Key Decisions About the Future of WFH

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My Data on Working From Home

• Research on WFH starting in 2004
• Ongoing surveys of 5,000 US working age adults per month
• Ongoing surveys of 1,000 US firms per month
• Discussions and consulting with 100+ organizations
WFH is sticking: from 5% (pre-COVID) to 25% (post-COVID) of days

Full days worked from home, %

Post COVID employees will split into three groups: fully on site, hybrid and fully WFH.

Source: Data from 16,575 US responses in August through December 2021, reweighted to match the US population. Details on https://wfhresearch.com/
Hybrid (e.g. 3-2) Combines the Benefits of Office and Home

**Working In the Office**
1. Good for creativity
2. Good for culture

**Working From Home**
1. Quiet
2. Saves on Commute
Saved commute time WFH averages about 70 minutes a day, of which about 40% (30 minutes) goes into extra work.

**How did you use the commuting time you saved by working from home, percent**

- Working more on my job: 40.7%
- Indoor leisure (TV, games etc): 19.7%
- Outdoor leisure or exercise: 13.5%
- Chores and home improvements: 16.2%
- Childcare: 9.9%

**Source:** Data from 32,461 respondents who can work from home, reweighted to match the US population. Details on [https://wfhresearch.com/](https://wfhresearch.com/)
Research finds hybrid WFH increases average productivity ≈5%, and this is growing as firms and employees improve on this.

Source: Data from 42,240 US responses in through 2021, reweighted to match the US population. Details on [https://wfhresearch.com/](https://wfhresearch.com/)
Employees also really value hybrid WFH, at about the same as an 8% pay increase on average (and more so in tech and finance).

Value of WFH 2-3 days a week, % current pay

- Technology: 11%
- Finance: 10%
- Business Services: 9%
- Retail Trade: 8%
- Education: 7%
- Health Care: 6%
- Government: 6%
- Manufacturing: 5%

Source: Data from 17,087 responses through 2021, reweighted to match US population. Industries with 1000+ respondents. Details on https://wfhresearch.com/
Offering Hybrid-WFH is also important for supporting diversity

Source: Data from 10,000 US responses in through 2021, reweighted to match the US population. Details on https://wfhresearch.com/

Source: Survey of 10737 knowledge workers in US, Australia, France, Germany, Japan and the U conducted November 1-30, 2021. Details on https://futureforum.com/
So not surprisingly employers are increasing shifting to hybrid

Responses to the question:
- After COVID, in 2022 and later, how often is your employer planning for you to work full days at home?

Sample: Data are from all SWAA waves, covering July 2020 to February 2022. The sample includes all respondents who reported their employer’s plans for post-COVID WFH and who have work-from-home experience during the pandemic (thus able to work from home). We exclude respondents who report having no employer.

N = 46,345 (able to work from home)
The Big Challenge of Hybrid WFH for Management

Choice of:

- How many days
- Which days
Choice vs coordination issue is tricky – employees want both!

Responses to the questions:
- Which of the following would you prefer?
  - Being able to choose which days you work from home (if any)
  - Your employer sets a policy that determines who works from home on which days

- Would you like your co-workers to come into work on the same days as you?

Notes: The sample for the blue bar includes employed respondents from the July and December 2021 SWAA waves who passed the attention check questions (for December respondents) and worked from home at some point since the start of the COVID-19 pandemic. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more in 2019. N = 3,949 (blue bar).

The sample for the red bar includes employed respondents from the February 2022 SWAA who reported their employer is planning them to work from home 1 or more days per week after the end of the pandemic. N = 1810 (red bar).
There is huge variation in what employees want, so let them choose?

“How often would you like to have paid work-days at home post-COVID?”

- Rarely or never: 22.7%
- 1 day a week: 9.8%
- 2 days per week: 14.2%
- 3 days per week: 13.9%
- 4 days per week: 7.4%
- 5 days per week: 32.0%

Hybrid total is 45.3%

Source: Data from 55,179 respondents who can WFH, reweighted to match the US population. Details on [https://wfhresearch.com/](https://wfhresearch.com/)
I have become concerned with the risks of full employee choice.
The problem with choice – noisy, low-energy offices

Mixed mode – great in stock-photos, but I hear many complaints
Indeed, the key benefit of being in the office is time with colleagues.

Employees commute for 1 hour to work to be with colleagues – not for the free bagels.

Notes: The sample includes respondents to the February 2022 SWAA who passed the attention check questions and worked from home at some point since the start of the COVID-19 pandemic. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more in 2019. N = 2,973.
Large US firms mostly planning team or company organized hybrid

Qu: “Who decides which days and how many days employees work remotely?”

Source: Survey of Business Uncertainty conducted by the Federal Reserve Bank of Atlanta, Stanford University, and the University of Chicago Booth School of Business.
My suggested basic plan for a return to office

1) Announce a return in 2022H2 as “vanilla” hybrid 3-2

2) The WFH days will be Monday and Friday (the most popular days)

3) Promise to survey the entire firm in December on next steps

4) Use this feedback to make a longer-run plan for 2023+

Firms need a rapid temporary plan for a return to the office. But we are in a period of incredible uncertainty so important to consult widely to design a longer-run plan for 2023+ based on learnings from your firm and other firms.
Three Implications of hybrid WFH for the Office

1) Size

2) Location

3) Design
1) Firms are not planning to cut office space

Why?

- Scheduling – employees want to WFH on Monday and Friday

2) Location: people are leaving city centers (e.g. NY and SF)

Cumulative net flows (moves in – moves out) from Feb 2020-Jul 2021 as a % of the zipcode population

Offices are not moving - but they are focusing on quality space

City Centers (SF and NY)

Office Parks (Texas and Cupertino)
3) Design: Zoom rooms, more meeting rooms and lounge seating

Individual office corridors are out

Cubicles, meeting rooms and open plan (lounge) seating are in
Finally, WFH will increase outsourcing and offshoring
Further information:

www.wfhresearch.com

www.sternspeakers.com
Back-Up
Grooming is 28 minutes on average if commuting, 19 minutes if WFH

Percent respondents who **shower or bathe** when they:

- Going into work: 85.1%
- Work from home: 73.4%

Percent respondents who **wear fresh clothes** when they:

- Going into work: 93.7%
- Work from home: 71.5%

Percent respondents who **shave** when they:

- Going into work: 52.4%
- Work from home: 39.6%

Percent respondents who **put on makeup** when they:

- Going into work: 44.4%
- Work from home: 27.0%

**Source:** Data from 3,997 respondees who can work from home in January 2022, reweighted to match the US population. Details on [https://wfhresearch.com/](https://wfhresearch.com/)
Efficiency of online vs in-person meetings, by meeting size

Source: Data from 2077 responses through 2021, reweighted to match the labor force survey. Details on https://voxeu.org/article/comparing-online-person-meetings
“If you could WFH **two days** a week, which two days would you choose?”

- **Monday**: 54%
- **Tuesday**: 32%
- **Wednesday**: 23%
- **Thursday**: 35%
- **Friday**: 57%