



A Post-Pandemic Workforce: Tracking Perspectives Amid COVID-19

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1 Executive Summary

Recent job loss figures paint a bleak picture of how COVID-19 has disrupted the U.S. workforce. ADP Research Institute® (ADPRI) has conducted a survey to take a detailed look at how workers in the United States have been affected during the first eight weeks of the global pandemic. The survey reveals the workplace has shown resilience in managing challenges and adapting to the new ways of working.

Key Insights

- **A Seismic Shift:** The COVID-19 national health emergency forced immediate changes to the workforce. Workplaces closed for about one in four workers, which for some coincided with job loss. For many of those who were able to continue working, the workplace was very different than just a few weeks before, as employers set and revised new rules about where work could be done. In the first week of the national emergency, 17% of workers were required to work from home, with this number leaping to more than one in four in just the second week of the pandemic crisis.
- **A Real Trend Toward Telework:** The percentage of workers doing telework every day increased from 28% in Week 1 to 44% in Week 2 and remained completely unchanged for the next six weeks. The increase in the frequency of employees exclusively working from home appears to have been driven by those who could not do so before the crisis.
- **The “New Normal”:** In the first few weeks of the crisis, stress levels were high as workers struggled with childcare constraints, fear of the virus, technical issues and trouble completing their tasks. Beginning in Weeks 3 and 4, many of these issues became less likely to impact their work. Though elements like stress, work-life balance, the ability to connect with others and the ability to complete tasks did not get better, they became less likely to get worse each week.
- **Productivity Impacted:** Despite adapting to newfound circumstances, productivity does not appear to have recovered to pre-pandemic levels. Working hours, the frequency of communication with others and the ability to complete tasks declined quickly and did not bounce back for most. Employees reported that their key obstacles were technical difficulties, including internet connectivity and insufficient equipment, and stress about the coronavirus itself. Fear of the virus trended downward over the weeks, though technical difficulties did not.
- **Financial Impact Widespread:** The personal financial impact of the pandemic extended even beyond those who experienced job loss. Sixty-two percent of those who had retained their jobs reported that the pandemic has had a negative impact on their personal finances, or they expect it will soon. However, the majority were optimistic that their finances would return to previous levels in less than six months.
- **Job Confidence Increasing:** Employees were least confident in their ability to retain their jobs in the third week of the survey, which coincided with record unemployment figures. Still, possibly buoyed by headlines of stock market successes, the Payroll Protection Program and local business reopenings, the last two weeks of the survey saw an increase in confidence, with nearly 70% of workers expecting they would retain their job for at least the next month. For those who had lost their jobs, about one in three were expecting to return to their jobs within the month.
- **Employer Response Matters:** Most employees say their employer took action in response to the pandemic crisis, but certain things felt more impactful to employees than others. Sharing positive messages, facilitating work from home and encouraging virtual connections appeared most likely to lead to satisfied employees. And those who reported being most satisfied were likely to say they were even more interested in staying with their current employer than they were before the coronavirus outbreak.

2 Introduction

As COVID-19 quickly became a worldwide pandemic, the U.S. workforce changed more rapidly than we could have previously imagined. Regardless of what disaster plans a company may have had in place, the speed and magnitude of changes taking place were unforeseen.

A recently published working paper* using ADP payroll data showed that paid employment — those who are actively working and taking home a paycheck — fell by about 22% between mid-February and mid-April this year. With pre-pandemic employment numbers estimated at 129.7 million workers, ADP's data suggest that a staggering 29 million people are out of work.

The enormous number of job losses affected those at large corporations and small mom-and-pop operations alike. Some businesses were forced to shut down completely. Some had to suspend certain aspects of their business. And for many, this public health emergency forced the country into a nationwide experiment on how to continue working during a pandemic.

In order to explore the employee experience of this unprecedented impact on work, ADPRI conducted a survey among those who were employed just before the start of the pandemic to understand their experience and assess the impact of COVID-19 on the workplace.

3 Survey Methodology

The ADP Research Institute conducted a weekly online survey of employees in the United States to track how work evolved in the first eight weeks of the COVID-19 pandemic.

A national emergency was declared on the afternoon of Friday, March 13, in response to the growing health crisis. Beginning the week of March 16, ADPRI surveyed random samples of adults, age 18 years and older and employed in the United States just before the pandemic hit (as of March 1, 2020), in order to understand how they worked before the crisis started — and how things have changed for them since. In total, more than 24,000 workers were surveyed, though the sample changed from week to week.

For the purposes of this survey, we define the week of March 16, 2020, as Week 1, as this was the week immediately following the declaration of a national emergency. Weeks 2 through 8 follow respectively.

* Cajner, Tomaz, Crane, Leland D., Decker, Ryan A., Grigsby, John, Hamins-Puertolas, Adrian, Hurst, Erik, Kurz, Christopher, and Ahu Yildirmaz, "The U.S. Labor Market during the Beginning of the Pandemic Recession," Working Paper 27159, National Bureau of Economic Research, May 2020. <https://www.nber.org/papers/w27159>

4 A Seismic Shift in the Ways We Work

In response to the COVID-19 national health emergency, preventive measures such as closing schools, limiting travel, issuing “stay-at-home orders” and increasing social distancing were implemented nearly overnight in many areas. Organizations were forced to act quickly in response to a situation which was unexpected and steeped in uncertainty.

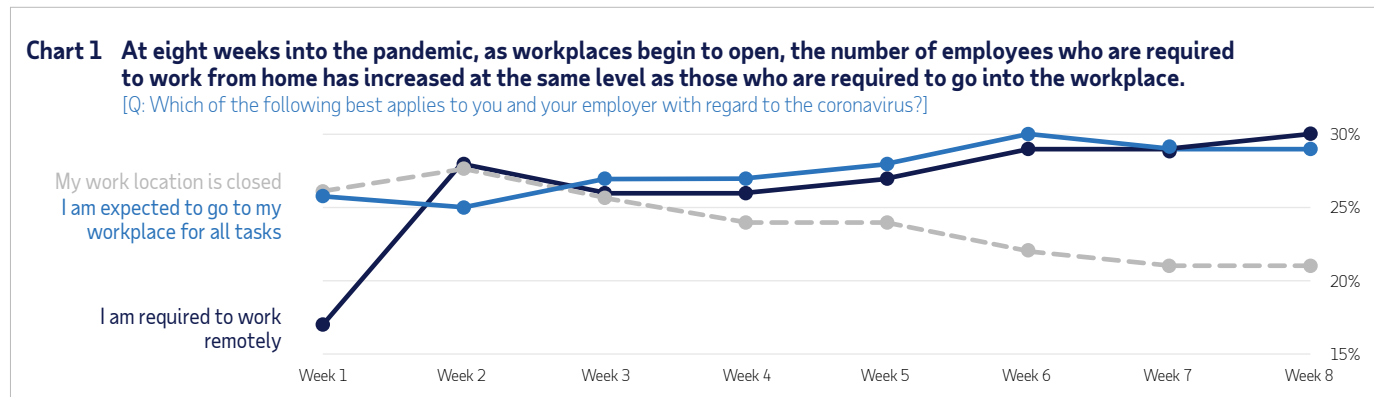
In the first week of the national emergency, about one in four survey respondents stated that their work location had been closed. Some but not all closures were associated with job loss and furloughs.

Another one in four survey respondents were expected to come to their work location to complete all work. Though this group of employees certainly included those performing jobs which are considered essential or those that by their nature are difficult or impossible to perform remotely, a number of these workers reported that some tasks could have been done from home before.

For the remaining survey respondents, employees were guided by their employer’s response to the crisis. In the first week after the national emergency was declared, 17% of respondents reported being required to work remotely, while 18% were given the option to work from home, and 15% were told to go to their work location only when absolutely necessary.

By Week 2, the portion of workers required to work from home increased dramatically to 28%, while those reporting remote work as being optional declined substantially.

Over the course of the eight-week survey period, as reports of workplaces being closed slowly declined, both the number of workers who were required to work remotely and the number required to come into their workplace began to increase (See Chart 1). The frequency of employees continuing to work from home from Weeks 2 through 8 suggests a sustained change in the way employees perform their work, as discussed below.

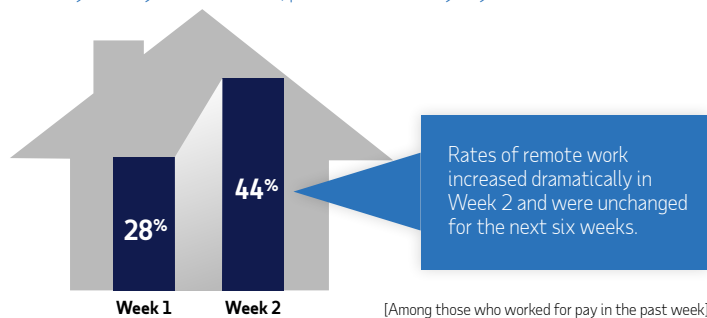


Telework Keeps Some People Working

Not everyone can do their jobs from home, but for millions of workers, a virtual workplace became the new reality in a matter of days. The survey results showed a dramatic increase in the frequency of telework in the first two weeks alone. As seen in Chart 2, during the first week of the crisis, about one in four workers (28%) reported working from home every day, while nearly half (47%) reported they did not work from home at all. But by Week 2, 44% of workers worked from home exclusively, and two out of three reported working from home at least one day per week. These rates held steady for the remaining six weeks of the survey.

Chart 2 By Week 2, the percentage of workers working from home exclusively increased and stayed at these rates for the duration of the survey.

[Q: In the past week, how often have you worked from home? Do not include days where you worked both at home and from your workplace. (If you worked only one day and from home, please select “every day.”)]

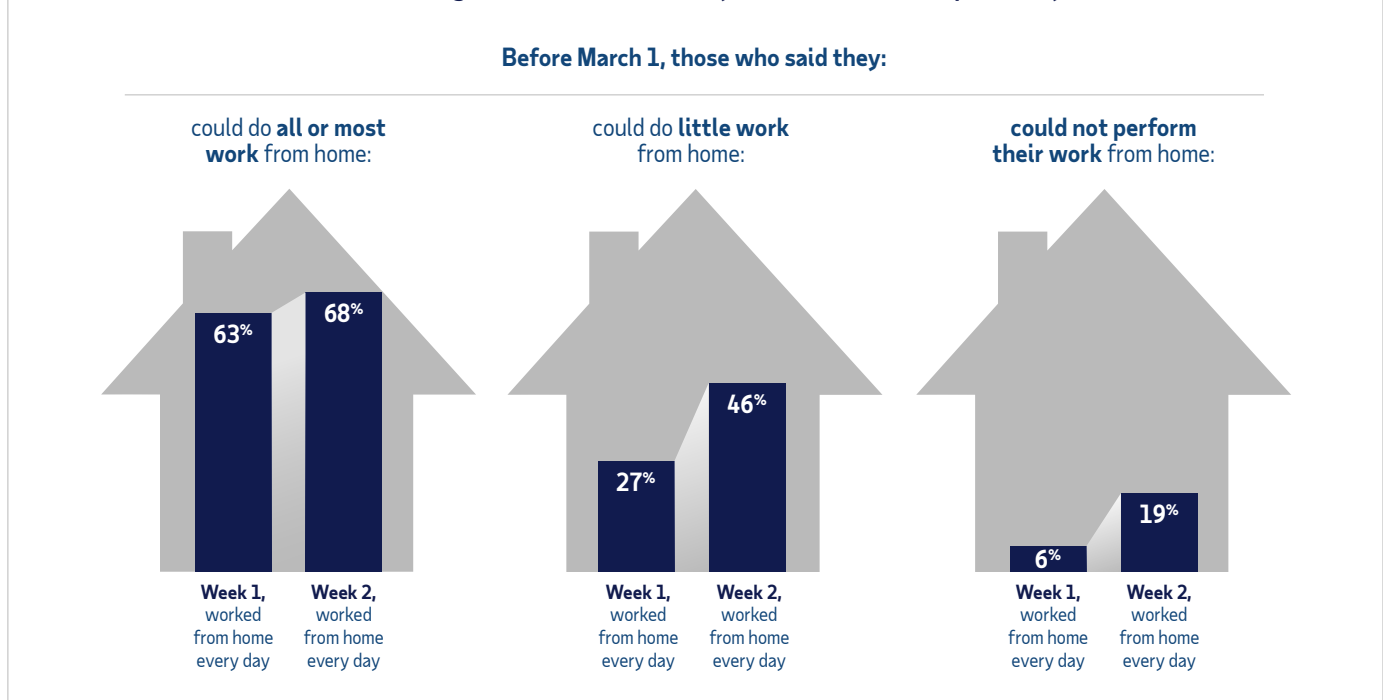


4 A Seismic Shift in the Ways We Work

By the end of just Week 2, more than 25% of the workforce was *required* to work from home, and two out of three people were working remotely at least one day per week. This represents a huge shift in the ways employees work, as just four months before, an ADP Research Institute survey found that only 15% of workers said their company even had an official or written policy allowing flexible work arrangements.

Perhaps not surprisingly, workers who had a previous ability to work from home were very quickly able to shift to working from home exclusively. Among workers who reported they could do all or most of their work from home even before the crisis hit, the portion working from home every day nearly doubled from 35% before March 1 to over 60% by just Week 2 (see Chart 3) and reached a high of three in four (73%) in the last weeks of the survey.

Chart 3 Increases in remote work starting in Week 2 were driven by those who could not previously do most work from home.



Workers who reported they had not been able to work from home before March 1 faced a different situation. In Week 1 of the crisis, 27% of those who had previously had a limited ability to work from home now did so every day, and this rate almost doubled by Week 2.

For those who said they could do none of their work from home prior to the pandemic, only 6% said they worked remotely every day in Week 1 of the crisis. One might guess that these types of jobs simply could not be done remotely at all, but the survey found in Week 2 that the rate of these workers working exclusively from home had nearly tripled and remained at about 20% through Week 8. Thus, it appears that by Week 2, many employees were working in a way that had not seemed possible before the crisis.

In only two weeks, those who were already set up to work remotely — as well as a good number of those who previously were not — experienced a true shift in the way they worked.

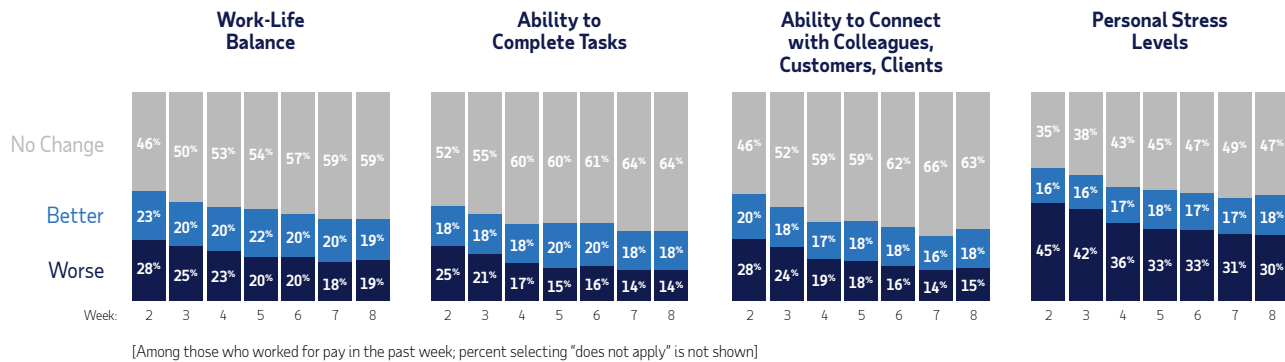
5 Employee Response to the "New Normal"

When COVID-19 forced many employees throughout the country to adapt to new ways of working — especially from home — the ability to complete tasks and connect with others was impacted severely. Much of the workforce with children now struggled with lack of childcare, and personal disruptions to the workday were challenging for all. Workers appear not to have been fully prepared with the necessary equipment and technology to work most effectively, and they had challenges communicating with colleagues and customers whether they were on-site or remote. With many forces being out of one's control, employees and employers alike grappled with managing this new reality.

As noted previously, the first weeks of the crisis found immediate and substantial shifts in how people worked. These early weeks of the survey also found highs in the rates of those who reported they were limiting work hours because of childcare constraints and fears of the virus. Stress levels were high, with more than 40% in Weeks 2 and 3 reporting their personal stress levels were worse than the week before (See Chart 4).

Chart 4 In the first few weeks of the crisis, workers reported many elements of their job were worse each week, but over time, even though things were not yet better, they were not continuing to get worse.

[Q: Thinking of this week compared to the week before, would you say the following dimensions of your job have gotten better, worse or not changed?]



From Weeks 3 to 4, however, employees appear to have adapted to something of a "new normal." Reports that one could not work because of childcare constraints trended downward, and though fears about COVID-19 remained, they slowly became less likely to interrupt work. After Week 4, many workers began to report their work-life balance, their ability to complete tasks and connect with others, and their personal stress levels were about the same as the week before, rather than consistently getting worse each week.

Many Factors Cause Decline in Productivity

Despite adjusting to newfound circumstances, the survey suggests that productivity among workers declined dramatically compared to pre-pandemic levels. Not only did workers find themselves less able to complete their tasks, many also worked fewer hours and communicated less often with colleagues and customers (See Chart 5).

Chart 5 Markers of productivity — working hours, frequency of communication with others and the ability to complete tasks — declined quickly and did not bounce back for most workers.

[Q: Compared to your typical work week before March 1...]

| Percent Reporting a Decline Compared to the Week of March 1 | Week 2 | Week 3 | Week 4 | Week 5 | Week 6 | Week 7 | Week 8 |
|---|--------|--------|--------|--------|--------|--------|--------|
| Ability to perform my job duties | 31% | 30% | 27% | 29% | 29% | 27% | 27% |
| Hours worked | 30% | 31% | 31% | 33% | 32% | 30% | 29% |
| Frequency of communication with colleagues and customers | 37% | 36% | 37% | 39% | 38% | 39% | 37% |

[Among those who worked for pay in the past week]

5 Employee Response to the “New Normal”

Immediately after the crisis started, one in three workers said their hours had declined. Eight weeks on, fewer than half reported that their hours had returned to pre-pandemic levels. Communication rates also declined quickly and did not rebound, with the impact that one-third of all workers were speaking less often to colleagues and customers for the entire eight weeks.

Employees pointed to certain specific obstacles to their productivity. Technology was significant for nearly 50% of workers who reported having issues with remote access, internet connection and web meetings, as well as being generally inadequate or simply not working as expected. With more employees doing telework than ever before, it is problematic though perhaps not surprising that technical issues remained at this level even after eight weeks.

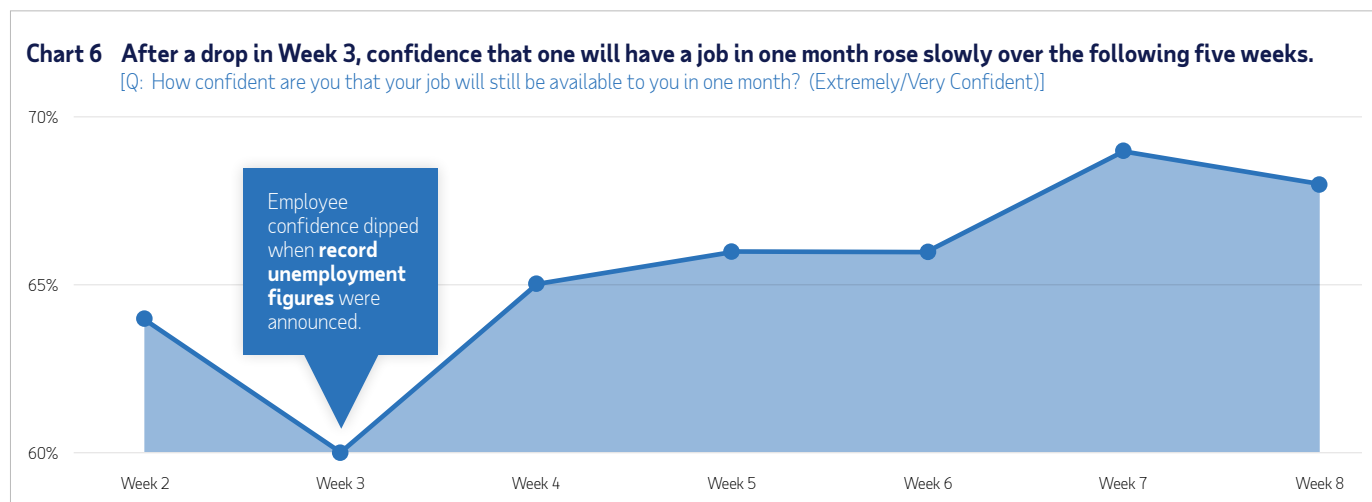
Fears about the coronavirus were also a barrier to productivity, peaking in the third week of the crisis at 37% and continuing to be a hurdle for the duration of the survey. For those working on-site, fears and stress about the virus impacted work productivity even more, rising to nearly 50% most weeks. Concerns about exposure at the workplace or during the work commute were so significant that roughly one in four said this led them to reduce their work hours or stop working entirely.

With fewer hours and less frequent interactions, among other obstacles, it is no surprise that the ability to complete tasks never reached the same level as before the pandemic for one in four workers. By Week 8, only 50% of workers reported their ability to complete tasks was unchanged compared to before the pandemic.

Confidence Remained Cautiously Optimistic for Recovery

Workers experienced a roller coaster of ups and downs in the early weeks of the pandemic crisis. The shocking headlines of stock market lows and unemployment highs were somewhat tempered with news of financial help via stimulus checks and small businesses being able to extend payroll through the Paycheck Protection Program.

As with all aspects of day-to-day life during the pandemic, employees have experienced a substantial amount of uncertainty — as well as a bit of optimism — regarding their workplace. In a July 2019 survey by ADPRI, about 80% of workers expected that they could keep their jobs for at least one year, outside of any major economic or performance concerns. But by the end of Week 2 of the survey, only 64% of workers felt confident that they would still have their job in just four weeks. Week 3 of the survey coincided with record high levels of unemployment claims being announced, and there was a significant decline in employee confidence that week, down to 60%. However, employee confidence levels quickly rebounded and subsequently leveled off until reaching a cautiously optimistic high rate of 68% in Week 8 (See Chart 6).



The highs and lows in confidence levels followed the same pattern among those who retained their jobs and those who experienced a job loss, and thus perhaps are a reaction to headlines about or their employer’s experience with the Payroll Protection Program and local business reopenings.

5 Employee Response to the "New Normal"

Workers experiencing job loss or furlough faced a unique type of uncertainty, specifically, how long this period will last for them. In Week 1, 52% of those reporting a job loss or furlough said their employer told them this would last less than one month, but by Week 5, this number declined by half, with only 24% of employers saying the job loss would be over in one month. Most employers stated they did not know how long the job loss would last, but they felt it was definitely temporary. Six weeks into the crisis, uncertainty began to decline slightly, but the rate reporting a permanent job loss showed some small increases.

Chart 7 At first, employers communicated a quick return to work for laid off and furloughed workers, but time to return became more then less uncertain as time passed.

[Q: What did your employer communicate to you about your ability to return to your regular job after this period of job loss, layoff or furlough?]

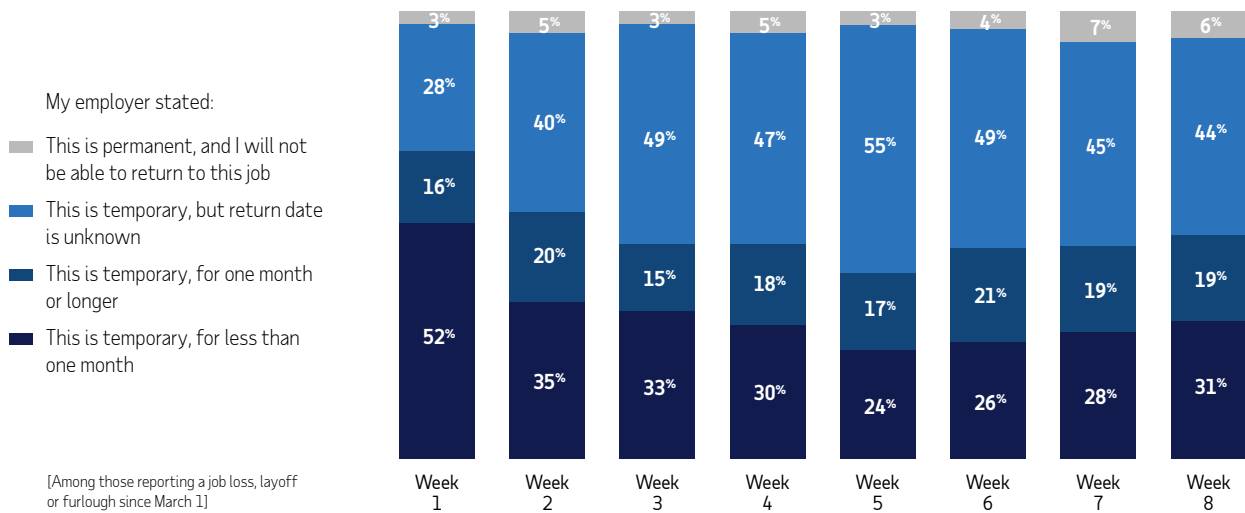
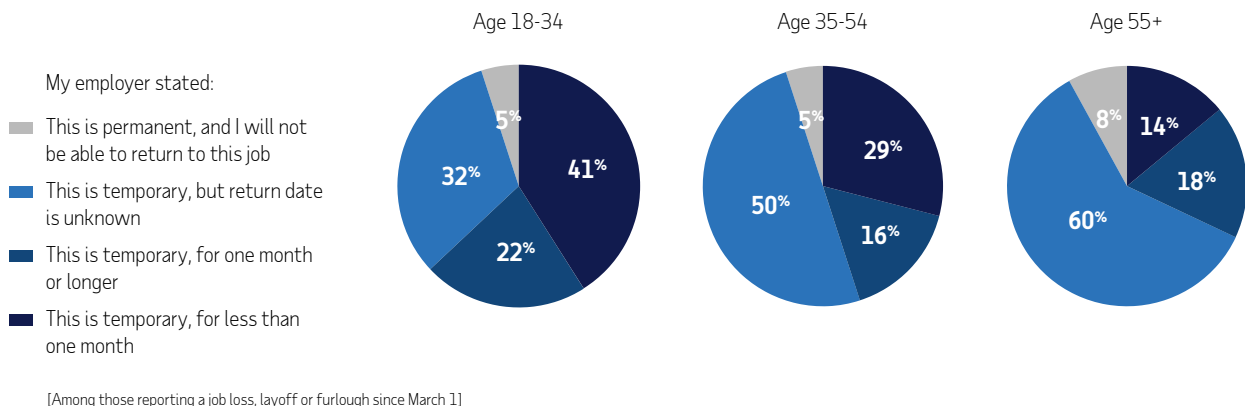


Chart 8 shows that expectations about being able to return to work are somewhat related to the age of the worker. At the conclusion of the study, the youngest workers were most likely to report that their employer had communicated a speedy return to work, while the oldest workers indicated their employer said this was temporary but did not know when they would return. Based on self-reports, the small percentages of permanent job losses are more likely to concentrate in the 55+ age segment.

Chart 8 Expected return to work correlates to age.

[Q: What did your employer communicate to you about your ability to return to your regular job after this period of job loss, layoff or furlough?]



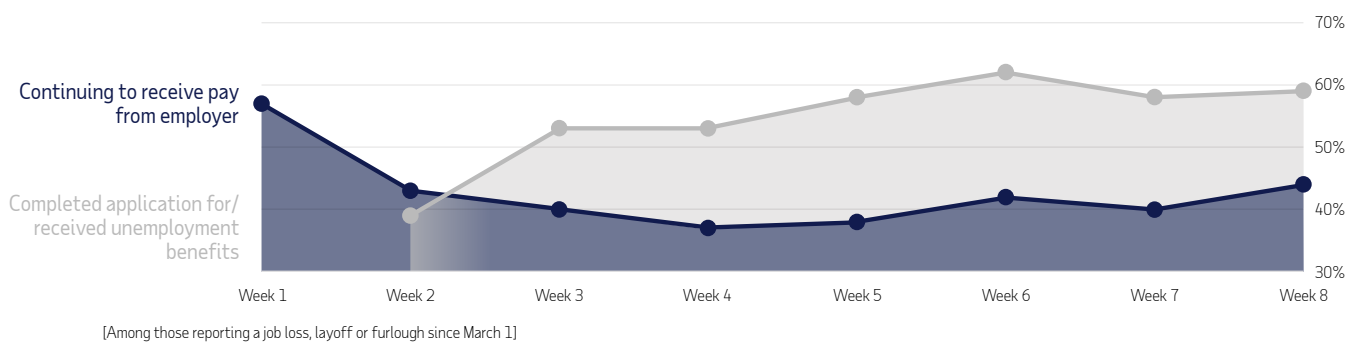
Expectations for employer recovery were high midway through the crisis, with about four in five employees (77%) believing it would take only six months or less for their company to return to pre-pandemic levels. These positive expectations trended downward each week, with only 68% reporting the same in Week 8.

6 Financial Impact of the Pandemic

The [ADP National Employment Report](#) recorded a devastating 20+ million jobs lost in the month of April 2020 alone. This survey sheds light on the experience of workers experiencing job losses and furloughs during this time. For example, for workers reporting a job loss or furlough since March 1, the number who continued to receive pay from their employer declined from 57% during Week 1 to a low of 37% in Week 4. During the same time period, the portion who said they had applied for or received unemployment benefits increased from 39% in Week 2 to 62% in Week 6. In the last two weeks of the survey, these numbers began to reverse, potentially reflecting a return to work or changes in the population who experienced this (See Chart 9).

Chart 9 In the first week of the crisis, many furloughed or laid-off workers reported still receiving pay from their employer. As reports of receiving pay declined, the portion of this group saying they had applied for or received unemployment benefits increased.

[Q: Is your employer continuing to pay you? / Which of the following best applies to you with regard to filing for unemployment since March 1, 2020?]



Even those not reporting job loss or furlough reported they are suffering financially. Among those who had retained their jobs, about one in four reported that their work schedules had been reduced by their employer, and more than one in 10 reported a salary or pay rate reduction, something that appeared to trend upward over the course of the survey. As of the survey's conclusion, only 42% of those still working said their hours had reached pre-pandemic levels; 58% said the same for pay.

The survey shows a far-reaching negative impact to personal finances, as shown in Chart 10. One month into the crisis showed the majority of workers (70%) reporting that the COVID-19 outbreak has impacted their personal finances negatively, or they felt it would soon. At the conclusion of the eight-week survey, reports of a negative financial impact remained high at 65%. Workers appeared to be optimistic that the crisis would be short-term, however, even including those who were not currently working. A majority of workers (58%) expected their finances to return to previous levels in less than six months, with very little difference among those who reported job loss or furlough and those who did not.

Chart 10 At Week 8, most workers said the pandemic has had a negative impact on their personal finances, or they expected it would soon.

[Q: How has the coronavirus outbreak impacted your personal/household finances?]

| Week 8 | Reporting Job Loss/ Furlough | No Job Loss/ Furlough |
|---|---------------------------------|--------------------------|
| Negatively | 52% | 35% |
| No impact – but expect it to negatively impact imminently | 23% | 27% |
| No impact – don't expect it to | 10% | 24% |
| Positively | 14% | 13% |

May not add to 100% due to rounding

Two out of three respondents said the pandemic has had — or will have — a negative impact on their finances, but many expect the impact to be short-term.

Not all workers have suffered financially due to the crisis. By the end of the survey period, 13% of those surveyed reported that the pandemic crisis had a positive impact on their finances, and over 20% reported no change in their finances compared to before the pandemic. Additionally, for about 40% of workers who reported a decline in hours compared to March 1, their pay remained unchanged despite working fewer hours.

7 How Employees View Employers' Response to Crisis

Nearly all employees report that their company has taken at least some action in response to the pandemic. The most frequent responses were related to sanitation procedures, sharing positive messages and limiting customer interactions. Fewer companies took additional measures such as increasing paid time off, adding benefits, or supporting local hospitals or charities.

Most actions were consistent week over week, but as time went on, perhaps coinciding with a return to work, employees became more likely to say their company was increasing safety equipment, sanitation procedures and health checks to protect the workforce as well as facilitating remote work.

Over the duration of the survey,* a majority of workers (a high of 60% in Week 8) were satisfied with the actions taken by their employer in response to COVID-19. Excluding those who reported a job loss, one of the biggest differences between satisfied and dissatisfied workers proved to be the employer sharing positive messaging. Forty-one percent of those who reported being highly satisfied said their employer had shared positive messages, while only 11% of those who were dissatisfied said the same. Highly satisfied employees were also more likely to report that their employer was promoting work from home, including virtual social interaction between colleagues.

Chart 11 Employees who were satisfied with their employer's response to coronavirus believed their company was putting people first.

[Q: Which of the following statements do you agree with?]

When it comes to satisfaction with the employer's response to the coronavirus crisis, the biggest difference was whether employees felt the company was putting people first.

| | Highly Satisfied Employees | Highly Dissatisfied Employees | Difference |
|-------------------------------------|----------------------------|-------------------------------|------------|
| My employer is putting people first | 62% | 10% | 52% |

[Among those extremely/very satisfied and extremely/very dissatisfied with actions employer has taken in response to COVID-19; excludes those who experienced job loss or furlough]

Chart 12 The promotion of positive thinking and facilitating work from home were top drivers of satisfaction with employers' response to the pandemic.

[Q: Has your company done any of the below in response to the coronavirus?]

| | Highly Satisfied Employees | Highly Dissatisfied Employees | Difference |
|---|----------------------------|-------------------------------|------------|
| Encouraged work from home | 42% | 9% | 33% |
| Shared positive messages or encouraged positive thinking | 41% | 11% | 30% |
| Mandated work from home | 38% | 9% | 29% |
| Encouraged virtual social interaction between colleagues | 34% | 9% | 25% |
| Increase in sanitation procedures | 46% | 22% | 24% |
| Added virtual work options | 33% | 9% | 24% |
| Increase in employee safety equipment | 37% | 13% | 24% |
| Limited or banned work travel | 28% | 10% | 18% |
| Created or changed a policy to protect employees and/or customers | 36% | 19% | 17% |
| Limited customer interaction | 37% | 21% | 16% |
| Increased benefits (counseling services, added services, etc.) | 15% | 4% | 11% |
| Increase PTO/sick time available to employees | 16% | 6% | 10% |
| Quarantine after travel | 14% | 4% | 10% |

[Among those extremely/very satisfied and extremely/very dissatisfied with actions employer has taken in response to COVID-19; excludes those who experienced job loss or furlough; only the actions with the strongest relationship to satisfaction are shown]

The survey suggests that making employees feel that the company is putting them first is potentially even more impactful than changes in pay or the rate at which layoffs and furloughs occur. Employee satisfaction with their employers' response to the COVID-19 crisis is also closely tied to their interest in remaining with their employer. Those who are most satisfied with their employers' response were likely to say they are even more interested in staying with their current employer than they were before the coronavirus outbreak.

*These questions were added to the survey starting at Week 4

8 Conclusions

In the eight weeks since the coronavirus pandemic has swept across the United States, the global health crisis has upended our everyday lives and undoubtedly will have a long-lasting effect on our world.

What started out as a health pandemic has also created changes in the world of work. Many companies have been forced to close — whether temporarily or permanently — and millions of workers have been displaced from their jobs. For those who have been able to continue to work, the vast majority have experienced disruptions to work schedules, routines and productivity.

Telework has become a new workplace reality for many, as technology has enabled some employees to continue working when they would not have been able to otherwise. Even those who were not previously working from home — whether by choice, mandate or company culture — have made the transition to working remotely.

Nearly all employees surveyed said their employers have taken some form of action in response to the COVID-19 crisis and, in general, employees are satisfied with what they have done. The analysis shows that certain actions — especially sharing positive messages and encouraging work from home — are more likely to lead to employee satisfaction. In some cases, these actions have made employees feel even more interested in staying with their employer.

In reviewing the first eight weeks of workplace response to this global pandemic, it is clear that employees and employers adapted quickly to a new way of working, and the workplace has shown resilience in overcoming the challenges of the COVID-19 pandemic. What is not clear at this early date is the extent to which these actions in the workplace will become permanent. The only thing that seems certain is that changes are likely coming to the world of work in the future.



Acknowledgments

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