

Remote work, reduced pay: Are we willing to make a trade?

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The COVID-19 pandemic continues to reshape the workforce, with almost half of Australian workers willing to sacrifice part of their annual

salary to work from home.

[New research](#) by the University of South Australia has found that 45% of workers would be willing to accept a pay cut in exchange for remote work flexibility. The research has been published in the *Journal of Economic Behavior & Organization*.

A survey of more than 1100 Australian workers in 2020-21 found that the average worker, who can carry out their role effectively at home, is willing to give up \$3,000 to \$6,000 in annual wages (4 to 8% of their salary). One fifth of participants would be willing to sacrifice \$12 to \$24,000 annually (16 to 33% of salaries).

However, more than half (55%) of the participants indicated they would be unwilling to give up a portion of their wages to work from home and either see no benefit to productivity or well-being or have various concerns with remote working.

Lead researcher Associate Professor Akshay Vij says it's clear more research is needed to understand employee preferences for remote and flexible work arrangements, given the variability in attitudes and expectations.

"We found that attitudes towards the impacts of remote working on [human relationships](#) and interactions were a significant predictor of these differences. For example, workers who didn't place a positive value on remote working are more concerned about their relationship with colleagues and their supervisors, as well as missing out on opportunities for learning and career advancement," he says.

"It was interesting to find that these concerns were raised more often by workers who had more experience with remote working before the pandemic. Workers who had less experience with remote working

arrangements were more positive about working from home."

The study found [female workers](#) were almost 30% more likely to value remote work than their [male counterparts](#), while workers aged in their 30s and 50s were also more likely to value the ability to work from home. Workers in their 20s valued remote working the least, possibly due to a perceived importance of in-person interactions to career growth.

Couples with children who had either left home or still lived at home were prepared to sacrifice the most from their salary to work from home compared to couples with no children, single parents or those living alone or with others.

It's clear that COVID-19 has significantly impacted the way in which people want to work. On [Census day](#) in 2016 it was estimated that roughly 2–8% of employees in major Australian cities were working remotely. On [Census day](#) in 2021 that figure rose to 21%.

Workplaces around the world have adopted changes to support the work from home movement, developing the necessary protocols and processes to support their remote workers.

Assoc Prof Vij says it's too early to tell how working from home will settle into the new norm of working life, but he expects it is here to stay.

"Evidence shows that working from home will continue at higher levels than pre-pandemic, although there is likely to be considerable disparity in the uptake of remote working among different demographic groups. Working from home is not going to be suitable for everyone. It's about trying to find what works for you and your employer and getting the balance right."

WFH pros and cons

COVID-19 proved the ideal experiment for remote working, with kitchen tables and spare rooms transformed into workspaces. Some people prefer the hustle and bustle of an office to the quiet and independence of a home office. What are the pros and cons of [remote work](#)?

Some of the negatives of WFH include:

- Potential lack of interaction with colleagues and supervisors could affect motivation and productivity.
- Younger workers might feel they have less access to mentoring opportunities.
- Being away from the office can result in less understanding of office dynamics, which can potentially affect promotions and salary growth.
- Spending more time working from home could lead to higher home electricity or gas costs and could require the [worker](#) to spend money on equipment.

Positives include:

- Various studies have found that working from home is a good for well-being, [work-life balance](#), and health. Those who work from home can better attend to home-related emergencies and personal activities such as having meals with family members.
- Greater flexibility and personal freedom.
- Cost savings and convenience. Remote workers often save money on transport costs and takeaway coffee and lunches.

More information: Akshay Vij et al, Employee preferences for working from home in Australia, *Journal of Economic Behavior & Organization* (2023). [DOI: 10.1016/j.jebo.2023.08.020](https://doi.org/10.1016/j.jebo.2023.08.020)

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