likely to be hospitalized from the virus than Caucasian Americans ("The virus and America's resort towns," 2020). This gap in the ability to avoid the virus shows there could be a harsh reality for many lower income families to face on the other side of the pandemic. Low-income families, regardless of race, may lack the opportunity to work remotely. While remote work may slow the spread of COVID-19, thus lessening the potential exposure to this vulnerable section of the population, it also decreases economic activity. The decrease in economic activity also reduces jobs, taxes, and other programs essential to low-income families in big cities. Long-term impacts of decreased population must be examined.

The Effects of Remote Work On Health and Performance

Since the beginning of the COVID-19 pandemic mental health officials have been concerned with how the sudden shift to remote work would affect individuals and their well-being. Garen Staglin, 2020, stated, "The shift to remote work as a result of social distancing procedure during the COVID-19 pandemic might cause a surprising, even if relatively mild, deterioration of mental health." (para. 3). Staglin worried about the increase in isolation, not just from the shift to remote work, but from the implemented lockdowns that restricted people from actually leaving their homes at all. According to the research Staglin mentioned in his article, isolation can be two times as detrimental to physical and mental well-being as obesity. Another concern Staglin discussed related to employee burnout. Employees thrown into remote work were likely to feel pressure on their performances because of a lack of confirmation of good work on their employers' end. In 2019 a survey on tech workers working remotely, they found that 82% felt burnt out, 52% found themselves working longer than normal hours, and 40% felt they needed to contribute more than their in-office counterparts (Staglin, 2020). These results came out in March of 2020, right as the pandemic began.

The question remains regarding the actual effects of remote work on mental health. In a study mentioned in an article written by Rabah Kamal et al., 2020, there have been higher rates

of anxiety and depression reported among essential workers versus non-essential workers. Forty-two percent of essential workers reported symptoms of anxiety or depressive disorder, while only 30% of non-essential workers reported these symptoms (Kamal et al., 2020). In a survey done by Hinge Health of over 900 full-time and part-time workers, it was disclosed that nearly half of remote workers reported experiencing some sort of stress, anxiety, or depression. To build on that, 73% of people who reported experiencing these symptoms also reported them as new feelings that they have never experienced prior to working remotely due to COVID-19 (Barton, 2020). Unfortunately, most of the individuals who are struggling with mental health issues are not seeking out help. Only 31% of the individuals from the same study above are seeing a therapist occasionally. Over half are trusting in home remedies to solve their mental health issues (Barton, 2020). This lack of seeking help is causing many to struggle with feelings of stress, anxiety, and depression on a regular basis.

Another question worth considering is that if employees' mental health is taking a hit thanks to remote work, how is employee performance being impacted? Many companies have actually seen a boost in performance when employees work from home. According to a 2015 study by Stanford University on call center employees from the 16,000-employee company Ctrip, those working from home, "led to a 13% performance increase, of which 9% was from working more minutes per shift (fewer breaks and sick days) and 4% from more calls per minute (attributed to a quieter and more convenient working environment)" (Bloom et al., 2015, p. 165) While this study occurred prior to the pandemic, many things can be said of this study's results. The most pertinent observation is that working from home may not just be a fallback, but rather a viable option for many companies, depending on the implementation.

Figure 1

Among Essential and Nonessential Workers, Share of Adults Reporting Mental Distress and Substance Use, June 2020
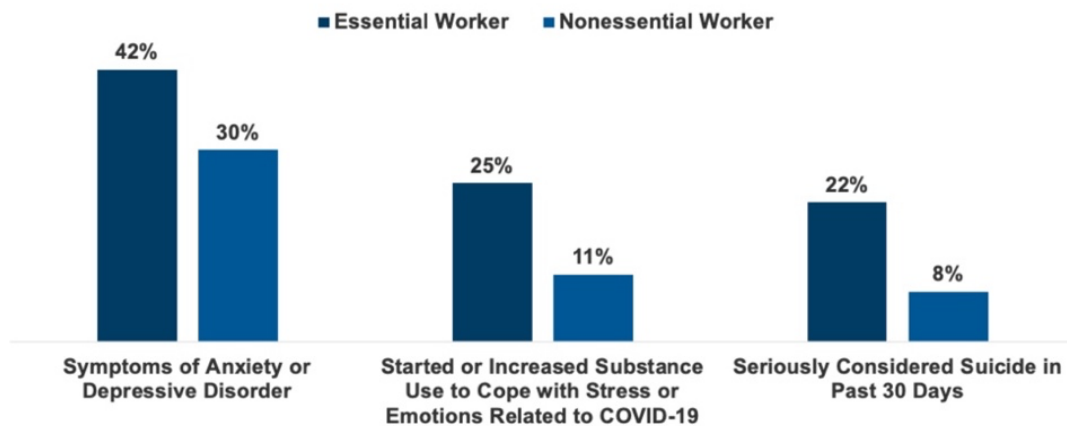
NOTES: Data is among adults ages 18 and above. Essential worker status was self-reported.
SOURCE: Czeisler MÉ , Lane RI, Petrosky E, et al. Mental Health, Substance Use, and Suicidal Ideation During the COVID-19 Pandemic — United States, June 24–30, 2020. MMWR Morb Mortal Wkly Rep 2020;69:1049–1057. DOI: http://dx.doi.org/10.15585/mmwr.mm6932a1

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Yet these mental health issues are largely going untreated

Despite feeling depressed or anxious, only 31% are seeing a therapist regularly or occasionally, with over half (53%) relying on their own home remedies for mental health like meditation, exercise or journaling and another 20% turning to prescription medication.
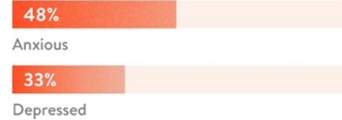
> Despite feeling depressed or anxious most of the time, only about 31% see a therapist occasionally or regularly.

How are remote workers with mental health issues feeling?

For one or more days a week:

96%
Anxious

82%
Depressed

For more than half the week:

48%
Anxious

33%
Depressed

Source: Hinge Health Survey Research, 2020

Remote work is also impacting employee mental health

With social isolation and loneliness topping the list of challenges for remote workers during COVID-19, mental health is also a growing issue for employees. Almost half (48%) of survey respondents said they're experiencing stress, anxiety, and depression since working from home. And 73% said their stress, anxiety, and depression have worsened or is a new experience they're feeling since remote work due to COVID-19.

Since working from home due to COVID-19...

48%
Workers experiencing stress, anxiety, and depression

73%
Stress, anxiety, and depression have worsened or it's a new experience

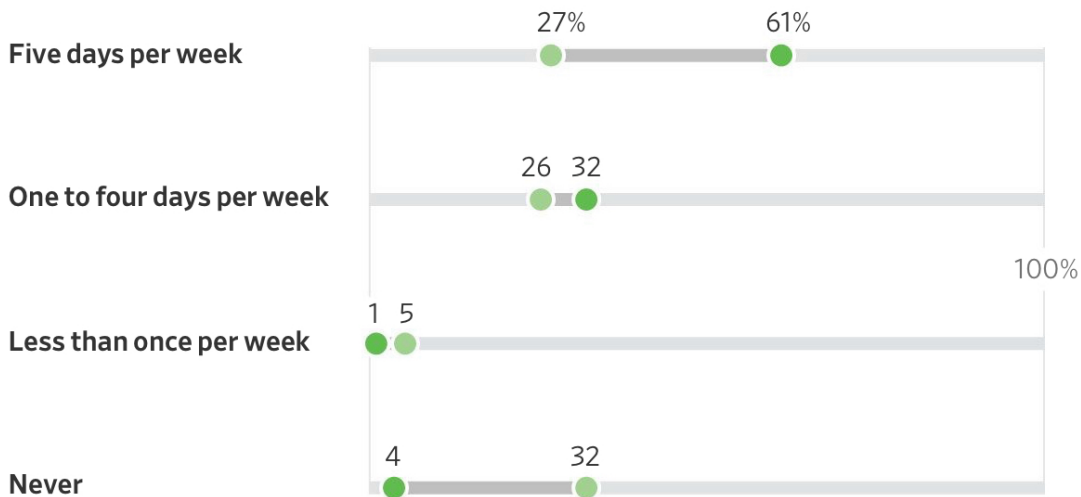Source: Hinge Health Survey Research, 2020

With the promising results in favor of remote work, like those listed above, the recent mass scale shift to remote work might not be as bad for companies as one might think. In a blog post titled, "Surprising Working From Home Productivity Statistics," reports from surveys after nine months of the COVID-19 pandemic were cited to find that working from home has increased productivity and spurring a quicker turnaround on projects ("Surprising Working From Home Productivity Statistics," 2021). This spike in productivity among remote workers could be thanks to people actually enjoying their remote work environment more than working in their offices. *The Wall Street Journal* published an article by Stephanie Stamm, Jan. 2, 2021, which provided a helpful illustration of peoples' preferences toward working remotely before the pandemic versus now. An illustration was also provided to show how people view their productivity working remotely versus working in company offices. In her article, Stamm quoted Steven Davis, a University of Chicago business and economics professor saying, "On average, workers and employers have been pleasantly surprised by productivity when working from home. Reality exceeded expectations" (Stamm, 2021, para. 6). Davis' reaction to the success of remote work is felt in companies all across the U.S. who may have been scared for their survival when lockdowns were first ordered.

U.S. work-from-home preferences, among people working from home during Covid-19

● Before Covid-19 ● Post-Covid-19

Five days per week 27% 61%

One to four days per week 26 32
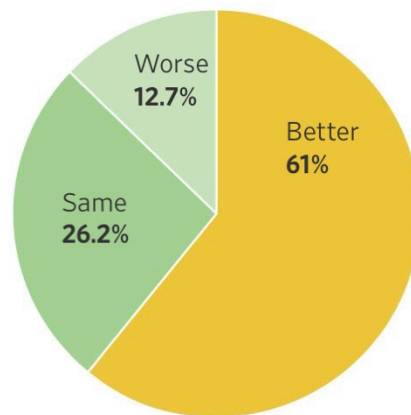
100%

Less than once per week 1 5

Never 4 32

Source: Global Workplace Analytics and Owl Labs State of Remote Work, October 2020 survey of 1,388 repondents who worked from home during Covid-19 conducted June-July 2020

Is WFH more efficient than the office?

Worse
15.3%

Better
41.2%

About
the same
43.5%
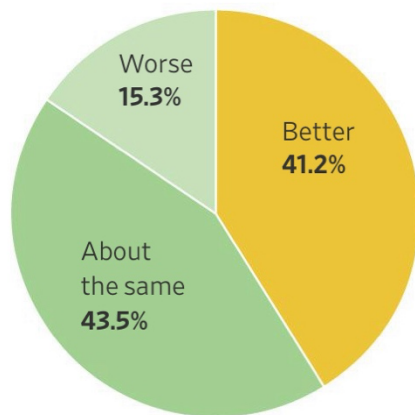
Has WFH met your expectations?

Worse
12.7%

Better
61%

Same
26.2%

Note: Data might not equal 100% due to rounding.
Source: Becker Friedman Institute for Economics at the University of Chicago online survey of 10,000 employees in August-November 2020 (efficiency); 15,000 employees in May- October 2020 (expectations)

After seeing the benefits to employee performance and the downfalls in employees' mental health, it is important to understand what is creating these outcomes. According to Fayard et al., 2021, just having "frequent in-person interactions leads to commitment, support, and cooperation among people on teams." (para. 10). Many individuals who at first welcomed the idea of remote work are not thinking so highly of it now. They found themselves lonely while at home, with a desire to see co-workers. "Even self-identified introverts who relish a chance to work from home discover that it can be too much of a good thing" (Fayard et al, 2021, para. 6). The boost in employee performance could be attributed to the employees feeling there was

nothing better they could be doing. The rise in workers experiencing symptoms of stress, anxiety, and depression could be due to employees missing their co-workers and feeling all they have in lives is their work. With all the hypothetical reasons why employees may be suffering from mental health issues, while still experiencing a higher level of work performance, companies have their work cut out for them to create the best possible work environment once pandemic restrictions are lifted.

What Can Employers and Their Employees Do

Many challenges are presented for companies incorporating remote work. Of those challenges, possibly the most pressing is communication. As described by Dhawan (2020) in *Harvard Business Review*, she will never forget a 30-minute pre-pandemic conference call where three participants, including the host, called from the office, while she and a colleague called from home. The office team spent almost the entire meeting conversing with each other, without including those who were remote. If this situation is common, it could be making remote employees feel expendable. Employers and in-office staff must proactively include remote workers when discussing work-related topics. This will help ensure that companies and their staff members are moving forward in the same direction, with no employees left behind.

When people work remotely, they miss out on another important aspect of communication in how humans interpret what others are saying–body language. Fayard et al., 2021, state "Studies in cognitive psychology and neuroscience show that human cognition depends not only on how the brain processes signals, but also on the environment in which those signals are received." (para. 7). This means when managers and their staff members speak with each other through a screen, they are unable to perceive the true connotations of the others' communication. This creates an unstable relationship between employees and their employers, where the ice is thin and likely to break, causing employees to leave or be fired, obviously decreasing firm performance through turnover. Employers must help bridge the physical gap created by remote work by creating opportunities for employees to actively engage and ask questions in virtual meetings. Specifically, clarifying questions related to what was meant by a certain phrase or point made by whoever is speaking must be part of virtual conversations.

Under the umbrella of communication also falls the issue of sharing knowledge (Sandvik et al., 2020). An environment where employees share knowledge with one another is not something relating to only remote work. Companies who offer sales incentives for the highest performers do not encouraging a knowledge-sharing environment; rather, they foster a competitive, let co-workers drown if they cannot solve their own problems, atmosphere. This begs the question as to whether incentives are truly beneficial to knowledge sharing. Research conducted by Sandvik et al. (2020) suggests otherwise. Through testing four separate groups over four weeks, they found that guided meetings with randomly chosen pairs increased sales productivity by 24%, while the group who received only explicit incentives saw a smaller 13% lift in sales performance. In the long-term, the workers from the same randomly chosen pairs with guided meetings averaged 18% higher sales production. No long-term gains were recognized from the group working on incentives alone. Based on the research of Sandvik et al. (2020), one can reasonably infer that meetings that spark social interaction and promote knowledge sharing can be more productive than incentives.

Even short conversations at co-workers' desks have been known to create an emotional and empathetic connection between co-workers. With no desks to approach in a remote work environment, employees must converse over some sort of remote platform. The problem with this is, "many remote encounters are purely task-forced and largely free of emotional

connection" (Fayard et al., 2021, para. 9). Companies need to seek ways to foster environments that promote spontaneous, non-work-related conversations in a remote workspace. This could be as simple as telling employees they are free to set up meetings with each other with no intentions other than to talk socially. These conversations will benefit the employer in the long-run because the employees will be more likely to remain with a company where they feel connected.

Keeping remote employees involved does not mean the employer must act like a helicopter parent, keeping an eye on every digital move each employee makes. Some may have other responsibilities while working from home, such as caring for their children who have been shifted to a remote learning format. These new responsibilities could leave employees working on different schedules. Marco Minervini, Darren Murph, and Phanish Puranam (2020) wrote an article for *Harvard Business Review* where they studied a tech company by the name of GitLab. GitLab kept all employees working remotely since being founded in 2014. The article states that with employees in over 65 countries, GitLab allows employees to work on projects regardless of their preferred time. One problem with maintaining a completely remote workforce is the lack of social interaction. This interaction can boost morale and help employees culminate their ideas. To achieve this needed interaction, GitLab set up three meetings a day in which employees can attend and discuss what they have been working on (Minervini et al., 2020). While it proves difficult to encourage collaboration through remote work, it can be done. Employers with staff members working remotely must continue to provide avenues for employee engagement.

As most know, a large circle of friends can improve quality of life. Studies show that having friends at work results in employees who perform better, are more engaged, and experience more overall happiness with their jobs (Schinoff et al., 2019). However, with the current remote climate of the workplace, making friends with unknown colleagues can be difficult. A key to overcoming this remote difficulty, according to Schinoff et al. (2019), is first developing a cadence with coworkers. This cadence, or ability to regularly meet with coworkers to discuss various matters, can help form a friendship. If while in cadence, employees find themselves checking off different communication preferences, they may then begin to check off a personal list of friendship preferences (Schinoff et al. 2019). As employers and managers, it is important to regularly verify that employees are getting along and enjoying working with one another. Keeping a high employee satisfaction and retention rate should then be more easily attainable.

How Remote Work Should Be Used Moving Forward

It is impossible to see a future without remote work in some capacity, especially after the COVID-19 pandemic. Many wonder just how predominant remote work will become. What types of offices will be common? Which employee roles will continue working only in-person? Who will have the opportunity to work remotely? Is there a happy medium that can be found between remote work and in-person work? These questions are all relevant to the future of the U.S. workforce. In the following paragraphs, I will give my insight on potential answers to these questions.

First, I firmly believe there will still be much use for on-site offices. Companies should abandon office space just to save money, but I do not believe offices will or should be used in the same ways they were prior to the pandemic. I view office buildings as locations for all stakeholders of a company to gather and engage with one another, rather than a place to complete busy-work. Many office buildings need to tear down some walls, and others need a complete re-design to promote this engagement. A strong example of how offices spaces should be used is the Olympic House office located in Lausanne, Switzerland. One manager had this to

say about the layout of the staircase in the building, "Those spaces around the staircase are full of sofas and coffee corners where we like to spend five or 10 minutes speaking with colleagues about open points that we need to tackle, rather than sending a lot of emails. And this human element is at the heart of what we do" (Fayard et al., 2021, para. 24). If all companies were able to promote the same level of engagement within their offices, it would allow employees to collaborate with one another while in the office, and then handle their personal work at home. This is important because often times employees waste time coming into the office, trying to show their bosses they are working hard on days when they simply need to take time to themselves to complete a personal task. Therefore, implementing these engagement-based office buildings could dismantle the stigma that an office is for busy-work, rather than for collaboration.

Some jobs require more collaboration than others. These roles may need to spend more time in the office than others. Still, if the job does not require in-person action, employees should be given the opportunity to choose between sometimes working remotely or in-person. I do not believe employees should be given the ultimate decision, but on days when they could complete their work in either setting, they should be given the freedom to choose. Companies could possibly offer short surveys for employees to complete at the beginning of each week, letting the employer know which days and time blocks they feel capable of completing their tasks at home versus in the office. Additionally, as it relates to the choice between working remotely or in-person, interviewers should ask prospective employees which preferences the interviewee has toward their work environment. This will help employers and potential employees be on the same page as to what is expected of one another.

Finding the happy medium between remote and in-person work proves challenging. Employers should try different strategies and see what works best for employee production, satisfaction, and retention. This trial-and-error could include bringing half of the workforce in on one day, and the other half in on another day, and testing the performance outcomes. There is no right way to approach the full shift back into offices as all pandemic restrictions are lifted, but there was no right way to approach the forced shift to remote work in March of 2020. Companies will have to expect temporary failures to find what really works to move their companies and workforce forward.

Conclusion

Many will remain pessimistic toward new societal shifts, and many of those rejecting remote work have good reasons. Some see remote work as harmful to employees' mental health and detrimental to collaboration among employees. Reed Hastings, founder and co-CEO of Netflix, takes this non-optimistic stance toward remote work. He was quoted in a *Wall Street Journal* article by Joe Flint (2020), saying, "No. I don't see any positives. Not being able to get together in person, particularly internationally, is a pure negative." (para. 9). Despite not being keen on remote work, even Hastings will admit there is likely to be a change in the typical work week after the COVID-19 pandemic. He contrasts his ideal position of returning to the office twelve hours after receiving the vaccine with a more realistic position that the return to the office will likely happen six months after a majority is vaccinated (Flint, 2020). People should not mistake Mr. Hastings' strong anti-remote position to mean the workplace climate is eventually returning to normal.

With states beginning to ease restrictions and some even trying to return to pre-pandemic norms, one thing is certain, remote work will remain present in some capacity going forward. According to Alexandra Samuel (2020), "More than 80% of people who were new to remote

work said they wanted to keep working remotely at least part-time in the future, though only 15% said they would want to do so five days a week." (para. 2). Of those already working from home in some capacity pre-pandemic, 65% would like to work remotely full-time even when/if life goes back to pre-pandemic norms (Samuel, 2020). These numbers suggest the workplace will never return to what it was; the needs and desires of the workforce will continue to push society forward. Individuals must think about what they want their lives to look like in the future, and employers need to start making plans to serve the changing needs of employees.

Discussion

The information presented can be interpreted in many ways, depending on personal views. Some might place a higher value on things such as mental health benefits from in-person work, while others might put a higher value on productivity and performance, which seems to rise among remote workers. Employees must communicate with their employers if they enjoy working remotely and want to continue. Those who moved away from their company's office area and would like to stay where they have relocated must also communicate that desire with upper-level managers. With this variance in placement of value, a mix of in-person and remote work seems the most logical middle ground, especially with research showing remote work on the rise. Now that the vaccine is being distributed all around the U.S., employers should already have a plan in place for how the workplace environment will look going forward. A well-rounded approach to satisfying both those who prefer remote work and those who don't will be vital to the retention of top performers and all other employees.

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