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Economist

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A New World of Distributed Work

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Introduction:

How remote work beat the office

As of late 2019, remote or “distributed” work was a fringe phenomenon, popular among a clutch of tech companies and start-ups but not a reality for most organisations, especially larger companies. Whether due to inertia or worries that productivity or team cohesion would suffer, the majority of companies remained wedded to a physical office. This is despite the financial cost, the tedium of commuting and growing evidence that offices, especially open-plan ones, are highly distracting environments not conducive to focused work (see our separate report on workplace focus [here](#)).

The covid-19 pandemic forced organisations to shift overnight. How have workers and

managers adapted to the new normal? Are they finding it easier or harder to focus and collaborate? Has engagement with work deepened or lessened? To understand how working realities have changed, The Economist Intelligence Unit conducted a survey, sponsored by Dropbox, of 2,182 US-based knowledge workers about various aspects of their transition to remote work. Covering themes of focus, stress, collaboration and communication, the results show a smoother-than-expected transition but also various challenges. Overcoming these challenges could point to a post-covid middle ground that ultimately combines the best of both worlds.

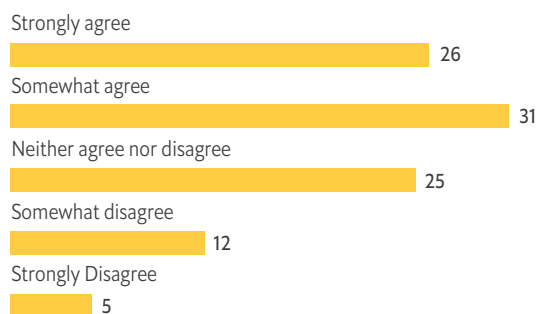


That was easy? A distributed world keeps spinning

Home beats the office—by a wide margin

Our survey found the majority of respondents believe the benefits of remote work outweigh the drawbacks, with a mere 17% outright disagreeing—a sentiment reflected by the 60% who called the transition “easy” (compared with only 25% who struggled). Two-in-five say they can focus more when working from home (WFH), compared with less than a third who report diminished focus. Engagement levels have held steady despite the isolation and loneliness of WFH, with a third of respondents more engaged with their work than before and roughly the same proportion experiencing no change.

Figure 1: Home-field advantage
Agree/disagree: The positive aspects of working from home outweigh the negatives (% of respondents)



Note: Figures do not add up to 100% due to rounding
Source: The Economist Intelligence Unit

Considering the ostensible challenges—from lack of equipment and space to the blurring of boundaries between work and personal life—these results are testament to the resilience and flexibility shown by individuals and companies. They are also a reflection of how unproductive offices had become. The elimination of office-based distraction is the second-highest reason for greater engagement with work, after relief from commuting.

Working harder (and smarter)?

The benefits of home working are offset by stressful conditions, our survey finds. While 42% are spending more time on deep focused work, emails and scheduled meetings have also increased for 71% and 55% of respondents respectively. As a result, 43% are experiencing more stress than before. For 41% of respondents the volume of work has increased; it has decreased for only 21%. Meanwhile, more than half of those surveyed believe company culture suffers from fully remote working compared with just 20% who disagree.

The survey also indicates that improved focus and productivity is, for some, fuelled by anxiety, with one-fifth saying they feel they need to “prove themselves” during insecure times. Organisations need to establish new norms and principles to ensure the pace and intensity of work are healthy and sustainable; currently less than one-third of respondents say their companies have mental-health support for employees experiencing loneliness or stress.

Tools of the trade

Remote communication tools appear to be working effectively. The majority of respondents say they can get the information they need to do their job (57%, compared with 19% who believe the current tools are ineffective), and over half (53%) are able to keep work organised. However, over half report spending more time switching between different digital tools; remote communications are posing social challenges too. Less than half (41%) think that digital tools help them “feel connected to my colleagues”, and a similar share lack tools which enable “having frank conversations” with colleagues about work. The main tool-related challenge for companies is streamlining the organisation around a shared set of digital tools, voted a top problem by 30%.

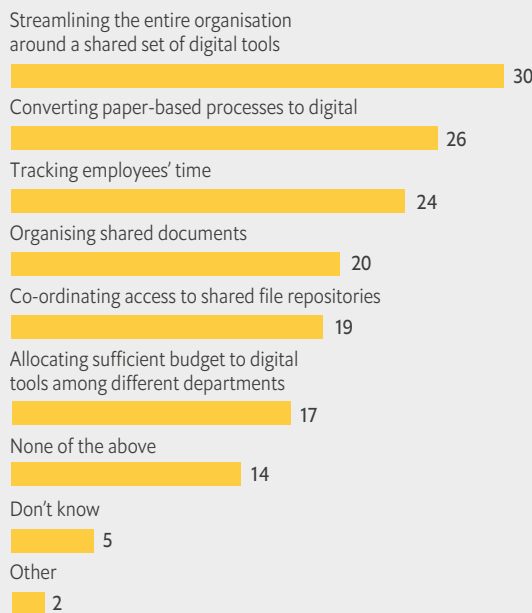
57%

of respondents say they can get the information they need to do their job using remote communication tools, compared with 19% who believe the current tools are ineffective.



Figure 2: Digital pain-points

Which of the following has your organisation found most difficult to adapt to while WFH, with regard to the use of digital tools? (% of respondents)



Note: Figures do not add up to 100% because more than one option could be selected

Source: The Economist Intelligence Unit

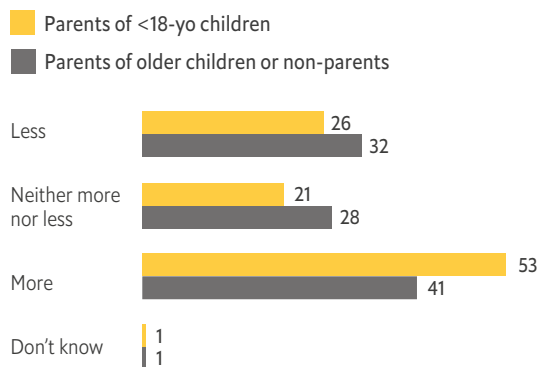
Uneven gains: How age, seniority and industry shape the distributed work experience

Younger workers struggle to juggle work and home obligations—and parents of young children struggle the most.

Some demographic groups are transitioning more easily than others. The younger the worker, the harder they are finding remote work in terms of focus: a third of Gen-Z and Millennials say this is the hardest part of remote work compared with a quarter of Gen-X and 17% of Baby Boomers. The same age-related pattern emerges with regard to “structuring my working time”. This is cited as a top difficulty by 27% of Gen Z and Millennial respondents compared with 23% of Gen X and 16% of Baby Boomers. Younger people are more likely to live in shared or small accommodation or to have young children. For many in this cohort, office co-location is a way of building professional networks, learning via experience and forging social bonds with peers.

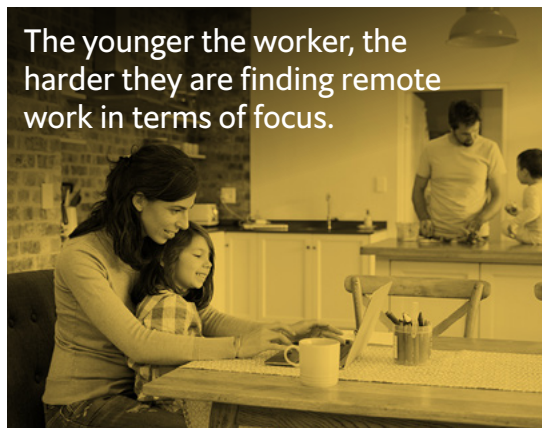
Our survey also found that working from home is much harder for parents of children under the age of 18 compared with parents of older children or non-parents. They are more likely to report the transition as being hard overall, to struggle with WFH and to have experienced higher work volume, longer hours, greater risks of work-related miscommunication and higher stress. They are also more likely to miss the office.

Figure 3: Parental plights
Overall stress level while WFH compared with pre-pandemic times
(% of respondents)



Source: The Economist Intelligence Unit

The younger the worker, the harder they are finding remote work in terms of focus.



A management minefield

While individuals report greater focus thanks to fewer distractions, a company is more than the sum of its parts. Team dynamics like cohesion, alignment, creativity and motivation are proving harder to recreate in a distributed work setting. Nearly half of survey respondents say work is “less fun” and 52% say it is harder to build trust. Only 38% say empathy shown to them by colleagues has increased since the pandemic.

Office life appears to improve co-ordination. This is likely due to regular informal contact mitigating miscommunications and bridging silos. Over half say miscommunication happens more when working from home, compared with only 13% who say it happens less. Office co-location seems conducive to proactive collaboration too. Most respondents working in general management (68%) report finding it harder to launch new projects with multiple collaborators in this environment, a struggle felt only to a slightly lesser extent by the overall workforce (59%). General management respondents are also struggling the most to concentrate in the new environment, with one-third saying they spend less time in deep focus compared with 22% on average.

Educators and training workers could be facing a crisis

Teachers have endured among the harshest transitions of any professional group, with the majority of schools subject to closures. Education institutions were at different levels of preparedness for remote learning in terms of access to technology and the necessary training and skills. Our survey shows that education workers are struggling with WFH shocks across the board.

The transition to WFH was difficult for 41% of respondents in the education sector compared with a survey average of 25%. A similar share is less engaged in their work compared with previously, versus a survey average of only 34%. Those in the education sector are also much less likely to say the positive aspects of WFH outweigh the negative ones—in fact, they are the only category of workers to have less than a majority answering in the affirmative. The same is true for workers whose role in organisations is teaching and training-related, even if they aren't necessarily in the education sector per se.

41%

of respondents in the education sector found the transition to working from home difficult, compared with a survey average of 25%.



Distributed workers: We get the job done

After the initial shockwaves of the pandemic, the workforce is now transitioning to a longer-term shift in practices. Companies and organisations are re-evaluating structures and thinking through their location strategy. The accumulated experience of workers over the past several months will be instructive as companies seek the right balance between the benefits of office life and the perks of remote work. Our survey gives plenty of cause for optimism.

- **Despite the upheaval of the pandemic, staff and managers have transitioned smoothly to distributed work.** Workers are more focused, with a sizable share reporting greater engagement. Liberation from the daily commute and elimination of in-person office distractions are helping them, despite the increase in work volumes. Companies should not discount the benefits home working has brought even if their long-term plan is to return to offices.
- **Uneven gains across demographic groups and sectors must be addressed.** Some groups are faring far better than others, with workers in education and training struggling across multiple domains. Younger workers also appear to be at a disadvantage in areas like focus and structuring their working time. Companies need to put in place workforce support programmes that acknowledge the diverse experiences of the distributed workforce.
- **Companies should seek out the best of both worlds.** Distributed work has its downsides. Work volumes and stress levels have gone up—although this could be due as much to the pandemic itself as to WFH—and there is greater likelihood of error and miscommunication. Many are finding work less fun, and it is harder to build trust. Starting new projects is also more difficult. Companies should streamline their organisations around a shared set of tools and practices and develop new working practices and technologies that re-create the social and cohesion benefits that come with offices. They can also look to craft a hybrid approach that combines the focus benefits of remote work with the team-building, creativity and collaboration advantages of physical togetherness. It may be a tall order, but achieving the best of distributed and office work is a compelling path forward for firms in these uncertain times.

Appendix: Survey results

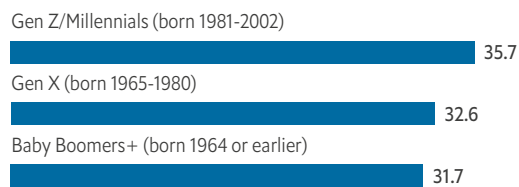
All figures represent % of respondents

Figures may not add up to 100% in some cases due to rounding or because more than one option could be selected

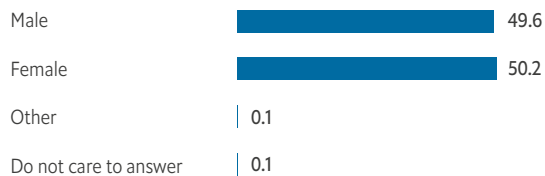
D1. In which region of the US do you live?



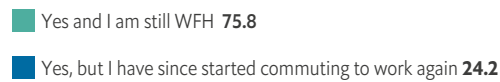
D2. In what year were you born?



D3. Which best represents your gender?



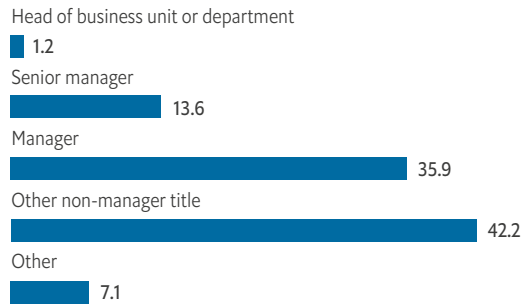
D4. Did you begin WFH at the start of the covid-19 outbreak?



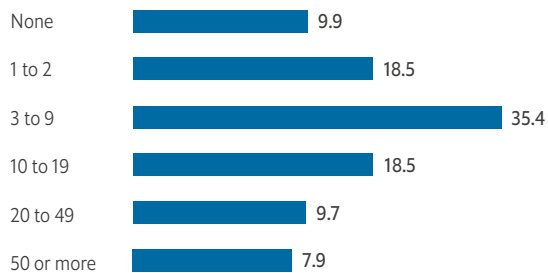
D5. Before the outbreak of covid-19, how often did you typically WFH?



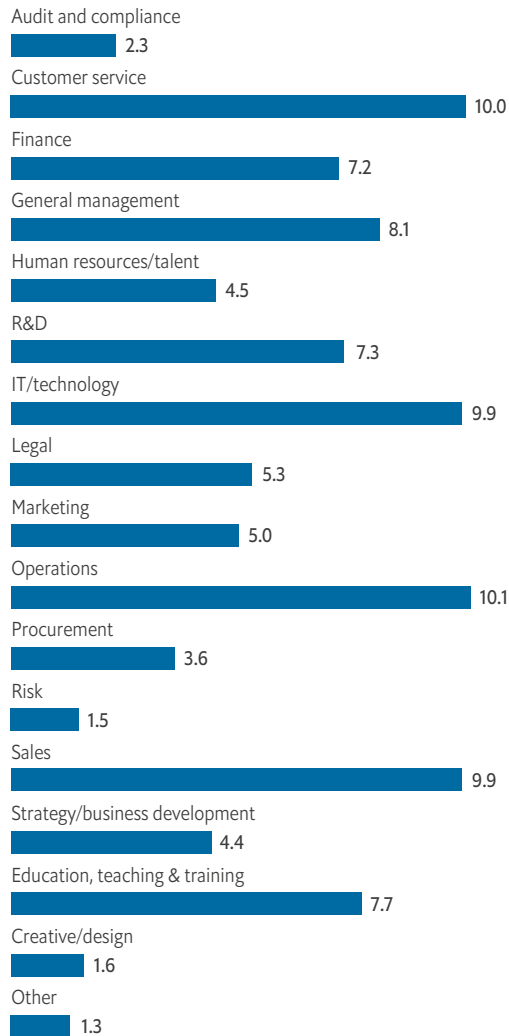
D6. Which of the following best describes your title?

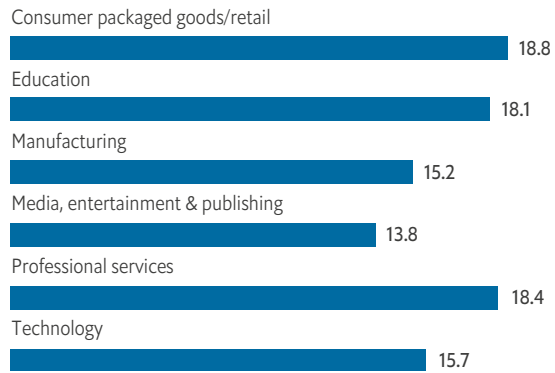
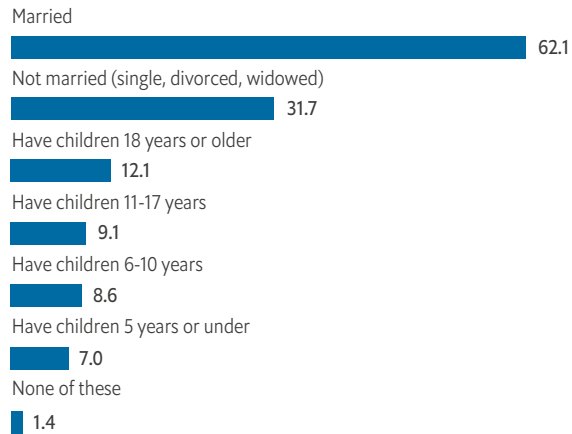
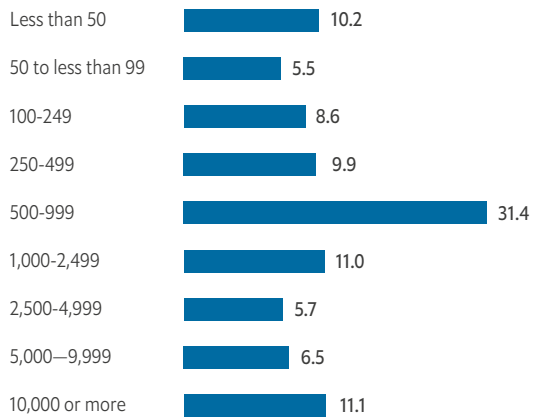


D7. How many people, if any, directly report into you?

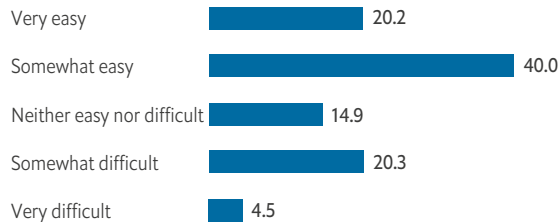


D8. What is your main functional role?

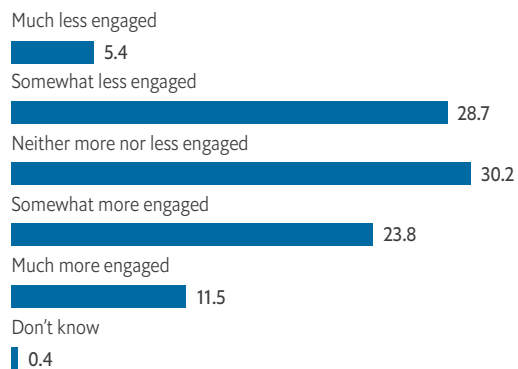


D9. What is your organisation's primary industry?**D11. Which, if any, of the following apply to you?****D10. How many employees work for your organisation?**

Q1. Overall, how easy or difficult has the transition to WFH been for you personally?



Q2. Compared with your normal work context before the outbreak of covid-19, how engaged are you with your work while WFH?



Q3. Which of the following most contributes to you staying engaged with your work while WFH?



Q4. Which of the following most hinders you from staying engaged with your work while WFH?





Q5. Compared with your normal work context, how have each of the following changed for you in the shift to WFH?

■ Much less
 ■ Somewhat less
 ■ Neither more nor less
 ■ Somewhat more
 ■ Much more
 ■ Don't know

Volume of work



Hours worked per week



Propensity to make mistakes



Risk of miscommunication



Ability to stay focused



Overall stress level



Participation in meetings I attend



Q6. Compared with your normal work context, how have each of the following changed for your colleagues in the shift to WFH?

■ Much less
 ■ Somewhat less
 ■ Neither more nor less
 ■ Somewhat more
 ■ Much more
 ■ Don't know

Level of productivity



Propensity to make mistakes



Responsiveness to my needs/concerns



Level of empathy shown to me/others



Overall effectiveness at doing their job



Q7. To what extent do you agree or disagree with the following statements?

Strongly disagree Somewhat disagree Neither agree nor disagree
 Somewhat agree Strongly agree Don't know

Company culture suffers due to WFH



Work is less "fun" while WFH



It is harder to build trust with work-related people while WFH



It is harder to begin new projects involving multiple collaborators while WFH



The positive aspects of WFH outweigh the negative ones



I miss my office



I feel satisfied with the digital tools at my disposal while WFH



Q8. Which of the following have you found most difficult to adapt to while WFH?

Focusing on my work



Communicating with work-related people who are not my manager



Structuring my working time



Tracking the progress of projects in my team/department



How my work is evaluated



Managing my team



Communicating with my direct manager



How team goals/objectives are set



Other



I have not had difficulty adapting to WFH



Q9. Compared with your normal work context, would you say your schedule has become more or less structured while WFH?

Much less structured



Somewhat less structured



No change



Somewhat more structured



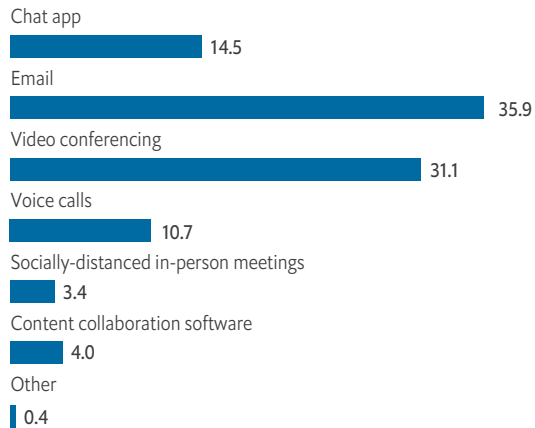
Much more structured



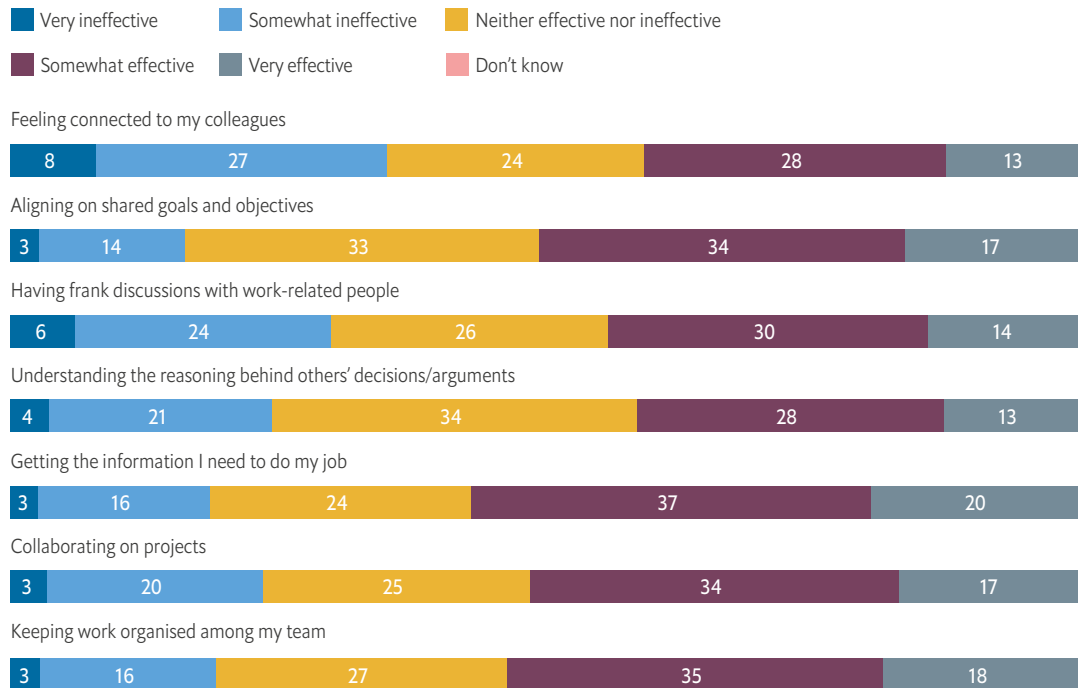
Don't know



Q10. Which of the following communication methods do you use most often with work-related people while WFH?



Q11. Compared with face-to-face communication, how effective do you consider remote communication tools to be at enabling the following?



Q12. Compared with your normal work context, how much more or less time do you spend on each of the following while WFH?

■ Much less ■ Somewhat less ■ Neither more nor less
■ Somewhat more ■ Much more ■ Don't know

Scheduled meetings (virtual or in-person)



Email



Chat messages



Spontaneous interactions with work-related people



Project-management tasks



Deep focused work



Switching between different digital tools



Getting the information I need to do my job



Q13. Which of the following has your organisation found most difficult to adapt to while WFH, with regard to the use of digital tools?

Streamlining the entire organisation around a shared set of digital tools



Converting paper-based processes to digital



Tracking employees' time



Organising shared documents



Co-ordinating access to shared file repositories



Allocating sufficient budget to digital tools among different departments



Other



None of the above

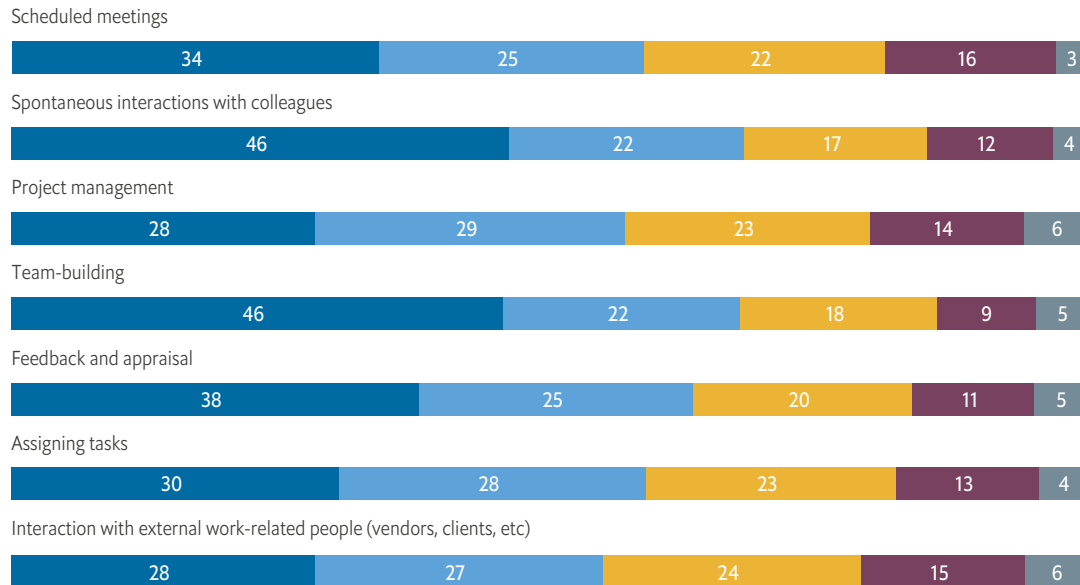


Don't know



Q14. Before the shift to WFH, how much of the following at your organisation was primarily conducted over digital channels?

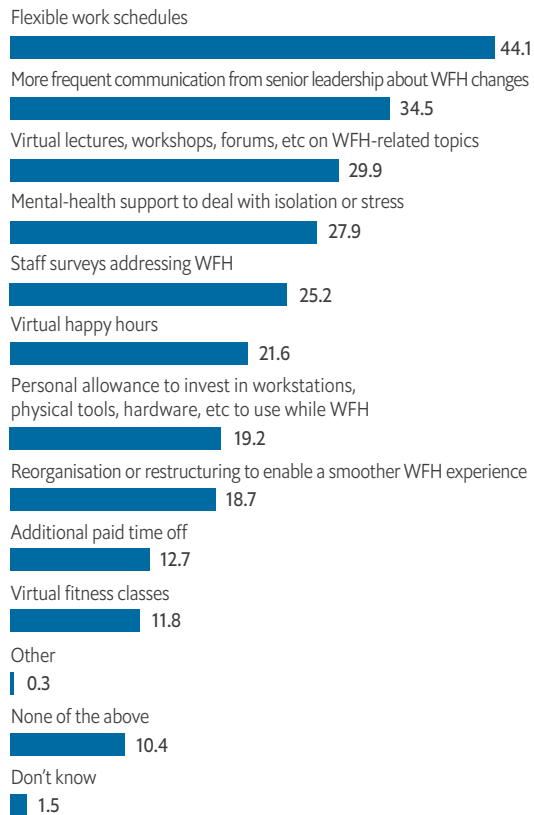
■ Less than 25%
 ■ 25-50%
 ■ 51-75%
■ More than 75%
 ■ Don't know



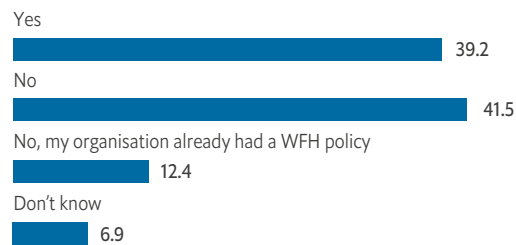
Q15. Which of the following changes, if any, has your organisation made to its technology systems since shifting employees to WFH?



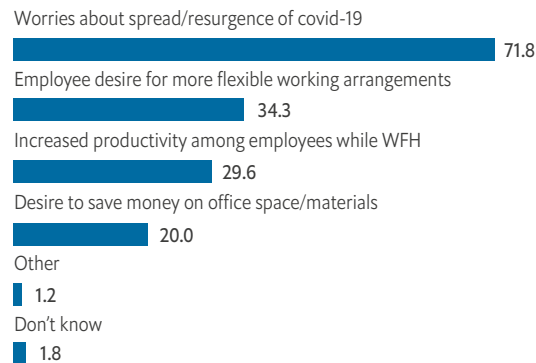
Q16. Which of the following initiatives, if any, has your organisation implemented to help employees transition to WFH?



Q17. Since the covid-19 outbreak started, has your organisation issued an official WFH policy that is meant to extend indefinitely?



Q18. Why did your organisation issue an official WFH policy?



LONDON

20 Cabot Square
London, E14 4QW
United Kingdom
Tel: (44.20) 7576 8000
Fax: (44.20) 7576 8500
Email: london@eiu.com

GENEVA

Rue de l'Athénée 32
1206 Geneva
Switzerland
Tel: (41) 22 566 2470
Fax: (41) 22 346 93 47
Email: geneva@eiu.com

NEW YORK

750 Third Avenue
5th Floor
New York, NY 10017
United States
Tel: (1.212) 554 0600
Fax: (1.212) 586 1181/2
Email: americas@eiu.com

DUBAI

Office 1301a
Aurora Tower
Dubai Media City
Dubai
Tel: (971) 4 433 4202
Fax: (971) 4 438 0224
Email: dubai@eiu.com

HONG KONG

1301 Cityplaza Four
12 Taikoo Wan Road
Taikoo Shing
Hong Kong
Tel: (852) 2585 3888
Fax: (852) 2802 7638
Email: asia@eiu.com

SINGAPORE

8 Cross Street
#23-01 Manulife Tower
Singapore
048424
Tel: (65) 6534 5177
Fax: (65) 6534 5077
Email: asia@eiu.com