Back to the Workplace: Are we there yet?

Key Insights from Employers
One Year Into the Pandemic
Executive Summary

The COVID-19 pandemic has altered every aspect of our lives—how we live, how we interact and how we work. It has taken a toll on the financial, emotional, mental and physical health of individuals, families, friends and colleagues. Our workplaces, retailers and service lines. Our homes became the workplace, the school, the daycare—a place of safety but isolation.

Work continues to play a central role in the lives of so many adults, so we wanted to understand how employers are reacting to the pandemic—what is changing, what is not—the good, the bad and the ugly.

In the very beginning of the pandemic, employers did not play an active role on a national scale. Policy was made by government and public health organizations. The medical establishment dominated the headlines on how businesses should keep their employees safe, and most employers that could have their employees work from home allowed the employees to do just that. But that is changing. Employers are becoming more relevant and vocal on how they prepare their workforce, customers, suppliers and their community to return to the workplace. Retailers and service industries led the way as they did not have as many options for Work From Home. But, by the second quarter of 2021, all employers are becoming more proactive. They are expanding their formal policies on how and when they will come together in person and clarifying their expectations.

This report, Back to the Workplace—Are We There Yet?, features results from the second survey in a three-part series within the ASU Workplace Commons initiative which features an innovative, interactive back-to-workplace data dashboard that enables access to anonymously survey data from both phase 1 (fall 2020) and phase 2 (spring 2021) surveys. Responses to the survey came from employers in 24 industry sectors and 1,339 facilities at 1,163 companies.

Approximately 75% of responses are from large businesses with 250 or more employees and 95% of responses coming from companies based in the U.S. and U.K.

The report provides employer data about the impact of the pandemic on six different types of workplace practices including testing and contact tracing, vaccination, employee wellbeing, pandemic response and preparedness, financial impact and the future of work. In addition, the ASU Workplace Commons houses a number of employer case studies that provide practical insights into how employers around the world are responding to the pandemic. As the pandemic and employer responses continue to evolve, we will field one additional survey and publish the results during the summer of 2021.
Top 10 Insights

**Vaccination**

Strong Support by Employers

- 88% of employers plan to require or encourage their employees to be vaccinated against COVID-19
- 59% of employers plan to incentivize their employees to be vaccinated against COVID-19
- 60% of employers will require employees to demonstrate proof of vaccination against COVID-19

**Employee Wellbeing**

Mental Health is now Central

- 77% of employers indicated that employee mental health and wellbeing has become a top priority for their company
- 58% increase in employee mental health concerns during the pandemic compared to pre-pandemic according to employers

**Testing**

Significant Increase by Employers

- 68% of employers are performing COVID-19 testing for at least some of their employees

**Work from Home**

Here to Stay

- 63% of employers intend to allow their employees to work from home full-time through 2021
- 69% of employers describe their anticipated future work environment as either hybrid (41%) or all virtual (28%)
- 72% of employers intend to offer more flexible or expanded work from home policies for their employees post-pandemic

But... 68% of employers believe that employees should be in the office at least 20 hours per week

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**Methodology**

The COVID-19 Workplace Commons - Keeping Workers Well survey was distributed to more than 28,800 individuals, companies, and trade association leaders aged 18+ from 24 industry sectors residing in at least 31 countries on six continents. The survey was conducted online between March 1, 2021 and March 31, 2021 in English and approved by Arizona State University’s Institutional Review Board (IRB). The survey contained 105 questions within seven broad categories including facility/company location and industry sector, testing and contact tracing, vaccination, employee wellbeing, the future of work, pandemic response and preparedness and financial impacts. Respondents were informed that their participation would remain anonymous and confidential and were given the ability to skip any question within the survey. Data was collected online, assisted with securing a majority of survey responses, resulting in 1280 completions through the use of multiple panels across various industry sectors in English-speaking countries with an emphasis on companies located in the U.S. or U.K with at least 250 employees. An identical publicly available survey resulted in 59 completions. Excluding responses with less than 90% completion rate, the survey resulted in 1,339 valid responses. Survey data were analyzed, including categorization of qualitative responses (e.g. Other - please specify) and transformation of variables for areas like industry sector and later ASU’s Decision Theater summarized results and the data featured on the COVID-19 Workplace Commons website dashboard represents valid responses.

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**Survey Overview**

Top10 industries represented in rank order (Left-Right)

- Education (Pre-K to 12)
- Healthcare, Hospitals, and Clinics
- Manufacturing
- Construction
- Retail Stores
- Government and Quasi-Public
- Energy & Utilities
- Education (Colleges & Universities)
- Technology and Software
- Business + Professional Services (Accounting, Lawyers, Corporate Banking, Legal, etc.)
- Healthcare, Hospitals, and Clinics
- Manufacturing
- Construction
- Retail Stores
- Government and Quasi-Public
- Energy & Utilities
- Education (Colleges & Universities)
- Technology and Software
- Business + Professional Services (Accounting, Lawyers, Corporate Banking, Legal, etc.)
Vaccination

There are three ways to end a pandemic – the virus burns itself out, it becomes endemic and we live with COVID-19 like we live with the flu or we achieve herd immunity through vaccines or prior infection. The good news is that effective vaccines were developed in record time. The COVID-19 vaccines were developed within one year where previous vaccines took seven to ten years to create. The advent of vaccines and their rapid distribution, however, raises questions and concerns that many employers are grappling with for the first time.

Our survey showed surprisingly high support for vaccination with almost 90% of employers planning to require or at least encourage their employees to get vaccinated. Our survey asked employers their stance on a variety of other issues related to COVID-19 vaccination and their employees, and their responses indicate that vaccination is perceived as significantly important for keeping the workplace and their employees safe.

Companies’ policies for employees regarding COVID-19 vaccination

88% Of employers will require or encourage vaccination for employees

40% Require all employees to be vaccinated against COVID-19
32% Encourage but not require employees to be vaccinated against COVID-19
16% Require some employees to be vaccinated against COVID-19
8% We don’t have a policy developed at this time
4% We don’t plan to encourage or require our employees to be vaccinated against COVID-19

What are the consequences for lack of compliance with vaccination policy?

- Change of work responsibilities
- Disciplinary action up to termination
- Not allowed to return to the physical work environment
- Other

4% 27% 15% 6% 9% 1%
Testing & Contact Tracing

68% Test their workers

31% Test only for viral infection
5% Test only for antibodies
59% Test for both

Testing remains the most effective way to measure and confirm the success of virus mitigation efforts including vaccination. It is in this area where we saw the most dramatic change in employer behavior. In our earlier study in the fall of 2020, we saw 17% of companies testing any of their employees. Although the fall study had smaller companies on average, we were surprised, but pleased, to see a dramatic increase. In this study, we saw a full 68% of companies reporting that they were testing at least some part of their workforce.

Why the big increase in testing? First, the test supply situation has fundamentally changed since the end of 2020. In the spring of 2021, it became relatively easy to acquire tests and hire testing service providers. There are more labs and companies with EUA's and most have enough capacity that there are few shortages. For lab-based tests, results are most often returned within 48 hours, often faster. For rapid tests, performance including pros and cons are better understood. Second, with this competition and improved technologies, the cost to test has dramatically decreased. Lastly, and maybe most importantly, knowledge of how a testing program can work has increased confidence amongst employers that testing can be integrated without too much disruption.

Reasons why companies choose not to test*

30% Too costly
29% Too complicated to implement
22% Worried about employee privacy
19% Concerned about test accuracy
18% Worried about liability
15% Other
13% Time to obtain test results
11% Lack of knowledge or information
17% Test availability

Future plans for companies who aren’t testing

36% Uncertain
34% Don’t test and don’t plan to test

* Multiple responses are allowed
• The above distribution represents 68% of companies that test their workers.
Viral Testing

<table>
<thead>
<tr>
<th>What was the most important factor in you choosing a test provider?</th>
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<tbody>
<tr>
<td>Quality of test</td>
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<tr>
<td>Test result turn around time</td>
</tr>
<tr>
<td>Government recommended</td>
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<tr>
<td>Price</td>
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<tr>
<td>Colleague recommended</td>
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<table>
<thead>
<tr>
<th>Percentage</th>
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<tbody>
<tr>
<td>44%</td>
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<tr>
<td>23%</td>
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<tr>
<td>14%</td>
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<tr>
<td>9%</td>
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<tr>
<td>8%</td>
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</tbody>
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Viral vs. Antibody Testing

What are the consequences for lack of compliance if viral testing is mandatory?

- 10-14 day quarantine at home
- Change of work responsibilities
- Disciplinary action up to termination
- No consequences
- There are no company testing requirements

<table>
<thead>
<tr>
<th>Consequence</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-14 day quarantine at home</td>
<td>44%</td>
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<tr>
<td>Change of work responsibilities</td>
<td>42%</td>
</tr>
<tr>
<td>Disciplinary action up to termination</td>
<td>10%</td>
</tr>
<tr>
<td>No consequences</td>
<td>2%</td>
</tr>
<tr>
<td>There are no company testing requirements</td>
<td>1%</td>
</tr>
</tbody>
</table>

What are the consequences for lack of compliance if antibody testing is mandatory?

- 10-14 week quarantine at home
- Change of work responsibilities
- Disciplinary action up to termination
- No consequences
- There are no company testing requirements

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<tbody>
<tr>
<td>10-14 week quarantine at home</td>
<td>49%</td>
</tr>
<tr>
<td>Change of work responsibilities</td>
<td>29%</td>
</tr>
<tr>
<td>Disciplinary action up to termination</td>
<td>12%</td>
</tr>
<tr>
<td>No consequences</td>
<td>10%</td>
</tr>
<tr>
<td>There are no company testing requirements</td>
<td>3%</td>
</tr>
</tbody>
</table>

How frequently are you performing viral testing?

- 43% Once a week
- 29% Daily
- 13% Once a month
- 7% Only when symptomatic
- 6% Twice a month
- 1% One time only
- 1% Other

Companies that test for viral infection: 826 (91%)
Companies with mandatory testing: 73%
Companies that test at least once a week: 72%

What was the most important factor in you choosing a test provider?

- Quality of test: 44%
- Test result turn around time: 23%
- Government recommended: 14%
- Price: 9%
- Colleague recommended: 8%

Companies that test for viral infection: 73%
Companies that test at least once a week: 72%

Viral Testing

<table>
<thead>
<tr>
<th>Future Plans</th>
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<tbody>
<tr>
<td>Maintain testing at current levels</td>
<td>44%</td>
</tr>
<tr>
<td>Increase testing</td>
<td>42%</td>
</tr>
<tr>
<td>Reduce testing</td>
<td>10%</td>
</tr>
<tr>
<td>Not sure</td>
<td>2%</td>
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<tr>
<td>Stop testing</td>
<td>1%</td>
</tr>
</tbody>
</table>

Antibody Testing

<table>
<thead>
<tr>
<th>Future Plans</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain testing at current levels</td>
<td>38%</td>
</tr>
<tr>
<td>Increase testing</td>
<td>48%</td>
</tr>
<tr>
<td>Reduce testing</td>
<td>9%</td>
</tr>
<tr>
<td>Not sure</td>
<td>1%</td>
</tr>
<tr>
<td>Stop testing</td>
<td>3%</td>
</tr>
</tbody>
</table>

What are the future plans for viral testing?

- Maintain testing at current levels: 44%
- Increase testing: 42%
- Reduce testing: 10%
- Not sure: 2%
- Stop testing: 1%

What are the future plans for antibody testing?

- Maintain testing at current levels: 38%
- Increase testing: 48%
- Reduce testing: 9%
- Not sure: 1%
- Stop testing: 3%

826 (91%) Companies that test for viral infection

What was the most important factor in you choosing a test provider?

- 21% Quality of test
- 18% Test result turn around time
- 13% Government recommended
- 9% Price
- 8% Colleague recommended

How frequently are you performing viral testing?

- 44% Once a week
- 29% Daily
- 13% Once a month
- 7% Only when symptomatic
- 6% Twice a month
- 1% One time only
- 1% Other

What are the future plans for viral testing?

- Maintain testing at current levels: 44%
- Increase testing: 42%
- Reduce testing: 10%
- Not sure: 2%
- Stop testing: 1%

What are the future plans for antibody testing?

- Maintain testing at current levels: 38%
- Increase testing: 48%
- Reduce testing: 9%
- Not sure: 1%
- Stop testing: 3%
Viral vs. Antibody Testing

**Viral**
Costs represented as median

1:1 Direct to indirect cost ratio for viral tests
34% Workers that tested positive

Where are your workers being tested?*

39% Health testing laboratory
37% On site at our facility
29% Local/regional hospital
21% Retail pharmacy
12% Academic or university site
9% At home

**Antibody**
Costs represented as median

1:1 Direct to indirect cost ratio for antibody test
41% Workers that tested positive

Where are your workers being tested?*

50% Health testing laboratory
40% Local/regional hospital
25% On site at our facility
15% Academic or university site
9% At home

*Multiple responses are allowed.
Contact Tracing

58% Companies that perform contact tracing

Are you tracing worker contacts outside of the workplace?

65% Yes 31% No 4% Unsure

What requirements does COVID positive worker need to meet to return to workplace?*

66% 10-14 day quarantine at home

29% One negative viral test

29% Two negative viral tests

11% No symptoms for a week

5% No requirements

* Multiple responses are allowed
Employee Wellbeing

16% of employers indicated that employee mental health wellbeing has become a top priority for their company.

It is almost too obvious to say that everyone’s health and wellbeing has been impacted by the pandemic. While physical health has taken the center stage, mental health is now being acknowledged as every bit a crisis as well. Loneliness, depression and anxiety are present in every demographic. Work has been central to those challenges – too little work for some and too much work for others.

Our survey focused on five key areas of employee wellbeing: mental health, burnout, productivity, morale and engagement. The goal was to understand employers’ perceptions of how their employees’ wellbeing changed during the pandemic.

The good news is that employers understand. More than three-quarters said that employee mental health is now a top priority. More than half of employers reported an increase in the use of available company resources related to mental health. Perhaps, most impressive however is that through all of this stress, employers reported employee engagement and morale increased by over 40%.

The bottom line for us is that so many are working so hard to keep it all together – to balance work, family, friends and even some fun. For the most part, it has worked, but we are not sure how much longer that balancing act can last.

How Employee Wellbeing Changed During the Pandemic Compared to Pre-Pandemic

- Mental Health Concerns: 50.6% increased, 4% decreased
- Burnout: 26% increased, 4% decreased
- Morale: 21% increased, 5% decreased
- Engagement: 24% increased, 9% decreased
- Productivity: 22% increased, 3% decreased
- Burnout: 26% increased, 15% decreased
- Engagement: 24% increased, 9% decreased
- Morale: 21% increased, 5% decreased
Future of Work Overview

72% Intend to offer flexible or expanded work from home policies post-pandemic

68% Believe employees should be in the office at least 20 hours a week

63% Intend to allow employees to work from home full-time through 2021

How will the pandemic change our work life in the future? Will it improve? The answer is clearly in the eyes of the beholder. Our survey showed that the “Work From Home” phenomenon will not end soon and will not end as abruptly as it began.

Companies reported that 57% of their employees are still remote and almost two-thirds of employers plan to allow their employees to remain remote through 2021. Yet employers understand the value of people coming together under one roof – over two-thirds of global employers believe that employees should be in the office at least 20 hours per week citing their top reason as it allows for social connections to be formed and maintained amongst colleagues.

Interestingly, the most commonly cited challenge by employers for not returning to the physical workspace is that employees did not want to return, and they indicated that personal health and facility safety were the top concerns of their workforce.

Reasons why companies think employees should be in the office at least 20 hours a week

22% Allows for social connections to be created and maintained

17% Ensures employee productivity

16% Allows for spontaneous idea sharing and problem solving

12% Contributes to creating and defining company culture

10% Develops social skills needed when interacting with clients

7% Ensure use of facility

3% Provides ability to monitor employee performance

3% Ensures proper training and mentoring of new employees

Intend to offer flexible or expanded work from home policies post-pandemic

63% Intend to allow employees to work from home full-time through 2021

10% Encourages team-building

3% Ensures proper training and mentoring of new employees
Describe your anticipated work environment in the future

Hybrid (Combination of virtual and physical) 41%
Physical 32%
Virtual 28%

Future of Work Overview

Companies future plans for their physical workspace

Keep as is 55%
Downsize 27%
Decrease size of physical workspace 14%
No longer offer a physical workspace 4%

The most challenging issues companies are facing in regards to returning employees to the physical work environment in rank order:

1. Employees not wanting to return to in-person work
2. Safety of employees
3. Cost of making workspace safe for employees
Coming Back and Remote Work

Positive attitude towards returning: 69%
Negative attitude towards returning: 28%

Highest % of remote employees during pandemic: 69%
Current % of remote employees: 57%

When do you expect your workforce to come back to work onsite?

- 9% The next month
- 31% The next three months
- 35% The next six months
- 12% Longer than six months
- 12% Not sure

What are worker’s concerns about returning?*

- 60% Personal health / Higher risk for infection
- 58% Safety at facility
- 31% Childcare
- 27% Transportation to facility
- 2% Other

Primary concern about coming back
Personal health / High risk for infection

* Multiple responses are allowed
Coming Back and Remote Work

What milestones need to occur in order for you to return workforce to work onsite?*

55% When government or health agency allows
46% When all of our workforce is vaccinated
36% Decreasing cases in the community
35% When a majority of our workforce is vaccinated
30% When we have testing protocols in place
24% When we have planned safety measures in place
8% Predetermined time

* Multiple responses are allowed

What is the overall workforce’s opinion about returning back to the workplace?

40% They want to return eventually but not immediately
23% They are reluctant to return
15% They want to return immediately
14% They wanted to return earlier than possible
5% They do not want to return
3% No feedback

No feedback
Pandemic Response & Preparedness

Actions

1137 Companies that made temporary adjustments
1127 Companies that made permanent adjustments

How long do you expect temporary actions to last?

- 15% The next month
- 26% The next three months
- 28% The next six months
- 15% Longer than six months
- 10% Not sure
- 7% Not applicable

Reduction in workforce
Top permanent action taken due to financial pressures

- 38%/29% Reduction in workforce
- 34%/37% Hiring freeze
- 29%/25% Reduced hours for hourly workers
- 25%/25% Executive / management pay cuts
- 23%/25% Furloughs
- 21%/19% Closure
- 18%/19% Rescinding job offers
- 18%/15% Reduced internship opportunities
- 16%/11% Bonuses or other incentives
- 15%/0% Changes in employee health benefits
- 14%/9% Increased salary for hourly workers
- 13%/13% Reduced pay for non-management workers
- 13%/10% Increased hiring
- 8%/6% Increased salary for non-management workers
- 2%/2% Other

Hiring freeze
Top temporary action taken due to financial pressures

- 21%/19% Closure
- 18%/19% Rescinding job offers
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- 13%/13% Reduced pay for non-management workers
- 13%/10% Increased hiring
- 8%/6% Increased salary for non-management workers
- 2%/2% Other

* Multiple responses are allowed

Companies that made temporary adjustments
Companies that made permanent adjustments

** ASU WORKPLACE COMMONS - PHASE 2 SURVEY **
There is no surprise that few companies were fully prepared for a pandemic. Our research confirmed that while the majority of companies acknowledged that they have some emergency plans, only half had prepared for an epidemic or pandemic. This unprecedented challenge was new but by proactively developing emergency response plans, over half of employers indicated that these plans were very useful in their current response. It seems to be broadly acknowledged that despite still being in the throes of this current pandemic, the opportunity exists now to proactively plan and prepare for future pandemics.

Employers can, and we expect will, play a more critical role in the future by collaborating and sharing their collective successes and failures during this pandemic to prepare for the next one. The ASU Workplace Commons initiative provides case studies from our partner, the World Economic Forum, that share approaches to workplace safety and business continuity from around the world.

**Preparedness**

- Had emergency response plan in 2019: 71%
- Plan was very useful in response to COVID-19: 52%

**What type of emergency plans did those companies have?**

- Fire: 60%
- Natural disaster: 53%
- Loss of power: 49%
- Active shooter: 49%
- Epidemic / pandemic: 48%
- Civil unrest: 29%
- Other: 2%

*Multiple responses are allowed*
Financial impact

Over 25% increase in operating costs (excluding testing) due to the pandemic

Keeping workers and customers safe is imperative but also comes at a significant cost—direct and indirect. For direct costs—nearly half of respondents reported over 25% increases in operating costs due to the pandemic with masks being the top one-time incurred expense. The indirect costs and loss of revenue vary broadly by industry. However, the most common response among all industries as a result of the economic disruption were temporary and permanent reductions in their workforce as well as hiring freezes.

Not including testing, what one-time costs have you incurred?*

- Masks: 61%
- Hand sanitizer: 49%
- Gloves: 40%
- Cleaning supplies: 38%
- Facility upgrades (other than ventilation): 25%
- Plexiglass barriers: 25%
- Other forms of PPE: 11%
- Consultation for risk management: 9%
- Marketing/Communication: 6%
- None of the above: 4%
- Other: 1%

* Multiple responses are allowed