Remote Staffing: The New Frontier

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Once named one of the happiest cities in the United States, Boulder, Colorado, is known for its outdoor recreation, arts, food, and diversity. In recent years, the city has also become known for something else: working remotely.

Roughly 9% of Boulder's full-time employee population works from home, the highest percentage of any U.S. metro area, according to a new report from the Federal Reserve Bank of St. Louis. Overall, the percentage of full-time employees working remotely has more than doubled in just 12 years. The bank estimates that more than 3.4 million full-time employees, or 3% of the workforce, work at home.

"More of us are working on a daily basis with people who aren't co-located with us, so organizations have to create high performing teams without the benefit of physical proximity," says Nathan Blain, a Korn Ferry senior client partner and global leader for organizational strategy and digital transformation. Working from home is no longer a trend, he says, but a business necessity.

To be sure, it's no coincidence that remote work took off in tandem with the rise of smartphones and digital technology. According to the study, the number of full-time employees working from home grew from 500,000 in 1980 to about 1.3 million in 2004. From 2005 to 2017, however, the number of remote workers increased from more than 2.1 million to 3.4 million in total.

The rise in remote work also dovetails with a shift toward a service-oriented economy, with management, sales, and financial roles among the occupations with the highest work-from-home percentage. Other factors include education (college-educated employees are 58% more likely to work from home) and whether the employee has young children (those with children under five years of age at home are 14% more likely to work remotely).

Kirsta Anderson, a senior client partner and leader of Korn Ferry's Cultural Transformation practice, says more full-time employees require the flexibility of working remotely. For employers, she says, it can lead to increased engagement and productivity and help with recruiting and retention.

But working remotely does present significant challenges for organizations and employees. "A lot of innovation comes from face-to-face contact, and I haven't seen any firm yet figure out how to replicate those opportunities for home workers," says Anderson.

Blain says the burden is on both employees and employers to build a culture of trust to really reap the benefits of working remotely. "Employees, in particular, need to make sure that they are finding ways to re-create the casual information exchange that happens in the lunchroom or hallways," he says. "They also need to make sure they are rewarding flexibility with responsiveness."

Authors

NATHAN BLAIN
Senior Client Partner,
Global Leader, Organizational Strategy
& Digital Transformation

KIRSTA ANDERSON
Senior Client Partner