Study Finds Working-From-Home Makes Employees Productive

Contributed by Anand Srinivasan
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Working from home (WFH) is a controversial subject at most businesses. While employees find WFH as an efficient way to handle household chores with work, employers often see this as a means to lower productivity and higher distractions. No wonder then that when Marissa Mayer banned the work-from-home option for Yahoo employees, the tech world was up in arms against the move.
But with increasing rental costs, a number of businesses have started exploring the work-from-home option for their employees. Is it a good thing or not? Stanford professors Nicholas Bloom and John Roberts recently published their results from a nine-month long study of the WFH policies at Ctrip, one of China's leading travel agent companies. The results are interesting â€“ the productivity of the WFH study group was noted to have increased by close to 13% over the study period.

For the study, the researchers offered employees who had at least six months of experience in the company the option to work from home for four days a week. Out of 508 employees who were eligible for the study, 255 opted to work from home after a lottery draw while the rest were required to work from their office space.

Productivity: The study found that the productivity of employees who worked from home increased sharply by as much as 13% during the course of the study. This was measured through the increase in the number of minutes they worked every shift, the fewer breaks they took and the number of sick days that the WFH employees applied for during the study period. In the detailed surveys, employees who worked from home cited quieter working conditions as a prime reason for the increased productivity.

Attrition: WFH is often seen as a way to control employee turnover and it is here that the study found the greatest impact. There was close to a 50% drop in attrition rates among employees who worked from home as compared to those who worked at their office space. In a psychological attitude survey conducted after the study period, employees who opted for WFH noted higher work satisfaction levels and lower 'work exhaustion' compared to their counterparts who worked from office.

WFH Not Preferred:Â With higher productivity and lower attrition rates, it may seem like work-from-home is the desired way to go for both the employees and the employers. But Ctrip was in for a surprise when they rolled out the offer for all their employees. Nearly half of the study group that worked from home returned to office while nearly 75% of the control group that had requested for a work-from-home option initially opted for the office environment. In the detailed surveys, it was found that loneliness at home was one of the most important factor that drove these employees to get back to their office space.

Till a decade or two back, logistical issues were the primary reason why work-from-home could not be a reality for a lot of businesses. But today, thanks to video conferencing tools like WebEx, electronic signature platforms like SignNow.com and project management and collaboration tools like Wrike, it is possible to accomplish everything that one had to come to work for from the confines of your home. However, as the Ctrip study shows, although office spaces come with long commutes and work exhaustion, a significant number of employees prefer this over work from home that can be lonely.

The Ctrip study offers an important insight into the other side of working from home. With a significant chunk of the workforce expected to turn to freelancing over the next decade, studies as this point to potential fallouts that this evolution in work culture may cause.