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FUTURE OF WORK

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Amazon's return-to-office mandate won't work out

No matter how many companies demand that their employees return to the office, the shift to remote work that occurred during the pandemic isn't going anywhere.



By: Mike Elgan

Amazon CEO Andy Jassy recently told Amazon employees who refuse to come into the office at least three days a week that "it's probably not going to work out for you" — threatening to fire those employees (or invite them to engage in a "voluntary resignation").

I'm afraid I have to disagree. I predict the edict will instead not work out for Amazon.

Jassy's comments reflect his frustration over non-compliance with his May 1 back-to-office order. And he's not alone. Jassy told employees that virtually all of the other CEOs he's talked to prefer that employees work in the office rather than remotely.

Other major companies requiring in-office work include Disney, JPMorgan, and surprisingly, even the video conferencing platform Zoom, one of the Great Enablers of remote work.

Employee demand is overwhelming.

While companies like Amazon make headlines for their back-to-office decisions, the reality is that remote workers are not returning. And WFH is not going away.

The pandemic gave workers a glimpse of what their lives are like working from home, and many will refuse to return to full-time office work.

That creates an opportunity for companies willing to allow remote work because prospective employees see that as a major perk, equivalent to an 8% increase in pay, according to a recent report from WFH Research.

A Bankrate survey found that 64% of US working adults favor fully remote work, and 68% said they are "somewhat" or "strongly supportive" of a hybrid model over having to be fully in-person.

The drivers of remote work nobody talks about.

As of February, 35% of all jobs that could be done remotely were being done by people who worked remotely full-time — that's five times more than before the pandemic, according to a survey by the Pew Research Center.

That's more than one-third who do work from home.

Stanford Economics Professor Nick Bloom advises investors to short companies like Amazon that are forcing employees back into the office — he says that allowing remote work indicates that companies intend to grow, and not allowing it suggests they're not.

In other words, remote work policies reveal an intention to grow or not grow.

Bloom says WFH will grow over time because of what he calls "cohort effects." New companies are far more remote than old companies. Over time, successful small startups become the medium-sized and large companies of tomorrow, spreading their culture of remote work as they grow.

Flexible remote work policies indicate future success and materially contribute to it.

Employers can save money on office leasing. The average savings is roughly \$10,000 per employee per year. IBM cut real estate costs by \$50 million. Sun Microsystems claims annual savings of \$68 million per year.

Companies can save money on salaries while attracting top talent. A poll of 1,500 technology professionals showed that more than a third (37%) would take a pay cut of 10% if they could work from home. Some 36% would choose WFH over a pay raise.

And the government better get busy embracing remote work as well. According to the US Bureau of Labor Statistics, nearly 1 million government jobs are now open, mostly in state and local agencies.

Remote work is improving other aspects of modern life. While advocates globally call for the four-day workweek, remote work has already created it. Steve Roth, chairman of real estate giant Vornado, proclaimed Friday office hours "dead forever."

Even companies like Amazon requiring three days in the office are seeing nobody in those offices on Fridays. Some call the phenomenon "ghost town Fridays."

Remote workers have cut commuter rush-hour traffic in half for those who do commute to work. And remote work is boosting the economy because remote workers travel more and spend as they go.

The drive to remote, hybrid, and flex work is simply overwhelming now. And it's not just employees demanding it. Growing, newer, and more successful companies are more likely to allow remote work.

Remote work is the future of work.

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Mike Elgan is a journalist, opinion columnist, author and podcaster who specializes in technology-enabled growth for careers, cultures and corporations.

