



**Pearson Partners International**

*Global Executive Search & Leadership Consulting*

# Work-from-Home: The New Normal or an Aberration?

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In March 2020, at the onset of the global pandemic, the U.S. workforce underwent a nearly overnight shift to working from home. The speed at which most of our U.S. workers successfully pivoted to work-from-home is an incredible testament to the ingenuity and adaptability of the human spirit.

Fifteen months later, many people are contemplating what work will look like in a post-pandemic era—whether in-office, at home or in some form of a hybrid model.

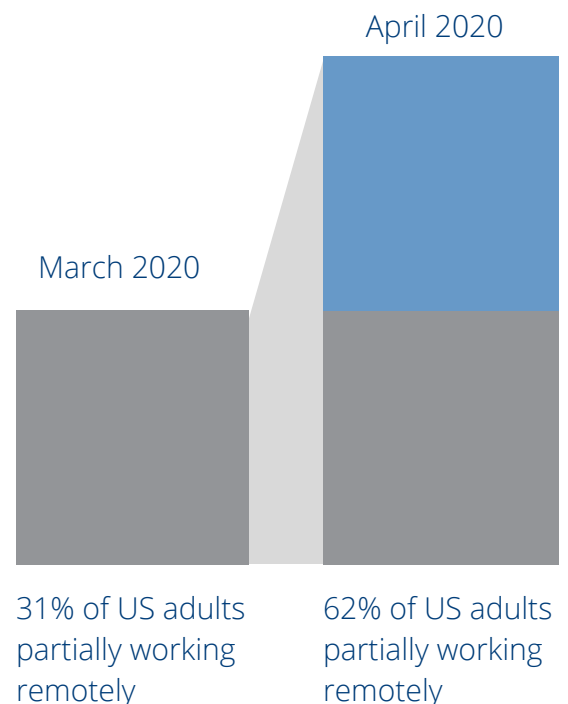
Not surprisingly, it depends on whom you ask. Many business leaders in information technology, healthcare, customer service and sales, for example, expect to continue at least some hybrid form of remote work, according to a recent [Gartner survey](#), while other industries are more conservative about plans to continue work-from-home in the long-term. For example, financial services firms have been eager to return to the office full-time for many reasons, including security and compliance issues and concerns about firm culture.

Goldman Sachs Chief Executive Officer David Solomon, speaking at a February 2021 Credit Suisse virtual conference, said, “This [work-from-home] is not ideal for us, and it’s not a new normal. It’s an aberration that we are going to correct as quickly as possible.” (Bloomberg, 2021). Bucking the trend of many companies that have said they plan for some form of long-term hybrid work, Goldman Sachs announced in May that it plans for nearly the entirety of its workforce to return to the office by June 2021.

Regardless of differing viewpoints, we certainly have been living a new normal for the past fifteen months. The speed of this fundamental change was vividly illustrated in an April 2020 [Gallup poll](#), which showed that less than a third (31 percent) of adults in America were working from home at least some of the time in March 2020, but just a few weeks later in April 2020, that number had doubled to 62 percent.



## Shift To Work-from-Home March—April 2020



Fast forward to a year later, and a March 2021 [Gartner survey](#) of 258 HR leaders revealed that nearly half (45 percent) expected their workforce to return to the office in the third quarter of 2021, with another quarter (24 percent) projecting the fourth quarter of 2021.

As a retained executive search consultant, I find questions about the impact of work-from-home very important to my livelihood. I have had a lot of anecdotal experience with this issue during the last fifteen months, but I wanted to research the answers more thoroughly so that I could better serve my clients. To do so, I asked a diverse group of my clients and business contacts—including CEOs, CHROs, consultants and other business executives across the United States and in a broad range of industries—for their thoughts.

I believe that by and large, people and companies depend on in-person teamwork and mentoring to be their very best. I predict that when the dust settles and the pandemic is behind us, most employees will have returned to the office at least most of the time, while about 35 percent of employees will remain working from home regularly. This represents only a small change from pre-pandemic levels rather than a titanic change in how work gets done. Read on to learn about my research and the reasons behind my prediction.

First, let's set the table with an objective look at some of the pros and cons of work-from-home from the perspective of both employees and employers.

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**45 percent of HR leaders expect their workforce to return to the office in Q3 2021.**

## Pros of Work-from-Home

## Cons of Work-from-Home

More flexible hours

Loss of structure in the workday—more difficult for less focused, organized employees

Elimination of commute time and cost

Fewer conducive workspaces at home

Increased focus on tasks

Decreased work-life balance, leading to increased risk of mental health issues, burnout, social isolation, “Zoom Fatigue”, etc.

Fewer interruptions from co-workers

Decreased corporate culture

Flexible work locations inside or outside of the home

Increased equity gap benefitting wealthier employees who tend to have access to better home offices, internet connectivity and technology

Easier for some employees to care for dependents

Disproportionate burden to some employees with dependents

Employer advantage for recruitment and retention (especially younger employees)

More difficult to effectively onboard, develop, mentor and evaluate employees, especially younger and/or new workers

Decreased corporate real estate costs

Increased information technology costs for homes and office networking equipment

Companies able to recruit remote workers outside company geography (and vice versa: employees able to remotely work for companies outside their home region)

Less effective teamwork and cross-functional problem-solving

Improved punctuality of virtual meetings compared with those in person

Decreased efficacy of corporate communications

Improved wellness due to better sleep, flexibility to work out, less commuting stress, etc.

Potential challenges in efficiently meeting customer service requests

More privacy affords ability to conduct telemedicine visits and other personal business

Decreased attention during meetings

Reduced road traffic and related incidents—better for the environment

Less physical activity and mobility

Each of these pros and cons of work-from-home could be addressed individually, and many, if not all, will be examined as we move rapidly into a post-pandemic era. Since a detailed analysis is beyond the scope of this article, I will provide a high-level overview of some of the larger issues. Let's begin with just a few of these pros of work-from-home.

## Cost Reduction

Real estate footprints and their associated costs for most companies are very likely going to be reduced over the next several years. Tom Warsop, Chief Executive Officer of One Call Medical, a leading provider in the worker's compensation industry based in Jacksonville, Florida, had this to say: "Two years ago, if you had asked companies if they were going to expand or contract their real estate footprints, the majority would have said expand. Today, the vast majority would say contract."

To Warsop's point, one cannot go more than a day or two of reading the news and not run across a story of a company closing locations and/or reducing space. Almost three-quarters (72 percent) of leading U.S. CFOs polled in a January 2021 [Gartner survey](#) said they expect their corporate real estate footprint will decrease over the next two years, and 35 percent are shrinking their real estate portfolio now. This large-scale reduction will have a short- and intermediate-term positive financial impact on most organizations' cost structures, with the obvious exceptions of commercial real estate and some parts of commercial construction.

## Work Flexibility

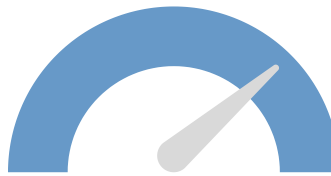
Increased flexibility was one of the most frequently mentioned positives I heard from many executives as I was conducting my research into work-from-home. "Employees gain more flexibility with working hours as they work remotely," said Melody Mitchem, Senior Vice President of Talent Management with Brierley Partners, a customer loyalty marketing

solutions agency based in Dallas, Texas. "If an employee needs to run an errand, pick kids up from school, have an in-home repair done or just squeeze in a workout, that is doable when working from home."

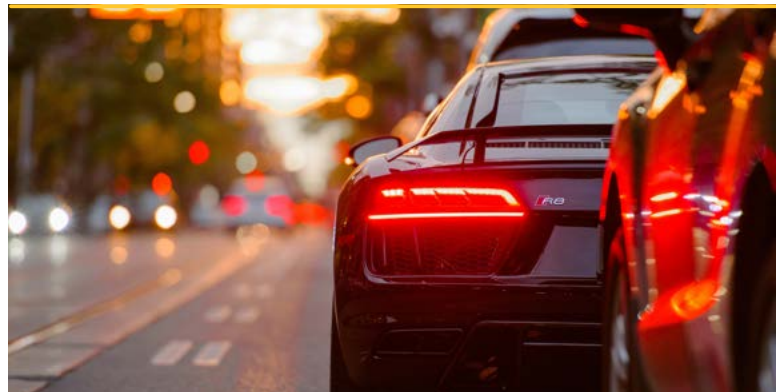
According to FlexJobs' 2020 annual survey of more than 4,000 U.S. workers, two-thirds (65 percent) would prefer to work from home full-time post-pandemic, while another third (31 percent) would prefer a hybrid work arrangement, with some days at home and some days in the office. Most respondents cited work flexibility as the main reason for their preferring work-from-home.



**2 out of 3 U.S. workers would prefer to work from home full-time post-pandemic.**



**72 percent of CFOs expect to decrease office footprint in next 2 years.**



## Traffic Reduction

Another advantage of work-from-home has been fewer cars on the road. This reduction in road traffic has helped the environment, created easier movement and resulted in less wasted commute time and cost for employees. Mitchem, the Brierley Partners SVP, had this to say about the multi-tiered benefit of not having to drive to work: "Not commuting to the office saves employees money not spent on gas, tolls and wear-and-tear on vehicles. This represents about \$10,000 annually for the average commuter. Employees also gain more time by not sitting in traffic and commuting. For many Brierley employees, the average time gained equates to one to one-and-a-half hours daily, or seven-and-a-half hours per week."






A 2018 [study](#) by Global Workplace Analytics showed that by offering two-and-a-half days of work-from-home per week, the average company with 500 employees could help conserve almost 100,000 gallons of gas every year, 5,000 barrels of oil, 159 cars' worth of greenhouse gas emissions, over 2 million miles of roadway travel and almost \$300,000 in traffic accident costs.

## Telemedicine Convenience

Telemedicine has been an unexpected winner in the last year-plus of work-from-home. The rising trend in telemedicine was well illustrated by Keith Holtz, Chief Administrative Officer at Cook Children's Hospital, a leading pediatric health care system in North Texas, who told me, "Our telemedicine business has soared, and most physicians now embrace the technology."

Both doctors and patients alike have welcomed this technology that's not as new as we think (NASA astronauts have been using similar technology since the 1960s). Many people have found it not only more convenient to fit in a telemedicine visit while working from home than taking the time to go to a visit in person but also more private than if they were to conduct a telemedicine visit while at their office. Many times, telemedicine is also less costly than an in-office healthcare visit.

## 5 Benefits Of Employees Working In-Person at the Office

-  **Stronger Employee Development**
-  **Increased Teamwork and Collaboration**
-  **Better Problem Solving**
-  **More Effective Onboarding**
-  **Stronger Culture**



Now, let's look in more detail at a few of the cons of work-from-home.

## Less Effective Employee Development

One significant negative impact of work-from-home cited by many of the executives I spoke with was the inability to effectively develop and mentor younger, less experienced employees. Equally important and difficult to do remotely is to onboard new employees effectively. Routine, periodic employee evaluations also tend to suffer in remote work environments.

I will illustrate the inherent weakness of effective employee development in work-from-home environments first-hand with a personal example. My daughter, who just completed her junior year in college, was selected for a summer internship with a major consumer brand. Normally, she would have been working at the corporate headquarters in the eastern U.S. for the entire summer. She would have been working with their teams, developing relationships, learning from watching others doing tasks and benefitting from individual instruction. However, as of the writing of this article, she will do at least half, but more likely the whole summer internship from the upstairs bedroom of our home in Dallas, Texas.

While I enjoy having her around, I am not blind to the fact that she will be losing out on the opportunity to spend significant time with other, more senior employees who could develop her both during the workday as well as through informal and social time spent together after work. Additionally, she will miss out on the opportunity to live in another part of our great country and all the benefits that opportunity would have offered her personally. Multiply this scenario by millions of young people nationwide, and one can see the very likely detrimental impact on how young people and new employees work together, learn from each other and develop long-term relationships—and the

ripple effects of the lack of that core foundational development.

## Lack of In-Person Teamwork

Lack of teaming was another big concern I heard from several of the executives I spoke with regarding work-from-home. In the office, we tend to have more impromptu exposure to cross-functional teams. We have group meetings in the conference room and impromptu encounters in the hallways, kitchen or break room, elevators, etc. Whereas, with a work-from-home focus, we often miss out on these cross-functional opportunities. Many of the virtual meetings we have tend to be with people in our own departments or functional areas.

"The glue to any successful business is the way employees coordinate their work with others," organizational psychologist and CEO advisor Lee J. Colan, Co-founder of Dallas-based leadership advisory firm The L Group, shared with me. He continued, "There are significant tangible and intangible benefits to working, talking and problem-solving face-to-face. It enhances the ability to read others' reactions instantaneously and immediately build on an idea or address a concern." It is clear to me and many business leaders that technology, at least as we know it today, is not going to be able to replicate this human interaction anytime soon.

Brian Daniel, Chief Executive Officer of Georgia-based construction company Carroll Daniel, shared this thought: "A greater utilization of work-from-home arrangements is here to stay, creating cost savings for employers and lifestyle flexibility for employees. But there is a price to pay. The lack of human interaction presents challenges for building new relationships, strengthening teams and resolving tough problems." He went on to say, "The strength of any team depends on relationships, and COVID-19 has challenged our ability to bond with others."

## Impact on Corporate Culture

Quite possibly the biggest problem with work-from-home identified in my research was the impact on corporate culture. Greg Massey, Chief Executive Officer of First United Bank, made the following comment (which was a sentiment shared by many of my contacts): “It [working from home] is harder to build and maintain culture, harder to create friendships in the organization and harder to create loyalty to the organization. I am concerned some might be left feeling like just a worker bee.”

Norm Bagwell, Chief Executive Officer of Bank of Texas, weighed in: “Our business model is built on teamwork and collaboration. Our culture has served us well to date [during the pandemic], but I believe our engagement in a work setting is key.” Peter Kozicz, Chief Executive Officer of Alberici, Inc., a St. Louis-based diversified construction company, echoed a similar sentiment: “The biggest potential downfall [of work-from-home] is loss of culture. Culture trumps everything in business. You need 100% of your people involved in team-building activities to hope to have a strong culture.”

Dean Carter, Chief Human Resources Officer of Ventura, California-based outdoor clothing and gear company Patagonia, shared with me, simply, “People working from home will not have the same Patagonia experience. We would need to figure that out.”

## Mental Health Impact

Longer-term mental health issues were a concern cited by more than one person as I conducted my research on work-from-home. Over the last several months, I have reflected on something a mental health expert shared at an event I attended in 2020: “Consider the most severe legal punishment used in our prison system today—solitary confinement,” he said, “and recognize that the physical separation we have had to endure during the COVID-19 pandemic, especially in the early stages, is having a similarly

material impact on our mental health.” He went on to say that the magnitude of these mental health consequences is just beginning to be identified and measured.

As another example of the mental health impact of work-from-home, Stanford University Professor Jeremy Bailenson recently studied the consequences of what has begun to be referred to as “Zoom Fatigue” (though it certainly applies to all the video conferencing solutions that so many employees are using throughout their work-from-home days). Bailenson’s peer-reviewed study, published in American Psychological Association’s *Technology, Mind and Behavior* on February 23, 2021, concluded that there are four primary reasons for Zoom Fatigue: Excessive close-up eye contact is highly intense, seeing oneself during video chats constantly in real-time is fatiguing, video chats dramatically reduce physical mobility, and the cognitive load is much higher in video chats than in in-person meetings. Again, this is just one example of the unintended mental health consequences of work-from-home solutions.

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The breadth of opinions shared by the business leaders I spoke with regarding work-from-home ran the gamut. Some felt strongly that work-from-home is here to stay: “With the exception of jobs where presence is part of the job (e.g., warehouse, restaurant, on-site construction, etc.), working exclusively in an office has started its journey to extinction,” said Burke Autrey, Chairman & Chief Executive Officer of Fortium Partners, a Dallas, Texas-based technology leadership services provider. He continued, “The technology exists to support it. It’s proven it can work.” Warsop, the One Call Medical CEO, said, “I believe things have changed fundamentally and forever.”

Others felt that work-from-home is ineffective, and employees need to get back to the office: “I hope it [work-from-home] is an aberration,” said Massey, the First United Bank CEO [echoing Goldman Sachs CEO David Solomon]. “While some do love the benefits of no travel and getting things done, I am concerned with building teams, leveraging team members, training others and culture.”

Still, others felt a hybrid model will be the way of the future, as represented by Amy Messersmith, Chief Human Resources Officer of U.S. Anesthesia Partners, a nationwide anesthesia providers group based in Dallas, Texas. “I agree that some elements of flexibility are the new normal expectation,” said Messersmith, “and companies should think hard and long about how to meet those demands of the evolving workforce. At the same time, the business model must also be prioritized, and practical decisions made that balance both the needs of the business and the needs of the employees. In my view, that looks like a variation of flexible work programs versus a complete and full transition to only work-from-home. But time will certainly tell. We have only just begun whatever this new normal will eventually shape into.”

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Many factors will affect whether work-from-home will be the lasting normal, and ultimately, it will most likely depend on differences in each job—including generational differences, industry specifics, the type of job (back office, operations, sales, etc.), geographic factors, socioeconomic issues, hours required and impact on the customer/client. No two jobs are the same.

As we emerge from the COVID-19 pandemic, I believe that initially, most companies will continue to be very receptive to work-from-home in the short- and intermediate-term. I believe it will be necessary for companies to offer at least occasional work-from-home to be competitive in recruitment and retention. However, as longer-term issues and consequences emerge, I believe work-from-home will become less of an emphasis as we move forward, especially as many companies will begin to feel long-term negative impacts from not having people together to share ideas, work in teams and be part of a shared company culture.

While the early responses in many published studies (including our [Pearson Partners study](#) in July 2020) have shown no significant loss of productivity during COVID-19, I am beginning to hear in the marketplace that employee productivity is, in fact, beginning to suffer as people continue to work from home. A related effect is that employees are often not working similar hours, and this asynchronous work disrupts coworkers whose work depends on that of others.

I also believe that some of the novelty of work-from-home is wearing off for employees. They miss their friends; they miss having a change of venue, and they would prefer to better separate their work from their personal lives. I believe there are likely even

more negative consequences of work-from-home which have yet to be uncovered.

Work-from-home was already the norm for millions of employees before COVID-19, with about 30 percent of jobs in the U.S. performed remotely. Even at the height of the pandemic, more than a third of jobs were still performed at the office or job site. Therefore, the segment in question is the remaining group of people in the U.S. that quickly pivoted for the first time to work-from-home for an extended period in early 2020, which was roughly a third of employees. How many of those will return to the office when the pandemic is behind us, and how many will remain working from home?

Ultimately, I predict that work-from-home will settle at around 35 percent of jobs in the U.S. This is roughly a 5 percent increase from the pre-COVID-19 number and a far cry from a world that is “forever-changed” or a “new normal.” A bone I will throw to readers who are pining for that new normal: I am confident that most companies will be more flexible in allowing some work-from-home flexibility for employees who are otherwise in the office for most of the workweek.

What do you think? Let the debate begin! It will be interesting to get back together in five to ten years to revisit these questions and see how the world is truly working.



# About the Author:



**Stephen P. Konstans**  
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An experienced veteran of the retained executive search business, Stephen Konstans has spent more than 20 years helping companies secure candidates for critical executive roles. He has special expertise in filling high-level finance and accounting positions such as Chief Financial Officer or Controller. Relying on the expert judgment that comes with experience, he brings to each engagement a deep knowledge of accounting, finance and general business, along with a powerful network of contacts, a strong work ethic and the intuitive people skills to effectively evaluate candidates and serve clients.

Prior to joining Pearson Partners in 2005, Stephen spent over three years running his own executive search and consulting practice. Building on an early career in auditing with both Arthur Andersen and KPMG, he entered the recruitment field in 1990 by joining Robert Half International, where he twice was ranked among the top 15 recruiters worldwide for accounting and financial professionals—including being ranked No. 1 in the world for one quarter. He later worked his way up at D. E. Foster Partners, Inc., the successor firm to KPMG's executive search practice, where he began as a senior consultant and was ultimately promoted to the director level.

Stephen has served as a speaker, moderator and panelist at networking groups including Financial Executives International Dallas Chapter, Financial Executives Networking Group Dallas Chapter, Texas Society of Certified Public Accountants, Association of Executive Search and Leadership Consultants, the Wharton and Northwestern Alumni Clubs of Dallas/Fort Worth and many other organizations. He has spoken on a variety of topics including helping CFOs attain a CEO role, finding a board seat, the CFO perspective in private-equity-backed organizations, the audit executive career path and how to successfully work with executive recruiters. He has also served as a moderator for several Pearson Partners International *Spotlight Series* breakfast events. [Read Stephen's speaker bio](#) for more information on his past speaking engagements and board service.

Stephen is a former Certified Public Accountant. He earned a bachelor's degree in business administration with an emphasis in accounting from Southern Methodist University and has continued graduate studies at The University of Texas at Dallas.

Get in touch with Stephen via his [Pearson Partners bio page](#), and connect with him on [LinkedIn](#).

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Pearson Partners provides retained executive search and leadership consulting services to clients on a global basis across all industries and disciplines, from the senior management level to the boardroom.

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