

UNDERSTANDING TODAY'S REMOTE WORK REALITY: WHY IT'S CRITICAL TO YOUR SUCCESS

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EXPLORING THE CHALLENGES & OPPORTUNITIES OF A GEOGRAPHICALLY DISTRIBUTED WORKPLACE

When the pandemic hit last year, there was a major shift in the workplace: more employees began to work remotely. During the height of the pandemic's spring wave, around two-thirds of U.S. employees were working remotely at least part time.¹ Since then, the remote work trend has more or less continued.

The shift has been positive in many ways for both employees and employers. A recent survey revealed that 83% of employers and 71% of employees feel remote work has been successful for their company. Less than 20% of executives want to return to the office as it was before the pandemic.² And of the employees who have been working remotely, 61% want to continue to do so.³

But working remotely isn't without its challenges. As an HR leader or business owner evaluating your current workplace strategy, you'll need to take into account how employees are impacted by remote work, how remote work can help or hinder operations, and the various laws and regulations that apply to a distributed workforce, among other important considerations.

In this guide, we'll discuss the opportunities remote work brings to both employers and employees, as well as the challenges to overcome. We'll discuss the best way to address those challenges and how a professional employer organization (PEO) can help.



80% of people say they enjoy working from home.⁴

¹ Entrepreneurs' Organization. "Two Crucial HR Trends to Watch in 2020." Entrepreneur. Jan. 7, 2020.

"66% of U.S. Employees Are Working Remotely at Least Part-Time During the COVID-19 Pandemic." Clutch / PR Newswire. April 16, 2020.

² U.S. Remote Work Survey. PwC. Jan. 12, 2021.

³ Brennan, Megan. "COVID-19 and Remote Work: An Update." Gallup. Oct. 13, 2020.

⁴ Boland, Brodie; De Smet, Aaron; Palter, Rob; Sanghvi, Aditya. "Reimagining the office and work life after COVID-19." McKinsey. June 8, 2020.

THE OPPORTUNITIES OF REMOTE WORK

► For Employers

Ability to recruit remotely

Remote work has allowed organizations to gain access to skilled workers that they didn't previously have. Since remote work has eliminated many of the location constraints that used to exist before the pandemic,⁵ organizations are able to broaden their horizons and find, hire, and retain employees across the country — such as in regions where certain kinds of skills are more plentiful or even in more rural areas. In effect, organizations can fill a spectrum of jobs that can be performed from anywhere, no relocation necessary.

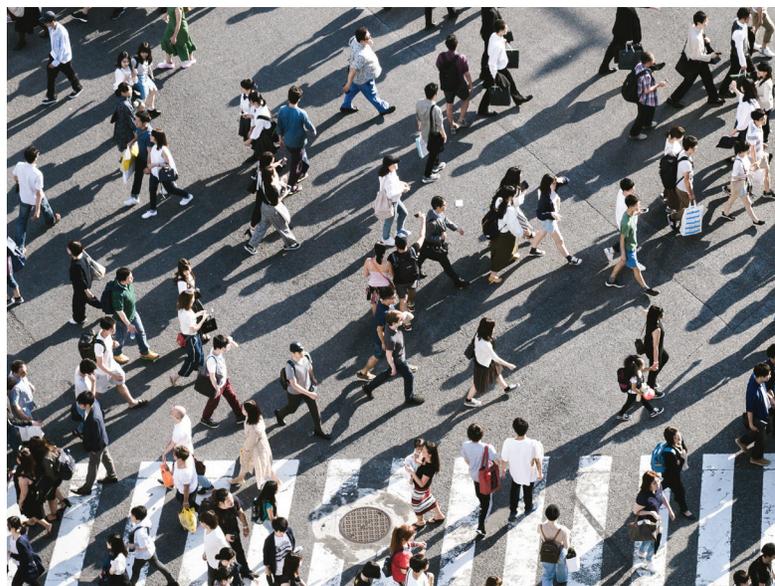
Increased Diversity

With access to more workers, organizations can also expand the diversity of its workforce. Hiring remote workers from other areas opens up opportunities to different cultures, races, ethnicities, backgrounds, and experiences — all which add a richness and depth of perspective to any organization. And when a workforce is more representative of the population at large, it tends to be more innovative, too, able to develop products and services that are in tune with a diverse customer base.⁷

“For the vast majority of ... employers, remote work is a win-win, because the employee can move to a location of choice and save money in cost of living, and the employer will see higher productivity and lower attrition...”

– Prithwiraj Choudhury,
Harvard Business School⁶

**Diverse teams produce
19% more revenue.⁸**



⁵ Boland, Brodie; De Smet, Aaron; Palter, Rob; Sanghvi, Aditya. “Reimagining the office and work life after COVID-19.” McKinsey. June 8, 2020.

⁶ Senz, Kristen. “How Companies Benefit When Employees Work Remotely.” Harvard Business School. July 29, 2019.

⁷ Lyons, Sheryl. “The Benefits of Creating a Diverse Workforce.” Forbes. Sept. 9, 2019.

⁸ Lorenzo, Rocio; Voigt, Nicole; Tsusaka, Miki; Krentz, Matt. “How Diverse Leadership Teams Boost Innovation.” Boston Consulting Group. Jan. 23, 2018.

► For Employees

Flexibility and work / life balance

Over and over again, employees express a desire for greater flexibility on the job, and remote work checks that box. Instead of getting stuck in a long commute to and from work, or being unable to take care of everyday needs like doctor's appointments or childcare, remote work eliminates many of the ordinary hassles employees grapple with around taking time off or having to build extra time into the day to get things done. When employees can work from anywhere and have flexibility in the hours they work, they're able to bring more balance to their lives. Of course, working from home can sometimes blur the lines and decrease work/life balance if it isn't well managed.

35% of employees would change jobs if they could work off-site full-time.⁹

Greater productivity and higher performance

Perhaps paradoxically, remote work also leads to higher standards on the job. For example, employees who work remotely can actually increase their productivity. Because employers can't "see" them all the time, remote employees often work harder and try to avoid common distractions like coffee



breaks so they can maintain the trust of their teams and managers.¹⁰ In fact, remote workers have been found to boost productivity equal to a full day's work.¹¹ When employees are performing well on the job, it also encourages companies to step up and be a more compelling employer capable of inspiring the best in their workforce.

Remote workers have fewer sick days and take shorter breaks.¹²

Access to more jobs

Remote work is no longer a niche endeavor. Employees who wanted to give remote work a try used to specifically seek companies that already had those policies in place, and sometimes exclusively so. With the changes brought about by the pandemic, those barriers have been removed and those niches have expanded. Now, many different companies across many different industries are offering remote work opportunities, making it easier than ever for employees to find an ideal job that also allows them to work from anywhere.

⁹ Hickman, Adam; Sasaki, Junko. "Can You Manage Employees You Rarely See?" Gallup. April 5, 2017.

¹⁰ "The benefits of remote work – for employees and managers." WeWork. May 4, 2020.

¹¹ Mautz, Scott. "A 2-Year Stanford Study Shows the Astonishing Productivity Boost of Working from Home." Inc. April 2, 2018.

¹² Mautz, Scott. "A 2-Year Stanford Study Shows the Astonishing Productivity Boost of Working from Home." Inc. April 2, 2018.



THE CHALLENGES OF REMOTE WORK & BEST PRACTICES FOR ADDRESSING THEM

Though remote work may generally be a positive for your organization, there are still some hurdles you'll need to clear as you move forward. Here are the big challenges to think about and best practices for addressing them:

► Attracting & Retaining Talent

Some organizations may comfortably continue and even expand remote work options in the months to come. But not every organization is in a position to continue remote work to the same degree that was necessary during the pandemic. The struggle will be asking remote workers to come back to the office part time or even full time and the potential discord this could create, as well as attracting new employees who may only be looking for a flexible remote-work option. Either way, you'll have to weigh the risks that come from too much remote work and not enough.

HOW TO ADDRESS:



No matter what, make sure your existing employees are on board with any changes to remote work. It's likely their needs and expectations have shifted during the pandemic, so understanding what those needs are will help you create or adjust work policies accordingly that don't inadvertently discount the desires of your employees.¹³



If at all possible, maintain some kind of remote work option, whether part time or full time. If you want to stay competitive, you'll need to attract great candidates, and those candidates want — and expect — flexible working arrangements now more than ever.

¹³ U.S. Remote Work Survey. PwC. Jan. 12, 2021.

► Managing Remote Work Performance

Employees and managers alike have had to go through a period of adjustment to remote work, and for some, that adjustment could still feel a little chaotic. One of the big questions is how to manage the performance of remote workers effectively when teams can't meet in person or if "normal" management processes and performance reviews have been upended in favor of just getting stuff done. Back when remote work seemed temporary, it was OK to improvise. But if remote work continues after the pandemic, you'll need a more formalized system in place to manage work performance.

HOW TO ADDRESS:



Review, adjust, and clearly communicate employee objectives and expectations.

Role definitions can get hazy during remote work, leaving employees unsure what to focus on and which tasks to prioritize. When they understand what's expected, they'll feel more secure and confident in their role.¹⁴



Establish rules and norms around communication – such as expected response

times, appropriate recipients, and other points of etiquette – so that everyone is following the same playbook. Technology such as chat tools and project management software can make communication much easier.¹⁵



Improve employee monitoring (without being intrusive) to gain better visibility into daily performance.¹⁶

With more visibility, managers can more easily recognize and reward a job well done or identify warning signs of a struggling employee and quickly intervene, all which help foster a supportive work environment.



Come up with a protocol for terminating and off-boarding an employee remotely.

Chances are your previous way of handling this in person won't make as much sense for remote workers, so having a plan for fairly and effectively handling the situation is critical.



Offer regular time management tips to employees, such as how to keep a sane

schedule, block off time on the calendar for project work or for catching up on emails, and make sure enough breaks are taken.



Encourage employees to take time off as needed, whether it's because they're not

feeling well or need to take care of something important. This helps employees know they don't have to push through an illness or ignore an urgent matter just because they're already conveniently working from home.

¹⁴ Baker, Mary. "9 Tips for Managing Remote Employees." Gartner. Jan. 4, 2021.

¹⁵ Jackson, Jennifer. "How HR can help maintain company culture with remote workers." LucidChart.

¹⁶ Baker, Mary. "9 Tips for Managing Remote Employees." Gartner. Jan. 4, 2021.



► Maintaining Your Company Culture

When your workforce is spread out between those who are still coming into the office some or all of the time, and those who are only working remotely, it's much harder to create a consistent and positive work experience, let alone maintain your company culture. Without vigilance, the shared culture and camaraderie you've worked hard to build and instill among your employees can quickly crumble, leading to disconnection and low morale.

HOW TO ADDRESS:



Reiterate your company values and post them prominently on your website or within regular employee communications. Encourage employees to recognize those values in their peers and give them ways to deliver much-deserved kudos to each other.¹⁷



Keep up employee appreciation practices, such as recognizing work anniversaries and other milestones or accomplishments. Celebrating virtually or sending a gift card to the remote employee helps make up for not being able to acknowledge the accomplishment in person.



Don't forget that employees need to have fun and let loose with each other, even from a distance. Setting up chat channels that aren't just about work, holding virtual happy hours, or running company-wide contests can go a long way toward mitigating the isolation remote employees may feel and helping to create and maintain some connection to each other.¹⁸

^{17,18} Jackson, Jennifer. "How HR can help maintain company culture with remote workers." LucidChart.

► Complying with Laws & Regulations

Remote work brings up all kinds of compliance concerns that you might not have considered before. And though many in-house HR teams may have some legal know-how when it comes to risk management and specific state regulations around taxes and payroll, it doesn't necessarily make them experts. The trouble is, one wrong move – however innocent – can hurt your employees and be disastrous both for your organization's finances and reputation, creating additional liabilities you don't want.

HOW TO ADDRESS:



Be mindful of the specific worksite regulations that are unique to each location in which your business operates, including regulations for home offices and the actual physical office. Each location may also have its own minimum wage, tax structure, and payment processes that have to be strictly followed, and some states have varying regulations about sick leave, disability, and other types of leave.



Ensure workplace posters, employee handbooks, and any other form of employee literature and notifications clearly lay out the rights of employees, especially as they pertain to promotion opportunities, workers' compensation, public health emergencies, and at-will status, and are fully accessible whether someone is remote or in the office.



Make sure you're managing job posting requirements well for remote employees. As new regulations in Colorado dictate, all employees, regardless of where they're working, need to be notified of a new job at the same time, which may require that you come up with an updated process or system to ensure this can happen.



HOW A PEO CAN HELP

A professional employer organization (PEO) acts as an extension of your business by taking on many of your tactical responsibilities and offering a depth of expertise that can help you make thoughtful decisions about your organization. **In addition to offering a full suite of HR services, a PEO can help you understand what your business liabilities and obligations are and help curate the best plans and policies for your business in a way that other HR outsourcing models cannot.**

Importantly, because a PEO functions as a strategic partner to you, they care about your business and work hard to understand its needs so they can make the best recommendations. And in the new reality of remote work, having a PEO who understands the ins and outs of a remote workforce from the perspective of both the employer and employee is crucial to your success.

A PEO CAN HELP WITH YOUR REMOTE WORK STRATEGY BY:



Developing remote work policies and best practices. Having a geographically distributed team means you're going to need a telecommute policy and employee agreement. You may need to issue company property to remote workers, like computers and other devices, and ensure they can access the network with proper security, firewalls, and delivery mechanisms for software updates in place. You may also need to think about insurance for a remote worker's home office, such as property, casualty, liability, and worker's compensation. A PEO can help with all of this to ensure your remote workforce is secure and able to function as agreed – with minimal risk.



Curating a compelling benefits package. You're going to need a great benefits package if you're in a hiring phase and want to attract top talent. Flexibility and remote work options may be higher on the list these days for many job seekers, but you still need your benefits package to be competitive in many of the traditional ways as well. A PEO excels at finding and putting together the right mix of benefits for your organization and workforce needs.



Understanding local employment laws. In addition to the myriad state and local employment laws already on the books, there are a host of new laws as well as changes to existing laws every year. Keeping on top of it all is a full-time job for anyone, and it may not be possible for your in-house HR team to dedicate as much time to it as is needed. A PEO can stay on top of laws and regulations for you and ensure your organization is in compliance.



Setting up payroll for employees in multiple states. Employing people in different states creates added complexity when it's time to pay them, since each state has its own payroll rules for employees and independent contractors, residents and non-residents, and now in-office employees and remote ones. A PEO can take the burden off of you by setting up payroll for each employee that follows state-specific rules and also withholds the requisite taxes.



Consulting with you as needed. As remote work continues to evolve, so will many of your rules, policies, and everyday guidelines. Where you started out on the remote work spectrum could be very different from where you end up. The good news about partnering with a PEO is that they can also consult with you on your changing needs and make sure your remote work policies stay aligned with your business goals and employee expectations.



BOOST BUSINESS SUCCESS WITH A SMART REMOTE WORK STRATEGY

Prior to the pandemic, remote work was largely a nice-to-have. Now, for many businesses, it's a must-have. But deciding how much it will stay a must-have depends on your current and future workplace needs and business goals.

Though remote work has a lot of benefits for both employers and employees, it also comes with some downsides. If you don't have the existing HR resources to fully understand and manage all the various aspects of remote work and a geographically distributed workforce, it's

difficult to move forward with confidence and ensure every employee is cared for, no matter where they're working, as the year continues to unfold.

Partnering with a PEO can help you address your business's unique remote work needs to make sure nothing slips through the cracks – from attracting and retaining talent and maintaining your company culture to managing remote work performance and complying with laws and regulations.

“There is no one-size-fits-all solution. The answer ... will be based on what talent is needed, which roles are most important, how much collaboration is necessary for excellence, and where offices are located today, among other factors.”¹⁹

¹⁹ Boland, Brodie; De Smet, Aaron; Palter, Rob; Sanghvi, Aditya. “Reimagining the office and work life after COVID-19.” McKinsey. June 8, 2020.

Ready to partner with a PEO on your remote work strategy?

Schedule time with an expert today!





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