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Headline: Commentary: Can employers justify paying workers who return to the office more than those who work from home?

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People walk in the financial business district of Raffles Place in Singapore on Jan 11, 2021. (Photo: AFP/Roslan Rahman)

Despite the Government relaxing rules and allowing more to return to the office in Singapore, we probably will not see huge swings in work arrangements.

At least not for the time being, when many big business names around the world are allowing employees to continue working from home (WFH) on some days, likely prompting others to follow suit.

Facebook, Microsoft, Twitter and Google are letting employees choose for themselves, but some come with a twist: Salary cuts for those who want to continue with remote working, supposedly due to pay policies based on differing costs of living across locations.

A Google employee living in Stamford, Connecticut could be paid 15 per cent less than a colleague who continues to commute to the New York City office, reports suggest.

That wage drop will hurt but might not dampen WFH entirely. The pandemic has pushed workers to review work-life priorities. Many will demand flexibility in where they work. Three in four polled by The Straits Times in end-March wanted some form of WFH arrangement, even after restrictions are lifted.

Herein lies the question: Can employees who work from the office permanently really be rewarded more than those who choose to work from home? Can employers justify such a move?

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LOOK AT YOUR EMPLOYMENT TERMS

From a human resource and legal standpoint, current employment contracts already explicitly outline terms and conditions, benefits and job scopes. Employees should check their signed agreements. Organisations should ensure they abide by the Tripartite Standard for Flexible Work Arrangements in Singapore.

Even so, many firms would have reserved their right to update contracts to adjust terms for employees working under different conditions and justifiably do so to reflect incentives encouraging people to return to the office.

Any such differentiation between groups of workers is not new. Firms have employed for years a range of full-time, part-time, contract workers and project-based freelancers.

WHY FIRMS WANT WORKERS TO RETURN TO THE OFFICE

There are strong grounds for firms to demand staff return to the office. Employees who return to the office create greater value for the organisation not captured by predetermined goals and individual performance indicators.

Firms know work flies on the wings of face-to-face interactions. Having employees working from home most of the time may stifle creativity and synergistic productivity.

Teams thrive on being together when people naturally encounter more opportunities to help each other out and can gather in groups in brain-storming sessions to generate creative solutions.



Workers can resolve problems faster talking to each other in the same office rather than expend time coordinating Zoom meetings to sort the same issue out.

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As I was writing this commentary, a colleague popped into my office and asked for advice about hybrid teaching. Had I been working from home, the hassle of calling, texting or emailing for help might have deterred her.

Researchers from Cornell and University of Waterloo call this the “underestimated compliance” effect – where people underestimate the willingness of others to help and overestimate the willingness of others to ask for help, exacerbated by virtual settings that increase psychological distance, meaning employees may be less likely to seek help digitally compared to doing so face-to-face in the office.

“High-intensity telecommuting” - of more than 2.5 days a week – too has also been found to impact one’s relationships with coworkers, an essential feature in companies with high levels of interdependent work.

SUPERVISORS ARE THE GLUE

Perhaps whether firms will pursue a differentiation between WFH employees and those who work in the office really depends on the level of collaboration needed to keep the organisation going and whether it can successfully leverage hybrid arrangements.

Pay differentiation won’t come into the picture if supervisors with hybrid teams are better supported.

We know managers experience frustration when they are unable to reach workers who telecommute. They may start to perceive WFH team members as being less productive.

So firms should provide supervisors with adequate training to run effective hybrid teams. Managers are the glue that hold teams together. They set the tone and should hold their teams accountable in a hybrid work arrangement.

They can also coach employees to take advantage of advanced features offered by video-conferencing platforms like Zoom and Microsoft Teams to communicate better, have “water-cooler conversations” and team-building conversations, and be wary of the drawbacks like too many back-to-back meetings which could lead to video-conference fatigue and burn-out.

Supervisors should also be careful about judging performance based on face time.

A 2014 University of Washington study by business professors found managers evaluated workers who started work more early as being better and more conscientious performers, even when they accomplish just as much as workers who started work later.

Similarly, will a supervisor necessarily rank an employee who chooses to return to the office higher than one who is out of sight and possibly out of mind? A focus on presenteeism flies in the face of reason but further empirical research is required to answer if and why this happens.

FINDING A BALANCE

Even though firms may be able to differentiate terms for remote workers, should they? They might not want to. In a tight competition for talent, companies who hold onto old ways of doing things and fail to embrace hybrid work might lose out.

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Countless research has demonstrated that the best performing employees can continue to be equally, if not more productive, in a fully WFH arrangement because of the greater autonomy, job satisfaction, and reduced work-family conflict.

With fewer interruptions at work - from co-workers seeking help, supervisors' ad-hoc requests, spontaneous corridor discussions – and with less suffocating scrutiny from bosses, high-performing employees can plan their workdays better.

Instead of breeding problematic attitudes between groups of workers, the willingness of companies to allow telecommuting can be a boon and allow Singaporeans to compete for more international jobs.

It is absolutely essential for companies to carefully calibrate the trade-offs if they choose to differentiate compensation and benefits for employees working from home versus those in the office.

Even as both sides prioritise upholding existing contractual agreements, firms should also focus on abiding by the spirit of “psychological contracts” - an implicit agreement employees have regarding the kind of work they agree to perform for the level of compensation provided by the employer.

Breaking this understanding can fuel dissatisfaction and lead to poorer work outcomes

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