

Policy on working from home needs to be carefully designed

MALAYSIA has experienced several lockdowns on different scales and with different scopes since March 2020 to reduce the transmission of Covid-19.

This non-pharmaceutical containment measure has forced the traditional working practice to shift from working at the office to a new norm of working from home.

According to official estimates by the **Department of Statistics** in the Report of Special Survey on Effects of Covid-19 on Economy and Individual, 44 per cent of workers surveyed reported that they worked from home during the first lockdown in March 2020.

It is important to note that working from home is not a new phenomenon in the 21st century, but a response to Covid-19.

There have always been professions where a strict separation between home and work locations is neither necessary nor customary.

However, until now, it has been the subject of much debate. With more people planning to work from home in the coming years, are employers and workers ready to work from home in the long term? Can work from home be applied in all economic sectors? What about the costs and benefits to employers and workers?

Working from home has been promoted and implemented in developed countries since the early 2000s. One example is the United States. Work from home is practised in service sectors, involving more than 50 per cent of workers in professional and business services, information services and financial services.

The number of service sector workers working from home has grown significantly during the Covid-19 pandemic.

Our view is that a policy on working from home should be carefully designed because working from home is relevant to some workers and some sectors only.

Six factors influence the practicality of working from home.

FIRST, Internet connectivity. Internet access is a requirement for many segments of the work-from-home workforce.

Having an Internet connection at home is essential to have a remote work setup. But it's important to note that not all workers have the right devices or Internet access at home.

SECOND, the type of jobs. It is almost impossible for workers who work in manufacturing, serve customers on a cruise ship or harvest crops in a commercial farm to remain gainfully employed and be productively working away from their primary job locations.

THIRD, the knowledge economy. Work from home is more prevalent in jobs requiring higher education and in white collar professions.

It is evident that working from home is more widespread in high-income groups, a majority of whom have higher education, salaried jobs and access to social security, allowing them to easily adapt to this situation.

Meanwhile, low-income workers, the self-employed and informal sector workers are less likely to be able to operate remotely from their normal work space.

FOURTH, the demographic. Informal jobs are more likely to be taken up by the younger generation. It is possible that youths today enjoy the convenience of working from home and value the flexibility it offers more than their older generation counterparts.

FIFTH, specific economic sectors. Not all sectors can implement a working from home setup. Sectors amenable to work from home include information and technology, professional services and the public and financial sectors.

In contrast, jobs in hotels and restaurants, agriculture, construction and commerce are the least amenable to working from home.

SIXTH, geographic location. The concentration of jobs varies across geographical areas, with more developed areas having more jobs that can be performed from home. There are more work from home jobs in urban than in rural areas.

Suppose that working from home becomes one of the new ways of running a business in 2022 and beyond. A proper study has to be done to seek answers to questions involving the costs and benefits of working from home for households and businesses, productivity and efficiency, as well as legislation, sector-specific issues and economic structures.

Work from home plans should be carefully designed to ensure it does not lead to inefficiency, lower productivity and unsustainable practices. Working from home may reduce production costs, but it may also incur additional explicit and implicit costs to workers.

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