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Market Intelligence

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Most businesses expect to keep work-from-home policies in the long haul: survey

A majority of companies intend to keep their coronavirus-inspired work-from-home policies in place long term or permanently and a sizable chunk of them intend to cut back on business travel, according to a new survey by 451 Research, an offering of S&P Global Market Intelligence.

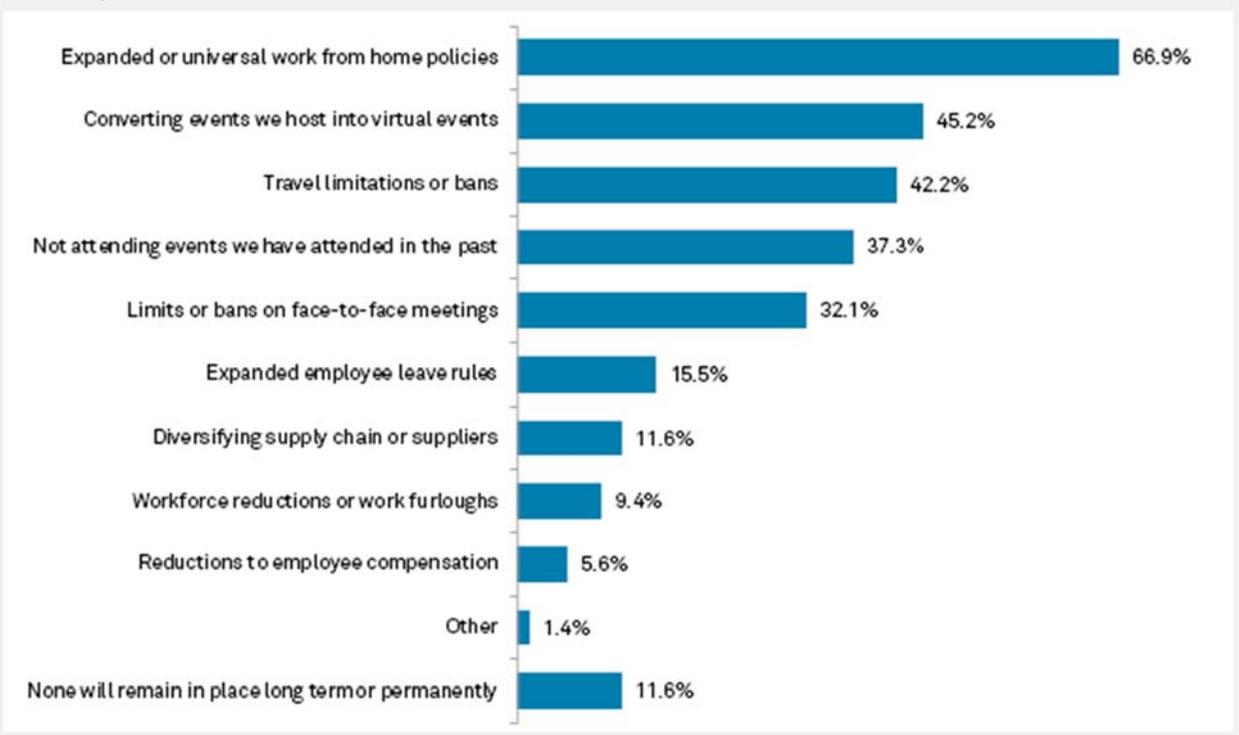
Two-thirds of the surveyed organizations expect expanded or universal work-from-home policies to remain in place long-term or permanently, a significant increase from the 38% that expressed this expectation in March, according to 451 Research's Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey. Meanwhile, 45.2% of respondents expect to convert events into virtual events long-term or permanently, while 42.2% expect travel limitations or bans to remain in place. More than 37% expect to continue not attending events they have gone to in the past.

The survey, conducted between May 26 and June 11, tracks the impact of the COVID-19 coronavirus outbreak on businesses mostly in North America, but also in Europe, Asia and Latin America. It is based on responses from approximately 575 decision-makers at small, midsize and large enterprises in the private and public sector. The first installment was conducted in March.

The survey responses indicate working from home could become the new norm, said Eagle. Big tech companies including Facebook Inc. and Google LLC as well as banks like Goldman Sachs Group Inc. have implemented work-from-home arrangements that will remain in place for the foreseeable future. Others are likely to follow suit, Eagle said.

"Many, many businesses have been forced to find ways for their employees to work from home," said Liam Eagle, research director at 451 Research's Voice of the Enterprise. "For some of them, it was a kick in the pants to do something they already wanted to do. Some of them were reluctant to do it, but had to do it and are now sort of converts."

Do you expect any of the following measures that were taken in response to the coronavirus outbreak to remain in place long-term or permanently at your organization?
498 responses



Data compiled June 16, 2020.
Represents responses from approximately 575 IT end-user decision-makers on a worldwide basis to a flash survey conducted by 451 Research between May 26 and June 11, 2020, designed to measure the impact of the coronavirus outbreak on businesses.
Source: 451 Research's Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey June 2020

New work-from-home-standard

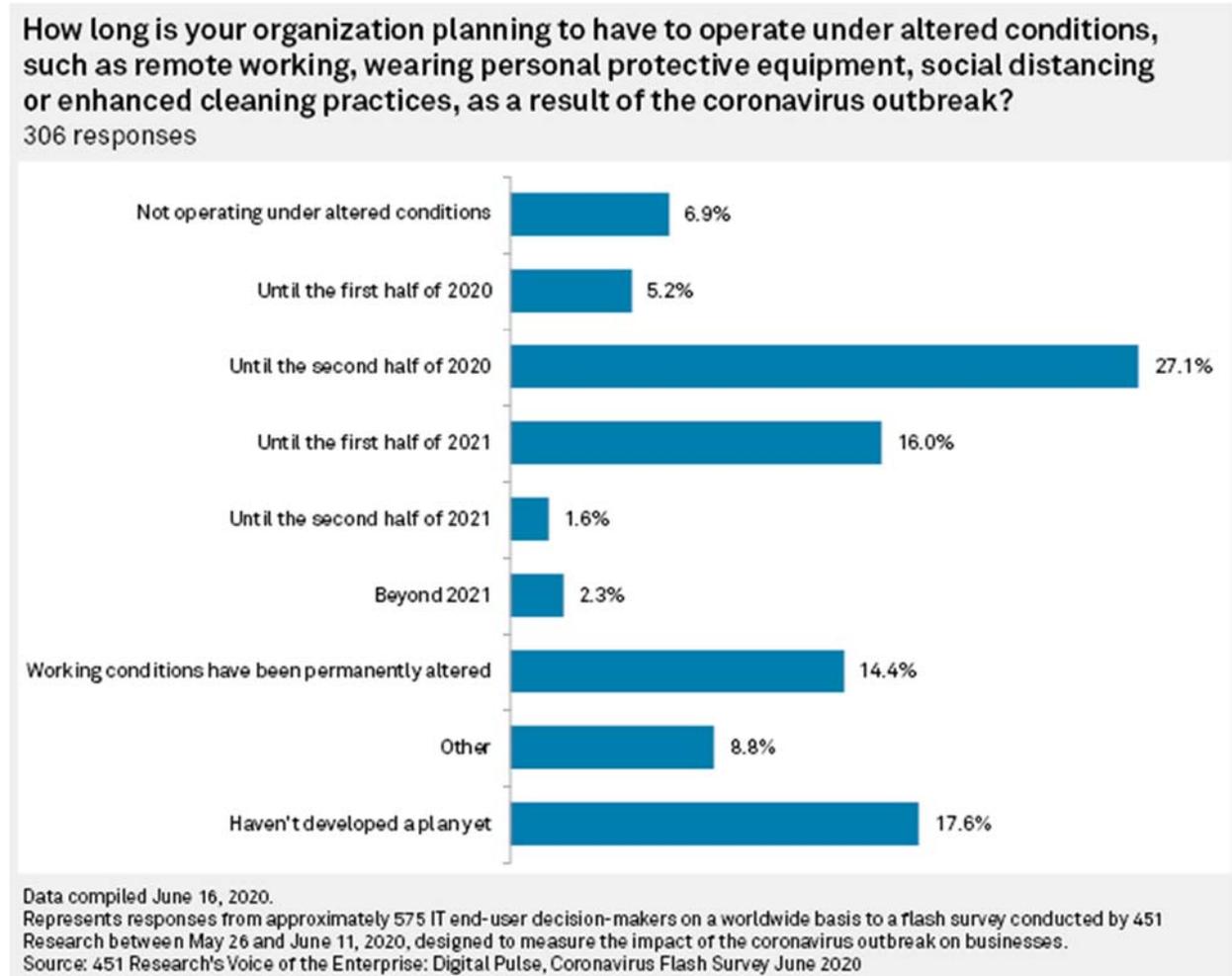
Some companies realized that their workforces can be productive working from home, even if there was a disruption at first, he said. "People got into the swing of things, people got used to videoconferencing," Eagle said. "That can be a factor in convincing organizations that this is something they want do in the future."

Businesses are also likely considering extending work-from-home policies in the event of another pandemic, he said. Fears of a second wave have intensified in recent weeks amid a rising number of new cases in China.

"Maybe being more flexible, having less of an office footprint and more people working from home is a better way to get things done, and it actually affords the organizations some opportunities to save money," he said.

As they consider work-from-home policy extensions, organizations will be preparing for a long period of altered working conditions. According to the survey, about 20% of organizations are expecting to operate under "altered conditions" until 2021 or beyond. These conditions include

having employees wear personal protective equipment and practice social distancing. Another 14.4% say they believe conditions have been altered permanently, while 17.6% have yet to establish a plan.

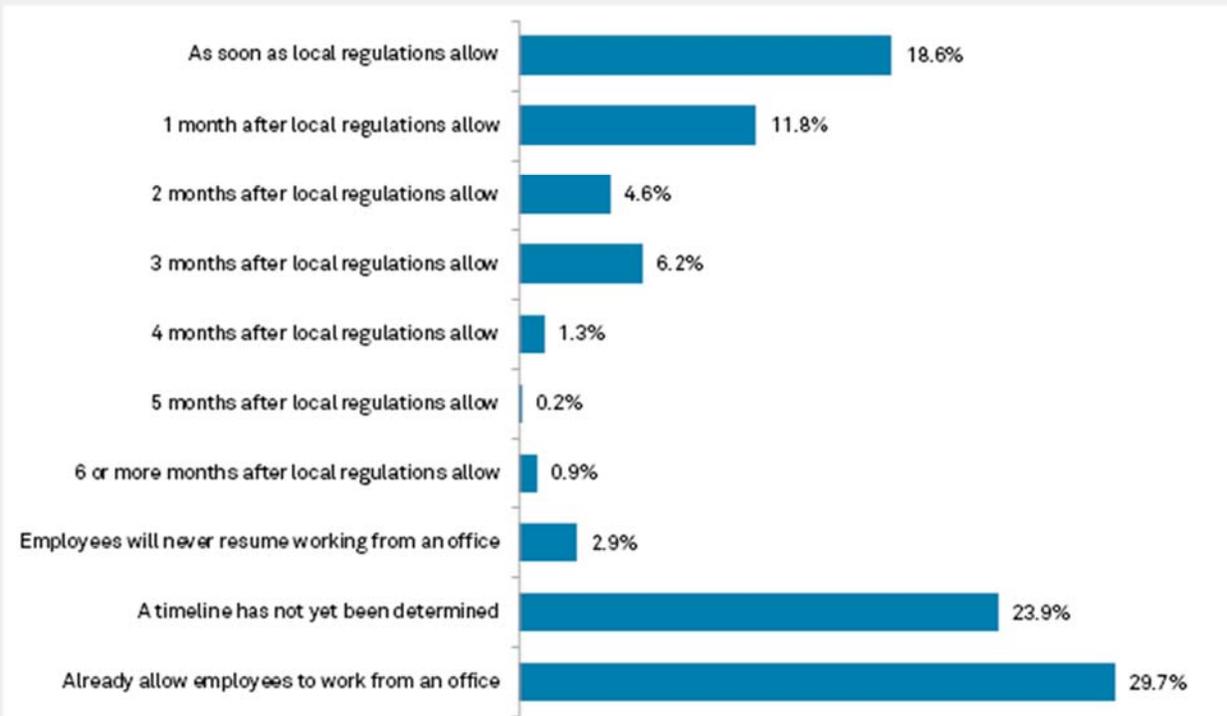


The logistical challenges of going back to work also pose specific risks and caveats, Eagle said. Respondents expressed concern over operational challenges such as equitable policies for workers who lack childcare or have vulnerable family members at home, the mindset of employees wearing protective equipment at all times when in the office and ensuring that employees are protected from physical contact with customers.

Even if companies allow workers to go back to work, they will exercise caution with employees who do return to the workplace. Although 18.6% of organizations intend to have employees return to working from offices as soon as local regulations allow, 25% will wait a month or more while nearly 24% have not yet determined a timeline.

When do you think your organization will allow employees to resume working from an office, even if restrictions such as social distancing or wearing personal protective equipment are in place?

549 responses



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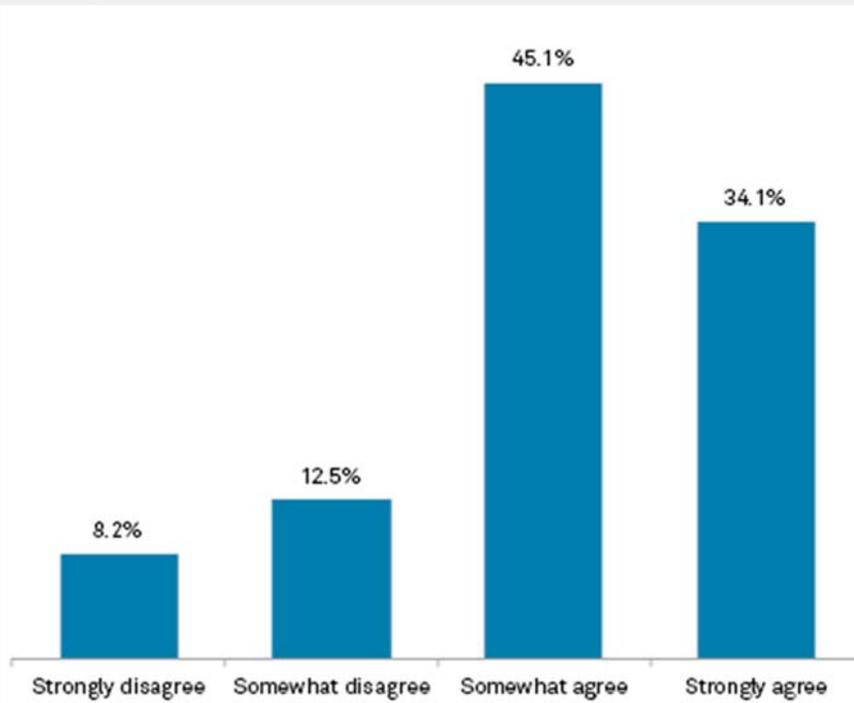
Source: 451 Research's Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey June 2020

Rethinking office layouts

Physical distancing is expected to be the greatest barrier to returning. The survey showed that more than 79% of organizations agree that social distancing practices will be the biggest challenge to resuming their normal operations.

Social distancing practices will be the biggest challenge to resuming normal operations at my organization

328 responses



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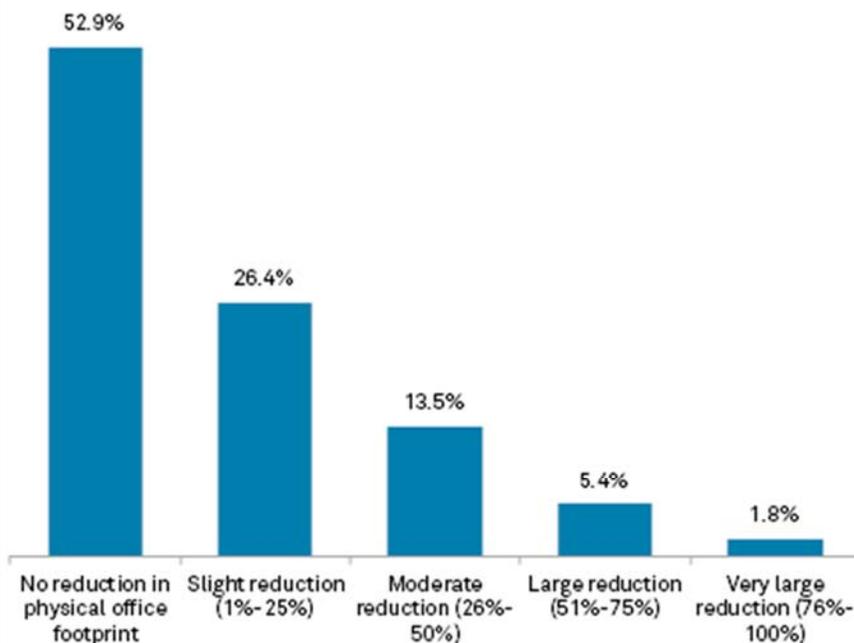
Source: 451 Research's Voice of the Enterprise: Digital Pulse, Coronavirus Flash Survey June 2020

Many workplaces are set up as open concept offices, making social distancing and cleanliness a big challenge, Eagle said. "There's a whole aspect of that where you're portioning out working space, you're dividing up your workforce into people who come in at different times at different days," he said, adding that some companies may decide to go back to cubicles and start measuring space between employees.

As companies consider work from home policies, roughly half of those surveyed expect to reduce office space. Forty-seven percent of organizations with office space said they expected to reduce their physical office footprint as a result of the coronavirus outbreak with more than 20% of organizations expecting to reduce their footprint by more than a quarter. Meanwhile, 52.9% of respondents indicated that they do not plan to reduce their physical footprint at all.

By how much, if at all, is your organization likely to reduce its physical office footprint as a result of the coronavirus outbreak?

444 responses



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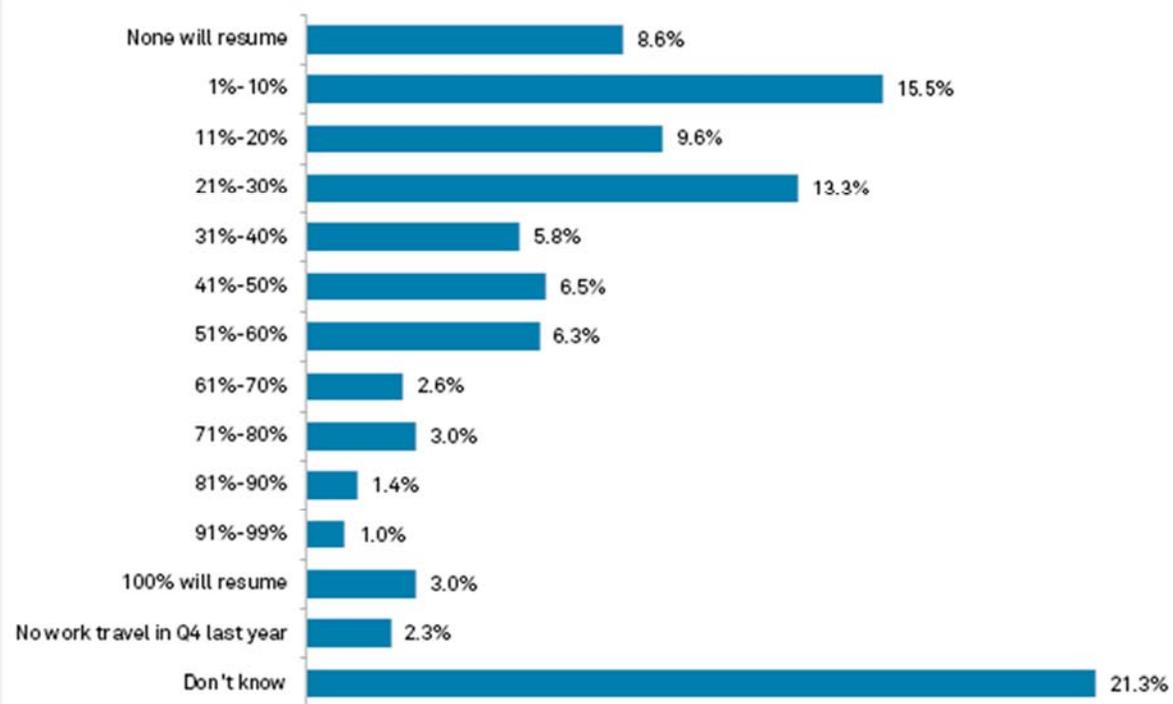
John Boyd, a site selection expert in Princeton, N.J., said in an interview that COVID-19 is accelerating the remote workforce trend, adding that offices have become smaller over the years. "Thirty years ago, the average square foot per worker was over 300 square feet; today it's 150 square feet," he said. "Companies want to reduce their brick and-mortar real estate and enjoy all the operating costs savings."

Companies that reduce their physical footprint and offer work-from-home policies could recruit workers from wider geographies than in the past, Boyd said. "Companies are not tied to specific labor markets," he said.

Business travel cutbacks

Looking ahead to the fourth quarter of 2020, approximately how much of your organization's work travel do you expect to resume compared to the same time last year?

573 responses



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Enterprises don't expect travel to resume quickly or completely. A third of respondents indicated 20% or less of work travel will resume in the fourth quarter in comparison to that quarter a year ago. Meanwhile, 21.3% say they don't yet know the extent to which work travel will be reduced in the fourth quarter.

"I think we are probably seeing all organizations saying 'how much of these savings can we carry forward even once we are allowed to travel again?'" Eagle said.