Topic: How Has the Pandemic Changed the Way We Work?

ESRI International Roundtable
December 2021
Work from Home Before, During, and After COVID

Percentage of paid full days worked from home

How much workers say they WFH during the pandemic.

What workers say about employer plans regarding WFH after the pandemic ends

“During” and “After” statistics based on the Survey of Working Arrangements and Attitudes.
Source: “Why Working from Home Will Stick,” Barrero, Bloom and Davis, 2021 (BBD)
Sample Survey Question

6. **After COVID, in 2022 and later**, how often is your employer planning for you to work full days at home?

- Never
- About once or twice per month
- 1 day per week
- 2 days per week
- 3 days per week
- 4 days per week
- 5+ days per week
- My employer has not discussed this matter with me or announced a policy about it
- I have no employer
Why the big shift to WFH will partly stick

1. Mass experimentation and learning → re-optimization of working arrangements
2. Investments (in time, equipment, systems, and processes) by workers and firms that enable WFH
3. Attitudinal shifts:
   • Stigma around WFH has plummeted
   • Long-lingering fears of infection risks
4. A surge in innovation that supports WFH
5. Long COVID pandemic entrenches the shift to WFH
Relative to expectations, how has WFH turned out?

Compared to your expectations before COVID (in 2019) how has working from home turned out for you?

- Hugely better -- I am 20%+ more productive than I expected
- Substantially better -- I am to 10% to 19% more productive than I expected
- Better -- I am 1% to 9% more productive than I expected
- About the same
- Worse -- I am 1% to 9% less productive than I expected
- Substantially worse -- I am to 10% to 19% less productive than I expected
- Hugely worse -- I am 20%+ less productive than I expected
Desired and Planned Levels of WFH after the Pandemic
Rise with WFH Productivity Surprises during the Pandemic

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Desired and Planned Levels of WFH after the Pandemic
Working with the European Bank for Reconstruction and Development, we fielded a version of the SWAA across 15 countries in October 2021. The chart at left displays relationships in the pooled sample, which has roughly one to two thousand observations per country. Most of the countries are in Europe, but the sample includes Australia, China, Egypt, and Turkey.

We plan to field a second survey wave across 25 countries in the near future.
Respondents report their employers’ post-COVID work-from-home plans continue their upward march as of October 2021.

Responses to the question:
- **After COVID, in 2022 and later, how often is your employer planning for you to work full days at home?**

**Sample:** Data are from all SWAA waves, covering July 2020 to August 2021. The sample includes all respondents who reported their employer’s plans for post-COVID WFH. In particular, we exclude respondents who report having no employer.

N = 48,665

For more results and monthly updates, go to [https://wfhresearch.com](https://wfhresearch.com).
Implications and Consequences

1. Less commuting, especially via mass transit
2. Big worker benefits, mainly for well educated & highly paid
3. Nettlesome management challenges
4. Estimated one-time productivity boost from shift to WFH: 4.7% true gain and 1% measured gains.
5. Productivity gains from better internet access
   • Universal access to reliable, high-speed home internet service would raise labor productivity by another 1.1%
   • Flow gains are nearly 3X as large during COVID-like disasters
6. Big worker spending drops in city centers

Points 4 and 5 above reflect estimates for the U.S. The extent of the shift to WFH and its impact on productivity will differ greatly across countries.
Some Managerial Challenges

Employee desires to WFH >> employer plans for WFH

• Bigger gaps for workers with lower earnings.
• Minority-group members and college-educated women with children express stronger desires to WFH.
• >40% of US workers say they will quit or seek another job if employer requires a return to the workplace 5 days a week

Bring everyone back 5 days a week?

• Retention and recruitment challenges, might need to pay more

Embrace the Shift to WFH?

• How to make it work for the organization, and employees
Tradeoffs

Advantages of the Employer Worksite
1. Often, that’s where to engage customers/clients/patients
2. Good for company culture and cohesion
3. Good for creativity that flows from in-person interactions
...

Advantages of Working From Home
1. Saves on commute
2. More quiet time/fewer distractions
3. Greater workday flexibility
...

Hybrid working arrangements aim for the best of both. But how to sustain company culture, foster creativity, mentor the less experienced, monitor and manage remote workers, coordinate remote and onsite workers, manage worker expectations and perceptions,…?
Most large U.S. firms are not planning on full choice

Q: “Who decides which days and how many days employees work remotely?”

Given Lots of WFH after the Pandemic Ends, Universal Home Access to High-Quality Internet Service Would:

1. Raise earnings-weighted average labor productivity by an estimated 1.1% in the post-pandemic economy.
   - Implied U.S. output gains are $160 billion per year.
   - $4 trillion when capitalized at a 4% annual rate.

2. Raise flow output during future COVID-like disasters by three times as much.
   - Thus, widespread high-quality home internet access promotes greater economic resilience during future disasters that inhibit travel and in-person interactions.

See “Internet Access and its Implications for Productivity, Inequality, and Resilience” by Barrero, Bloom and Davis, July 2021, NBER w.p. 29102 for details.
References


Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis. 2021. Let Me Work from Home, or I Will Find another Job,” VoxEU CEPR Policy Portal, 26 July.
