



Covid-19 Impact: *The Work from Home Experience*

By: Michelle Palmer
Director of IT Operations and Delivery
The Institutes
RGA Leaders of Tomorrow 2021

Introduction

I believe many companies had good intentions when switching to 100% remote working environments at the onset of the pandemic. Although some companies are starting to bring employees back, others are making strides to move this way indefinitely. A Gartner CFO survey recently revealed that out of the 314 companies surveyed worldwide over 74% of those companies have said they have made the decision to close their doors and make a permanent switch to 100% virtual. Over the last eighteen months we have proven that companies can continue to stay up and running while increasing revenue streams. Removing physical structures as overhead decreases their operational costs. But what effect does this have on the employees, innovation, and the human connection? And even more importantly, is this sustainable long-term?

The Employee – Are we really more productive?

Since working from home, often comments have been made about how much more productive people have been and how much work has been delivered, while employees have been working from home. I believe this has led to a false sense that individuals are more motivated and less distracted which in turn leads to being more focused. But are we really being more productive or are we confusing productivity with employees working more hours? This is something I've been asking myself as we continue to talk about the long-term work from home strategies. My hypothesis is that employees are working more hours than ever before since the boundaries that were created by a commute, a lunch break or other face-to-face contact are no longer in place.

In speaking with my fellow colleagues, morning and evening commutes have been replaced with additional hours on the computer. Those with longer commutes admit they don't miss their daily drives to and from work. They do, however, miss the downtime between work and home where they could disconnect and transition. With remote work there is no work/life balance. Your work is your home, and your home is your office. Personally, I find myself engaged with my laptop before I even get dressed for the day, and before I know it, I'm already engrossed in tasks, responding to emails, and working on deliverables.

In addition, it seems when asked, the consensus is that people feel they have more work since COVID and are busier than they have ever been. On a typical day in the office, I would start my day around 8am and leave around 5pm. Working at home I find myself starting as early at 7am and staying on the computer as late as 6pm but then occasionally popping back on after dinner to complete something or respond to a few emails that I didn't get to earlier that day. This is simply because my computer is now a few steps away and I can easily start my day at any time. Since others in the company are also working at off hours, I find that a lot happens when I'm offline and it can be hard to feel caught up.

I think a large contributing factor to having more on our plates, is that the shifts brought on by COVID are increasing the number of projects and efforts that businesses need to complete to stay successful and relevant in this ever-changing contactless movement that is relying heavily on new technologies and processes.

Insurance, as an industry, is typically further behind in technology than other industries simply because there is not a big need for changes in process and customer interactions. Most have been very manual or interactive. Pre-pandemic, our organization relied heavily on human interactions and contact. Our

biggest revenue generating product was exam sales. Exams for our designations had historically always been administered in person at Prometric centers across the country. When COVID hit in March of 2020, Prometric centers across the globe shut down as the pandemic spread from country to country and then eventually hit the United States. Our product sales came to a screeching halt. If customers couldn't take the exams, why buy the materials? Our success and revenue depended greatly on finding new ways to interact with customers when you simply could not do anything in person. A team quickly came together to innovate and figure out how quickly they could re-think and re-engineer the exam delivery process. When looking at the tool that we use for online content delivery, we found that with some development and communications to customers, this system could also be used for virtual exam delivery. We pulled a team of developers and subject matter experts together and we identified the tasks necessary to execute our idea. By May 4, 2020, we were able to begin offering this product to consumers and ultimately get revenue back on track. The feedback from our customers was overwhelmingly positive. They were grateful that they could continue with their studies, especially those who had to cancel their exams or who were frustrated after studying and preparing for months only to find they could not move forward with their studies.

In addition to exams, another large revenue generator impacted by the pandemic was in-person events. All our in-person events had to be cancelled which also required our company, and many other companies, to think outside of the box. Our events team pulled together and came up with ways to keep our company in the spotlight, offering live virtual webinar series on hot topics that related to the pandemic. Ultimately because of these efforts, our organization officially entered the virtual event space. It has been very successful and provided opportunities to insurance professionals who still want to attend annual conferences but are unable to travel.

With the constant need to keep re-thinking and re-assessing our product offerings and how the insurance industry was quickly shifting, we needed to keep our products and our audience relevant. With the shift in the industry came more automation and less manual process and human interactions. Customers can do just about anything online from signing up for a policy to paying a claim and everything in between. This means the audiences that we target with our content and our delivery needed to be changed and re-thought to keep up with the evolution. Our focus shifted from Underwriting to Risk Management. With the changing world in this space and the need for education came a new designation offering that allowed for our CPCU designation to span beyond our traditional Underwriting courses to now include a Risk Management track. This allowed our company to expand our network and customer base to meet the needs of the industry in a time when risk management and mitigation was at an all-time high.

Tight deadlines and the pure need to move quickly to keep revenue numbers up, meant more projects. Since the teams worked quickly and many worked more hours, the productivity coming out of the business and the IT departments were overwhelmingly high. We closed more projects in 2020, than we did in 2018 and 2019 combined.

To accomplish this, meetings have increased because conversations all require a scheduled virtual call or meeting. As a Manager I also spent more time trying to catch up with my team to understand what they are working on to ensure that they are getting what they need to be successful at home to meet their tight deadlines.

According to a Forbes article titled “Think Productivity with work from home is Improving? Think again. Here’s what you must know” by Tracy Brower she states *“Productivity is a measure of how much people get done in a period of time. The problem with some of the new work-from-home productivity reports is they’re not accounting for the increasing hours people are working. Employees may report they’re more productive, but we also know they’re working more hours. So, it’s not that they’re actually packing more work into the same envelope. In reality, they’re producing results during times when they may have been commuting before. Or they’re finishing deliverables at times when they might have been “off” in the past.”*

The article also states *“We’re hearing a lot of people are now hitting a wall. They are tired, fed up and burned out.”*

Things are not slowing down, and the changes that have been adapted since COVID are only increasing the need for technology. Knowing that we will need to keep up with the industry and its needs, is “fully remote” sustainable or will employees burn out and a decline in productivity be an increasing trend over time?

I believe the pace in which people are going is unsustainable and will lead to elevated levels of stress on employees, which will ultimately lead to burn out we will start to see a shift in productivity and through put. As some companies start to transition back to the office, the decrease in hours will start to shine a spotlight on this false sense of productivity. On my team alone there have been several people with stress related issues stemming from long hours, a large workload, tight deadlines, and minimal resources to get it all done. Do more with less because that is what we’ve shown we can produce over the past 18 months. As we begin to shift back into our previous schedules and routine, I fear it will not last.

Innovation – Can we keep it going?

Along with productivity comes innovation and the ability to think outside the box, come up with new ideas, and evolve our business models. Historically within the insurance industry, innovation and change often grew slowly compared to other industries. With the birth of InsurTech, innovation within the insurance industry is on the rise. InsurTech is the combination of insurance and technology solutions to better improve areas like underwriting, claims processing, fraud detection, etc. All areas of insurance are starting to use things like blockchain, big data, smart apps, drone technology, e-commerce platforms, and machine Learning (to name a few things) to take the place of many outdated manual processes that become costly and time consuming. InsurTech is expected to grow into a 10-billion-dollar industry by 2025.

COVID has expedited the digital transformation of insurance industries by at least 5 years pushing them to mature back-end processes and capabilities and transform many in person processes into digital automation-driven tasks. InsurTech funding in 2020 was at an all-time high of 7.5 billion dollars to get insurance industries out of a financial hole.

As previously stated above, our company had to find new ways to deliver our exams and events in 2020 and innovation was at an all-time high. COVID sparked a lot of reactive innovation, from how we worked as a team, to how we served our customers across our e-commerce platforms. When planning for 2021

however, it was apparent that the project list was long but there were not many new products or projects transformative of the way we did business.

I interviewed Matt Kahn, The President of Risk and Insurance Group, a company that focuses on emerging risks and mitigation strategies with the insurance industry. His company is currently working from home but is looking to go back into the office in October of 2021 in a hybrid environment three days a week. For 2021, his team has focused on projects that are building from existing products and platforms because he believes that for his team to work through their strategy and figure out what is next for their company it needs to be in person. He stated, *“Crisis is the basis for innovation, for the first 6 months we were very innovative and had to figure out what working full remote looked like, identify our limitations and work around them, after that we found advancing anything new was four times more difficult remotely.”*

He went on to talk about how most of his ideas are from his customers in his travels which he did about 50% of the time. This was also something that has been put on hold, and he feels without those face-to-face conversations it's much more difficult to understand what people really want. Matt continued to state *“Digitally, everything is scheduled, and people are guarded. We limit what we discuss and what we say. People only allow you to see what they want you to see in the box on the screen; it's very flat. 90% of the information you get from someone is in person.”*

We also started talking about water cooler conversations, and the random encounter as Steve Jobs would call it. How innovation is sparked by an interaction in different ways or bounced off colleagues at random. Matt also noted that, *“Everyone working from home has one way to be innovative, you schedule a meeting, and you say, hey, we have to come up with new ideas in this meeting and it usually doesn't go so well.”*

In addition to the points that Matt hit on in our conversation there are additional things I also feel are lost when you remove the office interactions. I have more visibility to what is going on within the team and other business areas simply by the conversations going on around me, it also gives me an opportunity to contribute or have others bounce ideas off me in real time. This is replaced with longer one on one calls with direct reports and skip level meetings. A scheduled virtual call or meeting is the only way to know what everyone is working on and to identify changes, issues, or roadblocks.

The biggest loss is truly hallway conversations with individuals that I may not encounter on a day-to-day basis but get great perspectives from in random encounters. The water cooler is gone. The random connections that would be made in passing with individuals that I would not otherwise encounter on a daily basis is no longer.

“There's a temptation in our networked age to think that ideas can be developed by email and iChat — that's crazy,” Jobs is quoted as having said. “Creativity comes from spontaneous meetings, from random discussions. You run into someone, you ask what they're doing, you say 'Wow,' and soon you're cooking up all sorts of ideas. <https://www.zdnet.com/article/steve-jobs-said-silicon-valley-needs-serendipity-but-is-it-even-possible-in-a-zoom-world/>

The Human Experience – Will it suffer?

Humans by nature are social beings. Working from home with virtual interactions but no real personal connections can have a mental impact on a person's health. Many are feeling isolated and disconnected from co-workers and other employees as the work environment rapidly changed from in-person to working remotely.

Not having a way to disconnect means that it's harder to leave work at work, and home at home. This can lead to misplaced or misdirected stress toward a coworker or family member. Our team was struggling with this to a point where we needed to give the team members time off to just regroup and try to refocus. When we got to the core of what went wrong, we found it was not really work related at all but misplaced frustrations that really had nothing to do with work itself but with the inability to really separate the two. The teams were starting to create tensions within themselves and it created a very unproductive work environment with the personal interaction safety valves gone.

Some people are working from their kitchens, living rooms, bedrooms or wherever they have been able to set up a computer. Not everyone has been able to add a home office, a desk, or a comfortable permanent workspace to settle into daily so what happens when this temporary solution becomes the forced outcome? For companies who have shut down their offices a lot of employees were looking forward to going back to the office, and now must find a way to work virtually indefinitely.

The Way Forward

A lot of companies have started to realize the stressful impacts that COVID and remote work has added to employees. LinkedIn, Fidelity, Mozilla, Pepsi, and Verizon just to name a few, have recognized the burnout and have shut down for a week to give employees time to mentally decompress, and take time for themselves known as "take care off days". Our company followed this model as well and gave us a summer shut down week to allow our company to recharge. This had a substantial impact, because it allowed everyone to take the same time off and not worry about catching up on work when they came back or missing out on something while they were away.

Companies who have not shut down have tried other ways to work time into their employee's schedule to decompress. Mental midday breaks and summer Fridays, where you have a shortened workday are two other ways that companies have been utilizing downtime, or time off to recognize burnout among staff and provide relief.

Perks have been added to employee benefits in areas that were notably lacking during COVID such as, wellness stipends to gym memberships or healthy initiatives to increase mental health. Reimbursements toward child and elder care during the workday to reduce additional stress on people when having to work from home and juggle taking care of children and loved ones.

I believe that companies need to go back to the office in some capacity. It may not look and feel the same as it did prior to COVID, but to have true innovation and interactions with team members there is something that is lost when you are virtual. I do believe there are certain positions that can be done anywhere and can sustain 100% virtual but I do believe that when you are in person and you can talk to each other throughout the day, you get answers faster, you can interpret body language, and I also believe that you have the full attention of your teammates who could otherwise be reading emails, sending texts, and multi-tasking when they are in virtual meetings. Since my team has been back in the

office, I have seen a change in morale, new ideas have been filling up our white boards and the overall mental state of those employees that were having issues dealing with isolation have improved. Companies who sold their brick-and-mortar buildings jumped the gun too soon. They have not given time for the dust to settle and really understand the impact it will have on their employees and on their future as a business. I have a feeling most of those companies will invest in smaller spaces down the road as they learn they do need some space for people to interact and work together even if it is not daily.

Post COVID companies need to continue employee wellness practices. They need to continue to evaluate and understand their staffs' needs while understanding that the productivity and success of the business is also important. I do not think there is a one size fits all moving forward, and I think COVID has changed the way we work globally. Each company needs to do what is right for them and continuously evaluate what is working and what is not. We need to think outside the walls of 9 to 5 office structures and find a balance that allows for a model that works for each company based on its employees and industry needs.

I guess only time will tell, but my prediction is that eventually we will become a hybrid world with more flexibility around our employees and the way in which they work. Companies will make investments to include face to face meetings and interactions. We will see innovations around virtual meetings which will feel more realistic and provide better opportunities for group collaboration. This will allow for a larger selection of talent, a more diverse group of thinkers and a world of innovation that was never thought to be a possibility before we looked through the world with a different lens.

Works Cited

Brower, Tracy. "Think productivity with work from home is improving? Think again. Here's what you must know." 17 January 2021. Forbes, <https://www.forbes.com/sites/tracybrower/2021/01/17/think-productivity-with-work-from-home-is-improving-think-again-heres-what-you-must-know/?sh=493853912d67>

"What is InsurTech?" 18 June 2020. Benefytt, <https://benefytt.com/blog/what-is-insurtech/>

Youn, Soo. "America's workers are exhausted and burned out and some employers are taking notice." 29 June 2021. The Washington Post <https://www.washingtonpost.com/business/2021/06/28/employee-burnout-corporate-america/>

Ray, Tiernan "Steve Jobs said Silicon Valley needs serendipity, but is it even possible in a Zoom world?" 24 June 2020. ZDNet, <https://www.zdnet.com/article/steve-jobs-said-silicon-valley-needs-serendipity-but-is-it-even-possible-in-a-zoom-world/>

Nobel, Jeremy. "Does social media make you lonely?" 21 December 2018. Harvard Health Publishing, <https://www.health.harvard.edu/blog/is-a-steady-diet-of-social-media-unhealthy-2018122115600>

Castrillion, Caroline. "This is the future of remote work in 2021" 27 December 2020. Forbes, <https://www.forbes.com/sites/carolinecastrillion/2021/12/27/this-is-the-future-of-remote-work-in-2021/?sh=40b95a1d1e1d>

Kahn, Matthew. Interview. By Michelle Palmer. 23 June 2021