Return to Office vs. Working Remotely: ADP Research Institute® Study Reveals Employee Perspectives on Work Location as Employers Evaluate Workforce Plans

Social connection, promotion opportunities and work/life boundaries are the most cited benefits of on-site work, yet the experience of remote work comes with advantages and preferences

ROSELAND, N.J., Aug. 12, 2021 /PRNewswire/ -- The COVID-19 pandemic turned the workplace upside down, forcing 35% of the U.S. workforce to become temporarily remote¹, nearly triple² (13%) the percentage of workers who reported working remotely prior to the pandemic. More than a year later, companies face important decisions on when and how to address work locations as they continue to navigate the challenges of a pandemic. As companies evaluate their next steps, ADP Research Institute's latest study offers employers insights into where and how employees felt they worked best, along with the opportunities and challenges that come with on-site work and remote work in, "On-site, Remote or Hybrid: Employee Sentiment On The Workplace." The study reveals that employees working on-site enjoy crucial advantages over their remote counterparts, particularly in terms of perceived amount of social interaction, work boundaries and career opportunities, yet, the experience of remote working reveals its own set of advantages according to employees. However, it was hybrid workers that prevailed, specifically citing stronger connections and a more positive outlook compared to exclusively on-site workers and remote workers.

ADP Research Institute surveyed more than 9,000 full-time U.S. workers who work on a team and have not switched employers during the COVID-19 pandemic. The report compares the experience of U.S. employees who either worked remotely or on-site at workplace locations during the pandemic and details the comparison of experiences with unique insight into the benefits and challenges of each work arrangement, and how those experiences vary by industry.

"While the pandemic quickly forced many changes in the world of work, employers now have an opportunity to reflect on lessons learned over the past year, and utilize them to identify the right approach that will meet the specific needs of their business and their employees especially as they continue to navigate the ongoing impact of the pandemic," said Nela Richardson, chief economist, ADP. "For our latest study, we set out to understand employees' perspectives of on-site, remote and hybrid work so employers can decide how to move forward. Though there are perceived opportunities and challenges for both remote work and on-site work, the strongest findings reveal the answer lies somewhere in the middle, with a hybrid arrangement."

On-site, Remote or Hybrid: Employee Sentiment On The Workplace

The following are key takeaways from the report, including actionable insights that can be derived from the study:

Returning to on-site work may mean a more social work life with better work boundaries

- Significantly more on-site workers (70%) say they have a strong feeling of connection with their teammates compared to remote workers (64%). On-site workers also report benefiting from the quality of communication that takes place in person. Women and workers in professional and business services, health care and education stand to gain the most in spontaneous conversations when transitioning from remote to on-site work.
- On-site workers say they spend less of their time on work-related communication and meetings (on average, accounting for 15% of the typical workday) than remote workers (on average, 25% of the typical workday). This difference exists across sectors, for Professional Services and Information workers as well as for those working in Manufacturing and Trade.
- On-site workers report a shorter workday, on average one hour less, with a cleaner break between work and home. This may come as a welcomed benefit, especially among remote working parents who reported longer days (two in five) compared to on-site working parents (one in four or one in five).
- U.S. workers indicate they are just as attracted to cities and suburbs as before the pandemic, concluding that perceptions of urban and suburban areas as ideal places to live have not changed significantly since the onset of the pandemic.

Factors organizations can consider as they determine work arrangements include:

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• The promise of social experience, more spontaneous conversations and a deeper connection with

- teammates and other colleagues.
- Returning to a "traditional" workday offers cleaner breaks between work and home
- Companies located in urban or suburban areas should still be a draw for talent, even among remote workers.

• Working on-site sets employees up for job success and professional growth - whether real or perceived

- 57% of employees (non-managers) think their managers prefer on-site employees over remote workers. Similarly, managers themselves (59%) report they actually do prefer on-site employees.
- While this manager preference is visible across sectors including those where remote working is less possible, the greatest disconnect appears in sectors that can work remotely, such as in Information with employees (non-managers) citing location doesn't matter (35%), whereas managers firmly believe it does (50%).

Factors organizations can consider as they determine work arrangements include:

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• Ability for employees to be seen and feel they are being noticed by managers when it comes to opportunities for advancement and promotions.

• Employees working remotely report a stronger team dynamic and more opportunity for innovation

- While returning to on-site may bring stronger personal connections, remote workers reported their teams possess a collective energy that transcends physical separation. Remote employees are more likely to say their team is "collaborative" (62% remote workers compared to 47% of on-site workers) and "supportive" (66% remote workers versus 59% of on-site workers), less likely to describe their team as "gossipy" (9% of remote workers versus 20% of on-site workers) and "cliquish" (7% remote workers versus 10% of on-site workers), which make team dynamics less collaborative and supportive.
- Additionally, those who worked remotely are more likely to report innovation is encouraged compared
 to on-site workers, a finding that may be counterintuitive to the traditional perception that innovation
 is linked to face-to-face interaction. While the Information sector is the exception to this gap, with
 78% of on-site workers reporting that innovation is encouraged compared to 72% of workers working
 remotely, in the range of other sectors, a culture of innovation is present more for remote workers
 than on-site workers.

Factors organizations can consider as they determine work arrangements include:

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- A concentrated effort to foster a more collective team dynamic that transcends preferential connections may promote stronger personal connections.
- For workers in sectors that report innovation is encouraged while remote, returning to the office may mean less ability to think creatively than they had working at home during the pandemic.

• "Hybrid" working may help ease the transition from the pandemic work environment

- Hybrid workers report stronger connections with their teammates and colleagues (79%) even more than on-site workers (70%). The connections are the strongest among parents of children under 18-years-old who are working in a hybrid arrangement (83%).
- Hybrid employees have the most positive outlook on their managers compared to on-site and remote
 workers, with manager attention and perception of career opportunities reported the strongest among
 hybrid employees compared to on-site and remote workers [72% of hybrid workers likely to report
 they receive constructive feedback compared on-site workers (57%) or remote workers (64%)].

Factors organizations can consider as they determine work arrangements include:

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- More flexibility in work location and not seeing colleagues daily may drive workers to maximize their time together when they do see colleagues to have those spontaneous conversations and stronger connections.
- A hybrid environment can offer the opportunity for employees and organizations to experience the

key upsides of on-site and remote work arrangements.

"As organizations carefully plan their next steps with the safety of their employees in mind, there is an opportunity for companies to weave these perks and preferences into their approach to create the most ideal scenario for employees and the organization," said Richardson.

For a more detailed look and to download ADP Research Institute's report, "On-site, Remote or Hybrid: Employee Sentiment On The Workplace," visit ADPRI.org.

About the ADP Research Institute

The mission of the ADP Research Institute is to generate data-driven discoveries about the world of work, and to derive reliable economic indicators from these insights. We offer these findings to the world at large as our unique contribution to making the world of work better and more productive, and to bring greater awareness to the economy at large.

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¹ BLS (2020), "Supplemental data measuring the effects of the coronavirus (COVID-19) pandemic on the labor market", https://www.bls.gov/cps/effects-of-the-coronavirus-covid-19-pandemic.htm#data

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https://mediacenter.adp.com/2021-08-12-Return-to-Office-vs-Working-Remotely-ADP-Research-Institute-R-Study-Reveals-Employee-Perspectives-on-Work-Location-as-Employers-Evaluate-Workforce-Plans

² US Bureau of Labor Statistics (BLS) (2020), "Ability to work from home: evidence from two surveys and implications for the labor market in the COVID-19 pandemic", Monthly Labor Review, June 2020, https://www.bls.gov/opub/mlr/2020/article/ability-to-work-from-home.htm# ednref6