

## Advantages And Disadvantages of WFH

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**Abstract** - In this paper, we explore the cost-saving benefits associated with WFH, such as reduced overhead expenses for office space and utilities, as well as potential productivity gains stemming from flexible work schedules. However, we also delve into the challenges that WFH poses for financial professionals, including the loss of in-person collaboration opportunities, heightened cybersecurity risks, and implications for organizational culture and employee engagement.

Through a comprehensive analysis of existing literature, case studies, and empirical data, this paper seeks to offer insights into how financial firms can effectively navigate the transition to WFH, capitalize on its advantages, and mitigate its drawbacks. Ultimately, it contributes to a deeper understanding of the evolving dynamics of remote work within the finance sector and provides valuable recommendations for practitioners and policymakers alike. This paper amalgamates extant literature, empirical inquiries, and real-world illustrations to furnish a holistic comprehension of the intricacies surrounding WFH. By scrutinizing the positive and negative facets, organizations can craft judicious WFH policies to optimize benefits while navigating challenges in the ever-evolving terrain of remote work.

**Key Words:** Work-From-Home (WFH), finance specialization, remote work, advantages, disadvantages, productivity, flexibility, collaboration, communication, cost-efficiency.

### 1.INTRODUCTION

The COVID-19 pandemic forced many workers and firms — up to 40% of workers — to experiment with working from home. While the stay-at-home orders that forced this experiment are gradually easing across the developed world, the level of working from home is likely to remain much higher than it was before the pandemic. This forced experiment showed that many people could do their jobs at home just as well as in the office. Workers really valued the time and money

saved through not commuting, as well as the extra flexibility in their lives. And some firms can see potential productivity improvements and/or cost savings in a world of more work from home. This is a change to the way many people work, and is unprecedented in terms of size and speed. This poses several questions: What does the increase in working from home mean for people, firms, and urban centers? How will working from home continue to evolve? Will our regulatory frameworks be able to deal with issues that arise? While the process of change will be challenging for some, it is a fundamentally positive development overall, unlocking newfound value to be shared between workers and firms. Governments should not fight it.

The COVID-19 pandemic has catalyzed an unprecedented shift in the way we work, with up to 40% of workers worldwide transitioning to remote work arrangements. While the initial adoption of Work-From-Home (WFH) was necessitated by stay-at-home orders, its continued prevalence post-pandemic heralds a significant and enduring transformation in the global workforce landscape. This paper seeks to explore this transformative phenomenon through the lens of financial specialization, delving into the advantages and disadvantages of WFH from a financial perspective. Before the pandemic, remote work was a niche practice, with only around 8% of employees having formal work-from-home arrangements, and even fewer embracing it regularly. However, the forced experiment during the pandemic unveiled its viability, as many workers demonstrated comparable productivity levels from home, while also enjoying newfound flexibility and cost savings associated with reduced commuting. Consequently, attitudes toward remote work shifted, with both workers and firms recognizing its potential benefits. The surge in WFH raises pertinent questions about its implications for individuals, businesses, and urban centers. How will this trend shape work

cultures, organizational dynamics, and economic landscapes? Will regulatory frameworks adapt to address emerging challenges? While navigating this transition may present challenges, it ultimately represents a positive development, offering opportunities for enhanced productivity, flexibility, and value creation for both workers and firms. Despite its benefits, WFH is not without its drawbacks. Concerns linger regarding its impact on collaboration, networking, and long-term career prospects. Additionally, firms must grapple with coordination costs and potential decreases in creativity and innovation stemming from remote work arrangements. However, the evolving nature of work-from-home dynamics suggests that a nuanced approach, incorporating elements of both remote and office-based work, may offer the most sustainable solution. As workers and firms embark on a second wave of experimentation to refine their remote work strategies, understanding the economic forces driving this transformation is imperative. By exploring worker preferences, firm motivations, and the evolving nature of work-from-home models, policymakers can better anticipate and navigate the challenges and opportunities presented by this paradigm shift. In essence, the rise of WFH signifies a fundamental reimagining of work dynamics, with far-reaching implications for individuals, organizations, and society at large. This paper aims to dissect these implications within the context of financial specialization, shedding light on the multifaceted dynamics of remote work in the finance sector. Governments indeed have a stake in the increasing prevalence of working from home (WFH), as it represents a significant societal shift with both potential benefits and challenges. While the negotiation of WFH arrangements will primarily occur at the individual and firm levels, governments play a crucial role in ensuring that regulatory frameworks remain equitable, flexible, and conducive to the safety and protection of workers. One primary concern for governments is ensuring workplace health and safety (WHS) in the context of remote work. While existing WHS laws typically apply to home-based work, the unique dynamics of WFH, such as reduced employer visibility and control over the working environment, may necessitate adaptations in regulations and case law to adequately address associated risks. Moreover, the psychological impact of WFH on workers, including issues like work-life balance and

burnout, warrants attention from policymakers. Calls for a 'right to disconnect' underscore the need for legal protections to safeguard workers from potential negative consequences of remote work. Additionally, the shift towards WFH has broader implications for urban centers, particularly central business districts (CBDs). While WFH may lead to a redistribution of economic activity from CBDs to suburbs, governments must balance supporting this transition with preserving the vitality of urban hubs. Furthermore, policymakers should consider the impact of WFH on transportation and congestion. While WFH may alleviate some congestion in the short term, evidence suggests that remote workers may increase non-work-related car trips, underscoring the need for holistic transportation policies. Despite the complexities and challenges associated with the rise of WFH, governments should view this trend as an opportunity for positive societal change. By supporting the transition to flexible work models, policymakers can harness the potential benefits of WFH while mitigating its challenges.

## 2. Literature review

The literature review section provides a broad overview of this topic based on three major perspectives: 1) travel behavior, 2) WFH characteristics, and 3) societal implications.

### 2.1. Travel behavior

The COVID-19 pandemic impacted the healthcare-related, economic, and social aspects of people's daily lives (Haleem et al., 2020, Lai et al., 2020). The Center for Disease Control and Prevention (CDC) and other scientific institutions suggested several non-pharmaceutical interventions to combat the spread of COVID (Flaxman et al., 2020). Measures such as travel restrictions (Chinazzi et al., 2020), self-isolation, and social distancing (Block et al., 2020) were proposed to reduce the spread of the virus by minimizing person-to-person physical contact (Lades et al., 2020). Orders and recommendations issued by the government across the U.S. included lockdowns, closure of schools and businesses, bans on gatherings, curfews, quarantines for travelers, etc.

These restrictions and precautions have shaped travel behaviors dramatically (Gostin and Wiley, 2020). The impacts of the

COVID pandemic and related travel restrictions are extensive (Barbieri et al., 2020). For example, COVID has shaped the frequency (Meena, 2020) and mode (Hu et al., 2020) of many people's commutes. With an increasing number of students studying from a distance (Dorn et al., 2020) and people working from home (Angelucci et al., 2020), commuting volumes have changed significantly. People are gradually switching from traditional patterns to remote work (or WFH), and young people are more active in making this change (Brynjolfsson et al., 2020). During the transition phase, almost half of the commuters stopped traveling, and the rest remained unchanged. This is due to travel time, the key factor that influences the commuting decision (Pawar et al., 2020). Aside from private traffic, the impact on public transit is also significant. For example, bus ridership has decreased more than 60% in some areas in the U.S, with the largest declines being during morning and evening commute times on weekdays (Wilbur et al., 2020). The degree of decrease in the use of public transit is associated with individual-specific levels of income—lower-income groups are historically the most likely to be impacted by societal crises and are the least likely to own their own cars due to physical or economic barriers, causing them to be more reliant on public transportation to access public services and jobs, and COVID-era data indicates that there are significant differences in ridership decline between areas with higher incomes compared to those with lower incomes (Wilbur et al., 2020). Even though public transit usage has generally steeply declined, lower-income areas possibly maintain slightly higher public transit usage due to people working “essential worker” jobs in stores, sanitation, and more, who still need to use public transportation services in order to access their work, regardless of the threat of COVID-19. Prior research has also revealed that rural counties are more vulnerable to COVID-19, driven by there being less health and social services—however, urban counties with denser living conditions are more susceptible to community spread (Nguyen et al., 2020, Peters, 2020). Urban adults also more commonly had their work impacted by COVID-19, even though rural workers were less likely to WFH (Brooks et al., 2021).

## 2.2. WFH characteristics

Researchers have studied the historical pattern of WFH (US Bureau of Labor Statistics, 2018). COVID amplified the trend of WFH (Béland et al., 2020, Gallacher and Hossain, 2020). Even though the shift to WFH was involuntary, many workers have revealed that they prefer WFH and will prefer remote work more after COVID than they did prior to the pandemic. This is due to their personally assessed increases in productivity (Baudot and Kelly, 2020). While many people have adapted to this new type of working style, some people considered commuting an essential part of work and missed it during shutdowns (Marks et al., 2020). Facilities and technologies are being increasingly developed to support remote work in the future. For instance, the popularity of virtual reality and remote workspace platforms is a trend (Fereydooni and Walker, 2020). Evidence additionally supports, contrary to expectation, that the labor supply of parents with children was not negatively impacted by the pandemic; instead, parents were more likely to be working remotely after the pandemic began (Barkowski et al., 2020, McLaughlin et al., 2020).

However, COVID-19 provides additional disruptions that need to be considered in the context of previous literature on WFH. While past research has extolled the benefits of WFH for decreasing commutes and increasing work-life balance for employees, factors like childcare, insufficient home space, lack of privacy, and decreased agency all challenge how productive a worker can be during the pandemic (Cuerdo-Vilches et al., 2021, Gorlick, 2021, Mazumder et al., 2021). Remote work increases experiences of social isolation, which increases stress and negatively impacts remote work satisfaction, particularly for workers who are more concerned about COVID-19 (Galanti et al., 2021, Toscano and Zappalà, 2020). One problem is that some people can choose to continue working from home, whereas some are either not able to or not willing to. Recently, researchers have paid attention to commuting and social inequalities in remote learning or working during COVID-19 (Gondim and Tanaka, 2020, Hernandez, 2020). This inequality problem persists in both remote work and distance learning (Murat and Bonacini, 2020). People in lower-income brackets are usually unable to be as flexible with their mobility, compared to those with higher incomes (Iio et al., 2020). The

ability and willingness to WFH have been studied for people with different income levels, and these studies have shown that people with lower incomes are much less willing to WFH (Atchison et al., 2020). Aside from income, the factors that can affect commuting decisions during COVID-19 include race, ethnicity, gender, and level of education. Studies show that people with higher levels of education tend to WFH more during the pandemic, which may be related to the difference in types of work that are influenced by levels of educational attainment (Figueroa et al., 2020). Further, zip codes with low levels of educational attainment experienced higher prevalence rates of COVID-19, implying that social vulnerability from not being able to WFH can have large ramifications on how well communities recover from the pandemic (Kashem et al., 2021). The chance to maintain employment after WFH is also associated with factors like income and race. For example, high-income and white people are more likely to choose WFH (Bick et al., 2020). The commute pattern could also vary for travelers of different genders. The research shows that the influence of COVID-19 on employment for men is more severe than that for women. Even though increased availability of WFH policies could be beneficial in terms of closing the labor gender gap, a simultaneous need for childcare coupled with a focus on traditional gender roles potentially negates any gains (Alon et al., 2020, Arntz et al., 2020).

### 2.3. Societal implications

COVID-19 has prompted a digital transformation of the workforce, and industry leaders must adapt to changing labor frameworks in order to reimagine the role of corporate culture and community, particularly with increased resistance to returning to a physical office from younger employees (Boland et al., 2020, Ito, 2021, Savić, 2020, Schwartz and Marcos, 2021, Weber, 2021). While in the United States only around 15% of working hours were conducted at home from 2011 to 2018 (Hensvik et al., 2020), data collected during the COVID-19 pandemic reveals that 32% of employees, many of whom have children, live in the suburbs, and have long commutes to work, never want to return to working in the office. 21% of employees (commonly young, single, and centrally located in metropolitan areas), however, strongly oppose future WFH policies (Bloom, 2021). Large Scale reductions in commuting time will lead to

benefits for workers post-pandemic, even though these benefits will largely be for those who are highly educated and well paid (Barrero et al., 2021). WFH policies have also forced shifts in local labor markets that create uneven geographic effects, as economic activity decreases in urban centers while increasing in residential suburbs, further contributing to supply chain issues (De Fraja et al., 2021, Ramani and Bloom, 2021). The impact of social distancing on transportation usage patterns may also impact the infrastructure of cities moving forward, highlighting the importance of multimodal transportation in order to increase the resiliency, affordability, accessibility, and sustainability of future transportation systems (Amekudzi-Kennedy et al., 2020, Bert et al., 2020, Keenan, 2020, Rupani et al., 2020, Vogel et al., 2021). It is important to understand how commuting patterns have changed for different groups before and during COVID-19. However, comparing commuting patterns before and during COVID-19 between income groups has seldom been studied at an individual level. Additionally, it is important to understand how this pandemic will affect further post-pandemic WFH patterns. Urban design and infrastructure are particularly foundational to understanding how people interface with their built environments, and it is accordingly important to parse how changing priorities with regards to WFH will impact the United States in the future.

## 3. Methodology

### 3.1. Dataset overview

The dataset was published by a research team at the University of Washington. 2018 residents of the Puget Sound Region in Washington State participated in the survey (Jabbari et al., 2020). Out of the 2018 respondents, 1389 of them finished the survey. Since this study focuses on the WFH patterns among these participants, 874 participants with full-time or part-time positions were considered. The detailed data cleaning process is documented in the original report (Jabbari et al., 2020). Individuals with the same corresponding mails and phone numbers were considered as the same person. Thus, these duplicated rows were removed. For additional details on the survey design, interested readers can consult Jabbari et al.



(2020). It is important to know that the Puget Sound Region is centered on Seattle and consists of nine counties, two urban center cities, and four satellite cities. As this survey provides critical information on the participant's attitudes towards WFH in the post-COVID world, the findings can be utilized for sustainable city design in the post-COVID world.

## 3.2. Variables available

Twenty-eight variables were considered in this study. Eight of them, shown in Table 1, are demographic factors of the survey participants, such as age, gender, race, and income. Five of them, shown in Table 2, are WFH-related features, such as WFH frequency before the COVID-19 pandemic (WHBC), WFH frequency during the COVID-19 pandemic (WHDR), and WFH frequency after the COVID-19 pandemic (WHAC). Table 3 contains three variables for the reasons for changes in WFH frequencies, travel mode, and work hours change. Twelve variables, shown in Table 4, are associated with participants' perception of certain social issues, such as if they think face coverings should be mandated.

Table 2. Counts of WFH-related Features.

Variable	Detail	Attribute	Code	Count	Percentage	Bar Chart
WHBC	WFH frequency before COVID-19	Never	1	629	72	
		1-2 days a week	2	152	17	
		3-4 days a week	3	30	3	
		Everyday	4	63	7	
WMBC	work trip mode before COVID-19	Not Applicable	0	62	7	
		Drive Alone	1	556	64	
		Public Transit	2	149	17	
		Carpool/Shared	3	53	6	
		Walk/Bike	4	54	6	
WHDR	WFH frequency during COVID-19	Never	1	162	19	
		1-2 days a week	2	49	6	
		3-4 days a week	3	86	10	
		Everyday	4	577	66	
WMDR	work trip mode during COVID-19	Not Applicable	0	521	60	
		Drive Alone	1	306	35	
		Public Transit	2	10	1	
		Carpool/Shared	3	7	1	
		Walk/Bike	4	30	3	
WHAC	perception of WFH frequency after COVID-19	Never	1	379	43	
		1-2 days a week	2	280	32	
		3-4 days a week	3	123	14	
		Everyday	4	92	11	

Table 3. Counts of WFH change reasons.

Variable	Detail	Attribute	Code	Count	Percentage	Bar Chart
WHCR1	WFH change reason	Employer's policies	1	395	45	
		Government Rule	2	18	2	
		Voluntarily	3	81	9	
		Others	4	218	25	
WHCR2	work hours change reason	Employer's policies	1	154	18	
		Government Rule	2	58	7	
		Voluntarily	3	121	14	
		Others	4	541	62	
WHCR3	work trip travel mode change reason	Employer's policies	1	146	17	
		Government Rule	2	83	9	
		Voluntarily	3	174	20	
		Others	4	471	54	

Table 1. Counts of Demographic and personal features.

Variable	Detail	Attribute	Code	Count	Percentage	Bar Chart
PD2	commute distance	Not Applicable	0	80	9	
		less than 10 miles	1	395	45	
		10 to 20 miles	2	230	26	
		longer than 20 miles	3	169	19	
PD3	gender	female	1	430	49	
		male	2	444	51	
PD4	age	younger than 20	1	18	2	
		21-40	2	375	43	
		41-60	3	396	45	
		older than 60	4	85	10	
PD5	race	Asian	1	93	11	
		White	2	685	78	
		Others	3	96	11	
PD6	living situation	spouse	1	168	19	
		spouse and children	2	371	42	
		spouse and pet	3	93	11	
		others	4	242	28	
PD7	household income	Not answered	0	41	5	
		\$50,000 or less	1	77	9	
		\$50,000 to \$99,999	2	225	26	
		\$100,000 or more	3	531	61	
PD8	education	Some college/technical training	1	79	9	
		Bachelor degree	2	339	39	
		Master or higher	3	333	38	
		Others	4	123	14	
PD9	living space	Apartment	1	134	15	
		House	2	589	67	
		Others	3	151	17	

participants are in the 21–40 and 41–60 age groups. The statistics in Table 1 also show that most participants have annual household incomes greater than \$50,000. About 339 participants have a bachelor's degree, and 333 have a master's or higher degree.

Table 4. Counts of personal opinion or perception of social issues.

Variable	Detail	Attribute	Code	Count	Percentage	Bar Chart
PO1	media is exaggerating about COVID	Agree	1	152	17	
		Disagree	2	722	83	
PO2	face cover should be mandatory	Agree	1	819	94	
		Disagree	2	55	6	
PO3	shutting down business is not worth the economic damage it caused	Agree	1	187	21	
		Disagree	2	687	79	
PO4	everyone should stay at home if possible	Agree	1	807	92	
		Disagree	2	67	8	
PO5	physical distancing is an efficient approach	Agree	1	824	94	
		Disagree	2	50	6	
PO6	concern about family will experience serious health issue if being infected	Agree	1	822	94	
		Disagree	2	52	6	
PO7	my family expected me to stay home	Agree	1	667	76	
		Disagree	2	207	24	
PO8	wfh increases family conflicts	Agree	1	385	44	
		Disagree	2	516	59	
PO9	I miss commute	Agree	1	188	22	
		Disagree	2	686	78	
PO10	I can efficiently replace work meetings to online meetings	Agree	1	635	73	
		Disagree	2	239	27	
PO11	I perform better when interact with co-workers in person	Agree	1	627	72	
		Disagree	2	247	28	
PO12	I enjoy social interactions with my colleagues	Agree	1	765	88	
		Disagree	2	109	12	
PO13	wfh makes me less discipline	Agree	1	387	44	
		Disagree	2	487	56	
PO14	I don't mind travel on crowded bus	Agree	1	53	6	
		Disagree	2	821	94	
PO15	traveling by bus or light rail poses a risk to my health	Agree	1	761	87	
		Disagree	2	113	13	
PO16	I am comfortable sharing a ride with a stranger	Agree	1	72	8	
		Disagree	2	802	92	
PO17	prefer transportation option that involve less contact	Agree	1	797	91	
		Disagree	2	77	9	
PO18	I would like to share ride if it saves money	Agree	1	143	16	
		Disagree	2	731	84	
PO19	I would travel on a bus or light rail if the physical distancing measures are	Agree	1	425	49	
		Disagree	2	449	51	
PO20	personal space is important to me when I travel	Agree	1	831	95	
		Disagree	2	43	5	

Table 1: Participant Demographics

- Gender distribution: 49% female, 51% male.
- Total number of participants is nearly even.

- Majority agreed that the media is not exaggerating about COVID-19, family expects them to stay at home, not miss commuting, can efficiently conduct work meetings at home, and perform better when interacting with co-workers (around 70-80%).

Table 2: WFH-related Features

- Before COVID: 72% of participants never worked from home, 7% worked from home every day.
- During COVID: 81% worked from home at least one day a week, with 66% working from home every day.
- Predicted WFH frequency after COVID: 57% of participants expected WFH at least one day a week, 11% predicted WFH every day.
- Trip modes before COVID: 64% drove alone, 17% took public transit.
- Trip modes during COVID: Significant decrease in driving alone (now 19%) and public transit (now 1%), likely due to reduced commuting and increased unemployment.

- Opinions on increasing family conflict and making people less disciplined were divided, with equal percentages agreeing and disagreeing.

Table 3: Reasons for WFH-related Changes during COVID

- Reasons for WFH: Employer's policies (45%), other reasons (25%).
- Reasons for changes in work hours: Employer's policies (18%), other reasons (62%).
- Reasons for change of trip mode: Employer's policies (17%), voluntary change (20%), government rule (9%).

Table 4: Participants' Opinions and Perceptions about Social Issues Related to COVID

- Majority agreed that face covers should be mandatory, staying at home if possible, physical distancing is efficient, and concerned about family.
- About 90% agreed with these opinions.