Working from Home in the COVID-19 Lockdown

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Working from home is suddenly the new normal as many organisations and workers try to keep operating under the social distancing restrictions needed to stamp out the spread of the COVID-19 virus. Working from home not only eliminates potential spread of the virus at the workplace - between employees and between employees and customers - but also reduces social contact associated with commuting to and from the workplace.

Some of us will be well accustomed to, and set up for, working from home, albeit probably not to the same extent that we are doing now. Others will be grappling with trying to work from home for the first time. The same goes for the families of those workers, who have suddenly had their spare rooms or living spaces converted into a makeshift office. **Like it or not, if you are working from home at least you are working.** COVID-19 has resulted in many businesses closing down and workers losing their jobs, but thanks to the capacity to work from home, many jobs have been saved and some core businesses able to continue operating and providing essential services.

In this Brief we review research on working from home and how it affects workers and families to offer some insights on the potential benefits and pitfalls of this COVID-19 induced shift in working patterns.

Previous BCEC research on working from home in Australia has found that, in general, being able to do some of your hours of work from home is a job attribute that employees value and it does not negatively impact on family relationships.[1]

However, we must note there is a big caveat to the applicability of those findings to the current context – previous research almost exclusively investigates people working from home by mutual agreement between the worker and the employer. **The experiences of those forced into working from home by the response to COVID-19 will potentially be very different.**

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[1] See Dockery and Bawa 2015 and 2018

Who was working from home pre-COVID?

Working from home (WFH) is more commonly referred to as 'telecommuting' in the United States and 'teleworking' in Europe. Those terms reflect that WFH is often facilitated by the use of telecommunications, and jobs for which ICT use (such as computers, the internet and phones) comprises a large share of the job content and are typically more amenable to being done from home.

In Australia, the annual Household, Income and Labour Dynamics in Australia survey (HILDA) asks workers whether any of their usual working hours are worked from home, how many hours, and whether the hours worked at home are a result of a formal arrangement with their employer.

Figure 1 shows that around one-quarter of workers report working some of their usual hours from home, and just over 5 per cent of workers do so through a formal agreement with their employer.[2] The proportions are very similar for males and females. On average, those who WFH work 11.2 hours from home per week.

Figure 1: Proportion of workers working any hours from home (WFH) and working from home through a formal agreement [WFH (FA)], 2001 to 2018
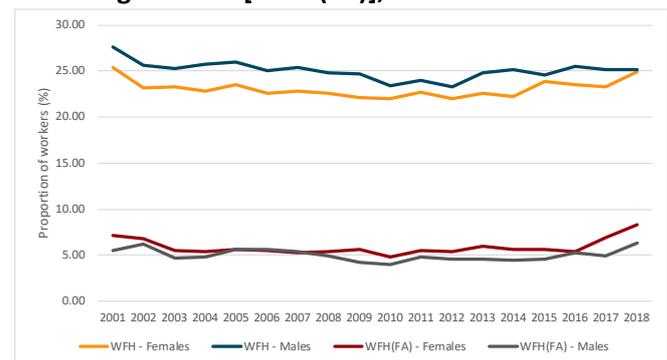
Source: Authors' calculations from HILDA Waves 1-18.

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[2] All reported figures based on the HILDA data are calculated using the HILDA responding person weights.

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Given the familiar narrative about the increasing flexibility of working arrangements, it will surprise many to note that those proportions have remained essentially flat over the nearly 20 years for which HILDA data have been collected.

Fieldwork for the HILDA survey is typically carried out from August through to November of each year. Even if the COVID restrictions have been lifted by the time surveying commences for 2020, it will be fascinating to see if there is a big jump in the proportion of workers who continue to WFH, now they have had a taste of it imposed upon them. Our hunch is that many employers will overcome their reservations about allowing employees to WFH, and will be more amendable to such arrangements in the future.

Knowing which jobs are most amenable to working from home is important, as it indicates those workers may be able to continue productive output under the lockdown restrictions, and therefore be at less risk of being terminated altogether.

By a wide margin, managers and professionals are the occupations in which the highest proportion of workers report doing some of their usual hours from home - close to one half in the case of managers.

For all other major occupational groups the proportion who WFH is less than 20 per cent; and less than 10 per cent for labourers and machine operators and drivers. This pattern has unfortunate equity implications for the impacts of COVID19: lower skilled and lower paid workers are at most risk of having their jobs temporarily suspended or terminated, and joining the unemployment queue.

Looking at the more detailed '2-digit' occupational classifications, the occupations in which working from home is most common are 'farmers and farm managers' (74%) and 'education professionals' (66%), while those least likely to WFH include 'food preparation assistants', 'hospitality workers', 'storepersons' and 'factory process workers'.

Figure 2: Proportion of workers who regularly work from home, by occupation
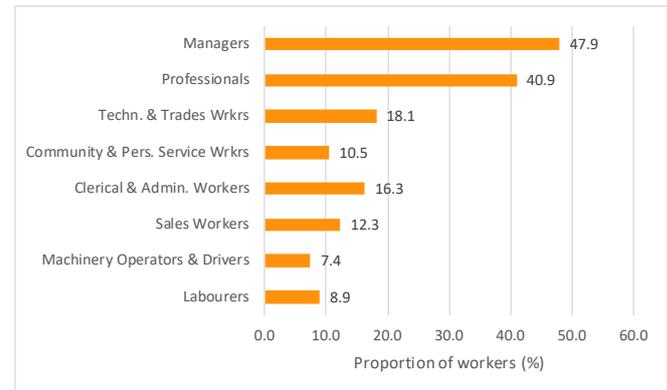
Source: Authors' calculations using HILDA data pooled from 2001-2018

The corresponding data by industry sector tell a similar story. Workers in the Agriculture, forestry and fishing sector have traditionally been the most likely to work from home, followed by those from education and training. Few jobs in the hospitality sector (accommodation and food services) can be done from home, and accordingly the various social distancing restrictions have led to extensive job losses in this sector. Along with retail trade, employers in this sector are likely to rely heavily on support provided by the Government's Job Keeper package, despite the ineligibility of a substantial proportion of their casual workforce. The health care sector is also notable for the low proportion of workers who WFH, but many of these employees will fall into the category of essential workers and be exempt from the restrictions.

Figure 3: Proportion of workers who regularly work from home, by industry
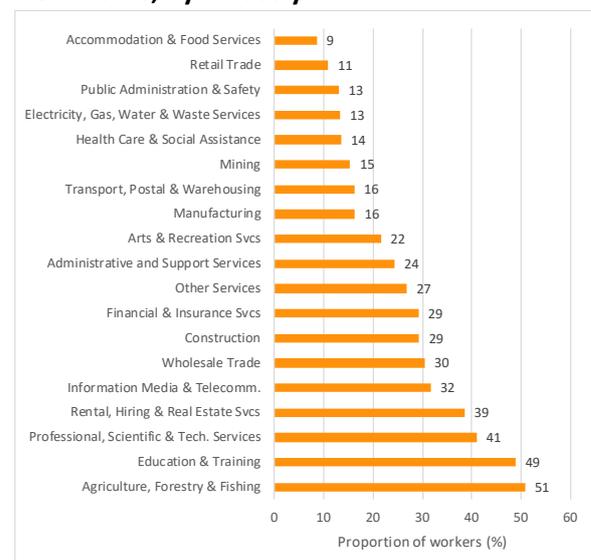
Source: Authors' calculations using HILDA data pooled from 2001-2018

Benefits and pitfalls of working from home

Undoubtedly there will soon be a steady stream of results from surveys telling us how people fared working from home during lockdowns in different countries, but for now we need to draw what inferences we can from the previous literature.

As noted, these mostly relate to people working from home in a very different context to the emergency measures now imposed in countries around the world. We discuss the implications of WFH for employers, for workers themselves, and then for within-household relationships.[3]

Effect for Employers – productivity and costs

The available evidence, sparse as it is, suggests that workers are in fact more productive when they WFH, but that of course requires their jobs are amenable to being carried out from home in the first place. There is also a direct saving in commuting times, potentially allowing more time to be devoted to productive activities. WFH may also allow workers to devote more time to work by more efficiently combining work time with family and other non-work responsibilities, as most workers tend to work longer hours when they work from home.

Employers also benefit from direct cost savings, such as through lower power consumption. We know of only one randomised control study of the effects of WFH (Bloom et al. 2013). In that study, workers from call centre departments of a Chinese travel agency were asked if they would volunteer to work from home. Of those who said yes, half the group were then randomly assigned to work from home, while the other volunteers remained in the call centre (the control group).

Working from home was found to lead to a 13 per cent increase in work performance and to save the firm $1,250 in costs per year per employee, while work quality remained constant.

Cost savings made up the majority of the overall benefit to the firm. Weighed against these effects, employers need to be mindful of initial set-up costs to facilitate WFH and potential greater monitoring costs.

Effects for workers themselves

A range of benefits from WFH have been identified for workers. These include the direct reduction in commuting time and associated travel costs; greater discretion over start and finish times and over the pace of work, and more flexibility to balance work and family demands. In the COVID-19 environment, that flexibility may be critical for workers who need to be home to supervise their children and support them in home-schooling, or to provide support for aged parents or other friends and relatives in need.

However, when work is brought into the home there is also potential to exacerbate conflict. One of the main risks of WFH is the negative effects of long work hours, as workers have difficulty disengaging from work and maintaining a clear delineation between the work and non-work domains. Empirical evidence for Australia shows a strong association between WFH and long work hours (Dockery & Bawa 2014a,b).

While there is some conflation of cause and effect – in part, people who work long hours will also be more likely to do some of those hours from home – it is clear that WFH and long work hours often go hand in hand. Women and men who usually work 55 or more hours per week were estimated to be nine and seven times more likely to work from home, respectively.

Bringing work into the home and longer work hours can exacerbate feelings of work-family conflict for the worker.

Psychologists view this form of work related stress in terms of role conflict, or the 'role-strain' hypothesis' (Thomas and Ganster, 1995). We all typically see ourselves as having a number of roles that are important to who we are, such as our roles at work and as a member of a team or organisation, and our roles as parents and partners. Inter-role conflict arises when compliance with one role compromises compliance with another role, and can be extremely stressful for workers. The literature demonstrates WFH has the potential to both reduce and to exacerbate stress associated with such role conflict.

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[3] We draw on reviews of the literature contained in Dockery & Bawa 2014a, 2014b, 2015 and 2018, and refer interested readers to those publications for more detail on the associated references, notably the extended literature reviews contained in the working paper versions.

Australian evidence that we have brought to bear, suggests employees who WFH are more satisfied with their ability to balance work and non-work commitments, and men who work from home have higher overall job satisfaction (Dockery and Bawa 2014a).

We also find that there is no difference in overall job satisfaction between women who do and do not work from home. However, those who WFH are less satisfied with their hours of work. The positive effects of working from home are stronger for those who do so through a formal agreement, and who work less than eight hours a week from home.

We conclude that, for any given level of hours worked, the option to work from home is a positive job attribute, but there is a sting in the tail.

Once one works from home, hours are not given and working from home can facilitate greater intrusion into non-work domains through increased workloads.

We strongly recommend that those who now find themselves working from home make a concerted effort to set and adhere to start and finishing times, and make sure they 'switch off' from work outside of those hours.

Other drawbacks of WFH include a lack of social networking leading to feelings of isolation and lower motivation to work, particularly for personality types who depend on interaction and positive feedback for motivation. In Bloom et al.'s (2013) experimental study, half of the volunteers who were granted the chance to WFH (the treatment group) later changed their minds and decided to return to the office.

The effect on families

A number of studies have found that working from home decreases work–family conflict, and this has been given as a reason for growing popularity of teleworking in the United States. [4] Others note that bringing work into the home to occupy the same physical space, time and resources otherwise devoted to family life exacerbates conflict and magnifies the intrusion of work into family life.

This risk is obviously greater in the COVID-19 environment, and especially for those with little other option but to try to work from home while housemates, children and other family members are also there in lockdown.

While previous evidence on WFH has been primarily based on a workers' own assessment of the impact on family life, in two recent studies we exploited HILDA's capacity to match workers to the views expressed by their partners and children to gain a more independent assessment of the effect of WFH on family functioning[5].

Generally, we find little evidence that WFH has negative impacts on other family members, and in some cases there was evidence of positive effects. Within couples, Australian men are marginally more satisfied with their relationship with their partner if she works from home through a formal agreement.[6]

For couples with children, working from home appears to be a means of achieving a more equitable distribution of responsibilities associated with childcare and promotes improved parent–child relationships. This can be important, as the results also show that the stage when parents have young children at home is a particularly testing time on relationship satisfaction. Most of you probably didn't need an empirical study to tell you that.

As children in HILDA households start being surveyed once they turn 15, it was also possible to test how a parent working from home affects them. Looking at youth aged 15 to 21 and living with at least one of their parents, no significant effects of a parent WFH were found on either their satisfaction with their relationship with their parents, or on their views on how fairly work is share within the household.

But a warning is warranted for partnered men who work from home: your female partners tend to feel less satisfied with the division of household tasks. That is, when men work from home, they do not increase their contribution to household chores by as much as their partners think they should. Again, this can be exacerbated by long hours.

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[4] For reviews, see Baruch, 2001; Gajendran and Harrison, 2007; Golden 2012; Golden, Veiga and Simsek, 2006; Kurland and Bailey, 1999; Mesmer-Magnus and Viswesvaran, 2006.

[5] See Dockery and Bawa 2015 and 2018
[6] Analyses of same sex couples was prohibited by the available sample sizes.

While much of the literature has been pre-occupied with conflict between work and family roles, it is important to note that multiple roles can enhance one another, described by Voydanoff (2004) as work–family facilitation.

One very important role parent's play as role models for their children in shaping perceptions about the world of work, positive work habits and in forming expectations about their future careers.

If you are currently stuck at home with your children because of COVID-19, it could be a great time to increase your children's awareness of what you actually do in your job and the sort of interactions and responsibilities that the world of work entails.

So the positive news is that WFH can potentially support better family relationships, and particularly for parents of young children. Again, for workers' own mental health and for family functioning, it is important to try to set boundaries, and clearly delineate both time and space for work and non-work activities. And fellas, while you're there working at home, try to pitch in and do a bit more of the housework.

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