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INTRODUCTION

The date is February 2000, Barron's magazine has just published a top 100 list of Internet companies in order of how soon they would run out of cash and go bankrupt. An early online community/social media company founded in 1996 with a 1999 IPO is number 75 on the list. The data is inaccurate but the stock market doesn't know or care. The Internet boom economy collapsed the next day, revealing that much of the non-tech part of the country was in a recession. Internet stocks dive, and company after company folds. The following year, the country is wracked by 9/11, all business comes to a screeching halt, and more Internet companies collapse. During this two-year period, 800 of 1,000 Internet companies went out of business. But that early online community/social media company didn't. Instead, it went remote.

That company was Talk City, since renamed LiveWorld. I was then, and still am today, LiveWorld's CEO. There are several reasons we made it through the 2000-2001 crash, later the 2008 Great Recession, and assorted other ups and downs between and since. But a key reason we survived and thrived when others didn't is because we became – and 22 years later remain – a remotecentric company. Small but profitable with a solid business model. Innovative, delivering great value to our F100 clients, and with a strong employee-centric culture. Many thought our remote model was a fluke. In reality, it was a harbinger of the business world to come.

In this book, we will discuss the **real origins of remote work, its inevitability**, **and why companies that embrace it will be leaders** while most that fight it will be losers. Importantly, based on our more than two decades of effectively operating on a remote-centric basis, we'll cover some remote work best practices, employee tips, and reveal the single most important key success factor – one that many companies are missing.

The Remote Work Dilemma & Opportunity

The date is March 2020, 42 US states and territories issued mandatory stay-at-home orders, affecting 2,355 (73%) of 3,233 US counties. (CDC)

Worldwide, most office workers go home and stay home. During COVID-19, close to 70% of full-time workers were working from home. (apollotechnical.com)

Employed Americans working exclusively from home <u>rose from 4 percent in 2019 to 54 percent in 2020</u>. (New York Times)

In just a few short months, a massive sea change occurs in how companies operate. As Dr. Crouch, my 8th grade science professor, used to say: "Adapt, migrate, or die!" Not unlike LiveWorld going remote in 2000-2001, in a few months, companies had to figure out how to work remotely (adapt) or go out of business (die). There were stumbles, mistakes, failures, and successes. Ultimately, they made it work with online video meetings, 24/7 corporate chat messaging, rollover phones, home workstations, and a more flexible approach to work hours, processes, and interactions.



Then, two special and surprising things happen.

First, most employees found they liked working at home. With that, they found they enjoyed their work more and liked their companies more for it. The work flexibility and working at home enabled them to make better use of their time for work and they had better work-life balance.

Second, companies found remote work improved productivity while saving costs. An employer-

employee chorus resounded together, "We can do some form of this forever!"
In 2020 Mark Zuckerberg said "I've found that working remotely has given me more space for long-term thinking and helped me spend more time with my family, which has made me happier and more productive at work" and it would "open up a lot of new talent that previously wouldn't have considered moving to a big city." He anticipated half of Facebook's staff would work remotely within the next five to 10 years. (Business Insider)

According to Business Insider,

Salesforce said the decision to offer new ways of working was based on employee wellness surveys the company had been sending since the onset of the pandemic. There was no room for doubt in the guidelines:

"The 9-to-5 workday is dead. ... In June 2022, as offices started to reopen more widely, Benioff doubled down on the strategy, telling staff at a company event that "office mandates are never going to work."

A recent survey by <u>Apollotechnical.com</u> calculated that from the middle of March 2020 to the middle of September 2020, **commuting time was reduced by 62.4 million hours per day with an aggregate time savings of over 9 billion hours**. As well, less time spent commuting to and from work allowed workers to relax and focus on their jobs. As a result of not worrying about getting to work on time, workers can start their days on a positive note and show more enthusiasm for their work.



A report by Owl Labs in 2021 found that 55% of respondents said that when working remotely, they work more hours than they do while at the physical office.



This same report found that only 36% of people believe the office is best suited for individual work.

Global Workplace Analytics estimates employers can save over \$11,000 per year, per employee.

The savings come from the lower cost of office space, increased productivity, reduced absenteeism, and less turnover.

THEN THE MANAGEMENT BACKLASH CAME

Once COVID-19 diminished and mandates expired, even as companies reaped the cost and productivity benefits of remote work, they struggled with whether or not their people were being innovative, collaborating well, holding to company cultural norms, and getting mentored. How could they even tell if people were working the way they should and as much as they should?

Because of having had their lives and work disrupted, many employees started thinking about life alternatives including working elsewhere, setting off as entrepreneurs, or just taking a break from their careers. This was the Great Resignation. It ushered in even greater anxiety for management who wondered how to manage and, to some extent, maintain control of their workforces. It led some to think, "We need them back in the office where we can see what they're up to." Many believed this was necessary for cultural cohesion of the company, innovation, effective mentoring, collaboration, and to ensure workers were working.

Companies and CEOs – even some of the same ones that just a year prior had heralded the new age of remote – began to demand that employees return to work. Some demanded full-time hours in the office. Others offered a hybrid model with 2 to 4 days at the office and the remainder from home.

In-person engineers "get more done," an internal analysis of performance data shows. Meta CEO Mark Zuckerberg, 2023. (Forbes)

"In February 2023, internal Slack messages at Salesforce viewed by Insider announced that employees were required to return to the office. In March, Benioff explained his reasoning. 'For our new employees who are coming in, we know empirically that they do better if they're in the

office, meeting people, being onboarded, being trained, he said in an interview with the podcast On With Kara Swisher. 'If they are at home and not going through that process, we don't think they're as successful.'" (Business Insider)

I don't know how you can be a leader and not be completely accessible to your people. I do not believe you can be a leader and not be accessible to your people.

Jamie Dimon, Chairman and CEO, JPO Morgan Chase told the Economist in July 2023. (financebuzz.com)

Employees objected, and it looked like things could get heated. But new COVID-19 surges stepped in, causing management to back off and employees to get a reprieve. Some companies tried to fully go back to in-person but begrudgingly accepted hybrid models, particularly as new waves of COVID-19 came and went. Some companies genuinely tried to make hybrid work. By the summer of 2023, COVID-19 had stabilized, and many companies began to issue back-to-the-office mandates. "Back to work or lose your job."

"I do think for a business like ours, which is an innovative, collaborative, apprenticeship culture, this is not ideal for us, and it's not a new normal," David Solomon, the Goldman Sachs chief executive, said about remote work at a conference in 2021. He added, "It's an aberration that we're going to correct as quickly as possible." (New York Times)

BACK TO THE BACKLASH

Employees responded with a "Not so fast, Boss!" Empowered by 2-3 years of remote work, these people recognized great value in it for themselves and their companies. They also learned they had more options than just their current employer, including other companies, career changes, or even striking out on their own. Employees spoke loud and clear: "Remote is better, and we're not giving it up."

Some have drawn a line in the sand that if forced back to the office five days a week or, for some, even a partial week, they'll quit. One company decided to track badge check-ins to enforce being at the office. Employees there began to pass around their badges for co-workers to check them in while they stayed remote.

Employees at some companies just quit instead. With <u>9.6 million job openings in the US</u> and nowhere near enough people to fill them, companies competing for workers, and a workforce having experienced the Great

Resignation, employees had a lot of leverage.

"Return-to-office mandates aren't working: Most workers are ready to quit for a remote job, even if it means a pay cut." (Fortune)
Organization-wide mandates often backfire and disengage employees who feel that the requirements do not work for them and that they are not trusted by their leaders. Yet, failing to communicate a clear hybrid strategy and not ensuring hybrid schedules are well-coordinated often erodes teamwork, culture and, potentially, productivity. (Gallup)

What will happen? Is remote work more productive or not? Can remote companies innovate and have cultural cohesion? Many CEOs have decided that people must return to the office, mandating it with their full authority. Yet employees are saying no. To understand what will happen, we need to understand how we got here and what remote work does and doesn't do for employees and companies.



The Real Origins of Remote Work & Why Remote is Here to Stay

The most significant misunderstanding about the movement toward remote work is that the pandemic caused it and that it was a temporary, even aberrant, phenomenon that we can return to the way it was before. In truth, remote work was already on its way long before the pandemic and would have taken over much of our lives anyway. Without the pandemic, it would have taken longer to reach this point – maybe 10-20 years. It would have come without as much shock, but due to the fundamental

technology-driven and changing nature of work dynamics, it would indeed have come.

Remote work is the social media revolution come home to business. The same way social media moved billions of people online for personal connections, entertainment, and education. The same way social media moved businesses online to connect with customers. Now, social media has moved companies online to connect all of their employees and operate virtually day to day. The path for this was set long ago.

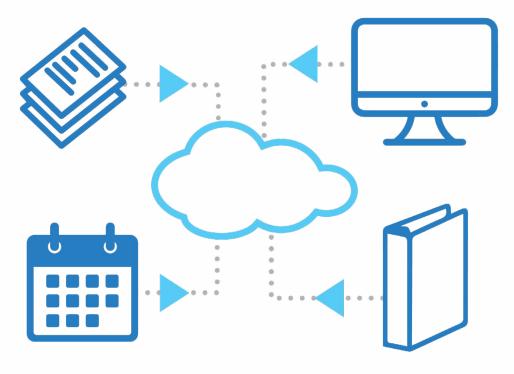


Decades before the pandemic, as computers took over the workplace, much of the paperwork and activities that people did while physically in the office moved to screens. With the online world. it then moved to servers and the cloud. We no longer open a binder to check benefits and product plans. We look online. We don't go to a marker board to sign up for a room, walk around, or even get on the phone to see who can meet when. We use an online meeting calendar. For a few decades, working teams often are no longer organized by being in the same building. They are often made up of people in different offices or even other countries. Many forms of collaboration software were developed to support this.

Many universities went online to reach more students. All of this happened years before the pandemic.

Gen X and Gen Z, having grown up with personal computing and social media, consider remote connections, relationships, and work as a normal and the default form of life. Further, culturally, they have developed a worldview in which they are willing to work extra hard but flexibility is king. They want to work when and where they choose to. This is a key driver in the rise of the gig economy. As time goes by, future generations will turn down jobs from, and eventually not even consider working for, companies that don't have at least a hybrid remote model.

Office Functions and Activities Move to The Online World



LiveWorld, albeit a scrappy company who was determined to survive by going remote in 2001, wasn't the only company to do so or at least put a hybrid toe in the water. In the 1990s, Apple had plenty of people routinely working at home a few days a week, courtesy of its pervasive email and an online community system called AppleLink which was the company's center of cultural cohesion.

In the 1990s and 2000s, multiple LiveWorld Fortune 100 clients had teams spread around the world working with each other remotely.

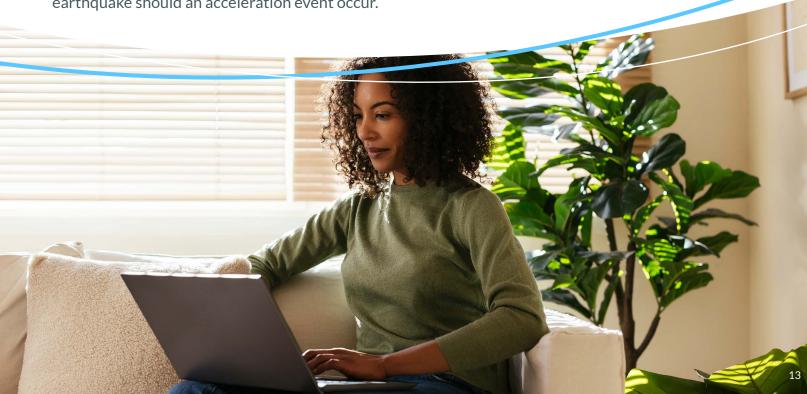
One LiveWorld client, a top CPG company, had so many people connecting virtually that we stopped going to their headquarter offices in Ohio and Geneva. We found all but one person on the client team would be on the phone or a video conference. Some of these people were calling in from other offices, small with nobody else around. Some were calling in from home.

From smartphones to video conferencing, from flex work to the gig economy, from digital nomads to Gens X and Z wanting round-the-clock flexibility and gathering in co-working spaces, work behavior and culture were shifting like tectonic plates under the ground. Ripe for an earthquake should an acceleration event occur.

These remote work trends were right in front of us but only seen if one knew where to look.

Missing this leads some companies to think they can now put the remote cat back into the office bag. They are trying to accomplish this with on-premise incentives, mandates, penalties, and even firing those who won't comply. One might as well try to mandate a return to a 6-day work week and no use of smartphones and computers. A more current analogy would be to suggest that all retail sales should go back to physical stores. The economic, productivity, and motivation benefits of remote work for companies and employees are simply too great to turn the clock back.

Most post-pandemic debate around remote work has focused on whether it's here to stay. Some version of it seems likely. About 70% of workers who can do their jobs off-site still work remotely either all or some days. Job satisfaction is at the highest it's been in the 36 years the Conference Board has tracked the metric, and it's highest among workers who do some work remotely. (New York Times)



The Benefits Are Too Great to Pass Up

THE HARD ECONOMIC BENEFITS FOR COMPANIES







Reduced facility costs





Remote work provides companies with structural cost advantages, as much as 30% or more, enabling them to price lower, invest more, and deliver greater profits.

No in-person office work, or even a hybrid approach, is cheaper than remote office work. Needing less or no office space reduces real estate, furniture, utilities, telecom, tech, maintenance, personnel, security, food, taxes, and other facilities costs. Studies suggest this savings works out to about \$11,000/year. (thestreet.com, lemon.io) In my view, the savings is much higher, especially for larger companies.

Most workers give most or all of the saved commuting costs back to the company.

Suppose a worker saves 2 hours a day in commuting time and only gives 1 hour to the company. For salaried workers, that's at least 10% more work for the same cost to the company, That's a 10% relative cost or hard one hour of productivity improvement. In other words, on this one aspect alone, a non-remote company will need 10% more employees to accomplish the same work a

remote company can do. Another indicator of the cost advantage of remote work is that employees are demanding more pay to work at the office compared to remote. Studies on this vary from an 8% to 20% delta.

If we take the \$11,000 facilities and operational cost savings, then a 10% hard one hour extra work for the same cost, and a 10% lower pay cost advantage, assuming an average fully loaded employee cost of \$100,000/year, then a remote work company can have a 30% cost advantage over its in-office competitor.

That's before we get to the soft but equally important benefits resulting from the emotional, psychological, and behavioral effects on the employees. Happier, healthier, more motivated, and more loyal employees mean more output per hour (productivity), easier recruiting, and higher retention. Multiple studies by firms such as Microsoft and PwC have shown productivity increases. As much as 4% to 29%. (Future Forum's 2022 report) Remote work also means less travel and relocation costs. All of these save the company money, too.

As part of the CEO backlash to remote work, some companies are citing studies that suggest remote work is less productive than in-office work. But those studies are flawed. For example, the studies used offshore call centers which are not analogous to most work situations. Further, the companies in the studies made no effort to restructure management models to properly support remote work.

More importantly, <u>Stanford University economics professor Nick Bloom</u>, an economist at Stanford and a prolific scholar on remote work who has been leading studies on productivity for decades, says that the productivity declines shown in the recent data can be explained in part by management procedures that haven't yet adapted to the new way of doing things – a factor even the most anti-work-from-home studies also blame for more negative productivity reports.

As Bloom has noted, overall US labor productivity growth, which held steady at 1.2% from 2015-2020, has increased to 1.5% since the pandemic began in 2020, a development he calls nothing short of "miraculous" given the difficulty and upheaval we've endured since then. And especially given the fact that US productivity had been declining for decades prior. (Your Tango)

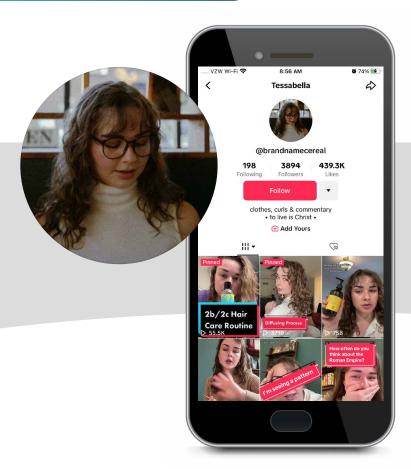
Studies of productivity in work-fromhome arrangements are all over the map. Some papers have linked remote work with productivity declines of 8-19%, while others find drops of 4% for individual workers. Still other research has found productivity gains of 13% or even 24%. Bloom said the new set of studies showed that productivity differed among remote workplaces depending on an employer's approach: how well trained managers are to support remote employees and whether those employees have opportunities for occasional meet-ups." (New York Times)

Some managers claim if they can't see their employees, they can't be sure they are working. They believe that when left to themselves, employees will slack off, get distracted, spend their work time doing other things, and so on. They either won't be working as many hours and/or will be less efficient in their work due to distractions. A senior executive at one of the largest Silicon Valley tech firms told me,

"I know we're supposed to manage with trust and all that. But if I can't see them, how do I know they are working and getting the work done?"

This reveals a deep flaw in such companies.
They are using in-person oversight as a crutch in the absence of effective management and measurement. The culture of these companies lacks trust and empowerment of employees.
Lack of trust likely drives a motivation shortfall as well. It also suggests that management considers visible hours at a desk as the key measure of productivity and value, instead of actual contributions and output.







In a remote context, people have less distractions and can focus on their work more. There is less inclination to look busy as nobody cares about that. What matters is what you are getting done. There is also less context for political games.

As reported on <u>yourtango.com</u>, TikTok creator @brandnamecereal recently provided some insight into why this has become such a bone of contention for so many employees.

She says that the main difference is that in the office, she was forced to "perform availability" while fielding constant interruptions.

"I just recall what it was like to sit at my desk all day versus sitting at my home desk all day," she said in her video, "and basically the only difference is when I was at work, I had to be performing availability full-time."

She says she gets the same amount of work done as she did when she still had to go to the office. What's changed is how she's using those little bits of time in between tasks. At the office, "you're on

your phone, you're talking to your coworker," whereas at home, "I'm still logging the same amount of work ... but whenever I have five minutes, I'm not talking to my coworker I go unload my dishwasher."

She acknowledges that to a boss or executive, this use of company time for a personal endeavor would probably inspire outrage, but she contends it's all the same at the end of the day.

"Those five minutes that I was waiting for someone to email me back were going to be less productive anyway," she said.

Chatting with co-workers isn't productive either, after all. And not having to do chores like unloading the dishwasher after an hourlong commute makes her "more consistently productive" because of the energy it saves and because "the people I don't want bothering me aren't bothering me...I respond to things in a timely manner." (Your Tango)

Whether they stay remote or return to the office, companies with trust issues would do well to revisit their cultural and measurement model. They might be better off staying in person if they can't rebuild the culture to include trust and empowerment and rebuild measures to better consider output. But they do so at the peril of being eclipsed by companies with stronger cultures and the productivity, motivation, and output advantages of being remote.

Other skeptics claim people can't network, connect, mentor, innovate, and have a cohesive culture in a remote model. Nonsense. Indeed, across the corporate world, there are, and for decades have been, virtual teams that are exceptional in all these regards. The skeptics don't have a cultural model and the management leadership to support having all these things in a remote environment.



REMOTE WORK STATISTICS



Lower pay: Of those surveyed, 23% would take a 10% pay cut to work from home permanently. (apollotechnical.com)



Higher productivity: A <u>study</u> by Stanford Business School found performance was boosted by 22% when employees were able to work from home.



According to <u>ConnectSolution</u> (2015), 77% of remote workers say they're more productive when working from home, with 30% doing more work in less time and 24% doing more work in the same period.



Future Forum's 2022 report showed that workers who work from home report 4% higher productivity scores than fully in-office workers. This report also showed that workers with full schedule flexibility report 29% higher productivity and 53% greater ability to focus than workers without the ability to shift their schedule.

MORE MOTIVATED, MORE PRODUCTIVE, AND MORE LOYAL EMPLOYEES

Workers insisting on staying remote (fully or hybrid) are doing so for good reason. It empowers them to be better workers and better people in their personal lives. It's good for them and good for the companies.

First, not having to waste time and energy on commuting is a game changer for people. Instead of spending as many as 2-3 hours daily on tiring commutes, this is suddenly productive time. Most employees are happy to give much, or often all, of this time to the company. They like making effective use of their time. It also means they are not as tired, worn down, and time-pressured as people who commute. That translates directly to more energy and motivation. Some of that time saved by not commuting can go to their personal lives. After all, before the pandemic, nobody counted it as work time anyway. This gives people more time for their families or personal pursuits. That's a significant improvement in overall quality of life. A company that supports remote work supports a person having a better quality of life. This translates to motivation and loyalty.

Flexibility is the second key dynamic. With hours of the day no longer trapped in commuting and one's family and personal life right at hand, the employee has more flexibility to address personal life matters. This might be as simple as taking the kids to school, thus connecting more with family and saving preand after-school daycare costs. It might be having lunch with your spouse or being close enough to the kid's school during the day to attend key activities there.

When we give people this kind of flexibility, most don't slack off. Instead, they return value to the company by working other hours and maintaining a willingness to work more whenever the company needs them. As an example, multiple LiveWorld employees take their kids to and pick them up from school every day. This means they are not working for those 20-45 minute time slots. They simply work in the evenings to make up for it. On these flexible schedules, they actually work more hours than the time they were off. They also appreciate that LiveWorld supports them being with their families as needed.



The net is that remote workers can be happier, healthier, more motivated, and more loyal. This is what they are saying when they speak to the value. This is what they are saying when they are willing to be paid less as a remote worker than an in-office worker. This is what they are saying when they quit instead of returning to the office.

Let's just think this one through again: Happy, healthier, more motivated, more productive, more loyal workers for less pay. Saving the company significant facilities and other costs. And CEOs are fighting this?

"In experiments, mothers, fathers and people without caregiving responsibilities have been <u>less</u> <u>likely to leave their job</u> and reported <u>better work-life balance</u> when they had more control over where and when they work." (New York Times)

According to a <u>Gallup</u> study, "Hybrid employees consistently report that the greatest advantages of hybrid work tend to be better work-life balance, more efficient use of time, less burnout at work and more autonomy.

Hybrid workers have significantly higher employee engagement, better overall well being and lower turnover intentions than fully on-site workers who are remote-capable.

Employers tend to agree with these benefits for employees – and add that their organization benefits from less turnover, a better employee value proposition and a larger talent pool. In our experience, job openings may receive as many as two to three times more applicants for certain jobs that allow hybrid or remote options."

The resulting improvement remote work provides for employee engagement has huge financial

benefits to a business. Compare this to the huge damage companies will incur by forcing employees back to the office at the expense of engagement.

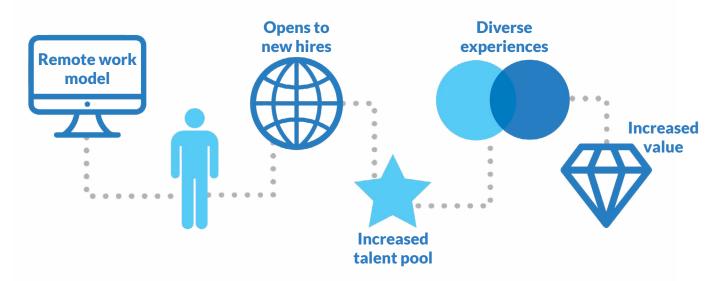
"A recent survey by McKinsey reveals the staggering cost of disengagement. A mid-size S&P 500 company risks losing between \$228 million and \$355 million annually due to low engagement. Over a span of five years, this sums up to a potential loss of \$1.1 billion per company.

In recent months, return-to-office mandates have been a key driver of worker disengagement. Gallup found in its 2022 assessment of employee engagement that after trending upward from 35% to 36% in 2020, employee engagement in the US dropped to 34% in 2021 and then to 32% in 2022.

Gallup's findings show that employees who work remotely or on a hybrid schedule have 37% engagement, compared to those who work exclusively on-site, of whom only 29% are engaged. Additionally, employees whose jobs can be done remotely but who instead work fully on-site were found to be drastically less engaged than remote-capable employees with location flexibility." (Fortune)

ATTRACTING AND RETAINING EMPLOYEES

The Remote Work Model Increases the Value of the Company



More and better talent: Remote work models open up the entire country and, in some cases, the entire world for where companies can hire. This exponentially increases the talent pool to draw from and creates a more diverse range of lived experiences brought to the company to create more value.

People like remote work, with many insisting on it following the pandemic. Companies that offer remote work will have more people competing for their jobs and will be able to pay less and get better talent.

Retention: Most people are very unlikely to leave a remote job for an in-person job if their current company does remote well. Further, when a remote company follows the best practice of empowering employees to integrate their work and personal lives, work becomes part of their personal lives. With that, they are less inclined to leave. Especially in a world where some companies say they will continue to be remote but then backtrack on it. Or companies that allow remote but fail to support it with needed culture and processes.

Environmental: Remote work is better for the environment. It reduces or eliminates car commutes and less energy is used for large office buildings.

How to Be an Effective Remote Work Company

At the beginning of the pandemic, companies stumbled over how to do anything, but eventually set up working systems. Video conferencing such as Zoom, 24/7 chat messaging like Slack, arranging office phone numbers to rollover to workers' mobile phones, direct deposit paychecks, web portals for employee benefits, HR management, scheduling applications for meetings, and so on. All good and important mechanisms to keep things working. But these are just the transactional systems for the task, none of which are the core of effective remote work models. For remote to work and companies and employees to realize the benefits, a company must evolve and change its culture and people management practices.

There are seven key areas to focus on:







Trust



Empowerment



Flexibility



Extensive online communication



Bringing the whole person to the company



Measure output



Culture. The single most important factor in making remote work well is building a culture that **supports and even celebrates remote work**. This culture has to have trust as its foundation and a structure of empowerment, flexibility, extensive communications, bringing the whole person to the company, and a focus on substantive work output.



Trust. The culture must have a foundation such that everyone in the company will trust that everyone else is doing the best they can do in their job and do well for the company.

This includes trusting them to work. Certainly, that needs to be measured and can be done by reviewing the person's work output. Not by standing over them and assuming if you can't see them, they can't be trusted to work. That sort of surveillance management is a false crutch measure anyway. It's easy to make oneself look busy in person without getting anything done. In a remote work model with measurement laser-focused on work output, managers and workers have to be much more disciplined about actually producing valuable output.

"I'd say, 'your employees have options. They're not resources to control,' (DropBox CEO) Houston told Fortune when asked about what message he had for CEOs who believe in RTO mandates. You need a different social contract and to let go of control. But if you trust people and treat them like adults, they'll behave like adults. Trust over surveillance," he added. " (Business Insider)

This can't just be a slogan. It has to be a near-religious principle that the management preaches and adheres to and people are trained and reinforced on. Sure, there will be people who don't live up to it, but with strong cultural support, those will be exceptions, stand out, and if not able to correct, will have to leave.

When people trust each other and know they are trusted, they are more authentic and more willing to contribute, be it ideas, hours, or work effort. They take work and each other more seriously and more personally. That translates to higher commitment and motivation. A passion for the work, the team, and the company. For getting the work done and done well. In this context, a worker who slacks off is breaking a deep social and personal contract with the rest of the team and letting them down. This is, by far, a stronger motivator with stronger results than sitting in a desk chair or parading around the office to ensure one is seen. It usually translates to more hours worked, not less. In fact, most people work more hours remotely as they give half to all of their saved commuting time to the company.



Empowerment. Trust, in turn, is the basis of empowerment. Letting employees supervise their own work turns into letting them decide when and how to do the work. Trusting them to make a range of decisions. An empowered person takes ownership of their work, the team's work, and the company's business success. That sense of responsibility is also more motivating and generates more loyalty and willingness to go the extra mile when needed and when it produces better results. That sense of ownership also turns into loyalty, extra work, or even taking salary cuts when the company has hard times.



Flexibility. Survey after survey shows that employees value flexibility and engagement (see "Trust" and "Empowerment" above) more than any other aspect of a job, even cash compensation! **Flexibility is the heart of a successful remote work model**.

An effective remote work company allows employees to adjust their schedules as they see best, as long as they get their work done well and on time, including attending meetings as needed. The best remote work companies recognize the value and power of flexible work with an effort to help organize work to allow maximum flexibility for the employees. For example, if somebody needs to pick up and drop off their kids at school, try to organize meetings with those people in the middle of the day. It's also fine to require employees to have backup plans to call on should the circumstance arise that they are needed for a meeting at school drop-off/pick-up times. It also means being okay when people use 5, 10, or 60-minute work lulls to take care of personal items. Laundry, online shopping, walking the dog, and so on. Be a company with the flexibility to let people live their full lives well, and the appreciative employees will work harder. They'll have more energy for work because they'll be able to take care of their work and personal life needs easily and efficiently.

"Remote and hybrid workers are more likely to feel connected to their direct manager and their company's values and equally or more likely to feel connected to their immediate teams as fully in-office workers are. Flexible remote work policies were cited as the number one factor that has improved company culture over the past two years." (Future Forum's 2022 report)



Extensive online communication. Remote work depends on and flourishes with extensive remote communications with everybody at everyone else's online fingertips. This means regular online 1:1s, group meetings, and company meetings. Not once a year or even once a quarter for company (or division, depending on size) meetings. These should take place monthly most months. In part to give people a sense of the company, in part a sense of each other, and in part to reinforce the culture, including the dynamics that support working remotely. These connections are critical to the sense of cultural cohesion. Some of the best companies in the world pre-pandemic held weekly meetings of the entire company or major parts. Since its early years, Walmart, one of the largest companies in the world, has had a daily morning meeting of the staff at each store and weekly meetings for several sections of the company. A remote structure makes this more possible for many companies and allows participation by more employees.

Video conferencing is best so people can see each other. Companies that are ineffective at remote work and have the attitude that if you don't see each other, you can't work together well tend not to make enough proper use of video conferencing. Or if they do, they don't turn on the video. In a remote work environment, try to always video conference with video on. It allows for body, facial, and audio nuance when working together. If that isn't available, then have an audio conference. If that can't be done, then online chat. Email should be a last resort as it lacks the back-and-forth nuance that video, audio, and chat can provide.

When having a video conference meeting, take care that even if some people are in person in the same room during the meeting, they should still do all their communicating via their computer and the online meeting. That is, even if you are in the same room with someone, don't start talking directly to them. Doing so is very disorienting to the people who are remote. They can't follow such a discussion and can start to feel that if they are remote, they are being left out of the real action that happens in person.

Group meetings can be even more collaborative and innovative online as offline. They just have to be managed right. Video on, participation protocols established, meeting manager moving it along and ensuring everyone gets to contribute. Actually, online group meetings can be more effective as people are likely to feel more on an equal footing with each other rather than feeling intimidated by the physical presence of one or two people. Online meetings also have the extra benefit that they can be recorded. This enables people who couldn't attend to catch up.

Having a 24/7 chat messaging system, such as Slack, in place, and the ability to go to video conference at any time allows people to connect and chat for the informal layer of company connections. It's the hallway water cooler or coffee room effect, but better. First, because everyone is more accessible to everyone else. Second, because it's effectively there 24/7 if you want it to be. Third, people can multi-task better, having multiple formal or informal chats in parallel. They can even have a chat going as they are getting other work done. Score more points for remote work being more productive than in-person work. Can't be working on that spreadsheet and having a hallway water cooler chat at the same time in person in the office. However, this does not apply to video meetings. People should not be multi-tasking on other work during video meetings as they may miss something or disorient others in the meeting.

Lastly, the remote model also makes it easy for a person to not be disturbed when they need to focus on some aspect of work and don't want to be interrupted or distracted. At the office, when somebody walks up to your desk or knocks at your door, at minimum you have to say, "Not now." Most people take more time than that and get distracted from their work.

When everyone in the company knows that everyone else is just a few clicks and a webcam away, it actually **creates a greater sense of closeness and collaboration among workers, a greater sense of being on the team, and a greater sense of empowerment**. Workers empowered this way and who feel trusted and supported by the company and culture will be more likely to jump on work needs as needed, be that during "office hours," at night, or on weekends. That's another benefit of the remote work model.



Bringing the whole person to the company. A remote work model isn't just about the work. It's as much about the workers, which means it is about the whole human being that the person is. Remote opens up the opportunity to have each person bring their whole selves to work. What they are all about, their uniqueness as a person, their life history, talents, aspirations, family, and other aspects of their personal lives. Skeptics will say, "Who wants that? It's not professional." But think about all the effort companies make to have employees be more personal and more social. Beer busts, mixers, offsites with group activity exercises, and general group community reach out. With a remote model, each person's personal life is right there, live on screen.

This is a matter of making each worker, their experience, and the entire company more authentic. The more we know each other personally, the more we understand, appreciate, and trust each other. That leads to better collaboration, more commitment, and more loyalty to each other, the team, and the company. And less politics.

Empowering people to bring their whole selves to work starts with the company recognizing, and the culture celebrating, the idea of bringing one's whole self to work. Next is providing people with the flexibility and mechanisms to do it. Third, is accepting each other's home environment as part of the workplace. Interruptions such as the dog barking or the kid coming through are not to be decried as unprofessional distractions but as the texture of each person's life and who they are. Understanding that we all have these interruptions and we can appreciate and laugh at them together.

At LiveWorld, we had a new team member struggling with aspects of getting started. In this context, she was complaining a bit and said to me our orientation trainer must be a contractor and not very professional because there was a dog barking in the background. Here's where the company and I, as the CEO, had a choice to downplay or celebrate remote work. I told her this was an actual employee and we didn't look at this as a professional or non-professional matter. Rather, it was bringing the whole person forward and appreciating first that she was a dog parent and second that we all have distractions at home. We look at those as telling us more about the person. We emphasize that such distractions are a rich texture of life experience people bring to their thinking at work. That we looked forward to learning more about who she is.

In company meetings, we will ask everyone to bring their dogs, other pets, and even kids on camera. This gives everyone a chance to express themselves and bond with the rest of the team.

Another best practice for remote is to encourage, but not require, people to have their actual home background on the video instead of a bought digital background. When we see each other at home for who we are as a whole, it personalizes and socializes the entire work experience. We appreciate each person for who they are. These personal connections build trust, empathy, connection, loyalty, and motivation. In social media, we try to build our clients' customers into tribes, with personal and social connections that bring them closer to the brand with interest, loyalty, advocacy and, in turn, sales. That same model works internally with remote work. In this case, we're treating our workforce as the tribe we are helping to build. Note that we encourage rather than mandate people use their actual home as their video background. Some people are not comfortable with it, so a blurred background or a created digital background is fine. The important thing is we let people know we care about and appreciate who they are on the whole.



Measure output. The naysayer's favorite question is, "How do we know a person is working if we can't see them?" The simple answer is to have clear objectives and measurable outputs. Something a company should always have, whether remote or not.

For many jobs, though not all, this is pretty straightforward. For example:

- **Software engineer:** Quantity and quality of code.
- **Creative:** Quantity and quality of creative ideas, designs, copy, etc.
- **Sales:** Quantity and quality of sales reach out, leads generated, contacts, discussions, proposals, deals closed.
- Financial: Quantity and quality of analyses, forecasts, and accounting processes.

Knowing this is how they are measured is also empowering for the employees. It focuses them on the work and not on superficial measures such as what time they arrive at work or do they always look busy.

Ultimately, trust, empowerment, flexibility, communications, a whole person view, and measuring meaningful output show that a company recognizes people have whole lives and cares about the employees' entire work and life experience. Through these approaches, the company is committing more to the employee's life. In response, the employees will commit more to the company and will love doing so.

Additional best practices for remote work include sprinkling the experience with in-person contacts from time to time, good meeting management, and a flexible approach to workspace at an office if you have one that people use. Last, new AI features in online meeting software will automate summaries and create catch-up synopses for those who are late or could not attend.

LIVEWORLD, A REMOTE-CENTRIC CASE STUDY

Like many startups, LiveWorld essentially got started as a remote company with people initially working from home. As we got funding, we all moved into offices, though allowing flexibility to work in person or at home. In the 2001 crash, we had to downsize dramatically and only kept an office at all when our head of sales and marketing pleaded for it. Since then, we've always had a small office, but have been primarily a remotecentric company with some in-person meetings here and there. Today, virtually all our employees work 100% from home, spread around the country in 46 states.

We're a company focused on online solutions, mostly related to social media and digital, so working remotely came naturally to us. We were also fortunate from day one of the company back in 1996 to have built a cultural model that supports remote work. At the core is a model we call Collaborative Velocity, which, with the help of a consultant, I developed to manage our division team when I was a VP & General Manager at Apple prior to starting LiveWorld. Collaborative

Velocity is the foundation of LiveWorld's culture. To bring that point home, I, as CEO, am the one who has taught our Collaborative Velocity Class to employees since we started the company.

Collaborative Velocity is our cultural model to rapidly make decisions and keep our business moving forward. It is neither a consensus or dictatorial approach. Instead, it focuses on generating ideas, making decisions, and on how we interrelate, covering everything from communications, processes, and even our day-to-day vocabulary. Collaborative Velocity has four principles:

- 1) Contribution, not opinion.
- 2) Alignment, not agreement.
- 3) Leadership accountability, not organizational authority.
- 4) Trust and giving each other the benefit of the doubt.



Strengthen the Team Dynamic



While each of these principles has striking value for an in-person or remote work model, the important dynamic is we have a very strong emphasis on working together and how we do it. It has enabled us to flourish in a remote work model. Because we have an emphasis on everyone contributing, a way to align and get to decisions, and protocol for being a leader and/ or on the team, we are able to collaborate and innovate – whether in person or remotely.

Most importantly, we have a stated and deep commitment to trust. We trust each other to do the work and to do the best we can whether we can see each other or not. We have a passion for the work, each other, and the company. To not do the work would be to let each other and the company down. Sure, occasionally we get someone who doesn't hold up to these commitments. But with our strong cultural model, that stands out pretty quickly. Then, we work with the person to get with our program or to leave.

At LiveWorld, we start with a flexible model for employees and build the company around them, not the other way around. We are all on video conferencing and chat messaging, and to some extent on call 24/7. When we want to chat or have a meeting, we just start typing. Often saying, "Your Zoom or mine?" There is always the understanding that we will have the video on. We schedule a company meeting once a month and usually hold to that 10 months of the year. Even if we don't have much business content to cover, we still have the meeting so people have the chance to see

each other online and connect. Our company meetings specifically include agenda time for shout-outs on appreciation of each other's work, announcements on accomplishments, work and personal life milestones, and a show and tell. Show and tell is when an employee tells and shows us something that is important to them. Could be a work project, a book the person has authored, a hobby or adventure, or something their kid (or dog) did. This is bringing our whole selves to work. Interestingly, in this process, we have sometimes discovered experiences and skills a team member has that are directly applicable to our work for clients.

We do have some in-person encounters. Where multiple people are in the same city, they usually attend the company meetings from one place as a group. It is the same for some staff and group meetings and 1:1s. We have multiple people who drop off and pick up their kids from school daily, generally around 8 AM and 4:30 PM their local time. This enables these parents to connect with their children more and save extra daycare costs.

They generally have breakfast and dinner with their kids as well. No, they are not working at those times. But they more than make up for it by working evenings once the kids are settled in. How do we know? We get proposals, contracts, graphic designs, client metric reports, and software code coming in at 10 PM, midnight, and 1 AM. Our team delivers a great deal of high-quality output. So much so that **our issue isn't that people aren't working enough**. It's that they are overdoing it and might burn out.

HYBRID IS GOOD TOO, BUT WATCH OUT FOR THE HYBRID TRAP

The principles discussed here are applicable to a remote-centric company or a hybrid remote/in-person company. Indeed, even a 100% inperson company would do best to apply the cultural and management models described here. Some companies will opt for a hybrid model as they feel this fits them better, as a compromise, or for other reasons. Generally, having staff in the office 2-3 days a week with some employees being full-time remote and some full-time in person. Some feel that hybrid gives you the best of both worlds.

However, companies have to watch out for the hybrid trap that ends up being the worst of both worlds. That's what can happen if the company manages with an in-person-centric mentality that is really just accommodating people who want to be remote. The danger is that without a cultural and process model that is built to support remote, the workers and in turn, the company, won't get many of **the benefits of remote**. The remote workers will be left out of the main action and feel left out. The mentoring, the best assignments, and the opportunity for advancement will go first to those in person. Meanwhile, the people who are full-time in person resent that they don't get to be remote. The solution here and the best approach for a hybrid company is to build the culture and processes as if the company is 100% remote. Then as a complement to that, support people being in person at an office part time or full-time as well.



Tips for Remote Employees

Remote work is a new way of doing things for most people, even those who very much want it. Based on our over 20 years of being a remote-centric company, we crowdsourced from our team a series of tips for remote employees, organized into five categories:



Workspace and work time vs. personal time



Project management



Meetings



Team interactions



Connect with people and places



Workspace and work time vs. personal time

- Create a station. Organize a dedicated space for work. Ideally, pick a spot where you can regulate the temperature, the lighting, and the ambient noise level. It helps to be able to close the door. Think ergonomically and have your computer and all your equipment at arm's length.
- Home office tools that are comfortable for your environment, such as a larger monitor, ergonomic mouse, a comfortable office chair, and a keyboard that reduces strain on your hands all help with productivity.
- Good technology: Noise-cancelling headphones are a must when the landscaper is outside.
- Have a dry-erase board or a chalkboard on the door to let anyone know if you are in a meeting, busy with work, or have to step out.
- Set boundaries. Let friends and family know you are at home but working. Let them know your hours and when it's okay and not okay to disturb you. Postpone household chores, babysitting, running errands, and dog-walking until non-working hours or work lulls.
- Keep a separate presence at home for work. This can be a workspace in any room
 or in a separate room. Also, keep in mind that if your family is around, especially
 kids, they may not understand that you need to focus and not be interrupted while
 working. That probably means it's best to have your workspace in a separate room
 and keep the door closed unless you are okay with the kids coming in at any time.



Project management

• Clearly define projects, team leaders, and team members; when there will be live video meetings; and what online resources will be used to document and manage the team's work.



Meetings

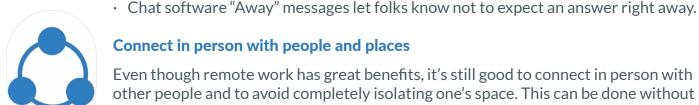
- If some people are in the same room, they need to be careful during the meeting not to talk to each other directly. Instead, use the computer video in all cases, or the meeting may become confusing for the remote people and cause them to feel left out.
- For some scheduled meetings, keep the agenda slightly open since there's less opportunity to "knock on someone's door."
- Have your staff meeting on Monday morning to energize your team, confirm actions for the week, and inspire them to be productive.

- If you have to wait for others to show up for a virtual meeting, don't waste that time. Use it to check in on your coworkers on the call, see how they are doing, and ask about their weekend or some trip or vacation you know they recently took. These few minutes can help build or strengthen coworker relationships.
- · Record meetings to document discussions, decisions, actions, and so people who missed the meeting can catch up. This recording capability of remote meetings is another advantage for remote over in-person work.



Team interactions

- Maintain frequent communication with your team and coworkers throughout the week, Slack-like conversation tools are the best for this for immediate items. Email or quick video calls can help keep project momentum.
- Include online water cooler talks with colleagues even when remote with occasional Friday happy hours, online games together, or when an opportunity arises.
- In-person: Complement remote work with some in-person interactions. For example, a team meeting once a year.
- Respect time zones and be flexible about when meetings and interactions are arranged.



Even though remote work has great benefits, it's still good to connect in person with other people and to avoid completely isolating one's space. This can be done without in-person office time.

- · A few times a day, get up from your desk and take a walk around your home and neighborhood.
- · Once or twice a week, go out to lunch.
- Once or a few times a week, rather than work at your actual home, work at a local coffee shop, hotel lobby, or even outside.

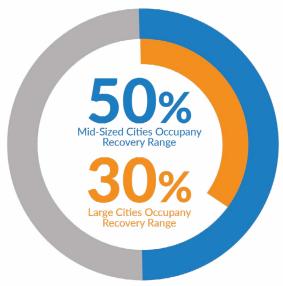
FINAL THOUGHTS

Is remote for every company? No, some types of work, such as assembly lines, some healthcare, and much of retail and hospitality among others, can't be done remotely; at least not yet. Ultimately, there will be some companies whose cultures have dynamics that are better for people in person. These will be the minority. Whether big or small, a remote model can make a company a favored place to work, a stronger competitor, and overall a better business.

Cities: Remote work in the pandemic hollowed out the business districts of many cities. Without workers around, many restaurants and retail stores closed. Now ghost towns, the lack of people attracts crime. With the pandemic over, some cities have recovered to the 50-60% occupancy range but not more. Others are still only at 30%. Some city and business leaders, as well as commercial landlords and their bank lenders, are pushing for a full return to work so as to completely refill the offices, thus driving a full city center, real estate, and economic recovery. But this is rowing against the inevitable tide and delaying the actions that are really needed to address this new world.

Rather than fight a losing battle to rebuild the pre-pandemic in-person office city, leaders need to embrace the remote revolution and re-architect to leverage it. After all, people still like to connect in person. We just need to support it in the new paradigm: office buildings should be converted to residential apartments and entertainment, arts, and education centers. Also, spaces where people can ad-hoc come to work where others will be. Well before the pandemic, several smart hotels tailored their lobbies for virtual workers to come and work where other people would be. These places feature good





Wi-Fi, tables and sofas to work at, and readily available coffee, beverages, and food. Other businesses, such as coffee shops and even banks, jumped on this opportunity as well.

Capital One created the Capital One Café:

"Your space to do anything or nothing at all. You'll find many comfy spaces and nooks to chat over coffee, grab a bite or simply relax and unwind. Plus, there's free, unlimited Wi-Fi and plenty of outlets if you want to work remotely, scroll social or listen to your favorite podcast."

Cities need only follow the trend that has already started and build themselves as centers for the remote workforce.

The future has arrived. Like many things, remote work will be a pendulum that swings back and forth. But the pandemic was a sea change acceleration event toward the long-term trend to a more remote model. Old guard executives will resist, but with each successive generation, the new mantra will be "I'd rather remote."

ABOUT THE AUTHOR



Peter H. Friedman

Peter Friedman is social media visionary with 39 years experience in the space. He is the Founder, Chairman, and CEO of LiveWorld, a digital-social media marketing agency and software platform company. Founded in 1996, LiveWorld is the longest standing social media and online community related company in the world. Prior to LiveWorld, Peter was Vice President & General Manager of Apple's Internet Services Division, overseeing the creation and management of social media services such as AppleLink, eWorld, AOL, and Salon. His Apple tenure includes being a member of the original Macintosh division.

Peter founded LiveWorld, raised \$130 million including a 1999 IPO leading to a market cap of \$650 million. At LiveWorld, he oversees strategy and operations and has managed marquee clients and programs such as Unilever's Dove Campaign For Real Beauty; HBO's original show character-driven website community; American Express Open Forum and Member's Project, MINI Cooper's Member's Lounge; and Walmart's social media program including over 5,000 social properties.

He is also a <u>fine art photographer</u>, celebrated public speaker, and author. Peter's books include <u>The CMO's Social Media Handbook</u>, <u>A Step By Step Guide For Leading Marketing Teams in the Social Media World</u> and <u>Is Privacy Dead In the Digital Age And What To Do About It</u>. Peter holds a bachelor's degree in American History from Brown University and an MBA from The Harvard Business School. His life long mission is to help people create value together that they could not do by themselves.

Follow Peter on LinkedIn, Threads, and Instagram

ABOUT CLiveWorld

LiveWorld is a social-first digital agency that unlocks the full protentional of social media to transform customer relationships through integrated compliance, engagement, and customer support solutions. We operate at the intersection of bold creative rooted in strategy that captivates and resonates, social engagement that activates human interactions, and compliance to streamline processes, enabling innovative programs.

With over 27 years of making connections, we leverage our social media DNA and technology prowess to deliver emotion-driven behavior change through digital campaigns with a human touch. LiveWorld clients include the number one brands in pharmaceuticals, healthcare, and financial-travel services. LiveWorld is headquartered in Campbell, California, with an additional office in New York City. Learn more at www.liveworld.com and @LiveWorld.