

Reshaping productivity

A changed workplace
after covid-19



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About the report

A changed workplace after covid-19 is a report from The Economist Intelligence Unit, sponsored by Kyocera Document Solutions. The report is based on a global survey conducted in May 2021 of more than 360 business executives on the implications of remote work on organisations, their employees and on productivity. The report was written by Siddharth Poddar and Shivaji Bagchi, and edited by Naka Kondo. Findings from the survey were supplemented with wide-ranging research and in-depth interviews with experts in the field. Our thanks are due to the following people (listed alphabetically by surname) for their time and insight:

- Rosie Cairnes, regional vice-president, APAC, Skillsoft
- Blair Chalmers, director – innovations in infrastructure, Marsh McLennan Advantage, Marsh McLennan
- Amit Ghosh, head of Asia Pacific, R3
- Darren Murph, head of remote, GitLab
- Doris Sohmen-Pao, CEO, Human Capital Leadership Institute, Singapore
- Puneet Swani, senior partner and career business leader for the Asia, Middle East, Africa and Pacific region, Mercer
- Darren Thayre, head of digital transformation and digital ventures – Japan and Asia Pacific, Google

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Executive summary

The World Health Organisation declared covid-19 a global pandemic on March 11th 2020. Across the world, countries went into lockdown to contain the spread of the virus, and the world around us changed – from how we live to how we work.

Many expected the changes to be short-lived, but as days turned to months and then to over a year, businesses had to adapt and make decisions on work models. While it is unclear what will eventually be settled on, it is abundantly clear that some of the changes to how we work will stick beyond the pandemic. Working is likely to never be the same again.

And given these changes, much of the focus is now shifting to productivity. Are employees—faced with different work settings—more productive than before, or less?

Key takeaways:

- What began as one of the greatest experiments in recent times could well become a norm in the future. Two in three respondents (66.7%) believe that work from home (WFH) or remote work will likely continue in some form.
- There is a divergence in views over productivity, with a near equal split between those reporting an increase in productivity at their organisations (39%) and those witnessing a decline (32.6%).
- Myriad factors are responsible for the different outcomes vis-à-vis productivity, the most important of which—our survey reveals—are the size of the company and the nature of its business. This is true across geographies, suggesting that what one *does* has a greater impact on productivity than where one *lives*.
- Larger organisations and those in financial services have had better experiences with productivity, possibly because they are better resourced, or simply because the nature of their work allows business to be conducted remotely without much compromise.

- Employees have played their part too, with 90% of survey respondents saying employees in their organisations have been supportive of digital tools to enable a seamless WFH experience.
- There is strong positive correlation between greater support for the uptake of digital tools and increased productivity, highlighting the importance of such digital tools in this transformation. Among those who believe productivity has decreased with remote work and WFH, almost four in ten (38.7%) attribute the decrease to their employees not having access to tools for information management.

Interviews with experts, secondary research and anecdotal evidence, however, suggest that many business leaders believe a remote set-up cannot completely make up for the value of in-person working, particularly when it comes to successfully managing teams and fostering company culture. While they agree remote set-ups have helped 'keep the lights on', it is not necessarily the future they want.

It may not be the future they want, but it does seem like the future they will get—at least in some form. Organisations that have adapted and continue to adapt quickly during the crisis will be able to seamlessly transition to whatever model of work we eventually settle into on the other side of the pandemic.

Introduction

The way we work, interact and socialise has changed—and more is on the way. As country after country implemented lockdowns to contain the virus, their economies and ways of living were transformed. Millions were forced to the confines of their homes, for safety and work. WFH took on a whole new dimension. Organisations of all kinds were forced to adapt to ensure the safety of their employees while continuing to remain operational.

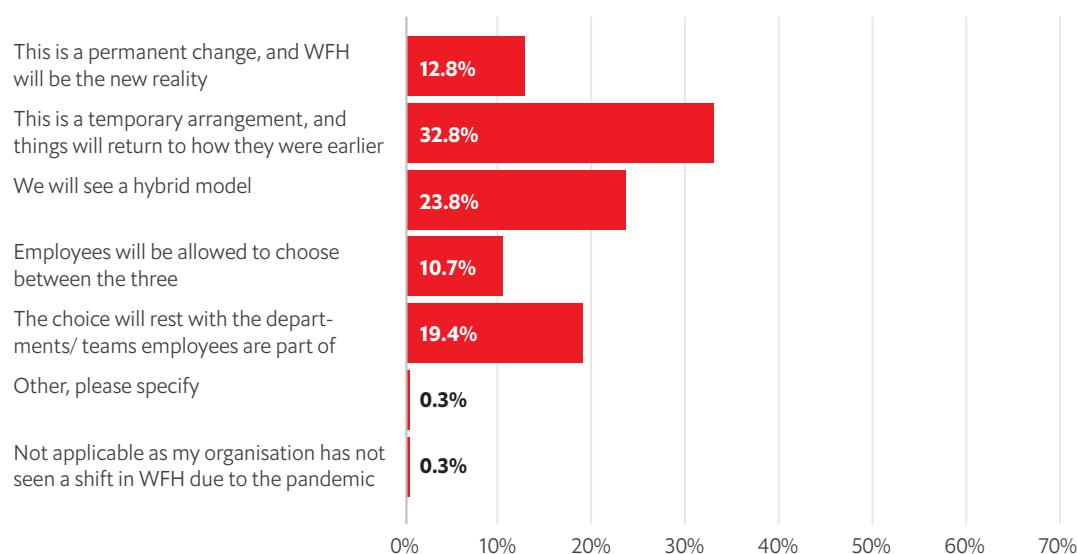
A year on, the pandemic continues with multiple waves erupting worldwide. Although we are amid a global vaccination drive, its reach has been uneven. And organisations are still coming to grips with new ways of operating. With physical interactions and meetings greatly restricted, and employees working from different locations as a team,

businesses are coming to terms with a new—and constantly evolving—work model.

“From what we’ve seen and based on our research, redesigning HR processes for a remote or blended work experience, is one of the top priorities for HR,” says Puneet Swani, senior partner and career business leader for the Asia, Middle East, Africa and Pacific region, Mercer. In the future, organisations are going to embrace permanent flexibility—not just flexibility in a programme or for a particular tenured employee group but for all the employees—to deliver the full value, he adds.

Some are actively changing operations to respond to what they perceive as the ‘new normal’ going forward, while others are adapting

Figure 1: Given the shift to remote work, how do you see WFH playing out in your organisation beyond the pandemic? Please select one.



temporarily. Remote work is now a given, but certain questions loom: What does all of this mean for workplace productivity? And what specifically makes employees less or more productive as they work from outside the office?

But what exactly is productivity? Some would regard it an amorphous concept. One book defines productivity in workers using three factors—time, talent and energy.¹ Organisations that manage these three factors well are more productive. Covid-19 has affected all three, with energy most impacted as organisations struggle to keep their employees engaged during the pandemic.²

Our survey shows that 32.8% of respondents believe WFH is a temporary trend and that the workplace will return to how it was earlier. On the flip side, 66.7% expect some form of remote work to continue.

Almost one in five surveyed executives think the decision on whether work will be remote, hybrid or back in the office lies with the respective departments and teams, while 10.7% believe the decision rests with employees.

Tellingly, however, only 12.8% envisage a complete WFH model becoming the new reality. “By and large for the average professional worker, I think we’ll never go back to the world we were in before. I think it will be hybrid,” comments Darren Thayre, head of digital transformation, JAPAC, at Google.

Amit Ghosh, head of Asia-Pacific at blockchain software development company R3, says that remote and hybrid ways of working, which were already on the rise before covid-19,³ “are a natural part of this agenda [of adapting] as it embeds [a] digital-first culture in teams, improves cost efficiencies, and attracts talent.”

At a country level, 40% in the US expect a return to the pre-pandemic status quo, whereas 22% expect the same in UK and Germany, and 24% in Australia. The optimism in the US could be the result of an aggressive and successful vaccination drive, with the May 28th announcement that fully vaccinated people can resume activities without wearing a mask or physical distancing.⁴

“In Australia, covid-19 has triggered the emergence of a more inward mindset among workers,” says Rosie Cairnes, vice-president of Asia-Pacific at Skillssoft. “Whether it is deciding when and how to work, improving diversity, prioritising family time over work, concern for personal health, or taking charge of their own professional development. The pandemic has been equally enlightening as it has been draining, and the result is that people are less inclined to accept ways of working that don’t suit their life or are detrimental to their wellbeing.”

She adds that in a study her company ran in 2020, 80% of Australian workers were against a return to normal working life, and half wanted to continue WFH.

1 Harvard Business Review. *Time, Talent, Energy: Overcome Organizational Drag and Unleash Your Team’s Productive Power*. 7 March 2017. Available online at <https://store.hbr.org/product/time-talent-energy-overcome-organizational-drag-and-unleash-your-team-s-productive-power/10031>

2 “The Pandemic Is Widening a Corporate Productivity Gap.” *Harvard Business Review*. 1 December 2020. Available online at <https://hbr.org/2020/12/the-pandemic-is-widening-a-corporate-productivity-gap>

3 Gallup. *State of the American Workplace*. 2017. Available online at <https://www.gallup.com/workplace/238085/state-american-workplace-report-2017.aspx>

4 “When You’ve Been Fully Vaccinated.” Centers for Disease Control and Prevention. 17 June 2021. Available online at <https://www.cdc.gov/coronavirus/2019-ncov/vaccines/fully-vaccinated.html>

But what of productivity?

As the model of work evolves, productivity levels will define which businesses stay ahead of the curve and which fall behind. Our survey found mixed results as work has gone hybrid or remote—39% of all executives say productivity has increased at their organisations, while 32.6% point to a decline and 28.5% report no change.

There is a marked difference across sectors too. The survey finds that, more so in financial services than others, executives believe employee productivity has increased during the covid-19 crisis. Sixty-one percent of financial services executives report better productivity, compared with just 26% for transport and 32.5% for manufacturing.

Figure 2: Has your company witnessed a rise or fall in productivity since the pandemic forced remote working? Please select one.

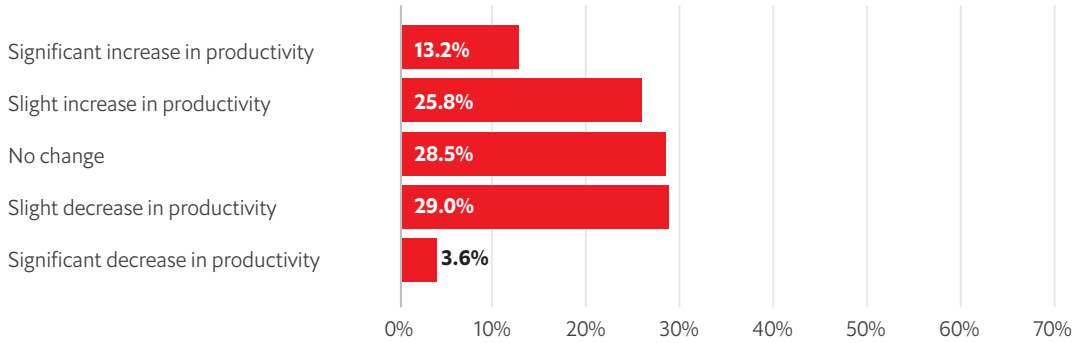
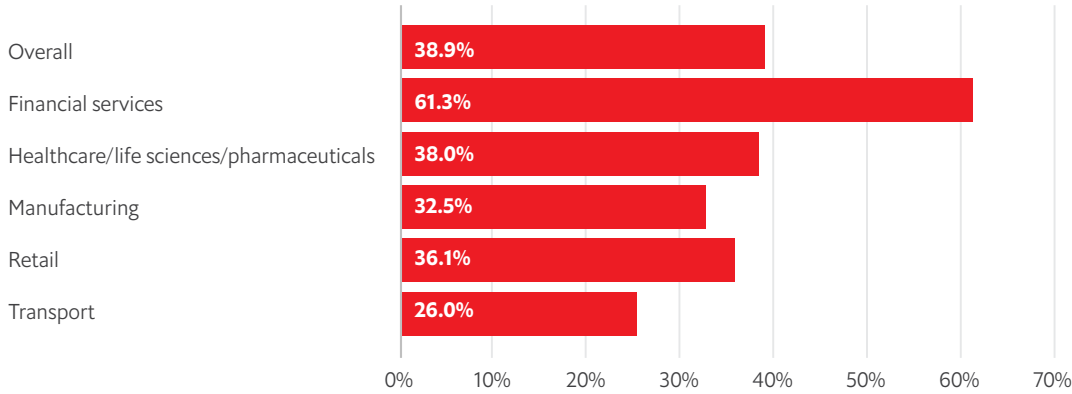


Figure 3: Share of respondents whose organisations have witnessed an increase in productivity since the pandemic forced remote working



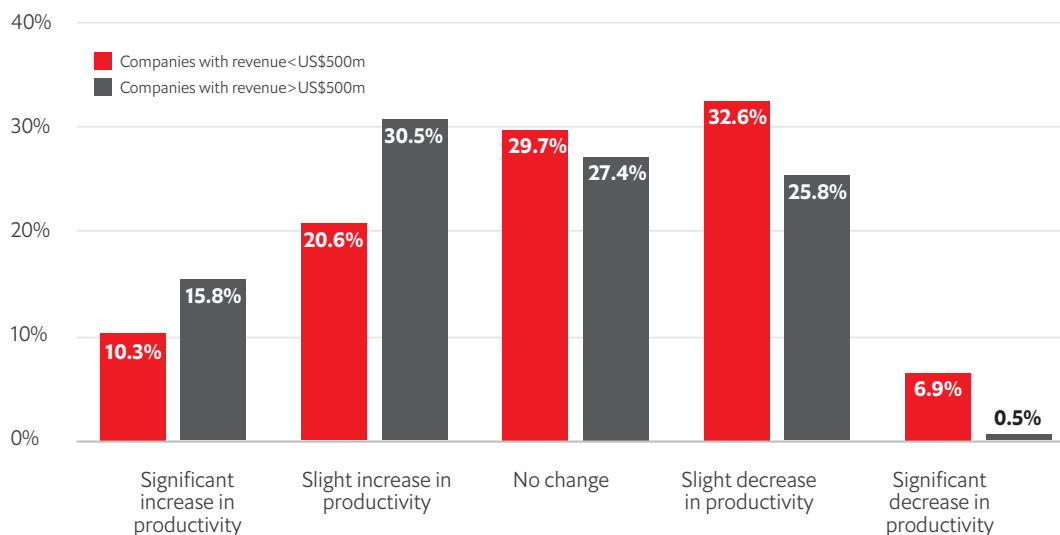
Organisations in some sectors seem to have taken to remote and hybrid work better than others. In the financial services industry, for example, of those who believe some form of remote or hybrid work will continue going forward, 71.2% say productivity has improved during the pandemic.

This is unsurprising, given that relative to industries covered in the study, financial services has been able to adapt better, as its key processes have not been materially hindered by remote work. Unlike the manufacturing, retail or healthcare sectors, where there is a real need for employees to be onsite, financial services lends itself more easily to remote work.

This is also true of professional services such as consulting. Mercer’s Mr Swani attributes this to the fact that a lot of employees at professional services firms such as consulting are accustomed to working from outside of their offices already. “I used to travel four days a week for work, but I was still always working through that period while staying connected with my team on ground. So we’ve always been accustomed to working offsite, even before the pandemic,” he says. “As an industry, consulting has always been very flexible around remote work, and most consulting firms have the infrastructure to support it,” he adds.

The presence of the right infrastructure is a point that comes up repeatedly in

Figure 4: Productivity in the workplace in larger companies vs smaller companies



conversations. Mr Thayre, too, alludes to it, saying whether employees are productive is partly a function of whether companies already have tools and processes in place. Those that have are doing better, while others had to scramble to put systems in place quickly.

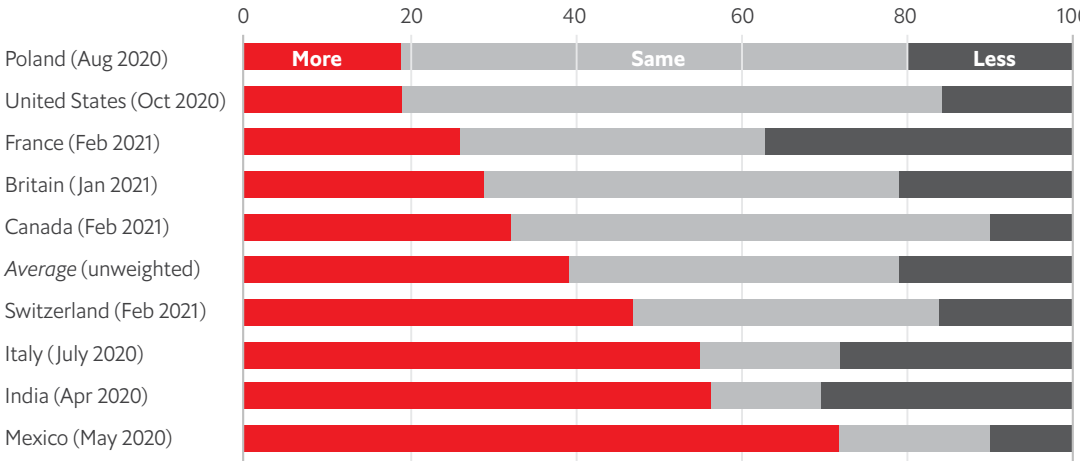
This factor is reflected in the fact that a greater share of people in larger companies (with revenue over \$500m) have observed an increase in productivity (46.3%) compared with employees in companies with revenue below \$500m (30.9%). According to surveyed executives, this is unsurprising given that larger companies have greater resources to address the challenges associated with

WFH, be it in providing digital tools and solutions or subsidising purchases of hardware and equipment.

Moreover, the impact of remote and hybrid work on productivity—among other aspects such as costs—has clear implications on what working models companies are likely to employ in future. This is borne out in the survey numbers—while 39% of all respondents believe productivity has increased, it jumps to 51.2% among those who believe that we will see some form of remote work going forward.

Regionally, 45.9% of respondents reported an increase in productivity in Europe, while 23.9% stated there was a decrease, while,

Figure 5: A majority of employees across different economies say they have either been as or more productive working from home



Source: *The Economist* aggregation of nationally representative employee surveys

respectively, these figures were 41.4% and 26.8% in Asia-Pacific and 28.6% and 47.6% in North America.

According to data from an aggregation of nationally representative employee surveys by *The Economist*, most employees claim that remote work has had either no effect on productivity or increased it.

While the numbers vary somewhat, it is clear that across the board, only a minority think that productivity has decreased—both in our survey—and across surveys *The Economist* aggregated. There are some differences, but it is unclear whether geography per se—or cultural factors—has anything to do with these. In fact, professionals we spoke with identified factors other than geography as being instrumental in driving productivity in a remote or hybrid setting. There is consensus that what matters more are the organisation's industry, types of jobs employees are required to do, and the company's size or maturity.

In other words, there are companies—and roles within those companies—that are simply better suited to remote work than others. And having the resources has helped, as that has meant companies have been able to invest adequately in enabling remote work rather than worrying about remaining afloat.

Additionally, productivity needs to be looked at from a mid- to long-term lens instead of short-term, says Mr Swani of Mercer. When the pandemic hit, swift lockdowns across economies caught many companies off guard and, based on how quickly organisations

responded, there could have been a short-term impact on productivity. Even factors such as having younger children or ageing parents to take care of impact productivity in the short term. As the year has passed, however, more and more employees have found ways around the constraints faced in working from home.

On this note, he adds that “overall, organisations have adapted to this new environment, which means that if you measure productivity this year versus last year, you will see a big change, because employees have adapted to the new realities with support from their employers around flexibility, digital enablement, and wellbeing.”

The amount of time employees spend commuting can also be used constructively. In fact, 66.9% of executives cited the elimination of commute time as one of the reasons for better productivity. If you look at emerging markets such as India, Thailand or the Philippines, the average time to office was an hour or so one way. You are spending two hours of your day in a traffic jam coming and going back to office. So that is a productivity positive, which you will have gained. The key risks organisations now face is how do they balance this with employee burnouts and wellbeing,” says Mr Swani of Mercer.

Almost 60% agreed that working longer hours means increased productivity. While this may seem surprising at first, Mr Thayre of Google provides a plausible explanation. Many employees can now choose to take an extra couple of hours to do some things,

he says. "I'm not going to be high pressure for the whole day because you can't be high intensity or at maximum performance for 8 to 10 hours a day. It's just not possible. And I think there's this acceptance that to get my job done I'm going to maybe work a few

extra hours but I'm also going to reduce the pressure on myself. I'm going to tell my bosses it's going to take that little bit longer and ensure it's done well. I can have a balance of my own peace of mind and make sure that I stay focused on the task."



Company culture and relationships matter

As remote work becomes more embedded in organisations—at least for the near future—several softer elements that were taken for granted pre-covid have disappeared. Blair Chalmers, director of Innovations in Infrastructure at Marsh McLennan Advantage, explains: “Of course, remote work has its challenges in other ways such as building team spirit and getting to personally know a colleague. You quickly realise you can’t just have your finger on the pulse in the same way you could when you just regularly see people as they are, not how they present for half an hour a day on a Zoom call. You catch them at the water cooler or in the lift and you take those

moments to share small achievements, birthdays, or share lunches and coffee – all of that gets removed.”

Echoing his sentiments, Doris Sohmen-Pao, CEO of the Singapore-based Human Capital Leadership Institute (HCLI), says that managing teams is more difficult remotely. She says “the impromptu chats and interactions we had in the office are no longer happening. We no longer have that tool and that’s such an important tool for managers to have.”

In her opinion, building culture and trust, an essential aspect of creating an effective team, is extremely difficult to do remotely.

Figure 6: Which of the below best help explain why productivity has increased? Please select all that apply.

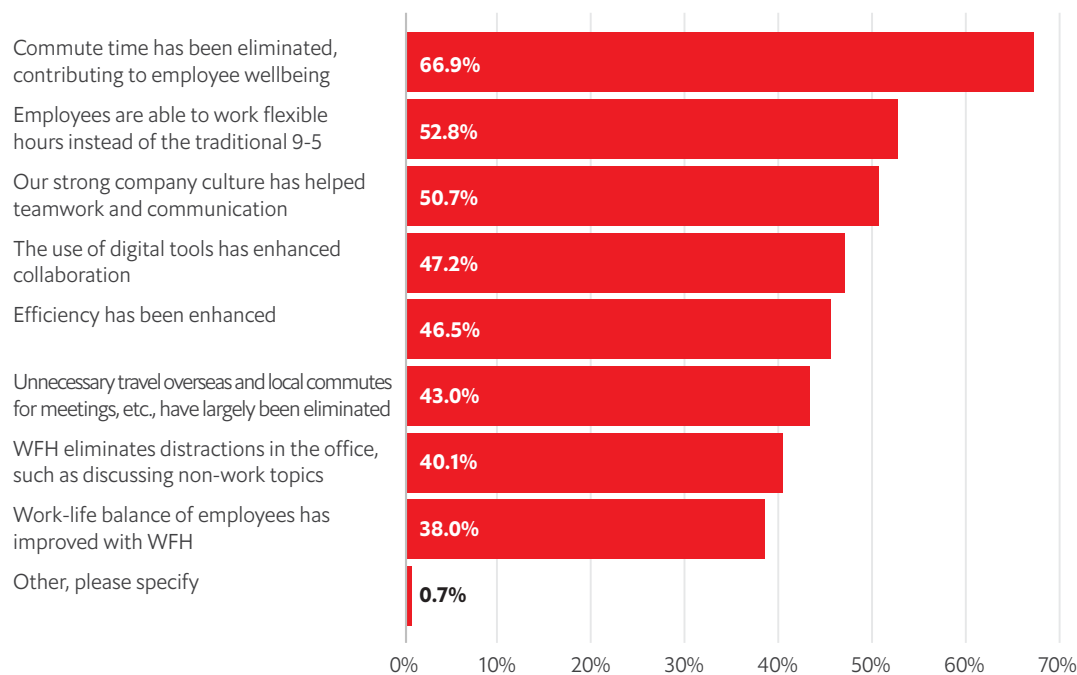


Figure 7: Top reasons why productivity has increased (by country)



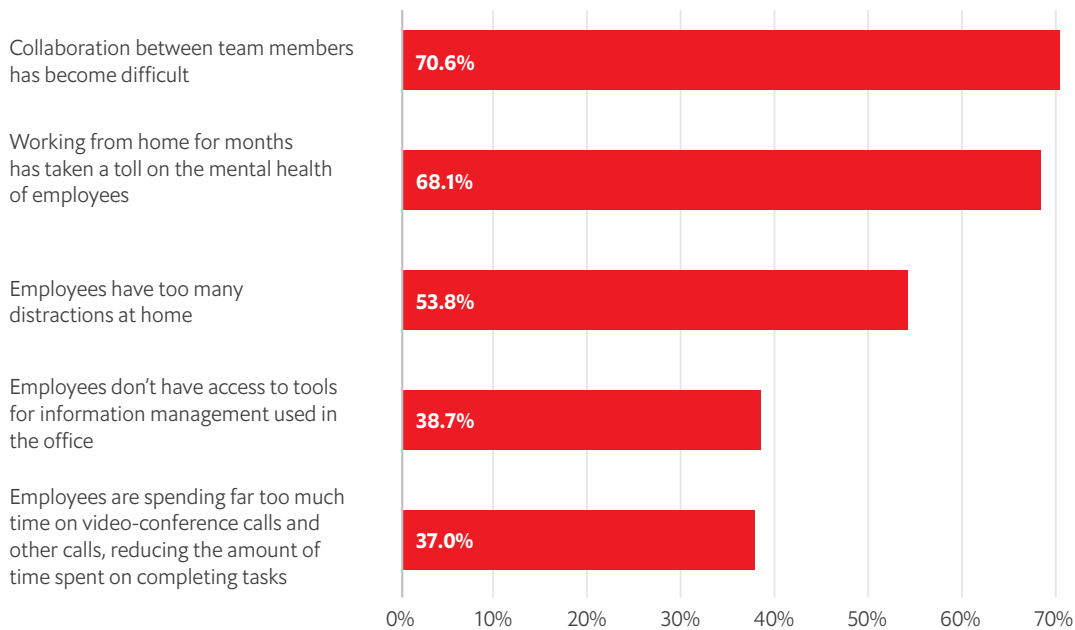
This is important to productivity as well. Among those executives who say productivity increased at their organisations, 50.7% chose company culture as one of the reasons that helped teamwork while 47.2% said that digital tools enabled greater collaboration. These numbers suggest that while it is easy to imagine the difficulties in building company culture and promoting collaboration among employees, a fair share of companies have successfully managed to do both in often trying circumstances.

An overwhelming majority of 90% say employees in their organisations have been

either somewhat or extremely supportive of the uptake of digital tools to enable a seamless WFH experience. Likewise, most of our interviewees say that tech adoption has not been a real challenge for their teams.

However, having the right tools is a first important step. Among executives whose organisations have seen decreased productivity with WFH, 38.7% say this is because their employees do not have access to tools for information management that are used in the office, such as document and print-related services. This is also likely to be a factor in impeding collaboration among team

**Figure 8: Which of the below best help explain why productivity has decreased?
Please select all that apply.**



members, which was the top reason cited for lower productivity at organisations.

While the benefits of remote and flexible work environments are appealing to organisations, implementation requires digital tools or integration with home-based systems and processes. This is an often underappreciated aspect of working that can hamper employee productivity.

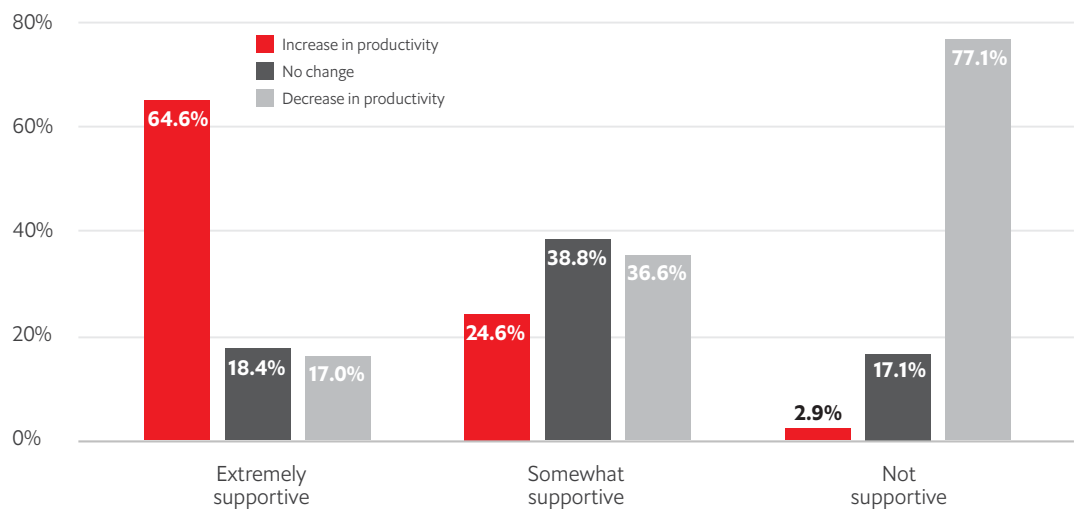
According to Mr Ghosh, "businesses that rely on paper-based processes and wet ink signatures will naturally find it challenging to embrace WFH arrangements. We know this because of similar resistance to change

experienced when it comes to digital transformation in industries which are heavily paper-based, such as the trade financing sector and the logistics industry."

It is up to organisations to ensure these technologies and tools can be easily integrated into the existing systems that employees are using outside of the office.

The survey finds that most have adapted to the new work model. About 90% of employees have been supportive in the uptake of digital tools to ensure a seamless remote experience. "I think firms have actually done an incredible job in most cases," says Google's Mr Thayre.

Figure 9: There is a positive correlation between greater support for the uptake of digital tools and productivity



“And I’ve been really impressed in Asia-Pacific, how emerging market firms that have typically been mainly offline have now quickly moved to becoming online.” Mr Thayre also thinks that a hybrid set-up does not necessarily mean a home set-up. One can work from a coffee shop, from a library, or from anywhere that suits the person—with access to what they need from anywhere.

64.6% saw an increase in productivity and just 17% a decrease. By contrast, in organisations where employees have been “not supportive” of using digital tools for remote work, only 2.9% say their companies have seen improved productivity with remote or hybrid work, while 77.1% reported a fall.

There is a strong link between staff’s support for the uptake of digital tools—such as collaboration tools, digital workflow solutions or applications for online project management—and how productive they are in remote or hybrid work settings. Of the executives who reported their employees as “extremely supportive” of using digital tools,

BOX OUT: Leaders' take on remote work

As the pandemic spread across the world in 2020, remote work allowed companies big and small to continue functioning while keeping their employees safe. Pew Research found that prior to the pandemic, in the US, only 20% of all workers who could work from home did so. This number has now increased to 71%.⁵ The value and viability of remote work is clear, but many companies are still coping with the realities of remote work. We looked at what some of the biggest organisations are saying about remote work.

- Corporate culture could be challenged going forward. For instance, Google said in its 10-K report⁶ that as it prepares to bring back employees to the office it may take a financial and productivity hit as a result.⁷
- Due to the confidentiality associated with its products, Apple faced problems shifting to remote work. The company decided to bring its employees back to the office in a phased manner in the second half of 2020.⁸ However, in December that year Tim Cook, Apple's CEO, said that remote work would continue until June 2021 at least. While acknowledging there are many lessons from the remote working experience, he emphasised that "there's no replacement for face-to-face collaboration".⁹ In June 2021, Tim Cook wrote to Apple staff informing them to attend office for three days a week beginning early September. He also mentioned that teams that need to work in-person will have to return for 4-5 days a week. Maintaining his stance from December 2020, he said "Video conference calling has narrowed the distance between us, to be sure, but there are things it simply cannot replicate."¹⁰
- Goldman Sachs had 98% of its employees working remotely by April 2020,¹¹ with its CEO, David Solomon, stating that remote work is attractive for job seekers. By January 2021, its CEO hoped to get his workforce back in the office by the year-end.¹² After over a year of remote work, its CEO now says that a business like Goldman Sachs, "which is an innovative, collaborative apprenticeship culture, this is not ideal for us. And it's not a new normal. It's an aberration that we're going to correct as soon as possible".¹³

5 Pew Research Center. *How the Coronavirus Outbreak Has – and Hasn't – Changed the Way Americans Work*. 9 December 2020. Available online at <https://www.pewresearch.org/social-trends/2020/12/09/how-the-coronavirus-outbreak-has-and-hasnt-changed-the-way-americans-work/>

6 United States Securities and Exchange Commission. *Alphabet Inc. – Form 10-K*. February 2021. Available online at https://abc.xyz/investor/static/pdf/20210203_alphabet_10K.pdf?cache=b44182d

7 "Google warns pandemic could hinder its ability to 'maintain corporate culture' in 2021." *CNBC*. 8 February 2021. Available online at <https://www.cnbc.com/2021/02/08/google-warns-pandemic-effects-could-hinder-corporate-culture-in-2021.html>

8 <https://www.bloomberg.com/news/articles/2020-05-12/apple-plans-to-return-more-staff-to-offices-in-break-from-rivals?sref=BWbpWjRm>

9 <https://www.staffing.com/fortune-500-ceos-remote-work/>

10 <https://www.theverge.com/2021/6/2/22465846/apple-employees-return-office-three-days-week-september>

11 "Goldman Sachs CEO: Remote work policies could 'attract' new employees after the coronavirus pandemic is over." *CNBC*. 3 April 2020. Available online at <https://www.cnbc.com/2020/04/03/goldman-sachs-ceo-remote-work-policies-could-attract-new-employees.html>

12 "Goldman CEO David Solomon Expects Employees Back in Office by Year End." *TheStreet*. 5 January 2021. Available online at <https://www.thestreet.com/investing/goldman-ceo-expects-employees-back-in-office-end-of-year>

13 "Goldman Sachs: Bank boss rejects work from home as the 'new normal'." *BBC News*. 25 February 2021. Available online at <https://www.bbc.com/news/business-56192048>

- Salesforce, which was ahead of the curve when it came to planning for the future of the workplace once the pandemic resulted in lockdowns and office closures around the world, conducted employee wellbeing surveys to understand and address pain points. It said it learnt that almost 80% of its employees want to maintain a connection to a physical space. In keeping with the feedback collected, its president and chief people officer, Brent Hyder, said in February 2021 that Salesforce would allow its employees to choose between flexible, fully remote and office-based. He wrote: “This isn’t just the future of work; this is the next evolution of our culture. We’re combining the strength of our values, our platform and our people to reimagine the way we work for the better—whether in-person or in the cloud. Everyone has a role to play in driving our culture.”¹⁴
- With lockdowns being implemented across the world, in March 2020, General Motors CEO, Mary Barra, acknowledged that given its business activities, not all employees could work remotely. However, any functions that could be executed with remote work within the organisation did so. In April 2021, she introduced “Work Appropriately”. On her blog, she explained: “This means that where the work permits, employees have the flexibility to work where they can have the greatest impact on achieving our goals.”¹⁵



¹⁴ “Creating a Best Workplace from Anywhere, for Everyone.” Salesforce. 9 February 2021. Available online at <https://www.salesforce.com/news/stories/creating-a-best-workplace-from-anywhere/>

¹⁵ “Embracing a New Way of Working.” LinkedIn. 20 April 2021. Available online at <https://www.linkedin.com/pulse/embracing-new-way-working-mary-barra/>

Costs versus benefits: the trade off

According to survey respondents, remote work has contributed positively to employee wellbeing, productivity and organisational savings. As many as 88.5% chose increased cost savings for their companies as one of the reasons why they expect a remote or hybrid work model in the future. This was true across geographies.

But many companies are looking to reopen their offices partially or in full, owing to a variety of factors. Darren Murph, head of remote at GitLab, says organisations are reopening offices to some of their employees to encourage social bonding, reinforce culture and increase business collaboration. The underlying assumption is that some critical activities cannot be done as effectively remotely.

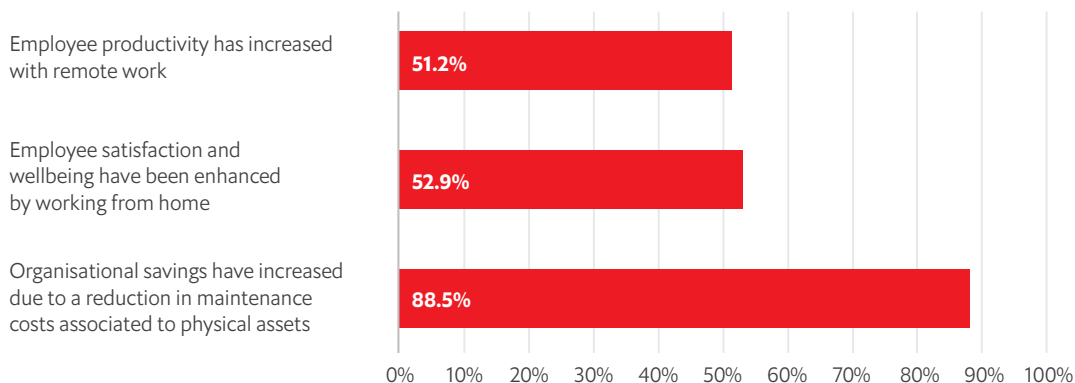
“Hybrid employers face the challenge of having employees exposed to two different playing fields that, if left unchecked, will

create a lot of dysfunction, animosity and friction between the onsite team and the team working offsite,” Mr Murph says. He goes on to add that while the office-based model has proven to be successful for many companies historically, it will provide significant challenges for companies that are committed to also supporting a remote workforce.

Most importantly, however, “success with a remote workforce, hybrid or fully remote, requires operational intentionality,” he adds.

It is a view echoed by others. R3’s Mr Ghosh says that while WFH has provided workers with more flexibility in their schedules, “a challenge that most enterprises face is the reduced facetime that team members get with each other. Having sufficient facetime with team members can help break down silos, create a more conducive environment for idea generation, and assist in building relationships with our partners.”

Figure 10: If you expect either remote or hybrid work set-ups to continue in some form, which of the following best apply to your organisation’s thinking behind these changes? Please select all that apply.



Many organisations had to adapt to remote work almost overnight. The ones that did so successfully were able to easily connect virtually and transitioned seamlessly to a new work model because the foundations and pillars were already in place. And when these foundations are built in a structured manner, it is easier for organisations to adapt. In such a case, the organisation starts functioning in the virtual world, but it is tightly integrated and every employee is aligned, and there are no stresses. Putting these structures in place is critical.

“While companies scrambled last year to move their companies out of the office and ensure employees had the right solutions and capabilities, leaders now have the opportunity to put strategy behind the tactics such as documentation, informal communication and asynchronous work. By doing so, companies build resilience to handle future crises and hire more diverse teams,” says Mr Murph of GitLab.

That said, one in five executives said their organisations witnessed decreased productivity because they had not fully implemented or adopted remote working capabilities needed to work effectively from home. Among Australian executives, this number stood at 53%.

Ms Cairnes says this is likely because many organisations in Australia still think they can switch back to pre-covid ways of working, “and therefore only invested enough in remote systems and practices to ‘get by’ during the height of the pandemic.”

Mr Thayre of Google makes a similar point, commenting that many companies are clinging on to the hope this is a temporary phase and that they can rip off the band-aid and return to how things once were eventually.

Separately, many companies are busy fighting for survival. If companies are devoting all the hours just to keep the business running, how can time and capacity be found to invest in security and tools? Another potential reason for low investment in information security is that companies—in most cases—already have a lot of financial assets and are invested in legacy tools. “And so they’ve invested millions and millions of dollars. Suddenly there is a hybrid model, or it’s even potentially more WFH. Now what do you do with investments like that? That’s a real challenge from an economic standpoint,” he says.

But such investment is critical, as it correlates strongly with productivity. Of the 15.8% of organisations that view information security as being “extremely important” and are investing heavily in it, 62% reported a slight or significant increase in productivity, while only 5.7% have seen a slight decrease and none a significant decrease.

Similarly, of the 20% who say that investing in information security is not the most important consideration for their organisations in this economic context, only 18% have witnessed an increase in productivity, while 80.2% have seen a decrease.

And among those who have already been investing consistently in information security,

60% have seen an increase in productivity and only 18% a decline.

Ms Cairnes of Skillsoft feels that companies must ensure the practical side of WFH—such as processes and technologies—actually work for employees so they don't feel they are on the periphery of office-based staff if a hybrid model is in place. From a cultural standpoint, it means letting go of traditional office hours and communication styles and adapting to methods that enhance productivity for remote employees.

Yet she cautions that “companies should not make the mistake of viewing WFH as the ultimate perk. This is just how we work now. Companies can't lose focus of all the elements that enhance productivity and loyalty—challenging work, strong leadership, opportunities for learning and advancement, and an inclusive culture”.

Given the shifting nature of work, what exactly will unfold is uncertain. However, our conversations indicate that the needle has clearly shifted.



What will the workplace of the future look like?

Covid-19 is a turning point in the way we work. As companies adapt to the intricacies of remote and hybrid work, they have been forced to innovate and adapt. Remote working is no longer a privilege; it has become the norm—and will remain so at least in the near future.

Technology has played an instrumental role in allowing work to continue uninterrupted through the pandemic and will continue to do so, supporting organisations and their employees. It is therefore imperative that businesses invest in the necessary digital infrastructure and tools to support their employees. While many companies have adopted a wait-and-see approach, its shortcomings are becoming clear as employee productivity is hampered.

With growing acceptance of remote work, Ms Sohmen-Pao of HCLI says there will be much more acceptance of flexible work even on the other side of the pandemic. There is a decreasing expectation for employees to always be at office—irrespective of their role. That mentality will stick, in her view, and will force rapid adaptation for HR policies and practices. On the other hand, there are many people who prefer to go to the office for different reasons. Many are simply wired to do that. “Of course, the longer the pandemic lasts, the greater the chances are for creating new habits,” Ms Sohmen-Pao says.

Apart from productivity, the factors that will determine whether companies continue

to pursue hybrid work models are “costs, culture, control, competitors and clients,” says Mr Chalmers.

Eventually, however, many believe it will come down to the need. The pandemic has shown that when conditions call for it, organisations and people will change and adapt, just as they have done several times before.

However organisations choose to prepare for the future, the days of ‘normal’ work are likely gone. Mr Thayre of Google doesn’t think this is a case of organisations just having to solve an issue for a few weeks, months, or years, and are then going back to normal. “I think the world will look very different, so I implore companies to think beyond just solving for the immediate fix day-to-day and to think bigger.”

Appendix

Q1a. Given the shift to remote work due to the pandemic, how do you see work from home (WFH) playing out beyond the pandemic in your organisation? Please select one.

1 This is a permanent change, and WFH will be the new reality	12.8%
2 This is a temporary arrangement, and things will return to how they were earlier	32.8%
3 We will see a hybrid model	23.8%
4 Employees will be allowed to choose between the three	10.7%
5 The choice will rest with the departments/ teams employees are part of	19.4%
6 Other, please specify	0.3%
7 Not applicable as my organisation has not seen a shift in WFH due to the pandemic	0.3%

To the respondents who have responded 1, 3, 4, or 5 in Q1a

Q1b. Which of the following best apply to your organisation's thinking behind these changes? Please select all that apply.

Organisational savings have increased due to a reduction in maintenance costs associated to physical assets	88.5%
Employee satisfaction and well-being have been enhanced by working from home	52.9%
Employee productivity has increased with remote work	51.2%

Q2a. Has your company witnessed a rise or fall in productivity since the pandemic forced remote working? Please select one.

Significant increase in productivity	13.2%
Slight increase in productivity	25.8%
No change	28.5%
Slight decrease in productivity	29.0%
Significant decrease in productivity	3.6%

To those who have responded an “increase in productivity” in Q2a

**Q2b. Which of the below best help explain why productivity has increased?
Please select all that apply.**

Commute time has been eliminated, contributing to employee wellbeing	66.9%
Employees are able to work flexible hours instead of the traditional 9-5	52.8%
Our strong company culture has helped teamwork and communication	50.7%
The use of digital tools has enhanced collaboration	47.2%
Efficiency has been enhanced	46.5%
Unnecessary travel overseas and local commutes for meetings, etc., have largely been eliminated	43.0%
WFH eliminates distractions in the office, such as discussing non-work topics	40.1%
Work-life balance of employees has improved with WFH	38.0%
Other, please specify	0.7%

To those who have responded a “decrease in productivity” in Q2a

**Q2c. Which of the below best help explain why productivity has decreased?
Please select all that apply.**

Collaboration between members of teams has become difficult	70.6%
Working from home for months has taken a toll on the mental health of employees	68.1%
Employees have too many distractions at home	53.8%
Employees don't have access to tools for information management used in the office	38.7%
Employees are spending far too much time on video-conference calls and other calls, reducing the amount of time spent on completing tasks	37.0%
Employees don't have suitable software installed on home computers (e.g., security systems)	32.8%
Employees don't have sufficient space that they can dedicate to workstations in their homes	21.8%
My organisation has not fully implemented or adopted remote working capabilities needed to work effectively from home	21.0%
Employees don't have suitable workstation equipment (e.g., computer screens)	16.8%
Other, please specify	0.8%

Q3. In your view has remote work impacted younger (junior) and older (senior) employees differently in terms of productivity? Please select one.

No, it has impacted them in the same manner	46.2%
Yes, it has increased productivity among younger employees, but led to a productivity decline among older employees	27.9%
Yes, it has increased productivity among younger employees, but had no impact on productivity among older employees	13.4%
Yes, it has increased productivity among older employees, and led to a productivity decline among younger employees	8.5%
Yes, it has increased productivity among older employees, but had no impact on productivity among younger employees	3.3%
Don't know	0.8%

Q4. To what extent do you agree or disagree with the view that longer hours mean an increase in productivity? Please select one.

Strongly agree	6.3%
Somewhat agree	53.0%
Neither agree nor disagree	14.5%
Somewhat disagree	17.5%
Strongly disagree	8.7%

Q5a. How supportive have employees in your organisation been in the uptake of digital tools to enable a seamless WFH experience? Please select one.

Extremely supportive	40.2%
Somewhat supportive	50.0%
Not supportive	9.6%
Don't know	0.3%

To those who have responded “not supportive” in Q5a

**Q5b. Which of the below may be reasons for this behaviour?
Please select all that apply.**

Not equipped to adapt to new technologies	54.3%
Not willing to adapt to new technologies	51.4%
Unable to break free from legacy systems	42.9%
Fatigue of the virtual world	42.9%
Distrust in technology	40.0%
Find WFH impersonal	25.7%

Q6. Which of the following best applies to your organisation in regards to investing in information security due to WFH? Please select one.

Information security is extremely important and we are investing heavily in improving security	15.8%
Information security is important but we are not investing yet in enhanced security measures	32.0%
Information security is not the most important consideration in the current economic context	20.5%
We are investing in improving information security but not sufficiently	12.6%
We have consistently been investing in information security, even before the pandemic	18.9%
Don't know	0.3%

Q7. To what extent do you agree with the view that productivity will be hampered in the long run with excessive use of technology? Please select one.

Strongly agree	5.2%
Somewhat agree	36.1%
Neither agree nor disagree	18.6%
Somewhat disagree	27.0%
Strongly disagree	13.1%

Q8. Which of the following best reflects your view regarding the trade-off between remote working and losing the benefits that cannot be accomplished in remote working? Please select one.

Virtual settings cannot replace the human element - such as face to face communication and informal exchanges—present in-person interactions	15.3%
It is completely worth it, because productivity is up and costs are down	12.0%
Have to adapt to the 'new normal', so it isn't a matter of choice	32.5%
A hybrid model with the best of both worlds is ideal	27.9%
Too early to tell yet. Productivity has increased, but the longer-term impact on company culture may not be positive	12.3%

Q9a. What in your view, is the ideal amount of WFH vs In-Office time for both you personally, and for your organisation - Organisation as a whole. Please select one.

100% WFH and 0% In Office	1.1%
90% WFH and 10% In Office	0.8%
80% WFH and 20% In Office	5.2%
70% WFH and 30% In Office	8.5%
60% WFH and 40% In Office	15.8%
50% WFH and 50% In Office	16.9%
40% WFH and 60% In Office	26.5%
30% WFH and 70% In Office	18.0%
20% WFH and 80% In Office	4.9%
10% WFH and 90% In Office	1.1%
0% WFH and 100% In Office	1.1%

Q9b. What in your view, is the ideal amount of WFH vs In-Office time for both you personally, and for your organisation - You personally. Please select one.

100% WFH and 0% In Office	2.7%
90% WFH and 10% In Office	1.9%
80% WFH and 20% In Office	8.2%
70% WFH and 30% In Office	13.4%
60% WFH and 40% In Office	13.4%
50% WFH and 50% In Office	12.8%
40% WFH and 60% In Office	18.3%
30% WFH and 70% In Office	20.5%
20% WFH and 80% In Office	6.0%
10% WFH and 90% In Office	1.1%
0% WFH and 100% In Office	1.6%

Q10a. Are managers in your organisation as effective at managing their teams remotely vs. in the office? Please select one.

Yes	50.5%
No, physical set ups work better	28.1%
No difference	21.3%

To those who have responded “No, physical set ups work better” in Q10a

Q10b. Why are managers in your organisation not as effective at managing their teams remotely vs. in the office? Please select up to two.

Remote work makes it difficult for people on the same team to work collaboratively	47.5%
It is harder to provide instant/timely feedback when managing remotely	38.7%
Company processes and systems do not function as effectively when remote	35.4%
Technology challenges make managing remotely less effective	29.3%
It is difficult to get employee buy-in into the company’s culture and ethos when teams work remotely	22.7%
The managers are not adequately trained for remote staff management	17.7%
Other, please specify	0.6%

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LONDON

20 Cabot Square
London, E14 4QW
United Kingdom
Tel: (44.20) 7576 8000
Fax: (44.20) 7576 8500
Email: london@eiu.com

GENEVA

Rue de l'Athénée 32
1206 Geneva
Switzerland
Tel: (41) 22 566 2470
Fax: (41) 22 346 93 47
Email: geneva@eiu.com

NEW YORK

750 Third Avenue
5th Floor
New York, NY 10017
United States
Tel: (1.212) 554 0600
Fax: (1.212) 586 1181/2
Email: americas@eiu.com

DUBAI

Office 1301a
Aurora Tower
Dubai Media City
Dubai
Tel: (971) 4 433 4202
Fax: (971) 4 438 0224
Email: dubai@eiu.com

HONG KONG

1301
12 Taikoo Wan Road
Taikoo Shing
Hong Kong
Tel: (852) 2585 3888
Fax: (852) 2802 7638
Email: asia@eiu.com

SINGAPORE

8 Cross Street
#23-01 Manulife Tower
Singapore
048424
Tel: (65) 6534 5177
Fax: (65) 6534 5077
Email: asia@eiu.com