

Economist says hybrid work is a 'win-win-win' for productivity, performance and retention

June 12 2024



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It is one of the most hotly debated topics in today's workplace: Is allowing employees to log in from home a few days a week good for

their productivity, careers, and job satisfaction?

Nicholas Bloom, a Stanford economist and one of the foremost researchers on work-from-home policies, has uncovered compelling evidence that hybrid schedules are a boon to both employees and their bosses.

In a study, [published](#) in the journal *Nature*, of an experiment on more than 1,600 workers at Trip.com—a Chinese company that is one of the world's largest online travel agencies—Bloom finds that employees who work from home for two days a week are just as productive and as likely to be promoted as their fully office-based peers.

On a third key measure, employee turnover, the results were also encouraging. Resignations fell by 33% among workers who shifted from working full-time in the office to a hybrid schedule. Women, non-managers, and employees with long commutes were the least likely to quit their jobs when their treks to the office were cut to three days a week. Trip.com estimates that reduced attrition saved the company millions of dollars.

"The results are clear: Hybrid work is a win-win-win for employee productivity, performance, and retention," says Bloom, who is the William D. Eberle Professor of Economics at the Stanford School of Humanities and Sciences and also a senior fellow at the Stanford Institute for Economic Policy Research (SIEPR).

The findings are especially significant given that, by Bloom's count, about 100 million workers worldwide now spend a mix of days at home and in the office each week, more than four years after COVID-19 pandemic lockdowns upended how and where people do their jobs. Many of these hybrid workers are lawyers, accountants, marketers, [software engineers](#) and other with a college degree or higher.

Over time, though, working outside the office has come under attack from high-profile business leaders like Elon Musk, the head of Tesla, SpaceX, and X (formerly Twitter), and Jamie Dimon, CEO of JPMorgan Chase, who argue that the costs of remote work outweigh any benefits. Opponents say that employee training and mentoring, innovation, and company culture suffer when workers are not on site five days a week.

Blooms says that critics often confuse hybrid for fully remote, in part because most of the research into working from home has focused on workers who aren't required to come into an office and on a specific type of job, like customer support or data entry. The results of these studies have been mixed, though they tend to skew negative. This suggests to Bloom that problems with fully remote work arise when it's not managed well.

As one of the few randomized control trials to analyze hybrid arrangements—where workers are offsite two or three days a week and are in the office the rest of the time—Bloom says his findings offer important lessons for other multinationals, many of which share similarities with Trip.com.

"This study offers powerful evidence for why 80% of U.S. companies now offer some form of remote work," Bloom says, "and for why the remaining 20% of firms that don't are likely paying a price."

The research is also the largest to date of hybrid work involving university-trained professionals that relies on the gold standard in research, the randomized controlled trial. This allowed Bloom and his co-authors to show that the benefits they identify resulted from Trip.com's hybrid experiment and not something else.

In addition to Bloom, the study's authors are Ruobing Han, an assistant professor at The Chinese University of Hong Kong, and James Liang, an

economics professor at Peking University and co-founder of Trip.com. Han and Liang both earned their Ph.D.s in economics from Stanford.

The hybrid approach: Only winners

Trip.com didn't have a hybrid work policy when it undertook the six-month experiment starting in 2021 that is at the heart of the study. In all, 395 managers and 1,217 non-managers with undergraduate degrees—all of whom worked in engineering, marketing, accounting, and finance in the company's Shanghai office—participated. Employees whose birthdays fell on an even-numbered day of the month were told to come to the office five days a week. Workers with odd-numbered birthdays were allowed to work from home two days a week.

Of the study participants, 32% also had postgraduate degrees, mostly in computer science, accounting or finance. Most were in their mid-30s, half had children, and 65% were male.

In finding that hybrid work not only helps employees, but also companies, the researchers relied on various company data and worker surveys, including performance reviews and promotions for up to two years after the experiment. Trip.com's thorough performance review process includes evaluations of an employee's contributions to innovation, leadership, and mentoring.

The study authors also compared the quality and amount of computer code written by Trip.com software engineers who were hybrid against code produced by peers who were in the office full-time.

In finding that hybrid work had zero effect on workers' productivity or [career advancement](#) and dramatically boosted retention rates, the study authors highlight some important nuances. Resignations, for example, fell only among non-managers; managers were just as likely to quit

whether they were hybrid or not.

Bloom and his co-authors identify misconceptions held by workers and their bosses. Workers, especially women, were reluctant to sign up as volunteers for Trip.com's hybrid trial—likely for fear that they would be judged negatively for not coming into the office five days a week, Bloom says. In addition, managers predicted on average that remote working would hurt productivity, only to change their minds by the time the experiment ended.

For [business leaders](#), Bloom says the study confirms that concerns that hybrid work does more harm than good are overblown.

"If managed right, letting employees work from home two or three days a week still gets you the level of mentoring, culture-building, and innovation that you want," Bloom says. "From an economic policymaking standpoint, hybrid work is one of the few instances where there aren't major trade-offs with clear winners and clear losers. There are almost only winners."

Trip.com was sold: It now allows hybrid work companywide.

More information: Nicholas Bloom, Hybrid working from home improves retention without damaging performance, *Nature* (2024). [DOI: 10.1038/s41586-024-07500-2](https://doi.org/10.1038/s41586-024-07500-2).
www.nature.com/articles/s41586-024-07500-2

Provided by Stanford University

Citation: Economist says hybrid work is a 'win-win-win' for productivity, performance and retention (2024, June 12) retrieved 26 June 2024 from <https://phys.org/news/2024-06-economist->

hybrid-productivity-retention.html

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