DID WFH REALLY WORK?

OCTOBER 07 2020

IA INTERIOR ARCHITECTS

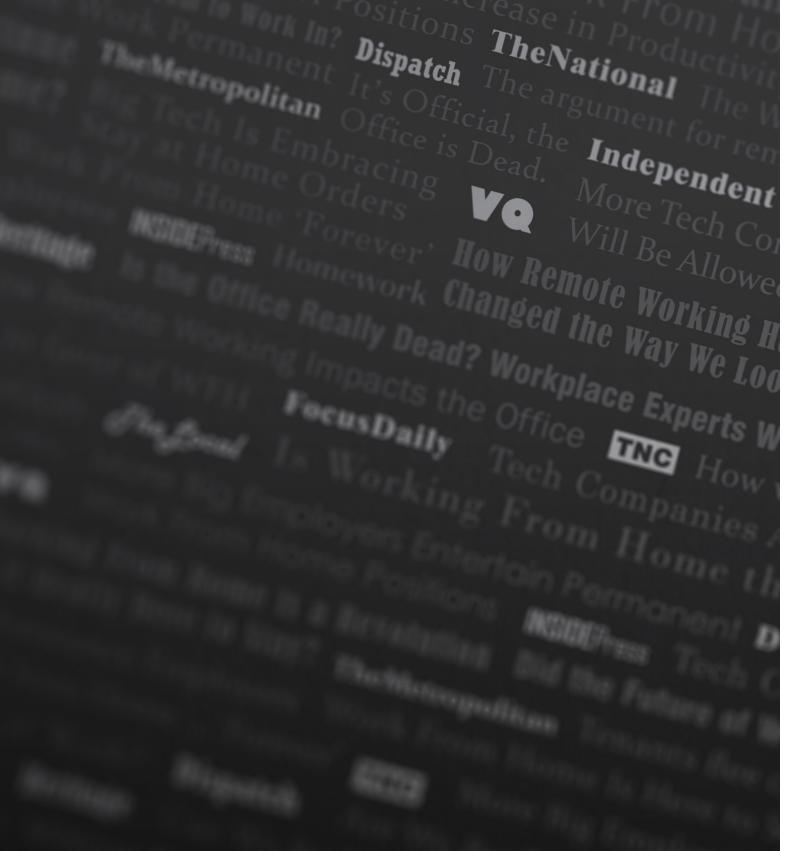
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OVERVIEW

Did Work-From-Home Really Work?

We are in the midst of a national conversation such extremes were new territory for most. And regarding the fate of the physical workplace. Articles the experience has offered up something of an forecasting a very changed work paradigm in the epiphany: work-from-home worked. Enabled by post-pandemic world are everywhere, their headlines mobile technology, people kept producing, in turn trumpeting, "The Age of the Office Is Over"; "The saving thousands of companies from having to shut Office Is Dead"; "Work From Home is Here to Stay"; down, and sparing millions of people job loss. It is "Never Go Back to the Office." notable that in the first wave of unemployment in the United States, only 10% of filings were by people whose jobs could be conducted remotely.¹

This spotlight on the physical workplace is the direct outcome of stay-at-home orders put in place throughout much of the world in early 2020 to slow Now, based on the perceived success of working the spread of the COVID-19 virus. People fortunate from home during COVID, many organizations enough to have job roles that could viably be are considering greatly expanding remote work. A Gartner survey of Chief Financial Officers found carried out from home were mobilized to do so. 74% of organizations plan to shift some employees With very little time for planning, traditionally officebased organizations found themselves with large to remote work permanently, even after a vaccine is percentages—in some cases all—of their workforce found.² stationed at home rather than the workplace.

TRIAL BY EMERGENCY

The logic is straightforward: technologies exist to let employees work anywhere and businesses just learned firsthand that the model can work; in fact, many were surprised just how successfully they made While many companies had experimented with some degree of remote work before the pandemic, the transition from office to home.

IA INTERIOR ARCHITECTS

Ultimately, IA's goal has always been to improve people's lives through visionary design. Since 1984, we have been translating client goals, brand, and culture into environments built around people, processes, technologies, and business drivers. As architects, designers, strategists, and environmental

specialists, we align business strategies and core values with the dynamic use of space. Our team consists of talented professionals who come from different places and have unique perspectives, but all share one common goal and passion-design for the needs of the client.

"SUCCESS" DEPENDS ON THE CRITERIA

The lens through which we view this work-from-home period is important. Looked at as an emergency response, work-from-home can be deemed successful: it helped to flatten the transmission curve of the virus and protected employee lives.

But as we enter one of the most complex and challenging business climates in a century, market survival will mean being competitive. And that fundamentally changes the criteria to judge working from home during COVID-19 and whether it should be expanded as a post-pandemic strategy. It raises the bar from "did work-from-home work?" to "did it work better?"; will increasing remote work help to deliver competitive advantage better than having people together in the workplace?

Looked at through that lens, far from calling into question the future of the office, work-from-home during the pandemic has actually reaffirmed the value of the physical workplace and its singular power to help people, teams, and organizations thrive.

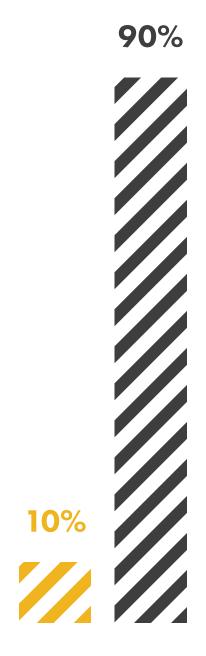
DIGITAL BREADCRUMBS

Work-from-home during COVID is, at heart, a technology story—from the platforms that virtually connected employees to networks and each other, to the embrace of video conferencing and the overnight ubiquity of the Zoom call. While these technologies existed well before COVID, the pandemic acted as a catalyst for their wide spread adoption.

Technology use leaves trails of data, like digital breadcrumbs, and many collaborative platforms and software providers are generously sharing their data comparing use patterns before and during COVID. So while not too long ago our evaluative methods for this unprecedented period of remote work would have relied largely on anecdotal measures, today we're able to follow the breadcrumbs and round out subjective tools like surveys with objective data. Focusing on the peak lockdown period of mid-March and through May of 2020, we arrive at a much more holistic understanding of how work changes when you displace it from office to home.

POST PANDEMIC, SURVIVAL WILL MEAN BEING COMPETITIVE.

That changes the criteria to evaluate remote work. The question moves from 'Does it work?' to 'Does it work



THE ABILITY TO WORK-FROM-HOME SAVED MILLIONS OF JOBS.

Only 10% of jobs that were lost could be teleworked; the remaining 90% could not.

ANALYSIS OF THE PEAK LOCKDOWN PERIOD FROM MID-MARCH TO MAY REVEALS DISTINCT CHANGES IN WORK PATTERNS COMPARED TO THOSE PRE-COVID.

Understanding these changes is critical for organizations considering expanding remote work postpandemic.

WHAT'S CHANGED

How Work Changed During Work-From-Home Restrictions

The move to work-from-home wasn't simply a location swap; we didn't just go about our jobs in the same way at home as we did in the office. There were fundamental and very impactful shifts in the way we worked, with significant implications for any organization considering expanding remote work programs.

Meetings increased. While there is a wide range of percentage increases being reported, even just taking a more conservative estimate, from the National Bureau of Economic Research, the number of meetings went up by 13% as compared to pre-COVID work patterns.³

Meetings turned inward. Since people weren't together physically, they needed to check-in a lot more often. Internal meetings—those with people within the same company— increased to more than

60% of overall weekly meetings during work-fromhome, while meetings with people external to the organization decreased to less than 40%.⁴ This runs counter to most organizations pursuing increased external orientation and awareness for their employees.

Meeting purpose changed. Most meetings can be grouped into one of three categories: organizational—coordinating tasks, reporting, informing; evaluative—considering options, making decisions, reviewing progress; and generative brainstorming, creating new ideas, solving problems. During work-from-home, organizational meetings increased by nearly a third.⁵ Put another way, while working remotely, people had more meetings to talk about doing work and fewer meetings to actually do work. **Meetings got larger.** The number of meeting attendees while working from home increased by 14%.³ When people are physically together in the office, more meetings are impromptu and smaller, typically involving from 2 to 4 people. But when you have to plan meetings in advance, which people had to do when remote, there's a tendency to invite more people. Increasing participants changes meeting dynamics—the more people, the more formal, the more likely it's one-way communication.

Emails to coworkers increased. With the loss of a centralized office and face-to-face interactions, people increased the number of internal emails they sent by 5.2% and the number of people they included in the emails by 2.9%.³

Employees felt less informed. Despite the increase in meetings and other communication, 60% of the workforce reported having a decreased sense of what's going on within their companies.⁶ And this seems to be worsening the longer work-from-home continues; Gallup found a 20% drop from mid-May to mid-June in employees feeling their supervisor keeps them informed, and it was even worse at the manager levels, with a 28% drop in the same period.⁷

Productive time decreased. With the increase in number of meetings, large swaths of productive time were harder to come by. Fragmented time—short periods of unscheduled time between meetings increased by 11% during COVID-19.⁵ While not ideal for anyone, fragmented time is especially problematic for non-managerial staff, whose job roles tend to entail more individual focus work; it only takes a few poorly spread out meetings to render a day largely unproductive. The result? People had to work longer to get their work done; work days increased by as much as three hours while working remotely.⁸

Video was a boon ... and then quickly a bane. Video conference platforms saw exponential increase in use during COVID, and seemed at first to offer a substitute for face-to-face meetings. But the way video is synthesized introduces distortions and lags which means what we see is slightly off from



WORK PATTERNS, THE

NUMBER OF MEETINGS PER WEEK WENT UP BY 13%.

Considering most organizations were suffering from meeting inflation already, any increase is notable.

What that combination puts most at risk is innovation, arguably the competitive advantage companies are going to need most to face the challenges ahead. Nicholas Bloom, a leading economics professor at Stanford posits that while we've been able to remain productive working-from-home, there may be a steep opportunity cost paid down the line: "I fear this collapse in office face time will lead to a slump in innovation. The new ideas we are losing today could show up as fewer new products in 2021 and beyond, lowering long-run growth."¹²

WE'VE BEEN HERE BEFORE

That there are significant disadvantages brought on by not having people physically together in the workplace is in no way a new insight. In fact, it's difficult not to feel a bit of déjà vu with the current rush to expand remote work. There was a similar climate a decade ago and many organizations launched expansive remote work programs then, too, positioning the office as merely a meeting hub. But most of those companies found remote work didn't live up to its promise.

"Over the past decade big companies like Yahoo, IBM, Aetna, Best Buy and many others reversed their work-from-home policies to get people back into the office and talking face to face. They realized the cost of keeping these workers away from each other far exceeded the savings they were reaping on rent and utilities. They realized that people need human contact to get things done. Real, live, face-to-face human contact."¹³

They found that remote work impeded their ability to compete, because of exactly the changes in work patterns that occured during COVID-19.





TO MAKE UP FOR LACK OF FACE-TO-FACE COMMUNICATION, EMAILS INCREASED.

People increased the number of internal emails they sent by 5.2%, and the number of people they what we hear. Even an undetectable misalignment of video and audio confuses the brain, making it work harder.⁹ People found themselves exhausted after a day of video calls and the scientifically-verified phenomenon "Zoom Fatigue" was born.

Social capital decreased. Socializing has never been something people regularly schedule into their workday. It's very much an ad hoc work mode: a conversation on the elevator, chatting before and after meetings, maybe grabbing lunch together. Those types of unplanned interactions just couldn't happen during the COVID lockdown, and despite admirable attempts to interact virtually, 63% of people reported spending less time socializing with colleagues.¹⁰ As early as April, 75% of people reported feeling less connected to coworkers.⁶

Companies became more siloed. While working from home, interactions with work colleagues with whom people already had strong ties increased by 33%, while communication with weaker ties—coworkers with no direct connection on the org chart nor a close personal relationship—dropped by nearly the same amount.¹¹ The challenge here is that interactions with weak ties are one of the most effective ways ideas spread through an organization. It's just much more likely new information is shared between people who don't interact often.

AT RISK: INNOVATION

Taken individually, the changes that occurred with remote work during the height of the COVID-19 lockdown might not seem dire—work got done, if not ideally so. But layered on top of each other, the picture is more grim: we had more meetings and our days got more fragmented; we met less with people outside our company; internally, we met less to generate new ideas and more to just coordinate and organize tasks; and we became more siloed, we socialized less, felt less connected to each other, and less aware of what was happening within our companies.



WORK DAYS INCREASED BY AS MUCH AS THREE HOURS.

For many, working-from-home did little to improve work/life balance.

EVOLUTION

The Modern Workplace Has Evolved With Intention & Purpose

What's too often missing from the current conversation around remote work and the thought it will continue after the pandemic is an understanding that we haven't just been working at the office to bide our time until technology allowed us to work from home. We work at the office because doing so delivers higher performance.

Thinking about work 100 years ago, it was very much a factory model. Tasks were highly individualized; collaboration and interaction were simply not attributes of work process, and this was very much reflected in the work environment. Workplace design drivers were efficiency and visual control.

But work changed over time, and the workplace changed with it. The rise of knowledge work brought the need for more than simply a focus on efficiency. Over the years we've seen a greater variety in space types, increased care for aesthetics, and most recently, a focus on creating positive experiences.

The evolution of the workplace hasn't been completely clean—the cubicle farm is a lesson we should never forget—but the overall arc has been one of progress.



TODAY'S WORKPLACE HAS EVOLVED TO SUPPORT PRECISELY THE BEHAVIORS & INTERACTIONS MISSING IN REMOTE WORK.

Cultural immersion, socialization, serendipitous idea-sharing, and mutual learning are largely missing in the remote work paradigm.

THE POWER OF PLACE

Today's workplace has evolved to support and foster precisely the behaviors and interactions that are missing in remote work: bringing people together to work side-by-side, to be immersed in the culture of the organization, to socialize, to build trust, to learn from each other. And there is research guiding this evolution:

In-person teams outperform virtual teams. Research comparing in-person and virtual teamwork found in-person teams show more overall creativity, more communication, and more information sharing with better utilization of each team member's unique expertise.¹⁴

Communication is most effective when face to face.

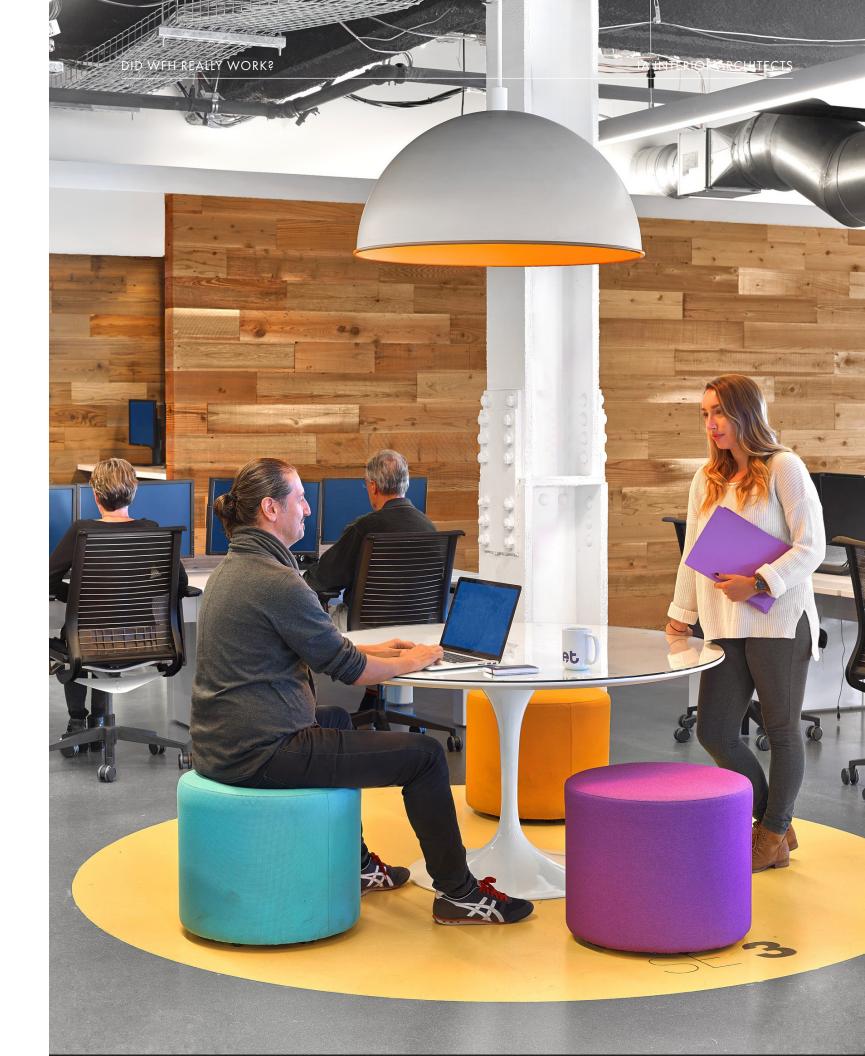
As a communication medium, face-to-face interaction is more information-rich. Research at MIT has shown that "35% of variation in a team's performance can be accounted for simply by the number of face-toface exchanges among team members."¹⁵

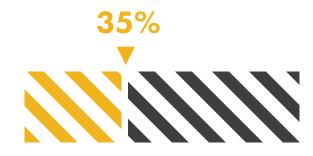
The unplanned is every bit as important at the planned. Working remotely, interactions are almost entirely org chart driven because they have to be planned. The challenge is that serendipitous interaction is one of the most reliable paths to innovation, and "chance encounters and interactions between knowledge workers improve performance."¹⁶

Socializing is productive. Catalyzing social interaction is one of the physical workplace's most important functions. Researchers at M.I.T. found people with more social connections and more face-to-face interactions with coworkers had the highest productivity.¹⁷ Building social capital and trust allow people to work together effectively.

Physical proximity is necessary for learning. $\mbox{\ensuremath{\mathsf{A}}}$

significant portion of how we learn comes from on-the-job experience—being around, observing, and interacting with coworkers.¹⁸ Being physically together is critical for younger employees and new employees, but important for long-tenured employees who want to continue to grow in their roles.





FACE-TO-FACE INTERACTION DIRECTLY IMPACTS PERFORMANCE.

Up to 35% of variation in a team's performance can be accounted for simply by the number of face-to-face exchanges among team members. IA INTERIOR ARCHITE

DID WFH REALLY WORK?

The workplace both reflects and shapes culture. While the workplace's influence on behaviors and interactions and its support of work activities are critical performance drivers, its most important contribution to the success of an organization is its impact on culture. The workplace is the physical embodiment of an organization and the most tangible manifestation of its culture, constantly communicating with employees and visitors—both consciously and subconsciously what the organization is about and what it values.

A caveat. While the competitive advantages offered by the physical workplace are potent, they are not a given. A poorly designed workplace will reap few of the benefits listed above. Informed strategy and smart design are necessary to enable them and realize their full potential.

A KEY FUNCTION OF THE PHYSICAL WORKPLACE **IS TO CATALYZE SOCIAL INTERACTIONS.**

Researchers at M.I.T. found people having robust social networks correlated to higher productivity.

WHAT'S NEXT?

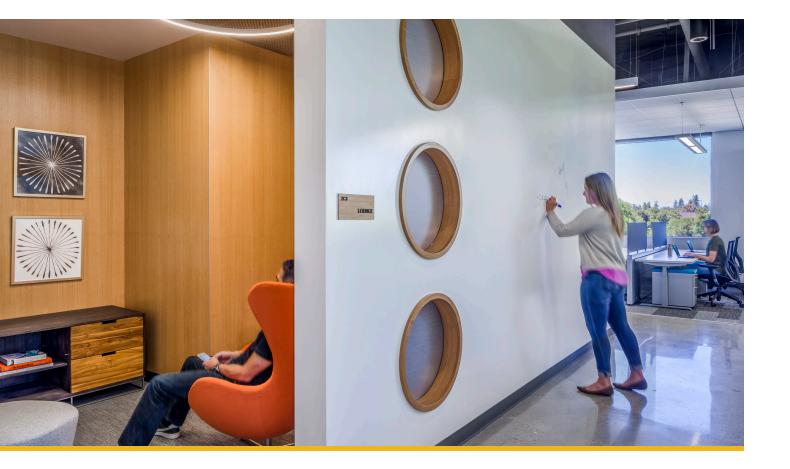
Every Organization Will Need to Define Their Own Unique Path Forward

The ways that work changed during the spring of 2020 show the unmatched value of a physically present workforce within a well-designed workplace. Yet there is a case to be made for remote work, especially in regards to worker preference.

Having now experienced working-from-home, there are many people who would like to continue doing so, either entirely or with a mix of time in-office and remote. For recruitment and retention purposes,

offering choice in where, when, and how to work can act as a powerful differentiator in attracting the best talent. In addition, there are potential real estate cost savings associated with fewer employees on-site full time

So while there will certainly be organizations that return to 100% workforce presence after the pandemic has passed, hybrid approaches are likely to become the norm. They, of course, pose the same risks that



previous remote work approaches have faced and in its wake an openness to change in work and the workplace that we haven't seen before. If we're going to do something different, something transformational, now is our chance. When we go back to the office, it can be even stronger than before. **IT IS LIKELY THAT HYBRID APPROACHES WILL BECOME THE NORM.** Understanding the tipping point

failed at-over time, teamwork is impeded, workplace relevance declines, culture starts to unravel, and the organization ultimately loses cohesion. Avoiding this fate is where smart, strategy-driven design is key. At IA, we're working with clients to define their own unique path forward to the post-pandemic workplace, and at the highest level, identifying to what degree remote work will be a part of their strategy. And for clients where expanding remote work makes sense, we're helping them identify holistic approaches-developing mobile worker typologies, creating protocols and policies, providing the right technologies, and ultimately designing environments that effectively support a mixed-presence workforce. **A ONCE-IN-A-LIFETIME OPPORTUNITY** FOR TRANSFORMATION Though it may seem a paradox, with any degree of remote work the physical workplace has to work harder. An organization benefits exponentially when people are physically together, so when presence isn't mandatory, the workplace experience has to be strong enough to draw people in when they could choose to be anywhere else. This means both divining and designing for the diverse and wide-ranging reasons people come to the office, and certainly emphasizing collaboration and social interaction, but also providing effective space for individual work, and all points in between. The contemporary workplace's super power is convergence, bringing people together and facilitating all the activities, behaviors and interactions-both formal and informal-that drive performance, foster innovation, and create culture. Satisfying that full spectrum of want and need is the key to workplace relevance. We must not waste the opportunity that disruption brings to learn from this period, to leverage what was going well before COVID and fix what wasn't. The lockdown period of work-from-home was so

where remote work moves from dramatic and such an upheaval that it has created benefit to liability will be key. 17

DID WFH REALLY WORK? repolitan

WORK-FROM-HOME WAS NOT JUST A LOCATION SWAP.

The ways that work changed during **COVID-19 show the significant** competitive value of a physically present workforce in a welldesigned workplace.

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ABOUT THE AUTHOR

recently joined IA as Strategy Director based in the qualitative research, Lucken has published insights on firm's Minneapolis office. For the last decade Erik critical workplace drivers such as mobility, wellbeing, has extensively studied the intersection of business and workforce demographics. Erik has a Bachelor of performance and the workplace environment, focused Arts degree from St. Olaf College and a Master of on the design imperative to support both how and why



A 25-year veteran of the design industry, Erik has people work today. Leveraging both quantitative and Architecture from Iowa State University.

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