

THE BROOKINGS INSTITUTION

WEBINAR

THE FUTURE OF REMOTE WORK: LATEST TRENDS IN WORKPLACE FLEXIBILITY

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PATNAIK: Hello and welcome to this event of the Brookings Institution Center Regulation and Markets. My name is Sanjay Patnaik and I'm the director of the center. Today, we are going to talk about the future of remote work and the latest trends in workplace flexibility. As many of you know, over the last couple of years we have seen a significant shift in the cultures and workplace forms that we can observe throughout the world in different organizations, public and private. While some of these changes were already preceded by the pandemic due to new technologies, the pandemic really supercharged the ability of employees to work-from-home, to work-from-anywhere, and to pursue flexible work arrangements. Basically overnight, we saw entire countries shift from an in-person culture, an in-person workplace setting to a remote workplace setting. And over almost a span of two years, a lot of organizations continue to work remotely. And now, as we're entering the end of the pandemic, we have seen a lot of organizations grapple with how to approach workplace flexibility in the future and how to pursue a hybrid approach, like many organizations, to a fully remote approach or even work-from-anywhere appropriate. And then we also have companies that want to go back to the old model of putting people back in office in-person five days a week.

And so this really poses a lot of challenges, but a lot of opportunities as well for new talent acquisition, for new ways of bringing people together, and for new ways of managing. So today we're going to explore the different facets of work, flexibility, and work-from-home with a great panel of experts that will be moderated by my colleague Alberto Rossi. And at the beginning, we have the pleasure of welcoming Dr. Gleb Tsipursky, who was lauded as the office whisperer and hybrid expert by the New York Times because he's helping leaders use hybrid work to improve retention and productivity while cutting costs. He serves as the CEO of the boutique future-of-work consultancy, Disaster Avoidance Experts, and he has a Ph.D. in the history of behavioral science at the University of North Carolina at Chapel Hill. He has been an expert in this field for many decades and is working regularly with a lot of organizations and managers to maximize the benefits of flexible work and work-from-home. So I'm really pleased to welcome you here. Hi Gleb, very good to talk to us today.

TSIPURSKY: Thanks so much for inviting me, Sanjay. It's a pleasure.

PATNAIK: So, I want to hand it over to you for 10 to 15 minutes to just give us an overview of kind of like the work you do, some of the insights that you have gained, especially with regard to hybrid work, work-from-home, and the trade-offs that managers nowadays face.

TSIPURSKY: Of course, Sanjay, and that one thing I want to focus on is productivity because this is a huge issue. In fact, there was a KPMG survey that came out just about a couple of days ago that showed that just under two-thirds of all CEOs -- so they surveyed large-scale CEOs of companies with over 500 million in revenue, so large companies -- and they found that 64% of these CEOs plan to have all of their staff back in the office in by 2026. And so this is clearly a concerning trend for anyone who cares about flexibility, retention, engagement. But why do so many CEOs want to kill off hybrid work? Why do they want to end hybrid work? Why do they want to get everyone back into the office in a few years from now? Well, the key is the productivity metrics.

So when you look at productivity, this is a huge concern for CEOs, and unfortunately, it's a kind of false concern. So let me give you some research showing why these CEOs are a little bit misguided in their productivity concerns around hybrid work. So I'm going to be talking about some research evidence from peer-reviewed randomized trials, which, you know, you're coming to the Brookings Institution event, you know that this is the gold standard, peer-reviewed randomized trials. So this is a trial that was published by the National Bureau of Economic Research. And here's the link. I'll send you the link to the slides later so you don't have to copy the link right now, but you can take a screenshot if you want, but you also can get a link to the slides later if you want.

So there's a paper, well done, that looked at a major travel agency with 35,000 staff, Trip.com — you can tell from the name that's a major travel agency — which wanted to measure the impact of hybrid work versus fully in-office work, so they collaborated with Stanford University on a randomized trial to do so. here's what they did. They assigned staff and their airfare and IT divisions, half of the staff to a full-time schedule, Monday through Friday, nine-to-five. It was completely random. It's just staff with even-numbered birthdays and then arranged to get the other half of the staff who had odd-numbered birthdays hybrid work. So they were given gave them a flexible hybrid work model. They didn't make any substantial changes otherwise, just did this arrangement to adapt the hybrid work. They didn't train managers for hybrid work. They didn't do anything to adapt the hybrid works. They just had these two separations of this staff and this staff. They didn't do anything on training to assess hybrid work performance.

What metrics did they use? They used two metrics of productivity. One was lines of code written for programmers in the IT and airfare division, and another one was manager assessment of performance. So again, these two metrics, one more objective, lines of code written, one more

subjective, the manager assessment of performance. They also measured retention, engagement, sick days, other metrics as well. I'm just focusing on productivity because that's really important, but I'll talk about the others. So what were the results of this randomized trial? Well, for productivity, they found that there was no difference in manager assessment of performance. So the managers assessed the group that came in full-time Monday-Friday nine-to-five and the hybrid flexible group as equal in their productivity.

But here's the key. The hybrid group — the one that came in only part of the time, not full-time — they actually had an increase of 4.4% in lines of code written. So they were clearly more productive, 4.4% more lines of code written, but the managers didn't catch this. The managers did not assess them as performing better. And this finding really showed aligns with other research that shows a slight boost for productivity in hybrid work. But managers often are not catching this boost. What about other metrics? So the hybrid group had a 33% improvement in retention over six months, 33% improvement in retention, and like a one-third improvement. I mean, you'll be lucky if you get 5% improvement from when you change, but this is a 33% improvement actually. This is great that fewer sick days and the rank-and-file workers had higher satisfaction. But crucially, the managers had lower satisfaction, probably because they didn't get training in managing hybrid work.

Let me tell you about a second peer-review trial, also published by the National Bureau of Economic Research. Here's the link there. The staff at a call center about call center — we talked earlier about programmers, let's talk about a call center — they were offered a chance to apply for work-from-home. So this is going to be work-from-home, not hybrid, really largely remote work-from-home. So half were randomly chosen to work-from-home, so they applied. Half of them were accepted. Half of them were not. So half of those who applied stay in the office and half were accepted into the work-from-home program. And again, they didn't make any substantial changes to adapt to work-from-home than trained managers on managing work-from-home staff.

What were the metrics? Okay, so they used three metrics of productivity testing, minutes, work, shift cost per minute, and manager assessment of performance. They also measured retention and satisfaction productivity. Over nine months, the work-from-home group had a 13% performance increase. Nine percent was working for more minutes per shift, so they worked longer hours. Few had-- they had had fewer breaks and sick days, which also contributed to their productivity. Four percent worked for more calls more calls per minute, likely because they were in a quieter work

environment, not in the loud call center. There was no difference in manager assessment of performance, likely because the manager weren't able to observe the higher productivity of work-from-home staff. So the other metrics — again, office group attrition was 35%, work-from-home group attrition 17%. So a 50% decrease in attrition, which is wonderful for the work-from-home. But the promotion rate, based on conditions and performance, decreased. So again, the managers didn't catch the improved performance of the work-from-home group because likely there was no manager training on how to assess employees working remotely. So that's the implications.

The metrics often will not align well with manager performance evaluations because managers can't see workers. They make mistakes when evaluating performance. That's why managers really need to be trained and use effective metrics. If they lack training, they'll often underestimate the performance of those working remotely. And that's why likely what we're seeing from the recent KPMG study where the CEOs are trying to get their staff into the office because they are not assessing the performance accurately and they are not able to catch the improved performance and productivity of people working in a hybrid or fully remote modality.

So, how do we actually measure and improve performance? We need to transition away from relying solely on typical performance assessments on an annual or quarterly basis that are relying just on manager assessment of performance, which basically is relying often on presence in the office rather than actually the outcomes measured because that results in a biased assessment of those who work in a hybrid or remote schedule. So you need to train managers to rely on more frequent, small-scale performance evaluations with one-on-one performance evaluation meetings weekly, or every two weeks, or once a month, depending on the role and seniority of employees.

Now, you already have good managers who hold regular one-on-one meetings with team members once a week, once every two weeks. Now they'll just have a performance evaluation. What does this look like? So you want to set the goals that the one-on-one, the manager and the employee agreed on three to five goals to achieve until the next one-on-one in a week, two weeks, a month, or so on. It should combine individual goals and collaborative goals. Collaborative tasks might involve mentoring junior team members, responding to other team members in a certain timeframe, and so on, so that you make sure that there's both individual tasks that are done and collaborative tasks. Preparing for the one-on-one that involves 24 hours or so before the upcoming one-on-one meeting, the supervisee sending their manager a brief report under a page of goals accomplished, problem

solved, a self-evaluation. What happens at the one-on-one? Well at the one one-on-one meeting, the supervisor evaluates the performance of their employee, coaches them on problem solving, affirms or revises the performance evaluation, and together they set the goals for the next step. Now the evaluation, this is important, it should get stored on a document that the employee can see if any time, so that helps them know what to work on to improve their evaluation going forward.

So, what are the benefits of these frequent small-scale evaluations? There are benefits for employees and managers alike. Let's talk about employees. It helps employees always know where they stand, gives them psychological safety. They don't have to worry that the manager is upset at them because they made a mistake, or something that helps them not burnout, not overwork, which is a frequent issue for people who are working in the hybrid or fully remote modality, and that improves their relationship with their manager, which boosts retention and helps their career growth. In turn, managers get a lot of benefits as well because they can accurately measure the productivity of each employee, not relying on intuitions, for both individual and collaborative tasks. It helps keep track of performance of each employee, which addresses proximity bias concerns. The concerns that employees are going to get treated unfairly because they're not as proximate as those who are in the office. They now-- they will know who to give projects, to give raises to, promote, and it helps develop the career trajectory for each employee because it can help them catch issues early, and help ensure employees succeed going forward.

So this is what I want you to know about productivity. Now, if you want to get the resources from this presentation, go to tinyurl.com/daeevent. Again, tinyurl.com/daeevent. You'll get a copy of the slide deck with all the citations and a copy of my best-selling book on hybrid and remote work, "Returning to the Office, and Leading Hybrid and Remote teams. All right. Thank you very much. I appreciate your attention.

PATNAIK: Great, thank you so much, Gleb. A lot of, a lot of data to pick through and really think about. So what you have really shown, very interestingly, is another gap. We already see, oftentimes, the gap that we observe is that employees want to work-from-home , they want the flexibility, but employees-- employers are pushing back, right? And so you showed the gap that oftentimes, that managers don't perceive the true performance of their employees, which is a big problem. And so, well, what I'm always puzzled by is when you look at a lot of these CEO announcements, and these are very smart people of big organizations, they want to force people back

to office against their will, some even five days a week, which is crazy in a new flexible world. So, why are CEOs implementing these policies? But actually, the data shows something very different. And it, to me, it seems-- they seem to be stuck in a kind of like pre-pandemic way of thinking without acknowledging the new realities.

TSIPURSKY: So, it really does have to do with how they assess productivity. There are a number of factors, but productivity tends to be very critical here. So the key thing with productivity is that they are paying attention to their managers, and their managers are telling them that people who work in a hybrid modality, people who work in a fully remote modality are not as productive. And that's the information that they're getting. So, it's just the kind of information they're getting. The CEOs are just the creatures of the information that they're getting. And if they're getting their information from internally, from people who are not trained on how to manage hybrid teams, how to manage remote teams, they're not paying to all-- they're not paying to all the attention to all the external information. You know, you and I can do these presentations, right? And we are talking about the actual research. We're talking about peer-reviewed randomized trials. But these CEOs, you need to empathize with them and see, okay, they're getting information from inside their company, from their own managers. And the managers, again, are not trained on how to assess and manage hybrid teams. So there are managers are uncomfortable with doing so, and they're not giving high-performance evaluations to people who are in a hybrid modality. They want to get these people back into the office because now they know how to manage people in the office.

So it really has to do with a skills gap from the CEO and from the manager. And the CEO has a skill gap, they don't know how to manage people, how to manage a company that runs in a hybrid modality. The managers under them don't know how to manage people, their teams that work in a hybrid modality. So they want to go to what they know and what they're comfortable with. And so from that emotional perspective, they're really going to what they're comfortable with rather than what the research shows is the best modality.

PATNAIK: So that raises a very important question, because when we look at the data — Nick Bloom always shows this quite powerfully that — when you look at a lot of companies that are newer, they pursue flexible work, full steam ahead. And oftentimes, they even work from anywhere. But then you look at all the incumbent firms, they are really kind of like more trying to push in-person office mandates. So, how do you actually really train these managers? And I mean, a lot of the new

entrepreneurial firms that are actually doing it well, it's the more incumbent firms, on a day-to-day basis or even when you think about business school, right, like MBA programs, how can you train those managers to think differently in that regard?

TSIPURSKY: So, I've helped 25 companies by now figure out their transition, and several of them have been newer, but a number of them have been older, more traditional companies. One was a large company over 100 years old. And what you really need to do is show them using their own internal metrics, that their productivity and performance is better when they give people more flexibility. And so, really CEOs pay attention to their internal metrics. So, what you really want to do is do a survey. What often happens, I mean, when you look at the announcements of the return to office and when you dig deeper to into them, the CEOs, the leadership team, they have not done any sort of assessment. They have not done a survey on their team members before, during the return to office.

For example, let's talk about Amazon, I mean, because it's been in the public eye, and we know a lot of information about it. There's a lot of documentation that has been leaked. They suddenly rapidly announced a return to office of three days a week in the spring of this year. And when we're looking at why they did it and how they came to this idea, they didn't actually do any surveys. They admitted it themselves. They don't have any data about this. They don't have data to show that this would be better. They didn't survey their team members; they didn't talk to them. They just have a feeling that this would be a better situation for them.

So the key to actually change the minds of CEOs is to do surveys and focus groups in-depth inside the company and actually talk and think about the consequences. Because when you look at the data and you see what happens after CEOs announce the return to office, overwhelmingly, they say that we are having worse attrition than we anticipated. They anticipated some attrition, but we're having worse attrition than we anticipated, we're having lower engagement than we anticipated, we did our return to office wrong. That was a mistake. I mean, believe me, Andy Jassy is not happy with what's happening at Amazon, the CEO of Amazon, as a result of this, and many other companies are not. So, they are making mistakes and it's unfortunate that they're making mistakes. And the way to address this is to help them look at the internal data, actually do a survey, do focus groups, see what the consequences would be, and help them make better decisions going forward using this internal data.

PATNAIK: I think that's a really key point because, I mean, when we have this bifurcation of companies that are newer, they are going full steam ahead on flexibility. And then you have the older ones, you're going to have, naturally, a problem with talent retention and acquisition in those companies that don't give the flexibility because people have tasted the flexibility, they have tasted the freedom, and they know it kind of like really helps them with their work-life balance, and with making them more happy, right, and productive.

TSIPURSKY: Absolutely.

PATNAIK: So, so let me think. I mean, this is, this is a very interesting angle also for another part of what we observe in the relationship between employees and employers, which is labor negotiations, right? How do you think hybrid and remote work will affect those negotiations? And do we see employees pushing back against in-person office mandates on how do employees go about that usually in the data that we observe?

TSIPURSKY: Oh, yes, we definitely do. I mean, there are a number of, actually, union actions set up. I mean, I know of a couple of several unions that specifically unionized in order to push back against return-to-office mandates. So there are a number of Equitas, for example, other health organizations, other organizations that actually had employee unions set up as a result of this push of top-down return-to-office mandates. And, of course, we have a lot of other unions opposing this, very publicly hostile to the return to office mandates. We're seeing this right now, but the federal government is trying to get all of its staff back to the office. A lot of union opposition to this. We have this at the city level. We have this at the state level. So wherever workers have a voice in the form of unions we are seeing this. We're also seeing this where workers don't have a union. For example, going back to Amazon, where over thirty thous-- or something like, like 30,000 Amazonians signed a petition to not go back to the office and that top-down forced way. Think about this. Thirty-thousand people.

I mean, this is huge, and this is corporate stuff. We're not talking about warehouse workers; this is programmers and so on. This is a huge amount of people. Same thing, the same thing at Apple. I mean, the Apple head of AI quit, Ian Goodfellow, he quit, and he specifically said he's quitting because Apple is trying to force everyone to go back to the office three days a week and he doesn't think that this was the best decision for his team. So we see top people quit, not simply people at the lower levels. So, we're seeing workers pushing back in a whole variety of ways, opposing, being

hostile to this, and we do see a number of companies changing their minds and walking back to that initial return to office mandates because they got a lot of opposition and hostility from workers. So on a lot of levels, we're seeing a lot of opposition and hostility, and this is creating a lot of worker power movements as a result of this, what workers see as a pretty unfair and unreasonable request because they really don't want to go to the office and do the same things that they're doing at home. That's very, very unhelpful.

PATNAIK: One thing that I will also ask is-- which is often brought up as a criticism of work-from-home or hybrid work, right, which is when you have building relationships with coworkers, either through associations or workplace networks, and I think that can go two ways, right? A lot of people are actually saying that they prefer to work-from-home because they don't face bullying, they don't face harassment or discrimination. But then other people say, "Look, these are important networks for mentoring, for making friendships." So how do you see that kind of like-- and how do you see remote work affecting these kinds of relationship-building ways that we saw in in-person work?

TSIPURSKY: Yeah, so the 25 companies that I helped transition back to the office to figure out their future work policies, 23 of them chose a hybrid first model. And then what they did was — and what we did, and what I think works best for most companies— is to focus on coming to the office to do things that are best done in the office. Now, the things that are best out the office are things like mentoring and on-the-job training, things like socializing and team bonding, more intense forms of collaboration, like decision-making conversations, and nuanced conversations like performance evaluation, like addressing conflicts. And this, these are valuable activities to do in the office. The office is a quite — it will not go away — the office is a quite valuable place for people to spend their time.

But these kinds of activities for a typical office worker-- so for example, if you are someone, let's say a researcher, like at Brookings Institution, most of your work is done independently. Your work with others is maybe 5% of your time. If you're somebody, like a programmer, it might be 10% of your time. If you're in sales, it might be 20 to 30% of your time, or in marketing. But that means you still need one to two days a week when you're coming to the office. The key thing I work with companies a lot on trying to figure out is how do you minimize the commute because that is the piece of time, that is the activity that people hate the most during their workday, and understandably so. It's

a time when they're most likely to get into an accident. It's a time that's a lot of stress, it's a lot of hassles, it's a lot expense.

So how do you minimize the commute for people while still spending time in the office doing the most valuable things that are done in the office? So, that's kind of the hybrid work. Now there are a couple of companies — there are two out of the 25 that I help — that chose a remote first model. And we definitely worked on addressing the mentoring angle, all of the socializing and team bonding. And you can do that fully remotely, but it does take more time and effort and not everyone is a good fit for them. So you'll see that not everyone is able to build relationships effectively, fully remotely. Not everyone that's able to get mentoring or mentor others fully remotely. So you want to be thinking about what kind of staff are you hiring? Do you want to only hire staff who are comfortable working fully remotely? And then you want these staff to-- you want to really set up a remote culture, a remote-first culture, where you're addressing these-- definitely challenges of mentoring and so on. So that takes more effort and time.

So for most companies, I don't recommend it. You only really want to do that if you're going to make a dedicated effort to it. But going back to Nick Bloom, what he found was that if you do have good management addressing these questions, that remote-first model is going to get you the best ROI in terms of return on investment because you're not spending money on office space, which tends to be something like 30-20% of a company's budget for service stuff for remote capable workers. Most of the rest comes from salaries, maybe 50% salary, 30% from your office costs. If you can save the 30% on office costs, here you're having a lot of savings. So that takes more deliberate effort. But again, for most companies, I recommend a hybrid-first model where people are coming into the office to do the things that are best in the office, which usually takes maybe a day a week on average.

PATNAIK: That's wonderful. That's very interesting. The last question I have is-- which relates to the broader economy because it's really interesting to observe. Nick Bloom also has shown that where we see a lot of economic activity naturally shifting from downtowns to like the suburbs, or like a donut effect, and what we see oftentimes is really actually laughable at some point when you hear mayors complaining about it saying, "Look, we have to force people back into office because we have to save our downtowns." And so I think that it really like misses two important things, which was, one, a lot of the economic activity shifts to the suburbs. That means there's a lot of new dynamism

there, new restaurants opening up, new stores. And second, I don't think it's kind of like the role of workers to fill a hole in changes in urban planning that are needed. And so the question is, like, to these kind of mayors or these city leaders, what is your advice? Like, how can they start reimagining downtowns in a way that might revitalize them without having to push corporate leaders to force people back, which no one wants anyway?

TSIPURSKY: So when you think about those mayors, right, I think they're making a fundamental mistake. And here's why. When they're talking to companies who have headquarters in their towns and they're saying, "You need to get your workers back into the office. I'm going to shame and blame you in the media." That will mean that other companies will never put you-- their headquarters in those areas, right? Like, why would you ever put your headquarters into the area of a city where the mayor is shaming you and blaming you and trying to get your, get your workers into the office, which is counterproductive for you? You'll, you'll lose retention, you'll lose productivity. So those mayors are making a fundamental mistake. They're sacrificing the future of their city for the short-term tax gain of getting people into the office, and it's just kind of ludicrous to me that the mayors are such a short-term orientation. Very bad decision-making, I have to say, from the mayor's perspective.

So what they really need to focus on is doing as much as possible to reconfigure Class B-- I mean, Class-A office buildings will be fine. We're seeing them being pretty full. Class B and Class C office buildings, those are the buildings that either need to be converted to residential or turned down and revitalized because that is not going to be the future of downtowns. The future of downtowns is not going to rely on Class B and Class C office buildings being full. That is absolutely not never going to happen. So the mayors need to realize that they are really, they're eating their own seed corn when they're trying to push and shame and blame companies for getting workers into the office, instead of trying to work with companies and collaborate on preserving the Class A office space and revitalizing the Class B and C office space.

PATNAIK: And actually converting the B and C into residential buildings could have another benefit, which is revitalizing some of the downtowns, right? Like alleviating a housing crunch, which a lot of these cities are actually feeling. When you look at prices in New York and Washington, D.C., where both mayors have made similar arguments. So, there, there could be a benefit, even if it takes some pain probably short-term, to make those changes and to rezone those buildings.

TSIPURSKY: And the nice thing about that is that the building, though, you're not, you're not having nearly as much NIMBYism because the building owners are very happy there to rezone those buildings, the buildings around them. They're happy to rezone those buildings and you're going to have much less local opposition. And so that is very important for addressing the housing crisis in the United States and all of our cities.

PATNAIK: That's a really great point. Well, it's been a real pleasure and thank you so much for your insights. This was very interesting also for me. I learned a lot. So I'm going to hand it over now to our panel and Alberto Rossi, who is a nonresident fellow here with us and a visiting scholar currently in the Center for Regulation and Markets, he will take it away with a panel of academic experts and also experts that have worked in private industry for a long time. Alberto, over to you.

ROSSI: Thank you so much, Sanjay and Glebb. Thank you for a fantastic discussion. My name is Alberto Rossi. I'm a fellow, a visiting fellow at Brookings, and I'm also a professor of finance at Georgetown University, where I'm also the director of the AI, Analytics, and the Future of Work Initiative. I'm super excited to have four major experts today who are going to help us understand how working from home and remote work will change the way we work and which the way we live. But let me start by introducing the panelists in alphabetical order.

We have Jose Maria Barrero. Jose is an assistant professor of finance at ITAM, where he conducts empirical and quantitative research in remote work and social distancing. Professor Barrera holds a B.A. in economics and mathematics from the University of Pennsylvania and a Ph.D. in economics from Stanford. Thank you so much for being with us. Next, next, we have Raj Choudhury, who's the Lumry family associate professor at the Harvard Business School. He was an assistant professor at Wharton before joining Harvard. His research focuses on studying the future of work, especially the changing geography of work, and particularly studies the productivity effects of geographic mobility of workers, causes of geographic immobility, and the productivity effects of remote work practices such as work-from-anywhere and all remote. Thank you very much for being with us. Next, we have Prasad Setty. Prasad is a world-leading expert in how AI and tech innovation affect the future of work with more than 15 years at Google, working in people analytics and digital work experience. Prasad is now at Stanford University and is an advisor of super exciting companies like BetterUp and Data Stacks. Thank you very much for being with us.

SETTY: Good to be here.

ROSSI: And finally, we have Sara Sutton. Sara is the founder and CEO of FlexJobs, and she's considered, quite frankly, the pioneer and longstanding leader in the expansion of remote and flexible jobs. She's being long been passionate about helping people find jobs that makes their lives better and for being at the forefront of important trends in the employment in the tech field. So we have a ton of ground to cover. But before getting started with the actual panel, I would love for each panelist to introduce themselves, briefly describe their experiences and career path as they relate to remote work and workplace flexibility. Why don't we start with Jose?

BARRERO: That's great. Thanks so much and very glad to be here. So, kind of interestingly, so one person that was mentioned maybe five times during Gleb's keynote was Nick Bloom. And then, so kind of I think the reason I'm here is that, together with Nick and with Steve Davis of Hoover Institution, I've been conducting surveys of workers in the U.S. and also around the world with a broader set of collaborators since 2020, trying to track the amount of remote work, how their attitudes about remote work have have shifted over time, and so on and so forth. And so, kind of we're-- we have, I think, one of the larger surveys and one of the longer running surveys on remote work that have been going around. I'd argue that for a long time during the pandemic, our-- kind of our surveys were probably getting a more accurate picture of remote work than even some of the U.S. government-run surveys, for example. And, and I think, kind of we've tried to think about this very methodically and kind of try to get some of the hard data that I think Gleb mentioned in, mentioned in his presentation, a lot of that is probably coming from from our data efforts. So that's that's who I am. And yes, the remote work took over my life in 2020, and then it has ever since also taken over my work.

ROSSI: Thank you so much, Jose. Why don't we move on to Raj?

CHOUDHURY: Thank you for having me. So, you know, my research for a decade has been focused on this topic of geography of work, answering the question of where workers live and work. So I've studied migration, I've studied the pain points of migration. And in about 2015, as this was before the pandemic, I stumbled upon work-from-anywhere while studying the U.S. Patent Office, because the U.S. Patent Office was implementing-- had implemented a work-from-anywhere policy in 2012. They did not call it work from anywhere. They called it TEEP, a very technical name. And then because they had to report back to Congress, I did a study of how work-from-anywhere affected productivity of the U.S. patent examiners. And later, I'm happy to talk about that study. And

concurrently, I started talking to these all-remote companies that do not have offices. So companies such as GitLab, and Zapier, and Doist, and many others. And then the pandemic came. And then, like Jose my life has become all about this topic. And so what I currently study is the management practices that make hybrid and work-from-anywhere effective. So that's where I'm focused. And the last thing I would say is, along with Jose, and Nick, and Emma, and, and Nat-- and Natalie, and Steve, we organize an academy conference on remote work, and we have done two versions of that. Thank you.

ROSSI: Thank you, Raj. Prasad?

SETTY: I come from this slightly differently. I spent 15 years at Google, and I led our worldwide people analytics, compensation, benefits, performance management, all these areas that had like a huge impact on the almost 200,000 people that are now at Google. And so I first-hand saw the impact of COVID. And I sort of led our efforts on the future of work and thinking about what work and work environments could be like at Google. And then I spent like a year and a half at Google Workspace, helping us think about the next generation of products that would land with our customers and help them navigate the future of work too. So I sort of have, like much more of what Raj and Jose talked about, there broad views on what they are seeing across different organizations in different countries. I certainly have a very in-depth view of how a company like Google uses all kinds of information, and thinking about what would work for their people, and what would work for the organization, what would work for individual teams to sort of maximize individual and team productivity, well-being, and connectedness at the individual and organizational level, which I think all culminate in how we can have a much better notion of the future of work. And certainly, I think hybrid work favors-- is something that we favored a lot.

ROSSI: Thank you, Prasad. And Sara?

SUTTON: Well, I have to first say how happy I am to have all of this research and organizations on board with remote work because I've been doing this now for 17 years and it has not always been there. I've definitely come from more of the practitioner side than from the job seeker side, which by and large was driving the remote work revolution before the pandemic. And it was always kind of dismissed quite quickly as a warm, fuzzy benefit for workers. And largely, actually, to get to reference the previous panel, a lot of the time that was because organizations weren't measuring the impact of what work-- the workplace flexibility, remote and flexible schedules can

allow. And so I started FlexJobs 17 years ago for my own path. It was the second job company I had started, and wanted to help align for the best of technology that we have with workplace technology and the best of human talent so that we're not doing things arbitrarily. And then we're utilizing technology to allow people to be their best selves at home and in their lives, and also be their best selves at work. And so I definitely come at it with the jobseeker slant. We've done lots of research over the years, not as rigorous as my fellow, as my fellow panelists in many cases, but we have partnered with lots of organizations and we did conferences back in 2016 and 2017 with Fortune 500s, we had speak-- speakers from Brookings, and others who are on those panels, talking about how to integrate this and how to share information.

And I think that was one of the biggest and is continuing to be one of the biggest drivers of a productive, deep evolution of remote work in organizations is sharing success stories, sharing data, sharing how it is productive, building trust in this concept, because that would add on to productivity like Gleb shared as such a doubt. It also is trust. So much of this is psychological and how we are accustomed to managing people and interacting with people. And one final last snippet, I'll say when the pandemic happened, actually, I had more video Zoom calls in three months than I had in the prior 13 years. And we've been a remote company from day one, and we work with companies all over the world. And that was because we're trying to translate to what is the most related in-person, but really being intentional with how we carry remote work into our lives and our organizations, I think, is critical.

ROSSI: Thank you so much, Sara. So the way I would like to organize this, this panel is to focus on three big things. One would be the current state of remote work. Then we're going to move on to try to discuss the effects of remote work on productivity. And then we're going to get our crystal balls and we're just going to try to predict what is going to be the evolution of remote work going forward. So starting with the current state of remote work, I want to start with you, Sara. Can you please give us such an overview on the current state of remote work in the U.S.? What I mean is, what industries have embraced remote work the most? Which ones instead of-- are facing challenges in effectively implementing it? And what are like the, the example, the success stories we should look at when it comes to remote work?

SUTTON: Let's-- in a lot of ways, the workforce has changed so much. And I think it is difficult to pull out exactly what is remote work attributed in some cases. We have had so many trends with AI and automation, and kind of the unemployment, the people leaving the work, people wanting more

alignment with mission. So we're having a lot of stirring. I think that it's been really exciting to see that pot getting started after decades of being-- a lot, there's been a lot of similarity with how we approach the philosophy of work. And so, we're seeing like the broader market — computer and I.T., marketing, accounting and finance, project management, medical and health is a huge field — those are all areas that remote work are very remote work friendly. It gets to two components, though, in my opinion.

One is with the leadership. I think that there are a lot of industries that could be moving more towards remote that actually are kind of caught in that pendulum swing of embracing remote work and then going back to say, "No, we're doing a return to office," or "No we're gonna end up hybrid," and then "No, we're doing that." So, I think a lot of it does come from the top, and that manager-CEO level belief in it as a cultural element to the organization, and the long-term benefit. And then the other component is what's actually at capacity for individual roles and industries. And what, as again, as Gleb was saying a little bit of, how much of your role can actually be done remotely versus in-person in collaboration. And so I think that those two components play really deeply into how how it moves forward. So it's not exactly a concrete answer. I really don't believe it's a concrete answer, but that's to give you an overview to the main components.

ROSSI: Yeah, that sounds great. Yeah, so in terms of kind of the, the different shapes and forms, I mean, people have been going back and forth with kind of different forms of remote work. Raj, can you just kind of give us like the main classifications, I guess, of what-- how people are thinking about remote work when it comes to-- and how it differs across different industries?

CHOUDHURY: So, I'll give you my personal take. And then, you know, we should hear from Jose, because as Jose said, Jose, along with Nick and Steve, have been conducting surveys, and they have the best data among the best data on this on what's happening across industries. So my view has been that, you know, I see hybrid as the dominant form, but let me conceptualize hybrid the way I've thought about. For me, hybrid is a combination of flexible days and in-person days. And the reason is there are some tasks we can do far away individually, and there's some tasks that we need to do in-person with our colleagues, such as mentoring and brainstorming. I do not see the in-person days necessarily being every week. So, in a study that we have done that's being peer reviewed right now — and of course, it's one study, it was with H.R. workers — we randomly assigned in-person days to a group of H.R. workers over a period of nine weeks. So every day we ran a lottery

to determine who would come to the office and who would work remotely. And the headline of that, of that study is that about 25% of the workdays in person seems to be optimal. So the group that did about 25 to 40% of the days in person do better across a range of outcomes. And we have looked at outcomes such as the performance rating from the manager, the communication outcomes based on email data, the personal, you know, job and life satisfaction data based on surveys. This group does the best. But the final thing I would say before handing over to Jose, maybe, Alberto, is that that 25% does not need to be every week.

So, I've written up the case study on a company which is allowing teams — at least at that point in time — they were allowing teams to decide how to structure in-person. So some teams could say, "We will meet every week, and it'll be one day a week, and let us decide on that day." Some other teams could say, "We will meet once a month because we have people who live in Connecticut, and they don't want to come into New York every week. But when we come to New York, we'll spend four days together." Other teams are saying, "Let's meet once a quarter because we have someone living in California so we can't even come once a month. But when we do that quarterly retreat, let's stay for 10 days." So I think that different ways of doing hybrid-- and there can be lots of variation around the frequency of when people are meeting, but also where they're meeting. And maybe we can talk about that later. So. I have a recent study looking at offsites, company offsites, for this completely remote company, and we find some really interesting patterns.

ROSSI: Jose, do you mind chiming in?

BARRERO: Yeah, absolutely. So, so basically in our data, I think the the best way that we've been able to measure the amount of remote work and the amount of fully remote versus hybrid versus fully in-person work is by basically asking people who who take our survey, "What did you do last week on Monday? Did you work-from-home? Did you go to go to the workplace of your client or the site of your client?" Or the third option is, "I didn't work that day." And, and so basically, we can tally up the number of, the number of paid days that were done from home, the number of paid days that were worked in total, and we can also kind of tally up the number of da-- the number of people who spent the entire week working from home versus the kind of mix between in-person and remote, which would be hybrid, versus fully in that they went into the workplace every day that they worked in the previous week.

And so, so let me say a couple of things. One is, is that our data are very clear that the amount of remote work has been kind of, in the U.S. at least, has been very stable since at least the middle of 2022, at about somewhere between 27 and 30% of paid working days. And this is, depending on how you measure pre-pandemic working from home, it's, it's at least four times the amounts that we had before the pandemic. Obviously, there's a lot of variation, for example, across industries, and really kind of if you think about it, this is-- this corresponds to kind of the mix of jobs that different industries have. And then kind of how many jobs in a particular industry are amenable to working from home. Because really, if you think about it, kind of the ability to work-from-home is a feature of a job, not really a feature of an industry. And yes, absolutely. It's kind of-- if you go and look at what industries have the the biggest share of people in hybrid and remote, it's typically kind of information, which includes a lot of the tech companies, professional services, finance. And down at the bottom, you have things like hospitality, and food services, transportation, warehousing.

But, but if you think about it, kind of even for companies that do a kind of hospitality and food services, think Starbucks, they still have a corporate department. And I suspect many of the people in that corporate department are going to potentially be doing some working from home. So, so let me-- and maybe the final thing I want to say here is that in every industry and throughout the period that we can track this accurately, hybrid is very much the dominant form of working from home. So, so kind of again, since the middle of 2022, fully remote workers account for maybe 13% of full-time employees in the U.S. Hybrid workers account for maybe somewhere between 28 and 30%. So they're more than twice as many. And kind of if you look at industry by industry, you see something similar, that hybrid is by far the dominant thing. And more so if you start looking at people who have college degrees and so on and so forth. Now, I think Raj makes a good point that there are forms of hybrid that are not kind of a certain number of days per week, and, actually, we see that in our data too. So I can't remember the exact number, but we have followed up with the people who said that they were remote in the week prior to answering our survey, and remote every day, and asked them "How often do you meet your your colleagues?" And, and so a sizable fraction of them, I can't remember the exact number again, but maybe 40% of them say that they meet their colleagues at least once or twice a month. So even if you're not coming into the office regularly, you still have other forms of regular contact with, with your, with your colleagues that kind of enable the sort of in-person collaboration, the mentoring to happen in many of these cases.

ROSSI: So-- and how do, like how does this remote work is affecting the job departures? Like, I mean, does-- do you have that? Do you have any data regarding the loyalty of employees to their companies? Like are they more likely to switch jobs if they're working remote or hybrid or fully remote? Anybody has any insights into this?

SUTTON: I'm happy to hop in. In a recent survey that we did, 57% of people said that they would consider leaving their jobs if their remote options were taken away. I think it's in vary-- in varying surveys I've read, it can be higher than that as well. I think it's a very important thing. I think this alliance with what the pandemic brought, a big resurgence of people looking at their work-life balance, looking at mission alignment, looking at values-alignment of organizations, looking at the culture, and really looking at jobs as a holistic component of who they are, which is kind of what it's always been but there used to be this differentiation. You had your work life, you had your home life, you keep them separate. And it's really been merged because of things like video and such, but it's-- I think that it is a really important component. And while there-- you know, again, Gleb shared some data on companies with return to office, but they're not listening. A lot of these organizations are not listening to what employees want.

And when the market gets tighter and tighter, especially in certain leading industries, employers are going to have to listen more again. We've just been, again, in that pendulum swing, which I think I've long believed will take five to 10 years, because remote work and hybrid, even hybrid culture, it's very intentional. Culture happens no matter what. And all of us have been in — most of us, I won't project — have been in onsite cultures that are unhealthy or, if not toxic. And many people struggle with that. So culture happens no matter what. And the intention with hybrid culture also goes deep, because otherwise, you do have that kind of proximity bias and another element. So, so yeah, so I think it's really important, and there are-- the loyalty and engagement of workers will be at risk if companies don't really listen to to what they want.

ROSSI: Okay. Thank you, Sara. I think, actually, I want to pick on this culture of work-life balance because I have a question for Jose. I know that was that you've done also work internationally trying to understand how remote work practices are varying around the world. What are the key insights? I mean, being Italian, I know that Italians always had a very different life-work balance compared to Americans. For example, I know that the Americans now are moving towards the kind of European kind of model of having more vacation or having-- trying to evaluate some kind

of a welfare benefits from enjoying life rather than working constantly. So how-- what, what is the kind of main insights you have in terms of the, the international kind of evidence that you have?

BARRERO: Yeah, absolutely. So, so to recap, we've done with a group of broader collaborators, including people at the European Bank of Reconstruction and Development and Ifo Institute in Europe, surveys similar to our regular U.S. survey in a cross-section of countries. I think in the most recent version we had something like 30 different countries. And so to me, in terms of the level of working from home, the big takeaway is that the U.S. and English-speaking countries more broadly — so kind of add to that maybe Canada, the U.K., and Australia — levels of working from home seem to be a little bit higher. Then, kind of the next group of countries would probably be something like continental Europe. And as you can expect, kind of northern versus southern Europe, and there's a little bit more in northern than in southern Europe. And then, kind of in other parts of the world. So, so Latin America and East Asia, you see much lower levels of working from home.

I think kind of what's behind this is a couple of things. So one thing is something that we basically already mentioned, which is kind of how many jobs in an economy can be done from home. And kind of in more advanced economies, there's obviously more of those jobs, and so that's partly driving some of those differences. However, there's, there's other things that are at play, and I do think, so managerial practices, the level of trust in a society, and kind of-- and that's going to feed into kind of how managers monitor their workers, how they think about assigning work and kind of assigning bonuses and and assessing performance, is a key difference here. And so, so again, I'm based in Mexico City, and kind of what I see around me is, is that there's lots of companies that in 2021, more or less, as soon as people got vaccinated, they asked them to come back basically full time. And kind of my sense of what's going on there is a lot of these companies were unwilling or unable to invest in the managerial practices, in the-- in kind of all of the stuff that would allow them to remote their employ-- sorry, to monitor their employees effectively when remote or hybrid. And so they-- basically, it was just easier for them to staff them to come back.

Kind of, I think, there's other things going on. So for example, in East Asia, I think — and we have evidence for in a-- for this in a paper that was published in the Brookings Papers on Economic Activity — in East Asia, part of why we see really, really low levels of remote work in addition to kind of cultural stuff about being a very, more top-down society. For example, in many of these countries, the lockdowns in 2020 were not as extended and not as draconian in a lot of Asian countries

because, through testing and tracing, they were able to control the virus in 2020 very, very well. So, so that kind of forced people — or they-- or rather it didn't force people — to hunker down and work-from-home for months on end, like we did in much of the U.S. and Latin America. And so, kind of, people didn't form habits to that, that kept them working remotely for, for longer. So, kind of those are the broad trends and I think a few of the drivers that are, that are that are behind these differences across countries.

ROSSI: Thank you, Jose. So, I would like to switch a little bit more into the nitty-gritty of the selectivity of of remote work. So, Prasad, you spent 15 years at Google working among others on Google Workspace and a lot of the tools that allowed remote workers to be productive. And so, in your experience, which apps turned out to be the most valuable and successful for Google? Which ones instead failed, and you thought that would be promising before they were actually implemented? And then also, more broadly, we know that with technology, we have the ability to track productivity, at least in certain jobs, in a more and more refined way. But where does that--where do we want to draw the line between kind of getting into too much controlling or being too controlling, or what are the kind of the activities of employees when it comes to their workplace?

SETTY: I'll answer the the failure of technology first because that one is easy. Anyone remember Google Plus? If you don't, good for you. Hope you didn't spend too much time building your circles and so on. But let's talk about like, you know, some of the research — Jose and Raj probably have a lot more data on this — but if you look at what happened with COVID, and a lot of companies and management were surprised when they saw their product-- productivity levels have been dropped even as people started working from home when the pandemic began and offices couldn't operate. And at least some of the research talked about how important it was for people to just get focus time back. There's so many distractions in the office, you know, constantly getting pinged or disturbed by coworkers, or you're listening in on conversations because they just happened to be happening right around you, etc. And so I think, like quite a bit of technology companies picked up on that. Google Workspace certainly picked up on and started creating more features that allowed for people to have focused time wherever they are, whether they are working from home, whether they are working in the office, to cut off notifications, to cut off your chat, pings, etc.

So, I think there's like class of tools that are all about enhancing your ability to focus. And I think organizations should continue to invest in that. Then there was like a second class of tools that

were all about enabling asynchronous work, which I think is like a key for getting hybrid work done. We heard from Raj about like the different models of hybrid work. And part of like hybrid work is not just differences in location, but also differences in the time that you work. And so, asynchronous work is really key to get to follow up with others or like to keep track of what is going on. So there's like a whole bunch of technology — certainly, you know, email is like, you know, old world sort of like asynchronous tool — but I think even as companies are thinking about the space a lot more, you have a whole bunch of new technologies, like Loom, that allows you to send recorded videos with like different types of comments and so on. There are a bunch of companies, including Google, that are working on meeting transcriptions so that people can sort of follow up on meetings that they didn't attend, but they can still contribute to it. So there's a lot of work going on on asynchronous tools more broadly. And then the third set of like tools are all about real-time collaboration. And I know that we are on a Zoom webinar, but I have to stay true to like, not just my my bias from working at Google for 15 years, but a very objective evaluation, which I would say I would, I would rate Google Meet more highly than any other tool for collaboration. And so, I think there's just like a bunch of real-time collaboration tools, not just for meetings but for design work, things like Miro for storyboard--storyboarding, things like Figma for collaborative design work. So, I think there's just quite a bit of advances in technology to enable productivity, whether it's real-time collaboration, asynchronous work, or focused work.

ROSSI: Yeah. And so, Raj, in terms of kind of the-- I know that Gleb mentioned a couple of papers on the productivity gains, but would you want, could you kind of give us a broader view of what is the cutting-edge research in terms of the productivity gains from remote work in your experience?

CHOUDHURY: So, I think Gleb mentioned Nick's paper from 2015 on the sea trip. And he essentially summarized how the randomized controlled trial there found that the effects of working from home was about 9%. So our study, which was also done before the pandemic, was done with the U.S. Patent Office, and we looked at a slightly different version of remote work that we called work-from-anywhere. And the idea of work-from-anywhere is that you know, the way it's different from work-from-home is that, in work-from-home, you're working from home, and working-from-anywhere, you can choose where to live. So which city, which state, which, even country, in some cases. And then, you know, it doesn't matter if you work-from-home or from a co-working space, it's essentially having the agency to decide where to live. And that is what the patent office had done back in 2012.

So they were aware of the curve. And so, like I said before, they had to report to the U.S. Congress what happened to productivity.

So, you know, we got involved as academics, and there was a nice experimental experiment, given the patent office had a union and the union had quotas for how many people could do this. And there was a random selection into the quotas, which is great for us to identify the causal effects. And productivity in this case is very objectively measurable. It is, "How many case files does the patent examiner examine every week?" And we found productivity went up 4.4%. And so when, when you think of work-from-home, the mechanism is commute is less. So you commute less, that's why you're more productive. When you think of work-from-anywhere, the mechanism is not commute. It's a completely different mechanism. It is the extra effort that the employee gives because they are living in a location of their choice.

So that's what we find in the paper. And just to give you one anecdote for that, there was a woman examiner who said she had relocated from Alexandria, Virginia, where the patent office was located, to a much smaller town with lower cost of living. So her real income went down. And she mentioned, for the first time she could actually afford childcare, and that made her more productive. So choosing letting employees choose their geography could in addition. So, work-from-home is great. I'm not saying work-from-home is not great. But I'm saying work-from-anywhere is a different form of remote work. And that is the study that we did on work from home.

ROSSI: Thank you, Raj.

SETTY: And can I just piggyback on something that Raj said on work-from-anywhere because I think that's important. Like, you know, we surveyed Google employees a lot. One of the things that we found was that there were as many people that wanted to work remotely from a different location as there were people who wanted to work five days from the office. And so I think, like, that part of the equation sort of like gets forgotten. Like sometimes people have like very varied needs. And if you look at like some of our folks in places like New York, where they felt that, "Hey, coming into the office is like a much better environment for me to get logged-on than my apartment."

SUTTON: Yeah. If it's okay to second that. It's-- I think there are so many reasons that people want and need-- I'll say work flexibility is a broad topic. And when I started FlexJobs the-- we did it in the sense of any role outside of the traditional nine-to-five onsite job. And you know, it's not remote speaking, but we did part-time onsite roles, freelance onsite roles, all of those types of things as well.

But the reason being is there are lots of different ways that flexibility in remote and hybrid can fit different people's lives. And it's not doing it arbitrarily, and I think a lot of the elements of these studies, we have to do rigorous studies to get the data, but so much is about whether a job seeker actually wants remote, or an employee wants remote.

Forcing somebody to do remote when the situation does not fit their lifestyle or their personality style, and they really derive their energy-- they're a true extrovert, it's really important to them to be in an office. But quite honestly, introverts, you know, remote work, that's one area that really, really lends towards it. Most people are ambiverts, so it works out well for the hybrid option. But I think that really being intentional about the-- and not arbitrary about how we're rolling this out. And that is also one of the big stumbling blocks that a lot of organizations do about-- going back to the-- asking surveys and getting information from people, and the feedback loops. Not just doing the surveys and focus groups upfront, but then actually following up and seeing how, how these policies are rolling out long-term, and measuring them against key performance indicators for the companies.

ROSSI: Thank you. Raj?

CHOUDHURY: So, yeah. I just wanted to quickly echo what Prasad said. So, I totally agree. And actually, the Blumenthal 2015 study finds exactly that. So they do an RCT of work-from-home as a treatment. But in the second phase, they let people self-select into which form of work they want to do and see-- they see the productivity goes up. The only thing-- there's couple of things I'll add. So, I think the reason I'm so personally, you know, I've been super excited about work-from-anywhere is beyond treatment effects, there's a selection effect. And so when you think about work-from-anywhere, you are hiring from more labor pools. So think about a small startup in San Francisco. You are not competing with Google and Facebook for talent that lives around San Francisco. Now you can hire from small towns over the U.S. and Canada, in Kenya and Bangladesh. So your ability to attract diverse talent, especially women, minorities, people from other ethnic backgrounds, might be much higher. So there's a selection effect.

And the second thing I would say is that, given what, you know, just to echo again what Prasad said, that, you know, where we need to meet does not have to be that one single downtown office. You could meet at offsites. So the team can travel four times a year to four really nice places. You can meet in the suburbs in suburban offices. The more important thing is the team deciding what is the set time they can all be there together because, you know, you want to be going to an office or

an offsite or anywhere when your colleagues are around you. So, I think that is one key management practice that should be stressed.

ROSSI: Thank you, Raj. Jose?

BARRERO: Thanks. Yeah, so I just wanted to add kind of one important thing — sorry — about productivity, which is measuring productivity is not that obvious. So, so-- and I think a lot of the studies that are about remote work and productivity — so our work with call center workers, so Raj's example of the patent office workers — are very good because it's very easy to observe their output and basically how long they're working, especially for call center workers. But kind of for the typical person who is doing remote work, they're in a knowledge job. They're a lawyer, a professional, something like that, where kind of measuring productivity, especially on a day-to-day basis, is very hard. So, I think a lot of the pushback between employees and managers has to do with this just pure difficulty in kind of measuring whether people are being effective or not. But, so I-- let me give a very positive case for the productivity of remote work based simply on kind of-- this is going to be a macroeconomic argument, which is, look, we now live in a world in which you don't necessarily have to sink 40 minutes to an hour of your day traveling to the workplace and back. Governments around the world do not measure that as an input into producing whatever it is that you produce in your job. But if we move to a world where you don't have to do that anymore, that not having to sink that time every day, is in effect an increase in productivity, even if we're not measuring. So, so kind of there's a, there's a lot of debate, there's a lot of disagreement on whether productivity is high or low, or how do we measure it. But just not having to commute, whether you're working from home part of a week or you're working from anywhere, that in and of itself is effectively an increase in productivity.

ROSSI: Yeah. Thank you, Jose. One question that I've kind of been wondering about is to what extent companies are able to have heterogeneous policies in terms of remote work when it comes to their employees. For example, on the basis of their seniority, right? I can imagine that if I was hiring people right out of college, I would want them to be in the office maybe more often at the beginning, and then have them phase and able to be working remotely more often as they understand what the culture of the company is, and so on and so forth. Is this something that is kind of widespread or is it something that politically within the companies is hard to obtain? Does anybody want to take this question?

SETTY: I can, I can take that one. And I think this is like one of the reasons that in large organizations you sort of like have this reversal of that initial promise of more remote or more hybrid work. I think it's really hard in large organizations to have very heterogenous policies. So to really make-- you know I love, you know, Raj's work. I've known Raj for like 20 years. And like, you know I love like Raj's work, and like the intentionality that is required to make that kind of hybrid work happen, right? And the challenge is, like, that it falls off because people see intentionality and heterogeneity sometimes as inequity, and someone gets to do something that I don't get to do, or my team doesn't get to. And then the second part is that I wish, you know, I wish that technologically it would be like much more easier to like solve for this type of intentionality with much less friction than it happens today. To organize an offsite somewhere and get all of your team there is still hugely difficult, right? It's much easier to ask everyone to like come into the office, and like commute, and like, you know, waste time associated with [inaudible]. So I, I truly, you know, I wish that this KPMG thing that Gleb started off the conversation with doesn't pan out to be true, but I think there are like a few forces that sort of like will move companies that way. There's this, this friction of intentionality. How do you make it like much easier to do these things with intention rather than to like just force everyone to come in like three days a week, or four days a week, or whatever? So, that is one.

A second one is, like I think CEOs find it much easier to get their entire organizations together in one place and like get to see them rather than-- I don't think it's a manager problem. I actually think it's the CEO and leadership problem because I think they're like the companies that are the large companies that are still sticking with remote and hybrid work. The way they express that in 2021 are the companies that have like CEOs who truly believe in this. The rest of them are like just getting swayed by what like some other big companies are doing. I bet, like all financial services, big companies are looking at Jamie Dimon and like seeing what he and Goldman Sachs are doing, right? That is what is happening out there. And then I think the the third part is as as we heard from was saying productivity is really, really hard to measure. And I think a lot of like the studies that I see are all about individual productivity, whereas in large organizations, a lot of stuff happens with team productivity and not just about like what that gets done right now, but it's about what are like the things that are going to lead you to build new products or like win new business three months, six months, 12 months down the road. So that's the third one. And I'm one of like end with my fourth one. And then since I'm like opening up a can of worms on the other side of where all our panelists are, I hope

that we create some debate. And the fourth one is the following. Again, this is like a large organization symptom. You hear of like three or four bad apples that misuse flexibility and that colors everyone's views. You hear of like one story of someone saying like, you know, I got my work done in one hour and I'm moonlighting and I'm spending like my time building my start-up or like working for another organization. And that disrupts not just senior leadership but the the team members the wrong way. And so those are like the cultural sort of like, you know, bad things that that CEOs worry about. I don't think like any of these CEOs are like crazy enough to say, I'm going to risk all of this attrition as well as unhappiness among my employees and still force them back without thinking about like some of these counterpoints as well. I don't think they are stupid. I think that like balancing it out. They might not have like all the right information, but I think they're balancing both these facts in mind and still saying, I like the path that we on in the past because that is something that I know that I think is like sort of perhaps where the large organizations are trying.

ROSSI: Thank you, Prasad. Raj?

CHOUDHURY: Yes. I'll quickly chip in. So I, first of all, I completely agree with Prasad that, you know, there is a lot of inertia because it's, it's easier to accept the prior normal. And the way I've seen it and thought about it, this transition needs a new set of management practice. So there'll be companies that are practicing hybrid work very well, there'll be companies practicing hybrid work terribly. Depending on what management practices they've implemented. But here-- I'll state my prior for why hybrid work and work-from-anywhere will survive and grow. And the prior is, in every industry that I've looked at, there are some companies which are doing this really well, especially the newer companies.

So I've studied these all-remote companies such as GitLab, and Zapier, and Doist, and they have a very strong incentive for doing this model. And the incentive is they can now access talent living all over the world. That's the first incentive for the company. But even for the founder, there's a very strong personal incentive. So, I know Alberto you're a finance professors. So in a different paper, we have looked at this. And the incentive is, if you are a startup founder and you do not have leasing-- office leasing costs on your balance sheet, you retain more equity at IPO. So it's a very strong individual incentive to go this route. So my prior is, we'll see in every industry — like in fintech, in finance, the thinktank startups — we'll see these companies-- and I'll give you one data point. Like the company I'm studying right now, Zapier, they have 289 employees, just 289, but they come from 17

countries and 186 cities. So in the private world, they would all be based in San Francisco. So that's the kind of labor market expansion that's happened, and that will force these large incumbent firms because if some of the best, the right tail of the talent distribution is moving towards this model, every CEO will have to wake up and say, "This is something we cannot ignore." Especially women and especially minorities. So if you want to attract and retain talent, you will have to make this work. That's my, that's my plan.

SETTY: I know Sara wanted to speak and I want to defer to her, but I just want to respond to one thing that you said, Raj. I hope that is the case because I truly want hybrid to actually win out. I don't want us to go back to this really, like such an unfortunate thing. The pandemic was bad enough, but if it didn't result in like a long-term and sustainable way of changing how worked happens, that would be an even bigger shame for the world. But I think, like, here's the thing. Think of like the largest — from a headcount standpoint — all remote organizations. And think of like the largest other organizations. They're like a fraction of the size. I would love to see an all-remote organization that crosses, like, even 2,000 people. I don't know of one, right?

SUTTON: Automatic is is bigger than 2,000.

SETTY: Yeah. But, you know, I don't know what size they are--.

SUTTON: It's small. I mean, the pool is small. I mean, I think there are a number of of dimensions with this. Let's see... I'll respond to this first. We can't-- organizations, I find it just fascinating that technology organizations with all this workplace technology we have, that organizations want to put their head in the sand and be like, "Let's work the way we were, you know, 50 years ago." I mean, it just-- the simple fact is work isn't working for everyone. And many of these CEOs who are saying it are of a certain demographic and socioeconomic set, an age that don't have this as a daily reality. And when you do look at some of the, you know, the globalization of the workforce, the, the gender of the workforce, all of the-- the diversity of the workforce, all of these initiatives are pushing towards why remote work makes sense and not just — when I say remote work, I'm saying remote work options, like the hybrid options as well — but quite simply, remote work is not working for everyone. And so I think that is why the long-term shift will happen. People have gotten a taste of the alternative, and I don't think we'll be able to go back.

I think as the markets have more employer-driven demands being listened to, and that's just in a tighter labor pool, employers will have to listen. And then it will kind of ease up again, and it could

kind of, like, I think it's just going to be a bit of a shift. But you mentioned the pandemic. I mean, again, one of the other elements about remote recruiting as a huge benefit for organizations is also it's an insurance policy. Remote work and having a hybrid depth of understanding and culture allows an organization to be much more nimble for what's to come. And I think that that's a very important component, not just for a pandemic, but also whether it could be terrorism, it could be flu, it could be other sick things, I mean, it can be lots of different reasons, But I think it's an insurance policy that organizations also need to pay attention to.

ROSSI: Thank you. So I think that we have been touching on this to kind of return to the office post-COVID. But I-- one of the questions I have for you is, how much do you think this move is driven by the CEOs of the organizations kind of feeling guilty for having this long-term lease that they are paying and then not having anybody in the office? Like, and how much do you think there could be a role for some government interventions that maybe allows companies to break such leases so that we don't get into this path of dependence that brings us back to the office and then we get stuck there? Anybody wants to take this?

SETTY: There are some, certainly, governments. You know I think earlier in the panel we talked about how some cities and governments are thinking about reclassifying office space, converting it into residential, etc., and it's really, really hard to do that. But I think, like, that is like a great plan. I know in some other planned communities that they're trying to like create residences, office space, shopping, all of that so that you don't have like commute problems as they exist today. So that's a second avenue. There are some interesting startups, including one at Stanford, where they are looking to see if-- how they can match up space with startups who can share the space. If we have like very similar cultures and very similar hybrid policies, can you share office space? Google Cloud basically went to a model where they said people come into the office two days and they're going to do desk sharing. So you get to like use use the office space, on like odd days, or that Friday being like, you know, whoever comes in gets their desk.

So, I think that there are like quite a few different approaches out here, but to try and make sure that space itself is well-used, and it's not like a poorly invested cost. But the other card I had out here is that in many organizations, you're starting to see much better collaboration internally between the people function — the H.R. function — real estate, and I.T., because together they create like a much better employee experience. I saw some of the best collaborations we had across these three

groups when the pandemic hit at Google. I used to be on calls daily with my counterparts on the tech side and the real estate side, and I'm starting to see now organizations say we're going to have like one executive leader who owns all three of those functions so that they can share the employee experience. So I think that there are like a few different approaches here.

ROSSI: I see. And how, like moving forward, I mean, we were talking about it before, Prasad, but like, I guess that in those jobs where measuring the individual productivity is relatively easy and people have, have tasks that are measurable, then remote work seems to be obviously kind of the right choice. But in those contexts instead where you need a lot of team building, how-- what is the easiest way, except for I guess probably these retreats are probably the best way to kind of generate camaraderie. Is there other ways that we can think of?

SETTY: No, I like, I like those kinds of certainly intentionally get together for people to come together regularly and sort of like connect with each other. Many years back at Google, we did a study on what leads to team effectiveness, and we found that psychological safety, which Amy Edmondson and others have studied in great depth, was like a foundational element to that. And so when, when COVID hit, we started thinking about what does psychological safety mean in a, in a remote setting, or like in a distributed work setting. And we sort of like came up with this notion of collaboration, equity. Now do we have better representation of like everyone in working together in a team? How do we have better participation, and how do we have better information sharing? Like if you do all of those elements, then you have much better collaboration equity.

And of those three, I think information equity is the one that I would have organizations really think about a lot. Because if they start having more people come into the office — even if they have like a very liberal and flexible policy around remote and hybrid work — but if we have a locus of people in the office, and they start aggregating together and they don't share information beyond the confines of the office, then at the margin, you're going to like start driving people back into the office because no one wants to be devoid of information. And so that, I think, is where, again, technology can play a role, but also norms about how do you spread information independent of time and location is going to be a key.

ROSSI: Jose?

BARRERO: Yeah. So, you know, I totally agree with that. And I think at a basic level, kind of I think a successful hybrid scheme for for any organization is probably going to involve coordination

either at the organization level if it's small enough or at the team level. And, and so kind of let me give you kind of a couple of statistics from our survey that speak to this. So, first of all, kind of the number one thing when we ask, the number one and the number two thing, when we ask people what is the best thing about coming into work, are face-to-face collaboration and socializing with your coworkers. But at the same time, there's a paradox whereby people say that they want to choose which days to come in on a weekly basis, and at the same time they want to be there when other people are in the office.

So that's why this is, this is the sort of situation where I think management really plays a role in saying, "Okay, these are the norms, these are the days that we come in," and basically giving people a good reason to come in on those days and to collaborate on those days and enjoy the benefits of in-person on those days is gonna be a lot more successful than trying to do something haphazard, like letting everybody choose or kind of imposing rules where you have to be there every day, even if there's no meetings, even if there's kind of no good reason to be there. So, so I see this, for example, in my own work, because I'm in an academic department and I don't come in every day, but I come in every day when there's a brown bag and every day when there's a seminar, and kind of most of my colleagues do the same. And so kind of I get to see them, talk to them, collaborate, talk about research on those days. And then on the other days of the week, I just stay home and I focus on kind of my individual tasks and my individual research. And I think for those in academia, it's probably easier than, than in many real-world organizations. But, but it's, but this sort of of scheme, and this sort of managerial kind of coordination effort is, I think, going to be key for for hybrid to work more.

SUTTON: And if it's okay, one quick, quick note, and I'll quote Kate Lester from Global Workplace Analytics on this. She had brought up a point, and this might be just a good reframing, a healthy reframing for organizations as they look at this and try to come up with their hybrid model. Even pre-pandemic, there was a lot of,-- I mean, there was so much remote and hybrid happening, and whether you're seven floors away in the same building, whether seven buildings away, seven states away, seven countries away — yes, there are some additional logistics with countries and time zones and tax laws — but overall, you're using the same different technology to team build and to work together. And so, distributed workforce or multinational organizations are using the same

elements, and so even looking within at what's worked within companies to maintain relationships and build relationships.

ROSSI: Raj? Thank you, Sara.

CHOUDHURY: So I'll just add to that. So, I think this is a really important topic, and it needs a lot of nuanced research and thinking by managers in the academy. So let me just state three facts. So the research that we've known for decades shows that when we go to an office, we tend to talk to the same people every day. And if there is a wall between two employees, we socialize much less, if they are on different floors, even less so, and if you're in different buildings, then you probably never have a serendipitous conversation. So, in my own research over the past few years, let me just state two interesting pro-- you know, what I find interesting facts. So we did an experiment with virtual water coolers where we randomly matched up senior people with fresh interns. And we found the upshot of that study is it works only if the senior manager is demographically similar to the intern. So that's one study. And the most recent study that we are currently working on looks at these offsets, the offsite, and all remote company. And what we find is that when people go to the offsets, they tend to talk to people who are demographically similar to them. As you leave them on their own, they find people of the same gender, the same ethnicity, and the same nationality.

And the only way that pattern is broken is if they are put together in a constrained space for a short period of time. And the way we measured that is we know who shared the same cab ride from the airport to the offsite. So if you're sharing a cab with a stranger who is different than you, you make a connection. So, we've call this liminal space. And I would argue it doesn't matter if you're doing hybrid in an office, or a suburban office, or an offsite, you need careful thinking about how and where will people meet so that you can expand the social ties within the company. You need to think about liminal spaces. And I love Prasad's point, it's just not I.T., it's I.T. and H.R. that need to come together to design these new practices.

ROSSI: Thank you so much, Raj. I think on this note, this is a perfect time for us to end this phenomenal panel. Thank you so much for being with us and sharing all your wonderful insights. I wish everyone in the audience a great rest of their day and a good continuation of their week. Thank you.