Aternity

The Global Remote Work Productivity Tracker

VOLUME 5: THE NEXT NORMAL

THE REMOTE WORK PRODUCTIVITY TAX

During the past three months of the COVID-19 pandemic, the business world has grappled with the question of whether to or when to reopen offices. Numerous companies have publicly announced permanent remote work options or signalled a move to hybrid work models, but most have yet to determine their plans. While the decision-making fundamentally rests on how well countries and states manage public health, CEOs also need to consider the long-term impact on employee productivity.

With companies in Europe, the Middle East and Asia reopening offices based on declining rates of infection, we are starting to see data that helps inform this decision-making. When comparing the U.S. to other countries, there is evidence of a remote work productivity tax.

In the U.S. and countries in Europe where the share of remote work remains extremely high, employee productivity continues to fall. At the same time, productivity is rising in European countries where the share of in-office work is accelerating.

The latest version of the **Aternity Global Remote Work Productivity Tracker** looks ahead to the "next normal" by exploring this potential remote work productivity tax issue. In Volume 5, we provide an update to data covered in **Volume 1** and **Volume 2**: the share of remote work globally and its impact on productivity, as well as an examination of how the workday has shifted over the past three months.

KEY TAKEAWAYS

- Since the end of March, when all regions of the globe had issued work from home orders, remote work has declined in regions of the world that have reduced the spread of COVID-19. Between March 26 and July 9, the share of remote work decreased **8%** in Europe, **17%** in China and Hong Kong, and **13%** in the Middle East and Africa.

- While North America continues to have the highest share of remote work as a percentage of overall work **(85%)**, productivity, as measured by hours spent on business applications, decreased by **14%** between March 26 and July 9. The overall productivity decline in North America was entirely attributable to the **14%** decrease in productivity among U.S. employees.

- In Europe, in-office work as a percentage of total work began to increase in early-mid May. Overall, productivity increased by **2%** between March 26 and July 9, with a sharper rise corresponding to the return to the office.

-In all regions across the U.S. and Canada, remote employees began and ended their workdays between **30-60 minutes later** in June as compared to March. The same pattern exists in the European countries with a larger percentage of in-office work.

GLOBAL SHIFTS IN REMOTE WORK – A GRADUAL RETURN TO THE OFFICE

Figure 1 provides an updated snapshot of the percentage of employees working remotely through July 9. North America continues to have the highest share of remote work, 85%, a level that has remained steady since the shift to remote work began in mid-late March. In Europe, which has predominantly reduced the spread of the virus, 64% of employees are now working remotely, a decline of 8% since March 26. Other regions around the world have shown similar declines, including China and Hong Kong at 36% (a 17% decrease since March 26) and the Middle East and Africa at 30% (a 13% decrease since March 26). In Latin America and the Caribbean, remote work has not been as prevalent, now at 29%, down 3% since March 26.

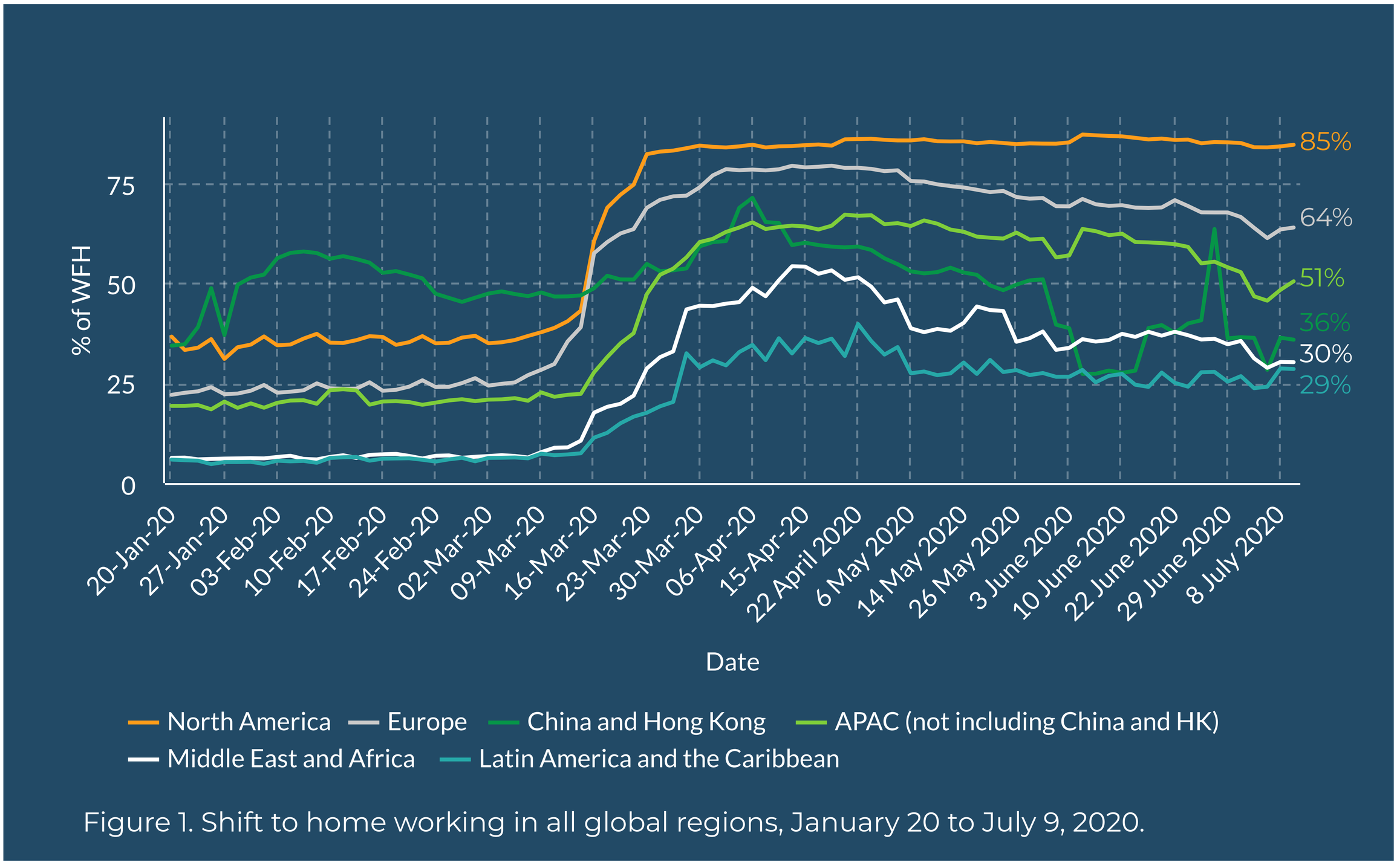

Figure 1. Shift to home working in all global regions, January 20 to July 9, 2020.

THE LONG JOURNEY BACK TO THE OFFICE

Figure 2 illustrates hours spent on business applications from the beginning of February through July 9, with a breakdown of in-office vs. remote work. As we illustrated in Volume 1, productivity initially increased in North America (+23% between the middle and the end of March), while it declined in Europe (-8.2% in the same period).

That initial trend has not held, however. Between March 26 and July 9, productivity in North America declined by 14%. With a near constant 85% of employees continuing to work from home, this suggests that workers are getting less productive the longer the remote work shift continues – imposing a remote work productivity tax on companies. In Europe, overall productivity increased by 2% from March 26 to July 9.

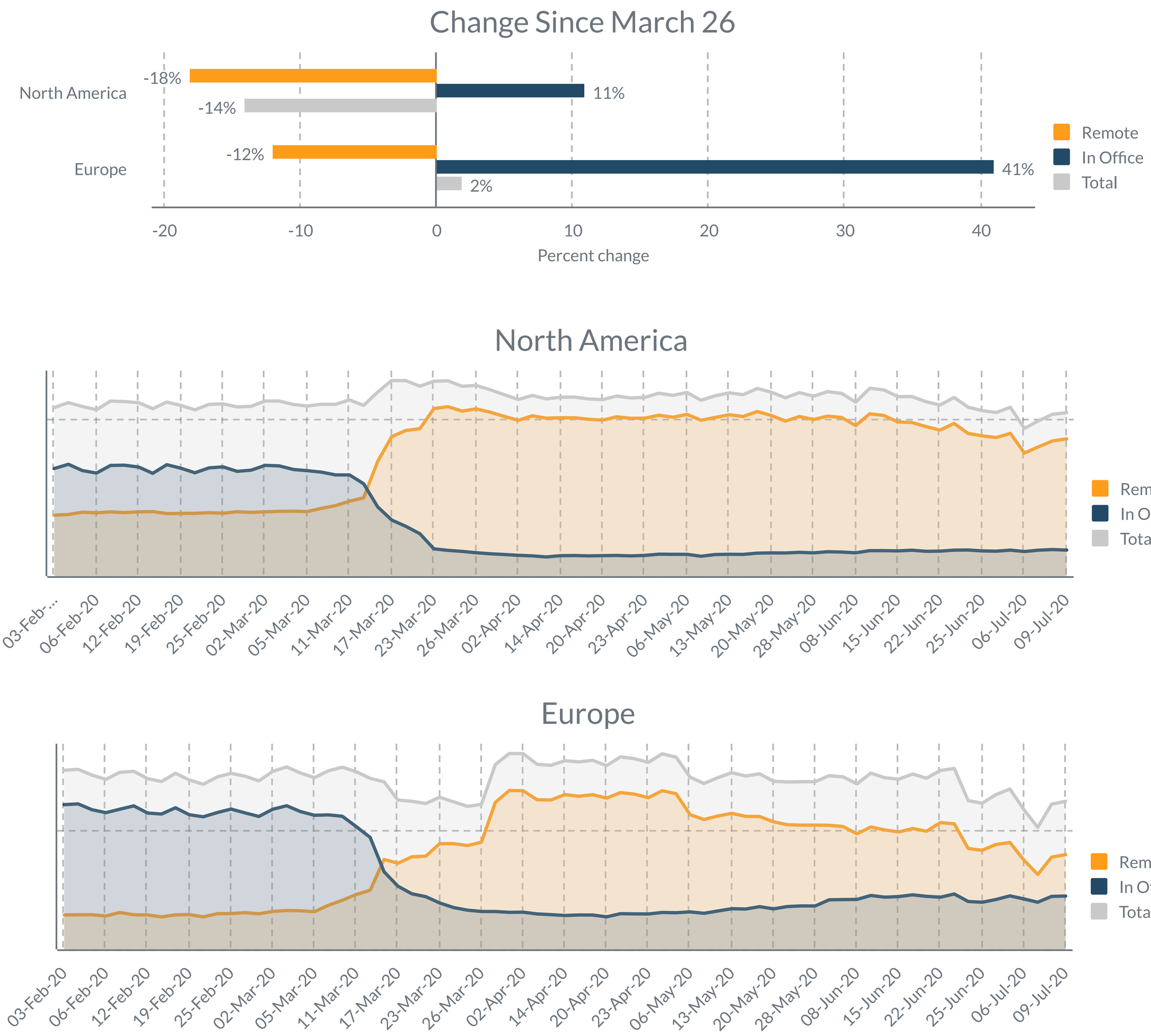

Figure 2. Hours worked on business applications in North America and Europe, February 3-July 9, 2020.

EVIDENCE OF THE REMOTE WORK PRODUCTIVITY TAX

Figure 3 provides greater insights into this dichotomy. The entire productivity decline in North America was driven by the 14% decrease in productivity among U.S. employees since the shift to remote work started in mid-March. Canadians have better adapted to remote work, maintaining about the same overall productivity during the same period.

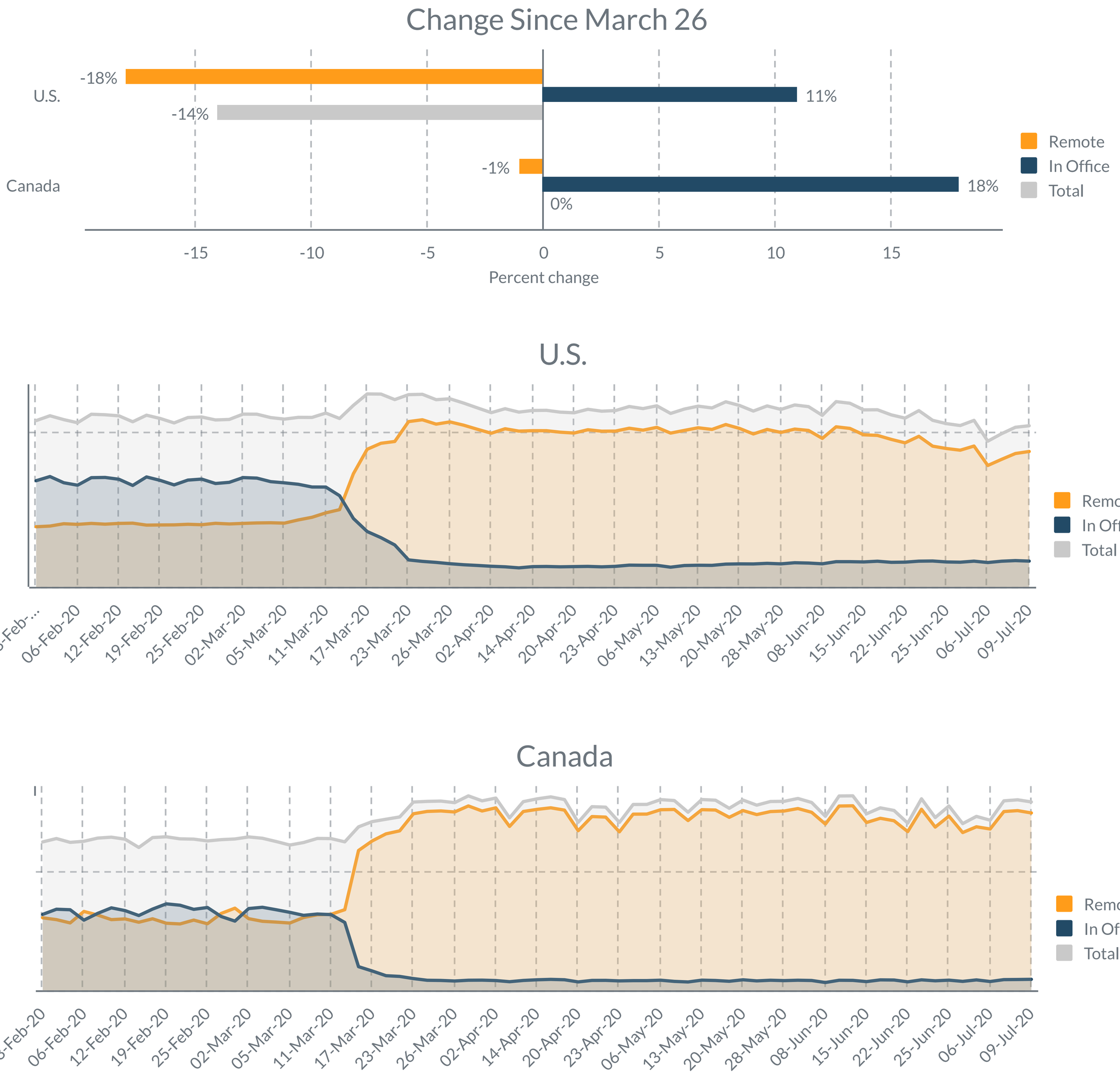

Figure 3. Hours worked on business applications in the U.S. and Canada, February 3-July 9, 2020.

EUROPEAN COUNTRIES PREDOMINANTLY WORKING FROM HOME ALSO SHOW THE REMOTE WORK PRODUCTIVITY TAX

Additional evidence of a remote work productivity tax is shown in data from European countries where remote work is still the dominant model. In Spain, Belgium, and Switzerland, where remote work is at least twice as high as in-office work, overall productivity has decreased since March 26, despite increasing in-office work.

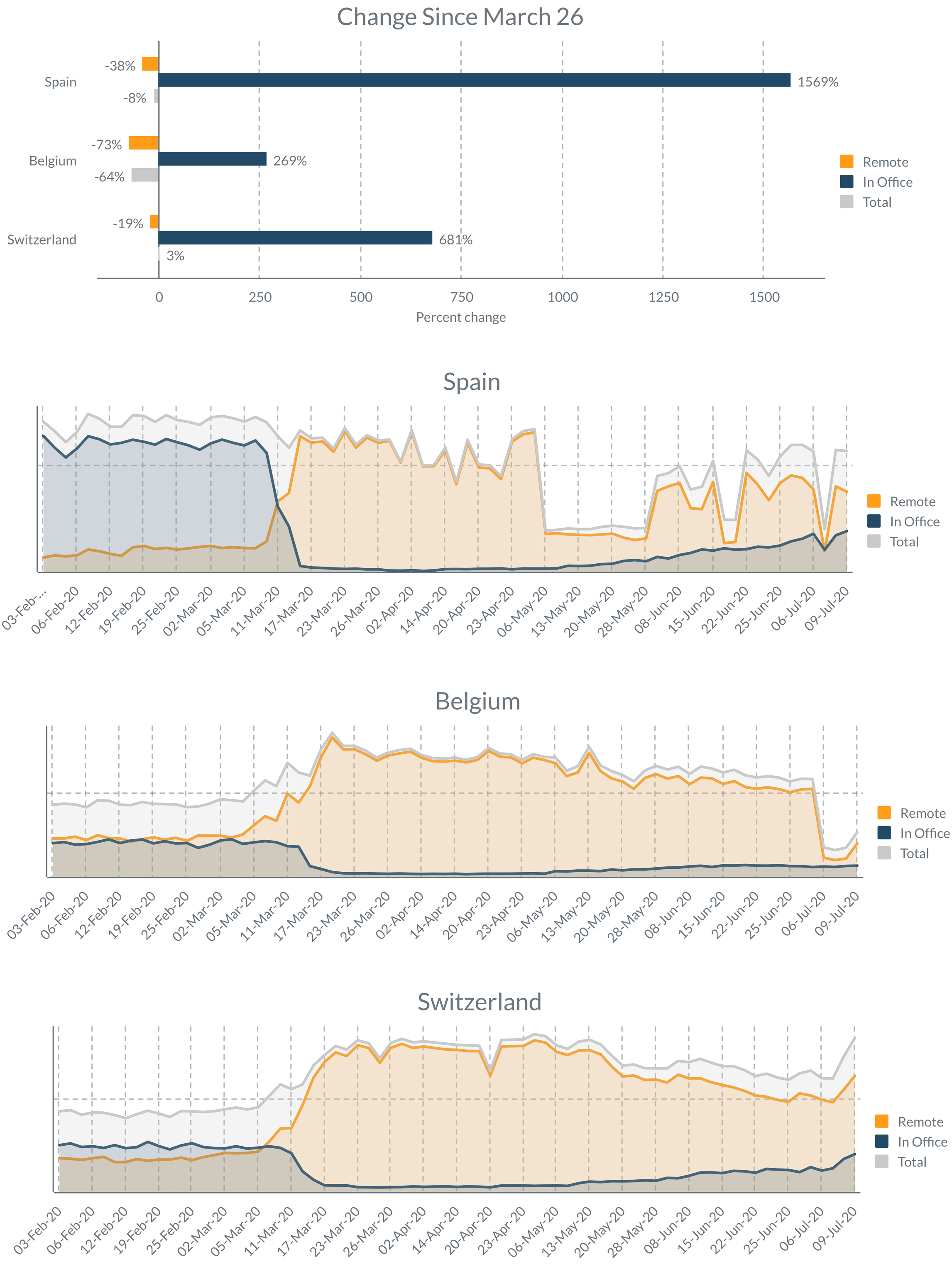

Figure 4. Hours worked on business applications in Spain, Belgium and Switzerland, February 3 - July 9.

A RETURN TO THE OFFICE RAISES PRODUCTIVITY IN SEVERAL EUROPEAN COUNTRIES

The emergence of a remote work productivity tax is further supported by data for European countries where share of in-office work is accelerating at a greater rate and now surpasses the share of remote work.

Figure 5 illustrates a significant rise in in-office work as a percentage of total work in many European countries beginning in early-mid May – again reflecting the way in which the region has managed the pandemic. Overall productivity increased between March 26 and July 10 in countries with the highest growth in in-office work as a percentage of total work. Specifically, in France, Italy, the Netherlands, Denmark and Germany, employees are now predominantly working in the office, driving overall productivity higher.

Several factors may contribute to the increase in productivity as employees return to the office. The most significant is the fact that they are free from juggling work responsibilities with personal commitments, such as helping children with remote learning. New health protocols, such as social distancing and requiring masks to be worn indoors, reduce non-essential meetings or "water cooler" conversations that negatively impact productivity – allowing employees to be more focused on their work.

In addition, IT performance has an effect on employee productivity. As we showed in Volume 3, the performance of some business-critical applications is significantly better for employees accessing them in the office vs. those who are accessing them remotely. Client-server applications designed for use on-premises deliver better performance in the office. Employees using applications for data-intensive transactions, such as opening or saving large files (like CAD programs) will experience faster performance in the office. In addition, employees returning to the office will have access to desktop computers with more resources to provide higher performance.

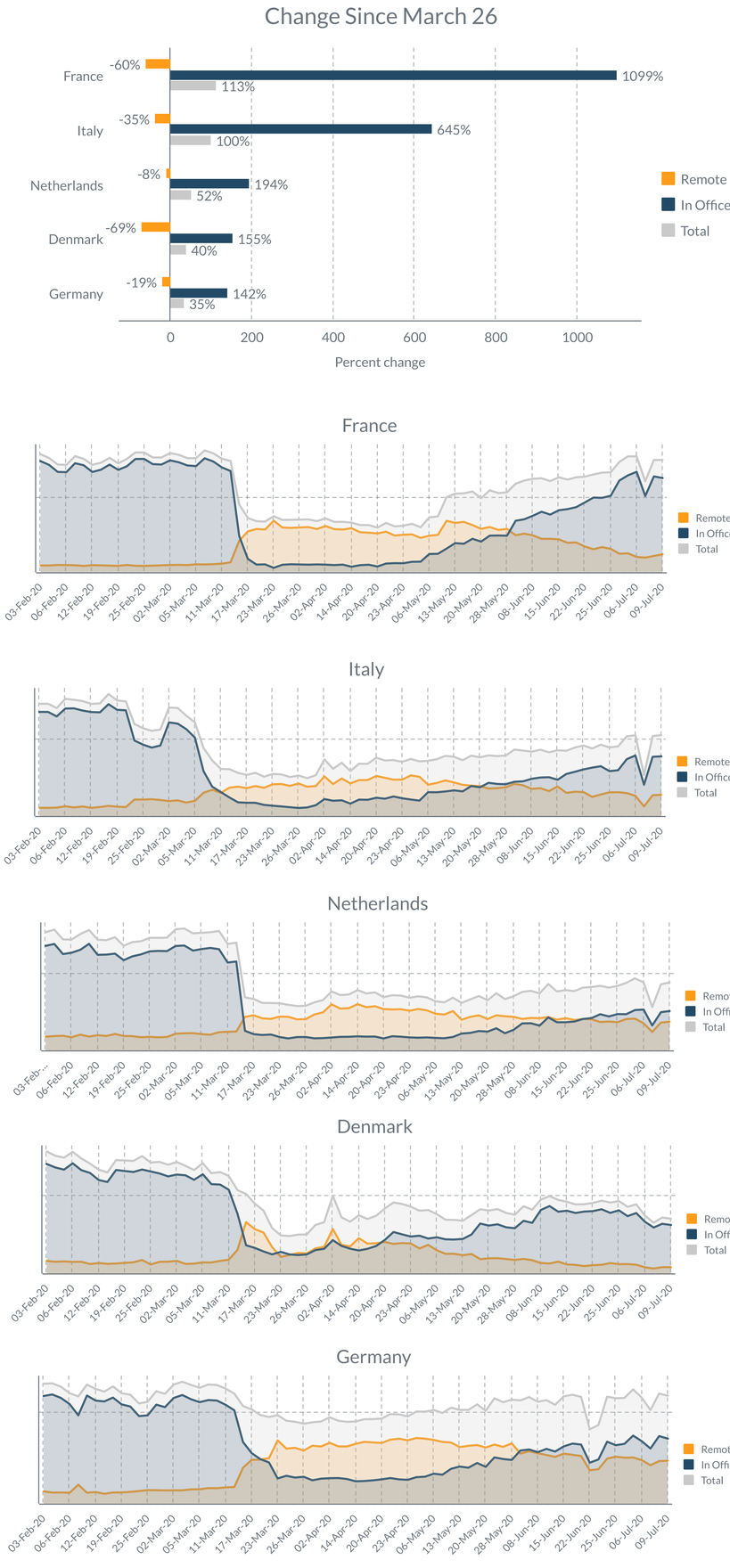

Figure 5. Hours worked on business applications in European countries where an increase in office work has resulted in an overall increase in productivity between March 26 and July 9.

IN THE U.K. HIGHER REMOTE WORK IMPROVES PRODUCTIVITY

Figure 6 shows that in the U.K. the trends in remote and in-office work are different from every other European country, as well as the U.S. and Canada. Rather than a gradual return to the office, in the U.K the share of remote work has increased 30% since March 26, and the share of in-office work has declined by 12%. Bucking the trend of the remote work productivity tax, this increase in remote work has improved overall productivity.

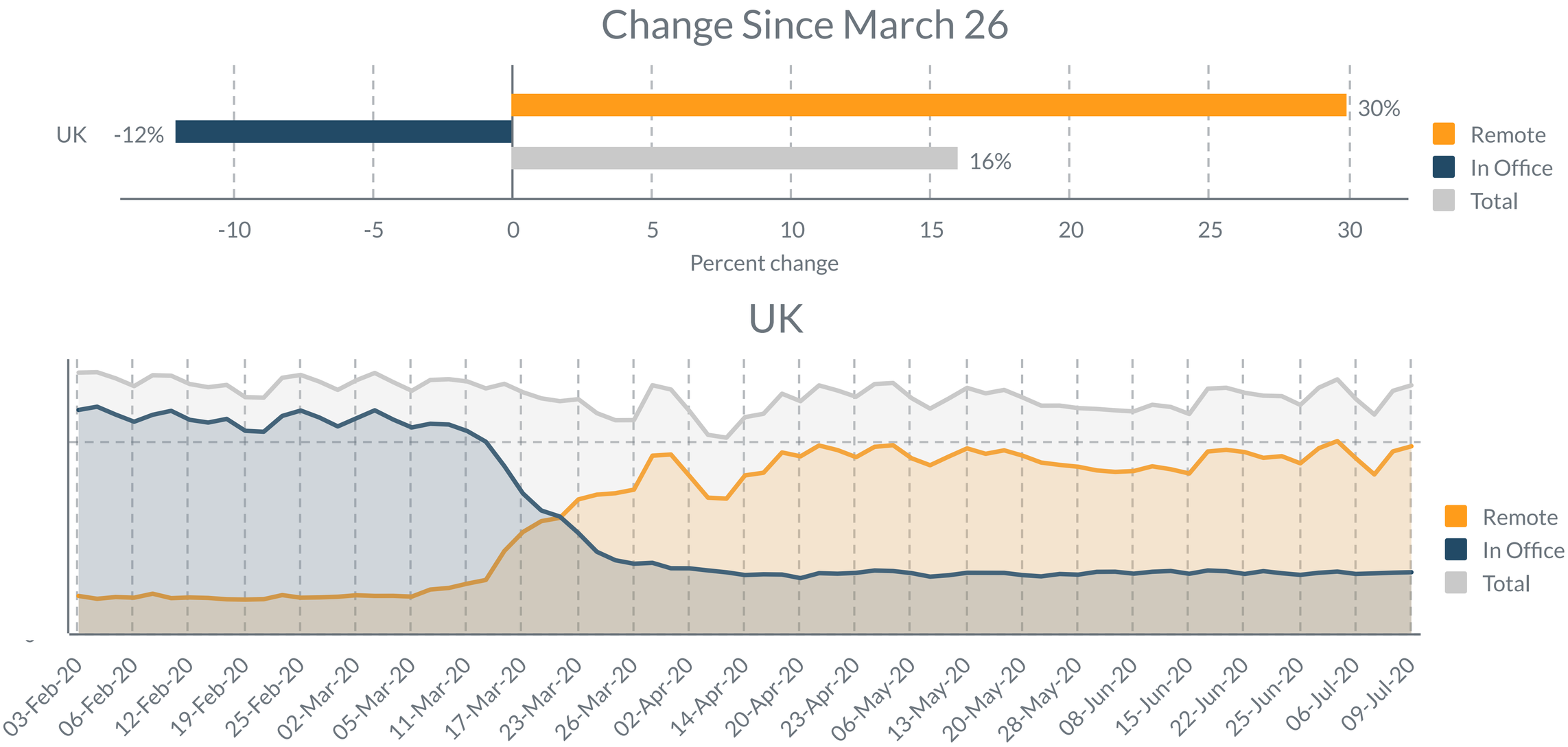

Figure 6. Hours worked on business applications in the U.K., February 3 - July 9, where an increase in remote work has produced an increase in overall productivity.

NEW SHIFTS IN THE WORKING DAY - NORTH AMERICA

Figure 7 shows a comparison of the average working day for home workers in North America, based on the percentage of the day's work-related activities performed during each hour of the day.

The averages are calculated using the number of business activities (sending emails, creating documents, saving customer records, etc.) per hour, Monday to Friday, during the periods of March 1 - March 31, 2020 and June 1 - June 30, 2020.

In North America, we see a very consistent trend: the workday continues to shift as the period of WFH grows longer. In all regions across the U.S. and Canada, remote employees began and ended their workday between 30-60 minutes later in June as compared to March.

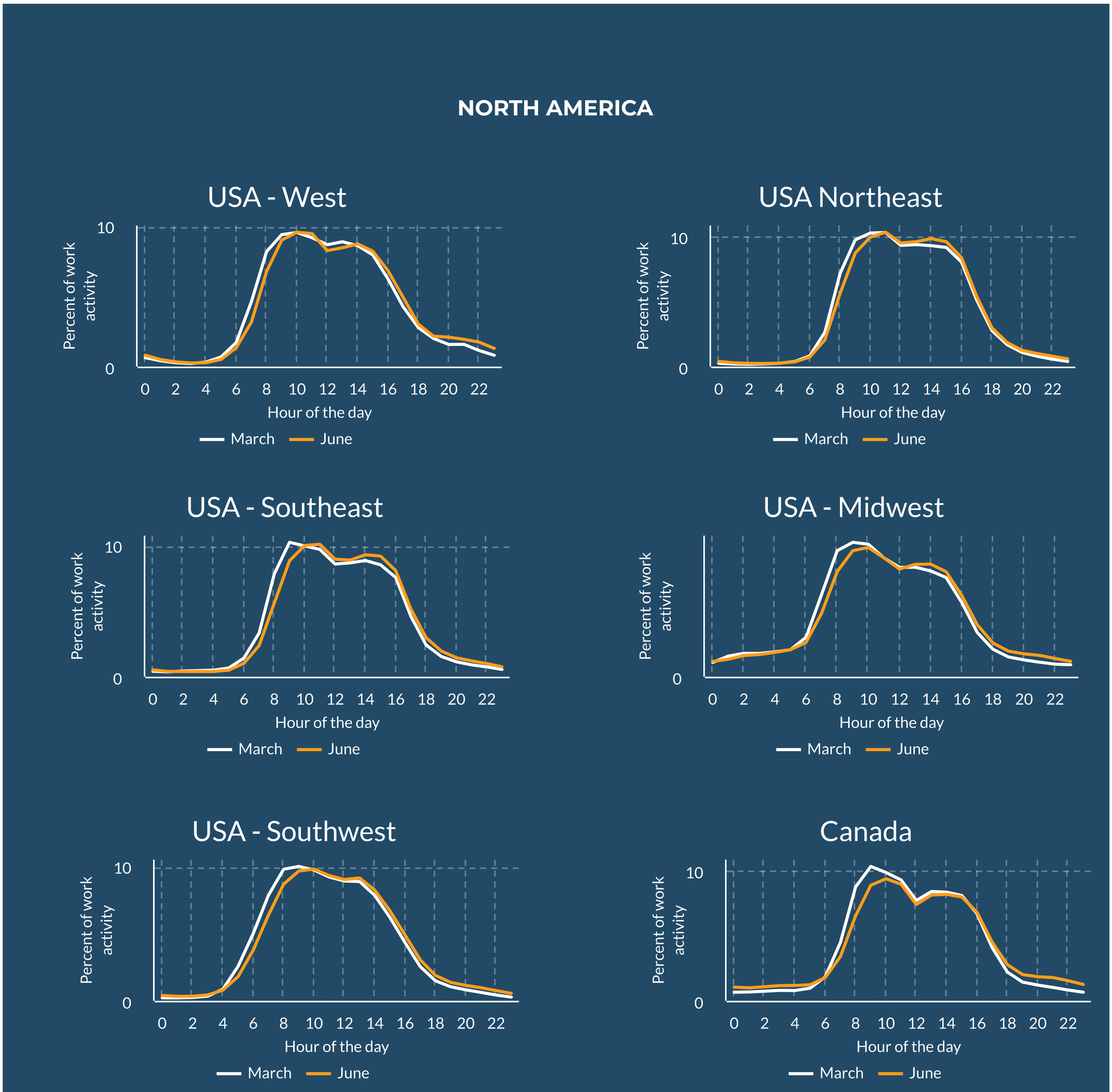

Figure 7. Average working from home day in North America, March compared to June

NEW SHIFTS IN THE OFFICE WORKING DAY - EUROPE

Using the same approach as in the previous section, Figure 8 shows a comparison of the average working day for office workers in a selection of European countries in which office work now dominates. In France, Germany, Italy, and Denmark, the share of in-office work exceeded that of remote work in the April-May time period.

The data shows that, like the shift in the remote working day, office workers are also now beginning and ending their day between 30-60 minutes later than they were in March. This could simply be because employees are now accustomed to the later schedule they established while they were working from home. It could be that commutes are faster with fewer people on the road or public transport systems. Implementing staggered shifts to reduce employee density could also have an effect on this shift.

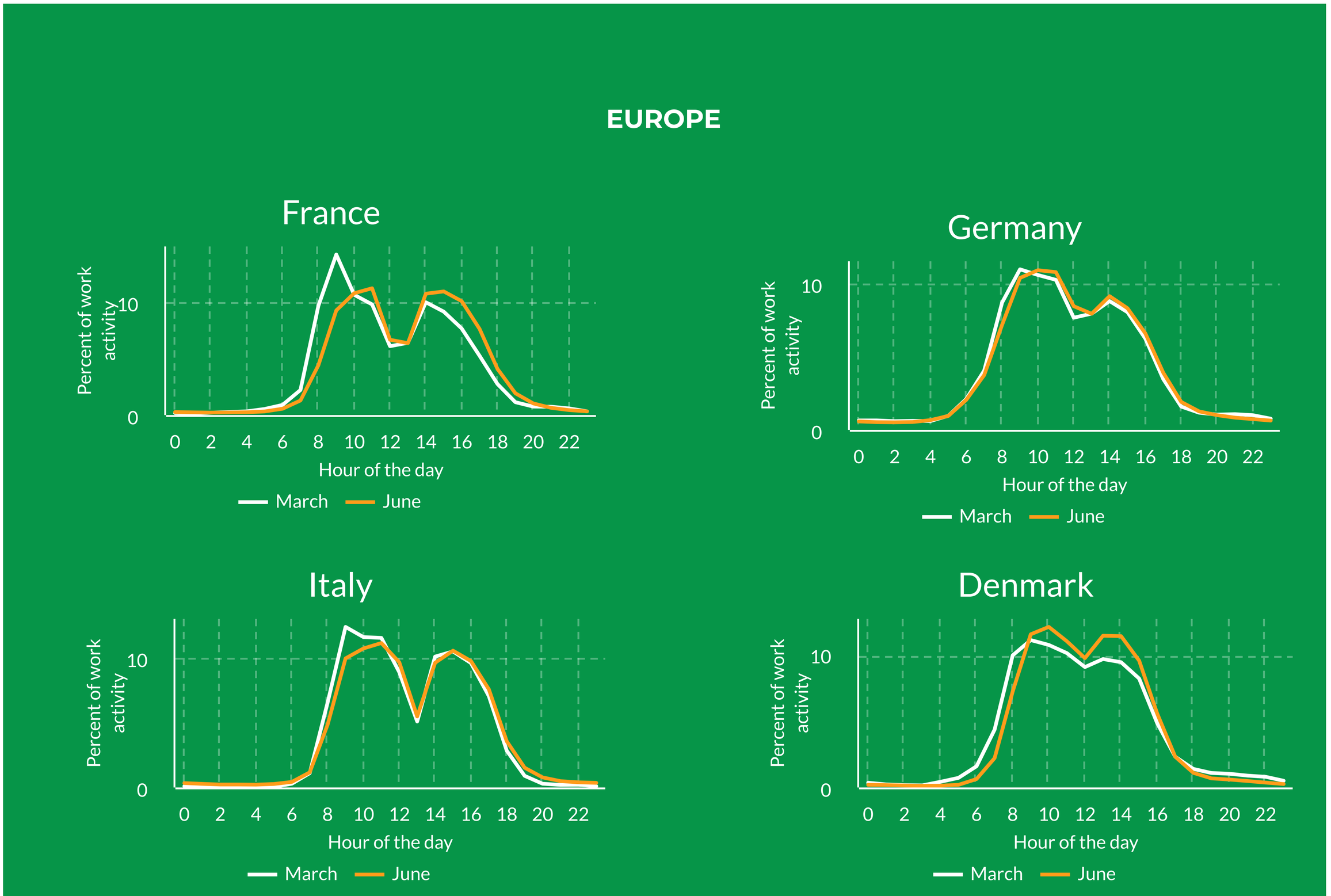

Figure 8. Average office working day in countries in European countries where office work predominates, March compared to June.

ABOUT THE RESEARCH

The Global Remote Work Productivity Tracker is based on data aggregated from millions of employee devices from hundreds of global companies being managed via the Aternity Digital Experience Management Platform, an enterprise SaaS solution. The reports are generated via Aternity's built-in, advanced analytics and custom reporting capability.

Past reports include:

Volume 1 - An initial analysis of the massive, rapid shift to remote work in different regions globally and its impact on productivity. It showed that the increase in hours spent working from home more than offset the drop in hours spent in the office, creating a net increase in the total number of productive hours.

Volume 2 - A look at how the working day has changed for remote employees. It showed that a significant proportion of users had changed their working hours to start later in the day and were spending a much higher proportion of their time using collaboration applications to communicate with their colleagues.

Volume 3 - An analysis of how the performance of business application has impacted the digital experience of WFH employees across different industries and countries.

Volume 4 - Further inspection on collaboration app sprawl and the change in usage and share of leading collaboration tools as the shift to remote work becomes more entrenched and employees adjust to the new normal.

Learn more about Aternity's solutions for the remote workforce

About Aternity

Aternity, the enterprise-class Digital Experience Management company, transforms the employee experience in the digital workplace, with enterprise-scale analytics for every application, all transactions, any device, and all users. Aternity's AI-powered visibility and self-healing control help IT optimize business application performance to improve employee productivity and customer satisfaction, mitigate the risk of IT transformation, and drive down the cost of IT operations. To learn more about Aternity, visit aternity.com