

INTERACTIVE SESSION ORGANIZATIONS

Will the Coronavirus Pandemic Make Working from Home the New Normal?

As COVID-19 continued to spread around the globe, companies large and small started to make changes to the way they work, shuttering their offices and requiring most or all of their employees to work remotely from their homes.

- During the pandemic, ClearRisk, which offers integrated, cloud-based software solutions for claims, fleet, incident, and insurance certificate management had its entire staff working from home.
- Many large law firms, including Reed Smith, Baker McKenzie, and Nixon Peabody, closed offices and required work at home during the pandemic. The law firms emphasized that they could continue to serve clients despite office closings and remote work.
- OpenText Corp., a Canadian provider of enterprise information management products, plans to eliminate more than half of its 120 offices globally, with 2000 of its 15,000-person workforce working from home permanently.
- In mid-May 2020, Twitter Inc. notified employees that most of them could work from home indefinitely.

According to a recent MIT report, 34 percent of Americans who previously commuted to work stated that they were working from home by the first week of April 2020 due to the coronavirus outbreak. Prior to the pandemic, the number of people regularly working from home remained in the single digits, with only about 4 percent of the US workforce working from home at least half the time. However, the trend of working from home had been slowly gaining momentum thanks to advances in information technology for remote work and changes in corporate work culture. The coronavirus pandemic may mark a tipping point.

It's likely that many people who started working from home for the first time during the pandemic will continue to do so thereafter. New health guidelines about distancing will require some workplaces to expand to accommodate all their employees or to have a significant percentage of employees work permanently from home.

Information technologies driving these changes include broadband high-speed Internet connections,

laptop computers, tablets, smartphones, email, messaging, and videoconferencing tools. As companies shift their work from face-to-face to remote, video conferencing is becoming the new normal for meetings. People are trying to have good conversations, share critical information, generate new ideas, reach consensus, and make decisions quickly on this platform.

Although less than ideal for face-to-face interactions, videoconferencing is becoming more powerful and affordable. There are many options, including Skype, Skype for Business, Zoom, Microsoft Teams, Amazon Chime, BlueJeans, Cisco's WebEx, GoToMeeting, and Google Meet. Some business people are using the same tools they do in their personal communications, such as FaceTime and Facebook Messenger. (FaceTime now supports group video chat with up to 32 people.)

Video conference software such as WebEx and BlueJeans appears designed for more corporate uses. Other software such as Microsoft's Skype and Zoom feels more consumer-friendly and easier to set up, with free or low-cost versions suitable for smaller businesses. Skype works for video chats, calls, and instant messaging and can handle up to 50 people in a single video call. Skype allows calls to be recorded in case someone misses a meeting. Skype also provides file-sharing capabilities, caller ID, voicemail, a split view mode to keep conversations separate, and screen share on mobile devices.

Up to 1,000 users can participate in a single Zoom video call, and 49 videos can appear on the screen at once. Zoom includes collaboration tools like simultaneous screen-sharing and co-annotation, and the ability to record meetings and generate transcripts. Users can adjust meeting times, select multiple hosts, and communicate via chat if microphones and cameras are turned off.

There are definite benefits to remote work: lower overhead, more flexible schedules, reductions in employee commuting time and attrition rates, and increases in productivity. (Many companies reported that productivity did not suffer when employees worked at home during the pandemic.) According to Global Workplace Analytics, a typical company saves about \$11,000 per half-time telecommuter per year. Working remotely also poses challenges.

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Not all employees have access to the Internet at home, and many work in industries that require on-site work. About 80 percent of American adults have high-speed broadband Internet service at home. However, according to a Pew Research Center study, racial minorities, older adults, rural residents, and people with lower levels of education and income are less likely to have in-home broadband service. In addition, one in five American adults access the Internet only through their smartphones. Employees with little children or small apartments find working at home more difficult.

Full-time employees are four times more likely to have remote work options than part-time employees. According to Global Workplace Analytics, a typical remote worker is college-educated, at least 45 years old, and earns an annual salary of \$58,000 while working for a company with more than 100 employees.

Although email and text messaging are very useful, they are not effective tools for communication compared to the information exchange and personal

connection of face-to-face conversations. Remote work also inhibits the creativity and innovative thinking that take place when people interact with each other face-to-face, and videoconferencing is only a partial solution. Studies have found that people working together in the same room tend to solve problems more quickly than remote collaborators, and that team cohesion suffers when members work remotely.

Sources: Dana Mattioli and Konrad Putzier, "The End of the Office," *Wall Street Journal*, May 16-17, 2020; Rani Molla, "This Is the End of the Office as We Know It," *Vox*, April 14, 2020; Josh Lowy, "Overcoming Remote Work Challenges," *MIT Sloan Management Review*, April 9, 2020; Cate Pye, "Coronavirus: What Does the 'New Normal' Mean for How We Work?" *Computer Weekly*, April 3, 2020; Lindsey Jacobsen, "As Coronavirus Forces Millions to Work Remotely, the US Economy May Have Reached a 'Tipping Point' in Favor of Working from Home," *CNBC*, March 25, 2020; Derek Thompson, "The Coronavirus Is Creating a Huge Successful Experiment in Working from Home," *The Atlantic*, March 13, 2020; Kevin Roose, "Sorry, but Working from Home Is Overrated," *New York Times*, March 10, 2020.

CASE STUDY QUESTIONS

1. Define the problem described in this case. What are the management, organization, and technology issues raised by this problem?
2. Identify the information technologies used to provide a solution to this problem. Was this a successful solution? Why or why not?
3. Will working from home become the dominant way of working in the future? Why or why not?

and strengthened the benefits that flow from trade, and also created significant dislocations in labor markets.

In 2005, journalist Thomas Friedman wrote an influential book declaring the world was now flat, by which he meant that the Internet and global communications had greatly expanded the opportunities for people to communicate with one another and reduced the economic and cultural advantages of developed countries. The United States and European countries were in a fight for their economic lives according to Friedman, competing for jobs, markets, resources, and even ideas with highly educated, motivated populations in low-wage areas in the less developed world (Friedman, 2007). This globalization presents you and your business with both challenges and opportunities.

A growing percentage of the economy of the United States and other advanced industrial countries in Europe and Asia depends on imports and exports. In 2019, an estimated 30 percent of the world economy resulted from foreign trade of goods and services, both imports and exports. Half of *Fortune* 500 US firms obtain nearly 50 percent of their revenue from foreign operations. For instance, more than 50 percent of Intel's revenues in 2019 came from overseas sales of its microprocessors.