



Community Bank Views – The Future of Remote Work in 2021

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When Commerce Bank announced their pandemic plan with their phased response to the Covid-19 lockdowns the Capital Markets Group was the first department in the Bank to be fully remote and we were remote almost 100% on day one. The successful transition was years in the making and was a testament to the many hours of business continuity planning and testing we employed during that time frame. Prior to Covid-19, the transition to remote work was slow but accelerating. The technology was there but a general hesitancy still existed due to various preconceived notions on productivity, performance management, and cybersecurity, with banking services industry particularly concerned about the prospect of remote work.

Future: So, what does the future hold? Did the rapid acceleration of remote work due to Covid-19 dispel those preconceived notions? What were the lessons learned as we look back on the past year?

Preconceived Notions:

Prior to 2020 many employers looked at remote workers with skepticism. Those employers were concerned with the distractions that working remotely might bring and concerns over how to properly manage remote workers was prevalent. 10 years ago, working remotely was only given consideration for special circumstances. However, as technology in teleconferencing and remote presentation advanced, businesses began to see the advantages. Telework meant less travel expenses and presented the ability to meet face to face on a moment's notice. Telework was becoming an invaluable tool for those companies whose operations spanned regional, national and international areas. While 2020 may be considered the year of remote work, it is just the beginning as we see the trend continuing into 2021.

Remote Work Becomes Permanent:

According to a survey from Enterprise Technology Research the percentage of workers permanently working from home is expected to double in 2021. Part of the reason for this is the forced remote work experience has helped dispel most, if not all, of those preconceived notions. Another recent Gartner CFO survey revealed that 74% plan to permanently shift employees to remote work after the Covid-19 crisis ends. Finally, according to a survey by Buffer 99% of current remote workers would like to work remotely, at least some of the time, for the rest of their careers.

Positive Impacts of Remote Work:

- **Employee Productivity** – Once a major concern for many employers has become an eye opener in terms of results. Airtasker surveyed over a thousand full-time employees half of which worked remotely. The survey found remote employees worked 11 hours a month more than office employees. The study also found office workers were unproductive 37 minutes a day while remote workers were unproductive for only 27 minutes. These statistics have been further corroborated by companies that use work tracking software like call centers and customer service desks to monitor employee activity scores.
- **Eliminating Long Commutes** – Long commutes cause stress, adversely impacting productivity of employees. 37% of employees surveyed say they would be willing to take a 10% decrease in salary in order to avoid commuting based on a survey from Global Workplace Analytics.
- **Reduction in Staff Attrition** – Permitting employees to work from home has shown excellent results in talent retention and lower staff attrition. Studies conducted by the Society for Human Resources Management indicates that organizations stand to lose six to nine months of salary of departing staff by means of training and hiring costs.
- **Attracting Talent** – As more and more organizations adopt permanent work from home solutions, future work force employees that become used to that option will prefer to work for companies that continue to supply that option.

Companies that don't provide will see the pool of workers they can attract decrease. Companies that embrace remote work options will see the talent pool of potential employees increase.

- Less Office Space – One potential benefit would be the need for less office space. The prospect of reducing the costs associated with real estate and utilities has many companies looking to downsize their real estate footprint. Hybrid work areas that are shared or communal workspaces are becoming more and more popular as an option to further reduce that footprint.

Challenges of Remote Work:

- Remote Work Requires More Engagement- In an office setting, a positive attitude and strong relationships open the doors to advancement. One of the disadvantages of working remotely is that it's more difficult to highlight professional achievements. In remote work environments, employees will need to put extra effort into amplifying their engagement virtually to ensure they have access to new opportunities. In a remote setting, where collaboration is virtual, engagement is much harder for workers to convey and for employers to identify. By participating in virtual events, being active in online meetings, and keeping enthusiasm high, employees will be able to stand out as leaders while working from home.
- Remote Work Affects Performance Management – Remote work has changed performance management considerably. Organizations will increasingly focus on work done instead of hours works. To maximize employee efficiency, employers will need visibility over what workers are doing. There are several software packages that are specifically designed to increase visibility, production management and accountability. Companies can use virtual presence software like Microsoft Teams, Zoom and WebEx to share screens for visual review and collaboration. Creating deadline driven plans and initiatives can provide managers results driven feedback on employee performance.
- Remote Work Make Cybersecurity Vital - As organizations allow a significant part of the workforce to remain remote, cybersecurity will become an even greater concern in 2021. Securing a remote workforce requires a different mindset and presents an expanded perimeter for an attack. A significant % of the savings a remote workforce can provide will need to be redirected to new investments in IT systems and infrastructure. The good news is that remote networking software providers have dedicated an immense amount of resources at specifically addressing these concerns. The recent volume of remote work, as a result of the pandemic, has presented those providers with an opportunity to address potential vulnerabilities that may not have otherwise been identified with a smaller sample size.

General Comments: Our department is well positioned for the challenge of an increased remote workforce. We have invested heavily in cybersecurity, employee engagement and talent acquisition solutions. We are currently reassessing our office configuration and analyzing what kind of hybrid workplace will serve us well for the future. We view this effort as critical to support our customer base by attracting and retaining top talent. We in the Capital Markets Group say...Challenge Accepted.

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