

# Working from Home Around the World

Based on BFI Working Paper 2022-124, “[Working from Home Around the World](#),” by Cevat Giray Aksoy, King’s College; Jose Maria Barrero, Instituto Tecnológico Autónomo de México; Nicholas Bloom, Stanford University; Steven J. Davis, Chicago Booth; Mathias Dolls, ifo Institute; and Pablo Zarate, Universidad de San Andrés

*Based on surveys in 27 countries, this work finds that the pandemic catalyzed a shift to work from home (WFH) around the world, concentrated among college-educated workers. Workers value the option to WFH 2-3 days a week at five percent of pay, on average. Employer plans for WFH levels after the pandemic rise with individual-level productivity in WFH mode and with the cumulative stringency of government-mandated pandemic lockdowns during the pandemic.*

The COVID-19 pandemic triggered a huge, sudden uptake in working from home, as individuals and organizations responded to contagion fears and government restrictions on commercial and social activities. Over time, it has become evident that the big shift to work from home (WFH) will endure after the pandemic ends, which raises important questions, including: What explains the pandemic’s role as catalyst for a large and *lasting* uptake in WFH? What does this shift portend for workers? Specifically, how much do they like or dislike WFH? How do preferences in this regard differ between men and women and with the presence of children? How, if at all, do workers and employers act on preferences over working arrangements?

To tackle these and related questions, the authors field a new Global Survey of Working

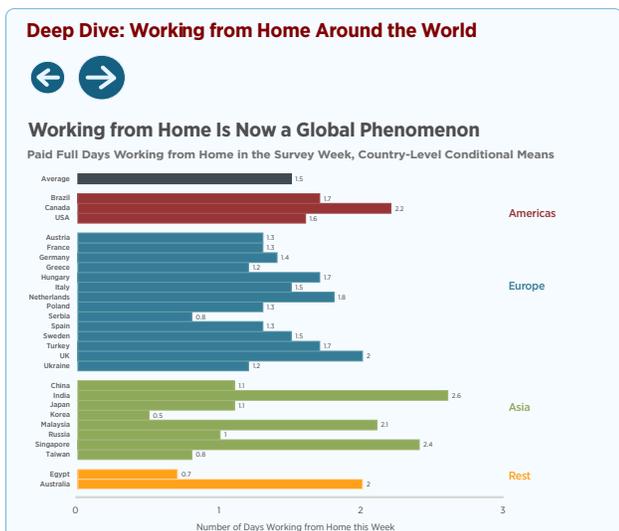
Arrangements (G-SWA) in 27 countries that yields individual-level data on demographics, earnings, current WFH levels, employer plans and worker desires regarding WFH after the pandemic, perceptions related to WFH, commute times, willingness to pay for the option to WFH, and more. (Please see the full working for details on the survey methodology.)

Employers plan an average of 0.7 WFH days per week after the pandemic, but workers want 1.7 days, considerably more, a gap that is confirmed by other survey work. Looking across individual, actual WFH rates rise with education as of mid 2021, early 2022, and according to employer plans for the post-pandemic future.

Separate data on job vacancy postings suggest that employers are gradually warming to WFH for one or two days per week in many jobs, and most or all the time in some jobs. The share of vacancy postings that say the job allows for remote work has trended upward from the summer of 2020 through the summer of 2022. These and other patterns suggest that remote-work practices are becoming more firmly rooted, even as COVID deaths decline. Finally, the share of US patent applications that advance video conferencing and other remote-interaction technologies doubled in the wake of the pandemic, suggesting that remote-work technologies will continue to improve, further encouraging the use of remote-work practices.

The authors offer a three-part explanations for how the pandemic catalyzed a large and lasting shift to WFH:

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- The pandemic compelled a mass social experiment in WFH.
- That experimentation generated a tremendous flow of new information about WFH and greatly shifted perceptions about its practicality and effectiveness.
- Finally, this new information and the shift in perceptions about the value of WFH caused individuals and organizations to re-optimize working arrangements.

As to *how* this experimentation influenced perceptions and practices about WFH, the authors find two results:

- Relative to their pre-pandemic expectations, most workers were surprised to the upside by their WFH productivity during the pandemic. Only 13 percent of workers were surprised to the downside, and nearly a third found WFH to be about as productive as expected.
- The extent of WFH that employers plan after the pandemic rises strongly with employee assessments of WFH productivity during the pandemic. This pattern holds in all 27 countries in the authors' sample and indicates that large-scale experimentation with WFH permanently shifted views about the efficacy of remote work and, as a result, drove a major re-optimization of working arrangements.

The authors' many findings include the following (please [view the webpage](#) to see the interactive feature that displays detailed responses to survey questions):

- Employers plan higher post-pandemic WFH levels in countries with higher Cumulative Lockdown Stringency (CLS) index values. The CLS is a composite measure that captures government-mandated school closures, business closures, and stay-at-home requirements.

- Cumulative COVID deaths per capita have no discernable impact on planned WFH levels (or actual WFH levels as of mid 2021 and early 2022).
- Employees view the option to WFH 2-3 days a week as equal in value to 5% of earnings, on average. Willingness to pay for WFH rises with commute time.
- Women place a higher average value on WFH than men in all but a few countries, as do those with more education.
- Among married persons, both men and women more highly value the option to WFH when they have children under 14.
- 25 percent of workers who currently work from home one or more days per week would quit their job or seek other employment if told that they had to return to the worksite for 5+ days per week.

This rich paper also offers insights into the pace of innovation (the authors are optimistic) and the fortune of cities (challenges will persist as cities face lower tax revenues and other issues related to depleted commercial cores). The authors are also careful in their assessment of whether and how WFH may impact workers. On the one hand, most workers value the opportunity to WFH part of the week, and some value it a lot. The dramatic expansion in WFH benefits millions of workers and their families.

On the other hand, some people dislike remote work and miss the daily interactions with coworkers; over time, though, these people will likely gravitate to organizations that offer pre-pandemic working arrangements. Another concern is that younger workers, in particular, will lose out on valuable mentoring, networking, and on-the-job learning opportunities, a concern that the authors consider serious. However, they stress that firms have strong incentives to develop practices that facilitate human capital investments, and workers also have strong incentives to seek out firms that provide such worker development.

## READ THE WORKING PAPER

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