

The future of work: Employers, employees and the long road to compromise

Employers and employees don't agree on what a return-to-normal looks like in a post-COVID world. But to move forward with success, they must learn to see eye to eye.

By Alyssa Place



Original research from

AMERICAN BANKER THE BOND BUYER **National Mortgage News**

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Introduction

More than a year into the coronavirus pandemic, employers and employees are faced with a question: What does the future of work have in store? Individuals across industries and at all organizational levels are thinking carefully about what it means to return to normal after the total upheaval of business — and life — borne from this unprecedented global disruption.

Employers and employees both agree that returning to pre-COVID normal will be a gradual transition, yet these populations disagree on important issues like the cadence of remote work and how to support a workplace in flux. Bridging this communication gap will require continued support through technology applications, the implementation of employee benefits and safety strategies to ensure that business can thrive and employees can bring their best selves to work.

This study from Arizent — parent company of Accounting Today, American Banker, Bond Buyer, Digital Insurance, Employee Benefit News, Financial Planning and National Mortgage News — explores business attitudes around remote work and provides new insight into how both business leaders and employees are thinking about navigating work in the future.



Why read this report?

COVID-19 ushered in a large-scale shift to remote work, forcing employers to rethink their workforce management strategies. Employees are looking to their organizations for guidance and expect to be heard as they voice their opinions, priorities and concerns. Employers must work to bridge the gap between their own business priorities and the needs of their workforce in order to move into a post-COVID reality.

Key findings include

- Employers and employees have embraced remote work but differ on what comes next. While the majority of employees would like to work remotely in the future, just one-third of employers envision a hybrid work environment for their organization one year out.
- Employers have accepted that hybrid work is a given during this transitional time, yet they are not offering stipends or financial incentives for remote employees to create functional workspaces at home. Additionally, few have plans to reduce their office footprint, signaling confidence that the majority of their workforce will return to a physical workspace.
- While technology has played a critical role in ensuring the success of remote work, employers have struggled with challenges like security breaches and accessibility to high speed internet. Employees, however, have embraced workplace technologies and feel they have the tools to succeed. Looking ahead, the majority of employers across all industries believe they will have the appropriate resources in place to navigate technology challenges.
- Organizations have relied on benefits to help support employees through these challenging times. However, there is a major disconnect between employers' perception and employees' reality, especially when it comes to support for families, including flexible work, back up child care benefits and emergency childcare support. More must be done beyond COVID-19 to help these vulnerable populations.
- Safety will be a critical component to returning to normal but employers are hesitant to implement measures like on-site COVID vaccines or mandates before reopening. While employers have confidence that business will grow, the reality will require more communication and safety protocols to help employees regain confidence with in-person work arrangements.

Research methodology

In this new research from Arizent, conducted online between April 9-26, 2021, we surveyed 491 employees and employers across a variety of verticals to explore current attitudes toward the future of work and to provide new insight into how companies are thinking about successfully navigating work in the future.

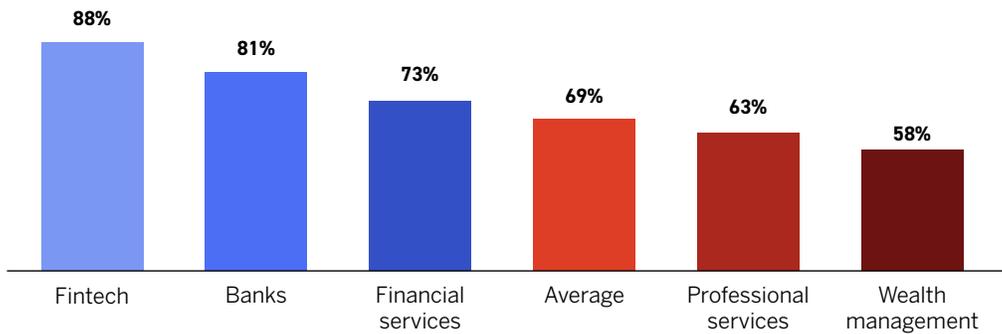
WFH Forever? Employees say yes

More than one year into the pandemic, a quarter of the workforce is still working remotely. Employees have fully embraced the flexibility of these arrangements and 62% of respondents said they would like to work from home the majority of the time if their employer would allow it.

All industries have accepted that remote work is here to stay in some capacity: 69% of respondents anticipate that remote work and telecommuting policies will be permanently altered. The fintech, bank and financial services industries were above average in expecting these widespread changes, while wealth management and professional services fell below the industry average.

Industry perceptions on impact of pandemic on remote work policies vary

(% indicating remote work policies will be permanently altered)



Q: Which workplace practices are likely to be permanently altered at your company as a result of the pandemic?

Source: Arizent Future of Work Survey, 2021

While employers have accepted that some remote work will be part of their organization going forward, 13% say it is very unlikely or not likely at all that they will allow employees to work from home. While in the minority, these opinions shed light on the stark difference in attitudes around remote work:

“I think this pandemic has changed the workplace forever. I truly believe the old way of doing things is gone for a long time; working remotely works.”

**Vice President,
Benefits broker**

VS

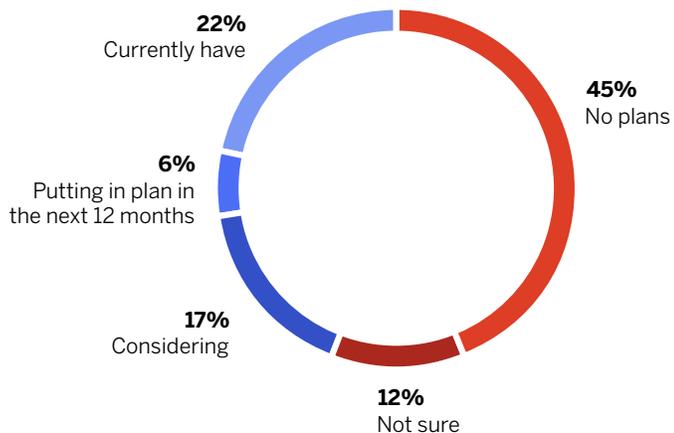
“I think being in the office will be viewed as critical to long-term success.”

**Director,
Hybrid RIA/broker-dealer advisor**

Employers see both sides — but envision more in-person work in the future

Looking ahead, just one-third of employers across industries expect to have employees splitting their time between work and home one year from now. As such, employers are not planning to implement work-from-home stipends to support their workforce in the remote work arrangements they currently have. Less than one-quarter of employers have a remote work allowance in place, and just 6% plan to offer one in the coming year.

Few employers offer remote work allowances



Q: What is your company's position on the following workplace policies?

Source: Arizent Future of Work Survey, 2021

Additionally, employers are committed to their current physical office footprint and are not planning to make major changes. Forty-five percent of organizations have no plans to reduce the size of their office. Just 1% reported that they plan to eliminate their office footprint entirely.

Employers envision the office as a place for collaboration and top-notch customer service and are hesitant to let go of the benefits of these in-person interactions.

Safety protocols are lacking, despite pressure to re-open

In order to create safe work environments for employees, organizations need to prioritize workplace safety and security. However, few employers seem to be prioritizing safety when it comes to their return to work plans. Just 17% of employers say that employee safety is among the top considerations driving their decision around rethinking their office footprint.

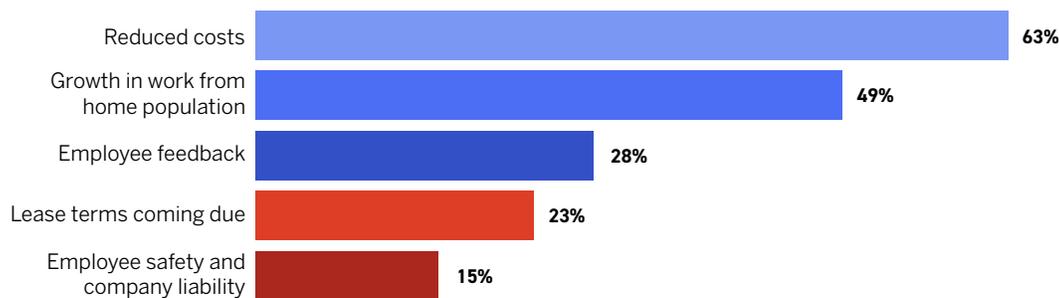
Additionally, the majority of employers do not plan to offer COVID-19 vaccines, and even less plan to require vaccines before employees return to work. Instead, employers are relying on increased cleaning protocols and reconfiguring their office space.

Leading the charge: Fintechs and financial services plan an enthusiastic embrace of hybrid work

Employers do see the benefits of remote work, especially when it comes to cost-savings potential. Of the firms that plan to reduce their physical office space, reducing costs was the most significant driver of this decision.

Top 5 reasons why organizations are reducing their office space

(Among those planning to downsize their physical office footprint)



Q: What are the primary drivers of your company's decision [to downsize its physical offices]?

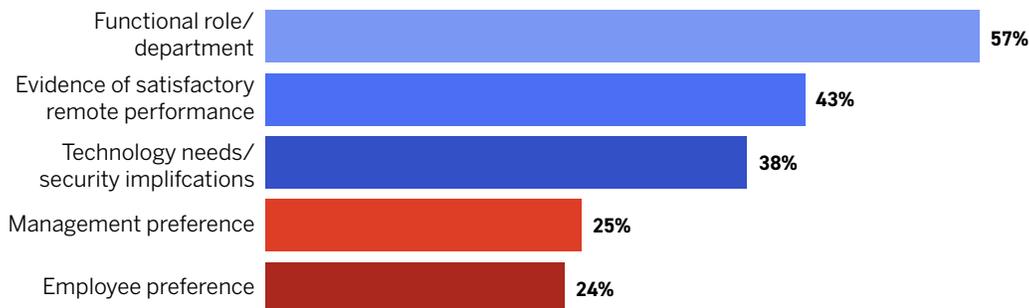
Source: Arizent Future of Work Survey, 2021

Fintechs and financial services are the most likely industries to allow employees to work from home in the future. Overall, 62% of management agrees that COVID has positively reshaped the perception around remote work.

However, employers are planning to carefully consider the roles and responsibilities of their staff in determining who gets to work from home. This has been a challenge for employers who have both a variety of jobs roles that cannot be served by one single protocol.

Top considerations in allowing an employee to WFH

(% ranking among top 2 factors)



Q: How will your company determine which employees should have the option to work from home?

Source: Arizent Future of Work Survey, 2021

"We have two populations: manufacturing, which has to be onsite, and the office staff, who can work from home. We just are not sure how the company will decide to move forward."

Benefits manager,
Manufacturing

A critical tool: Technology will play an outsized role during COVID and beyond

Whether at home or in the office, technology is the motor that has kept the workplace running. However, it has also been a challenge for employers to adapt to the wide-spread adoption of digital tools and transition to an in-person workforce to the digital realm.

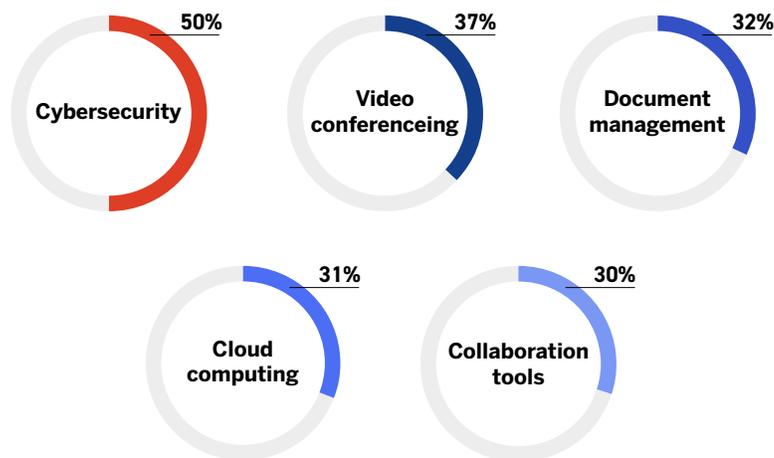
Only one-third of employers feel confident in the technology they have in place. Employers are uncertain in their ability to protect their organization from cyber security threats, due to employees using their own devices and the security vulnerabilities of cloud-based tools.

Employees, however, have embraced workplace technologies and 44% say they are confident they have the tools to succeed. The fintech industry is especially confident, while banks and professional services feel more cautious.

If employers hope to succeed in a hybrid work world, they should also plan to invest in the tools that will keep their workplace safe and productive. Employers plan to invest heavily in cyber security measures within the next two years. Video conferencing software and digital document management will also see major investments.

Anticipated technological investments for the hybrid workforce

(% accelerating investment over next 12-24 months)



Q: In which technology areas is your company likely to accelerate investment over the next 12-24 months to support employee needs going forward?

Source: Arizent Future of Work Survey, 2021

“I think Microsoft Teams and Zoom have made it much easier than expected to work remotely. I find it is easy to communicate with peers through that software and my team has easy access to it.”

Vice President,
Benefits broker

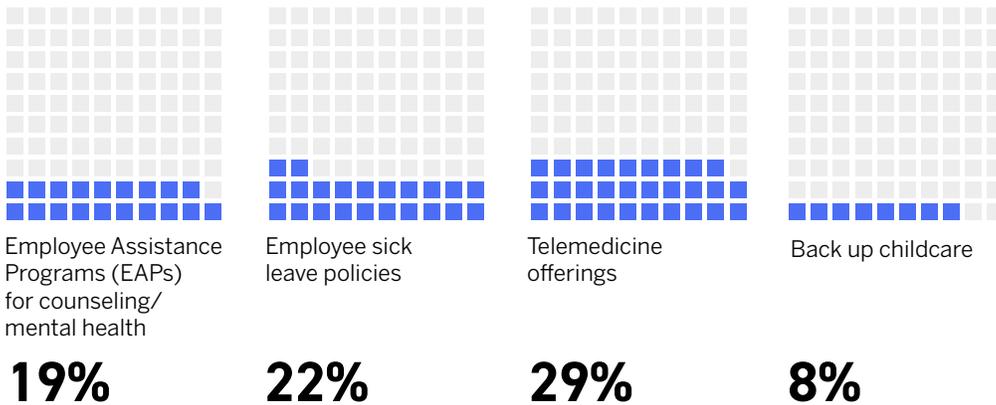
Supporting your workforce outside of the office

Employees have demanded support as they've struggled with the challenges of the pandemic. Workers have been pushed emotionally and are struggling with poor mental health and burnout. Working parents are being forced to make decisions on whether they can maintain their office productivity and the demands of their careers. Remote work has obliterated the boundaries between work and home and employers are now expected to do more to help their employees thrive with necessary benefits that address mental health support and child care concerns.

During the pandemic, employers increased their flexibility around work arrangements and boosted benefits that addressed healthcare plans, retirement and telemedicine. But while 70% of employers agree that the pandemic has highlighted how important benefits are to their workforce, just 10-30% expect those changes to be permanent long-term.

The majority of employers do not plan to make permanent changes to these necessary benefits

(% indicating policies will be permanently altered)



Q: Which benefits or employee policies are likely to be permanently altered at your company as a result of the pandemic?

Source: Arizent Future of Work Survey, 2021

Employees need mental health support — will employers be the ones to offer it?

The mental health of employees deteriorated rapidly during COVID and has yet to significantly improve. Data from the CDC reports that between August, 2020 and February, 2021, 41.5% of adults had symptoms of anxiety or depression. Employees have also struggled with high rates of burnout, increased substance use and more frequent thoughts of suicide.

FUTURE OF WORK 2021

Employers are in a position to do more to support employees through these challenges. Advancements in telehealth have improved access to mental health support, yet just 22% of employers plan to make permanent changes to these benefits post-pandemic. Just 10% plan to enhance or continue disability coverage.

If employers want to ensure a successful future for their organization, they must help employees ensure their own future through mental health benefits, an open dialogue around work and home challenges and an acknowledgement that employees are in need of more help and assistance.

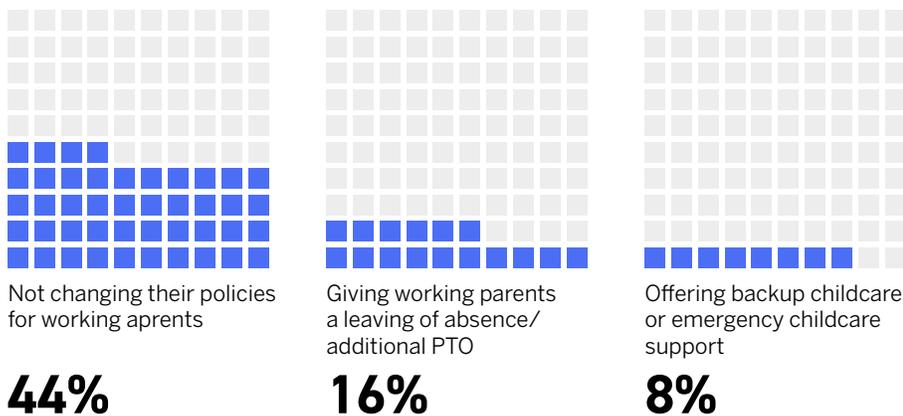
Working parents and women are floundering, and employers aren't doing enough to help them

One group in particular who has been impacted by the stress of the pandemic is working women. Employment rates for women are at their lowest since 1987 and the Department of Labor estimates that more than three million women have been forced out of the job force since the start of the pandemic.

The impact will be felt across families, organizations and the economy as a whole. Despite these sobering statistics, a staggering 69% of respondents do not believe their organization has been impacted by women leaving the workforce, and a very small percentage of respondents are offering benefits that support working parents and provide a safety net for them now and in the months ahead.

Companies are not tailoring their benefits to support working parents

(% making changes)



Q: How is your company tailoring its benefits and policies to support working parents?

Source: Arizent Future of Work Survey, 2021

Employers must embrace the reality that women and working parents need support and offer more robust paid leave, flexible work time and child care benefits if they want to ensure the continued success of their female team members.

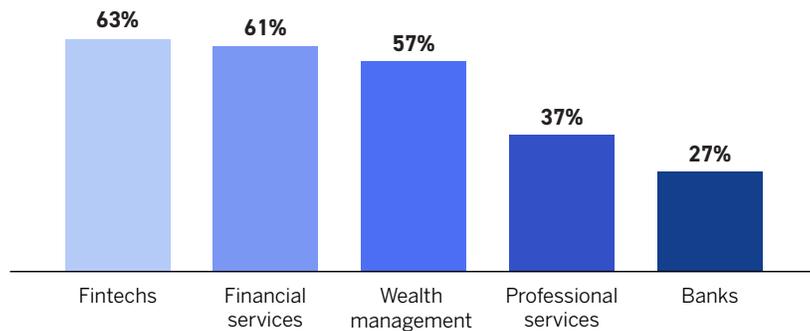
Nearly half of companies surveyed are not tailoring benefits to support working parents.

Looking ahead: What's next?

With COVID vaccination rates stagnating, employers will need to continuously reassess what is in store for their organization and the employees who serve them. Despite the uncertainties now and in the future, the majority of employers feel optimistic about the economic recovery of their business.

Employers anticipate a significant economic rebound in 2021

(% expecting economic rebound)



Q: What are your expectations for your markets and the economy for the remainder of the year ahead?

Source: Arizent Future of Work Survey, 2021

Employers are funneling this economic optimism into their recruiting plans for the future. The majority of organizations across industries plan to hire for new roles and replace necessary positions. Sixty-three percent of fintechs plan to ramp up their hiring efforts in 2021.

Employers will have to accept that the old way of operating will ultimately stay in the past. Remote work is here to stay if they want to remain competitive and attract top talent now and in the future.

“We may have to adopt more remote flexibility to remain competitive and attractive to new employees.”

Research analyst,
Insurance carrier

“Employees will expect a balanced work and work-from home schedule.”

CEO,
Fintech

“There is going to be massive turnover in the next year. People will want change.”

CAO/GC,
Fintech

Conclusions

- There are still many challenges to navigate before a return to normal becomes a reality. Organizations will need to continuously revisit their policies around remote work and factor in the health and safety of employees ahead of any long-term decisions regarding their physical office blueprints.
- Employers will need to prioritize the needs and demands of their employees when creating a plan for office reopenings. Employees have strong opinions about continuing to work from home and are willing to leave an organization in order to find their preferred balance. To prevent this, employers should embrace the benefits of the remote work environment and plan a gradual return to pre-COVID norms.
- Employers must have an open dialogue with employees about the benefits they need that will support their success and reduce stress and potentially damaging mental health issues. Marked improvements in mental health care, telehealth access and child care support are needed across all industries to support vulnerable populations.
- Technology can be a vital tool to advancing these efforts. As employers plan ahead, technology can assist in safety and workplace management solutions, help rebuild the workforce through virtual recruiting and provide much-needed telehealth support.
- With the right tactics and an ongoing conversation with employees, employers can expect to retain their workforce — and succeed. Employers' confidence and optimism signal a bright future when it comes to their economic success and their ability to grow their pool of talent.



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