

From remote work to working from anywhere

Mari Sako
22 January 2021

The Covid-19 pandemic has made remote working a sudden necessity for many employers and employees in the first quarter of 2020. This shock resulted in 35 to 50 percent of all US employees working entirely or partly from home by May 2020.¹ Information technology played a central role, with Internet connection at home making the transition to remote work remarkably unproblematic for most people. But many surveys carried out to enquire about how individuals view remote work demonstrate that its impact can be a double-edged sword. Some are loving it, with flexible schedules, no long commute, and more time with family. But others are unhappy with loneliness and the blurred boundary between work and leisure.² How can we make sense of these mixed pressures? What are the different factors that have affected and will continue to influence the way we work? This column considers what remote working has meant before the pandemic, and its likely transformation in a post-pandemic world. It argues that the institutionalization of “remote work” as “working from anywhere” will require deep changes in organizational life.

Trend towards remote working predates the covid-19 shock

Remote working is not a new idea. The Covid-19 pandemic accelerated changes already underway, and pushed things over a “tipping point”. However, challenges remain for workers, including those in the IT and software industry, not least because of the sudden and unplanned way in which this happened, alongside the furloughing of jobs and the closure of schools.

The relationship between technology and work has been subject to change for a long time. During the early phases of the first industrial revolution, we saw the “putting out” of work to homeworkers. With the rise of large manufacturing plant and offices in the twentieth century, many employees experienced a clear separation between

workplace and home. In this context, remote working came to be defined by Cambridge English Dictionary as “the practice of an employee working at their home, or in some other place that is not an organization’s usual place of business.”

By the 1980s, remote office work – work-from-home (WFH) -- was considered an extension of flexible work arrangements.³ Flexitime, alongside part-time work, enabled workers, especially female workers, to balance work and childcare. With the Internet enabling connectivity since the 1990s, remote work morphed into offshoring to low-cost global locations. Offshored work included office work at call centres and software engineering centres, but also freelancing in design, data entry, programming and translation using platforms such as Upwork, LinkedIn ProFinder, and Fiverr.

Remote work varies by type of work

Of course, remote working patterns vary by type of work. As early as in the 1980s, when home-based digital technology was limited, Margrethe Olson published in this journal a careful study of remote office work.⁴ She documented the characteristics of jobs that predisposed job holders to work remotely. They included a minimal physical requirement of the job in the form of a telephone and a terminal, high degree of individual control over work, well-defined milestones and deliverables, the need for concentration, and low need for communication. All of these characteristics still apply to remote work and freelancing today.

More recently, there is robust evidence of how remote work varies by occupation. According to the American Time Use Survey (ATUS) in the United States, for example, managerial, professional and related (MPR) occupations – a broad category including managers, financial analysts, engineers, computer programmers, and lawyers – were found to be among those whose jobs could be performed in a variety of locations, including at home.⁵ In 2013-17, workers in these occupations accounted for 41 percent of the USA workforce. Among them, people employed in healthcare (physicians, nurses, therapists etc.) and technical (architectural, engineering etc.) occupations were among the most likely to work only at their workplaces. By contrast, people employed in arts, design, entertainment, sports, and

media and in education, training, and library occupations were the least likely to work only at their workplace on days they spent time working.

Remote working trends predate the pandemic. Specifically, the share of MPR workers who worked solely at their workplace declined from 46 percent in 2003-07 to 41 percent in 2013-17. Over the same period, the proportion of MPR workers who worked only at home on a given day increased from 10 percent to 13 percent. The ATUS results for 2020 are not yet published, but evidence from the Real-Time Population Survey provides expected outcomes. Comparing February and May 2020, the proportion of employees who worked at home every day increased from 5 percent to 24 percent in healthcare, whereas the home-every-day proportions increased from 13 percent to 60 percent in professional and business services, and from 11 percent to 61 percent in the financial and insurance sector.⁶

Remote work facilitated by digital technology

Digital technology has undoubtedly made it increasingly feasible for companies to hire workers remotely to get tasks done. Computers are faster and cheaper, and stable broadband internet is widely available in most locations. Moreover, advances in video chat platforms, cloud-based services, and desktop virtualization have facilitated remote collaboration in a variety of knowledge work including R&D, product development, and marketing. Gone are the days when we used to gawk at how “real” the video conferencing rooms were, with “real” meaning visual 3D and no delay in audio-visual transmission.

These technological advances account for how smooth transition to remote working was in spring 2019 for the majority of workers. Companies that were not prepared accelerated investments in cloud-based software tools, eSignatures for documents, and purchase of equipment to support working from home. With a surge in demand for these specific technology areas, start-ups in cloud-based technologies attracted early-stage investment funding, and represented a bright spot in a much gloomier investment climate, according to a 2020 survey by 500 Startups, a global venture capital fund and seed accelerator.⁷ Moreover, Covid-19 has shifted patent applications towards technologies that support working from home.⁸ This bodes well for enabling workers to communicate better with each other.

Tasks, not jobs, will be subject to remote working

A phenomenon related to remote work is freelancing. According to a survey commissioned by Upwork and Freelancers Union, 57 million people, representing 35 percent of the US workforce, engaged in freelancing.⁹ They generated \$1 trillion in income, or 5 percent of the US economy, in 2019. The share of full-time freelancers increased from 17 percent in 2014 to 28 percent in 2019. The most common types of freelance work are in skilled services, with 45% of freelancers providing programming, marketing, and consulting services. Freelancers, while attracted to freelancing for the freedom to do work from anywhere, face a variety of location choices: 27 percent of skilled freelancers do all of their work remotely, while 19 percent do none or little of their work remotely. Remote means locations away from traditional offices, including home but also coffee shops and co-working spaces.

One way of understanding what freelancers do is to disaggregate a job into tasks that have the characteristics of minimal physical requirement, full control, well-defined milestones and deliverables, etc. that Margrethe Olson identified in the 1980s. For example, a programmer may interact with clients to understand their requirements; she then works on her own to develop the codes, before making further refinements in accordance with customer feedback. Separating out the interactive tasks and work-alone tasks is possible, and it is the latter that are more easily subjected to remote working. Thus, while working some days at home may be a matter of lifestyle choice, there are also task-based rationale for a part-home-part-office work mode.

Non-technological norms will be important for the long-term

While certain task characteristics and digital technology facilitate or undermine remote work, ultimately what will determine the “new normal” in remote working will be our views and social norms about work modes. For everyone, there will be importance attached to social interaction in human organizations. We draw boundaries so that one either belongs or does not belong to an organization. And however good the technology might become, we will miss casual encounters in office corridors and the proverbial “water cooler” conversations.

Towards working from anywhere

There is strong evidence that most of us wish to retain an element of remote working in our jobs. As many as 98 percent of those surveyed in a study want to have the option to work remotely for the rest of their lives.¹⁰ Another survey found that by 2022, employers on average were planning for employees to spend about one day per week from home, while the average worker would like to work from home about two full days per week.¹¹

This column argued that the Covid-19 pandemic created a discrete shock to our work patterns, with people forced to work from home in an unplanned manner. However, trends towards remote work, particularly for certain occupations, predates the pandemic, and are characterized by the existence of certain tasks that are easy to carry out remotely. It becomes clear that in most jobs, there are tasks that can be carried out remotely – manipulating data, writing codes and reports etc. – and tasks that are better carried out in social spaces with other co-workers, such as brainstorming and performance that require feedback. If we derive our well-being from balancing these two types of tasks, then remote work will be part of a hybrid model combining remote and in-office working.

But apart from the technical requirements of task execution, social norms will have to change, with less stigma attached to working from home, with a history of association with shirking or hiding or not being a good citizen.¹² Gender roles will have to be re-examined, as today it is still women with small children who would wish to get out of the home and into the office. Digital technology of the future, with cloud computing, has much to facilitate such hybrid working. But it will take a lot more than giving employees laptops and broadband connections for “working from anywhere” to take hold.

¹ Brynjolfsson, Erik, Horton, John J., Ozimek, Adam, Rock, Daniel, Sharma, Garima, & TuYe, Hong-Yi. (June 2020). Covid-19 and remote work: An early look at us data *NBER Working Paper No. 27344*; Barrero, Jose Maria, Bloom, Nicholas, & Davis, Steven J. (2020). Why working from home will stick. *University of Chicago, Becker Friedman Institute for Economics Working Paper(2020-174)*; Bick, Alexander, Blandin, Adam, & Mertens, Karel. (2020). Work from home after the covid-19 outbreak. *The Federal Reserve Bank of Dallas, Research Paper 2017*, <https://www.dallasfed.org/-/media/documents/research/papers/2020/wp2017r2021.pdf>.

² IBM (2020). Covid-19 and the future of business *Insights series*: IBM Institute for Business Value;

The 2020 state of remote work <https://lp.buffer.com/state-of-remote-work-2020>; What 12,000 employees have to say about the future of remote work <https://www.bcg.com/en-gb/publications/2020/valuable-productivity-gains-covid-19>.

³ Olson, Margrethe H. (1983). Remote office work: Changing work patterns in space and time. *Communications of the ACM*, 26(3), 182-187.

⁴ Olson, Margrethe H. (1983). Remote office work: Changing work patterns in space and time. *Communications of the ACM*, 26(3), 182-187.

⁵ Krantz-Kent, Rachel M. (2019). Where did workers perform their jobs in the early 21st century? *Monthly Labor Review*, 1-10; Krantz-Kent, Rachel. (2009). Where people worked, 2003 to 2007. *Washington, DC: US Bureau of Labor Statistics*.

⁶ Bick, Alexander, Blandin, Adam, & Mertens, Karel. (2020). Work from home after the covid-19 outbreak. *The Federal Reserve Bank of Dallas, Research Paper 2017*, <https://www.dallasfed.org/-/media/documents/research/papers/2020/wp2017r2021.pdf>.

⁷ 500Startup. (2020). The impact of Covid-19 on the early-stage investment climate.

⁸ Bloom, Nicholas, Davis, Steven J, & Zhestkova, Yulia. (2020). Covid-19 shifted patent applications toward technologies that support working from home. *University of Chicago, Becker Friedman Institute for Economics Working Paper(2020-133)*.

⁹ Freelancing in America <https://www.upwork.com/i/freelancing-in-america/>

¹⁰ The 2020 state of remote work <https://lp.buffer.com/state-of-remote-work-2020>

¹¹ Barrero, Jose Maria, Bloom, Nicholas, & Davis, Steven J. (2020). Why working from home will stick. *University of Chicago, Becker Friedman Institute for Economics Working Paper(2020-174)*.

¹² Barrero, Jose Maria, Bloom, Nicholas, & Davis, Steven J. (2020). Why working from home will stick. *University of Chicago, Becker Friedman Institute for Economics Working Paper(2020-174)*.