



THE REAL PRODUCTIVITY IMPACT OF REMOTE WORK

A VALOIR REPORT

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To better understand the impact of remote work, Valoir conducted a broad survey of people working from home. We found that despite distractions and technology issues, the move to working from home has had only a small negative impact on productivity – an average reduction of 1 percent. More than 40 percent of workers would prefer to work remotely full time in the future.

The coronavirus pandemic continues to cause significant disruption to normal life and work practices. Although the timing and severity of impact has varied by geography, living situation, and employment, most professional workers who are currently working have moved to a remote work setting.

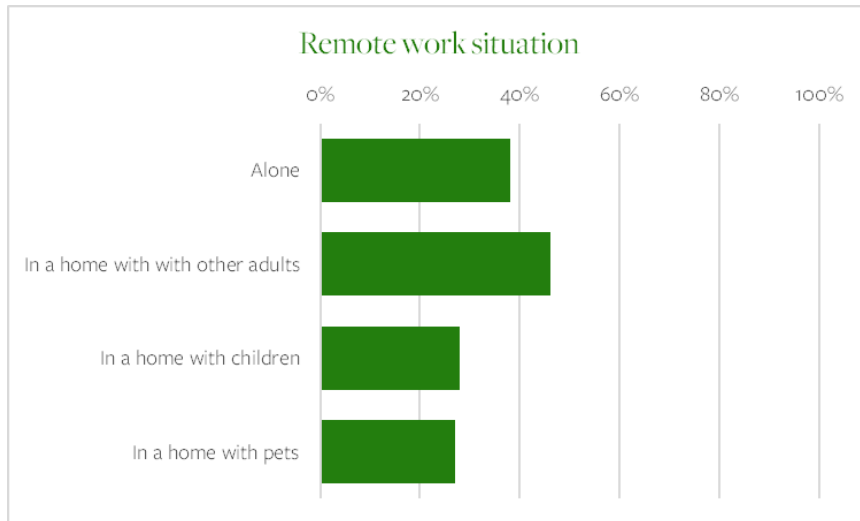
To better understand the impact of remote work, Valoir surveyed 327 professionals working from home to understand how the new normal has impacted their work habits and productivity. While the survey was open to a global audience, more than 95 percent of respondents were in North America, with a small percentage in Europe and Asia-Pacific. We asked them about their work practices pre and post-March 2020, the perceived impact of remote work on productivity and performance, their biggest concerns about the pandemic, and how they rated their employers on supporting remote work. The survey was validated and further explored with 20 in-depth interviews with respondents. Our key findings include:

- **Remote work has had only a small negative impact on productivity – an average reduction of 1 percent.** Those working from home with children reported a slightly larger decrease in productivity of 2 percent. The largest decrease in productivity was reported by those working alone (without other adults or children in the home), who saw an average decrease in productivity of 3 percent. Those working alone account for nearly 40 percent of the work-at-home population, with 28 percent working in a home with children and 46 percent working in a home with other adults.
- **The average work day is 9.75 hours, with an average start time of 8:15 am and an average end time of 6 pm.** Most people are working during normal work hours, with fewer than 10 percent starting before 7 am or extending their workday beyond 7 pm.
- **The biggest distraction from working at home is social media.** Nearly 1/3 of respondents – even many of those with children – reported social media was their biggest distraction, devoting nearly 2 hours to it. In general, more than 2 hours a day on average was spent dealing with distractions from work, including children, other adults in the home, pets, and traditional and social media.
- **Most people believe their company is doing a good job supporting remote work.** Four out of five workers gave their company a grade of A or B, and fewer than 5 percent gave their company a failing grade.



Moving to remote work has had only a small – 1 percent – negative impact on productivity. Those working at home with children are 2 percent less productive.

- **Job security is the number one worry.** More than one-third of workers say concerns about their company's viability or their job security is their primary concern -- far ahead of illness of themselves, a family member, or loved one.



Remote or home-office work is not new for all workers; in fact, we found that half of all workers had worked partially from home or a remote office before the pandemic, and more than 1 in 10 worked from home on a full time basis. There are two significant differences, obviously, in the current work situation:

- Remote work is now the default for all employees all the time, meaning those who had ad-hoc remote work setups are feeling the strain, and those who never worked from home before are still learning the ropes.
- Working from home means sharing sometimes-close quarters and Internet connections with spouses, partners, roommates, and children. For those with children, the new situation means managing child care and home schooling as well as day-to-day work activities.

Productivity

We found that a shift to remote work had had a minimal negative impact (an average of 1 percent) on productivity. Put in context, based on US Bureau of Labor statistics on the population of office and professional workers, a 1 percent decrease in productivity represents less than half of 1 percent of total US GDP.

Approximately one in five workers said their productivity was about the same before the shutdown, and while there were outliers at both ends of the spectrum, the distribution of responses was relatively even, with almost equal numbers of workers reporting a productivity increase as a productivity decrease.



The productivity drop of 1 percent represents a loss of less than 1 percent of US GDP.

These figures were further validated by anecdotal data and the data on the average length of the work day – an average of 9.75 hours. Working longer hours enables both workers in adults-only households and households with children to get more done, and a number of respondents cited reduced commuting time and reduced in-office distractions as reasons for increased productivity:

- *“Those working remotely will find the typical office distractions go away and that they will actually be able to focus and concentrate better and get more work done. Long lunches rarely happen, as well.”*
- *“There are fewer office distractions at home, such as people walking in your office. So overall I’m more productive at home.”*
- *“I’m more productive, and absolutely save time and money on commuting.”*

Although some respondents noted the transition to work at home took some time, most were positive about their company’s support for the transition to remote work. Four out of five employees gave their company an A or B in supporting remote work, and fewer than 5 percent gave their company a failing grade:

- *“Our company just provided a \$300 stipend to employees to purchase equipment for home ergonomic needs.”*
- *“I think mental health and civic engagement are going to be huge factors in how we navigate the new normal over the next several months. My firm spends a lot of time focused on our people and their health and well being.”*

Technology

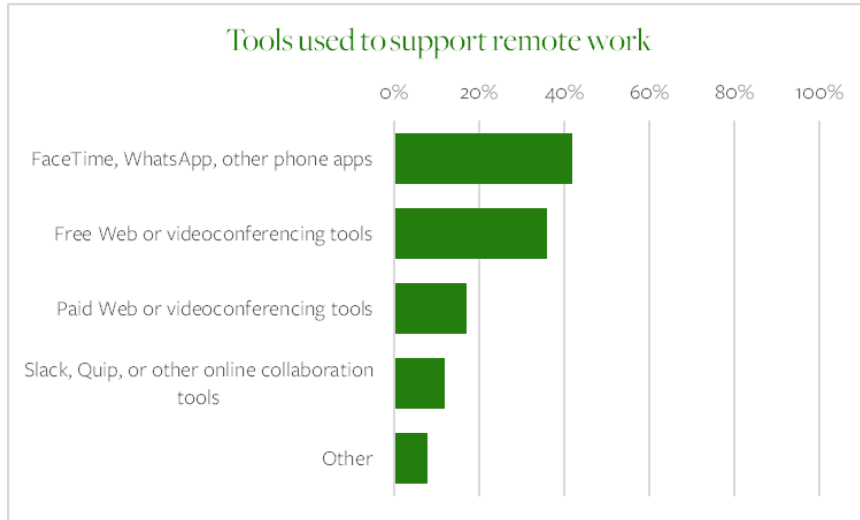
Valoir found that people are using a variety of free and commercial technologies to support their work at home efforts, and on average are spending 17 minutes, or three percent of their work day, dealing with technology issues. In addition to Web and videoconferencing tools, 12 percent of workers are using online collaboration and document sharing tools such as Slack, Salesforce Quip, or Google Docs.

While some had to work through company-sanctioned IT processes for provisioning and remote access to applications through a VPN or other means, the lion’s share moved relatively quickly to remote work. When asked about their favorite remote work technologies, the majority of respondents



Workers spend 3 percent of their workday dealing with technology-related remote work issues.

cited Zoom as their preferred remote work tool, followed by FaceTime, Google, and Microsoft Teams.



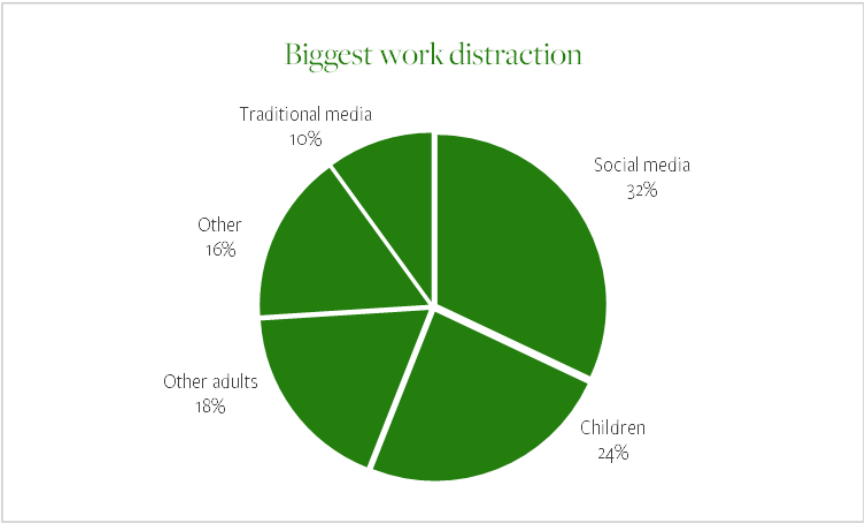
Distractions

There has been a lot of discussion about distractions and interruptions for those working from home. However, human interruptions and distractions (such as children and spouses or partners) are not the biggest culprit. Social media was ranked as the top distraction for one third of all workers, occupying an average of nearly 2 hours of their time each day.

Social media led the list of top distractions, with children ranking second. Social media was still the top distraction for 40 percent of workers working in homes with children. For those that ranked children as their biggest distraction; however, the work-time impact was significant, accounting for an average of 2.3 hours of their time per day.

Although the scale and impact of distractions are significant, it appears that workers are largely compensating for distractions by extending their workday, starting earlier and ending later, for an average day of 9.75 hours.


It is important to note that there are distractions in many office environment as well, particularly those that are open plan. Many workers said that remote work enabled them to reduce day-to-day distractions around the office including boss and co-worker interruptions.



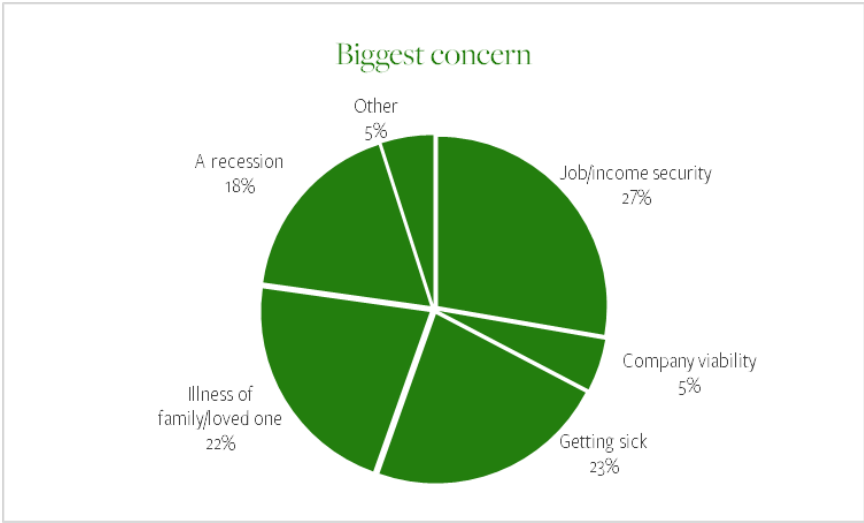
Concerns

Obviously economic uncertainty is weighing on many individuals and families, and those with jobs that enable them to work at home have gainful employment and a paycheck. However, their financial future is also their top concern.

Workers we surveyed cited job security, at 28 percent, and company viability, at 5 percent, as their two top concerns. Totalling 33 percent, job-related concerns ranked more than 10 points higher than concerns about becoming sick or the illness of a family member or loved one.



Job-related worries were the top concern for one-third of workers, higher than concerns about illness.



Looking ahead

Clearly the pandemic has had an impact on everyone’s physical, emotional, and economic well being. Although those who are still employed and have the ability to work from home are arguably the least impacted, they

continue to adjust to a new work environment and new work practices. Although it has been a difficult transition for some, many touted the benefits of a reduced commute, time to exercise, and the ability to work at their own pace as reasons to continue remote work on an ongoing basis. More than 40 percent of workers would prefer to work at home full time when the pandemic is over:

- *“I can’t believe how quickly my company made remote work happen. I hope they don’t take it all back after the pandemic!”*
- *“There were a lot of things they said we couldn’t do remotely before – and now we have to and everyone’s following the rules and making it work.”*
- *“How much are you saving on fuel, cosmetics, clothing, and other things?”*
- *“I love being at home with my dog and being able to work at my own pace.”*
- *“I’m hopeful that this will cause a societal wake up that life is precious and we can actually slow down and survive.”*

Regardless of how long the current situation lasts, it will have a significant impact of what we consider a normal work day for the foreseeable future. For workers, this means managing work-life balance; being more technologically self-sufficient; and learning to more effectively collaborate, negotiate, and communicate with their peers. For employers, this means better definitions of processes and workflows (particularly ad-hoc ones) so they can be accomplished without an in-office culture and enabling employees to be engaged and committed to their work without in-person human reinforcement. It also means investments in HR and other technologies that can optimize productivity and performance of a diverse workforce in diverse remote work environments.



More than 40 percent of workers would prefer to move to full-time remote work after the current crisis.

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