

SINGAPORE COMMERCIAL SPACE

WHY WORK FROM HOME IS NOT A LONG-TERM SOLUTION FOR ANY ECONOMY OR ANY COUNTRY

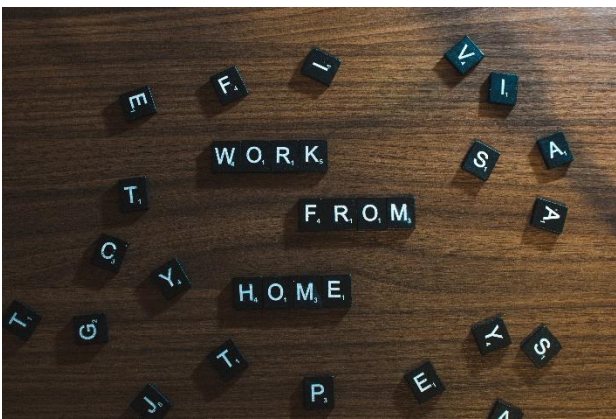


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Singapore's Work from Home Scenario.

The pandemic that has hit most of the world has paved the way for a paradigm shift in the way workforces work. Work from home has been an excellent choice in most situations, but is it a long-term solution? Can a country or economy thrive with a majority of its workforce working from home, or will there be repercussions? Experts believe that while work from home is a short-term solution for most sectors, only a few of these can continue with a work from home solution on a long-term basis.

Nationwide surveys during the pandemic-related economic shutdown have provided a glimpse of an emerging new reality.



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The stigma associated with working from home is slowly fading away, and working from home or working remotely is predicted to become a norm for as long as the pandemic lasts and perhaps for longer.

For employers whose employees work from home, there are massive money-saving benefits on high-cost real estate, power, cafeteria, and more. Best of all, productivity is not affected in most cases, and business continues as usual. Many companies are planning on more permanent work-from-home options even beyond the pandemic.

Employees are attracted to flexible work hours, improved work-life balance, money and cost savings on commuting, convenience and productivity gains, and the ability to stay close to their loved ones.

In Singapore, over 80% of the workforce work from home. Even the government has urged the financial district, Raffles Place, to ensure banks ensure that their staff work from home.

In the United States, a massive 42% of the U.S. labour force is working from home. The country is by and large a work-from-home economy and accounts for over two-thirds of the United States' economic activity.

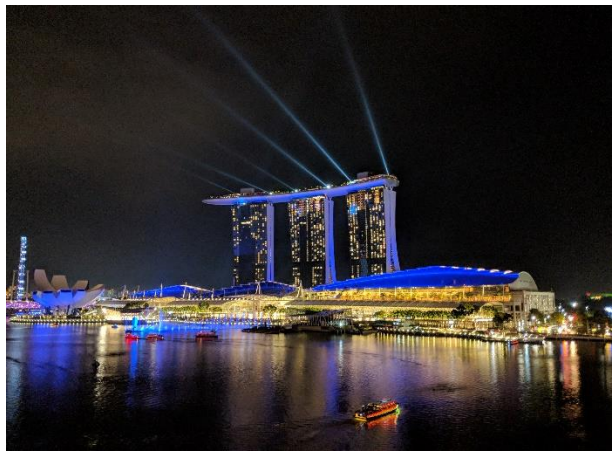
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WORKING FROM HOME IS NOT VIABLE OPTION FOR EVERYONE.

THE OTHER SIDE OF THE COIN.

Those who can work from home are mostly professionals, financial workers and managers who work from a computer. These people reported that they were able to maintain an efficiency rate of about 80% when they worked from home.

The remaining part of the workforce (approximately 49%) cannot work remotely. These people work in healthcare, transport, retail, business services, construction, production and maintenance. Some provide office administrative support in the hospitality, leisure, large-scale entertainment and airline industries



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A lack of Facilities.

Many workers lack the facilities like speedy internet capacity to work effectively from a remote location. Those who have poor internet connections at home cannot conduct effective telecommuting. Surveys show that more than half the Americans who work from work do so either from their bedrooms or from shared spaces.

In countries where there is a lack of reliable power supply, working from home is not conducive for mission-critical projects.

Inequality will increase.

When you look at the big picture, all the negative effects of working from home and being unable to work from home generates a “timebomb for inequality.” Why inequality? When you take a closer look at the people who are capable of working from home, it is those who are more educated and higher-earning employees. So, these people can continue working and get paid. They can even hone their existing skills, develop new skills and advance their careers.

Concurrently, those who lack the resources to work from home due to lack of space or internet facilities are left behind. Sadly, these people face and will continue to meet bleak prospects if their work experience and their skills erode during the pandemic.

Those laid off will mostly be low-wage workers. That will again translate into higher inequality.

Companies will face new challenges.

While working from home is an excellent option for some businesses and might even become their new norm, it has its challenges.

Measuring each employee's performance is one such challenge. This is especially true of employees whose deliverables are not tangible. Organizations must redesign themselves to be more conducive to a work-from-home environment.

Online security is a massive problem. A lack of security is a significant concern. Client privacy issues and data security are deal breakers for companies in the BFSI and banking sectors.



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Some Industries will find it hard to survive.

Industries like healthcare, transport, retail, business services, construction, production and maintenance will find it hard to survive as their employees cannot work from home. Some establishments that provide office administrative support in the hospitality, leisure, large-scale entertainment and airline industries will continue to face significant challenges. Businesses might have to close down, and that will have a ripple effect because sectors are interconnected.

For example, the closure of restaurants will affect interior designers, suppliers of fruits, meat, vegetables and even cutlery and crockery. That will mean an increase in the number of layoffs.

An impact on Commercial Real Estate.

Working from home will harm commercial property and real estate. Companies will require less office space, retail will move online, restaurants that until now focused on servicing lunchtime office workers will be hard hit. All this will cause a slump in sales of commercial property. The demand for CBD office space will dip drastically.

In countries, including Singapore, there will be a stall in the growth of the Central Business District (CBD). We can expect a massive slash in the total daily spending and economic activity at Central Business District bars, shops and restaurants by over 50%.

If work from home becomes a norm, there will be a massive change in the way we build our cities in the future. High-rise buildings will become a thing of the past and will be replaced by low-rises that spread out extensively to cater for social distancing.



Technology and Communication Problems.

Technology-rich economies like South Korea and Japan have another problem. Sectors impacted by the pandemic in these countries will find it hard or nearly impossible to switch to a remote stance.

Work from home is feasible to an extent, but it poses communication challenges between businesses.

Networks are unable to cope with increased internet usage. Downloading speeds have started to dip in countries like Malaysia and India.

Conclusion:

The global economy is no doubt facing one of the bleakest periods since the Great Depression, and it's critical, crucial and essential to sustain those sectors that can function. But it can cause a slump in the economy as jobs are lost, businesses shut down, industries work at limited capacities, the dynamics of cities change and industries grapple with finding solutions that work for the betterment of their largely work-from-home workforce.

Although change is inevitable, there are times when you want to maintain the Status Quo. Sometimes the Status Quo is needed other times even necessary. Always remember, change happens. Always. Relentlessly. Subversively but the romanticism of change may not always lead us to greener pasture sometimes hearts are broken too.



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