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Mitigating risk of negative productivity shock in the post-Covid-19 normalisation phase

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Abstract

The advantages and disadvantages of Remote Work and Flexible Working have been broadly researched and discussed by academics and business leaders¹. However, probably never before, those interested in Remote Work and Flexible Working have experienced better conditions for exploring remote work than under the current Covid-19 crisis, given its global impact. The widespread transition to remote work in many professions in consequence of the pandemic has led to important learnings, which are likely to influence the new employer-employee relationship in the Post-Covid19 Era.

The key finding of the analysis of the responses to the Survey: “Covid-19– Impact on Work Arrangements and Employee Efficiency”, is that it is possible to work effectively from home, even under strict confinement requirements. However, the effect of work/productivity hinges on the capability to maintain effective communication with key stakeholders in the organisation. Furthermore, based on these results I argue that the Covid-19 confinement generated a new productivity enhancing working pattern. I also note, that relatively long period of the confinement has enabled employees to establish a daily routine of working from home which can now be difficult to be swiftly reversed. In this article, I highlight the risk of a negative productivity shock, in a scenario where planning for the return to pre-Covid19 work arrangements does not incorporate a sufficient transition period allowing for a gradual adjustment of employees' working patterns developed during the confinement. A framework for an effective transition period to Post-Covid19 era is recommended to employers and policymakers at the end in this article.

Keywords: Remote work, Flexible working, Productivity

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¹A very useful research synthesis is presented in: Kelliher C., de Menezes L. (2019). Flexible Working in Organizations: A Research Overview, Routledge.

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Remote Work as a Viable Option for the Post-Crisis Era

Survey Focused on the Impact of Covid-19 Confinement on Work Results/Efficiency

During the Covid-19 confinement period individuals employed in professions allowing to execute work from home have turned their homes into workplaces. Some tangible and intangible investments were made to facilitate remote work during Covid-19 confinement. The employers and employees also adapted their way of communicating with teams and management, remotely.

The impact of coronavirus confinement on results of work delivered from home was the key point of interest in my recent Survey: "*Covid-19 - Implications for Work Arrangements and Employee Efficiency*"², conducted for the purposes of this article. The survey was focused on employees working in professions allowing to execute work from home. The responses were received from 140 professionals with diverse professional backgrounds and based in different countries who could work from home during the Covid-19 social isolation.

The responses demonstrate that for the majority of surveyed professionals, work results/output were either as good as before Covid-19 (40% of all the respondents) or better (32%). Despite an expectation of some form of adverse impact on the quality of work executed from home as a result of negative impact of the confinement on different aspects of daily life, only 28% of the respondents indicated that their work results/output were negatively affected during the Covid-19 pandemic. Only few respondents indicated that they were unable to work at all.

The individuals who, compared to the pre-Covid19 level, maintained or increased their output in a condition of a global sanitary crisis, were able to achieve it through two channels. For some, the same (29% of all the respondents) or longer (34%) working hours during the work day were possible/necessary, for some an improvement in productivity was achieved (29% of all the respondents). There is also a group of 9% of all the respondents who have spent less time working during the Covid-19 confinement than before but who compensated it with an increase in productivity, what allowed them to maintain the same work results.

²The respondents were asked to share their experience of working fully remotely during Covid-19 confinement, and for their preferences for the work arrangements for the period of Covid-19 deconfinement and when back to normal. The claims presented in this article are based on the results of a preliminary analysis of the 140 collected responses from the employees with diverse professions (which can be executed from home) and country profile. The survey was conducted with a start date in May 2020, the data collection has still been ongoing at the moment of the submission of this article. Great thanks are directed to all the respondents of this Survey and to Leslie Martin for her valuable assistance with setting up this Survey.

It is worth noting that some of the respondents who worked longer hours compared to the period Pre-Covid19 indicated that they had to spend additional hours working in order to address some corporate challenges, driven by the Covid-19 crisis.

Table 1: Change in the Work Results / Output, Daily Time Spent on Working, and Productivity compared to the Pre-Covid19 condition.

WORSE WORK RESULTS – LOWER OUTPUT		THE SAME WORK RESULTS – THE SAME OUTPUT		BETTER WORK RESULTS – HIGHER OUTPUT	
Daily Time Spent on Working	Productivity	Daily Time Spent on Working	Productivity	Daily Time Spent on Working	Productivity
14% (of all the respondents) Less time	Lower	9% Less time	Higher	Answer 11% More time	Higher
4% The same	Lower	20% The same	The same	Answer 9% The same	Higher
10% Less time	The same	11% More time	Lower	Answer 12% More time	The same
TOTAL with Worse Work Results/Output - 28%		TOTAL with the Same Work Results/Output - 40%		TOTAL with Better Work Results/Output - 32%	

Source: The results of the Survey: “Covid-19 - Implication for Work Arrangements and Employee Efficiency”, the data is based on the respondents declarations of their time spent working and the productivity of work³.

Remote work related communication during the Covid-19 confinement period was considered by the respondents as enhancing work efficiency the most and this took a form of the below elements, ranked from the most to least frequently chosen (the respondents were invited to choose as many as applicable and to complete the list with the other factors considered as important):

1. Regular catch-up video calls with colleagues/team members (61% of all the respondents have indicated this factor as productivity enhancing)
2. Clearly set tasks and deadlines (52%)
3. Regular catch up video-calls with Line Manager (28%)
4. Work results assessments discussed with Line Manager (13%)
5. Regular support / “Social” / “Q&A” team meetings (8%)
6. Use of instant messaging platforms (1%).

Other factors, which potentially had a positive impact on the productivity of work executed from home included the ones, which the respondents of the Survey indicated as the advantages of home work altogether, and combine a lower stress level (30% of respondents indicated this factor as advantage of work from home, multiple were possible to be indicated), lower tiredness (27%), less distractive environment (25%). Others pointed out to presence at home as stimulating creativity (19%) and providing higher comfort when compared to work in the office (1%).

The results of the analysis based on this Survey suggest that an average employee in professions allowing for executing work from home, has gone through an effective transition towards working fully from home. Understandably, there is also a group of

³ It would be interesting to compare the assessment of work results by the employees (which has the elements of subjectivity) with the assessment of the same by employers (with use of certain quantitative metrics). Such a study is planned by the author of this article.

respondents who, due to the Covid-19 pandemic, were unable to work efficiently or to work at all.

Too Short Post-Covid19 Transition Period Could Lead to a Fall in Productivity

Based on the initial indications from governments in different countries, it is reasonable to assume that during the Covid-19 deconfinement period some social distancing restrictions will remain in place. It is likely that the remote work will continue to be required or recommended for selected professions as long as the Covid-19 pandemic remains a health threat, i.e. at least for several months. The Covid-19 confinement period alone has been long enough, for the employees to develop new routine of working from home, involving no daily commuting, less time-consuming morning preparations, and fully based on remote communications with professional colleagues and management in the organisation. It is also possible that continuation of work from home during the Covid-19 deconfinement period will additionally reinforce these work habits in some professions.

As a result, once the pandemic is over, it may prove difficult to return to the usual Pre-Covid19 work arrangements, involving working exclusively or mostly from employer premises, without compromising the results of work/output (through a combination of time spent on work and productivity). There is a risk that the immediate return to pre-Covid19 work arrangements would increase pressure on employees. On the one hand, the return to regular commuting could adversely affect the physical or mental condition of some employees (increased morning tiredness, negatively affected wellbeing) on top of time engaged, which in turn could compromise their productivity and/or lead to higher work absenteeism. As mentioned earlier, 34% of the surveyed employees have increased their daily time allocated to work during the Covid-19 confinement. The same would not be possible without employees working from home and saving time spent on daily commute. It is also fair to assume that during the deconfinement period and in the initial phase of normalisation once the pandemic is over, increased workload will still be needed in certain professions, in order to allow organisations to fully overcome the effects of the recent crisis and adjust to the new environment. This in turn could lead to elevated stress levels among employees, especially if, at the same time, they have to adjust their work patterns, including transitioning to work from employer premises. In the absence of gradual adjustment during the transition period, I see the risk of a negative productivity shock during the period of normalisation, once the Covid-19 pandemic is over. It is therefore of utmost importance that the decisions about the return to "normal" working arrangements are taken very carefully both by policy makers and by employers. In my opinion, a sufficiently long period of transition, granting employees significant flexibility in adjusting their work routines would mitigate the risk of such a negative productivity shock.

Return to Pre-Covid19 Work Arrangements - Recommendations

To preserve the gains resulting from employees' effective transition towards working fully from home, I recommend a flexible and gradual return to Pre-Covid19 work arrangements.

During the deconfinement period, I recommend to limit employee time required in the office to a minimum necessary for critical tasks, which cannot be executed remotely. This

is in line with the preferences of the biggest proportion of the respondents in the Survey (44%) , who expressed willingness to return to employer premises only for a limited time, to execute critical tasks⁴. For work, which can be delivered remotely in an effective way, work from home should remain an option offered by employers to employees. This recommendation seems in line with the plans laid out by governments in several countries, based on the guidance they provided.

I believe it is important that during the deconfinement period employees remain supported by employers in ways indicated by the Survey respondents as supporting the efficiency of their work. Clearly defined tasks, precise deadlines and expectations, regular team catch-up video-calls with colleagues and managers, as well as regular feedbacks from line managers are recommended, given their motivating and productivity enhancing impact⁵.

In the normalisation phase, once the Covid-19 pandemic is over and no health and safety related risks are present anymore, employers should consider the below proposed framework for an effective return to work from employer premises. As a starting point, a detailed analysis of all job posts, detailing tasks that can be carried out exclusively from employer premises and those that can be carried out remotely, should take place. This combined with other considerations should define the extent to which employees' physical presence is required in employer premises. If it is possible to carry out some work related tasks from home, it is recommended to employers to analyse employees' preferred home/office work balance and to agree an effective work plan on an individual basis.

In the initial phase of the normalisation, it is recommended that employers temporarily offer increased flexibility to employees in deciding about home/office balance, followed by a gradual increase of the office work time (over a number of weeks) until it reaches the number of days/office work time a week that the employer considers as effective for the organisation.

In addition, given increased reliance on working from home during the Covid-19 pandemic, which, in my opinion, is likely to continue once the pandemic is over, managing performance will remain of crucial importance. I recommend that employers maintain regular performance appraisals. In some instances, increasing the frequency of appraisals may be required. The performance results should be the basis on which employers could consider to adjust work arrangements on case-by-case basis in the long run. If performance is considered by employers as satisfactory, there is a clear indication that current work arrangements are work-effective and could be extended in the long run. If the employee performance is found out as unsatisfactory, the employer could revise the work arrangements towards increasing the number of weekly office work days or request this employee to fully return to work from the employer premises⁶.

While throughout this paper I list numerous advantages of working from home, in my opinion, home should not be the only workplace though, as there are important

⁴ Preferences of the remaining respondents in regards to the return to pre-Covid19 working arrangements: *Return to pre-Covid19 pattern of work is allowed by the public health body and their employer* (29%), *To continue working from home every day until Covid-19 crisis is fully resolved* (25%).

⁵ Read more: Nawrot, W. (2020). The Relationship Employer-Employee in Remote Work. The Impact of Covid-19 on the Employers Needs and Employees Work Preferences, forthcoming

⁶ Read more : Nawrot, W. (2020). Remote Work – From a Necessity in Covid-19 Emergency to a Post-Crisis Opportunity. A Formula for Productivity Gains, Cost Optimisation and Enhanced Work Satisfaction, forthcoming.

advantages of working at least partly from office/employer premises. The most important are (as indicated by the respondents of the Survey): face-to-face (real) interactions as a form of social stimulation, deeper sense of community with colleagues and management, better work equipment than at home (IT hardware and software, etc.), enhanced mood and wellbeing coming from socially valuable interactions, peer and organisational face-to-face support, deeper sense of identity with the organisation, and better work motivation thanks to the traditional forms of supervision and control⁷. In the Survey. "Covid-19 - Implications for Work Arrangements and Employee Efficiency", 31% of the respondents indicated that their "ideal" balance involved working 20% of the time from home and 80% from employee premises.

I expect that when following the proposed process, in the long run an optimal office/home work balance will naturally emerge across different industries or functions, representing the most effective approach to work delivery, taking into account business requirements and employees' preferences with regards to home/office balance.

Conclusion

The most important finding of the survey of work patterns during the Covid-19 confinement is that in many professions it has been possible to work effectively from home, even despite extreme conditions of the confinement. Another conclusion is that work productivity depends on the quality of communication with other colleagues and line managers in the organisation. Remote work has been a necessity during Covid-19 confinement and it is a viable option for the post-Covid19 world. I believe that this form of work could gain on importance in the post-Covid19 reality. In my opinion, employers should not view this form of work as a threat but build on advantages of remote work, as proved during the Covid-19 crisis.

I recommend adoption of a *flexible approach* to working arrangements in the initial phase of the post-Covid-19 era and a *gradual adjustment* reaching an optimal work formula. This is to minimise the risk of a *negative productivity shock*, that could occur in case of insufficient transition to the post-Covid-19 reality.

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⁷ Read more: Nawrot, W. (2020). The Relationship Employer-Employee in Remote Work. The Impact of Covid-19 on the Employers Needs and Employees Work Preferences, forthcoming.