Opinion

The evidence is in: working from home is a failed experiment

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have a client who runs a business that was not considered to be "essential" and therefore had to shut his doors during the height of the pandemic and send his employees home to work. This went on for a few months. When, last summer, things started to relax, he called everyone back to the office. No exceptions.

"Working from home isn't an option in my business," he told me. "I don't buy into it. I want my people here."

Is he out of touch? Perhaps. But this point of view is shared by more than a few clients of mine. Mostly, they fit a similar demographic: older, set in their ways, long time in business, family-owned companies. It's obvious that most companies will need to offer work from home options in the future. But what's more obvious, at least to me, is that so far, this has been a failed experiment. And, sooner or later, many small businesses are going to come around to thinking like my client.

If you don't believe me, then just consider the results of a <u>recent</u>, <u>large study</u> from Microsoft.

According to the study, almost two-thirds of the more than 31,000 full-time employed or self-employed workers across 31 markets said that they were "craving" (yes, craving) more in-person time with their teams and 37% of the global workforce complained that their companies were "asking too much of them" when out of the office.

About 54% of these people feel overworked and 39% are simply exhausted. Thanks to these new working from home arrangements, meetings are significantly longer, "chats" have risen 45% and 41m more emails were sent in one month alone (February 2021) compared with the same month last year (remember when email was supposed to be "dead"?).

While older workers and bosses seem to be handling things in stride (61% of them say they are "thriving" right now, a number that clocks in at a whopping 23 percentage points higher than those without decision-making authority), the younger generations - specifically the Gen-Zers (aged between 18 and 25) - are struggling to balance work with life and are simply more exhausted than their counterparts. They reported difficulties feeling engaged or excited about work, getting a word in during meetings and bringing new ideas to the table.

Worse yet is the killing of innovation. Microsoft reports that companies have become more siloed than they were before the pandemic. And while interactions with our close networks have actually been more frequent than previously, the fact is that even these close team interactions have started to diminish over time. "When you lose connections, you stop innovating," said Dr Nancy Baym, senior principal researcher at Microsoft. "It's harder for new ideas to get in and groupthink becomes a serious possibility."

All of this is taking its toll on workers and big companies are starting to take notice. Recently Citigroup announced a series of "Zoom Free" Fridays to encourage workers to get away from their screens and LinkedIn said it was giving its employees a paid week off to deal with the stresses that they have been enduring while working from home. It's also why the Goldman Sachs CEO, David Solomon, told a conference

recently that working from home is an "aberration that we're going to correct as soon as possible".

So now do you see where my client is coming from? He wants his people back in the office where he can see them, talk to them, brainstorm with them, connect with them. He's old school. And he's probably not wrong on this.

Unfortunately, the work from home trend is too strong to resist. That's because there's this illusion of more independence, flexibility and control over one's life which is probably why 70% of the workers who participated in the Microsoft survey, despite all their concerns, still desire some type of flexible work options in the future.

There are also powerful interests at work to keep us at home. Big tech firms like Microsoft, Google, Amazon and Apple love these arrangements because it ties their customers even further to their cloud-based collaboration subscription models. The giant media providers see more people at home clicking on their content. Big retail firms are enjoying the surge in online sales driven by bored, unsupervised workers. And corporate employers are sniffing big savings in real estate costs as well as the ability to hire better (and cheaper) talent regardless of geographic limitations.

And yet, <u>study</u> after <u>study</u> shows that people working from home are more stressed and less happy. The model has proven to create more disruption, less productivity and diminished innovation. Small businesses, however, are going to have to figure out how to balance the perceived benefit (and demand) of remote work options with their costs. I believe - based on the failure of working from home so far - most will be like my "old school" client. They will want their employees in the office most of the time.