

Effects That Covid-19 Will Probably Have On The Workplace

1) Hybrid and remote work models.

Perhaps the most immediate and far-reaching Covid-related impact on our work lives is the increase in remote work and the growing popularity of hybrid models of working, which combine work-from-home practices with in-person work.

Remote work was already increasing steadily before Covid-19: from 2010 to 2020, the number of people working from home at least once a week saw an astronomical 400% increase.

It's no surprise, as instant connectivity has made it possible for workers to engage from their home offices. This trend also reflects the changing desires of workers. A 2019 study found that, if given the choice, 99% of workers would prefer to work remotely at least part-time for the rest of their careers.

So, in a sense, the Covid-19 crisis did not create the momentum for remote work, but in fact accelerated an already growing trend.

For many, the opportunity to work from home gave them a taste of remote work, and they are in no hurry to go back to how things were pre-Covid. An October 2020 Gallup poll found that of workers who had transitioned to remote work because of the pandemic, two thirds would like to continue to work remotely. Additionally, a survey of CFOs found that 74% of CFOs plan to transition employees who worked in person to remote work, even after Covid-19.

While some companies may choose to move workers to a fully remote arrangement, the hybrid model, with staff working part time remotely and part time in person, is expected to grow in popularity. A recent survey found that 80% of company leaders expect to let staff work from home at least part-time after Covid-19. The survey also polled professionals in a number of fields, among whom 47% stated that they would let their employees work remotely full time.

2) Video conferencing over phone calls

You don't have to look at the data to know that Zoom and other videoconferencing platforms saw enormous growth during 2020. Video conferencing platforms have not only become a constant part of our work lives, but increasingly they are the spaces in which we connect with our families and dearest friends.

The data also shows how much videoconferencing has become a big part of our lives. In 2020, Zoom saw incredible revenue growth, exceeding expectations and ending the third quarter of 2020 with an amazing 367% year-over-year revenue growth. Throughout 2020, Zoom hosted 300 million meeting participants per day.

Beyond the obvious growth as evidenced by the data, there has also a major cultural shift toward the usage and acceptance of videoconferencing and video chat. Video conferencing and video chat were certainly nothing new by the beginning of the pandemic, and yet, first-time installations of the Zoom mobile app grew by 728% in 2020.

In a business context, videoconferencing offers a much more valuable experience than a traditional conference call. Studies have shown that 87% of employees felt a greater sense of connection to their co-workers when utilizing videoconferencing.

Video interviews are likely to become the norm as well. This has been a long time coming, and has only accelerated with Covid-19. As early as 2012, 60% of HR professionals were utilizing video conferencing for interviews, and experts were predicting that technology would supplant traditional phone interviews.

The video interview is likely to become the norm, as the pandemic has made in-person interviews a challenge, and many job seekers are interviewing for remote positions. In a survey of hiring professionals, 74% of recruiters felt that video interviews made their search for talent and the interview process easier.

We've all become more comfortable using video conferencing and video chat. Many of us spend much of our day going from one webcam facilitated meeting to another. Moving forward, we're likely to see the continued growth of video chat and videoconferencing, even in situations where a phone call would traditionally have been the go-to medium.

3) Virtual conferences and events

In addition to becoming an everyday part of how we do business and socialize, videoconferencing is likely to impact the way that industries approach conferences and events.

To start, the pandemic has had a massive impact on the travel industry, and on people's willingness and desire to travel. The lasting impact of Covid-19 on people's perception of travel risks, and their willingness to travel, is likely to last well beyond when public health experts agree we are on the other side of the pandemic.

Data from August 2020 found that 52% of Americans were not comfortable flying due to Covid-19. This number was even higher for respondents age 55 and older, among whom 69% were uncomfortable flying.

In May of 2020 the International Air Transport Association predicted that travel demand in 2021 would be down 41% from the 2019 rates, and predicted that it would take five to seven years for the industry to reach the demand it saw in 2019.

Even after the pandemic, it seems likely that many will be averse to traveling. A November 2020 study found that 41% of people expect to travel less post-Covid-19, regardless of the means by which they travel.

Beyond the trepidation many feel to travel, Covid-19 has certainly made us a little more reluctant to leave our own homes. An article from April 2020 from the Association of Psychological Science described how a collective crisis like Covid-19 can have the impact of making people more "sensitive to social interaction," which may include feeling a certain amount of anxiety and mistrust of others.

While this will gradually begin to dissipate as the pandemic gets under control, many will likely still feel a lowered threshold for socializing in general. Many are expressing the sentiment that they “forget how to talk to people” in the wake of Covid.

This decrease in sociability and general anxiety around going out and socializing is definitely likely to have an effect on the economy. A recent McKinsey report even discussed how different countries were responding to what was termed the “homebody economy.”

In addition to the increasing unwillingness to undertake the possible risks of travel, it is likely that cost may also be a factor in the shift of in-person conferences to virtual conferences. Many companies have realized the cost-saving benefits of remote work. Studies show that staff working remotely even half-time could have the potential to save a business \$11,000 per year per employee.

The cost-saving potential created by video conferencing technology and remote work extends to virtual conferences. In 2020, 84% of companies that hosted a virtual event reported that they spent less money on such an event vs. an in-person event.

In 2020, the amount of companies engaged in planning virtual events doubled. With the expenses associated with attending in-person conferences—from travel, to accommodations and fees—coupled with the increasing complication of travel, it seems likely that we will see virtual conferences increasingly becoming the norm.

While the cost-saving benefits of virtual events and many people’s reluctance to travel are likely to drive an increase in virtual conferences and events into the future, it’s important to remember that in-person meetings will always have value and likely always be part of business.

There really is no way to replace meeting someone face-to-face and the value that that brings. A study by Forbes Insight found that 85% of people build better business relationships in face-to-face meetings at events and conferences. Another survey noted that 95% of people believe face-to-face meetings are important for building long-term work relationships.

Still, I guess sometimes you have to bring your own cocktail to the Zoom breakout-room mixer.

4) Increased cyber security

Another subject at the forefront of conversations about the rise of remote work and changes in the world of business due to Covid-19 was cybersecurity.

With evolving technology, and an increasingly interconnected world, cyber threats and hacking have become more and more prevalent. Business leaders are increasingly concerned, with 68% reporting that their cybersecurity risks are growing. This was particularly evident throughout 2020.

Covid-19 was a major driving factor in the uptick of cyber crime throughout 2020. Phishing scams, in which a user is tricked by an email or message which purports to be from a legitimate organization, rose considerably.

Data was illegally acquired through emails posing as Center for Disease Control or World Health Organization correspondence. With attacks like these, cybercrime rose 600% as a direct result of the pandemic.

The increase in remote work will also drive the need for increased cybersecurity. While much IT and cybersecurity investment in the past was focused on systems security at the office level, with many newly remote workers, companies are now contending with the security challenges of many remote devices, and vulnerable networks.

Among IT expert respondents to a Cisco report on security and remote work, 85% felt that cybersecurity was of extreme importance or more important than it was pre-Covid 19. In addition, 57% noted that Covid-19 would result in increased cybersecurity investment.

The growing need for cybersecurity will definitely have a major impact across many industries, driving investment in new technology, systems and jobs.

5) The move away from major cities and changes in real estate

Is it just me, or has it felt like every friend you have is moving to Austin or Miami in search of somewhere cheaper?

As more and more workers have gone remote, and many cities have experienced major Covid-19 outbreaks and subsequent lockdowns, some workers are looking for greener pastures.

During the first six months of the Covid-19 pandemic, a huge number of people moved away from big cities. According to USPS data, the cities that lost the most residents were among the biggest cities in the country, including New York City, Chicago, Los Angeles and Houston. In Manhattan alone, over 110 thousand residents relocated, a 487% increase from 2019 numbers.

In addition to possibly bursting the real estate bubble that had rents climbing year over year in many major American cities, the rise of remote work could lead to higher demand for real estate outside of the big cities. Data from Zillow shows that 2 million Americans who are currently renting could afford to buy a starter home somewhere else in the country, should they be able to continue to work remotely.

A recent New York Times feature painted the movement of tech workers out of the San Francisco Bay Area as something of a mass exodus. Many workers seem to be eager to leave the congested cities they had previously called home, opting instead for more space or small communities in the suburbs or in less densely populated cities.

While remote workers might find the opportunity for more elbow room and a cheaper cost of living by relocation from pricey urban centers, they unfortunately may also have to face pay cuts. As more and more workers are becoming remote, and moving away from corporate headquarters, many companies are considering pay cuts to account for the lower cost of living in other places.

In May 2020 Facebook announced that many full-time staff would be transitioned to remote work. Part of this plan is set to include salary adjustments for staff based on the living expenses in their home location.

This trend seems to be particularly relevant in Silicon Valley, which boasts the combination of high salaries and high cost of living. Twitter and VMWare also announced that their remote work policies would include potential pay cuts. Opinions on these types of policies are sure to be mixed, however some feel that it is a trade-off worth making. In a survey of workers in New York, Seattle and the Bay Area, 44% said that they would be willing to take a pay cut for living in an area with a lower cost of living.

We're also likely to see major changes to commercial real estate as many offices go fully remote, or to a hybrid model. Third quarter reports on commercial office leasing from 2020 show a volatile market trying to adjust to the sweeping changes of Covid-19. The number of office spaces available for sublease was described as higher to the height of the dot-com bubble, and the total square footage of leased office space was less than half than in the third quarter of 2019.

Which of these trends in population migration and real estate will level off once Covid-19 is firmly in the rear view remains to be seen. Still, we're likely to see major changes to the makeup of our cities and to the real estate sector.

We will all breathe a very grateful sigh of relief when we can finally say that we have moved past Covid-19. But, like any major historical event, we are certain to see its ramifications for years to come. The best thing we can do is stay informed and up-to-date, and adapt to whatever changes may come.

Credit: <https://www.forbes.com>