

## The Productivity Illusion - office or home, which place is more productive?

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Office or home? Which place is more productive?

If you're Jamie Dimon (CEO of JP Morgan), James Gorman (Chief Executive of Morgan Stanley), Tim Clark (CEO of Apple), Andy Jassy (incoming Amazon CEO), or a number of other prominent CEO's, you firmly believe employees are most productive when they are in the office together<sup>[1]</sup>.

However, if you're Ralph Hamers (CEO of UBS), Jack Dorsey (CEO of Twitter), Chuck Robbins (CEO of Cisco), Dean Tong (Head of Human Resources for UOB Bank), or others you firmly believe work from home can be as- or more productive than the office, and that work from home (WFH) has earned its place as a legitimate, permanent place of work for most employees some or most of the time.

*Who is right? Does it matter?*

I believe the **more important questions** are:

1. **Are claims of more or less productivity even valid?** What are leaders (or surveys) benchmarking supposed productivity changes against? Are there comparable pre-covid measures?
2. **Is 'productivity' a legitimate measure of the value of knowledge work, especially in the digital economy?**

I'll tackle each of these challenges and argue that if there was ever a time to throw off the century-old Taylorist paradigm that still dominates management thinking about office-based work, and embrace the need for people to be valued as knowledge workers - that time is now.

### Are claims of more or less productivity valid?

Most of the 'evidence' on productivity during the enforced WFH periods is based on self-reported survey responses and I would bet that if you asked 10 or 10,000 people for a definition of work productivity you would get almost as many different responses. So the reliability of these productivity

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statistics for decision-makers is flaky at best.

There's also evidence to suggest that **productivity is often conflated with hours of work** - especially in Asia where long hours have generally been equated with productivity or employee value. Longer hours of work during lockdown thus equals higher employee productivity (or so the theory goes). Longer work hours during lockdown are probably due to a combination of things: the natural result of not having to commute[2]; a desire to prove to managers who can't see them that employees are 'working'[3]; and to overcome the natural inefficiencies in remote communication and collaboration.[4]

**More hours of work doesn't mean more effective outcomes;** in fact, while employees report the same or higher levels of productivity they report at the same time feelings of exhaustion, stress, or other mental health challenges - especially in Asia and especially across Gen Z (those aged 18-25) where more than half are struggling to survive. Compare this to leaders who appear to be thriving[5] and are often largely ignorant of the toll organizational expectations and personal anxieties are taking on their people.

Hours of work aside, there is plenty of pre-pandemic research into the productivity of remote workers and the conditions most likely to support a successful remote work experience for the worker and the organization [6][7][8][9]. Regular remote work was becoming increasingly common within organizations of all sizes around the world before 2020. The pandemic lit a firecracker under a trend that was already well underway.

One relatively robust source of office worker productivity data is the Leesman Index™. The responses from employees of Leesman corporate customers are self-reported measures so the interpretation of "productive" is somewhat open, however, the comparisons of in-office responses (dating back a decade) to home-based responses in 2020 supports many other claims regarding WFH productivity.[10]

The Leesman comparison suggests that overall, people felt slightly more productive working from home during the 2020 lockdowns than employees had reported on average during the previous decade. This was heavily skewed towards people with access to a dedicated workspace at home, and to more experienced employees whose roles are both more complex and more empowered (who are often the same, more senior people). The results also support the widely-held belief that focus work, private/confidential calls, and video/phone calls tend to be easier at home and that learning from others, sharing ideas, and informal social interaction and sense of community is better supported by time in the

office.

No real surprises there.

This and other studies on WFH productivity tend to focus on assessments of narrow, short-term outcomes and tightly specified task-based metrics. The industry and academic research are relatively silent on longer-term effects and effects that are difficult to measure, such as innovation, employee retention, integration of new colleagues, and team cohesion. If shifts to greater WFH affect social capital build-up (as there is some evidence to suggest<sup>[11]</sup>), the long-term effects of hybrid work may be different from recent ‘crisis-mode experiences.

As a result, I think it is highly likely that leader decisions on where work should be done based on where employees are most productive are misinformed.

Such decisions are likely to be based on assessments of productivity that are highly subjective, not independently benchmarked against pre-covid productivity measures, and not measuring the stuff we do that really adds value.

## **Is ‘productivity’ a valid measure of knowledge worker performance?**

What’s not measured in survey results (and acknowledged by Leesman) are likely reduced levels of learning and growth through sharing and observing individual expression, and the “in-between” conversations before/after team-based activities. This underlines the difficulty in quantifying the most valuable outcomes of high-performing knowledge workers.

Is the term ‘productivity’ as we generally use it relevant in the dialogue around the “Future of Work” in the digital economy?

I would challenge most business leaders to describe how they measure productivity in their organizations. Sure, it's not too hard to measure certain metrics, for example, sales per person or team, response times, processing times, error rates, assets under management, etc., but many of these are 'office worker tasks' that computers do for us already and will probably completely automate within the next few years.

**These metrics are ill-suited to assessing the messy, dynamic, interdependent way of working that is increasingly what the valuable knowledge workers in organizations do.** The development and application of capabilities that contribute to corporate competitiveness like learning, problem-solving, creativity, multi-disciplinary collaboration, and empathy are not measured in terms of inputs but in long-term, complex, and often interactive effects.

The gradual decline of productivity (as measured by GDP per capita) in most developed nations since the 1960s is another indicator of the difficulty of measuring productivity in an advanced knowledge economy.[\[12\]](#)

It is also important to note that “if WFH simply shifts costs from employers onto workers whilst keeping the underlying ‘production function’ in terms of labor and capital inputs unchanged, it will have no direct effect on aggregate productivity [in the economy].”[\[13\]](#)

Real productivity increases are only likely if organisations and society reassess what successful performance looks like for knowledge workers in the digital age, and re-tool ways of working to effect these improvements.

Metrics on workstyle changes such as the number and duration of meetings, and changes in email and instant messaging traffic during the lockdowns provide some evidence of shifts in the way people are working as a result of increased WFH.[\[14\]](#) [\[15\]](#) However they are limited in helping us understand if these shifts are related to changes in employee effectiveness and business results.

**Talking about employees being more or less productive at work or at home in the digital economy is missing the point**

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The critical issue to consider in assessing home versus office is not productivity. Measuring and managing by ‘productivity is a zero-sum game which as evidenced in survey after survey can obliterate the benefits of WFH and workstyle flexibility for many people.

Employees say the three biggest work-related challenges associated with remote work are maintaining company culture, maintaining team cohesion, and coping with increased silos.[\[16\]](#) I believe the strain on team cohesion[\[17\]](#), company culture, and collaboration is the slow fuse on the lockdown impacts.

The likely sustained impact of enforced WFH on a company’s ability to innovate may be less immediate and less observable than on ‘productivity’ but it should be gravely more worrying for leaders, who for the most part rank workplace innovation as their top transformation priority.[\[18\]](#)

Enforced WFH has forced many organizations to grudgingly admit people can be trusted to work responsibly when they are not in the office, although at the same time the rise in digital presenteeism and remote monitoring signals an erosion of trust.[\[19\]](#)

While workers have shown remarkable resilience and adaptability through the crisis, there is significant room for improvement. Many of the challenges presented by remote work are less of a technology problem and more of a people problem, primarily caused by **carrying pre-pandemic culture and practices into a remote or hybrid way of working**. Companies have shown less ability to adapt than individuals in this regard but there are signs that many organisations have taken this opportunity (or been forced) to adapt processes, policies, and management techniques to support employees through the lockdowns.

If managers and leaders are able to continue this cultural shift in the way they manage and reward employees, then employees may not only be more engaged with their work but also more easily be able to solve problems, devise process improvements, or suggest new ideas. These are **fundamental drivers of corporate adaptability and innovation**.

If the pandemic has taught us anything it should be that more innovative, flexible, and independent ways of working are essential for survival in the digital economy.

To move the needle, we need to reimagine many of the cultural practices that we’ve carried from the office into our homes. I urge leaders to stop trying to decide if one location is more

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productive that the other and how much time employees should spend at home or in the office.

Instead let's focus on the unique, short-term opportunity we have to rethink *how* people can work rather than *where* they can (or should) work.

I'll discuss how we might approach this and what it might mean for leaders, employees and where, when, and how work might be undertaken in my next article.

*The post "The Productivity Illusion - office or home, which place is more productive?" was first published by Caroline Burns here*  
<https://carolinemburns.com/2021/10/productivity-illusion-office-home/>

## **About Caroline Burns**

I partner with global clients to envision future business and workforce scenarios in the digital age, to identify and optimize opportunities associated with the transformation of the work+place, from portfolio, campus, or single office perspectives. My doctoral research into the relationship between business outcomes, organizational characteristics, and corporate real estate underscored the importance of avoiding a "one size fits all approach" to solving Client problems; I believe we need evidence, understanding, and imagination to engage deeply with our Clients and co-create bespoke responses to each unique challenge.

Having over a decade of experience working, living, and traveling in Asia, I am experienced in navigating the region's complex business and cultural nuances. I believe Asia will be a leader in the innovations that will profoundly influence the way we work and create communities and am passionate about exploring how these changes may affect the environments in which we will work, live and play.

My entrepreneurial and highly consultative approach has led me to successfully establish and grow professional practices within multinational firms and as new start-ups, and to serve on a number of private company boards. With P&L accountability, I have a track record driving new business growth and building market share and competitive advantage in new markets.

I am privileged to be a trusted adviser, coach, mentor, and "go-to person" for many of my colleagues

around the world.

**EXPERTISE:** Corporate Real Estate Strategy | Workplace Consulting | Client Relationship Management | New Business Development | Business Start-up | Industry Engagement | Workplace Strategy | Asia Business Strategy | Strategic Consulting | P&L Authority | Revenue Development | Team Leadership & Coaching | Strategic Planning | Project Management | Partnership-Building | Change Management | Occupancy Strategy | Workplace Governance | Workstyle Analysis | Future of Work |

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