PRESS RELEASE



What Will Working From Home look like after Corona?

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Companies should also consider the needs of their employees

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Düsseldorf/Vallendar. Productivity and the advantages and disadvantages of working from home compared to working from the office were already being discussed by companies and politicians long before the Corona crisis. Scientific studies and practical experience increasingly show that employees can judge for themselves whether or not they will be more productive with the possibility of working from home. Assistant Professor Dr. Elena Shvartsman from WHU — Otto Beisheim School of Management gives an overview of these findings and reflects on the effects of working from home and the way we will work after Corona. According to Shvartsman, companies should also listen to the wishes and needs of their employees when making decisions.

The <u>right to work from home</u> found its way into the public debate quite some time ago, however, the Corona crisis has brought this format of working into the spotlight and into the daily lives of many German employees and companies. The disadvantages of this working format are still currently largely present in the thoughts of many supervisors: How do I coordinate a team when people are not there? Doesn't working from home serve as an excuse to spend a casual day at home? Therefore, it is not surprising that according to two leading German economic research institutes, <u>a lot of home office potential remains unused</u>. However, there are also arguments in favor of working from home. For example, many employees appreciate the quieter working space at home without the distractions of the office or the increased compatibility of work and family life due to greater time flexibility and the elimination of commuting. In addition, there are also direct benefits from the employer's point of view, such as savings on office rent due to the reduced need for physical premises.

The Corona crisis has now forced many companies to introduce working from home in a very fast-paced manner. As expected, this has led to certain coordination problems because there was not always enough time to upgrade homes to include the perfect home office - be it technically or spatially. The current exceptional situation is also difficult to see as a benchmark for assessing the impact of working from home on productivity or employee motivation. Nevertheless, many companies have likely already realized that most coordination problems can be overcome with the help of digital tools. Not too long ago researchers were even able to show, using a representative sample of the German population, that employees show greater motivation and initiative due to the physical separation and the increased personal responsibility that comes with it.

From the employees' point of view, the situation is more complex. The evaluation of this new work experience is likely to take place directly alongside childcare. Currently there are many references on social media to the great progress made by humanity during times of isolation. For example, Newton is said to have discovered gravitation during the plague-induced closure of Cambridge in 1665. This expectation of self-optimization through deceleration and calm is countered by others stating that such working conditions only benefit those who do not have to look after children. A further and certainly relevant point, which applies especially to those who can work alone and presumably in quiet at home, is social isolation. A much-cited, large-scale experiment in a Chinese travel company provides information on this. At the beginning of the experiment, the employees drew lots to decide who would be allowed to work from home four working days a week for several months and who would continue to work in the office as usual. The findings of this study show that despite higher average

productivity in the home office, many employees wanted to return to the office at the end of the experiment. Many stated that they missed the interaction with colleagues. Moreover, despite the better average performance, those who worked from home were less likely to be promoted. The researchers suspect that this was mainly due to the lower visibility of employees to their supervisors who were in the office.

Nevertheless, this experiment may well point the way forward for our expectations regarding the development of working from home after Corona. At the end of the experiment, all employees were allowed to decide for themselves whether they wanted to work predominantly in the office or from home, provided they had the necessary equipment and space. Surprisingly, this led to much greater productivity gains than during the random allocation during the experiment.

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