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Smart working, how to avoid overdosing on a good thing

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Too crippling, even if it is good, even if it increases productivity, work-life balance and reduces the environmental impact. Economically, **working from home has beneficial effects only when it is done for 1-2 days a week**. Beyond this level, total productivity decreases and there are **effects of social inequality among** more competent and well-paid workers and others who are less so.

This is what **Kristian Beherens, Sergey Kichko and Jacques-François Thisse said, 3 academics** who simulated the impact of various scenarios of remote labor implementation on economy with macro-econometric models.

The paper was published by the **World Economic Forum** in this article **https://www.weforum.org/agenda/2021/02/working-home-gdp-padenic-economics-growth-covid-coronavirus/** https://www.weforum.org/agenda/2021/02/working-home-gdp-padenic-economics-growth-covid-coronavirus/ in which they highlight the positive and negative effects of this organizational model. Saving of time and costs of daily travel increased individual productivity and less pressure and congestion of urban centers on the one hand; reduction of informal exchange of information and sharing of knowledge and therefore of innovation on the other person.

These models are interesting because they give a theoretical-scientific feedback to the empirical perception that **companies**, managers and people have. They also warn us about a distorting factor in our perception.

While **individual productivity**, although not easily, can also be measured in the short term, socio-cultural and more ephemeral effects of socialization in presence are less quantifiable and act in the medium-long term. We must therefore be careful to draw hasty conclusions when we say that working from home is potentially useful for each organization, perhaps guided by the temptation, now greater due to the economic cycle, to capitalize on the savings benefits that companies have well identified.

The economic policy implications of this type of study are relevant to governments and institutions which are responsible for choices at national and international level. In order to guide enterprises, we need indications closer to the **microeconomics**. A very interesting study on the matter was published by **McKinsey**, one of the world's best-known consulting firms. The construction of the evolutionary scenario of work in this case is made starting from the bottom with the analysis of occupations and activities that can be effectively carried out remotely in all fields of **8 representative economies worldwide.**

HOW PORTABLE IS A JOB?

Using this method, it turns out that one of the novelties that the pandemic crisis brought out is **proximity**, a new dimension of work analysis, which identifies different clusters from the traditional sectoral aggregations.

Basically, in order to understand how "portable" a job is, you have to look at **five physical attributes of each job:**

1. **proximity to customers or colleagues**: for example, a hairdresser has high proximity, a gardener a low one.
2. **frequency of required human interactions**: high for a teacher, low for a tailor.
3. if such interactions are with a **small group of colleagues**, as for a lab technician, or a continuous stream of strangers, as for a waiter.
4. if the **job is indoors** (doctor) or outdoors (mason).
5. if it requires your presence on site to use equipment (dental hygienist), or to guard a place (guard), or not (financial advisor)

HOW EFFECTIVE IT IS

Secondly, **it is necessary to evaluate the effectiveness of the job remotely.** Although it is possible, for example, to teach remotely for a university professor, a primary teacher works much better in class than with distance learning. Other examples of activities where the potential for effective portability is greatly reduced are: building relationships with customers and colleagues, bringing new employees on board in a company; negotiating and making critical decisions, and all the jobs that depend heavily on collaboration, like innovating and solving complex problems.

The work of analysis needs to be very precise. Because if it true that a general practitioner can do much of the work remotely through technology and a radiology technician cannot work from home, in truth much depends on the specific combination of work organisation, use of the latest technologies, customer behaviour and skill level of each worker.

McKinsey analysis concludes expressing that the potential of working remotely is highest for the **computer office cluster**, which is a set of professions that represents about **one third of the employed** in advanced economies, such as Italy. These workers can **work from home for 70%** of the time without losing efficiency, that is on average 3 or more days per week.

For the **60% of the employed**, however, effective remote work is virtually zero. Many companies are developing strategies that are hybrid of long-term remote work to maintain attractiveness to new generations, increase customers and employees' satisfaction and reduce operating costs, not just the real estate ones. The key is to focus on tasks and on required activities rather than on the entire work.

For example, **Salesforce**, a global leader in management software with **45,000 employees** has introduced **3 segments of remote work adoption** to reflect the types of activities:

– **Flex**, for employees who will spend from one to three days in the office (65% of people)

– **Completely remote work**, for employees that do not live near an office or have roles that do not require them to work in an office

– **In the office**, the smallest number of the population; of the Salesforce labour force that will work form the office four to five days per week

THE LINE BETWEEN WORK AND NON-WORK IS UNCERTAIN

It is good to **know other people's models and think** carefully about what is relevant and appropriate for each person, company and society, also to avoid the threats that smart working can involve if not properly understood and supported. **Ulrich Beck** warned us about this with astonishing clairvoyance in his "**Risk Society**." In 1986 (!) he wrote like this about the changes taking place: "The flexibilization of time and place of work makes the boundary between work and non-work uncertain. Microelectronics enables new forms of connection among offices, companies and consumers beyond the production sectors."

"In this way, however, the legal and social preconditions of the employment system are sacrificed to modernisation: **Mass unemployment is integrated into the employment system through new forms of pluralised underemployment**, with all the risks and opportunities involved."

REDESIGN THE WORK

Redesigning work can simplify processes, increase efficiency and improve flexibility and operational agility. On the enterprise side, 3 ingredients are needed to transform pandemic forced remote working into true smart working:

– **Analysing and redefining**, with a deliberate, planned and clear approach, when to work remotely or in the office to maintain a cohesive and healthy development culture for everyone

– **Investing in** collaboration **technology** to make the physical and virtual workplace performance at the same level

– **Investing in** both technical and behavioural **training** to reduce negative and marginalising impacts of certain gender, age and education groups

These private investments must be supplemented and supported by **social and economic policies** with the open and constructive participation of all institutional and intermediate bodies.

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