Will working from home now be the new normal?

Under the pandemic, home-based working has developed from a growing trend to a necessity. As lockdown measures begin to lift, which of these measures will stick around? Robin Brown, Managing Director and technology sector coverage leader at Stephens Investment Bank, weighs in.

Temps de lecture : minute

11 June 2020

The global pandemic has forced a <u>majority of employers to quickly develop the means for large numbers of employees to work remotely</u>. What has been the impact, how have the measures been accommodated technologically and which will persist into hopefully more stable times? We spoke to Robin about his experiences and those of his clients.

Responding to lockdown

While working from home was becoming increasingly normalised pre-pandemic, the sudden shift into lockdown posed a number of challenges for many - notably the need to rapidly shift to a remote work setup.

"A lot of businesses I've spoken to had a great start to the year," says Robin. *"But then from March to April they saw a complete dropoff in non-critical tech projects in favour of a shift to remote working technology, including laptop purchasing, VPNs, conference calling services and bandwidth increases"*

Following this initial adjustment, most were able to begin revisiting these postponed projects after about a month.

Another concern which arises is how sudden physical distance between co-workers impacts day-to-day work and sharing of information. For Robin, those who were already implementing digital working practices have been best prepared:

"For companies who already built a culture of implementation of digital processes such as CRM systems, digital sharing of information was already more efficient than doing so in person. It was already at your fingertips, and I think there's now been a realisation of just how efficient some of these technologies are."

While pre-pandemic digitisation of working processes may have eased the transition into remote work, some potential risks may yet arise - Robin notes that the potential cyber security risks of a distributed workforce are not yet fully understood. The barrier to entry to understand, access and utilise the necessary technology for a remote workforce however has never been lower:

"I think 15 to 20 years ago such a transition would have been very difficult. Since then however, the need for measures like dual authentication and token IDs has diminished significantly as cloud security has improved. User interface is well understood, and newer technologies are much more intuitive. We're now in an environment where working from home is easier than it ever has been."

A cultural shift

While many of the practical and technological barriers are easier than ever to overcome, what of cultural attitudes? How does modern management adapt to a remote workforce, and is there an impact on effectiveness?

"Policy-related challenges will become increasingly real. There's been a

lot of advice, including from law firms, on how to write and manage policies for staff working from home . With health and safety, for example - staff are now sitting at desks not designed to be sat at for 5 days per week. One client in the web development community found that they had to introduce rules and change their communication approach to ensure developers had a broader understanding of what was going on, rather than developing in isolation."

While the expansion of remote working has raised questions around how an employer's physical responsibilities, such as those around health and safety, might translate, other barriers, such as communication, permissions and monitoring where necessary, have proven simpler to overcome technologically.

"At Stephens I think communication to broader staff has improved. We're having more regular and broader catchup calls than ever before, one team has a 20-30 minute call daily, whereas it would have previously been a longer one weekly. This shift has brought communication to the forefront of thought - in a physical office you would have walked by someone's door, and naturally asked how they are and had that kind of casual conversation. Now we have to make a concerted effort to do that, and I think that's shifted the culture to the point that people feel that the company engages with them more."

Location, property and movement

The fallout from the pandemic will of course be wide-reaching and long-lasting. Should the shift to remote working endure, Robin notes the impact on property needs and prices which could follow:

The success of remote working initiatives for many companies raises the question of how much of their current property expenditure is necessary. If staff are commuting in only occasionally, there may no longer be a need

to maintain an expensive Wall Street office, or a marble palace in St. James. How might that then affect the distribution of real estate - if less commercial property is needed, does that then become residential or a city centre?

A changed approach to commercial real estate would inevitably have ramifications for residential pricing:

People currently pay a premium to live in, or close to, London. Will this premium to the edge of the M25 still exist if there is no need to live in proximity to an office?

If geographical location becomes a complete non-issue, hiring practices will also be impacted - companies will increasingly look to hire outside of their cities, and even countries.

A happier workforce?

In a recent survey from SurveyMonkey and CNBC, 38% of workers said they would like to work from home more often when the pandemic subsides, with 19% wanting to work fully remotely. Despite widespread anxieties around job stability, the survey's Workforce Happiness Index increased from 71 to 73 from the same period last year.

Companies such as Twitter and Dell have announced permanent remote working policies, following their successful implementation during the pandemic.

I've seen others discuss whether huge swathes of employees need to physically return at all. Broad feedback from nearly everyone I've spoken to has been that their productivity has increased, particularly for those who frequently travel between meetings. For many, there's an option as well to both save money and possibly have a happier workforce.

> *"Where working from home was either mistrusted or discouraged, I think that's now something of an outdated position, and circumstances have proven that"*

The risks and challenges of maintaining a remote force at the scale forced by the pandemic are yet to be fully reckoned with, but a number of conventional hurdles have been overcome. While the future of many businesses remains unpredictable, it seems inevitable that we'll see more exploration of the opportunities granted by a different relationship with the office.

Robin Brown is a Managing Director at <u>Stephens Europe</u> and leads the Technology sector coverage team in the UK covering Software, Cyber Security, IT Services and Telecom Infrastructure. He has over 20 years of technology industry experience as well as having held various board level positions within privately owned and PE backed technology companies. Robin is also an Advisory Committee Member at TechUK representing the interests of the UK technology sector and advises a department of the UK Government on its cyber security investment program.

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