

Pearl Meyer

On Point

TIMELY, ACCURATE, INSIGHTFUL

Work From Home Policies and Practices Survey

Executive Summary



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Introduction

Pearl Meyer’s “On Point: Work From Home Policies and Practices” survey provides real-time insights on the latest trends in work from home (WFH) pay and benefit practices in response to the impact of the COVID-19 pandemic. This online survey was conducted in February and March of 2021, with participation from 349 companies, including 128 publicly traded, 159 private for-profit, and 62 not-for-profit (NFP)/governmental organizations. As with prior On Point surveys, responses are broken out by ownership type, industry, and company revenue size.

This survey addresses a variety of topics of interest, such as organizational financial impact, proportions of various employee categories working remotely, shifts and future expectations for permanent remote work, impact on workforce productivity, resources provided by employers, and expectations for changing geographic pay practices. These survey findings will provide valuable insights to companies as they evaluate potential remote workforce program changes going forward.



Introduction (continued)

The survey includes the following seven industry groups and five revenue categories:

Industry Classifications	Revenue Categories (USD)
Business/Other Services	< \$300 Million
Consumer Goods	\$300 Million - \$999 Million
Financial/Real Estate	\$1 Billion - \$2.99 Billion
Healthcare	\$3 Billion - \$9.99 Billion
Industrials/Materials	\$10 Billion+
Technology	
Energy/Utilities	

If you have any questions or are interested in discussing these findings, please contact:

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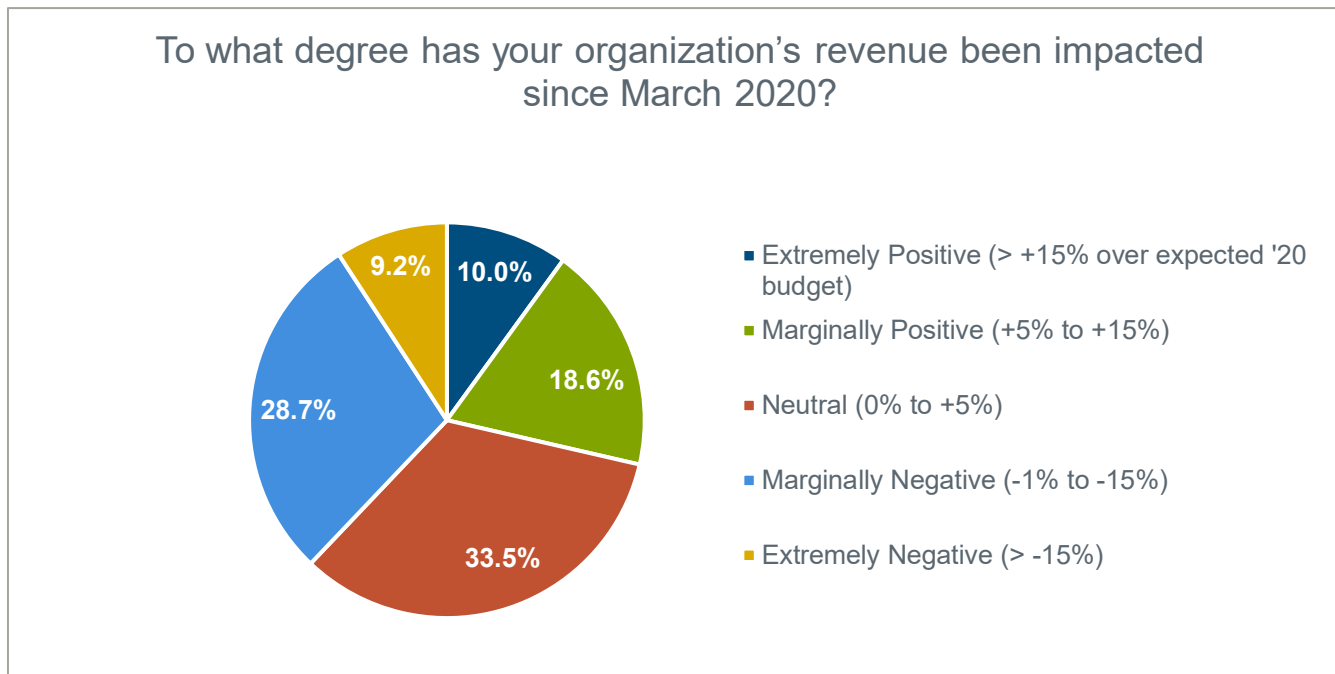


Key Findings

- A majority (60%) of this survey's sample experienced “neutral” to “extremely positive” revenues versus budgeted results over the last year.
- A significant majority (>60%) of reporting companies reported substantial shifts to work from home or remote work, with strong corporate support.
 - Almost 90% have observed “neutral” to “significantly improved” productivity.
 - 81% of respondents think of their response to the pandemic in this area as being “successful.”
- Survey participants expect that generally between 20-30% of various levels of employees (hourly through executive) will become remote, soon after we move through the pandemic, and that 33% of their total US workforce will permanently work from home.
 - Many think this will be executed as a “hybrid” workforce model, with significant use of “hoteling” or flexible office space.
 - This will be initiated because many organizations (particularly large ones) expect to reduce their location/office footprint, as noted in survey findings.
- Numerous tactics have been employed to support workforces moving to remote work: technology, mental health/wellness, and home office supplies financial support.
- Survey participants will address geographic pay differentials, to adapt to a new “living” location reality.
 - Many (close to a quarter) will be examining the design and administration of their geographic pay structures to adapt to a future hybrid workforce.

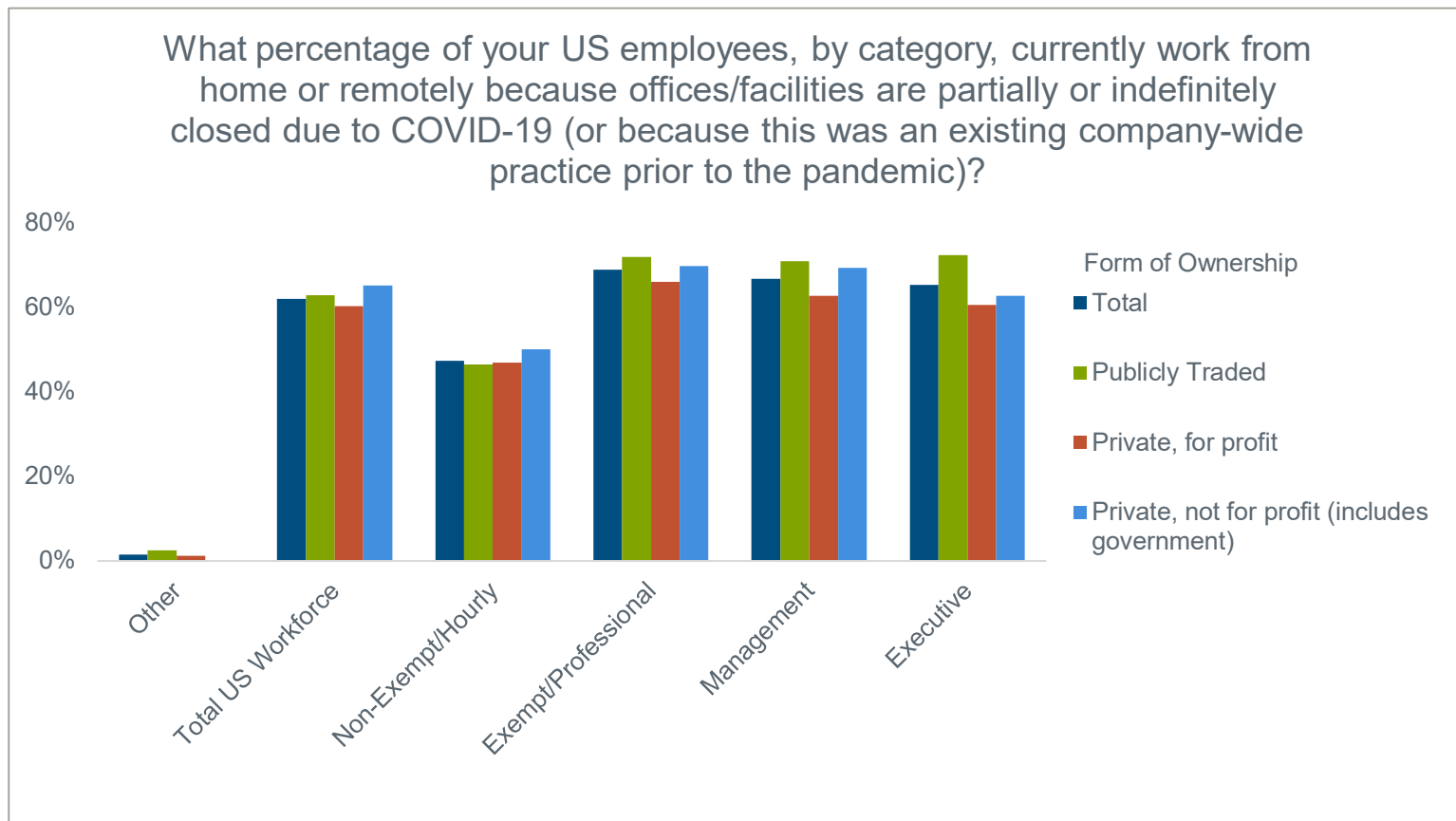
General Financial Impact Reported

- More than 60% of all firms reported “neutral,” “slightly positive,” or “extremely positive” impacts versus budgeted revenue expectations during the last 12 months.
 - This result was similar based on organization size categories, except for companies between \$3B to \$10B, where 13% saw the impact as being “extremely positive.”
 - Further, consumer discretionary/staples companies (23.8%), industrials/materials (15.2%), and energy/utilities (13.3%) saw “extremely positive” revenue results.
 - Roughly 38% of this sample reported “marginally negative” (28.7%) or “extremely negative” (9.2%) revenue loss.



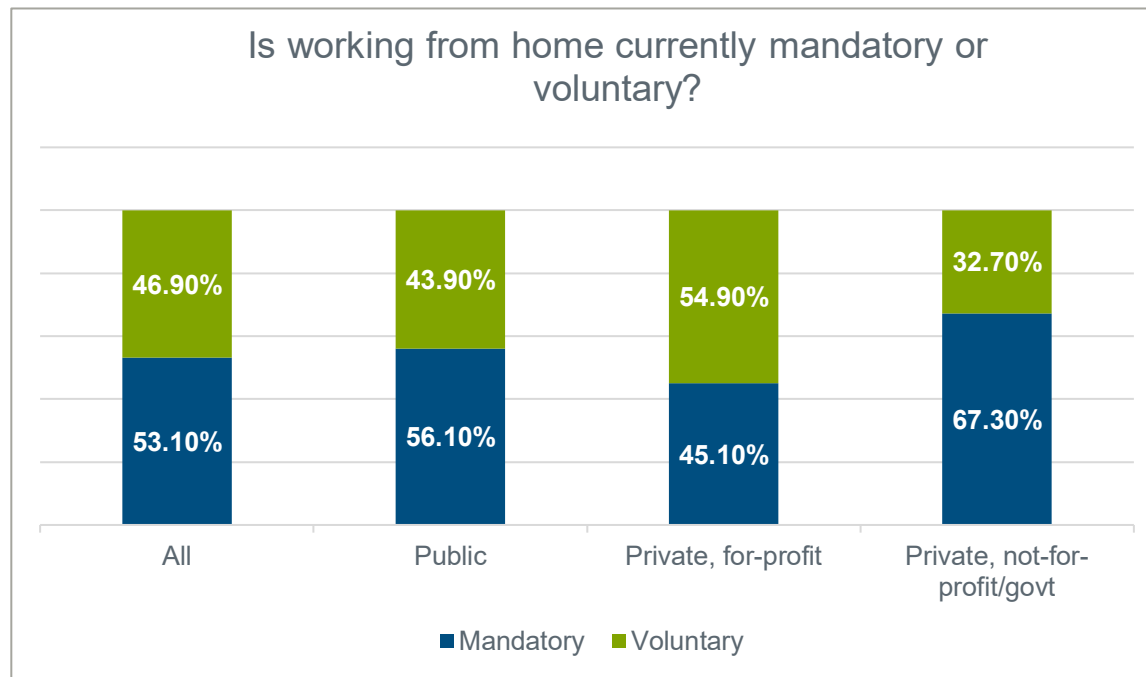
Work From Home/Remote Work – Who?

- Of “All Companies,” approximately two-thirds of management, executive, and exempt staff are now working remotely full time.
 - About one half of hourly workers are on remote work status.



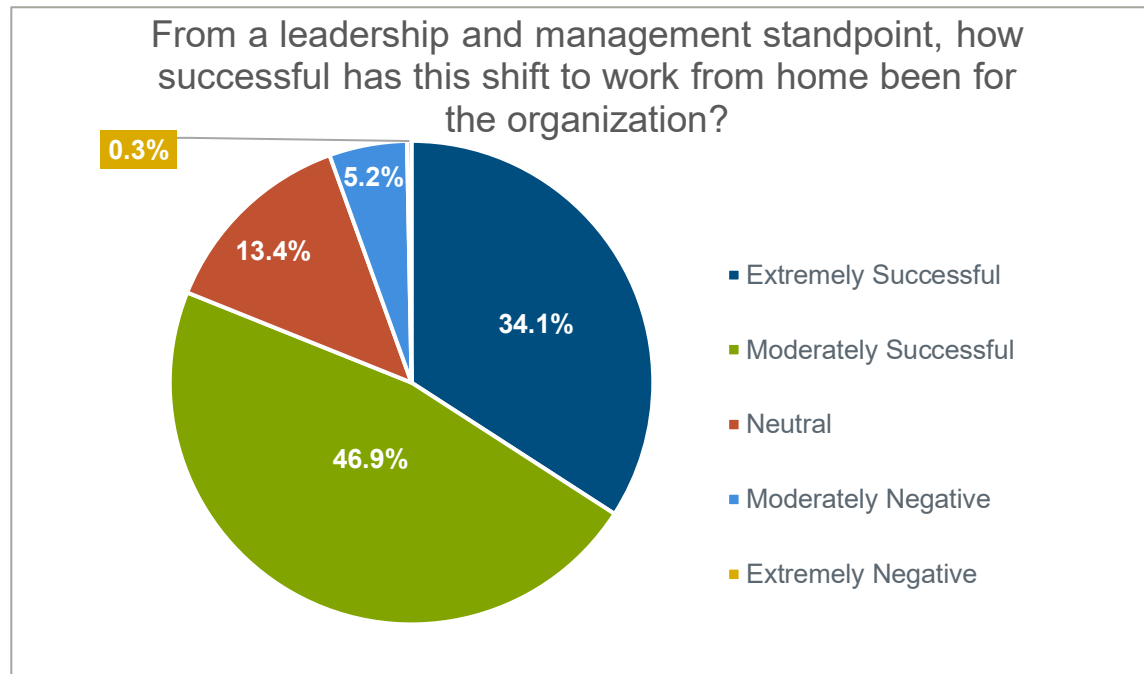
Work From Home/Remote Work – Why?

- 53% of all companies have made working remotely “mandatory,” 67% of not-for-profit/government organizations have made working from home mandatory for all salaried employees.



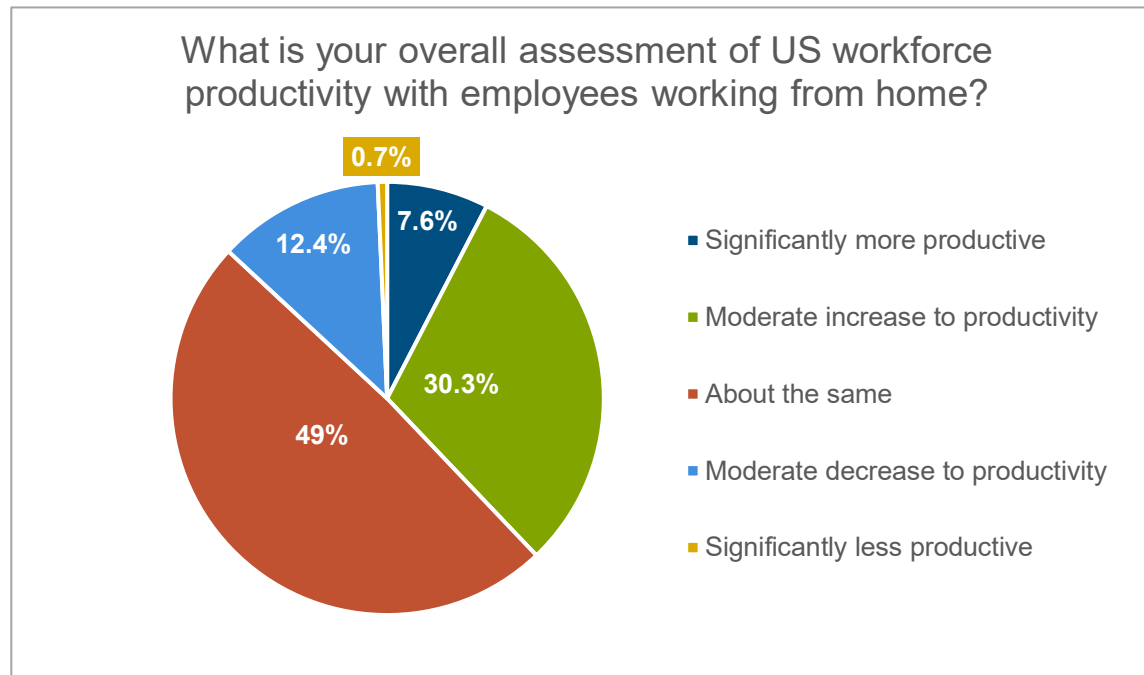
Work from Home/Remote Work – Reported Success

- Overall, 81% of the participants viewed this shift as “successful” or “extremely successful.”
 - 93% of very large companies (>\$10B) fell into these top two categories.
 - 96% of technology companies experienced a moderate or high level of success.



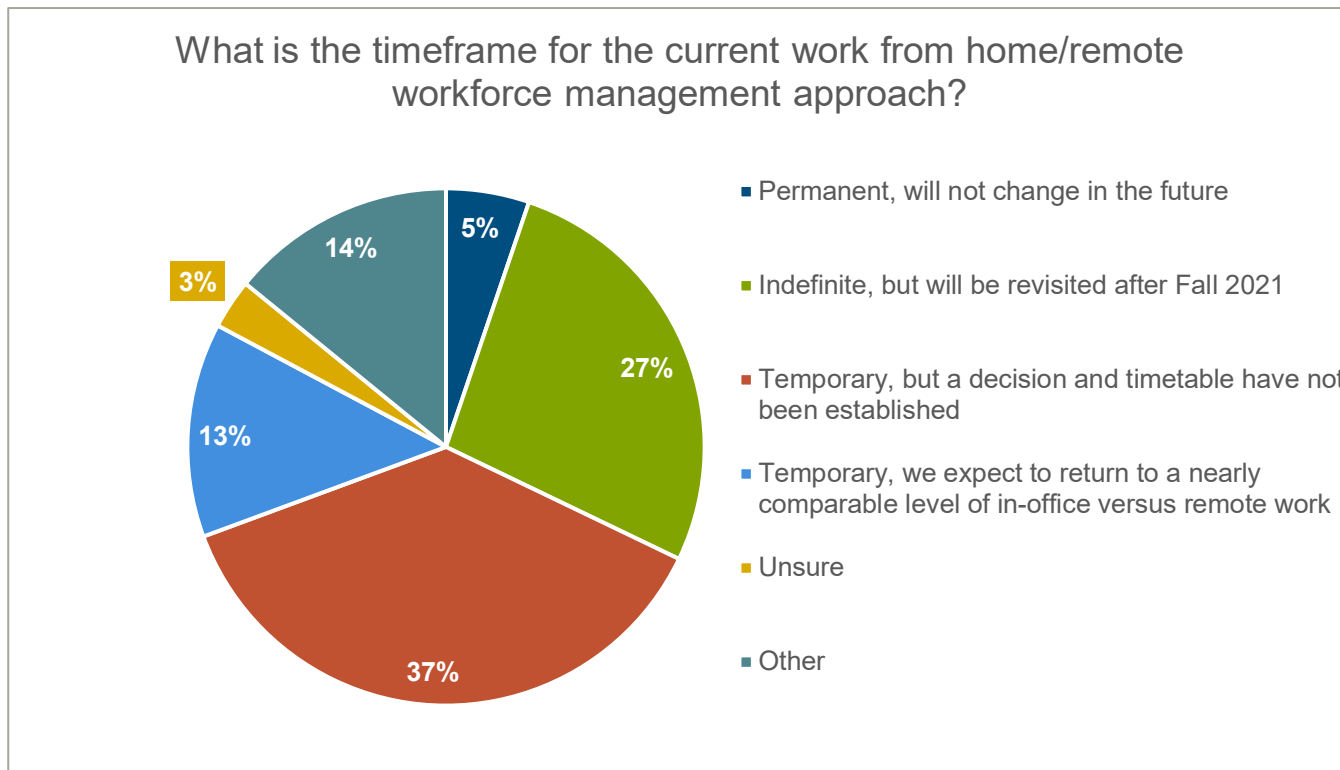
Work from Home/Remote Work – Productivity

- Nearly 40% of organizations reported an increase in productivity, with almost 50% reporting no change.
- Less than 1% of organizations reported a significant decrease in productivity.



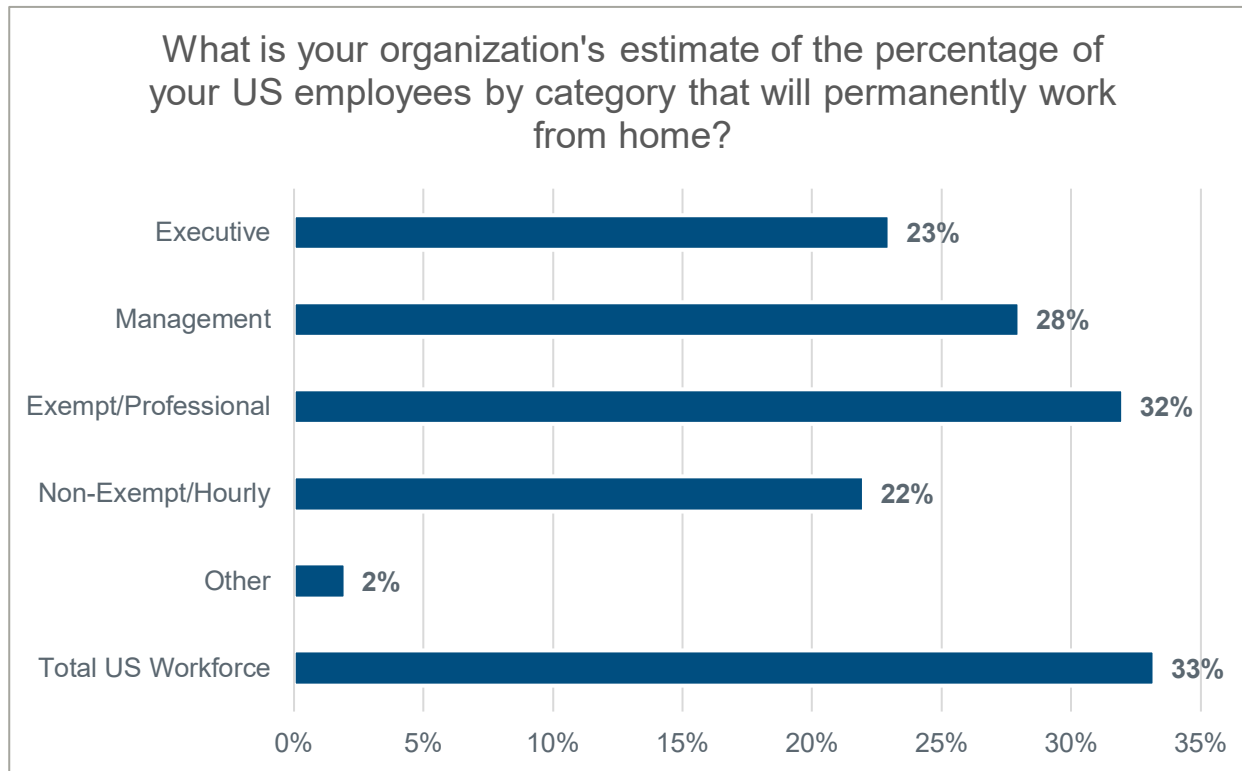
Work From Home/Remote Work – Timeframe for Change

- Respondents are largely undecided about how long they will maintain their current remote workforce approach.
 - Just 5% say their current configuration will not change in the future.



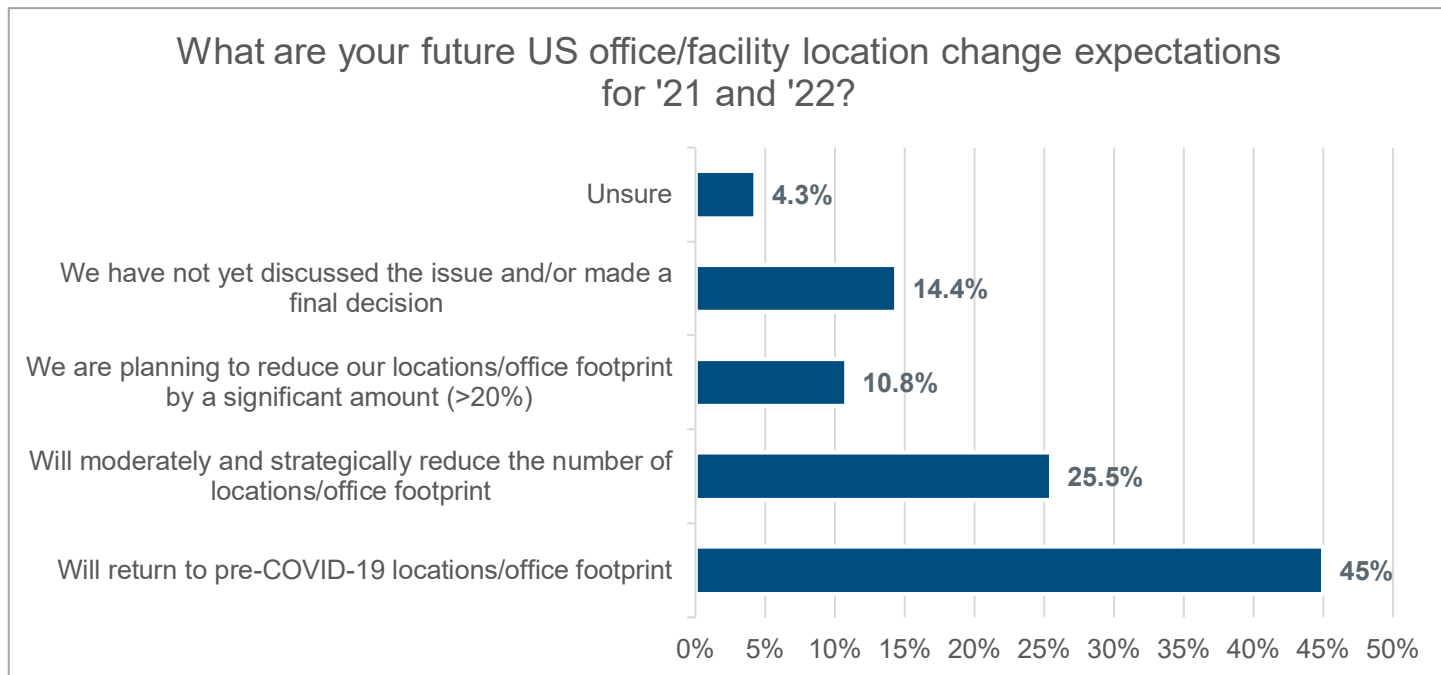
Work From Home/Remote Work – Who Will Be Permanent?

- Respondents expect a third of the total US workforce will be permanently working from home.
 - Those with exempt/professional status are the most likely population to be remote.
 - An almost equal level of executives and non-exempt/hourly staff will be permanently remote.



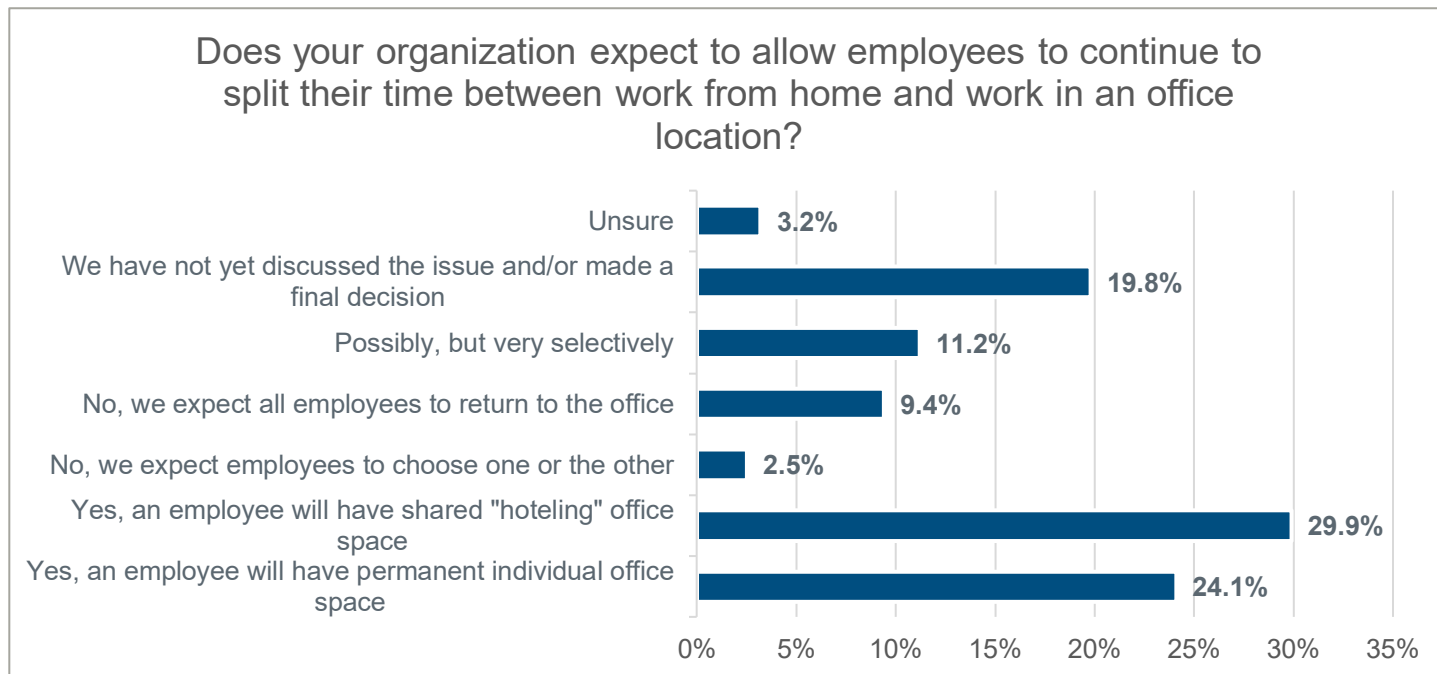
Office Space – Locations and Size

- Almost half (45.5%) expect to return to a Pre-COVID-19 office/location “footprint.”
- More than a third (36.3%) are planning office space reductions.



Office Space – Configurations

- Almost a third (29.2%) of organizations are planning shared “hoteling” office space for individuals, presumably to support a hybrid remote/in-office workforce.
- About 20% of organizations, however, have either not approached the subject or haven’t made final determinations.



Supporting Work From Home

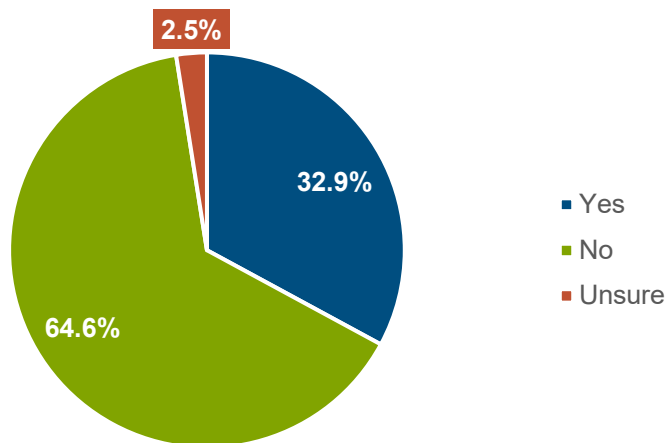
- When we asked about what kinds of “financial support” organizations are providing, the following were the most widely reported areas:

Rank	Category where Financial Support is Provided to All Employees	Percentage Reported—All Companies
1	Wellness/Mental Health	76.8%
2	Home Technology	62.5%
3	Home Office Supplies	39.9%
4	Advice/Consult on Office Set-Up and Ergonomics	29.9%
5	Child Care Support/Assistance	17.0%
6	Home Office Furniture	16.9%
7	Reimbursement—High Speed Internet	12.7%

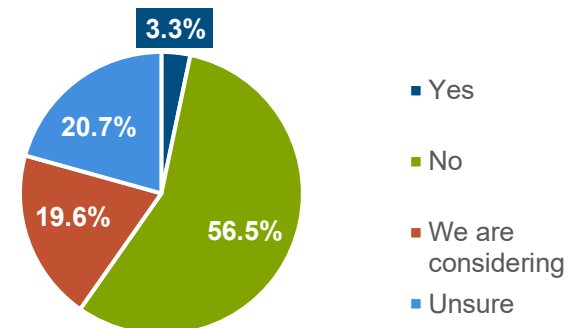
Geographic Pay Structures/Modifications

- Across the entire sample, approximately 33% use and apply “geographic differential” salary structures.
 - Among companies that use geographic differentials, five is the average number of unique salary structures.
- Almost 20% are considering modifications to their current approach.
 - Of those considering change, approximately 15% are considering adding geographic differential structures for the first time and about 25% will be refining their approach to recognize more diverse home locations.

Does your organization use separate and distinct geographic differential salary structures?



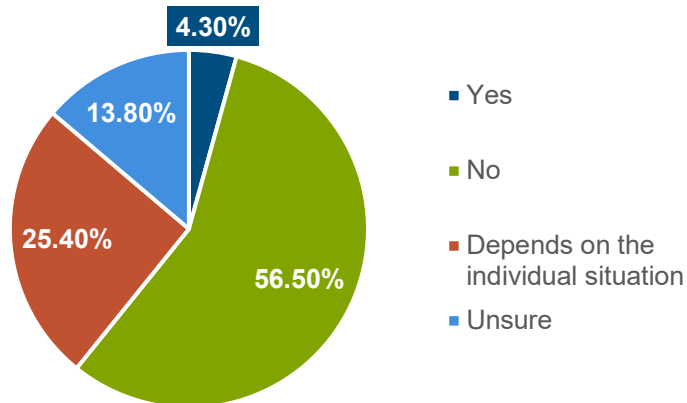
Does your organization plan to modify your approach to geographic salary structure differentials, including implementing new geographic salary differentials if you don't currently use them?



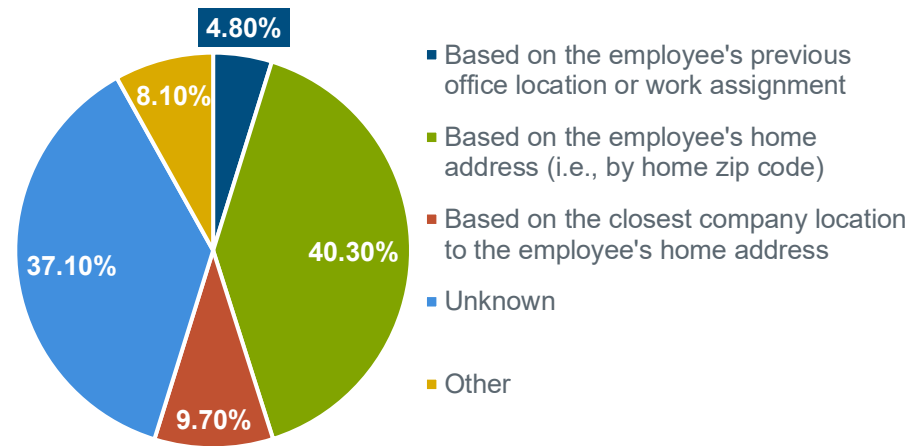
Geographic Pay Structure Modifications (cont.)

- Related to individual geographic pay decisions, we found the following interesting expectations:
 - Very few (4.3%) of organizations definitively would reduce cash compensation for employees moving to lower-cost areas; many are unsure, but a majority (56.5%) say no.
 - Forty percent of respondents making changes expect to apply individual differentials based on home zip code (40.3%).

If an employee moves to a lower-cost geographic area and works from home, would you reduce their cash compensation level?

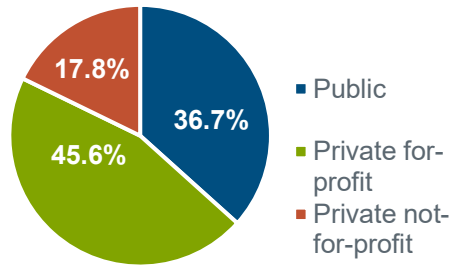


If your organization modifies or changes your geographic differentials, how will individual pay decisions be administered?

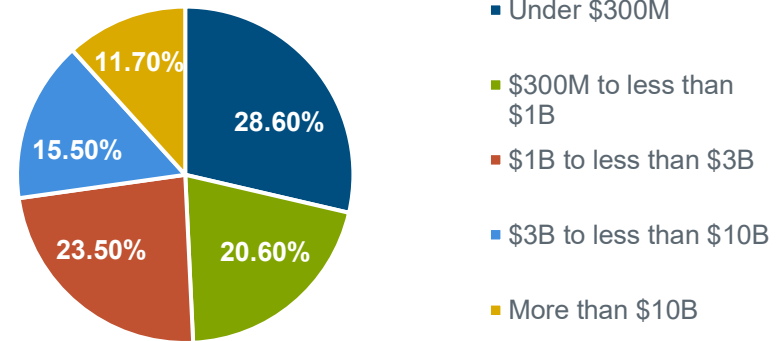


Demographics

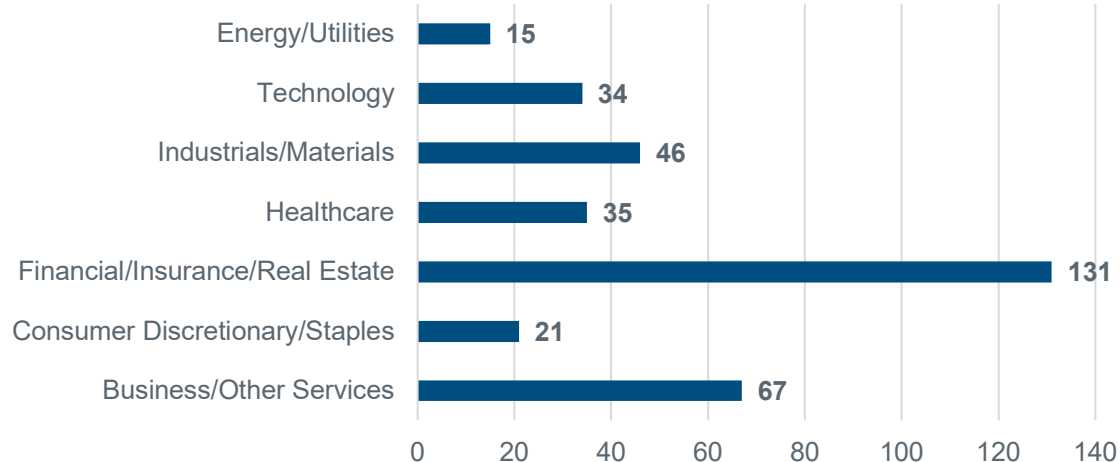
Form of Ownership



Revenue or Asset Size



Primary Industry





About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management on the alignment of executive compensation with business and leadership strategy, making pay programs a powerful catalyst for value creation and competitive advantage. Pearl Meyer's global clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private companies to the Fortune 500 and FTSE 350. The firm has offices in Atlanta, Baltimore, Boston, Charlotte, Chicago, Houston, London, Los Angeles, New York, Rochester, and San Jose.



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