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Productivity Working From Home

During The Pandemic

by

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Honors Thesis submitted to the Peter T. Paul College of Business and Economics

University of New Hampshire

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Introduction

As we all know, back in March 2020 the world was shut down and everything was put on pause for what was supposed to be two weeks. Three years later, we are still dealing with the repercussions of the Coronavirus (Covid19) pandemic. When the pandemic started, students were sent home from colleges, grade schools were shut down, and even offices and restaurants were closed. We entered into a whole new remote world that we never knew before.

Working from home is now much more common than it was pre pandemic. According to *Statista*, before Covid19 only 17% of the US population worked from home more than five days a week, now after 2020 approximately 44% of the US population works from home more than five days a week (Sava, 2022). That is almost half of the working population being fully remote. In order for companies to stay remote three years after the pandemic they must be seeing some form of positive work productivity rates.

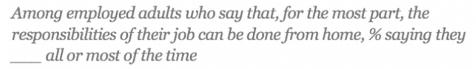
The underlying research of this paper will help readers better understand the working from home environment and how productive workers actually are. While I can not say the entire workforce is going to stay remote for eternity, I do believe that working from home is here to stay.

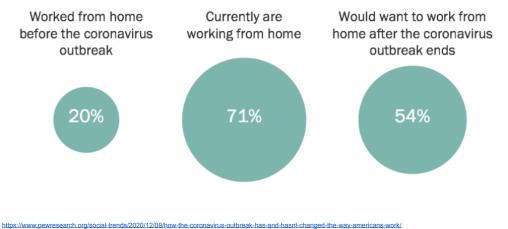
Throughout my research on productivity working from home during the Covid19 pandemic I came up with four research questions I wanted to dive deeper into. How productive are employees while working from home versus in the office? Is there a difference between men and women productivity working from home? Are parents more productive than childless employees? Do most companies plan on staying hybrid/fully remote in the future? This paper will serve as a resource to anyone looking into productivity in the working from home industry.

History of Working From Home

Working from home was always a dream for many in the working field, but before March 2020 it was not a common reality. According to *Pew Research Center*, only 20% of the U.S. population worked remotely frequently before the coronavirus outbreak. They did a study of 5,858 U.S. adults randomly sampled across the United States of America who work part time or full time. Working from home was more of a luxury than reality before the pandemic, although many would still consider it a luxury today!

[Data Source: Pew Research Center]





Productivity increases during Pandemic Working from Home

While it is widely known that working from home allows people more access to employees' personal lives during work hours for chores, such as catching up on laundry, taking the dog for a walk, and making dinner, etc. Working from home has also increased employees' accessibility to their workload which inevitably increased their productivity.

Before employees started working from home they used to go into the office five days a week. During the work week, employees would get up hours before work to get ready. Work mornings consist of making breakfast/coffee, getting their children up and ready for school, and taking a dog for a walk, before starting their commute to work where they sit in rush hour traffic for sometimes over an hour. By the time they got to work they would go on another coffee run to get their energy back to start their work day and would make small talk with their coworkers on their way to the coffee shop.

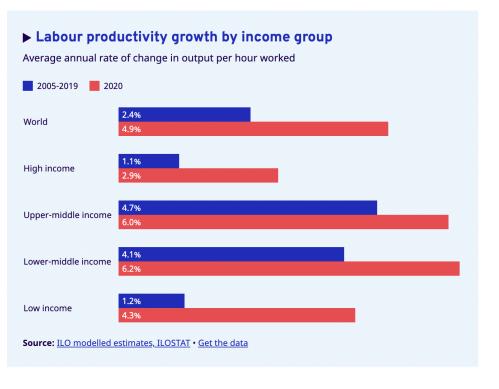
Mingling with coworkers is a main distractor of productivity when working from the office. The whole office goes for an hour lunch break and catches up on their weekends and lives at home, as well as an after lunch coffee break too. Socializing and breaks collectively account for at least two hours of distractions in the office which has a major negative effect on productivity.

But since working from home started, employees are no longer taking those breaks from the office to try and get away from their desk. There is also not as much socializing between coworkers because they are not face to face. Therefore, working from home increases productivity for many reasons. Having easy accessibility to work is a major factor, because if it is after hours or the weekend, it is common that employees

will jump on for an hour or two to catch up or get ahead on work. Most employees eat lunch at their computer because being in the presence of your own home is comforting to many people so they do not mind sacrificing a few coffee breaks or a longer lunch break.

Work productivity has increased since the pandemic due to the fact that people can customize a work life/environment that works best for them. According to the International *Labour Organization* "The world's output per hour worked surged 4.9 per cent in 2020, more than double the long-term average annual rate of 2.4 per cent registered between 2005 and 2019" (Kapsos, 2021). Employees are prioritizing work more now than ever because they have access to it from their home. The easy convenience for the employees to jump on a work call or plan a meeting is one of the main reasons why they are much more productive working from home.

Based on a study done by the *Pew Research Center*, "On the plus side, most (64%) of those who are now working from home at least some of the time, but rarely or never did before the pandemic, say it's easier now for them to balance work with their personal life. And many (44%) say working from home has made it easier for them to get their work done and meet deadlines" (Parker et al. 2022). Approximately ²/₃ of the study suggests that it is more productive working from home and that it is easier for them. Making the shift to remote work made it easier for employees to get their work done because besides children, if they have any, there are less distractions at home. Therefore, the less distractions, the more productive the employees can be.



[Data Source: International Labour Organization]

According to this chart, the productivity rate by income group almost doubled for a majority of the categories if not more than doubled. Also it proves how all groups were much more productive, not only certain categories.

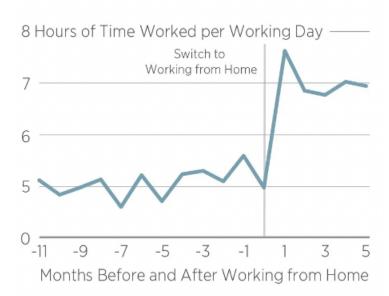
While employees are now able to let their dogs out, change their laundry, cook lunch, etc. Having the freedom to do all these things during the work day leaves them more time to do work after work hours typically end. When an employee finishes their workday in the office they then have to commute home and do all the errands/chores they pushed aside during the day, whereas when working from home the end of your workday is more flexible considering you do not need to commute, rush somewhere after work, etc. Having the flexibility of being able to work from home makes it easier for

https://ilostat.ilo.org/why-would-labour-productivity-surge-during-a-pandemic/#-~text=The%20impact%20of%20the%20COVID.registered%20between%202005%20and%202019

the employees to work overtime because they have easy access to their materials at all times of the day.

[Data Source: Becker Friedman Institute]

Average Outcomes by Month



a) Input: Time Worked per Working Day

https://bfi.uchicago.edu/insight/finding/work-from-home-productivity-evidence-from-personnel-analytics-data-on-it-professionals/

According to this chart, before the Covid19 pandemic when employees were working in the office they worked an average of 5 total hours a day. Whereas when companies made the switch to remote work after the Covid19 strike, the average time worked per working day steadily increased to 7-8 hours everyday. This helps us better understand that employees are more productive at home rather than in the office because they are able to work more hours from home with less distractions.

Having employees be comfortable in their work setting is very important because people thrive best when they are comfortable. If an employee goes into work everyday and has no friendly coworkers they are going to dread being there and find every

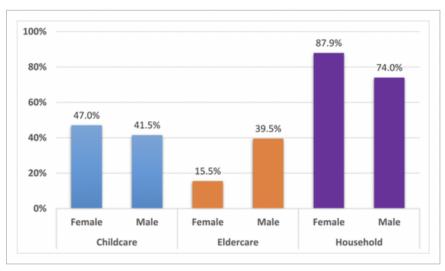
excuse to get away from their desk. Or in the other case, if an employee goes into work and has a million friendly coworkers they will not get a lot of work done because they will be talking most of the day. So, having people work in their own comfortable environment at home leads them to thrive to the best of their ability. A study done by *Apollo Technical*, suggests that "On average, those who work from home spend 10 minutes less a day being unproductive, work one more day a week, and are 47% more productive" (Apollo Technical, 2023). Working from home makes it easier for employees to be productive due to the less distractions and easy access to their work materials. If an employee has no children at home, they have very minimal distraction and can spend their free time working. Overall, productivity of working from home is much higher compared to the productivity of working in the office.

Men versus Women Productivity Working from Home During Pandemic

The Covid19 pandemic created a gender gap in work productivity between men and women working from home. The perceived gender gap created by covid19 was due to house chores and children being homeschooled during the pandemic. As we all know in 2020 when Covid19 first hit the USA all schools and offices were shut down. Considering children still needed to be learning and moving forth with their education, there was a lot of homeschooling starting. Zoom software had a hard launch into the school systems due to online learning but children can only learn so much and pay attention for so long through a screen. That is where a lot of mothers jumped in and took over helping to teach their children as well as entertaining them outside of class time. According to an article found on *Brookings*, "Those who can work from home must

also care for or help teach their children in the case of inaccessible childcare or limited in-person instruction at schools" (Bateman & Ross, 2020). Mothers stepped up and took charge during the pandemic which inevitably caused their productivity rates to drop, and even caused women to guit and/or get fired from their jobs. Having both a mother and father working from home during the pandemic usually resulted in the mother taking time away from her job to take care of the children and house chores and the father kept working to provide for the family. A study done by *Brookings* furthers this point with the fact that "COVID-19 has also increased the pressure on working mothers, low-wage and otherwise. In a survey from May and June, one out of four women who became unemployed during the pandemic reported the job loss was due to a lack of childcare, twice the rate of men surveyed" (Bateman & Ross, 2020). Not only did women lose their jobs but men's productivity rates increased. This results in a work productivity gap because since the women were spending much more time away from their screen and work, their productivity was decreasing. Whereas the men working from home did not have the social distractions they had in the office. So they were able to improve their productivity because they had more time to spend working.

[Data Source: Wiley Online Library]



https://onlinelibrary.wiley.com/doi/10.1111/gwao.12690

This chart provides the percentage of females versus males in three different categories. The two categories helping to further my point are childcare and household. The women have higher percentages in both of those categories. Further proving that females took most of the responsibility of the household during the pandemic and put their careers on the back burner.

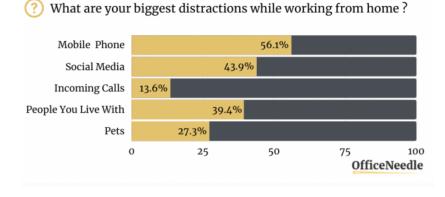
While working from home has decreased womens productivity rates, it has done the opposite for men. According to *CBS News*, "Male workers report being more productive while working from home, too: 70% of them say their productivity has increased since the start of the pandemic, compared to 41% of women who say they've seen similar improvements" (Cerullo, 2020). Men working from home got to eliminate the commute and all distractions at the office. Having the extra hours and no co-workers bending their ears at work causes their productivity rates to increase. According to the *CBS News* article fathers are more likely to get an at home office so they can focus and get their work done (Cerullo, 2020). In general, working from home has caused a decrease in productivity for women in comparison to men but it is different for each person/family. These statistics are based on studies and the most common findings.

Parents versus Childless Employees Productivity Working from Home During Pandemic

Before Covid19 parents were perceived to be more productive at work than those without children because they know how to multitask as well as handle stressful situations. This article states that those with two or more children are the most productive because they know how to get things done in a time crunch and how to be most efficient with their time. According to *Inc.com*, "At any rate, mothers with at least two kids are most productive of all, according to a study by the Federal Reserve Bank of St. Louis, which found that over the course of a 30-year career, mothers outperform women without children" (Stillman, 2023). Parents make better leaders due to the fact that they know how to manage stress and negotiate. Although, this is all under the impression that they are working in the office. If the environment was to shift remote like most employers did after the covid19 lockdown then they would be in a dilemma because the reason parents are so good with multitasking is due to their kids. Since the kids are at home with the parents now it is the mothers duty to take care of them which resulted in a decrease in work productivity, but still better than those without children.

Besides the fact that parents have more responsibilities working from home, research proves that parents are more productive working from home compared to people without children. A study completed by *People* that "parents who are working

from home as the coronavirus global health crisis continues to play out may find themselves being more productive than their childless counterparts" (Juneau, 2020). While parents have distractions provided by their children and house chores, childless employees' number one distraction causing their productivity to decrease is social media.



[Data Source: Market Business News]

https://marketbusinessnews.com/what-do-remote-workers-use-as-a-distraction-during-wfh/288142/

According to this chart, the main distractions affecting productivity are cell phones and social media. While studies show that having children at home negatively affects your productivity, it is not the biggest distractor. Childless employees get distracted easier and are not as good at multitasking as parents.

Another factor determining who is more productive has to do with the fact of how much work is assigned. Childless employees are expected to do more and have larger workloads due to the fact that they have no children or families at home. Companies are taking work from the parents and giving it to the childless employees to give the parents an easier transition and more time with their children. *BBC* states "But they don't want to be taken for granted. Ultimately, it's up to employers to ensure balanced workloads and respect for everyone's work-life balance, so that resentment doesn't fester among

people based on their parenting status" (Ro, 2021). Childless employees are facing a decrease in productivity because they feel as though they are being mistreated compared to parents. It is understandable that parents need more time off for children's sports tournaments or doctors appointments. But the childless employees are starting to feel as though it is becoming personal and they are picking up a lot of extra work which inevitably affects their work-life balance and causes them to be unhappy. But due to the fact they have extra loads of work and get distracted easier, their productivity rates are lower working from home than parents.

While both parents and childless employees have increased productivity rates working from home compared to working in office, it is just the matter of who is more productive; parents or the childless employees. Due to the research and studies mentioned above, the childless employees have a lower productivity rate working from home than the parents.

The Future of Working From Home

Ever since March 2020 we are all well aware that working from home has become the new norm. While I previously talked about how working from home increased productivity, it also has other benefits such as better work-life balance, saving money, healthier choices and lifestyle, and increased job satisfaction. Now that companies have proved they can function and thrive while their employees are working from home the employees it will be hard to get everyone into the office again full time.

According to a *Stanford University* study, "We find that 42 percent of the U.S. labor force are now working from home full time, while another 33 percent are not working — a testament to the savage impact of the lockdown recession. The remaining

26 percent are working on their business's premises, primarily as essential service workers. Almost twice as many employees are working from home as at a workplace" (Bloom, 2020). Now that most people have experienced working from home they do not want to make the switch back into the office. Pre Pandemic working from home was not very common and a majority of the U.S. economy would have never seen their job having that option.

[Data Source: Stanford University]

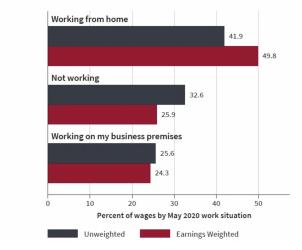
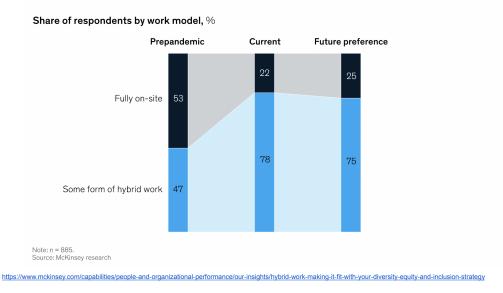


Figure 1: WFH now accounts for over 60% of US economic activity

While some companies plan on staying fully remote, hybrid working environments are becoming more popular everyday. A hybrid work schedule consists of both in office and at home work each week. This hybrid work model is a perfect combination of what both employees and employers want. While employees love working from the comfort of their home it is beneficial to have the option to go in and work with a group one or two days a week. Working in person does have its perks so employers want their employees to have the best of both worlds, which is why hybrid work environments are so popular today.

https://siepr.stanford.edu/publications/policy-brief/how-working-home-works-out

[Data Source: McKiney & Company]



There has been a massive shift during the pandemic toward hybrid work, and employees prefer it.

According to this chart, research done by McKinsey suggests that 75% of people prefer some form of hybrid work rather than going back into the office full time. With this being shown I do believe that hybrid work is our future and it has the best of both worlds for both employers and employees.

Overall, the future of working from home is hybrid and remote. Not many companies plan on going back into the office full time because they know their employees do not want to and they could find another job elsewhere that offers a hybrid model. As long as the productivity rates stay up and the employees are keeping their employers and companies satisfied with their overall work performance there is no reason to force people back to the office full time.

Conclusions and Predictions

Productivity working from home has become an important discussion topic across the USA. As the pandemic is finally starting to level out and people are starting to go back into the office, companies need to decide what they want to do with their employees for the future. Are their productivity rates high enough to allow everyone to stay remote? Is it more beneficial to bring everyone back into the office five days a week? Can they compromise with a happy medium hybrid schedule? These are all questions only time will tell the answers for.

In terms of productivity in office versus remote, it was proven that the employees productivity rates increased while they are working out of their home offices. Their distractions are minimum and their breaks are much shorter than they are when in person. Having easy access to their work while they are home allows employees to work overtime more frequently and get ahead on projects. Based on the research that was found it appears as though working from home was a benefit to companies because the employees productivity increased.

Men versus Women productivity is where the research found a gender gap coming to life. Although the overall productivity is at an all time high while employees are working from home, womens productivity specifically suffers the most. While men usually get an at home space to call their office where there is peace and quiet for them to focus on work. Women gained not only more house chores but also childcare responsibilities when children were sent home from school and forced to online learning. Therefore, research shows that mens productivity rates increased much more drastically than womens productivity rates due to this perceived gender gap.

Data on parents versus childless employees working from home concluded that parents are more productive working from home due to the distractions the childless employees encounter. In the office, parents tend to be better leaders and more productive due to the practice of multitasking with their children at home. This would lead us to believe once they got sent home their productivity would be at an all time low. But once they developed a routine they are able to multitask much better than childless employees and actually had higher productivity. Childless employees have more distractions and are less productive at home, as well as having a workload increase.

After researching how productive working from home really is, it left us with the question: is remote work here to stay? The answer is yes, while studies showed that men and women have different lives working from home, the overall productivity rates increased. As well as productivity rates increasing there are many other benefits to working from home and employees do not wish to switch back to fully remote. In conclusion, hybrid schedules are the future so it is the best of both worlds for employees and employers!

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