



# A NEW NORMAL: REMOTE WORK IS HERE TO STAY

When U.S. employees packed up their offices in March 2020, no one expected remote work to become a long-term solution. Many employers argued against remote work in the years leading up to the COVID-19 pandemic, citing security issues and perceived lack of productivity. However, the pandemic has shaped our lives in permanent ways. The downtown office of yesterday has given way to the home office of tomorrow, and in more secure and productive ways than we could've imagined in a distant 2019. So what trends will influence remote work in 2021 and beyond?





## REMOTE WORK PERSISTS

COVID-19 fast-tracked U.S. adoption of remote work policies. Between March and June 2020, the expectation for long-term remote work saw an exceptional increase. Nearly two-thirds of organizations expect expanded or universal work-from-home policies to remain in place long-term or permanently. That's a significant increase from the 38% that expressed this expectation in March.<sup>1</sup>

### EXPECTED PERSISTENCE OF EXPANDED WORK-FROM-HOME POLICIES



Source: 451 Research's Voice of the Enterprise: Digital Pulse. Coronavirus Flash Survey 2020



This shift persists across the business landscape. An increasing number of organizations believe that travel limitations or bans will remain in place and nearly half expect business events to make a long-term shift to fully virtual.<sup>2</sup>

These predictions are due in-part to our current, singular focus on public health. However, they also appear to be a direct result of the success of rapidly evolving remote work programs. The U.S. workforce has proven it is ready and able to adapt to this change with nearly 56% of employees having remote-compatible jobs.<sup>3</sup>



## 2021 IS A VITAL BUILDING BLOCK IN THE FOUNDATION OF THE NEXT LEVEL OF REMOTE WORK

Forcing employers' hands has increased their stake in remote work success, making this the year companies will see the groundwork laid for what work will look like for the next 5 to 10 years.<sup>4</sup>

Remote workers' quick adaptation to the work-from-home lifestyle in 2020 has given way to a year that promises to sharpen and expand remote work possibilities. Employers and employees continue to find creative solutions and improve their productivity in remote environments, setting the stage for an enduring remote workforce.

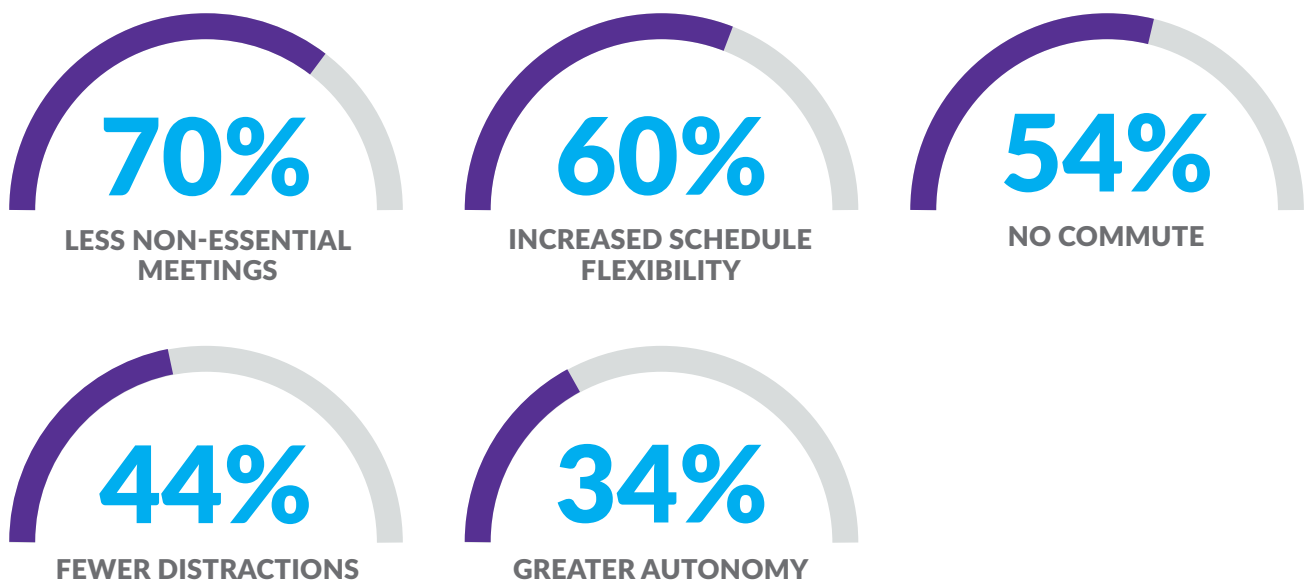




## INCREASING PRODUCTIVITY IN REMOTE WORK ENVIRONMENTS

For many companies, remote work is getting easier, not harder, as time goes on. Comparatively, 68% of hiring managers say remote work is going more smoothly now than when their company first made the shift at the start of the pandemic.<sup>1</sup>

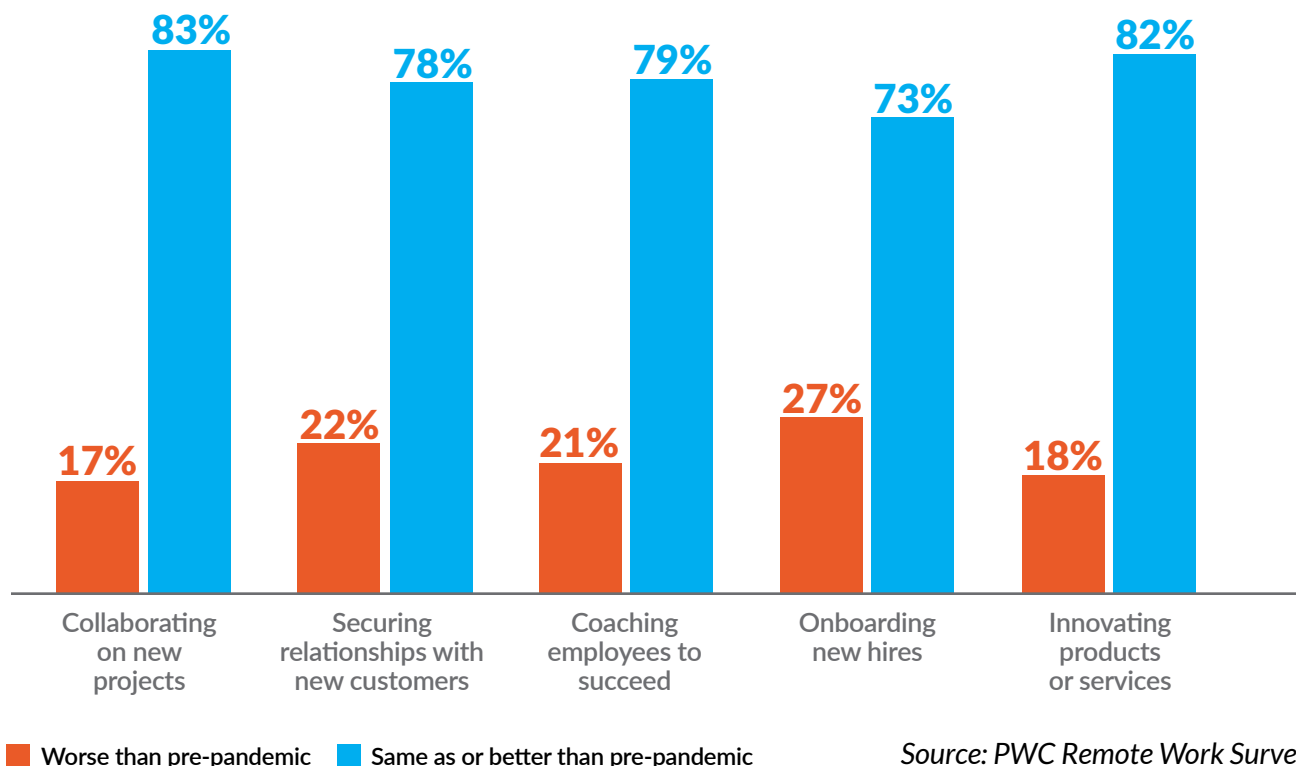
WHAT ABOUT REMOTE WORK HAS WORKED BETTER THAN YOUR EXPECTATIONS?



Source: PWC Remote Work Survey

Not only are employees thriving in remote work environments, but businesses are as well. Fewer than one in five executives say they want to return to the office as it was pre-pandemic, and 83% of employers now say the shift to remote work has been successful for their company – a **14% increase over June 2020**.<sup>5</sup>

HOW EFFECTIVE HAS YOUR COMPANY BEEN AT PERFORMING THE FOLLOWING ACTIVITIES WITH EMPLOYEES WORKING REMOTELY?



Source: PWC Remote Work Survey

This surprising increase in productivity can be attributed to reduced interruptions at home rather than the office's tendency towards impromptu meetings and watercooler chats. In fact, remote employees experience up to 45% fewer interruptions while working from home. That regained focus time adds up to 9 extra days of concentrated work per year for employees who work remote half-time. Remote work has also changed the way managers are able to measure performance – forcing an increased focus on concrete accomplishments, rather than time spent in the office.<sup>3</sup> The result? Increased output from more focused employees.

This shift in perception underscores the normalization of remote work. Slow adopters of remote work policies are embracing and adapting to the trend. The reality is – companies that have successful long-term remote work strategies have a distinct competitive advantage as it relates to employee productivity, overall happiness and retention.





## BENEFITS ABOUND FOR ALL

Who doesn't benefit from more time, money and improved health? Pre-pandemic, the average U.S. employee spent 28 days in traffic every year. As employees continue to work from home, they gain days back in their lives – a half-time remote employee saves 14 days of commute time per year. For 20% of workers with an hour or more commute each way, the time spent in traffic can top more than 60 days – two months of their lives spent bumper-to-bumper – per year.<sup>4</sup>

A half-time  
remote employee saves  
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of commute time per year



**IF EVERY U.S. WORKER THAT COULD OPERATE REMOTELY WORKED HALF-TIME FROM THEIR HOME OFFICE, THE CARBON REDUCTION WOULD EQUATE TO TAKING 8.8M CARS OFF THE ROAD<sup>1</sup>**

In addition, remote employees not only remain healthier by lowering their risk of exposure to COVID-19, but their health also benefits in other ways. Reduced stress, a more balanced work/life ratio and more time spent with their families all contribute to a better WorkLife experience- because the lines between work and life are blurrier than ever.



Employers also benefit from remote work. Cost savings, improved business continuity and an expanded talent pool chief among them. Fixed costs like expensive, downtown real estate and business travel have significantly decreased, while soft savings abound as a result of increased engagement and productivity.

Companies that master remote work are also building resilience against both large and small disruptive events. While the pandemic represents a rare, large-scale disruptive event effecting U.S. business as a whole, more common small-scale disruptions (such as winter storms, wildfires, or power outages) will persist beyond 2021. Organizations that proactively adopt remote work as their business-as-usual will gracefully weather future disruptions.

The average financial benefit to employers of half-time remote work is  
**\$11,000**  
per employee per year

Finally, remember when everyone was talking about what the Millennial worker wants in an office? Hint: it's not beanbags. As it turns out, employees across all generations are increasingly demanding flexible work environments. Remote work aligns with what people want. That means companies with remote options can expand their current talent pool. In fact, 40% of Gen Z and Millennial professionals desire geographic flexibility in the workplace.<sup>6</sup> If employers expect to attract and retain young talent, they most certainly need to consider remote work strategies moving forward.





## HYBRID POLICIES ARE KEY

While the positives of remote work abound, going fully remote doesn't seem to be what employers or employees want. Leaders have concerns about maintaining a distinctive culture for their companies. 95% say that regular time spent in office is key to keeping their culture intact. But companies are still in the process of figuring out the right balance of days in and days out.<sup>5</sup> Face-to-face interaction has proven important, especially for hiring, integrating and mentoring entry level staff and developing organizational culture.

Culturally speaking, successful executives hire capable people, equip them with the right tools to be successful and then trust them enough to get out of their way. This approach fits well with the hybrid work environment.

Different industries have differing needs. Companies in tech can likely transition more easily than industries which require on-site staff, like healthcare and laboratories. Most companies favor a part-time remote strategy – or hybrid office – as a growing number of organizations are recognizing the increased productivity and cost savings created by remote work.



**The right remote  
work solution**  
is highly dependent  
upon the industry





## THE FUTURE OF OFFICE SPACE IS UNCERTAIN

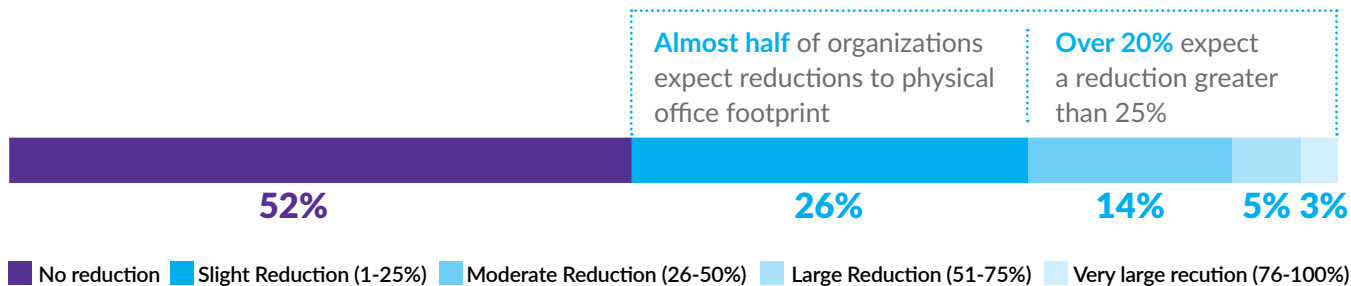
The pandemic has accelerated an outward migration of professionals from New York and California to less-expensive locales such as Raleigh, North Carolina and Austin, Texas, which are becoming boomtowns for young professional talent.<sup>7</sup> Other employees have given up urban life for suburban and even rural areas.

Remote work is proving to be a key player in the reshaping of corporate real estate - 87% of executives expect to make changes to their real estate strategy over the next 12 months.<sup>8</sup> Plans include consolidating space and/or opening more satellite locations. With the WorkAnywhere concept, companies can decentralize and repurpose top line spend.

Massive and sudden reliance on shared assets (home offices, personal devices, home internet) over fixed office space started in 2020. The pendulum won't swing all the way back to the pre-pandemic state of work, because many companies now see the remote work option as a low-cost "workplace" amenity.



Some offices will make **meaningful reductions** in their office footprint in order **to reduce costs**



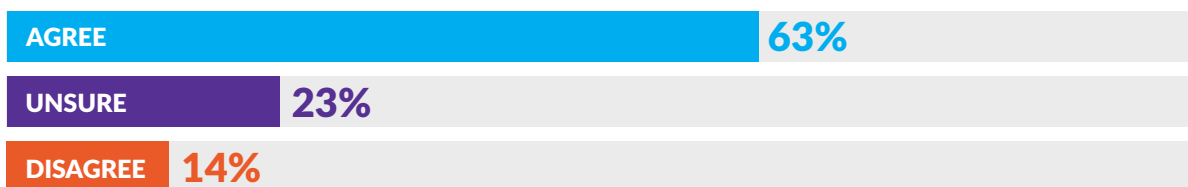
Source: 451 Research's Voice of the Enterprise: Digital Pulse. Coronavirus Flash Survey 2020

Open workspaces won't be returning any time soon. Overall, 92% of business leaders think that some changes implemented as a result of COVID-19 will become permanent even after an effective vaccine and treatment protocol are in place.<sup>8</sup>

Office space is a significant expense that companies are generally looking to optimize and reduce. This is evidenced by the pre-pandemic push for smaller workspaces through the use of bench seating and increased meeting and common spaces.

However, there were already indications of employee pushback prior to the pandemic. Many believe open offices were already a hinderance to productivity. Office space per employee will likely increase post-COVID due to the newly ingrained but long-lasting health concerns sparked by the pandemic.

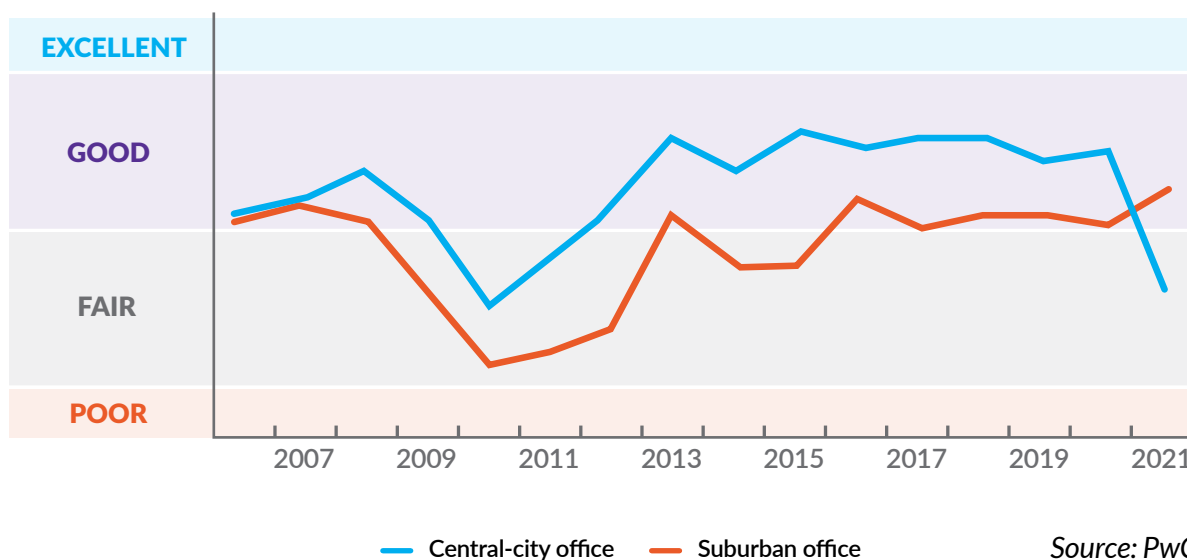
TO MEET SOCIAL DISTANCING REQUIREMENTS, OFFICE TENANTS WILL REQUIRE MORE SQUARE FEET PER WORKER THAN PRE-COVID 19 LEVELS



Source: PwC

Some believe that long-term remote work trends will create permanent downward pressure on office demand moving forward. With the sudden decrease in demand for urban office space, corporate real estate may also see a significant shift towards affordability – possibly encouraging a return to larger offices. This makes it hard to estimate the net impact on overall office space. Will we see a short-term decline in central city office space followed by a rapid rebound when prices become more affordable?

OFFICE INVESTMENT PROSPECT TRENDS



Source: PwC



## EMPLOYEE COMFORT LEVELS DRIVE UNCERTAINTY

Employers are making plans and executing evolving real estate strategies but are still juggling the uncertainties brought about by the pandemic. Employees should expect precautions such as temperature scans and masks to remain. They may even welcome these measures as a comfort to their safety. Initial workplace reopenings taught us that even when offices reopen, many workers may still opt to stay home. For instance, in Boston, workplaces were allowed to reopen at 25% capacity in early June with enhanced and enforced safety measures. There was just one problem: almost no one showed up.<sup>8</sup>

A key indicator for higher employee comfort levels is uncertainty surrounding the COVID-19 vaccine. For starters, the rollout has been slower than projected. For people to feel confident about returning to the workplace, they will have to also feel confident that their vaccinations are effective against new strains of the virus.



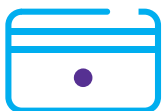
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## CREATING AN EFFECTIVE WORK STRATEGY

Beyond a schedule of days in or out of the office, an effective remote work strategy should be sensitive to and align with what a company's employees need. This includes additional support resources and programs for employees that need help adjusting to a remote or hybrid work schedule. As with all big change, communication is key. Management's ability to articulate goals to their teams and objectively measure performance will be paramount.



### IT'S ESSENTIAL THAT EMPLOYERS UNDERSTAND THE COST OF HAVING A DEDICATED REMOTE WORKSPACE

The only way for employers to successfully execute their remote work strategies is by taking a fair and accurate approach to reimbursement. In some cases, it may make sense to provide employees with equipment and cover expenses for business tools such as laptops and phones. What about an internet connection or the new, dedicated work area in an employee's home? Paying all employee expenses for mixed-use assets is a costly option for employers. Paying a stipend is an unfair compensation method as it fails to reflect where and how employees in different roles work.

A geographically sensitive reimbursement that reflects the portion of work assets used for business makes the most sense. It also provides the most accurate and fair compensation for employers and their remote employees.



60% of employers think it's a good idea to provide remote employees with home office furniture, but **only 15% actually do<sup>3</sup>**



## THE PATH FORWARD

While the path is increasingly clear, when organizations will arrive at the next phase of their hybrid work model is still to be determined. It's obvious remote work will remain a key component of U.S. business models moving forward. The market requires it for myriad reasons, including increased public health awareness, increased employee productivity and overall cost savings. However, the future of the traditional office is in flux.

<sup>1</sup> Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey. 451 Research.

<sup>2</sup> Most Businesses Expect to Keep Work-From-Home Policies in the Long Haul: Survey. S&P Global. <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/most-businesses-expect-to-keep-work-from-home-policies-in-the-long-haul-survey-59050572>

<sup>3</sup> The Business Case for Remote Work 2021. Global Workplace Analytics.

<sup>4</sup> FlexJobs.

<sup>5</sup> US Remote Work Survey. PWC. <https://www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html>

<sup>6</sup> The Pandemic Sparked a Wave of Relocations and Delocations. Recruiter. <https://www.recruiter.com/i/the-pandemic-sparked-a-wave-of-relocations-and-delocations-heres-what-that-means-for-talent-acquisition-in-2021/>

<sup>7</sup> Emerging Trends in Real Estate 2021. PWC. <https://www.pwc.com/us/en/asset-management/real-estate/assets/pwc-emerging-trends-in-real-estate-2021.pdf>

<sup>8</sup> Survey: Over Two Thirds of Companies Work from Home Forever. Business Insider. <https://www.businessinsider.com/survey-over-two-thirds-of-companies-work-from-home-forever-2020-6>

## ABOUT MOTUS

Motus is the definitive leader in solutions for businesses with mobile-enabled workforces. Motus simplifies reimbursement and management of mileage, mobile devices and remote work with proprietary software that calculates personalized reimbursements for each employee, while improving employee productivity, reducing overall mobility costs and supporting our customers' tax and labor law compliance programs. The company's unmatched living cost data, refined over more than 80 years and updated in real time, has made Motus the leading provider of mobile workforce management solutions for top Fortune 500 companies. Motus automotive data, captured and analyzed across the world's largest retained pool of drivers, also underpins the annual Internal Revenue Service (IRS) business mileage standard, the amount an individual can deduct for business vehicle expenses. For more information please visit [www.motus.com](http://www.motus.com) or connect with us on [Twitter](#), [Facebook](#), [Instagram](#) or [LinkedIn](#).