



The effects of working from home on

WORKER PRODUCTIVITY

WHAT DO THE STATS SAY?

When it became apparent that the Covid-19 pandemic meant that a larger segment of the workforce was now going to work from their homes, one concern was the impact on worker productivity. Would workers who were used to working on-site with in-person supervision, access to familiar technology, daily interaction with their co-workers, etc. be able to adjust to working from home without having their productivity plummet?

Although the transition has not been without challenges, from the information gathered so far, it appears that overall remote worker productivity (at this point mostly measured by number of hours worked per day/week), has either increased slightly or decreased slightly. As is apparent from this disparity, there is no accepted, credible source for worker productivity covering the period starting in early March when the numbers of full-time remote workers exploded. If the US Department of Labor is measuring work-from-home productivity, they are not publishing their findings. They do, however, publish quarterly productivity data and per their numbers, US productivity fell at only a 0.9% rate, a smaller decline than their earlier estimate of 2.5%. The chart below tracks labor productivity over the past 17 quarters beginning in Q1 2016:

Labor Productivity (nonfarm business) 2016Q1 - 2020Q1



Source: US Department of Labor

Data from surveys performed by private organizations also find small reductions in remote worker productivity. In a report published in May based on a “broad” survey of people working from home because of the pandemic, the research firm Valoir found an average 1 percent reduction in worker productivity. Some other findings from this survey included –

- Having children in the home decreased productivity by 2%;
- Somewhat surprisingly, those working alone with no other adults or children had the largest productivity decline at 3%.
- Twenty percent of the workers responded that their productivity was essentially the same as before the shutdowns.
- The average workday is 9.75 hours – starting at 8:15 am and ending at 6:00 pm.

Another survey of 1,500 hiring managers conducted after the pandemic sent workers home found that a third of respondents reported increases in productivity compared to 23% reporting decreases in productivity. Fifty-six percent said that the transition to remote work had gone better than expected, 35% said it had gone about as expected, and only 10% said it had gone worse than expected.

Not all findings on productivity have been so sanguine. Starting the week of March 16, ADP Research Institute conducted a weekly survey covering a number of work issues. The more than 24,000 workers now surveyed consist of a random sample of employed adults (although the sample changed from week to week). Note that the sample consisted of on-site and remote workers. Over the course of the 8 weeks, the percentage of workers employing telework every day increased from 28% in Week 1 to 44% in Week 2. That percentage did not change for the following six weeks.

The intent was to track how things changed over the 8 weeks. As the following chart indicates, productivity suffered compared to the first week of March:

Markers of productivity—working hours, frequency of communication with the others and the ability to complete tasks—declined quickly and did not bounce back for most workers

(Q: Compared to your typical work week before March 1 ...)

Percent Reporting a Decline Compared to the Week of March 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
Ability to perform my job duties	31%	30%	27%	29%	29%	27%	27%
Hours worked	30%	31%	31%	33%	32%	30%	29%
Frequency of communication with colleagues and customers	37%	36%	37%	39%	38%	39%	37%

Source: ADP Research Institute

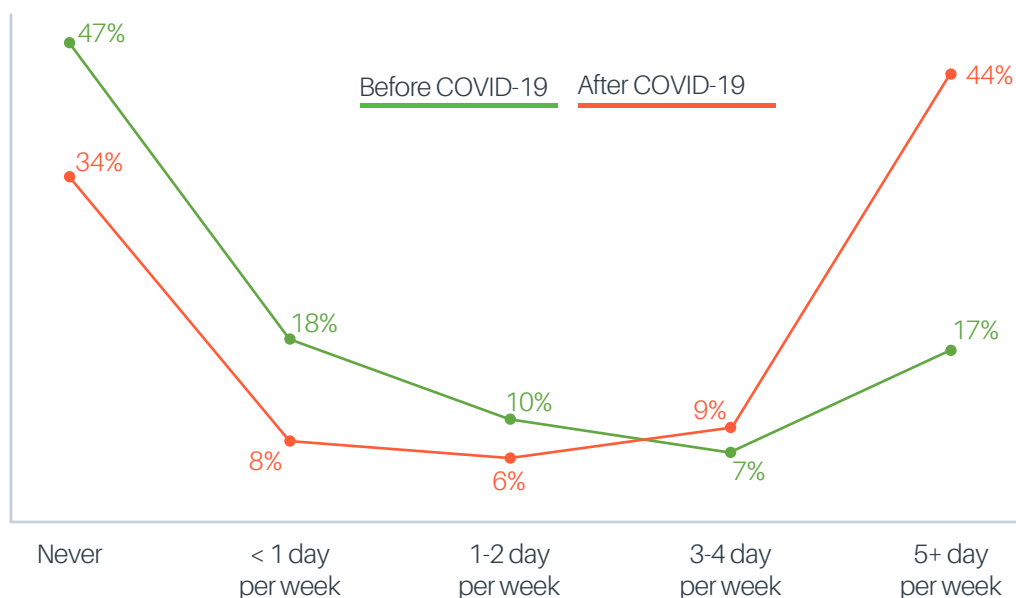
The respondents to the ADPRI surveys identified the prime causes of their productivity pains:

- Fifty percent of workers pointed to technology, specifically issues with remote access, internet connections, and web meetings being inadequate or not working as well as expected. These issues persisted even at the eight-week point.
- Fears concerning Covid-19 hampered productivity peaking at 37% in Week 3 and remaining at that juncture throughout the duration of the survey period. For on-site workers fear and stress about the illness soured productivity more – rising to almost 50% most weeks.
- For on-site workers, stress about workplace exposure or during work commutes caused 25% to reduce their work hours or stop working altogether.

Perhaps most tellingly, by Week 8 only 50% of the surveyed workers said that their ability to complete tasks was the same as before the pandemic.

Despite some conflicting metrics on what's happened to worker productivity since the beginning of March, it's clear that once the dust settles the workplace will have changed. Even before the pandemic, the percentage of people working from home had grown every year. Predictions about the percentage of workers who will continue working from home after the threat from Covid-19 passes might vary somewhat in degree, but there is a wide consensus that the percentage will remain much higher than pre-pandemic levels. The chart below reflects data from a survey conducted by B2B research firm Clutch but its findings are consistent with those gathered from similar surveys with some finding a much higher percentage of the workforce (over 60%) now working from home.

Change in Remote Work Trends Due to COVID-19



Percent of total respondents: N=365 U.S. employees
Source: Clutch 2020 Remote Work Survey

PRODUCTIVITY KILLERS — and what to do

The transition of so much of the workforce to permanently working at least part of the week from home means a continuing focus on the effects on productivity. If an organization finds its productivity really hasn't suffered much from shifting to a much larger work-from-home workforce, maintaining productivity might not be a big concern. For organizations that are finding worker productivity declining, it underscores the importance of identifying the impediments to maintaining productivity so that their effects can be mitigated. Again, if we turn to what research is telling us about work-from-home productivity killers, there aren't many surprises:

Technology

although tech related issues seem to have abated somewhat as early problems were addressed, one survey conducted in April found 36% of respondents naming tech-related headaches as the number one impediment to working from home.

Distractions

thirty-two percent of respondents in this same survey named distractions as a major obstacle to remote work. In the Valoir survey, the three biggest work-from-home distractions were social media (32%), children (24%), and other adults (18%).

Communication/Collaboration

reduced team cohesion, less organized teams, and difficulties in communicating were cited as problems by anywhere from a quarter to a third of survey respondents.



If an organization is experiencing diminished productivity from one or more of these issues, remedies are likely specific to that organization. Although there aren't one-size-fits-all approaches, there are some general suggestions about helping employees solve their productivity-related problems:

- The speed with which great numbers of workers found themselves working from home was bound to create some tech problems. Insufficient bandwidth, inability to assure security, unfamiliarity with cloud-based applications, and other issues were common in the beginning. Over the past few weeks, many of the tech issues have been resolved. Some, like security, might take longer, especially if user training is involved. A tip sheet to help remote workers understand the kinds of threats they might confront and how to avoid them could come in handy.
- It's important to understand the nature of communication and/or collaboration problems caused by remote work. Technology-related issues can often be quickly resolved. Training can also be useful in helping individuals improve their communication and teamwork skills. Work styles, personality clashes, corporate culture issues, and stress from the pandemic, are not so easily resolved. Once again, organizations are going to have to be diligent in surveying their remote workers to understand the specific issues involved.
- Successfully overcoming distractions, especially those created by children, can be extremely challenging. When school restarts some of these will abate, but there are usually no easy workarounds for parents working at home with smaller children. Some organizations are suggesting flexible work hours and revamping their expectations about the productivity of parents with young children understanding that there are no easy workarounds. Workers who allow themselves to be distracted by social media might be helped by suggestions on how to block notifications or other techniques to reduce interruptions and stay focused while working from home.

What we're seeing in the productivity numbers as they are – is that remote worker productivity has not tanked – as some feared it would. As the remote work trend becomes more widely embraced and permanent it will be interesting to keep an eye on productivity – and the steps organizations take to more accurately measure and manage it.

