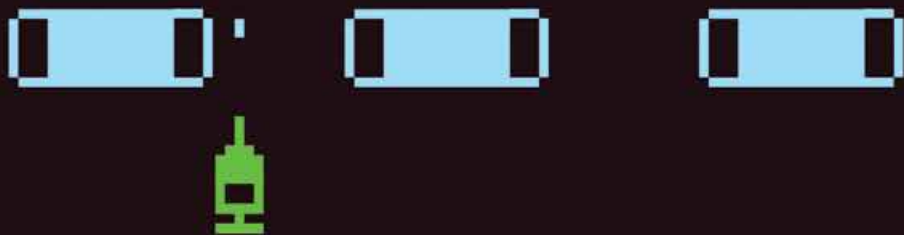# The workplace turned upside down

By Ashley Rabinovitch

Everything we took for granted about the traditional American workplace disappeared overnight when COVID-19 struck. Today's leaders are left to sort through the rubble, deciding what is worthy of being salvaged and what is better left behind.

In a landscape more reminiscent of post-apocalyptic movies than lived experience, American office buildings from New York to Nebraska have stood vacant for months at a time. Desk plants wilt, picture frames gather dust, and abandoned conference rooms await the return of employees who expected to work from home for several weeks at the most.

For the roughly 70% of American workers who don't have the luxury of working from home, the pandemic has introduced a new element of risk and instability to the workplace. For the remaining 30%, the world of work has turned upside down. Before the COVID-19 pandemic upended the world as we knew it, remote work was already rising in popularity. The share of the labor force that works from home has tripled in the last 15 years, according to the U.S. Bureau of Labor Statistics. At the same time, the infrastructure of the American workplace still assumed and catered to an in-person majority. Inflexible working hours, mandatory in-person meetings, and all-company events were the rule, not the exception.

At considerable cost and effort, office-based companies rapidly adapted their workplace infrastructure to remote work with the onset of COVID-19 in March 2020. In a staggeringly short window, in-person meetings and events went virtual, working hours became flexible, and digitized operations became a lifeline, not just an asset. "Everyone was in the same boat,' reflects Julie Bazan, Executive Director of Career Education & Professional Development at the Simon Business School. "No one was fully prepared with the technology and knowledge to handle the shift."

Finding the silver linings

The new workplace infrastructure may have emerged in response to a global crisis, but the sudden shift has produced undeniable benefits for individuals and organizations alike. For many individuals, their work-life balance has suddenly improved as they find more hours in the day to devote to their personal lives.

In his role as Chief Investment Officer and, most recently, as Divisional Vice Chairman for UBS, a global financial service provider, Mike Ryan '81, '84S (MBA), traveled for more than 100 days a year before COVID-19 hit. When he wasn't on the road, he would commute an hour and a half each way to his office in midtown Manhattan. "I got up at five in the morning for 30 years and rarely got home before 7pm," he reflects. "It put a lot of pressure on my family, as it did for many others as well. Personally, I have experienced an improvement in my quality of life, and many of our employees would say the same thing."

"The improvement in work-life balance is the single biggest benefit of the new environment," agrees Harin de Silva '84S (MBA), '85S (MS), the president and portfolio manager for the Wells Fargo Asset Management

Analytic Investors team. "These days, the men and women on my team can drop their kids off at school more easily. They can attend more Little League games."

From an organizational perspective, the COVID-19 pandemic has deepened the talent pool for companies that were previously wary of hiring remote workers. "Prior to the pandemic, many of the companies we worked with told our students that they couldn't do certain jobs remotely," says Bazan. "Now, employees have proved that it can be done after all." Bazan identifies an equalizing force at play. "In this new environment, people outside of major metropolitan areas are discovering more opportunities to work for larger companies," she says. Without having to relocate to a new city, new employees who work remotely "lower the adjustment curve" and, as a result, experience higher levels of job satisfaction.

The equalizing effect extends to the internal dynamics of organizations such as UBS, where Ryan has noticed a flattening of the traditional hierarchy. "The pandemic has made top executives more accessible," he shares. "Every week, the president of our company in the U.S. hosts virtual town halls with a high take-up rate that makes employees feel not only more connected but also appreciated."

In the same way that lower-level employees enjoy greater access to the C-Suite, top-level executives have benefited from increased access to their client base around the world. "There used to be a stigma around connecting remotely with a client," Ryan explains. "Now, the rules and norms of client engagement have changed. For the first time, a video call is not only acceptable but preferred. The result is that we can communicate with certain clients more often and more conveniently without having to fly across the world to see them."

A double-edged sword

For every silver lining to the COVID-19 pandemic, a storm cloud hangs overhead. "The major downside of working from home is that we tend to get a little stir crazy," admits Bazan. "We never leave our desks. It can be stressful and demotivating." The anxiety stems from the absence of separation between home and work, Ryan believes. "We're finding that work time and personal time are bleeding into one another," he says. "It used to be inappropriate to call people late into the evening. Now there is almost no time that is off limits."

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With greater flexibility comes greater work-life balance, but de Silva has not observed an overall decline in the number of hours his team needs to stay productive. "We're all wondering where the time went," he reflects. "A universal refrain is that we thought we would have two extra hours during the day, but we end up spending that extra time communicating." Conversations that would normally take five minutes outside a coworker's office turn into half-hour video calls, cancelling out the time saved from working remotely instead of commuting.

While employees are attending more Little League games, they are also spending more hours acting as caregivers as the pandemic narrows schooling options. "It's really a double-edged sword," Bazan believes. Despite the flexible hours, COVID-19 has made the juggling act more harrowing for women in particular. With children out of school and elderly parents at a higher risk of infection, caregivers—primarily women—are carrying a heavier burden than before. In a recent survey conducted by the Pew Research Center, employees under 50, particularly those with children, were more likely to report that they struggled with staying motivated and productive while working remotely.

As individuals fail to achieve the anticipated reduction in their overall working hours, their organizations fail to achieve the anticipated cost savings. "Then we also have to consider the investment we're making in our technology infrastructure to ensure that it can support a remote workforce in the long-term," adds Ryan.

In the financial services industry, pivoting to virtual platforms has certainly been "a hardship, but nothing draconian," says Ryan. "We have technology platforms that are adequate in the short term, even though we will have to make a larger investment in our technology infrastructure in the long term to serve the needs of a more decentralized post-COVID workforce." He anticipates that this investment will take the form of upgrades to cyber security systems, client-interface platform upgrades, cloud-based applications, and mobile applications that adapt to multiple operating systems. Unlike companies such as UBS, high-social-density businesses in industries such as travel, hospitality, and leisure have not pivoted so deftly. "It has been extremely tough and costly for these companies to adapt their technology overnight in response to COVID-19," says Ryan.

Regardless of their level of technological savvy, organizations across industries are struggling to connect with

their employees virtually. "It has been a real challenge to keep tabs on employees and measure productivity," says Ryan. "It's also significantly more difficult to recruit the right team member without meeting them in person, and it's harder to retain talent when you can't observe the typical signs that someone is at risk of leaving."

Client meetings, although more convenient without travel requirements, have also become less fruitful through the computer screen. In de Silva's experience, the last thing Zoom-weary clients want to do at the end of the day is schedule another Zoom call. "I've met with the same clients three times a year for the past 20 years," he says. "But without seeing them in person this year, I won't be as close to them. I won't hear what they're telling me as clearly as I did when I was meeting with them in person."

Maintaining culture in isolation

Business leaders across sectors have experienced the COVID-19 pandemic differently, but they share a common concern for maintaining their organizational culture with a scattered workforce. "The day-to-day work is the easy part," says de Silva. "The single greatest challenge for us as a firm is getting culture right."

Even the most avid fan of remote work will concede that the beliefs, behaviors, and habits that combine to forge a company culture are harder to sustain over a video call than around a lunch table. "When you work in close proximity to others, certain cultural norms are reinforced," reflects Ryan, who refers to culture as the "binding material that keeps a company together." Ryan often shares his view that "culture is to an organization what character is to an individual—it defines who you are, what you stand for, and how you conduct yourself. It is that fundamentally important." Historically, cultural norms like work ethic, professional dress, and interaction styles have defined the boundaries of permissible behavior for an organization. "These distinctives can only be handed down through direct contact," Ryan believes.

For employees who have worked with each other for years, the challenge will be less evident than it is for new hires. Typically, new employees pick up cues and knowledge from their coworkers by observing them in person. "All that gets lost in this new environment," says de Silva. "Everybody thinks it's easier to communicate given the technology we have. It may be easier to communicate, but it's harder to make a connection."

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The sudden absence of in-person interaction hampers innovation as well as culture. "The tech industry seems to be able to innovate well using a remote workforce, but this was written into their DNA," Ryan reflects. "In most industries, the innovation cycle requires social connectivity." Although coworkers still share and exchange ideas over video calls or emails, they are no longer chatting with coworkers while microwaving lunch or making a mid-afternoon coffee run. "Those casual conversations lead to bigger ideas," says Bazan.

Finding the best of both worlds

As the first glimmers of hope appear with the new COVID-19 vaccines, leaders across industries are working to create a blueprint for a post-COVID environment that combines the best features of the old and new workplace. "You can get the best of both worlds, but you have to be thoughtful about it," believes Ryan.

From Facebook and Twitter to Nationwide and Shopify, a growing list of companies have announced their intention to maintain a primarily remote workforce in the future. From Ryan's perspective, it would be a mistake for teams at UBS and other financial services firms to blindly follow suit. "We're social creatures," he points out. "There is only so much you can get out of a video chat. The bottom line is that the loneliness that comes from social isolation impacts health, productivity, and creativity. To best serve our employees, we need to make sure there is still an opportunity for in-person engagement, even if the nature of that engagement has been altered."

At Analytic Investors, de Silva anticipates a hybrid model in which employees come into the office for collaborative team days but have the option to work from home several days a week. "I don't think we will ever return to an environment where everyone comes in every day," he reflects. "I can visualize an office structure in which we have a hot desk setup with more space devoted to lounge areas and meeting rooms." With a hybrid model, he argues, companies can offer employees the flexibility and convenience that they came to appreciate during the pandemic without losing the culture and innovation fueled by in-person interaction.

A "mix and match" approach to working remotely has the best chance at maximizing employee productivity and satisfaction, Bazan agrees. "It's time for employers to see what works best for each employee," she says.

"Some people will choose to go to the office five days a week because they work better there, while others do best when they go in two days a week. In the long run, the companies will benefit from having employees who feel respected and heard."

In terms of client engagement, most leaders look forward to reconnecting with their clients in person. "We will always need to maintain some level of in-person social interaction with our clients," says Ryan. "I have attended conferences where the real progress and breakthroughs came through chatting with clients in the evening over dinner. That's where you get a sense of who people are. We don't want to lose that."

On the other hand, video calls are here to stay in one form or another. "The pandemic will change the way we work for the next decade, not just until we have a vaccine," says de Silva. Through dividing his team into smaller teams that communicate more frequently throughout the day, de Silva is exploring new ways to make relationships feel more dynamic and natural, even over video. "We can't just do everything the way we used to do it, only on Zoom," he says. "We're working to come up with a better solution."

Across the board, companies are waking up to the need for a more flexible, employee-centered workplace architecture in the future. "COVID-19 has been a real call to change, but what that change looks like will depend on the business," says Ryan. "There is no one model that will serve everyone. We have to adapt the next iteration of the workplace to our particular goals and constraints."

The architecture of the workplace in 20 years largely rests on the ability of today's leaders to reflect deeply on the past year, evaluating which features of the COVID-era workplace made their companies stronger and which became a liability. In the struggle to emerge from the pandemic with a more agile, resilient business model, Simon alumni will remain on the forefront, leading the effort to reimagine and rebuild the American workplace. **SB**

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