

WORK STRUCTURE IN THE NEW WORLD AS COMPARED TO B.C. (BEFORE COVID)

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I. INTRODUCTION

- A. There is no denying that COVID-19 pandemic upended the workplace and the world as everyone in this room came to know it.
- B. Government mandated shutdowns, while undoubtedly a struggle for all, did produce benefits in the workplace for both employers and employees.
- C. For employers: cost savings in office space, paying employees to commute/for mileage, travel to meet with clients.
- D. For employees: time spent in cars¹ while commuting, flexible hours, ability to care for children while working are all benefits.
- E. However, those benefits can be offset by the basic human need to interact with other human beings.
- F. The American Psychological Association in July 2023 found that 17% of U.S. Adults reported feeling lonely versus 25% in March 2021.² The reason for this is largely intuitive. As more people got back to work and around their colleagues and customers, the less lonely and isolated they felt.
- G. For employers, this creates a duality that can be difficult to manage. On one hand, you want employees to return to the office. On the other hand, you want employees to be happy, balanced, and able to have flexibility in their jobs.
- H. Before we get into how to do this, let's look at some statistics that will help contextualize these ideas.

II. REMOTE WORK DATA – EMPLOYEE PERFORMANCE, HAPPINESS, CULTURE, FACT V. FICTION

- A. As of 2023, 12.7% of full-time employees work from home, while 28.2% work a hybrid model.
 - 1. Currently, 12.7% of full-time employees work from home, illustrating the rapid normalization of remote work environments. Simultaneously, a significant 28.2% of employees have adapted to a hybrid work model. This model combines both home and in-office working, offering flexibility and maintaining a level of physical presence at the workplace.

¹ US Employees Commute on Average 26.6 minutes one way to work

² <https://www.apa.org/monitor/2023/07/young-adults-lonely-pandemic>

2. Despite the steady rise in remote work, the majority of the workforce (59.1%) still works in-office. This percentage underscores the fact that while remote work is on an upswing, traditional in-office work is far from obsolete.
- B. 98% of workers want to work remote at least some of the time.
1. This is an astonishing percentage in the United States for anything. When you consider 10% of Americans believe the earth is flat and 12% believe that NASA did not land on the moon, a 98% endorsement of any idea is staggering.
 2. What this overwhelming figure really reflects is the American workforce's growing affinity towards the flexibility, autonomy and work-life balance that remote work offers.
- C. 93% of employers plan to continue conducting job interviews remotely.
1. From the employers' perspective, the acceptance of remote work is evident as well. A remarkable 93% of employers plan to continue conducting job interviews remotely.
- D. 16% of companies operate fully remote.
1. About 16% of companies are already fully remote, operating without a physical office. These companies are pioneers in the remote work paradigm, highlighting the feasibility of such models and paving the way for others to follow.

III. REMOTE WORK BY INDUSTRY AND OCCUPATION

- A. It is evident that some industries and job roles are more geared towards remote work than others. Understanding these trends helps us predict the direction remote work will take in the future.
- B. Industries Where Remote Work is Unlikely to Continue/Succeed:
1. Health Care (for the most part)
 2. Education (pre-college)
 3. Industrial Jobs
- C. Industries Where Remote Work is Here to Stay/Can Be Adaptable:
1. Computer and IT (Top Industry for Remote Work 2023)
 2. Law (with limitations)
 3. Hospitality Management
 4. Travel

5. Accounting
6. Marketing

IV. COLLABORATION/PRODUCTIVITY CONSIDERATIONS

- A. While some jobs clearly lend themselves to more remote capabilities, that does not mean that collaboration is not important. Consider one profession: IT/Software Engineer
 1. Junior v. Senior Engineer, seniority lends itself to more flexibility, autonomy. But who needs the presence of the senior leadership more? The Junior Engineer, who is more impressionable, and needs the guidance. This may not be an intuitive reason to require, as an employer, more in-person work from senior employees, but the benefits can be tremendous
- B. Other considerations among young workers. Do they simply not know what they don't know? Some employees who have only known a post-COVID workplace may not recognize the value lost by not being in office, and being able to ask questions, observe, and learn from senior members of the company.
- C. Think about how much children learn from osmosis, just being present. The same principle can apply to young professionals, the so-called "children" of the workforce.
- D. One recent study by Natalia Emanuel, a labor economist at the Federal Reserve Bank of New York, found that by having just a single employee work fully remote, an organization can lose up to 30% of the productivity as if everyone were remote.

V. REMOTE WORK BY DEMOGRAPHICS

- A. A closer look at the demographics of remote work in 2023 offers fascinating insights into who is embracing this work model and how it's affecting their livelihoods.
 1. The highest percentage of remote workers are aged 24 to 35.
 - a. The age group most likely to work remotely are those aged 24 to 35. Within this demographic, 39% work remotely full time and 25% do so part time. This suggests that the younger workforce values the flexibility and autonomy offered by remote work, which could have implications for businesses looking to attract and retain this talent group.
 - b. The downside is that younger workers often need more guidance, training, and more experienced support before they are able to perform their jobs at high levels. This imbalance should not be lost on employers.
 - c. Education also plays a significant role in remote work accessibility. Those with higher levels of education have a better chance at remote work. This is likely due to the type of work available at each education level. For example, postgraduate work typically involves more cognitive labor, which can be performed anywhere.

2. A higher percentage of men work remote than women.
 - a. In terms of gender, there is a higher percentage of men who work from home than women. Specifically, 38% of men work remotely full time, and 23% part time. Comparatively, 30% of women work remotely full time, and 22% part time.
3. Remote workers on average earn \$19,000 more than in-office workers.
 - a. Remote work also seems to have a positive impact on earnings. Remote workers earn an average of \$19,000 more than those in the office.
 - b. Remote workers make an average of \$74,000, while in-office workers typically have an average salary of \$55,000.
 - c. Why is this? Primarily, cost savings. Vehicle stipends, office space, the savings we discussed earlier allows employers to preserve more resources and use that to attract workers, and pay them more.

VI. REMOTE WORK PREFERENCES (HOW DO EMPLOYEES FEEL ABOUT REMOTE WORK?)

- A. As remote work becomes more prevalent, it's important to understand workers' sentiments towards this evolving model. Surveys and studies offer revealing insights into workers' preferences and how remote work impacts their lives.
 1. 57% of workers would look for a new job if their current company didn't allow remote work.
 - a. One of the most compelling statistics indicates that 57% of workers would consider leaving their current job if their employer stopped allowing remote work. This figure underscores the value that workers place on the flexibility and autonomy associated with remote work.
 - b. It also underscores the perception employees have about their employers who take a hardline position against an employee's preference to be flexible.
 2. 35% of remote employees feel more productive when working fully remote.
 - a. Productivity is another significant factor that influences workers' remote work preferences. Thirty-five percent of remote employees feel more productive when working fully remotely. This could be due to reduced commute times, fewer in-person distractions, or the ability to design a work environment that suits their needs.
 - b. On the other hand, 65% of workers do not feel more productive when working fully remote. Employees may be distracted by demands in the home, may detract from their ability to focus solely on their job duties.

3. 69% of remote workers report increased burnout from digital communication tools.
 - a. The transition to remote work is not without its challenges. Sixty-nine percent of remote workers experience increased burnout from digital communication tools. The constant stream of digital communication can lead to mental fatigue, underscoring the need for proper work boundaries and digital wellness strategies.
4. 53% of remote workers say it's harder to feel connected to their coworkers.
 - a. Another challenge associated with remote work is the lack of face-to-face interaction. Surveys of remote workers report finding it harder to feel connected to their coworkers. Yet, 37% feel that remote work neither hurts nor helps with connection to coworkers. This highlights the need for effective communication and team-building strategies in a remote setting.³

VII. RETURN TO WORK MANDATES – LEGALITY, PITFALLS, AND OTHER CONSIDERATIONS

- A. Employers are within their rights to require employees to return to work in person.
 1. There are no laws stopping employers from creating rules around in-person work and holding their employees accountable to be there in-person.
 2. Any regulations to this effect are now null and void (think pandemic era Executive Orders, PPP loan requirements).
- B. Employers generally have a lot of latitude to fire employees for non-compliance with these demands.
 1. This presumes said employees are "at-will," which most employees are.
 2. If there is an issue with an employee's non-compliance or refusal to return to in-office work and the employee may only be fired "for-cause," it is best to consult an attorney as to the ramifications of such adverse action.
 3. At-will termination could be as simple as an employee not showing up to work when required, because the employee claims to maintain the right to work remotely when company policy dictates otherwise.
- C. Possible Exceptions to Return to Work Mandates and Things for Employers to Consider:

³ All statistics can be found at <https://www.forbes.com/advisor/business/remote-work-statistics>

1. ADA Accommodations (must make reasonable accommodations for mental, physically disabled employees);
2. Title VII Requirements – to avoid the appearance of discrimination based on a protected class, make sure you treat all employees in similarly situated situations the same with respect to remote work;
3. Firing a whistleblower who may have brought corporate bad behavior to the company's attention; or
4. Firing someone for taking FMLA leave they are legally entitled to.
5. These exceptions apply regardless of whether remote work is offered, so employers should already be on alert for these types of litigation exposure. However, if contemplating terminating an employee for violating remote work policies, it is best to consult an attorney to ensure all potential exposure is considered and mitigated.

VIII. THE NEXT FIVE YEARS – OPTIMAL POLICY, RETAINMENT AND RECRUITMENT OF TALENT V. MEETING THE NEEDS OF YOUR BUSINESS.

- A. By 2025, 32.6 million Americans will be working remotely.
 1. Looking ahead, the future of remote work is here to stay, whether employers like it or not. According to Upwork, by 2025, an estimated 32.6 million Americans will be working remotely, which equates to about 22% of the workforce. This projection suggests a continuous, yet gradual, shift toward remote work arrangements.
- B. Those who opt for a hybrid work model report the highest average salary at \$80,000, as compared to those who work either fully remote or fully in-office.
 1. This suggests a balanced approach may be optimal. This may be attributed to the flexibility and balance that hybrid work offers, enabling workers to maximize their productivity and potentially take on more responsibilities.
- C. Research shows that employers can save \$11,000 per employee when switching to remote work.
 1. While the challenges are noteworthy, remote work also offers significant financial benefits for employers. Research shows that employers can save \$11,000 per employee when switching to remote work. These savings come from reduced costs associated with office space, utilities, and other resources.

In essence, while remote work offers tangible benefits including flexible hours and cost savings, it also presents challenges such as digital burnout and reduced social connection. Employers

and employees need to work together to maximize the benefits while effectively addressing the challenges to create a healthy and productive remote work environment.

D. Remote Work Trends

1. The shift toward remote work has brought several notable trends to the forefront, shaping how companies and employees approach this model of work.
2. 60% of companies use monitoring software to track remote employees.
 - a. The use of monitoring software is one trend that has gained traction. As many as 60% of companies now rely on such tools to track remote employees. While these tools can aid productivity and accountability, they also pose privacy considerations, highlighting the need for transparency and consent in their use.
3. 73% of executives believe remote workers pose a greater security risk.
 - a. Cybersecurity has also become a major concern for businesses. A significant 73% of executives perceive remote workers as a greater security risk. This concern stresses the need for robust security protocols and employee education about safe digital practices in a remote work setting.
 - b. This is particularly critical in areas like law and finance where confidentiality of client information is paramount.
4. 32% of hybrid workers report they would take a pay cut to work remotely full time.
 - a. Another trend that showcases the preference for remote work is the willingness of employees to accept financial trade-offs. A surprising 32% of hybrid workers state they would consider a pay cut to work remote full time. This reflects the high value workers place on the flexibility and autonomy remote work provides and could potentially impact how companies structure compensation in the future.
 - b. Each of these trends provides valuable insights into the evolving dynamics of remote work. As we continue to adapt to this new work landscape, understanding these trends will be crucial in shaping effective remote work policies and practices.

Questions?

THANK YOU FOR YOUR TIME!!!