The Agility Issue
How businesses adapt, change, and pivot

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Welcome to the Agility Issue

Our cover features a gymnast upside down as she executes a full rotation over the balance beam. We chose the image because it epitomizes agility and grace under pressure. It also speaks to a time when so many lives and businesses have been upended, and when so much still hangs in the balance.

Over the past year, a global pandemic has killed at least 2.8 million people and brought economies to a grinding halt. Police killings of Black Americans moved thousands to march for racial justice in cities worldwide. Floods and forest fires underscored the reality of climate change, and its dangers.

Democracy came under attack in Washington, D.C., where a violent mob stormed the U.S. Capitol in an attempt to overturn the result of an election that didn’t go their way. Lies and conspiracy theories spread like kudzu on social media, leading many to wonder whether empirical truth had become a relic of the past.

The past year has also seen dramatic changes in tech and business strategy, our focus here at Workflow. Overnight, traditional workplaces emptied out and distributed work became the norm. Businesses doubled down on digital workflows and business models, because there was no other way to stay afloat. In April 2020, Microsoft CEO Satya Nadella remarked: “We’ve seen two years’ worth of digital transformation in two months.”

Business agility became a CEO-level issue during the pandemic, according to a global survey of business leaders conducted by ESI ThoughtLab and ServiceNow, the publisher of Workflow. A plurality of respondents (33%) said CEOs are taking the leading role in business agility efforts, followed by chief information officers (23%) and chief operating officers (20%).

The survey found data management and security have become 27% more agile since the pandemic. IT support and services have seen a 26% agility boost. Sales, marketing, and channel management are 24% more agile. IT architecture, platforms, and systems have seen a 21% improvement. Check out more research findings starting on page 15 of this issue, and on the C-Suite Center section of our daily Workflow site.

It remains to be seen how wide-spread and durable this agility dividend will be. In an exclusive interview with Workflow Quarterly (page 14), famed Stanford economist Erik Brynjolfsson describes a “winner take most” effect where a few firms dominate the adoption of new technologies and see the biggest market gains from them.

I hope you enjoy the Agility Issue. May your company emerge stronger and nimbler from this trying year.

RICHARD MCGILL MURPHY
EDITOR-IN-CHIEF
I used to think in-person collaboration drove productivity. The pandemic changed my mind.

BY GINA MASTANTUONO

If the pandemic has taught me anything, it’s that business leaders need to rethink old assumptions about what drives productivity and how work should get done.

I’m no exception. Like many of my peers, my path to the C-suite came by delivering results—but also by committing to more hours in the office, building in-person relationships with mentors and mentees, and being physically present even when it perhaps wasn’t necessary.

In the early months of the pandemic, just a couple months after I started at ServiceNow, I was reluctant to accept a
future workplace that required anything less of my team. I believed changes we had made to the day-to-day running of the business during COVID would be temporary. I wanted my team to collaborate and solve problems together, ideally in the same room. I couldn’t wait to get back into the office to see everyone and get back to normal.

Yet more and more, I heard my team say they needed flexible working arrangements indefinitely. Digital workflows and collaboration tools could connect them effectively. Choice was a motivator.

At first, I didn’t buy it. But as the pandemic carried on, I learned that a hybrid workplace model needn’t impede productivity. Far from it. Our 13,000+ employees have all been working remotely since March 2020. Yet our engineers have continued to build and ship great products. Our sales teams have continued to close big deals. My finance team has continued to fund innovation all over the company. And we’ve achieved record results. ServiceNow revenues grew 31% last year, in one of the most challenging business climates ever.

All this success was possible because we run our business on a digital platform that enables remote work and virtual collaboration. Last year, for example, we used our digital onboarding solution to welcome more than 3,000 new employees into ServiceNow.

Our hiring managers hadn’t met most of these people in person, and new employees hadn’t met their extended teammates. Thanks to digital workflows running on the Now Platform, however, they were able to join us and ramp to full productivity without missing a beat. I’ve seen this in my own finance organization and all over the company.

The takeaway: Recruiting great talent doesn’t require in-person meetings. In fact, virtual recruiting accelerates time to hire because it eliminates the overhead of scheduling in-person interviews and arranging travel. Getting to know someone personally will always be important, but the pandemic has taught us that you can do that digitally.
We all look forward to the day when we can meet our newest team members in person. But we also see how productive we are now, and how effectively we can work together while staying apart. In short, the “new normal” is also a new opportunity to create value.

**The great experiment**

COVID-19 has forced companies to conduct the greatest workplace productivity experiment of all time. Millions of employees who once clocked in at offices are now working remotely. They depend on digital workflows and virtual collaboration tools to stay connected and get work done. We must take the best of what we are learning during the pandemic and use it to drive innovation and productivity going forward.

Looking across our global customer base, we see many organizations testing hybrid work models to learn what works across different teams. For example, St. Jude Children’s Research Hospital is on a mission to advance cures, and means of prevention, for pediatric catastrophic diseases through research and treatment. In 2020, COVID-19 created a significant headwind to that mission. With much of the hospital staff required to work from home, the need to digitize manual workflows became more important than ever.

In less than four weeks, the hospital leveraged ServiceNow’s low-code App Engine and Integration Hub to integrate disparate systems and build custom end-to-end workflows, ultimately allowing them to ensure seamless delivery of critical services.

Now that we have effective vaccines, many organizations look forward to reopening their physical workspaces. Even so, I think flexible work models have proven their value and are here to stay. Digital transformation enables hybrid models that combine virtual and physical interaction. By adopting the best of both, we can unlock productivity while attracting, motivating, and retaining great talent.

The pandemic accelerated many business trends that were already underway, including work-from-anywhere models enabled by digital platforms. By forcing a remote environment for everyone, it broke old paradigms and challenged assumptions about what truly drives productivity and value creation. We need to lead differently going forward, learn from this global experiment, and become even more productive in how we work.

While I believe the future of work is hybrid—and that productivity doesn’t require in-person interaction—every company is different and must define its own version of success.

In the end, no company can succeed without investing in employees and growing its talent pool—no matter where or how they work. As we move past the pandemic and into the future of work, I look forward to leveraging diverse talent and digital platforms to build safe, healthy workplaces where productivity and innovation can both flourish.

“Getting to know someone personally will always be important, but the pandemic has taught us that you can do that digitally.”

GINA MASTANTUONO is the chief financial officer of ServiceNow.
1 Build a metrics dashboard

Leaders need to understand the different factors that can facilitate an effective work-from-home or hybrid model. It’s important to track core productivity metrics to understand how different models are working and to know which levers to activate to improve performance. ServiceNow’s workflows and processes are digitized, so our leadership team can see the flow of work to identify opportunities. Digitization is key to maintaining our productivity and culture.

2 Uplevel employee development and performance management

Every organization can benefit by providing learning opportunities for employees to grow at work, no matter where they work. Our research shows this is a challenge globally. Almost 2 out of every 3 executives we surveyed with Wakefield Research said company training programs are still not available online.

Alongside training comes evaluations. No matter where they work, employees need clear performance expectations and growth tracks.

3 Track customer success

Employee experiences need to facilitate best-in-class customer experiences. Our research with ESI ThoughtLab suggests this should happen: Companies that invest in employee experience have improved customer success and, ultimately, higher revenue.

4 Create innovation and collaboration experiences

Innovation happens in lots of ways, and we’ve learned that people don’t need to be together to come up with great ideas. Our ServiceNow Safe Workplace and Vaccine Administration Management solutions were developed by engineering teams working completely remotely.

We need to make sure there are both physical and digital environments that can foster idea development, and that employees are equipped with the appropriate tools to take action. Communication and access to important information must be streamlined, automated, and even predictive.

5 Meet your community where it is and add value

We all need to be responsible stakeholders in our global community and environment. This is, ultimately, what it’s all about.

A McKinsey survey reported that 70 percent of companies think remote work will allow them to increase diversity in their hiring, open up more opportunities for existing employees, and decrease their carbon footprint.
Converting vaccines into vaccinations

Solving the ‘last mile’ of vaccine delivery is the biggest workflow challenge ever

BY CHIRANTAN “CJ” DESAI

Vaccinating the world’s population against the novel coronavirus is a daunting task. Converting vaccines into vaccinations is one of the biggest logistical challenges that humanity has ever faced. And it’s perhaps the most significant workflow challenge of our lifetime.

Vaccine delivery is a classic “last mile” problem. Scientists developed effective COVID-19 vaccines in less than a year, compared to eight years or more for standard drug development. That’s an amazing feat, but even the best vaccine is useless if you can’t close that last-mile gap by administering it quickly, safely, and at scale for people.

Here’s the math. To defeat COVID-19 we need to vaccinate 7.8 billion people—twice. That’s 15.6 billion doses globally. In order to complete this job in a year, we’ll need to stick 43 million arms a day worldwide. Even if we assume only 75% of the global population gets vaccinated, the volume of vaccinations will be unlike anything we’ve ever seen.

While healthcare professionals know how to run vaccine programs, they’ve never had to deliver multi-dose vaccinations for the entire human race while
managing limited supplies and a rolling schedule of prioritized populations based on risk. All this in a crisis environment where COVID-19 has already killed more than two million people and disrupted every nation on earth.

**Workflow it**

Digital workflows can help solve the challenges of vaccine administration. Vaccine delivery is a workflow—a process with clear steps—just like employee service delivery or customer service management. Cutting-edge science gave us effective vaccines in record time. Now we need to deploy innovative technology and leading workflow solutions to effectively vaccinate people everywhere. ServiceNow is doing our part, harnessing the power of the Now Platform to give vaccine administrators the scale, speed, and flexibility required to get people protected.

Too many of our customers in the healthcare space told us they were using spreadsheets to track who received the vaccines, at which location, and when they were due to receive the required second dose. Others said they were keeping hard copy records of vaccine storage information. Such manual processes slow vaccine delivery. And they aren’t necessary.

With ServiceNow’s Vaccine Administration Management solution, we have digitized these processes and more. Our Vaccine Administration Management solution supports President Joe Biden’s aggressive actions to guide the U.S. out of the pandemic and convert vaccines into vaccinations.

Digital workflow solutions on the Now Platform are helping government agencies and other organizations globally with the scale, speed, and flexibility needed to help the world get vaccinated quickly. NHS Scotland and the State of North Carolina Department of Health and Human Services (NCDHHS) are among the more than 100 organizations currently working with ServiceNow on their vaccine management efforts.

NHS Scotland has developed custom workflow solutions on the Now Platform to support their goal of vaccinating 5.5 million citizens within three months.

NCDHHS is using the Now Platform to power its COVID Vaccine Management Help Desk Portal. Healthcare providers, clinicians, and NCDHHS staff are using the portal to access the latest information related to state vaccine requirements and get their vaccine-related questions answered.

ServiceNow Vaccine Administration Management delivers a modern, self-service experience across desktop and mobile devices. It connects patient engagement with back-end inventory systems so organizations can easily schedule appointments and
NHS Scotland developed custom solutions on the Now Platform to support their goal of vaccinating 5.5 million citizens within three months.

"North Carolina DHHS is using the Now Platform to power its COVID Vaccine Management Help Desk Portal.

ServiceNow’s Safe Workplace suite helps organizations gauge workforce and workplace readiness.

send reminders, notify patients when more COVID-19 vaccines are available, and communicate when a new segment of the population is being prioritized for the vaccination.

Step by step

Since the pandemic began, we at ServiceNow have been responding with digital workflow solutions that help enterprises navigate the crisis. Vaccine management solutions are a part of our broader efforts to support customers and organizations as they fight COVID-19.

For example, our Safe Workplace suite, which helps organizations gauge workforce and workplace readiness as they look to safely return employees to the workplace, has nearly 10,000 unique installations to date.

ServiceNow is committed to helping our customers manage the unique, evolving challenges presented by the pandemic. Together we will beat this terrible disease and emerge stronger on the other side.

CHIRANTAN “CJ” DESAI is the chief product officer of ServiceNow.
At Optum, advanced analytics are just what the doctors are ordering. The company, a division of United-Health Group (UHG), the second largest U.S.-based healthcare company, says it’s using artificial intelligence (AI) to slash healthcare delivery costs while improving patient outcomes.

Optum’s Case Advisor platform uses natural language processing and machine learning to analyze complex medical records, allowing physicians to spend less time poring over charts and more time treating patients. Its pharmacy services business uses analytics to detect fraud and prevent abuse of pharmacy benefits. An Optum analytics platform helps caregivers understand patient populations better and intervene earlier, altering behavior that could lead to chronic conditions or costly visits to the emergency room.

“AI is incredibly important to the future of healthcare,” says Sanji Fernando, Optum’s senior vice president for AI and analytics platforms. “By leveraging the benefits of machine learning and AI, we can improve efficiency, lower costs, and create new products and services.”

It’s also been very good for Optum’s bottom line. The division recorded revenues of $136 billion in 2020—more than half of UHG’s annual total—for a year-over-year growth rate of 21%.

Optum’s success is one of the examples cited in a 2020 study, “Artificial Intelligence, Firm Growth.”
and Industry Concentration,” that arrives at a striking conclusion: Instead of eliminating employees through automation, companies that invest the most in AI products and services are growing faster, expanding further into new markets, and hiring more people than companies that haven’t.

Other recent studies also point to the positive effects of widespread AI adoption. That’s somewhat of a surprise, given that economists have been divided for years about how AI would impact hiring, productivity, and other economic benchmarks.

For the most advanced firms, researchers found, investments in AI result not in fewer jobs but in job growth. Major U.S. metro areas where AI is a significant driver of the local economy are not only growing faster, they are seeing a rise in overall well-being, according to another recent study by researchers at the Massachusetts Institute of Technology and Stanford University.

And as Optum shows, AI is transforming health care in important ways; AI investments in drug discovery have increased fourfold over the past year, according to the 2021 AI Index published in March 2021 by Stanford’s Institute for Human-Centered Artificial Intelligence (HAI).

“AI has huge potential to help people, especially with health care,” says Erik Brynjolfsson, director of Stanford’s Digital Economy Lab and a senior fellow at HAI. “This is a great example of how technology can help us live longer, healthier lives.”

Automation fosters growth

Last September, researchers from UC Berkeley, Columbia University, the University of Maryland, and the AI for Good Foundation published the results of a study gauging how AI investments impacted job growth and industry concentration. Using AI-related job postings and online resumes as a proxy for investment, the team measured how the technology affected productivity, sales, and employment at publicly traded companies.

The study’s conclusion: “Firms that invest in AI grow more.” Companies with the greatest increase in the number of AI workers saw an 11% to 15% increase in overall job growth and sales, and roughly a 1% boost in market share, between 2010 and 2018.

The greatest benefit from AI was the ability to expand into new markets and introduce new products, notes study co-author Anastassia Fedyk, an assistant professor of finance at Berkeley’s Haas School of Business.

“Firms are expanding the boundaries of their geographic locations and their product offerings by innovating with AI technology,” she says.

To avoid biasing the results toward companies with unusually high investments in AI, the study deliberately excluded tech giants such as Google and Facebook, says co-author James Hodson, director of the AI for Good Foundation. “We’re really measuring the impact on mainstream business,” he says.

Still, enterprises with the resources to invest in AI are going to reap the greatest rewards from the technology, Hodson adds. These companies, which tend to have a more established data infrastructure, are more likely to grow faster, achieve greater economies of scale, and gain efficiency advantages. If that’s the case, over the next several years AI may give early adopters a competitive edge over those that come later to the game, although Hodson notes that isn’t visible yet in their research.
“The largest, most productive firms are also the ones that tend to have more resources,” he says. “If AI takes a big upfront investment to do it at scale, these are exactly the places where you would expect to see this growth happen.”

**More AI, better living?**

An [August 2020 study](#) by researchers at Stanford and Arizona State University found direct links between AI investment and economic growth. Cities where companies are hiring more AI workers enjoy more robust economies, notes study co-author Saurabh Mishra, manager of the AI Index Program at Stanford’s HAI.

“AI jobs are really a proxy for the digital revolution, broadly speaking,” says Mishra. “If you have a high concentration of AI jobs, there’s a good chance you’re living in an area that’s more tech-oriented.”

People living in those cities also registered higher levels of well-being, as measured from daily phone surveys conducted by Gallup, the study found. AI’s relationship to better living, however, may be more a function of correlation than causation, as people working in and around AI-powered jobs likely also have higher average salaries and perks that contribute to greater career satisfaction and better health.

But the results also suggest that doubling the share of AI jobs in a city would result in a nearly 5% boost in overall well-being, says co-author Christos Makridis, an assistant research professor at Arizona State University and a fellow at Stanford’s Digital Economy Lab.

AI’s ability to automate repetitive tasks, says Makridis, makes a person’s job more interesting.

“But reducing busywork and distractions, managers can focus employees more on value-added work,” he says, “which is associated with greater job satisfaction and meaning.”

**“Winner take most”**

The benefits of AI, though, aren’t evenly distributed, and digital technologies are creating so-called “superstar firms,” according to studies conducted by researchers at the Wharton School of Business and the Stanford Digital Economy Lab.

In a [paper published in December](#), researchers calculated the impact of “digital capital”—products and services spurred by mobile technology, cloud computing, big data, analytics, and AI, as well as the process and organizational transformations required to take advantage of them.

The greater the amount of digital capital an enterprise has accumulated, the larger the productivity gains it will see within three years, the study concludes. This finding...
holds true across all industries, not just in technology, says Brynjolfsson, who is one of the study’s co-authors.

The key differentiator between the digital haves and have-nots is their leadership’s willingness to embrace new technologies.

The divide between the haves and have-nots extends to AI startups. The amount of private investment in AI startups increased almost 10% last year, according to the Stanford AI Index. But the number of startups receiving that money decreased for the third consecutive year, contributing to an increasing gap between winners and losers.

“We’re seeing this ‘winner take most’ effect,” says Brynjolfsson, “where a few firms are dominating the adoption of these technologies and getting the biggest market value gains from them.”

Most of the benefits of this digital transformation have been concentrated in the top 10% of enterprises. That’s a warning signal to the others. “The sooner those companies act,” Brynjolfsson says, “the less likely they’ll get left behind.”

**Q&A**

**Q: Are the robots coming for our jobs?**
**A:** I don’t think that we’re facing mass unemployment or the end of work anytime soon. What we’re seeing is a massive transformation of work. Wages have gone up over the past couple hundred years, implying that human labor has become more valuable. We have better tools to work with. You can do more with a bulldozer than with a shovel.

**Q: Which jobs are most at risk?**
**A:** We did not find a single occupation where machine learning was able to perform every task. Very few jobs will be entirely automated, but many will be transformed.

**Q: A recent study found that larger firms that have invested heavily in AI enjoy the greatest growth. Do you concur?**
**A:** Yes. Most of the transformation is happening in the top 10% of firms, and that’s true across all industries, not just high tech. We’re getting a “winner take most” effect where a few firms are dominating the adoption of new technologies and seeing the biggest market gains from them.

**Q: What separates leaders from the rest of the pack?**
**A:** Every company has opportunities to use technology more widely, it’s just that some are leaping out ahead. Nine-tenths of the investment to transform a company is in organizational and human-capital change—reinventing processes, creating new business models, education, and training.

**Q: What should we be concerned about when it comes to automation?**
**A:** A common mistake made by CEOs, policymakers, and ordinary citizens is to hold onto the old jobs. The focus needs to be on reskilling and having a flexible enough workforce to make that happen. The more people try to hold onto old jobs, the worse off the economy will be in the long run.

**Every company has opportunities to use technology more widely, it’s just that some are leaping out ahead.**

**DAN TYNAN** is the former editor-in-chief of Yahoo Tech, whose work has appeared in more than 70 publications.

**ERIK BRYNJOLFSSON** is director of the Digital Economy Lab at Stanford University, and a senior fellow at the Stanford Institute for Human-Centered AI.
How companies invested during the pandemic

When the pandemic hit, companies had to quickly figure out new ways to sell, collaborate, and generally get work done. A year later, it's become clear some decisions helped companies become more agile and others didn’t.

A new survey of 200 executives from seven countries and five industries conducted by ESI ThoughtLab for ServiceNow shows that the most successful companies had senior executives who led the charge. They invested in tools that made it easier to access systems from anywhere—for customers and employees alike.

Source: ESI ThoughtLab/ServiceNow

Agility became a CEO-level issue during the pandemic

Who takes the biggest role in leading agility efforts?

COVID forced companies to make big strides in their ability to move quickly

Functions that improved the most during the pandemic

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<tr>
<td>Data management &amp; security</td>
<td>+27%</td>
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<td>IT support &amp; services</td>
<td>+26%</td>
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<tr>
<td>Sales, marketing, channel management</td>
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<td>IT architecture, platforms &amp; systems</td>
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<td>Digitization strategies &amp; plans</td>
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<td>Risk management &amp; compliance</td>
<td>+21%</td>
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<tr>
<td>Internal &amp; external communications</td>
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<tr>
<td>Finance, reporting &amp; budgeting</td>
<td>+20%</td>
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Lack of leadership vision and a shortage of talent were the biggest obstacles

The biggest challenges that organizations faced in improving agility

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<tr>
<td>Lack of leadership vision or time for agility planning</td>
<td>59%</td>
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<tr>
<td>Developing &amp; acquiring skills &amp; talent</td>
<td>56%</td>
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<td>Uncertain ROI &amp; business case</td>
<td>54%</td>
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<td>Poor-quality data/lack of data access</td>
<td>41%</td>
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<tr>
<td>Lack visibility into workflows &amp; processes</td>
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<tr>
<td>Insufficient technology investment</td>
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<tr>
<td>High implementation costs/insufficient budget</td>
<td>25%</td>
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<tr>
<td>Establishing cross-functional work culture</td>
<td>24%</td>
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<tr>
<td>Keeping up with customer &amp; employee expectations</td>
<td>23%</td>
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<tr>
<td>Employee &amp; customer communication</td>
<td>18%</td>
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<tr>
<td>Long or complicated application development</td>
<td>16%</td>
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Companies turned to mobile technologies to enable WFH

Where did you invest during the pandemic?

Investments in automation and remote work had the most immediate ROI

The most valuable investments during the pandemic

Other tech investments will pay off over the next 1-2 years

C-levels see these as promising investments over the next few quarters
Few researchers know more about remote work than Stanford economist Nicholas Bloom. In 2014, his influential study of work-from-home employees at the Chinese travel company Ctrip produced insights about the future of work that nowadays are more relevant than ever. Remote employees, Bloom concluded, were 13% more productive at home than at the office and quit at half the rate of their office-bound colleagues.

Last year, when the pandemic shunted millions of employees into makeshift work from home situations, Bloom set out to see how his earlier research squared with workers’ experiences during a global pandemic. Since May, Bloom and several other Stanford colleagues have been surveying a representative cohort of American workers between the ages of 25 and 64, accounting for different geographic regions, industries, and income levels. Four in 10 people in the survey work from home full-time.

Nicholas Bloom is a professor of economics at Stanford University and the co-director of the Productivity, Innovation, and Entrepreneurship program at the National Bureau of Economic Research.
What can companies learn from Bloom’s latest study as they consider return-to-work strategies this year? While WFH employees increased productivity at home, Bloom notes that they’re also more prone to experience loneliness, burnout, and other problems.

In a recent interview, Bloom explained why he thinks a hybrid model of remote work is best for many companies in the post-pandemic period, and why executives should adopt clear, uniform WFH policies to avoid unseen risks.

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**What has been the impact of remote work on well-being during the pandemic? Are employees experiencing job burnout?**

I’ve been hearing stories recently of workers getting increasingly lonely after 10 months at home. Indeed, in my original study on 8% of salary Value that surveyed employees assign to the ability to work from home two days per week.

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**How do companies go about coordinating schedules like that?**

Companies need to set uniform policies. Otherwise it’s total chaos. You need a hybrid model. The most common one is three days a week and WFH the other two days.

If you’re going to set one policy, you go for the policy that’s in the middle that suits the most people.

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**How do work-from-home employees feel about their new situation, now that we’re nearly a year into this?**

If you ask people what they want, they say on average they want to work from home two days a week. If you ask them how valuable it is financially to be able to keep working from home, the average number is 8% of current pay.

That means they view working from home two days a week as a perk worth 8% of their salary. That’s on par with a pension plan or health care benefits. So for companies that don’t do this, the takeaway is that you’re going to have to pay people 8% more to keep them from leaving your company.

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**From what you’ve seen in your own research, what WFH models work best?**

If you look at productivity, working from home for two days a week and in the office three days a week appears to be the best formula. If everyone is in the office Monday, Tuesday, and Thursday, you reorganize your week so that all your meeting time, client events, and presentations happen on those days. You don’t lose any face-to-face time, you just reschedule it. And the two days a week tend to be quieter. This is why, broadly, employees are happier and productivity is up.

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Ctrip, after nine months of WFH, employees were getting very lonely. While few employees want to return to the office full-time, most do want to go back for a few days each week to reconnect with friends and colleagues.
Does this mean everyone in the company comes in on those days and works from home on the other days?

No. The most natural way to do it is to organize by teams, and assign each team to a different schedule—say, red or green. On week one, red teams come in Monday, Tuesday, and Thursday. For week two, they come in Wednesday and Friday. The key factor is that you remain with your team and you can plan. But it has to be the same days within the team and it has to be organized in advance.

What about just letting employees choose the schedule that best suits their preferences?

There are some serious downsides. In the Ctrip study, we followed workers for up to two years and compared the WFH group to the control group, to see what was the cause and effect of working from home. The promotion rate of the WFH group dropped nearly in half. Halving a promotion rate is not just a small thing. It’s hugely significant.

Many people who work from home won’t be promoted. It’s not just a diversity issue. You’re facing serious threat of lawsuits.

When you interview WFH employees, they often feel they are forgotten—you could call it discrimination. And senior managers will often say they’re not developing managerial skills because they’re not in the office. They’re taking their lunch breaks while watching TV with their kids, whereas the people in the office are taking their lunch breaks with their colleagues.

Either way, it comes back to this choice issue. If you let people choose, some people are going to go to the office five days a week, and some are going to never turn up.

What risks does that present?

The demographic split is not even. Imagine it’s women with young kids and religious minorities. You’re going to find that five years from now, they’re not being promoted. It’s not just a diversity issue, either. You’re facing serious threat of lawsuits. So when I talk to managers, it’s another reason why I say you should have a one-size-fits-all policy, because it’s becoming clear where it’s going to lead otherwise.

Nicholas Bloom is a professor of economics at Stanford University.

“Many people who work from home won’t be promoted. It’s not just a diversity issue. You’re facing serious threat of lawsuits.”
Fuel business agility and resilience

Drive growth, strengthen business continuity, and enhance employee productivity with the Now Platform®.